

ALLEGHENY GENERATING COMPANY
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

**ALLEGHENY GENERATING COMPANY
STATEMENTS OF INCOME
(UNAUDITED)**

<i>(In thousands)</i>	For the Three Months Ended March 31,	
	2020	2019
REVENUES	\$ 5,548	\$ 5,697
OPERATING EXPENSES:		
Other operating expenses	1,195	900
Provision for depreciation	1,286	1,424
General taxes	323	314
Total operating expenses	2,804	2,638
OPERATING INCOME	2,744	3,059
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	75	3
Interest expense	(569)	(313)
Total other expense	(494)	(310)
INCOME BEFORE INCOME TAXES	2,250	2,749
INCOME TAXES	102	62
NET INCOME	\$ 2,148	\$ 2,687

ALLEGHENY GENERATING COMPANY
BALANCE SHEETS
(UNAUDITED)

<i>(In thousands, except share amounts)</i>	March 31, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ —	\$ 25,000
Receivables - affiliated companies	7,288	3,601
Materials and supplies, at average cost	1,287	1,291
Prepaid taxes and other	844	925
	<u>9,419</u>	<u>30,817</u>
UTILITY PLANT:		
In service	201,026	201,026
Less — Accumulated provision for depreciation	43,545	42,260
	<u>157,481</u>	<u>158,766</u>
Construction work in progress	2,461	2,331
	<u>159,942</u>	<u>161,097</u>
	<u>\$ 169,361</u>	<u>\$ 191,914</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Accounts payable-		
Affiliated companies	\$ 283	\$ 2,155
Other	458	677
Short-term borrowings - affiliated companies	296	2,160
Accrued taxes	1,928	860
Accrued interest	658	99
Other	150	70
	<u>3,773</u>	<u>6,021</u>
CAPITALIZATION:		
Common stockholders' equity-		
Common stock, \$1 par value, 5,000 shares authorized - 451 shares outstanding	1	1
Other paid-in capital	40,947	57,947
Retained earnings	2,373	5,225
Total common stockholders' equity	<u>43,321</u>	<u>63,173</u>
Long-term debt and other long-term obligations	49,654	49,645
	<u>92,975</u>	<u>112,818</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	18,379	18,411
Accumulated deferred investment tax credits	18,463	18,793
Regulatory liabilities	35,763	35,862
Other	8	9
	<u>72,613</u>	<u>73,075</u>
	<u>\$ 169,361</u>	<u>\$ 191,914</u>

ALLEGHENY GENERATING COMPANY
STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(In thousands)</i>	For the Three Months Ended March 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 2,148	\$ 2,687
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	1,467	1,663
Deferred income taxes and investment tax credits, net	(643)	(763)
Changes in current assets and liabilities-		
Receivables	(3,687)	990
Accounts payable	(2,091)	(1,211)
Accrued taxes	1,068	1,140
Accrued interest	559	—
Other	173	168
Net cash provided from (used for) operating activities	(1,006)	4,674
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemptions and repayments-		
Short-term borrowings - affiliated companies, net	(1,864)	(4,500)
Common stock dividend payments	(5,000)	—
Return of capital payments	(17,000)	—
Net cash used for financing activities	(23,864)	(4,500)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(130)	(174)
Net cash used for investing activities	(130)	(174)
Net change in cash, cash equivalents, and restricted cash	(25,000)	—
Cash, cash equivalents, and restricted cash at beginning of period	25,000	—
Cash, cash equivalents, and restricted cash at end of period	\$ —	\$ —