

# DEPARTMENT OF PUBLIC UTILITIES

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

## CONDENSED FINANCIAL RETURN

FOR THE YEAR ENDED DECEMBER 31, 1971

FULL NAME OF COMPANY..... Boston Edison Company.....

LOCATION OF PRINCIPAL BUSINESS OFFICE... 800 Boylston Street  
Boston, Massachusetts 02199

### STATEMENT OF INCOME FOR THE YEAR

| Item  | Current Year   | Increase or (Decrease) from Preceding Year |
|---|----------------|--|
| <b>OPERATING INCOME</b>                               |                |  |
| Operating Revenues .....                              | \$ 258,784,352 | \$ 39,033,798                              |
| Operating Expenses:                                   |                |  |
| Operation Expense .....                               | 128,898,392    | 34,763,451                                 |
| Maintenance Expense .....                             | 17,029,588     | (2,866,039)                                |
| Depreciation Expense .....                            | 21,977,618     | 911,359                                    |
| Amortization of Utility Plant .....                   | 29,368         | -0-  |
| Amortization of Property Losses .....                 | -0-            | -0-  |
| Amortization of Conversion Expenses .....             | -0-            | -0-  |
| Taxes Other Than Income Taxes .....                   | 44,731,562     | 4,948,723                                  |
| Income Taxes .....                                    | 4,281,131      | (843,512)                                  |
| Provisions for Deferred Federal Income Taxes .....    | 4,078,791      | (1,573,848)                                |
| Federal Income Taxes Deferred in Prior Years—Cr ..... | 234,903        | 251,463                                    |
| Total Operating Expenses .....                        | 221,261,353    | 35,591,597                                 |
| Net Operating Revenues .....                          | 37,522,999     | 3,442,201                                  |
| Income from Utility Plant Leased to Others .....      | -0-            | -0-  |
| Other Utility Operating Income .....                  | -0-            | -0-  |
| Total Utility Operating Income .....                  | 37,522,999     | 3,442,201                                  |
| <b>OTHER INCOME</b>                                   |                |  |
| Income from Mdse. Jobbing & Contract Work .....       | (220,812)      | (83,338)                                   |
| Income from Nonutility Operations .....               | 94,533         | (7,242)                                    |
| Nonoperating Rental Income .....                      | 379,484        | 28,347                                     |
| Interest and Dividend Income (A) .....                | 16,859,940     | 5,626,242                                  |
| Miscellaneous Nonoperating Income .....               | 40,345         | (63,091)                                   |
| Total Other Income .....                              | 17,153,490     | 5,500,918                                  |
| Total Income .....                                    | 54,676,489     | 8,943,119                                  |
| <b>MISCELLANEOUS INCOME DEDUCTIONS</b>                |                |  |
| Miscellaneous Amortization .....                      | 14,397         | 12,989                                     |
| Other Income Deductions .....                         | 67,375         | (741)                                      |
| Total Income Deductions .....                         | 81,772         | 12,248                                     |
| Income Before Interest Charges .....                  | 54,594,717     | 8,930,871                                  |
| <b>INTEREST CHARGES</b>                               |                |  |
| Interest on Long-Term Debt .....                      | 24,563,367     | 5,563,181                                  |
| Amortization of Debt Discount and Expense .....       | 5,199          | 32   |
| Amortization of Premium on Debt — Credit .....        | (42,986)       | 26,540                                     |
| Taxes Applic. to other Inc. and Deduction (B) .....   | (5,106,328)    | (2,321,387)                                |
| Other Interest Expense .....                          | 3,484,193      | 914,998                                    |
| Interest Charged to Construction — Credit (A) .....   | -0-            | -0-  |
| Total Interest Charges .....                          | 22,903,445     | 4,183,364                                  |
| Net Income .....                                      | 31,691,272     | 4,747,507                                  |

