

YANKEE GAS SERVICES, DBA EVERSOURCE
INCOME STATEMENT
12 MONTHS ENDED March 31, 2026
(Whole Dollars & Sales MMCF)

	<u>REVENUES AND INCOME</u>	<u>SALES MMCF</u>	<u>AVERAGE NUMBER of CUSTOMERS</u>
SALES OF GAS:			
RESIDENTIAL SERVICE	392,227,159	17,830	225,584
COMMERCIAL FIRM SERVICE	305,839,368	25,693	27,857
INDUSTRIAL FIRM SERVICE	92,616,419	14,234	1,427
SEASONAL SERVICE	-	-	23
INTERRUPTIBLE SERVICE	10,036,614	3,529	0
SALES FOR RESALE	<u>9,397,150</u>		
TOTAL SALES OF GAS	810,116,710	61,286	254,891
OTHER GAS REVENUES	7,127,104	-	-
TOTAL GAS REVENUES	<u>817,243,814</u>	<u>61,286</u>	<u>254,891</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSE	447,098,258		
DEPRECIATION EXPENSE	86,914,233		
TAXES OTHER THAN INCOME	86,528,327		
INCOME TAXES	605,523		
INCOME TAXES DEFERRED - NET	32,917,859		
INVESTMENT TAX CREDIT	(101,496)		
AMORTIZATION OF REGULATORY ASSETS	(8,078,652)		
DISPOSITION OF UTILITY PLANT	-		
TOTAL OPERATING EXPENSES	<u>645,884,052</u>		
OPERATING INCOME	171,359,762		
OTHER INCOME AND DEDUCTIONS -NET AFUDC	<u>(8,176,307)</u>		
TOTAL INCOME	163,183,455		
INTEREST ON LONG-TERM DEBT	55,277,260		
AMORT. DEBT DISC.,PREM & EXPENSE	539,730		
OTHER INTEREST EXPENSE	265,147		
AFUDC - CREDIT	<u>(3,727,901)</u>		
NET INTEREST CHARGES	<u>52,354,236</u>		
INCOME BEFORE PREFERRED DIVIDENDS	110,829,219		
PREFERRED DIVIDENDS	<u>-</u>		
BALANCE FOR COMMON	<u>110,829,219</u>		

Exhibit 1(B) Dkt. 76-03-07RE01

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Rate of Return on Rate Base
March 31, 2026
(Thousands of Dollars)

	Average *
Total Utility Plant In Service	\$ 3,266,060
Less: Reserve for Depreciation	417,026
Net Utility Plant	2,849,034
Plus:	
Materials & Supplies, ex. fuel	11,395
Fuel Reserve (13 Month Average)	21,505
Working Capital Allowance	14,007
Prepayments	1,899
Regulatory Assets - FAS 109	(63,507)
Regulatory Assets, Net of Tax**	39,209
Less:	
Accumulated Provision for Deferred Income Tax	430,074
Regulatory Liability - FAS 109	(63,507)
Reserves, Net of Tax	19,330
Customer Advances for Construction	-
Customer Deposits	2,620
Rate Base	\$ 2,485,025
Operating Income	\$ 171,361
Rate of Return	6.90%

* 5 Quarter Average Rate Base

**Includes Deferred Hardship Charges

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Rate of Return on Common Equity
Cost of Capital Method
March 31, 2026
(Thousands of Dollars)

	<u>Amount</u>		<u>Capitalization</u>
	<u>5-Q Average</u>		<u>Ratios</u>
			<u>5-Q Average</u>
Short-Term Debt	COD -		0.00%
Long-Term Debt	COD 1,157,120		45.79%
Common Equity	CE 1,370,149		54.21%
Total	<u>2,527,269</u>		<u>100.00%</u>
		<u>Average</u>	
	<u>Embedded</u>	<u>Capitalization</u>	<u>Weighted</u>
	<u>Cost</u>	<u>Ratio</u>	<u>Cost</u>
Short-Term Debt	COD 0.00%	0.00%	0.00%
Long-Term Debt	COD 4.46%	45.79%	2.04%
Weighted Costs			<u>2.04%</u>
Rate of Return on Rate Base			Exh 1(B) 6.90%
Less: Weighted Costs			<u>2.04%</u>
Common Equity Component			4.86%
Percentage of Common Equity to Total Capitalization			<u>54.21%</u>
Return on Common Equity			<u>8.97%</u>

Notes:

(a) Beginning with the 3/31/05 Filing Short-Term Debt will no longer be included in the YGS capitalization.

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Rate of Return on Common Equity
Authorized Capitalization Cost of Capital Method
March 31, 2026
(Thousands of Dollars)

	Capitalization Ratios		
	5-Q Average		
Short-Term Debt	NOTE (a)	0.00%	
Long-Term Debt		47.00%	
Common Equity		53.00%	
Total		100.00%	
	Embedded Cost	Average Capitalization Ratio	Weighted Cost
Short-Term Debt	0.00%	0.00%	0.00%
Long-Term Debt	4.46%	47.00%	2.10%
Weighted Costs			2.10%
Adjusted Rate of Return on Rate Base			6.99%
Less: Weighted Costs			2.10%
Common Equity Component			4.89%
Percentage of Common Equity to Total Capitalization			53.00%
Return on Common Equity			9.23%
O&M Adjustment Required by PURA as of November 2025			
Audit Fees (50%)			112,164
Board of Trustees (75%)			55,345
Employee Incentive (100%)			2,164,558
Officer Incentive (100%)			871,802
Mutual Aid Dues (100%)			21,915
Total Disallowed Expenses:			3,225,785
Less: Tax Effect			887,655
Total PURA Adjustments			2,338,130

Notes:

(a) Beginning with the 3/31/05 Filing Short-Term Debt will no longer be included in the YGS capitalization.

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Return on Equity as Calculated and Allowed
March 31, 2026

<u>Month</u>	<u>Allowed Return on Equity</u>	<u>Calculated Return on Equity</u>	
March 2025	(a) 9.30%	6.46%	} Prior Quarter
June 2025	(a) 9.30%	5.96%	
September 2025	(a) 9.30%	5.68%	
December 2025	(a),(d) 9.33%	6.83%	
March 2026	(d) 9.48%	9.23%	Exh 1(C)(2)

Notes:

- (a) Per the Final Decision to the YGS Rate Case Docket No. 18-05-10 established an earnings sharing mechanism for calendar year 2019 and calendar years thereafter until the Company's next Rate Case such that Yankee Gas Services Company and its customers will share equally 50%-50% any earnings above an actual return on equity that exceeds 9.30% in the calendar year 12-month period.
- (b) Due to Yankee Gas implementing decoupling as a result of Docket No 18-05-10, the Company has removed the weather normalization adjustment from Exhibit 1(D).
- (c) Yankee Gas no longer has ILEP customers, and therefore, there are no more adjustments to the calculated ROE.
- (d) Per the Final Decision to the YGS Rate Case Docket No. 24-12-01 established an earnings sharing mechanism for calendar year 2025 and calendar years thereafter until the Company's next Rate Case such that Yankee Gas Services Company and its customers will share equally 50%-50% any earnings above an actual return on equity that exceeds 9.48% in the calendar year 12-month period. Calendar year 2025 is determined based on a weighted ROE of 9.33% [(9.30% * 10 months) + (9.48% * 2 months)].