

## DEPARTMENT OF PUBLIC UTILITIES

This statement is filed in accordance with Chapter 164, Section 84A

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CONDENSED FINANCIAL RETURN  
FOR YEAR ENDED DECEMBER 31, 1997

CAMBRIDGE ELECTRIC LIGHT COMPANY

FULL NAME OF COMPANY

ONE MAIN STREET

LOCATION OF PRINCIPAL BUSINESS OFFICE

CAMBRIDGE, MA 02142-9150

## STATEMENT OF INCOME FOR THE YEAR

| Item                                                 | Current Year   | Increase or (Decrease) from Preceding Year |
|------------------------------------------------------|----------------|--------------------------------------------|
| <b>OPERATING INCOME</b>                              |                |                                            |
| Operating Revenues.....                              | \$ 131,326,798 | \$ 12,222,286                              |
| Operating Expenses.....                              |                |                                            |
| Operation Expense.....                               | 110,920,661    | 11,886,974                                 |
| Maintenance Expense.....                             | 2,748,620      | (315,052)                                  |
| Depreciation Expense.....                            | 4,335,300      | 80,923                                     |
| Amortization of Utility Plant.....                   | 362            | 0                                          |
| Amortization of Property Losses.....                 |                |                                            |
| Amortization of Investment Tax Credit.....           | (91,182)       | 1,346                                      |
| Taxes other than Income Taxes.....                   | 4,285,827      | 98,494                                     |
| Income Taxes.....                                    | 3,082,678      | (299,489)                                  |
| Provisions for Deferred Federal Income Taxes.....    | 2,096,377      | 328,282                                    |
| Federal Income Taxes Deferred In Prior Years-CR..... | 2,496,839      | 121,809                                    |
| Total Operating Expenses.....                        | 124,881,804    | 11,659,669                                 |
| Net Operating Revenues.....                          | 6,444,994      | 562,617                                    |
| Income from Utility Plant Leased to Others.....      |                |                                            |
| Other Utility Operating Income.....                  |                |                                            |
| Total Utility Operating Income.....                  | 6,444,994      | 562,617                                    |
| <b>OTHER INCOME</b>                                  |                |                                            |
| Allowance for Funds Used During Construction.....    | 0              | 0                                          |
| Income from Mdse. Jobbing & Contract Work.....       | (1,485)        | (15,270)                                   |
| Equity in Earning of Subsidiary Companies, net.....  | 1,119,063      | 113,311                                    |
| Income from Nonutility Operations.....               | 531,560        | 68,139                                     |
| Nonoperating Rental Income.....                      | 293,320        | (791)                                      |
| Interest and Dividend Income.....                    | 133,503        | (23,703)                                   |
| Miscellaneous Nonoperating Income.....               | 177,162        | (649,897)                                  |
| Total Other Income.....                              | 2,253,123      | (508,211)                                  |
| Total Income.....                                    | 8,698,117      | 54,406                                     |
| <b>MISCELLANEOUS INCOME DEDUCTIONS</b>               |                |                                            |
| Miscellaneous Amortization.....                      |                |                                            |
| Other Income Deductions.....                         | 138,000        | (56,122)                                   |
| Total Income Deductions.....                         | 138,000        | (56,122)                                   |
| Income Before Interest Charges.....                  | 8,560,117      | 110,528                                    |
| <b>INTEREST CHARGES</b>                              |                |                                            |
| Interest on Long-Term Debt.....                      | 1,546,917      | (663,125)                                  |
| Amortization of Debt Discount and Expense.....       | 14,152         | (15,915)                                   |
| Amortization of Premium on Debt-Credit.....          | 1,034          | (819)                                      |
| Interest on Debt to Associated Companies.....        | 298,278        | (174,538)                                  |
| Other Interest Expense.....                          | 1,516,684      | 833,080                                    |
| Interest Charged to Construction-Credit.....         | 30,506         | (35,102)                                   |
| Total Interest Charges.....                          | 3,344,491      | 15,423                                     |
| Net Income.....                                      | 5,215,626      | 95,105                                     |

