DEPARTMENT OF PUBLIC UTILITIES

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

CONDENSED FINANCIAL RETURN

FOR THE YEAR ENDED DECEMBER 31, 1985

FULL NAME OF COMPANY COMMONWEALTH GAS COMPANY

LOCATION OF PRINCIPAL BUSINESS OFFICE 675 MASSACHUSETTS AVENUE CAMBRIDGE, MA 02139

STATEMENT OF INCOME FOR THE YEAR

Item	Current Year	Increase or (Decrease) from Preceding Year
OPERATING INCOME	$	$
Operating Revenues	263 302 625	71 914
Operating Expenses:		
Operation Expense	224 086 723	346 519
Maintenance Expense	8 950 974	675 623
Depreciation Expense	4 756 145	383 773
Amortization of Utility Plant	1 053	258
Amortization of Property Losses		
Amortization of Investment Tax Credit	(303 110)	(38 760)
Taxes Other Than Income Taxes	6 019 109	(415 363)
Income Taxes	4 652 275	(650 861)
Provisions for Deferred Federal Income Taxes	1 788 241	309 836
Federal Income Taxes Deferred in Prior Years - Credit	90 042	(47 845)
Total Operating Expenses	249 861 368	563 180
Net Operating Revenues	13 441 257	(491 266)
Income from Utility Plant Leased to Others		
Other Utility Operating Income		
Total Utility Operating Income	13 441 257	(491 266)
OTHER INCOME		
Income from Mdse. Jobbing & Contract Work	(52 620)	(108 356)
Income from Nonutility Operations		
Nonoperating Rental Income	74 940	(53 438)
Interest and Dividend Income	1 528 859	808 813
Miscellaneous Nonoperating Income	14 930	(51 916)
Total Other Income	1 566 109	595 103
Total Income	15 007 366	103 837
MISCELLANEOUS INCOME DEDUCTIONS		
Miscellaneous Amotrization		
Other Income Deductions	97 758	(246 065)
Total Income Deductions	97 758	(246 065)
Income Before Interest Charges	14 909 608	349 902
INTEREST CHARGES		
Interest on Long-term Debt	3 623 335	(568 905)
Amortization of Debt Discount and Expense	37 724	(14 169)
Amortization of Premium on Debt - Credit	3 979	2 039
Interest on Debt to Associated Companies	1 067 927	864 069
Other Interest Expense	2 825 447	919 052
Interest Charged to Construction - Credit	66 377	(26 593)
Total Interest Charges	7 484 077	1 175 493
Net Income	7 425 531	(825 591)

BALANCE SHEET

Title of Account	Balance End of Year	Title of Account	Balance End of Year
	$		$
UTILITY PLANT		PROPRIETARY CAPITAL	
Utility Plant........................	172 445 956	CAPITAL STOCK	
OTHER PROPERTY AND INVESTMENTS		Common Stock Issued....................	34 550 000
		Preferred Stock Issued.................	
Nonutility Property	1 094 307	Capital Stock Subscribed..............	
Investment in Associated Companies....		Premium on Capital Stock..............	5 613 533
Other Investments.....................	152 828	Total..............................	40 163 533
Special Funds.........................	17 762	SURPLUS	
Total Other Property and Investments	1 264 897	Other Paid-In Capital.................	
CURRENT AND ACCRUED ASSETS		Earned Surplus........................	5 542 883
Cash..................................	702 013	Surplus Invested in Plant.............	2 461 000
Special Deposits......................		Total..............................	8 003 883
Working Funds.........................	9 900	Total Proprietary Capital............	48 167 416
Temporary Cash Investments............		LONG-TERM DEBT	
Notes and Accounts Receivable.........	20 558 415	Bonds.................................	15 086 000
Receivables from Associated Companies.	222 203	Advances from Associated Companies	•
Materials and Supplies................	19 046 397	Other Long-Term Debt..................	26 000 000
Prepayments...........................	581 606	Total Long-Term Debt................	41 086 000
Interest and Dividends Receivable.....		Capital Lease Obligations -	
Rents Receivable......................	31 831	Non-Current.........................	2 226 694
Accrued Utility Revenues..............	29 597 144	CURRENT AND ACCRUED LIABILITIES	
Misc. Current and Accrued Assets......	2 339 570	Notes Payable.........................	15 400 000
Total Current and Accrued Assets....	73 089 079	Accounts Payable......................	20 861 348
DEFERRED DEBITS		Payables to Associated Companies.......	20 696 442
Unamortized Debt Discount and Expense.	241 287	Customer Deposits.....................	1 063 506
Extraordinary Property Losses.........		Taxes Accrued.........................	8 562 046
Preliminary Survey and Investigation		Interest Accrued......................	794 148
Charges...........................	585	Dividends Declared....................	
Clearing Accounts.....................		Matured Long-Term Debt................	
Temporary Facilities..................		Matured Interest......................	
Miscellaneous Deferred Debits.........	1 528 169	Tax Collections Payable...............	3 918
Total Deferred Debits...............	1 770 041	Misc. Current and Accrued Liabilities..	9 977 984
CAPITAL STOCK DISCOUNT AND EXPENSE		Capital Lease Obligations - Current...	849 752
		Total Current and Accrued Liabilities	78 209 144
Discount on Capital Stock............		DEFERRED CREDITS	
Capital Stock Expense................		Unamortized Premium on Debt...........	33 749
Total Capital Stock Discount and		Customer Advances for Construction.....	11 000
Expense..........................		Other Deferred Credits................	9 119 758
REACQUIRED SECURITIES		Total Deferred Credits.............	9 164 507
Reacquired Capital Stock.............		RESERVES	
Reacquired Bonds.....................		Reserves for Depreciation.............	45 257 445
Total Reacquired Securities.........		Reserves for Amortization.............	37 722
Total Assets and Other Debits.......	248 569 973	Reserve for Uncollectible Accounts.....	1 759 154
		Operating Reserves....................	2 772 225
		Reserve for Depreciation and Amortization of Nonutility Property..........	690
		Reserves for Deferred Federal Income... Taxes............................	19 888 976
		Total Reserves.....................	69 716 212
		CONTRIBUTIONS IN AID OF CONSTRUCTION	
		Contributions in Aid of Construction...	
		Total Liabilities and Other Credits..	248 569 973

