

The Southern Connecticut Gas Company

Consolidated Financial Statements (Unaudited)

For the Nine Months Ended September 30, 2025 and 2024

The Southern Connecticut Gas Company

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

Periods Ended September 30,	Three Months		Nine Months	
	2025	2024	2025	2024
(Thousands)				
Operating Revenues	\$ 75,144	\$ 60,847	\$ 355,803	\$ 300,336
Operating Expenses				
Natural gas purchased	22,228	13,972	158,233	115,635
Operations and maintenance	24,998	26,080	75,236	78,929
Depreciation and amortization	11,456	11,519	33,990	34,295
Taxes other than income taxes, net	8,238	7,314	30,205	27,403
Total Operating Expenses	66,920	58,885	297,664	256,262
Operating Income	8,224	1,962	58,139	44,074
Other income	1,120	1,337	2,489	3,434
Other deductions	(391)	(419)	(1,408)	(2,963)
Interest expense, net of capitalization	(5,968)	(5,993)	(17,984)	(17,642)
Income (Loss) Before Income Tax	2,985	(3,113)	41,236	26,903
Income tax expense (benefit)	255	(206)	7,333	4,719
Net Income (Loss)	2,730	(2,907)	33,903	22,184
Less: net income (loss) attributable to noncontrolling interest	—	164	(788)	2,516
Net Income (Loss) Attributable to SCG	\$ 2,730	\$ (3,071)	\$ 34,691	\$ 19,668

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

Periods Ended September 30,	Three Months		Nine Months	
	2025	2024	2025	2024
(Thousands)				
Net Income (Loss)	\$ 2,730	\$ (2,907)	\$ 33,903	\$ 22,184
Other Comprehensive Income, Net of Tax				
Amortization of pension cost for non-qualified plans, net of income tax	7	10	20	28
Other Comprehensive Income, Net of Tax	7	10	20	28
Comprehensive Income (Loss)	2,737	(2,897)	33,923	22,212
Less: comprehensive income (loss) attributable to noncontrolling interest	—	164	(788)	2,516
Comprehensive Income (Loss) Attributable to SCG	\$ 2,737	\$ (3,061)	\$ 34,711	\$ 19,696

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

As of	September 30,	December 31,
(Thousands)	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 133	\$ 2,684
Accounts receivable and unbilled revenues, net	69,575	109,267
Accounts receivable from affiliates	695	1,186
Notes receivable from affiliates	—	41,420
Gas in storage	36,968	37,662
Materials and supplies	5,354	4,831
Income tax receivable	370	—
Other current assets	7,201	4,465
Regulatory assets	52,225	64,898
Total Current Assets	172,521	266,413
Utility plant, at original cost	1,589,089	1,544,496
Less accumulated depreciation	(442,075)	(433,337)
Net Utility Plant in Service	1,147,014	1,111,159
Construction work in progress	23,013	28,015
Total Utility Plant	1,170,027	1,139,174
Operating lease right-of-use assets	9,659	10,440
Other property and investments	12,195	11,360
Regulatory and Other Assets		
Regulatory assets	161,157	160,132
Goodwill	134,931	134,931
Other	492	471
Total Regulatory and Other Assets	296,580	295,534
Total Assets	\$ 1,660,982	\$ 1,722,921

