

YANKEE GAS SERVICES COMPANY
BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of June 30, 2020	As of December 31, 2019
ASSETS		
Current Assets:		
Cash	\$ —	\$ 3,202
Receivables, Net (net of allowance for uncollectible accounts of \$29,110 and \$20,547 as of June 30, 2020 and December 31, 2019, respectively)	40,834	61,764
Accounts Receivable from Affiliated Companies	3,263	4,476
Unbilled Revenues	4,132	13,020
Fuel, Materials and Supplies	16,483	22,467
Taxes Receivable	8,612	—
Regulatory Assets	41,321	31,437
Other Current Assets	1,765	7,758
Total Current Assets	116,410	144,124
Property, Plant and Equipment, Net	1,818,149	1,736,832
Deferred Debits and Other Assets:		
Regulatory Assets	166,426	168,253
Goodwill	287,591	287,591
Other Long-Term Assets	10,303	6,671
Total Deferred Debits and Other Assets	464,320	462,515
Total Assets	\$ 2,398,879	\$ 2,343,471
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ 99,400	\$ 104,500
Long-Term Debt - Current Portion	—	50,000
Accounts Payable	53,862	57,299
Accounts Payable to Affiliated Companies	31,052	17,606
Regulatory Liabilities	18,551	7,510
Other Current Liabilities	21,217	27,410
Total Current Liabilities	224,082	264,325
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	235,365	224,893
Regulatory Liabilities	207,599	205,992
Accrued Pension, SERP and PBOP	64,389	65,995
Other Long-Term Liabilities	51,639	51,139
Total Deferred Credits and Other Liabilities	558,992	548,019
Long-Term Debt	568,085	568,001
Common Stockholder's Equity:		
Common Stock	5	5
Capital Surplus, Paid In	918,062	868,062
Retained Earnings	130,359	95,846
Accumulated Other Comprehensive Loss	(706)	(787)
Common Stockholder's Equity	1,047,720	963,126
Total Liabilities and Capitalization	\$ 2,398,879	\$ 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 June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
Operating Revenues	\$ 107,936	\$ 110,923	\$ 320,091	\$ 340,181
Operating Expenses:				
Cost of Natural Gas	41,153	50,854	122,568	157,338
Operations and Maintenance	27,892	29,081	57,788	57,582
Depreciation	10,756	10,289	21,350	20,329
Amortization of Regulatory Assets/(Liabilities), Net	1,564	512	(4,208)	(2,686)
Energy Efficiency Programs	4,017	3,843	12,149	12,797
Taxes Other Than Income Taxes	13,870	13,356	30,622	31,515
Total Operating Expenses	99,252	107,935	240,269	276,875
Operating Income	8,684	2,988	79,822	63,306
Interest Expense	5,650	6,187	12,085	12,391
Other (Loss)/Income, Net	(301)	(669)	203	(856)
Income/(Loss) Before Income Tax Expense/(Benefit)	2,733	(3,868)	67,940	50,059
Income Tax Expense/(Benefit)	728	(351)	13,566	8,475
Net Income/(Loss)	\$ 2,005	\$ (3,517)	\$ 54,374	\$ 41,584

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,	
	2020	2019	2020	2019
Net Income/(Loss)	\$ 2,005	\$ (3,517)	\$ 54,374	\$ 41,584
Other Comprehensive Income, Net of Tax:				
Qualified Cash Flow Hedging Instruments	7	7	14	13
Changes in Funded Status of SERP Benefit Plan	34	18	67	35
Other Comprehensive Income, Net of Tax	41	25	81	48
Comprehensive Income/(Loss)	\$ 2,046	\$ (3,492)	\$ 54,455	\$ 41,632

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 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	

For the Six Months Ended June 30, 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 Contributions 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	
Net Loss				(3,517)		(3,517)	
Dividends on Common Stock				(9,100)		(9,100)	
Capital Contributions from Parent			11,400			11,400	
Other Comprehensive Income					25	25	
Balance as of June 30, 2019	1,000	\$ 5	\$ 823,962	\$ 97,669	\$ (601)	\$ 921,035	

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,	
	2020	2019
Operating Activities:		
Net Income	\$ 54,374	\$ 41,584
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	21,350	20,329
Deferred Income Taxes	976	(6,838)
Pension, SERP and PBOP Expense	1,190	1,158
Amortization of Regulatory Liabilities, Net	(4,208)	(2,686)
Regulatory Overrecoveries, Net	10,662	28,291
Uncollectible Expense	4,321	4,155
Other	(6,911)	798
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	25,274	(17,080)
Fuel, Materials and Supplies	5,985	9,423
Taxes Receivable/Accrued, Net	(9,467)	(19,659)
Accounts Payable	7,078	(12,994)
Other Current Assets and Liabilities, Net	3,775	5,769
Net Cash Flows Provided by Operating Activities	<u>114,399</u>	<u>52,250</u>
Investing Activities:		
Investments in Property, Plant and Equipment	(92,701)	(88,060)
Net Cash Flows Used in Investing Activities	<u>(92,701)</u>	<u>(88,060)</u>
Financing Activities:		
Cash Dividends on Common Stock	(19,800)	(18,200)
Capital Contributions from Parent	50,000	43,000
Retirement of Long-Term Debt	(50,000)	—
(Decrease)/Increase in Notes Payable to Eversource Parent	(5,100)	11,600
Net Cash Flows (Used in)/Provided by Financing Activities	<u>(24,900)</u>	<u>36,400</u>
Net (Decrease)/Increase in Cash	(3,202)	590
Cash - Beginning of Period	3,202	1,973
Cash - End of Period	<u>\$ —</u>	<u>\$ 2,563</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.