

OHIO EDISON COMPANY AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2020	2019
REVENUES:		
Electric sales	\$ 390	\$ 386
Excise and gross receipts tax collections	24	28
Total revenues	414	414
OPERATING EXPENSES:		
Purchased power from affiliates	3	17
Purchased power non-affiliates	76	69
Other operating expenses	144	149
Provision for depreciation	33	31
Amortization of regulatory liabilities, net	(3)	(21)
General taxes	54	54
Total operating expenses	307	299
OPERATING INCOME	107	115
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	9	12
Pension and OPEB mark-to-market adjustment	(44)	—
Interest expense	(17)	(17)
Capitalized financing costs	1	1
Total other expense	(51)	(4)
INCOME BEFORE INCOME TAXES (BENEFITS)	56	111
INCOME TAXES (BENEFITS)	(19)	23
NET INCOME	\$ 75	\$ 88

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	March 31, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ —	\$ 41
Restricted cash	3	5
Receivables-		
Customers	143	158
Less — Allowance for uncollectible customer receivables	7	8
	<u>136</u>	<u>150</u>
Affiliated companies	92	76
Other	24	32
Notes receivable from affiliated companies	189	183
Prepaid taxes and other	17	9
	<u>461</u>	<u>496</u>
UTILITY PLANT:		
In service	4,563	4,523
Less — Accumulated provision for depreciation	1,679	1,661
	<u>2,884</u>	<u>2,862</u>
Construction work in progress	118	110
	<u>3,002</u>	<u>2,972</u>
DEFERRED CHARGES AND OTHER ASSETS:		
Property taxes	80	107
Other	136	138
	<u>216</u>	<u>245</u>
	<u>\$ 3,679</u>	<u>\$ 3,713</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 7	\$ 7
Short-term borrowings - affiliated companies	21	12
Accounts payable-		
Affiliated companies	—	13
Other	61	50
Accrued taxes	136	109
Accrued interest	20	20
Other	77	79
	<u>322</u>	<u>290</u>
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, without par value, authorized 175,000,000 shares - 60 shares outstanding	943	943
Accumulated other comprehensive loss	(3)	(3)
Retained earnings	352	302
Total common stockholder's equity	<u>1,292</u>	<u>1,242</u>
Long-term debt and other long-term obligations	940	942
	<u>2,232</u>	<u>2,184</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	388	430
Retirement benefits	263	243
Regulatory liabilities	95	141
Property taxes	54	107
Other	325	318
	<u>1,125</u>	<u>1,239</u>
	<u>\$ 3,679</u>	<u>\$ 3,713</u>

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 75	\$ 88
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	(11)	17
Deferred income taxes and investment tax credits, net	(44)	(5)
Pension trust contributions	—	(43)
Retirement benefits, net of payments	(18)	(8)
Pension and OPEB mark-to-market adjustment	44	—
Changes in current assets and liabilities-		
Receivables	6	(12)
Prepaid taxes and other current assets	(8)	(8)
Accounts payable	(2)	(1)
Accrued taxes	—	3
Other current liabilities	(6)	(18)
Other	(1)	6
Net cash provided from operating activities	35	19
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings - affiliated companies, net	9	—
Redemptions and repayments-		
Long-term debt	(2)	(2)
Common stock dividend payments	(25)	(25)
Other	(1)	(1)
Net cash used for financing activities	(19)	(28)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(51)	(44)
Loans to affiliated companies, net	(6)	(81)
Asset removal costs	(6)	(6)
Other	4	(2)
Net cash used for investing activities	(59)	(133)
Net change in cash, cash equivalents, and restricted cash	(43)	(142)
Cash, cash equivalents, and restricted cash at beginning of period	46	186
Cash, cash equivalents, and restricted cash at end of period	\$ 3	\$ 44