## BALANCE SHEET

| Title of Account                                     | Balance<br>End of Year | Title of Account                                                         | Balance<br>End of Year |
|------------------------------------------------------|------------------------|--------------------------------------------------------------------------|------------------------|
| <b>UTILITY PLANT</b>                                 |                        | <b>PROPRIETARY CAPITAL</b>                                               |                        |
| Utility Plant.....                                   | \$ 156,752,872         | <b>CAPITAL STOCK</b>                                                     |                        |
|                                                      |                        | Common Stock Issued.....                                                 | 8,665,000              |
| <b>OTHER PROPERTY<br/>AND INVESTMENTS</b>            |                        | Preferred Stock Issued.....                                              |                        |
| Nonutility Property.....                             | 7,919,588              | Capital Stock Subscribed.....                                            |                        |
| Investment in Associated Companies.....              |                        | Premium on Capital Stock.....                                            | 27,953,000             |
| Other Investments.....                               | 10,349,459             | Total.....                                                               | 36,618,000             |
| Special Funds.....                                   |                        |                                                                          |                        |
| Total Other Property and Investments                 | 18,269,047             | <b>SURPLUS</b>                                                           |                        |
| <b>CURRENT AND ACCRUED ASSETS</b>                    |                        | Other Paid-In Capital.....                                               |                        |
| Cash.....                                            | 519,146                | Earned Surplus.....                                                      | 11,606,957             |
| Special Deposits.....                                |                        | Surplus Invested in Plant.....                                           |                        |
| Working Funds.....                                   | 2,050                  | Total.....                                                               | 11,606,957             |
| Temporary Cash Investments.....                      |                        | Total Propriety Capital.....                                             | 48,224,957             |
| Notes and Accounts Receivable.....                   | 12,680,927             |                                                                          |                        |
| Receivables from Associated Companies.....           | 2,742,537              | <b>LONG-TERM DEBT</b>                                                    |                        |
| Materials and Supplies.....                          | 1,476,310              | Bonds.....                                                               | 17,400,000             |
| Prepayments.....                                     | 451,052                | Advances from Associated Companies.....                                  |                        |
| Interest and Dividends Receivable.....               | 44,203                 | Other Long-Term Debt.....                                                |                        |
| Rents Receivable.....                                | 6,257                  | Total Long-Term Debt.....                                                | 17,400,000             |
| Accrued Utility Revenues.....                        | 3,046,435              |                                                                          |                        |
| Misc. Current and Accrued Assets.....                | 1,696,776              | <b>CURRENT AND ACCRUED<br/>LIABILITIES</b>                               |                        |
| Total Current and Accrued Assets.....                | 22,665,693             | Notes Payable.....                                                       | 26,500,000             |
| <b>DEFERRED DEBITS</b>                               |                        | Accounts Payable.....                                                    | 7,902,175              |
| Unamortized Debt Discount and Expense.....           | 44,941                 | Payables to Associated Companies.....                                    | 7,904,389              |
| Extraordinary Property Losses.....                   |                        | Customer Deposits.....                                                   | 456,347                |
| Preliminary Survey and Investigation<br>Charges..... | 341,238                | Taxes Accrued.....                                                       | 1,953,340              |
| Unamortized Loss on Required Debt.....               |                        | Interest Accrued.....                                                    | 460,020                |
| Temporary Facilities.....                            |                        | Dividends Declared.....                                                  |                        |
| Miscellaneous Deferred Debits.....                   | 71,759,583             | Matured Long-Term Debt.....                                              |                        |
| Total Deferred Debits.....                           | 72,145,762             | Matured Interest.....                                                    |                        |
| <b>CAPITAL STOCK DISCOUNT<br/>AND EXPENSE</b>        |                        | Tax Collections Payable.....                                             | 203,764                |
| Discount on Capital Stock.....                       |                        | Misc. Current and Accrued Liabilities.....                               | 3,373,528              |
| Capital Stock Expense.....                           |                        | Total Current and Accrued Liabilities.....                               | 48,753,563             |
| Total Capital Stock Discount and<br>Expense.....     |                        | <b>DEFERRED CREDITS</b>                                                  |                        |
| <b>REACQUIRED SECURITIES</b>                         |                        | Accumulated Deferred Investment Tax Credit.....                          | 1,757,559              |
| Reacquired Capital Stock.....                        |                        | Unamortized Premium on Debt.....                                         | 1,781                  |
| Reacquired Bonds.....                                |                        | Customer Advances for Construction.....                                  | 458,550                |
| Total Reacquired Securities.....                     |                        | Other Deferred Credits.....                                              | 73,211,119             |
| Total Assets and Other Debits.....                   | 269,833,374            | Total Deferred Credits.....                                              | 75,429,009             |
|                                                      |                        | <b>RESERVES</b>                                                          |                        |
|                                                      |                        | Reserves for Depreciation.....                                           | 58,538,006             |
|                                                      |                        | Reserves for Rate Refund.....                                            | 2,326,000              |
|                                                      |                        | Reserves for Amortization.....                                           | 244,641                |
|                                                      |                        | Reserves for Uncollectible Accounts.....                                 | 297,411                |
|                                                      |                        | Operating Reserves.....                                                  |                        |
|                                                      |                        | Reserve for Depreciation and Amortization<br>of Nonutility Property..... | 4,923,746              |
|                                                      |                        | Reserves for Deferred Income Taxes.....                                  | 13,696,041             |
|                                                      |                        | Total Reserves.....                                                      | 80,025,845             |
|                                                      |                        | <b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>                              |                        |
|                                                      |                        | Contributions in Aid of Construction.....                                |                        |
|                                                      |                        | Total Liabilities and Other Credits.....                                 | 269,833,374            |

