

OHIO VALLEY ELECTRIC CORPORATION

AND SUBSIDIARY COMPANY

CONSOLIDATING BALANCE SHEETS - MARCH 31, 2021 AND 2020-UNAUDITED

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS
YEAR TO DATE - MARCH 31, 2021 AND 2020-UNAUDITED

CONSOLIDATING STATEMENTS OF CASH FLOWS
YEAR TO DATE - MARCH 31, 2021 AND 2020-UNAUDITED

OHIO VALLEY ELECTRIC CORPORATION

AND SUBSIDIARY COMPANY

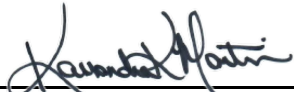
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OFFICER'S CERTIFICATION

A review of the affairs and activities of Ohio Valley Electric Corporation and its wholly-owned subsidiary, Indiana-Kentucky Electric Corporation (the Companies), during the quarters ended March 31, 2021 and 2020 has been made under my supervision, and in my opinion, the unaudited financial statements for these periods present fairly the financial conditions of the Companies as of March 31, 2021 and 2020, and the results of the operations, thereof, in accordance with generally accepted accounting principles consistently applied throughout the period. To the best of my knowledge and belief, there has been no Potential Default, Default, or Event of Default by the Companies and the Companies are in compliance with the covenants of the current debt agreements.

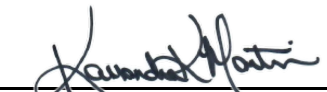


Secretary and Treasurer

OHIO VALLEY ELECTRIC CORPORATION and
INDIANA-KENTUCKY ELECTRIC CORPORATION

CONSOLIDATED NET WORTH

The consolidated net worth of Ohio Valley Electric Corporation and its wholly-owned subsidiary, Indiana-Kentucky Electric Corporation for the quarter ending March 31, 2021 was \$30,774,913



Secretary and Treasurer

OHIO VALLEY ELECTRIC CORPORATION and
INDIANA-KENTUCKY ELECTRIC CORPORATION

OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

CONSOLIDATING BALANCE SHEETS
AS OF MARCH 31, 2021 AND 2020-UNAUDITED

	2021				2020			
	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation
ASSETS								
ELECTRIC PLANT:								
At original cost	\$ 2,869,524,428	\$ -	\$ 1,414,816,873	\$ 1,454,707,555	\$ 2,793,333,161	\$ -	\$ 1,393,237,302	\$ 1,400,095,859
Less - Accumulated provisions for depreciation	(1,681,450,603)	-	(839,929,559)	(841,521,044)	(1,578,098,453)	-	(788,988,001)	(789,110,452)
	1,188,073,825	-	574,887,314	613,186,511	1,215,234,708	-	604,249,301	610,985,407
Construction in progress	22,992,097	-	11,118,249	11,873,848	15,616,188	-	8,546,244	7,069,944
Total electric plant	1,211,065,922	-	586,005,563	625,060,359	1,230,850,896	-	612,795,545	618,055,351
INVESTMENTS AND OTHER:								
Investment in subsidiary company	-	(3,400,000)	3,400,000	-	-	(3,400,000)	3,400,000	-
Advances to subsidiary-construction	-	(578,243,191)	578,243,191	-	-	(620,282,269)	620,282,269	-
Total investments and other	-	(581,643,191)	581,643,191	-	-	(623,682,269)	623,682,269	-
CURRENT ASSETS:								
Cash and cash equivalents	103,728,962	-	103,722,762	6,200	44,417,851	-	44,411,651	6,200
Accounts receivable	28,428,354	-	28,261,939	166,415	68,983,597	-	68,866,178	117,419
Fuel in storage-at average cost	52,205,430	-	21,177,510	31,027,920	70,045,586	-	32,470,226	37,575,360
Materials and supplies-at average cost	40,046,548	-	24,807,808	15,238,740	42,102,178	-	26,547,210	15,554,968
Property taxes applicable to future years	2,441,250	-	2,441,250	-	2,362,500	-	2,362,500	-
Emission allowances	143,887	-	143,887	-	291,604	-	291,604	-
Income taxes receivable	-	-	-	-	2,307,853	-	2,307,853	-
Prepaid expenses and other	4,386,274	-	3,656,346	729,928	1,489,900	-	989,848	500,052
Total current assets	231,380,705	-	184,211,502	47,169,203	232,001,069	-	178,247,070	53,753,999
REGULATORY ASSETS:								
Unrecognized postemployment benefits	6,833,166	-	2,498,432	4,334,734	5,201,536	-	2,181,535	3,020,001
Pension benefits	34,784,688	-	18,599,373	16,185,315	31,970,308	-	17,799,287	14,171,021
Income taxes billable to customers	10,751,917	-	10,751,917	-	-	-	-	-
Other	-	-	-	-	14,450,673	(2,692,103)	17,142,776	-
Total regulatory assets	52,369,771	-	31,849,722	20,520,049	51,622,517	(2,692,103)	37,123,598	17,191,022
DEFERRED CHARGES AND OTHER:								
Unamortized debt expense	306,064	-	306,064	-	612,127	-	612,127	-
Income taxes receivable	-	-	-	-	2,101,572	-	2,101,572	-
Long-term investments	285,746,036	-	231,747,788	53,998,248	220,699,513	-	186,971,473	33,728,040
Other	623,586	-	622,602	984	1,245,637	-	1,244,653	984
Total deferred charges and other	286,675,686	-	232,676,454	53,999,232	224,658,849	-	190,929,825	33,729,024
TOTAL	\$ 1,781,492,084	\$ (581,643,191)	\$ 1,616,386,432	\$ 746,748,843	\$ 1,739,133,331	\$ (626,374,372)	\$ 1,642,778,307	\$ 722,729,396

OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

CONSOLIDATING BALANCE SHEETS
AS OF MARCH 31, 2021 AND 2020-UNAUDITED

	2021				2020			
	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation
CAPITALIZATION AND LIABILITIES								
CAPITALIZATION:								
Common stock, \$100 par value- Authorized, 300,000 shares; outstanding, 100,000 shares	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -
Common stock, without par value, stated at \$200 per share- Authorized, 100,000 shares; outstanding, 17,000 shares	-	(3,400,000)	-	3,400,000	-	(3,400,000)	-	3,400,000
Long-term debt	996,995,789	-	996,995,789	-	1,108,316,985	-	1,108,316,985	-
Line of credit borrowings-long term	60,000,000	-	60,000,000	-	100,000,000	-	100,000,000	-
Retained earnings	20,774,913	-	20,774,913	-	18,007,066	-	18,007,066	-
Total capitalization	1,087,770,702	(3,400,000)	1,087,770,702	3,400,000	1,236,324,051	(3,400,000)	1,236,324,051	3,400,000
CURRENT LIABILITIES:								
Current portion of long-term debt	195,703,418	-	195,703,418	-	142,068,350	-	142,068,350	-
Accounts payable	26,780,274	-	16,063,489	10,716,785	24,030,911	-	11,366,033	12,664,878
Accrued taxes	10,581,325	-	5,620,273	4,961,052	9,854,180	-	5,265,338	4,588,842
Regulatory liabilities	32,601,417	-	18,330,445	14,270,972	10,434,171	-	7,384,783	3,049,388
Accrued interest and other	28,572,732	-	22,959,194	5,613,538	27,810,043	-	21,826,193	5,983,850
Total current liabilities	294,239,166	-	258,676,819	35,562,347	214,197,655	-	187,910,697	26,286,958
COMMITMENTS AND CONTINGENCIES								
REGULATORY LIABILITIES:								
Postretirement benefits	64,587,329	-	47,947,957	16,639,372	76,936,794	-	57,050,539	19,886,255
Advance billing of debt reserve	120,000,000	-	120,000,000	-	97,500,000	-	97,500,000	-
Income taxes refundable to customers	-	-	-	-	8,658,897	-	8,658,897	-
Other	-	-	-	-	-	(2,692,103)	-	2,692,103
Total regulatory liabilities	184,587,329	-	167,947,957	16,639,372	183,095,691	(2,692,103)	163,209,436	22,578,358
OTHER LIABILITIES:								
Pension liability	34,784,688	-	18,599,373	16,185,315	31,970,308	-	17,799,287	14,171,021
Deferred income tax liability	19,410,815	-	19,410,815	-	-	-	-	-
Asset retirement obligations	138,933,456	-	54,422,328	84,511,128	63,487,038	-	32,400,636	31,086,402
Postretirement benefits obligation	11,995,106	-	6,353,804	5,641,302	4,242,848	-	2,390,270	1,852,578
Postemployment benefits obligation	6,833,166	-	2,498,432	4,334,734	5,201,536	-	2,181,535	3,020,001
Parent advances for construction	-	(578,243,191)	-	578,243,191	-	(620,282,269)	-	620,282,269
Other liabilities	2,937,656	-	706,202	2,231,454	614,204	-	562,395	51,809
Total other liabilities	214,894,887	(578,243,191)	101,990,954	691,147,124	105,515,934	(620,282,269)	55,334,123	670,464,080
TOTAL	\$ 1,781,492,084	\$ (581,643,191)	\$ 1,616,386,432	\$ 746,748,843	\$ 1,739,133,331	\$ (626,374,372)	\$ 1,642,778,307	\$ 722,729,396

OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS
YEAR TO DATE AS OF MARCH 31, 2021 AND 2020-UNAUDITED

	2021				2020			
	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation
OPERATING REVENUES:								
Sales of electric energy to:								
Department of Energy	\$ 1,139,021	\$ -	\$ 1,139,021	\$ -	\$ 860,308	\$ -	\$ 860,308	\$ -
Ohio Valley Electric Corp.	-	(63,917,927)	-	63,917,927	-	(58,313,291)	-	58,313,291
Sponsoring Companies	152,425,695	-	152,425,695	-	135,025,382	-	135,025,382	-
Other	1,188,546	-	1,188,546	-	211,381	-	211,381	-
Total operating revenues	154,753,262	(63,917,927)	154,753,262	63,917,927	136,097,071	(58,313,291)	136,097,071	58,313,291
OPERATING EXPENSES:								
Fuel and emission allowances consumed in operation	74,143,060	-	33,857,749	40,285,311	58,677,001	-	26,598,821	32,078,180
Purchased power	1,139,021	(63,917,927)	65,056,948	-	860,308	(58,313,291)	59,173,599	-
Other operation	17,847,972	-	11,606,684	6,241,288	18,816,930	-	12,096,102	6,720,828
Maintenance	15,250,214	-	8,836,444	6,413,770	17,499,449	-	8,550,510	8,948,939
Depreciation	26,810,405	-	17,133,119	9,677,286	17,899,050	-	8,634,582	9,264,468
Taxes-other than federal income taxes	2,939,564	-	1,628,327	1,311,237	2,876,671	-	1,589,577	1,287,094
Federal income taxes	-	-	-	-	-	-	-	-
Total operating expenses	138,130,236	(63,917,927)	138,119,271	63,928,892	116,629,409	(58,313,291)	116,643,191	58,299,509
OPERATING INCOME	16,623,026	-	16,633,991	(10,965)	19,467,662	-	19,453,880	13,782
OTHER INCOME (EXPENSE)	36,836	-	6,198	30,638	79,444	-	91,419	(11,975)
INCOME BEFORE INTEREST CHARGES	16,659,862	-	16,640,189	19,673	19,547,106	-	19,545,299	1,807
INTEREST CHARGES:								
Amortization of debt expense	1,057,652	-	1,057,652	-	1,178,395	-	1,178,395	-
Interest expense	14,931,603	-	14,911,930	19,673	17,655,668	-	17,653,861	1,807
Total interest charges	15,989,255	-	15,969,582	19,673	18,834,063	-	18,832,256	1,807
NET INCOME	\$ 670,607	\$ -	\$ 670,607	\$ -	\$ 713,043	\$ -	\$ 713,043	\$ -
RETAINED EARNINGS, JAN. 1	20,104,306	-	20,104,306	-	17,294,023	-	17,294,023	-
CASH DIVIDENDS ON COMMON STOCK	-	-	-	-	-	-	-	-
RETAINED EARNINGS, MAR. 31	\$ 20,774,913	\$ -	\$ 20,774,913	\$ -	\$ 18,007,066	\$ -	\$ 18,007,066	\$ -

OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

CONSOLIDATING STATEMENTS OF CASH FLOWS
YEAR TO DATE AS OF MARCH 31, 2021 AND 2020-UNAUDITED

	2021				2020			
	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation
CASH FROM OPERATIONS								
Net income	\$ 670,607	\$ -	\$ 670,607	\$ -	\$ 713,043	\$ -	\$ 713,043	\$ -
Adjustments to reconcile net income to net cash provided by (used in) operating activities:								
Depreciation and amortization	26,810,405	-	17,133,119	9,677,286	17,899,050	-	8,634,582	9,264,468
Amortization of debt expense and discount	1,057,652	-	1,057,652	-	1,178,395	-	1,178,395	-
Deferred taxes	-	-	-	-	-	-	-	-
(Gain)/loss on marketable securities	(5,070,228)	-	(1,626,739)	(3,443,489)	32,595,483	-	24,707,149	7,888,334
Changes in assets and liabilities:								
Accounts receivable	16,472,194	-	16,362,755	109,439	5,503,092	-	5,246,420	256,672
Fuel in storage	27,123,222	-	10,094,137	17,029,085	(8,693,728)	-	(5,075,944)	(3,617,784)
Material and supplies	381,715	-	208,973	172,742	(1,171,115)	-	(1,046,008)	(125,107)
Property taxes applicable to subsequent years	813,750	-	813,750	-	787,500	-	787,500	-
Emission allowances	18	-	18	-	77	-	77	-
Refundable income taxes	-	-	-	-	-	-	-	-
Prepaid expenses and other	(354,707)	-	(913,221)	558,514	1,327,815	-	852,491	475,324
Other regulatory assets	-	-	-	-	(16,942,776)	-	(16,942,776)	-
Other noncurrent assets	3,987,308	-	1,712,248	2,275,060	1,470,768	-	1,470,768	-
Accounts payable	(11,128,032)	-	(1,372,857)	(9,755,175)	(10,841,014)	-	(8,608,383)	(2,232,631)
Accrued taxes	(666,663)	-	(1,615,584)	948,921	(672,867)	-	(1,554,175)	881,308
Accrued interest and other	2,195,554	-	4,167,572	(1,972,018)	277,109	-	1,451,573	(1,174,464)
Decommissioning and demolition	-	-	-	-	(12,026,058)	-	(6,056,530)	(5,969,528)
Other regulatory liabilities	12,054,259	-	8,092,159	3,962,100	11,030,763	-	11,070,454	(39,691)
Other noncurrent liabilities	46,995	-	46,995	-	(200,000)	-	(200,000)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	74,394,049	-	54,831,584	19,562,465	22,235,537	-	16,628,636	5,606,901
INVESTING ACTIVITIES								
Electric plant additions	(1,507,934)	-	(1,428,195)	(79,739)	(5,830,383)	-	(3,410,044)	(2,420,339)
Proceeds from sale of long-term investments	6,663,310	-	3,342,531	3,320,779	9,285,337	-	7,866,321	1,419,016
Purchase of long-term investments	(13,388,026)	-	(8,574,482)	(4,813,544)	(21,841,054)	-	(18,503,231)	(3,337,823)
Changes in short-term intercompany lendings	-	(17,978,414)	17,978,414	-	-	(1,267,755)	1,267,755	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(8,232,650)	(17,978,414)	11,318,268	(1,572,504)	(18,386,100)	(1,267,755)	(12,779,199)	(4,339,146)
FINANCING ACTIVITIES								
Changes in short-term intercompany lendings	-	17,978,414	-	(17,978,414)	-	1,267,755	-	(1,267,755)
Repayment of Senior 2006 Notes	(12,179,371)	-	(12,179,371)	-	(11,498,825)	-	(11,498,825)	-
Repayment of Senior 2007 Notes	-	-	-	-	-	-	-	-
Repayment of Senior 2008 Notes	-	-	-	-	-	-	-	-
Reissuance of 2009 Bonds	-	-	-	-	-	-	-	-
Issuance of 2019A Bonds	-	-	-	-	-	-	-	-
Repayment of 2009E Bonds	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	20,000,000	-	20,000,000	-
Payments on line of credit	-	-	-	-	-	-	-	-
Principal payments under capital leases	(169,972)	-	(158,425)	(11,547)	-	-	-	-
Loan maintenance costs	(918,153)	-	(918,153)	-	(173,932)	-	(173,932)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(13,267,496)	17,978,414	(13,255,949)	(17,989,961)	8,327,243	1,267,755	8,327,243	(1,267,755)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 52,893,903	\$ -	\$ 52,893,903	\$ -	\$ 12,176,680	\$ -	\$ 12,176,680	\$ -
CASH AND CASH EQUIVALENTS, JAN. 1	50,835,059	-	50,828,859	6,200	32,241,171	-	32,234,971	6,200
CASH AND CASH EQUIVALENTS, MAR. 31	\$ 103,728,962	\$ -	\$ 103,722,762	\$ 6,200	\$ 44,417,851	\$ -	\$ 44,411,651	\$ 6,200