

FIRSTENERGY TRANSMISSION, LLC AND SUBSIDIARIES
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2022	2021
REVENUES	\$ 360	\$ 338
OPERATING EXPENSES:		
Other operating expenses	59	45
Provision for depreciation	68	63
Amortization of regulatory assets, net	1	5
General taxes	64	60
Total operating expenses	192	173
OPERATING INCOME	168	165
OTHER INCOME (EXPENSE):		
Miscellaneous income (expense), net	(4)	7
Interest expense	(52)	(57)
Capitalized financing costs	8	1
Total other expense	(48)	(49)
INCOME BEFORE INCOME TAXES	120	116
INCOME TAXES	29	28
NET INCOME	91	88
Income attributable to noncontrolling interest	16	13
NET INCOME AVAILABLE TO PARENT	\$ 75	\$ 75

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions)</i>	March 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 76	\$ 275
Receivables-		
Affiliated companies	4	17
Other	74	75
Notes receivable from affiliated companies	544	428
Prepaid taxes and other	18	17
	<u>716</u>	<u>812</u>
PROPERTY, PLANT AND EQUIPMENT:		
In service	10,524	10,469
Less — Accumulated provision for depreciation	2,115	2,069
	<u>8,409</u>	<u>8,400</u>
Construction work in progress	460	409
	<u>8,869</u>	<u>8,809</u>
INVESTMENTS AND OTHER NONCURRENT ASSETS:		
Goodwill	224	224
Investment in non-affiliated companies	20	20
Regulatory assets	—	3
Property taxes	179	242
Operating lease right-of-use asset	413	413
Other	19	19
	<u>855</u>	<u>921</u>
	<u>\$ 10,440</u>	<u>\$ 10,542</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Short-term borrowings-		
Affiliated companies	\$ 11	\$ 99
Other	—	—
Accounts payable - affiliated companies	7	29
Accrued taxes	260	248
Accrued interest	59	52
Other	7	8
	<u>344</u>	<u>436</u>
CAPITALIZATION:		
Member's equity	1,064	1,063
Retained earnings	1,145	1,070
Total member's equity	<u>2,209</u>	<u>2,133</u>
Noncontrolling interest	775	759
Total equity	<u>2,984</u>	<u>2,892</u>
Long-term debt and other long-term obligations	4,949	4,949
	<u>7,933</u>	<u>7,841</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	1,173	1,143
Property taxes	120	242
Regulatory liabilities	458	464
Noncurrent operating lease obligation	407	407
Other	5	9
	<u>2,163</u>	<u>2,265</u>
	<u>\$ 10,440</u>	<u>\$ 10,542</u>

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 91	\$ 88
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	69	63
Deferred income taxes and investment tax credits, net	26	30
Allowance for equity funds used during construction	(5)	1
Transmission revenue collections, net	8	30
Changes in current assets and liabilities-		
Receivables	14	12
Prepaid taxes and other current assets	(1)	(2)
Accounts payable	(23)	(2)
Accrued taxes	(48)	(49)
Accrued interest	7	(4)
Other	1	(3)
Net cash provided from operating activities	139	164
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	—	500
Short-term borrowings - Affiliated companies, net	2	59
Redemptions and Repayments-		
Short-term borrowings, net	(90)	(542)
Other	—	(5)
Net cash provided from (used for) financing activities	(88)	12
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(126)	(196)
Loans to affiliated companies, net	(116)	34
Asset removal costs	(9)	(14)
Other	1	1
Net cash used for investing activities	(250)	(175)
Net change in cash and cash equivalents	(199)	1
Cash and cash equivalents at beginning of period	275	221
Cash and cash equivalents at end of period	\$ 76	\$ 222

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING STATEMENTS OF INCOME
(UNAUDITED)

For the Three Months Ended March 31, 2022	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
<i>(In millions)</i>							
REVENUES	\$ —	\$ 217	\$ 65	\$ 81	\$ —	\$ (3)	\$ 360
OPERATING EXPENSES:							
Operation and maintenance expenses	—	36	5	21	—	(3)	59
Provision for depreciation	—	39	14	15	—	—	68
Amortization of regulatory assets, net	—	1	—	—	—	—	1
General taxes	—	60	4	—	—	—	64
Total operating expenses	—	136	23	36	—	(3)	192
OPERATING INCOME	—	81	42	45	—	—	168
OTHER INCOME (EXPENSE):							
Miscellaneous income (expense), including net income from equity investees	93	(1)	—	—	(4)	(92)	(4)
Interest expense	(22)	(15)	(6)	(9)	—	—	(52)
Capitalized financing costs	—	4	—	4	—	—	8
Total other income (expense)	71	(12)	(6)	(5)	(4)	(92)	(48)
INCOME (LOSS) BEFORE INCOME TAXES (BENEFITS)	71	69	36	40	(4)	(92)	120
INCOME TAXES (BENEFITS)	(4)	14	10	10	(1)	—	29
NET INCOME (LOSS)	75	55	26	30	(3)	(92)	91
Income attributable to noncontrolling interest	—	—	—	—	—	16	16
NET INCOME (LOSS) AVAILABLE TO PARENT	<u>\$ 75</u>	<u>\$ 55</u>	<u>\$ 26</u>	<u>\$ 30</u>	<u>\$ (3)</u>	<u>\$ (108)</u>	<u>\$ 75</u>