| STATEMENT OF EARNED SURPLUS                                 |                    |                                  |             |
|-------------------------------------------------------------|--------------------|----------------------------------|-------------|
| Account                                                     | Amount<br>for Year | Inc/(Dec) from<br>Preceding Year |             |
| Unappropriated Earned Surplus (at beginning of period)..... | 9,233,451          | 1,671,851                        |             |
| Balance Transferred from Income.....                        | 5,215,626          | 95,105                           |             |
| Miscellaneous Credits to Surplus.....                       |                    |                                  |             |
| Miscellaneous Debits to Surplus.....                        |                    |                                  |             |
| Appropriations of Surplus.....                              |                    |                                  |             |
| Net Additions to Earned Surplus.....                        | 5,215,626          | 95,105                           |             |
| Dividends Declared-Preferred Stock.....                     |                    |                                  |             |
| Dividends Declared-Common Stock.....                        | 2,842,120          | (606,550)                        |             |
| Unappropriated Earned Surplus (at end of period).....       | 11,606,957         | 2,373,506                        |             |
| ELECTRIC OPERATING REVENUES                                 |                    |                                  |             |
| Account                                                     | Operating Revenues |                                  |             |
|                                                             | Amount<br>for Year | Inc/(Dec) from<br>Preceding Year |             |
| SALES OF ELECTRICITY                                        |                    |                                  |             |
| Residential Sales.....                                      | \$ 20,429,271      | 1,101,475                        |             |
| Commercial and Industrial Sales.....                        |                    |                                  |             |
| Small (or Commercial).....                                  | 90,928,673         | 5,278,043                        |             |
| Large (or Industrial).....                                  | 5,243,629          | (110,493)                        |             |
| Public Street and Highway Lighting.....                     | 1,684,800          | 79,202                           |             |
| Other Sales to Public Authorities.....                      |                    |                                  |             |
| Sales to Railroad and Railways.....                         |                    |                                  |             |
| Interdepartmental Sales.....                                |                    |                                  |             |
| Miscellaneous Electric Sales.....                           | 1,875,076          | 3,021,954                        |             |
| Total Sales to Ultimate Consumers.....                      | 120,161,449        | 9,370,181                        |             |
| Sales for Resale.....                                       | 9,916,350          | 1,462,134                        |             |
| Total Sales of Electricity.....                             | 130,077,799        | 10,832,315                       |             |
| OTHER OPERATING REVENUES                                    |                    |                                  |             |
| Forfeited Discounts.....                                    | 238,303            | 23,314                           |             |
| Miscellaneous Service Revenues.....                         | (33,766)           | (40,419)                         |             |
| Sales of Water and Water Power.....                         |                    |                                  |             |
| Rent from Electric Property.....                            | 77,739             | (8,840)                          |             |
| Interdepartmental Rents.....                                |                    |                                  |             |
| Other Electric Revenues.....                                | 966,723            | 1,415,916                        |             |
| Total Other Operating Revenues.....                         | 1,248,999          | 1,389,971                        |             |
| Total Electric Operating Revenues.....                      | 131,326,798        | 12,222,286                       |             |
| SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES      |                    |                                  |             |
| Functional Classification                                   | Operation          | Maintenance                      | Total       |
| Power Production Expenses.....                              |                    | \$                               | \$          |
| Electric Generation                                         |                    |                                  |             |
| Steam Power.....                                            | 8,002,071          | 1,222,259                        | 9,224,330   |
| Nuclear Power.....                                          |                    |                                  |             |
| Hydraulic Power.....                                        |                    |                                  |             |
| Other Power.....                                            | 97,177             | 38,541                           | 135,718     |
| Other Power Supply Expenses.....                            | 78,331,888         |                                  | 78,331,888  |
| Total Power Production Expenses.....                        | 86,431,136         | 1,260,800                        | 87,691,936  |
| Transmission Expenses.....                                  | 5,475,626          | 136,219                          | 5,611,845   |
| Distribution Expenses.....                                  | 3,095,369          | 989,637                          | 4,085,006   |
| Customer Accounts Expenses.....                             | 3,687,618          |                                  | 3,687,618   |
| Sales Expenses.....                                         | 269,623            |                                  | 269,623     |
| Administrative and General Expenses.....                    | 11,961,289         | 361,964                          | 12,323,253  |
| Total Electric Operation and Maintenance Expenses.....      | 110,920,661        | 2,748,620                        | 113,669,281 |

