

OHIO EDISON COMPANY AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

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

<i>(In millions)</i>	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2019	2020	2019
REVENUES:				
Electric sales	\$ 429	\$ 412	\$ 1,176	\$ 1,141
Excise and gross receipts tax collections	29	29	77	81
Total revenues	458	441	1,253	1,222
OPERATING EXPENSES:				
Purchased power from affiliates	—	6	3	33
Purchased power non-affiliates	81	79	223	202
Other operating expenses	149	138	439	417
Provision for depreciation	34	33	100	96
Amortization (deferral) of regulatory liabilities, net	22	12	15	(13)
General taxes	58	56	162	160
Total operating expenses	344	324	942	895
OPERATING INCOME	114	117	311	327
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	5	9	27	31
Pension and OPEB mark-to-market adjustment	—	—	(44)	—
Interest expense	(17)	(17)	(51)	(51)
Capitalized financing costs	3	2	7	5
Total other expense	(9)	(6)	(61)	(15)
INCOME BEFORE INCOME TAXES	105	111	250	312
INCOME TAXES	21	25	21	68
NET INCOME	\$ 84	\$ 86	\$ 229	\$ 244
NET INCOME	\$ 84	\$ 86	\$ 229	\$ 244
OTHER COMPREHENSIVE LOSS:				
Pension and OPEB prior service costs	(1)	(1)	(1)	(2)
Other comprehensive loss	(1)	(1)	(1)	(2)
Income tax benefits on other comprehensive loss	—	(1)	—	(1)
Other comprehensive loss, net of tax	(1)	—	(1)	(1)
COMPREHENSIVE INCOME	\$ 83	\$ 86	\$ 228	\$ 243

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	September 30, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 160	\$ 41
Restricted cash	3	5
Receivables-		
Customers	176	158
Less — Allowance for uncollectible customer receivables	20	8
	<u>156</u>	<u>150</u>
Affiliated companies	78	76
Other	28	32
Notes receivable from affiliated companies	228	183
Prepaid taxes and other	12	9
	<u>665</u>	<u>496</u>
UTILITY PLANT:		
In service	4,655	4,523
Less — Accumulated provision for depreciation	1,724	1,661
	<u>2,931</u>	<u>2,862</u>
Construction work in progress	158	110
	<u>3,089</u>	<u>2,972</u>
DEFERRED CHARGES AND OTHER ASSETS:		
Property taxes	26	107
Other	140	138
	<u>166</u>	<u>245</u>
	<u>\$ 3,920</u>	<u>\$ 3,713</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 6	\$ 7
Short-term borrowings - affiliated companies	3	12
Accounts payable-		
Affiliated companies	2	13
Other	55	50
Accrued taxes	123	109
Accrued interest	20	20
Other	95	79
	<u>304</u>	<u>290</u>
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, without par value, authorized 175,000,000 shares - 60 shares outstanding	1,197	943
Accumulated other comprehensive loss	(4)	(3)
Retained earnings	441	302
Total common stockholder's equity	<u>1,634</u>	<u>1,242</u>
Long-term debt and other long-term obligations	937	942
	<u>2,571</u>	<u>2,184</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	384	430
Retirement benefits	248	243
Regulatory liabilities	75	141
Property taxes	—	107
Other	338	318
	<u>1,045</u>	<u>1,239</u>
	<u>\$ 3,920</u>	<u>\$ 3,713</u>

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

<i>(In millions)</i>	For the Nine Months Ended September 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 229	\$ 244
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	46	96
Deferred income taxes and investment tax credits, net	(54)	9
Pension trust contributions	—	(43)
Retirement benefits, net of payments	(39)	(21)
Pension and OPEB mark-to-market adjustment	44	—
Changes in current assets and liabilities-		
Receivables	(2)	29
Prepaid taxes and other current assets	(3)	(3)
Accounts payable	(12)	2
Accrued taxes	(11)	(24)
Other current liabilities	13	3
Other	9	(7)
Net cash provided from operating activities	<u>220</u>	<u>285</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemptions and repayments-		
Long-term debt	(3)	(4)
Short-term borrowings - affiliated companies, net	(9)	—
Parent company equity contribution	250	—
Common stock dividend payments	(90)	(300)
Other	(3)	(3)
Net cash provided from (used for) financing activities	<u>145</u>	<u>(307)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(185)	(136)
Loans to affiliated companies, net	(45)	250
Asset removal costs	(20)	(16)
Other	2	2
Net cash provided from (used for) investing activities	<u>(248)</u>	<u>100</u>
Net change in cash, cash equivalents, and restricted cash	117	78
Cash, cash equivalents, and restricted cash at beginning of period	46	186
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 163</u>	<u>\$ 264</u>