

**TRANS-ALLEGHENY INTERSTATE LINE COMPANY**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019**

**TRANS-ALLEGHENY INTERSTATE LINE COMPANY**  
**STATEMENTS OF INCOME**  
**(UNAUDITED)**

<i>(In millions)</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
<b>REVENUES</b>	\$ 60	\$ 61	\$ 125	\$ 121
<b>OPERATING EXPENSES:</b>				
Other operating expenses	3	4	6	8
Provision for depreciation	13	13	26	25
General taxes	4	3	7	7
Total operating expenses	20	20	39	40
<b>OPERATING INCOME</b>	40	41	86	81
<b>OTHER INCOME (EXPENSE):</b>				
Miscellaneous income, net	—	1	—	1
Pension and OPEB mark-to-market adjustment	—	—	(2)	—
Interest expense	(6)	(7)	(13)	(13)
Capitalized financing costs	1	1	1	1
Total other expense	(5)	(5)	(14)	(11)
<b>INCOME BEFORE INCOME TAXES</b>	35	36	72	70
<b>INCOME TAXES</b>	10	8	20	16
<b>NET INCOME</b>	\$ 25	\$ 28	\$ 52	\$ 54

**TRANS-ALLEGHENY INTERSTATE LINE COMPANY**  
**BALANCE SHEETS**  
**(UNAUDITED)**

<i>(In millions)</i>	June 30, 2020	December 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Receivables-		
Affiliated companies	\$ 20	\$ 19
Other	21	21
Notes receivable from affiliated companies	8	—
Prepaid taxes and other	14	13
	<u>63</u>	<u>53</u>
<b>UTILITY PLANT:</b>		
In service	2,192	2,189
Less — Accumulated provision for depreciation	270	249
	<u>1,922</u>	<u>1,940</u>
Construction work in progress	47	19
	<u>1,969</u>	<u>1,959</u>
<b>OTHER PROPERTY AND INVESTMENTS</b>		
	<u>5</u>	<u>5</u>
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>		
Property taxes	—	6
Other	1	1
	<u>1</u>	<u>7</u>
	<u>\$ 2,038</u>	<u>\$ 2,024</u>
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Short-term borrowings - affiliated companies	\$ —	\$ 39
Accounts payable - affiliated companies	1	10
Accrued taxes	17	16
Accrued interest	2	2
	<u>20</u>	<u>67</u>
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Other paid-in capital	926	926
Retained earnings	61	9
Total common stockholder's equity	<u>987</u>	<u>935</u>
Long-term debt and other long-term obligations	623	622
	<u>1,610</u>	<u>1,557</u>
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	271	268
Regulatory liabilities	132	121
Property taxes	—	6
Other	5	5
	<u>408</u>	<u>400</u>
	<u>\$ 2,038</u>	<u>\$ 2,024</u>

**TRANS-ALLEGHENY INTERSTATE LINE COMPANY**  
**STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<i>(In millions)</i>	For the Six Months Ended June 30,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 52	\$ 54
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	26	28
Deferred income taxes and investment tax credits, net	4	—
Transmission revenue collections, net	7	(4)
Pension and OPEB mark-to-market adjustment	2	—
Allowance for funds used during construction - equity	(1)	(1)
Changes in current assets and liabilities-		
Receivables	(1)	(3)
Prepaid taxes and other current assets	(1)	1
Accounts payable	(11)	—
Accrued taxes	1	—
Other	—	1
Net cash provided from operating activities	78	76
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Redemptions and repayments-		
Short-term borrowings - affiliated companies, net	(39)	(11)
Net cash used for financing activities	(39)	(11)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(31)	(19)
Loans to affiliated companies, net	(8)	(46)
Net cash used for investing activities	(39)	(65)
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	\$ —	\$ —