

NSTAR GAS COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of March 31, 2019	As of December 31, 2018
ASSETS		
Current Assets:		
Cash	\$ 904	\$ 205
Receivables, Net	78,261	49,026
Accounts Receivable from Affiliated Companies	10,598	15,662
Unbilled Revenues	11,038	13,331
Fuel, Materials and Supplies	9,477	13,425
Regulatory Assets	21,010	36,159
Prepayments and Other Current Assets	4,528	4,833
Total Current Assets	135,816	132,641
Property, Plant and Equipment, Net	1,329,882	1,275,892
Deferred Debits and Other Assets:		
Regulatory Assets	195,520	198,540
Other Long-Term Assets	44,998	40,677
Total Deferred Debits and Other Assets	240,518	239,217
Total Assets	\$ 1,706,216	\$ 1,647,750
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ 130,200	\$ 142,100
Long-Term Debt - Current Portion	125,000	—
Accounts Payable	75,726	97,065
Accounts Payable to Affiliated Companies	55,317	29,108
Regulatory Liabilities	35,268	15,016
Other Current Liabilities	12,186	11,853
Total Current Liabilities	433,697	295,142
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	161,371	170,565
Regulatory Liabilities	225,763	221,603
Accrued Pension and SERP	41,653	42,595
Other Long-Term Liabilities	45,130	43,290
Total Deferred Credits and Other Liabilities	473,917	478,053
Long-Term Debt	259,184	384,159
Common Stockholder's Equity:		
Common Stock	71,425	71,425
Capital Surplus, Paid In	395,334	372,334
Retained Earnings	72,271	46,249
Accumulated Other Comprehensive Income	388	388
Common Stockholder's Equity	539,418	490,396
Total Liabilities and Capitalization	\$ 1,706,216	\$ 1,647,750

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

NSTAR GAS COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Thousands of Dollars)	For the Three Months Ended March 31,	
	2019	2018
Operating Revenues	\$ 239,616	\$ 233,398
Operating Expenses:		
Cost of Natural Gas	121,114	113,844
Operations and Maintenance	29,592	29,648
Depreciation	10,140	9,533
Amortization of Regulatory Assets, Net	3,364	4,737
Energy Efficiency Programs	21,731	23,317
Taxes Other Than Income Taxes	6,745	6,406
Total Operating Expenses	192,686	187,485
Operating Income	46,930	45,913
Interest Expense	5,534	4,683
Other Income, Net	401	1,332
Income Before Income Tax Expense	41,797	42,562
Income Tax Expense	10,375	11,761
Net Income	\$ 31,422	\$ 30,801

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

STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(Thousands of Dollars)	For the Three Months Ended March 31,	
	2019	2018
Net Income	\$ 31,422	\$ 30,801
Other Comprehensive Loss, Net of Tax:		
Changes in Funded Status of SERP Benefit Plan	—	(7)
Other Comprehensive Loss, Net of Tax	—	(7)
Comprehensive Income	\$ 31,422	\$ 30,794

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

NSTAR GAS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDER'S EQUITY
(Unaudited)

For the Three Months Ended March 31, 2019

(Thousands of Dollars, Except Stock Information)	Common Stock		Capital Surplus, Paid In	Retained Earnings	Accumulated Other Comprehensive Income	Total Common Stockholder's Equity
	Stock	Amount				
Balance as of January 1, 2019	2,857,000	\$ 71,425	\$ 372,334	\$ 46,249	\$ 388	\$ 490,396
Net Income				31,422		31,422
Dividends on Common Stock				(5,400)		(5,400)
Capital Contribution from Eversource Parent			23,000			23,000
Balance as of March 31, 2019	2,857,000	\$ 71,425	\$ 395,334	\$ 72,271	\$ 388	\$ 539,418

For the Three Months Ended March 31, 2018

(Thousands of Dollars, Except Stock Information)	Common Stock		Capital Surplus, Paid In	Retained Earnings	Accumulated Other Comprehensive Income	Total Common Stockholder's Equity
	Stock	Amount				
Balance as of January 1, 2018	2,857,000	\$ 71,425	\$ 262,134	\$ 25,673	\$ 326	\$ 359,558
Net Income				30,801		30,801
Dividends on Common Stock				(4,800)		(4,800)
Capital Contribution from Eversource Parent			44,200			44,200
Other Comprehensive Loss					(7)	(7)
Balance as of March 31, 2018	2,857,000	\$ 71,425	\$ 306,334	\$ 51,674	\$ 319	\$ 429,752

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

NSTAR GAS COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

For the Three Months Ended March 31,
2019 2018

(Thousands of Dollars)

Operating Activities:

Net Income	\$ 31,422	\$ 30,801
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	10,140	9,533
Deferred Income Taxes	(10,498)	(12,379)
Amortization of Regulatory Assets, Net	3,364	4,737
Pension, SERP and PBOP Income, Net	(102)	(100)
PBOP Contributions	(196)	(203)
Regulatory Overrecoveries, Net	39,263	52,051
Uncollectible Expense	4,346	4,665
Other	(3,816)	(3,463)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(26,513)	(28,330)
Fuel, Materials and Supplies	3,948	4,319
Taxes Receivable/Accrued, Net	1,640	(6,323)
Accounts Payable	(5,635)	(2,029)
Other Current Assets and Liabilities, Net	(1,901)	(4,098)
Net Cash Flows Provided by Operating Activities	<u>45,462</u>	<u>49,181</u>

Investing Activities:

Investments in Property, Plant and Equipment	(50,463)	(41,618)
Net Cash Flows Used in Investing Activities	<u>(50,463)</u>	<u>(41,618)</u>

Financing Activities:

Cash Dividends on Common Stock	(5,400)	(4,800)
Capital Contributions from Parent	23,000	44,200
Decrease in Notes Payable to Eversource Parent	(11,900)	(44,900)
Net Cash Flows Provided by/(Used in) Financing Activities	<u>5,700</u>	<u>(5,500)</u>
Net Increase in Cash	699	2,063
Cash - Beginning of Period	205	45
Cash - End of Period	<u>\$ 904</u>	<u>\$ 2,108</u>

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