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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, 2014

2015 APR 21 AM 11 42

NSTAR GAS COMPANY

FULL NAME OF COMPANY

800 BOYLSTON STREET

LOCATION OF PRINCIPAL BUSINESS OFFICE

BOSTON, MA 02199

OFFICE OF THE CITY CLERK
CAMBRIDGE, MASSACHUSETTS

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		
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		

SEE THE ATTACHED INCOME STATEMENT FOR 2014 AS FILED IN THE DPU ANNUAL RETURN

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.....	\$ 499,959,882	\$ 72,887,892
3	Operating Expenses:		
4	Operation Expense (401) P.42,47.....	390,371,965	68,340,082
5	Maintenance Expense (402) P.42,47.....	9,491,100	(471,689)
6	Depreciation Expense (403) P.34.....	28,444,632	1,275,576
7	Amortization of Utility Plant (404 and 405).....	589,349	(8,693)
8	Amortization of Regulatory Debits (407.3).....	2,898,001	(1,881,685)
9	Amortization of Investment Tax Credit (406).....	-	186,736
10	Taxes Other Than Income Taxes (408) P.49.....	13,595,200	(4,693,294)
11	Income Taxes (409) P.49.....	(3,743,245)	(3,030,302)
12	Provision for Deferred Fed. Inc. Taxes (410) P.36.....	37,663,394	26,043,143
13	Fed. Inc. Taxes Def. in Prior Yrs.-Cr. (411) P.36.....	(14,374,752)	(14,374,752)
14	Total Operating Expenses.....	464,935,643	71,385,121
15	Net Operating Revenues.....	35,024,238	1,502,771
16	Income from Utility Plant Leased to Others (412)-Net.....	-	-
17	Other Utility Operating Income (414) P.50.....	-	-
18	Total Utility Operating Income.....	35,024,238	1,502,771
19	OTHER INCOME		
20	Income from Mdse. Job & Contract Work (415) P.51.....	-	-
21	Income from Nonutility Operations (417).....	35,114	(1,568)
22	Nonoperating Rental Income (418).....	162,272	(70,590)
23	Interest and Dividend Income (419).....	14,264	(9,838)
24	Miscellaneous Nonoperating Income (421).....	1,484,229	1,467,016
25	Total Other Income.....	1,695,879	1,385,021
26	Total Income.....	36,720,117	2,887,792
27	MISCELLANEOUS INCOME DEDUCTIONS		
28	Miscellaneous Amortization (425).....	-	-
29	Other Income Deductions (426).....	449,507	58,751
30	Total Income Deductions.....	449,507	58,751
31	Income Before Interest Charges.....	36,270,610	2,829,041
32	INTEREST CHARGES		
33	Interest on Long-Term Debt (427) P.31.....	12,311,000	-
34	Amortization of Debt Disc. & Expense (428).....	176,214	5,891
35	Amortization of Prem. on Debt-Credit (429) P.26.....	-	-
36	Int. on Debt to Associated Companies (430) P.32.....	244,367	97,298
37	Other Interest Expense (431).....	(669,021)	(970,906)
38	Interest Charged to Construction-Credit (432).....	(67,802)	(40,589)
39	Total Interest Charges.....	11,994,758	(908,305)
40	Net Income.....	24,275,853	3,737,346
41	EARNED SURPLUS		
42	Unappropriated Earned Surplus (at beginning of period) (216).....	(4,317,783)	3,591,537
43	Balance Transferred from Income (433).....	24,275,853	3,737,346
44	Miscellaneous Credits to Surplus (434).....	395,732	395,732
45	Miscellaneous Debits to Surplus (435).....	-	-
46	Appropriations of Surplus (436).....	-	(946,970)
47	Net Additions of Earned Surplus.....	24,671,585	4,684,316
48	Dividends Declared-Preferred Stock (437).....	-	-
49	Dividends Declared-Common Stock (438).....	16,000,000	-
50	Unappropriated Earned Surplus (at end of period) (216).....	\$ 4,353,802	\$ 8,275,852

