The Berkshire Gas Company

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

The Berkshire Gas Company

Index

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

	Page
Statements of Income	1
Balance Sheets	2
Statements of Cash Flows	4
Statements of Changes in Common Stock Equity	5

The Berkshire Gas Company
Statements of Income (Unaudited)

Periods Ended March 31,		2025		2024
(Thousands)				
Operating Revenues	$	**47,330**	$	**38,464**
Operating Expenses				
Natural gas purchased		21,205		13,362
Operations and maintenance		11,385		11,406
Depreciation and amortization		2,638		2,452
Taxes other than income taxes, net		2,293		2,285
Total Operating Expenses		**37,521**		**29,505**
Operating Income		**9,809**		**8,959**
Other income		333		341
Other deductions		(43)		(159)
Interest expense, net of capitalization		(1,274)		(1,048)
Income Before Income Tax		**8,825**		**8,093**
Income tax expense		2,166		2,190
Net Income	$	**6,659**	$	**5,903**

The Berkshire Gas Company
Balance Sheets (Unaudited)

As of		March 31, 2025		December 31, 2024
(Thousands)				
Assets				
Current Assets				
Cash and cash equivalents	$	2,532	$	3,493
Accounts receivable and unbilled revenues, net		21,510		18,214
Accounts receivable from affiliates		135		53
Notes receivable from affiliates		15,000		15,000
Gas in storage		3,565		3,403
Materials and supplies		3,085		2,858
Other current assets		1,309		2,125
Regulatory assets		6,123		17,787
Total Current Assets		**53,259**		**62,933**
Utility plant, at original cost		379,518		376,012
Less accumulated depreciation		(113,848)		(112,376)
Net Utility Plant in Service		**265,670**		**263,636**
Construction work in progress		8,935		5,973
Total Utility Plant		**274,605**		**269,609**
Operating lease right-of-use assets		91		92
Other property and investments		2,231		2,197
Regulatory and Other Assets				
Regulatory assets		16,642		16,645
Goodwill		51,932		51,932
Other		25		30
Total Regulatory and Other Assets		**68,599**		**68,607**
Total Assets	**$**	**398,785**	**$**	**403,438**

The Berkshire Gas Company
Balance Sheets (Unaudited)

As of	March 31, 2025	December 31, 2024
(Thousands, except share information)		
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 10,371	$ 14,831
Accounts payable to affiliates	1,166	5,516
Interest accrued	1,422	1,019
Taxes accrued	1,361	3,998
Operating lease liabilities	8	7
Regulatory liabilities	1,638	2,306
Other	2,836	4,641
Total Current Liabilities	**18,802**	**32,318**
Regulatory and Other Liabilities		
Regulatory liabilities	52,113	52,145
Other Non-current Liabilities		
Deferred income taxes	36,235	33,784
Pension and other postretirement	9,472	9,584
Operating lease liabilities	84	85
Environmental remediation costs	1,308	1,427
Other	1,315	1,318
Total Regulatory and Other Liabilities	**100,527**	**98,343**
Non-current debt	104,397	104,377
Total Liabilities	**223,726**	**235,038**
Commitments and Contingencies		
Common Stock Equity		
Additional paid-in capital	141,438	141,438
Retained earnings	33,621	26,962
Total Common Stock Equity	**175,059**	**168,400**
Total Liabilities and Equity	**$ 398,785**	**$ 403,438**

The Berkshire Gas Company
Statements of Cash Flows (Unaudited)

Periods Ended March 31,		2025		2024
(Thousands)				
Cash Flow from Operating Activities:				
Net income	**$**	**6,659**	**$**	**5,903**
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization		2,638		2,452
Regulatory assets/liabilities amortization		105		1,019
Regulatory assets/liabilities carrying cost		(152)		(234)
Amortization of debt issuance costs		20		12
Deferred taxes		2,415		(315)
Pension cost		89		89
Stock-based compensation		—		8
Loss on disposal of assets		11		—
Other non-cash items		34		30
Changes in operating assets and liabilities:				
Accounts receivable, from affiliates, and unbilled revenues		(3,378)		(2,495)
Inventories		(389)		(60)
Accounts payable, to affiliates, and accrued liabilities		(4,132)		(4,870)
Taxes accrued		(2,637)		926
Other assets/liabilities		(799)		(2,198)
Regulatory assets/liabilities		10,543		2,239
Net Cash Provided by Operating Activities		**11,027**		**2,506**
Cash Flow from Investing Activities:				
Capital expenditures		(12,015)		(10,985)
Contributions in aid of construction		27		62
Proceeds from sale of utility plant		—		9
Net Cash Used in Investing Activities		**(11,988)**		**(10,914)**
Cash Flow from Financing Activities:				
Notes payable to affiliates		—		8,150
Net Cash Provided by Financing Activities		**—**		**8,150**
Net Decrease in Cash and Cash Equivalents		**(961)**		**(258)**
Cash and Cash Equivalents, Beginning of Period		**3,493**		**488**
Cash and Cash Equivalents, End of Period	**$**	**2,532**	**$**	**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	Total Common Stock Equity
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**
As of December 31, 2024	**100**	**$ —**	**$ 141,438**	**$ 26,962**	**$ 168,400**
Net income	—	—	—	6,659	6,659
As of March 31, 2025	**100**	**$ —**	**$ 141,438**	**$ 33,621**	**$ 175,059**

(*) 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, 2025 and 2024

Central Maine Power Company
and Subsidiaries

Index

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

	Page
Consolidated Statements of Income	1
Consolidated Statements of Comprehensive Income	1
Consolidated Balance Sheets	2
Consolidated Statements of Cash Flows	4
Consolidated Statements of Changes in Equity	5

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

Periods Ended March 31,	2025	2024
(Thousands)		
Operating Revenues	**$ 355,244**	**$ 294,011**
Operating Expenses		
Electricity purchased	24,849	26,769
Operations and maintenance	198,441	151,137
Depreciation and amortization	35,567	33,209
Taxes other than income taxes, net	19,859	20,642
Total Operating Expenses	**278,716**	**231,757**
Operating Income	**76,528**	**62,254**
Other income	7,711	8,709
Other deductions	(1,028)	(357)
Interest expense, net of capitalization	(18,306)	(18,244)
Income Before Income Tax	**64,905**	**52,362**
Income tax expense	13,025	8,043
Net Income	**51,880**	**44,319**
Less: net income attributable to noncontrolling interest	737	628
Net Income Attributable to CMP	**$ 51,143**	**$ 43,691**

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

Periods Ended March 31,	2025	2024
(Thousands)		
Net Income	**$ 51,880**	**$ 44,319**
Other Comprehensive Income, Net of Tax		
Amortization of pension cost for non-qualified plans, net of income tax	17	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**	**50**
Comprehensive Income	**51,930**	**44,369**
Less:		
Comprehensive income attributable to noncontrolling interest	737	628
Comprehensive Income Attributable to CMP	**$ 51,193**	**$ 43,741**

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

As of	March 31, 2025	December 31, 2024
(Thousands)		
Assets		
Current Assets		
Cash and cash equivalents	$ 28,438	$ 21,690
Accounts receivable and unbilled revenues, net	365,949	324,433
Accounts receivable from affiliates	13,474	25,491
Notes receivable from affiliates	16	247
Materials and supplies	76,012	72,080
Prepayments and other current assets	32,487	27,537
Regulatory assets	230,513	278,267
Total Current Assets	**746,889**	**749,745**
Utility plant, at original cost	5,860,713	5,817,310
Less accumulated depreciation	(1,730,724)	(1,701,598)
Net Utility Plant in Service	**4,129,989**	**4,115,712**
Construction work in progress	375,502	350,737
Total Utility Plant	**4,505,491**	**4,466,449**
Operating lease right-of-use assets	15,472	15,958
Other property and investments	1,103	1,087
Regulatory and Other Assets		
Regulatory assets	640,678	639,761
Goodwill	324,938	324,938
Other	153,778	154,572
Total Regulatory and Other Assets	**1,119,394**	**1,119,271**
Total Assets	**$ 6,388,349**	**$ 6,352,510**

