

The Berkshire Gas Company

Financial Statements (Unaudited)

For the Three Months Ended March 31, 2024 and 2023

The Berkshire Gas Company

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**The Berkshire Gas Company
Statements of Income (Unaudited)**

Periods Ended March 31,	2024	2023
(Thousands)		
Operating Revenues	\$ 38,464	\$ 44,196
Operating Expenses		
Natural gas purchased	13,362	17,697
Operations and maintenance	11,406	9,887
Depreciation and amortization	2,452	2,328
Taxes other than income taxes, net	2,285	1,893
Total Operating Expenses	29,505	31,805
Operating Income	8,959	12,391
Other income	341	140
Other deductions	(159)	8
Interest expense, net of capitalization	(1,048)	(733)
Income Before Income Tax	8,093	11,806
Income tax expense	2,190	3,201
Net Income	\$ 5,903	\$ 8,605

**The Berkshire Gas Company
Balance Sheets (Unaudited)**

As of	March 31,	December 31,
(Thousands)	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 230	\$ 488
Accounts receivable and unbilled revenues, net	19,282	16,812
Accounts receivable from affiliates	30	5
Gas in storage	3,381	3,538
Materials and supplies	3,561	3,344
Other current assets	1,254	684
Regulatory assets	10,549	14,396
Total Current Assets	38,287	39,267
Utility plant, at original cost	353,060	349,882
Less accumulated depreciation	(109,581)	(107,271)
Net Utility Plant in Service	243,479	242,611
Construction work in progress	4,342	3,144
Total Utility Plant	247,821	245,755
Operating lease right-of-use assets	98	100
Other property and investments	2,242	2,170
Regulatory and Other Assets		
Regulatory assets	18,704	18,728
Goodwill	51,932	51,932
Other	30	16
Total Regulatory and Other Assets	70,666	70,676
Total Assets	\$ 359,114	\$ 357,968

**The Berkshire Gas Company
Balance Sheets (Unaudited)**

As of	March 31,	December 31,
	2024	2023
(Thousands, except share information)		
Liabilities		
Current Liabilities		
Notes payable to affiliates	\$ 25,350	\$ 17,200
Accounts payable and accrued liabilities	6,928	14,934
Accounts payable to affiliates	1,506	5,371
Interest accrued	599	818
Taxes accrued	2,727	1,692
Operating lease liabilities	7	7
Regulatory liabilities	793	463
Other	2,219	4,159
Total Current Liabilities	40,129	44,644
Regulatory and Other Liabilities		
Regulatory liabilities	52,188	51,866
Other Non-current Liabilities		
Deferred income taxes	32,523	32,790
Pension and other postretirement	12,626	12,779
Operating lease liabilities	92	92
Environmental remediation costs	1,738	1,978
Other	1,451	1,333
Total Regulatory and Other Liabilities	100,618	100,838
Non-current debt	59,654	59,642
Total Liabilities	200,401	205,124
Commitments and Contingencies		
Common Stock Equity		
Additional paid-in capital	126,470	126,504
Retained earnings	32,243	26,340
Total Common Stock Equity	158,713	152,844
Total Liabilities and Equity	\$ 359,114	\$ 357,968

The Berkshire Gas Company
Statements of Cash Flows (Unaudited)

Periods Ended March 31, (Thousands)	2024	2023
Cash Flow from Operating Activities:		
Net income	\$ 5,903	\$ 8,605
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,452	2,328
Regulatory assets/liabilities amortization	1,019	(299)
Regulatory assets/liabilities carrying cost	(234)	(117)
Amortization of debt issuance costs	12	12
Deferred taxes	(315)	(1,370)
Pension cost	89	198
Stock-based compensation	8	19
Other non-cash items	30	20
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	(2,495)	(1,587)
Inventories	(60)	(259)
Accounts payable, to affiliates, and accrued liabilities	(4,870)	(6,889)
Taxes accrued	926	7,138
Other assets/liabilities	(2,198)	(1,645)
Regulatory assets/liabilities	2,239	5,619
Net Cash Provided by Operating Activities	2,506	11,773
Cash Flow from Investing Activities:		
Capital expenditures	(10,985)	(9,677)
Contributions in aid of construction	62	3
Proceeds from sale of utility plant	9	83
Net Cash Used in Investing Activities	(10,914)	(9,591)
Cash Flow from Financing Activities:		
Notes payable to affiliates	8,150	(2,850)
Net Cash Provided by (Used in) Financing Activities	8,150	(2,850)
Net Decrease in Cash and Cash Equivalents	(258)	(668)
Cash and Cash Equivalents, Beginning of Period	488	668
Cash and Cash Equivalents, End of Period	\$ 230	\$ —

The Berkshire Gas Company
Statements of Changes in Common Stock Equity (Unaudited)

(Thousands, except per share amounts)	Number of shares (*)	Common stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Common Stock Equity
As of December 31, 2022	100 \$	— \$	126,506 \$	17,424 \$	57 \$	143,987
Net income	—	—	—	8,605	—	8,605
Common stock dividends	—	—	20	—	—	20
As of March 31, 2023	100 \$	— \$	126,526 \$	26,029 \$	57 \$	152,612
As of December 31, 2023	100 \$	— \$	126,504 \$	26,340 \$	— \$	152,844
Net income	—	—	—	5,903	—	5,903
Stock-based compensation	—	—	(34)	—	—	(34)
As of March 31, 2024	100 \$	— \$	126,470 \$	32,243 \$	— \$	158,713

(*) Par value of share amounts is \$2.50

**Central Maine Power Company
and Subsidiaries**

**Consolidated Financial Statements (Unaudited)
For the Three Months Ended March 31, 2024 and 2023**

**Central Maine Power Company
and Subsidiaries**

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**Consolidated Financial Statements (Unaudited)
For the Three Months Ended March 31, 2024 and 2023**

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Central Maine Power Company and Subsidiaries
Consolidated Statements of Income (Unaudited)

Periods Ended March 31,	2024	2023
(Thousands)		
Operating Revenues	\$ 294,011	\$ 254,950
Operating Expenses		
Electricity purchased	26,769	15,967
Operations and maintenance	151,137	146,783
Depreciation and amortization	33,209	34,746
Taxes other than income taxes, net	20,642	20,596
Total Operating Expenses	231,757	218,092
Operating Income	62,254	36,858
Other income	8,709	5,856
Other deductions	(357)	(384)
Interest expense, net of capitalization	(18,244)	(16,217)
Income Before Income Tax	52,362	26,113
Income tax expense	8,043	5,024
Net Income	44,319	21,089
Less: net income attributable to noncontrolling interest	628	826
Net Income Attributable to CMP	\$ 43,691	\$ 20,263

Central Maine Power Company and Subsidiaries
Consolidated Statements of Comprehensive Income (Unaudited)

Periods Ended March 31,	2024	2023
(Thousands)		
Net Income	\$ 44,319	\$ 21,089
Other Comprehensive Income, Net of Tax		
Amortization of pension cost for non-qualified plans, net of income tax	17	—
Reclassification to net income of loss on settled cash flow treasury hedges, net of income tax	33	33
Other Comprehensive Income, Net of Tax	50	33
Comprehensive Income	44,369	21,122
Less:		
Comprehensive income attributable to noncontrolling interests	628	826
Comprehensive Income Attributable to CMP	\$ 43,741	\$ 20,296

Central Maine Power Company and Subsidiaries
Consolidated Balance Sheets (Unaudited)

As of	March 31, 2024	December 31, 2023
(Thousands)		
Assets		
Current Assets		
Cash and cash equivalents	\$ 54,380	\$ 52,570
Accounts receivable and unbilled revenues, net	312,689	336,664
Accounts receivable from affiliates	10,292	2,399
Notes receivable from affiliates	251	252
Materials and supplies	73,227	68,495
Prepayments and other current assets	28,666	30,715
Income tax receivable	7,315	3,376
Regulatory assets	154,348	153,887
Total Current Assets	641,168	648,358
Utility plant, at original cost	5,532,351	5,466,800
Less accumulated depreciation	(1,616,628)	(1,588,777)
Net Utility Plant in Service	3,915,723	3,878,023
Construction work in progress	335,844	317,707
Total Utility Plant	4,251,567	4,195,730
Operating lease right-of-use assets	13,945	14,374
Other property and investments	1,035	1,020
Regulatory and Other Assets		
Regulatory assets	632,849	577,482
Goodwill	324,938	324,938
Other	156,926	157,372
Total Regulatory and Other Assets	1,114,713	1,059,792
Total Assets	\$ 6,022,428	\$ 5,919,274

Central Maine Power Company and Subsidiaries
Consolidated Balance Sheets (Unaudited)

As of	March 31, 2024	December 31, 2023
(Thousands, except share information)		
Liabilities		
Current Liabilities		
Current portion of debt	\$ 64,414	\$ —
Notes payable to affiliates	38,500	54,400
Accounts payable and accrued liabilities	441,619	448,582
Accounts payable to affiliates	13,992	41,385
Interest accrued	13,308	18,747
Taxes accrued	5,848	3,399
Operating lease liabilities	1,066	1,117
Other current liabilities	124,700	125,844
Regulatory liabilities	45,627	80,048
Total Current Liabilities	749,074	773,522
Regulatory and Other Liabilities		
Regulatory liabilities	306,912	307,999
Other Non-current liabilities		
Deferred income taxes	798,815	773,650
Pension and other postretirement	77,473	77,595
Operating lease liabilities	14,447	14,764
Other	143,061	143,435
Total Regulatory and Other Liabilities	1,340,708	1,317,443
Non-current debt	1,345,396	1,410,241
Total Liabilities	3,435,178	3,501,206
Commitments and Contingencies		
Redeemable Preferred Stock	571	571
CMP Common Stock Equity		
Common stock (\$5 par value, 80,000,000 shares authorized and 31,211,471 shares outstanding at March 31, 2024 and December 31, 2023)	156,057	156,057
Additional paid-in capital	1,326,979	1,202,132
Retained earnings	1,064,290	1,020,633
Accumulated other comprehensive loss	(3,007)	(3,057)
Total CMP Common Stock Equity	2,544,319	2,375,765
Noncontrolling interest	42,360	41,732
Total Equity	2,586,679	2,417,497
Total Liabilities and Equity	\$ 6,022,428	\$ 5,919,274

Central Maine Power Company and Subsidiaries
Consolidated Statements of Cash Flows (Unaudited)

Periods Ended March 31,	2024	2023
(Thousands)		
Cash Flow from Operating Activities:		
Net income	\$ 44,319	\$ 21,089
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	33,209	34,746
Regulatory assets/liabilities amortization	(1,546)	8,362
Regulatory assets/liabilities carrying cost	(2,390)	(518)
Amortization of debt issuance costs	164	133
Deferred taxes	15,005	16,453
Pension cost	(1,078)	(663)
Stock-based compensation	162	42
Gain on disposal of assets	(9)	(110)
Other non-cash items	(3,209)	(915)
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	16,082	(17,788)
Inventories	(4,732)	(7,017)
Accounts payable, to affiliates, and accrued liabilities	(38,547)	13,933
Taxes accrued	(1,489)	6,275
Other assets/liabilities	6,085	2,179
Regulatory assets/liabilities	(91,270)	(92,576)
Net Cash Used in Operating Activities	(29,244)	(16,375)
Cash Flow from Investing Activities:		
Utility plant additions	(102,148)	(83,307)
Contributions in aid of construction	24,048	5,974
Notes receivable from affiliates	1	—
Proceeds from sale of utility plant	66	688
Net Cash Used in Investing Activities	(78,033)	(76,645)
Cash Flow from Financing Activities:		
Repayments of finance leases	(4)	(3)
Notes payable to affiliates	(15,900)	95,300
Capital contribution	125,000	—
Dividends paid	(9)	(9)
Net Cash Provided by Financing Activities	109,087	95,288
Net Increase in Cash and Cash Equivalents	1,810	2,268
Cash and Cash Equivalents, Beginning of Period	52,570	28,463
Cash and Cash Equivalents, End of Period	\$ 54,380	\$ 30,731

Central Maine Power Company and Subsidiaries
Consolidated Statements of Changes in Equity (Unaudited)

(Thousands, except per share amounts)	CMP Stockholder					Total CMP Common Stock Equity	Non- controlling Interest	Total Common Stock Equity
	Number of shares (*)	Common stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss			
As of December 31, 2022	31,211,471	\$ 156,057	\$1,027,439	\$ 977,063	\$ (3,216)	\$ 2,157,343	\$ 38,444	\$ 2,195,787
Net income	—	—	—	20,263	—	20,263	826	21,089
Other comprehensive income, net of tax	—	—	—	—	33	33	—	33
Comprehensive income								21,122
Stock-based compensation	—	—	43	—	—	43	—	43
Preferred stock dividends	—	—	—	(9)	—	(9)	—	(9)
As of March 31, 2023	31,211,471	\$ 156,057	\$1,027,482	\$ 997,317	\$ (3,183)	\$ 2,177,673	\$ 39,270	\$ 2,216,943
As of December 31, 2023	31,211,471	\$ 156,057	\$1,202,132	\$1,020,633	\$ (3,057)	\$ 2,375,765	\$ 41,732	\$ 2,417,497
Net income	—	—	—	43,691	—	43,691	628	44,319
Other comprehensive income, net of tax	—	—	—	—	50	50	—	50
Comprehensive income								44,369
Stock-based compensation	—	—	(153)	—	—	(153)	—	(153)
Capital contribution from parent	—	—	125,000	—	—	125,000	—	125,000
Preferred stock dividends	—	—	—	(34)	—	(34)	—	(34)
As of March 31, 2024	31,211,471	\$ 156,057	\$1,326,979	\$1,064,290	\$ (3,007)	\$ 2,544,319	\$ 42,360	\$ 2,586,679

