



**The Narragansett Electric Company  
(d/b/a Rhode Island Energy)**

**Financial Statements**

**For the three months ended March 31, 2024 and 2023  
(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 Three Months Ended March 31, 2024 and 2023 (unaudited)

I hereby certify that I am Vice-President and Controller of The Narragansett Electric Company and that the enclosed statements of income and cash flows for the three months ended March 31, 2024 and 2023 and balance sheets as of March 31, 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

May 14, 2024

Date

# RHODE ISLAND ENERGY STATEMENTS OF INCOME

(Unaudited, in millions of dollars)

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating Revenues</b>	<b>\$ 549</b>	<b>\$ 564</b>
<b>Operating Expenses</b>		
Energy purchases	229	286
Other operations and maintenance	156	120
Depreciation	41	39
Taxes, other than income	27	43
Total Operating Expenses	<u>453</u>	<u>488</u>
<b>Operating Income</b>	<b>96</b>	<b>76</b>
Other Income (Expense) - net	7	10
Interest Expense	<u>24</u>	<u>19</u>
<b>Income (Loss) Before Income Taxes</b>	<b>79</b>	<b>67</b>
Income Tax Expense	<u>15</u>	<u>13</u>
<b>Net Income</b>	<b><u>\$ 64</u></b>	<b><u>\$ 54</u></b>

# RHODE ISLAND ENERGY

## STATEMENTS OF CASH FLOWS

(Unaudited, in millions of dollars)

	Three Months Ended March 31,	
	2024	2023
<b>Operating activities:</b>		
Net income	\$ 64	\$ 54
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	41	39
Deferred income tax expense	18	28
Bad debt expense	12	10
Allowance for equity funds used during construction	(3)	(2)
Pension and postretirement benefits (income) expenses, net	(5)	(6)
Other, net	(1)	—
Changes in operating assets and liabilities:		
Accounts receivable, net and unbilled revenues	(41)	31
Accounts receivable from/payable to affiliates, net	(9)	(44)
Fuel, materials and supplies	15	(6)
Regulatory assets and liabilities, net	(13)	(56)
Derivative instruments	—	1
Prepaid and accrued taxes	32	21
Accounts payable and other liabilities	(129)	(46)
Other, net	15	5
Net cash provided by operating activities	<u>(4)</u>	<u>29</u>
<b>Investing activities:</b>		
Capital expenditures	(119)	(103)
Cost of removal	(6)	(4)
Net cash used in investing activities	<u>(125)</u>	<u>(107)</u>
<b>Financing activities:</b>		
Issuance of long-term debt	500	—
Payment of debt issuance costs	(4)	—
Notes payable to affiliates	(374)	90
Net decrease in short-term debt	(25)	—
Payment of common stock dividends to parent	(15)	—
Contributions from parent	50	—
Return of capital to parent	—	(8)
Net cash provided by (used in) financing activities	<u>132</u>	<u>82</u>
Net increase (decrease) in cash and cash equivalents	3	4
Cash and cash equivalents, beginning of period	8	2
Cash and cash equivalents, end of period	<u>\$ 11</u>	<u>\$ 6</u>

# RHODE ISLAND ENERGY

## BALANCE SHEETS

(Unaudited, in millions of dollars)

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 11	\$ 8
Accounts receivable (Less reserve: 2024, \$50; 2023, \$43)	327	293
Accounts receivable from affiliates	11	4
Unbilled revenues (Less reserve: 2024, \$2; 2023, \$2)	89	94
Fuel, materials and supplies	67	78
Regulatory assets	226	226
Price risk management assets	1	1
Other current assets	51	23
Total current assets	<u>783</u>	<u>727</u>
<b>Property, plant and equipment</b>		
Regulated utility plant	5,562	5,492
Less: accumulated depreciation - regulated utility plant	1,295	1,312
Regulated utility plant, net	<u>4,267</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	<u>5</u>	<u>5</u>
Construction work in progress	279	287
Property, plant and equipment, net	<u>4,551</u>	<u>4,472</u>
<b>Other noncurrent assets</b>		
Deferred income tax assets, net	67	87
Pension benefit assets	21	17
Regulatory assets	444	441
Goodwill	725	725
Other noncurrent assets	25	46
Total other noncurrent assets	<u>1,282</u>	<u>1,316</u>
<b>Total assets</b>	<u>\$ 6,616</u>	<u>\$ 6,515</u>

# RHODE ISLAND ENERGY

## BALANCE SHEETS

(Unaudited, in millions of dollars)

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 234	\$ 359
Accounts payable to affiliates	22	24
Short-term debt	—	25
Short-term debt with affiliates	35	409
Long-term debt due within one year	1	1
Taxes	72	40
Interest	16	16
Regulatory liabilities	124	117
Price risk management liabilities	30	51
Renewable energy certificate obligations	38	29
Other current liabilities	69	89
Total current liabilities	<u>641</u>	<u>1,160</u>
<b>Long-term debt</b>	<u>1,991</u>	<u>1,495</u>
<b>Other noncurrent liabilities</b>		
Regulatory liabilities	671	658
Asset retirement obligations	8	8
Environmental remediation costs	92	92
Other noncurrent liabilities	59	46
Total other noncurrent liabilities	<u>830</u>	<u>804</u>
<b>Equity</b>		
Common stock - \$50 par value (a)	57	57
Additional paid-in capital	1,631	1,581
Earnings reinvested	1,466	1,418
Total Equity	<u>3,154</u>	<u>3,056</u>
<b>Total Liabilities and Equity</b>	<u>\$ 6,616</u>	<u>\$ 6,515</u>

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