

# AEP Generating Company

2024 First Quarter Report

Financial Statements



## TABLE OF CONTENTS

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## Page Number

Glossary of Terms	1
Condensed Statements of Income – Unaudited	2
Condensed Statements of Changes in Common Shareholder’s Equity – Unaudited	3
Condensed Balance Sheets – Unaudited	4
Condensed Statements of Cash Flows – Unaudited	6
Index of Condensed Notes to Condensed Financial Statements – Unaudited	7

## GLOSSARY OF TERMS

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

<b>Term</b>	<b>Meaning</b>
AEGCo	AEP Generating Company, an AEP electric utility subsidiary.
AEP	American Electric Power Company, Inc., an investor-owned electric public utility holding company which includes American Electric Power Company, Inc. (Parent) and majority owned consolidated subsidiaries and consolidated affiliates.
AEP System	American Electric Power System, an electric system, owned and operated by AEP subsidiaries.
AFUDC	Allowance for Funds Used During Construction.
ASU	Accounting Standards Update.
Excess ADIT	Excess accumulated deferred income taxes.
FASB	Financial Accounting Standards Board.
FERC	Federal Energy Regulatory Commission.
GAAP	Accounting Principles Generally Accepted in the United States of America.
I&M	Indiana Michigan Power Company, an AEP electric utility subsidiary.
IRS	Internal Revenue Service.
MW	Megawatt.
OPEB	Other Postretirement Benefits.
Parent	American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.
Rockport Plant	A generation plant, jointly owned by AEGCo and I&M, consisting of two 1,310 MW coal-fired generating units near Rockport, Indiana.
Tax Reform	On December 22, 2017, President Trump signed into law legislation referred to as the “Tax Cuts and Jobs Act” (the TCJA). The TCJA includes significant changes to the Internal Revenue Code of 1986, including a reduction in the corporate federal income tax rate from 35% to 21% effective January 1, 2018.
UMWA	United Mine Workers of America.
Utility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain utility subsidiaries.

**AEP GENERATING COMPANY**  
**CONDENSED STATEMENTS OF INCOME**  
**For the Three Months Ended March 31, 2024 and 2023**  
**(in thousands)**  
**(Unaudited)**

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>REVENUES</b>		
Sales to AEP Affiliates	\$ 61,361	\$ 45,373
Other Revenues – Affiliated	3,329	4,112
Other Revenues – Nonaffiliated	54	56
<b>TOTAL REVENUES</b>	<b>64,744</b>	<b>49,541</b>
<b>EXPENSES</b>		
Fuel and Other Consumables Used for Electric Generation	33,976	15,066
Other Operation	5,419	5,609
Maintenance	4,082	5,936
Depreciation and Amortization	14,487	16,798
Taxes Other Than Income Taxes	1,688	1,556
<b>TOTAL EXPENSES</b>	<b>59,652</b>	<b>44,965</b>
<b>OPERATING INCOME</b>	<b>5,092</b>	<b>4,576</b>
<b>Other Income (Expense):</b>		
Interest Income	—	51
Allowance for Equity Funds Used During Construction	—	8
Non-Service Cost Components of Net Periodic Benefit Cost	743	717
Interest Expense	(2,396)	(1,860)
<b>INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)</b>	<b>3,439</b>	<b>3,492</b>
Income Tax Expense (Benefit)	838	(159)
<b>NET INCOME</b>	<b>\$ 2,601</b>	<b>\$ 3,651</b>

*The common stock of AEGCo is wholly-owned by Parent.*

*See Condensed Notes to Condensed Financial Statements beginning on page 7.*

**AEP GENERATING COMPANY**  
**CONDENSED STATEMENTS OF CHANGES IN**  
**COMMON SHAREHOLDER'S EQUITY**  
**For the Three Months Ended March 31, 2024 and 2023**  
**(in thousands)**  
**(Unaudited)**

	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2022</b>	\$ 1,000	\$ 142,684	\$ 13,138	\$ 156,822
Return of Capital to Parent		(17,500)		(17,500)
Common Stock Dividends			(5,000)	(5,000)
Net Income			3,651	3,651
<b>TOTAL COMMON SHAREHOLDER'S EQUITY - MARCH 31, 2023</b>	<u>\$ 1,000</u>	<u>\$ 125,184</u>	<u>\$ 11,789</u>	<u>\$ 137,973</u>
<b>TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2023</b>	\$ 1,000	\$ 127,158	\$ 18,952	\$ 147,110
Net Income			2,601	2,601
<b>TOTAL COMMON SHAREHOLDER'S EQUITY - MARCH 31, 2024</b>	<u>\$ 1,000</u>	<u>\$ 127,158</u>	<u>\$ 21,553</u>	<u>\$ 149,711</u>