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING STATEMENTS OF INCOME
(UNAUDITED)

For the Three Months Ended March 31, 2021	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
<i>(In millions)</i>							
REVENUES	\$ —	\$ 208	\$ 61	\$ 69	\$ 1	\$ (1)	\$ 338
OPERATING EXPENSES:							
Operation and maintenance expenses	—	26	3	17	—	(1)	45
Provision for depreciation	—	37	13	13	—	—	63
Amortization of regulatory assets, net	—	4	—	1	—	—	5
General taxes	—	56	4	—	—	—	60
Total operating expenses	—	123	20	31	—	(1)	173
OPERATING INCOME	—	85	41	38	1	—	165
OTHER INCOME (EXPENSE):							
Miscellaneous income, net, including net income from equity investees	95	2	—	1	—	(91)	7
Interest expense	(25)	(18)	(6)	(8)	—	—	(57)
Capitalized financing costs	—	2	2	(3)	—	—	1
Total other income (expense)	70	(14)	(4)	(10)	—	(91)	(49)
INCOME BEFORE INCOME TAXES (BENEFITS)	70	71	37	28	1	(91)	116
INCOME TAXES (BENEFITS)	(5)	15	10	7	1	—	28
NET INCOME	75	56	27	21	—	(91)	88
Income attributable to noncontrolling interest	—	—	—	—	—	13	13
NET INCOME AVAILABLE TO PARENT	<u>\$ 75</u>	<u>\$ 56</u>	<u>\$ 27</u>	<u>\$ 21</u>	<u>\$ —</u>	<u>\$ (104)</u>	<u>\$ 75</u>

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING BALANCE SHEETS
(UNAUDITED)

As of March 31, 2022	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
	(In millions)						
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ 76	\$ —	\$ 76
Receivables-							
Affiliated companies	5	2	28	1	1	(33)	4
Other	—	39	20	15	—	—	74
Notes receivable from affiliated companies	227	134	—	183	—	—	544
Prepaid taxes and other	—	2	15	1	—	—	18
	232	177	63	200	77	(33)	716
PROPERTY, PLANT AND EQUIPMENT:							
In service	—	5,685	2,356	2,483	—	—	10,524
Less — Accumulated provision for depreciation	—	1,335	345	435	—	—	2,115
	—	4,350	2,011	2,048	—	—	8,409
Construction work in progress	—	229	9	222	—	—	460
	—	4,579	2,020	2,270	—	—	8,869
INVESTMENTS AND OTHER NONCURRENT ASSETS:							
Goodwill	—	—	—	224	—	—	224
Accumulated deferred income tax benefits	19	—	—	—	1	(20)	—
Investment in affiliated companies	3,958	—	—	—	—	(3,958)	—
Investment in non-affiliated companies	2	—	—	—	18	—	20
Regulatory assets	—	—	—	—	—	—	—
Property taxes	—	179	—	—	—	—	179
Operating lease right-of-use asset	—	413	—	—	—	—	413
Other	3	6	8	2	—	—	19
	3,982	598	8	226	19	(3,978)	855
	\$ 4,214	\$ 5,354	\$ 2,091	\$ 2,696	\$ 96	\$ (4,011)	\$ 10,440
LIABILITIES AND CAPITALIZATION							
CURRENT LIABILITIES:							
Short-term borrowings - affiliated companies	\$ —	\$ —	\$ 10	\$ —	\$ 1	\$ —	\$ 11
Accounts payable - affiliated companies	—	5	—	2	1	(1)	7
Accrued taxes	—	261	18	13	—	(32)	260
Accrued interest	22	15	8	14	—	—	59
Other	—	6	—	1	—	—	7
	22	287	36	30	2	(33)	344
CAPITALIZATION:							
Member's equity	1,064	1,543	932	1,458	90	(4,023)	1,064
Retained earnings	1,145	657	11	40	2	(710)	1,145
Total member's equity	2,209	2,200	943	1,498	92	(4,733)	2,209
Noncontrolling interest	—	—	—	—	—	775	775
Total equity	2,209	2,200	943	1,498	92	(3,958)	2,984
Long-term debt and other long-term obligations	1,983	1,485	623	858	—	—	4,949
	4,192	3,685	1,566	2,356	92	(3,958)	7,933
NONCURRENT LIABILITIES:							
Accumulated deferred income taxes	—	564	333	296	—	(20)	1,173
Property taxes	—	120	—	—	—	—	120
Regulatory liabilities	—	287	156	13	2	—	458
Noncurrent operating lease obligation	—	407	—	—	—	—	407
Other	—	4	—	1	—	—	5
	—	1,382	489	310	2	(20)	2,163
	\$ 4,214	\$ 5,354	\$ 2,091	\$ 2,696	\$ 96	\$ (4,011)	\$ 10,440

