

DEPARTMENT OF PUBLIC UTILITIES

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

CONDENSED FINANCIAL RETURN
FOR YEAR ENDED DECEMBER 31, 1996

97 MAY -1 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 Year	Increase or (Decrease) from Preceding Year
OPERATING INCOME		
Operating Revenues.....	\$ 342,488,345	\$ 33,566,247
Operating Expenses.....		
Operation Expense.....	274,004,684	31,971,509
Maintenance Expense.....	12,828,525	1,251,332
Depreciation Expense.....	10,060,957	405,253
Amortization of Utility Plant.....	281,269	(147,134)
Amortization of Property Losses.....	-	-
Amortization of Investment Tax Credit.....	(201,616)	1,246
Taxes other than Income Taxes.....	10,056,554	(237,813)
Income Taxes.....	7,461,420	794,103
Provisions for Deferred Federal Income Taxes.....	1,577,419	(160,414)
Federal Income Taxes Deferred in Prior Years.....	(282,649)	(71,793)
Total Operating Expenses.....	315,786,563	33,806,289
Net Operating Revenues.....	26,701,782	(240,042)
Income from Utility Plant Leased to Others.....	-	-
Other Utility Operating Income.....	-	-
Total Utility Operating Income.....	26,701,782	(240,042)
OTHER INCOME		
Income from Mdse. Jobbing & Contract Work.....	796,971	452,434
Income from Nonutility Operations.....	-	-
Nonoperating Rental Income.....	40,592	(25,506)
Interest and Dividend Income.....	301,864	(669,675)
Miscellaneous Nonoperating Income.....	96,420	(4,034)
Total Other Income.....	1,235,847	(246,781)
Total Income.....	27,937,629	(486,822)
MISCELLANEOUS INCOME DEDUCTIONS		
Miscellaneous Amortization.....	-	-
Other Income Deductions.....	301,098	51,788
Total Income Deductions.....	301,098	51,788
Income Before Interest Charges.....	27,636,531	(538,610)
INTEREST CHARGES		
Interest on Long-Term Debt.....	7,578,230	(552,885)
Amortization of Debt Discount and Expense.....	25,327	(9,308)
Amortization of Premium on Debt-Credit.....	-	-
Interest on Debt to Associated Companies.....	128,938	22,704
Other Interest Expense.....	3,135,640	(593,379)
Interest Charged to Construction-Credit.....	(20,391)	34,411
	10,847,744	(1,098,457)
	16,788,787	559,847

BALANCE SHEET

Title of Account	Balance End of Year	Title of Account	Balance End of Year
UTILITY PLANT	\$ 358,239,382	PROPRIETARY CAPITAL CAPITAL STOCK	\$
Utility Plant.....		Common Stock Issued.....	71,425,000
OTHER PROPERTY AND INVESTMENTS		Preferred Stock Issued.....	0
Nonutility Property.....	1,380,320	Capital Stock Subscribed.....	0
Investment in Associated Companies.....	0	Premium on Capital Stock.....	27,738,533
Other Investments.....	645,206	Total.....	99,163,533
Special Funds.....	19,881		
Total Other Property and Investments	2,045,407	SURPLUS	
CURRENT AND ACCRUED ASSETS		Other Paid-In Capital.....	0
Cash.....	391,978	Earned Surplus.....	10,856,356
Special Deposits.....	0	Surplus Invested in Plant.....	0
Working Funds.....	8,975	Total.....	10,856,356
Temporary Cash Investments.....	0	Total Propriety Capital.....	110,019,889
Notes and Accounts Receivable.....	49,549,645	LONG-TERM DEBT	
Receivables from Associated Companies.....	517,568	Bonds.....	78,100,000
Materials and Supplies.....	24,704,091	Advances from Associated Companies.....	0
Prepayments.....	10,565,140	Other Long-Term Debt.....	0
Interest and Dividends Receivable.....	0	Total Long-Term Debt.....	78,100,000
Rents Receivable.....	1,033		
Accrued Utility Revenues.....	20,884,660	CURRENT AND ACCRUED LIABILITIES	
Misc. Current and Accrued Assets.....	3,061,174	Notes Payable.....	58,200,000
Total Current and Accrued Assets.....	109,684,264	Accounts Payable.....	44,341,365
DEFERRED DEBITS		Payables to Associated Companies.....	13,481,414
Unamortized Debt Discount and Expense.....	466,754	Customer Deposits.....	951,622
Extraordinary Property Losses.....	0	Taxes Accrued.....	3,059,690
Preliminary Survey and Investigation Charges.....	234,075	Interest Accrued.....	458,524
Clearing Accounts.....	0	Dividends Declared.....	0
Temporary Facilities.....	0	Matured Long-Term Debt.....	0
Miscellaneous Deferred Debits.....	27,243,029	Matured Interest.....	0
Total Deferred Debits.....	27,943,858	Tax Collections Payable.....	115,229
CAPITAL STOCK DISCOUNT AND EXPENSE		Misc. Current and Accrued Liabilities.....	5,524,188
Discount on Capital Stock.....	0	Total Current and Accrued Liabilities.....	126,132,032
Capital Stock Expense.....	0	DEFERRED CREDITS	
Total Capital Stock Discount and Expense.....	0	Unamortized Premium on Debt.....	-
REACQUIRED SECURITIES		Customer Advances for Construction.....	-
Reacquired Capital Stock.....	0	Other Deferred Credits.....	37,590,293
Reacquired Bonds.....	0	Total Deferred Credits.....	37,590,293
Total Reacquired Securities.....	0	RESERVES	
Total Assets and Other Debits.....	497,912,911	Reserves for Depreciation.....	99,644,385
		Reserves for Amortization.....	2,633,733
		Reserves for Uncollectible Accounts.....	2,737,918
		Operating Reserves.....	6,789,809
		Reserve for Depreciation and Amortization of Nonutility Property.....	370
		Reserves for Deferred Federal Income Taxes.....	34,264,482
		Total Reserves.....	146,070,697
		CONTRIBUTIONS IN AID OF CONSTRUCTION	
		Contributions in Aid of Construction.....	0
		Total Liabilities and Other Credits.....	497,912,911

