

YANKEE GAS SERVICES COMPANY
BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of March 31, 2020	As of December 31, 2019
ASSETS		
Current Assets:		
Cash	\$ 2,513	\$ 3,202
Receivables, Net (net of allowance for uncollectible accounts of \$27,256 and \$20,547 as of March 31, 2020 and December 31, 2019, respectively)	65,085	61,764
Accounts Receivable from Affiliated Companies	5,468	4,476
Unbilled Revenues	9,944	13,020
Fuel, Materials and Supplies	16,885	22,467
Regulatory Assets	47,368	31,437
Other Current Assets	9,155	7,758
Total Current Assets	156,418	144,124
Property, Plant and Equipment, Net	1,766,819	1,736,832
Deferred Debits and Other Assets:		
Regulatory Assets	169,980	168,253
Goodwill	287,591	287,591
Other Long-Term Assets	7,144	6,671
Total Deferred Debits and Other Assets	464,715	462,515
Total Assets	\$ 2,387,952	\$ 2,343,471
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ 57,800	\$ 104,500
Long-Term Debt - Current Portion	50,000	50,000
Accounts Payable	35,480	57,299
Accounts Payable to Affiliated Companies	15,234	17,606
Accrued Taxes	13,594	6,380
Regulatory Liabilities	18,247	7,510
Other Current Liabilities	18,595	21,030
Total Current Liabilities	208,950	264,325
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	233,656	224,893
Regulatory Liabilities	206,484	205,992
Accrued Pension, SERP and PBOP	65,371	65,995
Other Long-Term Liabilities	49,869	51,139
Total Deferred Credits and Other Liabilities	555,380	548,019
Long-Term Debt	568,048	568,001
Common Stockholder's Equity:		
Common Stock	5	5
Capital Surplus, Paid In	918,062	868,062
Retained Earnings	138,254	95,846
Accumulated Other Comprehensive Loss	(747)	(787)
Common Stockholder's Equity	1,055,574	963,126
Total Liabilities and Capitalization	\$ 2,387,952	\$ 2,343,471

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,	
	2020	2019
Operating Revenues	\$ 212,155	\$ 229,258
Operating Expenses:		
Cost of Natural Gas	81,415	106,484
Operations and Maintenance	29,897	28,500
Depreciation	10,594	10,040
Amortization of Regulatory Liabilities, Net	(5,772)	(3,198)
Energy Efficiency Programs	8,132	8,954
Taxes Other Than Income Taxes	16,750	18,160
Total Operating Expenses	141,016	168,940
Operating Income	71,139	60,318
Interest Expense	6,435	6,205
Other Income/(Loss), Net	503	(187)
Income Before Income Tax Expense	65,207	53,926
Income Tax Expense	12,839	8,825
Net Income	\$ 52,368	\$ 45,101

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,	
	2020	2019
Net Income	\$ 52,368	\$ 45,101
Other Comprehensive Income, Net of Tax:		
Qualified Cash Flow Hedging Instruments	7	6
Changes in Funded Status of SERP Benefit Plan	33	17
Other Comprehensive Income, Net of Tax	40	23
Comprehensive Income	\$ 52,408	\$ 45,124

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, 2020

(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, 2020	1,000	\$ 5	\$ 868,062	\$ 95,846	\$ (787)	\$ 963,126
Net Income				52,368		52,368
Dividends on Common Stock				(9,900)		(9,900)
Capital Contribution from Parent			50,000			50,000
Adoption of Accounting Standard Update 2016-13				(60)		(60)
Other Comprehensive Income					40	40
Balance as of March 31, 2020	1,000	\$ 5	\$ 918,062	\$ 138,254	\$ (747)	\$ 1,055,574

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 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

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,

(Thousands of Dollars)

2020

2019

Operating Activities:

Net Income	\$	52,368	\$	45,101
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:				
Depreciation		10,594		10,040
Deferred Income Taxes		2,987		(4,469)
Pension, SERP and PBOP Expense		599		767
Amortization of Regulatory Liabilities, Net		(5,772)		(3,198)
Regulatory Overrecoveries, Net		5,912		21,235
Uncollectible Expense		2,273		2,418
Other		(4,894)		397
Changes in Current Assets and Liabilities:				
Receivables and Unbilled Revenues, Net		(9,585)		(30,484)
Fuel, Materials and Supplies		5,583		10,440
Taxes Receivable/Accrued, Net		8,576		1,543
Accounts Payable		(10,837)		(9,148)
Other Current Assets and Liabilities, Net		(3,830)		(3,300)
Net Cash Flows Provided by Operating Activities		<u>53,974</u>		<u>41,342</u>

Investing Activities:

Investments in Property, Plant and Equipment		(48,063)		(36,936)
Net Cash Flows Used in Investing Activities		<u>(48,063)</u>		<u>(36,936)</u>

Financing Activities:

Cash Dividends on Common Stock		(9,900)		(9,100)
Capital Contributions from Parent		50,000		31,600
Decrease in Notes Payable to Eversource Parent		(46,700)		(25,100)
Net Cash Flows Used in Financing Activities		<u>(6,600)</u>		<u>(2,600)</u>
Net (Decrease)/Increase in Cash		(689)		1,806
Cash - Beginning of Period		3,202		1,973
Cash - End of Period	\$	<u>2,513</u>	\$	<u>3,779</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.