

**THE TOLEDO EDISON COMPANY AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**

**THE TOLEDO EDISON COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(UNAUDITED)**

<i>(In millions)</i>	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>REVENUES:</b>				
Electric sales	\$ 127	\$ 129	\$ 328	\$ 337
Excise and gross receipts tax collections	8	8	22	22
Total revenues	135	137	350	359
<b>OPERATING EXPENSES:</b>				
Purchased power	36	16	89	40
Other operating expenses	49	49	141	143
Provision for depreciation	12	12	35	34
Amortization (deferral) of regulatory assets, net	(1)	15	(18)	30
General taxes	18	18	52	51
Total operating expenses	114	110	299	298
<b>OPERATING INCOME</b>	<b>21</b>	<b>27</b>	<b>51</b>	<b>61</b>
<b>OTHER INCOME (EXPENSE):</b>				
Miscellaneous income, net	3	4	8	10
Interest expense	(6)	(7)	(19)	(19)
Capitalized financing costs	1	1	2	2
Total other expense	(2)	(2)	(9)	(7)
<b>INCOME BEFORE INCOME TAXES</b>	<b>19</b>	<b>25</b>	<b>42</b>	<b>54</b>
<b>INCOME TAXES</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>8</b>
<b>NET INCOME</b>	<b>\$ 16</b>	<b>\$ 21</b>	<b>\$ 35</b>	<b>\$ 46</b>
<b>COMPREHENSIVE INCOME</b>	<b>\$ 16</b>	<b>\$ 21</b>	<b>\$ 35</b>	<b>\$ 46</b>

**THE TOLEDO EDISON COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

<i>(In millions, except share amounts)</i>	September 30, 2022	December 31, 2021
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 75	\$ —
Restricted cash	2	3
Receivables-		
Customers	46	36
Less — Allowance for uncollectible customer receivables	5	10
	41	26
Affiliated companies	19	14
Other	10	10
Notes receivable from affiliated companies	1	104
Prepaid taxes and other	5	6
	153	163
<b>UTILITY PLANT:</b>		
In service	1,385	1,360
Less — Accumulated provision for depreciation	663	663
	722	697
Construction work in progress	24	31
	746	728
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>		
Goodwill	501	501
Regulatory assets	10	—
Property taxes	9	40
Other	12	14
	532	555
	<u>\$ 1,431</u>	<u>\$ 1,446</u>
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Currently payable long-term debt	\$ 3	\$ 3
Accounts payable-		
Affiliated companies	23	24
Other	11	6
Accrued taxes	42	40
Accrued interest	8	3
Other	61	29
	148	105
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Common stock, \$5 par value, authorized 60,000,000 shares - 29,402,054 shares outstanding	147	147
Other paid-in capital	328	323
Accumulated other comprehensive loss	(1)	(1)
Retained earnings	90	80
Total common stockholder's equity	564	549
Long-term debt and other long-term obligations	451	478
	1,015	1,027
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	92	82
Retirement benefits	39	43
Regulatory liabilities	—	9
Property taxes	—	40
Other	137	140
	268	314
	<u>\$ 1,431</u>	<u>\$ 1,446</u>

**THE TOLEDO EDISON COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<i>(In millions)</i>	For the Nine Months Ended September 30,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 35	\$ 46
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation, amortization and impairments	18	65
Deferred income taxes and investment tax credits, net	7	(5)
Retirement benefits, net of payments	(6)	(7)
Change in current assets and liabilities-		
Receivables	(16)	22
Prepaid taxes and other current assets	(1)	—
Accounts payable	4	3
Accrued taxes	(7)	(5)
Accrued interest	5	6
Other current liabilities	(1)	(2)
Collateral, net	34	3
Other	(1)	4
Net cash provided from operating activities	71	130
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New financing-		
Long-term debt	—	150
Redemptions and repayments-		
Long-term debt	(27)	(1)
Short-term borrowings, net	—	(182)
Common stock dividend payments	(25)	(54)
Other	(1)	(4)
Net cash used for financing activities	(53)	(91)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(43)	(49)
Loans to affiliated companies, net	103	—
Asset removal costs	(4)	(5)
Net cash provided from (used for) investing activities	56	(54)
Net change in cash, cash equivalents, and restricted cash	74	(15)
Cash, cash equivalents, and restricted cash at beginning of period	3	102
Cash, cash equivalents, and restricted cash at end of period	\$ 77	\$ 87