

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

WEST PENN 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	\$ 283	\$ 243
Excise tax collections	16	13
Total revenues	299	256
OPERATING EXPENSES:		
Purchased power	121	101
Other operating expenses	79	66
Provision for depreciation	26	25
Deferral of regulatory assets, net	—	(10)
General taxes	19	16
Total operating expenses	245	198
OPERATING INCOME	54	58
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	5	7
Interest expense	(11)	(12)
Capitalized financing costs	1	1
Total other expense	(5)	(4)
INCOME BEFORE INCOME TAXES	49	54
INCOME TAXES	12	10
NET INCOME	\$ 37	\$ 44

WEST PENN POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	March 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Receivables-		
Customers	\$ 166	\$ 151
Less — Allowance for uncollectible customer receivables	17	20
	149	131
Affiliated companies	40	36
Other	10	11
Prepaid taxes and other	47	11
	246	189
UTILITY PLANT:		
In service	2,952	2,931
Less — Accumulated provision for depreciation	519	505
	2,433	2,426
Construction work in progress	96	84
	2,529	2,510
DEFERRED CHARGES AND OTHER ASSETS:		
Regulatory assets	70	66
Prepaid pension costs	45	42
Other	55	54
	170	162
	<u>\$ 2,945</u>	<u>\$ 2,861</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 100	\$ 101
Short-term borrowings - affiliated companies	83	158
Accounts payable-		
Affiliated companies	9	12
Other	66	73
Accrued interest	9	7
Accrued taxes	13	15
Customer deposits	29	28
Other	25	28
	334	422
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, no par value, 32,000,000 shares authorized - 24,361,586 shares outstanding	687	561
Accumulated other comprehensive income	3	3
Retained earnings	423	386
Total common stockholder's equity	1,113	950
Long-term debt and other long-term obligations	870	870
	1,983	1,820
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	533	521
Retirement benefits	17	18
Asset retirement obligations	7	8
Other	71	72
	628	619
	<u>\$ 2,945</u>	<u>\$ 2,861</u>

WEST PENN 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	\$ 37	\$ 44
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and deferral of regulatory assets, net	26	13
Deferred income taxes and investment tax credits, net	9	10
Retirement benefits, net of payments	(7)	(7)
Change in current assets and liabilities-		
Receivables	(21)	8
Prepaid taxes and other current assets	(36)	(34)
Accounts payable	(10)	10
Accrued taxes	(2)	(3)
Accrued interest	2	1
Customer deposits	1	—
Other current liabilities	(5)	(5)
Other	2	2
Net cash provided from (used for) operating activities	(4)	39
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings - affiliated companies, net	—	15
Redemptions and repayments-		
Short-term borrowings - affiliated companies, net	(75)	—
Equity contribution from parent	125	—
Net cash provided from financing activities	50	15
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(42)	(51)
Asset removal costs	(4)	(3)
Net cash used for investing activities	(46)	(54)
Net change in cash, cash equivalents, and restricted cash	—	—
Cash, cash equivalents, and restricted cash at beginning of period	—	150
Cash, cash equivalents, and restricted cash at end of period	\$ —	\$ 150