*See Condensed Notes to Condensed Financial Statements beginning on page 7.*

**AEP GENERATING COMPANY**  
**CONDENSED BALANCE SHEETS**  
**ASSETS**  
**March 31, 2024 and December 31, 2023**  
**(in thousands)**  
**(Unaudited)**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>CURRENT ASSETS</b>		
<hr/>		
Accounts Receivable:		
Affiliated Companies	\$ 11,533	\$ 17,968
Miscellaneous	407	—
Total Accounts Receivable	<u>11,940</u>	<u>17,968</u>
Fuel	72,805	88,059
Materials and Supplies	18,683	18,551
Prepayments and Other Current Assets	2,624	2,584
<b>TOTAL CURRENT ASSETS</b>	<u>106,052</u>	<u>127,162</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
<hr/>		
Electric Generation	1,361,547	1,361,391
Other Property, Plant and Equipment	40,977	41,452
Construction Work in Progress	7,938	8,095
<b>Total Property, Plant and Equipment</b>	<u>1,410,462</u>	<u>1,410,938</u>
Accumulated Depreciation and Amortization	1,082,897	1,067,404
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT – NET</b>	<u>327,565</u>	<u>343,534</u>
<b>OTHER NONCURRENT ASSETS</b>		
<hr/>		
Regulatory Assets	1,370	1,474
Operating Lease Assets	5,141	6,288
Deferred Income Taxes	26,491	24,835
Deferred Charges and Other Noncurrent Assets	21,884	17,156
<b>TOTAL OTHER NONCURRENT ASSETS</b>	<u>54,886</u>	<u>49,753</u>
<b>TOTAL ASSETS</b>	<u>\$ 488,503</u>	<u>\$ 520,449</u>

*See Condensed Notes to Condensed Financial Statements beginning on page 7.*

**AEP GENERATING COMPANY**  
**CONDENSED BALANCE SHEETS**  
**LIABILITIES AND COMMON SHAREHOLDER'S EQUITY**  
**March 31, 2024 and December 31, 2023**  
**(Unaudited)**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>CURRENT LIABILITIES</b>		
Advances from Affiliates	\$ 6,885	\$ 36,367
Accounts Payable:		
General	3,928	3,220
Affiliated Companies	7,052	8,412
Long-term Debt Due Within One Year – Nonaffiliated	85,000	90,000
Accrued Taxes	19,522	12,424
Obligations Under Finance Leases	6,225	6,279
Obligations Under Operating Leases	2,411	4,321
Other Current Liabilities	3,419	4,836
<b>TOTAL CURRENT LIABILITIES</b>	<b>134,442</b>	<b>165,859</b>
<b>NONCURRENT LIABILITIES</b>		
Long-term Debt – Nonaffiliated	64,530	64,480
Regulatory Liabilities	92,618	94,682
Asset Retirement Obligations	30,227	30,382
Obligations Under Operating Leases	1,379	1,549
Deferred Credits and Other Noncurrent Liabilities	15,596	16,387
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>204,350</b>	<b>207,480</b>
<b>TOTAL LIABILITIES</b>	<b>338,792</b>	<b>373,339</b>
Commitments and Contingencies (Note 4)		
<b>COMMON SHAREHOLDER'S EQUITY</b>		
Common Stock – Par Value – \$1,000 Per Share:		
Authorized – 1,000 Shares		
Outstanding – 1,000 Shares	1,000	1,000
Paid-in Capital	127,158	127,158
Retained Earnings	21,553	18,952
<b>TOTAL COMMON SHAREHOLDER'S EQUITY</b>	<b>149,711</b>	<b>147,110</b>
<b>TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY</b>	<b>\$ 488,503</b>	<b>\$ 520,449</b>

*See Condensed Notes to Condensed Financial Statements beginning on page 7.*

**AEP GENERATING COMPANY**  
**CONDENSED STATEMENTS OF CASH FLOWS**  
**For the Three Months Ended March 31, 2024 and 2023**  
**(in thousands)**  
**(Unaudited)**

