

YANKEE GAS SERVICES, DBA EVERSOURCE
INCOME STATEMENT
12 MONTHS ENDED December 31, 2021
(Whole Dollars & Sales MMCF)

	REVENUES AND INCOME	SALES MMCF	AVERAGE NUMBER of CUSTOMERS
SALES OF GAS:			
RESIDENTIAL SERVICE	287,812,625	15,854	218,420
COMMERCIAL FIRM SERVICE	223,906,359	21,870	27,568
INDUSTRIAL FIRM SERVICE	73,087,664	13,886	1,564
SEASONAL SERVICE	-	-	21
INTERRUPTIBLE SERVICE	10,151,193	3,876	5
SALES FOR RESALE	3,984,505		
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TOTAL SALES OF GAS	598,942,346	55,486	247,578
OTHER GAS REVENUES	3,261,390	-	-
TOTAL GAS REVENUES	<u>602,203,736</u>	<u>55,486</u>	<u>247,578</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSE	370,550,045		
DEPRECIATION EXPENSE	54,831,778		
TAXES OTHER THAN INCOME	64,332,793		
INCOME TAXES	8,243,809		
INCOME TAXES DEFERRED - NET	13,935,016		
INVESTMENT TAX CREDIT	(101,496)		
AMORTIZATION OF REGULATORY ASSETS	(12,987,454)		
DISPOSITION OF UTILITY PLANT	-		
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TOTAL OPERATING EXPENSES	<u>498,804,491</u>		
OPERATING INCOME	103,399,245		
OTHER INCOME AND DEDUCTIONS -NET AFUDC	(1,107,275)		
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TOTAL INCOME	102,291,970		
INTEREST ON LONG-TERM DEBT	24,670,214		
AMORT. DEBT DISC., PREM & EXPENSE	180,872		
OTHER INTEREST EXPENSE	989,622		
AFUDC - CREDIT	(746,979)		
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NET INTEREST CHARGES	<u>25,093,729</u>		
INCOME BEFORE PREFERRED DIVIDENDS	77,198,241		
PREFERRED DIVIDENDS	-		
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BALANCE FOR COMMON	<u>77,198,241</u>		

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

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY Rate of Return on Rate Base December 31, 2021 (Thousands of Dollars)

	Average *
Total Utility Plant In Service	\$ 2,389,409
Less: Reserve for Depreciation	498,184
Net Utility Plant	1,891,225
 Plus:	
Materials & Supplies, ex. fuel	3,304
Fuel Reserve (13 Month Average)	18,303
Working Capital Allowance	4,421
Prepayments	1,523
Regulatory Assets - FAS 109	(110,734)
Regulatory Assets, Net of Tax**	8,174
 Less:	
Accumulated Provision for Deferred Income Tax	361,867
Regulatory Liability - FAS 109	(110,734)
Reserves, Net of Tax	23,909
Customer Advances for Construction	57
Customer Deposits	2,661
 Rate Base	 \$ 1,538,456
 Operating Income	 \$ 103,399
 Rate of Return	 6.72%

* 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
December 31, 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	686,992	44.82%
Common Equity	<u>845,814</u>	<u>55.18%</u>
Total	<u><u>1,532,806</u></u>	<u><u>100.00%</u></u>
	Embedded	Average
	Cost	Capitalization
	Ratio	Weighted
	Cost	Cost
Short-Term Debt	0.00%	0.00%
Long-Term Debt	3.58%	44.82%
Weighted Costs		<u><u>1.60%</u></u>
Rate of Return on Rate Base		6.72%
Less: Weighted Costs		<u>1.60%</u>
Common Equity Component		5.12%
Percentage of Common Equity to Total Capitalization		<u>55.18%</u>
Return on Common Equity		<u><u>9.28%</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
December 31, 2021

<u>Month</u>	<u>Allowed Return on Equity</u>	<u>Calculated Return on Equity</u>
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%
December 2021	(a) 9.30%	9.28%

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.