

YANKEE GAS SERVICES COMPANY
BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	As of September 30, 2020	As of December 31, 2019
ASSETS		
Current Assets:		
Cash	\$ 191	\$ 3,202
Receivables, Net (net of allowance for uncollectible accounts of \$29,824 and \$20,547 as of September 30, 2020 and December 31, 2019, respectively)	30,666	61,764
Accounts Receivable from Affiliated Companies	3,390	4,476
Unbilled Revenues	4,777	13,020
Fuel, Materials and Supplies	20,810	22,467
Regulatory Assets	45,641	31,437
Prepaid Property Taxes	17,586	6,771
Other Current Assets	6,432	987
Total Current Assets	129,493	144,124
Property, Plant and Equipment, Net	1,866,931	1,736,832
Deferred Debits and Other Assets:		
Regulatory Assets	168,964	168,253
Goodwill	287,591	287,591
Other Long-Term Assets	12,118	6,671
Total Deferred Debits and Other Assets	468,673	462,515
Total Assets	\$ 2,465,097	\$ 2,343,471
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ 135,000	\$ 104,500
Long-Term Debt - Current Portion	—	50,000
Accounts Payable	56,958	57,299
Accounts Payable to Affiliated Companies	15,934	17,606
Regulatory Liabilities	10,064	7,510
Other Current Liabilities	17,607	27,410
Total Current Liabilities	235,563	264,325
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	237,300	224,893
Regulatory Liabilities	208,924	205,992
Accrued Pension, SERP and PBOP	60,745	65,995
Other Long-Term Liabilities	54,541	51,139
Total Deferred Credits and Other Liabilities	561,510	548,019
Long-Term Debt	637,816	568,001
Common Stockholder's Equity:		
Common Stock	5	5
Capital Surplus, Paid In	918,062	868,062
Retained Earnings	112,808	95,846
Accumulated Other Comprehensive Loss	(667)	(787)
Common Stockholder's Equity	1,030,208	963,126
Total Liabilities and Capitalization	\$ 2,465,097	\$ 2,343,471

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,	
	2020	2019	2020	2019
Operating Revenues	\$ 69,631	\$ 68,554	\$ 389,721	\$ 408,735
Operating Expenses:				
Cost of Natural Gas	19,417	22,419	141,985	179,758
Operations and Maintenance	27,718	26,493	85,506	84,074
Depreciation	10,880	9,175	32,231	29,504
Amortization of Regulatory (Liabilities)/Assets, Net	(524)	1,616	(4,732)	(1,070)
Energy Efficiency Programs	2,184	2,119	14,333	14,915
Taxes Other Than Income Taxes	12,915	11,540	43,535	43,056
Total Operating Expenses	72,590	73,362	312,858	350,237
Operating (Loss)/Income	(2,959)	(4,808)	76,863	58,498
Interest Expense	5,231	6,111	17,316	18,503
Other (Loss)/Income, Net	(117)	733	86	(122)
(Loss)/Income Before Income Tax Expense/(Benefit)	(8,307)	(10,186)	59,633	39,873
Income Tax (Benefit)/Expense	(656)	(1,714)	12,910	6,761
Net (Loss)/Income	\$ (7,651)	\$ (8,472)	\$ 46,723	\$ 33,112

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	\$ (7,651)	\$ (8,472)	\$ 46,723	\$ 33,112
Other Comprehensive Income, Net of Tax:				
Qualified Cash Flow Hedging Instruments	6	7	20	20
Changes in Funded Status of SERP Benefit Plan	33	17	100	52
Other Comprehensive Income, Net of Tax	39	24	120	72
Comprehensive (Loss)/Income	\$ (7,612)	\$ (8,448)	\$ 46,843	\$ 33,184

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, 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	
Net Income				2,005		2,005	
Dividends on Common Stock				(9,900)		(9,900)	
Other Comprehensive Income					41	41	
Balance as of June 30, 2020	1,000	5	918,062	130,359	(706)	1,047,720	
Net Loss				(7,651)		(7,651)	
Dividends on Common Stock				(9,900)		(9,900)	
Other Comprehensive Income					39	39	
Balance as of September 30, 2020	1,000	\$ 5	\$ 918,062	\$ 112,808	\$ (667)	\$ 1,030,208	

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 Contributions from 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 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 Contribution from 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	

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)

2020

2019

Operating Activities:

Net Income	\$ 46,723	\$ 33,112
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation	32,231	29,504
Deferred Income Taxes	4,353	(4,816)
Pension, SERP and PBOP Expense	1,811	1,577
Pension Contributions	(3,000)	(3,000)
Amortization of Regulatory Liabilities, Net	(4,732)	(1,070)
Regulatory (Under)/Over Recoveries, Net	(1,466)	18,836
Uncollectible Expense	5,171	4,960
Other	(3,399)	(2,060)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	29,610	27,687
Fuel, Materials and Supplies	1,657	3,478
Taxes Receivable/Accrued, Net	(10,176)	(15,790)
Accounts Payable	(10,689)	(23,290)
Other Current Assets and Liabilities, Net	(15,763)	(7,673)
Net Cash Flows Provided by Operating Activities	<u>72,331</u>	<u>61,455</u>

Investing Activities:

Investments in Property, Plant and Equipment	(145,834)	(154,502)
Net Cash Flows Used in Investing Activities	<u>(145,834)</u>	<u>(154,502)</u>

Financing Activities:

Cash Dividends on Common Stock	(29,700)	(27,300)
Capital Contributions from Parent	50,000	64,700
Issuance of Long-Term Debt	70,000	200,000
Retirement of Long-Term Debt	(50,000)	—
Increase/(Decrease) in Notes Payable to Eversource Parent	30,500	(145,200)
Other Financing Expenses	(308)	(525)
Net Cash Flows Provided by Financing Activities	<u>70,492</u>	<u>91,675</u>
Net Decrease in Cash	(3,011)	(1,372)
Cash - Beginning of Period	3,202	1,973
Cash - End of Period	<u>\$ 191</u>	<u>\$ 601</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.