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

As of	March 31, 2025	December 31, 2024
(Thousands, except share information)		
Liabilities		
Current Liabilities		
Current portion of debt	$ 14,376	$ 79,373
Notes payable to affiliates	183,200	92,400
Accounts payable and accrued liabilities	365,975	391,166
Accounts payable to affiliates	10,293	39,620
Interest accrued	16,294	20,100
Taxes accrued	12,112	18,137
Operating lease liabilities	1,584	1,104
Other current liabilities	120,335	118,762
Regulatory liabilities	11,842	10,054
Total Current Liabilities	**736,011**	**770,716**
Regulatory and Other Liabilities		
Regulatory liabilities	282,021	280,179
Other Non-current liabilities		
Deferred income taxes	869,795	850,657
Pension and other postretirement	71,172	72,881
Operating lease liabilities	15,739	16,741
Other	143,640	143,191
Total Regulatory and Other Liabilities	**1,382,367**	**1,363,649**
Non-current debt	1,505,162	1,504,985
Total Liabilities	**3,623,540**	**3,639,350**
Commitments and Contingencies		
Redeemable Preferred Stock	**571**	**571**
CMP Common Stock Equity		
Common stock ($5 par value, 80,000,000 shares authorized and 31,211,471 shares outstanding at March 31, 2025 and December 31, 2024)	156,057	156,057
Additional paid-in capital	1,326,538	1,326,538
Retained earnings	1,249,471	1,198,609
Accumulated other comprehensive loss	(2,841)	(2,891)
Total CMP Common Stock Equity	**2,729,225**	**2,678,313**
Noncontrolling interest	35,013	34,276
Total Equity	**2,764,238**	**2,712,589**
Total Liabilities and Equity	**$ 6,388,349**	**$ 6,352,510**

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

Periods Ended March 31,	2025	2024
(Thousands)		
Cash Flow from Operating Activities:		
Net income	**$ 51,880**	**$ 44,319**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	35,567	33,209
Regulatory assets/liabilities amortization	55,004	(1,546)
Regulatory assets/liabilities carrying cost	(3,899)	(2,390)
Amortization of debt issuance costs	180	164
Deferred taxes	11,436	15,005
Pension cost	(394)	(1,078)
Stock-based compensation	—	162
Gain on disposal of assets	—	(9)
Other non-cash items	(910)	(3,209)
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	(29,499)	16,082
Inventories	(3,932)	(4,732)
Accounts payable, to affiliates, and accrued liabilities	(31,644)	(38,547)
Taxes accrued	(6,025)	(1,489)
Other assets/liabilities	1,517	6,085
Regulatory assets/liabilities	(6,113)	(91,270)
Net Cash Provided by (Used in) Operating Activities	**73,168**	**(29,244)**
Cash Flow from Investing Activities:		
Utility plant additions	(107,956)	(102,148)
Contributions in aid of construction	15,682	24,048
Notes receivable from affiliates	(16)	1
Proceeds from sale of utility plant	—	66
Net Cash Used in Investing Activities	**(92,290)**	**(78,033)**
Cash Flow from Financing Activities:		
Repayments of non-current debt	(65,000)	—
Repayments of finance leases	79	(4)
Notes payable to affiliates	90,800	(15,900)
Capital contribution	—	125,000
Dividends paid	(9)	(9)
Net Cash Provided by Financing Activities	**25,870**	**109,087**
Net Increase in Cash and Cash Equivalents	**6,748**	**1,810**
Cash and Cash Equivalents, Beginning of Period	**21,690**	**52,570**
Cash and Cash Equivalents, End of Period	**$ 28,438**	**$ 54,380**

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

(Thousands, except per share amounts)	CMP Stockholder Number of shares (*)	Common stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total CMP Common Stock Equity	Non-controlling Interest	Total Common Stock Equity
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**	**$2,586,679**
As of December 31, 2024	**31,211,471**	**$ 156,057**	**$ 1,326,538**	**$1,198,609**	**$ (2,891)**	**$ 2,678,313**	**$ 34,276**	**$2,712,589**
Net income	—	—	—	51,143	—	51,143	737	51,880
Other comprehensive income, net of tax	—	—	—	—	50	50	—	50
Comprehensive income								51,930
Preferred stock dividends	—	—	—	(34)	—	(34)	—	(34)
Common stock dividends	—	—	—	(247)	—	(247)	—	(247)
As of March 31, 2025	**31,211,471**	**$ 156,057**	**$ 1,326,538**	**$1,249,471**	**$ (2,841)**	**$ 2,729,225**	**$ 35,013**	**$2,764,238**

(*) Par value of share amounts is $5

Connecticut Natural Gas Corporation

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

Connecticut Natural Gas Corporation

Index

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

	Page
Statements of Income	1
Statements of Comprehensive Income	1
Balance Sheets	2
Statements of Cash Flows	4
Statements of Changes in Common Stock Equity	5

Connecticut Natural Gas Corporation
Statements of Income (Unaudited)

Periods Ended March 31,		2025		2024
(Thousands)				
Operating Revenues	**$**	**194,159**	**$**	**167,749**
Operating Expenses				
Natural gas purchased		120,526		84,765
Operations and maintenance		26,799		26,229
Depreciation and amortization		10,907		12,853
Taxes other than income taxes, net		11,864		11,222
Total Operating Expenses		**170,096**		**135,069**
Operating Income		**24,063**		**32,680**
Other income		812		991
Other (deductions) income, net		(169)		355
Interest expense, net of capitalization		(3,758)		(3,314)
Income Before Income Tax		**20,948**		**30,712**
Income tax expense		2,549		6,600
Net Income	**$**	**18,399**	**$**	**24,112**

Connecticut Natural Gas Corporation
Statements of Comprehensive Income (Unaudited)

Periods Ended March 31,		2025		2024
(Thousands)				
Net Income	**$**	**18,399**	**$**	**24,112**
Other Comprehensive Loss, Net of Tax				
Amortization of pension cost for non-qualified plans, net of income tax		(2)		(1)
Other Comprehensive Loss, Net of Tax		**(2)**		**(1)**
Comprehensive Income	**$**	**18,397**	**$**	**24,111**

Connecticut Natural Gas Corporation
Balance Sheets (Unaudited)

As of	March 31, 2025	December 31, 2024
(Thousands)		
Assets		
Current Assets		
Cash and cash equivalents	$ 1,129	$ 220
Accounts receivable and unbilled revenues, net	130,761	114,156
Accounts receivable from affiliates	717	482
Notes receivable from affiliates	11,800	21,400
Gas in storage	22,109	33,463
Materials and supplies	5,599	6,027
Other current assets	6,733	4,911
Regulatory assets	38,478	60,170
Total Current Assets	**217,326**	**240,829**
Utility plant, at original cost	1,342,899	1,339,327
Less accumulated depreciation	(455,988)	(448,552)
Net Utility Plant in Service	**886,911**	**890,775**
Construction work in progress	29,486	25,424
Total Utility Plant	**916,397**	**916,199**
Operating lease right-of-use assets	2,807	2,882
Other property and investments	681	683
Regulatory and Other Assets		
Regulatory assets	79,917	79,741
Goodwill	79,341	79,341
Other	349	348
Total Regulatory and Other Assets	**159,607**	**159,430**
Total Assets	**$ 1,296,818**	**$ 1,320,023**

Connecticut Natural Gas Corporation
Balance Sheets (Unaudited)