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING BALANCE SHEETS
(UNAUDITED)

As of December 31, 2021	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
	(In millions)						
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ 200	\$ 75	\$ —	\$ 275
Receivables-							
Affiliated companies	6	8	25	3	1	(26)	17
Other	—	40	20	15	—	—	75
Notes receivable from affiliated companies	428	—	—	—	—	—	428
Prepaid taxes and other	—	3	13	1	—	—	17
	434	51	58	219	76	(26)	812
PROPERTY, PLANT AND EQUIPMENT:							
In service	—	5,659	2,353	2,457	—	—	10,469
Less — Accumulated provision for depreciation	—	1,308	334	427	—	—	2,069
	—	4,351	2,019	2,030	—	—	8,400
Construction work in progress	—	213	8	188	—	—	409
	—	4,564	2,027	2,218	—	—	8,809
INVESTMENTS AND OTHER NONCURRENT ASSETS:							
Goodwill	—	—	—	224	—	—	224
Accumulated deferred income tax benefits	20	—	—	—	1	(21)	—
Investment in affiliated companies	3,691	—	—	—	—	(3,691)	—
Investment in non-affiliated companies	2	—	—	—	18	—	20
Regulatory assets	—	—	—	—	3	—	3
Property taxes	—	236	6	—	—	—	242
Operating lease right-of-use asset	—	413	—	—	—	—	413
Other	3	6	7	3	—	—	19
	3,716	655	13	227	22	(3,712)	921
	\$ 4,150	\$ 5,270	\$ 2,098	\$ 2,664	\$ 98	\$ (3,738)	\$ 10,542
LIABILITIES AND CAPITALIZATION							
CURRENT LIABILITIES:							
Short-term borrowings-							
Affiliated companies	\$ —	\$ 81	\$ 8	\$ 9	\$ 1	\$ —	\$ 99
Accounts payable - affiliated companies	—	2	21	6	1	(1)	29
Accrued taxes	1	244	17	11	—	(25)	248
Accrued interest	32	13	2	5	—	—	52
Other	1	6	—	1	—	—	8
	34	346	48	32	2	(26)	436
CAPITALIZATION:							
Member's equity	1,063	1,343	932	1,458	90	(3,823)	1,063
Retained earnings	1,070	602	10	10	5	(627)	1,070
Total member's equity	2,133	1,945	942	1,468	95	(4,450)	2,133
Noncontrolling interest	—	—	—	—	—	759	759
Total equity	2,133	1,945	942	1,468	95	(3,691)	2,892
Long-term debt and other long-term obligations	1,983	1,485	623	858	—	—	4,949
	4,116	3,430	1,565	2,326	95	(3,691)	7,841
NONCURRENT LIABILITIES:							
Accumulated deferred income taxes	—	556	322	286	—	(21)	1,143
Property taxes	—	236	6	—	—	—	242
Regulatory liabilities	—	289	156	18	1	—	464
Noncurrent operating lease obligation	—	407	—	—	—	—	407
Other	—	6	1	2	—	—	9
	—	1,494	485	306	1	(21)	2,265
	\$ 4,150	\$ 5,270	\$ 2,098	\$ 2,664	\$ 98	\$ (3,738)	\$ 10,542

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING STATEMENTS OF CASH FLOWS
(UNAUDITED)

