

# DEPARTMENT OF PUBLIC UTILITIES

RECEIVED BY  
OFFICE OF CITY CLERK  
1938 MAR 24 10 42 AM  
CAMBRIDGE, MA

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

## CONDENSED FINANCIAL RETURN

FOR THE YEAR ENDED DECEMBER 31, 1937....

FULL NAME OF COMPANY..... Boston Gas Company.....

LOCATION OF PRINCIPAL BUSINESS OFFICE..... One Beacon Street, Boston.....

### STATEMENT OF INCOME FOR THE YEAR

| Item                                                  | Current Year   | Increase or (Decrease) from Preceding Year |
|-------------------------------------------------------|----------------|--------------------------------------------|
| <b>OPERATING INCOME</b>                               |                |                                            |
| Operating Revenues .....                              | \$ 474,373,237 | \$ (1,502,863)                             |
| Operating Expenses:                                   |                |                                            |
| Operation Expense .....                               | 380,224,678    | 3,348,103                                  |
| Maintenance Expense .....                             | 16,593,448     | 2,821,258                                  |
| Depreciation Expense .....                            | 11,216,131     | 507,045                                    |
| Amortization of Utility Plant .....                   | * 734,713      | 242,594                                    |
| Amortization of Property Losses .....                 | -              | -                                          |
| Amortization of Investment Tax Credits.....           | (544,700)      | 10,212                                     |
| Taxes Other Than Income Taxes .....                   | 16,171,626     | (40,316)                                   |
| Income Taxes .....                                    | 13,471,003     | (6,364,376)                                |
| Provisions for Deferred Federal Income Taxes .....    | 1,421,680      | (508,361)                                  |
| Federal Income Taxes Deferred in Prior Years—Cr ..... |                |                                            |
| Total Operating Expenses .....                        | 439,238,579    | 14,664                                     |
| Net Operating Revenues .....                          | 35,034,658     | (1,517,527)                                |
| Income from Utility Plant Leased to Others .....      |                |                                            |
| Other Utility Operating Income .....                  |                |                                            |
| Total Utility Operating Income .....                  | 35,034,653     | (1,517,527)                                |
| <b>OTHER INCOME</b>                                   |                |                                            |
| Income from Mdae. Jobbing & Contract Work .....       | (23,562)       | 6,732                                      |
| Income from Nonutility Operations .....               | -              | -                                          |
| Nonoperating Rental Income .....                      | (1,585)        | (22)                                       |
| Interest and Dividend Income .....                    | 366,790        | 67,799                                     |
| Miscellaneous Nonoperating Income .....               | 209,393        | 327,743                                    |
| Total Other Income .....                              | 551,536        | 402,252                                    |
| Total Income .....                                    | 35,636,194     | (1,115,275)                                |
| <b>MISCELLANEOUS INCOME DEDUCTIONS</b>                |                |                                            |
| Miscellaneous Amortization .....                      |                |                                            |
| Other Income Deductions .....                         | 50,000         | (1,000)                                    |
| Total Income Deductions .....                         | 50,000         | (1,000)                                    |
| Income Before Interest Charges .....                  | 35,586,194     | (1,114,275)                                |
| <b>INTEREST CHARGES</b>                               |                |                                            |
| Interest on Long-Term Debt .....                      | 10,034,436     | 1,933,069                                  |
| Amortization of Debt Discount and Expense .....       | 256,312        | 55,322                                     |
| Amortization of Premium on Debt — Credit .....        |                |                                            |
| Interest on Debt to Associated Companies .....        |                |                                            |
| Other Interest Expenses .....                         | 2,630,717      | (642,322)                                  |
| Interest Charged to Construction — Credit .....       | (233,999)      | (103,024)                                  |
| Total Interest Charges .....                          | 12,787,466     | 1,292,545                                  |
| Net Income .....                                      | 22,798,728     | (2,406,820)                                |