(*) Par value of share amounts is \$5

Connecticut Natural Gas Corporation

Financial Statements (Unaudited)

For the Three Months Ended March 31, 2024 and 2023

Connecticut Natural Gas Corporation

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Connecticut Natural Gas Corporation
Statements of Income (Unaudited)

Periods Ended March 31,	2024	2023
(Thousands)		
Operating Revenues	\$ 167,749	\$ 187,044
Operating Expenses		
Natural gas purchased	84,765	107,926
Operations and maintenance	26,229	26,899
Depreciation and amortization	12,853	12,254
Taxes other than income taxes, net	11,222	11,699
Total Operating Expenses	135,069	158,778
Operating Income	32,680	28,266
Other income	991	406
Other deductions	355	14
Interest expense, net of capitalization	(3,314)	(2,437)
Income Before Income Tax	30,712	26,249
Income tax expense	6,600	5,785
Net Income	\$ 24,112	\$ 20,464

Connecticut Natural Gas Corporation
Statements of Comprehensive Income (Unaudited)

Periods Ended March 31,	2024	2023
(Thousands)		
Net Income	\$ 24,112	\$ 20,464
Other Comprehensive Loss, Net of Tax		
Amortization of pension cost for non-qualified plans, net of income tax	(1)	—
Other Comprehensive Loss, Net of Tax	(1)	—
Comprehensive Income	\$ 24,111	\$ 20,464

Connecticut Natural Gas Corporation
Balance Sheets (Unaudited)

As of	March 31,	December 31,
(Thousands)	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 515	\$ 421
Accounts receivable and unbilled revenues, net	122,465	107,260
Accounts receivable from affiliates	886	154
Notes receivable from affiliates	31,300	26,600
Gas in storage	33,608	41,998
Materials and supplies	5,178	5,603
Other current assets	5,952	4,130
Regulatory assets	47,326	50,255
Total Current Assets	247,230	236,421
Utility plant, at original cost	1,291,132	1,271,264
Less accumulated depreciation	(435,751)	(424,187)
Net Utility Plant in Service	855,381	847,077
Construction work in progress	21,752	21,284
Total Utility Plant	877,133	868,361
Operating lease right-of-use assets	2,557	2,746
Other property and investments	719	727
Regulatory and Other Assets		
Regulatory assets	77,606	75,711
Goodwill	79,341	79,341
Other	317	188
Total Regulatory and Other Assets	157,264	155,240
Total Assets	\$ 1,284,903	\$ 1,263,495

Connecticut Natural Gas Corporation
Balance Sheets (Unaudited)

As of	March 31, 2024	December 31, 2023
(Thousands, except share information)		
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 50,142	\$ 63,158
Accounts payable to affiliates	5,980	19,077
Interest accrued	3,343	2,674
Taxes accrued	20,484	8,702
Operating lease liabilities	442	429
Regulatory liabilities	22,064	5,386
Other	10,516	18,538
Total Current Liabilities	112,971	117,964
Regulatory and Other Liabilities		
Regulatory liabilities	317,216	309,536
Other Non-current Liabilities		
Deferred income taxes	51,070	56,111
Pension and other postretirement	62,631	62,813
Operating lease liabilities	2,268	2,364
Asset retirement obligation	6,140	6,140
Other	1,405	1,448
Total Regulatory and Other Liabilities	440,730	438,412
Non-current debt	243,963	243,923
Total Liabilities	797,664	800,299
Commitments and Contingencies		
Preferred Stock	340	340
Common Stock Equity		
Common stock (\$3.125 par value, 20,000,000 shares authorized and 10,634,436 shares outstanding at March 31, 2024 and December 31, 2023)	33,233	33,233
Additional paid-in capital	396,717	396,758
Retained earnings	57,257	33,172
Accumulated other comprehensive loss	(308)	(307)
Total Common Stock Equity	486,899	462,856
Total Liabilities and Equity	\$ 1,284,903	\$ 1,263,495

Connecticut Natural Gas Corporation
Statements of Cash Flows (Unaudited)

Periods Ended March 31,	2024	2023
(Thousands)		
Cash Flow from Operating Activities:		
Net income	\$ 24,112	\$ 20,464
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,853	12,254
Regulatory assets/liabilities amortization	7,142	11,418
Regulatory assets/liabilities carrying cost	30	(161)
Amortization of debt issuance costs	40	33
Deferred taxes	(5,170)	(6,635)
Pension cost	(48)	49
Stock-based compensation	4	9
Gain on disposal of assets	—	(39)
Other non-cash items	206	252
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	(15,937)	7,511
Inventories	8,815	15,248
Accounts payable, to affiliates, and accrued liabilities	(22,098)	(54,199)
Taxes accrued	11,782	10,785
Other assets/liabilities	(9,121)	(5,429)
Regulatory assets/liabilities	12,751	27,154
Net Cash Provided by Operating Activities	25,361	38,714
Cash Flow from Investing Activities:		
Capital expenditures	(21,096)	(16,200)
Contributions in aid of construction	536	119
Proceeds from sale of utility plant	—	96
Notes receivable from affiliates	(4,700)	—
Net Cash Used in Investing Activities	(25,260)	(15,985)
Cash Flow from Financing Activities:		
Notes payable to affiliates	—	(23,550)
Dividends paid	(7)	(7)
Net Cash Used in Financing Activities	(7)	(23,557)
Net Increase (Decrease) in Cash and Cash Equivalents	94	(828)
Cash and Cash Equivalents, Beginning of Period	421	1,070
Cash and Cash Equivalents, End of Period	\$ 515	\$ 242

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
As of December 31, 2022	10,634,436	\$ 33,233	\$ 396,791	\$ 39,008	\$ (248)	\$ 468,784
Net income	—	—	—	20,464	—	20,464
Stock-based compensation	—	—	9	—	—	9
Preferred stock dividends	—	—	—	(7)	—	(7)
As of March 31, 2023	10,634,436	\$ 33,233	\$ 396,800	\$ 59,465	\$ (248)	\$ 489,250
As of December 31, 2023	10,634,436	\$ 33,233	\$ 396,758	\$ 33,172	\$ (307)	\$ 462,856
Net income	—	—	—	24,112	—	24,112
Other comprehensive loss, net of tax	—	—	—	—	(1)	(1)
Comprehensive income	—	—	—	—	—	24,111
Stock-based compensation	—	—	(41)	—	—	(41)
Preferred stock dividends	—	—	—	(27)	—	(27)
As of March 31, 2024	10,634,436	\$ 33,233	\$ 396,717	\$ 57,257	\$ (308)	\$ 486,899

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

New York State Electric & Gas Corporation

Financial Statements (Unaudited)

For the Three Months Ended March 31, 2024 and 2023

New York State Electric & Gas Corporation

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**New York State Electric & Gas Corporation
Statements of Income (Unaudited)**

Periods Ended March 31,	2024	2023
(Thousands)		
Operating Revenues	\$ 642,609	\$ 624,877
Operating Expenses		
Electricity purchased	154,788	154,581
Natural gas purchased	41,962	80,452
Operations and maintenance	239,785	221,200
Depreciation and amortization	53,732	52,103
Taxes other than income taxes, net	46,090	44,385
Total Operating Expenses	536,357	552,721
Operating Income	106,252	72,156
Other income	15,446	12,383
Other deductions	1,914	2,436
Interest expense, net of capitalization	(28,269)	(20,707)
Income Before Income Tax	95,343	66,268
Income tax expense	19,557	11,040
Net Income	\$ 75,786	\$ 55,228

**New York State Electric & Gas Corporation
Statements of Comprehensive Income (Unaudited)**

Periods Ended March 31,	2024	2023
(Thousands)		
Net Income	\$ 75,786	\$ 55,228
Other Comprehensive (Loss) Income, Net of Tax		
Amortization of pension cost for non-qualified plans, net of income tax	(16)	—
Reclassification to net income of loss on settled cash flow treasury hedges, net of income tax	—	214
Other Comprehensive (Loss) Income, Net of Tax	(16)	214
Comprehensive Income	\$ 75,770	\$ 55,442

New York State Electric & Gas Corporation
Balance Sheets (Unaudited)

As of	March 31,	December 31,
(Thousands)	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,581	\$ 6,101
Accounts receivable and unbilled revenues, net	372,635	348,556
Accounts receivable from affiliates	4,246	4,900
Fuel and natural gas in storage, at average cost	8,395	19,022
Materials and supplies	48,873	47,037
Broker margin accounts	14,777	12,039
Income tax receivable	20,079	—
Prepaid property taxes	53,878	38,757
Other current assets	19,045	19,695
Regulatory assets	191,419	204,332
Total Current Assets	735,928	700,439
Utility plant, at original cost	8,631,305	8,528,387
Less accumulated depreciation	(2,508,986)	(2,490,347)
Net Utility Plant in Service	6,122,319	6,038,040
Construction work in progress	927,247	882,447
Total Utility Plant	7,049,566	6,920,487
Operating lease right-of-use assets	7,931	8,202
Other property and investments	9,094	8,779
Regulatory and Other Assets		
Regulatory assets	1,203,870	1,050,289
Other	35,235	40,526
Total Regulatory and Other Assets	1,239,105	1,090,815
Total Assets	\$ 9,041,624	\$ 8,728,722

New York State Electric & Gas Corporation
Balance Sheets (Unaudited)

As of	March 31, 2024	December 31, 2023
(Thousands, except share information)		
Liabilities		
Current Liabilities		
Current portion of long-term debt	\$ 9,605	\$ 9,603
Notes payable to affiliates	62,600	83,300
Accounts payable and accrued liabilities	469,885	565,373
Accounts payable to affiliates	33,607	120,564
Interest accrued	26,154	29,288
Taxes accrued	4,175	9,712
Operating lease liabilities	1,241	1,237
Environmental remediation costs	8,438	6,061
Customer deposits	12,866	13,858
Regulatory liabilities	88,744	75,587
Other	80,949	110,600
Total Current Liabilities	798,264	1,025,183
Regulatory and Other Liabilities		
Regulatory liabilities	895,764	917,132
Other Non-current Liabilities		
Deferred income taxes	900,068	853,843
Pension and other postretirement	111,905	119,885
Operating lease liabilities	7,923	8,034
Asset retirement obligation	11,221	11,078
Environmental remediation costs	50,046	53,233
Other	23,923	24,119
Total Regulatory and Other Liabilities	2,000,850	1,987,324
Non-current debt	2,875,864	2,875,190
Total Liabilities	5,674,978	5,887,697
Commitments and Contingencies		
Common Stock Equity		
Common stock (\$6.66 2/3 par value, 90,000,000 shares authorized and 64,508,477 shares outstanding at March 31, 2024 and December 31, 2023)	430,057	430,057
Additional paid-in capital	2,378,993	1,929,142
Retained earnings	558,181	482,395
Accumulated other comprehensive loss	(585)	(569)
Total Common Stock Equity	3,366,646	2,841,025
Total Liabilities and Equity	\$ 9,041,624	\$ 8,728,722

New York State Electric & Gas Corporation
Statements of Cash Flows (Unaudited)

Periods Ended March 31,	2024	2023
(Thousands)		
Cash Flow from Operating Activities:		
Net income	\$ 75,786	\$ 55,228
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	53,732	52,103
Regulatory assets/liabilities amortization	17,036	(6,213)
Regulatory assets/liabilities carrying cost	(4,806)	(2,512)
Amortization of debt issuance costs	677	479
Deferred taxes	40,213	26,444
Pension cost	(2,103)	(3,579)
Stock-based compensation	95	(15)
Accretion expenses	143	146
Gain on disposal of assets	(13)	(16)
Other non-cash items	(17,604)	(20,809)
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	(23,425)	(2,523)
Inventories	8,791	43,324
Accounts payable, to affiliates, and accrued liabilities	(101,411)	(171,081)
Taxes accrued	(25,616)	(13,138)
Other assets/liabilities	(44,053)	(15,740)
Regulatory assets/liabilities	(160,709)	(60,862)
Net Cash Used in Operating Activities	(183,267)	(118,764)
Cash Flow from Investing Activities:		
Capital expenditures	(261,738)	(240,182)
Contributions in aid of construction	10,642	8,732
Proceeds from sale of utility plant	1,547	488
Net Cash Used in Investing Activities	(249,549)	(230,962)
Cash Flow from Financing Activities:		
Repayments of finance leases	(4)	27
Notes payable to affiliates	(20,700)	149,700
Capital contributions	450,000	200,000
Net Cash Provided by Financing Activities	429,296	349,727
Net (Decrease) Increase in Cash and Cash Equivalents	(3,520)	1
Cash and Cash Equivalents, Beginning of Period	6,101	1
Cash and Cash Equivalents, End of Period	\$ 2,581	\$ 2

New York State Electric & Gas Corporation
Statements of Changes in Common Stock Equity (Unaudited)

