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DEPARTMENT OF Public Utilities

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

CONDENSED FINANCIAL RETURN

FOR YEAR ENDED DECEMBER 31, 2013

2014 APR 22 AM 11 24

OFFICE OF THE CITY CLERK
CAMBRIDGE, MASSACHUSETTS

FULL NAME OF COMPANY NSTAR GAS 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		
Operating Expenses		
Operation Expense		
Maintenance Expense		
Depreciation Expense		
Amortization of Utility Plant	SEE THE ATTACHED INCOME STATEMENT FOR 2013 AS FILED IN THE DPU ANNUAL RETURN	
Amortization of Regulatoru Debits		
Amortization of Investment Tax Credit		
Taxes other than Income Taxes		
Income Taxes		
Provisions for Deferred Federal Income Taxes		
Federal Income Taxes Deferred In Prior Years..(Credit)		
Total Operating Expenses		
Net Operating Revenues		
Income from Utility Plant Leased to Others		
Other Utility Operating Income		
Total Utility Operating Income		
OTHER INCOME		
Income from Mdse. Jobbing & Contract Work		
Income from Nonutility Operations		
Nonoperating Rental Income		
Interest and Dividend Income		
Miscellaneous Nonoperating Income		
Total Other Income		
Total Income		
MISCELLANEOUS INCOME DEDUCTIONS		
Miscellaneous Amortization		
Other Income Deductions		
Total Income Deductions		
Income Before Interest Charges		
INTEREST CHARGES		
Interest on Long-Term Debt		
Amortization of Debt Discount and Expense		
Amortization of Premium on Debt-Credit		
Interest on Debt to Associated Companies		
Other Interest Expense		
Interest Charged to Construction-Credit		
Total Interest Charges		
Net Income		

Annual report of.....NSTAR GAS COMPANY.....Year ended December 31, 2013

STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a)	Current Year (b)	Increase or (Decrease) from Preceding Year (c)
1	OPERATING INCOME		
2	Operating Revenues (400) P.43	$ 427,071,989	$ 50,878,579
3	Operating Expenses:		
4	Operation Expense (401) P.42,47	322,031,884	36,214,813
5	Maintenance Expense (402) P.42,47	9,962,790	385,958
6	Depreciation Expense (403) P.34	27,169,056	2,047,103
7	Amortization of Utility Plant (404 and 405)	598,042	65,536
8	Amortization of Regulatory Debits (407.3)	4,779,686	976,010
9	Amortization of Investment Tax Credit (406)	(186,736)	-
10	Taxes Other Than Income Taxes (408) P.49	18,288,494	4,065,073
11	Income Taxes (409) P.49	(712,943)	12,088,566
12	Provision for Deferred Fed. Inc. Taxes (410) P.36	11,620,251	(8,698,578)
13	Fed. Inc. Taxes Def. in Prior Yrs.-Cr. (411) P.36	-	-
14	Total Operating Expenses	393,550,523	47,144,480
15	Net Operating Revenues	33,521,466	3,734,099
16	Income from Utility Plant Leased to Others (412)-Net	-	-
17	Other Utility Operating Income (414) P.50	-	-
18	Total Utility Operating Income	33,521,466	3,734,099
19	OTHER INCOME		
20	Income from Mdse. Job & Contract Work (415) P.51	-	-
21	Income from Nonutility Operations (417)	36,682	3,937
22	Nonoperating Rental Income (418)	232,861	(21,495)
23	Interest and Dividend Income (419)	24,101	(3,306)
24	Miscellaneous Nonoperating Income (421)	17,213	9,637
25	Total Other Income	310,858	(11,227)
26	Total Income	33,832,325	3,722,873
27	MISCELLANEOUS INCOME DEDUCTIONS		
28	Miscellaneous Amortization (425)	-	-
29	Other Income Deductions (426)	390,755	(2,865,747)
30	Total Income Deductions	390,755	(2,865,747)
31	Income Before Interest Charges	33,441,569	6,588,619
32	INTEREST CHARGES		
33	Interest on Long-Term Debt (427) P.31	12,311,000	-
34	Amortization of Debt Disc. & Expense (428)	170,322	39,425
35	Amortization of Prem. on Debt-Credit (429) P.26	-	-
36	Int. on Debt to Associated Companies (430) P.32	147,069	(125,885)
37	Other Interest Expense (431)	301,885	32,498
38	Interest Charged to Construction-Credit (432)	(27,213)	(19,301)
39	Total Interest Charges	12,903,063	(73,263)
40	Net Income	20,538,507	6,661,882
41	EARNED SURPLUS		
42	Unappropriated Earned Surplus (at beginning of period) (216)	(7,909,320)	(2,123,376)
43	Balance Transferred from Income (433)	20,538,507	6,661,882
44	Miscellaneous Credits to Surplus (434)	-	-
45	Miscellaneous Debits to Surplus (435)	-	-
46	Appropriations of Surplus (436)	946,970	946,970
47	Net Additions of Earned Surplus	19,591,537	5,714,912
48	Dividends Declared-Preferred Stock (437)		
49	Dividends Declared-Common Stock (438)	16,000,000	-
50	Unappropriated Earned Surplus (at end of period) (216)	$ (4,317,783)	$ 3,591,536

