

**TRANS-ALLEGHENY INTERSTATE LINE COMPANY**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019**

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

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2020	2019
<b>REVENUES</b>	\$ 65	\$ 60
<b>OPERATING EXPENSES:</b>		
Other operating expenses	3	4
Provision for depreciation	13	12
General taxes	3	4
Total operating expenses	19	20
<b>OPERATING INCOME</b>	46	40
<b>OTHER EXPENSE:</b>		
Pension and OPEB mark-to-market adjustment	(2)	—
Interest expense	(7)	(6)
Total other expense	(9)	(6)
<b>INCOME BEFORE INCOME TAXES</b>	37	34
<b>INCOME TAXES</b>	10	8
<b>NET INCOME</b>	\$ 27	\$ 26

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

<i>(In millions)</i>	March 31, 2020	December 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Receivables-		
Affiliated companies	\$ 19	\$ 19
Other	21	21
Prepaid taxes and other	17	13
	<u>57</u>	<u>53</u>
<b>UTILITY PLANT:</b>		
In service	2,190	2,189
Less — Accumulated provision for depreciation	259	249
	<u>1,931</u>	<u>1,940</u>
Construction work in progress	28	19
	<u>1,959</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>\$ 2,022</u>	<u>\$ 2,024</u>
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Short-term borrowings - affiliated companies	\$ 5	\$ 39
Accounts payable - affiliated companies	1	10
Accrued taxes	25	16
Accrued interest	8	2
	<u>39</u>	<u>67</u>
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Other paid-in capital	926	926
Retained earnings	36	9
Total common stockholder's equity	<u>962</u>	<u>935</u>
Long-term debt and other long-term obligations	622	622
	<u>1,584</u>	<u>1,557</u>
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	270	268
Regulatory liabilities	124	121
Property taxes	—	6
Other	5	5
	<u>399</u>	<u>400</u>
	<u>\$ 2,022</u>	<u>\$ 2,024</u>

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

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 27	\$ 26
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	13	14
Deferred income taxes and investment tax credits, net	2	(1)
Transmission revenue collections, net	1	(2)
Pension and OPEB mark-to-market adjustment	2	—
Changes in current assets and liabilities-		
Receivables	—	(1)
Prepaid taxes and other current assets	(4)	(2)
Accounts payable	(11)	—
Accrued taxes	9	8
Accrued interest	6	6
Other	(1)	—
Net cash provided from operating activities	44	48
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Redemptions and repayments-		
Short-term borrowings - affiliated companies, net	(34)	(11)
Net cash used for financing activities	(34)	(11)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(10)	(4)
Loans to affiliated companies, net	—	(33)
Net cash used for investing activities	(10)	(37)
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	\$ —	\$ —