

NSTAR GAS COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of September 30, 2020	As of December 31, 2019
ASSETS		
Current Assets:		
Cash	\$ 145	\$ 1,453
Receivables, Net (net of allowance for uncollectible accounts of \$20,346 and \$17,031 as of September 30, 2020 and December 31, 2019, respectively)	19,345	53,946
Accounts Receivable from Affiliated Companies	10,538	10,835
Unbilled Revenues	4,434	14,972
Fuel, Materials and Supplies	12,302	11,072
Regulatory Assets	50,515	57,018
Prepayments and Other Current Assets	7,430	5,335
Total Current Assets	<u>104,709</u>	<u>154,631</u>
Property, Plant and Equipment, Net	<u>1,640,413</u>	<u>1,471,983</u>
Deferred Debits and Other Assets:		
Regulatory Assets	203,241	218,161
Prepaid PBOP	31,625	27,790
Other Long-Term Assets	23,111	18,787
Total Deferred Debits and Other Assets	<u>257,977</u>	<u>264,738</u>
Total Assets	<u>\$ 2,003,099</u>	<u>\$ 1,891,352</u>
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ 95,800	\$ 121,300
Long-Term Debt - Current Portion	25,000	150,000
Accounts Payable	72,673	70,273
Accounts Payable to Affiliated Companies	21,453	31,325
Regulatory Liabilities	26,324	9,507
Other Current Liabilities	13,305	18,038
Total Current Liabilities	<u>254,555</u>	<u>400,443</u>
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	202,896	191,422
Regulatory Liabilities	209,379	213,251
Accrued Pension and SERP	34,082	60,683
Other Long-Term Liabilities	60,810	54,303
Total Deferred Credits and Other Liabilities	<u>507,167</u>	<u>519,659</u>
Long-Term Debt	<u>498,443</u>	<u>308,920</u>
Common Stockholder's Equity:		
Common Stock	71,425	71,425
Capital Surplus, Paid In	612,334	527,634
Retained Earnings	58,791	62,845
Accumulated Other Comprehensive Income	384	426
Common Stockholder's Equity	<u>742,934</u>	<u>662,330</u>
Total Liabilities and Capitalization	<u>\$ 2,003,099</u>	<u>\$ 1,891,352</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.

NSTAR GAS COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Thousands of Dollars)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2019	2020	2019
Operating Revenues	\$ 40,594	\$ 34,813	\$ 380,348	\$ 371,239
Operating Expenses:				
Cost of Natural Gas	5,738	5,316	160,092	170,744
Operations and Maintenance	23,137	20,615	78,281	72,664
Depreciation	11,499	10,118	34,292	30,946
Amortization of Regulatory Liabilities, Net	(7,088)	(4,776)	(6,677)	(3,346)
Energy Efficiency Programs	4,710	2,876	44,909	33,702
Taxes Other Than Income Taxes	8,424	7,938	23,348	21,485
Total Operating Expenses	46,420	42,087	334,245	326,195
Operating (Loss)/Income	(5,826)	(7,274)	46,103	45,044
Interest Expense	4,884	5,583	14,834	16,885
Other Income/(Loss), Net	768	(678)	2,387	1,138
(Loss)/Income Before Income Tax (Benefit)/Expense	(9,942)	(13,535)	33,656	29,297
Income Tax (Benefit)/Expense	(3,565)	(4,871)	6,618	4,832
Net (Loss)/Income	\$ (6,377)	\$ (8,664)	\$ 27,038	\$ 24,465

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,	
	2020	2019	2020	2019
Net (Loss)/Income	\$ (6,377)	\$ (8,664)	\$ 27,038	\$ 24,465
Other Comprehensive Loss, Net of Tax:				
Changes in Funded Status of SERP Benefit Plan	(13)	—	(42)	—
Other Comprehensive Loss, Net of Tax	(13)	—	(42)	—
Comprehensive (Loss)/Income	\$ (6,390)	\$ (8,664)	\$ 26,996	\$ 24,465

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 Nine Months Ended September 30, 2020

(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, 2020	2,857,000	\$ 71,425	\$ 527,634	\$ 62,845	\$ 426	\$ 662,330
Net Income				32,072		32,072
Dividends on Common Stock				(7,000)		(7,000)
Capital Contributions from Parent			5,300			5,300
Adoption of Accounting Standard Update 2016-13				(92)		(92)
Other Comprehensive Loss					(14)	(14)
Balance as of March 31, 2020	2,857,000	71,425	532,934	87,825	412	692,596
Net Income				1,343		1,343
Dividends on Common Stock				(7,000)		(7,000)
Capital Contributions from Parent			44,400			44,400
Other Comprehensive Loss					(15)	(15)
Balance as of June 30, 2020	2,857,000	71,425	577,334	82,168	397	731,324
Net Loss				(6,377)		(6,377)
Dividends on Common Stock				(17,000)		(17,000)
Capital Contributions from Parent			35,000			35,000
Other Comprehensive Loss					(13)	(13)
Balance as of September 30, 2020	2,857,000	\$ 71,425	\$ 612,334	\$ 58,791	\$ 384	\$ 742,934

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 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 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 Parent			55,400			55,400
Balance as of June 30, 2019	2,857,000	71,425	450,734	68,578	388	591,125
Net Loss				(8,664)		(8,664)
Dividends on Common Stock				(5,400)		(5,400)
Capital Contributions from Parent			5,400			5,400
Balance as of September 30, 2019	2,857,000	\$ 71,425	\$ 456,134	\$ 54,514	\$ 388	\$ 582,461

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)

For the Nine Months Ended September 30,

(Thousands of Dollars)	2020	2019
Operating Activities:		
Net Income	\$ 27,038	\$ 24,465
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	34,292	30,946
Deferred Income Taxes	8,349	7,315
Pension, SERP and PBOP Income, Net	(1,387)	(108)
PBOP Contributions	(17,000)	(5,589)
Amortization of Regulatory Liabilities, Net	(6,677)	(3,346)
Regulatory Over/(Under) Recoveries, Net	21,406	(862)
Uncollectible Expense	3,179	5,572
Other	120	(2,798)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	38,268	42,635
Fuel, Materials and Supplies	(1,229)	669
Taxes Receivable/Accrued, Net	595	(18,981)
Accounts Payable	(24,442)	(31,054)
Other Current Assets and Liabilities, Net	502	(211)
Net Cash Flows Provided by Operating Activities	83,014	48,653
Investing Activities:		
Investments in Property, Plant and Equipment	(176,979)	(173,326)
Net Cash Flows Used in Investing Activities	(176,979)	(173,326)
Financing Activities:		
Cash Dividends on Common Stock	(31,000)	(16,200)
Capital Contributions from Parent	84,700	83,800
Issuance of Long-Term Debt	190,000	75,000
Retirement of Long-Term Debt	(125,000)	—
Decrease in Notes Payable to Eversource Parent	(25,500)	(17,700)
Other Financing Activities	(543)	(319)
Net Cash Flows Provided by Financing Activities	92,657	124,581
Net Decrease in Cash	(1,308)	(92)
Cash - Beginning of Period	1,453	205
Cash - End of Period	\$ 145	\$ 113

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