

YANKEE GAS SERVICES COMPANY
BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of September 30, 2021	As of December 31, 2020
ASSETS		
Current Assets:		
Cash	\$ 1,345	\$ —
Receivables, Net (net of allowance for uncollectible accounts of \$44,923 and \$31,825 as of September 30, 2021 and December 31, 2020, respectively)	39,854	60,225
Accounts Receivable from Affiliated Companies	3,908	4,652
Unbilled Revenues	2,683	14,198
Fuel, Materials and Supplies	27,019	20,586
Regulatory Assets	62,885	55,320
Prepaid Property Taxes	19,419	8,298
Other Current Assets	6,382	1,067
Total Current Assets	163,495	164,346
Property, Plant and Equipment, Net	2,037,389	1,912,957
Deferred Debits and Other Assets:		
Regulatory Assets	187,110	192,677
Goodwill	287,591	287,591
Other Long-Term Assets	12,447	7,074
Total Deferred Debits and Other Assets	487,148	487,342
Total Assets	\$ 2,688,032	\$ 2,564,645
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ 86,500	\$ 185,100
Long-Term Debt - Current Portion	20,000	—
Accounts Payable	63,652	58,769
Accounts Payable to Affiliated Companies	13,073	19,284
Regulatory Liabilities	5,660	5,370
Other Current Liabilities	16,791	26,096
Total Current Liabilities	205,676	294,619
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	255,598	246,377
Regulatory Liabilities	201,486	206,053
Accrued Pension, SERP and PBOP	59,267	84,469
Other Long-Term Liabilities	57,351	52,543
Total Deferred Credits and Other Liabilities	573,702	589,442
Long-Term Debt	742,526	637,756
Common Stockholder's Equity:		
Common Stock	5	5
Capital Surplus, Paid In	1,018,862	918,062
Retained Earnings	147,927	125,576
Accumulated Other Comprehensive Loss	(666)	(815)
Common Stockholder's Equity	1,166,128	1,042,828
Total Liabilities and Capitalization	\$ 2,688,032	\$ 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 September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Operating Revenues	\$ 77,885	\$ 69,631	\$ 436,345	\$ 389,721
Operating Expenses:				
Cost of Natural Gas	23,195	19,417	168,150	141,985
Operations and Maintenance	28,368	27,718	86,236	85,506
Depreciation	12,539	10,880	37,262	32,231
Amortization of Regulatory Liabilities, Net	(3,249)	(524)	(3,986)	(4,732)
Energy Efficiency Programs	2,026	2,184	14,149	14,333
Taxes Other Than Income Taxes	12,730	12,915	46,826	43,535
Total Operating Expenses	75,609	72,590	348,637	312,858
Operating Income/(Loss)	2,276	(2,959)	87,708	76,863
Interest Expense	6,256	5,231	18,802	17,316
Other Income/(Loss), Net	340	(117)	868	86
(Loss)/Income Before Income Tax (Benefit)/Expense	(3,640)	(8,307)	69,774	59,633
Income Tax (Benefit)/Expense	(199)	(656)	16,523	12,910
Net (Loss)/Income	\$ (3,441)	\$ (7,651)	\$ 53,251	\$ 46,723

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 September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Net (Loss)/Income	\$ (3,441)	\$ (7,651)	\$ 53,251	\$ 46,723
Other Comprehensive Income, Net of Tax:				
Qualified Cash Flow Hedging Instruments	7	6	20	20
Changes in Funded Status of SERP Benefit Plan	43	33	129	100
Other Comprehensive Income, Net of Tax	50	39	149	120
Comprehensive (Loss)/Income	\$ (3,391)	\$ (7,612)	\$ 53,400	\$ 46,843

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YANKEE GAS SERVICES COMPANY
STATEMENTS OF COMMON STOCKHOLDER'S EQUITY
(Unaudited)

(Thousands of Dollars, Except Stock Information)	For the Nine Months Ended September 30, 2021					
	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
Net Loss				(3,441)		(3,441)
Dividends on Common Stock				(10,300)		(10,300)
Capital Contributions from Parent			47,600			47,600
Other Comprehensive Income					50	50
Balance as of September 30, 2021	1,000	\$ 5	\$ 1,018,862	\$ 147,927	\$ (666)	\$ 1,166,128

(Thousands of Dollars, Except Stock Information)	For the Nine Months Ended September 30, 2020					
	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
Net Loss				(7,651)		(7,651)
Dividends on Common Stock				(9,900)		(9,900)
Other Comprehensive Income					39	39
Balance as of September 30, 2020	1,000	\$ 5	\$ 918,062	\$ 112,808	\$ (667)	\$ 1,030,208

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 Nine Months Ended September 30,

(Thousands of Dollars)	2021	2020
Operating Activities:		
Net Income	\$ 53,251	\$ 46,723
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	37,262	32,231
Deferred Income Taxes	3,560	4,353
Pension, SERP and PBOP Expense	1,472	1,811
Pension Contributions	(17,249)	(3,000)
Amortization of Regulatory Liabilities, Net	(3,986)	(4,732)
Regulatory Over/(Under) Recoveries, Net	4,688	(1,466)
Uncollectible Expense	5,016	5,171
Other	(6,343)	(3,399)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	14,676	29,610
Fuel, Materials and Supplies	(6,433)	1,657
Taxes Receivable/Accrued, Net	(8,259)	(10,176)
Accounts Payable	(8,441)	(10,689)
Other Current Assets and Liabilities, Net	(16,080)	(15,763)
Net Cash Flows Provided by Operating Activities	<u>53,134</u>	<u>72,331</u>
Investing Activities:		
Investments in Property, Plant and Equipment	(147,733)	(145,834)
Net Cash Flows Used in Investing Activities	<u>(147,733)</u>	<u>(145,834)</u>
Financing Activities:		
Cash Dividends on Common Stock	(30,900)	(29,700)
Capital Contributions from Parent	100,800	50,000
Issuance of Long-Term Debt	125,000	70,000
Retirement of Long-Term Debt	—	(50,000)
(Decrease)/Increase in Notes Payable to Eversource Parent	(98,600)	30,500
Other Financing Expenses	(356)	(308)
Net Cash Flows Provided by/(Used in) Financing Activities	<u>95,944</u>	<u>70,492</u>
Net Increase/(Decrease) in Cash	1,345	(3,011)
Cash - Beginning of Period	—	3,202
Cash - End of Period	<u>\$ 1,345</u>	<u>\$ 191</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.