

YANKEE GAS SERVICES, DBA EVERSOURCE
INCOME STATEMENT
12 MONTHS ENDED March 31, 2022
(Whole Dollars & Sales MMCF)

	REVENUES AND INCOME	SALES MMCF	AVERAGE NUMBER of CUSTOMERS
SALES OF GAS:			
RESIDENTIAL SERVICE	301,068,932	16,084	218,931
COMMERCIAL FIRM SERVICE	239,776,910	22,377	27,591
INDUSTRIAL FIRM SERVICE	76,837,022	13,866	1,552
SEASONAL SERVICE	-	-	20
INTERRUPTIBLE SERVICE	9,584,148	3,843	7
SALES FOR RESALE	<u>6,362,562</u>		
TOTAL SALES OF GAS	633,629,574	56,170	248,101
OTHER GAS REVENUES	<u>3,837,162</u>	-	0
TOTAL GAS REVENUES	<u><u>637,466,736</u></u>	<u><u>56,170</u></u>	<u><u>248,101</u></u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSE	387,678,882		
DEPRECIATION EXPENSE	55,416,758		
TAXES OTHER THAN INCOME	67,041,675		
INCOME TAXES	6,989,107		
INCOME TAXES DEFERRED - NET	15,136,782		
INVESTMENT TAX CREDIT	(101,496)		
AMORTIZATION OF REGULATORY ASSETS	(195,952)		
DISPOSITION OF UTILITY PLANT	-		
TOTAL OPERATING EXPENSES	<u>531,965,756</u>		
OPERATING INCOME	105,500,980		
OTHER INCOME AND DEDUCTIONS -NET	(1,110,227)		
AFUDC	<u>-</u>		
TOTAL INCOME	104,390,753		
INTEREST ON LONG-TERM DEBT	25,114,709		
AMORT. DEBT DISC., PREM & EXPENSE	199,160		
OTHER INTEREST EXPENSE	1,160,636		
AFUDC - CREDIT	<u>(760,774)</u>		
NET INTEREST CHARGES	<u>25,713,731</u>		
INCOME BEFORE PREFERRED DIVIDENDS	78,677,022		
PREFERRED DIVIDENDS	<u>-</u>		
BALANCE FOR COMMON	<u><u>78,677,022</u></u>		

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

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY Rate of Return on Rate Base March 31, 2022 (Thousands of Dollars)

	<u>Average *</u>
Total Utility Plant In Service	\$ 2,424,029
Less: Reserve for Depreciation	495,492
Net Utility Plant	1,928,537
 Plus:	
Materials & Supplies, ex. fuel	3,253
Fuel Reserve (13 Month Average)	18,705
Working Capital Allowance	4,662
Prepayments	1,788
Regulatory Assets - FAS 109	(108,758)
Regulatory Assets, Net of Tax**	9,911
 Less:	
Accumulated Provision for Deferred Income Tax	364,369
Regulatory Liability - FAS 109	(108,758)
Reserves, Net of Tax	24,407
Customer Advances for Construction	57
Customer Deposits	2,588
 Rate Base	 \$ 1,575,435
 Operating Income	 \$ 105,501
 Rate of Return	 6.70%

* 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, 2022
(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	-		0.00%
Long-Term Debt	707,968		44.42%
Common Equity	<u>885,796</u>		<u>55.58%</u>
Total	<u>1,593,764</u>		<u>100.00%</u>
		<u>Average</u>	
	<u>Embedded</u>	<u>Capitalization</u>	<u>Weighted</u>
	<u>Cost</u>	<u>Ratio</u>	<u>Cost</u>
Short-Term Debt	0.00%	0.00%	0.00%
Long-Term Debt	3.54%	44.42%	<u>1.57%</u>
Weighted Costs			<u>1.57%</u>
Rate of Return on Rate Base			6.70%
Less: Weighted Costs			<u>1.57%</u>
Common Equity Component			5.13%
Percentage of Common Equity to Total Capitalization			<u>55.58%</u>
Return on Common Equity			<u>9.23%</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
March 31, 2022

<u>Month</u>	<u>Allowed Return on Equity</u>	<u>Calculated Return on Equity</u>
March 2021	(a) 9.30%	8.94%
June 2021	(a) 9.30%	9.24%
September 2021	(a) 9.30%	9.39%
December 2021	(a) 9.30%	9.28%
March 2022	(a) 9.30%	9.23%

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.