

**YANKEE GAS SERVICES, DBA EVERSOURCE**  
**INCOME STATEMENT**  
**12 MONTHS ENDED December 31, 2020**  
**(Whole Dollars & Sales MMCF)**

	<u>REVENUES AND INCOME</u>	<u>SALES MMCF</u>	<u>AVERAGE NUMBER of CUSTOMERS</u>
SALES OF GAS:			
RESIDENTIAL SERVICE	258,115,980	15,593	214,848
COMMERCIAL FIRM SERVICE	187,423,367	20,832	27,128
INDUSTRIAL FIRM SERVICE	63,462,977	14,050	1,597
SEASONAL SERVICE	-	-	24
INTERRUPTIBLE SERVICE	7,716,082	3,560	2
SALES FOR RESALE	<u>3,058,650</u>	<u>          </u>	<u>          </u>
TOTAL SALES OF GAS	519,777,056	54,035	243,599
OTHER GAS REVENUES	5,525,987	-	-
TOTAL GAS REVENUES	<u>525,303,043</u>	<u>54,035</u>	<u>243,599</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSE	336,389,074		
DEPRECIATION EXPENSE	47,348,812		
TAXES OTHER THAN INCOME	59,352,892		
INCOME TAXES	9,152,396		
INCOME TAXES DEFERRED - NET	6,798,435		
INVESTMENT TAX CREDIT	(111,012)		
AMORTIZATION OF REGULATORY ASSETS	(26,985,387)		
DISPOSITION OF UTILITY PLANT	<u>-</u>		
TOTAL OPERATING EXPENSES	<u>431,945,210</u>		
OPERATING INCOME	<b>93,357,833</b>		
OTHER INCOME AND DEDUCTIONS -NET AFUDC	(979,068)		
	<u>-</u>		
TOTAL INCOME	<b>92,378,765</b>		
INTEREST ON LONG-TERM DEBT	23,636,977		
AMORT. DEBT DISC.,PREM & EXPENSE	162,282		
OTHER INTEREST EXPENSE	441,641		
AFUDC - CREDIT	<u>(1,251,830)</u>		
NET INTEREST CHARGES	<u>22,989,070</u>		
INCOME BEFORE PREFERRED DIVIDENDS	69,389,695		
PREFERRED DIVIDENDS	<u>-</u>		
BALANCE FOR COMMON	<u><b>69,389,695</b></u>		

# Exhibit 1(B) Docket 76-03-07

**YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY**  
**Rate of Return on Rate Base**  
**December 31, 2020**  
**(Thousands of Dollars)**

	<u>Average *</u>
Total Utility Plant In Service	\$ 2,217,533
Less: Reserve for Depreciation	491,049
<b>Net Utility Plant</b>	<u>1,726,484</u>
 <b>Plus:</b>	
Materials & Supplies, ex. fuel	3,269
Fuel Reserve (13 Month Average)	15,865
Working Capital Allowance	3,860
Prepayments	1,402
Regulatory Assets - FAS 109	(118,486)
Regulatory Assets, Net of Tax**	5,155
 <b>Less:</b>	
Accumulated Provision for Deferred Income Tax	351,807
Regulatory Liability - FAS 109	(118,486)
Reserves, Net of Tax	18,259
Customer Advances for Construction	57
Customer Deposits	3,956
 Rate Base	 <u>\$ 1,381,956</u>
 Operating Income	 <u>\$ 93,358</u>
 Rate of Return	 <u>6.76%</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**  
**December 31, 2020**  
**(Thousands of Dollars)**

	<u>Amount</u>	<u>Capitalization</u>
	<u>5-Q Average</u>	<u>Ratios</u>
		<u>5-Q Average</u>
Short-Term Debt <b>NOTE (a)</b>	-	0.00%
Long-Term Debt	615,161	45.36%
Common Equity	<u>741,093</u>	<u>54.64%</u>
<b>Total</b>	<u><u>1,356,254</u></u>	<u><u>100.00%</u></u>
	<u>Embedded</u>	<u>Average</u>
	<u>Cost</u>	<u>Capitalization</u>
		<u>Ratio</u>
		<u>Weighted</u>
		<u>Cost</u>
Short-Term Debt	0.00%	0.00%
Long-Term Debt	3.74%	45.36%
<b>Weighted Costs</b>		<u><u>1.70%</u></u>
Rate of Return on Rate Base		6.76%
Less: Weighted Costs		<u>1.70%</u>
Common Equity Component		5.06%
Percentage of Common Equity to Total Capitalization		<u>54.64%</u>
Return on Common Equity		<u><u>9.26%</u></u>

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**  
**December 31, 2020**

<u>Month</u>	<u>Allowed Return on Equity</u>	<u>Calculated Return on Equity</u>	<u>Less Margins Over Target</u>	<u>Balance Adjusted For Margins</u>
December 2019	(a) 9.30%	8.87%	0.01% (b)	8.86%
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%

## 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).