

DEPARTMENT OF TELECOMMUNICATIONS & ENERGY

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

CONDENSED FINANCIAL RETURN

FOR YEAR ENDED DECEMBER 31, 1999

COMMONWEALTH GAS COMPANY

FULL NAME OF COMPANY

800 BOYLSTON STREET

LOCATION OF PRINCIPAL BUSINESS OFFICE

BOSTON, MA 02199

STATEMENT OF INCOME FOR THE YEAR

Item	Current Year	Increase or (Decrease) from Preceding Year
OPERATING INCOME		
Operating Revenues.....	\$290,232,754	\$1,149,539
Operating Expenses:		
Operation Expense.....	227,378,695	(311,059)
Maintenance Expense.....	11,090,252	1,054,600
Depreciation Expense.....	11,490,106	511,459
Amortization of Utility Plant.....	329,934	14,031
Amortization of Property Losses.....	1,094,180	1,094,180
Amortization of Investment Tax Credit.....	(196,939)	355
Taxes other than Income Taxes.....	11,179,116	706,219
Income Taxes.....	7,025,693	2,192,390
Provisions for Deferred Federal Income Taxes.....	822,395	(1,393,491)
Federal Income Taxes Deferred In Prior Years..(Credit).....	(1,550,624)	(1,275,475)
Total Operating Expenses.....	268,662,808	2,593,209
Net Operating Revenues.....	21,569,946	(1,443,670)
Income from Utility Plant Leased to Others.....		
Other Utility Operating Income.....		
Total Utility Operating Income.....	21,569,946	(1,443,670)
OTHER INCOME		
Income from Mdse. Jobbing & Contract Work.....	1,056,625	276,876
Income from Nonutility Operations.....		
Nonoperating Rental Income.....	90,656	69,296
Interest and Dividend Income.....	354,834	269,342
Miscellaneous Nonoperating Income.....	96,865	(438,244)
Total Other Income.....	1,598,980	177,270
Total Income.....	23,168,926	(1,266,400)
MISCELLANEOUS INCOME DEDUCTIONS		
Miscellaneous Amortization.....		
Other Income Deductions.....	523,847	347,908
Total Income Deductions.....	523,847	347,908
Income Before Interest Charges.....	22,645,079	(1,614,308)
INTEREST CHARGES		
Interest on Long-Term Debt.....	8,333,576	(328,134)
Amortization of Debt Discount and Expense.....	56,396	(2,714)
Amortization of Premium on Debt-Credit.....		
Interest on Debt to Associated Companies.....	330,700	200,734
Other Interest Expense.....	2,907,956	691,986
Interest Charged to Construction-Credit.....	(88,669)	(12,930)
Total Interest Charges.....	11,539,959	548,942
Net Income.....	\$11,105,120	(\$2,163,250)

BALANCE SHEET

Title of Account	Balance End of Year	Title of Account	Balance End of Year
UTILITY PLANT		PROPRIETARY CAPITAL	
Utility Plant.....	\$409,034,770	CAPITAL STOCK	
		Common Stock Issued.....	\$71,425,000
OTHER PROPERTY AND INVESTMENTS		Preferred Stock Issued.....	0
Nonutility Property.....	1,542,538	Capital Stock Subscribed.....	0
Investment in Associated Companies.....	0	Premium on Capital Stock.....	96,203,867
Other Investments.....	947,263	Total.....	167,628,867
Special Funds.....	20,675		
Total Other Property and Investments	2,510,476	SURPLUS	
CURRENT AND ACCRUED ASSETS		Other Paid-In Capital.....	0
Cash.....	0	Earned Surplus.....	14,817,761
Special Deposits.....	0	Surplus Invested in Plant.....	0
Working Funds.....	8,975	Total.....	14,817,761
Temporary Cash Investments.....	0	Total Propriety Capital.....	182,446,628
Notes and Accounts Receivable.....	38,015,601		
Receivables from Associated Companies.....	1,211,126	LONG-TERM DEBT	
Materials and Supplies.....	26,898,745	Bonds.....	102,150,000
Prepayments.....	15,847,931	Advances from Associated Companies.....	0
Interest and Dividends Receivable.....	0	Other Long-Term Debt.....	0
Rents Receivable.....	0	Total Long-Term Debt.....	102,150,000
Accrued Utility Revenues.....	10,323,906		
Misc. Current and Accrued Assets.....	3,510,510	CURRENT AND ACCRUED LIABILITIES	
Total Current and Accrued Assets.....	95,816,794	Notes Payable.....	35,825,000
DEFERRED DEBITS		Accounts Payable.....	25,651,385
Unamortized Debt Discount and Expense.....	873,097	Payables to Associated Companies.....	22,884,386
Extraordinary Property Losses.....	0	Customer Deposits.....	1,457,856
Preliminary Survey and Investigation Charges.....	9,909	Taxes Accrued.....	7,454,994
Clearing Accounts.....	0	Interest Accrued.....	1,082,438
Temporary Facilities.....	0	Dividends Declared.....	0
Miscellaneous Deferred Debits.....	123,603,553	Matured Long-Term Debt.....	0
Total Deferred Debits.....	124,486,559	Matured Interest.....	0
		Tax Collections Payable.....	29,414
CAPITAL STOCK DISCOUNT AND EXPENSE		Misc. Current and Accrued Liabilities.....	17,142,857
Discount on Capital Stock.....	0	Total Current and Accrued Liabilities.....	111,528,330
Capital Stock Expense.....	0	DEFERRED CREDITS	
Total Capital Stock Discount and Expense.....	0	Unamortized Premium on Debt.....	0
		Customer Advances for Construction.....	0
REACQUIRED SECURITIES		Other Deferred Credits.....	59,634,633
Reacquired Capital Stock.....	0	Total Deferred Credits.....	59,634,633
Reacquired Bonds.....	0		
Total Reacquired Securities.....	0	RESERVES	
Total Assets and Other Debits.....	\$631,848,599	Reserves for Depreciation.....	126,715,966
		Reserves for Amortization.....	3,580,767
		Reserves for Uncollectible Accounts.....	2,200,000
		Operating Reserves.....	7,210,317
		Reserve for Depreciation and Amortization of Nonutility Property.....	370
		Reserves for Deferred Income Taxes.....	36,381,588
		Total Reserves.....	176,089,008
		CONTRIBUTIONS IN AID OF CONSTRUCTION	
		Contributions in Aid of Construction.....	0
		Total Liabilities and Other Credits.....	\$631,848,599

