

ALLEGHENY GENERATING COMPANY
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

ALLEGHENY GENERATING COMPANY
STATEMENTS OF INCOME
(UNAUDITED)

<i>(In thousands)</i>	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2019	2020	2019
REVENUES	\$ 6,848	\$ 6,436	\$ 18,223	\$ 17,805
OPERATING EXPENSES:				
Other operating expenses	2,373	1,460	4,999	3,171
Provision for depreciation	1,286	1,472	3,857	4,345
General taxes	324	314	971	943
Total operating expenses	3,983	3,246	9,827	8,459
OPERATING INCOME	2,865	3,190	8,396	9,346
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	10	—	88	32
Interest expense	(568)	(598)	(1,706)	(1,257)
Total other expense	(558)	(598)	(1,618)	(1,225)
INCOME BEFORE INCOME TAXES (BENEFITS)	2,307	2,592	6,778	8,121
INCOME TAXES (BENEFITS)	76	(3,049)	299	(2,845)
NET INCOME	\$ 2,231	\$ 5,641	\$ 6,479	\$ 10,966

ALLEGHENY GENERATING COMPANY
BALANCE SHEETS
(UNAUDITED)

<i>(In thousands, except share amounts)</i>	September 30, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ —	\$ 25,000
Receivables - affiliated companies	8,348	3,601
Materials and supplies, at average cost	1,287	1,291
Prepaid taxes and other	614	925
	<u>10,249</u>	<u>30,817</u>
UTILITY PLANT:		
In service	201,026	201,026
Less — Accumulated provision for depreciation	46,116	42,260
	<u>154,910</u>	<u>158,766</u>
Construction work in progress	2,893	2,331
	<u>157,803</u>	<u>161,097</u>
	<u>\$ 168,052</u>	<u>\$ 191,914</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Accounts payable-		
Affiliated companies	\$ 300	\$ 2,155
Other	646	677
Short-term borrowings - affiliated companies	131	2,160
Accrued taxes	471	860
Accrued interest	658	99
Other	—	70
	<u>2,206</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	41,196	57,947
Retained earnings	2,704	5,225
Total common stockholders' equity	<u>43,901</u>	<u>63,173</u>
Long-term debt and other long-term obligations	49,673	49,645
	<u>93,574</u>	<u>112,818</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	18,894	18,411
Accumulated deferred investment tax credits	17,803	18,793
Regulatory liabilities	35,566	35,862
Other	9	9
	<u>72,272</u>	<u>73,075</u>
	<u>\$ 168,052</u>	<u>\$ 191,914</u>

ALLEGHENY GENERATING COMPANY
STATEMENTS OF CASH FLOWS
(UNAUDITED)

**For the Nine Months
 Ended September 30,**

<i>(In thousands)</i>	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 6,479	\$ 10,966
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	4,318	5,061
Deferred income taxes and investment tax credits, net	(1,265)	(3,454)
Changes in current assets and liabilities-		
Receivables	(4,498)	5,235
Materials and supplies	4	5
Prepaid taxes and other current assets	311	(179)
Accounts payable	(1,886)	(762)
Accrued taxes	(389)	(856)
Accrued interest	559	720
Other current liabilities	(69)	310
Other	27	9
Net cash provided from operating activities	<u>3,591</u>	<u>17,055</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	—	50,000
Redemptions and repayments-		
Short-term borrowings - affiliated companies, net	(2,029)	(39,513)
Common stock dividend payments	(26,000)	(24,000)
Other	—	(376)
Net cash used for financing activities	<u>(28,029)</u>	<u>(13,889)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(562)	(663)
Notes receivable from associated companies, net	—	(2,503)
Net cash used for investing activities	<u>(562)</u>	<u>(3,166)</u>
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	<u>\$ —</u>	<u>\$ —</u>