

NSTAR GAS COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of June 30, 2017	As of December 31, 2016
ASSETS		
Current Assets:		
Cash	\$ 260	\$ 19
Receivables, Net	24,054	38,978
Accounts Receivable from Affiliated Companies	3,415	5,626
Unbilled Revenues	3,817	15,127
Taxes Receivable	32,204	—
Fuel, Materials and Supplies	16,647	19,211
Regulatory Assets	38,175	51,792
Prepayments and Other Current Assets	878	6,429
Total Current Assets	119,450	137,182
Property, Plant and Equipment, Net	992,497	939,255
Deferred Debits and Other Assets:		
Regulatory Assets	205,170	218,885
Other Long-Term Assets	35,337	31,463
Total Deferred Debits and Other Assets	240,507	250,348
Total Assets	\$ 1,352,454	\$ 1,326,785
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ 92,500	\$ 85,000
Long-Term Debt - Current Portion	25,000	25,000
Accounts Payable	21,551	49,751
Accounts Payable to Affiliated Companies	17,449	20,081
Regulatory Liabilities	27,121	6,997
Other Current Liabilities	13,522	15,911
Total Current Liabilities	197,143	202,740
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	287,593	285,879
Regulatory Liabilities	95,851	100,799
Accrued Pension and SERP	37,492	46,535
Other Long-Term Liabilities	37,163	43,923
Total Deferred Credits and Other Liabilities	458,099	477,136
Capitalization:		
Long-Term Debt	284,357	284,299
Common Stockholder's Equity:		
Common Stock	71,425	71,425
Capital Surplus, Paid In	220,008	190,358
Retained Earnings	121,114	100,511
Accumulated Other Comprehensive Income	308	316
Common Stockholder's Equity	412,855	362,610
Total Capitalization	697,212	646,909
Total Liabilities and Capitalization	\$ 1,352,454	\$ 1,326,785

Note: In the opinion of the Company, all adjustments for a fair presentation of financial position for the periods shown have been made.

NSTAR GAS COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Thousands of Dollars)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Operating Revenues	\$ 88,355	\$ 80,399	\$ 287,474	\$ 268,426
Operating Expenses:				
Cost of Natural Gas	36,395	35,112	123,232	125,820
Operations and Maintenance	19,648	19,317	43,349	42,657
Depreciation	8,944	7,921	17,660	15,716
Amortization of Regulatory Assets/(Liabilities), Net	32	(49)	1,861	(2,153)
Energy Efficiency Programs	9,810	5,145	30,156	16,260
Taxes Other Than Income Taxes	5,555	5,878	10,866	11,160
Total Operating Expenses	80,384	73,324	227,124	209,460
Operating Income	7,971	7,075	60,350	58,966
Interest Expense	4,577	4,157	8,998	8,251
Other Income, Net	4	152	172	102
Income Before Income Tax Expense	3,398	3,070	51,524	50,817
Income Tax Expense	1,301	1,158	20,521	20,222
Net Income	\$ 2,097	\$ 1,912	\$ 31,003	\$ 30,595

Note: In the opinion of the Company, all adjustments for a fair presentation of financial position for the periods shown have been made.

STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(Thousands of Dollars)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Net Income	\$ 2,097	\$ 1,912	\$ 31,003	\$ 30,595
Other Comprehensive Loss, Net of Tax:				
Changes in Funded Status of SERP Benefit Plan	(4)	(7)	(8)	(15)
Other Comprehensive Loss, Net of Tax	(4)	(7)	(8)	(15)
Comprehensive Income	\$ 2,093	\$ 1,905	\$ 30,995	\$ 30,580

Note: In the opinion of the Company, all adjustments for a fair presentation of the financial position for the periods shown have been made.

NSTAR GAS COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

For the Six Months Ended June 30,
2017 2016

(Thousands of Dollars)

	2017	2016
Operating Activities:		
Net Income	\$ 31,003	\$ 30,595
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	17,660	15,716
Deferred Income Taxes	1,841	10,814
Amortization of Regulatory Assets/(Liabilities) Net	1,861	(2,153)
Pension, SERP and PBOP (Benefits)/Expense, Net	(600)	1,100
Pension and PBOP Contributions	(5,662)	(7,253)
Regulatory Overrecoveries, Net	39,795	11,085
Bad Debt Expense	4,049	4,972
Other	(9,825)	(6,205)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	21,312	11,526
Fuel, Materials and Supplies	2,564	2,869
Taxes Receivable/Accrued, Net	(34,009)	(9,321)
Accounts Payable	(24,492)	(17,740)
Accounts Receivable from/Payable to Affiliates, Net	(421)	25,000
Other Current Assets and Liabilities, Net	(2,092)	(3,686)
Net Cash Flows Provided by Operating Activities	<u>42,984</u>	<u>67,319</u>
Investing Activities:		
Investments in Property, Plant and Equipment	(69,493)	(52,798)
Net Cash Flows Used in Investing Activities	<u>(69,493)</u>	<u>(52,798)</u>
Financing Activities:		
Cash Dividends on Common Stock	(10,400)	(25,400)
Capital Contributions from Parent	29,650	—
Increase in Notes Payable to Eversource Parent	7,500	11,500
Net Cash Flows Provided by/(Used in) Financing Activities	<u>26,750</u>	<u>(13,900)</u>
Net Increase in Cash	241	621
Cash - Beginning of Period	19	2,575
Cash - End of Period	<u>\$ 260</u>	<u>\$ 3,196</u>

Note: In the opinion of the Company, all adjustments for a fair presentation of financial position for the periods shown have been made.