

**The Commonwealth of Massachusetts**

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**RETURN**

OF THE

**COLONIAL GAS COMPANY  
D/B/A NATIONAL GRID ENERGY DELIVERY NEW ENGLAND**

TO THE

**THE DEPARTMENT OF PUBLIC UTILITIES**

OF MASSACHUSETTS

**For the Year Ended December 31,**

**2010**

Name of officer to whom correspondence  
should be addressed regarding this report.

}  
}

**Wheatcroft, Martin**

Official title: **Vice President and Controller**

Office address: One MetroTech Center  
Brooklyn, New York 11201

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

## TABLE OF CONTENTS

Designate in column (c) by the terms "none" or "not applicable," as appropriate, in instances where no information or amounts have been reported in certain schedules. Pages may be omitted where the responses are "none" or "not applicable" to the schedules on such pages.

Title of Schedule (a)	Schedule Page Number (b)	Remarks (c)
General Information	4-7	Legal
Comparative Balance Sheet	8-9	Accounting
Statement of Income for the Year	10	Accounting
Statement of Earned Surplus	12	Accounting
Summary of Utility Plant and Reserves for Depreciation and Amortization	13	Plant Accounting
Utility Plant - Gas	17-18	Plant Accounting
Nonutility Property	19	Plant Accounting
Investments	20	Accounting
Special Funds	21	Accounting
Special Deposits	21	Accounting
Notes Receivable	22	Accounting
Accounts Receivable	22	Accounting
Receivables from Associated Companies	23	Accounting
Materials and Supplies	24	Accounting
Production Fuel and Oil Stocks	25	Accounting
Unamortized Debt Discount and Expense and Unamortized Premium on Debt	26, 26a & 26b	Accounting
Extraordinary Property Losses	27	Accounting
Miscellaneous Deferred Debits	27	Accounting
Discount on Capital Stock	28	Accounting
Capital Stock Expense	28	Accounting
Capital Stock and Premium	29	Accounting
Other Paid-In Capital	30	Accounting
Long-Term Debt	31 & 31a	Accounting
Notes Payable	32	Accounting
Payables to Associated Companies	32	Accounting
Miscellaneous Current and Accrued Liabilities	33	Accounting
Other Deferred Credits	33	Accounting
Reserve for Depreciation of Utility Plant in Service	34	Plant Accounting
Method of Determination of Depreciation Charges	34	Plant Accounting
Dividends Declared During Year	34	Accounting
Operating Reserves	35	Accounting
Reserves for Deferred Federal Income Taxes	36	Tax Department
Contributions in Aid of Construction	36	Plant Accounting

**TABLE OF CONTENTS (Continued)**

Title of Schedule (a)	Schedule Page Number (b)	Remarks (c)
Gas Operating Revenues	43	Customer Accounting
Sales of Gas to Ultimate Consumers	44 & 44a	Customer Accounting
Gas Operation and Maintenance Expenses	45-47	Accounting
Summary of Gas Operation and Maintenance Expenses	47	Accounting
Sales for Resale - Gas	48	Accounting
Sale of Residuals - Gas	48	Accounting
Purchased Gas	48, 48a, 48b	Accounting\NGETS
Taxes Charged During Year	49	Tax Department
Other Utility Operating Income	50	None
Income from Merchandising, Jobbing and Contract Work	51	None
Record of Sendout for the Year in MCF	72-73	Accounting\Gas Supply
Gas Generating Plant	74	Gas Supply
Boilers	75	None
Scrubbers, Condensers and Exhausters	75	None
Purifiers	76	None
Holders	76	Gas Supply
Transmission and Distribution Mains	77 & 77a	Plant Accounting
Gas Distribution Services, House Governors and Meters	78	Plant Accounting
Rate Schedule Information	79	Regulatory
Expenditures for Certain Civic, Political & Related Activities	80A	Accounting
Advertising Expenses	80B	Accounting
Deposits & Collateral	80C	Accounting
Signature Page	81	

**GENERAL INFORMATION**

**PRINCIPAL AND SALARIED OFFICERS\***

Titles	Names	Addresses	Annual Salaries
President and Chief Operating Officer	Stavropoulos, Nickolas	Waltham	
Vice President	Ganem, Robert	Waltham	
Vice President	Tetz, Robert	New York	
Senior Vice President	Howe, James B.	New York	
Senior Vice President and Chief Financial Officer	Daly, Kenneth D.	New York	
Senior Vice President and Chief Procurement Officer	Schlaff, Raymond C	Waltham	
Senior Vice President, Secretary and Clerk	Owyang, Colin	Waltham	
Senior Vice President, Gas Operations	Akley, William J.	New York	
Senior Vice President, Sales & Account Management	Murphy, Richard D.	Waltham	
Vice President	Turrini, Ross	Waltham	
Vice President	White, Edward	Waltham	
Vice President	Rende, Joseph	New York	
Vice President and Controller	Wheatcroft, Martin	New York	
Vice President and Treasurer	Doxsee, David B.	New York	
Assistant Treasurer	Lynch, Lorraine	New York	
Assistant Treasurer	Vernon-Parry, Julie	New York	
Assistant Treasurer	DeRosa, Charles V.	New York	
Assistant Treasurer	Bonar, David Charles	New York	

DIRECTORS\*

<u>Names</u>	<u>Addresses</u>	<u>Fees Paid During Year</u>
Nickolas Stavropoulos	Waltham, Massachusetts	

\* By General Laws, Chapter 164, Section 83, the Return must contain a "list of the names of all their salaried officers and the amount of the salary paid to each," and by Section 77, the department is required to include in its annual report "the names and addresses of the principal officers and of the directors."

**GENERAL INFORMATION - Continued**

- |   |   |        |
|---|---|--------|
| 1. Corporate name of company making this report,  | Colonial Gas Compnay<br>D/B/A NATIONAL GRID ENERGY DELIVERY NEW ENGLAND |        |
| 2. Date of organization,  | May 2, 1849   |        |
| 3. Date of incorporation,   | May 2, 1849   |        |
| 4. Give location (including street and number) of principal business office:-   |   |        |
| One MetroTech Center, Brooklyn, New York 11201  |   |        |
| 5. Total number of stockholders,  | Common: 1 (recordholders)   |        |
| 6. Number of stockholders in Massachusetts,   | Common: 1 (recordholders)   |        |
| 7. Amount of stock held in Massachusetts,   | No. of Common Shares, 100   | \$100  |
| 8. Capital stock issued prior to June 5, 1894,  | No. of shares, N/A  | \$ N/A |
| 9. Capital stock issued with approval of Board of Gas and Electric Light Commissioners or Department of Public Utilities since June 5, 1894,  |   |        |
| Total, 100 common shares, par value, \$1.00, outstanding December 31 of the fiscal year, 2010   |   | \$100  |
| 10. If any stock has been issued during the last fiscal period, give the date and terms upon which such issue was offered to the stockholders, and if the whole or any part of the issue was sold at auction, the date or dates of such sale or sales, the number of shares sold and the amounts realized therefrom.  |   |        |
| 11. Management Fees and Expenses during the Year.   |   |        |
| List all individuals, corporations or concerns with whom the company has any contract or agreement covering management or supervision of its affairs, such as accounting, financing, engineering, construction, purchasing, operation, etc., and show the total amount paid to each for the year.   |   |        |
| In 2010, the Company was charged \$30,909,390 by National Grid Corporate Services for services, which included: executive and administrative, corporate affairs, customer services, environmental services, financial services (including accounting, auditing, risk management, tax, treasury/finance), human resources, information technology, legal, materials management and purchasing, and strategic planning. |   |        |

GENERAL INFORMATION - Continued

1. Describe briefly all the important physical changes in the property during the last fiscal period including additions, alterations or improvements to the works or physical property retired.

In Gas Property:

No Important Changes

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

GENERAL INFORMATION - Continued			
Names of the cities or towns in which the company supplies GAS with the number of customers' meters in each place.			
City or Town	Number of Customers Meters, 12/31/2010	City or Town	Number of Customers Meters, 12/31/2010
		<u>LOWELL DIVISION</u>	
		Billerica	11,436
		Chelmsford	12,147
		Dracut	9,336
		Dunstable	360
		Groton	96
		Lowell	33,147
		Littletown	44
		Lynnfield	1
		North Reading	3,243
		Pepperell	2,163
		Tewksbury	9,544
		Tyngsboro	3,384
		Westford	6,960
		Wilmington	3,405
			95,266
		<u>CAPE COD DIVISION</u>	
		Barnstable	21,734
		Bourne	6,951
		Brewster	2,927
		Chatham	5,617
		Dennis	11,192
		Eastham	2,377
		Falmouth	13,706
		Harwich	7,389
		Mashpee	8,682
		Orleans	1,846
		Sandwich	5,248
		Wareham	8,226
		Yarmouth	14,483
			110,378
		<u>NON FRANCHISE AREA</u>	
		Andover	49
		Carver	3
		Methuen	28
		Otis	128
		Woburn	54
			262
<b>TOTAL</b>			<b>205,906</b>

<b>COMPARATIVE BALANCE SHEET Assets and Other Credits</b>				
<b>Line No.</b>	<b>Title of Account (a)</b>	<b>Balance Beginning of Year (b)</b>	<b>Balance End of Year (c)</b>	<b>Increase or (Decrease) (d)</b>
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-107) p. 13	786,548,566	807,985,705	21,437,139
3	<b>OTHER PROPERTY AND INVESTMENTS</b>			
4	Nonutility Property (121) P. 19	0	0	0
4a	Capitalized Leases, net	0	0	0
5	Investment in Associated Companies (123) P. 20	0	0	0
6	Other Investments (124) P.20	3,740	3,740	0
7	Special Funds (125, 126, 127, 128) P. 21	0	0	0
8	Total Other Property and Investments	3,740	3,740	0
9	<b>CURRENT AND ACCRUED ASSETS</b>			
10	Cash (131)	0	0	0
11	Special Deposits (132, 133, 134) P. 21	0	0	0
12	Working Funds (135)	0	0	0
13	Temporary Cash Investments (136) P. 20	0	0	0
14	Notes and Accounts Receivable (141, 142, 143) P. 22	14,601,735	23,051,536	8,449,801
15	Receivables from Assoc. Companies (145, 146) P. 23	4,593,668	4,056,077	(537,591)
16	Materials and Supplies (151-159, 163) P. 24	22,764,406	18,309,247	(4,455,159)
17	Prepayments (165)	5,859,726	4,040,526	(1,819,200)
18	Interest and Dividends Receivable (171)	0	0	0
19	Rents Receivable (172)	0	0	0
20	Accrued Utility Revenues (173)	31,788,485	28,513,144	(3,275,341)
21	Misc. Current and Accrued Assets (174)	44	0	(44)
21A	Recoverable Fuel (175)	(39,912,275)	(52,936,445)	(13,024,170)
22	Total Current and Accrued Assets	39,695,789	25,034,085	(14,661,704)
23	<b>DEFERRED DEBITS</b>			
24	Unamortized Debt Discount and Expense (181) P.26	2,169,960	2,030,078	(139,882)
25	Extraordinary Property Losses (182) P.27	0	0	0
26	Preliminary Survey and Investigation Charges (183)	0	0	0
27	Clearing Accounts (184)	0	0	0
28	Temporary Facilities (185)	213,500	286,726	73,226
29	Miscellaneous Deferred Debits (186) P. 27	87,857,694	116,920,685	29,062,991
30	Total Deferred Debits	90,241,154	119,237,489	28,996,335
31	<b>CAPITAL STOCK DISCOUNT AND EXPENSE</b>			
32	Discount on Capital Stock (191) P. 28	0	0	0
33	Capital Stock Expense (192) P. 28	0	0	0
34	Total Capital Stock Discount and Expense	0	0	0
35	<b>REACQUIRED SECURITIES</b>			
36	Reacquired Capital Stock (196)	0	0	0
37	Reacquired Bonds (197)	0	0	0
38	Total Reacquired Securities	0	0	0
39	Total Assets and Other Debits	916,489,249	952,261,019	35,771,770