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

As of	September 30, 2025	December 31, 2024
(Thousands, except share information)		
Liabilities		
Current Liabilities		
Current portion of long-term debt	\$ 40,099	\$ 25,196
Notes payable to affiliates	78,750	67,600
Accounts payable and accrued liabilities	41,871	74,512
Accounts payable to affiliates	14,080	23,114
Interest accrued	3,920	4,569
Taxes accrued	3,173	7,472
Operating lease liabilities	1,028	990
Regulatory liabilities	46,385	37,636
Other	23,268	22,589
Total Current Liabilities	252,574	263,678
Regulatory and Other Liabilities		
Regulatory liabilities	188,068	213,213
Other Non-current Liabilities		
Deferred income taxes	131,921	123,888
Pension and other postretirement	31,418	36,417
Operating lease liabilities	10,007	10,664
Asset retirement obligation	13,020	13,020
Environmental remediation costs	57,471	59,737
Other	4,438	6,943
Total Regulatory and Other Liabilities	436,343	463,882
Non-current debt	354,172	369,184
Total Liabilities	1,043,089	1,096,744
Commitments and Contingencies		
Common Stock Equity		
Common stock (\$13.33 par value, 2,650,000 shares authorized and 1,407,072 shares outstanding at September 30, 2025 and December 31, 2024)	18,761	18,761
Additional paid-in capital	472,737	472,737
Retained earnings	131,724	97,033
Accumulated other comprehensive loss	(5,329)	(5,349)
Total SCG Common Stock Equity	617,893	583,182
Noncontrolling interest	—	42,995
Total Equity	617,893	626,177
Total Liabilities and Equity	\$ 1,660,982	\$ 1,722,921

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

Periods Ended September 30,	2025	2024
(Thousands)		
Cash Flow from Operating Activities:		
Net income	\$ 33,903	\$ 22,184
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	33,990	34,295
Regulatory assets/liabilities amortization	(4,593)	9,558
Regulatory assets/liabilities carrying cost	1,610	3,796
Amortization of debt issuance costs	(107)	(126)
Deferred taxes	7,731	12,960
Pension cost	1,118	889
Gain on disposal of assets	—	(48)
Other non-cash items	368	(377)
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	40,183	32,646
Inventories	171	5,474
Accounts payable, to affiliates, and accrued liabilities	(37,452)	(25,335)
Taxes accrued	(4,669)	(18,915)
Other assets/liabilities	(12,580)	(1,913)
Regulatory assets/liabilities	(3,722)	(29,241)
Net Cash Provided by Operating Activities	55,951	45,847
Cash Flow from Investing Activities:		
Capital expenditures	(71,440)	(94,736)
Contributions in aid of construction	3,429	2,396
Proceeds from sale of utility plant	—	97
Notes receivable from affiliates	(1,641)	11,073
Net Cash Used in Investing Activities	(69,652)	(81,170)
Cash Flow from Financing Activities:		
Non-current debt issuance	—	30,000
Notes payable to affiliates	11,150	9,497
Contributions from noncontrolling interest	—	2,087
Payment of noncontrolling interest dividend	—	(5,959)
Net Cash Provided by Financing Activities	11,150	35,625
Net (Decrease) Increase in Cash and Cash Equivalents	(2,551)	302
Cash and Cash Equivalents, Beginning of Period	2,684	380
Cash and Cash Equivalents, End of Period	\$ 133	\$ 682

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, 2023	1,407,072	\$ 18,761	\$ 472,737	\$ 71,322	\$ (5,370)	\$ 43,113	\$ 600,563
Net income	—	—	—	19,668	—	—	19,668
Other comprehensive income, net of tax	—	—	—	—	28	—	28
Comprehensive income	—	—	—	—	—	—	19,696
Net income attributable to noncontrolling interest	—	—	—	—	—	2,516	2,516
Payment of noncontrolling interest dividend	—	—	—	—	—	(5,959)	(5,959)
Contributions from noncontrolling interest	—	—	—	—	—	2,087	2,087
As of September 30, 2024	1,407,072	\$ 18,761	\$ 472,737	\$ 90,990	\$ (5,342)	\$ 41,757	\$ 618,903
As of December 31, 2024	1,407,072	\$ 18,761	\$ 472,737	\$ 97,033	\$ (5,349)	\$ 42,995	\$ 626,177
Net income	—	—	—	34,691	—	—	34,691
Other comprehensive income, net of tax	—	—	—	—	20	—	20
Comprehensive income	—	—	—	—	—	—	34,711
Net loss attributable to noncontrolling interest	—	—	—	—	—	(788)	(788)
Payment of noncontrolling interest dividend	—	—	—	—	—	(43,061)	(43,061)
Contributions from noncontrolling interest	—	—	—	—	—	854	854
As of September 30, 2025	1,407,072	\$ 18,761	\$ 472,737	\$ 131,724	\$ (5,329)	\$ —	\$ 617,893

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