STATEMENT OF EARNED SURPLUS

Account	Amount for Year	Inc/(Dec) from Preceding Year
Unappropriated Earned Surplus (at beginning of period).....	10,495,319	3,658,141
Balance Transferred from Income.....	16,788,787	559,847
Miscellaneous Credits to Surplus.....	0	0
Miscellaneous Debits to Surplus.....	0	0
Appropriations of Surplus.....	0	0
Net Additions to Earned Surplus.....	16,788,787	559,847
Dividends Declared-Preferred Stock.....	0	0
Dividends Declared-Common Stock.....	16,427,750	3,856,950
Unappropriated Earned Surplus (at end of period).....	10,856,356	361,038

ELECTRIC OPERATING REVENUES

Account	Operating Revenues	
	Amount for Year	Inc/(Dec) from Preceding Year
SALES OF ELECTRICITY	\$ NONE	\$
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.....		
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.....		

SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Functional Classification	Operation	Maintenance	Total
Power Production Expenses.....	\$ NONE	\$	\$
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.....			

GAS OPERATING REVENUES

Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
SALES OF GAS	\$	\$
Residential Sales.....	189,530,024	7,727,933
Commercial and Industrial Sales		
Small (or Commercial).....	80,196,034	8,343,541
Large (or Industrial).....	26,280,294	(1,702,588)
Other Sales to Public Authorities.....	15,420,874	1,150,201
Interdepartmental Sales.....	0	0
Miscellaneous Gas Sales.....	17,979,543	20,462,196
Total Sales to Ultimate Consumers.....	329,406,769	35,981,283
Sales for Resale.....	6,565,656	(2,054,525)
Total Sales of Gas.....	335,972,425	33,926,758
OTHER OPERATING REVENUES		
Forfeited Discounts-Late Payment Charges.....	391,912	78,053
Miscellaneous Service Revenues.....	1,541,727	61,364
Revenues from Transportation of Gas to Others.....	3,936,969	(242,490)
Sales of Products Extracted from Natural Gas.....	0	0
Revenues from Natural Gas Processed by Others.....	0	0
Rent from Gas Property.....	142,263	28,428
Interdepartmental Rents.....	0	0
Other Gas Revenues.....	503,049	(285,866)
Total Other Operating Revenues.....	6,515,920	(360,511)
Total Gas Operating Revenues.....	342,488,345	33,566,247

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.....	201,951,066	0	201,951,066
Total Production Expenses.....	201,951,066	0	201,951,066
Local Storage Expenses.....	424,212	622,409	1,046,621
Transmission and Distribution Expense.....	17,263,357	11,638,075	28,901,432
Customer Accounts Expense.....	15,158,205	0	15,158,205
Sales Expense.....	3,069,735	0	3,069,735
Administrative and General Expenses.....	36,138,109	568,041	36,706,150
Total Gas Operation and Maintenance Expenses.....	274,004,684	12,828,525	286,833,209

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.

J. D. Rappaport
Financial Vice-President and Treasurer

Consent Communication #9

F-69

Communication was received from
Commonwealth Gas Company, transmitting
acopy of its condensed financial return
for year ended December 31, 1996.

In City Council May 5, 1997

*Referred to
the City Manager*

*Copy sent
5-7-97*

mc