

**YANKEE GAS SERVICES, DBA EVERSOURCE**  
**INCOME STATEMENT**  
**12 MONTHS ENDED September 30, 2022**  
**(Whole Dollars & Sales MMCF)**

	<u>REVENUES AND INCOME</u>	<u>SALES MMCF</u>	<u>AVERAGE NUMBER of CUSTOMERS</u>
SALES OF GAS:			
RESIDENTIAL SERVICE	310,171,638	16,155	219,614
COMMERCIAL FIRM SERVICE	257,048,608	22,688	27,547
INDUSTRIAL FIRM SERVICE	83,323,494	13,910	1,528
SEASONAL SERVICE	-	-	21
INTERRUPTIBLE SERVICE	12,180,966	3,766	6
SALES FOR RESALE	<u>8,229,060</u>	<u>          </u>	<u>          </u>
TOTAL SALES OF GAS	670,953,766	56,519	248,716
OTHER GAS REVENUES	4,450,272	-	0
TOTAL GAS REVENUES	<u>675,404,038</u>	<u>56,519</u>	<u>248,716</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSE	416,699,717		
DEPRECIATION EXPENSE	57,187,482		
TAXES OTHER THAN INCOME	71,853,346		
INCOME TAXES	(12,352,769)		
INCOME TAXES DEFERRED - NET	28,260,234		
INVESTMENT TAX CREDIT	(101,496)		
AMORTIZATION OF REGULATORY ASSETS	5,774,998		
DISPOSITION OF UTILITY PLANT	<u>-</u>		
TOTAL OPERATING EXPENSES	<u>567,321,512</u>		
OPERATING INCOME	<b>108,082,526</b>		
OTHER INCOME AND DEDUCTIONS -NET	(5,196,831)		
AFUDC	<u>-</u>		
TOTAL INCOME	<b>102,885,695</b>		
INTEREST ON LONG-TERM DEBT	26,868,519		
AMORT. DEBT DISC., PREM & EXPENSE	237,179		
OTHER INTEREST EXPENSE	403,372		
AFUDC - CREDIT	<u>(481,139)</u>		
NET INTEREST CHARGES	<u>27,027,931</u>		
INCOME BEFORE PREFERRED DIVIDENDS	75,857,764		
PREFERRED DIVIDENDS	<u>-</u>		
BALANCE FOR COMMON	<u><b>75,857,764</b></u>		

## Exhibit 1(B) Dkt. 76-03-07R

### YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY Rate of Return on Rate Base September 30, 2022 (Thousands of Dollars)

	<b>Average *</b>
Total Utility Plant In Service	\$ 2,499,774
Less: Reserve for Depreciation	484,081
<b>Net Utility Plant</b>	<b>2,015,693</b>
 <b>Plus:</b>	
Materials & Supplies, ex. fuel	2,936
Fuel Reserve (13 Month Average)	28,051
Working Capital Allowance	4,928
Prepayments	1,875
Regulatory Assets - FAS 109	(104,437)
Regulatory Assets, Net of Tax**	11,565
 <b>Less:</b>	
Accumulated Provision for Deferred Income Tax	371,191
Regulatory Liability - FAS 109	(104,437)
Reserves, Net of Tax	23,131
Customer Advances for Construction	46
Customer Deposits	2,397
Rate Base	\$ 1,668,283
Operating Income	\$ 108,083
Rate of Return	6.48%

\* 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, 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 <b>NOTE (a)</b>	-	0.00%
Long-Term Debt	769,861	44.80%
Common Equity	<u>948,733</u>	<u>55.20%</u>
 Total	 <u>1,718,594</u>	 <u>100.00%</u>
	 <b>Average</b>	
	<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	3.31%	44.80%
Weighted Costs		<u>1.48%</u>
 Rate of Return on Rate Base		6.48%
Less: Weighted Costs		<u>1.48%</u>
Common Equity Component		5.00%
 Percentage of Common Equity to Total Capitalization		<u>55.20%</u>
 Return on Common Equity		<u>9.06%</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, 2022**

<u>Month</u>	<u>Allowed Return on Equity</u>	<u>Calculated Return on Equity</u>
September 2021	(a) 9.30%	9.39%
December 2021	(a) 9.30%	9.28%
March 2022	(a) 9.30%	9.23%
June 2022	(a) 9.30%	8.83%
September 2022	(a) 9.30%	9.06%

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.