

**ALLEGHENY GENERATING COMPANY**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019**

**ALLEGHENY GENERATING COMPANY**  
**STATEMENTS OF INCOME**  
**(UNAUDITED)**

<i>(In thousands)</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
<b>REVENUES</b>	\$ 5,827	\$ 5,672	\$ 11,375	\$ 11,369
<b>OPERATING EXPENSES:</b>				
Other operating expenses	1,431	811	2,626	1,711
Provision for depreciation	1,285	1,449	2,571	2,873
General taxes	324	315	647	629
Total operating expenses	3,040	2,575	5,844	5,213
<b>OPERATING INCOME</b>	2,787	3,097	5,531	6,156
<b>OTHER INCOME (EXPENSE):</b>				
Miscellaneous income, net	3	29	78	32
Interest expense	(569)	(346)	(1,138)	(659)
Total other expense	(566)	(317)	(1,060)	(627)
<b>INCOME BEFORE INCOME TAXES</b>	2,221	2,780	4,471	5,529
<b>INCOME TAXES</b>	121	142	223	204
<b>NET INCOME</b>	2,100	2,638	\$ 4,248	\$ 5,325

**ALLEGHENY GENERATING COMPANY  
BALANCE SHEETS  
(UNAUDITED)**

<i>(In thousands, except share amounts)</i>	June 30, 2020	December 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 6,500	\$ 25,000
Receivables - affiliated companies	3,981	3,601
Materials and supplies, at average cost	1,297	1,291
Prepaid taxes and other	630	925
	<u>12,408</u>	<u>30,817</u>
<b>UTILITY PLANT:</b>		
In service	201,026	201,026
Less — Accumulated provision for depreciation	44,830	42,260
	<u>156,196</u>	<u>158,766</u>
Construction work in progress	2,624	2,331
	<u>158,820</u>	<u>161,097</u>
	<u>\$ 171,228</u>	<u>\$ 191,914</u>
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable-		
Affiliated companies	\$ 1,960	\$ 2,155
Other	479	677
Short-term borrowings - affiliated companies	460	2,160
Accrued taxes	836	860
Accrued interest	99	99
Other	186	70
	<u>4,020</u>	<u>6,021</u>
<b>CAPITALIZATION:</b>		
Common stockholders' equity-		
Common stock, \$1 par value, 5,000 shares authorized - 451 shares outstanding	1	1
Other paid-in capital	40,947	57,947
Retained earnings	4,473	5,225
Total common stockholders' equity	<u>45,421</u>	<u>63,173</u>
Long-term debt and other long-term obligations	49,664	49,645
	<u>95,085</u>	<u>112,818</u>
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	18,317	18,411
Accumulated deferred investment tax credits	18,133	18,793
Regulatory liabilities	35,664	35,862
Other	9	9
	<u>72,123</u>	<u>73,075</u>
	<u>\$ 171,228</u>	<u>\$ 191,914</u>

**ALLEGHENY GENERATING COMPANY**  
**STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<i>(In thousands)</i>	<b>For the Six Months Ended June 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 4,248	\$ 5,325
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	2,935	3,350
Deferred income taxes and investment tax credits, net	(1,316)	(676)
Changes in current assets and liabilities-		
Receivables	(380)	922
Materials and supplies	(6)	(135)
Prepaid taxes and other current assets	295	154
Accounts payable	(393)	(938)
Accrued taxes	(24)	—
Other current liabilities	116	367
Other	18	3
Net cash provided from operating activities	<u>5,493</u>	<u>8,372</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New financing-		
Long-term debt	—	50,000
Redemptions and repayments-		
Short-term borrowings - affiliated companies, net	(1,700)	(33,548)
Common stock dividend payments	(22,000)	(24,000)
Other	—	(365)
Net cash used for financing activities	<u>(23,700)</u>	<u>(7,913)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(293)	(459)
Net cash used for investing activities	<u>(293)</u>	<u>(459)</u>
Net change in cash, cash equivalents, and restricted cash	(18,500)	—
Cash, cash equivalents, and restricted cash at beginning of period	25,000	—
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 6,500</u>	<u>\$ —</u>