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>OPERATING ACTIVITIES</b>		
<b>Net Income</b>	\$ 2,601	\$ 3,651
<b>Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:</b>		
Depreciation and Amortization	14,487	16,798
Deferred Income Taxes	(1,707)	(2,244)
Allowance for Equity Funds Used During Construction	—	(8)
Change in Other Noncurrent Assets	(3,309)	(2,622)
Change in Other Noncurrent Liabilities	(414)	(368)
<b>Changes in Certain Components of Working Capital:</b>		
Accounts Receivable	6,028	22,537
Fuel, Materials and Supplies	15,122	(20,291)
Accounts Payable	(652)	(5,750)
Accrued Taxes, Net	7,098	6,510
Other Current Assets	(40)	878
Other Current Liabilities	(3,492)	(3,569)
<b>Net Cash Flows from Operating Activities</b>	<b>35,722</b>	<b>15,522</b>
<b>INVESTING ACTIVITIES</b>		
Construction Expenditures	(700)	(4,647)
<b>Net Cash Flows Used for Investing Activities</b>	<b>(700)</b>	<b>(4,647)</b>
<b>FINANCING ACTIVITIES</b>		
Return of Capital to Parent	—	(17,500)
Change in Advances from Affiliates, Net	(29,482)	12,088
Retirement of Long-term Debt – Nonaffiliated	(5,000)	—
Principal Payments for Finance Lease Obligations	(540)	(425)
Dividends Paid on Common Stock	—	(5,000)
Other Financing Activities	—	(38)
<b>Net Cash Flows Used for Financing Activities</b>	<b>(35,022)</b>	<b>(10,875)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>—</b>	<b>—</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>—</b>	<b>—</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$ —</b>	<b>\$ —</b>
<b>SUPPLEMENTARY INFORMATION</b>		
Cash Paid for Interest, Net of Capitalized Amounts	\$ 2,782	\$ 1,868
Net Cash Paid for Income Taxes	693	1,643
Construction Expenditures Included in Current Liabilities as of March 31,	8	(37)

*See Condensed Notes to Condensed Financial Statements beginning on page 7.*



## INDEX OF CONDENSED NOTES TO CONDENSED FINANCIAL STATEMENTS

Note	Page Number
Significant Accounting Matters	8
New Accounting Standards	9
Rate Matters	10
Commitments, Guarantees and Contingencies	11
Benefit Plans	12
Fair Value Measurements	13
Income Taxes	14
Financing Activities	15
Revenue from Contracts with Customers	16

## **1. SIGNIFICANT ACCOUNTING MATTERS**

### ***General***

The unaudited condensed financial statements and footnotes were prepared in accordance with GAAP for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete annual financial statements.

In the opinion of management, the unaudited condensed interim financial statements reflect all normal and recurring accruals and adjustments necessary for a fair statement of the net income, financial position and cash flows for the interim periods. Net income for the three months ended March 31, 2024 is not necessarily indicative of results that may be expected for the year ending December 31, 2024. The condensed financial statements are unaudited and should be read in conjunction with the audited 2023 financial statements and notes thereto, which are included in AEGCo's 2023 Annual Report.

### ***Subsequent Events***

Management reviewed subsequent events through April 30, 2024, the date that the first quarter 2024 report was available to be issued.

## **2. NEW ACCOUNTING STANDARDS**

During the FASB's standard-setting process and upon issuance of final standards, management reviews the new accounting literature to determine its relevance, if any, to AEGCo's business. The following standard will impact AEGCo's financial statements.

### ***ASU 2023-09 "Improvements to Income Tax Disclosures" (ASU 2023-09)***

In December 2023, the FASB issued ASU 2023-09, to address investors' suggested enhancements to (a) better understand an entity's exposure to potential changes in jurisdictional tax legislation and the ensuing risks and opportunities, (b) assess income tax information that affects cash flow forecasts and capital allocation decisions and (c) identify potential opportunities to increase future cash flows.

The new standard requires an annual rate reconciliation disclosure of the following categories regardless of materiality: state and local income tax net of federal income tax effect, foreign tax effects, effect of changes in tax laws or rates enacted in the current period, effect of cross-border tax laws, tax credits, changes in valuation allowances, nontaxable or nondeductible items and changes in unrecognized tax benefits.