## BALANCE SHEET

| Title of Account                                      | Balance<br>End of Year | Title of Account  | Balance<br>End of Year |
|---|------------------------|---|------------------------|
| <b>UTILITY PLANT</b>                                  | \$                     | <b>PROPRIETARY CAPITAL</b>  | \$                     |
| Utility Plant   | 1,010,520,413          | <b>CAPITAL STOCK</b>  |                        |
| <b>OTHER PROPERTY<br/>AND INVESTMENTS</b>             |                        | Common Stock Issued   | 74,676,870             |
| Nonutility Property                                   | 4,332,903              | Preferred Stock Issued  | 83,000,000             |
| Investment in Associated Companies                    | 5,130,633              | Capital Stock Subscribed  | -0-                    |
| Other Investments                                     | 63,242                 | Premium on Capital Stock  | 54,665,080             |
| Nuclear Fuel  | 30,966,009             | <b>Total</b>  | <b>212,341,950</b>     |
| <b>Total Other Property and Investments</b>           | <b>40,492,787</b>      | <b>SURPLUS</b>  |                        |
| <b>CURRENT AND ACCRUED ASSETS</b>                     |                        | Other Paid-In Capital   | -0-                    |
| Cash  | 7,818,433              | Earned Surplus  | 93,165,715             |
| Special Deposits                                      | 250,367                | Surplus Invested in Plant   | -0-                    |
| Working Funds   | 93,010                 | <b>Total</b>  | <b>93,165,715</b>      |
| Temporary Cash Investments                            | -0-                    | <b>Total Proprietary Capital</b>                                      | <b>305,507,665</b>     |
| Notes and Accounts Receivable                         | 36,984,488             | <b>LONG-TERM DEBT</b>   |                        |
| Receivables from Associated Companies                 | -0-                    | Bonds   | (B) 400,801,000        |
| Materials and Supplies                                | 13,004,003             | Advances from Associated Companies                                    | -0-                    |
| Prepayments   | 357,215                | Other Long-Term Debt  | -0-                    |
| Interest and Dividends Receivable                     | -0-                    | <b>Total Long-Term Debt</b>   | <b>400,801,000</b>     |
| Rents Receivable                                      | 492,992                | <b>CURRENT AND ACCRUED<br/>LIABILITIES</b>                            |                        |
| Accrued Utility Revenues                              | -0-                    | Notes Payable   | 95,000,000             |
| Misc. Current and Accrued Assets                      | 293,683                | Accounts Payable  | 14,604,383             |
| <b>Total Current and Accrued Assets</b>               | <b>59,294,191</b>      | Payables to Associated Companies                                      | -0-                    |
| <b>DEFERRED DEBITS</b>                                |                        | Customer Deposits   | 2,751,978              |
| Unamortized Debt Discount and Expense                 | 104,809                | Taxes Accrued   | 1,503,867              |
| Extraordinary Property Losses                         | -0-                    | Interest Accrued  | 2,754,202              |
| Preliminary Survey and Investigation<br>Charges       | -0-                    | Dividends Declared  | 5,782,235              |
| Clearing Accounts                                     | -0-                    | Matured Long-Term Debt  | -0-                    |
| Temporary Facilities                                  | 40,808                 | Matured Interest  | -0-                    |
| Miscellaneous Deferred Debits                         | (A) 14,705,916         | Tax Collections Payable   | 546,499                |
| <b>Total Deferred Debits</b>                          | <b>14,851,333</b>      | Misc. Current and Accrued Liabilities                                 | 424,462                |
| <b>CAPITAL STOCK DISCOUNT<br/>AND EXPENSE</b>         |                        | <b>Total Current and Accrued Liabilities</b>                          | <b>123,367,626</b>     |
| Discount on Capital Stock                             | -0-                    | <b>DEFERRED CREDITS</b>   |                        |
| Capital Stock Expense                                 | 129,547                | Unamortized Premium on Debt   | 982,631                |
| <b>Total Capital Stock Discount and Ex-<br/>pense</b> | <b>129,547</b>         | Customer Advances for Construction                                    | 482,139                |
| <b>REACQUIRED SECURITIES</b>                          |                        | Other Deferred Credits  | 8,889,660              |
| Reacquired Capital Stock                              | -0-                    | <b>Total Deferred Credits</b>   | <b>10,354,430</b>      |
| Reacquired Bonds                                      | -0-                    | <b>RESERVES</b>   |                        |
| <b>Total Reacquired Securities</b>                    | <b>-0-</b>             | Reserves for Depreciation   | 242,118,671            |
| <b>Total Assets and Other Debits</b>                  | <b>1,125,288,271</b>   | Reserves for Amortization   | 176,206                |
|   |                        | Reserve for Uncollectible Accounts                                    | 338,976                |
|   |                        | Operating Reserves  | -0-                    |
|   |                        | Reserve for Depreciation and Amortiza-<br>tion of Nonutility Property | -0-                    |
|   |                        | Reserves for Deferred Federal Income<br>Taxes                         | 39,629,433             |
|   |                        | <b>Total Reserves</b>   | <b>282,263,286</b>     |
|   |                        | <b>CONTRIBUTIONS IN AID<br/>OF CONSTRUCTION</b>                       |                        |
|   |                        | Contributions in Aid of Construction                                  | 2,994,264              |
|   |                        | <b>Total Liabilities and Other Credits</b>                            | <b>1,125,288,271</b>   |

NOTES: In 1971 certain reclassification entries have been made in the book of account to comply with the normalization requirements of the Tax Reform Act of 1969. In 1970, debit balances in Tax Liability accounts were reclassified, for statement purposes to prepaid expenses.

(A) Includes (F.P.C. A/C 188) Research and Development Expenditures of \$25,005

(B) \$15,000 Series B, Bonds and \$230,000 Series C, Bonds redeemable in 1972.

## Notes for Page 1

(A) Includes \$16,402,865 for "Allowance for Funds Used During Construction" (F.P.C. a/c 419) in compliance with F.P.C. order #436.