(Thousands, except per share amounts)	Number of Shares (*)	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Common Stock Equity
As of December 31, 2022	64,508,477 \$	430,057 \$	1,529,469 \$	470,160 \$	(820) \$	2,428,866
Net income	—	—	—	55,228	—	55,228
Other comprehensive income, net of tax	—	—	—	—	214	214
Comprehensive income						55,442
Stock-based compensation	—	—	(15)	—	—	(15)
Capital contributions	—	—	200,000	—	—	200,000
As of March 31, 2023	64,508,477 \$	430,057 \$	1,729,454 \$	525,388 \$	(606) \$	2,684,293
As of December 31, 2023	64,508,477 \$	430,057 \$	1,929,142 \$	482,395 \$	(569) \$	2,841,025
Net income	—	—	—	75,786	—	75,786
Other comprehensive loss, net of tax	—	—	—	—	(16)	(16)
Comprehensive income						75,770
Stock-based compensation	—	—	(149)	—	—	(149)
Capital contributions	—	—	450,000	—	—	450,000
As of March 31, 2024	64,508,477 \$	430,057 \$	2,378,993 \$	558,181 \$	(585) \$	3,366,646

(*) Par value of share amounts is 6.66 2/3

Rochester Gas and Electric Corporation

Financial Statements (Unaudited)

For the Three Months Ended March 31, 2024 and 2023

Rochester Gas and Electric Corporation

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Rochester Gas and Electric Corporation
Statements of Income (Unaudited)

Periods ended March 31,	2024	2023
(Thousands)		
Operating Revenues	\$ 350,802	\$ 360,958
Operating Expenses		
Electricity purchased	48,684	45,674
Natural gas purchased	45,976	76,923
Operations and maintenance	97,689	100,187
Depreciation and amortization	34,047	32,392
Taxes other than income taxes, net	41,565	39,551
Total Operating Expenses	267,961	294,727
Operating Income	82,841	66,231
Other income	6,723	5,003
Other deductions	(458)	(134)
Interest expense, net of capitalization	(17,532)	(13,704)
Income Before Tax	71,574	57,396
Income tax expense	16,328	12,013
Net Income	\$ 55,246	\$ 45,383

Rochester Gas and Electric Corporation
Statements of Comprehensive Income (Unaudited)

Periods ended March 31,	2024	2023
(Thousands)		
Net Income	\$ 55,246	\$ 45,383
Other Comprehensive Income, Net of Tax		
Amortization of pension cost for non-qualified plans, net of income tax	70	—
Reclassification to net income of loss on settled cash flow treasury hedges, net of income tax	679	679
Other Comprehensive Income, Net of Tax	749	679
Comprehensive Income	\$ 55,995	\$ 46,062

Rochester Gas and Electric Corporation
Balance Sheets (Unaudited)

As of	March 31,	December 31,
	2024	2023
(Thousands)		
Assets		
Current Assets		
Cash and cash equivalents	\$ 762	\$ 197
Accounts receivable and unbilled revenues, net	228,142	210,138
Accounts receivable from affiliates	2,759	2,858
Fuel and gas in storage	2,936	10,453
Materials and supplies	25,200	26,745
Derivative assets	13	—
Broker margin accounts	8,121	6,985
Income tax receivable	3,397	825
Prepaid property taxes	54,487	43,637
Regulatory assets	93,008	105,460
Other current assets	12,706	13,853
Total Current Assets	431,531	421,151
Utility plant, at original cost	5,424,664	5,381,423
Less accumulated depreciation	(1,405,246)	(1,384,955)
Net Utility Plant in Service	4,019,418	3,996,468
Construction work in progress	423,577	409,669
Total Utility Plant	4,442,995	4,406,137
Operating lease right-of-use assets	17,195	1,372
Regulatory and Other Assets		
Regulatory assets	522,847	488,461
Other	41,972	42,749
Total Regulatory and Other Assets	564,819	531,210
Total Assets	\$ 5,456,540	\$ 5,359,870

Rochester Gas and Electric Corporation
Balance Sheets (Unaudited)

As of	March 31,	December 31,
	2024	2023
<i>(Thousands, except share information)</i>		
Liabilities		
Current Liabilities		
Notes payable to affiliates	\$ 14,600	\$ 17,100
Accounts payable and accrued liabilities	171,068	202,636
Accounts payable to affiliates	16,382	58,427
Interest accrued	20,990	9,192
Taxes accrued	1,690	2,199
Operating lease liabilities	1,287	1,878
Environmental remediation costs	14,244	17,767
Regulatory liabilities	78,580	79,101
Other	59,623	73,025
Total Current Liabilities	378,464	461,325
Regulatory and Other Liabilities		
Regulatory liabilities	513,054	528,741
Other Non-current Liabilities		
Deferred income taxes	547,600	524,937
Nuclear plant obligations	140,049	138,182
Pension and other postretirement	96,464	98,117
Operating lease liabilities	17,863	1,274
Asset retirement obligations	2,234	2,206
Environmental remediation costs	62,581	62,834
Other	28,470	28,758
Total Regulatory and Other Liabilities	1,408,315	1,385,049
Non-current debt	1,738,452	1,738,065
Total Liabilities	3,525,231	3,584,439
Commitments and Contingencies		
Common Stock Equity		
Common stock (\$5 par value, 50,000,000 shares authorized, 38,885,813 shares outstanding at March 31, 2024 and December 31, 2023)	194,429	194,429
Additional paid-in capital	1,405,435	1,305,552
Retained earnings	475,877	420,631
Accumulated other comprehensive loss	(27,194)	(27,943)
Treasury stock, at cost (4,379,300 shares at March 31, 2024 and December 31, 2023)	(117,238)	(117,238)
Total Common Stock Equity	1,931,309	1,775,431
Total Liabilities and Equity	\$ 5,456,540	\$ 5,359,870

Rochester Gas and Electric Corporation
Statements of Cash Flows (Unaudited)

Periods ended March 31,	2024	2023
(Thousands)		
Cash Flow From Operating Activities:		
Net income	\$ 55,246	\$ 45,383
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	34,047	32,392
Regulatory assets/liabilities amortization	(6,832)	(11,185)
Regulatory assets/liabilities carrying cost	(1,389)	606
Amortization of debt issuance costs	369	379
Deferred taxes	20,089	18,460
Pension cost	686	(226)
Accretion expenses	29	30
Gain on disposal of assets	(245)	—
Other non-cash items	(4,512)	(2,280)
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	(17,905)	(6,518)
Inventories	9,062	27,958
Accounts payable, to affiliates, and accrued liabilities	(43,235)	(70,507)
Taxes accrued	(3,081)	(21,771)
Other assets/liabilities	(12,269)	4,914
Regulatory assets/liabilities	(33,806)	(42,249)
Net Cash Used in Operating Activities	(3,746)	(24,614)
Cash Flow From Investing Activities:		
Capital expenditures	(96,777)	(142,731)
Contributions in aid of construction	3,394	1,583
Proceeds from sale of utility plant	699	120
Net Cash Used in Investing Activities	(92,684)	(141,028)
Cash Flow From Financing Activities:		
Repayments of finance leases	(505)	(956)
Notes payable to affiliates	(2,500)	91,600
Capital contributions	100,000	75,000
Net Cash Provided by Financing Activities	96,995	165,644
Net Increase in Cash and Cash Equivalents	565	2
Cash and Cash Equivalents, Beginning of Period	197	4
Cash and Cash Equivalents, End of Period	\$ 762	\$ 6

Rochester Gas and Electric Corporation
Statements of Changes in Common Stock Equity (Unaudited)

(Thousands, except per share amounts)	Number of shares (*)	Common stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Common Stock Equity
Balance, December 31, 2022	38,885,813	\$ 194,429	\$ 1,080,703	\$ 376,434	\$ (30,977)	\$ (117,238)	\$ 1,503,351
Net income	—	—	—	45,383	—	—	45,383
Other comprehensive income, net of tax	—	—	—	—	679	—	679
Comprehensive income							46,062
Capital contributions	—	—	75,000	—	—	—	75,000
Balance, March 31, 2023	38,885,813	\$ 194,429	\$ 1,155,703	\$ 421,817	\$ (30,298)	\$ (117,238)	\$ 1,624,413
Balance, December 31, 2023	38,885,813	\$ 194,429	\$ 1,305,552	\$ 420,631	\$ (27,943)	\$ (117,238)	\$ 1,775,431
Net income	—	—	—	55,246	—	—	55,246
Other comprehensive income, net of tax	—	—	—	—	749	—	749
Comprehensive income							55,995
Stock-based compensation	—	—	(117)	—	—	—	(117)
Capital contributions	—	—	100,000	—	—	—	100,000
Balance, March 31, 2024	38,885,813	\$ 194,429	\$ 1,405,435	\$ 475,877	\$ (27,194)	\$ (117,238)	\$ 1,931,309

(*) Par value of share amounts is \$5

The Southern Connecticut Gas Company

**Consolidated Financial Statements (Unaudited)
For the Three Months Ended March 31, 2024 and 2023**

The Southern Connecticut Gas Company

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**The Southern Connecticut Gas Company
Consolidated Statements of Income (Unaudited)**

Periods Ended March 31,	2024	2023
(Thousands)		
Operating Revenues	\$ 140,654	\$ 179,119
Operating Expenses		
Natural gas purchased	62,502	103,540
Operations and maintenance	26,719	21,822
Depreciation and amortization	11,269	10,386
Taxes other than income taxes, net	11,571	11,550
Total Operating Expenses	112,061	147,298
Operating Income	28,593	31,821
Other income	1,522	474
Other deductions	(1,653)	(840)
Interest expense, net of capitalization	(5,749)	(4,495)
Income Before Income Tax	22,713	26,960
Income tax expense (benefit)	4,021	5,019
Net Income	18,692	21,941
Less: net income attributable to noncontrolling interest	1,433	956
Net Income Attributable to SCG	\$ 17,259	\$ 20,985

**The Southern Connecticut Gas Company
Consolidated Statements of Comprehensive Income (Unaudited)**

Periods Ended March 31,	2024	2023
(Thousands)		
Net Income	\$ 18,692	\$ 21,941
Other Comprehensive Income, Net of Tax		
Amortization of pension cost for non-qualified plans, net of income tax	9	—
Other Comprehensive Income, Net of Tax	9	—
Comprehensive Income	18,701	21,941
Less: Comprehensive income attributable to noncontrolling interest	1,433	956
Comprehensive Income Attributable to SCG	\$ 17,268	\$ 20,985

**The Southern Connecticut Gas Company
Consolidated Balance Sheets (Unaudited)**

As of	March 31,	December 31,
(Thousands)	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 425	\$ 380
Accounts receivable and unbilled revenues, net	116,910	103,015
Accounts receivable from affiliates	1,802	648
Notes receivable from affiliates	2,043	15,259
Gas in storage	36,581	45,886
Materials and supplies	4,200	4,400
Other current assets	7,215	4,047
Regulatory assets	45,860	48,064
Total Current Assets	215,036	221,699
Utility plant, at original cost	1,456,715	1,435,400
Less accumulated depreciation	(414,555)	(403,611)
Net Utility Plant in Service	1,042,160	1,031,789
Construction work in progress	29,298	26,905
Total Utility Plant	1,071,458	1,058,694
Operating lease right-of-use assets	11,211	11,256
Other property and investments	10,958	10,396
Regulatory and Other Assets		
Regulatory assets	164,440	163,696
Goodwill	134,931	134,931
Other	475	372
Total Regulatory and Other Assets	299,846	298,999
Total Assets	\$ 1,608,509	\$ 1,601,044

**The Southern Connecticut Gas Company
Consolidated Balance Sheets (Unaudited)**

As of	March 31, 2024	December 31, 2023
(Thousands, except share information)		
Liabilities		
Current Liabilities		
Notes payable to affiliates	\$ 10,712	\$ 2,087
Accounts payable and accrued liabilities	49,250	71,892
Accounts payable to affiliates	6,236	20,927
Interest accrued	3,677	4,096
Taxes accrued	15,533	12,324
Operating lease liabilities	937	904
Regulatory liabilities	22,249	6,279
Other	17,163	21,794
Total Current Liabilities	125,757	140,303
Regulatory and Other Liabilities		
Regulatory liabilities	255,282	245,911
Other Non-current Liabilities		
Deferred income taxes	106,910	109,708
Pension and other postretirement	49,560	48,122
Operating lease liabilities	11,258	11,364
Asset retirement obligation	12,907	12,907
Environmental remediation costs	60,159	60,624
Other	6,858	7,071
Total Regulatory and Other Liabilities	247,652	249,796
Non-current debt	364,426	364,471
Total Liabilities	993,117	1,000,481
Commitments and Contingencies		
Common Stock Equity		
Common stock (\$13.33 par value, 2,650,000 shares authorized and 1,407,072 shares outstanding at March 31, 2024 and December 31, 2023)	18,761	18,761
Additional paid-in capital	472,737	472,737
Retained earnings	88,581	71,322
Accumulated other comprehensive loss	(5,361)	(5,370)
Total SCG Common Stock Equity	574,718	557,450
Noncontrolling interest	40,674	43,113
Total Equity	615,392	600,563
Total Liabilities and Equity	\$ 1,608,509	\$ 1,601,044

The Southern Connecticut Gas Company
Consolidated Statements of Cash Flows (Unaudited)

