

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021

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

<i>(In millions)</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
REVENUES:				
Electric sales	\$ 430	\$ 348	\$ 838	\$ 713
Excise and gross receipts tax collections	2	1	4	3
Total revenues	432	349	842	716
OPERATING EXPENSES:				
Fuel	190	112	330	229
Purchased power	66	53	155	97
Other operating expenses	108	87	221	173
Provision for depreciation	40	39	79	77
Deferral of regulatory liabilities, net	(23)	(16)	(65)	(22)
General taxes	15	16	29	34
Total operating expenses	396	291	749	588
OPERATING INCOME	36	58	93	128
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	6	5	12	13
Interest expense	(21)	(22)	(42)	(43)
Capitalized financing costs	1	1	3	2
Total other expense	(14)	(16)	(27)	(28)
INCOME BEFORE INCOME TAXES	22	42	66	100
INCOME TAXES	4	10	13	23
NET INCOME	\$ 18	\$ 32	\$ 53	\$ 77

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	June 30, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 45	\$ 115
Restricted cash	19	19
Receivables-		
Customers	126	107
Less — Allowance for uncollectible customer receivables	9	12
	117	95
Affiliated companies	73	49
Other	13	12
Materials and supplies, at average cost	113	74
Prepaid taxes and other	41	42
	421	406
UTILITY PLANT:		
In service	5,110	5,048
Less — Accumulated provision for depreciation	838	815
	4,272	4,233
Construction work in progress	153	125
	4,425	4,358
DEFERRED CHARGES AND OTHER ASSETS:		
Intangible assets	65	68
Other	60	69
	125	137
	<u>\$ 4,971</u>	<u>\$ 4,901</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 22	\$ 21
Short-term borrowings - affiliated companies	75	43
Accounts payable-		
Affiliated companies	40	18
Other	95	72
Accrued taxes	33	30
Accrued interest	13	13
Other	52	54
	330	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	911	908
Retained earnings	216	163
Total common stockholder's equity	1,422	1,366
Long-term debt and other long-term obligations	1,880	1,891
	3,302	3,257
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	580	557
Regulatory liabilities	489	549
Retirement benefits	13	17
Asset retirement obligations	69	65
Purchased power liability	53	56
Other	135	149
	1,339	1,393
	<u>\$ 4,971</u>	<u>\$ 4,901</u>

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(In millions)</i>	For the Six Months Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 53	\$ 77
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	17	55
Deferred income taxes and investment tax credits, net	18	25
Retirement benefits, net of payments	(9)	(9)
Change in current assets and liabilities-		
Receivables	(47)	(102)
Materials and supplies	(39)	16
Prepaid taxes and other current assets	2	2
Accounts payable	45	(22)
Accrued taxes	3	(1)
Accrued interest	—	1
Other current liabilities	(8)	(7)
Other	16	18
Net cash provided from operating activities	51	53
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	—	200
Short-term borrowings - affiliated companies, net	32	—
Redemptions and repayments-		
Long-term debt	(10)	(10)
Short-term borrowings - affiliated companies, net	—	(81)
Common stock dividend payments	—	(30)
Discount on long-term debt	—	16
Other	—	(2)
Net cash provided from financing activities	22	93
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(122)	(81)
Loans to affiliated companies, net	—	(9)
Asset removal costs	(9)	(6)
Other	(12)	—
Net cash used for investing activities	(143)	(96)
Net change in cash, cash equivalents, and restricted cash	(70)	50
Cash, cash equivalents, and restricted cash at beginning of period	134	120
Cash, cash equivalents, and restricted cash at end of period	\$ 64	\$ 170