

DEPARTMENT OF PUBLIC UTILITIES

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

CONDENSED FINANCIAL RETURN

FOR THE YEAR ENDED DECEMBER 31, 1988

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
OPERATING INCOME		
Operating Revenues	\$ 1,202,654,768	\$ 13,433,420
Operating Expenses:		
Operation Expense	706,278,448	10,690,122
Maintenance Expense	117,269,839	(5,802,844)
Depreciation Expense	97,670,569	6,892,056
Amortization of Utility Plant	4,584,202	1,037,476
Amortization of Property Losses	27,269,838	-0-
Amortization of Conversion Expenses	-0-	-0-
Taxes Other Than Income Taxes	61,610,234	2,918,443
Income Taxes	50,120,876	42,037,187
Provisions for Deferred Federal Income Taxes	(17,034,810)	(54,062,156)
Investment Tax Credit	(5,033,480)	(5,644,347)
Total Operating Expenses	1,042,735,716	(1,934,063)
Net Operating Revenues	159,919,052	15,367,483
Income from Utility Plant Leased to Others	-0-	-0-
Other Utility Operating Income	482,458	193,930
Total Utility Operating Income	160,401,510	15,561,413
OTHER INCOME		
Equity Income From Subsidiary Companies	1,671,770	(481,004)
Income from Nonutility Operations	(71,891)	(17,974,983) (a)
Nonoperating Rental Income	(634)	9,932
Interest and Dividend Income (b)	6,849,687	(4,834,337)
Miscellaneous Nonoperating Income	555,606	742,599
Total Other Income	9,004,538	(22,537,793)
Total Income	169,406,048	(6,976,380)
MISCELLANEOUS INCOME DEDUCTIONS		
Miscellaneous Amortization	-0-	-0-
Other Income Deductions (c)	5,115,094	(6,300,435)
Total Income Deductions	5,115,094	(6,300,435)
Income Before Interest Charges	164,290,954	(675,945)
INTEREST CHARGES		
Interest on Long-Term Debt	80,605,371	11,664,413
Amortization of Debt Discount and Expense	1,238,848	132,555
Amortization of Premium on Debt — Credit	(61,104)	2,670
Interest on Debt to Associated Companies	-0-	-0-
Other Interest Expense	18,334,441	9,443,943
Interest Charged to Construction — Credit	(16,041,433)	(9,018,585)
Total Interest Charges	84,076,123	12,224,996
Net Income (d)	80,214,831	(12,900,941)