As of	March 31, 2025	December 31, 2024
(Thousands, except share information)		
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 54,731	$ 71,537
Accounts payable to affiliates	7,410	20,717
Interest accrued	3,345	2,674
Taxes accrued	9,998	15,228
Operating lease liabilities	487	508
Regulatory liabilities	46,278	9,528
Other	12,923	18,838
Total Current Liabilities	**135,172**	**139,030**
Regulatory and Other Liabilities		
Regulatory liabilities	319,962	318,984
Other Non-current Liabilities		
Deferred income taxes	63,030	60,544
Pension and other postretirement	49,512	50,691
Operating lease liabilities	2,609	2,653
Asset retirement obligation	5,981	5,981
Other	1,592	1,591
Total Regulatory and Other Liabilities	**442,686**	**440,444**
Non-current debt	244,126	244,085
Total Liabilities	**821,984**	**823,559**
Commitments and Contingencies		
Preferred Stock	**340**	**340**
Common Stock Equity		
Common stock ($3.125 par value, 20,000,000 shares authorized and 10,634,496 shares outstanding at March 31, 2025 and December 31, 2024)	33,233	33,233
Additional paid-in capital	396,675	396,675
Retained earnings	44,849	66,477
Accumulated other comprehensive loss	(263)	(261)
Total Common Stock Equity	**474,494**	**496,124**
Total Liabilities and Equity	**$ 1,296,818**	**$ 1,320,023**

Connecticut Natural Gas Corporation
Statements of Cash Flows (Unaudited)

Periods Ended March 31,	2025	2024
(Thousands)		
Cash Flow from Operating Activities:		
Net income	**$ 18,399**	**$ 24,112**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,907	12,853
Regulatory assets/liabilities amortization	12,235	7,142
Regulatory assets/liabilities carrying cost	503	30
Amortization of debt issuance costs	40	40
Deferred taxes	2,351	(5,170)
Pension cost	243	(48)
Stock-based compensation	—	4
Other non-cash items	103	206
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	(16,840)	(15,937)
Inventories	11,782	8,815
Accounts payable, to affiliates, and accrued liabilities	(25,514)	(22,098)
Taxes accrued	(5,230)	11,782
Other assets/liabilities	(7,230)	(9,121)
Regulatory assets/liabilities	41,965	12,751
Net Cash Provided by Operating Activities	**43,714**	**25,361**
Cash Flow from Investing Activities:		
Capital expenditures	(12,963)	(21,096)
Contributions in aid of construction	565	536
Notes receivable from affiliates	9,600	(4,700)
Net Cash Used in Investing Activities	**(2,798)**	**(25,260)**
Cash Flow from Financing Activities:		
Dividends paid	(40,007)	(7)
Net Cash Used in Financing Activities	**(40,007)**	**(7)**
Net Increase in Cash and Cash Equivalents	**909**	**94**
Cash and Cash Equivalents, Beginning of Period	**220**	**421**
Cash and Cash Equivalents, End of Period	**$ 1,129**	**$ 515**

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, 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**
As of December 31, 2024	**10,634,436**	**$ 33,233**	**$ 396,675**	**$ 66,477**	**$ (261)**	**$ 496,124**
Net income	—	—	—	18,399	—	18,399
Other comprehensive loss, net of tax	—	—	—	—	(2)	(2)
Comprehensive income						18,397
Common stock dividends	—	—	—	(40,000)	—	(40,000)
Preferred stock dividends	—	—	—	(27)	—	(27)
As of March 31, 2025	**10,634,436**	**$ 33,233**	**$ 396,675**	**$ 44,849**	**$ (263)**	**$ 474,494**

(*) Par value of share amounts is $3.125

New York State Electric & Gas Corporation

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

New York State Electric & Gas Corporation

Index

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

	Page
Consolidated Statements of Income	1
Consolidated Statements of Comprehensive Income	1
Consolidated Balance Sheets	2
Consolidated Statements of Cash Flows	4
Consolidated Statements of Changes in Common Stock Equity	5

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

Periods Ended March 31,	2025	2024
(Thousands)		
Operating Revenues	**$ 811,186**	**$ 642,609**
Operating Expenses		
Electricity purchased	266,252	154,788
Natural gas purchased	63,841	41,962
Operations and maintenance	235,158	239,785
Depreciation and amortization	62,084	53,732
Taxes other than income taxes, net	49,845	46,090
Total Operating Expenses	**677,180**	**536,357**
Operating Income	**134,006**	**106,252**
Other income	16,329	15,446
Other (deductions) income, net	6,840	1,914
Interest expense, net of capitalization	(32,998)	(28,269)
Income Before Income Tax	**124,177**	**95,343**
Income tax expense	23,776	19,557
Net Income	**$ 100,401**	**$ 75,786**

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

Periods Ended March 31,	2025	2024
(Thousands)		
Net Income	**$ 100,401**	**$ 75,786**
Other Comprehensive Loss, Net of Tax		
Amortization of pension cost for non-qualified plans, net of income tax	(50)	(16)
Other Comprehensive Loss, Net of Tax	**(50)**	**(16)**
Comprehensive Income	**$ 100,351**	**$ 75,770**

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

As of	March 31, 2025	December 31, 2024
(Thousands)		
Assets		
Current Assets		
Cash and cash equivalents	$ 3,423	$ 4,444
Accounts receivable and unbilled revenues, net	445,636	375,291
Accounts receivable from affiliates	4,962	2,409
Notes receivable from affiliates	10,600	41,300
Fuel and natural gas in storage, at average cost	2,128	17,045
Materials and supplies	45,097	46,985
Derivative assets	20,066	10,621
Prepaid property taxes	58,004	41,500
Other current assets	29,063	28,483
Regulatory assets	305,255	269,166
Total Current Assets	**924,234**	**837,244**
Utility plant, at original cost	9,408,546	9,328,326
Less accumulated depreciation	(2,577,484)	(2,552,644)
Net Utility Plant in Service	**6,831,062**	**6,775,682**
Construction work in progress	978,647	903,915
Total Utility Plant	**7,809,709**	**7,679,597**
Operating lease right-of-use assets	7,162	7,305
Other property and investments	8,768	9,316
Regulatory and Other Assets		
Regulatory assets	1,273,881	1,314,623
Other	32,662	33,885
Total Regulatory and Other Assets	**1,306,543**	**1,348,508**
Total Assets	**$ 10,056,416**	**$ 9,881,970**

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

As of	March 31, 2025	December 31, 2024
(Thousands, except share information)		
Liabilities		
Current Liabilities		
Current portion of long-term debt	$ 37,710	$ —
Accounts payable and accrued liabilities	478,977	635,943
Accounts payable to affiliates	33,582	54,229
Interest accrued	32,703	39,348
Taxes accrued	8,508	11,102
Operating lease liabilities	1,371	1,318
Environmental remediation costs	6,368	5,914
Customer deposits	12,047	11,342
Regulatory liabilities	70,637	64,233
Other	94,903	111,328
Total Current Liabilities	**776,806**	**934,757**
Regulatory and Other Liabilities		
Regulatory liabilities	863,250	872,039
Other Non-current Liabilities		
Deferred income taxes	1,005,467	975,293
Pension and other postretirement	70,692	73,144
Operating lease liabilities	7,003	7,167
Asset retirement obligation	10,905	10,767
Environmental remediation costs	49,932	51,108
Other	23,059	24,762
Total Regulatory and Other Liabilities	**2,030,308**	**2,014,280**
Non-current debt	4,064,484	3,398,466
Total Liabilities	**6,871,598**	**6,347,503**
Commitments and Contingencies		
Common Stock Equity		
Common stock ($6.66 2/3 par value, 90,000,000 shares authorized and 64,508,477 shares outstanding at March 31, 2025 and December 31, 2024)	430,057	430,057
Additional paid-in capital	2,378,630	2,378,630
Retained earnings	376,858	726,457
Accumulated other comprehensive loss	(727)	(677)
Total Common Stock Equity	**3,184,818**	**3,534,467**
Total Liabilities and Equity	**$ 10,056,416**	**$ 9,881,970**

