

# **The Southern Connecticut Gas Company**

**Consolidated Financial Statements (Unaudited)  
For the Six Months Ended June 30, 2025 and 2024**

# **The Southern Connecticut Gas Company**

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### **Consolidated Financial Statements (Unaudited) For the Six Months Ended June 30, 2025 and 2024**

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

Periods Ended June 30,	Three Months		Six Months	
	2025	2024	2025	2024
(Thousands)				
<b>Operating Revenues</b>	<b>\$ 78,082</b>	<b>\$ 98,835</b>	<b>\$ 280,659</b>	<b>\$ 239,489</b>
<b>Operating Expenses</b>				
Natural gas purchased	26,711	39,161	136,005	101,663
Operations and maintenance	22,892	26,130	50,238	52,849
Depreciation and amortization	11,883	11,507	22,534	22,776
Taxes other than income taxes, net	8,514	8,518	21,967	20,089
<b>Total Operating Expenses</b>	<b>70,000</b>	<b>85,316</b>	<b>230,744</b>	<b>197,377</b>
<b>Operating Income</b>	<b>8,082</b>	<b>13,519</b>	<b>49,915</b>	<b>42,112</b>
Other income	557	575	1,369	2,097
Other deductions	(610)	(891)	(1,017)	(2,544)
Interest expense, net of capitalization	(5,829)	(5,900)	(12,016)	(11,649)
<b>Income Before Income Tax</b>	<b>2,200</b>	<b>7,303</b>	<b>38,251</b>	<b>30,016</b>
Income tax expense	702	904	7,078	4,925
<b>Net Income</b>	<b>1,498</b>	<b>6,399</b>	<b>31,173</b>	<b>25,091</b>
Less: net (loss) income attributable to noncontrolling interest	(261)	919	(788)	2,352
<b>Net Income Attributable to SCG</b>	<b>\$ 1,759</b>	<b>\$ 5,480</b>	<b>\$ 31,961</b>	<b>\$ 22,739</b>

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

Periods Ended June 30,	Three Months		Six Months	
	2025	2024	2025	2024
(Thousands)				
<b>Net Income</b>	<b>\$ 1,498</b>	<b>\$ 6,399</b>	<b>\$ 31,173</b>	<b>\$ 25,091</b>
<b>Other Comprehensive Income, Net of Tax</b>				
Amortization of pension cost for non-qualified plans, net of income tax	6	9	13	18
<b>Other Comprehensive Income, Net of Tax</b>	<b>6</b>	<b>9</b>	<b>13</b>	<b>18</b>
<b>Comprehensive Income</b>	<b>1,504</b>	<b>6,408</b>	<b>31,186</b>	<b>25,109</b>
Less: comprehensive (loss) income attributable to noncontrolling interest	(261)	919	(788)	2,352
<b>Comprehensive Income Attributable to SCG</b>	<b>\$ 1,765</b>	<b>\$ 5,489</b>	<b>\$ 31,974</b>	<b>\$ 22,757</b>

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

As of	June 30,	December 31,
(Thousands)	2025	2024
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 411	\$ 2,684
Accounts receivable and unbilled revenues, net	91,778	109,267
Accounts receivable from affiliates	1,976	1,186
Notes receivable from affiliates	—	41,420
Gas in storage	30,952	37,662
Materials and supplies	4,317	4,831
Other current assets	2,280	4,465
Regulatory assets	45,673	64,898
<b>Total Current Assets</b>	<b>177,387</b>	<b>266,413</b>
Utility plant, at original cost	1,561,756	1,544,496
Less accumulated depreciation	(432,451)	(433,337)
<b>Net Utility Plant in Service</b>	<b>1,129,305</b>	<b>1,111,159</b>
Construction work in progress	27,212	28,015
<b>Total Utility Plant</b>	<b>1,156,517</b>	<b>1,139,174</b>
Operating lease right-of-use assets	9,922	10,440
Other property and investments	11,583	11,360
<b>Regulatory and Other Assets</b>		
Regulatory assets	159,494	160,132
Goodwill	134,931	134,931
Other	471	471
<b>Total Regulatory and Other Assets</b>	<b>294,896</b>	<b>295,534</b>
<b>Total Assets</b>	<b>\$ 1,650,305</b>	<b>\$ 1,722,921</b>

