

**New York State Electric & Gas Corporation**

**Financial Statements (Unaudited)**

**For the Six Months Ended June 30, 2024 and 2023**

# New York State Electric & Gas Corporation

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**New York State Electric & Gas Corporation**  
**Statements of Income (Unaudited)**

| Periods Ended June 30,                  | Three Months      |                   | Six Months          |                     |
|---|-------------------|-------------------|---------------------|---------------------|
|   | 2024              | 2023              | 2024                | 2023                |
| (Thousands)                             |                   |                   |                     |                     |
| <b>Operating Revenues</b>               | <b>\$ 528,275</b> | <b>\$ 437,394</b> | <b>\$ 1,170,884</b> | <b>\$ 1,062,271</b> |
| <b>Operating Expenses</b>               |                   |                   |                     |                     |
| Electricity purchased                   | 116,200           | 97,575            | 270,988             | 252,156             |
| Natural gas purchased                   | 10,839            | 10,334            | 52,801              | 90,786              |
| Operations and maintenance              | 234,334           | 223,835           | 474,119             | 445,035             |
| Depreciation and amortization           | 59,078            | 51,783            | 112,810             | 103,886             |
| Taxes other than income taxes, net      | 42,460            | 40,713            | 88,550              | 85,098              |
| <b>Total Operating Expenses</b>         | <b>462,911</b>    | <b>424,240</b>    | <b>999,268</b>      | <b>976,961</b>      |
| <b>Operating Income</b>                 | <b>65,364</b>     | <b>13,154</b>     | <b>171,616</b>      | <b>85,310</b>       |
| Other income                            | 16,739            | 12,170            | 32,185              | 24,553              |
| Other deductions                        | 1,820             | 4,001             | 3,734               | 6,437               |
| Interest expense, net of capitalization | (23,508)          | (18,241)          | (51,777)            | (38,948)            |
| <b>Income Before Income Tax</b>         | <b>60,415</b>     | <b>11,084</b>     | <b>155,758</b>      | <b>77,352</b>       |
| Income tax expense                      | 12,838            | 2,445             | 32,395              | 13,485              |
| <b>Net Income</b>                       | <b>\$ 47,577</b>  | <b>\$ 8,639</b>   | <b>\$ 123,363</b>   | <b>\$ 63,867</b>    |

**New York State Electric & Gas Corporation**  
**Statements of Comprehensive Income (Unaudited)**

| Periods Ended June 30,   | Three Months     |                 | Six Months        |                  |
|--|------------------|-----------------|-------------------|------------------|
|  | 2024             | 2023            | 2024              | 2023             |
| (Thousands)  |                  |                 |                   |                  |
| <b>Net Income</b>  | <b>\$ 47,577</b> | <b>\$ 8,639</b> | <b>\$ 123,363</b> | <b>\$ 63,867</b> |
| <b>Other Comprehensive (Loss) Income, Net of Tax</b>   |                  |                 |                   |                  |
| Amortization of pension cost for non-qualified plans, net of income tax                        | (11)             | (18)            | (27)              | (18)             |
| Reclassification to net income of loss on settled cash flow treasury hedges, net of income tax | —                | 13              | —                 | 227              |
| <b>Other Comprehensive (Loss) Income, Net of Tax</b>   | <b>(11)</b>      | <b>(5)</b>      | <b>(27)</b>       | <b>209</b>       |
| <b>Comprehensive Income</b>  | <b>\$ 47,566</b> | <b>\$ 8,634</b> | <b>\$ 123,336</b> | <b>\$ 64,076</b> |

**New York State Electric & Gas Corporation**  
**Balance Sheets (Unaudited)**

| As of  | June 30,            | December 31,        |
|--|---------------------|---------------------|
| (Thousands)                                      | 2024                | 2023                |
| <b>Assets</b>                                    |                     |                     |
| <b>Current Assets</b>                            |                     |                     |
| Cash and cash equivalents                        | \$ 2,498            | \$ 6,101            |
| Accounts receivable and unbilled revenues, net   | 318,546             | 348,556             |
| Accounts receivable from affiliates              | 3,084               | 4,900               |
| Fuel and natural gas in storage, at average cost | 13,660              | 19,022              |
| Materials and supplies                           | 52,711              | 47,037              |
| Broker margin accounts                           | 17,042              | 12,039              |
| Derivative assets                                | 944                 | —                   |
| Prepaid property taxes                           | 27,444              | 38,757              |
| Other current assets                             | 24,155              | 19,695              |
| Regulatory assets                                | 222,280             | 204,332             |
| <b>Total Current Assets</b>                      | <b>682,364</b>      | <b>700,439</b>      |
| Utility plant, at original cost                  | 8,742,642           | 8,528,387           |
| Less accumulated depreciation                    | (2,533,606)         | (2,490,347)         |
| <b>Net Utility Plant in Service</b>              | <b>6,209,036</b>    | <b>6,038,040</b>    |
| Construction work in progress                    | 1,024,060           | 882,447             |
| <b>Total Utility Plant</b>                       | <b>7,233,096</b>    | <b>6,920,487</b>    |
| Operating lease right-of-use assets              | 7,684               | 8,202               |
| Other property and investments                   | 8,966               | 8,779               |
| <b>Regulatory and Other Assets</b>               |                     |                     |
| Regulatory assets                                | 1,221,222           | 1,050,289           |
| Other  | 34,611              | 40,526              |
| <b>Total Regulatory and Other Assets</b>         | <b>1,255,833</b>    | <b>1,090,815</b>    |
| <b>Total Assets</b>                              | <b>\$ 9,187,943</b> | <b>\$ 8,728,722</b> |