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

Periods Ended March 31,		2025		2024
(Thousands)				
Cash Flow from Operating Activities:				
Net income	**$**	**100,401**	**$**	**75,786**
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization		62,084		53,732
Regulatory assets/liabilities amortization		25,762		17,036
Regulatory assets/liabilities carrying cost		(2,773)		(4,806)
Amortization of debt issuance costs		967		677
Deferred taxes		23,735		40,213
Pension cost		(5,745)		(2,103)
Stock-based compensation		—		95
Accretion expenses		139		143
Gain on disposal of assets		(21)		(13)
Other non-cash items		(13,186)		(17,604)
Changes in operating assets and liabilities:				
Accounts receivable, from affiliates, and unbilled revenues		(72,898)		(23,425)
Inventories		16,805		8,791
Accounts payable, to affiliates, and accrued liabilities		(93,678)		(101,411)
Taxes accrued		(2,594)		(25,616)
Other assets/liabilities		(29,276)		(44,053)
Regulatory assets/liabilities		(34,886)		(160,709)
Net Cash Used in Operating Activities		**(25,164)**		**(183,267)**
Cash Flow from Investing Activities:				
Capital expenditures		(264,827)		(261,738)
Contributions in aid of construction		6,255		10,642
Proceeds from sale of utility plant		21		1,547
Notes receivable from affiliates		30,700		—
Net Cash Used in Investing Activities		**(227,851)**		**(249,549)**
Cash Flow from Financing Activities:				
Non-current debt issuance		705,670		—
Repayments of finance leases		—		(4)
Notes payable to affiliates		—		(20,700)
Capital contributions		—		450,000
Dividends paid		(450,000)		—
Net Cash Provided by Financing Activities		**255,670**		**429,296**
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash		**2,655**		**(3,520)**
Cash, Cash Equivalents and Restricted Cash, Beginning of Period		**4,444**		**6,101**
Cash, Cash Equivalents and Restricted Cash, End of Period	**$**	**7,099**	**$**	**2,581**

New York State Electric & Gas Corporation
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	Total Common Stock Equity
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**
As of December 31, 2024	**64,508,477**	**$ 430,057**	**$ 2,378,630**	**$ 726,457**	**$ (677)**	**$ 3,534,467**
Net income	—	—	—	100,401	—	100,401
Other comprehensive loss, net of tax	—	—	—	—	(50)	(50)
Comprehensive income						100,351
Common stock dividends	—	—	—	(450,000)	—	(450,000)
As of March 31, 2025	**64,508,477**	**$ 430,057**	**$ 2,378,630**	**$ 376,858**	**$ (727)**	**$ 3,184,818**

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

Rochester Gas and Electric Corporation

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

Rochester Gas and Electric Corporation

Index

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

	Page
Consolidated Statements of Income	1
Consolidated Statements of Comprehensive Income	1
Consolidated Balance Sheets	2
Consolidated Statements of Cash Flows	4
Consolidated Statements of Changes in Common Stock Equity	5

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

Periods Ended March 31,		2025		2024
(Thousands)				
Operating Revenues	$	**408,356**	$	**350,802**
Operating Expenses				
Electricity purchased		71,127		48,684
Natural gas purchased		65,269		45,976
Operations and maintenance		96,019		97,689
Depreciation and amortization		37,075		34,047
Taxes other than income taxes, net		45,458		41,565
Total Operating Expenses		**314,948**		**267,961**
Operating Income		**93,408**		**82,841**
Other income		7,554		6,723
Other (deductions) income, net		163		(458)
Interest expense, net of capitalization		(17,766)		(17,532)
Income Before Tax		**83,359**		**71,574**
Income tax expense		18,750		16,328
Net Income	$	**64,609**	$	**55,246**

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

Periods Ended March 31,		2025		2024
(Thousands)				
Net Income	$	**64,609**	$	**55,246**
Other Comprehensive Income, Net of Tax				
Amortization of pension cost for non-qualified plans, net of income tax		20		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		**699**		**749**
Comprehensive Income	$	**65,308**	$	**55,995**

Rochester Gas and Electric Corporation
Consolidated Balance Sheets (Unaudited)

As of	March 31, 2025	December 31, 2024
(Thousands)		
Assets		
Current Assets		
Cash and cash equivalents	$ 4,058	$ 962
Accounts receivable and unbilled revenues, net	254,637	216,081
Accounts receivable from affiliates	5,373	2,474
Notes receivable from affiliates	—	45,400
Fuel and gas in storage	739	9,053
Materials and supplies	24,044	25,519
Derivative assets	15,561	6,821
Prepaid property taxes	63,275	47,016
Regulatory assets	80,747	96,343
Other current assets	17,815	18,265
Total Current Assets	**466,249**	**467,934**
Utility plant, at original cost	5,713,726	5,661,407
Less accumulated depreciation	(1,485,924)	(1,463,927)
Net Utility Plant in Service	**4,227,802**	**4,197,480**
Construction work in progress	475,062	466,242
Total Utility Plant	**4,702,864**	**4,663,722**
Operating lease right-of-use assets	16,716	17,268
Regulatory and Other Assets		
Regulatory assets	566,879	557,197
Other	31,923	33,453
Total Regulatory and Other Assets	**598,802**	**590,650**
Total Assets	**$ 5,784,631**	**$ 5,739,574**

Rochester Gas and Electric Corporation
Consolidated Balance Sheets (Unaudited)

As of		March 31, 2025		December 31, 2024
(Thousands, except share information)				
Liabilities				
Current Liabilities				
Current portion of debt	$	154,584	$	150,343
Notes payable to affiliates		19,800		—
Accounts payable and accrued liabilities		172,361		224,901
Accounts payable to affiliates		16,640		60,440
Interest accrued		24,108		9,871
Taxes accrued		6,956		9,265
Operating lease liabilities		1,937		1,899
Environmental remediation costs		5,710		1,933
Regulatory liabilities		43,958		40,363
Other		57,576		60,545
Total Current Liabilities		**503,630**		**559,560**
Regulatory and Other Liabilities				
Regulatory liabilities		520,490		521,092
Other Non-current Liabilities				
Deferred income taxes		600,969		579,715
Nuclear plant obligations		147,077		145,500
Pension and other postretirement		96,771		97,568
Operating lease liabilities		17,028		17,480
Asset retirement obligations		2,118		2,091
Environmental remediation costs		62,376		66,727
Other		37,233		38,407
Total Regulatory and Other Liabilities		**1,484,062**		**1,468,580**
Non-current debt		1,810,316		1,740,119
Total Liabilities		**3,798,008**		**3,768,259**
Commitments and Contingencies				
Common Stock Equity				
Common stock ($5 par value, 50,000,000 shares authorized, 38,885,813 shares outstanding at March 31, 2025 and December 31, 2024)		194,429		194,429
Additional paid-in capital		1,405,306		1,405,306
Retained earnings		528,450		513,841
Accumulated other comprehensive loss		(24,324)		(25,023)
Treasury stock, at cost (4,379,300 shares at March 31, 2025 and December 31, 2024)		(117,238)		(117,238)
Total Common Stock Equity		**1,986,623**		**1,971,315**
Total Liabilities and Equity	$	**5,784,631**	$	**5,739,574**

