

# **Connecticut Natural Gas Corporation**

**Financial Statements (Unaudited)**

**For the Six Months Ended June 30, 2024 and 2023**

# Connecticut Natural Gas Corporation

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**Connecticut Natural Gas Corporation**  
**Statements of Income (Unaudited)**

Periods Ended June 30,	Three Months		Six Months	
	2024	2023	2024	2023
(Thousands)				
<b>Operating Revenues</b>	<b>\$ 80,892</b>	<b>\$ 67,055</b>	<b>\$ 248,641</b>	<b>\$ 254,099</b>
<b>Operating Expenses</b>				
Natural gas purchased	24,495	17,383	109,260	125,309
Operations and maintenance	25,568	27,390	51,797	54,289
Depreciation and amortization	13,034	12,410	25,887	24,664
Taxes other than income taxes, net	6,658	6,615	17,880	18,314
<b>Total Operating Expenses</b>	<b>69,755</b>	<b>63,798</b>	<b>204,824</b>	<b>222,576</b>
<b>Operating Income</b>	<b>11,137</b>	<b>3,257</b>	<b>43,817</b>	<b>31,523</b>
Other income	1,273	1,101	2,264	1,507
Other deductions	402	519	757	533
Interest expense, net of capitalization	(3,479)	(2,619)	(6,793)	(5,056)
<b>Income Before Income Tax</b>	<b>9,333</b>	<b>2,258</b>	<b>40,045</b>	<b>28,507</b>
Income tax expense	1,973	247	8,573	6,032
<b>Net Income</b>	<b>\$ 7,360</b>	<b>\$ 2,011</b>	<b>\$ 31,472</b>	<b>\$ 22,475</b>

**Connecticut Natural Gas Corporation**  
**Statements of Comprehensive Income (Unaudited)**

Periods Ended June 30,	Three Months		Six Months	
	2024	2023	2024	2023
(Thousands)				
<b>Net Income</b>	<b>\$ 7,360</b>	<b>\$ 2,011</b>	<b>\$ 31,472</b>	<b>\$ 22,475</b>
<b>Other Comprehensive Loss, Net of Tax</b>				
Amortization of pension cost for non-qualified plans, net of income tax	(1)	(5)	(2)	(5)
<b>Other Comprehensive Loss, Net of Tax</b>	<b>(1)</b>	<b>(5)</b>	<b>(2)</b>	<b>(5)</b>
<b>Comprehensive Income</b>	<b>\$ 7,359</b>	<b>\$ 2,006</b>	<b>\$ 31,470</b>	<b>\$ 22,470</b>

**Connecticut Natural Gas Corporation**  
**Balance Sheets (Unaudited)**

<b>As of</b>	<b>June 30,</b>	<b>December 31,</b>
(Thousands)	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 193	\$ 421
Accounts receivable and unbilled revenues, net	81,077	107,260
Accounts receivable from affiliates	555	154
Notes receivable from affiliates	52,000	26,600
Gas in storage	34,267	41,998
Materials and supplies	5,253	5,603
Income tax receivable	3,173	—
Other current assets	4,195	4,130
Regulatory assets	55,957	50,255
<b>Total Current Assets</b>	<b>236,670</b>	<b>236,421</b>
Utility plant, at original cost	1,308,500	1,271,264
Less accumulated depreciation	(447,493)	(424,187)
<b>Net Utility Plant in Service</b>	<b>861,007</b>	<b>847,077</b>
Construction work in progress	21,598	21,284
<b>Total Utility Plant</b>	<b>882,605</b>	<b>868,361</b>
Operating lease right-of-use assets	3,028	2,746
Other property and investments	710	727
<b>Regulatory and Other Assets</b>		
Regulatory assets	78,289	75,711
Goodwill	79,341	79,341
Other	339	188
<b>Total Regulatory and Other Assets</b>	<b>157,969</b>	<b>155,240</b>
<b>Total Assets</b>	<b>\$ 1,280,982</b>	<b>\$ 1,263,495</b>