NOTES: SEE THE ATTACHED BALANCE SHEET FOR 2014 AS FILED IN THE DPU ANNUAL RETURN

BALANCE SHEET

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

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.....	\$ 953,932,931	\$ 1,025,653,797	\$ 71,720,867
3	OTHER PROPERTY AND INVESTMENTS			
4	Nonutility Property (121) P.19.....	4,243,352	4,067,500	(175,852)
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	4,073,500	(175,852)
9	CURRENT AND ACCRUED ASSETS			
10	Cash (131).....	1,895,783	2,925,048	1,029,265
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.....	55,477,136	69,986,867	14,509,731
15	Receivables from Assoc. Companies (145,146) P.23.....	6,183,618	3,696,198	(2,487,420)
16	Material and Supplies (151-159,163,164) P.24.....	22,931,640	25,031,226	2,099,586
17	Prepayments (165).....	-	-	-
18	Interest and Dividends Receivable (171).....	-	-	-
19	Rent Receivable (172).....	7,000	15,845	8,845
20	Accrued Utility Revenues (173,175).....	30,080,777	39,663,591	9,582,815
21	Misc. Current and Accrued Assets (174).....	-	-	-
22	Total Current and Accrued Assets.....	116,575,954	141,318,775	24,742,821
23	DEFERRED DEBITS			
24	Unamortized Debit Discount and Expense (181) P.26.....	683,448	579,695	(103,753)
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.....	139,702,427	272,212,289	132,509,862
30	Matured Interest (240).....	-	-	-
31	Total Deferred Debits.....	140,397,239	272,803,348	132,406,109
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.....	\$ 1,215,155,476	\$ 1,443,849,420	\$ 228,693,945

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	270,954,238	55,379,535
10	Earned Surplus (215,216) P. 12.....	(4,317,783)	4,353,802	8,671,585
11	Surplus Invested In Plant (217).....	-	-	-
12	Total.....	211,256,920	275,308,040	64,051,120
13	Total Proprietary Capital.....	282,681,920	346,733,040	64,051,120
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).....	32,982,607	47,856,699	14,874,092
22	Payables to Associated Companies (233,234) P.32.....	112,172,280	107,644,184	(4,528,096)
23	Customer Deposits (235) P.80C.....	1,063,454	1,134,345	70,891
24	Taxes Accrued (236).....	13,214,318	17,834,193	4,619,875
25	Interest Accrued (237).....	3,437,365	3,406,997	(30,368)
26	Dividends Declared (238).....	-	-	-
27	Matured Long-Term Debt(239).....	-	-	-
28	Matured Interest (240).....	-	-	-
29	Tax Collections Payable (241).....	455,346	632,756	177,410
30	Misc. Current and Accrued Liabilities (242) P.33.....	7,139,275	17,512,989	10,373,714
31	Total Current and Accrued Liabilities.....	170,464,644	196,022,163	25,557,518
32	DEFERRED CREDITS			
33	Unamortized Premium on Debt (251) P.26.....	-	-	-
34	Customer Advances for Construction (252)	2,496,572	2,496,572	-
35	Other Deferred Credits (253) P.33.....	58,844,168	140,761,302	81,917,135
36	Total Deferred Credits.....	61,340,740	143,257,874	81,917,135
37	RESERVES			
38	Reserves for Depreciation (254-256) P.13.....	321,628,031	352,753,911	31,125,879
39	Reserves for Amortization (257-259) P.13.....	7,676,597	1,629,773	(6,046,825)
40	Reserve for Uncollectible Accounts (260).....	15,517,311	14,825,362	(691,949)
41	Operating Reserves (261-265) P.35.....	14,403,233	21,757,803	7,354,570
42	Reserve for Depreciation & Amortization of Nonutility Property (266).....	-	(3,203)	(3,203)
43	Reserves for Deferred Federal Income Taxes (268).....	131,442,998	156,872,699	25,429,700
44	Total Reserves.....	490,668,171	547,836,344	57,168,172
45	CONTRIBUTIONS IN AID OF CONSTRUCTION			
46	Contributions in Aid of Construction (271) P. 36.....	-	-	-
47	Total Liabilities and Other Credits.....	\$ 1,215,155,476	\$ 1,443,849,420	\$ 228,693,945

STATEMENT OF EARNED SURPLUS

Account	Amount for Year	Inc/(Dec) from Preceding Year
Unappropriated Earned Surplus (at beginning of period).....		
Balance Transferred from Income.....		
Accumulated Other Comprehensive Income.....		
Miscellaneous Debits to Surplus.....		
Appropriations of Surplus.....		
Net Additions to Earned Surplus.....		
Paid in Capital Adjustments.....		
Dividends Declared-Common Stock.....		
Unappropriated Earned Surplus (at end of period).....		