NOTES:

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

<b>COMPARATIVE BALANCE SHEET Liabilities and Other Credits</b>				
<b>Line No.</b>	<b>Title of Account (a)</b>	<b>Balance Beginning of Year (b)</b>	<b>Balance End of Year (c)</b>	<b>Increase or (Decrease) (d)</b>
1	<b>PROPRIETARY CAPITAL</b>			
2	<b>CAPITAL STOCK</b>			
3	Common Stock Issued (201) P.29	100	100	0
4	Preferred Stock Issued (204) P.29	0	0	0
5	Capital Stock Subscribed (202, 205)	0	0	0
6	Premium on Capital Stock (207) P.29	419,429,145	419,429,145	0
7	Total	419,429,245	419,429,245	0
8	<b>SURPLUS</b>			
9	Other Paid-In Capital (208-211) P.30	(167,590,544)	(167,590,544)	0
10	Earned Surplus (215,216) P.12	92,468,654	101,048,466	8,579,812
11	Other Comprehensive Income	0	0	0
12	Total	(75,121,890)	(66,542,078)	8,579,812
13	Total Proprietary Capital	344,307,355	352,887,167	8,579,812
14	<b>LONG-TERM DEBT</b>			
15	Bonds (221) P.31	75,000,000	75,000,000	0
16	Capital Lease Obligations (221)	0	0	0
	Advances from Associated Companies (223) P. 31	0	0	0
17	Other Long-Term Debt (224) P.31	0	0	0
18	Total Long-Term Debt	75,000,000	75,000,000	0
19	<b>CURRENT AND ACCRUED LIABILITIES</b>			
	Capitalized Lease Obligation			
20	Notes Payable (231) P.32	0	0	0
21	Accounts Payable (232)	13,375,444	11,162,344	(2,213,100)
22	Payables to Associated Companies (233,234) P.32	83,682,529	61,528,427	(22,154,102)
23	Customer Deposits (235)	445,491	286,775	(158,716)
24	Taxes Accrued (236)	(6,404,397)	(4,636,314)	1,768,083
25	Interest Accrued (237)	6,575,856	5,692,636	(883,220)
26	Dividends Declared (238)	0	0	0
27	Matured Long-Term Debt (239)	0	0	0
	Matured Interest (240)	0	0	0
28	Tax Collections Payable (241)	371,883	511,355	139,472
29	Misc. Current & Accrued Liab. (242) P.33	1,154,533	1,508,388	353,855
30	Total Current & Accrued Liability	99,201,339	76,053,611	(23,147,728)
31	<b>DEFERRED CREDITS</b>			
32	Unamortized Premium on Debt (251) P.26	0	0	0
33	Customer Advances for Construction (252)	33,021	33,021	(0)
34	Other Deferred Credits (253) P.33	8,889,672	5,682,918	(3,206,754)
35	Total Deferred Credits	8,922,693	5,715,939	(3,206,754)
36	<b>RESERVES</b>			
37	Reserves for Depreciation (254-256) P.13	245,806,375	260,374,318	14,567,943
38	Reserves for Amortization (257-259) P.13	9,400,680	10,777,388	1,376,708
39	Reserve for Uncollectible Accounts (260)	2,935,938	3,022,183	86,245
40	Operating Reserves (261-265) P.35	44,004,118	50,191,786	6,187,668
41	Reserve for Depreciation and Amortization of Nonutility Property (266)	0	0	0
42	Reserve for Deferred Income	0	0	0
	Taxes (267, 268) P.36	86,910,751	118,238,627	31,327,876
43	Total Reserves	389,057,862	442,604,302	53,546,440
44	<b>CONTRIBUTION IN AID OF CONSTRUCTION</b>			
45	Contributions in Aid of Construction (271) P.36	0	0	0
46	Total Liabilities and Other Credits	\$916,489,249	952,261,019	35,771,770

## STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a)	Current Year (b)	Prior Year (b)	Increase or (Decrease) from Preceding Year (c)
1	<b>OPERATING INCOME</b>			
2	Operating Revenues (400) P. 37,43	266,878,248	286,829,262	(19,951,014)
3	Operating Expenses:			
4	Operating Expenses (401) P. 42,47	215,222,881	235,227,513	(20,004,632)
5	Maintenance Expense (402) P. 42,47	4,597,382	5,651,372	(1,053,990)
6	Depreciation Expense (403) P. 34	20,663,075	20,072,249	590,826
7	Amortization of Utility Plant (404 and 405)	1,376,707	330,133	1,046,574
8	Amortization of Investment Credit (406.0)	0	0	0
9	Amortization of Conversion Expenses (407.2)	29,358	0	29,358
10	Taxes Other Than Income Taxes (408) P. 49	5,834,793	5,838,869	(4,076)
11	Income Taxes (409) P. 49	3,105,099	(5,523,234)	8,628,333
12	Provision for Deferred Income Taxes (410) P. 36	(936,455)	9,311,534	(10,247,989)
13	Income Taxes Deferred In Prior Years -- Cr. (411) P. 36	0	0	0
14	Total Operating Expenses	249,892,840	270,908,436	(21,015,596)
15	Net Operating Revenues	16,985,408	15,920,826	1,064,582
16	Income from Utility Plant Leased to Others		0	
17	Other Utility Operating Income (414) P. 50	0	0	0
18	Total Utility Operating Income	16,985,408	15,920,826	1,064,582
19	<b>OTHER INCOME</b>			
20	Income from Mdse. Jobbing & Contract Work (415) P. 51	0	0	0
21	Income from Nonutility Operations (417)	0	0	0
22	Nonoperating Rental Income (418)	0	0	0
23	Interest and Dividend Income (419)	787,935	736,208	51,727
24	Miscellaneous Nonoperating Income (421)	59,595	355,802	(296,207)
25	Total Other Income	847,530	1,092,010	(244,480)
26	Total Income	17,832,938	17,012,836	820,102
27	<b>MISCELLANEOUS INCOME DEDUCTIONS</b>			
28	Miscellaneous Amortization (425)	0	0	0
29	Other Income Deductions (426)	172,822	90,873	81,949
30	Total Income Deductions	172,822	90,873	81,949
31	Income Before Interest Charges	17,660,116	16,921,963	738,153
32	<b>INTEREST CHARGES</b>			
33	Interest on Long-Term Debt (427) P. 31	5,635,333	5,635,333	0
34	Amortization of Debt Disc. & Expense (428) P. 26	139,882	139,272	610
35	Amortization of Prem. on Debt - - Credit (429) P. 26	0	0	0
36	Int. on Debt to Associated Companies (430) P. 31, 32	4,214,177	4,165,741	48,436
37	Other Interest Expense (431)	(789,553)	624,559	(1,414,112)
38	Interest Charged to Construction - - Credit (432)	(119,535)	(213,343)	93,808
39	Total Interest Charges	9,080,304	10,351,562	(1,271,258)
40	Net Income	8,579,812	6,570,401	2,009,411
41	<b>EARNED SURPLUS</b>			
42	Unappropriated Earned Surplus (at beginning of period) (216)	92,468,654	85,898,253	6,570,401
43	Balance Transferred from Income (433)	8,579,812	6,570,401	2,009,411
44	Miscellaneous Credits to Surplus (434)	0	0	0
45	Miscellaneous Debits to Surplus (435)	0	0	0
46	Appropriations of Surplus (436)	0	0	0
47	Net Additions to Earned Surplus	8,579,812	6,570,401	2,009,411
48	Dividends Declared - - Preferred Stock (437)	0	0	0
49	Dividends Declared - - Common Stock (438)	0	0	0
50	Unappropriated Earned Surplus (at end of period) (216)	101,048,466	92,468,654	8,579,812

STATEMENT OF INCOME FOR THE YEAR (CONTINUED)

NOT APPLICABLE

**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 of 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 amounts 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)	(c)
<b>UNAPPROPRIATED EARNED SURPLUS (Account 216)</b>			
1	Balance - - Beginning of year		\$ 92,468,654
2	Charges: (identify by prescribed earned surplus accounts)		
3	Transfer from income (loss)		8,579,812
4			
5			
6			
7			
8			
9	Dividends Declared - Common Stock	438	0
10	Less: Dividends Declared - Preferred Stock	438	0
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27	Balance - - end of year		\$ 101,048,466
<b>APPROPRIATED EARNED SURPLUS (Account 215)</b>			
28	State balance and purpose of each appropriated earned surplus amount at end of year and give accounting entries for any applications of appropriated earned surplus during year.		
29			
30			
31			
32			
33			
34	NONE		
35			
36			
37			
38			
39			
40			

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

SUMMARY OF UTILITY PLANT AND RESERVES FOR DEPRECIATION AND AMORTIZATION							
Line No.		Total (b)	Electric (c)	Gas (d)	(e)	(f)	Common (g)
1	<b>UTILITY PLANT</b>						
2	In Service:						
3	101 Plant in Service (Classified)	\$781,356,804		\$781,356,804			
4	106 Completed Construction not Classified	21,626,035		21,626,035			
5	Total P. 16, 18	\$802,982,840		\$802,982,840			
6	104 Leased to Others	\$0					
7	105 Held for Future Use	-		0			
8	107 Construction Work in Progress	5,002,865		5,002,865			
9	Total Utility Plant	\$807,985,705		\$807,985,705			
10	<b>DETAIL OF RESERVES FOR DEPRECIATION AND AMORTIZATION</b>						
11	In Service:						
12	254 Depreciation P. 34	\$260,374,318		260,374,318			
13	257 Amortization	10,777,388		10,777,388			
14	Total, in Service	\$271,151,706		\$271,151,706			
15	Leased to Others:						
16	255 Depreciation						
17	258 Amortization						
18	Total, Leased to Others						
19	Held for Future Use:						
20	256 Depreciation						
21	259 Amortization						
22	Total, Held for Future Use						
23	Total Reserves for Depreciation and Amortization	\$271,151,706		\$271,151,706			

UTILITY PLANT - GAS

1. Report below the cost of utility plant in service according to prescribed accounts.  
2. Do not include as adjustments, corrections of additions and retirements for the current or

the preceding year. Such items should be included in column (c) or (d) as appropriate.  
3. Credit adjustments of plant accounts should be enclosed in parentheses to indicate the negative effect

of such amounts.  
4. Reclassifications or transfers within utility plant accounts should be shown in column (f).

