

DEPARTMENT OF PUBLIC UTILITIES

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

CONDENSED FINANCIAL RETURN

FOR THE YEAR ENDED DECEMBER 31, 1986...

FULL NAME OF COMPANY.....

Boston Edison Company

LOCATION OF PRINCIPAL BUSINESS OFFICE.....

800 Boylston Street
Boston, Massachusetts 02199...

STATEMENT OF INCOME FOR THE YEAR

Item	Current Year	Increase or (Decrease) from Preceding Year
OPERATING INCOME		
Operating Revenues	\$ 1,141,125,098	\$ (62,846,984)
Operating Expenses:		
Operation Expense	609,227,280	(80,430,353)
Maintenance Expense	86,222,185	8,642,330
Depreciation Expense	87,264,774	4,519,378
Amortization of Utility Plant	2,183,721	653,312
Amortization of Property Losses	25,745,173	140,771
Amortization of Conversion Expenses	-0-	-0-
Taxes Other Than Income Taxes	65,645,603	(10,010,463)
Income Taxes	49,720,721	(18,021,369)
Provisions for Deferred Federal Income Taxes	46,611,140	38,885,009
Investment Tax Credit - Net	(2,097,514)	(11,166,691)
Total Operating Expenses	970,523,083	(66,788,076)
Net Operating Revenues	170,602,015	3,941,092
Income from Utility Plant Leased to Others		
Other Utility Operating Income	136,592	(262,945)
Total Utility Operating Income	170,738,607	3,671,147
OTHER INCOME		
Equity in Subsidiary Co.	2,322,338	97,579
Income from Nonutility Operations	8,108	1,394
Nonoperating Rental Income	-0-	17,846
Interest and Dividend Income (a)	6,187,047	51,380
Miscellaneous Nonoperating Income	738,026	518,689
Total Other Income	9,255,519	686,888
Total Income	179,994,126	4,358,035
MISCELLANEOUS INCOME DEDUCTIONS		
Miscellaneous Amortization		
Other Income Deductions (b)	2,096,297	1,069,115
Total Income Deductions	2,096,297	1,069,115
Income Before Interest Charges	177,897,829	3,288,920
INTEREST CHARGES		
Interest on Long-Term Debt	70,208,379	(3,758,434)
Amortization of Debt Discount and Expense	551,363	360,506
Amortization of Premium on Debt - Credit	(67,512)	-0-
Interest on Debt to Associated Companies	114,172	(313,567)
Other Interest Expenses	5,817,261	(4,466,541)
Interest Charged to Construction - Credit	(4,906,726)	(481,897)
Total Interest Charges	71,716,937	(8,659,933)
Net Income	106,180,892	11,948,853