The new standard also requires an annual disclosure of the amount of income taxes paid (net of refunds received) disaggregated by federal, state and foreign taxes and by individual jurisdictions that are equal to or greater than 5 percent of total income taxes paid. Disclosure of income (loss) from continuing operations before income tax expense (benefit) disaggregated between domestic and foreign jurisdictions and income tax expense (benefit) from continuing operations disaggregated by federal, state, and foreign jurisdictions is required.

The new standard removes the requirement to disclose the cumulative amount of each type of temporary difference when a deferred tax liability is not recognized because of the exceptions to comprehensive recognition of deferred taxes related to subsidiaries and corporate joint ventures.

The amendments in the new standard may be applied on either a prospective or retrospective basis for public business entities for fiscal years beginning after December 15, 2024 with early adoption permitted. Management has not yet made a decision to early adopt the amendments to this standard or how to apply them.

### **3. RATE MATTERS**

#### ***Request to Update AEGCo Depreciation Rates***

In October 2022, AEP, on behalf of AEGCo, submitted proposed revisions to AEGCo's depreciation rates for its 50% ownership interest in Rockport Plant, Unit 1 and Unit 2, reflected in the unit power agreement between AEGCo and I&M. The proposed depreciation rates for these assets reflect an estimated 2028 retirement date for the Rockport Plant. AEGCo's previous FERC-approved depreciation rates for Rockport Plant, Unit 1 were based upon a December 31, 2028 estimated retirement date while AEGCo's previous FERC-approved depreciation rates for Rockport Plant, Unit 2 leasehold improvements were based upon a December 31, 2022 estimated retirement date in conjunction with the termination of the Rockport Plant, Unit 2 lease.

In December 2022, the FERC issued an order approving the proposed AEGCo Rockport depreciation rates effective January 1, 2023, subject to further review and a potential refund. In August 2023, AEGCo reached a settlement agreement with the FERC trial staff that resolved all issues set for hearing. In September 2023, the settlement agreement was certified to the FERC as uncontested. In March 2024, the FERC issued an order approving the uncontested settlement agreement. The results of the order did not have a material impact on financial condition, results of operations or cash flows.

#### **4. COMMITMENTS, GUARANTEES AND CONTINGENCIES**

AEGCo is subject to certain claims and legal actions arising in its ordinary course of business. In addition, AEGCo's business activities are subject to extensive governmental regulation related to public health and the environment. The ultimate outcome of such pending or potential litigation against AEGCo cannot be predicted. Management accrues contingent liabilities only when management concludes that it is both probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. When management determines that it is not probable, but rather reasonably possible that a liability has been incurred at the date of the financial statements, management discloses such contingencies and the possible loss or range of loss if such estimate can be made. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the maximum possible loss exposure. Circumstances change over time and actual results may vary significantly from estimates.

For current proceedings not specifically discussed below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial statements. The Commitments, Guarantees and Contingencies note within AEGCo's 2023 Annual Report should be read in conjunction with this report.

#### **GUARANTEES**

Liabilities for guarantees are recorded in accordance with the accounting guidance for "Guarantees." There is no collateral held in relation to any guarantees. In the event any guarantee is drawn, there is no recourse to third-parties unless specified below.

#### ***Indemnifications and Other Guarantees***

##### ***Contracts***

AEGCo enters into certain types of contracts which require indemnifications. Typically these contracts include, but are not limited to, sale agreements, lease agreements, purchase agreements and financing agreements. Generally, these agreements may include, but are not limited to, indemnifications around certain tax, contractual and environmental matters. With respect to sale agreements, exposure generally does not exceed the sale price. As of March 31, 2024, there were no material liabilities recorded for any indemnifications.

##### ***Master Lease Agreements***

AEGCo leases certain equipment under master lease agreements. Under the lease agreements, the lessor is guaranteed a residual value up to a stated percentage of the equipment cost at the end of the lease term. If the actual fair value of the leased equipment is below the guaranteed residual value at the end of the lease term, AEGCo is committed to pay the difference between the actual fair value and the residual value guarantee. Historically, at the end of the lease term the fair value has been in excess of the amount guaranteed. As of March 31, 2024, the maximum potential loss for these lease agreements was \$25 thousand assuming the fair value of the equipment is zero at the end of the lease term.