NOTES:

STATEMENT OF EARNED SURPLUS

Unappropriated Earned Surplus (at beginning of period)............	$	3 299 852	$	(1 422 878)
Balance Transferred from Income..................................		7 425 531		(825 591)
Miscellaneous Credits to Surplus.................................				
Miscellaneous Debits to Surplus..................................				
Appropriations of Surplus..				
Net Additions to Earned Surplus..................................		7 425 531		(825 591)
Dividends Declared - Preferred Stock.............................				
Dividends Declared - Common Stock................................		5 182 500		(4 491 500)
Unappropriated Earned Surplus (at end of period).................		5 542 883		(2 243 031)

ELECTRIC OPERATING REVENUES

Account	Operating Revenues	
	Amount for Year	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	131 626 707	1 516 137
Commercial and Industrial Sales		
Small (or Commercial)	56 995 075	227 669
Large (or Industrial)	54 566 170	(10 435 023)
Other Sales to Public Authorities	9 797 594	(1 469 856)
Interdepartmental Sales		
Miscellaneous Gas Sales	8 356 988	10 881 200
Total Sales to Ultimate Consumers	261 342 534	720 127
Sales for Resale	154 874	71 501
Total Sales of Gas	261 497 408	791 628
OTHER OPERATING REVENUES		
Forfeited Discounts	268 065	(507)
Miscellaneous Service Revenues	890 184	62 859
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	190 273	12 555
Interdepartmental Rents		
Other Gas Revenues	456 695	(794 621)
Total Other Operating Revenues	1 805 217	(719 714)
Total Gas Operating Revenues	263 302 625	71 914

SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES

Functional Classification	Operation	Maintenance	Total
Steam Production	$	$	$
Manufactured Gas Production	134 336	142 209	276 545
Other Gas Supply Expenses	180 304 507		180 304 507
Total Production Expenses	180 438 843	142 209	180 581 052
Local Storage Expenses	466 014	71 803	537 817
Transmission and Distribution Expenses	12 137 492	8 460 920	20 598 412
Customer Accounts Expenses	11 013 309		11 013 309
Sales Expenses	2 688 240		2 688 240
Administrative and General Expenses	17 342 825	276 042	17 618 867
Total Gas Operation and Maintenance Expenses	224 086 723	8 950 974	233 037 697

March 31, 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.