BALANCE SHEET

Title of Account		Title of Account	
	Balance End of Year		Balance End of Year
UTILITY PLANT	\$	PROPRIETARY CAPITAL	\$
Utility Plant (a)	2,757,320,072	CAPITAL STOCK	
OTHER PROPERTY AND INVESTMENTS		Common Stock Issued	184,527,790
Nonutility Property	1,033,451	Preferred Stock Issued	89,475,000
Investment in Associated Companies	10,336,745	Capital Stock Subscribed	-0-
Other Investments	59,492	Premium on Capital Stock	354,017,302
Nuclear Decommissioning Fund	11,290,762	Total	628,020,092
Total Other Prp. & Investments	22,720,450	SURPLUS	
CURRENT AND ACCRUED ASSETS		Other Paid-In Capital	(179,808)
Cash	2,240,774	Earned Surplus	243,669,467
Special Deposits	-0-	Surplus Invested in Plant	405,485
Working Funds	125,790	Total	243,895,144
Temporary Cash Investments	-0-	Total Proprietary Capital	871,915,236
Notes and Accounts Receivable	164,378,941	LONG-TERM DEBT	
Receivables from Associated Companies	-0-	Bonds (d)	758,159,000
Materials and Supplies	70,282,173	Advances from Associated Companies	-0-
Prepayments	8,628,988	Other Long-Term Debt	-0-
Interest and Dividends Receivable	-0-	Total Long-Term Debt	758,159,000
Rents Receivable	70,099	CURRENT AND ACCRUED LIABILITIES	
Accrued Utility Revenues	-0-	Notes Payable	68,965,000
Misc. Current and Accrued Assets	7,759	Accounts Payable	74,707,726
Total Current and Accrued Assets	245,734,524	Payables to Associated Companies	1,610,176
DEFERRED DEBITS		Customer Deposits	-0-
Unamortized Debt Discount and Expense	30,387,266	Taxes Accrued	4,325,128
Extraordinary Property Losses (b)	168,335,118	Interest Accrued	14,379,909
Preliminary Survey and Investigation Charges	689,078	Dividends Declared	17,799,273
Clearing Accounts	-0-	Matured Long-Term Debt	-0-
Temporary Facilities	29,313	Matured Interest	-0-
Miscellaneous Deferred Debits (c)	40,606,021	Tax Collections Payable	843,098
Total Deferred Debits	240,046,796	Misc. Current and Accrued Liabilities	3,424,053
CAPITAL STOCK DISCOUNT AND EXPENSE		Total Current and Accrued Liabilities	186,054,363
Discount on Capital Stock	-0-	DEFERRED CREDITS	
Capital Stock Expense	272,986	Unamortized Premium on Debt	789,685
Total Capital Stock Discount and Expense	272,986	Customer Advances for Construction	2,139,064
REACQUIRED SECURITIES		Other Deferred Credits	22,905,318
Reacquired Capital Stock	-0-	Total Deferred Credits	25,834,067
Reacquired Bonds	-0-	RESERVES	
Total Reacquired Securities	-0-	Reserves for Depreciation	743,907,528
Total Assets and Other Debits	3,266,094,828	Reserves for Amortization of Nuc. Fuel	125,052,881
		Reserve for Uncollectible Accounts	270,841
		Accum. Prov. Rate Refunds	2,204,127
		Reserve for	15,645,440
		Nuclear Decommissioning Reserves for Deferred Federal Income	
		Taxes/Inv. Tax Credit, net	537,051,345
		Total Reserves	1,424,132,162
		CONTRIBUTIONS IN AID OF CONSTRUCTION	
		Contributions in Aid of Construction	-0-
		Total Liabilities and Other Credits	3,266,094,828

NOTES:

BOSTON EDISON COMPANY

Condensed Financial Return
For the Year Ended December 31, 1986

Notes for Page 1

(a) Includes \$6,157,666 for "Allowance for Funds Used During Construction" (F.E.R.C. a/c 419.1) in compliance with F.E.R.C. Order #561.

(b) Includes Taxes Applicable to Other Income and Deductions as follows:

F.E.R.C. Account #408.2 Taxes Other than Income Taxes	\$27,357
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F.E.R.C. Account #409.2 Income Taxes	\$(433,787)
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The accounting treatment for these taxes is consistent with F.E.R.C. Order #389 Re: Revision to Uniform System of Accounts and Annual Report F.E.R.C. Form No. 1.

Notes for Page 2

(a) Includes Nuclear Fuel of \$227,326,751.

(b) Unamortized cancellation costs relating to the cancelled Pilgrim 2 nuclear unit.

(c) Includes (F.E.R.C. a/c 188) Research and Development Expenditures of \$79,545.

(d) Includes debt due within one year of \$29,250,000.

STATEMENT OF EARNED SURPLUS

Unappropriated Earned Surplus (at beginning of period)	\$ 215,661,249	26,791,733
Balance Transferred from Income	106,180,892	11,948,853
Miscellaneous Credits to Surplus	-0-	-0-
Miscellaneous Debits to Surplus	-0-	-0-
Appropriations of Surplus	-0-	-0-
Net Additions to Earned Surplus	106,180,892	11,948,853
Dividends Declared — Preferred Stock	13,882,500	-0-
Dividends Declared — Common Stock	64,290,174	10,732,368
Unappropriated Earned Surplus (at end of period)	243,669,467	28,008,218

ELECTRIC OPERATING REVENUES (1)

Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
SALES OF ELECTRICITY		
Residential Sales	\$ 289,983,172	\$ (11,181,714)
Commercial and Industrial Sales		
Small (or Commercial)	536,239,210	(10,819,159)
Large (or Industrial)	136,598,136	(12,266,012)
Public Street and Highway Lighting	20,063,400	266,370
Other Sales to Public Authorities	-0-	-0-
Sales to Railroad and Railways	-0-	(10,000)
Interdepartmental Sales	-0-	-0-
Miscellaneous Electric Sales	-0-	-0-
Total Sales to Ultimate Consumers	982,883,918	(34,010,515)
Sales for Resale	105,667,460	(20,379,871)
Prov. for Rev. Refunds	(7,652,270)	(7,652,270)
Total Sales of Electricity	1,080,899,108	(62,042,656)
OTHER OPERATING REVENUES		
Forfeited Discounts / Interest	3,251,108	348,151
Miscellaneous Service Revenues	76,479	30,806
Sales of Water and Water Power	-0-	-0-
Rent from Electric Property	8,230,933	(92,185)
Interdepartmental Rents	-0-	-0-
Other Electric Revenues	12,682,193	5,895,882
Total Other Operating Revenues	24,240,713	6,182,654
Total Electric Operating Revenues	1,105,139,821	(55,860,002)

SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES (1)

Functional Classification	Operation	Maintenance	Total
Power Production Expenses	\$	\$	\$
Electric Generation:			
Steam power	226,691,340	32,876,389	259,567,729
Nuclear power	63,317,335	19,541,802	82,859,137
Hydraulic—Conventional	-0-	-0-	-0-
Hydraulic—Pumped Storage	-0-	-0-	-0-
Other power	1,444,059	2,175,757	3,619,816
Other power supply expenses	139,247,461	-0-	139,247,461
Total power production expenses	430,700,195	54,593,948	485,294,143
Transmission Expenses	11,304,186	2,286,328	13,590,514
Distribution Expenses	31,855,500	25,236,327	57,091,827
Customer Accounts Expenses	27,096,430	-0-	27,096,430
Customer Service and Informational Expenses	1,583,744	-0-	1,583,744
Sales Expenses	1,938,563	-0-	1,938,563
Adm and General Expenses	82,386,905	932,334	83,319,239
Total Electric Operation and Maintenance Expenses	586,865,523	83,048,937	669,914,460

(1) Excludes revenues and expenses relating to Steam Heating Business.

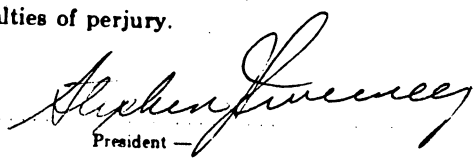
GAS OPERATING REVENUES

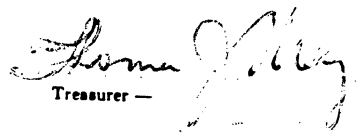
Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
SALES OF GAS		
Residential Sales	\$	\$
Commercial and Industrial Sales	Not Applicable	
Small (or Commercial)		
Large (or Industrial)		
Other Sales to Public Authorities		
Interdepartmental Sales		
Miscellaneous Gas Sales		
Total Sales to Ultimate Consumers		
Sales for Resale		
Total Sales of Gas		
OTHER OPERATING REVENUES		
Forfeited Discounts		
Miscellaneous Service Revenues		
Revenues from Transportation of Gas of 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	\$	\$	\$
Manufactured Gas Production			
Other Gas Supply Expenses			
Total Production Expenses			
Local Storage Expenses			
Transmission and Distribution Expenses			
Customer Accounts Expenses			
Sales Expenses			
Administrative and General Expenses			
Total Gas Operation and Maintenance Expenses	Not Applicable		

March 27, 19 87, 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 —


 Treasurer —

DEPARTMENT OF PUBLIC UTILITIES

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

CONDENSED FINANCIAL RETURN

FOR THE YEAR ENDED DECEMBER 31, 1986

FULL NAME OF COMPANY..... Boston Gas Company.....

LOCATION OF PRINCIPAL BUSINESS OFFICE..... One Beacon St., Boston.....