## GAS OPERATING REVENUES

| Account                                            | Operating Revenues |                                            |
|----------------------------------------------------|--------------------|--------------------------------------------|
|                                                    | Amount for Year    | Increase or (Decrease) from Preceding Year |
| <b>SALES OF GAS</b>                                | N/A                | \$                                         |
| Residential Sales.....                             |                    |                                            |
| Commercial and Industrial Sales                    |                    |                                            |
| Small (or Commercial).....                         |                    |                                            |
| Large (or Industrial).....                         |                    |                                            |
| Other Sales to Public Authorities.....             |                    |                                            |
| Interdepartmental Sales.....                       |                    |                                            |
| Miscellaneous Gas Sales.....                       |                    |                                            |
| Total Sales to Ultimate Consumers.....             |                    |                                            |
| Sales for Resale.....                              |                    |                                            |
| Total Sales of Gas.....                            |                    |                                            |
| <b>OTHER OPERATING REVENUES</b>                    |                    |                                            |
| Forfeited Discounts.....                           |                    |                                            |
| Miscellaneous Service Revenues.....                |                    |                                            |
| Revenues from Transportation of Gas to Others..... |                    |                                            |
| Sales of Products Extracted from Natural Gas.....  |                    |                                            |
| Revenues from Natural Gas Processed by Others..... |                    |                                            |
| Rent from Gas Property.....                        |                    |                                            |
| Interdepartmental Rents.....                       |                    |                                            |
| Other Gas Revenues.....                            |                    |                                            |
| Total Other Operating Revenues.....                |                    |                                            |
| Total Gas Operating Revenues.....                  |                    |                                            |

## SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES

| Functional Classification                         | Operation | Maintenance | Total |
|---------------------------------------------------|-----------|-------------|-------|
| Steam Production.....                             | N/A       | \$          | \$    |
| Manufactured Gas Production.....                  |           |             |       |
| Other Gas Supply Expenses.....                    |           |             |       |
| Total Production Expenses.....                    |           |             |       |
| Local Storage Expenses.....                       |           |             |       |
| Transmission and Distribution Expense.....        |           |             |       |
| Customer Accounts Expense.....                    |           |             |       |
| Sales Expense.....                                |           |             |       |
| Administrative and General Expenses.....          |           |             |       |
| Total Gas Operation and Maintenance Expenses..... |           |             |       |

April 30, 1997, I hereby certify that the foregoing statements are full, just and true to the best of my knowledge and belief. This statement is signed under the penalties of perjury.

