

**OHIO EDISON COMPANY AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019**

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

<i>(In millions)</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
<b>STATEMENTS OF INCOME</b>				
<b>REVENUES:</b>				
Electric sales	\$ 357	\$ 343	\$ 747	\$ 729
Excise and gross receipts tax collections	24	24	48	52
Total revenues	381	367	795	781
<b>OPERATING EXPENSES:</b>				
Purchased power from affiliates	—	10	3	27
Purchased power non-affiliates	66	54	142	123
Other operating expenses	146	130	290	279
Provision for depreciation	33	32	66	63
Deferral of regulatory liabilities, net	(4)	(4)	(7)	(25)
General taxes	50	50	104	104
Total operating expenses	291	272	598	571
<b>OPERATING INCOME</b>	90	95	197	210
<b>OTHER INCOME (EXPENSE):</b>				
Miscellaneous income, net	13	10	22	22
Pension and OPEB mark-to-market adjustment	—	—	(44)	—
Interest expense	(17)	(17)	(34)	(34)
Capitalized financing costs	3	2	4	3
Total other expense	(1)	(5)	(52)	(9)
<b>INCOME BEFORE INCOME TAXES</b>	89	90	145	201
<b>INCOME TAXES</b>	19	20	—	43
<b>NET INCOME</b>	\$ 70	\$ 70	\$ 145	\$ 158
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>				
<b>NET INCOME</b>	\$ 70	\$ 70	\$ 145	\$ 158
<b>OTHER COMPREHENSIVE LOSS:</b>				
Pension and OPEB prior service costs	—	(1)	—	(1)
Change in unrealized gain on available-for-sale securities	—	—	—	—
Other comprehensive loss	—	(1)	—	(1)
Income tax benefits on other comprehensive loss	—	—	—	—
Other comprehensive income, net of tax	—	(1)	—	(1)
<b>COMPREHENSIVE INCOME</b>	\$ 70	\$ 69	\$ 145	\$ 157

**OHIO EDISON COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

<i>(In millions, except share amounts)</i>	June 30, 2020	December 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ —	\$ 41
Restricted cash	5	5
Receivables-		
Customers	159	158
Less — Allowance for uncollectible customer receivables	14	8
	<u>145</u>	<u>150</u>
Affiliated companies	90	76
Other	25	32
Notes receivable from affiliated companies	114	183
Prepaid taxes and other	15	9
	<u>394</u>	<u>496</u>
<b>UTILITY PLANT:</b>		
In service	4,598	4,523
Less — Accumulated provision for depreciation	1,701	1,661
	<u>2,897</u>	<u>2,862</u>
Construction work in progress	143	110
	<u>3,040</u>	<u>2,972</u>
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>		
Property taxes	51	107
Other	139	138
	<u>190</u>	<u>245</u>
	<u>\$ 3,624</u>	<u>\$ 3,713</u>
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Currently payable long-term debt	\$ 6	\$ 7
Short-term borrowings - affiliated companies	18	12
Accounts payable-		
Affiliated companies	2	13
Other	58	50
Accrued taxes	107	109
Accrued interest	20	20
Other	84	79
	<u>295</u>	<u>290</u>
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Common stock, without par value, authorized 175,000,000 shares - 60 shares outstanding	944	943
Accumulated other comprehensive loss	(3)	(3)
Retained earnings	357	302
Total common stockholder's equity	<u>1,298</u>	<u>1,242</u>
Long-term debt and other long-term obligations	939	942
	<u>2,237</u>	<u>2,184</u>
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	380	430
Retirement benefits	256	243
Regulatory liabilities	72	141
Property taxes	51	107
Other	333	318
	<u>1,092</u>	<u>1,239</u>
	<u>\$ 3,624</u>	<u>\$ 3,713</u>

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

<i>(In millions)</i>	<b>For the Six Months Ended June 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 145	\$ 158
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	5	51
Deferred income taxes and investment tax credits, net	(54)	1
Pension trust contributions	—	(43)
Retirement benefits, net of payments	(29)	(14)
Pension and OPEB mark-to-market adjustment	44	—
Changes in current assets and liabilities-		
Receivables	(2)	24
Prepaid taxes and other current assets	(6)	(6)
Accounts payable	(3)	(11)
Accrued taxes	(2)	(14)
Other current liabilities	—	(12)
Other	5	1
Net cash provided from operating activities	<u>103</u>	<u>135</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New financing-		
Short-term borrowings - affiliated companies, net	6	—
Redemptions and repayments-		
Long-term debt	(2)	(2)
Common stock dividend payments	(90)	(50)
Other	(2)	(2)
Net cash used for financing activities	<u>(88)</u>	<u>(54)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(112)	(85)
Loans to affiliated companies, net	69	128
Asset removal costs	(15)	(11)
Other	2	3
Net cash provided from (used for) investing activities	<u>(56)</u>	<u>35</u>
Net change in cash, cash equivalents, and restricted cash	(41)	116
Cash, cash equivalents, and restricted cash at beginning of period	46	186
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 5</u>	<u>\$ 302</u>