		Balance					Balance
Line No.	Account (a)	Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	End of Year (g)
1	<b>1. INTANGIBLE PLANT</b>						
2	301 Organization						
3	303 Miscellaneous Intangible Plant	212,547,267	10,415	0	0	0	212,557,682
4	Total Intangible Plant	212,547,267	10,415	0	0	0	212,557,682
5	<b>2. PRODUCTION PLANT</b>						
6	Manufactured Gas Production Plant						
7	304 Land and Land Rights	669,111	0	0	0	0	669,111
8	305 Structures and Improvements	9,216,013	138,981	(10,784)	0	0	9,344,210
9	306 Boiler Plant Equipment	687,082	2,448	0	0	0	689,530
10	307 Other Power Equipment	1,111,820	56	0	0	0	1,111,876
11	310 Water Gas Generating Equipment	0	0	0	0	0	0
12	311 Liquefied Petroleum Gas Equipment	0	0	0	0	0	0
		3,149,715	66,941	0	0	0	3,216,656
13	312 Oil Gas Generating Equipment	0	0	0	0	0	0
14	313 Generating Equipment -- Other Processes & LNG Equipment	0	0	0	0	0	0
		7,900,446	1,156,258	0	0	0	9,056,704
15	315 Catalytic Cracking Equipment	0	0	0	0	0	0
16	316 Other Reforming Equipment	0	0	0	0	0	0
17	317 Purification Equipment	0	0	0	0	0	0
18	318 Residual Refining Equipment	0	0	0	0	0	0
19	319 Gas Mixing Equipment	0	0	0	0	0	0
19	320 Other Equipment	5,154,882	1,858	0	0	0	5,156,740
20	339 PRD-PROD-ARO	7,526	0	0	0	0	7,526
21	Total Manufactured Gas Production Plant	27,896,595	1,366,542	(10,784)	0	0	29,252,352
22	<b>3. STORAGE PLANT</b>						
23	360 Land and Land Rights	0	0	0	0	0	0
24	361 Structures and Improvements	200,754	0	0	0	0	200,754
25	362 Gas Holders	137,226	0	0	0	0	137,226
26	363 Other Equipment	26,344	0	0	0	0	26,344
27	Total Storage Plant	364,324	0	0	0	0	364,324

The adjustment to Goodwill (included in account 303) was as a result of the National Grid's acquisition of KeySpan.

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

UTILITY PLANT - GAS (Continued)							
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)
1	<b>4. TRANSMISSION AND DISTRIBUTION PLANT</b>						
	<b>DISTRIBUTION PLANT</b>						
2	365.1 Land and Land Rights	179,067	0	0	0	0	179,067
3	365.2 Rights-of-Way	5,215	0	0	0	0	5,215
4	366 Structures and Improvements	3,902,237	0	0	0	0	3,902,237
5	367 Mains	260,122,970	10,515,929	(608,104)	0	0	270,030,796
6	368 Compressor Station Equipment	0	0	0	0	0	0
7	369 Measuring and Regulating Station Equipment	8,299,833	105,290	0	0	0	8,405,123
8	372 T&D-AROs	549,511	0	0	0	0	549,511
9	380 Services	197,457,421	8,747,303	(807,340)	0	0	205,397,384
10	381 Meters	34,526,311	1,422,617	(434,590)	0	0	35,514,337
11	382 Meter Installations	16,106,641	39,495	0	0	0	16,146,136
12	383 House Regulators	0	0	0	0	0	0
13	386 Other Property on Cust's Prem	0	0	0	0	0	0
14	387 Other Equipment	938,895	(16,246)	0	0	0	922,648
15	Total Transmission and Distribution Plant	522,088,100	20,814,388	(1,850,034)	0	0	541,052,454
16	<b>5. GENERAL PLANT</b>						
16	388 Land and Land Rights	15,935	0	0	0	0	15,935
17	389 Land and Land Rights	126,670	0	0	0	0	126,670
18	390 Structures and Improvements	9,410,248	33,913	0	0	0	9,444,161
19	391 Office Furniture and Equipment	6,525,891	16,246	(1,915,944)	0	0	4,626,193
20	392 Transportation Equipment	337,703	0	0	0	0	337,703
21	393 Stores Equipment	37,158	0	0	0	0	37,158
22	394 Tools, Shop and Garage Equipment	3,675,072	278,223	(14,591)	0	0	3,938,704
23	395 Laboratory Equipment	8,784	0	0	0	0	8,784
24	396 Power Operated Equipment	0	0	0	0	0	0
25	397 Communication Equipment	714,780	7,111	(1,124)	0	0	720,766
26	398 Miscellaneous Equipment	482,696	14,876	(4,459)	0	0	493,113
27	399 Other Tangible Property	6,840	0	0	0	0	6,840
28	Total General Plant	21,341,777	350,368	(1,936,119)	0	0	19,756,027
29	Total Gas Plant in Service	784,238,063	22,541,713	(3,796,936)	0	0	802,982,840
30	104 Utility Plant Leased to Others	0	0	0	0	0	0
31	105 Property Held for Future Use	0	0	0	0	0	0
32	107 Construction Work in Progress	2,310,503	65,214,531	0	(62,522,169)	0	5,002,865
33	Total Utility Plant - - Gas	786,548,566	87,756,244	(3,796,936)	(62,522,169)	0	807,985,705

Note: Completed Construction Not Classified, Acct. 106, shall be classified in this schedule according to prescribed accounts, on an estimated basis if necessary, and the entries included in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (c). Likewise, if the respondent has a significant amount of plant retirements which

have not been classified to primary accounts at the end of the year, a tentative distribution of such retirements, on an estimated basis with appropriate contra entry to the Depreciation Reserve Account, shall be included in column (d). Include also in column (d) reversals of tentative distributions of prior year of unclassified retirements. Attach an insert page showing the

account distributions of these tentative classifications in column (c) and (d) including the reversals of the prior years tentative account distributions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

<b>NONUTILITY PROPERTY (Account 121)</b>					
Give particulars of all investments of the respondent in physical property not devoted to utility operations.					
Line No.	Description of Location (a)	Book Value at End of Year (b)	Revenue for the year (c)	Expense for the year (d)	Net Revenue for Year (e)
1					
2					
3					
4					
5					
6					
7	NONE				
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
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31					
32					
33					
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37					
38					
39					
40					

**INVESTMENTS (Accounts 123, 124, 136)**

Give particulars of investments in stocks, bonds, notes, etc., held by the respondent at end of year.  
Provide a subheading for each account and list thereunder the information called for.

Line No.	Description of Security Held by Respondent (a)	Amount (b)
1	Account 123 - Investments in Associated Companies	-
2	Account 124 - Other Investments	3,740
3		
4	Account 136 - Temporary Cash Investments	-
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
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18		
19		
20		
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39		
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41		
42		
43		
44	TOTAL	\$3,740

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

<b>SPECIAL FUNDS (Accounts 125, 126, 127, 128)</b>		
(Sinking Funds, Depreciation Fund, Amortization Fund-Federal, Other Special Fund)		
Report below the balance at end of year of each special fund maintained during year. Identify each fund as to account in which included. Indicate nature of any fund included in Account 128 Other Special Funds		
Line No.	Name of Fund and Trustee If Any (a)	Balance End of Year (b)
1	Other Special Funds	\$0
2		-
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19	TOTAL	\$0
<b>SPECIAL DEPOSITS (Accounts 132, 133, 134)</b>		
1. Report below the amount of special deposits by classes at end of year.		
2. If any deposit consists of assets other than cash, give a brief description of such assets.		
3. If any deposit is held by an associated company, give name of company.		
Line No.	Description and Purpose of Deposit (a)	Balance End of Year (b)
20	Interest Special Deposits (Account 132)	\$0
21	Dividend Special Deposits (Account 133)	\$0
22		
23	Other Special Deposits (Account 134):	\$0
24	(specify purpose of each other special deposit):	
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35	TOTAL	\$0

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**NOTES RECEIVABLE (Account 141)**

1. Give the particulars called for below concerning notes receivable at end of year.  
 2. Give particulars of any note pledged or discounted.  
 3. Minor items may be grouped by classes, showing number of such items.  
 4. Designate any note the maker of which is a director, officer or other employee.

Line No.	Name of Maker and Purpose for Which Received (a)	Date of Issue (b)	Date of Maturity (c)	Interest Rate (d)	Amount End of Year (e)
1	NONE				0
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18		TOTAL			

**ACCOUNTS RECEIVABLE (Accounts 142, 143)**

1. Give the particulars called for below concerning accounts receivable at end of year.  
 2. Designate any account included in Account 143 in excess of \$5,000.