BALANCE SHEET

Title of Account		Balance End of Year	Title of Account		Balance End of Year
UTILITY PLANT		\$	PROPRIETARY CAPITAL		\$
Utility Plant (a)		3,270,671,783	CAPITAL STOCK		
OTHER PROPERTY AND INVESTMENTS			Common Stock Issued		189,468,955
Nonutility Property		1,064,288	Preferred Stock Issued		136,175,000
Investment in Associated Companies		11,145,875	Capital Stock Subscribed		-0-
Other Investments		86,165	Premium on Capital Stock		386,455,013
Nuclear Decommissioning Fund		24,090,382	Total		712,098,968
Total Other Property and Investments		3,307,058,493	SURPLUS		
CURRENT AND ACCRUED ASSETS			Other Paid-In Capital		(2,098,659)
Cash		3,130,674	Earned Surplus		253,400,835
Special Deposits		5,127	Surplus Invested in Plant		405,485
Working Funds		98,890	Total		251,707,661
Temporary Cash Investments		-0-	Total Proprietary Capital		963,806,629
Notes and Accounts Receivable		158,788,795	LONG-TERM DEBT		
Receivables from Associated Companies		-0-	Bonds (c)		820,784,000
Materials and Supplies		88,107,410	Advances from Associated Companies		-0-
Prepayments		7,192,436	Medium Term Notes		150,000,000
Interest and Dividends Receivable		-0-	Total Long-Term Debt		970,784,000
Rents Receivable		69,573	CURRENT AND ACCRUED LIABILITIES		
Accrued Utility Revenues		-0-	Notes Payable		114,580,000
Misc. Current and Accrued Assets		28,579,215	Accounts Payable		105,849,676
Total Current and Accrued Assets		285,972,120	Payables to Associated Companies		2,715,343
DEFERRED DEBITS			Customer Deposits		-0-
Unamortized Debt Discount and Expense		31,877,824	Taxes Accrued		8,987,371
Extraordinary Property Losses (b)		119,573,142	Interest Accrued		20,969,160
Preliminary Survey and Investigation Charges		356,397	Dividends Declared		19,910,058
Clearing Accounts		-0-	Matured Long-Term Debt		-0-
Temporary Facilities		86,134	Matured Interest		-0-
Miscellaneous Deferred Debits		88,850,038	Tax Collections Payable		1,824,782
Total Deferred Debits		240,743,535	Misc. Current and Accrued Liabilities		3,535,826
CAPITAL STOCK DISCOUNT AND EXPENSE			Total Current and Accrued Liabilities		278,372,216
Discount on Capital Stock		-0-	DEFERRED CREDITS		
Capital Stock Expense		-0-	Unamortized Premium on Debt		664,806
Total Capital Stock Discount and Expense		-0-	Customer Advances for Construction		3,173,200
REACQUIRED SECURITIES			Other Deferred Credits		25,525,739
Reacquired Capital Stock		-0-	Total Deferred Credits		29,363,745
Reacquired Bonds		-0-	RESERVES		
Total Reacquired Securities		-0-	Reserves for Depreciation		862,296,512
Total Assets and Other Debits		3,833,774,148	Reserves for Amortization of Nuc. Fuel		133,117,574
			Reserve for Uncollectible Accounts		-0-
			Acc. Provision Rate Refunds		8,785,725
			Reserve for Nuclear Decommissioning		28,217,651
			Reserves for Deferred Federal Income Taxes/Inv. Tax Credit, Net		559,030,096
			Total Reserves		1,591,447,558
			CONTRIBUTIONS IN AID OF CONSTRUCTION		
			Contributions in Aid of Construction		-0-
			Total Liabilities and Other Credits		3,833,774,148

NOTES:

See Notes on Page 2A.

BOSTON EDISON COMPANY
Condensed Financial Return
For the Year Ended December 31, 1988

Notes for Page 1

- (a) 1987 includes gain on disposition of Steam Heat Business of \$17,570,470.
- (b) Includes \$6,874,900 for "Allowance for Other Funds Used During Construction " (F.E.R.C. A/C 419.1) in 1988.
- (c) Includes Taxes Applicable to Other Income and Deductions including (1987) taxes applicable to the gain on disposition of Steam Heat Business:

F.E.R.C. Account #408.2 - Taxes Other than Income Taxes

F.E.R.C. Account #409.2 - Income Taxes

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.

- (d) In accordance with DPU 906, dated April 30, 1982, does not reflect Statement of Financial Accounting Standards No. 90 "Regulated Enterprises - Accounting for Abandonments and Disallowances of Plant Costs", the adoption of which is reflected in the Company's 1988 and 1987 F.E.R.C. Forms No. 1 and the Annual Reports to Shareholders for the years ended December 31, 1988 and 1987.

Notes for Page 2

- (a) Includes Nuclear Fuel of \$233,508,415.
- (b) Unamortized cancellation costs relating to the cancelled Pilgrim 2 nuclear unit.
- (c) Includes debt due within one year of \$4,250,000.

STATEMENT OF EARNED SURPLUS

Unappropriated Earned Surplus (at beginning of period)	\$ 255,990,275	12,320,808
Balance Transferred from Income	80,214,831	(12,900,941)
Miscellaneous Credits to Surplus	-0-	-0-
Miscellaneous Debits to Surplus	-0-	-0-
Appropriations of Surplus	-0-	-0-
Net Additions to Earned Surplus	80,214,831	(12,900,941)
Dividends Declared — Preferred Stock	14,140,836	341,782
Dividends Declared — Common Stock	68,663,435	1,667,525
Unappropriated Earned Surplus (at end of period)	\$ 253,400,835	\$ (2,589,440)