E.G. Cheney
Financial Vice President

John A. Whalen
Comptroller

DEPARTMENT OF PUBLIC UTILITIES

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

CONDENSED FINANCIAL RETURN

FOR THE YEAR ENDED DECEMBER 31, 1985

FULL NAME OF COMPANY Boston Gas Company

LOCATION OF PRINCIPAL BUSINESS OFFICE One Beacon St., Boston, MA 02108

STATEMENT OF INCOME FOR THE YEAR

Item	Current Year	Increase or (Decrease) from Preceding Year
OPERATING INCOME	$	$
Operating Revenues	595,731,432	(10,284,876)
Operating Expenses:		
Operation Expense	496,806,105	(7,731,308)
Maintenance Expense	12,523,721	1,492,047
Depreciation Expense	10,343,772	307,497
Amortization of Utility Plant	* 524,239	93,593
Amortization of Property Losses	-	-
Amortization of Investment Tax Credits	(511,193)	(68,059)
Taxes Other Than Income Taxes	20,535,249	(591,995)
Income Taxes	18,170,492	(1,033,751)
Provisions for Deferred Federal Income Taxes	1,912,270	149,065
Federal Income Taxes Deferred in Prior Years—Cr	-	-
Total Operating Expenses	560,304,655	(7,382,911)
Net Operating Revenues	35,426,777	(2,901,965)
Income from Utility Plant Leased to Others	-	-
Other Utility Operating Income	-	-
Total Utility Operating Income	35,426,777	(2,901,965)
OTHER INCOME		
Income from Mdse. Jobbing & Contract Work	(58,064)	(36,858)
Income from Nonutility Operations	(21)	2,075
Nonoperating Rental Income	(578)	390
Interest and Dividend Income	735,786	(36,437)
Miscellaneous Nonoperating Income	76,979	37,761
Total Other Income	754,102	(33,069)
Total Income	36,180,879	(2,935,034)
MISCELLANEOUS INCOME DEDUCTIONS		
Miscellaneous Amortization	-	-
Other Income Deductions	43,500	(4,100)
Total Income Deductions	43,500	(4,100)
Income Before Interest Charges	36,137,379	2,930,934
INTEREST CHARGES		
Interest on Long-Term Debt	9,027,769	582,200
Amortization of Debt Discount and Expense	113,615	(16,415)
Amortization of Premium on Debt — Credit	-	-
Interest on Debt to Associated Companies	-	-
Other Interest Expense	3,697,299	(2,366,426)
Interest Charged to Construction — Credit	(217,638)	(4,683)
Total Interest Charges	12,621,045	(1,805,324)
Net Income	23,516,334	(1,125,610)

Form AC-20. 3M-9-62-933879

*Includes 257,578 Intangible Plant-Acquisitions.

BALANCE SHEET

Title of Account	Balance End of Year
	$
UTILITY PLANT	
Utility Plant	375,124,077
OTHER PROPERTY AND INVESTMENTS	
Nonutility Property	65,061
Investment in Associated Companies	1,000
Other Investments	339
Special Funds & Other Assets	33,213,132
Total Other Property and Investments	33,279,532
CURRENT AND ACCRUED ASSETS	
Cash	2,571,832
Special Deposits	-
Working Funds	26,450
Temporary Cash Investments	6,200,000
Notes and Accounts Receivable	50,568,619
Receivables from Associated Companies	5,853
Materials and Supplies	24,448,348
Prepayments	2,640,689
Interest and Dividends Receivable	-
Rents Receivable	-
Accrued Utility Revenues	958,053
Reconciliation Adj. for CGAC	23,738,288
Total Current and Accrued Assets	111,158,132
DEFERRED DEBITS	
Unamortized Debt Discount and Expense	381,420
Extraordinary Property Losses	-
Preliminary Survey and Investigation Charges	15,882
Clearing Accounts	140,742
Temporary Facilities	28,403
Miscellaneous Deferred Debits	3,202,340
Total Deferred Debits	3,768,787
CAPITAL STOCK DISCOUNT AND EXPENSE	
Discount on Capital Stock	
Capital Stock Expense	
Total Capital Stock Discount and Expense	
REACQUIRED SECURITIES	
Reacquired Capital Stock	
Reacquired Bonds	
Total Reacquired Securities	
Total Assets and Other Debits	523,330,528

