

YANKEE GAS SERVICES, DBA EVERSOURCE
INCOME STATEMENT
12 MONTHS ENDED SEPTEMBER 30, 2023
(Whole Dollars & Sales MMCF)

	REVENUES AND <u>INCOME</u>	SALES <u>MMCF</u>	AVERAGE NUMBER of <u>CUSTOMERS</u>
SALES OF GAS:			
RESIDENTIAL SERVICE	334,829,627	14,946	221,464
COMMERCIAL FIRM SERVICE	288,466,503	21,611	27,601
INDUSTRIAL FIRM SERVICE	96,658,279	13,326	1,496
SEASONAL SERVICE	-	-	18
INTERRUPTIBLE SERVICE	8,997,934	3,383	6
SALES FOR RESALE	<u>7,630,407</u>		
TOTAL SALES OF GAS	736,582,750	53,266	250,585
OTHER GAS REVENUES	5,591,614	-	-
TOTAL GAS REVENUES	<u><u>742,174,364</u></u>	<u><u>53,266</u></u>	<u><u>250,585</u></u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSE	481,648,313		
DEPRECIATION EXPENSE	59,635,489		
TAXES OTHER THAN INCOME	77,021,939		
INCOME TAXES	40,517,649		
INCOME TAXES DEFERRED - NET	(18,185,880)		
INVESTMENT TAX CREDIT	(101,496)		
AMORTIZATION OF REGULATORY ASSETS	(364,033)		
DISPOSITION OF UTILITY PLANT	<u>-</u>		
TOTAL OPERATING EXPENSES	<u><u>640,171,981</u></u>		
OPERATING INCOME	102,002,383		
OTHER INCOME AND DEDUCTIONS -NET	6,843,778		
AFUDC	<u>-</u>		
TOTAL INCOME	108,846,161		
INTEREST ON LONG-TERM DEBT	32,717,714		
AMORT. DEBT DISC., PREM & EXPENSE	317,505		
OTHER INTEREST EXPENSE	510,058		
AFUDC - CREDIT	<u>(2,104,382)</u>		
NET INTEREST CHARGES	<u>31,440,895</u>		
INCOME BEFORE PREFERRED DIVIDENDS	77,405,266		
PREFERRED DIVIDENDS	<u>-</u>		
BALANCE FOR COMMON	<u><u>77,405,266</u></u>		

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY

Rate of Return on Rate Base

September 30, 2023

(Thousands of Dollars)

	<u>Average *</u>
Total Utility Plant In Service	\$ 2,678,008
Less: Reserve for Depreciation	465,649
Net Utility Plant	<u>2,212,359</u>
Plus:	
Materials & Supplies, ex. fuel	4,245
Fuel Reserve (13 Month Average)	39,537
Working Capital Allowance	5,128
Prepayments	2,165
Regulatory Assets - FAS 109	(92,230)
Regulatory Assets, Net of Tax**	25,310
Less:	
Accumulated Provision for Deferred Income Tax	386,519
Regulatory Liability - FAS 109	(92,230)
Reserves, Net of Tax	22,419
Customer Advances for Construction	-
Customer Deposits	1,901
Rate Base	<u><u>\$ 1,877,905</u></u>
Operating Income	<u><u>\$ 102,002</u></u>
Rate of Return	<u><u>5.43%</u></u>

* 5 Quarter Average Rate Base

**Includes Deferred Hardship Charges

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Rate of Return on Common Equity
Actual Capitalization Cost of Capital Method
September 30, 2023
(Thousands of Dollars)

	Actual Amount 5-Q Average	Actual Capitalization Ratios 5-Q Average
Short-Term Debt	-	0.00%
Long-Term Debt	875,681	44.60%
Common Equity	1,087,836	55.40%
Total	1,963,517	100.00%

	Embedded Cost	Average Capitalization Ratio	Weighted Cost
Short-Term Debt	0.00%	0.00%	0.00%
Long-Term Debt	3.38%	44.60%	1.51%
Weighted Costs			1.51%

Rate of Return on Rate Base	5.43%
Less: Weighted Costs	1.51%
Common Equity Component	3.92%
Percentage of Common Equity to Total Capitalization	55.40%
Return on Common Equity	7.08%

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
September 30, 2023
(Thousands of Dollars)

		Authorized Capitalization Ratios 5-Q Average	
Short-Term Debt	NOTE (a)	0.00%	
Long-Term Debt		46.24%	
Common Equity		53.76%	
Total		100.00%	
	Embedded Cost	Average Capitalization Ratio	Weighted Cost
Short-Term Debt	0.00%	0.00%	0.00%
Long-Term Debt	3.38%	46.24%	1.56%
Weighted Costs			1.56%
Rate of Return on Rate Base			5.43%
Less: Weighted Costs			1.56%
Common Equity Component			3.87%
Percentage of Common Equity to Total Capitalization			53.76%
Return on Common Equity			7.20%

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
September 30, 2023

<u>Month</u>	<u>Allowed Return on Equity</u>	<u>Calculated Return on Equity</u>
September 2022	(a) 9.30%	9.06%
December 2022	(a) 9.30%	9.18%
March 2023	(a) 9.30%	8.08%
June 2023	(a) 9.30%	7.64%
September 2023	(a) 9.30%	7.08%

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.