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.......Commonwealth Gas Company.......................

LOCATION OF PRINCIPAL BUSINESS OFFICE.....One Main Street
Cambridge, MA 02142-9150..........

STATEMENT OF INCOME FOR THE YEAR

Item	Current Year	Increase or (Decrease) from Preceding Year
OPERATING INCOME	$	$
Operating Revenues	231 188 061	(32 114 564)
Operating Expenses:		
Operation Expense	195 423 511	(28 663 212)
Maintenance Expense	9 353 164	402 190
Depreciation Expense	5 186 744	430 599
Amortization of Utility Plant	631	(422)
Amortization of Property Losses		
Amortization of Investment Tax Credit	(306 346)	(3 236)
Taxes Other Than Income Taxes	5 192 761	(826 348)
Income Taxes	3 376 902	(1 275 373)
Provisions for Deferred Federal Income Taxes	1 711 324	(76 917)
Federal Income Taxes Deferred in Prior Years - Credit	(131 575)	(41 533)
Total Operating Expenses	219 807 116	(30 054 252)
Net Operating Revenues	11 380 945	(2 060 312)
Income from Utility Plant Leased to Others		
Other Utility Operating Income		
Total Utility Operating Income	11 380 945	(2 060 312)
OTHER INCOME		
Income from Mdse. Jobbing & Contract Work	(122 769)	(70 149)
Income from Nonutility Operations		
Nonoperating Rental Income	99 376	24 436
Interest and Dividend Income	811 925	(716 934)
Miscellaneous Nonoperating Income	79 377	64 447
Total Other Income	867 909	(698 200)
Total Income	12 248 854	(2 758 512)
MISCELLANEOUS INCOME DEDUCTIONS		
Miscellaneous Amotrization		
Other Income Deductions	76 561	(21 197)
Total Income Deductions	76 561	(21 197)
Income Before Interest Charges	12 172 293	(2 737 315)
INTEREST CHARGES		
Interest on Long-term Debt	3 489 923	(133 412)
Amortization of Debt Discount and Expense	37 298	(426)
Amortization of Premium on Debt - Credit	(5 043)	(1 064)
Interest on Debt to Associated Companies	823 651	(244 276)
Other Interest Expense	1 587 819	(1 237 628)
Interest Charged to Construction - Credit	(56 280)	10 097
Total Interest Charges	5 877 368	(1 606 709)
Net Income	6 294 925	(1 130 606)

BALANCE SHEET

Title of Account	Balance End of Year $
UTILITY PLANT	
Utility Plant	184 521 877
OTHER PROPERTY AND INVESTMENTS	
Nonutility Property	1 094 307
Investment in Associated Companies	
Other Investments	50 137
Special Funds	20 010
Total Other Property and Investments	1 164 454
CURRENT AND ACCRUED ASSETS	
Cash	1 197 091
Special Deposits	
Working Funds	9 700
Temporary Cash Investments	
Notes and Accounts Receivable	18 903 998
Receivables from Associated Companies	1 037 554
Materials and Supplies	17 535 009
Prepayments	477 781
Interest and Dividends Receivable	15 594
Rents Receivable	30 489
Accrued Utility Revenues	22 838 856
Misc. Current and Accrued Assets	2 006 954
Total Current and Accrued Assets	64 053 026
DEFERRED DEBITS	
Unamortized Debt Discount and Expense	410 121
Extraordinary Property Losses	
Preliminary Survey and Investigation Charges	6 403
Clearing Accounts	
Temporary Facilities	
Miscellaneous Deferred Debits	1 967 089
Total Deferred Debits	2 383 613
CAPITAL STOCK DISCOUNT AND EXPENSE	
Total Capital Stock Discount and Expense	
Discount on Capital Stock	
Capital Stock Expense	
Expense	
REACQUIRED SECURITIES	
Reacquired Capital Stock	
Reacquired Bonds	
Total Reacquired Securities	
Total Assets and Other Debits	252 122 970