(B) Taxes Applicable to Other Income and Deductions:

|   |             |
|---|-------------|
| F.P.C. Acct. #408.2 Taxes Other than Income Taxes | \$349,379   |
| F.P.C. Acct. #409.2 Income Taxes - Federal        | (5,455,707) |

The accounting treatment for these taxes is consistent with F.P.C. order #389 re: Revisions to Uniform System of Accounts and Annual Report F.P.C. Form No. 1.

In 1971 certain reclassification entries have been made in the book of accounts to comply with the normalization requirements of the Tax Reform Act of 1969.

**STATEMENT OF EARNED SURPLUS**

|  |            |            |
|--|------------|------------|
| Unappropriated Earned Surplus (at beginning of period) | \$ XXXXX   | 84,610,184 |
| Balance Transferred from Income                        | 31,691,272 | XXXXX      |
| Miscellaneous Credits to Surplus                       | -0-        | XXXXX      |
| Miscellaneous Debits to Surplus                        | -0-        | XXXXX      |
| Appropriations of Surplus                              | -0-        | XXXXX      |
| Net Additions to Earned Surplus                        | XXXXX      | 31,691,272 |
| Dividends Declared — Preferred Stock                   | 5,512,000  | XXXXX      |
| Dividends Declared — Common Stock                      | 17,623,741 | 23,135,741 |
| Unappropriated Earned Surplus (at end of period)       | XXXXX      | 93,165,715 |

**ELECTRIC OPERATING REVENUES**

| Account                            | Operating Revenues |  |
|------------------------------------|--------------------|--|
|                                    | Amount for Year    | Increase or (Decrease) from Preceding Year |
| <b>SALES OF ELECTRICITY</b>        |                    |  |
| Residential Sales                  | \$ 78,491,290      | \$ 9,613,386                               |
| Commercial and Industrial Sales    |                    |  |
| <del>XXXXXXX</del> Commercial)     | 89,532,080         | 13,810,737                                 |
| <del>XXXXXXX</del> Industrial)     | 34,530,859         | 6,214,528                                  |
| Public Street and Highway Lighting | 5,890,612          | 448,045                                    |
| Other Sales to Public Authorities  | -0-                | -0-  |
| Sales to Railroad and Railways     | 728,941            | 361,484                                    |
| Interdepartmental Sales            | -0-                | -0-  |
| Miscellaneous Electric Sales       | -0-                | -0-  |
| Total Sales to Ultimate Consumers  | 209,173,782        | 30,448,180                                 |
| Sales for Resale                   | 36,180,754         | 5,232,461                                  |
| Total Sales of Electricity         | 245,354,536        | 35,680,641                                 |
| <b>OTHER OPERATING REVENUES</b>    |                    |  |
| Forfeited Discounts                | -0-                | -0-  |
| Miscellaneous Service Revenues     | 36,805             | (29,501)                                   |
| Sales of Water and Water Power     | -0-                | -0-  |
| Rent from Electric Property        | 967,584            | (115,271)                                  |
| Interdepartmental Rents            | 1,501              | -0-  |
| Other Electric Revenues            | 76,085             | (121,739)                                  |
| Total Other Operating Revenues     | 1,081,975          | (266,511)                                  |
| Total Electric Operating Revenues  | 246,436,511        | 35,414,130                                 |

**SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES**

| Functional Classification                         | Operation   | Maintenance | Total       |
|---|-------------|-------------|-------------|
| <b>Power Production Expenses</b>                  | \$          | \$          | \$          |
| <b>Electric Generation:</b>                       |             |             |             |
| Steam Power                                       | 63,002,001  | 8,970,863   | 71,972,864  |
| Nuclear Power                                     | 90,588      | -0-         | 90,588      |
| Hydraulic Power                                   | -0-         | -0-         | -0-         |
| Other Power                                       | 1,514,890   | 224,173     | 1,739,063   |
| Other Power Supply Expenses                       | 14,974,334  | -0-         | 14,974,334  |
| Total Power Production Expenses                   | 79,581,813  | 9,195,036   | 88,776,849  |
| Transmission Expenses                             | 2,456,994   | 158,358     | 2,615,352   |
| Distribution Expenses                             | 11,590,281  | 6,356,007   | 17,946,288  |
| Customer Accounts Expenses                        | 6,206,967   | -0-         | 6,206,967   |
| Sales Expenses                                    | 2,499,590   | -0-         | 2,499,590   |
| Administrative and General Expenses               | 18,545,412  | 347,096     | 18,892,508  |
| Total Electric Operation and Maintenance Expenses | 120,881,057 | 16,056,497  | 136,937,554 |
| Total Steam Operating Expenses                    | 8,017,335   | 973,091     | 8,990,426   |
| Grand Total Operating Expenses                    | 128,898,392 | 17,029,588  | 145,927,980 |

**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 .....                  |                    |  |

**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 ..... |           |             |       |

March 31, 19 72, 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.

*Thomas J. Kelly*  
 President — Vice-President

*Gregory J. ...*  
 Treasurer — Asst. Treasurer

Financial return of Boston Edison Co.  
 Filed in accordance with Gen. Laws, Chap.  
 164, Sec. 84A

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