Periods Ended March 31,	2024	2023
(Thousands)		
Cash Flow from Operating Activities:		
Net income	\$ 18,692	\$ 21,941
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,269	10,386
Regulatory assets/liabilities amortization	6,250	5,427
Regulatory assets/liabilities carrying cost	1,048	762
Amortization of debt issuance costs	(47)	(50)
Deferred taxes	(3,688)	(3,763)
Pension cost	296	568
Gain on disposal of assets	—	(76)
Other non-cash items	(459)	159
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	(15,049)	7,846
Inventories	9,505	14,690
Accounts payable, to affiliates, and accrued liabilities	(26,539)	(43,191)
Taxes accrued	3,209	4,876
Other assets/liabilities	(8,382)	(6,341)
Regulatory assets/liabilities	19,024	24,930
Net Cash Provided by Operating Activities	15,129	38,164
Cash Flow from Investing Activities:		
Capital expenditures	(33,768)	(25,933)
Contributions in aid of construction	715	865
Proceeds from sale of utility plant	—	116
Notes receivable from affiliates	13,216	(1,539)
Net Cash Used in Investing Activities	(19,837)	(26,491)
Cash Flow from Financing Activities:		
Notes payable to affiliates	8,625	(22,932)
Capital contributions	—	10,000
Contributions from noncontrolling interest	2,087	—
Payment of noncontrolling interest dividend	(5,959)	—
Net Cash Provided by (Used in) Financing Activities	4,753	(12,932)
Net Increase (Decrease) in Cash and Cash Equivalents	45	(1,259)
Cash and Cash Equivalents, Beginning of Period	380	1,259
Cash and Cash Equivalents, End of Period	\$ 425	\$ —

The Southern Connecticut Gas Company
Consolidated Statements of Changes in Common Stock Equity (Unaudited)

(Thousands, except per share amounts)	Number of Shares (*)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Common Stock Equity
As of December 31, 2022	1,407,072	\$ 18,761	\$ 462,737	\$ 62,315	\$ (5,216)	\$ 40,440	\$ 579,037
Net income	—	—	—	20,985	—	—	20,985
Net income attributable to noncontrolling interest	—	—	—	—	—	956	956
Capital contributions	—	—	10,000	—	—	—	10,000
As of March 31, 2023	1,407,072	\$ 18,761	\$ 472,737	\$ 83,300	\$ (5,216)	\$ 41,396	\$ 610,978
As of December 31, 2023	1,407,072	\$ 18,761	\$ 472,737	\$ 71,322	\$ (5,370)	\$ 43,113	\$ 600,563
Net income	—	—	—	17,259	—	—	17,259
Other comprehensive income, net of tax	—	—	—	—	9	—	9
Comprehensive income	—	—	—	—	—	—	17,268
Net income attributable to noncontrolling interest	—	—	—	—	—	1,433	1,433
Payment of noncontrolling interest dividend	—	—	—	—	—	(5,959)	(5,959)
Contributions from noncontrolling interest	—	—	—	—	—	2,087	2,087
As of March 31, 2024	1,407,072	\$ 18,761	\$ 472,737	\$ 88,581	\$ (5,361)	\$ 40,674	\$ 615,392

(*) Par value of share amounts is \$13.33

The United Illuminating Company

Financial Statements (Unaudited)

For the Three Months Ended March 31, 2024 and 2023

The United Illuminating Company

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Financial Statements (Unaudited)

For the Three Months Ended March 31, 2024 and 2023

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The United Illuminating Company
Statements of Income (Unaudited)

Periods Ended March 31,	2024	2023
(Thousands)		
Operating Revenues	\$ 373,801	\$ 409,644
Operating Expenses		
Electricity purchased	158,142	217,811
Operations and maintenance	119,440	100,233
Depreciation and amortization	29,176	28,575
Taxes other than income taxes, net	29,622	26,335
Total Operating Expenses	336,380	372,954
Operating Income	37,421	36,690
Other income	9,096	5,543
Other deductions	(745)	(955)
Earnings from equity method investments	744	817
Interest expense, net of capitalization	(12,791)	(10,559)
Income Before Income Tax	33,725	31,536
Income tax expense	6,502	6,039
Net Income	\$ 27,223	\$ 25,497

The United Illuminating Company
Statements of Comprehensive Income (Unaudited)

Periods Ended March 31,	2024	2023
(Thousands)		
Net Income	\$ 27,223	\$ 25,497
Other Comprehensive Income, Net of Tax		
Amortization of pension cost for non-qualified plans, net of income tax	56	—
Other Comprehensive Income, Net of Tax	56	—
Comprehensive Income	\$ 27,279	\$ 25,497

The United Illuminating Company
Balance Sheets (Unaudited)

As of	March 31, 2024	December 31, 2023
(Thousands)		
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,413	\$ 4,359
Accounts receivable and unbilled revenues, net	196,246	200,295
Accounts receivable from affiliates	1,715	4,471
Materials and supplies	13,730	12,046
Derivative assets	420	454
Prepayments and other current assets	24,973	10,387
Income tax receivable	—	2,544
Regulatory assets	194,429	132,434
Total Current Assets	432,926	366,990
Utility plant, at original cost	3,824,049	3,791,867
Less accumulated depreciation	(1,165,827)	(1,137,053)
Net Utility Plant in Service	2,658,222	2,654,814
Construction work in progress	387,766	372,242
Total Utility Plant	3,045,988	3,027,056
Operating lease right-of-use assets	11,615	11,790
Equity method investments	76,928	78,747
Other property and investments	18,652	16,740
Regulatory and Other Assets		
Regulatory assets	301,853	305,644
Derivative assets	349	445
Other	26,370	25,605
Total Regulatory and Other Assets	328,572	331,694
Total Assets	\$ 3,914,681	\$ 3,833,017

The United Illuminating Company
Balance Sheets (Unaudited)

As of	March 31, 2024	December 31, 2023
(Thousands, except share information)		
Liabilities		
Current Liabilities		
Current portion of debt	\$ 49,564	\$ —
Notes payable to affiliates	165,100	24,400
Accounts payable and accrued liabilities	127,683	170,503
Accounts payable to affiliates	20,901	71,314
Interest accrued	13,279	10,841
Taxes accrued	19,447	16,636
Operating lease liabilities	677	703
Derivative liabilities	16,173	16,777
Other current liabilities	43,072	41,712
Regulatory liabilities	17,040	13,650
Total Current Liabilities	472,936	366,536
Regulatory and Other Liabilities		
Regulatory liabilities	335,243	333,670
Other Non-current Liabilities		
Deferred income taxes	452,282	446,803
Pension and other postretirement	119,844	119,176
Operating lease liabilities	15,355	15,474
Derivative liabilities	10,243	14,050
Environmental remediation costs	17,432	24,019
Other	32,127	31,417
Total Regulatory and Other Liabilities	982,526	984,609
Non-current debt	988,445	1,038,310
Total Liabilities	2,443,907	2,389,455
Commitments and Contingencies		
Common Stock Equity		
Common stock (no par value, 30,000,000 shares authorized and 100 shares outstanding at March 31, 2024 and December 31, 2023)	1	1
Additional paid-in capital	906,528	906,595
Retained earnings	571,878	544,655
Accumulated other comprehensive loss	(7,633)	(7,689)
Total Common Stock Equity	1,470,774	1,443,562
Total Liabilities and Equity	\$ 3,914,681	\$ 3,833,017

The United Illuminating Company
Statements of Cash Flows (Unaudited)

Periods Ended March 31,	2024	2023
(Thousands)		
Cash Flow from Operating Activities:		
Net income	\$ 27,223	\$ 25,497
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	29,176	28,575
Regulatory assets/liabilities amortization	320	(38,758)
Regulatory assets/liabilities carrying cost	(2,876)	(855)
Amortization of debt issuance costs	135	125
Deferred taxes	3,167	11,908
Pension cost	685	1,425
Stock-based compensation	20	21
Gain on disposal of assets	—	(57)
Earnings from equity method investments	(741)	(814)
Cash distribution from equity method investments	742	815
Other non-cash items	(3,998)	(2,105)
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	6,805	(5,455)
Inventories	(1,684)	(1,296)
Accounts payable, to affiliates, and accrued liabilities	(59,419)	(57,735)
Taxes accrued	5,356	(13,050)
Other assets/liabilities	(15,839)	(8,135)
Regulatory assets/liabilities	(60,718)	(56,679)
Net Cash Used in Operating Activities	(71,646)	(116,573)
Cash Flow from Investing Activities:		
Capital expenditures	(74,628)	(67,716)
Contributions in aid of construction	743	1,244
Notes receivable from affiliates	—	82,600
Proceeds from sale of utility plant	66	66
Cash distribution from equity method investments	1,819	1,879
Net Cash (Used in) Provided by Investing Activities	(72,000)	18,073
Cash Flow from Financing Activities:		
Notes payable to affiliates	140,700	98,500
Net Cash Provided by Financing Activities	140,700	98,500
Net Decrease in Cash and Cash Equivalents	(2,946)	—
Cash and Cash Equivalents, Beginning of Period	4,359	1
Cash and Cash Equivalents, End of Period	\$ 1,413	\$ 1

**The United Illuminating Company
Statements of Changes in Equity (Unaudited)**

(Thousands, except per share amounts)	Number of shares (*)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Common Stock Equity
Balance, December 31, 2022	100 \$	1 \$	806,652 \$	537,117 \$	(7,431) \$	1,336,339
Net income	—	—	—	25,497	—	25,497
Stock-based compensation	—	—	21	—	—	21
Balance, March 31, 2023	100 \$	1 \$	806,673 \$	562,614 \$	(7,431) \$	1,361,857
Balance, December 31, 2023	100 \$	1 \$	906,595 \$	544,655 \$	(7,689) \$	1,443,562
Net income	—	—	—	27,223	—	27,223
Other comprehensive income, net of tax	—	—	—	—	56	56
Comprehensive income	—	—	—	—	—	27,279
Stock-based compensation	—	—	(67)	—	—	(67)
Balance, March 31, 2024	100 \$	1 \$	906,528 \$	571,878 \$	(7,633) \$	1,470,774

(*) No par value.

Notes to Financial Statements

Note 1. Significant Accounting Policies

Background and nature of operations: The United Illuminating Company (UI) is a regulated operating electric public utility engaged in the purchase, transmission, distribution, and sale of electricity for residential, commercial and industrial purposes. UI is regulated as an electric distribution company by the Connecticut Public Utilities Regulatory Authority (PURA) and is also subject to regulation by the Federal Energy Regulatory Commission (FERC). UI serves approximately 344,300 customers as of March 31, 2024 in its service territory of approximately 335 square miles in southwestern Connecticut.

UI is a wholly owned subsidiary of UIL Holdings Corporation (UIL Holdings). UIL Holdings, whose primary business is ownership of its operating regulated utility businesses, is a wholly-owned subsidiary of Avangrid Networks, Inc. (Networks), which is a wholly-owned subsidiary of Avangrid, Inc., which is a 81.6% owned subsidiary of Iberdrola, S.A., a corporation organized under the law of the Kingdom of Spain.

UI is also a party to a joint venture with Clearway Energy, Inc., a subsidiary of Global Infrastructure Partners (GIP), pursuant to which UI holds 50% of the membership interests in GCE Holding LLC, whose wholly-owned subsidiary, GenConn Energy LLC, or GenConn, operates peaking generation plants in Devon, Connecticut (GenConn Devon) and Middletown, Connecticut (GenConn Middletown).

Basis of presentation: The accompanying unaudited condensed financial statements for the interim periods have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim financial information. Accordingly, the interim condensed financial statements do not include all the information and note disclosures required by U.S. GAAP for complete financial statements.

In the opinion of management, the accompanying condensed financial statements contain all adjustments necessary to present fairly our condensed financial statements for the interim periods described herein. All such adjustments are of a normal and recurring nature, except as otherwise disclosed. The results for the three months ended March 31, 2024, are not necessarily indicative of the results for the entire fiscal year ending December 31, 2024.

Significant Accounting Policies and New Accounting Pronouncements: The new accounting pronouncements we have adopted as of January 1, 2024, and reflected in our condensed financial statements are described below. There have been no other material changes to the significant accounting policies described in our financial statements and FERC Form No.1 for the fiscal year ended December 31, 2023, except for those described below resulting from the adoption of new authoritative accounting guidance issued by Financial Accounting Standards Board (FASB).

Adoption of New Accounting Pronouncements

Although we are not a public business entity, our parent company is a public business entity; therefore, we adopt new accounting standards based on the effective date for public entities as permitted. There were no significant new accounting pronouncements adopted since January 1, 2024.

Accounting Pronouncements Issued But Not Yet Adopted

Notes to Financial Statements

The following are new accounting pronouncements not yet adopted that we have evaluated or are evaluating to determine their effect on UI's condensed financial statements.

(a) Improvements to Income Tax Disclosures

In December 2023, the FASB issued guidance to enhance income tax disclosures. The two primary enhancements relate to disaggregation of the annual disclosures for the effective tax rate reconciliation and income taxes paid. For the rate reconciliation, it requires additional disaggregation of information in a tabular format using both percentages and amounts broken out into specific categories (e.g., state and local income tax net of federal income tax effect, foreign tax effects, effect of changes in tax laws, tax credits, changes in valuation allowances, nontaxable or nondeductible items, and changes in unrecognized tax benefits). For income taxes paid, it requires disaggregation by jurisdiction (e.g., federal, state and foreign). We do not expect the new guidance to have a material impact on our results of operations, financial position and cash flows.

