

**The Southern Connecticut Gas Company**

**Consolidated Financial Statements (Unaudited)  
For the Three Months Ended March 31, 2026 and 2025**

# The Southern Connecticut Gas Company

## Index

<b>Consolidated Financial Statements (Unaudited) For the Three Months Ended March 31, 2026 and 2025</b>	<b>Page</b>
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,	2026	2025
(Thousands)		
<b>Operating Revenues</b>	<b>\$ 200,604</b>	<b>\$ 202,577</b>
<b>Operating Expenses</b>		
Natural gas purchased	113,919	109,294
Operations and maintenance	29,046	27,346
Depreciation and amortization	11,273	10,651
Taxes other than income taxes, net	11,732	13,453
<b>Total Operating Expenses</b>	<b>165,970</b>	<b>160,744</b>
<b>Operating Income</b>	<b>34,634</b>	<b>41,833</b>
Other income	358	812
Other deductions	(688)	(407)
Interest expense, net of capitalization	(5,407)	(6,187)
<b>Income Before Income Tax</b>	<b>28,897</b>	<b>36,051</b>
Income tax expense	7,545	6,376
<b>Net Income</b>	<b>21,352</b>	<b>29,675</b>
Less: net loss attributable to noncontrolling interest	—	(527)
<b>Net Income Attributable to SCG</b>	<b>\$ 21,352</b>	<b>\$ 30,202</b>

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

Periods Ended March 31,	2026	2025
(Thousands)		
<b>Net Income</b>	<b>\$ 21,352</b>	<b>\$ 29,675</b>
<b>Other Comprehensive Income, Net of Tax</b>		
Amortization of pension cost for non-qualified plans, net of income tax	20	7
<b>Other Comprehensive Income, Net of Tax</b>	<b>20</b>	<b>7</b>
<b>Comprehensive Income</b>	<b>21,372</b>	<b>29,682</b>
Less: comprehensive loss attributable to noncontrolling interest	—	(527)
<b>Comprehensive Income Attributable to SCG</b>	<b>\$ 21,372</b>	<b>\$ 30,209</b>

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

<b>As of</b>	<b>March 31,</b>	<b>December 31,</b>
(Thousands)	<b>2026</b>	<b>2025</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 18,909	\$ 16,361
Accounts receivable and unbilled revenues, net	126,685	121,372
Accounts receivable from affiliates	1,676	1,536
Notes receivable from affiliates	5,982	—
Gas in storage	20,218	34,779
Materials and supplies	4,775	4,925
Other current assets	7,073	4,521
Regulatory assets	20,500	45,080
<b>Total Current Assets</b>	<b>205,818</b>	<b>228,574</b>
Utility plant, at original cost	1,628,198	1,616,431
Less accumulated depreciation	(458,927)	(450,187)
<b>Net Utility Plant in Service</b>	<b>1,169,271</b>	<b>1,166,244</b>
Construction work in progress	26,581	25,930
<b>Total Utility Plant</b>	<b>1,195,852</b>	<b>1,192,174</b>
Operating lease right-of-use assets	9,159	9,435
Other property and investments	12,075	12,364
<b>Regulatory and Other Assets</b>		
Regulatory assets	159,754	160,754
Goodwill	134,931	134,931
Other	648	639
<b>Total Regulatory and Other Assets</b>	<b>295,333</b>	<b>296,324</b>
<b>Total Assets</b>	<b>\$ 1,718,237</b>	<b>\$ 1,738,871</b>

