

YANKEE GAS SERVICES, DBA EVERSOURCE
INCOME STATEMENT
12 MONTHS ENDED DECEMBER 31, 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	318,766,496	14,606	221,464
COMMERCIAL FIRM SERVICE	268,997,665	21,910	27,601
INDUSTRIAL FIRM SERVICE	90,940,499	13,514	1,496
SEASONAL SERVICE	-	-	22
INTERRUPTIBLE SERVICE	8,031,076	3,202	2
SALES FOR RESALE	6,208,241		
TOTAL SALES OF GAS	692,943,977	53,232	250,585
OTHER GAS REVENUES	6,045,951	-	0
TOTAL GAS REVENUES	<u>698,989,928</u>	<u>53,232</u>	<u>250,585</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSE	440,359,371		
DEPRECIATION EXPENSE	61,406,479		
TAXES OTHER THAN INCOME	76,261,516		
INCOME TAXES	33,925,918		
INCOME TAXES DEFERRED - NET	(17,464,800)		
INVESTMENT TAX CREDIT	(101,496)		
AMORTIZATION OF REGULATORY ASSETS	(1,026,099)		
DISPOSITION OF UTILITY PLANT	-		
TOTAL OPERATING EXPENSES	<u>593,360,889</u>		
OPERATING INCOME	105,629,039		
OTHER INCOME AND DEDUCTIONS -NET AFUDC	1,110,022		
TOTAL INCOME	106,739,061		
INTEREST ON LONG-TERM DEBT	34,812,094		
AMORT. DEBT DISC., PREM & EXPENSE	346,152		
OTHER INTEREST EXPENSE	1,576,047		
AFUDC - CREDIT	(2,788,830)		
NET INTEREST CHARGES	<u>33,945,463</u>		
INCOME BEFORE PREFERRED DIVIDENDS	72,793,598		
PREFERRED DIVIDENDS			
BALANCE FOR COMMON	<u><u>72,793,598</u></u>		

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

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Rate of Return on Rate Base
December 31, 2023
(Thousands of Dollars)

	<u>Average *</u>
Total Utility Plant In Service	\$ 2,740,433
Less: Reserve for Depreciation	462,444
Net Utility Plant	<u>2,277,989</u>
 Plus:	
Materials & Supplies, ex. fuel	5,672
Fuel Reserve (13 Month Average)	34,958
Working Capital Allowance	4,838
Prepayments	2,113
Regulatory Assets - FAS 109	(89,006)
Regulatory Assets, Net of Tax**	27,556
 Less:	
Accumulated Provision for Deferred Income Tax	386,301
Regulatory Liability - FAS 109	(89,006)
Reserves, Net of Tax	22,591
Customer Advances for Construction	-
Customer Deposits	1,746
 Rate Base	<u><u>\$ 1,942,488</u></u>
 Operating Income	<u><u>\$ 105,629</u></u>
 Rate of Return	<u><u>5.44%</u></u>

* 5 Qua

**Includes Deferred Hardship Charges

YANKEE GAS SERVICES, DBA EVERSOURCE ENERGY
Rate of Return on Common Equity
Cost of Capital Method
December 31, 2023
(Thousands of Dollars)

	<u>Amount</u> <u>5-Q Average</u>	<u>Capitalization</u> <u>Ratios</u> <u>5-Q Average</u>
Short-Term Debt	-	0.00%
Long-Term Debt	909,608	45.36%
Common Equity	<u>1,095,651</u>	<u>54.64%</u>
Total	<u><u>2,005,259</u></u>	<u><u>100.00%</u></u>

	<u>Embedded</u> <u>Cost</u>	<u>Average</u> <u>Capitalization</u> <u>Ratio</u>	<u>Weighted</u> <u>Cost</u>
Short-Term Debt	0.00%	0.00%	0.00%
Long-Term Debt	3.52%	45.36%	<u>1.60%</u>
Weighted Costs			<u><u>1.60%</u></u>

Rate of Return on Rate Base	5.44%
Less: Weighted Costs	<u>1.60%</u>
Common Equity Component	3.84%

Percentage of Common Equity to Total Capitalization	<u>54.64%</u>
Return on Common Equity	<u><u>7.03%</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
December 31, 2023
(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	3.52%	46.24%	1.63%
Weighted Costs			1.63%
Rate of Return on Rate Base		5.44%	
Less: Weighted Costs		1.63%	
Common Equity Component		3.81%	
Percentage of Common Equity to Total Capitalization		53.76%	
Return on Common Equity		7.09%	

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, 2023

<u>Month</u>	<u>Allowed Return on Equity</u>	<u>Calculated Return on Equity</u>
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%
December 2023	(a) 9.30%	7.03%

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.