

NSTAR GAS COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of June 30, 2019	As of December 31, 2018
ASSETS		
Current Assets:		
Cash	\$ 144	\$ 205
Receivables, Net	32,749	49,026
Accounts Receivable from Affiliated Companies	34,344	15,662
Unbilled Revenues	1,988	13,331
Fuel, Materials and Supplies	11,959	13,425
Taxes Receivable	9,650	3,454
Regulatory Assets	27,901	36,159
Prepayments and Other Current Assets	1,373	1,379
Total Current Assets	120,108	132,641
Property, Plant and Equipment, Net	1,350,122	1,275,892
Deferred Debits and Other Assets:		
Regulatory Assets	205,461	198,540
Other Long-Term Assets	45,034	40,677
Total Deferred Debits and Other Assets	250,495	239,217
Total Assets	\$ 1,720,725	\$ 1,647,750
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ 130,800	\$ 142,100
Long-Term Debt - Current Portion	50,000	—
Accounts Payable	46,997	97,065
Accounts Payable to Affiliated Companies	25,643	29,108
Regulatory Liabilities	39,385	15,016
Other Current Liabilities	12,788	11,853
Total Current Liabilities	305,613	295,142
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	164,006	170,565
Regulatory Liabilities	225,838	221,603
Accrued Pension and SERP	47,214	42,595
Other Long-Term Liabilities	52,721	43,290
Total Deferred Credits and Other Liabilities	489,779	478,053
Long-Term Debt	334,208	384,159
Common Stockholder's Equity:		
Common Stock	71,425	71,425
Capital Surplus, Paid In	450,734	372,334
Retained Earnings	68,578	46,249
Accumulated Other Comprehensive Income	388	388
Common Stockholder's Equity	591,125	490,396
Total Liabilities and Capitalization	\$ 1,720,725	\$ 1,647,750

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

NSTAR GAS COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Thousands of Dollars)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Operating Revenues	\$ 96,811	\$ 99,498	\$ 336,426	\$ 332,896
Operating Expenses:				
Cost of Natural Gas	44,314	46,861	165,428	160,705
Operations and Maintenance	22,457	23,328	52,049	52,976
Depreciation	10,688	9,636	20,828	19,169
Amortization of Regulatory (Liabilities)/Assets, Net	(1,934)	(237)	1,430	4,500
Energy Efficiency Programs	9,096	10,407	30,826	33,724
Taxes Other Than Income Taxes	6,802	6,011	13,546	12,417
Total Operating Expenses	91,423	96,006	284,107	283,491
Operating Income	5,388	3,492	52,319	49,405
Interest Expense	5,767	4,929	11,302	9,612
Other Income, Net	1,414	1,139	1,816	2,471
Income/(Loss) Before Income Tax (Benefit)/Expense	1,035	(298)	42,833	42,264
Income Tax (Benefit)/Expense	(672)	115	9,704	11,877
Net Income/(Loss)	\$ 1,707	\$ (413)	\$ 33,129	\$ 30,387

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 June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Net Income/(Loss)	\$ 1,707	\$ (413)	\$ 33,129	\$ 30,387
Other Comprehensive Loss, Net of Tax:				
Changes in Funded Status of SERP Benefit Plan	—	(6)	—	(13)
Other Comprehensive Loss, Net of Tax	—	(6)	—	(13)
Comprehensive Income/(Loss)	\$ 1,707	\$ (419)	\$ 33,129	\$ 30,374

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

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

For the Six Months Ended June 30, 2019

(Thousands of Dollars, Except Stock Information)	Common Stock		Capital Surplus, Paid In	Retained Earnings	Accumulated Other Comprehensive Income	Total Common Stockholder's Equity
	Stock	Amount				
Balance as of January 1, 2019	2,857,000	\$ 71,425	\$ 372,334	\$ 46,249	\$ 388	\$ 490,396
Net Income				31,422		31,422
Dividends on Common Stock				(5,400)		(5,400)
Capital Contributions from Eversource Parent			23,000			23,000
Balance as of March 31, 2019	2,857,000	71,425	395,334	72,271	388	539,418
Net Income				1,707		1,707
Dividends on Common Stock				(5,400)		(5,400)
Capital Contributions from Eversource Parent			55,400			55,400
Balance as of June 30, 2019	2,857,000	\$ 71,425	\$ 450,734	\$ 68,578	\$ 388	\$ 591,125

For the Six Months Ended June 30, 2018

(Thousands of Dollars, Except Stock Information)	Common Stock		Capital Surplus, Paid In	Retained Earnings	Accumulated Other Comprehensive Income	Total Common Stockholder's Equity
	Stock	Amount				
Balance as of January 1, 2018	2,857,000	\$ 71,425	\$ 262,134	\$ 25,673	\$ 326	\$ 359,558
Net Income				30,801		30,801
Dividends on Common Stock				(4,800)		(4,800)
Capital Contributions from Eversource Parent			44,200			44,200
Other Comprehensive Loss					(7)	(7)
Balance as of March 31, 2018	2,857,000	71,425	306,334	51,674	319	429,752
Net Loss				(413)		(413)
Dividends on Common Stock				(4,800)		(4,800)
Capital Contributions from Eversource Parent			18,000			18,000
Other				(1)		(1)
Other Comprehensive Loss					(6)	(6)
Balance as of June 30, 2018	2,857,000	\$ 71,425	\$ 324,334	\$ 46,460	\$ 313	\$ 442,532

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

NSTAR GAS COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Thousands of Dollars)	For the Six Months Ended June 30,	
	2019	2018
Operating Activities:		
Net Income	\$ 33,129	\$ 30,387
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	20,828	19,169
Deferred Income Taxes	(9,169)	(14,038)
Amortization of Regulatory Assets, Net	1,430	4,500
Pension, SERP and PBOP Income, Net	(93)	(989)
PBOP Contributions	(393)	(406)
Regulatory Overrecoveries, Net	45,374	62,872
Uncollectible Expense	4,901	6,802
Other	(6,112)	(2,448)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	3,806	21,818
Fuel, Materials and Supplies	1,466	2,673
Taxes Receivable/Accrued, Net	(6,196)	(20,597)
Accounts Payable	(28,514)	(24,088)
Other Current Assets and Liabilities, Net	(2,141)	(4,779)
Net Cash Flows Provided by Operating Activities	<u>58,316</u>	<u>80,876</u>
Investing Activities:		
Investments in Property, Plant and Equipment	(114,677)	(89,784)
Net Cash Flows Used in Investing Activities	<u>(114,677)</u>	<u>(89,784)</u>
Financing Activities:		
Cash Dividends on Common Stock	(10,800)	(9,600)
Capital Contributions from Parent	78,400	62,200
Decrease in Notes Payable to Eversource Parent	(11,300)	(43,400)
Net Cash Flows Provided by Financing Activities	<u>56,300</u>	<u>9,200</u>
Net (Decrease)/Increase in Cash	(61)	292
Cash - Beginning of Period	205	45
Cash - End of Period	<u>\$ 144</u>	<u>\$ 337</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.