STATEMENT OF INCOME FOR THE YEAR

Item	Current Year	Increase or (Decrease) from Preceding Year
OPERATING INCOME		
Operating Revenues	\$ 475,876,100	\$ (119,855,332)
Operating Expenses:		
Operation Expense	376,876,570	(119,929,535)
Maintenance Expense	13,772,190	1,248,469
Depreciation Expense	10,709,086	365,314
Amortization of Utility Plant	* 492,119	(32,120)
Amortization of Property Losses	-	-
Amortization of Investment Tax Credits	(554,912)	(43,719)
Taxes Other Than Income Taxes	16,212,442	(4,322,807)
Income Taxes	19,835,879	1,665,387
Provisions for Deferred Federal Income Taxes	1,930,541	18,271
Federal Income Taxes Deferred in Prior Years—Cr	-	-
Total Operating Expenses	439,273,915	(121,030,740)
Net Operating Revenues	36,602,185	1,175,408
Income from Utility Plant Leased to Others	-	-
Other Utility Operating Income	-	-
Total Utility Operating Income	36,602,185	1,175,408
OTHER INCOME		
Income from Mdse. Jobbing & Contract Work	(30,294)	27,770
Income from Nonutility Operations	-	21
Nonoperating Rental Income	(1,563)	(985)
Interest and Dividend Income	298,991	(436,795)
Miscellaneous Nonoperating Income	(117,850)	(194,829)
Total Other Income	149,284	(604,818)
Total Income	36,751,469	570,590
MISCELLANEOUS INCOME DEDUCTIONS		
Miscellaneous Amortization	51,000	7,500
Other Income Deductions	-	-
Total Income Deductions	51,000	7,500
Income Before Interest Charges	36,700,469	563,090
INTEREST CHARGES		
Interest on Long-Term Debt	8,101,367	(926,402)
Amortization of Debt Discount and Expense	200,990	87,375
Amortization of Premium on Debt—Credit	-	-
Interest on Debt to Associated Companies	-	-
Other Interest Expense	3,323,539	(373,760)
Interest Charged to Construction—Credit	(130,975)	86,663
Total Interest Charges	11,494,921	(1,126,124)
Net Income	25,205,548	1,689,214

BALANCE SHEET

Balance		Balance	
Title of Account	End of Year	Title of Account	End of Year
UTILITY PLANT	\$	PROPRIETARY CAPITAL	\$
Utility Plant	393,241,608	CAPITAL STOCK	
OTHER PROPERTY		Common Stock Issued	51,418,400
AND INVESTMENTS		Preferred Stock Issued	-
Nonutility Property	65,061	Capital Stock Subscribed	-
Investment in Associated Companies	1,000	Premium on Capital Stock	640,069
Other Investments	339	Total	52,058,469
Special Funds & Other Assets	35,885,964	SURPLUS	
Total Other Property and Investments	35,952,364	Other Paid-In Capital	22,593,078
CURRENT AND ACCRUED ASSETS		Earned Surplus	33,703,691
Cash	1,560,582	Surplus Invested in Plant	-
Special Deposits	-	Total	56,296,769
Working Funds	27,250	Total Proprietary Capital	108,355,238
Temporary Cash Investments	4,650,000	LONG-TERM DEBT	
Notes and Accounts Receivable	55,109,344	Bonds	121,073,000
Receivables from Associated Companies	102,449	Capital Lease Obligations	6,541,674
Materials and Supplies	24,959,354	Other Long-Term Debt	2,135,000
Prepayments	2,055,773	Total Long-Term Debt	129,749,674
Interest and Dividends Receivable	-	CURRENT AND ACCRUED	
Rents Receivable	-	LIABILITIES	
Accrued Utility Revenues	964,306	Notes Payable	-
Reconciliation ADJ for CGAC	10,427,670	Accounts Payable	28,675,639
Total Current and Accrued Assets	99,856,728	Payables to Associated Companies	5,891
DEFERRED DEBITS		Customer Deposits	3,540,978
Unamortized Debt Discount and Expense	3,588,935	Taxes Accrued	11,777,099
Extraordinary Property Losses	-	Interest Accrued	7,171,620
Preliminary Survey and Investigation		Dividends Declared	-
Charges	116,120	Matured Long-Term Debt	-
Clearing Accounts	(36,664)	Tax Collections Payable	96,936
Temporary Facilities	32,667	Misc. Curr. & Accrued Liab.	10,212,966
Miscellaneous Deferred Debits	7,789,903	Total Curr. & Accrued Liab.	61,481,129
Total Deferred Debits	11,490,961	Gas Purchase Obligations	33,288,463
CAPITAL STOCK DISCOUNT		DEFERRED CREDITS	
AND EXPENSE		Unamortized Premium on Debt	-
Discount on Capital Stock	-	Customer Advances for Construction	-
Capital Stock Expense	-	Other Deferred Credits	16,584,791
Total Capital Stock Discount and Ex-	-	Total Deferred Credits	16,584,791
pense	-	RESERVES	
REACQUIRED SECURITIES		Reserves for Depreciation	128,443,718
Reacquired Capital Stock	-	Reserves for Amortization	4,981,207
Reacquired Bonds	-	Reserve for Uncollectible Accounts	6,708,160
Total Reacquired Securities	-	Operating Reserves	12,287,864
Total Assets and Other Debits	540,541,661	Reserve for Depreciation and Amortiza-	
		tion of Nonutility Property	-
		Reserves for Deferred Federal Income	-
		Taxes	37,554,430
		Total Reserves	189,975,379
		CONTRIBUTIONS IN AID	
		OF CONSTRUCTION	
		Contributions in Aid of Construction	1,106,987
		Total Liabilities and Other Credits	540,541,661

