

THE PEOPLES GAS LIGHT AND COKE COMPANY

(An Indirect Wholly Owned Subsidiary of WEC Energy Group, Inc.)

FINANCIAL STATEMENTS

For the Quarter Ended September 30, 2024

THE PEOPLES GAS LIGHT AND COKE COMPANY

CONDENSED CONSOLIDATED INCOME STATEMENTS (Unaudited) (in millions)	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Operating revenues	\$ 146.9	\$ 216.3	\$ 980.6	\$ 973.5
Operating expenses				
Cost of natural gas	10.2	28.6	200.7	254.2
Other operation and maintenance	115.1	76.6	301.0	268.8
Depreciation and amortization	58.6	54.1	175.3	161.0
Property and revenue taxes	11.2	5.9	40.5	25.1
Total operating expenses	195.1	165.2	717.5	709.1
Operating income (loss)	(48.2)	51.1	263.1	264.4
Other income, net	1.4	1.5	5.3	4.5
Interest expense	20.5	20.5	65.3	60.2
Other expense	(19.1)	(19.0)	(60.0)	(55.7)
Income (loss) before income taxes	(67.3)	32.1	203.1	208.7
Income tax expense (benefit)	(18.9)	8.5	56.5	56.2
Net income (loss)	\$ (48.4)	\$ 23.6	\$ 146.6	\$ 152.5

THE PEOPLES GAS LIGHT AND COKE COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) <i>(in millions, except share amounts)</i>	September 30	December 31
	2024	2023
Assets		
Current assets		
Accounts receivable and unbilled revenues, net of reserves of \$85.8 and \$107.4, respectively	\$ 221.4	\$ 332.0
Accounts receivable from related parties	7.4	19.5
Notes receivable from related party	23.1	27.9
Materials, supplies, and inventories:		
Natural gas in storage, at LIFO	130.1	110.4
Materials and supplies	33.5	32.7
Prepayments	4.8	8.5
Amounts recoverable from customers	42.2	18.0
Collateral on deposit	15.6	36.7
Other	1.0	2.2
Current assets	479.1	587.9
Long-term assets		
Property, plant, and equipment, net of accumulated depreciation and amortization of \$1,866.3 and \$1,810.4, respectively	5,156.6	5,080.7
Regulatory assets	673.2	711.6
Pension and other postretirement employee benefit assets	156.3	150.2
Other	5.1	9.4
Long-term assets	5,991.2	5,951.9
Total assets	\$ 6,470.3	\$ 6,539.8
Liabilities and Shareholder's Equity		
Current liabilities		
Short-term debt	\$ 113.0	\$ 330.8
Current portion of long-term debt	75.0	75.0
Accounts payable	113.4	177.7
Accounts payable to related parties	23.1	36.2
Accrued taxes	17.9	34.9
Customer credit balances	86.6	88.8
Other	100.2	116.9
Current liabilities	529.2	860.3
Long-term liabilities		
Long-term debt	1,984.0	1,983.3
Deferred income taxes	656.5	650.6
Deferred investment tax credits	20.2	20.6
Regulatory liabilities	443.1	411.4
Environmental remediation liabilities	277.1	305.9
Asset retirement obligations	140.8	135.8
Other	80.4	79.5
Long-term liabilities	3,602.1	3,587.1
Commitments and contingencies		
Shareholder's equity		
Common stock - without par value, 40,000,000 shares authorized; 25,357,566 shares issued and outstanding	1,568.1	1,318.0
Retained earnings	770.9	774.4
Shareholder's equity	2,339.0	2,092.4
Total liabilities and shareholder's equity	\$ 6,470.3	\$ 6,539.8

THE PEOPLES GAS LIGHT AND COKE COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)	Nine Months Ended September 30	
<i>(in millions)</i>	2024	2023
Operating activities		
Net income	\$ 146.6	\$ 152.5
Reconciliation to cash provided by operating activities		
Depreciation and amortization	175.3	161.0
Deferred income taxes and investment tax credits, net	2.9	32.2
Settlement of asset retirement obligations	(5.3)	(7.9)
Manufactured gas plant remediation costs	(29.5)	(9.7)
Change in –		
Accounts receivable and unbilled revenues, net	121.7	230.5
Materials, supplies, and inventories	(20.5)	(25.2)
Amounts recoverable from customers	(24.2)	11.4
Prepayments	3.7	(4.3)
Collateral on deposit	21.1	(6.0)
Accounts payable	(67.5)	(92.9)
Accrued taxes	(17.0)	(31.9)
Customer credit balances	(2.2)	10.4
Amounts refundable to customers	0.9	(2.3)
Other current liabilities	(1.8)	10.4
Other, net	40.5	(15.9)
Net cash provided by operating activities	344.7	412.3
Investing activities		
Capital expenditures	(232.4)	(318.0)
Notes receivable from related party, net	4.8	7.7
Other, net	0.9	0.4
Net cash used in investing activities	(226.7)	(309.9)
Financing activities		
Change in short-term debt	(217.8)	(7.4)
Equity contribution from parent	250.0	170.0
Payment of dividends to parent	(150.0)	(265.0)
Other, net	(0.2)	–
Net cash used in financing activities	(118.0)	(102.4)
Net change in cash and cash equivalents	–	–
Cash and cash equivalents at beginning of period	–	–
Cash and cash equivalents at end of period	\$ –	\$ –
Supplemental cash flow information		
Cash paid for interest	\$ 53.6	\$ 50.7
Cash paid for income taxes, net	56.7	43.6