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

Periods Ended March 31,	2025	2024
(Thousands)		
Cash Flow From Operating Activities:		
Net income	**$ 64,609**	**$ 55,246**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	37,075	34,047
Regulatory assets/liabilities amortization	(4,982)	(6,832)
Regulatory assets/liabilities carrying cost	(889)	(1,389)
Amortization of debt issuance costs	599	369
Deferred taxes	18,632	20,089
Pension cost	(304)	686
Accretion expenses	27	29
Gain on disposal of assets	(42)	(245)
Other non-cash items	(3,544)	(4,512)
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	(41,455)	(17,905)
Inventories	9,789	9,062
Accounts payable, to affiliates, and accrued liabilities	(64,756)	(43,235)
Taxes accrued	(2,308)	(3,081)
Other assets/liabilities	(754)	(12,269)
Regulatory assets/liabilities	1,502	(33,806)
Net Cash Provided by (Used in) Operating Activities	**13,199**	**(3,746)**
Cash Flow From Investing Activities:		
Capital expenditures	(101,326)	(96,777)
Contributions in aid of construction	3,051	3,394
Proceeds from sale of utility plant	42	699
Notes receivable from affiliates	45,400	—
Net Cash Used in Investing Activities	**(52,833)**	**(92,684)**
Cash Flow From Financing Activities:		
Non-current note issuance	73,840	—
Repayments of finance leases	(533)	(505)
Notes payable to affiliates	19,800	(2,500)
Capital contributions	—	100,000
Dividends paid	(50,000)	—
Net Cash Provided by Financing Activities	**43,107**	**96,995**
Net Increase in Cash, Cash Equivalents and Restricted Cash	**3,473**	**565**
Cash, Cash Equivalents and Restricted Cash, Beginning of Period	**962**	**197**
Cash, Cash Equivalents and Restricted Cash, End of Period	**$ 4,435**	**$ 762**

Rochester Gas and Electric Corporation
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	Treasury Stock	Total Common Stock Equity
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**
Balance, December 31, 2024	**38,885,813**	**$ 194,429**	**$ 1,405,306**	**$ 513,841**	**$ (25,023)**	**$ (117,238)**	**$ 1,971,315**
Net income	—	—	—	64,609	—	—	64,609
Other comprehensive income, net of tax	—	—	—	—	699	—	699
Comprehensive income							65,308
Common stock dividends	—	—	—	(50,000)	—	—	(50,000)
Balance, March 31, 2025	**38,885,813**	**$ 194,429**	**$ 1,405,306**	**$ 528,450**	**$ (24,324)**	**$ (117,238)**	**$ 1,986,623**

(*) Par value of share amounts is $5

The Southern Connecticut Gas Company

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

The Southern Connecticut Gas Company

Index

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

Consolidated Statements of Income	1
Consolidated Statements of Comprehensive Income	1
Consolidated Balance Sheets	2
Consolidated Statements of Cash Flows	4
Consolidated Statements of Changes in Common Stock Equity	5

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

Periods Ended March 31,	**2025**	**2024**
(Thousands)		
Operating Revenues	**$ 202,577**	**$ 140,654**
Operating Expenses		
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
Total Operating Expenses	**160,744**	**112,061**
Operating Income	**41,833**	**28,593**
Other income	812	1,522
Other deductions	(407)	(1,653)
Interest expense, net of capitalization	(6,187)	(5,749)
Income Before Income Tax	**36,051**	**22,713**
Income tax expense	6,376	4,021
Net Income	**29,675**	**18,692**
Less: net (loss) income attributable to noncontrolling interest	(527)	1,433
Net Income Attributable to SCG	**$ 30,202**	**$ 17,259**

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

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

The Southern Connecticut Gas Company
Consolidated Balance Sheets (Unaudited)

As of	March 31, 2025	December 31, 2024
(Thousands)		
Assets		
Current Assets		
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
Total Current Assets	**227,256**	**266,413**
Utility plant, at original cost	1,543,210	1,544,496
Less accumulated depreciation	(432,964)	(433,337)
Net Utility Plant in Service	**1,110,246**	**1,111,159**
Construction work in progress	31,577	28,015
Total Utility Plant	**1,141,823**	**1,139,174**
Operating lease right-of-use assets	10,268	10,440
Other property and investments	11,391	11,360
Regulatory and Other Assets		
Regulatory assets	158,399	160,132
Goodwill	134,931	134,931
Other	476	471
Total Regulatory and Other Assets	**293,806**	**295,534**
Total Assets	**$ 1,684,544**	**$ 1,722,921**

The Southern Connecticut Gas Company
Consolidated Balance Sheets (Unaudited)

As of	March 31, 2025	December 31, 2024
(Thousands, except share information)		
Liabilities		
Current Liabilities		
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
Total Current Liabilities	**241,441**	**263,678**
Regulatory and Other Liabilities		
Regulatory liabilities	206,142	213,213
Other Non-current Liabilities		
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
Total Regulatory and Other Liabilities	**459,493**	**463,882**
Non-current debt	369,171	369,184
Total Liabilities	**1,070,105**	**1,096,744**
Commitments and Contingencies		
Common Stock Equity		
Common stock ($13.33 par value, 2,650,000 shares authorized and 1,407,072 shares outstanding at March 31, 2025 and December 31, 2024)	18,761	18,761
Additional paid-in capital	472,737	472,737
Retained earnings	127,235	97,033
Accumulated other comprehensive loss	(5,342)	(5,349)
Total SCG Common Stock Equity	**613,391**	**583,182**
Noncontrolling interest	1,048	42,995
Total Equity	**614,439**	**626,177**
Total Liabilities and Equity	**$ 1,684,544**	**$ 1,722,921**

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

Periods Ended March 31,	2025	2024
(Thousands)		
Cash Flow from Operating Activities:		
Net income	**$ 29,675**	**$ 18,692**
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
Net Cash Provided by Operating Activities	**33,599**	**15,129**
Cash Flow from Investing Activities:		
Capital expenditures	(16,451)	(33,768)
Contributions in aid of construction	450	715
Notes receivable from affiliates	(1,641)	13,216
Net Cash Used in Investing Activities	**(17,642)**	**(19,837)**
Cash Flow from Financing Activities:		
Notes payable to affiliates	(16,315)	8,625
Contributions from noncontrolling interest	—	2,087
Payment of noncontrolling interest dividend	—	(5,959)
Net Cash (Used in) Provided by Financing Activities	**(16,315)**	**4,753**
Net (Decrease) Increase in Cash and Cash Equivalents	**(358)**	**45**
Cash and Cash Equivalents, Beginning of Period	**2,684**	**380**
Cash and Cash Equivalents, End of Period	**$ 2,326**	**$ 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, 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**
As of December 31, 2024	**1,407,072**	**$ 18,761**	**$ 472,737**	**$ 97,033**	**$ (5,349)**	**$ 42,995**	**$ 626,177**
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)
As of March 31, 2025	**1,407,072**	**$ 18,761**	**$ 472,737**	**$ 127,235**	**$ (5,342)**	**$ 1,048**	**$ 614,439**

(*) Par value of share amounts is $13.33

The United Illuminating Company

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

The United Illuminating Company

Index

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

	Page
Statements of Income	1
Statements of Comprehensive Income	1
Balance Sheets	2
Statements of Cash Flows	4
Statements of Changes in Equity	5
Notes to Financial Statements	6

The United Illuminating Company
Statements of Income (Unaudited)

Periods Ended March 31,	2025	2024
(Thousands)		
Operating Revenues	**$ 354,334**	**$ 373,801**
Operating Expenses		
Electricity purchased	124,169	158,142
Operations and maintenance	125,712	119,440
Depreciation and amortization	30,328	29,176
Taxes other than income taxes, net	31,760	29,622
Total Operating Expenses	**311,969**	**336,380**
Operating Income	**42,365**	**37,421**
Other income	6,238	9,096
Other deductions	(2,051)	(745)
Earnings from equity method investments	265	744
Interest expense, net of capitalization	(12,347)	(12,791)
Income Before Income Tax	**34,470**	**33,725**
Income tax expense	6,860	6,502
Net Income	**$ 27,610**	**$ 27,223**