ELECTRIC OPERATING REVENUES

Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
SALES OF ELECTRICITY		
Residential Sales	\$ 339,994,818	\$ 14,244,629
Commercial and Industrial Sales		
Small (or Commercial)	572,743,920	1,257,986
Large (or Industrial)	132,982,722	(7,503,103)
Public Street and Highway Lighting	20,510,169	(810,499)
Other Sales to Public Authorities	-0-	-0-
Sales to Railroad and Railways	5,770,887	5,770,887
Interdepartmental Sales	-0-	-0-
Miscellaneous Electric Sales	-0-	-0-
Total Sales to Ultimate Consumers	1,072,002,516	12,959,900
Sales for Resale	113,653,588	5,836,167
(Less) Provision for Rate Refunds	(6,700,826)	2,436,540
Total Sales of Electricity	1,178,955,278	21,232,607
OTHER OPERATING REVENUES		
Forfeited Discounts		
Miscellaneous Service Revenues	3,648,937	1,521,357
Sales of Water and Water Power	265,830	232,111
Rent from Electric Property	-0-	-0-
Interdepartmental Rents	8,503,806	(1,701,053)
Other Electric Revenues	-0-	-0-
Total Other Operating Revenues	11,280,917	271,334
Total Electric Operating Revenues	23,699,490	323,749
Total Electric Operating Revenues	\$1,202,654,768	\$21,556,356

SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Functional Classification	Operation	Maintenance	Total
Power Production Expenses	\$	\$	\$
Electric Generation:			
Steam power	216,513,402	39,971,578	256,484,980
Nuclear power	75,885,222	40,321,091	116,206,313
Hydraulic—Conventional	-0-	-0-	-0-
Hydraulic—Pumped Storage	-0-	-0-	-0-
Other power	5,278,242	2,921,033	8,199,275
Other power supply expenses	221,570,240	-0-	221,570,240
Total power production expenses	519,247,106	83,213,702	602,460,808
Transmission Expenses	20,939,948	2,495,712	23,435,660
Distribution Expenses	36,294,695	30,506,667	66,801,362
Customer Accounts Expenses	30,757,375	-0-	30,757,375
Customer Service and Informational Expenses	3,171,403	-0-	3,171,403
Sales Expenses	2,483,271	-0-	2,483,271
Adm. and General Expenses	93,384,650	1,053,758	94,438,408
Total Electric Operation and Maintenance Expenses	706,278,448	117,269,839	823,548,287

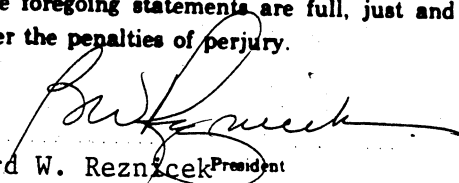
GAS OPERATING REVENUES

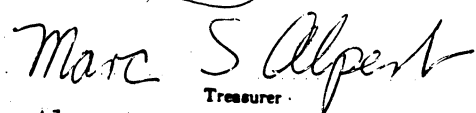
Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
SALES OF GAS		
Residential Sales	\$	\$
Commercial and Industrial Sales		
Small (or Commercial)		
Large (or Industrial)		
Other Sales to Public Authorities		
Interdepartmental Sales		
Miscellaneous Gas Sales		
Total Sales to Ultimate Consumers		
Sales for Resale		
Total Sales of Gas		
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	-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-

March 27, 1989 . 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.


 Bernard W. Reznicek, President


 Marc S. Alpert, Treasurer



BOSTON EDISON
800 Boylston Street
Boston, Massachusetts 02199

RECEIVED BY
OFFICE OF CITY CLERK

1989 APR -3 AM 11: 33

CAMBRIDGE MA.

Robert J. Weafer, Jr.
Controller

(617) 424-2463

March 27, 1989

Dear Madam/Sir:

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

"Gas and electric companies . . . engaged in the manufacture and sale or 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, 1988.

Sincerely,

enclosure

6. S-262

Comm. from Robert J. Weafer, Jr., Controller,
Boston Edison, transmitting a copy of their
Condensed Financial Return for 1988, in ac-
cord with MGLA, Chapter 164, Section 84A.

In City Council,

April 10, 1989

4-10-89

placed on file.