SEE THE ATTACHED STATEMENT OF EARNED SURPLUS FOR 2014 AS FILED IN THE DPU ANNUAL RETURN

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

STATEMENT OF EARNED SURPLUS (Accounts 215-216)

1. Report in this schedule an accounting for changes in appropriated and unappropriated earned surplus for the year.
 2. Each credit and debit during the year should be identified as to the surplus account in which included (Accounts 433-438 inclusive) and the contra primary account affected shown. Minor items may be grouped by classes; however, the number of items in each group should be shown.
 3. For each reservation or appropriation of earned surplus state the purpose, amount, and in the case of reservations, the reserve account credited.

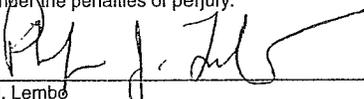
Explain in a footnote the basis for determining the amount reserved or appropriated and if such reservation or appropriation is to be recurrent, state the number and annual payments to be reserved or appropriated as well as the totals eventually to be accumulated.
 4. Dividends should be shown for each class and series of capital stock. Show amounts of dividends per share.
 5. List credits first; then debits.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
1	UNAPPROPRIATED EARNED SURPLUS (Account 216)		
2	Balance-Beginning of Year		\$ (4,317,783)
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14	Credits:		
15	Net income (loss)	433	24,275,853
16	Accumulated Other Comprehensive Income	219	395,732
17			
18	Debits:		
19	Dividends on Common Stock:		
20	Cash Dividend on Common Stock	131	16,000,000
21			
22			
23	03/14- 2,857,000 shares at \$1.40 per share		
24	06/14 - 2,857,000 shares at \$1.40 per share		
25	09/14 - 2,857,000 shares at \$1.40 per share		
26	12/14 - 2,857,000 shares at \$1.40 per share		
27	Balance - end of year		\$ 4,353,802
28	APPROPRIATED EARNED SURPLUS (Account 215)		\$
29	State balance and purpose of each appropriated earned surplus amount at end		
30	of year and give accounting entries for any applications of appropriated earned		
31	surplus during the year.		
32			
33	NONE		
34			
35			
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49			

GAS OPERATING REVENUES		
Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
SALES OF GAS		
Residential Sales.....	\$ 268,876,809	\$ 18,876,857
Commercial and Industrial Sales		
Small (or Commercial).....	89,084,423	15,692,389
Large (or Industrial).....	9,016,273	2,398,055
Other Sales to Public Authorities.....	11,900,509	4,911,696
Interdepartmental Sales.....	-	-
Miscellaneous Gas Sales - Deferrals.....	9,782,620	21,065,326
Total Sales to Ultimate Consumers.....	388,660,634	62,944,323
Sales for Resale.....	36,683,818	7,477,984
Total Sales of Gas.....	425,344,452	70,422,307
OTHER OPERATING REVENUES		
Forfeited Discounts-Late Payment Charges.....	316,496	168,174
Miscellaneous Service Revenues.....	7,150,842	727,749
Revenues from Transportation of Gas to Others.....	65,470,246	1,843,809
Sales of Products Extracted from Natural Gas.....	-	-
Revenues from Natural Gas Processed by Others.....	-	-
Rent from Gas Property.....	847,230	190,000
Interdepartmental Rents.....	-	-
Other Gas Revenues.....	830,617	(464,145)
Total Other Operating Revenues.....	74,615,430	2,465,586
Total Gas Operating Revenues.....	\$ 499,959,882	\$ 72,887,893

SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES			
Functional Classification	Operation	Maintenance	Total
Steam Production.....			
Manufactured Gas Production.....			
Other Gas Supply Expenses.....	\$ 309,285,328	\$ -	\$ 309,285,328
Total Production Expenses.....	309,285,328	-	309,285,328
Local Storage Expenses.....	872,826	135,895	1,008,721
Transmission and Distribution Expense.....	24,597,567	9,355,205	33,952,772
Customer Accounts Expense.....	15,455,510	-	15,455,510
Sales Expense.....	4,354,530	-	4,354,530
Administrative and General Expenses.....	35,806,204	-	35,806,204
Total Gas Operation and Maintenance Expenses.....	\$ 390,371,965	\$ 9,491,100	\$ 399,863,064

March 31, 2015, 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. Butth
Vice President, Controller and Chief Accounting Officer