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

As of	June 30, 2025	December 31, 2024
(Thousands, except share information)		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt	\$ 25,149	\$ 25,196
Notes payable to affiliates	46,110	67,600
Accounts payable and accrued liabilities	44,377	74,512
Accounts payable to affiliates	10,229	23,114
Interest accrued	4,554	4,569
Taxes accrued	3,807	7,472
Operating lease liabilities	981	990
Regulatory liabilities	59,636	37,636
Other	21,054	22,589
<b>Total Current Liabilities</b>	<b>215,897</b>	<b>263,678</b>
<b>Regulatory and Other Liabilities</b>		
Regulatory liabilities	197,724	213,213
<b>Other Non-current Liabilities</b>		
Deferred income taxes	131,149	123,888
Pension and other postretirement	36,515	36,417
Operating lease liabilities	10,217	10,664
Asset retirement obligation	13,020	13,020
Environmental remediation costs	56,824	59,737
Other	4,645	6,943
<b>Total Regulatory and Other Liabilities</b>	<b>450,094</b>	<b>463,882</b>
Non-current debt	369,158	369,184
<b>Total Liabilities</b>	<b>1,035,149</b>	<b>1,096,744</b>
<b>Commitments and Contingencies</b>		
<b>Common Stock Equity</b>		
Common stock (\$13.33 par value, 2,650,000 shares authorized and 1,407,072 shares outstanding at June 30, 2025 and December 31, 2024)	18,761	18,761
Additional paid-in capital	472,737	472,737
Retained earnings	128,994	97,033
Accumulated other comprehensive loss	(5,336)	(5,349)
<b>Total SCG Common Stock Equity</b>	<b>615,156</b>	<b>583,182</b>
Noncontrolling interest	—	42,995
<b>Total Equity</b>	<b>615,156</b>	<b>626,177</b>
<b>Total Liabilities and Equity</b>	<b>\$ 1,650,305</b>	<b>\$ 1,722,921</b>

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

Periods Ended June 30,	2025	2024
(Thousands)		
<b>Cash Flow from Operating Activities:</b>		
<b>Net income</b>	<b>\$ 31,173</b>	<b>\$ 25,091</b>
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,534	22,776
Regulatory assets/liabilities amortization	1,344	8,788
Regulatory assets/liabilities carrying cost	1,090	2,519
Amortization of debt issuance costs	(73)	(87)
Deferred taxes	7,078	4,030
Pension cost	745	593
Other non-cash items	554	(23)
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	16,699	19,228
Inventories	7,224	8,505
Accounts payable, to affiliates, and accrued liabilities	(37,081)	(30,755)
Taxes accrued	(3,666)	(14,663)
Other assets/liabilities	(4,361)	(1,404)
Regulatory assets/liabilities	21,456	5,131
<b>Net Cash Provided by Operating Activities</b>	<b>64,716</b>	<b>49,729</b>
<b>Cash Flow from Investing Activities:</b>		
Capital expenditures	(45,142)	(61,751)
Contributions in aid of construction	1,284	1,584
Notes receivable from affiliates	(1,641)	12,241
<b>Net Cash Used in Investing Activities</b>	<b>(45,499)</b>	<b>(47,926)</b>
<b>Cash Flow from Financing Activities:</b>		
Notes payable to affiliates	(21,490)	1,937
Contributions from noncontrolling interest	—	2,087
Payment of noncontrolling interest dividend	—	(5,959)
<b>Net Cash Used in Provided by Financing Activities</b>	<b>(21,490)</b>	<b>(1,935)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(2,273)</b>	<b>(132)</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>2,684</b>	<b>380</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 411</b>	<b>\$ 248</b>

**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
<b>As of December 31, 2023</b>	<b>1,407,072</b>	<b>\$ 18,761</b>	<b>\$ 472,737</b>	<b>\$ 71,322</b>	<b>\$ (5,370)</b>	<b>\$ 43,113</b>	<b>\$ 600,563</b>
Net income	—	—	—	22,739	—	—	22,739
Other comprehensive income, net of tax	—	—	—	—	18	—	18
Comprehensive income							22,757
Net income attributable to noncontrolling interest	—	—	—	—	—	2,352	2,352
Payment of noncontrolling interest dividend	—	—	—	—	—	(5,959)	(5,959)
Contributions from noncontrolling interest	—	—	—	—	—	2,087	2,087
<b>As of June 30, 2024</b>	<b>1,407,072</b>	<b>\$ 18,761</b>	<b>\$ 472,737</b>	<b>\$ 94,061</b>	<b>\$ (5,352)</b>	<b>\$ 41,593</b>	<b>\$ 621,800</b>
<b>As of December 31, 2024</b>	<b>1,407,072</b>	<b>\$ 18,761</b>	<b>\$ 472,737</b>	<b>\$ 97,033</b>	<b>\$ (5,349)</b>	<b>\$ 42,995</b>	<b>\$ 626,177</b>
Net income	—	—	—	31,961	—	—	31,961
Other comprehensive income, net of tax	—	—	—	—	13	—	13
Comprehensive income							31,974
Net loss attributable to noncontrolling interest	—	—	—	—	—	(788)	(788)
Payment of noncontrolling interest dividend	—	—	—	—	—	(43,061)	(43,061)
Contributions from noncontrolling interest	—	—	—	—	—	854	854
<b>As of June 30, 2025</b>	<b>1,407,072</b>	<b>\$ 18,761</b>	<b>\$ 472,737</b>	<b>\$ 128,994</b>	<b>\$ (5,336)</b>	<b>\$ —</b>	<b>\$ 615,156</b>

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