

**THE TOLEDO EDISON COMPANY AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019**

**THE TOLEDO EDISON COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(UNAUDITED)**

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2020	2019
<b>REVENUES:</b>		
Electric sales	\$ 113	\$ 110
Excise and gross receipts tax collections	6	7
Total revenues	119	117
<b>OPERATING EXPENSES:</b>		
Purchased power from affiliates	1	3
Purchased power from non-affiliates	14	14
Other operating expenses	48	46
Provision for depreciation	10	10
Deferral of regulatory assets, net	(1)	(7)
General taxes	15	16
Total operating expenses	87	82
<b>OPERATING INCOME</b>	32	35
<b>OTHER INCOME (EXPENSE):</b>		
Miscellaneous income, net	2	2
Pension and OPEB mark-to-market adjustment	(11)	—
Interest expense	(9)	(9)
Total other expense	(18)	(7)
<b>INCOME BEFORE INCOME TAXES (BENEFITS)</b>	14	28
<b>INCOME TAXES (BENEFITS)</b>	(3)	5
<b>NET INCOME</b>	\$ 17	\$ 23

**THE TOLEDO EDISON COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

<i>(In millions, except share amounts)</i>	March 31, 2020	December 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Restricted cash	\$ 1	\$ 2
Receivables-		
Customers	42	45
Less — Allowance for uncollectible customer receivables	3	3
	39	42
Affiliated companies	26	20
Other, net of allowance for uncollectible accounts	8	12
Prepaid taxes and other	1	2
	75	78
<b>UTILITY PLANT:</b>		
In service	1,257	1,246
Less — Accumulated provision for depreciation	608	601
	649	645
Construction work in progress	26	25
	675	670
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>		
Goodwill	501	501
Regulatory assets	49	35
Property taxes	27	36
Other	11	12
	588	584
	\$ 1,338	\$ 1,332
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Currently payable long-term debt	\$ 53	\$ 53
Short-term borrowings - affiliated companies	34	33
Accounts payable-		
Affiliated companies	20	19
Other	6	5
Accrued taxes	41	37
Other	26	22
	180	169
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Common stock, \$5 par value, authorized 60,000,000 shares - 29,402,054 shares outstanding	147	147
Other paid-in capital	318	318
Accumulated other comprehensive income	1	1
Retained earnings	60	53
Total common stockholder's equity	526	519
Long-term debt and other long-term obligations	335	335
	861	854
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	82	88
Retirement benefits	61	51
Property taxes	18	36
Other	136	134
	297	309
	\$ 1,338	\$ 1,332

**THE TOLEDO EDISON COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED 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	\$ 17	\$ 23
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	(6)	5
Deferred income taxes and investment tax credits, net	(7)	(4)
Pension and OPEB mark-to-market adjustment	11	—
Change in current assets and liabilities-		
Receivables	1	2
Prepaid taxes and other current assets	1	—
Accounts payable	2	2
Accrued taxes	(5)	2
Other current liabilities	4	1
Other	4	(1)
Net cash provided from operating activities	22	30
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New financing-		
Short-term borrowings - affiliated companies, net	1	—
Redemptions and repayments-		
Long-term debt	(1)	(1)
Short-term borrowings, net	—	(1)
Common stock dividend payments	(10)	(15)
Net cash used for financing activities	(10)	(17)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(12)	(10)
Loans to affiliated companies, net	—	(2)
Asset removal costs	(1)	(2)
Net cash used for investing activities	(13)	(14)
Net change in cash, cash equivalents, and restricted cash	(1)	(1)
Cash, cash equivalents, and restricted cash at beginning of period	2	2
Cash, cash equivalents, and restricted cash at end of period	\$ 1	\$ 1