

**WEST PENN POWER COMPANY AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022**

**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,	
	2023	2022	2023	2022
<b>REVENUES:</b>				
Electric sales	\$ 258	\$ 259	\$ 567	\$ 542
Excise tax collections	15	15	33	31
Total revenues	273	274	600	573
<b>OPERATING EXPENSES:</b>				
Purchased power	122	117	262	238
Other operating expenses	82	87	165	166
Provision for depreciation	25	26	52	52
Deferral of regulatory assets, net	(4)	(10)	(1)	(10)
General taxes	18	17	38	36
Total operating expenses	243	237	516	482
<b>OPERATING INCOME</b>	30	37	84	91
<b>OTHER INCOME (EXPENSE):</b>				
Miscellaneous income, net	6	7	10	12
Pension and OPEB mark-to-market adjustment	6	—	6	—
Interest expense	(15)	(10)	(29)	(21)
Capitalized financing costs	—	—	1	1
Total other expense	(3)	(3)	(12)	(8)
<b>INCOME BEFORE INCOME TAXES</b>	27	34	72	83
<b>INCOME TAXES</b>	6	7	15	19
<b>NET INCOME</b>	<u>\$ 21</u>	<u>\$ 27</u>	<u>\$ 57</u>	<u>\$ 64</u>
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>				
<b>NET INCOME</b>	<u>\$ 21</u>	<u>\$ 27</u>	<u>\$ 57</u>	<u>\$ 64</u>
<b>OTHER COMPREHENSIVE LOSS:</b>				
Pension and OPEB prior service costs	—	(1)	(1)	(1)
Other comprehensive loss	—	(1)	(1)	(1)
Income tax benefits on other comprehensive loss	—	—	—	—
Other comprehensive loss, net of tax	—	(1)	(1)	(1)
<b>COMPREHENSIVE INCOME</b>	<u>\$ 21</u>	<u>\$ 26</u>	<u>\$ 56</u>	<u>\$ 63</u>

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

<i>(In millions, except share amounts)</i>	June 30, 2023	December 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Receivables-		
Customers	\$ 168	\$ 205
Less — Allowance for uncollectible customer receivables	9	18
	159	187
Affiliated companies	36	53
Other, net of allowance for uncollectible accounts of \$1 in 2023	8	8
Prepaid taxes and other	39	12
	242	260
<b>PROPERTY, PLANT AND EQUIPMENT:</b>		
In service	3,157	3,071
Less — Accumulated provision for depreciation	598	565
	2,559	2,506
Construction work in progress	114	99
	2,673	2,605
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>		
Regulatory assets	19	11
Prepaid pension and OPEB costs	72	63
Other	50	50
	141	124
<b>TOTAL ASSETS</b>	<b>\$ 3,056</b>	<b>\$ 2,989</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Short-term borrowings - affiliated companies	\$ 35	\$ 28
Accounts payable-		
Affiliated companies	5	13
Other	78	107
Accrued interest	15	7
Accrued taxes	7	21
Customer deposits	31	30
Collateral	5	17
Other	17	18
	193	241
<b>NONCURRENT LIABILITIES:</b>		
Long-term debt and other long-term obligations	1,168	1,119
Accumulated deferred income taxes, net	476	466
Retirement benefits	22	22
Asset retirement obligations	4	4
Other	63	64
	1,733	1,675
<b>TOTAL LIABILITIES</b>	<b>1,926</b>	<b>1,916</b>
<b>EQUITY:</b>		
Common stockholder's equity-		
Common stock, no par value, 32,000,000 shares authorized - 24,361,586 shares outstanding	691	690
Accumulated other comprehensive income	1	2
Retained earnings	438	381
<b>TOTAL EQUITY</b>	<b>1,130</b>	<b>1,073</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 3,056</b>	<b>\$ 2,989</b>

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

<i>(In millions)</i>	For the Six Months Ended June 30,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 57	\$ 64
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation, amortization and impairments	51	41
Deferred income taxes and investment tax credits, net	6	17
Retirement benefits, net of payments	(8)	(13)
Pension and OPEB mark-to-market adjustment	(6)	—
Change in current assets and liabilities-		
Receivables	45	(41)
Prepaid taxes and other current assets	(21)	(24)
Accounts payable	(37)	42
Accrued taxes	(14)	(5)
Accrued interest	8	—
Customer deposits	1	1
Other current liabilities	(2)	(6)
Collateral, net	(18)	28
Other	7	(1)
Net cash provided from operating activities	69	103
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital investments	(114)	(83)
Asset removal costs	(10)	(7)
Net cash used for investing activities	(124)	(90)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New financing-		
Long-term debt	50	—
Short-term borrowings - affiliated companies, net	7	—
Redemptions and repayments-		
Long-term debt	—	(100)
Short-term borrowings, affiliated companies, net	—	(38)
Equity contribution from parent	—	125
Other	(2)	—
Net cash provided from (used for) financing activities	55	(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	\$ —	\$ —
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Significant non-cash transactions:		
Accrued capital investments	\$ 12	\$ 3