

REVISED 9/9/2021

OHIO VALLEY ELECTRIC CORPORATION

AND SUBSIDIARY COMPANY

CONSOLIDATING BALANCE SHEETS - JUNE 30, 2021 AND 2020-UNAUDITED

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS  
YEAR TO DATE - JUNE 30, 2021 AND 2020-UNAUDITED

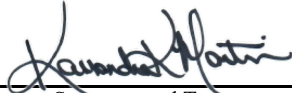
CONSOLIDATING STATEMENTS OF CASH FLOWS  
YEAR TO DATE - JUNE 30, 2021 AND 2020-UNAUDITED

OHIO VALLEY ELECTRIC CORPORATIONAND SUBSIDIARY COMPANY

CONSOLIDATING BALANCE SHEETS - JUNE 30, 2021 AND 2020-UNAUDITED

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS  
YEAR TO DATE - JUNE 30, 2021 AND 2020-UNAUDITEDCONSOLIDATING STATEMENTS OF CASH FLOWS  
YEAR TO DATE - JUNE 30, 2021 AND 2020-UNAUDITEDOFFICER'S CERTIFICATION

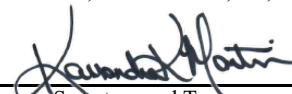
A review of the affairs and activities of Ohio Valley Electric Corporation and its wholly-owned subsidiary, Indiana-Kentucky Electric Corporation (the Companies), during the quarters ended June 30, 2021 and 2020 has been made under my supervision, and in my opinion, the unaudited financial statements for these periods present fairly the financial conditions of the Companies as of June 30, 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 CORPORATIONCONSOLIDATED 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, 2021 was \$31,343,820



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, 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
<b>ASSETS</b>								
<b>ELECTRIC PLANT:</b>								
At original cost	\$ 2,869,746,681	\$ -	\$ 1,415,039,126	\$ 1,454,707,555	\$ 2,793,333,161	\$ -	\$ 1,393,237,302	\$ 1,400,095,859
Less - Accumulated provisions for depreciation	(1,702,599,840)	-	(854,799,872)	(847,799,968)	(1,592,794,783)	-	(796,093,035)	(796,701,748)
	1,167,146,841	-	560,239,254	606,907,587	1,200,538,378	-	597,144,267	603,394,111
Construction in progress	31,506,042	-	17,311,860	14,194,182	19,557,481	-	10,258,624	9,298,857
Total electric plant	1,198,652,883	-	577,551,114	621,101,769	1,220,095,859	-	607,402,891	612,692,968
<b>INVESTMENTS AND OTHER:</b>								
Investment in subsidiary company	-	(3,400,000)	3,400,000	-	-	(3,400,000)	3,400,000	-
Advances to subsidiary-construction	-	(570,885,712)	570,885,712	-	-	(621,206,223)	621,206,223	-
Total investments and other	-	(574,285,712)	574,285,712	-	-	(624,606,223)	624,606,223	-
<b>CURRENT ASSETS:</b>								
Cash and cash equivalents	50,528,192	-	50,521,992	6,200	27,643,150	-	27,636,950	6,200
Accounts receivable	36,166,202	-	36,000,617	165,585	27,919,987	-	27,826,057	93,930
Fuel in storage	61,753,420	-	26,814,542	34,938,878	74,988,582	-	35,826,084	39,162,498
Materials and supplies	40,000,191	-	24,800,785	15,199,406	43,407,730	-	27,336,464	16,071,266
Property taxes applicable to future years	1,627,500	-	1,627,500	-	1,575,000	-	1,575,000	-
Emission allowances	124,764	-	124,764	-	244,892	-	244,892	-
Income taxes receivable	-	-	-	-	2,307,853	-	2,307,853	-
Prepaid expenses and other	3,205,284	-	2,486,971	718,313	2,489,112	-	948,297	1,540,815
Total current assets	193,405,553	-	142,377,171	51,028,382	180,576,306	-	123,701,597	56,874,709
<b>REGULATORY ASSETS:</b>								
Unrecognized postemployment benefits	6,833,166	-	2,498,432	4,334,734	5,201,536	-	2,181,535	3,020,001
Unrecognized Pension benefits	34,784,688	-	18,599,373	16,185,315	32,170,308	-	17,999,287	14,171,021
Income taxes billable to customers	10,751,917	-	10,751,917	-	-	-	-	-
Other	-	-	-	-	-	(3,648,533)	3,648,533	-
Total regulatory assets	52,369,771	-	31,849,722	20,520,049	37,371,844	(3,648,533)	23,829,355	17,191,022
<b>DEFERRED CHARGES AND OTHER:</b>								
Unamortized debt expense	229,548	-	229,548	-	535,611	-	535,611	-
Income taxes receivable	-	-	-	-	2,101,572	-	2,101,572	-
Long-term investments	293,450,611	-	235,889,911	57,560,700	235,241,487	-	196,311,677	38,929,810
Other	623,586	-	622,602	984	1,245,637	-	1,244,653	984
Total deferred charges and other	294,303,745	-	236,742,061	57,561,684	239,124,307	-	200,193,513	38,930,794
<b>TOTAL</b>	<b>\$ 1,738,731,952</b>	<b>\$ (574,285,712)</b>	<b>\$ 1,562,805,780</b>	<b>\$ 750,211,884</b>	<b>\$ 1,677,168,316</b>	<b>\$ (628,254,756)</b>	<b>\$ 1,579,733,579</b>	<b>\$ 725,689,493</b>

## OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

CONSOLIDATING BALANCE SHEETS  
AS OF JUNE 30, 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
<b>CAPITALIZATION AND LIABILITIES</b>								
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	978,633,911	-	978,633,911	-	1,090,830,224	-	1,090,830,224	-
Line of credit borrowings	10,000,000	-	10,000,000	-	60,000,000	-	60,000,000	-
Retained earnings	21,343,820	-	21,343,820	-	18,651,234	-	18,651,234	-
<b>Total capitalization</b>	<b>1,019,977,731</b>	<b>(3,400,000)</b>	<b>1,019,977,731</b>	<b>3,400,000</b>	<b>1,179,481,458</b>	<b>(3,400,000)</b>	<b>1,179,481,458</b>	<b>3,400,000</b>
CURRENT LIABILITIES:								
Current portion of long-term debt	196,862,933	-	196,862,933	-	143,158,084	-	143,158,084	-
Accounts payable	34,142,253	-	20,290,908	13,851,345	25,523,383	-	13,535,220	11,988,163
Accrued other taxes	7,874,880	-	3,889,675	3,985,205	8,840,957	-	5,252,224	3,588,733
Regulatory liabilities	46,579,986	-	27,992,795	18,587,191	11,727,858	-	7,658,206	4,069,652
Accrued interest and other	22,570,084	-	17,595,979	4,974,105	19,811,541	-	15,774,511	4,037,030
<b>Total current liabilities</b>	<b>308,030,136</b>	<b>-</b>	<b>266,632,290</b>	<b>41,397,846</b>	<b>209,061,823</b>	<b>-</b>	<b>185,378,245</b>	<b>23,683,578</b>
COMMITMENTS AND CONTINGENCIES								
REGULATORY LIABILITIES:								
Postretirement benefits	66,061,759	-	49,818,728	16,243,031	65,004,863	-	45,680,856	19,324,007
Advance billing of debt reserve	120,000,000	-	120,000,000	-	105,000,000	-	105,000,000	-
Income taxes refundable to customers	-	-	-	-	8,658,897	-	8,658,897	-
Decommissioning, demolition and other	9,389,084	-	4,198,742	5,190,342	4,245,341	(3,648,533)	-	7,893,874
<b>Total regulatory liabilities</b>	<b>195,450,843</b>	<b>-</b>	<b>174,017,470</b>	<b>21,433,373</b>	<b>182,909,101</b>	<b>(3,648,533)</b>	<b>159,339,753</b>	<b>27,217,881</b>
OTHER LIABILITIES:								
Pension liability	34,784,688	-	18,599,373	16,185,315	32,170,308	-	17,999,287	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	-	(570,885,712)	-	570,885,712	-	(621,206,223)	-	621,206,223
Other non-current liabilities	3,316,011	-	893,537	2,422,474	614,204	-	562,395	51,809
<b>Total other liabilities</b>	<b>215,273,242</b>	<b>(570,885,712)</b>	<b>102,178,289</b>	<b>683,980,665</b>	<b>105,715,934</b>	<b>(621,206,223)</b>	<b>55,534,123</b>	<b>671,388,034</b>
<b>TOTAL</b>	<b>\$ 1,738,731,952</b>	<b>\$ (574,285,712)</b>	<b>\$ 1,562,805,780</b>	<b>\$ 750,211,884</b>	<b>\$ 1,677,168,316</b>	<b>\$ (628,254,756)</b>	<b>\$ 1,579,733,579</b>	<b>\$ 725,689,493</b>

## OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS  
YEAR TO DATE AS OF JUNE 30, 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
REVENUES FROM CONTRACTS WITH CUSTOMERS-Sales of electric energy to:								
Department of Energy	\$ 2,039,348	\$ -	\$ 2,039,348	\$ -	\$ 1,492,956	\$ -	\$ 1,492,956	\$ -
Ohio Valley Electric Corp.	-	(122,967,180)	-	122,967,180	-	(108,759,288)	-	108,759,288
Sponsoring Companies	302,602,173	-	302,602,173	-	248,326,756	-	248,326,756	-
Other	1,977,666	-	1,977,666	-	169,300	-	169,300	-
Total revenues from contracts with customers	306,619,187	(122,967,180)	306,619,187	122,967,180	249,989,012	(108,759,288)	249,989,012	108,759,288
OPERATING EXPENSES:								
Fuel and emission allowances consumed in operation	131,111,597	-	60,126,656	70,984,941	102,862,687	-	47,057,654	55,805,033
Purchased power	1,969,747	(122,967,180)	124,936,927	-	1,492,956	(108,759,288)	110,252,244	-
Other operation	41,580,952	-	27,185,919	14,395,033	29,073,020	-	14,009,292	15,063,728
Maintenance	39,188,497	-	21,707,248	17,481,249	36,902,923	-	20,183,287	16,719,636
Depreciation	53,887,707	-	36,601,535	17,286,172	36,019,014	-	17,495,031	18,523,983
Taxes-other than income taxes	6,212,097	-	3,424,744	2,787,353	5,975,061	-	3,353,299	2,621,762
Total operating expenses	273,950,597	(122,967,180)	273,983,029	122,934,748	212,325,661	(108,759,288)	212,350,807	108,734,142
OPERATING INCOME	32,668,590	-	32,636,158	32,432	37,663,351	-	37,638,205	25,146
OTHER INCOME (EXPENSE)	(28,029)	-	(34,466)	6,437	90,014	-	111,959	(21,945)
INCOME BEFORE INTEREST CHARGES	32,640,561	-	32,601,692	38,869	37,753,365	-	37,750,164	3,201
INTEREST CHARGES:								
Amortization of debt expense	2,114,224	-	2,114,224	-	2,216,344	-	2,216,344	-
Interest expense	29,286,823	-	29,247,954	38,869	34,179,810	-	34,176,609	3,201
Total interest charges	31,401,047	-	31,362,178	38,869	36,396,154	-	36,392,953	3,201
NET INCOME	\$ 1,239,514	\$ -	\$ 1,239,514	\$ -	\$ 1,357,211	\$ -	\$ 1,357,211	\$ -
RETAINED EARNINGS-Beginning of year	20,104,306	-	20,104,306	-	17,294,023	-	17,294,023	-
RETAINED EARNINGS, JUNE 30	\$ 21,343,820	\$ -	\$ 21,343,820	\$ -	\$ 18,651,234	\$ -	\$ 18,651,234	\$ -

## OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

CONSOLIDATING STATEMENTS OF CASH FLOWS  
YEAR TO DATE AS OF JUNE 30, 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
<b>OPERATING ACTIVITIES:</b>								
Net income	\$ 1,239,514	\$ -	\$ 1,239,514	\$ -	\$ 1,357,211	\$ -	\$ 1,357,211	\$ -
Adjustments to reconcile net income to net cash provided by (used in) operating activities:								
Depreciation	53,887,707	-	36,601,535	17,286,172	36,019,014	-	17,495,031	18,523,983
Amortization of debt expense	2,114,224	-	2,114,224	-	2,216,344	-	2,216,344	-
(Gain)/loss on marketable securities	(8,725,370)	-	(3,715,861)	(5,009,509)	4,033,048	-	3,507,690	525,358
Changes in assets and liabilities:								
Accounts receivable	8,734,346	-	8,624,077	110,269	46,566,702	-	46,286,541	280,161
Fuel in storage	17,575,232	-	4,457,105	13,118,127	(13,636,724)	-	(8,431,802)	(5,204,922)
Material and supplies	428,072	-	215,996	212,076	(2,476,667)	-	(1,835,262)	(641,405)
Property taxes applicable to future years	1,627,500	-	1,627,500	-	1,575,000	-	1,575,000	-
Emission allowances	19,141	-	19,141	-	46,789	-	46,789	-
Prepaid expenses and other	826,283	-	256,154	570,129	328,603	-	894,042	(565,439)
Other regulatory assets	-	-	-	-	(3,648,533)	-	(3,648,533)	-
Other noncurrent assets	-	-	-	-	1,470,768	-	1,470,768	-
Accounts payable	(3,766,055)	-	2,854,561	(6,620,616)	(9,348,542)	-	(6,439,196)	(2,909,346)
Accrued taxes	(3,373,108)	-	(3,346,182)	(26,926)	(1,686,090)	-	(1,567,289)	(118,801)
Accrued interest and other	(3,620,930)	-	(1,232,017)	(2,388,913)	(7,721,393)	-	(4,600,109)	(3,121,284)
Decommissioning, demolition and other	9,389,084	-	4,198,742	5,190,342	(6,824,287)	-	(6,056,530)	(767,757)
Other regulatory liabilities	44,524,760	-	27,717,776	16,806,984	7,892,519	-	7,474,194	418,325
Other liabilities	425,350	-	234,330	191,020	-	-	-	-
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>121,305,750</b>	<b>-</b>	<b>81,866,595</b>	<b>39,439,155</b>	<b>56,163,762</b>	<b>-</b>	<b>49,744,889</b>	<b>6,418,873</b>
<b>INVESTING ACTIVITIES</b>								
Electric plant additions	(30,067,391)	-	(19,687,410)	(10,379,981)	(13,195,310)	-	(6,877,839)	(6,317,471)
Proceeds from sale of long-term investments	12,933,502	-	6,550,740	6,382,762	81,238,110	-	67,794,120	13,443,990
Purchase of long-term investments	(22,842,649)	-	(12,970,691)	(9,871,958)	(79,773,366)	-	(66,571,775)	(13,201,591)
Changes in short-term intercompany lendings	-	(25,335,893)	25,335,893	-	-	(343,801)	343,801	-
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(39,976,538)</b>	<b>(25,335,893)</b>	<b>(771,468)</b>	<b>(13,869,177)</b>	<b>(11,730,566)</b>	<b>(343,801)</b>	<b>(5,311,693)</b>	<b>(6,075,072)</b>
<b>FINANCING ACTIVITIES</b>								
Changes in short-term intercompany borrowings	-	25,335,893	-	(25,335,893)	-	343,801	-	(343,801)
Repayment of Senior 2006 Notes	(12,179,371)	-	(12,179,371)	-	(11,498,825)	-	(11,498,825)	-
Repayment of Senior 2007 Notes	(8,666,654)	-	(8,666,654)	-	(8,174,243)	-	(8,174,243)	-
Repayment of Senior 2008 Notes	(9,515,764)	-	(9,515,764)	-	(8,918,432)	-	(8,918,432)	-
Proceeds from line of credit	-	-	-	-	25,000,000	-	25,000,000	-
Payments on line of credit	(50,000,000)	-	(50,000,000)	-	(45,000,000)	-	(45,000,000)	-
Principal payments under capital leases	(356,136)	-	(122,051)	(234,085)	-	-	-	-
Debt issuance and maintenance costs	(918,154)	-	(918,154)	-	(439,717)	-	(439,717)	-
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>(81,636,079)</b>	<b>25,335,893</b>	<b>(81,401,994)</b>	<b>(25,569,978)</b>	<b>(49,031,217)</b>	<b>343,801</b>	<b>(49,031,217)</b>	<b>(343,801)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (306,867)</b>	<b>\$ -</b>	<b>\$ (306,867)</b>	<b>\$ -</b>	<b>\$ (4,598,021)</b>	<b>\$ -</b>	<b>\$ (4,598,021)</b>	<b>\$ -</b>
CASH AND CASH EQUIVALENTS-Beginning of year	50,835,059	-	50,828,859	6,200	32,241,171	-	32,234,971	6,200
CASH AND CASH EQUIVALENTS-JUNE 30	\$ 50,528,192	\$ -	\$ 50,521,992	\$ 6,200	\$ 27,643,150	\$ -	\$ 27,636,950	\$ 6,200