Line No.	Description (a)	Amount End of Year (b)
19	Customers (Account 142):	21,850,801
20	Other Accounts Receivable (Account 143):	
21	AR Alliance	134,936
22	Other Customer Billing GP	626,886
23	OPEB/ FASB 106	331,383
24	AR Deferred Hedging	0
25	Other AR OffSystem Sales	107,530
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	23,051,536

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)**

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. Report particulars of notes and accounts receivable from associated companies at end of year.</li> <li>2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.</li> <li>3. For notes receivable list each note separately and state purpose for which received. Show also in column (a) date of note and date of maturity.</li> </ol> | <ol style="list-style-type: none"> <li>4. If any note was received in satisfaction of open account, state the period covered by such.</li> <li>5. Include in column (d) interest recorded as income during the year, including interest on accounts and notes held any time during the year.</li> <li>6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.</li> </ol> |
|---|--|

Line No.	Name of Company (a)	Amount End of Year (b)	Interest for Year	
			Rate (c)	Amount (d)
1	Accounts Receivable from Associated Companies	4,056,077		0
2	(Account 146):			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
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22				
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24				
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26				
27				
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29				
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31				
32				
33				
34				
35				
36	TOTALS	\$4,056,077		0

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**MATERIALS AND SUPPLIES (Accounts 151-159, 163)****Summary Per Balance Sheet**

Line No.	Account (a)	Amount End of Year	
		Electric (b)	Gas (c)
1	Fuel (Account 151) (See Schedule, Page 25)		\$0
2	Supplemental Fuel Stock		17,929,446
3	Residuals (Account 153)		-
4	Plant Materials and Operating Supplies (Account 154)		379,801
5	Merchandise (Account 155)		-
6	Other Materials and Supplies (Account 154)		-
7	Nuclear Fuel Assemblies and Components - In Reactor (Account 157)		-
8	Nuclear Fuel Assemblies and Components - Stock Account (Account 158)		-
9	Nuclear Byproduct Materials (Account 159)		-
10	Stores Expenses (Account 163)		-
11	Total Per Balance Sheet		\$18,309,247

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**PRODUCTION FUEL AND OIL STOCKS (Included in Account 151)**  
 (Except Nuclear Materials)

1. Report below the information called for concerning production fuel and oil stocks.
2. Show quantities in tons of 2,000 lbs., gal., or Mcf., whichever unit of quantity is applicable.
3. Each kind of coal or oil should be shown separately.
4. Show gas and electric fuels separately by specific use.

Line No.	Item (a)	Total Cost (b)	Kinds of Fuel and Oil			
			PROPANE		LIGHT OIL	
			Quantity (c)	Cost (d)	Quantity (e)	Cost (f)
1	On Hand Beginning of Year	0	0	\$0		
2	Received During Year	0	0	0		
3	Other charges	0	0	0		
4	TOTAL	0	0	0		
5	Used During Year (Note A)					
6	Liquid Propane	0	0	0		
7	SNG	0	0	0		
8	Fuel	0	0	0		
9						
10	Sold or Transferred					
11	TOTAL DISPOSED OF	0	0	0		
12	BALANCE END OF YEAR	\$0	0	\$0		
Line No.	Item (g)	Total Cost (b)	Kinds of Fuel and Oil - Continued			
			PROPANE		LIGHT OIL	
			Quantity (h)	Cost (i)	Quantity (j)	Cost (k)
13	On Hand Beginning of Year					
14	Received During Year					
15	TOTAL					
16	Used During Year (Note A)					
17						
18						
19	Sold or Transferred					
20	TOTAL DISPOSED OF					
21	BALANCE END OF YEAR					

NOTE A - - Indicate specific purpose for which used, e.g. Boiler Oil, Make Oil, Generator Fuel, etc. To run airAir Stabilization Compressors.

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND UNAMORTIZED PREMIUM ON DEBT (Accounts 181, 251)**

1. Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium on Debt, particulars of discount and expense or premium applicable to each class and series of long-term debt.
2. Show premium amounts by enclosure in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.
5. Furnish particulars regarding the treatment of unamortized debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year, also, date of the Department's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Set out separately and identify undisposed amounts applicable to issues which were redeemed prior years.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debit-Credit.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Securities to Which Discount and Expense or Premium Minus Expense, Relates (Omit Cents) (b)	Total Discount and Expense or Net Premium (c)	Amortization Period		Balance Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance End of Year (i)
				From (d)	To (e)				
1									
2	Series CH	25,000,000	655,923	06/30/92	06/30/22	274,116	0	21,924	252,192
3	MTA-1	10,000,000	348,671	10/12/95	10/14/25	182,972	0	11,628	171,344
4	MTA-2	10,000,000	1,761,058	12/15/95	12/15/25	937,792	0	58,620	879,172
5	MTA-3	10,000,000	1,176,422	02/05/96	02/05/26	630,666	0	39,216	591,450
6	MTB-1	20,000,000	345,500	04/07/98	04/07/28	144,414	0	8,494	135,920
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
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21									
22									
23									
24									
25									
26									
27		\$75,000,000	\$4,287,574			\$2,169,960	\$0	\$139,882	\$2,030,078

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**EXTRAORDINARY PROPERTY LOSSES (Account 182)**

1. Report below particulars concerning the accounting for extraordinary property losses.
2. In column (a) describe the property abandoned for extraordinary loss suffered, date of abandonment or loss, date of Department authorization of use of Account 182, and period over which amortization is being made.

Line No.	Description of Property Loss or Damage (a)	Total Amount of Loss (b)	Previously Written off (c)	Written Off During Year		Balance End of Year (f)
				Account Charged (d)	Amount (e)	
1	None					0
2						
3						
4						
5						
6						
7						
8						
9						
10		TOTALS	\$0	\$0		

**MISCELLANEOUS DEFERRED DEBITS (Account 186)**

1. Report below the particulars called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized show period of amortization.
3. Minor items may be grouped by classes, showing number of such items.

Line No.	Description (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amount (e)	
11						
12	Deferred Environmental	5,183,627	3,065,151	265	3,793,068	4,455,709
	Environmental Recoveries	661,897	3,757,821	232,131,175	2,243,407	2,176,311
13	Deferred Derivatives	16,833,518	49,913,283	143,232,242,253,254,495	55,941,476	10,805,324
14	Deferred Income Tax	28,615,873	104,341,834	253,282,283,409,410	72,287,614	60,670,094
15	Pension/OPEB /FAS158	34,862,349	9,265,400	228,9265,9267	7,256,916	36,870,831
16	Miscellaneous Deferred Debits	1,700,430	1,528,029	4995,419,232	1,286,044	1,942,415
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31	TOTALS	\$87,857,694	\$171,871,518		\$142,808,525	\$116,920,684

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**DISCOUNT ON CAPITAL STOCK (Account 191)**

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock.

balance with respect to any class or series of stock, attach a statement giving particulars of the change. State the reason for any charge-off during the year and specify the amount charged.

2. If any change occurred during the year in the

Line No.	Class and Series of Stock (a)	Balance End of Year (b)
1		
2		
3		
4		
5		
6		
7	NONE	
8		
9		
10		
11		
12		
13		
14	TOTAL	0

**CAPITAL STOCK EXPENSE (Account 192)**

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock.

balance with respect to any class or series of stock, attach a statement giving particulars of the change. State the reason for any charge-off of capital stock expense & specify the account charged.

2. If any change occurred during the year in the

Line No.	Class and Series of Stock (a)	Balance End of Year (b)
15		\$0
16		
17		
18		
19		
20		
21		
22		
23		
24	NONE	
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36	TOTAL	\$0

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**CAPITAL STOCK AND PREMIUM (Accounts 201, 204 and 207)**

1. Report below the particulars called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show totals separately for common and preferred stock.

2. Entries in column (b) should represent the number of shares authorized by the Department.

3. Give particulars concerning shares of any class and series of stock authorized to be issued by the Department which have not yet been issued.

4. The designation of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.

5. State if any capital stock which has been nominally issued is nominally outstanding at end of year.

6. Give particulars of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledge and purpose of pledge.

Line No.	Class and Series of Stock (a)	Number of Shares Authorized (b)	Par Value per Share (c)	Outstanding per Balance Sheet*			Premium at End of Year (g)
				Amount Authorized (d)	Shares (e)	Amount (f)	
1							
2							
3							
4	Capital Stock - Common Stock	100	\$1.00	\$100	100	\$100	\$419,429,145
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20	TOTALS	100		\$100	100	\$100	\$419,429,145

\* Total amount outstanding without reduction for amounts held by respondent.

**OTHER PAID-IN CAPITAL (Accounts 208-211)**

1. Report below balance at end of year and the information specified in the instructions below for the respective other paid-in capital accounts. Provide a conspicuous sub-heading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet. Additional columns may be added for any account if deemed necessary. Explain the change in any account during the year and give the accounting entries effecting such change.

2. Donations Received from Stockholders (Account 208)

State Amount and give brief explanation of the origin and purpose of each donation.

3 Reduction in Par Value of Capital Stock (Account 209)

State amount and give brief explanation of the capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

4. Gain on Cancellation of Reacquired Capital Stock (Account 210) - - Report balance at beginning of year, credits, debits, and balance at end of year with a succinct designation of the nature of each credit and debit identified as to class and series of stock to which related.

5. Misc. Paid-In Capital (Acct. 211) - - Classify amounts included in this account at end of year according to captions which, together with brief explanations, disclose the general nature of transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1		
2		
3	Other Paid In Capital	\$ (167,590,544)
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
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29		
30		
31		
32		
33		
34		
35		
36		
37	TOTAL	(\$167,590,544)

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**LONG-TERM DEBT (Accounts 221, 223-224)**Report by balance sheet accounts particulars concerning long-term debt in Accounts 221, Bonds;  
223 Advances from Associated Companies; and 224, Other Long-Term Debt

Line No.	Class and Series of Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Amount Authorized (d)	Amount Actually Outstanding at End of Year (e)	Interest Provisions		Interest Accrued During Year, Charged to Income (h)	Interest Paid During Year (i)
						Rate Per Cent (f)	Dates Due (g)		
1									
2	SERIES CH	06/30/92	06/30/22	25,000,000	25,000,000	8.800%	J - D	2,200,000	2,200,000
3	MTA-1	10/12/95	10/14/25	10,000,000	10,000,000	Note 1 , 3	A - O	706,667	738,000
4	MTA-2	12/15/95	12/15/25	10,000,000	10,000,000	Note 2 , 3	F - A	662,667	690,000
5	MTA-3	02/05/96	02/05/26	10,000,000	10,000,000	6.940%	F - A	694,000	694,000
6	MTB-1	04/07/98	04/07/28	20,000,000	20,000,000	Note 3 , 4	F - A	1,372,000	1,424,000
7									
8									
9									
10									
11	Note 1: For the period 10/12/95 through 10/14/05, the Rate Per Cent is 6.44%. For the period 10/15/05 through 10/14/25 the Rate Per Cent will be 7.38%.								
12	Note 2: For the period 12/15/95 through 12/14/05, the Rate Per Cent is 6.08%. For the period 12/15/05 through 12/15/25 the Rate Per Cent will be 6.90%.								
13	Note 3: These issues of bonds can be redeemed by the holder within a 30 day period at the end of ten years .								
14	Note 4: For the period 4/7/98 through 4/6/08, the Rate Per Cent is 6.34%. For the period 4/7/08 through 4/7/28 the Rate Per Cent will be 7.12%.								
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27	TOTALS			\$75,000,000	\$75,000,000			\$5,635,334	\$5,746,000

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**NOTES PAYABLE (Account 231)**

Report the particulars indicated concerning notes payable at end of year.

