

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

**WEST PENN 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
<b>REVENUES:</b>				
Electric sales	\$ 259	\$ 211	\$ 542	\$ 454
Excise tax collections	15	12	31	25
Total revenues	274	223	573	479
<b>OPERATING EXPENSES:</b>				
Purchased power	117	78	238	179
Other operating expenses	87	59	166	125
Provision for depreciation	26	25	52	50
Deferral of regulatory assets, net	(10)	(6)	(10)	(16)
General taxes	17	14	36	30
Total operating expenses	237	170	482	368
<b>OPERATING INCOME</b>	37	53	91	111
<b>OTHER INCOME (EXPENSE):</b>				
Miscellaneous income, net	7	3	12	10
Interest expense	(10)	(12)	(21)	(24)
Capitalized financing costs	—	2	1	3
Total other expense	(3)	(7)	(8)	(11)
<b>INCOME BEFORE INCOME TAXES</b>	34	46	83	100
<b>INCOME TAXES</b>	7	11	19	21
<b>NET INCOME</b>	<u>\$ 27</u>	<u>\$ 35</u>	<u>\$ 64</u>	<u>\$ 79</u>
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>				
<b>NET INCOME</b>	<u>\$ 27</u>	<u>\$ 35</u>	<u>\$ 64</u>	<u>\$ 79</u>
<b>OTHER COMPREHENSIVE LOSS:</b>				
Pension and OPEB prior service costs	(1)	(1)	(1)	(1)
Other comprehensive loss	(1)	(1)	(1)	(1)
Income tax benefits on other comprehensive loss	—	—	—	—
Other comprehensive loss, net of tax	(1)	(1)	(1)	(1)
<b>COMPREHENSIVE INCOME</b>	<u>\$ 26</u>	<u>\$ 34</u>	<u>\$ 63</u>	<u>\$ 78</u>

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

<i>(In millions, except share amounts)</i>	June 30, 2022	December 31, 2021
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Receivables-		
Customers	\$ 170	\$ 151
Less — Allowance for uncollectible customer receivables	17	20
	153	131
Affiliated companies	56	36
Other	10	11
Prepaid taxes and other	32	11
	251	189
<b>UTILITY PLANT:</b>		
In service	2,999	2,931
Less — Accumulated provision for depreciation	535	505
	2,464	2,426
Construction work in progress	87	84
	2,551	2,510
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>		
Regulatory assets	85	66
Prepaid pension costs	48	42
Other	52	54
	185	162
	<u>\$ 2,987</u>	<u>\$ 2,861</u>
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Currently payable long-term debt	\$ —	\$ 101
Short-term borrowings - affiliated companies	120	158
Accounts payable-		
Affiliated companies	48	12
Other	79	73
Accrued interest	7	7
Accrued taxes	10	15
Customer deposits	29	28
Other	48	28
	341	422
<b>CAPITALIZATION:</b>		
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	2	3
Retained earnings	450	386
Total common stockholder's equity	1,139	950
Long-term debt and other long-term obligations	870	870
	2,009	1,820
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	544	521
Retirement benefits	16	18
Asset retirement obligations	7	8
Other	70	72
	637	619
	<u>\$ 2,987</u>	<u>\$ 2,861</u>

**WEST PENN POWER COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<i>(In millions)</i>	For the Six Months Ended June 30,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 64	\$ 79
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and deferral of regulatory assets, net	41	31
Deferred income taxes and investment tax credits, net	17	21
Retirement benefits, net of payments	(13)	(14)
Change in current assets and liabilities-		
Receivables	(41)	36
Prepaid taxes and other current assets	(24)	(24)
Accounts payable	42	10
Accrued taxes	(5)	(5)
Accrued interest	—	(1)
Customer deposits	1	—
Other current liabilities	(6)	(4)
Collateral, net	28	1
Other	(1)	(1)
Net cash provided from operating activities	103	129
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Redemptions and repayments-		
Long-term debt	(100)	—
Short-term borrowings - affiliated companies, net	(38)	(68)
Equity contribution from parent	125	—
Common stock dividend payments	—	(24)
Net cash used for financing activities	(13)	(92)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(83)	(100)
Loans to affiliated companies, net	—	(6)
Asset removal costs	(7)	(6)
Net cash used for investing activities	(90)	(112)
Net change in cash, cash equivalents, and restricted cash	—	(75)
Cash, cash equivalents, and restricted cash at beginning of period	—	150
Cash, cash equivalents, and restricted cash at end of period	\$ —	\$ 75