BALANCE SHEET

Title of Account	Balance End of Year	Title of Account	Balance End of Year
UTILITY PLANT		PROPRIETARY CAPITAL	
Utility Plant		CAPITAL STOCK	
		Common Stock Issued	
OTHER PROPERTY AND INVESTMENTS		Preferred Stock Issued	
		Capital Stock Subscribed	
Nonutility Property		Premium on Capital Stock	
Investment in Associated Companies			
Other Investments		Total	
Special Funds			
		SURPLUS	
Total Other Property and Investments		Other Paid-In Capital	
		Earned Surplus	
CURRENT AND ACCRUED ASSETS		Surplus Invested in Plant	
Cash			
Special Deposits		Total	
Working Funds			
Temporary Cash Investments		Total Propriety Capital	
Notes and Accounts Receivable			
Receivables from Associated Companies		LONG-TERM DEBT	
Materials and Supplies		Bonds	
Prepayments		Advances from Associated Companies	
Interest and Dividends Receivable		Other Long-Term Debt	
Rents Receivable			
Accrued Utility Revenues		Total Long-Term Debt	
Misc. Current and Accrued Assets			
		CURRENT AND ACCRUED LIABILITIES	
Total Current and Accrued Assets			
		Notes Payable	
DEFERRED DEBITS		Accounts Payable	
Unamortized Debt Discount and Expense		Payables to Associated Companies	
Extraordinary Property Losses		Customer Deposits	
Preliminary Survey and Investigation Charges		Taxes Accrued	
		Interest Accrued	
Clearing Accounts		Dividends Declared	
Temporary Facilities		Matured Long-Term Debt	
Miscellaneous Deferred Debits		Matured Interest	
		Tax Collections Payable	
Total Deferred Debits		Misc. Current and Accrued Liabilities	
CAPITAL STOCK DISCOUNT AND EXPENSE		Total Current and Accrued Liabilities	
		DEFERRED CREDITS	
Discount on Capital Stock		Unamortized Premium on Debt	
Capital Stock Expense		Customer Advances for Construction	
		Other Deferred Credits	
Total Capital Stock Discount and Expense			
		Total Deferred Credits	
REACQUIRED SECURITIES		RESERVES	
Reacquired Capital Stock		Reserves for Depreciation	
Reacquired Bonds		Reserves for Amortization	
		Reserves for Uncollectible Accounts	
Total Reacquired Securities		Operating Reserves	
		Reserve for Depreciation and Amortization of Nonutility Property	
Total Assets and Other Debits		Reserves for Deferred Income Taxes	
		Total Reserves	
		CONTRIBUTIONS IN AID OF CONSTRUCTION	
		Contributions in Aid of Construction	
		Total Liabilities and Other Credits	