Line No	Payee (a)	Date of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of Year (e)
1	Medium-Term Notes				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13			TOTAL		\$0

**PAYABLES TO ASSOCIATED COMPANIES (Accounts 233, 234)**

Report particulars of notes and accounts payable to associated companies at end of year.

Line No.	Name of Company (a)	Amount End of Year (b)	Interest for Year	
			Rate (c)	Amount (d)
14				
15				
16	Advance from KeySpan	49,000,000	7.25%&7.625%	3,897,649
17				
18	Note Payable to Utility Pool - Working Capital	(43,494,003)	1.259%	1,862
19				
20	Note Payable to Pool Gas Financing (1)	22,618,191	1.391%	314,665
21				
22	Payable to Associated Companies	33,404,239		
23				
24				
25				
26				
27				
28				
29				
30	(1) Interest charged to cost of gas			
31				
32				
33				
34				
35				
36				
37	TOTALS	\$61,528,427		\$4,214,177

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)**

1. Report the amount and description of other current and accrued liabilities at end of year.
2. Minor items may be grouped under appropriate title.

Line No.	Item (a)	Amount (b)
1		
2		
3	Accrued Gain Sharing	337,284
4	Accrued Miscellaneous	100,418
5	Accrued Vacation	952,617
6	Accrued Incentive Compensation	118,068
7		
8		
9		
10		
11		
12	TOTAL	\$1,508,388

**OTHER DEFERRED CREDITS (Account 253)**

1. Report below the particulars called for concerning other deferred credits.
2. For any deferred credits being amortized show the period of amortization.
3. Minor items may be grouped by classes. Show number of items.

Line No.	Description of Other Deferred Credit (a)	Balance Beginning of Year (b)	Debits		Credits (e)	Balance End of Year (f)
			Account Credited (c)	Amount (d)		
13	Deferred Tax Surplus	910,817	408-409	203,316	0	707,501
14	Residential Conservation Surcharge	(359,017)	175	313,190	683,254	11,047
15	Deferred Post Retirement FAS 112	450,398	926	0	174,488	174,488
16	Derivatives	6,056,706	186	16,019,392	12,574,465	2,704,123
17	Asset Retirement Obligation	1,821,125	231	0	109,267	1,930,393
18	Miscellaneous Deferred Credits	9,643	142	6,908,274	6,695,942	155,366
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35	TOTALS	8,889,672		23,444,172	20,237,416	5,682,918

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

<b>RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)</b>				
Show below the amount credited during the year to Depreciation Reserve, and the amount charged to Depreciation Reserve on account of property retired. Also the balance in the account at the end of the year.				
Line No.	(a)	Electric (b)	Gas (c)	Total (d)
1	Balance at beginning of year		\$ 245,806,375	\$ 245,806,375
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation		20,663,075	20,663,075
4	Other Accounts (Rental Equipment)			
5				
6	TOTAL CREDITS DURING YEAR		\$20,663,075	\$20,663,075
7	Net Charges for Plant Retired:			
8	Book Cost of Plant Retired		3,796,936	3,796,936
9	Cost of Removal		2,343,162	2,343,162
10	Salvage (Credit)		0	0
11	Transfer/Reclass		(2)	(2)
12	ARO Entries Journalled into the Account		(44,964)	(44,964)
13	NET CHARGES DURING YEAR		\$ 6,095,131	\$ 6,095,131
14	Balance December 31		\$260,374,318	\$260,374,318

<b>METHOD OF DETERMINATION OF DEPRECIATION CHARGES</b>	
Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.	
15	Depreciation \$ 20,663,075
16	The composite book depreciation rate for 2010 depreciable property was - 2.67%
17	Depreciation taken for Federal Income Tax purposes \$ 22,381,721
18	Differences -
19	
20	

<b>DIVIDENDS DECLARED DURING THE YEAR (Accounts 437, 438)</b>							
Give particulars of dividends declared on each class of stock during the year, and charged to Earned Surplus. This schedule shall include only dividends that have been declared by the Board of Directors during the fiscal year.							
Line No.	Name of Security on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock on Which Dividend was Declared (d)	Amount of Dividend (e)	Date	
		Reg'l'r (b)	Extra (c)			Declared (f)	Payable (g)
21	Common Stock	\$0.0000		0	\$0		
22							
23	Preferred Stock	\$0.0000		0	\$0		
24		\$0.0000		0	\$0		
25		\$0.0000		0	\$0		
26							
27	Added Accrual				\$0		
28							
29							
30	TOTALS	\$0.000			\$0		
Dividend rates on Common Stock and Premium					0.00%		
Dividend rates on Common Stock, Premium and Surplus					0.00%		

**OPERATING RESERVES (Accounts 261, 262, 263, 264, 265)**

1. Report below an analysis of the changes during the year for each of the above-named reserves.  
 2. Show name of reserve and account number, balance beginning of year, credits, debits, and balance at end of year. Credit amounts should be shown in black, debit amounts enclosed by parentheses.  
 3. Each credit and debit amount should be described as to its general nature and the contra account debited or credited shown. Combine the amounts of monthly accounting entries of the same general nature.

If respondent has more than one utility department, contra accounts debited or credited should indicate the utility department affected.  
 4. For Accounts 261, Property Insurance Reserve and 262, Injuries and Damages Reserve, explain the nature of the risks covered by the reserve.  
 5. For Account 265, Miscellaneous Operating Reserves, report separately each reserve comprising the account and explain briefly its purpose.

Line No.	Name of Reserve (a)	Bal. Beg. of Year (b)	Credits (c)	Debits (d)	Contra Acct. Debited or Credited (e)	Amount (f)
1	Account 262:					
2						
3	General Liability Reserve	0	16,641	0	926	16,641
4	Workers Compensation Reserve	66,325	26,662	0	926,131	92,987
5						
6						
7						
8	Account 263:					
9						
10	Pensions Reserve	36,251,047	3,398,834	3,832,378	926,131	35,817,503
11	OPEB Reserve	(98,614)	9,225,305	1,919,696	926,131	7,206,995
12						
13						
14						
15						
16	Account 265:					
17	Environmental Reserve	7,785,360	3,078,232	3,805,932	926,131	7,057,660
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34	TOTALS	44,004,118	15,745,674	9,558,006		50,191,786

<b>RESERVES FOR DEFERRED FEDERAL INCOME TAXES (Accounts 267, 268)</b>					
1. Report the information called for below concerning the respondent's accounting for deferred federal income taxes.		(b) Liberalized Depreciation - - State the general method or methods of liberalized depreciation being used (sum-of-years digits, declining balance, etc.), estimated useful lives and classes of plant to which each method is being applied. Furnish a table showing for each year, 1954 to date of this report, the annual amounts of tax deferral, the total debits thereto which have been accounted for as credits to Acct. 411, Federal Income Taxes Deferred in Prior Years - - Credit or comparable account of the previous system of accounts.			
2. In the space provided furnish significant explanations, including the following:					
(a) Accelerated Amortization - - State for each certification number a brief description of property, total and amortizable cost of such property, date amortization for tax purposes commenced, "normal" depreciation rate used in computing deferred tax amounts.					
Line No.	Account Subdivisions (a)	Balance Beginning of Year (b)	Changes During Year		Balance End of Year (e)
			Amts. Debited Account 410 (1) (c)	Amts. Credited Account 411 (2) (d)	
1	Accelerated Amortization				
2	(Account 267)				
3	Electric				
4	Gas	0	0	0	0
5	Other (Specify)				
6	Totals	0	0	0	0
7					
8	Liberalized Depreciation				
9	(Account 268)				
10	Electric				
11	Gas	74,236,476	25,189,977		99,426,453
	Prov Deferred Merger Cost				
12	Trueup and Other				0
13	Totals	74,236,476	25,189,977	0	99,426,453
14					
15	Total (Accounts 267, 268)				
16	Electric				
17	Gas	74,236,476	25,189,977		99,426,453
	Prov Deferred Merger Cost				
18	Trueup and Other	0	0	0	0
19	Totals	74,236,476	25,189,977	0	99,426,453
20	Note (A) Includes debits and credits to Account 236 and 253 and also reclass between Federal and State Account 268.				
21	(1) Account 410, Provision for Deferred Federal Income Taxes				
22	(2) Account 411, Federal Income Taxes Deferred in Prior Years - - Credit				

<b>CONTRIBUTIONS IN AID OF CONSTRUCTION (Account 271)</b>						
Report below the amount of contributions in aid of construction applicable to each utility department.						
Line No.	Class of Utility Service (a)	Balance Beginning of Year (b)	Debits		Credits (e)	Balance End of Year (f)
			Account Credited (c)	Amount (d)		
23	CONTRIB-AID OF CONSTRUCTION	0	107	3,108,322	3,108,322	0
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34	TOTALS	-	107	3,108,322	3,108,322	0

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**GAS OPERATING REVENUES (Account 400)**

1. Report below the amount of operating revenue for the year for each prescribed account and the amount of increase or decrease over the preceding year.

2. If increases and decreases are not derived from previously reported figures explain any inconsistencies.

3. Number of customers should be reported on the basis of number of meters, plus number of flat rate accounts, except that where separate meter readings are added for billing purposes, one customer shall be

counted for each group of meters so added. The average number of customers means the average of the 12 figures at the close of each month. If the customer count in the residential service classification includes customers counted more than once because of special services, such as water heating, etc., indicate in a footnote the number of such duplicate customers included in the classification.

4. Unmetered sales should be included below. The details of such sales should be given in a footnote.

5. Classification of Commercial and Industrial Sales, Acct. 481, according to Small (or Commercial) and Large (or Industrial) may be according to the basis of classification regularly used by the respondent.