**New York State Electric & Gas Corporation**  
**Balance Sheets (Unaudited)**

| As of  | June 30,<br>2024    | December 31,<br>2023 |
|--|---------------------|----------------------|
| (Thousands, except share information)  |                     |                      |
| <b>Liabilities</b>   |                     |                      |
| <b>Current Liabilities</b>   |                     |                      |
| Current portion of long-term debt  | \$ —                | \$ 9,603             |
| Notes payable to affiliates  | 149,300             | 83,300               |
| Accounts payable and accrued liabilities   | 490,442             | 565,373              |
| Accounts payable to affiliates   | 63,906              | 120,564              |
| Interest accrued   | 28,629              | 29,288               |
| Taxes accrued  | 5,272               | 9,712                |
| Operating lease liabilities  | 1,256               | 1,237                |
| Environmental remediation costs  | 9,650               | 6,061                |
| Customer deposits  | 11,149              | 13,858               |
| Regulatory liabilities   | 66,001              | 75,587               |
| Other  | 80,611              | 110,600              |
| <b>Total Current Liabilities</b>   | <b>906,216</b>      | <b>1,025,183</b>     |
| <b>Regulatory and Other Liabilities</b>  |                     |                      |
| Regulatory liabilities   | 877,426             | 917,132              |
| <b>Other Non-current Liabilities</b>   |                     |                      |
| Deferred income taxes  | 920,220             | 853,843              |
| Pension and other postretirement   | 102,063             | 119,885              |
| Operating lease liabilities  | 7,670               | 8,034                |
| Asset retirement obligation  | 11,365              | 11,078               |
| Environmental remediation costs  | 47,181              | 53,233               |
| Other  | 24,963              | 24,119               |
| <b>Total Regulatory and Other Liabilities</b>  | <b>1,990,888</b>    | <b>1,987,324</b>     |
| Non-current debt   | 2,876,532           | 2,875,190            |
| <b>Total Liabilities</b>   | <b>5,773,636</b>    | <b>5,887,697</b>     |
| <b>Commitments and Contingencies</b>   |                     |                      |
| <b>Common Stock Equity</b>   |                     |                      |
| Common stock (\$6.66 2/3 par value, 90,000,000 shares authorized and 64,508,477 shares outstanding at June 30, 2024 and December 31, 2023) | 430,057             | 430,057              |
| Additional paid-in capital   | 2,379,088           | 1,929,142            |
| Retained earnings  | 605,758             | 482,395              |
| Accumulated other comprehensive loss   | (596)               | (569)                |
| <b>Total Common Stock Equity</b>   | <b>3,414,307</b>    | <b>2,841,025</b>     |
| <b>Total Liabilities and Equity</b>  | <b>\$ 9,187,943</b> | <b>\$ 8,728,722</b>  |

