



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

RHODE ISLAND ENERGY

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OFFICER'S CERTIFICATION OF FINANCIAL STATEMENTS

The Narragansett Electric Company (d/b/a Rhode Island Energy)
Financial Statements for the period ended September 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 nine months ended September 30, 2024 and 2023, cash flows for the nine months ended September 30, 2024 and 2023 and balance sheets as of September 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

11/13/2024
Date

RHODE ISLAND ENERGY STATEMENTS OF INCOME

(Unaudited, in millions of dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating Revenues	\$ 455	\$ 413	\$ 1,393	\$ 1,355
Operating Expenses				
Energy purchases	135	107	464	501
Other operations and maintenance	211	207	547	485
Depreciation	42	41	123	120
Taxes, other than income	33	39	99	119
Total Operating Expenses	421	394	1,233	1,225
Operating Income	34	19	160	130
Other Income (Expense) - net	6	6	19	10
Interest Income with Affiliate	1	—	1	—
Interest Expense	25	17	69	50
Interest Expense with affiliate	—	4	3	10
Income Before Income Taxes	16	4	108	80
Income Taxes	2	(2)	18	10
Net Income	\$ 14	\$ 6	\$ 90	\$ 70

RHODE ISLAND ENERGY

STATEMENTS OF CASH FLOWS

(Unaudited, in millions of dollars)

	Nine Months Ended September 30,	
	2024	2023
Operating activities:		
Net income	\$ 90	\$ 70
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	123	120
Deferred income tax expense	38	67
Bad debt expense	30	17
Allowance for equity funds used during construction	(5)	(7)
Pension and postretirement benefits (income) expenses, net	(16)	(17)
Other, net	(1)	—
Environmental remediation payments	(2)	(3)
Changes in operating assets and liabilities:		
Accounts receivable, net and unbilled revenues	25	34
Accounts receivable from/payable to affiliates, net	11	(3)
Fuel, materials and supplies	(12)	(27)
Regulatory assets and liabilities, net	15	(46)
Prepaid and accrued taxes	(7)	12
Accounts payable and other liabilities	(218)	3
Other, net	61	(20)
Net cash provided by operating activities	<u>132</u>	<u>200</u>
Investing activities:		
Capital expenditures	(320)	(323)
Notes receivable from affiliate	(198)	—
Cost of removal	(21)	(20)
Other	1	—
Net cash used in investing activities	<u>(538)</u>	<u>(343)</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)	118
Net increase (decrease) in short-term debt	(25)	75
Payment of common stock dividends to parent	(64)	(50)
Contributions from parent	400	41
Net cash provided by (used in) financing activities	<u>398</u>	<u>148</u>
Net increase (decrease) in cash and cash equivalents	(8)	5
Cash and cash equivalents, beginning of period	8	2
Cash and cash equivalents, end of period	<u>\$ —</u>	<u>\$ 7</u>

RHODE ISLAND ENERGY

BALANCE SHEETS

(Unaudited, in millions of dollars)

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ —	\$ 8
Accounts receivable (Less reserve: 2024, \$58; 2023, \$43)	314	293
Accounts receivable from affiliates	11	4
Notes receivable from affiliates	198	—
Unbilled revenues (Less reserve: 2024, \$1; 2023, \$2)	64	94
Fuel, materials and supplies	91	78
Regulatory assets	219	226
Price risk management assets	2	1
Other current assets	17	23
Total current assets	<u>916</u>	<u>727</u>
Property, plant and equipment		
Regulated utility plant	5,730	5,492
Less: accumulated depreciation - regulated utility plant	<u>1,326</u>	<u>1,312</u>
Regulated utility plant, net	<u>4,404</u>	<u>4,180</u>
Non-regulated property, plant and equipment	5	5
Less: accumulated depreciation - non-regulated property, plant and equipment	<u>—</u>	<u>—</u>
Non-regulated property, plant and equipment, net	<u>5</u>	<u>5</u>
Construction work in progress	366	287
Property, plant and equipment, net	<u>4,775</u>	<u>4,472</u>
Other noncurrent assets		
Deferred income tax assets, net	43	87
Pension benefit assets	28	17
Regulatory assets	444	441
Goodwill	725	725
Other noncurrent assets	22	46
Total other noncurrent assets	<u>1,262</u>	<u>1,316</u>
Total assets	<u><u>\$ 6,953</u></u>	<u><u>\$ 6,515</u></u>

RHODE ISLAND ENERGY BALANCE SHEETS

(Unaudited, in millions of dollars)

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 187	\$ 359
Accounts payable to affiliates	42	24
Short-term debt	—	25
Short-term debt with affiliates	—	409
Long-term debt due within one year	1	1
Taxes	33	40
Interest	30	16
Regulatory liabilities	133	117
Price risk management liabilities	21	51
Renewable energy certificate obligations	26	29
Other current liabilities	141	89
Total current liabilities	<u>614</u>	<u>1,160</u>
Long-term debt	<u>1,991</u>	<u>1,495</u>
Other noncurrent liabilities		
Regulatory liabilities	693	658
Asset retirement obligations	8	8
Environmental remediation costs	95	92
Other noncurrent liabilities	71	46
Total other noncurrent liabilities	<u>867</u>	<u>804</u>
Equity		
Common stock - \$50 par value (a)	57	57
Additional paid-in capital	1,981	1,581
Earnings reinvested	1,443	1,418
Total Equity	<u>3,481</u>	<u>3,056</u>
Total Liabilities and Equity	<u>\$ 6,953</u>	<u>\$ 6,515</u>

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