The United Illuminating Company
Statements of Comprehensive Income (Unaudited)

Periods Ended March 31,	2025	2024
(Thousands)		
Net Income	**$ 27,610**	**$ 27,223**
Other Comprehensive Income, Net of Tax		
Amortization of pension cost for non-qualified plans, net of income tax	54	56
Other Comprehensive Income, Net of Tax	**54**	**56**
Comprehensive Income	**$ 27,664**	**$ 27,279**

The United Illuminating Company
Balance Sheets (Unaudited)

As of	March 31, 2025	December 31, 2024
(Thousands)		
Assets		
Current Assets		
Cash and cash equivalents	$ 6,093	$ 1,202
Accounts receivable and unbilled revenues, net	216,010	216,630
Accounts receivable from affiliates	2,216	306
Notes receivable from affiliates	—	23,000
Materials and supplies	15,641	16,011
Derivative assets	317	342
Prepayments and other current assets	29,605	15,487
Income tax receivable	—	6,544
Regulatory assets	119,242	142,288
Total Current Assets	**389,124**	**421,810**
Utility plant, at original cost	4,123,266	4,096,446
Less accumulated depreciation	(1,259,418)	(1,235,332)
Net Utility Plant in Service	**2,863,848**	**2,861,114**
Construction work in progress	313,412	284,497
Total Utility Plant	**3,177,260**	**3,145,611**
Operating lease right-of-use assets	11,287	11,307
Equity method investments	73,361	75,139
Other property and investments	20,052	20,285
Regulatory and Other Assets		
Regulatory assets	282,992	280,424
Derivative assets	49	121
Other	30,585	28,346
Total Regulatory and Other Assets	**313,626**	**308,891**
Total Assets	**$ 3,984,710**	**$ 3,983,043**

The United Illuminating Company
Balance Sheets (Unaudited)

As of		March 31, 2025		December 31, 2024
(Thousands, except share information)				
Liabilities				
Current Liabilities				
Current portion of debt	$	49,545	$	99,538
Notes payable to affiliates		58,800		—
Accounts payable and accrued liabilities		130,557		145,671
Accounts payable to affiliates		18,812		78,272
Interest accrued		12,562		12,095
Taxes accrued		22,264		18,433
Operating lease liabilities		846		623
Derivative liabilities		10,651		14,462
Other current liabilities		54,955		55,819
Regulatory liabilities		47,054		14,124
Total Current Liabilities		**406,046**		**439,037**
Regulatory and Other Liabilities				
Regulatory liabilities		331,893		331,753
Other Non-current Liabilities				
Deferred income taxes		474,361		465,592
Pension and other postretirement		88,905		87,242
Operating lease liabilities		15,097		15,201
Derivative liabilities		61		152
Environmental remediation costs		18,316		21,637
Other		31,673		31,871
Total Regulatory and Other Liabilities		**960,306**		**953,448**
Non-current debt		1,038,623		1,038,487
Total Liabilities		**2,404,975**		**2,430,972**
Commitments and Contingencies				
Common Stock Equity				
Common stock (no par value, 30,000,000 shares authorized and 100 shares outstanding at March 31, 2025 and December 31, 2024)		1		1
Additional paid-in capital		906,409		906,409
Retained earnings		680,251		652,641
Accumulated other comprehensive loss		(6,926)		(6,980)
Total Common Stock Equity		**1,579,735**		**1,552,071**
Total Liabilities and Equity	**$**	**3,984,710**	**$**	**3,983,043**

The United Illuminating Company
Statements of Cash Flows (Unaudited)

Periods Ended March 31,	2025	2024
(Thousands)		
Cash Flow from Operating Activities:		
Net income	**$ 27,610**	**$ 27,223**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	30,328	29,176
Regulatory assets/liabilities amortization	(12,370)	320
Regulatory assets/liabilities carrying cost	(2,260)	(2,876)
Amortization of debt issuance costs	143	135
Deferred taxes	6,926	3,167
Pension cost	1,305	685
Stock-based compensation	—	20
Earnings from equity method investments	(262)	(741)
Cash distribution from equity method investments	226	742
Other non-cash items	(1,970)	(3,998)
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	(1,290)	6,805
Inventories	370	(1,684)
Accounts payable, to affiliates, and accrued liabilities	(49,001)	(59,419)
Taxes accrued	10,375	5,356
Other assets/liabilities	(20,143)	(15,839)
Regulatory assets/liabilities	62,125	(60,718)
Net Cash Provided by (Used in) Operating Activities	**52,112**	**(71,646)**
Cash Flow from Investing Activities:		
Capital expenditures	(84,072)	(74,628)
Contributions in aid of construction	3,180	743
Notes receivable from affiliates	23,000	—
Proceeds from sale of utility plant	57	66
Cash distribution from equity method investments	1,814	1,819
Net Cash Used in Investing Activities	**(56,021)**	**(72,000)**
Cash Flow from Financing Activities:		
Repayments of non-current debt	(50,000)	—
Notes payable to affiliates	58,800	140,700
Net Cash Provided by Financing Activities	**8,800**	**140,700**
Net Increase (Decrease) in Cash and Cash Equivalents	**4,891**	**(2,946)**
Cash and Cash Equivalents, Beginning of Period	**1,202**	**4,359**
Cash and Cash Equivalents, End of Period	**$ 6,093**	**$ 1,413**

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, 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**
Balance, December 31, 2024	**100**	**$ 1**	**$ 906,409**	**$ 652,641**	**$ (6,980)**	**$ 1,552,071**
Net income	—	—	—	27,610	—	27,610
Other comprehensive income, net of tax	—	—	—	—	54	54
Comprehensive income						27,664
Balance, March 31, 2025	**100**	**$ 1**	**$ 906,409**	**$ 680,251**	**$ (6,926)**	**$ 1,579,735**

(*) 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 347,600 customers as of March 31, 2025 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 wholly-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).

Agreement and Plan of Merger: On May 17, 2024, AGR entered into an Agreement and Plan of Merger (the Merger Agreement) with Iberdrola and Arizona Merger Sub, Inc (Merger Sub). As a result of the consummation of the Merger on December 23, 2024 (closing date), Merger Sub merged with and into Avangrid (the Merger), with Avangrid continuing as the surviving corporation and a wholly-owned subsidiary of Iberdrola. On the closing date, each share of common stock issued and outstanding immediately prior to the closing date (other than common stock owned by the Merger, Merger Sub or any other direct or indirect wholly-owned Subsidiary of the Merger, and in each case not held on behalf of the third parties (collectively, the Excluded Shares)) was converted into a right to receive $35.75 per share of common stock in cash, without interest.

On the closing date, (i) all shares of common stock ceased to be outstanding, were cancelled and ceased to exist and (ii) each Excluded Share ceased to be outstanding and was cancelled without payment of any consideration and ceased to exist. As a result of the consummation of the Merger on December 23, 2024, Iberdrola became the direct owner of 100 shares of common stock of Avangrid which represents the only outstanding capital of the Company. On the closing date, the New York Stock Exchange (NYSE) filed with the Securities and Exchange Commission (the SEC) a notification of removal from listing on Form 25 in order to delist the common stock from the NYSE and deregister the common stock under Section 12(b) of the Securities Exchange Act of 1934, as amended (the Exchange Act). Following the effectiveness of the Form 25, on January 2, 2025, Avangrid filed with the SEC a Form 15 requesting the termination of registration of the common stock under Section 12(g) of the Exchange Act and the suspension of reporting obligations under Section 13 and 15(d) of the Exchange Act with respect to the common stock.

***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, 2025, are not necessarily indicative of the results for the entire fiscal year ending December 31, 2025.

