

YANKEE GAS SERVICES, DBA EVERSOURCE
INCOME STATEMENT
12 MONTHS ENDED MARCH 31, 2023
(Whole Dollars & Sales MMCF)

	REVENUES AND <u>INCOME</u>	SALES <u>MMCF</u>	AVERAGE NUMBER of <u>CUSTOMERS</u>
SALES OF GAS:			
RESIDENTIAL SERVICE	333,946,351	15,288	220,563
COMMERCIAL FIRM SERVICE	291,164,224	21,699	27,562
INDUSTRIAL FIRM SERVICE	95,245,278	13,551	1,510
SEASONAL SERVICE	-	-	20
INTERRUPTIBLE SERVICE	12,379,113	3,574	5
SALES FOR RESALE	<u>9,175,305</u>		
TOTAL SALES OF GAS	741,910,271	54,112	249,660
OTHER GAS REVENUES	5,269,684	-	0
TOTAL GAS REVENUES	<u>747,179,955</u>	<u>54,112</u>	<u>249,660</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSE	478,165,200		
DEPRECIATION EXPENSE	58,462,042		
TAXES OTHER THAN INCOME	76,070,909		
INCOME TAXES	8,478,671		
INCOME TAXES DEFERRED - NET	7,928,732		
INVESTMENT TAX CREDIT	(101,496)		
AMORTIZATION OF REGULATORY ASSETS	11,575,964		
DISPOSITION OF UTILITY PLANT	<u>-</u>		
TOTAL OPERATING EXPENSES	<u>640,580,022</u>		
OPERATING INCOME	106,599,933		
OTHER INCOME AND DEDUCTIONS -NET	1,480,892		
AFUDC	<u>-</u>		
TOTAL INCOME	108,080,825		
INTEREST ON LONG-TERM DEBT	30,449,130		
AMORT. DEBT DISC., PREM & EXPENSE	275,002		
OTHER INTEREST EXPENSE	(683,726)		
AFUDC - CREDIT	<u>(773,952)</u>		
NET INTEREST CHARGES	<u>29,266,454</u>		
INCOME BEFORE PREFERRED DIVIDENDS	78,814,371		
PREFERRED DIVIDENDS	<u>-</u>		
BALANCE FOR COMMON	<u>78,814,371</u>		

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

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Rate of Return on Rate Base
March 31, 2023
(Thousands of Dollars)

	<u>Average *</u>
Total Utility Plant In Service	\$ 2,591,492
Less: Reserve for Depreciation	<u>471,922</u>
Net Utility Plant	<u>2,119,570</u>
Plus:	
Materials & Supplies, ex. fuel	3,285
Fuel Reserve (13 Month Average)	37,674
Working Capital Allowance	5,151
Prepayments	2,148
Regulatory Assets - FAS 109	(98,061)
Regulatory Assets, Net of Tax**	12,665
Less:	
Accumulated Provision for Deferred Income Tax	382,005
Regulatory Liability - FAS 109	(98,061)
Reserves, Net of Tax	22,723
Customer Advances for Construction	23
Customer Deposits	2,165
Rate Base	<u><u>\$ 1,773,577</u></u>
Operating Income	<u><u>\$ 106,600</u></u>
Rate of Return	<u><u>6.01%</u></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, 2023
(Thousands of Dollars)

	<u>Amount</u> <u>5-Q Average</u>	<u>Capitalization</u> <u>Ratios</u> <u>5-Q Average</u>
Short-Term Debt	-	0.00%
Long-Term Debt	801,799	43.92%
Common Equity	<u>1,023,796</u>	<u>56.08%</u>
Total	<u><u>1,825,595</u></u>	<u><u>100.00%</u></u>

	<u>Embedded</u> <u>Cost</u>	<u>Average</u> <u>Capitalization</u> <u>Ratio</u>	<u>Weighted</u> <u>Cost</u>
Short-Term Debt	0.00%	0.00%	0.00%
Long-Term Debt	3.36%	43.92%	<u>1.48%</u>
Weighted Costs			<u><u>1.48%</u></u>

Rate of Return on Rate Base	6.01%
Less: Weighted Costs	<u>1.48%</u>
Common Equity Component	4.53%
Percentage of Common Equity to Total Capitalization	<u>56.08%</u>
Return on Common Equity	<u><u>8.08%</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

<u>Month</u>	<u>Allowed Return on Equity</u>	<u>Calculated Return on Equity</u>
March 2022	(a) 9.30%	9.23%
June 2022	(a) 9.30%	8.83%
September 2022	(a) 9.30%	9.06%
December 2022	(a) 9.30%	9.18%
March 2023	(a) 9.30%	8.08%

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.