MICHIGAN GAS UTILITIES CORPORATION

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

FINANCIAL STATEMENTS

For the Quarter Ended September 30, 2023

MICHIGAN GAS UTILITIES CORPORATION

CONDENSED INCOME STATEMENTS (Unaudited)	Three Months Ended September 30		Nine Months Ended September 30	
(in millions)	2023	2022	2023	2022
Operating revenues	**$ 18.2**	$ 24.8	**$ 126.3**	$ 145.9
Operating expenses				
Cost of natural gas sold	**4.8**	11.2	**61.7**	80.3
Other operation and maintenance	**8.6**	8.3	**25.5**	23.9
Depreciation and amortization	**4.9**	4.7	**14.0**	13.8
Property and revenue taxes	**2.2**	3.4	**6.2**	7.3
Total operating expenses	**20.5**	27.6	**107.4**	125.3
Operating income (loss)	**(2.3)**	(2.8)	**18.9**	20.6
Other income, net	**0.1**	0.4	**0.3**	1.1
Interest expense	**1.9**	1.6	**6.1**	4.6
Other expense	**(1.8)**	(1.2)	**(5.8)**	(3.5)
Income (loss) before income taxes	**(4.1)**	(4.0)	**13.1**	17.1
Income tax expense (benefit)	**(0.9)**	(0.9)	**2.9**	3.8
Net income (loss)	**$ (3.2)**	$ (3.1)	**$ 10.2**	$ 13.3

MICHIGAN GAS UTILITIES CORPORATION

CONDENSED BALANCE SHEETS (Unaudited) *(in millions, except share amounts)*	September 30 2023	December 31 2022
Assets		
Current assets		
Accounts receivable and unbilled revenues, net of reserves of $2.1 and $2.8, respectively	**18.3**	56.5
Accounts receivable from related parties	**1.7**	2.3
Materials, supplies, and inventories:		
Natural gas in storage	**28.2**	31.7
Materials and supplies	**2.0**	1.7
Deferred property taxes	**2.1**	8.3
Prepayments	**1.8**	0.7
Amounts recoverable from customers	**2.7**	10.8
Other	**3.8**	4.3
Current assets	**60.6**	116.3
Long-term assets		
Property, plant, and equipment, net of accumulated depreciation and amortization of $210.5 and $212.3, respectively	**436.3**	415.1
Regulatory assets	**37.9**	41.9
Goodwill	**34.5**	34.5
Pension and OPEB assets	**22.8**	21.3
Other	**6.1**	6.7
Long-term assets	**537.6**	519.5
Total assets	**$ 598.2**	$ 635.8
Liabilities and Equity		
Current liabilities		
Short-term debt to parent	**$ 33.1**	$ 56.0
Accounts payable	**10.9**	35.0
Accounts payable to related parties	**3.4**	4.6
Accrued taxes	**4.5**	9.4
Customer credit balances	**12.5**	7.8
Other	**5.3**	6.4
Current liabilities	**69.7**	119.2
Long-term liabilities		
Long-term debt	**149.4**	149.3
Deferred income taxes	**69.2**	68.8
Regulatory liabilities	**77.9**	74.5
Environmental remediation liabilities	**14.3**	14.6
Other	**3.2**	3.2
Long-term liabilities	**314.0**	310.4
Commitments and contingencies		
Common shareholder's equity		
Common stock – without par value, 100 shares authorized; 100 shares issued and outstanding	**181.7**	166.7
Retained earnings	**32.8**	39.5
Common shareholder's equity	**214.5**	206.2
Total liabilities and equity	**$ 598.2**	$ 635.8

MICHIGAN GAS UTILITIES CORPORATION

CONDENSED STATEMENTS OF CASH FLOWS (Unaudited)	Nine Months Ended September 30	
(in millions)	**2023**	**2022**
Operating activities		
Net income	**$ 10.2**	$ 13.3
Reconciliation to cash provided by operating activities		
Depreciation and amortization	**14.0**	13.8
Deferred income taxes and ITC's, net	**(0.4)**	5.7
Change in –		
Accounts receivable and unbilled revenues, net	**38.8**	8.2
Materials, supplies, and inventories	**3.2**	(23.9)
Amounts recoverable from customers	**8.1**	(4.7)
Deferred property taxes	**6.2**	5.6
Prepaid taxes	**(1.8)**	(3.2)
Other current assets	**1.5**	0.6
Accounts payable	**(24.9)**	(6.6)
Accrued taxes	**(4.9)**	(5.6)
Customer credit balances	**4.7**	2.3
Other current liabilities	**(0.4)**	(0.6)
Other, net	**2.2**	—
Net cash provided by operating activities	**56.5**	4.9
Investing activities		
Capital expenditures	**(31.5)**	(34.8)
Other, net	**(0.1)**	(0.1)
Net cash used in investing activities	**(31.6)**	(34.9)
Financing activities		
Short-term debt to parent, net	**(22.9)**	25.4
Payment of dividends to parent	**(17.0)**	—
Equity contribution from parent	**15.0**	4.0
Net cash provided by (used in) financing activities	**(24.9)**	29.4
Net change in cash and cash equivalents	**—**	(0.6)
Cash and cash equivalents at beginning of period	**—**	0.6
Cash and cash equivalents at end of period	**$ —**	$ —
Supplemental cash flow information		
Cash paid for interest, net of amount capitalized	**$ 5.6**	$ 3.9
Cash paid for income taxes, net	**6.0**	3.4