## 5. BENEFIT PLANS

AEGCo participates in an AEPSC sponsored qualified pension plan and an unfunded non-qualified pension plan. Substantially all of AEGCo's employees who are not UMWA members are covered by the qualified plan. AEGCo also participates in OPEB plans sponsored by AEPSC to provide health and life insurance benefits for retired employees.

### *Components of Net Periodic Benefit Credit*

The following table provides the components of AEGCo's net periodic benefit credit for the plans:

	<b>Pension Plans</b>		<b>OPEB</b>	
	<b>Three Months Ended March 31, 2024</b>	<b>2023</b>	<b>Three Months Ended March 31, 2024</b>	<b>2023</b>
	<b>(in thousands)</b>			
Service Cost	\$ 12	\$ 15	\$ 75	\$ 73
Interest Cost	31	31	473	503
Expected Return on Plan Assets	(77)	(81)	(886)	(805)
Amortization of Prior Service Credit	—	—	(3)	(16)
Amortization of Net Actuarial (Gain) Loss	1	—	(39)	3
<b>Net Periodic Benefit Credit</b>	<b>\$ (33)</b>	<b>\$ (35)</b>	<b>\$ (380)</b>	<b>\$ (242)</b>

## 6. FAIR VALUE MEASUREMENTS

### *Fair Value Hierarchy and Valuation Techniques*

The accounting guidance for “Fair Value Measurements and Disclosures” establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. When quoted market prices are not available, pricing may be completed using comparable securities, dealer values, operating data and general market conditions to determine fair value. Valuation models utilize various inputs such as commodity, interest rate and, to a lesser degree, volatility and credit that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, market corroborated inputs (i.e. inputs derived principally from, or correlated to, observable market data) and other observable inputs for the asset or liability.

### *Fair Value Measurements of Long-term Debt*

The fair values of Long-term Debt are based on quoted market prices, without credit enhancements, for the same or similar issues and the current interest rates offered for instruments with similar maturities classified as Level 2 measurement inputs. These instruments are not marked-to-market. The estimates presented are not necessarily indicative of the amounts that could be realized in a current market exchange.

The book values and fair values of AEGCo’s Long-term Debt are summarized in the following table:

	<b>March 31, 2024</b>		<b>December 31, 2023</b>	
	<b>Book Value</b>	<b>Fair Value</b>	<b>Book Value</b>	<b>Fair Value</b>
	<b>(in thousands)</b>			
Long-term Debt	\$ 149,530	\$ 146,429	\$ 154,480	\$ 151,291

## 7. INCOME TAXES

### *Effective Tax Rates (ETR)*

AEGCo's interim ETR reflects the estimated annual ETR for 2024 and 2023, adjusted for tax expense associated with certain discrete items.

The ETR for AEGCo are included in the following table:

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. Federal Statutory Rate	21.0 %	21.0 %
Increase (decrease) due to:		
State Income Tax, net of Federal Benefit	6.8 %	4.4 %
Tax Reform Excess ADIT Reversal	(6.6)%	(21.4)%
Production and Investment Tax Credits	— %	(7.7)%
Flow Through	2.3 %	(0.6)%
AFUDC Equity	— %	(0.3)%
Other	0.9 %	— %
Effective Income Tax Rate	<u>24.4 %</u>	<u>(4.6)%</u>

### *Federal and State Income Tax Audit Status*

The statute of limitations for the IRS to examine AEGCo and other AEP Subsidiaries originally filed federal return has expired for tax years 2016 and earlier. AEGCo and other AEP subsidiaries have agreed to extend the statute of limitations on the 2017-2020 tax returns to May 31, 2025, to allow time for the current IRS audit to be completed including a refund claim approval by the Congressional Joint Committee on Taxation.

The current IRS audit and associated refund claim evolved from a net operating loss carryback to 2015 that originated in the 2017 return. AEGCo and other AEP subsidiaries have received and agreed to immaterial IRS proposed adjustments on the 2017 tax return. The IRS exam is complete, and AEGCo and other AEP subsidiaries are currently waiting on the IRS to submit the refund claim to the Congressional Joint Committee on Taxation for resolution and final approval.

