# MICHIGAN GAS UTILITIES CORPORATION

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

**FINANCIAL STATEMENTS**

**For the Quarter Ended September 30, 2025**

## MICHIGAN GAS UTILITIES CORPORATION

| CONDENSED INCOME STATEMENTS (Unaudited) | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| *(in millions)* | 2025 | 2024 | 2025 | 2024 |
| **Operating revenues** | **$ 20.4** | $ 21.6 | **$ 139.6** | $ 112.1 |
| | | | | |
| **Operating expenses** | | | | |
| Cost of natural gas sold | **5.5** | 4.3 | **56.3** | 40.7 |
| Other operation and maintenance | **8.6** | 8.3 | **26.4** | 25.2 |
| Depreciation and amortization | **5.4** | 5.3 | **16.2** | 15.5 |
| Property and revenue taxes | **2.4** | (1.6) | **7.2** | 2.6 |
| **Total operating expenses** | **21.9** | 16.3 | **106.1** | 84.0 |
| | | | | |
| **Operating income (loss)** | **(1.5)** | 5.3 | **33.5** | 28.1 |
| | | | | |
| Other income, net | **0.2** | 0.1 | **0.5** | 0.2 |
| Interest expense | **2.7** | 2.1 | **7.6** | 6.3 |
| **Other expense** | **(2.5)** | (2.0) | **(7.1)** | (6.1) |
| | | | | |
| Income (loss) before income taxes | **(4.0)** | 3.3 | **26.4** | 22.0 |
| Income tax expense (benefit) | **(0.9)** | 0.9 | **6.2** | 5.0 |
| **Net income (loss)** | **$ (3.1)** | $ 2.4 | **$ 20.2** | $ 17.0 |

## MICHIGAN GAS UTILITIES CORPORATION

| CONDENSED BALANCE SHEETS (Unaudited)<br>*(in millions, except share amounts)* | September 30<br>2025 | December 31<br>2024 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Accounts receivable and unbilled revenues, net of reserves of $2.3 and $2.9, respectively | **$ 22.6** | $ 31.6 |
| Accounts receivable from related parties | **0.7** | 0.9 |
| Materials, supplies, and inventories: | | |
| Natural gas in storage | **21.9** | 19.4 |
| Materials and supplies | **2.3** | 2.0 |
| Deferred property taxes | **2.4** | 9.6 |
| Prepayments | **0.7** | 4.6 |
| Amounts recoverable from customers | **9.8** | 6.9 |
| Other | **2.1** | 2.5 |
| **Current assets** | **62.5** | 77.5 |
| | | |
| **Long-term assets** | | |
| Property, plant, and equipment, net of accumulated depreciation and amortization of $219.8 and $214.6, respectively | **518.4** | 492.6 |
| Regulatory assets | **28.6** | 30.3 |
| Goodwill | **34.5** | 34.5 |
| Pension and OPEB assets | **24.5** | 23.2 |
| Other | **6.3** | 6.2 |
| **Long-term assets** | **612.3** | 586.8 |
| **Total assets** | **$ 674.8** | $ 664.3 |
| | | |
| **Liabilities and Equity** | | |
| **Current liabilities** | | |
| Current portion of long-term debt | **$ —** | $ 60.0 |
| Short-term debt to parent | **43.2** | 36.1 |
| Accounts payable | **8.8** | 23.4 |
| Accounts payable to related parties | **3.7** | 3.3 |
| Accrued taxes | **5.2** | 9.7 |
| Customer credit balances | **12.0** | 9.9 |
| Other | **6.9** | 5.3 |
| **Current liabilities** | **79.8** | 147.7 |
| | | |
| **Long-term liabilities** | | |
| Long-term debt | **189.0** | 114.4 |
| Deferred income taxes | **81.8** | 77.1 |
| Regulatory liabilities | **85.7** | 84.3 |
| Environmental remediation liabilities | **11.8** | 12.0 |
| Other | **3.4** | 2.8 |
| **Long-term liabilities** | **371.7** | 290.6 |
| | | |
| **Commitments and contingencies** | | |
| | | |
| **Common shareholder's equity** | | |
| Common stock – without par value, 100 shares authorized; 100 shares issued and outstanding | **181.7** | 181.7 |
| Retained earnings | **41.6** | 44.3 |
| **Common shareholder's equity** | **223.3** | 226.0 |
| **Total liabilities and equity** | **$ 674.8** | $ 664.3 |

## MICHIGAN GAS UTILITIES CORPORATION

| CONDENSED STATEMENTS OF CASH FLOWS (Unaudited) | Nine Months Ended September 30 | |
|---|---|---|
| *(in millions)* | **2025** | **2024** |
| **Operating activities** | | |
| Net income | **$ 20.2** | $ 17.0 |
| Reconciliation to cash provided by operating activities | | |
| Depreciation and amortization | **16.2** | 15.5 |
| Deferred income taxes and ITC's, net | **3.7** | 2.0 |
| Change in – | | |
| Accounts receivable and unbilled revenues, net | **9.2** | 21.7 |
| Materials, supplies, and inventories | **(2.8)** | 2.2 |
| Prepayments | **3.9** | 1.7 |
| Deferred property taxes | **7.2** | 6.7 |
| Amounts recoverable from customers | **(2.9)** | (3.7) |
| Other current assets | **(1.0)** | 1.0 |
| Accounts payable | **(13.2)** | (15.4) |
| Accrued taxes | **(4.5)** | (2.5) |
| Other current liabilities | **2.8** | (3.3) |
| Other, net | **0.9** | (1.1) |
| **Net cash provided by operating activities** | **39.7** | 41.8 |
| | | |
| **Investing activities** | | |
| Capital expenditures | **(37.9)** | (44.9) |
| Other, net | **(0.4)** | (0.2) |
| **Net cash used in investing activities** | **(38.3)** | (45.1) |
| | | |
| **Financing activities** | | |
| Short-term debt to parent, net | **7.1** | 19.3 |
| Payment of dividends to parent | **(23.0)** | (16.0) |
| Issuance of long-term debt | **75.0** | — |
| Retirement of long-term debt | **(60.0)** | — |
| Other, net | **(0.5)** | — |
| **Net cash (used in) provided by financing activities** | **(1.4)** | 3.3 |
| | | |
| **Net change in cash and cash equivalents** | **—** | — |
| Cash and cash equivalents at beginning of period | **—** | — |
| **Cash and cash equivalents at end of period** | **$ —** | $ — |
| | | |
| **Supplemental cash flow information** | | |
| Cash paid for interest, net of amount capitalized | **$ 5.6** | $ 5.6 |
| Cash paid (received) for income taxes, net | **(0.6)** | 0.1 |