

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

**TRANS-ALLEGHENY INTERSTATE LINE COMPANY**  
**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
<b>REVENUES</b>	\$ 63	\$ 57	\$ 188	\$ 178
<b>OPERATING EXPENSES:</b>				
Other operating expenses	4	3	10	11
Provision for depreciation	13	12	39	37
General taxes	4	4	11	11
Total operating expenses	21	19	60	59
<b>OPERATING INCOME</b>	42	38	128	119
<b>OTHER INCOME (EXPENSE):</b>				
Miscellaneous expense, net	—	(1)	—	—
Pension and OPEB mark-to-market adjustment	—	—	(2)	—
Interest expense	(6)	(6)	(19)	(19)
Capitalized financing costs	1	—	2	1
Total other expense	(5)	(7)	(19)	(18)
<b>INCOME BEFORE INCOME TAXES</b>	37	31	109	101
<b>INCOME TAXES</b>	10	7	30	23
<b>NET INCOME</b>	\$ 27	\$ 24	\$ 79	\$ 78

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

<i>(In millions)</i>	September 30, 2020	December 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Receivables-		
Affiliated companies	\$ 2	\$ 19
Other	21	21
Notes receivable from affiliated companies	41	—
Prepaid taxes and other	12	13
	<u>76</u>	<u>53</u>
<b>UTILITY PLANT:</b>		
In service	2,192	2,189
Less — Accumulated provision for depreciation	280	249
	<u>1,912</u>	<u>1,940</u>
Construction work in progress	74	19
	<u>1,986</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>\$ 2,068</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	12	16
Accrued interest	8	2
	<u>21</u>	<u>67</u>
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Other paid-in capital	926	926
Retained earnings	88	9
Total common stockholder's equity	<u>1,014</u>	<u>935</u>
Long-term debt and other long-term obligations	623	622
	<u>1,637</u>	<u>1,557</u>
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	267	268
Regulatory liabilities	138	121
Property taxes	—	6
Other	5	5
	<u>410</u>	<u>400</u>
	<u>\$ 2,068</u>	<u>\$ 2,024</u>

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

<i>(In millions)</i>	For the Nine Months Ended September 30,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 79	\$ 78
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	38	43
Deferred income taxes and investment tax credits, net	—	(1)
Transmission revenue collections, net	10	2
Pension and OPEB mark-to-market adjustment	2	—
Allowance for funds used during construction - equity	(2)	(1)
Changes in current assets and liabilities-		
Receivables	18	(1)
Prepaid taxes and other current assets	1	(3)
Accounts payable	(12)	—
Accrued taxes	(4)	(36)
Accrued interest	6	6
Other	1	—
Net cash provided from operating activities	137	87
<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	(57)	(29)
Loans to affiliated companies, net	(41)	(47)
Net cash used for investing activities	(98)	(76)
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	\$ —	\$ —