**Connecticut Natural Gas Corporation**  
**Balance Sheets (Unaudited)**

As of	June 30,	December 31,
	2024	2023
(Thousands, except share information)		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 36,258	\$ 63,158
Accounts payable to affiliates	10,482	19,077
Interest accrued	2,674	2,674
Taxes accrued	5,008	8,702
Operating lease liabilities	537	429
Regulatory liabilities	24,560	5,386
Other	14,301	18,538
<b>Total Current Liabilities</b>	<b>93,820</b>	<b>117,964</b>
<b>Regulatory and Other Liabilities</b>		
Regulatory liabilities	319,867	309,536
<b>Other Non-current Liabilities</b>		
Deferred income taxes	56,029	56,111
Pension and other postretirement	62,261	62,813
Operating lease liabilities	2,746	2,364
Asset retirement obligation	6,140	6,140
Other	1,515	1,448
<b>Total Regulatory and Other Liabilities</b>	<b>448,558</b>	<b>438,412</b>
Non-current debt	244,003	243,923
<b>Total Liabilities</b>	<b>786,381</b>	<b>800,299</b>
<b>Commitments and Contingencies</b>		
<b>Preferred Stock</b>	<b>340</b>	<b>340</b>
<b>Common Stock Equity</b>		
Common stock (\$3.125 par value, 20,000,000 shares authorized and 10,634,436 shares outstanding at June 30, 2024 and December 31, 2023)	33,233	33,233
Additional paid-in capital	396,720	396,758
Retained earnings	64,617	33,172
Accumulated other comprehensive loss	(309)	(307)
<b>Total Common Stock Equity</b>	<b>494,261</b>	<b>462,856</b>
<b>Total Liabilities and Equity</b>	<b>\$ 1,280,982</b>	<b>\$ 1,263,495</b>

**Connecticut Natural Gas Corporation**  
**Statements of Cash Flows (Unaudited)**

Periods Ended June 30,	2024	2023
(Thousands)		
<b>Cash Flow from Operating Activities:</b>		
<b>Net income</b>	<b>\$ 31,472</b>	<b>\$ 22,475</b>
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	25,887	24,664
Regulatory assets/liabilities amortization	11,334	14,816
Regulatory assets/liabilities carrying cost	368	(125)
Amortization of debt issuance costs	80	66
Deferred taxes	(356)	1,319
Pension cost	(97)	98
Stock-based compensation	6	14
Gain on disposal of assets	—	(39)
Other non-cash items	658	348
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable, from affiliates, and unbilled revenues	25,782	66,263
Inventories	8,081	15,037
Accounts payable, to affiliates, and accrued liabilities	(31,558)	(72,260)
Taxes accrued	(6,866)	(15,793)
Other assets/liabilities	(4,014)	4,811
Regulatory assets/liabilities	(1,309)	18,504
<b>Net Cash Provided by Operating Activities</b>	<b>59,468</b>	<b>80,198</b>
<b>Cash Flow from Investing Activities:</b>		
Capital expenditures	(35,784)	(30,384)
Contributions in aid of construction	1,502	784
Proceeds from sale of utility plant	—	96
Notes receivable from affiliates	(25,400)	(26,300)
<b>Net Cash Used in Investing Activities</b>	<b>(59,682)</b>	<b>(55,804)</b>
<b>Cash Flow from Financing Activities:</b>		
Notes payable to affiliates	—	(25,450)
Dividends paid	(14)	(14)
<b>Net Cash Used in Financing Activities</b>	<b>(14)</b>	<b>(25,464)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(228)</b>	<b>(1,070)</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>421</b>	<b>1,070</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 193</b>	<b>\$ —</b>

**Connecticut Natural Gas Corporation**  
**Statements of Changes in Common Stock Equity (Unaudited)**

(Thousands, except per share amounts)	Number of shares (*)	Common stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total Common Stock Equity
<b>As of December 31, 2022</b>	<b>10,634,436</b>	<b>\$ 33,233</b>	<b>\$ 396,791</b>	<b>\$ 39,008</b>	<b>\$ (248)</b>	<b>\$ 468,784</b>
Net income	—	—	—	22,475	—	22,475
Other comprehensive loss, net of tax	—	—	—	—	(5)	(5)
Comprehensive income						22,470
Stock-based compensation	—	—	(43)	—	—	(43)
Preferred stock dividends	—	—	—	(14)	—	(14)
<b>As of June 30, 2023</b>	<b>10,634,436</b>	<b>\$ 33,233</b>	<b>\$ 396,748</b>	<b>\$ 61,469</b>	<b>\$ (253)</b>	<b>\$ 491,197</b>
<b>As of December 31, 2023</b>	<b>10,634,436</b>	<b>\$ 33,233</b>	<b>\$ 396,758</b>	<b>\$ 33,172</b>	<b>\$ (307)</b>	<b>\$ 462,856</b>
Net income	—	—	—	31,472	—	31,472
Other comprehensive loss, net of tax	—	—	—	—	(2)	(2)
Comprehensive income						31,470
Stock-based compensation	—	—	(38)	—	—	(38)
Preferred stock dividends	—	—	—	(27)	—	(27)
<b>As of June 30, 2024</b>	<b>10,634,436</b>	<b>\$ 33,233</b>	<b>\$ 396,720</b>	<b>\$ 64,617</b>	<b>\$ (309)</b>	<b>\$ 494,261</b>

(\*) Par value of share amounts is \$3.125