Title of Account	Balance End of Year
	$
PROPRIETARY CAPITAL	
CAPITAL STOCK	
Common Stock Issued	51,418,400
Preferred Stock Issued	
Capital Stock Subscribed	
Premium on Capital Stock	640,069
Total	52,058,469
SURPLUS	
Other Paid-In Capital	22,593,078
Earned Surplus	51,080,077
Surplus Invested in Plant	-
Total	73,673,155
Total Proprietary Capital	125,731,624
LONG-TERM DEBT	
Bonds	60,383,000
Capital Lease Obligations	7,298,266
Other Long-Term Debt	33,983,000
Total Long-Term Debt	101,664,266
CURRENT AND ACCRUED LIABILITIES	
Notes Payable	
Accounts Payable	32,235,841
Payables to Associated Companies	6,994
Customer Deposits	3,054,773
Taxes Accrued	13,088,234
Interest Accrued	7,872,466
Dividends Declared	
Tax Collections Payable	448,456
Misc. Curr. & Accrued Liab.	12,185,077
Total Curr. & Accrued Liab.	68,891,841
Gas Purchase Obligations	30,594,408
DEFERRED CREDITS	
Unamortized Premium on Debt	
Customer Advances for Construction	
Other Deferred Credits	16,747,366
Total Deferred Credits	16,747,366
RESERVES	
Reserves for Depreciation	120,128,133
Reserves for Amortization	4,489,089
Reserve for Uncollectible Accounts	7,112,651
Operating Reserves	11,067,661
Reserve for Depreciation and Amortization of Nonutility Property	
Reserves for Deferred Federal Income Taxes	35,980,904
Total Reserves	178,778,438
CONTRIBUTIONS IN AID OF CONSTRUCTION	
Contributions in Aid of Construction	922,585
Total Liabilities and Other Credits	523,330,528

NOTES:

STATEMENT OF EARNED SURPLUS

Unappropriated Earned Surplus (at beginning of period)	$ 48,718,081	2,483,207
Balance Transferred from Income	23,516,334	(1,125,610)
Miscellaneous Credits to Surplus	253,817	(3,687)
Miscellaneous Debits to Surplus	(146,646)	5,428
Appropriations of Surplus		
Net Additions to Earned Surplus	23,623,505	(1,123,869)
Dividends Declared — Preferred Stock		
Dividends Declared — Common Stock	21,261,509	(1,002,658)
Unappropriated Earned Surplus (at end of period)	51,080,077	2,361,996

ELECTRIC OPERATING REVENUES

Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
SALES OF ELECTRICITY	$	$
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		
OTHER OPERATING REVENUES		
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
Power Production Expenses	$	$	$
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	Operating Revenues: Increase or (Decrease) from Preceding Year
SALES OF GAS	$	$
Residential Sales	277,767,899	(9,327,559)
Commercial and Industrial Sales		
Small (or Commercial)	153,800,587	(7,956,869)
Large (or Industrial)	154,640,934	10,379,561
Other Sales to Public Authorities	146,086	32,988
Interdepartmental Sales		
Miscellaneous Gas Sales		
Total Sales to Ultimate Consumers	586,355,506	(6,871,879)
Sales for Resale	4,311,946	(1,849,748)
Total Sales of Gas	590,667,452	(8,721,627)
OTHER OPERATING REVENUES		
Late Penalty Charges	903,704	(105,157)
Miscellaneous Service Revenues	2,007,537	(1,440,502)
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	1,060,407	(2,603)
Interdepartmental Rents		
Other Gas Revenues	1,092,332	(14,987)
Total Other Operating Revenues	5,063,980	(1,563,249)
Total Gas Operating Revenues	595,731,432	(10,284,876)

SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES

Functional Classification	Operation	Maintenance	Total
Steam Production	$ 62,971	$ 67,374	$ 130,345
Manufactured Gas Production	9,180,030	1,570,999	10,751,029
Other Gas Supply Expenses	407,369,710	-	407,369,710
Total Production Expenses	416,612,711	1,638,373	418,251,084
Local Storage Expenses	1,918,369	471,397	2,389,766
Transmission and Distribution Expenses	22,129,269	10,413,951	32,543,220
Customer Accounts Expenses	24,996,482	-	24,996,482
Sales Expenses	3,282,096	-	3,282,096
Administrative and General Expenses	27,867,178	-	27,867,178
Total Gas Operation and Maintenance Expenses	496,806,105	12,523,721	509,329,826

March 28, 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.

John J. Loca
President — Vice-President

Joseph F. Bodanza
Treasurer — Asst. Treasurer

COM/Gas

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OFFICE OF CITY CLERK
1986 MAR 32 AM 9: 54
CAMBRIDGE MA.

Commonwealth Gas Company
Post Office Box 190
Cambridge, Massachusetts 02139
Telephone (617) 864-3100

March 31, 1986

Clerk
City of Cambridge
City Hall
Cambridge, MA 02139

Dear Sir:

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

Very truly yours,

Louis E. Domenech

Louis E. Domenech
Supervisor of Accounting

CG
LED:jah
Enclosures

4. S-235

Comm. from Louis A. Domenech, Supervisor of Accounting, ComGas, transmitting a copy of the condensed financial returns of Commonwealth Gas Co. & Boston Gas Co. for the year ended December 31, 1985.

In City Council,

April 7, 1986

Placed on File