Line No	Account (a)	Operating Revenues			Dth Sold (1000 BTU)			Average No. of Cust. Per Month		
		Amount for Year (b)	Prior Year	Increase or (Decrease) from Preceding Year (c)	Amount for Year (d)	Prior Year	Increase or (Decrease) from Preceding Year (e)	Number for Year (f)	Prior Year	Increase or (Decrease) from Preceding Year (g)
1	<b>SALES OF GAS</b>									
2	480 Residential Sales	\$189,874,156	\$201,762,691	(\$11,888,535)	13,112,025	13,599,021	(486,996)	179,811	176,367	3,444
3	481 Commercial and Industrial Sales:									
4	Small (or Commercial) see instr. 5	50,161,486	54,195,676	(\$4,034,190)	3,910,534	4,078,208	(167,675)	18,275	17,817	458
5	Large (or Industrial) see instr. 5	7,519,883	8,010,338	(\$490,455)	682,979	706,418	(23,439)	138	127	11
6	481 Other Sales to Public Authorities	15,072	14,175	897	1,332	1,311	21	3	3	0
7	481 Lost Margin	463,205	657,595	(194,390)	0	0	0	0	1	(1)
8	481 Quasi-Firm Sales	0	0	0	0	0	0	0	0	0
9	485 Miscellaneous Gas Sales	0	0	0	0	0	0	0	0	0
10	Total Sales to Ultimate Consumers	\$248,033,802	\$264,640,475	(\$16,606,673)	17,706,869	18,384,958	(678,089)	198,227	194,315	3,912
11	483 Sales for Resale	9,614,137	9,041,232	572,905	18,829,950	9,522,343	9,307,607	0	0	
12	Total Sales of Gas*	\$257,647,939	\$273,681,707	(\$16,033,768)	36,536,819	27,907,301	8,629,518	198,227	194,315	3,912
13	<b>OTHER OPERATING REVENUES</b>									
14	487 Adjustments			\$ -						
15	488 Miscellaneous Service Revenues	91,385	85,705	5,680						
16	489 Revenues from Trans. of Gas of Others	13,396,809	12,128,880	1,267,929						
17	490 Sales of Products Extracted from Natural Gas	0	0	0						
18	491 Rev. from Natural Gas Processed by Others	0	0	0						
19	493 Rent from Gas Property	0	0	0						
20	494 Interdepartmental Rents	0	0	0						
21	495 Other Gas Revenues	(4,257,885)	932,970	(5,190,855)						
22	Total Other Operating Revenues	\$ 9,230,308	\$ 13,147,555	\$ (3,917,247)						
23	Total Gas Operation Revenues	\$266,878,248	\$286,829,262	(\$19,951,014)						
		Adjustment Clause	Adjustment Cla	Fuel Clauses						
	* Includes revenues from application of Total M.C.F. to which Applied	\$0	0	0						

Line 4 & 5 come from page 44 and line 16 from page 44a

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**SALES OF GAS TO ULTIMATE CONSUMERS**

Report by Account the M.C.F. sold, the amount derived and the number of customers under each filed schedule or contract. Contract sales and unbilled sales may be reported separately in total.

Line No.	Account No.	Schedule (a)	DTH (1000 BTU) (b)	Revenue (c)	Average Revenue per DTH (\$0.0000) (d)	Number of Customers (Per Bills Rendered)	
						July 31 (e)	December 31 (f)
1		<b><u>LOWELL DIVISION</u></b>					
2	480	R-1 Residential	54,362	1,063,407	\$19.5617	2,721	2,666
3	480	R-2 Residential	5,239	78,799	\$15.0397	171	186
4	480	R-31 Residential	5,817,602	83,033,513	\$14.2728	72,515	73,582
5	480	R-32 Residential	606,022	6,778,742	\$11.1856	3,105	3,163
6	481	G-41 Commercial	1,217,059	15,901,622	\$13.0656	6,288	6,657
7	481	G-42 Commercial	378,385	4,565,339	\$12.0653	181	173
8	481	G-43 Commercial	185,930	2,210,169	\$11.8871	61	19
9	481	G-51 Commercial	431,357	5,139,637	\$11.9150	1,254	1,152
10	481	G-52 Commercial	183,768	2,089,599	\$11.3709	76	43
11	481	G-53 Commercial	219,423	2,365,381	\$10.7800	20	9
12	481	Lost Margin		324,617	\$0.0000	0	0
13	481	Interruptibles	0	0	\$0.0000		
14	481	Sales Allowance Commercial		(51,011)			
15		G-27 CNG Fuel					
16		G-90 Broker Sales					
17							
18							
19		<b>Total Lowell</b>	<b>9,099,146</b>	<b>\$123,499,814</b>	<b>\$13.5727</b>	<b>86,392</b>	<b>87,650</b>
20							
21							
22		<b><u>CAPE COD DIVISION</u></b>					
23	480	R-1 Residential	45,794	\$1,007,875	\$22.0088	2,323	2,298
24	480	R-2 Residential	695	\$12,599	\$18.1261	43	41
25	480	R-31 Residential	6,171,640	\$92,151,580	\$14.9315	85,247	86,075
26	480	R-32 Residential	316,315	\$3,711,539	\$11.7337	2,031	2,108
27	480	R-5 Residential	94,356	\$2,036,104	\$21.5789	5,198	4,893
28	481	G-17 Unmetered Gas Lamp	1,332	\$15,072	\$11.3153	3	3
29	481	G-41 Commercial	881,312	\$12,833,043	\$14.5613	6,679	6,479
30	481	G-42 Commercial	221,406	\$2,742,517	\$12.3868	168	67
31	481	G-43 Commercial	139,955	\$1,712,964	\$12.2394	37	8
32	481	G-51 Commercial	428,111	\$5,067,825	\$11.8376	1,462	1,743
33	481	G-52 Commercial	169,135	\$1,918,459	\$11.3427	91	61
34	481	G-53 Commercial	137,671	\$1,245,522	\$9.0471	2	2
	481	Lost Margin	0	\$138,588	\$0.0000		
35		Sales Allowance Commercial	0	(\$59,698)	\$0.0000	0	0
36							
37		<b>Total Cape</b>	<b>8,607,723</b>	<b>124,533,989</b>	<b>\$14.4677</b>	<b>103,284</b>	<b>103,778</b>
38							
39							
40		* Customers included in Rate Class R-1					
41							

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

## REVENUES FROM TRANSPORTATION

Report by account the M.C.F. sold, the amount derived and the number of customers under each filed schedule or contract. Municipal sales, contract sales and unbilled sales may be reported separately in total.

Line No.	Acct. No.	Schedule (a)	M.C.F. (1000 BTU) (b)	Revenue (c)	Average Revenue per MCF (0.0000) (d)	Number of Customers (per Bills Rendered)	
						July 31 (e)	Dec. 31 (f)
1		<b>Lowell Division</b>					
2							
3	489	Contract Firm Transportation					
4		G-41 Low-Load Firm Transp.	343,863	1,158,282	\$3.3684	467	511
5		G-42 Low-Load Firm Transp.	390,050	1,103,602	\$2.8294	136	124
6		G-43 Low-Load Firm Transp.	209,415	514,933	\$2.4589	11	48
7		G-46 Small Load Transp.	0	0	\$0.0000	0	0
8		G-47 Medium Load Transp.	0	0	\$0.0000	0	0
9		G-48 Large Load Transp.	0	0	\$0.0000	0	0
10		G-51 High-Load Firm Transp.	241,434	774,637	\$3.2085	261	222
11		G-52 High-Load Firm Transp.	250,849	615,614	\$2.4541	49	88
12		G-53 High-Load Firm Transp.	1,368,368	2,822,809	\$2.0629	40	44
13		G-31 Res Heating Transp.	6,371	28,273	\$4.4376	22	16
14		G-56 Firm Small Load Transp.	19,930	77,151	\$3.8711	9	0
15		G-57 Firm Medium Load Transp.	42,814	158,293	\$3.6972	9	0
16		G-58 Firm Large Load Transp.	149,802	372,551	\$2.4870	7	0
17		G-61 Firm Small Load Transp.	0	0	\$0.0000	0	0
18		G-81 Low-Load Contract Transp.	0	0	\$0.0000	0	0
19		G-82 High-Load Contract Transp.	1,169,124	753,217	\$0.6443	8	8
20		Special Contracts (82)	(1,150,606)	(752,739)	\$0.6542	4	3
21		Interruptible		753,040			
22		Broker Fee		<b>1,047,803</b>			
23		Total Lowell	3,041,414	9,427,465	\$3.0997	1,023	1,064
24							
25		Cape Division					
26							
27	489	Contract Firm Transportation					
28		G-41 Low-Load Firm Transp.	161,151	\$731,831	\$4.5413	383	538
29		G-42 Low-Load Firm Transp.	207,432	\$623,224	\$3.0045	69	76
30		G-43 Low-Load Firm Transp.	118,742	\$328,779	\$2.7688	11	2
31		G-31 Res Heating Transp.	3,362	\$20,409	\$6.0699	45	46
32		G-47 Medium Load Transp.	0	\$0	\$0.0000	0	0
33		G-48 Large Load Transp.	0	\$0	\$0.0000	-	0
34		G-51 High-Load Firm Transp.	158,010	\$548,728	\$3.4727	207	274
35		G-52 High-Load Firm Transp.	238,152	\$655,045	\$2.7505	70	79
36		G-53 High-Load Firm Transp.	308,099	\$725,545	\$2.3549	12	22
37		G-56 Firm Small Load Transp.	5,913	\$27,634	\$4.6733	7	0
38		G-57 Firm Medium Load Transp.	15,898	\$60,666	\$3.8160	5	0
39		G-58 Firm Large Load Transp.	124,281	194,960	\$1.5687	3	0
40		G-82 High-Load Contract Transp.	37,212	52,109	\$1.4003	2	2
41		Transport Res Seasonal -Cape	35	413	\$11.7738	1	1
42		Interruptible	0	0	\$0.0000	0	0
43							
44		Total Cape	1,378,287	3,969,344	\$2.8799	815	1040
45							
46							
47							
48							
49							
50		<b>Total Revenues from Transportation</b>					

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**GAS OPERATION AND MAINTENANCE EXPENSES**

1. Enter in the space provided the operation and maintenance expenses for the year.  
 2. If the increases and decreases are not derived from previously reported figures explain in footnote.