AEGCo and other AEP Subsidiaries file income tax returns in various state and local jurisdictions. These taxing authorities routinely examine the tax returns, and AEGCo and other AEP Subsidiaries are currently under examination in several state and local jurisdictions. Generally, the statutes of limitations have expired for tax years prior to 2017. In addition, management is monitoring and continues to evaluate the potential impact of federal legislation and corresponding state conformity.



## 8. FINANCING ACTIVITIES

### *Long-term Debt*

AEGCo did not have any long-term debt issuances during the first three months of 2024.

Long-term debt retired during the first three months of 2024 is shown in the following table:

<b>Retirements:</b>	<b>Type of Debt</b>	<b>Principal Amount Paid</b>	<b>Interest Rate</b>	<b>Due Date</b>
		<b>(in thousands)</b>	<b>(%)</b>	
	Notes Payable	\$ 5,000	2.43	2028

### *Dividend Restrictions*

AEGCo pays dividends to Parent provided funds are legally available. Various financing arrangements may impose certain restrictions on the ability of AEGCo to transfer funds to Parent in the form of dividends.

AEGCo has credit agreements that contain a covenant that limit its debt to capitalization ratio to 67.5%. As of March 31, 2024, AEGCo did not exceed its debt to capitalization limit. The method for calculating outstanding debt and capitalization is contractually-defined in the credit agreements.

### *Corporate Borrowing Program - AEP System*

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of AEP's subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds AEP's utility subsidiaries. The AEP System Utility Money Pool operates in accordance with the terms and conditions of its agreement filed with the FERC. The amounts of outstanding borrowings from the Utility Money Pool as of March 31, 2024 and December 31, 2023 are included in Advances from Affiliates on AEGCo's balance sheets. AEGCo's Utility Money Pool activity and corresponding authorized borrowing limit for the three months ended March 31, 2024 are described in the following table:

<b>Maximum Borrowings from the Utility Money Pool</b>	<b>Average Borrowings from the Utility Money Pool</b>	<b>Borrowings from the Utility Money Pool as of March 31, 2024</b>	<b>Authorized Short-Term Borrowing Limit</b>
<b>(in thousands)</b>			
\$ 59,378	\$ 25,247	\$ 6,885	\$ 150,000

Maximum, minimum and average interest rates for funds either borrowed from or loaned to the Utility Money Pool are summarized in the following table:

<b>Three Months Ended March 31,</b>	<b>Maximum Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Minimum Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Maximum Interest Rate for Funds Loaned to the Utility Money Pool</b>	<b>Minimum Interest Rate for Funds Loaned to the Utility Money Pool</b>	<b>Average Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Average Interest Rate for Funds Loaned to the Utility Money Pool</b>
2024	5.79 %	5.66 %	— %	— %	5.73 %	— %
2023	5.42 %	4.66 %	5.18 %	4.97 %	5.20 %	5.10 %

## **9. REVENUE FROM CONTRACTS WITH CUSTOMERS**

### ***Disaggregated Revenues from Contracts with Customers***

AEGCo's statements of income represent revenues from contracts with customers by type of revenue. AEGCo did not have alternative revenues for the three months ended March 31, 2024 and 2023, respectively.

### ***Fixed Performance Obligations***

As of March 31, 2024, there are no fixed performance obligations related to AEGCo.

### ***Contract Assets and Liabilities***

Contract assets are recognized when AEGCo has a right to consideration that is conditional upon the occurrence of an event other than the passage of time, such as future performance under a contract. AEGCo did not have material contract assets as of March 31, 2024 and December 31, 2023, respectively.

When AEGCo receives consideration, or such consideration is unconditionally due from a customer prior to transferring goods or services to the customer under the terms of a sales contract, they recognize a contract liability on the balance sheet in the amount of that consideration. Revenue for such consideration is subsequently recognized in the period or periods in which the remaining performance obligations in the contract are satisfied. AEGCo did not have material contract liabilities as of March 31, 2024 and December 31, 2023, respectively.

### ***Accounts Receivable from Contracts with Customers***

Accounts receivable from contracts with customers are presented on AEGCo's balance sheets within the Accounts Receivable - Affiliated Companies line item. AEGCo's balances for receivables from contracts that are not recognized in accordance with the accounting guidance for "Revenue from Contracts with Customers" included in Accounts Receivable - Affiliated Companies were not material as of March 31, 2024 and December 31, 2023, respectively.