

YANKEE GAS SERVICES, DBA EVERSOURCE
INCOME STATEMENT
12 MONTHS ENDED March 31, 2021
(Whole Dollars & Sales MMCF)

	REVENUES AND <u>INCOME</u>	SALES <u>MMCF</u>	AVERAGE NUMBER of <u>CUSTOMERS</u>
SALES OF GAS:			
RESIDENTIAL SERVICE	280,717,695	16,563	215,989
COMMERCIAL FIRM SERVICE	201,784,741	21,772	27,252
INDUSTRIAL FIRM SERVICE	65,972,425	14,109	1,594
SEASONAL SERVICE	-	-	19
INTERRUPTIBLE SERVICE	8,119,015	3,687	8
SALES FOR RESALE	<u>2,919,515</u>		
TOTAL SALES OF GAS	559,513,391	56,131	244,862
OTHER GAS REVENUES	4,553,251	-	-
TOTAL GAS REVENUES	<u>564,066,642</u>	<u>56,131</u>	<u>244,862</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSE	360,232,325		
DEPRECIATION EXPENSE	49,842,679		
TAXES OTHER THAN INCOME	62,314,828		
INCOME TAXES	10,312,843		
INCOME TAXES DEFERRED - NET	5,363,375		
INVESTMENT TAX CREDIT	(108,633)		
AMORTIZATION OF REGULATORY ASSETS	(17,433,410)		
DISPOSITION OF UTILITY PLANT	-		
TOTAL OPERATING EXPENSES	<u>470,524,007</u>		
OPERATING INCOME	93,542,635		
OTHER INCOME AND DEDUCTIONS -NET AFUDC	(1,982,540)		
	<u>-</u>		
TOTAL INCOME	91,560,095		
INTEREST ON LONG-TERM DEBT	23,110,055		
AMORT. DEBT DISC.,PREM & EXPENSE	155,534		
OTHER INTEREST EXPENSE	543,744		
AFUDC - CREDIT	(1,101,195)		
NET INTEREST CHARGES	<u>22,708,138</u>		
INCOME BEFORE PREFERRED DIVIDENDS	68,851,957		
PREFERRED DIVIDENDS	<u>-</u>		
BALANCE FOR COMMON	<u>68,851,957</u>		

Exhibit 1(B) Docket 76-03-07

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Rate of Return on Rate Base
March 31, 2021
(Thousands of Dollars)

	<u>Average *</u>
Total Utility Plant In Service	\$ 2,256,215
Less: Reserve for Depreciation	494,547
Net Utility Plant	<u>1,761,668</u>
 Plus:	
Materials & Supplies, ex. fuel	3,467
Fuel Reserve (13 Month Average)	14,910
Working Capital Allowance	4,147
Prepayments	1,550
Regulatory Assets - FAS 109	(116,482)
Regulatory Assets, Net of Tax**	6,560
 Less:	
Accumulated Provision for Deferred Income Tax	354,307
Regulatory Liability - FAS 109	(116,482)
Reserves, Net of Tax	20,225
Customer Advances for Construction	57
Customer Deposits	3,495
 Rate Base	 <u>\$ 1,414,218</u>
 Operating Income	 <u>\$ 93,543</u>
 Rate of Return	 <u>6.61%</u>

* 5 Quarter Average Rate Base

**Includes Deferred Hardship Charges

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Rate of Return on Common Equity
Cost of Capital Method
March 31, 2021
(Thousands of Dollars)

	Amount		Capitalization Ratios
	5-Q Average		5-Q Average
Short-Term Debt	-	NOTE (a)	0.00%
Long-Term Debt	619,144		44.50%
Common Equity	772,253		55.50%
Total	1,391,397		100.00%
	Embedded Cost	Average Capitalization Ratio	Weighted Cost
Short-Term Debt	0.00%	0.00%	0.00%
Long-Term Debt	3.70%	44.50%	1.65%
Weighted Costs			1.65%
Rate of Return on Rate Base			6.61%
Less: Weighted Costs			1.65%
Common Equity Component			4.96%
Percentage of Common Equity to Total Capitalization			55.50%
Return on Common Equity			8.94%

Notes:

(a) Beginning with the 3/31/05 Filing Short-Term Debt will no longer be included in the YGS capitalization.

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Return on Equity Reflecting Adjustments For
Retained Interruptible, Capacity Release, Off-System Sales Margins and ILEP
March 31, 2021

Month	Allowed Return on Equity	Calculated Return on Equity	Less Margins Over Target	Balance Adjusted For Margins
March 2020	(a) 9.30%	9.69%	0.01% (b)	9.68%
June 2020	(a) 9.30%	9.94%	0.00% (b)	9.94%
September 2020	(a) 9.30%	9.98%	0.00% (b)	9.98%
December 2020	(a) 9.30%	9.26%	0.00% (b)	9.26%
March 2021	(a) 9.30%	8.94%	0.00% (b)	8.94%

Notes:

- (a) Per the Final Decision to the YGS Rate Case Docket No. 18-05-10 established an earnings sharing mechanism for calendar year 2019 and calendar years thereafter until the Company's next Rate Case such that Yankee Gas Services Company and its customers will share equally 50%-50% any earnings above an actual return on equity that exceeds 9.30% in the calendar year 12-month period.
- (b) Reflects margins associated with the Interruptible Line Extension Policy (ILEP).
- (c) Due to Yankee Gas implementing decoupling as a result of Docket No 18-05-10, the Company has removed the weather normalization adjustment from Exhibit 1(D).