NOTES: SEE THE ATTACHED BALANCE SHEET FOR 2013 AS FILED IN THE DPU ANNUAL RETURN

Annual report of.....NSTAR GAS COMPANY.....Year ended December 31,2013

COMPARATIVE BALANCE SHEET Assets and Other Debits

Line No.	Title of Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Increase or (Decrease) (d)
1	UTILITY PLANT			
2	Utility Plant (101-107) P.13	$ 884,214,435	$ 953,932,930	$ 69,718,495
3	OTHER PROPERTY AND INVESTMENTS			
4	Nonutility Property (121) P.19	4,243,352	4,243,352	-
5	Investments in Associated Companies (123) P.20			-
6	Other Investments (124) P.20	6,000	6,000	-
7	Special Funds (125,126,127,128) P.21	-	-	-
8	Total Other Property and Investments	4,249,352	4,249,352	-
9	CURRENT AND ACCRUED ASSETS			
10	Cash (131)	2,486,859	1,895,783	(591,076)
11	Special Deposits (132,133,134) P.21	-	-	-
12	Working Funds (135)	-	-	-
13	Temporary Cash Investments (136) P.20	-	-	-
14	Notes and Accounts Receivable (141,142,143) P.22	47,511,687	55,477,136	7,965,449
15	Receivables from Assoc. Companies (145,146) P.23	1,271,004	6,183,618	4,912,614
16	Material and Supplies (151-159,163,164) P.24	24,078,183	22,931,640	(1,146,544)
17	Prepayments (165)	-	-	-
18	Interest and Dividends Receivable (171)	-	-	-
19	Rent Receivable (172)	(67,344)	7,000	74,344
20	Accrued Utility Revenues (173,175)	39,854,001	30,080,777	(9,773,225)
21	Misc. Current and Accrued Assets (174)	-	-	-
22	Total Current and Accrued Assets	115,134,390	116,575,954	1,441,564
23	DEFERRED DEBITS			
24	Unamortized Debit Discount and Expense (181) P.26	1,090,996	683,448	(407,548)
25	Extraordinary Property Losses (182) P.27	-	-	-
26	Preliminary Survey and Investigation Charges (183)	11,364	11,364	-
27	Clearing Accounts (184)	-	-	-
28	Temporary Facilities (185)	-	-	-
29	Miscellaneous Deferred Debits (186) P.27	150,113,220	139,702,427	(10,410,792)
30	Matured Interest (240)			
31	Total Deferred Debits	151,215,579	140,397,239	(10,818,340)
31	CAPITAL STOCK DISCOUNT AND EXPENSE			
32	Discount on Capital Stock (191) P.28	-	-	-
33	Capital Stock Expense (192) P.28	-	-	-
34	Total Capital Stock Discount and Expense	-	-	-
35	REACQUIRED SECURITIES			
36	Reacquired Capital Stock (196)	-	-	-
37	Reacquired Bonds (197)	-	-	-
38	Total Reacquired Securities	-	-	-
39	Total Assets and Other Debits	$ 1,154,813,757	$ 1,215,155,476	$ 60,341,719

COMPARATIVE BALANCE SHEET Liabilities and Other Credits

Line No.	Title of Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Increase or (Decrease) (d)
1	PROPRIETARY CAPITAL			
2	CAPITAL STOCK			
3	Common Stock Issued (201) P.29	$ 71,425,000	$ 71,425,000	$ -
4	Preferred Stock Issued (204) P.29	-	-	-
5	Capital Stock Subscribed (202,205)	-	-	-
6	Premium on Capital Stock (207) P.29	-	-	-
7	Total	71,425,000	71,425,000	-
8	SURPLUS			
9	Other Paid-In Capital (208-211) P. 12	215,574,703	215,574,703	-
10	Earned Surplus (215,216) P. 12	(7,909,320)	(4,317,783)	3,591,537
11	Surplus Invested In Plant (217)	-	-	-
12	Total	207,665,384	211,256,920	3,591,537
13	Total Proprietary Capital	279,090,384	282,681,920	3,591,537
14	LONG TERM DEBT			
15	Bonds (221) P.31	210,000,000	210,000,000	-
16	Advances from Assoc. Companies (223) P.31	-	-	-
17	Other Long-Term Debt (224) P.31		-	-
18	Total Long-Term Debt	210,000,000	210,000,000	-
19	CURRENT AND ACCRUED LIABILITIES			
20	Notes Payable (231) P.32	-	-	-
21	Accounts Payable (232)	22,351,629	32,982,607	10,630,978
22	Payables to Associated Companies (233,234) P.32	96,064,715	112,172,280	16,107,565
23	Customer Deposits (235) P.80C	1,143,390	1,063,454	(79,936)
24	Taxes Accrued (236)	14,647,708	13,214,318	(1,433,391)
25	Interest Accrued (237)	3,460,327	3,437,365	(22,962)
26	Dividends Declared (238)	-	-	-
27	Matured Long-Term Debt(239)	-		-
28	Matured Interest (240)	-	-	-
29	Tax Collections Payable (241)	343,581	455,346	111,765
30	Misc. Current and Accrued Liabilities (242) P.33	7,630,791	7,139,275	(491,516)
31	Total Current and Accrued Liabilities	145,642,141	170,464,644	24,822,504
32	DEFERRED CREDITS			
33	Unamortized Premium on Debt (251) P.26	-	-	-
34	Customer Advances for Construction (252)	2,827,675	2,496,572	(331,103)
35	Other Deferred Credits (253) P.33	60,718,311	58,844,168	(1,874,143)
36	Total Deferred Credits	63,545,986	61,340,740	(2,205,246)
37	RESERVES			
38	Reserves for Depreciation (254-256) P.13	300,372,550	321,628,031	21,255,481
39	Reserves for Amortization (257-259) P.13	7,333,811	7,676,597	342,787
40	Reserve for Uncollectible Accounts (260)	15,594,906	15,517,311	(77,595)
41	Operating Reserves (261-265) P.35	13,414,429	14,403,233	988,804
42	Reserve for Depreciation & Amortization of Nonutility Property (266)	(3,197)	-	3,197
43	Reserves for Deferred Federal Income Taxes (268)	119,822,747	131,442,998	11,620,251
44	Total Reserves	456,535,246	490,668,171	34,132,925
45	CONTRIBUTIONS IN AID OF CONSTRUCTION			
46	Contributions in Aid of Construction (271) P. 36	-	-	-
47	Total Liabilities and Other Credits	$ 1,154,813,757	$ 1,215,155,476	$ 60,341,719

