

YANKEE GAS SERVICES COMPANY
BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of March 31, 2021	As of December 31, 2020
ASSETS		
Current Assets:		
Cash	\$ 2,030	\$ —
Receivables, Net (net of allowance for uncollectible accounts of \$39,894 and \$31,825 as of March 31, 2021 and December 31, 2020, respectively)	83,023	60,225
Accounts Receivable from Affiliated Companies	5,325	4,652
Unbilled Revenues	8,854	14,198
Fuel, Materials and Supplies	16,230	20,586
Regulatory Assets	62,915	55,320
Prepaid Property Taxes	9,307	8,298
Other Current Assets	1,725	1,067
Total Current Assets	189,409	164,346
Property, Plant and Equipment, Net	1,934,879	1,912,957
Deferred Debits and Other Assets:		
Regulatory Assets	192,773	192,677
Goodwill	287,591	287,591
Other Long-Term Assets	10,629	7,074
Total Deferred Debits and Other Assets	490,993	487,342
Total Assets	\$ 2,615,281	\$ 2,564,645
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ 134,700	\$ 185,100
Long-Term Debt - Current Portion	20,000	—
Accounts Payable	45,571	58,769
Accounts Payable to Affiliated Companies	19,419	19,284
Accrued Taxes	20,442	7,379
Regulatory Liabilities	28,161	5,370
Other Current Liabilities	15,778	18,717
Total Current Liabilities	284,071	294,619
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	251,184	246,377
Regulatory Liabilities	210,376	206,053
Accrued Pension, SERP and PBOP	79,145	84,469
Other Long-Term Liabilities	53,700	52,543
Total Deferred Credits and Other Liabilities	594,405	589,442
Long-Term Debt	617,796	637,756
Common Stockholder's Equity:		
Common Stock	5	5
Capital Surplus, Paid In	952,662	918,062
Retained Earnings	167,107	125,576
Accumulated Other Comprehensive Loss	(765)	(815)
Common Stockholder's Equity	1,119,009	1,042,828
Total Liabilities and Capitalization	\$ 2,615,281	\$ 2,564,645

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,	
	2021	2020
Operating Revenues	\$ 247,216	\$ 212,155
Operating Expenses:		
Cost of Natural Gas	104,529	81,415
Operations and Maintenance	30,573	29,897
Depreciation	12,319	10,594
Amortization of Regulatory Assets/(Liabilities), Net	77	(5,772)
Energy Efficiency Programs	8,970	8,132
Taxes Other Than Income Taxes	19,712	16,750
Total Operating Expenses	176,180	141,016
Operating Income	71,036	71,139
Interest Expense	6,154	6,435
Other Income, Net	168	503
Income Before Income Tax Expense	65,050	65,207
Income Tax Expense	13,219	12,839
Net Income	\$ 51,831	\$ 52,368

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,	
	2021	2020
Net Income	\$ 51,831	\$ 52,368
Other Comprehensive Income, Net of Tax:		
Qualified Cash Flow Hedging Instruments	7	7
Changes in Funded Status of SERP Benefit Plan	43	33
Other Comprehensive Income, Net of Tax	50	40
Comprehensive Income	\$ 51,881	\$ 52,408

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)

For the Three Months Ended March 31, 2021						
(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, 2021	1,000	\$ 5	\$ 918,062	\$ 125,576	\$ (815)	\$ 1,042,828
Net Income				51,831		51,831
Dividends on Common Stock				(10,300)		(10,300)
Capital Contributions from Parent			34,600			34,600
Other Comprehensive Income					50	50
Balance as of March 31, 2021	1,000	\$ 5	\$ 952,662	\$ 167,107	\$ (765)	\$ 1,119,009

For the Three Months Ended March 31, 2020						
(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, 2020	1,000	\$ 5	\$ 868,062	\$ 95,846	\$ (787)	\$ 963,126
Net Income				52,368		52,368
Dividends on Common Stock				(9,900)		(9,900)
Capital Contributions from Parent			50,000			50,000
Adoption of Accounting Standard Update 2016-13				(60)		(60)
Other Comprehensive Income					40	40
Balance as of March 31, 2020	1,000	\$ 5	\$ 918,062	\$ 138,254	\$ (747)	\$ 1,055,574

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 Three Months Ended March 31,
2021 2020

(Thousands of Dollars)

	2021	2020
Operating Activities:		
Net Income	\$ 51,831	\$ 52,368
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	12,319	10,594
Deferred Income Taxes	1,552	2,987
Pension, SERP and PBOP Expense	(3,581)	599
Amortization of Regulatory Liabilities, Net	77	(5,772)
Regulatory Overrecoveries, Net	23,147	5,912
Uncollectible Expense	2,668	2,273
Other	(1,334)	(4,894)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(28,223)	(9,585)
Fuel, Materials and Supplies	4,356	5,583
Taxes Receivable/Accrued, Net	14,299	8,576
Accounts Payable	(4,637)	(10,837)
Other Current Assets and Liabilities, Net	(4,606)	(3,830)
Net Cash Flows Provided by Operating Activities	<u>67,868</u>	<u>53,974</u>
Investing Activities:		
Investments in Property, Plant and Equipment	(39,738)	(48,063)
Net Cash Flows Used in Investing Activities	<u>(39,738)</u>	<u>(48,063)</u>
Financing Activities:		
Cash Dividends on Common Stock	(10,300)	(9,900)
Capital Contributions from Parent	34,600	50,000
Decrease in Notes Payable to Eversource Parent	(50,400)	(46,700)
Net Cash Flows Used in Financing Activities	<u>(26,100)</u>	<u>(6,600)</u>
Net Decrease in Cash	2,030	(689)
Cash - Beginning of Period	—	3,202
Cash - End of Period	<u>\$ 2,030</u>	<u>\$ 2,513</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.