

YANKEE GAS SERVICES COMPANY  
BALANCE SHEETS  
(Unaudited)

(Thousands of Dollars)	As of March 31, 2019	As of December 31, 2018
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 3,779	\$ 1,973
Receivables, Net	84,441	57,519
Accounts Receivable from Affiliated Companies	6,190	4,443
Unbilled Revenues	10,990	13,031
Fuel, Materials and Supplies	15,850	26,290
Regulatory Assets	14,094	33,218
Prepaid Property Taxes	7,179	7,463
Other Current Assets	3,144	1,214
<b>Total Current Assets</b>	<b>145,667</b>	<b>145,151</b>
Property, Plant and Equipment, Net	1,606,349	1,560,262
Deferred Debits and Other Assets:		
Regulatory Assets	155,530	145,732
Goodwill	287,591	287,591
Other Long-Term Assets	6,643	6,309
<b>Total Deferred Debits and Other Assets</b>	<b>449,764</b>	<b>439,632</b>
<b>Total Assets</b>	<b>\$ 2,201,780</b>	<b>\$ 2,145,045</b>
<b>LIABILITIES AND CAPITALIZATION</b>		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ 146,100	\$ 171,200
Long-Term Debt - Current Portion	50,000	50,000
Accounts Payable	47,107	67,798
Accounts Payable to Affiliated Companies	52,660	23,228
Regulatory Liabilities	16,815	13,743
Other Current Liabilities	24,445	25,868
<b>Total Current Liabilities</b>	<b>337,127</b>	<b>351,837</b>
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	215,749	214,438
Regulatory Liabilities	215,448	211,611
Accrued Pension, SERP and PBOP	48,953	49,147
Other Long-Term Liabilities	43,803	44,957
<b>Total Deferred Credits and Other Liabilities</b>	<b>523,953</b>	<b>520,153</b>
Long-Term Debt	418,473	418,452
Common Stockholder's Equity:		
Common Stock	5	5
Capital Surplus, Paid In	812,562	780,962
Retained Earnings	110,286	74,285
Accumulated Other Comprehensive Loss	(626)	(649)
<b>Common Stockholder's Equity</b>	<b>922,227</b>	<b>854,603</b>
<b>Total Liabilities and Capitalization</b>	<b>\$ 2,201,780</b>	<b>\$ 2,145,045</b>

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

YANKEE GAS SERVICES COMPANY  
STATEMENTS OF INCOME  
(Unaudited)

(Thousands of Dollars)	For the Three Months Ended March 31,	
	2019	2018
Operating Revenues	\$ 229,258	\$ 192,512
Operating Expenses:		
Cost of Natural Gas	106,484	88,837
Operations and Maintenance	28,500	26,790
Depreciation	10,040	9,299
Amortization of Regulatory (Liabilities)/Assets, Net	(3,198)	2,841
Energy Efficiency Programs	8,954	8,214
Taxes Other Than Income Taxes	18,160	15,555
Total Operating Expenses	168,940	151,536
Operating Income	60,318	40,976
Interest Expense	6,205	6,378
Other (Loss)/Income, Net	(187)	630
Income Before Income Tax Expense	53,926	35,228
Income Tax Expense	8,825	7,639
Net Income	\$ 45,101	\$ 27,589

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	\$ 45,101	\$ 27,589
Other Comprehensive Income, Net of Tax:		
Qualified Cash Flow Hedging Instruments	6	23
Changes in Funded Status of SERP Benefit Plan	17	28
Other Comprehensive Income, Net of Tax	23	51
Comprehensive Income	\$ 45,124	\$ 27,640

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

YANKEE GAS SERVICES 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 Loss	Total Common Stockholder's Equity
	Stock	Amount				
Balance as of January 1, 2019	1,000	\$ 5	\$ 780,962	\$ 74,285	\$ (649)	\$ 854,603
Net Income				45,101		45,101
Dividends on Common Stock				(9,100)		(9,100)
Capital Contribution from Eversource Parent			31,600			31,600
Other Comprehensive Income					23	23
Balance as of March 31, 2019	1,000	\$ 5	\$ 812,562	\$ 110,286	\$ (626)	\$ 922,227

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 Loss	Total Common Stockholder's Equity
	Stock	Amount				
Balance as of January 1, 2018	1,000	\$ 5	\$ 780,962	\$ 78,438	\$ (1,012)	\$ 858,393
Net Income				27,589		27,589
Other Comprehensive Income					51	51
Balance as of March 31, 2018	1,000	\$ 5	\$ 780,962	\$ 106,027	\$ (961)	\$ 886,033

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

YANKEE GAS SERVICES COMPANY  
STATEMENTS OF CASH FLOWS  
(Unaudited)

For the Three Months Ended March 31,  
2019 2018

(Thousands of Dollars)

Operating Activities:

Net Income	\$ 45,101	\$ 27,589
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	10,040	9,299
Deferred Income Taxes	(4,469)	706
Pension, SERP and PBOP Expense	767	851
Pension Contributions	—	(19,149)
Amortization of Regulatory (Liabilities)/Assets, Net	(3,198)	2,841
Regulatory Overrecoveries, Net	21,235	10,369
Uncollectible Expense	2,418	1,788
Other	397	(413)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(30,484)	(3,904)
Fuel, Materials and Supplies	10,440	6,844
Taxes Receivable/Accrued, Net	1,543	3,847
Accounts Payable	(9,148)	8,446
Other Current Assets and Liabilities, Net	(3,300)	(3,784)
Net Cash Flows Provided by Operating Activities	<u>41,342</u>	<u>45,330</u>

Investing Activities:

Investments in Property, Plant and Equipment	(36,936)	(28,784)
Net Cash Flows Used in Investing Activities	<u>(36,936)</u>	<u>(28,784)</u>

Financing Activities:

Cash Dividends on Common Stock	(9,100)	—
Capital Contributions from Parent	31,600	—
Decrease in Notes Payable to Eversource Parent	(25,100)	—
Net Cash Flows Used in Financing Activities	<u>(2,600)</u>	<u>—</u>
Net Increase in Cash	1,806	16,546
Cash - Beginning of Period	1,973	8,153
Cash - End of Period	<u>\$ 3,779</u>	<u>\$ 24,699</u>

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