STATEMENT OF EARNED SURPLUS

Account	Amount for Year	Inc/(Dec) from Preceding Year
Unappropriated Earned Surplus (at beginning of period)	$ (7,909,320)	$ (2,123,376)
Balance Transferred from Income	20,538,507	6,661,882
Miscellaneous Credits to Surplus	-	-
Miscellaneous Debits to Surplus	(946,970)	(946,970)
Appropriations of Surplus	-	-
Net Additions to Earned Surplus	19,591,537	5,714,912
Dividends Declared-Preferred Stock	-	-
Dividends Declared-Common Stock	16,000,000	-
Unappropriated Earned Surplus (at end of period)	$ (4,317,783)	$ 3,591,536

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	$ 249,999,952	$ 37,691,497
Commercial and Industrial Sales		
Small (or Commercial)	73,392,034	(8,405,581)
Large (or Industrial)	6,618,218	147,956
Other Sales to Public Authorities	6,988,813	6,677,159
Interdepartmental Sales	-	-
Miscellaneous Gas Sales - Deferrals	(11,282,706)	(28,380,698)
Total Sales to Ultimate Consumers	325,716,311	7,730,333
Sales for Resale	29,205,834	16,697,475
Total Sales of Gas	354,922,145	24,427,808
OTHER OPERATING REVENUES		
Forfeited Discounts-Late Payment Charges	148,322	(74,133)
Miscellaneous Service Revenues	6,423,093	(1,683,838)
Revenues from Transportation of Gas to Others	63,626,437	27,245,735
Sales of Products Extracted from Natural Gas	-	-
Revenues from Natural Gas Processed by Others	-	-
Rent from Gas Property	657,230	(150,016)
Interdepartmental Rents	-	-
Other Gas Revenues	1,294,762	1,113,023
Total Other Operating Revenues	72,149,844	26,450,771
Total Gas Operating Revenues	$ 427,071,989	$ 50,878,579

SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES

Functional Classification	Operation	Maintenance	Total
Steam Production			
Manufactured Gas Production			
Other Gas Supply Expenses	$ 240,162,147	$ -	$ 240,162,147
Total Production Expenses	240,162,147	-	240,162,147
Local Storage Expenses	966,224		966,224
Transmission and Distribution Expense	25,630,604	9,962,790	35,593,394
Customer Accounts Expense	17,042,772	-	17,042,772
Sales Expense	4,513,782	-	4,513,782
Administrative and General Expenses	33,716,355	-	33,716,355
Total Gas Operation and Maintenance Expenses	$ 322,031,884	$ 9,962,790	$ 331,994,673

April 15, 2014, 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.

Philip J. Lembo
Vice President and Treasurer

Jay S. Buth
Vice President, Controller and Chief Accounting Officer