

YANKEE GAS SERVICES COMPANY
BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of June 30, 2021	As of December 31, 2020
ASSETS		
Current Assets:		
Receivables, Net (net of allowance for uncollectible accounts of \$43,008 and \$31,825 as of June 30, 2021 and December 31, 2020, respectively)	\$ 48,788	\$ 60,225
Accounts Receivable from Affiliated Companies	4,148	4,652
Unbilled Revenues	3,916	14,198
Fuel, Materials and Supplies	17,247	20,586
Regulatory Assets	56,858	55,320
Prepaid Property Taxes	—	8,298
Other Current Assets	1,989	1,067
Total Current Assets	132,946	164,346
Property, Plant and Equipment, Net	1,986,174	1,912,957
Deferred Debits and Other Assets:		
Regulatory Assets	187,439	192,677
Goodwill	287,591	287,591
Other Long-Term Assets	12,888	7,074
Total Deferred Debits and Other Assets	487,918	487,342
Total Assets	\$ 2,607,038	\$ 2,564,645
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ 125,200	\$ 185,100
Long-Term Debt - Current Portion	20,000	—
Accounts Payable	58,376	58,769
Accounts Payable to Affiliated Companies	16,939	19,284
Accrued Taxes	13,609	7,379
Regulatory Liabilities	21,974	5,370
Other Current Liabilities	16,613	18,717
Total Current Liabilities	272,711	294,619
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	254,465	246,377
Regulatory Liabilities	206,203	206,053
Accrued Pension, SERP and PBOP	69,447	84,469
Other Long-Term Liabilities	54,156	52,543
Total Deferred Credits and Other Liabilities	584,271	589,442
Long-Term Debt	617,837	637,756
Common Stockholder's Equity:		
Common Stock	5	5
Capital Surplus, Paid In	971,262	918,062
Retained Earnings	161,668	125,576
Accumulated Other Comprehensive Loss	(716)	(815)
Common Stockholder's Equity	1,132,219	1,042,828
Total Liabilities and Capitalization	\$ 2,607,038	\$ 2,564,645

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 June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Operating Revenues	\$ 111,245	\$ 107,936	\$ 358,460	\$ 320,091
Operating Expenses:				
Cost of Natural Gas	40,426	41,153	144,955	122,568
Operations and Maintenance	27,295	27,892	57,868	57,788
Depreciation	12,404	10,756	24,723	21,350
Amortization of Regulatory (Liabilities)/Assets, Net	(815)	1,564	(737)	(4,208)
Energy Efficiency Programs	3,153	4,017	12,124	12,149
Taxes Other Than Income Taxes	14,385	13,870	34,094	30,622
Total Operating Expenses	96,848	99,252	273,027	240,269
Operating Income	14,397	8,684	85,433	79,822
Interest Expense	6,394	5,650	12,547	12,085
Other Income/(Loss), Net	360	(301)	528	203
Income Before Income Tax Expense	8,363	2,733	73,414	67,940
Income Tax Expense	3,502	728	16,722	13,566
Net Income	\$ 4,861	\$ 2,005	\$ 56,692	\$ 54,374

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 June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Net Income	\$ 4,861	\$ 2,005	\$ 56,692	\$ 54,374
Other Comprehensive Income, Net of Tax:				
Qualified Cash Flow Hedging Instruments	6	7	13	14
Changes in Funded Status of SERP Benefit Plan	43	34	86	67
Other Comprehensive Income, Net of Tax	49	41	99	81
Comprehensive Income	\$ 4,910	\$ 2,046	\$ 56,791	\$ 54,455

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 COMMON STOCKHOLDER'S EQUITY
(Unaudited)

For the Six Months Ended June 30, 2021

(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, 2021	1,000	\$ 5	\$ 918,062	\$ 125,576	\$ (815)	\$ 1,042,828
Net Income				51,831		51,831
Dividends on Common Stock				(10,300)		(10,300)
Capital Contributions from Parent			34,600			34,600
Other Comprehensive Income					50	50
Balance as of March 31, 2021	1,000	5	952,662	167,107	(765)	1,119,009
Net Income				4,861		4,861
Dividends on Common Stock				(10,300)		(10,300)
Capital Contributions from Parent			18,600			18,600
Other Comprehensive Income					49	49
Balance as of June 30, 2021	1,000	\$ 5	\$ 971,262	\$ 161,668	\$ (716)	\$ 1,132,219

For the Six Months Ended June 30, 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 Contributions 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
Net Income				2,005		2,005
Dividends on Common Stock				(9,900)		(9,900)
Other Comprehensive Income					41	41
Balance as of June 30, 2020	1,000	\$ 5	\$ 918,062	\$ 130,359	\$ (706)	\$ 1,047,720

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)

(Thousands of Dollars)	For the Six Months Ended June 30,	
	2021	2020
Operating Activities:		
Net Income	\$ 56,692	\$ 54,374
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	24,723	21,350
Deferred Income Taxes	1,485	976
Pension, SERP and PBOP Expense	(7,264)	1,190
Amortization of Regulatory Liabilities, Net	(737)	(4,208)
Regulatory Overrecoveries, Net	21,567	10,662
Uncollectible Expense	4,040	4,321
Other	(2,778)	(6,911)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	7,764	25,274
Fuel, Materials and Supplies	3,339	5,985
Taxes Receivable/Accrued, Net	9,001	(9,467)
Accounts Payable	(7,790)	7,078
Other Current Assets and Liabilities, Net	5,277	3,775
Net Cash Flows Provided by Operating Activities	<u>115,319</u>	<u>114,399</u>
Investing Activities:		
Investments in Property, Plant and Equipment	<u>(88,019)</u>	<u>(92,701)</u>
Net Cash Flows Used in Investing Activities	<u>(88,019)</u>	<u>(92,701)</u>
Financing Activities:		
Cash Dividends on Common Stock	(20,600)	(19,800)
Capital Contributions from Parent	53,200	50,000
Retirement of Long-Term Debt	—	(50,000)
Decrease in Notes Payable to Eversource Parent	(59,900)	(5,100)
Net Cash Flows Used in Financing Activities	<u>(27,300)</u>	<u>(24,900)</u>
Net Decrease in Cash	—	(3,202)
Cash - Beginning of Period	—	3,202
Cash - End of Period	<u>\$ —</u>	<u>\$ —</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.