Title of Account	Balance End of Year $
PROPRIETARY CAPITAL	
CAPITAL STOCK	
Common Stock Issued	45 800 000
Preferred Stock Issued	
Capital Stock Subscribed	
Premium on Capital Stock	12 363 533
Total	58 163 533
SURPLUS	
Other Paid-In Capital	
Earned Surplus	5 409 808
Surplus Invested in Plant	2 461 000
Total	7 870 808
Total Proprietary Capital	66 034 341
LONG-TERM DEBT	
Bonds	64 133 000
Advances from Associated Companies	
Other Long-Term Debt	0
Total Long-Term Debt	64 133 000
CURRENT AND ACCRUED LIABILITIES	
Notes Payable	0
Accounts Payable	15 815 137
Payables to Associated Companies	1 074 994
Customer Deposits	1 118 062
Taxes Accrued	12 301 897
Interest Accrued	887 775
Dividends Declared	
Matured Long-Term Debt	
Matured Interest	
Tax Collections Payable	121 243
Misc. Current and Accrued Liabilities	6 978 279
Total Current and Accrued Liabilities	38 297 387
DEFERRED CREDITS	
Unamortized Premium on Debt	28 706
Customer Advances for Construction	11 000
Other Deferred Credits	8 478 495
Total Deferred Credits	8 518 201
RESERVES	
Reserves for Depreciation	48 901 078
Reserves for Amortization	27 065
Reserve for Uncollectible Accounts	1 883 343
Operating Reserves	2 992 836
Reserve for Depreciation and Amortization of Nonutility Property	756
Reserves for Deferred Federal Income Taxes	21 334 963
Total Reserves	75 140 041
CONTRIBUTIONS IN AID OF CONSTRUCTION	
Contributions in Aid of Construction	
Total Liabilities and Other Credits	252 122 970

NOTES:

STATEMENT OF EARNED SURPLUS

Unappropriated Earned Surplus (at beginning of period)	$ 5 542 883	$ 2 243 031
Balance Transferred from Income	6 294 925	(1 130 606)
Miscellaneous Credits to Surplus		
Miscellaneous Debits to Surplus		
Appropriations of Surplus		
Net Additions to Earned Surplus	6 294 925	(1 130 606)
Dividends Declared - Preferred Stock		
Dividends Declared - Common Stock	6 428 000	1 245 500
Unappropriated Earned Surplus (at end of period)	5 409 808	(133 075)

ELECTRIC OPERATING REVENUES

Account	Operating Revenues: Amount for Year	Operating Revenues: Increase or (Decrease) from Preceding Year
SALES OF ELECTRICITY	$	$
Residential Sales	NONE	
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		
Sale 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	$	$	$
Electric Generation	NONE		
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			
Adminstrative and General Expenses			
Total Electric Operation and Maintenance Expenses			

GAS OPERATING REVENUES

Account	Operating Revenues: Amount for Year	Operating Revenues: Increase or (Decrease) from Preceding Year
SALES OF GAS	$	$
Residential Sales	134 976 691	3 349 984
Commercial and Industrial Sales		
Small (or Commercial)	56 102 358	(892 717)
Large (or Industrial)	36 427 198	(18 138 972)
Other Sales to Public Authorities	8 480 019	(1 317 575)
Interdepartmental Sales		
Miscellaneous Gas Sales	(6 602 469)	(14 959 457)
Total Sales to Ultimate Consumers	229 383 797	(31 958 737)
Sales for Resale	46 825	(108 049)
Total Sales of Gas	229 430 622	(32 066 786)
OTHER OPERATING REVENUES		
Forfeited Discounts	277 327	9 262
Miscellaneous Service Revenues	953 140	62 956
Revenues from Transportaion of Gas of Others		
Sales of products Extracted from Natural Gas		
Revenues from Natural Gas Processed by Others		
Rent from Gas Property	169 979	(20 294)
Interdepartmental Rents		
Other Gas Revenues	356 993	(99 702)
Total Other Operating Revenues	1 757 439	(47 778)
Total Gas Operating Revenues	231 188 061	(32 114 564)

SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES

Functional Classification	Operation	Maintenance	Total
Steam Production	$	$	$
Manufactured Gas Production	51 390	147 661	199 051
Other Gas Supply Expenses	149 313 452		149 313 452
Total Production Expenses	149 364 842	147 661	149 512 503
Local Storage Expenses	405 570	115 212	520 782
Transmission and Distribution Expenses	12 035 488	8 602 704	20 638 192
Customer Accounts Expenses	11 485 956		11 485 956
Sales Expenses	2 780 710		2 780 710
Administrative and General Expenses	19 350 945	487 587	19 838 532
Total Gas Operation and Maintenance Expenses	195 423 511	9 353 164	204 776 675

March 31, 1987, 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.

E.G. Cheney

Financial Vice President

John R. Whalen

Comptroller

COM Gas

Commonwealth Gas Company
Post Office Box 9150
Cambridge, Massachusetts 02142-9150
Telephone (617) 225-4000

March 31, 1986

City of Cambridge-City Clerk
Town Hall
Cambridge, MA 02139

Dear Sir/Madam:

The attached statement is filed in accordance with General Laws, as amended, Chapter 164, Section 84A.

Very truly yours,

J. W. Cardella

J. W. Cardella
Accounting Manager

CG
FJM:mms
Enclosures

S-245

Comm. from J.W. Cardella, Accounting Mgr., ComGas, transmitting a copy of the condensed financial return of Commonwealth Gas Co. for the year ended December 31, 1986.

In City Council,

April 6, 1987

Placed on File