**New York State Electric & Gas Corporation**  
**Statements of Cash Flows (Unaudited)**

| Periods Ended June 30,  | 2024              | 2023             |
|---|-------------------|------------------|
| (Thousands)   |                   |                  |
| <b>Cash Flow from Operating Activities:</b>                                       |                   |                  |
| <b>Net income</b>   | <b>\$ 123,363</b> | <b>\$ 63,867</b> |
| Adjustments to reconcile net income to net cash provided by operating activities: |                   |                  |
| Depreciation and amortization   | 112,810           | 103,886          |
| Regulatory assets/liabilities amortization  | 15,478            | (3,303)          |
| Regulatory assets/liabilities carrying cost                                       | (11,169)          | (5,378)          |
| Amortization of debt issuance costs   | 1,344             | 948              |
| Deferred taxes  | 53,264            | 21,173           |
| Pension cost  | (4,205)           | (7,158)          |
| Stock-based compensation  | 190               | (15)             |
| Accretion expenses  | 287               | 294              |
| Gain on disposal of assets  | (13)              | (55)             |
| Other non-cash items  | (32,031)          | (41,308)         |
| Changes in operating assets and liabilities:                                      |                   |                  |
| Accounts receivable, from affiliates, and unbilled revenues                       | 31,826            | 102,396          |
| Inventories   | (312)             | 34,443           |
| Accounts payable, to affiliates, and accrued liabilities                          | (67,392)          | (170,322)        |
| Taxes accrued   | (4,440)           | 971              |
| Other assets/liabilities  | (13,660)          | 20,503           |
| Regulatory assets/liabilities   | (249,315)         | (113,391)        |
| <b>Net Cash (Used in) Provided by Operating Activities</b>                        | <b>(43,975)</b>   | <b>7,551</b>     |
| <b>Cash Flow from Investing Activities:</b>                                       |                   |                  |
| Capital expenditures  | (485,546)         | (447,020)        |
| Contributions in aid of construction  | 19,487            | 16,341           |
| Proceeds from sale of utility plant   | 2,598             | 1,536            |
| <b>Net Cash Used in Investing Activities</b>                                      | <b>(463,461)</b>  | <b>(429,143)</b> |
| <b>Cash Flow from Financing Activities:</b>                                       |                   |                  |
| Repayments of non-current debt  | (12,000)          | (200,000)        |
| Repayments of finance leases  | (167)             | (105)            |
| Notes payable to affiliates   | 66,000            | 221,700          |
| Capital contributions   | 450,000           | 400,000          |
| <b>Net Cash Provided by Financing Activities</b>                                  | <b>503,833</b>    | <b>421,595</b>   |
| <b>Net (Decrease) Increase in Cash and Cash Equivalents</b>                       | <b>(3,603)</b>    | <b>3</b>         |
| <b>Cash and Cash Equivalents, Beginning of Period</b>                             | <b>6,101</b>      | <b>1</b>         |
| <b>Cash and Cash Equivalents, End of Period</b>                                   | <b>\$ 2,498</b>   | <b>\$ 4</b>      |

**New York State Electric & Gas Corporation**  
**Statements of Changes in Common Stock Equity (Unaudited)**

| (Thousands, except per share amounts)  | Number of<br>Shares (*) | Common<br>Stock   | Additional<br>Paid-In Capital | Retained<br>Earnings | Accumulated<br>Other<br>Comprehensive<br>Loss | Total Common<br>Stock Equity |
|--|-------------------------|-------------------|-------------------------------|----------------------|---|------------------------------|
| <b>As of December 31, 2022</b>         | <b>64,508,477</b>       | <b>\$ 430,057</b> | <b>\$ 1,529,469</b>           | <b>\$ 470,160</b>    | <b>\$ (820)</b>                               | <b>\$ 2,428,866</b>          |
| Net income                             | —                       | —                 | —                             | 63,867               | —   | 63,867                       |
| Other comprehensive income, net of tax | —                       | —                 | —                             | —                    | 209   | 209                          |
| Comprehensive income                   |                         |                   |                               |                      |   | 64,076                       |
| Stock-based compensation               | —                       | —                 | (327)                         | —                    | —   | (327)                        |
| Capital contributions                  | —                       | —                 | 400,000                       | —                    | —   | 400,000                      |
| <b>As of June 30, 2023</b>             | <b>64,508,477</b>       | <b>\$ 430,057</b> | <b>\$ 1,929,142</b>           | <b>\$ 534,027</b>    | <b>\$ (611)</b>                               | <b>\$ 2,892,615</b>          |
| <b>As of December 31, 2023</b>         | <b>64,508,477</b>       | <b>\$ 430,057</b> | <b>\$ 1,929,142</b>           | <b>\$ 482,395</b>    | <b>\$ (569)</b>                               | <b>\$ 2,841,025</b>          |
| Net income                             | —                       | —                 | —                             | 123,363              | —   | 123,363                      |
| Other comprehensive loss, net of tax   | —                       | —                 | —                             | —                    | (27)  | (27)                         |
| Comprehensive income                   |                         |                   |                               |                      |   | 123,336                      |
| Stock-based compensation               | —                       | —                 | (54)                          | —                    | —   | (54)                         |
| Capital contributions                  | —                       | —                 | 450,000                       | —                    | —   | 450,000                      |
| <b>As of June 30, 2024</b>             | <b>64,508,477</b>       | <b>\$ 430,057</b> | <b>\$ 2,379,088</b>           | <b>\$ 605,758</b>    | <b>\$ (596)</b>                               | <b>\$ 3,414,307</b>          |

(\*) Par value of share amounts is 6.66 2/3