

YANKEE GAS SERVICES, DBA EVERSOURCE
INCOME STATEMENT
12 MONTHS ENDED JUNE 30, 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	336,870,065	15,033	220,830
COMMERCIAL FIRM SERVICE	293,128,904	21,497	27,563
INDUSTRIAL FIRM SERVICE	97,873,931	13,340	1,504
SEASONAL SERVICE	-	-	19
INTERRUPTIBLE SERVICE	9,042,213	3,390	6
SALES FOR RESALE	<u>8,002,777</u>		
TOTAL SALES OF GAS	744,917,890	53,260	249,922
OTHER GAS REVENUES	5,112,504	-	-
TOTAL GAS REVENUES	<u>750,030,394</u>	<u>53,260</u>	<u>249,922</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSE	487,939,220		
DEPRECIATION EXPENSE	59,018,394		
TAXES OTHER THAN INCOME	76,905,321		
INCOME TAXES	9,772,634		
INCOME TAXES DEFERRED - NET	8,211,766		
INVESTMENT TAX CREDIT	(101,496)		
AMORTIZATION OF REGULATORY ASSETS	2,926,325		
DISPOSITION OF UTILITY PLANT	<u>-</u>		
TOTAL OPERATING EXPENSES	<u>644,672,164</u>		
OPERATING INCOME	105,358,230		
OTHER INCOME AND DEDUCTIONS -NET AFUDC	4,001,330		
	<u>-</u>		
TOTAL INCOME	109,359,560		
INTEREST ON LONG-TERM DEBT	31,977,462		
AMORT. DEBT DISC., PREM & EXPENSE	296,697		
OTHER INTEREST EXPENSE	(300,437)		
AFUDC - CREDIT	<u>(1,409,711)</u>		
NET INTEREST CHARGES	<u>30,564,011</u>		
INCOME BEFORE PREFERRED DIVIDENDS	78,795,549		
PREFERRED DIVIDENDS	<u>-</u>		
BALANCE FOR COMMON	<u>78,795,549</u>		

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Rate of Return on Rate Base
June 30, 2023
(Thousands of Dollars)

	<u>Average *</u>
Total Utility Plant In Service	\$ 2,634,900
Less: Reserve for Depreciation	470,702
Net Utility Plant	<u>2,164,198</u>
 Plus:	
Materials & Supplies, ex. fuel	3,725
Fuel Reserve (13 Month Average)	40,863
Working Capital Allowance	5,182
Prepayments	2,190
Regulatory Assets - FAS 109	(95,085)
Regulatory Assets, Net of Tax**	12,722
 Less:	
Accumulated Provision for Deferred Income Tax	386,339
Regulatory Liability - FAS 109	(95,085)
Reserves, Net of Tax	22,684
Customer Advances for Construction	11
Customer Deposits	2,053
 Rate Base	<u><u>\$ 1,817,793</u></u>
 Operating Income	<u><u>\$ 105,358</u></u>
 Rate of Return	<u><u>5.80%</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
June 30, 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	821,784	43.61%
Common Equity	<u>1,062,733</u>	<u>56.39%</u>
Total	<u><u>1,884,517</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	3.41%	43.61%	<u>1.49%</u>
Weighted Costs			<u><u>1.49%</u></u>

Rate of Return on Rate Base	5.80%
Less: Weighted Costs	<u>1.49%</u>
Common Equity Component	<u>4.31%</u>
Percentage of Common Equity to Total Capitalization	<u>56.39%</u>
Return on Common Equity	<u><u>7.64%</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, 2023

<u>Month</u>	<u>Allowed Return on Equity</u>	<u>Calculated Return on Equity</u>
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%
June 2023	(a) 9.30%	7.64%

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.