Note 2. Industry Regulation

Rates

Utilities are entitled by Connecticut statutes to charge rates that are sufficient to allow them an opportunity to cover their reasonable operating and capital costs, to attract needed capital, and to maintain their financial integrity, while also protecting relevant public interests.

UI's previously approved three-year distribution rate schedules became effective January 1, 2017 through December 31, 2019, and included, among other things, annual tariff increases and an ROE of 9.10% based on a 50.00% equity ratio, continuation of UI's existing earnings sharing mechanism (ESM) pursuant to which UI and its customers share on a 50/50 basis all distribution earnings above the allowed ROE in a calendar year, continuation of the existing decoupling mechanism, and the continuation of a requested storm reserve. Any dollars due to customers from the ESM continue to be first applied against any storm regulatory asset balance (if one exists at that time) or refunded to customers through a bill credit if such storm regulatory asset balance does not exist. Given the expiration of the rate plan, UI has been operating under the 2019 approved rate schedules.

On September 9, 2022, UI filed a distribution revenue requirement case. UI's filing proposes a three-year rate plan commencing September 1, 2023 through August 31, 2026. The filing is based on a test year ending December 31, 2021, for the rate years beginning September 1, 2023 ("UI Rate Year 1"), September 1, 2024 ("UI Rate Year 2"), and September 1, 2025 ("UI Rate Year 3"). UI is requesting that PURA approve new distribution rates to recover an increase in revenue requirements of approximately \$91 million in UI Rate Year 1, an incremental approximately \$20 million in UI Rate Year 2, and an incremental approximately \$19 million in UI Rate Year 3, compared to total revenues that would otherwise be recovered under UI's current rate schedules. UI's Rate Plan also includes several measures to moderate the impact of the proposed rate update for all customers, including, without limitation a rate levelization proposal to spread the proposed total rate increase over the three rate years, which would result in a change in revenue in UI Rate Year 1 of approximately \$54 million. Other parties filed direct testimony on December 13, 2022 and UI filed its rebuttal testimony on January 6, 2023. In February and March, 2023, UI attended 15 days of evidentiary hearings in support of its application. PURA issued a Final Decision on August 25, 2023, which approved an annual revenue requirement of \$384.9 million and a 1-year rate plan commencing on September 1, 2023. This represents an increase of \$22.9 million to the Company's currently approved base distribution revenue requirement. PURA established an allowed return on equity of 9.10%, but reduced the allowed ROE by an aggregate

Notes to Financial Statements

47 basis point reduction (i.e., to 8.63%), subject to certain conditions and timelines. The Final Decision established a capital structure consisting of 50% common equity and 50% debt. The Final Decision results in an average increase in base distribution rates of about 6.6% and an average increase in customer bills of about 2% compared to current levels. On September 18, 2023, UI filed an appeal of the PURA's Final Decision in Connecticut Superior Court, because of actual and legal errors related to the treatment of deferred assets, plant in service, and operating expenses. We cannot predict the outcome of this matter.

Connecticut Energy Legislation

On October 7, 2020, the Governor of Connecticut signed into law an energy bill that, among other things, instructs PURA to revise the rate-making structure in Connecticut to adopt performance-based rates for each electric distribution company, increases the maximum civil penalties assessable for failures in emergency preparedness, and provides for certain penalties and reimbursements to customers after storm outages greater than 96 hours and extends rate case timelines.

Pursuant to the legislation, on October 30, 2020, PURA re-opened a docket related to new rate designs and review, expanding the scope to consider (a) the implementation of an interim rate decrease; (b) low-income rates; and (c) economic development rates. Separately, UI was due to make its annual RAM filing on March 8, 2021 for the approval of its RAM Rate Components reconciliations: Generation Services Charges, By-passable Federally Mandated Congestion Costs, System Benefits Charge, Transmission Adjustment Charge and RDM.

On March 9, 2021, UI, jointly with the Office of the CT Attorney General, the Office of CT Consumer Counsel, DEEP and PURA's Office of Education, Outreach, and Enforcement entered into a settlement agreement and filed a motion to approve the settlement agreement, which addressed issues in both dockets.

In an order dated June 23, 2021, PURA approved the as amended settlement agreement in its entirety and it was executed by the parties. The settlement agreement includes a contribution by UI of \$5 million and provides customers rate credits of \$50 million while allowing UI to collect \$52 million in RAM, all over a 22-month period ending April 2023 and also includes a distribution base rate freeze through April 2023.

Pursuant to the legislation, PURA opened a docket to consider the implementation of the associated customer compensation and reimbursement provisions in emergency events where customers were without power for more than 96 consecutive hours. On June 30, 2021, PURA issued a final decision implementing the legislative mandate to create a program pursuant to which residential customers will receive \$25 for each day without power after 96 hours and also receive reimbursement of \$250 for spoiled food and medicine. The decision emphasizes that no costs incurred in connection with this program are recoverable from customers. The Company is reviewing the requirements of this program and evaluating next steps.

On June 29, 2023, the Governor of Connecticut signed into law an energy bill titled *An Act Strengthening Protections for Connecticut Consumers*, which, among other things, provided PURA with additional powers to regulate the State's public service companies. More specifically, the Act modified certain ratemaking mechanisms such as revenue decoupling, allows PURA to initiate more frequent rate reviews in between rate cases, modifies electric distribution billing formats, precludes recovery of rate case expenses and appeals from rate proceedings, and mandates various reporting requirements. We will continue to review the requirements of the program for the next legislative session.

Power Supply Arrangements

Under Connecticut law, UI's retail electricity customers can choose their electricity supplier while UI remains their electric distribution company. UI purchases power for those of its customers under standard service rates who do not choose an alternative retail electric supplier and have a maximum demand of less than 500 kilowatts, as well as its customers under supplier of last resort service who are not eligible for standard service rates and do not choose to purchase electric generation service from an alternate retail electric supplier. The cost of the purchased power is a "pass-through" to those customers through the General Services Charge (GSC) charge on their bills.

UI must procure the power to serve its standard service load pursuant to a procurement plan approved by PURA. Under the procurement plan, UI procures wholesale power for its standard service customers on a full requirements basis pursuant to contracts with a maximum duration of 12 months, with the delivery of such wholesale power to commence no later than one year from the applicable bid day.

At the conclusion of the period ended March 31, 2024, UI has wholesale power supply agreements in place for its entire standard service load for the first half of 2024, 70% of the second half of 2024, and 10% of the first half of 2025. Supplier of last resort service is procured on a quarterly basis and UI has a wholesale power supply agreement in place for the first and second quarters of 2024.

UI determined that its contracts for standard service and supplier of last resort service are derivatives under ASC 815 "Derivatives and Hedging" and elected the "normal purchase, normal sale" exception under ASC 815 "Derivatives and Hedging." UI regularly assesses the accounting treatment for its power supply contracts. These wholesale power supply agreements contain default provisions that include required performance assurance, including certain collateral obligations, in the event that UI's credit rating on senior debt were to fall below investment grade. If such an event had occurred as of March 31, 2024, UI would have had to post collateral of approximately \$27.3 million. We would have been and remain able to provide such collateral.

New Renewable Source Generation

Under Connecticut Public Act (PA) 11-80, Connecticut electric utilities are required to enter into long-term contracts to purchase Connecticut Class I Renewable Energy Certificates (RECs) from renewable generators located on customer premises. Under this program, UI was initially required to enter into contracts totaling approximately \$200 million in commitments over an approximate 21-year period. The obligations were initially expected to phase in over a six-year solicitation period and peak at an annual commitment level of about \$14 million per year after all selected projects are online. PA 17-144, PA 18-50 and PA 19-35 extended the original six-year solicitation period of the program by adding seventh, eighth, ninth, and tenth years, and increased the original funding level of this program by adding up to \$64 million in additional commitments by UI. Upon purchase, UI accounts for the RECs as inventory. UI expects to partially mitigate the cost of these contracts through the resale of the RECs. PA 11-80 provides that the remaining costs (and any benefits) of these contracts, including any gain or loss resulting from the resale of the RECs, are fully recoverable from (or credited to) customers through electric rates.

In October of 2018, UI entered into five Power Purchase Agreements (PPAs) totaling approximately 50 MW from developers of offshore wind and fuel cell generation pursuant to state law that provides the net costs of the PPAs are recoverable through electric rates. On December 19, 2018, PURA approved the PPAs, and approved UI's use of the non-bypassable federally mandated congestion charges for all customers to recover the net costs of the PPAs.

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In 2019, UI entered into PPAs with 11 projects, totaling approximately 12 million MWh, pursuant to state law that provides that the net costs of the PPAs are recoverable through electric rates. UI terminated eight of these contracts in 2022 and 2023, and the remaining three projects with existing contracts from these 2019 procurements are with Millstone Nuclear, Seabrook Nuclear and Revolution Wind.

In 2020, Pursuant to Connecticut Act Concerning the Procurement of Energy Derived From Offshore Wind, UI entered into a PPA with Vineyard Wind, an affiliate of UI, to provide 804 MW of offshore wind through the development of its Park City Wind Project. Similar to the case with the zero carbon PPAs discussed above, the net costs of the PPAs are recoverable through electric rates. On October 13, 2023, PURA approved the termination of this agreement between UI and its affiliate for the development of Park City Wind Project.

Revenues are recorded gross from contracts with customers when UI is a principal if it controls a promised good or service before transferring that good or service to the customer. Revenues are recorded net of expenses and regulatory deferrals from contracts with customers when UI is an agent if it arranges for another entity to provide the goods or services.

Transmission

PURA decisions do not affect the revenue requirements determination for UI's transmission business, including the applicable ROE. UI's transmission rates are determined by a tariff regulated by the FERC and administered by ISO New England, Inc. (ISO-NE). Transmission rates are set annually pursuant to a FERC authorized formula that allows for recovery of direct and allocated transmission operating and maintenance expenses, and for a return of and on investment in assets. For 2021, UI's overall allowed weighted-average ROE for its transmission business was 11.25%.

On December 28, 2015, the FERC issued an order instituting section 206 proceedings and establishing hearing and settlement judgement procedures. Pursuant to section 206 of the FPA, the FERC instituted proceedings because it found that ISO-NE Transmission, Markets, and Services Tariff is unjust, unreasonable, and unduly discriminatory or preferential. The FERC stated that ISO-NE's Tariff lacks adequate transparency and challenge procedures with regard to the formula rates for ISO-NE Participating Transmission Owners (PTOs), including UI. The FERC also found that the current Regional Network Service (RNS) and Local Network Service (LNS) formula rates appear to be unjust, unreasonable, unduly discriminatory or preferential or otherwise unlawful as the formula rates appear to lack sufficient detail in order to determine how certain costs are derived and recovered in the formula rates. On June 15, 2020, the PTOs submitted an uncontested formula rate settlement. The FERC approved the uncontested formula rate settlement on December 28, 2020 which made the formula rate tariff sheets effective on January 1, 2022.

On September 30, 2011, the Massachusetts Attorney General, DPU, PURA, New Hampshire Public Utilities Commission, Rhode Island Division of Public Utilities and Carriers, Vermont Department of Public Service, numerous New England consumer advocate agencies and transmission tariff customers collectively filed a joint complaint with the FERC pursuant to sections 206 and 306 of the Federal Power Act: against several New England Transmission Owners (NETOs) claiming that the approved base ROE of 11.14% used by NETOs in calculating formula rates for transmission service under the ISO-New England Open Access Transmission Tariff (OATT) was not just and reasonable and seeking a reduction of the base ROE with refunds to

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customers for the 15-month refund periods beginning October 1, 2011 (Complaint I), December 27, 2012 (Complaint II), July 31, 2014 (Complaint III) and April 29, 2016 (Complaint IV).

On October 16, 2014, the FERC issued its decision in Complaint I, setting the base ROE at 10.57% and a maximum total ROE of 11.74% (base plus incentive ROEs) for the October 2011 – December 2012 period as well as prospectively from October 16, 2014. On March 3, 2015, the FERC upheld its decision and further clarified that the 11.74% ROE cap will be applied on a project specific basis and not on a transmission owner's total average transmission return. The complaints were consolidated and the administrative law judge issued an initial decision on March 22, 2016. The initial decision determined that, (1) for the fifteen month refund period in Complaint II, the base ROE should be 9.59% and that the ROE Cap (base ROE plus incentive ROEs) should be 10.42% and (2) for the fifteen month refund period in Complaint III and prospectively, the base ROE should be 10.90% and that the ROE Cap should be 12.19%. The initial decision in Complaints II and III is the administrative law judge's recommendation to the FERC Commissioners.

UI reserved for refunds for Complaints I, II and III consistent with the FERC's March 3, 2015 decision in Complaint I. Refunds were provided to customers for Complaint I. UI's total reserve associated with Complaints II and III is \$8.7 million as of March 31, 2024, which has not changed since December 31, 2023, except for the accrual of carrying costs. If adopted as final by the FERC, the impact of the initial decision by the FERC administrative law judge would be an additional aggregate reserve for Complaints II and III of \$4.2 million, which is based upon currently available information for these proceedings.