*Deborah A. McLaughlin*  
President and Chief Operating Officer

*James D. Rappole*  
Financial Vice-President and Treasurer

## DEPARTMENT OF PUBLIC UTILITIES

This statement is filed in accordance with Chapter 164, Section 84A

## CONDENSED FINANCIAL RETURN

FOR YEAR ENDED DECEMBER 31, 1997

## COMMONWEALTH GAS COMPANY

FULL NAME OF COMPANY

ONE MAIN STREET

LOCATION OF PRINCIPAL BUSINESS OFFICE

CAMBRIDGE, MA 02142-9150

## STATEMENT OF INCOME FOR THE YEAR

| Item                                                        | Current<br>Year | Increase or<br>(Decrease) from<br>Preceding Year |
|-------------------------------------------------------------|-----------------|--------------------------------------------------|
| <b>OPERATING INCOME</b>                                     |                 |                                                  |
| Operating Revenues.....                                     | \$331,135,455   | (\$11,352,890)                                   |
| Operating Expenses:                                         |                 |                                                  |
| Operation Expense.....                                      | 265,313,875     | (8,690,809)                                      |
| Maintenance Expense.....                                    | 10,580,066      | (2,248,459)                                      |
| Depreciation Expense.....                                   | 10,481,572      | 420,615                                          |
| Amortization of Utility Plant.....                          | 301,197         | 19,928                                           |
| Amortization of Property Losses.....                        | 0               | 0                                                |
| Amortization of Investment Tax Credit.....                  | (199,880)       | 1,736                                            |
| Taxes other than Income Taxes.....                          | 11,270,525      | 1,213,971                                        |
| Income Taxes.....                                           | 7,218,315       | (243,105)                                        |
| Provisions for Deferred Federal Income Taxes.....           | 1,184,200       | (393,219)                                        |
| Federal Income Taxes Deferred In Prior Years..(Credit)..... | (279,149)       | 3,500                                            |
| Total Operating Expenses.....                               | 305,870,721     | (9,915,842)                                      |
| Net Operating Revenues.....                                 | 25,264,734      | (1,437,048)                                      |
| Income from Utility Plant Leased to Others.....             | 0               | 0                                                |
| Other Utility Operating Income.....                         | 0               | 0                                                |
| Total Utility Operating Income.....                         | 25,264,734      | (1,437,048)                                      |
| <b>OTHER INCOME</b>                                         |                 |                                                  |
| Income from Mdse. Jobbing & Contract Work.....              | 811,672         | 14,701                                           |
| Income from Nonutility Operations.....                      | 0               | 0                                                |
| Nonoperating Rental Income.....                             | 40,633          | 41                                               |
| Interest and Dividend Income.....                           | 23,638          | (278,226)                                        |
| Miscellaneous Nonoperating Income.....                      | 96,409          | (11)                                             |
| Total Other Income.....                                     | 972,352         | (263,495)                                        |
| Total Income.....                                           | 26,237,086      | (1,700,543)                                      |
| <b>MISCELLANEOUS INCOME DEDUCTIONS</b>                      |                 |                                                  |
| Miscellaneous Amortization.....                             | 0               | 0                                                |
| Other Income Deductions.....                                | 292,678         | (8,420)                                          |
| Total Income Deductions.....                                | 292,678         | (8,420)                                          |
| Income Before Interest Charges.....                         | 25,944,408      | (1,692,123)                                      |
| <b>INTEREST CHARGES</b>                                     |                 |                                                  |
| Interest on Long-Term Debt.....                             | 7,212,872       | (365,358)                                        |
| Amortization of Debt Discount and Expense.....              | 38,007          | 12,680                                           |
| Amortization of Premium on Debt-Credit.....                 | 0               | 0                                                |
| Interest on Debt to Associated Companies.....               | 329,817         | 200,879                                          |
| Other Interest Expense.....                                 | 2,975,040       | (160,600)                                        |
| Interest Charged to Construction-Credit.....                | (54,592)        | (34,201)                                         |
| Total Interest Charges.....                                 | 10,501,144      | (278,198)                                        |
| Net Income.....                                             | \$15,443,264    | (\$1,413,925)                                    |