Line No.	Account (a)	Amount for Year (b)	Prior Year amount	Increase/(Decrease) from Preceding Year (c)
1	<b>PRODUCTION EXPENSE</b>			
2	<b>MANUFACTURED GAS PRODUCTION EXPENSES</b>			
3	<b>STEAM PRODUCTION</b>			
4	Operation:			
5	700 Operation supervision and engineering	0	\$0	\$0
6	701 Operation labor	0	0	0
7	702 Boiler fuel	0	0	0
8	703 Miscellaneous steam expenses	0	0	0
9	704 Steam transferred - - Cr	0	0	0
10	Total operation	\$0	\$0	\$0
11	Maintenance:			
12	705 Maintenance supervision and engineering	0	0	0
13	706 Maintenance of structures and improvements	0	0	0
14	707 Maintenance of boiler plant equipment	0	0	0
15	708 Maintenance of other steam production plant	0	0	0
16	Total maintenance	\$0	\$0	\$0
17	Total steam production	\$0	\$0	\$0
18	<b>MANUFACTURED GAS PRODUCTION</b>			
19	Operation:			
20	710 Operation supervision and engineering	0		
21	Production labor and expenses:		0	
22	711 Steam expenses	0	0	0
23	712 Other power expenses	0	0	0
24	715 Water gas generating expenses	0	0	0
25	716 Oil gas generating expenses	0	0	0
26	717 Liquefied petroleum gas expenses	1,604,924	1,479,506	125,418
27	718 Other process production expenses	254	750	(496)
28	Gas fuels:		0	
29	721 Water gas generator fuel	0	0	0
30	722 Fuel for oil gas	0	0	0
31	723 Fuel for liquefied petroleum gas process	0	0	0
32	724 Other gas fuels	0	0	0
33	Gas raw materials:		-	
34	726 Oil for water gas	0	0	0
35	727 Oil for oil gas	0	0	0
36	728 Liquefied petroleum gas	8,924	704	8,220
37	729 Raw materials for other gas processes	0	0	0
38	730 Residuals expenses	0	0	0
39	731 Residuals produced - - Cr	0	0	0
40	732 Purification expenses	0	0	0
41	733 Gas mixing expenses	0	0	0
42	734 Duplicate charges - - Cr	0	0	0
43	735 Miscellaneous production expenses	0	0	0
44	736 Rents	106	0	106
45	Total operation	\$1,614,208	\$1,480,960	\$133,248
46	Maintenance:			
47	740 Maintenance supervision and engineering	0	0	0
48	741 Maintenance of structures and improvements	0	0	0
49	742 Maintenance of production equipment	113,629	126,657	(13,028)
50	Total maintenance	\$113,629	\$126,657	(\$13,028)
51	Total manufactured gas production	\$1,727,837	\$1,607,617	\$120,220

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

<b>GAS OPERATION AND MAINTENANCE EXPENSES - - Continued</b>				
Line No.	Account (a)	Amount for Year (b)	Prior year amount	Increase/(Decrease) From Preceding Year (c)
1	<b>OTHER GAS SUPPLY EXPENSES</b>			
2	Operation:			
3	804 Natural gas city gate purchases	139,262,976	165,600,512	(\$26,337,536)
4	805 Other gas purchases	1,495,680	1,418,302	77,378
5	808.10 Liquified natural gas	7,126,036	9,292,129	(2,166,093)
6	808-20 Deferred cost of gas	29,447,116	16,953,306	12,493,810
7	812 Gas used for other utility operations - - Cr	0	-	0
8	813 Other gas supply expenses	4,449	4,162	287
9	814 Environmental Costs	119,327	120,880	(1,553)
10	815 Conservation & Load Management Expense	0	-	0
11				
12		\$177,455,584	193,389,291	(\$15,933,706)
13	Total production expenses	\$179,183,421	\$194,996,908	(\$15,813,486)
14	<b>LOCAL STORAGE EXPENSES</b>			
15	Operation:			
16	840 Operation supervision and engineering	0	-	0
17	841 Operation labor and expenses	0	-	0
18	842 Rents	0	-	0
19	Total operation	\$0	-	\$0
20	Maintenance:			
21	843 Maintenance supervision and engineering	0	-	0
22	844 Maintenance of structures and improvements	0	-	0
23	845 Maintenance of gas holders	0	-	0
24	846 Maintenance of other equipment	69,153	-	69,153
25	849 Joint Expenses-Credit	(4,632,951)	(3,311,863)	(1,321,088)
26	Total maintenance	(\$4,563,798)	(3,311,863)	(\$1,251,935)
27	Total storage expenses	(\$4,563,798)	(3,311,863)	(\$1,251,935)
28	<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>			
29	Operation:			
30	850 Operation supervision and engineering	5,638	12,509	(6,871)
31	851 System control and load dispatching	0	-	0
32	852 Communication system expenses	0	-	0
33	853 Compressor station labor and expenses	0	-	0
34	855 Fuel and power for compressor stations	0	-	0
35	857 Measuring and regulating station expenses	997,370	953,096	44,274
36	858 Transmission and compression of gas by others	0	-	0
36	860 Transmission Rents	(3)	-	(3)
37	874 Mains and services expenses	3,408,912	2,694,903	714,009
38	878 Meter and house regulator expenses	4,284,335	4,158,185	126,150
39	879 Customer installations expenses	(389,930)	(516,443)	126,513
40	880 Other expenses	859,800	899,377	(39,577)
41	881 Rents	0	-	0
42	882 Transportation expense	0	-	0
43	Total operation	\$9,166,122	8,201,627	\$964,495
44	Maintenance:			
45	885 Maintenance supervision and engineering	232,437	202,263	30,174
46	886 Maintenance of structures and improvements	26,658	22,070	4,588
47	887 Maintenance of mains	3,791,717	3,810,140	(18,423)
48	888 Maintenance of compressor station equipment	0	-	0
49	889 Maintenance of measuring and regulating station equipment	581,183	126,657	454,526
50	892 Maintenance of services	2,863,182	2,737,135	126,047
51	893 Maintenance of meters and house regulators	278,076	276,776	1,300
52	894 Maintenance of other equipment	1,218,724	1,054,364	164,360
54	Total maintenance	\$8,991,977	8,767,726	\$762,571
55	Total transmission and distribution expenses	\$18,158,099	16,969,353	\$1,727,066

<b>GAS OPERATION AND MAINTENANCE EXPENSES -- Continued</b>				
Line No.	Account (a)	Amount for Year (b)	Prior yr amount	Increase/(Decrease) from Preceding Year (c)
<b>CUSTOMER ACCOUNTS EXPENSES</b>				
1	Operation:			
2	901 Supervision	52,960	57,374	(\$4,414)
3	902 Meter reading expenses	1,628,803	1,167,602	461,201
4	903 Customer records and collection expenses	4,923,569	5,143,042	(219,473)
5	904 Uncollectible accounts	2,201,956	4,240,255	(2,038,299)
6	905 Miscellaneous customer accounts expenses	758,289	164,845	593,444
7	Total customer accounts expenses	\$9,565,577	10,773,118	(\$1,207,541)
<b>SALES EXPENSES</b>				
9	Operation:			
10	911 Supervision	0	-	0
11	912 Demonstrating and selling expenses	2,301,939	1,966,015	335,924
12	913 Advertising expenses	411,382	422,827	(11,445)
13	916 Miscellaneous sales expenses	(386,890)	(173,453)	(213,437)
14	Total sales expenses	\$2,326,431	2,215,389	\$111,042
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>				
16	Operation:			
17	920 Administrative and general salaries	4,833,916	5,814,066	(980,150)
18	921 Office supplies and expenses	3,158,345	3,575,781	(417,436)
19	922 Administrative expenses transferred - - Cr	18	-	18
20	923 Outside services employed	408,831	742,757	(333,926)
21	924 Property Insurance	30,122	44,790	(14,668)
22	925 Injuries and damages	458,967	289,727	169,240
23	926 Employees pensions and benefits	5,165,162	7,671,131	(2,505,969)
24	927 Franchise Requirements	0		0
25	928 Regulatory commission expenses	662,205	640,710	21,495
26	929 Duplicate charges - - Cr	0	3	(3)
27	930 Miscellaneous general expenses	97,183	162,087	(64,904)
28	931 Rents	280,210	226,076	54,134
29	Total operation	\$15,094,959	19,167,128	(\$4,072,168)
30	Maintenance:			
31	932 Maintenance of general plant	55,574	68,852	(13,278)
32	Total administrative and general expenses	\$15,150,532	19,235,980	(\$4,085,447)
33	Total gas operation and maintenance expenses	\$219,820,263	240,878,885	(\$20,520,300)
<b>SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES</b>				
Line No.	Functional Classification (a)	Operation (b)	Maintenance (c)	Total (d)
34	Steam production	\$0	\$0	\$0
35	Manufactured gas production	\$1,614,208	113,629	1,727,837
36	Other gas supply expenses	177,455,584	0	177,455,584
37	Total production expenses	\$179,069,792	\$113,629	\$179,183,421
38	Local storage expenses	0	(4,563,798)	(4,563,798)
39	Transmission and distribution expenses	9,166,122	8,991,977	18,158,099
40	Customer accounts expenses	9,565,577	0	9,565,577
41	Sales expenses	2,326,431	0	2,326,431
42	Administrative and general expenses	15,094,959	55,574	15,150,533
43	Total gas operation and maint. expenses.	\$215,222,881	\$4,597,382	\$219,820,263
44	Ratio of operating expenses to operating revenues (carry out decimal two places, e.g. : 0.00%)			90.12%
45	Compute by dividing Revenues (Acct. 400) into the sum of Operation and			
46	Maintenance Expenses (P. 47, line 43 (d), Depreciation (Acct. 403) and			
47	Amortization (Acct. 407)			
48	Total salaries and wages of gas department for year, including amounts charged to			
49	operating expenses, construction and other accounts			\$24,354,538
50	Total number of employees of gas department at end of year, including administrative,			
51	operating, maintenance, construction and other employees - National Grid Massachusetts.			180

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2009

If gas is purchased or sold at two or more different rates, the amounts at each rate should be shown in the following tables.

**SALES FOR RESALE (Account 483)**

Line No.	Names of Companies to Which Gas Is Sold (a)	Where Delivered and Where and How Measured	M.C.F. (1000 BTU) (c)	Rate Per M.C.F. (\$0.0000) (d)	Amount (e)
1	Off-System Sales	Delivered to customers, various points of delivery	18,829,950	0.51	9,614,137
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12	TOTALS		18,829,950	0.51	9,614,137

**PURCHASED GAS (Accounts 804-806)**

Line No.	Names of Companies to Which Gas Is Sold (a)	Where Delivered and Where and How Measured (b)	M.C.F. (1000 BTU) (c)	Rate Per M.C.F. (\$0.0000) (d)	Amount (e)
13					
14					
15					
16		SEE PAGES 48a & 48b			
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27	TOTALS		0	\$0.0000	\$0

**SALES OF RESIDUALS (Accounts 730,731)**

State the revenues and expenses of the respondent resulting from the sale of residuals.

