

# DEPARTMENT OF PUBLIC UTILITIES

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

## CONDENSED FINANCIAL RETURN

For the year ended December 31, 1996

FULL NAME OF COMPANY

Boston Edison Company

LOCATION OF PRINCIPAL BUSINESS OFFICE

800 Boylston Street, Boston, MA 02199

### STATEMENT OF INCOME FOR THE YEAR

| Item                                               | Current Year    | Increase or (Decrease) from Preceding Year |
|----------------------------------------------------|-----------------|--------------------------------------------|
| <b>OPERATING INCOME</b>                            |                 |                                            |
| Operating Revenues                                 | \$1,658,522,733 | \$37,888,622                               |
| Operating Expenses:                                |                 |                                            |
| Operation Expense                                  | 943,873,214     | (19,417,774)                               |
| Maintenance Expense                                | 77,238,689      | (18,192,926)                               |
| Depreciation Expense                               | 165,981,676     | 29,419,920                                 |
| Amortization of Utility Plant                      | 32,668,215      | 3,972,847                                  |
| Amortization of Property Losses                    | 0               | 0                                          |
| Amortization of Conversion Expenses                | 0               | 0                                          |
| Taxes Other Than Income Taxes                      | 105,621,414     | 444,499                                    |
| Income Taxes and ITC                               | 87,778,761      | (816,268)                                  |
| Provisions for Deferred Federal/State Income Taxes | 453,065         | 21,318,061                                 |
| Federal Income Taxes Deferred in Prior Years-Cr    | (189,205)       | (30,429)                                   |
| Total Operating Expenses                           | 1,413,425,829   | 16,697,930                                 |
| Net Operating Revenues                             | 245,096,904     | 21,190,692                                 |
| Income from Utility Plant Leased to Others         | 0               | 0                                          |
| Other Utility Operating Income                     | 0               | 0                                          |
| Total Utility Operating Income                     | 245,096,904     | 21,190,692                                 |
| <b>OTHER INCOME</b>                                |                 |                                            |
| Income from Mdse. Jobbing & Contract Work          | 0               | 0                                          |
| Income from Nonutility Operations                  | (33,750)        | (59,411)                                   |
| Nonoperating Rental Income                         | 0               | (600)                                      |
| Interest and Dividend Income                       | (2,432,341)     | (2,758,060)                                |
| Miscellaneous Nonoperating Income                  | 10,315,679      | 5,545,251                                  |
| Total Other Income                                 | 7,849,588       | 2,727,180                                  |
| Total Income                                       | 252,946,492     | 23,917,872                                 |
| <b>MISCELLANEOUS INCOME DEDUCTIONS</b>             |                 |                                            |
| Miscellaneous Amortization                         | 0               | 0                                          |
| Other Income Deductions                            | 3,681,708       | (1,280,877)                                |
| Total Income Deductions                            | 3,681,708       | (1,280,877)                                |
| Income Before Interest Charges                     | 249,264,784     | 25,198,749                                 |
| <b>INTEREST CHARGES</b>                            |                 |                                            |
| Interest on Long-Term Debt                         | 85,192,222      | (8,895,835)                                |
| Amortization of Debt Discount and Expense          | 6,963,335       | (2,830,127)                                |
| Amortization of Premium on Debt - Credit           | 0               | 0                                          |
| Interest on Debt to Associated Companies           | 0               | 0                                          |
| Other Interest Expense                             | 14,538,604      | 1,897,067                                  |
| Interest Charged to Construction - Credit          | 1,024,900       | 5,791,922                                  |
| Total Interest Charges                             | 107,719,061     | (4,036,973)                                |
| Net Income                                         | \$141,545,723   | \$29,235,722                               |

