

BALANCE SHEET

Title of Account	Balance End of Year	Title of Account	Balance End of Year
UTILITY PLANT		PROPRIETARY CAPITAL	
Utility Plant.....	\$ 455,779,885	CAPITAL STOCK	
		Common Stock Issued.....	\$ 71,425,000
OTHER PROPERTY AND INVESTMENTS		Preferred Stock Issued.....	-
Nonutility Property.....	2,095,522	Capital Stock Subscribed.....	-
Investment in Associated Companies.....	-	Premium on Capital Stock.....	118,569,287
Other Investments.....	1,416,236	Total.....	189,994,287
Special Funds.....	20,675		
Total Other Property and Investments	3,532,433	SURPLUS	
CURRENT AND ACCRUED ASSETS		Other Paid-In Capital.....	-
Cash.....	2,511,608	Earned Surplus.....	40,547,745
Special Deposits.....	-	Surplus Invested in Plant.....	-
Working Funds.....	(14,575)	Total.....	40,547,745
Temporary Cash Investments.....	-	Total Propriety Capital.....	230,542,032
Notes and Accounts Receivable.....	34,525,242		
Receivables from Associated Companies.....	7,160,754	LONG-TERM DEBT	
Materials and Supplies.....	42,638,413	Bonds.....	92,142,858
Prepayments.....	6,174,762	Advances from Associated Companies.....	-
Interest and Dividends Receivable.....	-	Other Long-Term Debt.....	1,428,571
Rents Receivable.....	35,542	Total Long-Term Debt.....	93,571,429
Accrued Utility Revenues.....	14,026,933		
Misc. Current and Accrued Assets.....	-	CURRENT AND ACCRUED LIABILITIES	
Total Current and Accrued Assets.....	107,058,680	Notes Payable.....	49,100,000
DEFERRED DEBITS		Accounts Payable.....	21,456,574
Unamortized Debt Discount and Expense.....	773,929	Payables to Associated Companies.....	15,499,687
Extraordinary Property Losses.....	-	Customer Deposits.....	1,822,082
Preliminary Survey and Investigation Charges.....	(184,627)	Taxes Accrued.....	231,399
Clearing Accounts.....	-	Interest Accrued.....	975,267
Temporary Facilities.....	-	Dividends Declared.....	-
Miscellaneous Deferred Debits.....	120,187,113	Matured Long-Term Debt.....	-
Total Deferred Debits.....	120,776,415	Matured Interest.....	-
		Tax Collections Payable.....	124,402
CAPITAL STOCK DISCOUNT AND EXPENSE		Misc. Current and Accrued Liabilities.....	36,888,209
Discount on Capital Stock.....	-	Total Current and Accrued Liabilities.....	126,097,619
Capital Stock Expense.....	-	DEFERRED CREDITS	
Total Capital Stock Discount and Expense.....	-	Unamortized Premium on Debt.....	-
		Customer Advances for Construction.....	3,000,000
REACQUIRED SECURITIES		Other Deferred Credits.....	34,234,962
Reacquired Capital Stock.....	-	Total Deferred Credits.....	37,234,962
Reacquired Bonds.....	-		
Total Reacquired Securities.....	-	RESERVES	
Total Assets and Other Debits.....	\$ 687,147,413	Reserves for Depreciation.....	148,944,702
		Reserves for Amortization.....	4,985,348
		Reserves for Uncollectible Accounts.....	2,231,744
		Operating Reserves.....	7,201,235
		Reserve for Depreciation and Amortization of Nonutility Property.....	370
		Reserves for Deferred Income Taxes.....	36,337,972
		Total Reserves.....	199,701,371
		CONTRIBUTIONS IN AID OF CONSTRUCTION	
		Contributions in Aid of Construction.....	-
		Total Liabilities and Other Credits.....	\$ 687,147,413

STATEMENT OF EARNED SURPLUS

Account	Amount for Year	Inc/(Dec) from Preceding Year
Unappropriated Earned Surplus (at beginning of period).....	20,047,497	14,810,607
Balance Transferred from Income.....	23,000,248	(1,265,714)
Miscellaneous Credits to Surplus.....	-	-
Miscellaneous Debits to Surplus.....	-	-
Appropriations of Surplus.....	-	-
Net Additions to Earned Surplus.....	23,000,248	(1,265,714)
Dividends Declared-Preferred Stock.....	-	-
Dividends Declared-Common Stock.....	2,500,000	(7,100,000)
Unappropriated Earned Surplus (at end of period).....	40,547,745	20,644,893

ELECTRIC OPERATING REVENUES

Account	Operating Revenues	
	Amount for Year	Inc/(Dec) 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.....		
Less: Provision for Rate Refunds.....		
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.....	None	None