Significant Accounting Policies and New Accounting Pronouncements: The new accounting pronouncements we have adopted as of January 1, 2025, 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, 2024, 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, we adopt new accounting standards based on public business entity guidance aside from the effective dates in certain situations where we may follow the effective dates for private entities.

There were no significant new accounting pronouncements adopted since January 1, 2025.

Accounting Pronouncements Issued But Not Yet Adopted

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 standard is required to be adopted by private entities for the annual periods beginning after December 15, 2025. Early adoption is permitted. The two primary enhancements relate to disaggregation of the annual effective tax rate reconciliation and income taxes paid disclosures. 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.

On September 9, 2022, UI filed a distribution revenue requirement case. UI’s filing proposed a three-year rate plan commencing September 1, 2023 through August 31, 2026. 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 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 resulted 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. Given the expiration of the rate plan, UI had been operating under the 2023 approved rate schedules. 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. A decision was issued by the Court on March 13, 2025, which largely upheld PURA's Final Decision. We cannot predict the outcome of this matter.

On November 12, 2024, UI filed an application to adjust its rates and charges which proposes to amend UI's existing rate schedules effective November 1, 2025, in order to address a significant deficiency in distribution-related operating revenues. More specifically, the UI application proposes a change in base distribution rates to be implemented in the rate year beginning November 1, 2025, with proposed rates designed to provide incremental operating revenues of approximately $105 million. UI's application also includes several measures to moderate the impact of the proposed rate update for customers, including, a low-income discount rate to provide rate relief to UI's disadvantaged customers, as well as proposing to continue an economic development rate to support continued commercial growth in UI's service territory. We cannot predict the outcome of this matter.

Connecticut Energy Legislation

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, 2025, UI has wholesale power supply agreements in place for 100% of the first half of 2025, 80% of the second half of 2025, and 10% of the first half of 2026. Supplier of last resort service is procured on a quarterly basis and UI has a wholesale power supply agreement in place for the first quarter and second quarter of 2025.

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, 2025, UI would have had to post collateral of approximately $18.5 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.

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.

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 (Complaint I) 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 of 9.2%. UI is a NETO with assets and service rates that are governed by the OATT and will thereby be affected by any FERC order resulting from the filed complaint.

On December 26, 2012, a second related complaint (Complaint II) for a subsequent rate period was filed requesting the ROE be reduced to 8.7%. On July 31, 2014, a third related complaint (Complaint III) was filed for a subsequent rate period requesting the ROE be reduced to 8.84%. On April 29, 2016, a fourth complaint (Compliant IV) was filed for a rate period subsequent to prior complaints requesting the base ROE be 8.61% and ROE cap be 11.24%.

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 $9.3 million as of March 31, 2025, which has not changed since December 31, 2024, 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 arbitrary and capricious fashion, the new ROE produced by that model cannot stand. On October 17, 2024, FERC issued its order on remand in the MISO ROE complaint proceedings. In this order, FERC reduced the MISO transmission owners' base ROE to 9.98% by eliminating the risk premium model from the ROE calculation, consistent with the DC Circuit's remand, and affirmed the refunds ordered in Opinion 569 (which were not addressed on appeal by the DC Circuit). On November 13, 2024, the NETOs submitted a supplemental brief into the NETO ROE case. The supplemental brief primarily addresses distinctions between the MISO transmission owners' and the NETOs' ROE cases. On March 25, 2025, FERC issued an order on rehearing in the MISO ROE complaint proceeding that sustained the same result as the October 17, 2024, order. We cannot predict the potential impact that 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 28, 2024, seeking approval of its 2025 revenue requirements for the period commencing January 1, 2025 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 $40.4 million. While the company was required to file its application consistent with PURA's order in the 2023 decision, GenConn has also presented a method that appropriately calculates revenue requirements of $45.8 million and has reserved the right to update revenue requirements following outcomes of legal appeals of the last 3 decisions. A Final Decision was issued on December 18, 2024 approving revenue requirements of $40.4 million. The company plans to appeal the 2025 revenue requirements decision. The company cannot predict the outcome of this matter.

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 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 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.

On October 29, 2024, the Supreme Court remanded the appeal to PURA with an order to vacate its ROE penalty and to recalculate its minor accident fine. The Court did not modify the Trial Court's decision to uphold the $1 million fine for the emergency storm response performance. On December 11, 2024, PURA entered an order vacating the ROE penalty and reducing the minor accident fine from $61,000 to $2,500.

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 $200.0 million represents the 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, 2025 and December 31, 2024 consisted of:

As of	March 31, 2025	December 31, 2024
(Thousands)		
Contracts for differences	$ 10,346	$ 14,151
COVID-19 cost recovery	6,237	6,713
Deferred transmission expense	4,569	2,907
Environmental remediation costs	13,852	13,838
Excess generation service charge	58,111	47,346
Non-bypassable charges	—	24,545
Pension and other postretirement benefit plans	71,254	72,027
Pension and other postretirement benefits cost deferrals	18,545	18,983
Storm costs	29,647	26,573
System benefit charge	37,600	44,741
Unamortized losses on reacquired debt	3,832	3,957
Unfunded future income taxes	131,012	129,968
Other	17,229	16,963
Total regulatory assets	**402,234**	**422,712**
Less: current portion	119,242	142,288
Total non-current regulatory assets	**$ 282,992**	**$ 280,424**

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 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.

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.

Regulatory liabilities as of March 31, 2025 and December 31, 2024 consisted of:

As of		March 31, 2025		December 31, 2024
(Thousands)				
2017 Tax Act	$	200,963	$	201,764
Accrued removal obligations		79,583		79,809
Accumulated deferred investment tax credits		8,986		9,169
Conservation and load management		8,253		4,668
Middletown/Norwalk local transmission network service collections		14,952		15,096
Non-bypassable charges		27,901		—
Pension and other postretirement benefit plans		16,426		16,267
Pension and other postretirement benefits cost deferrals		1,378		1,423
Revenue decoupling mechanism		5,839		2,879
Rate refund - FERC ROE proceeding		9,437		9,254
Other		5,229		5,548
Total regulatory liabilities		**378,947**		**345,877**
Less: current portion		47,054		14,124
Total non-current regulatory liabilities	**$**	**331,893**	**$**	**331,753**

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.

Conservation and load management represents the difference between UI's costs for customer conservation measures and the amounts collected in rates for those costs.

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.

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

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.

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 regulation, 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.

Revenues disaggregated by major source for the three months ended March 31, 2025 and 2024, are as follows:

Three Months Ended March 31,		2025		2024
(Thousands)				
Regulated operations – electricity	$	337,667	$	366,569
Other (a)		3,053		2,565
Revenue from contracts with customers		**340,720**		**369,134**
Leasing revenue		2,703		1,199
Alternative revenue programs		8,996		1,692
Other revenue		1,915		1,776
Total operating revenues	**$**	**354,334**	**$**	**373,801**

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

As of March 31, 2025 and December 31, 2024, 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 $60.9 million and $72.4 million, respectively.

Note 5. Income Taxes

The effective tax rate for the three months ended March 31, 2025 was 19.9%, which was lower than the 21% statutory federal income tax rate due predominately to excess ADIT amortization and Equity AFUDC, partially offset by state 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.

Note 6. Bank Loans and Other Borrowings

UI had $58.8 million outstanding and no short-term debt outstanding as of March 31, 2025 and December 31, 2024, 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, 2025 and December 31, 2024.

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 $58.8 million outstanding and no debt outstanding under this agreement as of March 31, 2025 and December 31, 2024, 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. On July 17, 2023, the Avangrid Credit Facility was amended and restated to, among other things, provide for the replacement of LIBOR-based rates with SOFR-based rates. 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, 2025 and December 31, 2024.

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 0.42 to 1.00 at March 31, 2025. We are not in default as of March 31, 2025.