Following various intermediate hearings, orders and appellate decisions, on October 16, 2018, the FERC issued an order directing briefs and proposing a new methodology to calculate the NETOs ROE that is contained in NETOs' transmission formula rate on file at the FERC (the October 2018 Order). Pursuant to the October 2018 Order, the NETOs filed initial briefs on the proposed methodology in all four Complaints on January 11, 2019 and replied to the initial briefs on March 8, 2019.

On November 21, 2019, the FERC issued rulings on two complaints challenging the base return on equity for Midcontinent Independent System Operator, or MISO transmission owners. These rulings established a new zone of reasonableness based on equal weighting of the DCF and capital-asset pricing model for establishing the base return on equity. This resulted in a base return on equity of 9.88% as the midpoint of the zone of reasonableness. Various parties have requested rehearing on this decision, which was granted. On May 21, 2020, FERC issued a ruling, which, among other things, adjusted the methodology to determine the MISO transmission owners' ROE, resulting in an increase in ROE from 9.88% to 10.02% by utilizing the risk premium model in addition to the DCF model and capital-asset pricing model under both prongs of Section 206 of the FPA, and calculated the zone of reasonableness into equal thirds rather than employing the quartile approach. On November 19, 2020, FERC issued an order addressing arguments raised on rehearing of its May 21, 2020 order making minor adjustments to certain typographical errors with regard to some of the case inputs it included in its Risk Premium model analysis. However, those minor adjustments did not affect the outcome of the case, leaving the 10.02% ROE established by the May 21, 2020 order in place. Parties to these orders affecting the MISO transmission owners' base ROE petitioned for their review at the D.C. Circuit Court of Appeals in January 2021. The NETO's submitted an amici curia brief in support of the MISO transmission owners' on March 17, 2021. On August 9, 2022, the D.C. Circuit Court vacated FERC's orders and remanded the matter back to FERC. The D.C. Circuit Court held that FERC failed to offer a reasoned explanation for its decision to reintroduce the RPM after initially, and forcefully, rejecting it and that because FERC adopted that significant portion of its model in an

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arbitrary and capricious fashion, the new ROE produced by that model cannot stand. We cannot predict the potential impact the MISO transmission owners' ROE proceeding may have in establishing a precedent for the NETO's pending four Complaints.

On April 15, 2021, the FERC issued a supplemental Notice of Proposed Rulemaking (Supplemental NOPR) that proposes to eliminate the 50 basis-point ROE incentive for utilities who join Regional Transmission Organizations after three years of membership. The NETOs submitted initial comments in opposition to the Supplemental NOPR on June 25, 2021 and reply comments on July 26, 2021. If the elimination of the 50 basis-point ROE incentive adder becomes final, we estimate we would have an approximately \$2 million reduction in earnings per year. We cannot predict the outcome of this proceeding.

Equity Investment in Peaking Generation

UI is a party to a joint venture with Clearway Energy, Inc., a subsidiary of Global Infrastructure Partners (GIP), pursuant to which UI holds 50% of the membership interests in GCE Holding LLC, whose wholly-owned subsidiary, GenConn Energy LLC, or GenConn, operates peaking generation plants in Devon, Connecticut (GenConn Devon) and Middletown, Connecticut (GenConn Middletown). The two peaking generation plants are both participating in the ISO-New England markets.

GenConn filed its annual revenue requirements request with PURA on June 30, 2023, seeking approval of its 2024 revenue requirements for the period commencing January 1, 2024 for both the GenConn Devon and GenConn Middletown facilities. As required by PURA Order 1 in the 2023 Decision GenConn's calculation for revenue requirements totaled \$44 million. While the company was required to file its application consistent with PURA's order in the 2023 decision, GenConn has reserved the right to update revenue requirements following outcomes of legal appeals of the last 3 decisions. Following a Draft Decision provided on October 16, 2023, a Final Decision was issued on November 8, 2023. On December 21, 2023 the company filed an appeal of the 2024 PURA decision at CT Superior Court. The company cannot predict the outcome of the appeal.

GenConn filed its annual revenue requirements request with PURA on June 30, 2022, seeking approval of its 2023 revenue requirements for the period commencing January 1, 2023 for both the GenConn Devon and GenConn Middletown facilities. As required by PURA Order 1 in the 2022 Decision GenConn's calculation for revenue requirements totaled \$44.7 million. On October 24, 2022 PURA issued a final decision approving revenue requirement of \$44.0 million (\$19.2 million for GenConn Devon, and \$24.8 million for GenConn Middletown). Additionally, GenConn was granted a 9.85% Return on Equity (ROE) for 2023. PURA disallowed \$0.7 million associated with recommended capital and expenses projects and costs associated with Working Capital Facility renewal necessary in 2023. GenConn has filed a 2023 Decision appeal before the CT Superior Court on January 27, 2023. The 2022 Decision appeal before CT Superior Court remains open but stayed pending the outcome of the 2021 Decision Appeal. The company cannot predict the outcome of the appeal.

GenConn filed its annual revenue requirements request with PURA on June 15, 2021, seeking approval of its 2022 revenue requirements for the period commencing January 1, 2022 for both the GenConn Devon and GenConn Middletown facilities and totaling \$55.8 million. A final decision was received on December 8, 2021, approving 2022 revenue requirements of \$44.4 million for GenConn (\$19.3 million for GenConn Devon, and \$25.1 million for GenConn Middletown). Additionally, GenConn was granted a 9.85% Return on Equity (ROE) for 2022. PURA disallowed \$2.9 million from the original 2021 revenue requirements associated with interest expense

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associated with GenConn's debt, \$0.1 million associated with 2013 refinancing amortization, \$6.1 million associated with its equity return and \$2.3 million associated with the resulting income tax, totaling \$11.4 million. On January 21, 2022, GenConn filed an appeal with the CT Superior Court, appealing PURA's disallowance of the \$11.4 million. On October 17, 2022 the company filed a brief to Superior Court of the 2022 appeal. A stay of the case was granted on January 6, 2023 pending the decision of the CT Supreme Court case on the 2021 revenue requirements decision. The company cannot predict the outcome of the appeal.

GenConn filed its annual revenue requirements request with PURA on June 12, 2020, seeking approval of its 2021 revenue requirements for the period commencing January 1, 2021 for both the GenConn Devon and GenConn Middletown facilities. A final decision was received on December 23, 2020, approving 2021 revenue requirements of \$49.4 million for GenConn (\$22.0 million for GenConn Devon, and \$27.4 million for GenConn Middletown). Additionally, GenConn was granted a 9.85% Return on Equity (ROE) for 2021. PURA disallowed \$3.3 million from the original 2021 revenue requirements request which includes a disallowance of \$2.9 million of interest expense associated with GenConn's debt, and \$0.4 million related to a proposed expense project to paint Exhaust Stacks at GenConn Devon. On February 4, 2021, GenConn filed an appeal with the CT Superior Court, appealing PURA's disallowance of the \$2.9 million interest expense. The appeal was dismissed on January 28, 2022. On February 16, 2022, GenConn initiated an appeal at the Connecticut Appellate Court, which requested transfer to the Connecticut Supreme Court. The high court agreed to hear the case. Oral arguments occurred on September 8, 2023. On February 27, 2024, the Supreme Court issued an opinion in favor of PURA.

PURA had approved revenue requirements for the period from January 1, 2020 through December 31, 2020, however, GenConn filed to reopen the related docket with PURA on April 3, 2020, for the purpose of resetting 2020 revenue requirements after a recalculation of excess deferred income taxes. GenConn received a final decision from PURA on December 23, 2020 approving \$1.2 million of the additional \$2.1 million requested for 2020 revenue requirements. The \$0.9 million difference is due to an acceleration of \$0.6 million related to Excess Accumulated Deferred Income Tax (ADIT) associated with Intangible Plant that otherwise would have been refunded over a longer period of time, and \$0.3 million is related to actual tangible plant timing differences.

Tax Cuts and Jobs Act

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the Tax Act) was signed into law. The Tax Act significantly changed the federal taxation of business entities including, among other things, implementing a federal corporate tax rate decrease from 35% to 21% for tax years beginning after December 31, 2017. Reductions in accumulated deferred income tax balances due to the reduction in the corporate income tax rates will result in amounts previously and currently collected from utility customers for these deferred taxes to be refundable to such customers, generally through reductions in future rates.

PURA instituted proceedings in Connecticut to review and address the implications associated with the Tax Act on the utilities providing service in the state and rendered a final decision on January 23, 2019. PURA directed UI to establish a regulatory liability in the amount of the income tax expense to be returned to customers and propose a method of returning such amount to customers in its next rate case filing. On June 28, 2021, PURA approved a multi-docket settlement proposal that required UI to flow \$44.7 million of the regulatory liability related to accumulated Tax Act savings back to customers over an accelerated 22-month period, commencing on July 1, 2021 through April 30, 2023.

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On December 22, 2021, the FERC issued an order finding that the New England Transmission Owners (NETOs) Regional Network Service proposed revisions partially comply with the requirements of Order 864 and directed the NETOs to submit a further compliance filing within 60 days of the date of the order. The compliance is effective January 27, 2020, consistent with Order 864 and January 1, 2022, to reflect the fact that the NETOs existing transmission formula rates under the ISO-NE Tariff will be replaced by a settled formula rate effective January 1, 2022.

PURA Investigation of the Preparation for and Response to the Tropical Storm Isaias and Connecticut Storm Reimbursement Legislation

On August 6, 2020, PURA opened a docket to investigate the preparation for and response to Tropical Storm Isaias by the electric distribution companies in Connecticut including UI. Following hearings and the submission of testimony, PURA issued a final decision on April 15, 2021, finding that UI "generally met standards of acceptable performance in its preparation and response to Tropical Storm Isaias," subject to certain exceptions noted in the decision, but ordered a 15-basis point reduction to UI's ROE in its next rate case to incentivize better performance and indicated that penalties could be forthcoming in the penalty phase of the proceedings. On June 11, 2021, UI filed an appeal of PURA's decision with the Connecticut Superior Court.

On May 6, 2021, in connection with its findings in the Tropical Storm Isaias docket, PURA issued a Notice of Violation to UI for allegedly failing to comply with standards of acceptable performance in emergency preparation or restoration of service in an emergency and with orders of the Authority, and for violations of accident reporting requirements. PURA assessed a civil penalty in the total amount of \$2 million. PURA held a hearing on this matter and, in an order dated July 14, 2021, reduced the civil penalty to approximately \$1 million. UI filed an appeal of PURA's decision with the Connecticut Superior Court. This appeal and the appeal of PURA's decision on the Tropical Storm Isaias docket have been consolidated. On October 17, 2022, the court denied UI's appeal and affirmed PURA's decisions in their entirety. UI filed a notice of appeal to Connecticut's Appellate court on November 7, 2022. This matter has been briefed and oral argument was held December 11, 2023. We cannot predict the outcome of this proceeding.

Minimum Equity Requirements for Regulated Subsidiaries

Pursuant to agreements with PURA, UI is restricted from paying dividends if paying such dividend would result in a common equity ratio lower than 300 basis points below the equity percentage used to set rates in the most recent distribution rate proceeding as measured using a trailing 13-month average calculated as of the most recent quarter end. In addition, UI is prohibited from paying dividends to their parent if the utility's credit rating, as rated by any of the three major credit rating agencies, falls below investment grade, or if the utility's credit rating, as determined by two of the three major credit rating agencies, falls to the lowest investment grade and there is a negative watch or review downgrade notice.

Note 3. Regulatory Assets and Liabilities

Pursuant to the requirements concerning accounting for regulated operations we capitalize, as regulatory assets, incurred and accrued costs that are probable of recovery in future electric rates. We base our assessment of whether recovery is probable on the existence of regulatory orders that allow for recovery of certain costs over a specific period, or allow for reconciliation or deferral of certain costs. When costs are not treated in a specific order we use regulatory precedent to determine if recovery is probable. We also record, as regulatory liabilities, obligations to refund previously collected revenue or to spend revenue collected from customers on future costs. Of the total regulatory assets net of regulatory liabilities, approximately \$252.5 million represents the

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offset of accrued liabilities for which funds have not been expended. The remainder is either included in rate base or accruing carrying costs.

Details of other regulatory assets and other regulatory liabilities are shown in the tables below. They result from various regulatory orders that allow for the deferral and/or reconciliation of specific costs. Regulatory assets and regulatory liabilities are classified as current when recovery or refund in the coming year is allowed or required through a specific order or when the rates related to a specific regulatory asset or regulatory liability are subject to automatic annual adjustment.

Regulatory assets as of March 31, 2024 and December 31, 2023 consisted of:

As of	March 31,	December 31,
(Thousands)	2024	2023
Contracts for differences	\$ 25,647	\$ 29,928
COVID-19 cost recovery	8,101	8,550
Deferred transmission expense	3,386	1,097
Environmental remediation costs	6,928	6,916
Excess generation service charge	86,356	52,401
Non-bypassable charges	26,086	14,421
Pension and other postretirement benefit plans	86,645	87,589
Pension and other postretirement benefits cost deferrals	20,618	21,026
Revenue decoupling mechanism	11,203	10,399
Storm costs	25,557	25,384
System benefit charge	43,016	29,165
Unamortized losses on reacquired debt	4,332	4,456
Unfunded future income taxes	125,488	124,727
Other	22,919	22,019
Total regulatory assets	496,282	438,078
Less: current portion	194,429	132,434
Total non-current regulatory assets	\$ 301,853	\$ 305,644

Contracts for differences represent the deferral of unrealized gains and losses on contracts for differences derivative contracts. The balance fluctuates based upon quarterly market analysis performed on the related derivatives. The amounts, which do not earn a return, are fully offset by a corresponding derivative asset/liability.