# BALANCE SHEET

| Title of Account                          |                 | Title of Account                                        |                 |
|-------------------------------------------|-----------------|---------------------------------------------------------|-----------------|
| Balance End of Year                       |                 | Balance End of Year                                     |                 |
| <b>UTILITY PLANT</b>                      |                 | <b>PROPRIETARY CAPITAL</b>                              |                 |
| Utility Plant                             | \$4,732,715,502 | <b>CAPITAL STOCK</b>                                    |                 |
| <b>OTHER PROPERTY AND INVESTMENTS</b>     |                 | Common Stock Issued                                     | \$48,509,537    |
| Nonutility Property                       | 1,308,839       | Preferred Stock Issued                                  | 213,000,000     |
| Investment in Associated Companies        | 34,416,460      | Capital Stock Subscribed                                | 0               |
| Other Investments                         | 3,908,256       | Premium on Capital Stock                                | 702,058,070     |
| Special Funds                             | 139,170,990     | Total                                                   | 963,567,607     |
| Total Other Property and Investments      | 178,804,545     | <b>SURPLUS</b>                                          |                 |
| <b>CURRENT AND ACCRUED ASSETS</b>         |                 | Other Paid-In Capital                                   | (9,580,973)     |
| Cash                                      | 4,592,749       | Earned Surplus                                          | 291,785,826     |
| Special Deposits                          | 0               | Surplus Invested in Plant                               | 405,485         |
| Working Funds                             | 121,550         | Total                                                   | 282,610,338     |
| Temporary Cash Investments                | 0               | Total Proprietary Capital                               | 1,246,177,945   |
| Notes and Accounts Receivable             | 230,677,142     | <b>LONG-TERM DEBT</b>                                   |                 |
| Receivables from Associated Companies     | 0               | Bonds                                                   | 15,000,000      |
| Materials and Supplies                    | 55,440,927      | Advances from Associated Companies                      | 0               |
| Prepayments                               | 30,786,795      | Other Long-Term Debt                                    | 1,115,000,000   |
| Interest and Dividends Receivable         | 0               | Total Long-Term Debt                                    | 1,130,000,000   |
| Rents Receivable                          | (85,940)        | <b>CURRENT AND ACCRUED LIABILITIES</b>                  |                 |
| Accrued Utility Revenues                  | 34,922,000      | Notes Payable                                           | 200,323,000     |
| Misc. Current and Accrued Assets          | 14,208,938      | Accounts Payable                                        | 128,913,393     |
| Total Current and Accrued Assets          | 370,664,161     | Payables to Associated Companies                        | 578,187         |
| <b>DEFERRED DEBITS</b>                    |                 | Customer Deposits                                       | 2,168,307       |
| Unamortized Debt Discount and Expense     | 8,889,079       | Taxes Accrued                                           | (2,567,867)     |
| Extraordinary Property Losses             | 0               | Interest Accrued                                        | 24,217,677      |
| Preliminary Survey and Investigation      |                 | Dividends Declared                                      | 25,342,962      |
| Charges                                   | 0               | Matued Long-Term Debt                                   | 0               |
| Clearing Accounts                         | 0               | Matured Interest                                        | 0               |
| Temporary Facilities                      | 292,101         | Tax Collections payable                                 | 1,813,636       |
| Miscellaneous Deferred Debits             | 292,562,003     | Misc. Current and Accrued Liabilities                   | 85,488,718      |
| Total Deferred Debits                     | 301,743,183     | Total Current and Accrued Liabilities                   | 466,278,013     |
| <b>CAPITAL STOCK DISCOUNT AND EXPENSE</b> |                 | <b>DEFERRED CREDITS</b>                                 |                 |
| Discount on Capital Stock                 | 0               | Unamortized Premium on Debt                             | 0               |
| Capital Stock Expense                     | 7,778,490       | Customer Advances for Construction                      | 1,324,560       |
| Total Capital Stock Discount and Expense  | 7,778,490       | Other Deferred Credits                                  | 251,319,975     |
| <b>REACQUIRED SECURITIES</b>              |                 | Total Deferred Credits                                  | 252,644,535     |
| Reacquired Capital Stock                  | 0               | <b>RESERVES</b>                                         |                 |
| Reacquired Bonds                          | 0               | Reserves for Depreciation                               | 1,541,983,016   |
| Total Reacquired Securities               | 0               | Reserves for Amortization                               | 268,508,695     |
| Total Assets and Other Debits             | \$5,591,705,881 | Reserve for Uncollectible Accounts                      | 2,000,000       |
|                                           |                 | Operating Reserves                                      | 39,814,317      |
|                                           |                 | Reserve for Nuclear Decommissioning                     | 133,388,146     |
|                                           |                 | Reserves for Deferred Federal Income Taxes and ITC, net | 510,911,214     |
|                                           |                 | Total Reserves                                          | 2,496,605,388   |
|                                           |                 | <b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>             |                 |
|                                           |                 | Contributions in Aid of Construction                    | 0               |
|                                           |                 | Total Liabilities and Other Credits                     | \$5,591,705,881 |

NOTES:

| STATEMENT OF EARNED SURPLUS                                          |               |              |
|----------------------------------------------------------------------|---------------|--------------|
| Unappropriated Earned Surplus (at beginning of period)               | \$257,344,160 | \$10,340,052 |
| Balance Transferred from Income                                      | 141,545,723   | 29,235,720   |
| Preferred Stock Issuance Expense and Redemption Premium Amortization | (904,870)     | (904,870)    |
| Miscellaneous Debits to Surplus                                      | 0             | 0            |
| Appropriations of Surplus                                            | 0             | 0            |
| Net Additions to Earned Surplus                                      | 140,640,853   | 28,330,850   |
| Dividends Declared - Preferred Stock                                 | 15,364,933    | (205,983)    |
| Dividends Declared - Common Stock                                    | 90,834,254    | 4,435,219    |
| Unappropriated Earned Surplus (at end of period)                     | \$291,785,826 | \$34,441,666 |

