

YANKEE GAS SERVICES COMPANY  
BALANCE SHEETS  
(Unaudited)

(Thousands of Dollars)	As of September 30, 2019	As of December 31, 2018
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 601	\$ 1,973
Receivables, Net	31,649	57,519
Accounts Receivable from Affiliated Companies	3,257	4,443
Unbilled Revenues	4,516	13,031
Fuel, Materials and Supplies	22,812	26,290
Taxes Receivable	11,194	1
Regulatory Assets	20,368	33,218
Prepaid Property Taxes	14,631	7,463
Other Current Assets	1,276	1,213
Total Current Assets	<u>110,304</u>	<u>145,151</u>
Property, Plant and Equipment, Net	<u>1,688,031</u>	<u>1,560,262</u>
Deferred Debits and Other Assets:		
Regulatory Assets	138,507	145,732
Goodwill	287,591	287,591
Other Long-Term Assets	7,614	6,309
Total Deferred Debits and Other Assets	<u>433,712</u>	<u>439,632</u>
Total Assets	<u>\$ 2,232,047</u>	<u>\$ 2,145,045</u>
<b>LIABILITIES AND CAPITALIZATION</b>		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ 26,000	\$ 171,200
Long-Term Debt - Current Portion	100,000	50,000
Accounts Payable	53,733	67,798
Accounts Payable to Affiliated Companies	14,719	23,228
Regulatory Liabilities	12,160	13,743
Other Current Liabilities	18,483	25,868
Total Current Liabilities	<u>225,095</u>	<u>351,837</u>
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	220,410	214,438
Regulatory Liabilities	207,034	211,611
Accrued Pension, SERP and PBOP	41,945	49,147
Other Long-Term Liabilities	44,361	44,957
Total Deferred Credits and Other Liabilities	<u>513,750</u>	<u>520,153</u>
Long-Term Debt	<u>568,015</u>	<u>418,452</u>
Common Stockholder's Equity:		
Common Stock	5	5
Capital Surplus, Paid In	845,662	780,962
Retained Earnings	80,097	74,285
Accumulated Other Comprehensive Loss	(577)	(649)
Common Stockholder's Equity	<u>925,187</u>	<u>854,603</u>
Total Liabilities and Capitalization	<u>\$ 2,232,047</u>	<u>\$ 2,145,045</u>

Note: In the opinion of the Company, all adjustments for a fair presentation of these financial statements for the periods shown have been made.

YANKEE GAS SERVICES COMPANY  
STATEMENTS OF INCOME  
(Unaudited)

(Thousands of Dollars)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2019	2018	2019	2018
Operating Revenues	\$ 68,554	\$ 70,229	\$ 408,735	\$ 370,788
Operating Expenses:				
Cost of Natural Gas	22,419	23,389	179,758	157,354
Operations and Maintenance	26,493	28,330	84,074	78,755
Depreciation	9,175	9,270	29,504	27,902
Amortization of Regulatory Assets/(Liabilities), Net	1,616	(845)	(1,070)	2,569
Energy Efficiency Programs	2,119	1,421	14,915	12,718
Taxes Other Than Income Taxes	11,540	10,687	43,056	38,412
Total Operating Expenses	73,362	72,252	350,237	317,710
Operating (Loss)/Income	(4,808)	(2,023)	58,498	53,078
Interest Expense	6,111	6,268	18,503	19,111
Other Income/(Loss), Net	733	625	(122)	1,674
(Loss)/Income Before Income Tax (Benefit)/Expense	(10,186)	(7,666)	39,873	35,641
Income Tax (Benefit)/Expense	(1,714)	(1,816)	6,761	7,867
Net (Loss)/Income	\$ (8,472)	\$ (5,850)	\$ 33,112	\$ 27,774

Note: In the opinion of the Company, all adjustments for a fair presentation of these financial statements for the periods shown have been made.

STATEMENTS OF COMPREHENSIVE INCOME  
(Unaudited)

(Thousands of Dollars)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2019	2018	2019	2018
Net (Loss)/Income	\$ (8,472)	\$ (5,850)	\$ 33,112	\$ 27,774
Other Comprehensive Income, Net of Tax:				
Qualified Cash Flow Hedging Instruments	7	23	20	70
Changes in Funded Status of SERP Benefit Plan	17	28	52	85
Other Comprehensive Income, Net of Tax	24	51	72	155
Comprehensive (Loss)/Income	\$ (8,448)	\$ (5,799)	\$ 33,184	\$ 27,929

Note: In the opinion of the Company, all adjustments for a fair presentation of these financial statements for the periods shown have been made.