STATEMENT OF EARNED SURPLUS

Account	Amount for Year	Inc/(Dec) from Preceding Year
Unappropriated Earned Surplus (at beginning of period).....	17,997,641	1,126,120
Balance Transferred from Income.....	11,105,120	(2,163,250)
Miscellaneous Credits to Surplus.....	0	0
Miscellaneous Debits to Surplus.....	0	0
Appropriations of Surplus.....	0	0
Net Additions to Earned Surplus.....	11,105,120	(2,163,250)
Dividends Declared-Preferred Stock.....	0	0
Dividends Declared-Common Stock.....	14,285,000	2,142,750
Unappropriated Earned Surplus (at end of period).....	14,817,761	(3,179,880)

ELECTRIC OPERATING REVENUES

Account	Operating Revenues	
	Amount for Year	Inc/(Dec) 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.....		
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

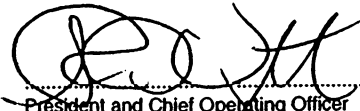
SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES

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	
SALES OF GAS			
Residential Sales.....	\$ 180,295,907	\$	\$2,273,410
Commercial and Industrial Sales			
Small (or Commercial).....	67,769,492		(1,444,855)
Large (or Industrial).....	8,883,218		(3,395,901)
Other Sales to Public Authorities.....	9,458,866		(1,802,501)
Interdepartmental Sales.....	0		0
Miscellaneous Gas Sales.....	880,708		5,279,398
Total Sales to Ultimate Consumers.....	267,288,191		909,551
Sales for Resale.....	6,957,222		(3,455,081)
Total Sales of Gas.....	274,245,413		(2,545,530)
OTHER OPERATING REVENUES			
Forfeited Discounts-Late Payment Charges.....	299,531		(9,100)
Miscellaneous Service Revenues.....	1,837,976		229,808
Revenues from Transportation of Gas to Others.....	13,252,620		3,822,918
Sales of Products Extracted from Natural Gas.....	0		0
Revenues from Natural Gas Processed by Others.....	0		0
Rent from Gas Property.....	150,887		13,422
Interdepartmental Rents.....	0		0
Other Gas Revenues.....	446,327		(361,979)
Total Other Operating Revenues.....	15,987,341		3,695,069
Total Gas Operating Revenues.....	290,232,754		1,149,539

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.....	158,063,083	0	158,063,083
Total Production Expenses.....	158,063,083	0	158,063,083
Local Storage Expenses.....	580,354	369,799	950,153
Transmission and Distribution Expense.....	18,323,548	10,316,217	28,639,765
Customer Accounts Expense.....	17,575,539	0	17,575,539
Sales Expense.....	3,105,610	0	3,105,610
Administrative and General Expenses.....	29,730,561	404,236	30,134,797
Total Gas Operation and Maintenance Expenses.....	227,378,695	11,090,252	238,468,947

April 27, 2000, 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


Vice President, Controller and Chief Accounting Officer

Consent Communication #8

1238

A communication was received from
the Department of Telecommunications
& Energy, transmitting the
condensed financial return for
the year ended December 31, 1999
for Commonwealth Gas Company.

S-123

In City Council May 8, 2000

Referred to the City Manager