

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2022	2021
REVENUES:		
Electric sales	\$ 408	\$ 365
Excise and gross receipts tax collections	2	2
Total revenues	410	367
OPERATING EXPENSES:		
Fuel	140	117
Purchased power	89	44
Other operating expenses	113	86
Provision for depreciation	39	38
Deferral of regulatory liabilities, net	(42)	(6)
General taxes	14	18
Total operating expenses	353	297
OPERATING INCOME	57	70
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	6	8
Interest expense	(21)	(21)
Capitalized financing costs	2	1
Total other expense	(13)	(12)
INCOME BEFORE INCOME TAXES	44	58
INCOME TAXES	9	13
NET INCOME	\$ 35	\$ 45

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	March 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 40	\$ 115
Restricted cash	12	19
Receivables-		
Customers	111	107
Less — Allowance for uncollectible customer receivables	9	12
	102	95
Affiliated companies	53	49
Other	15	12
Notes receivable from affiliated companies	25	—
Materials and supplies, at average cost	87	74
Prepaid taxes and other	39	42
	373	406
UTILITY PLANT:		
In service	5,073	5,048
Less — Accumulated provision for depreciation	826	815
	4,247	4,233
Construction work in progress	132	125
	4,379	4,358
DEFERRED CHARGES AND OTHER ASSETS:		
Intangible assets	67	68
Other	63	69
	130	137
	<u>\$ 4,882</u>	<u>\$ 4,901</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 22	\$ 21
Short-term borrowings - affiliated companies	—	43
Accounts payable-		
Affiliated companies	37	18
Other	85	72
Accrued taxes	31	30
Accrued interest	29	13
Other	50	54
	254	251
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, \$50 par value, 7,000,000 shares authorized and 5,891,000 shares outstanding	295	295
Other paid-in capital	910	908
Retained earnings	198	163
Total common stockholder's equity	1,403	1,366
Long-term debt and other long-term obligations	1,879	1,891
	3,282	3,257
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	571	557
Regulatory liabilities	502	549
Retirement benefits	15	17
Asset retirement obligations	67	65
Purchased power liability	55	56
Other	136	149
	1,346	1,393
	<u>\$ 4,882</u>	<u>\$ 4,901</u>

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
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	\$ 35	\$ 45
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	(1)	32
Deferred income taxes and investment tax credits, net	12	15
Retirement benefits, net of payments	(4)	(4)
Change in current assets and liabilities-		
Receivables	(14)	10
Materials and supplies	(13)	7
Prepaid taxes and other current assets	(5)	(6)
Accounts payable	32	(9)
Accrued taxes	1	—
Accrued interest	16	14
Other current liabilities	(11)	(9)
Other	8	15
Net cash provided from operating activities	56	110
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemptions and repayments-		
Long-term debt	(10)	(9)
Short-term borrowings - affiliated companies, net	(43)	(82)
Net cash used for financing activities	(53)	(91)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(50)	(33)
Loans to affiliated companies, net	(25)	(91)
Asset removal costs	(4)	(2)
Other	(6)	1
Net cash used for investing activities	(85)	(125)
Net change in cash, cash equivalents, and restricted cash	(82)	(106)
Cash, cash equivalents, and restricted cash at beginning of period	134	120
Cash, cash equivalents, and restricted cash at end of period	\$ 52	\$ 14