Note 7. Preferred Stock

At March 31, 2025, 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 Quinnipiac 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 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 PCO), that requires UI to investigate and remediate certain environmental conditions within the perimeter of the English Station site. Under the PCO, if the cost of this remediation is less than $30 million, UI will remit to the State the difference between such cost and $30 million. If the cost of such compliance exceeds $30 million, UI must comply with the PCO, but may seek to recover costs above $30 million in consultation with the State.

UI continues its activities to investigate and remediate the environmental conditions at the site. In 2023 and 2024 DEEP sent UI a series of letters requesting details on remediation plans and security, which UI responded to.

On January 25, 2024, DEEP issued a notice of declaratory ruling to determine the “high occupancy standard” necessary “to abate on-site pollution and impacts for industrial/commercial use of the Site…inside the buildings” as referenced in section (B)(1)(e)(4) of the PCO. UI submitted its written comments objecting to the proceedings on March 11, 2024. DEEP issued a Declaratory Ruling on May 28, 2024 declaring that the high occupancy standard is applicable. On July 3, 2024, UI appealed DEEP’s ruling to the Connecticut Superior Court and was granted a request to move the case to the complex litigation docket. The appeal has been fully briefed and was argued on March 31, 2025. A decision is expected by July 29, 2025.

On January 29, 2024, DEEP served UI with a Summons and Complaint seeking injunctive relief and enforcement of the consent order from the Connecticut Superior Court. UI filed its Answer and Special Defenses on May 13, 2024. A procedural schedule was set by the court that establishes a trial date of October 20, 2026. The case is docketed under the Complex Litigation Docket of the Connecticut Superior Court. DEEP filed a motion to strike UI’s amended special defenses on

November 21, 2024, and UI responded on December 23, 2024. This Motion was granted in part, however, UI filed Amended Special Defenses on November 6, 2024. DEEP again filed a Motion to Strike. The Court heard this Motion at the aforementioned March 31, 2025 hearing, and a decision is also expected by July 29, 2025. DEEP also filed a Motion to Dismiss UI's Counterclaim for a declaratory ruling on the applicable remediation standard under the PCO. UI timely responded to the Motion to Dismiss. The Motion to Dismiss was granted as to DEEP on February 7, 2025.

As of both March 31, 2025 and December 31, 2024, the amount reserved related to English Station was $19.9 million. 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 $14.5 million as of March 31, 2025 and $14.6 million as of December 31, 2024, 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 $0.3 million as of March 31, 2025 and $0.4 million as of December 31, 2024.

Our environmental liability accruals are recorded on an undiscounted basis and are expected to be paid through the year 2151.

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, 2025, UI has recorded a gross derivative asset of $0.4 million ($0 of which is related to UI's portion of the CfD signed by CL&P), a regulatory asset of $10.3 million, a gross derivative liability of $10.7 million ($10.3 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, 2024, UI had recorded a gross derivative asset of $0.5 million ($0 of which is related to UI's portion of the CfD signed by CL&P), a regulatory asset of $14.2 million, a gross derivative liability of $14.6 million ($14 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, 2025 and 2024, respectively, were as follows:

	Three Months Ended March 31, 2025	2024
(Thousands)		
Derivative assets	$ (97)	$ (130)
Derivative liabilities	$ 3,902	$ 4,411

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

The estimated fair value of debt amounted to $1,060 million as of March 31, 2025 and $1,098 million as of December 31, 2024, respectively. 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 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, 2025 and December 31, 2024, respectively, consisted of:

As of March 31, 2025	Level 1	Level 2	Level 3	Total
(Thousands)				
Derivative assets				
Contracts for differences	$ —	$ —	$ 366	$ 366
Equity investments with readily determinable fair values				
Supplemental retirement benefit trust life insurance policies	—	19,790	—	19,790
Total	**$ —**	**$ 19,790**	**$ 366**	**$ 20,156**
Derivative liabilities				
Contracts for differences	$ —	$ —	$ (10,712)	$ (10,712)
Total	**$ —**	**$ —**	**$ (10,712)**	**$ (10,712)**

As of December 31, 2024	Level 1	Level 2	Level 3	Total
(Thousands)				
Derivative assets				
Contracts for differences	$ —	$ —	$ 463	$ 463
Equity investments with readily determinable fair values				
Supplemental retirement benefit trust life insurance policies	—	20,026	—	20,026
Total	**$ —**	**$ 20,026**	**$ 463**	**$ 20,489**
Derivative liabilities				
Contracts for differences	$ —	$ —	$ (14,614)	$ (14,614)
Total	**$ —**	**$ —**	**$ (14,614)**	**$ (14,614)**

We had no transfers to or from Level 1 and 2 during the periods ended March 31, 2025 and December 31, 2024. 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.

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, 2025	Range at December 31, 2024
Risk of non-performance	0.60% - 0.61%	0.46% - 0.48%
Discount rate	3.87% - 4.01%	4.16% - 4.25%
Forward pricing ($ per MW)	$2.59 - $2.61	$2.59 - $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, 2025 and 2024, respectively, is as follows:

Three Months Ended March 31,		2025	2024
(Thousands)			
Beginning balance	$	(14,151) $	(29,928)
Unrealized gains, net		3,805	4,281
Ending balance	**$**	**(10,346) $**	**(25,647)**

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, 2025 and 2024, respectively, consisted of:

		Pension Benefits				Postretirement Benefits		
Three Months Ended March 31,		**2025**		**2024**		**2025**		**2024**
(Thousands)								
Net periodic benefit cost								
Service cost	$	—	$	—	$	58	$	73
Interest cost		4,714		4,484		560		532
Expected return on plan assets		(4,479)		(5,039)		(623)		(559)
Amortization of prior service cost		297		297		—		—
Amortization of net loss (gain)		773		943		(407)		(251)
Net periodic benefit cost (credit)	**$**	**1,305**	**$**	**685**	**$**	**(412)**	**$**	**(205)**

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 $73.4 million and $75.1 million as of March 31, 2025 and December 31, 2024, respectively.

UI’s pre-tax income from its equity investment in GenConn was $0.3 million and $0.7 million for the three months ended March 31, 2025 and 2024, 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 $2.0 million and $2.6 million during the three months ended March 31, 2025 and 2024, respectively.

Note 13. Other Income and Other Deductions

Other income and deductions for the three months ended March 31, 2025 and 2024, respectively, consisted of:

Three Months Ended March 31,		2025		2024
(Thousands)				
Interest and dividends income	$	269	$	4,974
Allowance for funds used during construction		3,170		2,938
Carrying costs on regulatory assets		2,795		1,090
Miscellaneous		4		94
Total other income	**$**	**6,238**	**$**	**9,096**
Pension non-service components	$	(949)	$	(534)
Miscellaneous		(1,102)		(211)
Total other deductions	**$**	**(2,051)**	**$**	**(745)**

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 $20.2 million and $22.5 million for the three months ended March 31, 2025 and 2024, respectively. The charge for services provided by UI to AGR and its subsidiaries was approximately $4.2 million and $3.0 million for the three months ended March 31, 2025 and 2024, respectively. All charges for services are at cost.

The balance in accounts payable to affiliates of $18.8 million at March 31, 2025 and $78.3 million at December 31, 2024 is primarily due to UIL Holdings. The balance in accounts receivable from affiliates of $2.2 million at March 31, 2025 and $0.3 million at December 31, 2024 is receivable from various companies.

There were no notes receivable from affiliates at March 31, 2025. There were $23.0 million notes receivable from affiliates at December 31, 2024, which is receivable from CMP. Notes payable to affiliates and notes receivables from affiliates relate to the Virtual Money Pool Agreement and the Bi-Lateral Intercompany Facility as discussed in Note 6 of these financial statements.