## BALANCE SHEET

| Title of Account                                     | Balance<br>End of Year | Title of Account                                                         | Balance<br>End of Year |
|------------------------------------------------------|------------------------|--------------------------------------------------------------------------|------------------------|
| <b>UTILITY PLANT</b>                                 |                        | <b>PROPRIETARY CAPITAL</b>                                               |                        |
| Utility Plant.....                                   | \$374,110,228          | <b>CAPITAL STOCK</b>                                                     |                        |
|                                                      |                        | Common Stock Issued.....                                                 | \$71,425,000           |
| <b>OTHER PROPERTY<br/>AND INVESTMENTS</b>            |                        | Preferred Stock Issued.....                                              | 0                      |
| Nonutility Property.....                             | 1,542,538              | Capital Stock Subscribed.....                                            | 0                      |
| Investment in Associated Companies.....              | 0                      | Premium on Capital Stock.....                                            | 27,738,533             |
| Other Investments.....                               | 887,001                | Total.....                                                               | 99,163,533             |
| Special Funds.....                                   | 20,179                 |                                                                          |                        |
| Total Other Property and Investments                 | 2,449,718              | <b>SURPLUS</b>                                                           |                        |
| <b>CURRENT AND ACCRUED ASSETS</b>                    |                        | Other Paid-In Capital.....                                               | 0                      |
| Cash.....                                            | 1,837,543              | Earned Surplus.....                                                      | 16,871,521             |
| Special Deposits.....                                | 0                      | Surplus Invested in Plant.....                                           | 0                      |
| Working Funds.....                                   | 8,975                  | Total.....                                                               | 16,871,521             |
| Temporary Cash Investments.....                      | 0                      | Total Proprietary Capital.....                                           | 116,035,054            |
| Notes and Accounts Receivable.....                   | 51,584,196             |                                                                          |                        |
| Receivables from Associated Companies.....           | 605,398                | <b>LONG-TERM DEBT</b>                                                    |                        |
| Materials and Supplies.....                          | 24,525,717             | Bonds.....                                                               | 109,450,000            |
| Prepayments.....                                     | 10,664,635             | Advances from Associated Companies .....                                 | 0                      |
| Interest and Dividends Receivable.....               | 104                    | Other Long-Term Debt.....                                                | 0                      |
| Rents Receivable.....                                | 25,832                 | Total Long-Term Debt.....                                                | 109,450,000            |
| Accrued Utility Revenues.....                        | 19,120,912             |                                                                          |                        |
| Misc. Current and Accrued Assets.....                | 3,176,422              | <b>CURRENT AND ACCRUED<br/>LIABILITIES</b>                               |                        |
| Total Current and Accrued Assets.....                | 111,549,734            | Notes Payable.....                                                       | 39,325,000             |
| <b>DEFERRED DEBITS</b>                               |                        | Accounts Payable.....                                                    | 27,577,153             |
| Unamortized Debt Discount and Expense.....           | 988,604                | Payables to Associated Companies.....                                    | 2,044,600              |
| Extraordinary Property Losses.....                   | 0                      | Customer Deposits.....                                                   | 1,005,603              |
| Preliminary Survey and Investigation<br>Charges..... | 9,817                  | Taxes Accrued.....                                                       | 3,365,648              |
| Clearing Accounts.....                               | 7,247                  | Interest Accrued.....                                                    | 1,038,458              |
| Temporary Facilities.....                            | 0                      | Dividends Declared.....                                                  | 0                      |
| Miscellaneous Deferred Debits.....                   | 24,194,692             | Matured Long-Term Debt.....                                              | 0                      |
| Total Deferred Debits.....                           | 25,200,360             | Matured Interest.....                                                    | 0                      |
|                                                      |                        | Tax Collections Payable.....                                             | 201,812                |
| <b>CAPITAL STOCK DISCOUNT<br/>AND EXPENSE</b>        |                        | Misc. Current and Accrued Liabilities.....                               | 23,456,866             |
| Discount on Capital Stock.....                       | 0                      | Total Current and Accrued Liabilities.....                               | 98,015,140             |
| Capital Stock Expense.....                           | 0                      | <b>DEFERRED CREDITS</b>                                                  |                        |
| Total Capital Stock Discount and<br>Expense.....     | 0                      | Unamortized Premium on Debt.....                                         | 0                      |
|                                                      |                        | Customer Advances for Construction.....                                  | 0                      |
| <b>REACQUIRED SECURITIES</b>                         |                        | Other Deferred Credits.....                                              | 34,157,727             |
| Reacquired Capital Stock.....                        | 0                      | Total Deferred Credits.....                                              | 34,157,727             |
| Reacquired Bonds.....                                | 0                      |                                                                          |                        |
| Total Reacquired Securities.....                     | 0                      | <b>RESERVES</b>                                                          |                        |
| Total Assets and Other Debits.....                   | \$513,310,040          | Reserves for Depreciation.....                                           | 107,725,275            |
|                                                      |                        | Reserves for Amortization.....                                           | 2,934,930              |
|                                                      |                        | Reserves for Uncollectible Accounts.....                                 | 2,852,748              |
|                                                      |                        | Operating Reserves.....                                                  | 6,969,523              |
|                                                      |                        | Reserve for Depreciation and Amortization<br>of Nonutility Property..... | 370                    |
|                                                      |                        | Reserves for Deferred Income Taxes.....                                  | 35,169,273             |
|                                                      |                        | Total Reserves.....                                                      | 155,652,119            |
|                                                      |                        | <b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>                              |                        |
|                                                      |                        | Contributions in Aid of Construction.....                                | 0                      |
|                                                      |                        | Total Liabilities and Other Credits.....                                 | \$513,310,040          |