# 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                                   |  | 419,681,874            | <b>CAPITAL STOCK</b>                                                  |  |                        |
| <b>OTHER PROPERTY<br/>AND INVESTMENTS</b>       |  |                        | Common Stock Issued                                                   |  | 51,418,400             |
| Nonutility Property                             |  | 65,061                 | Preferred Stock Issued                                                |  | -                      |
| Investment in Associated Companies              |  | 1,000                  | Capital Stock Subscribed                                              |  | -                      |
| Other Investments                               |  | 339                    | Premium on Capital Stock                                              |  | 640,069                |
| Special Funds & Other Assets                    |  | 22,762,207             | Total                                                                 |  | 52,058,469             |
| Total Other Property and Investments            |  | 22,828,607             | <b>SURPLUS</b>                                                        |  |                        |
| <b>CURRENT AND ACCRUED ASSETS</b>               |  |                        | Other Paid-In Capital                                                 |  | 22,593,078             |
| Cash                                            |  | 28,000                 | Earned Surplus                                                        |  | 43,835,254             |
| Special Deposits                                |  | -                      | Surplus Invested in Plant                                             |  |                        |
| Working Funds                                   |  | 37,950                 | Total                                                                 |  | 66,428,332             |
| Temporary Cash Investments                      |  | 300,000                | Total Proprietary Capital                                             |  | 118,486,801            |
| Notes and Accounts Receivable                   |  | 49,470,147             | <b>LONG-TERM DEBT</b>                                                 |  |                        |
| Receivables from Associated Companies           |  | 5,853                  | Bonds                                                                 |  | 118,203,000            |
| Materials and Supplies                          |  | 26,464,308             | Capital Leases Obligations                                            |  | 5,652,542              |
| Prepayments                                     |  | 2,329,080              | Other Long-Term Debt                                                  |  | -                      |
| Interest and Dividends Receivable               |  | -                      | Total Long-Term Debt                                                  |  | 123,855,542            |
| Rents Receivable                                |  | -                      | <b>CURRENT AND ACCRUED<br/>LIABILITIES</b>                            |  |                        |
| Accrued Utility Revenues                        |  | 890,319                | Notes Payable                                                         |  | 13,000,000             |
| Reconciliation Adj. for CGAC                    |  | 14,304,245             | Accounts Payable                                                      |  | 34,618,302             |
| Total Current and Accrued Assets                |  | 93,830,402             | Payables to Associated Companies                                      |  | -                      |
| <b>DEFERRED DEBITS</b>                          |  |                        | Customer Deposits                                                     |  | 3,493,574              |
| Unamortized Debt Discount and Expense           |  | 3,311,553              | Taxes Accrued                                                         |  | 10,844,843             |
| Extraordinary Property Losses                   |  | -                      | Interest Accrued                                                      |  | 4,921,147              |
| Preliminary Survey and Investigation<br>Charges |  | 233,659                | Dividends Declared                                                    |  | -                      |
| Clearing Accounts                               |  | 15,061                 | Matured Long-Term Debt                                                |  | -                      |
| Temporary Facilities                            |  | 73,312                 | Tax Collections Payable                                               |  | 369,508                |
| Miscellaneous Deferred Debits                   |  | 7,057,151              | Misc. Curr. & Accrued Liab.                                           |  | 6,564,204              |
| Total Deferred Debits                           |  | 10,690,736             | Total Curr. & Accrued Liab.                                           |  | 73,811,573             |
| <b>CAPITAL STOCK DISCOUNT<br/>AND EXPENSE</b>   |  |                        | Gas Purchase Obligations                                              |  | 20,183,464             |
| Discount on Capital Stock                       |  | -                      | <b>DEFERRED CREDITS</b>                                               |  |                        |
| Capital Stock Expense                           |  | -                      | Unamortized Premium on Debt                                           |  | -                      |
| Total Capital Stock Discount and Ex-<br>pense   |  | -                      | Customer Advances for Construction                                    |  | -                      |
| <b>REACQUIRED SECURITIES</b>                    |  |                        | Other Deferred Credits                                                |  | 15,774,673             |
| Reacquired Capital Stock                        |  | -                      | Total Deferred Credits                                                |  | 15,774,673             |
| Reacquired Bonds                                |  | -                      | <b>RESERVES</b>                                                       |  |                        |
| Total Reacquired Securities                     |  | -                      | Reserves for Depreciation                                             |  | 126,305,217            |
| Total Assets and Other Debits                   |  | 547,031,619            | Reserves for Amortization                                             |  | 5,715,920              |
|                                                 |  |                        | Reserve for Uncollectible Accounts                                    |  | 6,591,459              |
|                                                 |  |                        | Operating Reserves                                                    |  | 12,386,634             |
|                                                 |  |                        | Reserve for Depreciation and Amortiza-<br>tion of Nonutility Property |  | -                      |
|                                                 |  |                        | Reserves for Deferred Federal Income<br>Taxes                         |  | 42,311,305             |
|                                                 |  |                        | Total Reserves                                                        |  | 193,310,585            |
|                                                 |  |                        | <b>CONTRIBUTIONS IN AID<br/>OF CONSTRUCTION</b>                       |  |                        |
|                                                 |  |                        | Contributions in Aid of Construction                                  |  | 1,608,976              |
|                                                 |  |                        | Total Liabilities and Other Credits                                   |  | 547,031,619            |

NOTES:

