

YANKEE GAS SERVICES, DBA EVERSOURCE
INCOME STATEMENT
12 MONTHS ENDED DECEMBER 31, 2025
(Whole Dollars & Sales MMCF)

	<u>REVENUES AND INCOME</u>	<u>SALES MMCF</u>	<u>AVERAGE NUMBER of CUSTOMERS</u>
SALES OF GAS:			
RESIDENTIAL SERVICE	333,994,991	17,335	225,329
COMMERCIAL FIRM SERVICE	267,982,245	25,456	27,813
INDUSTRIAL FIRM SERVICE	85,385,897	14,339	1,435
SEASONAL SERVICE	-	-	22
INTERRUPTIBLE SERVICE	11,085,548	3,596	0
SALES FOR RESALE	<u>8,306,205</u>		
TOTAL SALES OF GAS	706,754,886	60,726	254,599
OTHER GAS REVENUES	6,682,435	-	-
TOTAL GAS REVENUES	<u>713,437,321</u>	<u>60,726</u>	<u>254,599</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSE	403,198,228		
DEPRECIATION EXPENSE	78,002,113		
TAXES OTHER THAN INCOME	81,246,044		
INCOME TAXES	(11,835,231)		
INCOME TAXES DEFERRED - NET	32,784,562		
INVESTMENT TAX CREDIT	(101,496)		
AMORTIZATION OF REGULATORY ASSETS	(7,044,842)		
DISPOSITION OF UTILITY PLANT	-		
TOTAL OPERATING EXPENSES	<u>576,249,378</u>		
OPERATING INCOME	137,187,943		
OTHER INCOME AND DEDUCTIONS -NET AFUDC	<u>(7,376,750)</u>		
TOTAL INCOME	129,811,193		
INTEREST ON LONG-TERM DEBT	53,235,080		
AMORT. DEBT DISC.,PREM & EXPENSE	519,185		
OTHER INTEREST EXPENSE	847,263		
AFUDC - CREDIT	<u>(4,172,293)</u>		
NET INTEREST CHARGES	<u>50,429,235</u>		
INCOME BEFORE PREFERRED DIVIDENDS	79,381,958		
PREFERRED DIVIDENDS	<u>-</u>		
BALANCE FOR COMMON	<u>79,381,958</u>		

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

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Rate of Return on Rate Base
December 31, 2025
(Thousands of Dollars)

	Average *
Total Utility Plant In Service	\$ 3,208,740
Less: Reserve for Depreciation	417,329
Net Utility Plant	2,791,411
Plus:	
Materials & Supplies, ex. fuel	11,695
Fuel Reserve (13 Month Average)	22,933
Working Capital Allowance	7,862
Prepayments	1,954
Regulatory Assets - FAS 109	(66,478)
Regulatory Assets, Net of Tax**	38,644
Less:	
Accumulated Provision for Deferred Income Tax	424,670
Regulatory Liability - FAS 109	(66,478)
Reserves, Net of Tax	18,940
Customer Advances for Construction	-
Customer Deposits	2,858
Rate Base	\$ 2,428,031
Operating Income	\$ 137,188
Rate of Return	5.65%

* 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
December 31, 2025
(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 1,135,125		46.07%
Common Equity	CE 1,328,898		53.93%
Total	<u>2,464,023</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 4.39%	46.07%	2.02%
Weighted Costs			<u>2.02%</u>
Rate of Return on Rate Base			Exh 1(B) 5.65%
Less: Weighted Costs			<u>2.02%</u>
Common Equity Component			3.63%
Percentage of Common Equity to Total Capitalization			<u>53.93%</u>
Return on Common Equity			<u>6.73%</u>

Notes:

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

Exhibit1(C)(2)Dkt.76-03-07RE01

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Rate of Return on Common Equity
Authorized Capitalization Cost of Capital Method
December 31, 2025
(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	4.39%	47.00%	2.06%
Weighted Costs			2.06%
Adjusted Rate of Return on Rate Base			5.68%
Less: Weighted Costs			2.06%
Common Equity Component			3.62%
Percentage of Common Equity to Total Capitalization			53.00%
Return on Common Equity			6.83%
O&M Adjustment Required by PURA as of November 2025			
Audit Fees (50%)			24,201
Board of Trustees (75%)			20,328
Employee Incentive (100%)			612,023
Officer Incentive (100%)			394,836
Mutual Aid Dues (100%)			11,079
Total Disallowed Expenses:			1,062,466
Less: Tax Effect			292,364
Total PURA Adjustments			770,102

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
December 31, 2025

<u>Month</u>	<u>Allowed Return on Equity</u>	<u>Calculated Return on Equity</u>	
December 2024	(a) 9.30%	6.87%	} Prior Quarter
March 2025	(a) 9.30%	6.46%	
June 2025	(a) 9.30%	5.96%	
September 2025	(a) 9.30%	5.68%	
December 2025	(a),(d) 9.30%	6.83%	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 9.32% in the calendar year 12-month period. Calendar year 2025 is determined based on a weighted ROE of 9.30% [(9.30% * 10 months) + (9.32% * 2 months)].