## STATEMENT OF EARNED SURPLUS

| Account                                                     | Amount<br>for Year | Inc/(Dec) from<br>Preceding Year |
|-------------------------------------------------------------|--------------------|----------------------------------|
| Unappropriated Earned Surplus (at beginning of period)..... | 10,856,357         | 361,038                          |
| Balance Transferred from Income.....                        | 15,443,264         | (1,345,523)                      |
| Miscellaneous Credits to Surplus.....                       | 0                  | 0                                |
| Miscellaneous Debits to Surplus.....                        | 0                  | 0                                |
| Appropriations of Surplus.....                              | 0                  | 0                                |
| Net Additions to Earned Surplus.....                        | 15,443,264         | (1,345,523)                      |
| Dividends Declared-Preferred Stock.....                     | 0                  | 0                                |
| Dividends Declared-Common Stock.....                        | 9,428,100          | (6,999,650)                      |
| Unappropriated Earned Surplus (at end of period).....       | 16,871,521         | 6,015,165                        |

## ELECTRIC OPERATING REVENUES

| Account                                 | Operating Revenues |                                  |
|-----------------------------------------|--------------------|----------------------------------|
|                                         | Amount<br>for Year | Inc/(Dec) from<br>Preceding Year |
| SALES OF ELECTRICITY                    |                    |                                  |
| Residential Sales.....                  | \$                 |                                  |
| Commercial and Industrial Sales.....    |                    |                                  |
| Small (or Commercial).....              |                    |                                  |
| Large (or Industrial).....              |                    |                                  |
| Public Street and Highway Lighting..... |                    |                                  |
| Other Sales to Public Authorities.....  |                    |                                  |
| Sales to Railroad and Railways.....     |                    |                                  |
| Interdepartmental Sales.....            |                    |                                  |
| Miscellaneous Electric Sales.....       |                    |                                  |
| Total Sales to Ultimate Consumers.....  |                    |                                  |
| Sales for Resale.....                   |                    |                                  |
| Less: Provision for Rate Refunds.....   |                    |                                  |
| Total Sales of Electricity.....         |                    |                                  |
| OTHER OPERATING REVENUES                |                    |                                  |
| Forfeited Discounts.....                |                    |                                  |
| Miscellaneous Service Revenues.....     |                    |                                  |
| Sales of Water and Water Power.....     |                    |                                  |
| Rent from Electric Property.....        |                    |                                  |
| Interdepartmental Rents.....            |                    |                                  |
| Other Electric Revenues.....            |                    |                                  |
| Total Other Operating Revenues.....     |                    |                                  |
| Total Electric Operating Revenues.....  | None               | None                             |

## SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES

| Functional Classification                              | Operation | Maintenance | Total |
|--------------------------------------------------------|-----------|-------------|-------|
| Power Production Expenses.....                         |           | \$          | \$    |
| Electric Generation.....                               |           |             |       |
| Steam Power.....                                       |           |             |       |
| Nuclear Power.....                                     |           |             |       |
| Hydraulic Power.....                                   |           |             |       |
| Other Power.....                                       |           |             |       |
| Other Power Supply Expenses.....                       |           |             |       |
| Total Power Production Expenses.....                   |           |             |       |
| Transmission Expenses.....                             |           |             |       |
| Distribution Expenses.....                             |           |             |       |
| Customer Accounts Expenses.....                        |           |             |       |
| Sales Expenses.....                                    |           |             |       |
| Administrative and General Expenses.....               |           |             |       |
| Total Electric Operation and Maintenance Expenses..... | None      | None        | None  |

