

**JERSEY CENTRAL POWER & LIGHT COMPANY AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018**

**JERSEY CENTRAL POWER & LIGHT 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,	
	2019	2018	2019	2018
<b>REVENUES</b>	\$ 574	\$ 599	\$ 1,439	\$ 1,444
<b>OPERATING EXPENSES:</b>				
Purchased power	287	317	659	738
Other operating expenses	132	114	339	458
Provision for depreciation	39	38	118	112
Deferral (amortization) of regulatory liabilities, net	(8)	(3)	74	(137)
General taxes	5	4	13	14
Total operating expenses	455	470	1,203	1,185
<b>OPERATING INCOME</b>	119	129	236	259
<b>OTHER INCOME (EXPENSE):</b>				
Miscellaneous income, net	7	8	22	26
Interest expense	(24)	(26)	(72)	(81)
Capitalized financing costs	3	1	9	4
Total other expense	(14)	(17)	(41)	(51)
<b>INCOME BEFORE INCOME TAXES</b>	105	112	195	208
<b>INCOME TAXES</b>	22	30	42	60
<b>NET INCOME</b>	\$ 83	\$ 82	\$ 153	\$ 148

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

<i>(In millions, except share amounts)</i>	September 30, 2019	December 31, 2018
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Restricted cash	\$ 9	\$ 8
Receivables-		
Customers, net of allowance for uncollectible accounts of \$4 in 2019 and 2018	231	220
Affiliated companies	70	63
Other	36	39
Prepaid taxes and other	42	27
	<u>388</u>	<u>357</u>
<b>UTILITY PLANT:</b>		
In service	6,993	6,829
Less — Accumulated provision for depreciation	2,125	2,091
	<u>4,868</u>	<u>4,738</u>
Construction work in progress	221	182
	<u>5,089</u>	<u>4,920</u>
<b>OTHER PROPERTY AND INVESTMENTS:</b>		
Nuclear fuel disposal trust	271	256
Nuclear plant decommissioning trusts	252	229
Other	2	1
	<u>525</u>	<u>486</u>
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>		
Goodwill	1,811	1,811
Other	92	38
	<u>1,903</u>	<u>1,849</u>
	<u>\$ 7,905</u>	<u>\$ 7,612</u>
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Currently payable long-term debt	\$ 17	\$ 316
Short-term borrowings - affiliated companies	56	143
Accounts payable		
Affiliated companies	16	9
Other	148	173
Accrued compensation and benefits	44	46
Customer deposits	47	47
Accrued interest	29	24
Other	24	25
	<u>381</u>	<u>783</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	2,715	2,711
Accumulated other comprehensive loss	(5)	(5)
Retained earnings	786	673
Total common stockholder's equity	<u>3,632</u>	<u>3,515</u>
Long-term debt and other long-term obligations	1,664	1,273
	<u>5,296</u>	<u>4,788</u>
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	731	691
Nuclear fuel disposal costs	207	203
Retirement benefits	218	227
Regulatory liabilities	411	320
Asset retirement obligation	179	173
Other	482	427
	<u>2,228</u>	<u>2,041</u>
	<u>\$ 7,905</u>	<u>\$ 7,612</u>

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

<i>(In millions)</i>	For the Nine Months Ended September 30,	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 153	\$ 148
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization of regulatory liabilities, net	190	1
Asset removal costs charged to income	18	37
Deferred income taxes and investment tax credits, net	21	85
Retirement benefits, net of payments	(20)	(26)
Pension trust contribution	—	(197)
Nuclear decommissioning trust income	14	14
Changes in current assets and liabilities-		
Receivables	(15)	(83)
Prepaid taxes and other current assets	(15)	(18)
Accounts payable	(18)	70
Accrued interest	5	5
Other current liabilities	(15)	(28)
Other	12	25
Net cash provided from operating activities	330	33
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New financing-		
Long-term debt	400	—
Short-term borrowings - affiliated companies	—	222
Redemptions and repayments-		
Long-term debt	(311)	(161)
Short-term borrowings - affiliated companies	(87)	—
Equity contributions from parent	—	150
Common stock dividend payments	(40)	—
Other	2	—
Net cash provided from (used for) financing activities	(36)	211
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(259)	(264)
Loans to affiliated companies, net	—	76
Sales of investment securities held in trusts	246	180
Purchases of investment securities held in trusts	(260)	(194)
Asset removal costs	(25)	(41)
Proceeds from asset sales	5	—
Net cash used for investing activities	(293)	(243)
Net change in cash, cash equivalents, and restricted cash	1	1
Cash, cash equivalents, and restricted cash at beginning of period	8	6
Cash, cash equivalents, and restricted cash at end of period	\$ 9	\$ 7