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

As of	March 31, 2026	December 31, 2025
(Thousands, except share information)		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt	\$ 14,959	\$ 15,046
Accounts payable and accrued liabilities	53,808	86,413
Accounts payable to affiliates	5,690	23,820
Interest accrued	4,516	4,631
Taxes accrued	8,826	6,741
Operating lease liabilities	1,070	1,055
Regulatory liabilities	47,389	38,524
Other	20,531	21,610
<b>Total Current Liabilities</b>	<b>156,789</b>	<b>197,840</b>
<b>Regulatory and Other Liabilities</b>		
Regulatory liabilities	169,591	176,882
<b>Other Non-current Liabilities</b>		
Deferred income taxes	142,063	134,426
Pension and other postretirement	29,504	30,437
Operating lease liabilities	9,513	9,778
Asset retirement obligation	13,121	13,020
Environmental remediation costs	56,441	57,207
Other	5,241	4,290
<b>Total Regulatory and Other Liabilities</b>	<b>425,474</b>	<b>426,040</b>
Non-current debt	443,673	444,062
<b>Total Liabilities</b>	<b>1,025,936</b>	<b>1,067,942</b>
<b>Commitments and Contingencies</b>		
<b>Common Stock Equity</b>		
Common stock (\$13.33 par value, 2,650,000 shares authorized and 1,407,072 shares outstanding at March 31, 2026 and December 31, 2025)	18,761	18,761
Additional paid-in capital	522,737	522,737
Retained earnings	156,045	134,693
Accumulated other comprehensive loss	(5,242)	(5,262)
<b>Total Equity</b>	<b>692,301</b>	<b>670,929</b>
<b>Total Liabilities and Equity</b>	<b>\$ 1,718,237</b>	<b>\$ 1,738,871</b>

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

Periods Ended March 31,	2026	2025
(Thousands)		
<b>Cash Flow from Operating Activities:</b>		
<b>Net income</b>	<b>\$ 21,352</b>	<b>\$ 29,675</b>
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,273	10,651
Regulatory assets/liabilities amortization	8,925	6,548
Regulatory assets/liabilities carrying cost	245	390
Amortization of debt issuance costs	(476)	(37)
Deferred taxes	7,545	6,374
Pension cost	288	373
Accretion expenses	668	—
Other non-cash items	747	215
Changes in operating assets and liabilities:		
Accounts receivable, from affiliates, and unbilled revenues	(5,453)	(24,085)
Inventories	14,711	13,300
Accounts payable, to affiliates, and accrued liabilities	(38,237)	(24,219)
Taxes accrued	2,085	1,423
Other assets/liabilities	(4,793)	(11,106)
Regulatory assets/liabilities	15,111	24,097
<b>Net Cash Provided by Operating Activities</b>	<b>33,991</b>	<b>33,599</b>
<b>Cash Flow from Investing Activities:</b>		
Capital expenditures	(27,265)	(16,451)
Contributions in aid of construction	1,702	450
Proceeds from sale of utility plant	20	—
Notes receivable from affiliates	(5,900)	(1,641)
<b>Net Cash Used in Investing Activities</b>	<b>(31,443)</b>	<b>(17,642)</b>
<b>Cash Flow from Financing Activities:</b>		
Notes payable to affiliates	—	(16,315)
<b>Net Cash Used in Financing Activities</b>	<b>—</b>	<b>(16,315)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,548</b>	<b>(358)</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>16,361</b>	<b>2,684</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 18,909</b>	<b>\$ 2,326</b>

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

(Thousands, except per share amounts)	Number of Shares (*)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Common Stock Equity
<b>As of December 31, 2024</b>	<b>1,407,072</b>	<b>\$ 18,761</b>	<b>\$ 472,737</b>	<b>\$ 97,033</b>	<b>\$ (5,349)</b>	<b>\$ 42,995</b>	<b>\$ 626,177</b>
Net income	—	—	—	30,202	—	—	30,202
Other comprehensive income, net of tax	—	—	—	—	7	—	7
Comprehensive income							30,209
Net loss attributable to noncontrolling interest	—	—	—	—	—	(527)	(527)
Distributions from noncontrolling interest	—	—	—	—	—	(41,420)	(41,420)
<b>As of March 31, 2025</b>	<b>1,407,072</b>	<b>\$ 18,761</b>	<b>\$ 472,737</b>	<b>\$ 127,235</b>	<b>\$ (5,342)</b>	<b>\$ 1,048</b>	<b>\$ 614,439</b>
<b>As of December 31, 2025</b>	<b>1,407,072</b>	<b>\$ 18,761</b>	<b>\$ 522,737</b>	<b>\$ 134,693</b>	<b>\$ (5,262)</b>	<b>\$ —</b>	<b>\$ 670,929</b>
Net income	—	—	—	21,352	—	—	21,352
Other comprehensive income, net of tax	—	—	—	—	20	—	20
Comprehensive income							21,372
<b>As of March 31, 2026</b>	<b>1,407,072</b>	<b>\$ 18,761</b>	<b>\$ 522,737</b>	<b>\$ 156,045</b>	<b>\$ (5,242)</b>	<b>\$ —</b>	<b>\$ 692,301</b>

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