

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

	REVENUES AND INCOME	SALES MMCF	AVERAGE NUMBER of CUSTOMERS
SALES OF GAS:			
RESIDENTIAL SERVICE	281,451,146	16,103	217,781
COMMERCIAL FIRM SERVICE	213,140,954	21,981	27,535
INDUSTRIAL FIRM SERVICE	69,710,947	14,056	1,579
SEASONAL SERVICE	-	-	20
INTERRUPTIBLE SERVICE	9,139,539	3,873	6
SALES FOR RESALE	<u>3,382,086</u>	<u> </u>	<u> </u>
TOTAL SALES OF GAS	576,824,672	56,013	246,921
OTHER GAS REVENUES	3,674,936	-	-
TOTAL GAS REVENUES	<u>580,499,608</u>	<u>56,013</u>	<u>246,921</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSE	361,177,638		
DEPRECIATION EXPENSE	54,185,793		
TAXES OTHER THAN INCOME	62,642,206		
INCOME TAXES	13,685,502		
INCOME TAXES DEFERRED - NET	6,005,034		
INVESTMENT TAX CREDIT	(103,875)		
AMORTIZATION OF REGULATORY ASSETS	(17,666,463)		
DISPOSITION OF UTILITY PLANT	<u>-</u>		
TOTAL OPERATING EXPENSES	<u>479,925,835</u>		
OPERATING INCOME	100,573,773		
OTHER INCOME AND DEDUCTIONS -NET	(179,361)		
AFUDC	<u>-</u>		
TOTAL INCOME	100,394,412		
INTEREST ON LONG-TERM DEBT	24,125,407		
AMORT. DEBT DISC., PREM & EXPENSE	165,709		
OTHER INTEREST EXPENSE	933,964		
AFUDC - CREDIT	<u>(749,160)</u>		
NET INTEREST CHARGES	<u>24,475,920</u>		
INCOME BEFORE PREFERRED DIVIDENDS	75,918,492		
PREFERRED DIVIDENDS	<u>-</u>		
BALANCE FOR COMMON	<u>75,918,492</u>		

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

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY

Rate of Return on Rate Base

September 30, 2021

(Thousands of Dollars)

	<u>Average *</u>
Total Utility Plant In Service	\$ 2,331,652
Less: Reserve for Depreciation	499,306
Net Utility Plant	<u>1,832,346</u>
Plus:	
Materials & Supplies, ex. fuel	3,586
Fuel Reserve (13 Month Average)	16,045
Working Capital Allowance	4,264
Prepayments	1,547
Regulatory Assets - FAS 109	(112,845)
Regulatory Assets, Net of Tax**	7,448
Less:	
Accumulated Provision for Deferred Income Tax	358,970
Regulatory Liability - FAS 109	(112,845)
Reserves, Net of Tax	23,300
Customer Advances for Construction	57
Customer Deposits	2,820
Rate Base	<u>\$ 1,480,089</u>
Operating Income	<u>\$ 100,574</u>
Rate of Return	<u>6.80%</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
September 30, 2021
(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 NOTE (a)	-	0.00%
Long-Term Debt	662,039	44.94%
Common Equity	<u>811,225</u>	<u>55.06%</u>
Total	<u><u>1,473,264</u></u>	<u><u>100.00%</u></u>
	<u>Average</u>	
	<u>Embedded</u>	<u>Capitalization</u>
	<u>Cost</u>	<u>Ratio</u>
		<u>Weighted</u>
		<u>Cost</u>
Short-Term Debt	0.00%	0.00%
Long-Term Debt	3.63%	44.94%
Weighted Costs		<u>1.63%</u>
Rate of Return on Rate Base		6.80%
Less: Weighted Costs		<u>1.63%</u>
Common Equity Component		5.17%
Percentage of Common Equity to Total Capitalization		<u>55.06%</u>
Return on Common Equity		<u><u>9.39%</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
September 30, 2021

<u>Month</u>	<u>Allowed Return on Equity</u>	<u>Calculated Return on Equity</u>
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%
September 2021	(a) 9.30%	9.39%

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.