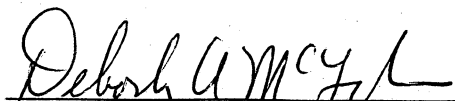
## GAS OPERATING REVENUES

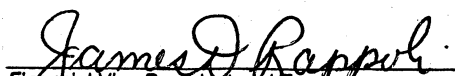
| Account                                            | Operating Revenues |                                            |
|----------------------------------------------------|--------------------|--------------------------------------------|
|                                                    | Amount for Year    | Increase or (Decrease) from Preceding Year |
| <b>SALES OF GAS</b>                                |                    |                                            |
| Residential Sales.....                             | \$ 196,027,726     | \$ 6,497,702                               |
| Commercial and Industrial Sales                    |                    |                                            |
| Small (or Commercial).....                         | 83,694,860         | 3,498,826                                  |
| Large (or Industrial).....                         | 21,818,995         | (4,461,299)                                |
| Other Sales to Public Authorities.....             | 14,005,262         | (1,415,612)                                |
| Interdepartmental Sales.....                       | 0                  | 0                                          |
| Miscellaneous Gas Sales.....                       | (1,096,767)        | (19,076,310)                               |
| Total Sales to Ultimate Consumers.....             | 314,450,076        | (14,956,693)                               |
| Sales for Resale.....                              | 8,281,444          | 1,715,788                                  |
| Total Sales of Gas.....                            | 322,731,520        | (13,240,905)                               |
| <b>OTHER OPERATING REVENUES</b>                    |                    |                                            |
| Forfeited Discounts-Late Payment Charges.....      | 390,082            | (1,830)                                    |
| Miscellaneous Service Revenues.....                | 1,483,664          | (58,063)                                   |
| Revenues from Transportation of Gas to Others..... | 5,745,347          | 1,808,378                                  |
| Sales of Products Extracted from Natural Gas.....  | 0                  | 0                                          |
| Revenues from Natural Gas Processed by Others..... | 0                  | 0                                          |
| Rent from Gas Property.....                        | 168,701            | 26,438                                     |
| Interdepartmental Rents.....                       | 0                  | 0                                          |
| Other Gas Revenues.....                            | 616,141            | 113,092                                    |
| Total Other Operating Revenues.....                | 8,403,935          | 1,888,015                                  |
| Total Gas Operating Revenues.....                  | 331,135,455        | (11,352,890)                               |

## SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES

| Functional Classification                         | Operation   | Maintenance | Total       |
|---------------------------------------------------|-------------|-------------|-------------|
| Steam Production.....                             | 0           | 0           | 0           |
| Manufactured Gas Production.....                  | 0           | 0           | 0           |
| Other Gas Supply Expenses.....                    | 193,632,479 | 0           | 193,632,479 |
| Total Production Expenses.....                    | 193,632,479 | 0           | 193,632,479 |
| Local Storage Expenses.....                       | 539,337     | 378,058     | 917,395     |
| Transmission and Distribution Expense.....        | 21,390,899  | 9,713,587   | 31,104,486  |
| Customer Accounts Expense.....                    | 15,724,746  | 0           | 15,724,746  |
| Sales Expense.....                                | 3,595,348   | 0           | 3,595,348   |
| Administrative and General Expenses.....          | 30,431,066  | 488,421     | 30,919,487  |
| Total Gas Operation and Maintenance Expenses..... | 265,313,875 | 10,580,066  | 275,893,941 |

April 30, 1998, I hereby certify that the foregoing statements are full, just and true to the best of my knowledge and belief. This statement is signed under the penalties of perjury.

  
President and Chief Operating Officer

  
Financial Vice President and Treasurer



Consent Communication #8

3125

A communciation was received  
from the Dept. of Public  
Utilities, Cambridge Electric  
Light Company and Commonwealth  
Gas Company, transmitting the  
condensed Financial return for  
the year ended December 31, 1997.

In City Council May 4, 1998

Referred to the City Manager