| ELECTRIC OPERATING REVENUES                            |                    |                                            |
|--------------------------------------------------------|--------------------|--------------------------------------------|
| Account                                                | Operating Revenues |                                            |
|                                                        | Amount for Year    | Increase or (Decrease) from Preceding Year |
| SALES OF ELECTRICITY                                   |                    |                                            |
| Residential Sales                                      | \$451,093,038      | \$6,290,120                                |
| Commercial and Industrial Sales                        |                    |                                            |
| Small (or Commercial)                                  | 825,641,092        | 20,142,301                                 |
| Large (or Industrial)                                  | 148,441,106        | 664,653                                    |
| Public Street and Highway Lighting                     | 24,431,014         | 263,906                                    |
| Other Sales to Public Authorities                      | 0                  | 0                                          |
| Sales to Railroad and Railways                         | 0                  | 0                                          |
| Interdepartmental Sales                                | 0                  | 0                                          |
| Miscellaneous Electric Sales                           | 0                  | 0                                          |
| Total Sales to Ultimate Consumers                      | 1,449,606,250      | 27,360,980                                 |
| Sales for Resale                                       | 192,001,382        | 15,676,019                                 |
| Total Sales of Electricity                             | 1,641,607,632      | 43,036,999                                 |
| OTHER OPERATING REVENUES                               |                    |                                            |
| Forfeited Discounts                                    | 3,970,061          | (59,497)                                   |
| Miscellaneous Service Revenues                         | 244,465            | (177,853)                                  |
| Sales of Water and Water Power                         | 0                  | 0                                          |
| Rent from Electric Property                            | 8,882,068          | (397,092)                                  |
| Interdepartmental Rents                                | 0                  | 0                                          |
| Other Electric Revenues and Provision for Rate Refunds | 3,818,507          | (4,513,935)                                |
| Total Other Operating Revenues                         | 16,915,101         | (5,148,377)                                |
| Total Electric Operating Revenues                      | \$1,658,522,733    | \$37,888,622                               |

| SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES |               |              |                 |
|--------------------------------------------------------|---------------|--------------|-----------------|
| Functional Classification                              | Operation     | Maintenance  | Total           |
| Power Production Expenses                              |               |              |                 |
| Electric Generation:                                   |               |              |                 |
| Steam Power                                            | \$175,396,499 | \$28,971,285 | \$204,367,784   |
| Nuclear Power                                          | 101,229,157   | 24,061,509   | 125,290,666     |
| Hydraulic Power                                        | 0             | 0            | 0               |
| Other Power                                            | 1,207,504     | 1,347,704    | 2,555,208       |
| Other Power Supply Expenses                            | 395,590,036   | 0            | 395,590,036     |
| Total Power Production Expenses                        | 673,423,196   | 54,380,498   | 727,803,694     |
| Transmission Expenses                                  | 17,748,375    | 2,197,954    | 19,946,329      |
| Distribution Expenses                                  | 53,530,807    | 20,660,237   | 74,191,044      |
| Customer Accounts Expenses                             | 38,582,650    | 0            | 38,582,650      |
| Customer Service and Informational Expenses            | 22,352,680    | 0            | 22,352,680      |
| Sales Expenses                                         | 11,367,242    | 0            | 11,367,242      |
| Administrative and General Expenses                    | 126,868,264   | 0            | 126,868,264     |
| Total Electric Operation and Maintenance Expenses      | \$943,873,214 | \$77,238,689 | \$1,021,111,903 |

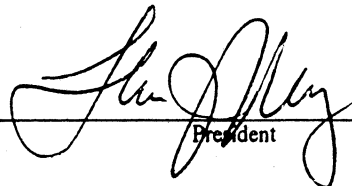
## GAS OPERATING REVENUES

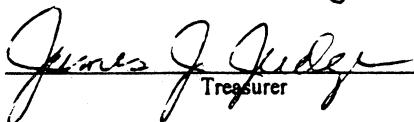
| Account                                       | Operating Revenues |                                            |
|-----------------------------------------------|--------------------|--------------------------------------------|
|                                               | Amount for Year    | Increase or (Decrease) from Preceding Year |
| <b>SALES OF GAS</b>                           | \$                 | \$                                         |
| 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 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                  | 0                  | 0                                          |

## 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 | 0         | 0           | 0     |

March 28, 19 97, 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

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RECEIVED BY  
OFFICE OF CITY CLERK

97 APR -3 AM 10 42

CAMBRIDGE MA.

March 28, 1997

Dear Town of City Clerk:

In accordance with the Massachusetts General Law, Chapter 164, section 84A, enclosed is a copy of the Condensed Financial Return of Boston Edison Company for the year ended December 31, 1996.

Sincerely,



Michael Farrell

Manager of Accounting Services

Enclosure

Consent Communication #5

S-199

Communication was received from  
Boston Edison, transmitting a copy of  
the Condensed Financial Return of  
Boston Edison Company for the year  
ended December 31, 1996.

In City Council April 7, 1997

Referred to  
City Manager

Copy sent  
4-9-97