

YANKEE GAS SERVICES COMPANY
BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of March 31, 2023	As of December 31, 2022
ASSETS		
Current Assets:		
Cash	\$ 1,332	\$ 1,172
Receivables, Net (net of allowance for uncollectible accounts of \$69,764 and \$57,429 as of March 31, 2023 and December 31, 2022, respectively)	98,189	85,400
Accounts Receivable from Affiliated Companies	7,827	14,288
Unbilled Revenues	11,839	16,507
Natural Gas, Materials and Supplies	34,499	54,443
Taxes Receivable	2	2,344
Regulatory Assets	59,635	107,300
Prepayments	12,502	10,597
Total Current Assets	<u>225,825</u>	<u>292,051</u>
Property, Plant and Equipment, Net	<u>2,309,679</u>	<u>2,255,761</u>
Deferred Debits and Other Assets:		
Regulatory Assets	193,136	204,817
Goodwill	287,591	287,591
Other Long-Term Assets	27,044	25,832
Total Deferred Debits and Other Assets	<u>507,771</u>	<u>518,240</u>
Total Assets	<u>\$ 3,043,275</u>	<u>\$ 3,066,052</u>
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ 83,700	\$ 119,900
Accounts Payable	51,962	98,645
Accounts Payable to Affiliated Companies	35,575	19,304
Accrued Taxes	21,508	8,730
Regulatory Liabilities	10,441	3,844
Other Current Liabilities	18,466	22,209
Total Current Liabilities	<u>221,652</u>	<u>272,632</u>
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	300,573	314,797
Regulatory Liabilities	218,097	208,228
Other Long-Term Liabilities	71,354	71,607
Total Deferred Credits and Other Liabilities	<u>590,024</u>	<u>594,632</u>
Long-Term Debt	<u>842,277</u>	<u>842,199</u>
Common Stockholder's Equity:		
Common Stock	5	5
Capital Surplus, Paid In	1,159,462	1,159,462
Retained Earnings	229,897	197,158
Accumulated Other Comprehensive Loss	(42)	(36)
Common Stockholder's Equity	<u>1,389,322</u>	<u>1,356,589</u>
Total Liabilities and Capitalization	<u>\$ 3,043,275</u>	<u>\$ 3,066,052</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 March 31,	
	2023	2022
Operating Revenues	\$ 306,722	\$ 269,744
Operating Expenses:		
Cost of Natural Gas	149,770	119,300
Operations and Maintenance	37,075	34,562
Depreciation	13,815	13,023
Amortization of Regulatory Assets, Net	10,485	134
Energy Efficiency Programs	8,060	9,091
Taxes Other Than Income Taxes	24,176	22,421
Total Operating Expenses	243,381	198,531
Operating Income	63,341	71,213
Interest Expense	7,946	6,773
Other Income, Net	1,358	2,444
Income Before Income Tax Expense	56,753	66,884
Income Tax Expense	11,414	13,575
Net Income	\$ 45,339	\$ 53,309

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 March 31,	
	2023	2022
Net Income	\$ 45,339	\$ 53,309
Other Comprehensive (Loss)/ Income, Net of Tax:		
Qualified Cash Flow Hedging Instruments	7	7
Changes in Funded Status of SERP Benefit Plan	(13)	33
Other Comprehensive (Loss)/ Income, Net of Tax	(6)	40
Comprehensive Income	\$ 45,333	\$ 53,349

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 COMMON STOCKHOLDER'S EQUITY
(Unaudited)

(Thousands of Dollars, Except Stock Information)	For the Three Months Ended March 31, 2023					
	Common Stock		Capital Surplus, Paid In	Retained Earnings	Accumulated Other Comprehensive Loss	Total Common Stockholder's Equity
	Stock	Amount				
Balance as of January 1, 2023	1,000	\$ 5	\$ 1,159,462	\$ 197,158	\$ (36)	\$ 1,356,589
Net Income				45,339		45,339
Dividends on Common Stock				(12,600)		(12,600)
Other Comprehensive Loss					(6)	(6)
Balance as of March 31, 2023	1,000	\$ 5	\$ 1,159,462	\$ 229,897	\$ (42)	\$ 1,389,322

(Thousands of Dollars, Except Stock Information)	For the Three Months Ended March 31, 2022					
	Common Stock		Capital Surplus, Paid In	Retained Earnings	Accumulated Other Comprehensive Loss	Total Common Stockholder's Equity
	Stock	Amount				
Balance as of January 1, 2022	1,000	\$ 5	\$ 1,041,462	\$ 161,574	\$ (614)	\$ 1,202,427
Net Income				53,309		53,309
Dividends on Common Stock				(12,800)		(12,800)
Other Comprehensive Income					40	40
Balance as of March 31, 2022	1,000	\$ 5	\$ 1,041,462	\$ 202,083	\$ (574)	\$ 1,242,976

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)

(Thousands of Dollars)	For the Three Months Ended March 31,	
	2023	2022
Operating Activities:		
Net Income	\$ 45,339	\$ 53,309
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	13,815	13,023
Deferred Income Taxes	(16,958)	2,753
Pension, SERP and PBOP Income, Net	(498)	(703)
Amortization of Regulatory Assets, Net	10,485	134
Regulatory Over Recoveries, Net	56,708	7,803
Uncollectible Expense	3,442	3,113
Cost of Removal Expenditures	(10,730)	(14,026)
Other	476	12,424
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(19,052)	(26,172)
Taxes Receivable/Accrued, Net	15,898	4,385
Accounts Payable	(18,797)	5,850
Other Current Assets and Liabilities, Net	14,297	4,408
Net Cash Flows Provided by Operating Activities	94,425	66,301
Investing Activities:		
Investments in Property, Plant and Equipment	(45,465)	(24,339)
Net Cash Flows Used in Investing Activities	(45,465)	(24,339)
Financing Activities:		
Cash Dividends on Common Stock	(12,600)	(12,800)
Retirement of Long-Term Debt	—	(20,000)
Decrease in Notes Payable to Eversource Parent	(36,200)	(8,600)
Net Cash Flows Used In Financing Activities	(48,800)	(41,400)
Net Increase in Cash	160	562
Cash - Beginning of Period	1,172	1,912
Cash - End of Period	\$ 1,332	\$ 2,474

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