

# **The Southern Connecticut Gas Company**

**Consolidated Financial Statements (Unaudited)  
For the Three Months Ended March 31, 2025 and 2024**

# **The Southern Connecticut Gas Company**

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

Periods Ended March 31,	2025	2024
(Thousands)		
<b>Operating Revenues</b>	<b>\$ 202,577</b>	<b>\$ 140,654</b>
<b>Operating Expenses</b>		
Natural gas purchased	109,294	62,502
Operations and maintenance	27,346	26,719
Depreciation and amortization	10,651	11,269
Taxes other than income taxes, net	13,453	11,571
<b>Total Operating Expenses</b>	<b>160,744</b>	<b>112,061</b>
<b>Operating Income</b>	<b>41,833</b>	<b>28,593</b>
Other income	812	1,522
Other deductions	(407)	(1,653)
Interest expense, net of capitalization	(6,187)	(5,749)
<b>Income Before Income Tax</b>	<b>36,051</b>	<b>22,713</b>
Income tax expense	6,376	4,021
<b>Net Income</b>	<b>29,675</b>	<b>18,692</b>
Less: net (loss) income attributable to noncontrolling interest	(527)	1,433
<b>Net Income Attributable to SCG</b>	<b>\$ 30,202</b>	<b>\$ 17,259</b>

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

Periods Ended March 31,	2025	2024
(Thousands)		
<b>Net Income</b>	<b>\$ 29,675</b>	<b>\$ 18,692</b>
<b>Other Comprehensive Income, Net of Tax</b>		
Amortization of pension cost for non-qualified plans, net of income tax	7	9
<b>Other Comprehensive Income, Net of Tax</b>	<b>7</b>	<b>9</b>
<b>Comprehensive Income</b>	<b>29,682</b>	<b>18,701</b>
Less: comprehensive (loss) income attributable to noncontrolling interest	(527)	1,433
<b>Comprehensive Income Attributable to SCG</b>	<b>\$ 30,209</b>	<b>\$ 17,268</b>

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

As of	March 31,	December 31,
(Thousands)	2025	2024
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,326	\$ 2,684
Accounts receivable and unbilled revenues, net	130,840	109,267
Accounts receivable from affiliates	3,698	1,186
Notes receivable from affiliates	1,641	41,420
Gas in storage	24,702	37,662
Materials and supplies	4,491	4,831
Other current assets	8,001	4,465
Regulatory assets	51,557	64,898
<b>Total Current Assets</b>	<b>227,256</b>	<b>266,413</b>
Utility plant, at original cost	1,543,210	1,544,496
Less accumulated depreciation	(432,964)	(433,337)
<b>Net Utility Plant in Service</b>	<b>1,110,246</b>	<b>1,111,159</b>
Construction work in progress	31,577	28,015
<b>Total Utility Plant</b>	<b>1,141,823</b>	<b>1,139,174</b>
Operating lease right-of-use assets	10,268	10,440
Other property and investments	11,391	11,360
<b>Regulatory and Other Assets</b>		
Regulatory assets	158,399	160,132
Goodwill	134,931	134,931
Other	476	471
<b>Total Regulatory and Other Assets</b>	<b>293,806</b>	<b>295,534</b>
<b>Total Assets</b>	<b>\$ 1,684,544</b>	<b>\$ 1,722,921</b>

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

As of	March 31, 2025	December 31, 2024
(Thousands, except share information)		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt	\$ 25,172	\$ 25,196
Notes payable to affiliates	51,285	67,600
Accounts payable and accrued liabilities	63,172	74,512
Accounts payable to affiliates	5,824	23,114
Interest accrued	3,863	4,569
Taxes accrued	8,896	7,472
Operating lease liabilities	1,003	990
Regulatory liabilities	62,237	37,636
Other	19,989	22,589
<b>Total Current Liabilities</b>	<b>241,441</b>	<b>263,678</b>
<b>Regulatory and Other Liabilities</b>		
Regulatory liabilities	206,142	213,213
<b>Other Non-current Liabilities</b>		
Deferred income taxes	130,398	123,888
Pension and other postretirement	36,642	36,417
Operating lease liabilities	10,520	10,664
Asset retirement obligation	13,020	13,020
Environmental remediation costs	58,037	59,737
Other	4,734	6,943
<b>Total Regulatory and Other Liabilities</b>	<b>459,493</b>	<b>463,882</b>
Non-current debt	369,171	369,184
<b>Total Liabilities</b>	<b>1,070,105</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 March 31, 2025 and December 31, 2024)	18,761	18,761
Additional paid-in capital	472,737	472,737
Retained earnings	127,235	97,033
Accumulated other comprehensive loss	(5,342)	(5,349)
<b>Total SCG Common Stock Equity</b>	<b>613,391</b>	<b>583,182</b>
Noncontrolling interest	1,048	42,995
<b>Total Equity</b>	<b>614,439</b>	<b>626,177</b>
<b>Total Liabilities and Equity</b>	<b>\$ 1,684,544</b>	<b>\$ 1,722,921</b>

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

Periods Ended March 31,	2025	2024
(Thousands)		
<b>Cash Flow from Operating Activities:</b>		
<b>Net income</b>	<b>\$ 29,675</b>	<b>\$ 18,692</b>
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,651	11,269
Regulatory assets/liabilities amortization	6,548	6,250
Regulatory assets/liabilities carrying cost	390	1,048
Amortization of debt issuance costs	(37)	(47)
Deferred taxes	6,374	(3,688)
Pension cost	373	296
Other non-cash items	215	(459)
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	(24,085)	(15,049)
Inventories	13,300	9,505
Accounts payable, to affiliates, and accrued liabilities	(24,219)	(26,539)
Taxes accrued	1,423	3,209
Other assets/liabilities	(11,106)	(8,382)
Regulatory assets/liabilities	24,097	19,024
<b>Net Cash Provided by Operating Activities</b>	<b>33,599</b>	<b>15,129</b>
<b>Cash Flow from Investing Activities:</b>		
Capital expenditures	(16,451)	(33,768)
Contributions in aid of construction	450	715
Notes receivable from affiliates	(1,641)	13,216
<b>Net Cash Used in Investing Activities</b>	<b>(17,642)</b>	<b>(19,837)</b>
<b>Cash Flow from Financing Activities:</b>		
Notes payable to affiliates	(16,315)	8,625
Contributions from noncontrolling interest	—	2,087
Payment of noncontrolling interest dividend	—	(5,959)
<b>Net Cash (Used in) Provided by Financing Activities</b>	<b>(16,315)</b>	<b>4,753</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(358)</b>	<b>45</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>\$ 2,326</b>	<b>\$ 425</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	—	—	—	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
<b>As of March 31, 2024</b>	<b>1,407,072 \$</b>	<b>18,761 \$</b>	<b>472,737 \$</b>	<b>88,581 \$</b>	<b>(5,361) \$</b>	<b>40,674 \$</b>	<b>615,392</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	—	—	—	30,202	—	—	30,202
Other comprehensive income, net of tax	—	—	—	—	7	—	7
Comprehensive income							30,209
Net loss attributable to noncontrolling interest	—	—	—	—	—	(527)	(527)
Payment of noncontrolling interest dividend	—	—	—	—	—	(41,420)	(41,420)
<b>As of March 31, 2025</b>	<b>1,407,072 \$</b>	<b>18,761 \$</b>	<b>472,737 \$</b>	<b>127,235 \$</b>	<b>(5,342) \$</b>	<b>1,048 \$</b>	<b>614,439</b>

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