YANKEE GAS SERVICES COMPANY  
CONDENSED CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDER'S EQUITY  
(Unaudited)

For the Nine Months Ended September 30, 2019

(Thousands of Dollars, Except Stock Information)	Common Stock		Capital Surplus, Paid In	Retained Earnings	Accumulated Other Comprehensive Loss	Total Common Stockholder's Equity
	Stock	Amount				
Balance as of January 1, 2019	1,000	\$ 5	\$ 780,962	\$ 74,285	\$ (649)	\$ 854,603
Net Income				45,101		45,101
Dividends on Common Stock				(9,100)		(9,100)
Capital Contribution from Eversource Parent			31,600			31,600
Other Comprehensive Income					23	23
Balance as of March 31, 2019	1,000	5	812,562	110,286	(626)	922,227
Net Loss				(3,517)		(3,517)
Dividends on Common Stock				(9,100)		(9,100)
Capital Contributions from Eversource Parent			11,400			11,400
Other Comprehensive Income					25	25
Balance as of June 30, 2019	1,000	5	823,962	97,669	(601)	921,035
Net Loss				(8,472)		(8,472)
Dividends on Common Stock				(9,100)		(9,100)
Capital Contributions from Eversource Parent			21,700			21,700
Other Comprehensive Income					24	24
Balance as of September 30, 2019	1,000	\$ 5	\$ 845,662	\$ 80,097	\$ (577)	\$ 925,187

For the Nine Months Ended September 30, 2018

(Thousands of Dollars, Except Stock Information)	Common Stock		Capital Surplus, Paid In	Retained Earnings	Accumulated Other Comprehensive Loss	Total Common Stockholder's Equity
	Stock	Amount				
Balance as of January 1, 2018	1,000	\$ 5	\$ 780,962	\$ 78,438	\$ (1,012)	\$ 858,393
Net Income				27,589		27,589
Other Comprehensive Income					51	51
Balance as of March 31, 2018	1,000	5	780,962	106,027	(961)	886,033
Net Income				6,035		6,035
Other Comprehensive Income					53	53
Balance as of June 30, 2018	1,000	5	780,962	112,062	(908)	892,121
Net Loss				(5,850)		(5,850)
Other Comprehensive Income					51	51
Balance as of September 30, 2018	1,000	\$ 5	\$ 780,962	\$ 106,212	\$ (857)	\$ 886,322

Note: In the opinion of the Company, all adjustments for a fair presentation of these financial statements for the periods shown have been made.

YANKEE GAS SERVICES COMPANY  
STATEMENTS OF CASH FLOWS  
(Unaudited)

For the Nine Months Ended September 30,

(Thousands of Dollars)

2019

2018

Operating Activities:

Net Income	\$	33,112	\$	27,774
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:				
Depreciation		29,504		27,902
Deferred Income Taxes		(4,816)		(9,365)
Pension, SERP and PBOP Expense		1,577		1,685
Pension Contributions		(3,000)		(9,575)
Amortization of Regulatory (Liabilities)/Assets, Net		(1,070)		2,569
Regulatory Over/(Under) Recoveries, Net		18,836		(5,787)
Uncollectible Expense		4,960		5,574
Other		(2,060)		7,403
Changes in Current Assets and Liabilities:				
Receivables and Unbilled Revenues, Net		27,687		48,796
Fuel, Materials and Supplies		3,478		(4,003)
Taxes Receivable/Accrued, Net		(15,790)		(17,422)
Accounts Payable		(23,290)		13,602
Other Current Assets and Liabilities, Net		(7,673)		(11,865)
Net Cash Flows Provided by Operating Activities		<u>61,455</u>		<u>77,288</u>

Investing Activities:

Investments in Property, Plant and Equipment		(154,502)		(105,103)
Net Cash Flows Used in Investing Activities		<u>(154,502)</u>		<u>(105,103)</u>

Financing Activities:

Cash Dividends on Common Stock		(27,300)		—
Capital Contributions from Parent		64,700		—
Issuance of Long-Term Debt		200,000		50,000
Decrease in Notes Payable to Eversource Parent		(145,200)		—
Other Financing Activities		(525)		(286)
Net Cash Flows Provided by Financing Activities		<u>91,675</u>		<u>49,714</u>
Net (Decrease)/Increase in Cash		(1,372)		21,899
Cash - Beginning of Period		1,973		8,153
Cash - End of Period	\$	<u>601</u>	\$	<u>30,052</u>

Note: In the opinion of the Company, all adjustments for a fair representation of these financial statements for the periods shown have been made.