COVID-19 cost recovery represents deferred COVID-19-related costs in the state of Connecticut based on the order issued by PURA on April 29, 2020, requiring utilities to track COVID-19-related expenses and lost revenue and create a regulatory asset.

Deferred transmission expense represents deferred transmission income or expense and fluctuates based upon actual revenues and revenue requirements.

Environmental remediation costs includes spending that has occurred and is eligible for future recovery in customer rates. Environmental costs are currently recovered through a reserve mechanism whereby projected spending is included in rates with any variance recorded as a regulatory asset or a regulatory liability. The amortization period will be established in future proceedings and will depend upon the timing of spending for the remediation costs. It also

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includes the anticipated future rate recovery of costs that are recorded as environmental liabilities since these will be recovered when incurred. Because no funds have yet been expended for the regulatory asset related to future spending, it does not accrue carrying costs and is not included within rate base.

Excess generation service charge represents deferred generation-related costs or revenues for future recovery from or return to customers. The amount fluctuates based upon timing differences between revenues collected from rates and actual costs incurred.

Non-bypassable charges represent non-bypassable federally mandated congestion costs or revenues for future recovery from or return to customers. The amount fluctuates based upon timing differences between revenues collected from rates and actual costs incurred.

Pension and other postretirement benefit plans represent the actuarial losses on the pension and other postretirement plans that will be reflected in customer rates when they are amortized and recognized in future pension expenses.

Pension and other postretirement benefits cost deferrals include the difference between actual expense for pension and other postretirement benefits and the amount provided for in rates. The recovery of these amounts will be determined in future proceedings.

Revenue decoupling mechanism represents the mechanism established to disassociate the utility's profits from its delivery/commodity sales.

Storm costs are allowed in rates based on an estimate of the routine costs of service restoration. UI is also allowed to defer unusually high levels of service restoration costs resulting from major storms when they meet certain criteria for severity and duration. A portion of this balance is amortized through current rates, and the remaining portion will be determined through future rate cases.

System benefits charge represents the mechanism by which UI recovers costs associated with hardship uncollectible customer accounts, arrearage forgiveness programs, and other customer assistance programs. The amount fluctuates based upon timing differences between revenues collected from rates and actual costs incurred.

Unamortized losses on reacquired debt represent deferred losses on debt reacquisitions that will be recovered over the remaining original amortization period of the reacquired debt.

Unfunded future income taxes represent unrecovered federal and state income taxes primarily resulting from regulatory flow through accounting treatment and are the offset to the unfunded future deferred income tax liability recorded. The income tax benefits or charges for certain plant related timing differences, such as removal costs, are immediately flowed through to, or collected from, customers. This amount is being amortized as the amounts related to temporary differences that give rise to the deferrals are recovered in rates.

Other includes items such as deferred loss on sale of non-utility property and electric vehicle programs.

Regulatory liabilities as of March 31, 2024 and December 31, 2023 consisted of:

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As of	March 31,	December 31,
(Thousands)	2024	2023
2017 Tax Act	\$ 205,196	\$ 206,288
Accrued removal obligations	82,221	80,709
Accumulated deferred investment tax credits	9,716	9,898
Conservation and load management	9,939	6,176
Middletown/Norwalk local transmission network service collections	15,526	15,669
Pension and other postretirement benefit plans	12,785	12,619
Pension and other postretirement benefits cost deferrals	1,936	1,974
Rate refund - FERC ROE proceeding	8,687	8,507
Other	6,277	5,480
Total regulatory liabilities	352,283	347,320
Less: current portion	17,040	13,650
Total non-current regulatory liabilities	\$ 335,243	\$ 333,670

2017 Tax Act represents the impact from remeasurement of deferred income tax balances as a result of the Tax Act enacted by the U.S. federal government on December 22, 2017. Reductions in accumulated deferred income tax balances due to the reduction in the corporate income tax rates from 35% to 21% under the provisions of the Tax Act will result in amounts previously and currently collected from utility customers for these deferred taxes to be refundable to such customers.

Accrued removal obligations represent the differences between asset removal costs recorded and amounts collected in rates for those costs. The amortization period is dependent upon the asset removal costs of underlying assets and the life of the utility plant.

Accumulated deferred investment tax credits represent investment tax credits related to plant investments that are deferred when earned and amortized over the estimated lives of the related assets.

Middletown/Norwalk local transmission network service collections represents allowance for funds used during construction of the Middletown/Norwalk transmission line, which is being amortized over the useful life of the project.

Non-bypassable charges represent non-bypassable federally mandated congestion costs or revenues for future recovery from or return to customers. The amount fluctuates based upon timing differences between revenues collected from rates and actual costs incurred.

Pension and other postretirement benefit plans represent the actuarial gains on the pension and other postretirement plans that will be reflected in customer rates when they are amortized and recognized in future pension expenses.

Pension and other postretirement benefits cost deferrals include the difference between actual expense for pension and other postretirement benefits and the amount provided for in rates. The recovery of these amounts will be determined in future proceedings.

Rate refund - FERC ROE proceeding represents the reserve associated with the FERC proceeding around the base return on equity (ROE) reflected in ISO-NE's open access transmission tariff.

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Other includes items such as deferral of CAM gross earnings tax expense collected in base distribution rates for periods between January 1, 2020 and August 31, 2023.

Note 4. Revenue

We recognize revenue when we have satisfied our obligations under the terms of a contract with a customer, which generally occurs when the control of promised goods or services transfers to the customer. We measure revenue as the amount of consideration we expect to receive in exchange for providing those goods or services. Contracts with customers may include multiple performance obligations. For such contracts, we allocate revenue to each performance obligation based on its relative standalone selling price. We generally determine standalone selling prices based on the prices charged to customers. Certain revenues are not within the scope of ASC 606, such as revenues from leasing, derivatives, other revenues that are not from contracts with customers and other contractual rights or obligations, and we account for such revenues in accordance with the applicable accounting standards. We exclude from revenue amounts collected on behalf of third parties, including any such taxes collected from customers and remitted to governmental authorities. We do not have any material significant payment terms because we receive payment at or shortly after the point of sale.

The following describes the principal activities from which we generate revenue.

UI derives its revenue primarily from tariff-based sales of electricity service to customers in its Connecticut territory with no defined contractual term. For such revenues, we recognize revenues in an amount derived from the electricity delivered to customers. Other major sources of revenue are electricity transmission and wholesale sales of electricity.

Tariff-based sales are subject to PURA, which determines prices and other terms of service through the ratemaking process. Customers have the option to obtain the electricity directly from UI or from another supplier. For customers that receive their electricity from another supplier, UI acts as an agent and delivers the electricity by that supplier. Revenue in those cases is only for providing the service of delivery of the electricity.

Transmission revenue results from others' use of the utility's transmission system to transmit electricity and is subject to FERC regulation, which establishes the prices and other terms of service. Long-term wholesale sales of electricity are based on individual bilateral contracts. Short-term wholesale sales of electricity are generally on a daily basis based on market prices and are administered by an independent entity, ISO-New England, Inc.

The performance obligation in all arrangements is satisfied over time because the customer simultaneously receives and consumes the benefits as UI delivers or sells the electricity or provides the transmission service.

UI records revenue from Alternative Revenue Programs (ARPs), which is not ASC 606 revenue. Such programs represent contracts between UI and their regulators. UI ARPs include revenue decoupling mechanisms, other ratemaking mechanisms, and annual revenue requirement reconciliations.

UI also has various other sources of revenue including billing, collection, other administrative charges, sundry billings, rent of utility property, and miscellaneous revenue. It classifies such revenues as other ASC 606 revenues to the extent they are not related to revenue generating activities from leasing, ARPs, or other activities.

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Revenues disaggregated by major source for the three months ended March 31, 2024 and 2023, are as follows:

Three Months Ended March 31,	2024	2023
(Thousands)		
Regulated operations – electricity	\$ 366,569	\$ 395,472
Other (a)	2,565	1,394
Revenue from contracts with customers	369,134	396,866
Leasing revenue	1,199	1,269
Alternative revenue programs	1,692	11,011
Other revenue	1,776	498
Total operating revenues	\$ 373,801	\$ 409,644

(a) Primarily includes certain intra-month trading activities, billing, collection, and administrative charges, sundry billings, and other miscellaneous revenue.

As of March 31, 2024 and December 31, 2023, nearly all of the accounts receivable balances included in “Accounts receivable and unbilled revenues, net” on our condensed balance sheets are related to contracts with customers and include unbilled revenues of \$55.0 million and \$57.0 million, respectively.

Note 5. Income Taxes

The effective tax rate for the three months ended March 31, 2024 was 19.3%, which was lower than the 21% statutory federal income tax rate due predominately to excess ADIT amortization and depreciation, amortization and other plant differences not normalized, partially offset by state taxes. The effective tax rate for the three months ended March 31, 2023 was 19.1%, which was lower than the 21% statutory federal income tax rate due predominately to excess ADIT amortization and depreciation, amortization and other plant differences not normalized, partially offset by state taxes.

Note 6. Bank Loans and Other Borrowings

UI had \$165.1 million and \$24.4 million short-term debt outstanding as of March 31, 2024 and December 31, 2023, respectively. UI funds short-term liquidity needs through an agreement among Avangrid’s regulated utility subsidiaries (the Virtual Money Pool Agreement), a bi-lateral intercompany credit agreement with Avangrid (the Bi-Lateral Intercompany Facility), and a bank provided credit facility to which UI is a party (the AGR Credit Facility), each of which are described below.

The Virtual Money Pool Agreement is an agreement among the investment grade-rated, regulated utility subsidiaries of Avangrid under which the parties to this agreement may lend to or borrow from each other. This Agreement allows Avangrid to optimize cash resources within the regulated utility companies which are prohibited by regulation from lending to unregulated affiliates. The interest rate on transactions under this agreement is the A2/P2 non-financial 30-day commercial paper rate published by the Federal Reserve. UI has a lending/borrowing limit of \$100 million under this agreement. UI had no debt outstanding under this agreement at March 31, 2024 and December 31, 2023.

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The Bi-Lateral Intercompany Facility provides for borrowing of up to \$500 million from Avangrid at the A2/P2 non-financial 30-day commercial paper rate published by the Federal Reserve. UI had \$165.1 million and \$24.4 million debt outstanding under this agreement as of March 31, 2024 and December 31, 2023, respectively.

On November 23, 2021, AGR and its investment-grade rated utility subsidiaries (New York State Electric and Gas Corporation (“NYSEG”), Rochester Gas and Electric Corporation (“RG&E”), Central Maine Power Company (“CMP”), The United Illuminating Company (“UI”), Connecticut Natural Gas Corporation (“CNG”), The Southern Connecticut Gas Company (“SCG”) and The Berkshire Gas Company (“BGC”)) executed a new credit facility with an aggregate limit of \$3,575 million and a termination date of November 23, 2026. Under the terms of the Avangrid Credit Facility, each borrower has a maximum borrowing entitlement, or sublimit, which can be periodically adjusted to address specific short-term capital funding needs, subject to the maximum limit contained in the agreement. NYSEG has a maximum sublimit of \$700 million, RG&E has \$300 million, CMP has \$200 million and UI has a maximum sublimit of \$250 million, CNG and SCG have maximum sublimits of \$150 million, and BGC has a maximum sublimit of \$50 million. Effective on November 23 2021, the AGR Credit Facility was amended to increase AGR’s maximum sublimit to \$2,500 million and to establish minimum sublimits of \$500 million for NYSEG, \$200 million for RG&E, \$100 million for CMP, \$150 million for UI, \$50 million for CNG and SCG, and \$25 million for BGC. Under the AGR Credit Facility, each of the borrowers are charged a facility fee that is dependent on their credit rating. The facility fees range from 10.0 to 22.5 basis points. UI had no debt outstanding under this agreement at March 31, 2024 and December 31, 2023.

In the AGR Credit Facility we covenant not to permit, without the consent of the lender, our ratio of total indebtedness to total capitalization to exceed 0.65 to 1.00 at any time. For purposes of calculating the maximum ratio of indebtedness to total capitalization, the facility excludes from net worth the balance of accumulated other comprehensive loss as it appears on the balance sheet. The facility contains various other covenants, including a restriction on the amount of secured indebtedness we may maintain. Continued un-remedied failure to comply with those covenants for five business days after written notice of such failure from the lender constitutes an event of default and would result in acceleration of maturity. Our ratio of indebtedness to total capitalization pursuant to the revolving credit facility was 0.45 to 1.00 at March 31, 2024. We are not in default as of March 31, 2024.

Note 7. Preferred Stock

At March 31, 2024, UI had 1,119,612 shares of \$100 par value preferred stock, 2,400,000 shares of \$25 par value preferred stock, and 5,000,000 shares of \$25 par value preference stock authorized but unissued.

Note 8. Environmental Liability

From time to time environmental laws, regulations and compliance programs may require changes in our operations and facilities and may increase the cost of electric service.

