

OHIO VALLEY ELECTRIC CORPORATION

AND SUBSIDIARY COMPANY

CONSOLIDATING BALANCE SHEETS - JUNE 30, 2023 AND 2022-UNAUDITED

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS
YEAR TO DATE - JUNE 30, 2023 AND 2022-UNAUDITED

CONSOLIDATING STATEMENTS OF CASH FLOWS
YEAR TO DATE - JUNE 30, 2023 AND 2022-UNAUDITED

OHIO VALLEY ELECTRIC CORPORATION

AND SUBSIDIARY COMPANY

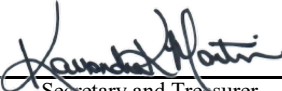
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OFFICER'S CERTIFICATION

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, 2023 and 2022 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, 2023 and 2022, 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.

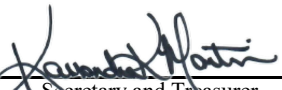


Secretary and Treasurer

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, 2023 was \$36,404.934



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, 2023 AND 2022-UNAUDITED

	2023				2022			
	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	\$ 2,951,439,704	\$ -	\$ 1,474,958,320	\$ 1,476,481,384	\$ 2,896,975,283	\$ -	\$ 1,445,739,640	\$ 1,451,235,643
Less - Accumulated provisions for depreciation	(1,962,012,090)	-	(1,041,785,871)	(920,226,219)	(1,814,857,586)	-	(930,392,297)	(884,465,289)
	989,427,614	-	433,172,449	556,255,165	1,082,117,697	-	515,347,343	566,770,354
Construction in progress	147,025,437	-	67,004,184	80,021,253	90,725,229	-	54,558,132	36,167,097
Total electric plant	1,136,453,051	-	500,176,633	636,276,418	1,172,842,926	-	569,905,475	602,937,451
INVESTMENTS AND OTHER:								
Investment in subsidiary company	-	(3,400,000)	3,400,000	-	-	(3,400,000)	3,400,000	-
Advances to subsidiary-construction	-	(581,429,475)	581,429,475	-	-	(538,949,153)	538,949,153	-
Total investments and other	-	(584,829,475)	584,829,475	-	-	(542,349,153)	542,349,153	-
CURRENT ASSETS:								
Cash and cash equivalents	31,096,314	-	31,090,114	6,200	33,264,409	-	33,258,209	6,200
Accounts receivable	49,342,317	-	49,117,797	224,520	47,719,901	-	47,590,577	129,324
Fuel in storage	138,851,704	-	62,499,649	76,352,055	39,481,392	-	20,331,053	19,150,339
Materials and supplies	51,264,133	-	33,322,107	17,942,026	45,553,504	-	29,445,039	16,108,465
Property taxes applicable to future years	1,581,000	-	1,581,000	-	1,445,401	-	1,445,401	-
Emission allowances	-	-	-	-	61,215	-	61,215	-
Prepaid expenses and other	4,909,596	-	3,830,097	1,079,499	5,089,054	-	4,278,243	810,811
Total current assets	277,045,064	-	181,440,764	95,604,300	172,614,876	-	136,409,737	36,205,139
REGULATORY ASSETS:								
Unrecognized postemployment benefits	10,567,071	-	3,318,423	7,248,648	8,611,705	-	3,745,912	4,865,793
Unrecognized pension benefits	9,210,770	-	4,956,315	4,254,455	18,796,585	-	10,244,139	8,552,446
Income taxes billable to customers	12,420,763	-	12,420,763	-	13,045,853	-	13,045,853	-
Other	7,945,754	-	7,428,280	517,474	13,897,584	-	11,458,242	2,439,342
Total regulatory assets	40,144,358	-	28,123,781	12,020,577	54,351,727	-	38,494,146	15,857,581
DEFERRED CHARGES AND OTHER:								
Unamortized debt expense	921,431	-	921,431	-	580,933	-	580,933	-
Postretirement benefits	29,096,447	-	15,074,869	14,021,578	-	-	-	-
Long-term investments	230,607,956	-	205,222,113	25,385,843	304,131,146	-	240,163,762	63,967,384
Other	1,535	-	551	984	1,535	-	551	984
Total deferred charges and other	260,627,369	-	221,218,964	39,408,405	304,713,614	-	240,745,246	63,968,368
TOTAL	\$ 1,714,269,842	\$ (584,829,475)	\$ 1,515,789,617	\$ 783,309,700	\$ 1,704,523,143	\$ (542,349,153)	\$ 1,527,903,757	\$ 718,968,539

OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

CONSOLIDATING BALANCE SHEETS
AS OF JUNE 30, 2023 AND 2022-UNAUDITED

	2023				2022			
	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 2023 and 2022	\$ 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 2023 and 2022	-	(3,400,000)	-	3,400,000	-	(3,400,000)	-	3,400,000
Long-term debt	876,102,480	-	876,102,480	-	946,446,032	-	946,446,032	-
Line of credit borrowings	140,000,000	-	140,000,000	-	10,000,000	-	10,000,000	-
Retained earnings	26,404,934	-	26,404,934	-	23,858,885	-	23,858,885	-
Total capitalization	1,052,507,414	(3,400,000)	1,052,507,414	3,400,000	990,304,917	(3,400,000)	990,304,917	3,400,000
CURRENT LIABILITIES:								
Current portion of long-term debt	71,644,984	-	71,644,984	-	134,131,546	-	134,131,546	-
Accounts payable	51,878,874	-	23,571,664	28,307,210	40,581,150	-	21,672,801	18,908,349
Accrued other taxes	5,947,894	-	2,003,768	3,944,126	6,358,535	-	2,256,532	4,102,003
Regulatory liabilities	97,981,931	-	51,393,636	46,588,295	82,272,806	-	54,194,337	28,078,469
Accrued interest and other	26,096,260	-	21,240,353	4,855,907	18,126,517	-	15,250,573	2,875,944
Total current liabilities	253,549,943	-	169,854,405	83,695,538	281,470,554	-	227,505,789	53,964,765
COMMITMENTS AND CONTINGENCIES								
REGULATORY LIABILITIES:								
Postretirement benefits	114,153,810	-	82,246,019	31,907,791	86,880,924	-	63,951,758	22,929,166
Advance billing of debt reserve	120,000,000	-	120,000,000	-	120,000,000	-	120,000,000	-
Decommissioning, demolition and other	4,485,534	-	3,000,802	1,484,732	-	-	-	-
Total regulatory liabilities	238,639,344	-	205,246,821	33,392,523	206,880,924	-	183,951,758	22,929,166
OTHER LIABILITIES:								
Pension liability	9,210,770	-	4,956,315	4,254,455	18,796,585	-	10,244,139	8,552,446
Deferred income tax liability	15,267,530	-	14,750,056	517,474	21,705,275	-	21,705,275	-
Asset retirement obligations	131,942,458	-	64,097,283	67,845,175	159,573,299	-	77,328,273	82,245,026
Postretirement benefits obligation	528,669	-	284,477	244,192	5,379,460	-	2,931,806	2,447,654
Postemployment benefits obligation	10,567,071	-	3,318,423	7,248,648	8,611,705	-	3,745,912	4,865,793
Parent advances	-	(581,429,475)	-	581,429,475	-	(538,949,153)	-	538,949,153
Other non-current liabilities	2,056,643	-	774,423	1,282,220	11,800,424	-	10,185,888	1,614,536
Total other liabilities	169,573,141	(581,429,475)	88,180,977	662,821,639	225,866,748	(538,949,153)	126,141,293	638,674,608
TOTAL	\$ 1,714,269,842	\$ (584,829,475)	\$ 1,515,789,617	\$ 783,309,700	\$ 1,704,523,143	\$ (542,349,153)	\$ 1,527,903,757	\$ 718,968,539

OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS
YEAR TO DATE AS OF JUNE 30, 2023 AND 2022-UNAUDITED

	2023				2022			
	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	\$ 2,060,576	\$ -	\$ 2,060,576	\$ -	\$ 3,783,396	\$ -	\$ 3,783,396	\$ -
Ohio Valley Electric Corp.	-	(146,358,649)	-	146,358,649	-	(151,126,865)	-	151,126,865
Sponsoring Companies	338,896,814	-	338,896,814	-	337,446,769	-	337,446,769	-
Other	1,629,146	-	1,629,146	-	-	-	-	-
Total revenues from contracts with customers	342,586,536	(146,358,649)	342,586,536	146,358,649	341,230,165	(151,126,865)	341,230,165	151,126,865
OPERATING EXPENSES:								
Fuel and emission allowances consumed in operation	159,125,923	-	71,479,963	87,645,960	157,289,430	-	65,322,143	91,967,287
Purchased power	2,060,576	(146,358,649)	148,419,225	-	4,913,124	(151,126,865)	156,039,989	-
Other operation	41,799,844	-	25,946,211	15,853,633	42,372,226	-	27,341,906	15,030,320
Maintenance	42,864,967	-	22,238,108	20,626,859	41,597,630	-	21,587,123	20,010,507
Depreciation	62,662,172	-	43,308,812	19,353,360	58,706,504	-	37,506,361	21,200,143
Taxes-other than income taxes	6,317,127	-	3,483,794	2,833,333	6,301,212	-	3,430,418	2,870,794
Total operating expenses	314,830,609	(146,358,649)	314,876,113	146,313,145	311,180,126	(151,126,865)	311,227,940	151,079,051
OPERATING INCOME	27,755,927	-	27,710,423	45,504	30,050,039	-	30,002,225	47,814
OTHER INCOME (EXPENSE)	(367,636)	-	(354,197)	(13,439)	(223,128)	-	(209,973)	(13,155)
INCOME BEFORE INTEREST CHARGES	27,388,291	-	27,356,226	32,065	29,826,911	-	29,792,252	34,659
INTEREST CHARGES:								
Amortization of debt expense	865,659	-	865,659	-	2,406,764	-	2,406,764	-
Interest expense	25,619,677	-	25,587,612	32,065	26,362,248	-	26,327,589	34,659
Total interest charges	26,485,336	-	26,453,271	32,065	28,769,012	-	28,734,353	34,659
NET INCOME	\$ 902,955	\$ -	\$ 902,955	\$ -	\$ 1,057,899	\$ -	\$ 1,057,899	\$ -
RETAINED EARNINGS-Beginning of year	25,501,978	-	25,501,978	-	22,800,986	-	22,800,986	-
RETAINED EARNINGS, JUNE 30	\$ 26,404,933	\$ -	\$ 26,404,933	\$ -	\$ 23,858,885	\$ -	\$ 23,858,885	\$ -

OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

CONSOLIDATING STATEMENTS OF CASH FLOWS
YEAR TO DATE AS OF JUNE 30, 2023 AND 2022-UNAUDITED

	2023				2022			
	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	\$ 902,955	\$ -	\$ 902,955	\$ -	\$ 1,057,899	\$ -	\$ 1,057,899	\$ -
Adjustments to reconcile net income to net cash provided by (used in) operating activities:								
Depreciation	62,662,172	-	43,308,812	19,353,360	58,706,504	-	37,506,361	21,200,143
Amortization of debt expense	865,659	-	865,659	-	2,406,764	-	2,406,764	-
Changes in assets and liabilities:								
Accounts receivable	1,369,041	-	1,459,761	(90,720)	(11,430,435)	-	(11,426,911)	(3,524)
Fuel in storage	(76,477,138)	-	(39,648,635)	(36,828,503)	871,280	-	(1,674,859)	2,546,139
Material and supplies	(4,479,902)	-	(2,904,039)	(1,575,863)	(1,907,004)	-	(1,117,508)	(789,496)
Property taxes applicable to future years	1,581,000	-	1,581,000	-	1,671,299	-	1,671,299	-
Emission allowances	-	-	-	-	20,618	-	20,618	-
Prepaid expenses and other	3,129,315	-	2,094,459	1,034,856	(658,548)	-	(1,331,631)	673,083
Other regulatory assets	(1,370,093)	-	(1,370,093)	-	(4,635,084)	-	(2,195,742)	(2,439,342)
Other noncurrent assets	2,865,000	-	2,865,000	-	2,864,999	-	2,864,999	-
Accounts payable	(33,641,290)	-	(9,814,408)	(23,826,882)	(8,934,509)	-	(1,784,667)	(7,149,842)
Accrued taxes	(4,977,643)	-	(4,974,134)	(3,509)	(4,758,394)	-	(4,802,881)	44,487
Accrued interest and other	4,689,768	-	3,548,612	1,141,156	(3,767,064)	-	(2,091,961)	(1,675,103)
Decommissioning, demolition and other	4,485,534	-	3,000,802	1,484,732	-	-	-	-
Other regulatory liabilities	18,892,484	-	14,078,439	4,814,045	37,910,746	-	21,632,899	16,277,847
Other liabilities	(223,773)	-	108,738	(332,511)	231,872	-	212,157	19,715
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(19,726,911)	-	15,102,928	(34,829,839)	69,650,943	-	40,946,836	28,704,107
INVESTING ACTIVITIES								
Electric plant additions	(47,468,713)	-	(19,355,352)	(28,113,361)	(49,633,326)	-	(27,967,322)	(21,666,004)
Proceeds from sale of long-term investments	391,926,712	-	304,455,716	87,470,996	39,607,363	-	31,648,211	7,959,152
Purchase of long-term investments	(339,737,822)	-	(284,567,028)	(55,170,794)	(49,468,056)	-	(36,964,247)	(12,503,809)
Changes in short-term intercompany lendings	-	30,919,316	(30,919,316)	-	-	(2,225,246)	2,225,246	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	4,720,177	30,919,316	(30,385,980)	4,186,841	(59,494,019)	(2,225,246)	(31,058,112)	(26,210,661)
FINANCING ACTIVITIES								
Changes in short-term intercompany borrowings	-	(30,919,316)	-	30,919,316	-	2,225,246	-	(2,225,246)
Repayment of Senior 2006 Notes	(13,663,756)	-	(13,663,756)	-	(12,900,219)	-	(12,900,219)	-
Repayment of Senior 2007 Notes	(9,742,304)	-	(9,742,304)	-	(9,188,743)	-	(9,188,743)	-
Repayment of Senior 2008 Notes	(10,833,441)	-	(10,833,441)	-	(10,153,320)	-	(10,153,320)	-
Repayment of Senior 2017 Notes	-	-	-	-	-	-	-	-
Proceeds from line of credit	30,000,000	-	30,000,000	-	-	-	-	-
Payments on line of credit	-	-	-	-	-	-	-	-
Principal payments under capital leases	(446,273)	-	(169,955)	(276,318)	(448,422)	-	(180,222)	(268,200)
Debt issuance and maintenance costs	176,602	-	176,602	-	(468,687)	-	(468,687)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(4,509,172)	(30,919,316)	(4,232,854)	30,642,998	(33,159,391)	2,225,246	(32,891,191)	(2,493,446)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (19,515,906)	\$ -	\$ (19,515,906)	\$ -	\$ (23,002,467)	\$ -	\$ (23,002,467)	\$ -
CASH AND CASH EQUIVALENTS-Beginning of year	50,612,220	-	50,606,020	6,200	56,366,876	-	56,360,676	6,200
CASH AND CASH EQUIVALENTS-JUNE 30	\$ 31,096,314	\$ -	\$ 31,090,114	\$ 6,200	\$ 33,364,409	\$ -	\$ 33,358,209	\$ 6,200