# NORTH SHORE GAS COMPANY

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

**FINANCIAL STATEMENTS**

**For the Quarter Ended March 31, 2026**

## NORTH SHORE GAS COMPANY

| CONDENSED INCOME STATEMENTS (Unaudited) | Three Months Ended March 31 | |
|---|---|---|
| *(in millions)* | **2026** | **2025** |
| **Operating revenues** | **$ 99.5** | $ 99.3 |
| | | |
| **Operating expenses** | | |
| Cost of natural gas | **57.7** | 57.3 |
| Other operation and maintenance | **12.9** | 13.2 |
| Depreciation and amortization | **5.6** | 5.4 |
| Property and revenue taxes | **0.9** | 1.0 |
| **Total operating expenses** | **77.1** | 76.9 |
| | | |
| **Operating income** | **22.4** | 22.4 |
| | | |
| Other income, net | **0.3** | 0.3 |
| Interest expense | **2.1** | 2.1 |
| **Other expense** | **$ (1.8)** | $ (1.8) |
| | | |
| Income before income taxes | **20.6** | 20.6 |
| Income tax expense | **5.7** | 5.7 |
| **Net income** | **$ 14.9** | $ 14.9 |

## NORTH SHORE GAS COMPANY

| CONDENSED BALANCE SHEETS (Unaudited)<br>*(in millions, except share amounts)* | March 31<br>2026 | December 31<br>2025 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | **$ —** | $ 0.1 |
| Accounts receivable and unbilled revenues, net of reserves of $2.3 and $2.0, respectively | **50.0** | 57.3 |
| Accounts receivable from related parties | **1.6** | 2.8 |
| Materials, supplies, and inventories | **8.6** | 25.1 |
| Prepayments | **1.1** | 1.6 |
| Amounts recoverable from customers | **6.4** | 1.4 |
| Other | **3.7** | 2.6 |
| **Current assets** | **71.4** | 90.9 |
| | | |
| **Long-term assets** | | |
| Property, plant, and equipment, net of accumulated depreciation and amortization of $295.6 and $291.7, respectively | **578.9** | 575.6 |
| Regulatory assets | **49.7** | 51.0 |
| Other postretirement employee benefit assets | **17.9** | 17.6 |
| Other | **2.4** | 1.9 |
| **Long-term assets** | **648.9** | 646.1 |
| **Total assets** | **$ 720.3** | $ 737.0 |
| | | |
| **Liabilities and Shareholder's Equity** | | |
| **Current liabilities** | | |
| Short-term debt to related party | **$ 9.1** | $ 30.1 |
| Accounts payable | **15.9** | 25.3 |
| Accounts payable to related parties | **5.1** | 6.0 |
| Accrued taxes | **8.7** | 5.5 |
| Temporary LIFO liquidation credit | **11.3** | — |
| Customer credit balances | **6.2** | 8.6 |
| Other | **12.9** | 10.6 |
| **Current liabilities** | **69.2** | 86.1 |
| | | |
| **Long-term liabilities** | | |
| Long-term debt | **176.3** | 176.3 |
| Deferred income taxes | **95.6** | 92.7 |
| Regulatory liabilities | **73.4** | 73.5 |
| Environmental remediation liabilities | **31.0** | 31.4 |
| Pension obligations | **14.3** | 14.0 |
| Asset retirement obligations | **27.7** | 27.4 |
| Other | **6.2** | 5.9 |
| **Long-term liabilities** | **424.5** | 421.2 |
| | | |
| **Commitments and contingencies** | | |
| | | |
| **Shareholder's equity** | | |
| Common stock, without par value, 5,000,000 shares authorized; 3,625,887 shares issued and outstanding | **103.1** | 95.0 |
| Retained earnings | **123.5** | 134.7 |
| **Shareholder's equity** | **226.6** | 229.7 |
| **Total liabilities and shareholder's equity** | **$ 720.3** | $ 737.0 |

## NORTH SHORE GAS COMPANY

| CONDENSED STATEMENTS OF CASH FLOWS (Unaudited) | Three Months Ended March 31 | |
|---|---|---|
| *(in millions)* | **2026** | **2025** |
| **Operating activities** | | |
| Net income | **$ 14.9** | $ 14.9 |
| Reconciliation to cash provided by operating activities | | |
| Depreciation and amortization | **5.6** | 5.4 |
| Deferred income taxes and investment tax credits, net | **2.4** | 11.4 |
| Settlement of asset retirement obligations | **(0.1)** | (0.1) |
| Manufactured gas plant remediation costs | **(0.7)** | (0.7) |
| Change in – | | |
| Accounts receivable and unbilled revenues, net | **8.5** | (6.9) |
| Materials, supplies, and inventories | **16.5** | 17.6 |
| Amounts recoverable from customers | **(5.0)** | (3.9) |
| Prepayments | **0.5** | (5.4) |
| Collateral on deposit | **(1.4)** | 0.7 |
| Accounts payable | **(7.3)** | (6.0) |
| Temporary LIFO liquidation credit | **11.3** | 12.4 |
| Accrued taxes | **3.2** | 1.1 |
| Customer credit balances | **(2.4)** | (2.2) |
| Collateral received | **—** | 3.7 |
| Other current liabilities | **1.8** | 2.0 |
| Other, net | **(1.0)** | 1.4 |
| **Net cash provided by operating activities** | **46.8** | 45.4 |
| | | |
| **Investing activities** | | |
| Capital expenditures | **(8.2)** | (7.9) |
| Other, net | **0.3** | (0.2) |
| **Net cash used in investing activities** | **(7.9)** | (8.1) |
| | | |
| **Financing activities** | | |
| Short-term debt to related party, net | **(21.0)** | (19.4) |
| Equity contribution from parent | **8.0** | — |
| Payment of dividends to parent | **(26.0)** | (18.0) |
| **Net cash used in financing activities** | **(39.0)** | (37.4) |
| | | |
| **Net change in cash and cash equivalents** | **(0.1)** | (0.1) |
| Cash and cash equivalents at beginning of period | **0.1** | 0.2 |
| **Cash and cash equivalents at end of period** | **$ —** | $ 0.1 |
| | | |
| **Supplemental cash flow information** | | |
| Cash paid for interest | **$ 0.4** | $ 0.4 |