

OHIO VALLEY ELECTRIC CORPORATION

AND SUBSIDIARY COMPANY

CONSOLIDATING BALANCE SHEETS - JUNE 30, 2022 AND 2021-UNAUDITED

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS
YEAR TO DATE - JUNE 30, 2022 AND 2021-UNAUDITED

CONSOLIDATING STATEMENTS OF CASH FLOWS
YEAR TO DATE - JUNE 30, 2022 AND 2021-UNAUDITED

OHIO VALLEY ELECTRIC CORPORATION

AND SUBSIDIARY COMPANY

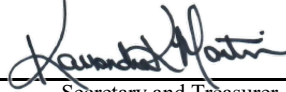
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OFFICER'S CERTIFICATION

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 June 30, 2022 and 2021 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 June 30, 2022 and 2021, 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.

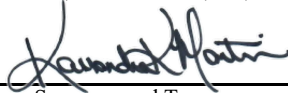


Secretary and Treasurer

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 June 30, 2022 was \$33,858,885.



Secretary and Treasurer

OHIO VALLEY ELECTRIC CORPORATION and
INDIANA-KENTUCKY ELECTRIC CORPORATION

OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

CONSOLIDATING BALANCE SHEETS
AS OF JUNE 30, 2022 AND 2021-UNAUDITED

	2022				2021			
	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	\$ 2,896,975,283	\$ -	\$ 1,445,739,640	\$ 1,451,235,643	\$ 2,869,746,681	\$ -	\$ 1,415,039,126	\$ 1,454,707,555
Less - Accumulated provisions for depreciation	(1,814,857,586)	-	(930,392,297)	(884,465,289)	(1,702,599,840)	-	(854,799,872)	(847,799,968)
	1,082,117,697	-	515,347,343	566,770,354	1,167,146,841	-	560,239,254	606,907,587
Construction in progress	90,725,229	-	54,558,132	36,167,097	31,506,042	-	17,311,860	14,194,182
Total electric plant	1,172,842,926	-	569,905,475	602,937,451	1,198,652,883	-	577,551,114	621,101,769
INVESTMENTS AND OTHER:								
Investment in subsidiary company	-	(3,400,000)	3,400,000	-	-	(3,400,000)	3,400,000	-
Advances to subsidiary-construction	-	(538,949,153)	538,949,153	-	-	(570,885,712)	570,885,712	-
Total investments and other	-	(542,349,153)	542,349,153	-	-	(574,285,712)	574,285,712	-
CURRENT ASSETS:								
Cash and cash equivalents	33,264,409	-	33,258,209	6,200	50,528,192	-	50,521,992	6,200
Accounts receivable	47,719,901	-	47,590,577	129,324	36,166,202	-	36,000,617	165,585
Fuel in storage	39,481,392	-	20,331,053	19,150,339	61,753,420	-	26,814,542	34,938,878
Materials and supplies	45,553,504	-	29,445,039	16,108,465	40,000,191	-	24,800,785	15,199,406
Property taxes applicable to future years	1,445,401	-	1,445,401	-	1,627,500	-	1,627,500	-
Emission allowances	61,215	-	61,215	-	124,764	-	124,764	-
Prepaid expenses and other	5,089,054	-	4,278,243	810,811	3,205,284	-	2,486,971	718,313
Total current assets	172,614,876	-	136,409,737	36,205,139	193,405,553	-	142,377,171	51,028,382
REGULATORY ASSETS:								
Unrecognized postemployment benefits	8,611,705	-	3,745,912	4,865,793	6,833,166	-	2,498,432	4,334,734
Unrecognized Pension benefits	18,796,585	-	10,244,139	8,552,446	34,784,688	-	18,599,373	16,185,315
Income taxes billable to customers	13,045,853	-	13,045,853	-	10,751,917	-	10,751,917	-
Other	13,897,584	-	11,458,242	2,439,342	-	-	-	-
Total regulatory assets	54,351,727	-	38,494,146	15,857,581	52,369,771	-	31,849,722	20,520,049
DEFERRED CHARGES AND OTHER:								
Unamortized debt expense	580,933	-	580,933	-	229,548	-	229,548	-
Postretirement benefits	-	-	-	-	-	-	-	-
Long-term investments	304,131,146	-	240,163,762	63,967,384	293,450,611	-	235,889,911	57,560,700
Other	1,535	-	551	984	623,586	-	622,602	984
Total deferred charges and other	304,713,614	-	240,745,246	63,968,368	294,303,745	-	236,742,061	57,561,684
TOTAL	\$ 1,704,523,143	\$ (542,349,153)	\$ 1,527,903,757	\$ 718,968,539	\$ 1,738,731,952	\$ (574,285,712)	\$ 1,562,805,780	\$ 750,211,884

OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

CONSOLIDATING BALANCE SHEETS
AS OF JUNE 30, 2022 AND 2021-UNAUDITED

	2022				2021			
	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 in 2021 and 2020	\$ 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 in 2021 and 2020	-	(3,400,000)	-	3,400,000	-	(3,400,000)	-	3,400,000
Long-term debt	946,446,032	-	946,446,032	-	978,633,911	-	978,633,911	-
Line of credit borrowings	10,000,000	-	10,000,000	-	10,000,000	-	10,000,000	-
Retained earnings	23,858,885	-	23,858,885	-	21,343,820	-	21,343,820	-
Total capitalization	990,304,917	(3,400,000)	990,304,917	3,400,000	1,019,977,731	(3,400,000)	1,019,977,731	3,400,000
CURRENT LIABILITIES:								
Current portion of long-term debt	134,131,546	-	134,131,546	-	196,862,933	-	196,862,933	-
Accounts payable	40,581,150	-	21,672,801	18,908,349	34,142,253	-	20,290,908	13,851,345
Accrued other taxes	6,358,535	-	2,256,532	4,102,003	7,874,880	-	3,889,675	3,985,205
Regulatory liabilities	82,272,806	-	54,194,337	28,078,469	46,579,986	-	27,992,795	18,587,191
Accrued interest and other	18,126,517	-	15,250,573	2,875,944	22,570,084	-	17,595,979	4,974,105
Total current liabilities	281,470,554	-	227,505,789	53,964,765	308,030,136	-	266,632,290	41,397,846
COMMITMENTS AND CONTINGENCIES								
REGULATORY LIABILITIES:								
Postretirement benefits	86,880,924	-	63,951,758	22,929,166	66,061,759	-	49,818,728	16,243,031
Advance billing of debt reserve	120,000,000	-	120,000,000	-	120,000,000	-	120,000,000	-
Decommissioning, demolition and other	-	-	-	-	9,389,084	-	4,198,742	5,190,342
Total regulatory liabilities	206,880,924	-	183,951,758	22,929,166	195,450,843	-	174,017,470	21,433,373
OTHER LIABILITIES:								
Pension liability	18,796,585	-	10,244,139	8,552,446	34,784,688	-	18,599,373	16,185,315
Deferred income tax liability	21,705,275	-	21,705,275	-	19,410,815	-	19,410,815	-
Asset retirement obligations	159,573,299	-	77,328,273	82,245,026	138,933,456	-	54,422,328	84,511,128
Postretirement benefits obligation	5,379,460	-	2,931,806	2,447,654	11,995,106	-	6,353,804	5,641,302
Postemployment benefits obligation	8,611,705	-	3,745,912	4,865,793	6,833,166	-	2,498,432	4,334,734
Parent advances	-	(538,949,153)	-	538,949,153	-	(570,885,712)	-	570,885,712
Other non-current liabilities	11,800,424	-	10,185,888	1,614,536	3,316,011	-	893,537	2,422,474
Total other liabilities	225,866,748	(538,949,153)	126,141,293	638,674,608	215,273,242	(570,885,712)	102,178,289	683,980,665
TOTAL	\$ 1,704,523,143	\$ (542,349,153)	\$ 1,527,903,757	\$ 718,968,539	\$ 1,738,731,952	\$ (574,285,712)	\$ 1,562,805,780	\$ 750,211,884

OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS
YEAR TO DATE AS OF JUNE 30, 2022 AND 2021-UNAUDITED

	2022				2021			
	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation
REVENUES FROM CONTRACTS WITH CUSTOMERS-Sales of electric energy to:								
Department of Energy	\$ 3,783,396	\$ -	\$ 3,783,396	\$ -	\$ 2,039,348	\$ -	\$ 2,039,348	\$ -
Ohio Valley Electric Corp.	-	(151,126,865)	-	151,126,865	-	(122,967,180)	-	122,967,180
Sponsoring Companies	337,446,769	-	337,446,769	-	302,602,173	-	302,602,173	-
Other	-	-	-	-	1,977,666	-	1,977,666	-
Total revenues from contracts with customers	341,230,165	(151,126,865)	341,230,165	151,126,865	306,619,187	(122,967,180)	306,619,187	122,967,180
OPERATING EXPENSES:								
Fuel and emission allowances consumed in operation	157,289,430	-	65,322,143	91,967,287	131,111,597	-	60,126,656	70,984,941
Purchased power	4,913,124	(151,126,865)	156,039,989	-	1,969,747	(122,967,180)	124,936,927	-
Other operation	42,372,226	-	27,341,906	15,030,320	41,580,952	-	27,185,919	14,395,033
Maintenance	41,597,630	-	21,587,123	20,010,507	39,188,497	-	21,707,248	17,481,249
Depreciation	58,706,504	-	37,506,361	21,200,143	53,887,707	-	36,601,535	17,286,172
Taxes-other than income taxes	6,301,212	-	3,430,418	2,870,794	6,212,097	-	3,424,744	2,787,353
Total operating expenses	311,180,126	(151,126,865)	311,227,940	151,079,051	273,950,597	(122,967,180)	273,983,029	122,934,748
OPERATING INCOME	30,050,039	-	30,002,225	47,814	32,668,590	-	32,636,158	32,432
OTHER INCOME (EXPENSE)	(223,128)	-	(209,973)	(13,155)	(28,029)	-	(34,466)	6,437
INCOME BEFORE INTEREST CHARGES	29,826,911	-	29,792,252	34,659	32,640,561	-	32,601,692	38,869
INTEREST CHARGES:								
Amortization of debt expense	2,406,764	-	2,406,764	-	2,114,224	-	2,114,224	-
Interest expense	26,362,248	-	26,327,589	34,659	29,286,823	-	29,247,954	38,869
Total interest charges	28,769,012	-	28,734,353	34,659	31,401,047	-	31,362,178	38,869
NET INCOME	\$ 1,057,899	\$ -	\$ 1,057,899	\$ -	\$ 1,239,514	\$ -	\$ 1,239,514	\$ -
RETAINED EARNINGS-Beginning of year	22,800,986	-	22,800,986	-	20,104,306	-	20,104,306	-
RETAINED EARNINGS, JUNE 30	\$ 23,858,885	\$ -	\$ 23,858,885	\$ -	\$ 21,343,820	\$ -	\$ 21,343,820	\$ -

OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

CONSOLIDATING STATEMENTS OF CASH FLOWS
YEAR TO DATE AS OF JUNE 30, 2022 AND 2021-UNAUDITED

	2022				2021			
	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation
OPERATING ACTIVITIES:								
Net income	\$ 1,057,899	\$ -	\$ 1,057,899	\$ -	\$ 1,239,514	\$ -	\$ 1,239,514	\$ -
Adjustments to reconcile net income to net cash provided by (used in) operating activities:								
Depreciation	58,706,504	-	37,506,361	21,200,143	53,887,707	-	36,601,535	17,286,172
Amortization of debt expense	2,406,764	-	2,406,764	-	2,114,224	-	2,114,224	-
(Gain)/loss on marketable securities	-	-	-	-	(8,725,370)	-	(3,715,861)	(5,009,509)
Changes in assets and liabilities:								
Accounts receivable	(11,430,435)	-	(11,426,911)	(3,524)	8,734,346	-	8,624,077	110,269
Fuel in storage	871,280	-	(1,674,859)	2,546,139	17,575,232	-	4,457,105	13,118,127
Material and supplies	(1,907,004)	-	(1,117,508)	(789,496)	428,072	-	215,996	212,076
Property taxes applicable to future years	1,671,299	-	1,671,299	-	1,627,500	-	1,627,500	-
Emission allowances	20,618	-	20,618	-	19,141	-	19,141	-
Prepaid expenses and other	(658,548)	-	(1,331,631)	673,083	826,283	-	256,154	570,129
Other regulatory assets	(4,635,084)	-	(2,195,742)	(2,439,342)	-	-	-	-
Other noncurrent assets	2,864,999	-	2,864,999	-	-	-	-	-
Accounts payable	(8,934,509)	-	(1,784,667)	(7,149,842)	(3,766,055)	-	2,854,561	(6,620,616)
Accrued taxes	(4,758,394)	-	(4,802,881)	44,487	(3,373,108)	-	(3,346,182)	(26,926)
Accrued interest and other	(3,767,064)	-	(2,091,961)	(1,675,103)	(3,620,930)	-	(1,232,017)	(2,388,913)
Decommissioning, demolition and other	-	-	-	-	9,389,084	-	4,198,742	5,190,342
Other regulatory liabilities	37,910,746	-	21,632,899	16,277,847	44,524,760	-	27,717,776	16,806,984
Other liabilities	231,872	-	212,157	19,715	425,350	-	234,330	191,020
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	69,650,943	-	40,946,836	28,704,107	121,305,750	-	81,866,595	39,439,155
INVESTING ACTIVITIES								
Electric plant additions	(49,633,326)	-	(27,967,322)	(21,666,004)	(30,067,391)	-	(19,687,410)	(10,379,981)
Proceeds from sale of long-term investments	39,607,363	-	31,648,211	7,959,152	12,933,502	-	6,550,740	6,382,762
Purchase of long-term investments	(49,468,056)	-	(36,964,247)	(12,503,809)	(22,842,649)	-	(12,970,691)	(9,871,958)
Changes in short-term intercompany lendings	-	(2,225,246)	2,225,246	-	-	(25,335,893)	25,335,893	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(59,494,019)	(2,225,246)	(31,058,112)	(26,210,661)	(39,976,538)	(25,335,893)	(771,468)	(13,869,177)
FINANCING ACTIVITIES								
Changes in short-term intercompany borrowings	-	2,225,246	-	(2,225,246)	-	25,335,893	-	(25,335,893)
Repayment of Senior 2006 Notes	(12,900,219)	-	(12,900,219)	-	(12,179,371)	-	(12,179,371)	-
Repayment of Senior 2007 Notes	(9,188,743)	-	(9,188,743)	-	(8,666,654)	-	(8,666,654)	-
Repayment of Senior 2008 Notes	(10,153,320)	-	(10,153,320)	-	(9,515,764)	-	(9,515,764)	-
Repayment of Senior 2017 Notes	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-
Payments on line of credit	-	-	-	-	(50,000,000)	-	(50,000,000)	-
Principal payments under capital leases	(448,422)	-	(180,222)	(268,200)	(356,136)	-	(122,051)	(234,085)
Debt issuance and maintenance costs	(468,687)	-	(468,687)	-	(918,154)	-	(918,154)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(33,159,391)	2,225,246	(32,891,191)	(2,493,446)	(81,636,079)	25,335,893	(81,401,994)	(25,569,978)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (23,002,467)	\$ -	\$ (23,002,467)	\$ -	\$ (306,867)	\$ -	\$ (306,867)	\$ -
CASH AND CASH EQUIVALENTS-Beginning of year	56,366,876	-	56,360,676	6,200	50,835,059	-	50,828,859	6,200
CASH AND CASH EQUIVALENTS-JUNE 30	\$ 33,364,409	\$ -	\$ 33,358,209	\$ 6,200	\$ 50,528,192	\$ -	\$ 50,521,992	\$ 6,200