NOTES:

STATEMENT OF EARNED SURPLUS				
Unappropriated Earned Surplus (at beginning of period)	\$ 51,080,077	2,361,996		
Balance Transferred from Income	25,205,548	1,689,214		
Miscellaneous Credits to Surplus	62,046	(191,771)		
Miscellaneous Debits to Surplus	(43,836)	102,810		
Appropriations of Surplus	-	-		
Net Additions to Earned Surplus	25,223,758	1,600,253		
Dividends Declared — Preferred Stock	-	-		
Dividends Declared — Common Stock	42,600,144	21,338,635		
Unappropriated Earned Surplus (at end of period)	33,703,691	(17,376,386)		
ELECTRIC OPERATING REVENUES				
Account	Operating Revenues			
	Amount for Year	Increase or (Decrease) from 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				
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
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				

GAS OPERATING REVENUES

Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
SALES OF GAS		
Residential Sales	\$ 275,342,600	\$ (2,425,299)
Commercial and Industrial Sales		
Small (or Commercial)	146,638,188	(6,706,131)
Large (or Industrial)	47,209,008	(107,888,194)
Other Sales to Public Authorities	127,504	(18,582)
Interdepartmental Sales	-	-
Miscellaneous Gas Sales	-	-
Total Sales to Ultimate Consumers	469,317,300	(117,038,206)
Sales for Resale	3,505,903	(806,043)
Total Sales of Gas	472,823,203	(117,844,249)
OTHER OPERATING REVENUES		
Forfeited Discounts	885,362	(18,342)
Miscellaneous Service Revenues	131,240	(1,876,297)
Revenues from Transportation of Gas of Others	-	-
Sales of Products Extracted from Natural Gas	-	-
Revenues from Natural Gas Processed by Others	-	-
Rent from Gas Property	1,007,433	(52,974)
Interdepartmental Rents	-	-
Other Gas Revenues	1,028,862	(63,470)
Total Other Operating Revenues	3,052,897	(2,011,083)
Total Gas Operating Revenues	475,876,100	(119,855,332)

SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES

Functional Classification	Operation	Maintenance	Total
Steam Production	\$ 65,570	\$ 106,537	\$ 172,107
Manufactured Gas Production	14,842,948	2,151,995	16,994,943
Other Gas Supply Expenses	277,994,529	-	277,994,529
Total Production Expenses	292,903,047	2,258,532	295,161,579
Local Storage Expenses	2,268,696	540,350	2,809,046
Transmission and Distribution Expenses	23,505,441	10,973,308	34,478,749
Customer Accounts Expenses	25,785,598	-	25,785,598
Sales Expenses	3,733,830	-	3,733,830
Administrative and General Expenses	28,679,958	-	28,679,958
Total Gas Operation and Maintenance Expenses	376,876,570	13,772,190	390,648,760

..... 19, 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


 Treasurer



BOSTON EDISON

800 Boylston Street
Boston, Massachusetts 02199

107 APR -1 PM 3
CAMBRIDGE MA.

March 30, 1987

Timothy J. Heffernan
Assistant Treasurer
(617) 424-2515

Dear Madam/Sir:

Massachusetts General Law (Chapter 164, Section 84A) briefly states:

Gas and electric companies . . . engaged in the manufacture and sale of distribution and sale of gas and electricity shall file . . . a condensed return of their business and financial condition . . . with the clerk of each city and town in which they operate, a copy of such condensed return which shall be kept in the clerk's office and shall be open to public inspection during office hours."

In compliance with the above referenced law, enclosed please find a copy of the Condensed Financial Return of Boston Edison Company, for the year ended December 31, 1986.

Sincerely,

enclosure

Timothy J. Heffernan

12.

U-246

Comm. from Timothy J. Heffernan, Asst. Treasurer, Boston Edison, transmitting a copy of the condensed financial returns of Boston Edison Co. & Boston Gas Co. for the year ended December 31, 1986. (1986)

In City Council,

April 6, 1987

Placed on File