

OHIO EDISON COMPANY AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

<i>(In millions)</i>	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2019	2018	2019	2018
REVENUES				
Electric sales	\$ 412	\$ 427	\$ 1,141	\$ 1,184
Excise and gross receipts tax collections	29	30	81	84
Total revenues	441	457	1,222	1,268
OPERATING EXPENSES:				
Purchased power from affiliates	6	28	33	54
Purchased power non-affiliates	79	59	202	195
Other operating expenses	138	111	417	346
Provision for depreciation	33	30	96	90
Deferral (amortization) of regulatory liabilities, net	12	26	(13)	(2)
General taxes	56	56	160	161
Total operating expenses	324	310	895	844
OPERATING INCOME	117	147	327	424
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	9	11	31	66
Interest expense	(17)	(17)	(51)	(51)
Capitalized financing costs	2	2	5	5
Total other income (expense)	(6)	(4)	(15)	20
INCOME BEFORE INCOME TAXES	111	143	312	444
INCOME TAXES	25	32	68	96
NET INCOME	\$ 86	\$ 111	\$ 244	\$ 348
<u>STATEMENTS OF COMPREHENSIVE INCOME</u>				
NET INCOME	\$ 86	\$ 111	\$ 244	\$ 348
OTHER COMPREHENSIVE LOSS:				
Pension and OPEB prior service costs	(1)	(2)	(2)	(6)
Other comprehensive loss	(1)	(2)	(2)	(6)
Income tax benefits on other comprehensive loss	(1)	(1)	(1)	(4)
Other comprehensive loss, net of tax	—	(1)	(1)	(2)
COMPREHENSIVE INCOME	\$ 86	\$ 110	\$ 243	\$ 346

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(In millions, except share amounts)</i>	September 30, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 261	\$ 181
Restricted cash	3	5
Receivables-		
Customers, net of allowance for uncollectible accounts of \$8 in 2019 and 2018	163	174
Affiliated companies	58	55
Other	32	48
Notes receivable from affiliated companies	98	348
Prepaid taxes and other	10	7
	<u>625</u>	<u>818</u>
UTILITY PLANT:		
In service	4,466	4,349
Less — Accumulated provision for depreciation	1,642	1,591
	<u>2,824</u>	<u>2,758</u>
Construction work in progress	110	109
	<u>2,934</u>	<u>2,867</u>
DEFERRED CHARGES AND OTHER ASSETS:		
Property taxes	24	103
Other	134	114
	<u>158</u>	<u>217</u>
	<u>\$ 3,717</u>	<u>\$ 3,902</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 7	\$ 8
Accounts payable-		
Affiliated companies	4	8
Other	54	48
Accrued taxes	109	109
Accrued interest	20	20
Other	93	86
	<u>287</u>	<u>279</u>
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, without par value, authorized 175,000,000 shares - 60 shares outstanding	942	935
Accumulated other comprehensive loss	(2)	(1)
Retained earnings	446	502
Total common stockholder's equity	<u>1,386</u>	<u>1,436</u>
Long-term debt and other long-term obligations	943	948
	<u>2,329</u>	<u>2,384</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	420	407
Retirement benefits	193	248
Regulatory liabilities	209	212
Property taxes	—	103
Other	279	269
	<u>1,101</u>	<u>1,239</u>
	<u>\$ 3,717</u>	<u>\$ 3,902</u>

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<i>(In millions)</i>	For the Nine Months Ended September 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 244	\$ 348
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization of regulatory liabilities, net	96	106
Deferred income taxes and investment tax credits, net	9	16
Pension trust contributions	(43)	(27)
Retirement benefits, net of payments	(21)	(30)
Changes in current assets and liabilities-		
Receivables	29	(34)
Prepaid taxes and other current assets	(3)	(1)
Accounts payable	2	(19)
Accrued taxes	(24)	(24)
Other current liabilities	3	(5)
Other	(7)	(37)
Net cash provided from operating activities	285	293
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemptions and repayments-		
Long-term debt	(4)	(4)
Short-term borrowings - affiliated companies	—	(1)
Common stock dividend payments	(300)	(100)
Other	(3)	(3)
Net cash used for financing activities	(307)	(108)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(136)	(130)
Loans to affiliated companies, net	250	(70)
Asset removal costs	(16)	(15)
Other	2	(2)
Net cash provided from (used for) investing activities	100	(217)
Net change in cash, cash equivalents, and restricted cash	78	(32)
Cash, cash equivalents, and restricted cash at beginning of period	186	335
Cash, cash equivalents, and restricted cash at end of period	\$ 264	\$ 303