

YANKEE GAS SERVICES, DBA EVERSOURCE
INCOME STATEMENT
12 MONTHS ENDED JUNE 30, 2024
(Whole Dollars & Sales MMCF)

	REVENUES AND <u>INCOME</u>	SALES MMCF	AVERAGE NUMBER of <u>CUSTOMERS</u>
SALES OF GAS:			
RESIDENTIAL SERVICE	287,693,347	15,349	222,794
COMMERCIAL FIRM SERVICE	229,186,773	22,915	27,808
INDUSTRIAL FIRM SERVICE	77,368,409	13,869	1,488
SEASONAL SERVICE	-	-	22
INTERRUPTIBLE SERVICE	8,104,264	3,152	2
SALES FOR RESALE	<u>4,899,566</u>		
TOTAL SALES OF GAS	607,252,359	55,285	252,114
OTHER GAS REVENUES	5,711,302	-	0
TOTAL GAS REVENUES	<u>612,963,661</u>	<u>55,285</u>	<u>252,114</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSE	341,044,456		
DEPRECIATION EXPENSE	63,852,211		
TAXES OTHER THAN INCOME	74,518,671		
INCOME TAXES	8,570,433		
INCOME TAXES DEFERRED - NET	12,307,732		
INVESTMENT TAX CREDIT	(101,496)		
AMORTIZATION OF REGULATORY ASSETS	(6,386,231)		
DISPOSITION OF UTILITY PLANT	-		
TOTAL OPERATING EXPENSES	<u>493,805,776</u>		
OPERATING INCOME	119,157,885		
OTHER INCOME AND DEDUCTIONS -NET AFUDC	2,644,982		
	<u>-</u>		
TOTAL INCOME	121,802,867		
INTEREST ON LONG-TERM DEBT	39,222,034		
AMORT. DEBT DISC.,PREM & EXPENSE	405,711		
OTHER INTEREST EXPENSE	3,598,462		
AFUDC - CREDIT	<u>(3,654,698)</u>		
NET INTEREST CHARGES	<u>39,571,509</u>		
INCOME BEFORE PREFERRED DIVIDENDS	82,231,358		
PREFERRED DIVIDENDS	<u>-</u>		
BALANCE FOR COMMON	<u><u>82,231,358</u></u>		

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Rate of Return on Rate Base
June 30, 2024
(Thousands of Dollars)

	<u>Average *</u>
Total Utility Plant In Service	\$ 2,826,098
Less: Reserve for Depreciation	454,277
Net Utility Plant	<u>2,371,821</u>
Plus:	
Materials & Supplies, ex. fuel	9,074
Fuel Reserve (13 Month Average)	28,083
Working Capital Allowance	4,247
Prepayments	2,234
Regulatory Assets - FAS 109	(83,214)
Regulatory Assets, Net of Tax**	31,452
Less:	
Accumulated Provision for Deferred Income Tax	396,025
Regulatory Liability - FAS 109	(83,214)
Reserves, Net of Tax	21,829
Customer Advances for Construction	-
Customer Deposits	1,526
Rate Base	<u>\$ 2,027,531</u>
Operating Income	<u>\$ 119,158</u>
Rate of Return	<u>5.88%</u>

* 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
June 30, 2024
(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	-	0.00%
Long-Term Debt	977,543	46.12%
Common Equity	<u>1,142,173</u>	<u>53.88%</u>
Total	<u><u>2,119,716</u></u>	<u><u>100.00%</u></u>
	<u>Embedded</u>	<u>Average</u>
	<u>Cost</u>	<u>Capitalization</u>
		<u>Ratio</u>
		<u>Weighted</u>
		<u>Cost</u>
Short-Term Debt	0.00%	0.00%
Long-Term Debt	3.76%	46.12%
Weighted Costs		<u>1.73%</u>
Rate of Return on Rate Base		Exh 1(B) 5.88%
Less: Weighted Costs		<u>1.73%</u>
Common Equity Component		4.15%
Percentage of Common Equity to Total Capitalization		<u>53.88%</u>
Return on Common Equity		<u><u>7.70%</u></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
June 30, 2024
(Thousands of Dollars)

	Capitalization Ratios		
	5-Q Average		
Short-Term Debt	NOTE (a)	0.00%	
Long-Term Debt		46.24%	
Common Equity		53.76%	
Total		100.00%	
	Average		
	Embedded Cost	Capitalization Ratio	Weighted Cost
Short-Term Debt	0.00%	0.00%	0.00%
Long-Term Debt	3.76%	46.24%	1.74%
Weighted Costs			1.74%
Rate of Return on Rate Base			Exh 1(B) 5.88%
Less: Weighted Costs			1.74%
Common Equity Component			4.14%
Percentage of Common Equity to Total Capitalization			53.76%
Return on Common Equity			7.70%

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
June 30, 2024

<u>Month</u>	<u>Allowed Return on Equity</u>	<u>Calculated Return on Equity</u>
June 2023	(a) 9.30%	7.64%
September 2023	(a) 9.30%	7.08%
December 2023	(a) 9.30%	7.03%
March 2024	(a) 9.30%	7.53%
June 2024	(a) 9.30%	7.70% Exhibit 1(C)(1)

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.