



The Narragansett Electric Company
(d/b/a Rhode Island Energy)
Financial Statements
For the quarterly period ended June 30, 2024
(Unaudited)

RHODE ISLAND ENERGY

TABLE OF CONTENTS

Officer's Certification of Financial Statements	3
Statements of Income - Three and Six Months Ended June 30, 2024 and 2023	4
Statements of Cash Flows - Six Months Ended June 30, 2024 and 2023	5
Balance Sheets - June 30, 2024 and December 31, 2023	6



OFFICER'S CERTIFICATION OF FINANCIAL STATEMENTS

The Narragansett Electric Company (d/b/a Rhode Island Energy)
Financial Statements for the quarterly period ended June 30, 2024 (unaudited)

I hereby certify that I am Vice-President and Controller of The Narragansett Electric Company and that the enclosed statements of income for the three and six months ended June 30, 2024 and 2023, cash flows for the six months ended June 30, 2024 and 2023 and balance sheets as of June 30, 2024 and December 31, 2023 have been prepared in accordance with generally accepted accounting principles, and are, in my opinion, correct, subject to year-end audit adjustments and footnote disclosures. These financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2023.

Marlene C. Beers

Signature

Marlene C. Beers

Name of Officer

Vice President and Controller

Title

08/23/2024

Date

RHODE ISLAND ENERGY STATEMENTS OF INCOME

(Unaudited, in millions of dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating Revenues	\$ 389	\$ 378	\$ 938	\$ 942
Operating Expenses				
Energy purchases	100	108	329	394
Other operations and maintenance	180	158	336	278
Depreciation	40	40	81	79
Taxes, other than income	39	37	66	80
Total Operating Expenses	359	343	812	831
Operating Income	30	35	126	111
Other Income (Expense) - net	6	(6)	13	4
Interest Expense	23	16	44	33
Interest Expense with affiliate	—	4	3	6
Income Before Income Taxes	13	9	92	76
Income Tax Expense	1	(1)	16	12
Net Income	\$ 12	\$ 10	\$ 76	\$ 64

RHODE ISLAND ENERGY

STATEMENTS OF CASH FLOWS

(Unaudited, in millions of dollars)

	Six Months Ended June 30,	
	2024	2023
Operating activities:		
Net income	\$ 76	\$ 64
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	81	79
Deferred income tax expense	36	59
Bad debt expense	17	8
Allowance for equity funds used during construction	(3)	(4)
Pension and postretirement benefits (income) expenses, net	(10)	(12)
Other, net	(1)	—
Environmental remediation payments	(1)	(1)
Changes in operating assets and liabilities:		
Accounts receivable, net and unbilled revenues	(2)	60
Accounts receivable from/payable to affiliates, net	(13)	(1)
Fuel, materials and supplies	(2)	(15)
Regulatory assets and liabilities, net	(35)	(74)
Prepaid and accrued taxes	15	17
Accounts payable and other liabilities	(160)	(58)
Other, net	56	(15)
Net cash provided by operating activities	<u>54</u>	<u>107</u>
Investing activities:		
Capital expenditures	(230)	(192)
Notes receivable from affiliate	(44)	—
Cost of removal	(11)	(12)
Other	(1)	—
Net cash used in investing activities	<u>(286)</u>	<u>(204)</u>
Financing activities:		
Redemption of preferred stock	—	(2)
Issuance of long-term debt	500	—
Payment of debt issuance costs	(4)	—
Notes payable to affiliates	(409)	103
Net decrease in short-term debt	(25)	—
Payment of common stock dividends to parent	(57)	(41)
Contributions from parent	225	41
Net cash provided by (used in) financing activities	<u>230</u>	<u>101</u>
Net increase (decrease) in cash and cash equivalents	(2)	4
Cash and cash equivalents, beginning of period	8	2
Cash and cash equivalents, end of period	<u>\$ 6</u>	<u>\$ 6</u>

RHODE ISLAND ENERGY

BALANCE SHEETS

(Unaudited, in millions of dollars)

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6	\$ 8
Accounts receivable (Less reserve: 2024, \$51; 2023, \$43)	316	293
Accounts receivable from affiliates	10	4
Notes receivable from affiliates	44	—
Unbilled revenues (Less reserve: 2024, \$1; 2023, \$2)	56	94
Fuel, materials and supplies	80	78
Regulatory assets	224	226
Price risk management assets	2	1
Other current assets	22	23
Total current assets	<u>760</u>	<u>727</u>
Property, plant and equipment		
Regulated utility plant	5,639	5,492
Less: accumulated depreciation - regulated utility plant	1,310	1,312
Regulated utility plant, net	<u>4,329</u>	<u>4,180</u>
Non-regulated property, plant and equipment	5	5
Less: accumulated depreciation - non-regulated property, plant and equipment	—	—
Non-regulated property, plant and equipment, net	5	5
Construction work in progress	309	287
Property, plant and equipment, net	<u>4,643</u>	<u>4,472</u>
Other noncurrent assets		
Deferred income tax assets, net	47	87
Pension benefit assets	24	17
Regulatory assets	459	441
Goodwill	725	725
Other noncurrent assets	26	46
Total other noncurrent assets	<u>1,281</u>	<u>1,316</u>
Total assets	<u><u>\$ 6,684</u></u>	<u><u>\$ 6,515</u></u>

RHODE ISLAND ENERGY

BALANCE SHEETS

(Unaudited, in millions of dollars)

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 223	\$ 359
Accounts payable to affiliates	17	24
Short-term debt	—	25
Short-term debt with affiliates	—	409
Long-term debt due within one year	1	1
Taxes	55	40
Interest	23	16
Regulatory liabilities	124	117
Price risk management liabilities	20	51
Renewable energy certificate obligations	16	29
Other current liabilities	71	89
Total current liabilities	<u>550</u>	<u>1,160</u>
Long-term debt	<u>1,991</u>	<u>1,495</u>
Other noncurrent liabilities		
Regulatory liabilities	675	658
Asset retirement obligations	8	8
Environmental remediation costs	94	92
Other noncurrent liabilities	68	46
Total other noncurrent liabilities	<u>845</u>	<u>804</u>
Equity		
Common stock - \$50 par value (a)	57	57
Additional paid-in capital	1,806	1,581
Earnings reinvested	1,435	1,418
Total Equity	<u>3,298</u>	<u>3,056</u>
Total Liabilities and Equity	<u>\$ 6,684</u>	<u>\$ 6,515</u>

(a) 1,132,487 shares authorized, issued and outstanding at June 30, 2024 and December 31, 2023.