

**WEST PENN POWER COMPANY AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019**

**WEST PENN POWER COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**  
**(UNAUDITED)**

<i>(In millions)</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
<b>STATEMENTS OF INCOME</b>				
<b>REVENUES:</b>				
Electric sales	\$ 225	\$ 213	\$ 474	\$ 488
Excise tax collections	13	11	28	27
Total revenues	238	224	502	515
<b>OPERATING EXPENSES:</b>				
Purchased power from affiliates	1	6	1	18
Purchased power from non-affiliates	75	72	166	178
Other operating expenses	61	64	124	147
Provision for depreciation	25	23	49	45
Amortization of regulatory assets, net	20	10	51	3
General taxes	15	14	32	32
Total operating expenses	197	189	423	423
<b>OPERATING INCOME</b>	41	35	79	92
<b>OTHER INCOME (EXPENSE):</b>				
Miscellaneous income, net	6	7	11	11
Pension and OPEB mark-to-market adjustment	—	—	(21)	—
Interest expense	(10)	(9)	(21)	(18)
Capitalized financing costs	2	1	3	2
Total other expense	(2)	(1)	(28)	(5)
<b>INCOME BEFORE INCOME TAXES</b>	39	34	51	87
<b>INCOME TAXES</b>	8	8	10	20
<b>NET INCOME</b>	\$ 31	\$ 26	\$ 41	\$ 67
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>				
<b>NET INCOME</b>	\$ 31	\$ 26	\$ 41	\$ 67
<b>OTHER COMPREHENSIVE LOSS:</b>				
Pension and OPEB prior service costs	(1)	(1)	(1)	(2)
Other comprehensive loss	(1)	(1)	(1)	(2)
Income tax benefits on other comprehensive loss	—	—	—	—
Other comprehensive loss, net of tax	(1)	(1)	(1)	(2)
<b>COMPREHENSIVE INCOME</b>	\$ 30	\$ 25	\$ 40	\$ 65

**WEST PENN POWER COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

<i>(In millions, except share amounts)</i>	June 30, 2020	December 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Receivables-		
Customers	\$ 139	\$ 151
Less — Allowance for uncollectible customer receivables	12	7
	127	144
Affiliated companies	50	49
Other, net of allowance for uncollectible accounts of \$12 in 2020 and 2019	8	11
Prepaid taxes and other	27	2
	212	206
<b>UTILITY PLANT:</b>		
In service	2,624	2,537
Less — Accumulated provision for depreciation	418	381
	2,206	2,156
Construction work in progress	87	64
	2,293	2,220
<b>OTHER PROPERTY AND INVESTMENTS</b>	11	11
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>		
Regulatory assets	27	62
Other	48	55
	75	117
	<u>\$ 2,591</u>	<u>\$ 2,554</u>
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Currently payable long-term debt	\$ 1	\$ 1
Short-term borrowings - affiliated companies	51	2
Accounts payable-		
Affiliated companies	9	29
Other	52	62
Accrued interest	7	7
Accrued taxes	6	8
Customer deposits	27	27
Other	19	16
	172	152
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Common stock, no par value, 32,000,000 shares authorized - 24,361,586 shares outstanding	555	554
Accumulated other comprehensive income	6	7
Retained earnings	333	327
Total common stockholder's equity	894	888
Long-term debt and other long-term obligations	971	971
	1,865	1,859
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	460	449
Retirement benefits	20	18
Asset retirement obligations	8	8
Other	66	68
	554	543
	<u>\$ 2,591</u>	<u>\$ 2,554</u>

**WEST PENN POWER COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<i>(In millions)</i>	For the Six Months Ended June 30,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 41	\$ 67
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and deferral of regulatory assets, net	100	46
Deferred income taxes and investment tax credits, net	3	10
Retirement benefits, net of payments	(10)	(6)
Pension trust contributions	—	(6)
Pension and OPEB mark-to-market adjustment	21	—
Change in current assets and liabilities-		
Receivables	19	(4)
Prepaid taxes and other current assets	(25)	(23)
Accounts payable	(30)	(31)
Accrued taxes	(2)	(5)
Other current liabilities	1	(5)
Other	(7)	4
Net cash provided from operating activities	111	47
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New financing-		
Long-term debt	—	100
Short-term borrowings - affiliated companies, net	49	40
Common stock dividend payments	(35)	(55)
Other	(1)	(1)
Net cash provided from financing activities	13	84
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(113)	(121)
Asset removal costs	(11)	(10)
Net cash used for investing activities	(124)	(131)
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	\$ —	\$ —