For the Three Months Ended March 31, 2022	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
<i>(In millions)</i>							
CASH FLOWS FROM OPERATING ACTIVITIES:							
Net income (loss)	\$ 75	\$ 55	\$ 26	\$ 30	\$ (3)	\$ (92)	\$ 91
Adjustments to reconcile net income to net cash from operating activities-							
Depreciation and amortization	—	40	14	15	—	—	69
Deferred income taxes and investment tax credits, net	1	6	11	8	—	—	26
Allowance for funds used during construction	—	(2)	—	(3)	—	—	(5)
Transmission revenue collections, net	—	7	(3)	—	4	—	8
Equity earnings of subsidiaries	(93)	—	—	—	—	93	—
Dividends received from equity investees	25	—	—	—	—	(25)	—
Changes in current assets and liabilities-							
Receivables	1	7	(3)	2	—	7	14
Prepaid taxes and other current assets	—	1	(2)	—	—	—	(1)
Accounts payable	—	2	(21)	(4)	—	—	(23)
Accrued taxes	(1)	(43)	1	2	—	(7)	(48)
Accrued interest	(10)	2	6	9	—	—	7
Other	1	2	1	(2)	—	(1)	1
Net cash provided from (used for) operating activities	(1)	77	30	57	1	(25)	139
CASH FLOWS FROM FINANCING ACTIVITIES:							
New financing-							
Short-term borrowings - Affiliated companies, net	—	—	2	—	—	—	2
Redemptions and repayments							
Short-term borrowings - Affiliated companies, net	—	(81)	—	(9)	—	—	(90)
Parent company equity contribution	—	200	—	—	—	(200)	—
Dividend payments	—	—	(25)	—	—	25	—
Net cash provided from (used for) financing activities	—	119	(23)	(9)	—	(175)	(88)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Property additions	—	(59)	(7)	(60)	—	—	(126)
Loans to affiliated companies, net	201	(134)	—	(183)	—	—	(116)
Investment in subsidiary	(200)	—	—	—	—	200	—
Asset removal costs	—	(4)	—	(5)	—	—	(9)
Other	—	1	—	—	—	—	1
Net cash provided from (used for) investing activities	1	(196)	(7)	(248)	—	200	(250)
Net change in cash and cash equivalents	—	—	—	(200)	1	—	(199)
Cash and cash equivalents at beginning of period	—	—	—	200	75	—	275
Cash and cash equivalents at end of period	\$ —	\$ —	\$ —	\$ —	\$ 76	\$ —	\$ 76

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING STATEMENTS OF CASH FLOWS
(UNAUDITED)

For the Three Months Ended March 31, 2021	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
	(In millions)						
CASH FLOWS FROM OPERATING ACTIVITIES:							
Net income	\$ 75	\$ 56	\$ 27	\$ 21	\$ —	\$ (91)	\$ 88
Adjustments to reconcile net income to net cash from operating activities-							
Depreciation and amortization	—	36	13	14	—	—	63
Deferred income taxes and investment tax credits, net	(2)	10	16	6	—	—	30
Allowance for funds used during construction - equity	—	(1)	(2)	4	—	—	1
Transmission revenue collections, net	—	14	5	11	—	—	30
Equity earnings of subsidiaries	(91)	—	—	—	—	91	—
Changes in current assets and liabilities-							
Receivables	(2)	10	(4)	2	—	6	12
Prepaid taxes and other current assets	—	—	(2)	—	—	—	(2)
Accounts payable	—	(3)	—	1	—	—	(2)
Accrued taxes	—	(44)	—	1	—	(6)	(49)
Accrued interest	(8)	(8)	6	6	—	—	(4)
Other	(1)	(1)	—	(1)	—	—	(3)
Net cash provided from (used for) operating activities	(29)	69	59	65	—	—	164
CASH FLOWS FROM FINANCING ACTIVITIES:							
New financing-							
Long-term debt	500	—	—	—	—	—	500
Short-term borrowings - Affiliated companies, net	—	44	—	14	1	—	59
Redemptions and repayments-							
Short-term borrowings, net	(500)	—	(42)	—	—	—	(542)
Other	(5)	—	—	—	—	—	(5)
Net cash provided from (used for) financing activities	(5)	44	(42)	14	1	—	12
CASH FLOWS FROM INVESTING ACTIVITIES:							
Property additions	—	(107)	(17)	(72)	—	—	(196)
Loans to affiliated companies, net	34	—	—	—	—	—	34
Asset removal costs	—	(7)	—	(7)	—	—	(14)
Other	—	1	—	—	—	—	1
Net cash provided from (used for) investing activities	34	(113)	(17)	(79)	—	—	(175)
Net change in cash, cash equivalents and restricted cash	—	—	—	—	1	—	1
Cash, cash equivalents, and restricted cash at beginning of period	—	150	—	—	71	—	221
Cash, cash equivalents, and restricted cash at end of period	\$ —	\$ 150	\$ —	\$ —	\$ 72	\$ —	\$ 222