

**JERSEY CENTRAL POWER & LIGHT COMPANY AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017**

**JERSEY CENTRAL POWER & LIGHT COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2018	2017
<b>REVENUES:</b>		
Electric sales	\$ 440	\$ 440
<b>OPERATING EXPENSES:</b>		
Purchased power	202	212
Other operating expenses	255	109
Provision for depreciation	37	31
Amortization (deferral) of regulatory assets, net	(114)	29
General taxes	5	6
Total operating expenses	385	387
<b>OPERATING INCOME</b>	55	53
<b>OTHER INCOME (EXPENSE):</b>		
Miscellaneous income	9	2
Interest expense	(27)	(30)
Capitalized financing costs	2	3
Total other expense	(16)	(25)
<b>INCOME BEFORE INCOME TAXES</b>	39	28
<b>INCOME TAXES</b>	9	11
<b>NET INCOME</b>	\$ 30	\$ 17

**JERSEY CENTRAL POWER & LIGHT COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

<i>(In millions, except share amounts)</i>	March 31, 2018	December 31, 2017
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Restricted cash	\$ 6	\$ 6
Receivables-		
Customers, net of allowance for uncollectible accounts of \$4 in 2018 and \$5 in 2017	210	217
Affiliated companies	26	25
Other	26	28
Notes receivable from affiliated companies	—	76
Prepaid taxes and other	26	25
	<u>294</u>	<u>377</u>
<b>UTILITY PLANT:</b>		
In service	6,639	6,490
Less — Accumulated provision for depreciation	1,999	1,978
	<u>4,640</u>	<u>4,512</u>
Construction work in progress	144	187
	<u>4,784</u>	<u>4,699</u>
<b>OTHER PROPERTY AND INVESTMENTS:</b>		
Nuclear fuel disposal trust	250	251
Nuclear plant decommissioning trusts	232	239
Other	1	1
	<u>483</u>	<u>491</u>
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>		
Goodwill	1,811	1,811
Other	38	34
	<u>1,849</u>	<u>1,845</u>
	<u>\$ 7,410</u>	<u>\$ 7,412</u>
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Currently payable long-term debt	\$ 466	\$ 165
Short-term borrowings - affiliated companies	275	—
Accounts payable-		
Affiliated companies	1	1
Other	115	124
Accrued compensation and benefits	40	44
Customer deposits	46	46
Accrued interest	31	24
Other	49	45
	<u>1,023</u>	<u>449</u>
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Common stock, \$10 par value, authorized 16,000,000 shares - 13,628,447 shares outstanding	136	136
Other paid-in capital	2,554	2,553
Accumulated other comprehensive loss	(2)	(2)
Retained earnings	533	503
Total common stockholder's equity	<u>3,221</u>	<u>3,190</u>
Long-term debt and other long-term obligations	1,284	1,587
	<u>4,505</u>	<u>4,777</u>
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	584	572
Nuclear fuel disposal costs	200	200
Retirement benefits	239	446
Regulatory liabilities	332	444
Asset retirement obligation	127	124
Other	400	400
	<u>1,882</u>	<u>2,186</u>
	<u>\$ 7,410</u>	<u>\$ 7,412</u>

**JERSEY CENTRAL POWER & LIGHT COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income	\$ 30	\$ 17
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization (deferral) of regulatory assets, net	(65)	60
Asset removal costs charged to income	31	6
Deferred income taxes and investment tax credits, net	6	(7)
Pension trust contribution	(197)	—
Changes in current assets and liabilities-		
Receivables	8	40
Prepaid taxes and other	(1)	(3)
Accounts payable	(9)	(3)
Accrued interest	7	11
Accrued compensation and benefits	(6)	(9)
Customer deposits	—	5
Other current liabilities	4	16
Other	(4)	9
Net cash provided from (used for) operating activities	(196)	142
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New Financing-		
Short-term borrowings, net	275	—
Redemptions and Repayments-		
Long-term debt	(4)	(10)
Short-term borrowings, net	—	(43)
Net cash provided from (used for) operating activities	271	(53)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(114)	(83)
Loans to affiliated companies, net	76	—
Sales of investment securities held in trusts	87	165
Purchases of investment securities held in trusts	(92)	(169)
Asset removal costs	(32)	(6)
Other	—	3
Net cash used for investing activities	(75)	(90)
Net change in cash and cash equivalents and restricted cash	—	(1)
Cash and cash equivalents and restricted cash at beginning of period	6	16
Cash and cash equivalents and restricted cash at end of period	\$ 6	\$ 15