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.....	None	None	None

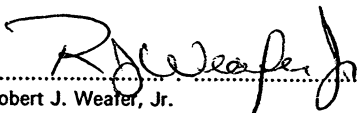
GAS OPERATING REVENUES

Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
SALES OF GAS		
Residential Sales.....	\$ 267,983,875	\$ 52,184,158
Commercial and Industrial Sales		
Small (or Commercial).....	110,879,288	27,983,645
Large (or Industrial).....	12,091,031	2,473,322
Other Sales to Public Authorities.....	13,381,471	3,179,637
Interdepartmental Sales.....	-	-
Miscellaneous Gas Sales.....	(38,962,734)	(58,575,776)
Total Sales to Ultimate Consumers.....	365,372,931	27,244,986
Sales for Resale.....	7,834,887	(4,408,720)
Total Sales of Gas.....	373,207,818	22,836,266
OTHER OPERATING REVENUES		
Forfeited Discounts-Late Payment Charges.....	659,904	283,023
Miscellaneous Service Revenues.....	2,347,235	255,403
Revenues from Transportation of Gas to Others.....	15,471,524	(3,445,765)
Sales of Products Extracted from Natural Gas.....	-	-
Revenues from Natural Gas Processed by Others.....	-	-
Rent from Gas Property.....	175,613	15,349
Interdepartmental Rents.....	-	-
Other Gas Revenues.....	149,130	(259,007)
Total Other Operating Revenues.....	18,803,406	(3,150,997)
Total Gas Operating Revenues.....	392,011,224	19,685,269

SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES

Functional Classification	Operation	Maintenance	Total
Steam Production.....	-	-	-
Manufactured Gas Production.....	-	-	-
Other Gas Supply Expenses.....	251,507,826	-	251,507,826
Total Production Expenses.....	251,507,826	-	251,507,826
Local Storage Expenses.....	217,562	258,836	476,398
Transmission and Distribution Expense.....	24,030,660	5,895,927	29,926,587
Customer Accounts Expense.....	12,479,708	-	12,479,708
Sales Expense.....	2,517,434	-	2,517,434
Administrative and General Expenses.....	22,290,935	608	22,291,543
Total Gas Operation and Maintenance Expenses....	313,044,125	6,155,371	319,199,496

April 30, 2002, 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.


 Robert J. Weaver, Jr.
 Vice President, Controller and Chief Accounting Officer

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Communication #3

Communication was received
from NSTAR Electric and Gas
Corporation, transmitting NSTAR
Company's Condensed
Annual Report for year ended
December 31, 2001.

City Council May 6, 2002

REFERRED TO THE CITY
MANAGER AND PUBLIC
UTILITY COMMITTEE

DEPARTMENT OF TELECOMMUNICATIONS & ENERGY

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

CONDENSED FINANCIAL RETURN

FOR YEAR ENDED DECEMBER 31, 2001

NSTAR GAS COMPANY

FULL NAME OF COMPANY

800 BOYLSTON STREET

LOCATION OF PRINCIPAL BUSINESS OFFICE

BOSTON, MA 02199

STATEMENT OF INCOME FOR THE YEAR

Item	Current Year	Increase or (Decrease) from Preceding Year
OPERATING INCOME		
Operating Revenues	\$392,011,224	\$19,685,269
Operating Expenses		
Operation Expense	313,044,125	24,432,020
Maintenance Expense	6,155,371	(2,084,364)
Depreciation Expense	12,579,375	951,515
Amortization of Utility Plant	705,485	5,567
Amortization of Property Losses	3,303,900	-
Amortization of Investment Tax Credit	(192,913)	1,912
Taxes other than Income Taxes	11,267,094	370,019
Income Taxes	13,735,344	754,851
Provisions for Deferred Federal Income Taxes	436,735	(806,976)
Federal Income Taxes Deferred In Prior Years..(Credit)	(1,430,726)	(1,137,575)
Total Operating Expenses	359,603,790	22,486,969
Net Operating Revenues	32,407,434	(2,801,700)
Income from Utility Plant Leased to Others	-	-
Other Utility Operating Income	-	-
Total Utility Operating Income	32,407,434	(2,801,700)
OTHER INCOME		
Income from Mdse. Jobbing & Contract Work	117,379	101,146
Income from Nonutility Operations	-	-
Nonoperating Rental Income	259,128	160,785
Interest and Dividend Income	43,141	(372)
Miscellaneous Nonoperating Income	1,653,330	1,767,093
Total Other Income	2,072,978	2,028,652
Total Income	34,480,412	(773,048)
MISCELLANEOUS INCOME DEDUCTIONS		
Miscellaneous Amortization	-	-
Other Income Deductions	63,025	(142,485)
Total Income Deductions	63,025	(142,485)
Income Before Interest Charges	34,417,387	(630,563)
INTEREST CHARGES		
Interest on Long-Term Debt	7,647,286	(358,154)
Amortization of Debt Discount and Expense	51,735	(1,948)
Amortization of Premium on Debt-Credit	-	-
Interest on Debt to Associated Companies	553,045	(109,231)
Other Interest Expense	3,365,924	1,026,963
Interest Charged to Construction-Credit	(200,851)	77,521
Total Interest Charges	11,417,139	635,151
Net Income	\$23,000,248	(1,265,714)

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Communication #3

A communication was received from NSTAR Electric and Gas Corporation, transmitting NSTAR Gas Company's Condensed Financial Return for year ended December 31, 2001.

In City Council May 6, 2002

**REFERRED TO THE CITY
MANAGER AND PUBLIC
SAFETY COMMITTEE.**