# STATEMENT OF EARNED SURPLUS

|                                                        |               |              |
|--------------------------------------------------------|---------------|--------------|
| Unappropriated Earned Surplus (at beginning of period) | \$ 33,703,691 | (17,376,386) |
| Balance Transferred from Income                        | 22,798,728    | (2,406,820)  |
| Miscellaneous Credits to Surplus                       | 71,896        | 9,850        |
| Miscellaneous Debits to Surplus                        | (38,717)      | 5,119        |
| Appropriations of Surplus                              | -             | -            |
| Net Additions to Earned Surplus                        | 22,831,907    | (2,391,851)  |
| Dividends Declared — Preferred Stock                   | -             | -            |
| Dividends Declared — Common Stock                      | 12,700,344    | (29,899,800) |
| Unappropriated Earned Surplus (at end of period)       | 43,835,254    | 10,131,563   |

# ELECTRIC OPERATING REVENUES

| Account                            | Operating Revenues |                                            |
|------------------------------------|--------------------|--------------------------------------------|
|                                    | Amount for Year    | Increase or (Decrease) from Preceding Year |
| <b>SALES OF ELECTRICITY</b>        |                    |                                            |
| Residential Sales                  | \$                 | \$                                         |
| 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         |                    |                                            |
| <b>OTHER OPERATING REVENUES</b>    |                    |                                            |
| Forfeited Discounts                |                    |                                            |
| Miscellaneous Service Revenues     |                    |                                            |
| Sales 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 |
|---------------------------------------------------|-----------|-------------|-------|
| <b>Power Production Expenses</b>                  | \$        | \$          | \$    |
| Electric Generation:                              |           |             |       |
| 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                                    |           |             |       |
| Administrative and General Expenses               |           |             |       |
| Total Electric Operation and Maintenance Expenses |           |             |       |

## GAS OPERATING REVENUES

| Account                                       | Operating Revenues |                                            |
|-----------------------------------------------|--------------------|--------------------------------------------|
|                                               | Amount for Year    | Increase or (Decrease) from Preceding Year |
| <b>SALES OF GAS</b>                           |                    |                                            |
| Residential Sales                             | \$ 246,431,488     | \$ (28,911,112)                            |
| Commercial and Industrial Sales               |                    |                                            |
| Small (or Commercial)                         | 127,265,164        | (19,373,024)                               |
| Large (or Industrial)                         | 94,780,426         | 47,571,418                                 |
| Other Sales to Public Authorities             | 33,989             | (43,515)                                   |
| Interdepartmental Sales                       | -                  | -                                          |
| Miscellaneous Gas Sales                       | -                  | -                                          |
| Total Sales to Ultimate Consumers             | 468,561,067        | (756,233)                                  |
| Sales for Resale                              | 2,282,184          | (1,223,719)                                |
| Total Sales of Gas                            | 470,843,251        | (1,979,952)                                |
| <b>OTHER OPERATING REVENUES</b>               |                    |                                            |
| Forfeited Discounts                           | 890,651            | 5,289                                      |
| Miscellaneous Service Revenues                | 17,115             | (114,125)                                  |
| Revenues from Transportation of Gas of Others | 663,879            | 663,879                                    |
| Sales of Products Extracted from Natural Gas  | -                  | -                                          |
| Revenues from Natural Gas Processed by Others | -                  | -                                          |
| Rent from Gas Property                        | 993,370            | (14,063)                                   |
| Interdepartmental Rents                       | -                  | -                                          |
| Other Gas Revenues                            | 964,971            | (63,891)                                   |
| Total Other Operating Revenues                | 3,529,986          | 477,089                                    |
| Total Gas Operating Revenues                  | 474,373,237        | (1,502,863)                                |

## SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES

| Functional Classification                    | Operation   | Maintenance | Total       |
|----------------------------------------------|-------------|-------------|-------------|
| Steam Production                             | \$ 71,407   | \$ 116,070  | \$ 187,477  |
| Manufactured Gas Production                  | 11,504,792  | 2,644,025   | 14,148,817  |
| Other Gas Supply Expenses                    | 279,437,451 | -           | 279,437,451 |
| Total Production Expenses                    | 291,013,650 | 2,760,095   | 293,773,745 |
| Local Storage Expenses                       | 2,125,120   | 771,413     | 2,896,533   |
| Transmission and Distribution Expenses       | 27,149,323  | 13,061,940  | 40,211,263  |
| Customer Accounts Expenses                   | 27,090,360  | -           | 27,090,360  |
| Sales Expenses                               | 3,698,723   | -           | 3,698,723   |
| Administrative and General Expenses          | 29,147,502  | -           | 29,147,502  |
| Total Gas Operation and Maintenance Expenses | 380,224,678 | 16,593,448  | 396,818,126 |

March 23, 1988, 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.

*J. J. Bacon*  
President — Vice-President

*J. F. Bodanza*  
Treasurer — Asst. Treasurer

S-18 3

Comm. from the Dept. of Public Utilities transmitting a copy of the condensed financial return of Boston Gas Company for the year ended December 31, 1987.

March 14, 1988