English Station

In January 2012, Evergreen Power, LLC (Evergreen Power) and Asnat Realty LLC (Asnat), then owners of a former generation site on the Mill River in New Haven (English Station) that UI sold to Quinpiac Energy in 2000, filed a lawsuit in federal district court in Connecticut related to environmental remediation at the English Station site. This proceeding was stayed in 2014 pending resolutions of other proceedings before the DEEP concerning the English Station site. In

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December 2016, the court administratively closed the file without prejudice to reopen upon the filing of a motion to reopen by any party.

In December 2013, Evergreen Power and Asnat filed a subsequent lawsuit related to the English Station site. On April 16, 2018, the plaintiffs filed a revised complaint alleging fraud and unjust enrichment against UIL and UI and adding former UIL officers as named defendants alleging fraud. On February 21, 2019, the court granted our Motion to Strike with respect to all counts except for the count against UI for unjust enrichment. The counts stricken include all counts against the individual defendants as well as against UIL. The plaintiffs have appealed the court's decision to strike and oral arguments have taken place. On May 4, 2021, the Appeals Court affirmed the court's decision striking the counts. The plaintiffs filed a petition to appeal to the Connecticut Supreme Court, which was denied, leaving only the claim against UI for unjust enrichment. We cannot predict the outcome of this matter.

On April 8, 2013, DEEP issued an administrative order addressed to UI, Evergreen Power, Asnat and others, ordering the parties to take certain actions related to investigating and remediating the English Station site. This proceeding was stayed while DEEP and UI continue to work through the remediation process pursuant to the consent order described below. Status reports are periodically filed with DEEP.

On August 4, 2016, DEEP issued a partial consent order (the consent order), that, subject to its terms and conditions, requires UI to investigate and remediate certain environmental conditions within the perimeter of the English Station site. Under the consent order, to the extent that the cost of this investigation and remediation is less than \$30 million, UI will remit to the State of Connecticut the difference between such cost and \$30 million to be used for a public purpose as determined in the discretion of the Governor of the State of Connecticut, the Attorney General of the State of Connecticut and the Commissioner of DEEP. UI is obligated to comply with the terms of the consent order even if the cost of such compliance exceeds \$30 million. Under the terms of the consent order, the state will discuss options with UI on recovering or funding any cost above \$30 million such as through public funding or recovery from third parties; however, it is not bound to agree to or support any means of recovery or funding. UI has continued its process to investigate and remediate the environmental conditions within the perimeter of the English Station site pursuant to the consent order.

As of March 31, 2024 and December 31, 2023, the amount reserved related to English Station was \$19.3 million and \$19.4 million, respectively. We cannot predict the outcome of this matter.

Other

In May 2019, UI obtained an updated remediation evaluation of the property adjacent to the New Haven Harbor Generating Station. As a result, UI recorded an additional \$6.0 million reserve in June 2019, the minimum of the range of remediation estimates. The amount reserved for this property was \$7.8 million as of March 31, 2024 and \$8.0 million as of December 31, 2023, respectively.

UI also holds a reserve for remediation of 801 Bridgeport Ave, the site of a former operations center. The amount reserved for this site was \$0.4 million as of March 31, 2024 and December 31, 2023.

Our environmental liability accruals are recorded on an undiscounted basis and are expected to be paid through the year 2037.

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Note 9. Accounting for Derivative Instruments and Hedging Activities

Our operating and financing activities are exposed to certain risks, which are managed by using derivative instruments. All derivative instruments are recognized as either assets or liabilities at fair value on our condensed balance sheets in accordance with the accounting requirements concerning derivative instruments and hedging activities.

Derivatives not designated as hedging instruments

Pursuant to Connecticut's 2005 Energy Independence Act, PURA solicited bids to create new or incremental capacity resources in order to reduce federally mandated congestion charges, and selected four new capacity resources. To facilitate the transactions between the selected capacity resources and Connecticut electric customers, and provide the commitment necessary for owners of these resources to obtain necessary financing, PURA required that UI and The Connecticut Light and Power Company (CL&P) execute long-term contracts with the selected resources. In August 2007, PURA approved four CfDs, each of which specifies a capacity quantity and a monthly settlement that reflects the difference between a forward market price and the contract price. UI executed two of the contracts and CL&P executed the other two contracts. The costs or benefits of each contract will be paid by or allocated to customers and will be subject to a cost-sharing agreement between UI and CL&P pursuant to which approximately 20% of the cost or benefit is borne by or allocated to UI customers and approximately 80% is borne by or allocated to CL&P customers.

PURA has determined that costs associated with these CfDs will be fully recoverable by UI and CL&P through electric rates, and in accordance with ASC 980 "Regulated Operations," UI has deferred recognition of costs (a regulatory asset) or obligations (a regulatory liability). The CfDs are marked-to-market in accordance with ASC 815 "Derivatives and Hedging." For those CfDs signed by CL&P, UI records its approximate 20% portion pursuant to the cost-sharing agreement noted above. As of March 31, 2024, UI has recorded a gross derivative asset of \$0.8 million (\$0 of which is related to UI's portion of the CfD signed by CL&P), a regulatory asset of \$25.6 million, a gross derivative liability of \$26.4 million (\$25.5 million of which is related to UI's portion of the CfD signed by CL&P), and a regulatory liability of \$0. As of December 31, 2023, UI had recorded a gross derivative asset of \$0.9 million (\$0 of which is related to UI's portion of the CfD signed by CL&P), a regulatory asset of \$29.9 million, a gross derivative liability of \$30.8 million (\$29.7 million of which is related to UI's portion of the CfD signed by CL&P), and a regulatory liability of \$0.

The unrealized gains and losses from fair value adjustments to these derivatives, which are recorded in regulatory assets, for the three months ended March 31, 2024 and 2023, respectively, were as follows:

	Three Months Ended March 31,	
	2024	2023
(Thousands)		
Derivative assets	\$ (130)	\$ (89)
Derivative liabilities	\$ 4,411	\$ 3,043

Note 10. Fair Value of Financial Instruments and Fair Value Measurements

The estimated fair value of debt amounted to \$997 million as of March 31, 2024 and \$1,016 million as of December 31, 2023. The estimated fair value was determined, in most cases, by discounting the future cash flows at market interest rates. The interest rate curve used to make

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these calculations takes into account the risks associated with the electricity industry and the credit ratings of the borrowers in each case. The fair value hierarchy for the fair value of debt is considered as Level 2.

Assets and liabilities measured at fair value on a recurring basis

The financial instruments measured at fair value as of March 31, 2024 and December 31, 2023, respectively, consisted of:

As of March 31, 2024		Level 1		Level 2		Level 3		Total
(Thousands)								
Derivative assets								
Contracts for differences	\$	—	\$	—	\$	769	\$	769
Equity investments with readily determinable fair values								
Supplemental retirement benefit trust life insurance policies		—		18,403		—		18,403
Total	\$	—	\$	18,403	\$	769	\$	19,172
Derivative liabilities								
Contracts for differences	\$	—	\$	—	\$	(26,416)	\$	(26,416)
Total	\$	—	\$	—	\$	(26,416)	\$	(26,416)

As of December 31, 2023		Level 1		Level 2		Level 3		Total
(Thousands)								
Derivative assets								
Contracts for differences	\$	—	\$	—	\$	899	\$	899
Equity investments with readily determinable fair values								
Supplemental retirement benefit trust life insurance policies		—		16,493		—		16,493
Total	\$	—	\$	16,493	\$	899	\$	17,392
Derivative liabilities								
Contracts for differences	\$	—	\$	—	\$	(30,827)	\$	(30,827)
Total	\$	—	\$	—	\$	(30,827)	\$	(30,827)

We had no transfers to or from Level 1 and 2 during the periods ended March 31, 2024 and December 31, 2023. Our policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstances that causes a transfer, if any.

Valuation techniques: We determine the fair value of our derivative assets and liabilities and non-current equity investments utilizing market approach valuation techniques:

- UI enters into CfDs, which are marked-to-market based on a probability-based expected cash flow analysis that is discounted at risk-free interest rates and an adjustment for non-performance risk using credit default swap rates. We include the fair value measurement for these contracts in Level 3 (Refer to Note 9 for further discussion of CfDs).
- We measure the fair value of the supplemental retirement benefit life insurance trust based on quoted prices in the active markets for the various funds within which the assets are held and include the measurement in Level 2.

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- We determine the fair value of our foreign currency exchange derivative instruments based on current exchange rates compared to the rates at inception of the hedge. We include the fair value measurement for these contracts in Level 2.

The determination of fair value of the CfDs was based on a probability-based expected cash flow analysis that was discounted at risk-free interest rates, as applicable, and an adjustment for non-performance risk using credit default swap rates. Certain management assumptions were required, including development of pricing that extends over the term of the contracts. We believe this methodology provides the most reasonable estimates of the amount of future discounted cash flows associated with the CfDs. Additionally, on a quarterly basis, we perform analytics to ensure that the fair value of the derivatives is consistent with changes, if any, in the various fair value model inputs. Significant isolated changes in the risk of non-performance, the discount rate or the contract term pricing would result in an inverse change in the fair value of the CfDs. Additional quantitative information about Level 3 fair value measurements of the CfDs is as follows:

Unobservable Input	Range at March 31, 2024	Range at December 31, 2023
Risk of non-performance	0.52% - 0.54%	0.42% - 0.52%
Discount rate	3.84% - 4.01%	3.84% - 4.01%
Forward pricing (\$ per MW)	\$2.00 - \$2.61	\$2.00 - \$2.61

The reconciliation of changes in the fair value of financial instruments based on Level 3 inputs for the three months ended March 31, 2024 and 2023, respectively, is as follows:

Three Months Ended March 31,	2024	2023
(Thousands)		
Beginning balance	\$ (29,928)	\$ (44,602)
Unrealized gains, net	4,281	2,954
Ending balance	\$ (25,647)	\$ (41,648)

Note 11. Postretirement and Similar Obligations

The components of net periodic benefit cost for pension and postretirement benefits for the three months ended March 31, 2024 and 2023, respectively, consisted of:

Three Months Ended March 31,	Pension Benefits		Postretirement Benefits	
	2024	2023	2024	2023
(Thousands)				
Net periodic benefit cost				
Service cost	\$ —	\$ —	\$ 73	\$ 67
Interest cost	4,484	4,865	532	505
Expected return on plan assets	(5,039)	(4,661)	(559)	(540)
Amortization of prior service cost (credit)	297	297	—	(264)
Amortization of net loss (gain)	943	924	(251)	(586)
Net periodic benefit cost	\$ 685	\$ 1,425	\$ (205)	\$ (818)

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Note 12. Equity Method Investments

UI is a party to a 50-50 joint venture with Clearway Energy, Inc. in GenConn, which operates two peaking generation plants in Connecticut. UI's investment in GenConn is being accounted for as an equity investment, the carrying value of which was \$76.9 million and \$78.7 million as of March 31, 2024 and December 31, 2023, respectively.

UI's pre-tax income from its equity investment in GenConn was \$0.7 million and \$0.8 million for the three months ended March 31, 2024 and 2023, respectively.

Cash distributions from GenConn are reflected as either distributions of earnings or as returns of capital in the operating and investing sections, respectively, of the condensed statements of cash flows. UI received cash distributions from GenConn of \$2.6 million and \$2.7 million during the three months ended March 31, 2024 and 2023, respectively.

Note 13. Other Income and Other Deductions

Other income and deductions for the three months ended March 31, 2024 and 2023, respectively, consisted of:

Three Months Ended March 31,		2024	2023
(Thousands)			
Interest and dividends income	\$	4,974	\$ 1,040
Allowance for funds used during construction		2,938	3,305
Carrying costs on regulatory assets		1,090	1,149
Miscellaneous		94	49
Total other income	\$	9,096	\$ 5,543
Pension non-service components	\$	(534)	\$ (698)
Miscellaneous		(211)	(257)
Total other deductions	\$	(745)	\$ (955)

Note 14. Related Party Transactions

Certain Networks subsidiaries, including UI, borrow from AGR, the parent of Networks, through intercompany revolving credit agreements. For UI, the intercompany revolving credit agreements provide access to supplemental liquidity. See Note 6 for further detail on the credit facility with AGR.

AGR, through its affiliates, provides administrative and management services to Networks operating utilities, including UI, pursuant to service agreements. The cost of those services is allocated in accordance with methodologies set forth in the service agreements. The cost allocation methodologies vary depending on the type of service provided. Management believes such allocations are reasonable. The charge for operating and capital services provided to UI by AGR and its affiliates was \$22.5 million and \$20.4 million for the three months ended March 31, 2024 and 2023, respectively. Charge for services provided by UI to AGR and its subsidiaries was approximately \$3.0 million and \$1.5 million for the three months ended March 31, 2024 and 2023, respectively. All charges for services are at cost.

The balance in accounts payable to affiliates of \$20.9 million at March 31, 2024 and \$71.3 million at December 31, 2023 is primarily due to UIL Holdings. The balance in accounts receivable from

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affiliates of \$1.7 million at March 31, 2024 and \$4.5 million at December 31, 2023 is receivable from various companies.

There were no notes receivable from affiliates at March 31, 2024 and December 31, 2023. The balance in notes payable to affiliates of \$165.1 million at March 31, 2024 and \$24.4 million at December 31, 2023, respectively, relates to the Bi-Lateral Intercompany Facility as discussed in Note 6 of these condensed financial statements.