

DEPARTMENT OF PUBLIC UTILITIES

This statement is filed in accordance with Chapter 184, Section 84A

CONDENSED FINANCIAL RETURN

FOR THE YEAR ENDED DECEMBER 31, 1985....

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	1,203,972,082	(112,695,677)
Operating Expenses:	689,657,633	(136,789,744)
Operation Expense	77,579,855	(5,041,831)
Maintenance Expense	82,745,396	7,924,302
Depreciation Expense	1,530,409	443,538
Amortization of Utility Plant	25,604,402	(407,782)
Amortization of Property Losses	-0-	-0-
Amortization of Conversion Expenses	75,656,066	(1,325,203)
Taxes Other Than Income Taxes	67,742,090	56,923,861
Income Taxes	7,726,131	(37,058,861)
Provisions for Deferred Federal Income Taxes	9,069,177	(12,219,223)
Investment Tax Credit - net	1,037,311,159	(127,550,943)
Total Operating Expenses	166,660,923	14,855,266
Net Operating Revenues	-0-	-0-
Income from Utility Plant Leased to Others	406,537	400,562
Other Utility Operating Income	167,067,460	15,255,828
Total Utility Operating Income		
OTHER INCOME		
Income from MISC. Jobbing & Contract Work	-0-	-0-
Income from Nonutility Operations	6,714	(2,717)
Nonoperating Rental Income	(17,846)	(16,829)
Interest and Dividend Income (a)	8,360,426	(3,113,590)
Miscellaneous Nonoperating Income	219,337	(82,755)
Total Other Income	8,568,631	(3,215,891)
Total Income	175,636,091	12,039,937
MISCELLANEOUS INCOME DEDUCTIONS		
Miscellaneous Amortization	-0-	-0-
Other Income Deductions (b)	1,027,182	(813,954)
Total Income Deductions	1,027,182	(813,954)
Income Before Interest Charges	174,608,909	12,853,891
INTEREST CHARGES		
Interest on Long-Term Debt	73,966,813	5,177,440
Amortization of Debt Discount and Expense	190,857	34,627
Amortization of Premium on Debt - Credit	(67,512)	2,520
Interest on Debt to Associated Companies	427,739	427,739
Other Interest Expense	10,283,802	168,294
Interest Charged to Construction - Credit	(4,424,829)	1,660,175
Total Interest Charges	80,376,870	7,470,795
Net Income	94,232,039	5,383,096

See Notes on Page 2A.

BALANCE SHEET

Balance		Balance	
Title of Account	End of Year	Title of Account	End of Year
UTILITY PLANT		PROPRIETARY CAPITAL	
Utility Plant (a)	2,598,340,696	CAPITAL STOCK	
OTHER PROPERTY AND INVESTMENTS		Common Stock Issued	162,075,680
Nonutility Property	1,107,932	Preferred Stock Issued	89,475,000
Investment in Associated Companies	10,849,492	Capital Stock Subscribed	-0-
Other Investments	59,491	Premium on Capital Stock	263,215,952
Nuclear Decommissioning Fund	6,317,287	Total	514,766,632
Total Other Property and Investments	18,334,202	SURPLUS	
CURRENT AND ACCRUED ASSETS		Other Paid-In Capital	(133,519)
Cash	1,670,898	Earned Surplus	215,661,249
Special Deposits	-0-	Surplus Invested in Plant	405,485
Working Funds	124,490	Total	215,933,215
Temporary Cash Investments	-0-	Total Proprietary Capital	730,699,847
Notes and Accounts Receivable	169,714,305	LONG-TERM DEBT	
Receivables from Associated Companies	-0-	Bonds (d)	749,125,000
Materials and Supplies	74,642,717	Advances from Associated Companies	-0-
Prepayments	7,186,017	Other Long-Term Debt	50,000,000
Interest and Dividends Receivable	-0-	Total Long-Term Debt	799,125,000
Rents Receivable	47,301	CURRENT AND ACCRUED LIABILITIES	
Accrued Utility Revenues	-0-	Notes Payable	119,000,000
Misc. Current and Accrued Assets	510,345	Accounts Payable	57,650,496
Total Current and Accrued Assets	253,896,073	Payables to Associated Companies	2,388,674
DEFERRED DEBITS		Customer Deposits	-0-
Unamortized Debt Discount and Expense	3,951,065	Taxes Accrued	19,399,652
Extraordinary Property Losses (b)	192,716,106	Interest Accrued	11,639,544
Preliminary Survey and Investigation Charges	14,588,050	Dividends Declared	15,314,809
Clearing Accounts	-0-	Matured Long-Term Debt	-0-
Temporary Facilities	75,284	Matured Interest	-0-
Miscellaneous Deferred Debits (c)	12,044,020	Tax Collections Payable	844,945
Total Deferred Debits	223,374,525	Misc. Current and Accrued Liabilities	6,059,197
CAPITAL STOCK DISCOUNT AND EXPENSE		Total Current and Accrued Liabilities	232,297,317
Discount on Capital Stock	-0-	DEFERRED CREDITS	
Capital Stock Expense	80,356	Unamortized Premium on Debt	857,197
Total Capital Stock Discount and Expense	80,356	Customer Advances for Construction	2,023,068
REACQUIRED SECURITIES		Other Deferred Credits	23,631,961
Reacquired Capital Stock	-0-	Total Deferred Credits	26,512,226
Reacquired Bonds	-0-	RESERVES	
Total Reacquired Securities	-0-	Reserves for Depreciation	685,804,954
Total Assets and Other Debits	3,094,025,852	Reserves for Amortization of Nuc. Fuel	114,925,442
		Reserve for Uncollectible Accounts	770,833
		Operating Reserves	-0-
		Reserve for Nuclear Decommissioning	9,713,766
		Reserves for Deferred Federal Income Taxes/Inv. Tax Credits, net	494,176,467
		Total Reserves	1,305,391,462
		CONTRIBUTIONS IN AID OF CONSTRUCTION	
		Contributions in Aid of Construction	-0-
		Total Liabilities and Other Credits	3,094,025,852

NOTES:

See notes on page 2A.

