

YANKEE GAS SERVICES, DBA EVERSOURCE
INCOME STATEMENT
12 MONTHS ENDED June 30, 2021
(Whole Dollars & Sales MMCF)

	REVENUES AND INCOME	SALES MMCF	AVERAGE NUMBER of CUSTOMERS
SALES OF GAS:			
RESIDENTIAL SERVICE	279,180,881	16,133	217,010
COMMERCIAL FIRM SERVICE	206,659,914	21,714	27,425
INDUSTRIAL FIRM SERVICE	67,773,691	13,964	1,588
SEASONAL SERVICE	-	-	21
INTERRUPTIBLE SERVICE	8,429,398	3,800	6
SALES FOR RESALE	3,163,355		
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TOTAL SALES OF GAS	565,207,239	55,611	246,050
OTHER GAS REVENUES	3,993,447	-	-
TOTAL GAS REVENUES	<u>569,200,686</u>	<u>55,611</u>	<u>246,050</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSE	357,413,611		
DEPRECIATION EXPENSE	52,144,323		
TAXES OTHER THAN INCOME	62,827,082		
INCOME TAXES	9,010,678		
INCOME TAXES DEFERRED - NET	7,306,635		
INVESTMENT TAX CREDIT	(106,254)		
AMORTIZATION OF REGULATORY ASSETS	(17,986,673)		
DISPOSITION OF UTILITY PLANT	-		
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TOTAL OPERATING EXPENSES	<u>470,609,402</u>		
OPERATING INCOME	98,591,284		
OTHER INCOME AND DEDUCTIONS -NET AFUDC	(3,430,028)		
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TOTAL INCOME	95,161,256		
INTEREST ON LONG-TERM DEBT	23,493,472		
AMORT. DEBT DISC.,PREM & EXPENSE	158,938		
OTHER INTEREST EXPENSE	750,887		
AFUDC - CREDIT	(950,173)		
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NET INTEREST CHARGES	<u>23,453,124</u>		
INCOME BEFORE PREFERRED DIVIDENDS	71,708,132		
PREFERRED DIVIDENDS	-		
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BALANCE FOR COMMON	<u>71,708,132</u>		

Exhibit 1(B) Dkt. 76-03-07RE01

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Rate of Return on Rate Base
June 30, 2021
(Thousands of Dollars)

	<u>Average *</u>
Total Utility Plant In Service	\$ 2,293,430
Less: Reserve for Depreciation	497,400
Net Utility Plant	<u>1,796,030</u>
Plus:	
Materials & Supplies, ex. fuel	3,565
Fuel Reserve (13 Month Average)	14,803
Working Capital Allowance	4,182
Prepayments	1,588
Regulatory Assets - FAS 109	(114,509)
Regulatory Assets, Net of Tax**	7,112
Less:	
Accumulated Provision for Deferred Income Tax	356,927
Regulatory Liability - FAS 109	(114,509)
Reserves, Net of Tax	22,327
Customer Advances for Construction	57
Customer Deposits	3,175
Rate Base	<u>\$ 1,444,794</u>
Operating Income	<u>\$ 98,591</u>
Rate of Return	<u>6.82%</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
June 30, 2021
(Thousands of Dollars)

	<u>Amount</u>	<u>Capitalization</u>
	<u>5-Q Average</u>	<u>5-Q Average</u>
Short-Term Debt NOTE (a)	-	0.00%
Long-Term Debt	623,126	44.17%
Common Equity	<u>787,564</u>	<u>55.83%</u>
Total	<u><u>1,410,690</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	3.76%	44.17%
Weighted Costs		<u><u>1.66%</u></u>
Rate of Return on Rate Base		6.82%
Less: Weighted Costs		<u>1.66%</u>
Common Equity Component		5.16%
Percentage of Common Equity to Total Capitalization		<u>55.83%</u>
Return on Common Equity		<u><u>9.24%</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 as Calculated and Allowed
June 30, 2021

<u>Month</u>	<u>Allowed Return on Equity</u>	<u>Calculated Return on Equity</u>
June 2020	(a) 9.30%	9.94%
September 2020	(a) 9.30%	9.98%
December 2020	(a) 9.30%	9.26%
March 2021	(a) 9.30%	8.94%
June 2021	(a) 9.30%	9.24%

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) 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).
- (c) Yankee Gas no longer has ILEP customers, and therefore, there are no more adjustments to the calculated ROE.