

**PENNSYLVANIA ELECTRIC COMPANY AND SUBSIDIARY**  
**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

**PENNSYLVANIA ELECTRIC COMPANY AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(UNAUDITED)**

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2022	2021
<b>REVENUES:</b>		
Electric sales	\$ 230	\$ 197
Gross receipts tax collections	13	12
Total revenues	243	209
<b>OPERATING EXPENSES:</b>		
Purchased power	85	63
Other operating expenses	61	48
Provision for depreciation	22	21
Deferral of regulatory assets, net	—	(2)
General taxes	15	14
Total operating expenses	183	144
<b>OPERATING INCOME</b>	60	65
<b>OTHER INCOME (EXPENSE):</b>		
Miscellaneous income, net	8	10
Equity earnings from MAIT	9	8
Interest expense	(14)	(14)
Capitalized financing costs	—	1
Total other income	3	5
<b>INCOME BEFORE INCOME TAXES</b>	63	70
<b>INCOME TAXES</b>	12	12
<b>NET INCOME</b>	\$ 51	\$ 58
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>		
<b>NET INCOME</b>	\$ 51	\$ 58
<b>OTHER COMPREHENSIVE LOSS:</b>		
Pension and OPEB prior service costs	(1)	—
Other comprehensive loss	(1)	—
Income tax benefits on other comprehensive loss	—	—
Other comprehensive loss, net of tax	(1)	—
<b>COMPREHENSIVE INCOME</b>	\$ 50	\$ 58

**PENNSYLVANIA ELECTRIC COMPANY AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

<i>(In millions, except share amounts)</i>	March 31, 2022	December 31, 2021
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Receivables-		
Customers	\$ 154	\$ 145
Less — Allowance for uncollectible customer receivables	20	23
	134	122
Affiliated companies	26	26
Other, net of allowance for uncollectible accounts of \$1 in 2022 and 2021	13	14
Prepaid taxes and other	35	6
	208	168
<b>UTILITY PLANT:</b>		
In service	3,451	3,434
Less — Accumulated provision for depreciation	1,099	1,090
	2,352	2,344
Construction work in progress	62	56
	2,414	2,400
<b>INVESTMENTS AND OTHER NONCURRENT ASSETS</b>		
Goodwill	637	637
Investment in affiliate	464	454
Other	41	40
	1,142	1,131
	\$ 3,764	\$ 3,699
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Currently payable long-term debt	\$ 2	\$ 2
Short-term borrowings - affiliated companies	188	85
Accounts payable-		
Affiliated companies	—	3
Other	56	54
Accrued taxes	9	8
Accrued interest	19	11
Customer deposits	27	26
Other	24	27
	325	216
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Common stock, \$20 par value, authorized 5,400,000 shares - 4,427,577 shares outstanding	89	89
Other paid-in capital	866	865
Accumulated other comprehensive income	—	1
Retained earnings	317	366
Total common stockholder's equity	1,272	1,321
Long-term debt and other long-term obligations	1,293	1,293
	2,565	2,614
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	399	386
Retirement benefits	109	113
Regulatory liabilities	156	161
Other	210	209
	874	869
	\$ 3,764	\$ 3,699

**PENNSYLVANIA ELECTRIC COMPANY AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 51	\$ 58
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	22	19
Deferred income taxes and investment tax credits, net	8	10
Retirement benefits, net of payments	(6)	(7)
Undistributed earnings from subsidiary company	(9)	(8)
Change in current assets and liabilities-		
Receivables	(11)	8
Prepaid taxes and other current assets	(29)	(33)
Accounts payable	(1)	(1)
Accrued taxes	1	(2)
Accrued interest	8	8
Customer deposits	1	—
Other current liabilities	(5)	(4)
Other	3	3
Net cash provided from operating activities	33	51
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New financing-		
Short-term borrowings - affiliated companies, net	103	23
Common stock dividend payments	(100)	(60)
Other	(1)	(1)
Net cash provided from (used for) financing activities	2	(38)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(31)	(32)
Loans to affiliated companies, net	—	23
Asset removal costs	(4)	(4)
Net cash used for investing activities	(35)	(13)
Net change in cash, cash equivalents, and restricted cash	—	—
Cash, cash equivalents, and restricted cash at beginning of period	—	—
Cash, cash equivalents, and restricted cash at end of period	\$ —	\$ —