BOSTON EDISON COMPANY

Condensed Financial Return
For the Year Ended December 31, 1985

Notes for Page 1

- (a) Includes \$6,110,478 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	\$ 36,611
--	-----------

F.E.R.C. Account #409.2 Income Taxes	\$(337,766)
--------------------------------------	-------------

The accounting treatment for these taxes is consistent with F.E.R.C. Order #389 Re: Revisions to Uniform System of Accounts and Annual Report F.E.R.C. Form No. 1.

Notes for Page 2

- (a) Includes Nuclear Fuel of \$208,972,302.
- (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 \$549,982.
- (d) Includes debt due within one year of \$4,250,000.

STATEMENT OF EARNED SURPLUS

Unappropriated Earned Surplus (at beginning of period)	\$188,869,516	26,397,909
Balance Transferred from Income	94,232,039	5,383,096
Miscellaneous Credits to Surplus	-0-	-0-
Miscellaneous Debits to Surplus	-0-	-0-
Appropriations of Surplus	-0-	-0-
Net Additions to Earned Surplus	94,232,039	5,383,096
Dividends Declared — Preferred Stock	13,882,500	(155,097)
Dividends Declared — Common Stock	53,557,806	5,144,369
Unappropriated Earned Surplus (at end of period)	215,661,249	26,791,733

ELECTRIC OPERATING REVENUES (1)

Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
SALES OF ELECTRICITY		
Residential Sales	\$ 301,164,886	\$ (30,503,732)
Commercial and Industrial Sales		
Small (or Commercial)	547,058,369	(42,172,753)
Large (or Industrial)	148,864,148	(25,294,118)
Public Street and Highway Lighting	19,797,030	(1,958,465)
Other Sales to Public Authorities	-0-	-0-
Sales to Railroad and Railways	10,000	(2,628,407)
Interdepartmental Sales	-0-	-0-
Miscellaneous Electric Sales	-0-	-0-
Total Sales to Ultimate Consumers	1,016,894,433	(102,557,475)
Sales for Resale	126,047,331	(1,218,807)
Total Sales of Electricity	1,142,941,764	(103,776,282)
OTHER OPERATING REVENUES		
Forfeited Discounts / Interest	2,902,957	(4,599,197)
Miscellaneous Service Revenues	45,673	(151,317)
Sales of Water and Water Power	-0-	-0-
Rent from Electric Property	8,323,118	(584,353)
Interdepartmental Rents	-0-	-0-
Other Electric Revenues	6,786,311	(1,645,169)
Total Other Operating Revenues	18,058,059	(6,980,036)
Total Electric Operating Revenues	1,160,999,823	(110,756,318)

SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES (1)

Functional Classification	Operation	Maintenance	Total
Power Production Expenses	\$	\$	\$
Electric Generation:			
Steam power	342,444,554	29,263,075	371,707,629
Nuclear power	74,477,045	19,290,891	93,767,936
Hydraulic—Conventional	-0-	-0-	-0-
Hydraulic—Pumped Storage	-0-	-0-	-0-
Other power	1,317,089	974,969	2,292,058
Other power supply expenses	100,091,002	-0-	100,091,002
Total power production expenses	518,329,690	49,528,935	567,858,625
Transmission Expenses	8,899,182	1,953,964	10,853,146
Distribution Expenses	30,490,130	22,511,593	53,001,723
Customer Accounts Expenses	27,745,719	-0-	27,745,719
Customer Service and Informational Expenses	1,958,837	-0-	1,958,837
Sales Expenses	1,913,410	-0-	1,913,410
Adm. and General Expenses	71,366,697	878,104	72,244,801
Total Electric Operation and Maintenance Expenses	660,703,665	74,872,596	735,576,261

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

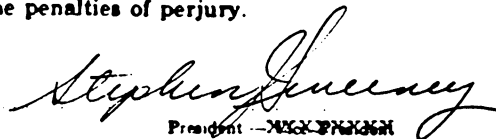
GAS OPERATING REVENUES

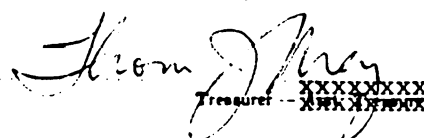
Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
SALES OF GAS		
Residential Sales	\$	\$
Commercial and Industrial Sales		
Small (or Commercial)		
Large (or Industrial)		
Other Sales to Public Authorities		
Interdepartmental Sales		
Miscellaneous Gas Sales		
Total 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 26, 1986, 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 -- XXXXXXXX


 Treasurer -- XXXXXXXX

BOSTON EDISON

800 Boylston Street
Boston, Massachusetts 02119
RECEIVED BY
CITY CLERK

1986 MAR 32 AM 9:54
March 28, 1986
CAMBRIDGE MA.

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

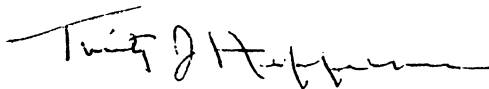
Dear Madam/Sir:

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

Gas and electric companies . . . engaged in the manufacture and sale 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, 1985.

Sincerely,


Timothy J. Heffernan

enclosure

3.

S-234

Comm. from Timothy J. Heffernan, Asst. Treasurer, Boston Edison, transmitting a copy of the Boston Edison condensed financial return for the year ended December 31, 1985.

In City Council,

April 7, 1986

Placed on F. L. E.