Line No.	Kind (a)	Revenue (b)	Inventory Cost (c)	Labor Handling Selling, Etc (d)	(e)	Total Cost (f)	Net Revenue (g)
16							
17							
18							
19				NONE			
20							
21							
22							
23	TOTALS						

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

Line No.	(a) Name of Companies From Which Gas is Purchased	(b) Where Rec'd & Where & How Measured	(c) MCF 1,000 BTU	(d) Rate Per MCF	(e) Amount
1	<b>Algonquin Gas Transmission</b>	Metered at Everett,			
2		Weston, Waltham,			
3		Braintree, Norwood,			
4		Wellesley, Milton,			
5		Waltham Polaroid, Mansfield,			
6		Medford & Potter Street			
7	Transportation and Capacity Costs				6,084,651
8	Other Charges				94,120
9	<b>TOTAL ALGONQUIN</b>		0		6,178,771
10	<b>Tennessee Gas Pipeline</b>	Metered at Leominster,			
11		Clinton, Southbridge,			
12		Spencer, Lynn, Acton,			
13		Lynnfield, Arlington,			
14		Burlington, Lexington,			
15		Reading, Revere, West			
16		Peabody, Beverly/Salem,			
17		& Gloucester			
18					
19	Transportation and Capacity Costs				11,784,653
20	Other Charges				417,154
21	<b>TOTAL TENNESSEE</b>		0		12,201,808
22	<b>Texas Eastern</b>				
23	Transportation and Capacity Costs				5,842,327
24	Other Charges				234,031
25	<b>TOTAL TEXAS EASTERN</b>		0		6,076,358
26	<b>Canadian</b>				
27					
28	Commodity Cost		1,097,216	4.72	7,079,879
29	Transportation and Capacity Costs				396,623
30	Other Charges				0
31	<b>TOTAL CANADIAN</b>		1,097,216		7,476,503
32					
33	<b>Direct Purchases</b>				
34					
35	Commodity Cost		16,307,096	7.81	106,709,150
36	Transportation and Capacity Costs				596,678
37	Other Charges				0
38	<b>TOTAL DIRECT PURCHASES</b>		16,307,096		107,305,828
39					
40					
41					
42					
43					
44					



Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

<b>TAXES CHARGED DURING YEAR</b>									
<p>1. This schedule is intended to give the account distribution of total taxes charged to operations and other final accounts during the year.</p> <p>2 Do not include gasoline and other sales taxes which have been charged to accounts to which the material on which the tax was levied was charged. If the actual or estimated amounts of such taxes are known, they should be shown as a footnote and designated whether estimated or actual amounts.</p> <p>3 The aggregate of each kind of tax should be</p>			<p>listed under the appropriate heading of "Federal," "State," and "Local" in such manner that the total tax for each State and for all subdivisions can readily be ascertained.</p> <p>4. The accounts to which the taxes charged were distributed should be shown in columns (c) to (h). Show both the utility department and number of account charged. For taxes charged to utility plant show the number of the appropriate balance sheet account or subaccount.</p>				<p>5. For any tax which it was necessary to apportion to more than one utility department or account, state in a footnote the basis for apportioning such tax.</p> <p>6. Do not include in this schedule entries with respect to deferred income taxes, or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p>		
Line No.	Kind of Tax (a)	Total Taxes Charged During Year (omit cents) (b)	Distribution of Taxes Charged (omit cents) (Show utility department where applicable and account charged)						
			Gas Acct. 107 &/or Accts. 300-398(c)	Gas (Acct.408,409) (d)	Surplus Acct. (e)	Future Use (Acct 105) (f)	Taxes included in O&M (g)	Gas Acct. 418 (h)	Gas Acct. 419 (i)
1	Federal:								
2	Income	2,566,335		2,566,335					
3	F.I.C.A. & Medicare	758,818	0	758,818					
4	Transportation/Fleet	277		277					
5	Excise	0		0					
6									
7	State:			0					
8	Franchise	538,764		538,764					
9	Use	22,213		22,213					
10	Payroll	0		0					
11	Fuel	82,789		82,789					
12	Local:								
13	Cities & Towns	4,970,696		4,970,696					
14	Excise	0		0					
15									
16									
<b>TOTALS</b>		<b>\$8,939,892</b>	<b>\$0</b>	<b>\$8,939,892</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**OTHER UTILITY OPERATING INCOME (Account 414)**

Report below the particulars called for in each column.

Line No.	Property (a)	Amount of Investment (b)	Amount of Revenue (c)	Amount of Operating Expenses (d)	Gain or (Loss) from Operation (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15	NONE				
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41	TOTALS				

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

<b>INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK (Account 415)</b>					
Report by utility department the revenues, costs, expenses, and net income from merchandising, jobbing, and contract work during year.					
Line No.	Item (a)	Electric Department (b)	Gas Department (c)	Other Utility Department (d)	Total (e)
1		NONE			
2					
3					
4					
5					
6					
7					
8					
9					
10			#REF!		
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34	TOTAL COSTS AND EXPENSES		\$0		\$0
35	Net Profit (or Loss)		#REF!		\$0

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

RECORD OF SENDOUT FOR THE YEAR IN MCF BASED ON 1000 BTU PER CUBIC FOOT (a)							
Line No.	Item	Total	January	February	March	April	May
1	<u>Gas Made</u>						
2							
3							
4	Propane	0	0	0	0	0	0
5							
6	TOTAL	0	0	0	0	0	0
7							
8	<u>Gas Purchased</u>						
9	Natural	17,404,312	3,353,614	2,765,421	1,889,967	968,822	654,734
10	Other						
11	TOTAL	17,404,312	3,353,614	2,765,421	1,889,967	968,822	654,734
12	TOTAL MADE AND						
13	PURCHASED	17,404,312	3,353,614	2,765,421	1,889,967	968,822	654,734
14	Net Change in Holder						
15	Gas (1)	4,348,050	1,764,485	200,648	803,670	493,037	132,090
16	TOTAL SENDOUT	21,752,362	5,118,099	2,966,069	2,693,637	1,461,859	786,824
17	GAS TRANSPORTED	5,067,718	605,876	522,387	476,131	365,569	317,359
18	TOTAL THROUGHPUT	26,820,080	5,723,975	3,488,456	3,169,768	1,827,428	1,104,183
19							
20	Gas Sold *	17,021,919	3,412,729	2,751,676	2,049,090	1,105,256	714,594
21	Gas Used by Company	173,083	18,922	18,272	21,651	15,209	15,482
22	Gas transported *	8,356,117	943,377	863,074	649,989	523,121	583,081
23	Gas Accounted for	25,551,118	4,375,028	3,633,022	2,720,729	1,643,586	1,313,157
24	Gas Unaccounted for (2)	1,268,962	1,348,947	(144,566)	449,038	183,842	(208,974)
25	% Unaccounted						
26	for (0.00%)	4.73%					
27							
28							
29	<u>Sendout in 24 hours</u>						
30	<u>in MCF</u>						
31	Maximum - MCF		208,885	171,727	126,311	85,708	60,332
32	Maximum - Date		01/29/2010	02/06/2010	03/04/2010	04/28/2010	05/10/2010
33	Minimum - MCF		80,482	96,365	42,536	32,261	24,111
34	Minimum - Date		01/25/2010	02/25/2010	03/20/2010	04/07/2010	05/30/2010
35							
36							
37							
38	B.T.U. Content of Gas Delivered to Customers 1,029 per Cubic Foot.						
39							
40	(1) Add Decreases in Holder Gas, Deduct Increases.						
41	(2) Includes unbilled gas						

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

RECORD OF SENDOUT FOR THE YEAR IN MCF  
BASED ON 1000 BTU PER CUBIC FOOT (a)

Line No.	June	July	August	September	October	November	December
1							
2							
3							
4	0	0	0	0	0	0	0
5							
6	0	0	0	0	0	0	0
7							
8							
9	505,548	438,387	422,044	486,593	942,947	1,721,548	3,254,688
10							
11	505,548	438,387	422,044	486,593	942,947	1,721,548	3,254,688
12							
13	505,548	438,387	422,044	486,593	942,947	1,721,548	3,254,688
14							
15	120,290	256,219	283,711	172,024	336,971	(260,409)	45,313
16	625,838	694,606	705,755	658,617	1,279,918	1,461,139	3,300,001
17	290,568	278,142	294,481	287,578	403,083	568,981	657,563
18	916,406	972,748	1,000,236	946,195	1,683,001	2,030,120	3,957,564
19							
20	544,743	473,591	553,899	479,679	868,748	1,486,086	3,081,828
21	11,308	11,154	12,273	10,824	11,682	12,209	14,096
22	416,811	580,810	360,516	289,544	575,631	1,136,623	933,540
23	972,862	1,065,555	926,688	780,047	1,456,061	2,634,917	4,029,464
24	(56,456)	(92,807)	73,548	166,148	226,940	(604,797)	(71,900)
25							
26							
27							
28							
29							
30							
31	39,217	40,726	41,639	41,326	77,149	111,227	174,937
32	06/28/2010	07/07/2010	08/10/2010	09/01/2010	10/22/2010	11/27/2010	12/27/2010
33	25,150	23,640	23,300	23,269	27,592	51,466	73,794
34	06/26/2010	07/04/2010	08/07/2010	09/04/2010	10/01/2010	11/16/2010	12/12/2010
35							
36							
37							
38							
39							
40							
41							
42							

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

GAS GENERATING PLANT			
Line No.	General Description - - Location, Size, Type, etc.	No. of Sets	24 Hour Cap. (MCF) (A)
1	Propane Air:		
2	Lowell Division: Lowell, MA		
3	Jet System	0	0
4	High Pressure Mix	3	6,800
5			
6			
7			
8			
9			
10			
11			
12	Liquefied Natural Gas:		
13	Lowell Division: Tewksbury, MA	4	65,400
14	Westford, MA	1	6,000
15			
16	Cape Cod Division: South Yarmouth, MA	4	23,800
17	Wareham, MA	4	4,300
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36	<b>NOTE (A): Assumes 1,000 BTU per cubic foot.</b>		
37			
38			
39			
40		<b>Total</b>	<b>106,300</b>

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

BOILERS							
Line No.	Location	Kind of Fuel and Method of Firing	Rated Pressure in Lbs.	Rated Steam Temp.	Number	Output Rating M.Lbs. Steam Per Hour AT 212F 100C	
1	Lowell, MA						
2	School and Rock Sts.		PSIG				
3							
4	Hodge	Gas		15	S-02369		
5	Hodge	Oil or Gas		15	502370		
6	Bigelow	Gas		15	1372		
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
SCRUBBERS, CONDENSERS AND EXHAUSTERS 24 HOUR CAPACITY (MCF)							
Line No.	Kind of Gas					Total Capacity	
26							
27							
28	Scrubbers						
29							
30							
31							
32							
33	Condensers						
34			NONE				
35							
36							
37							
38							
39	Exhausters						
40							
41							
42							
43							
44							
45							

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

<b>PURIFIERS</b>				
Line No.	Location	Kind of Gas	Kind of Purifying Material	Estimated 24 Hour Capacity
1				
2				
3				
4				
5				
6				
7				
8	NONE			
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				

<b>HOLDERS (Including Relief Holders). Indicate Relief Holders by the letters R.H.</b>							
Line No.	Location	Type of Tank	Dimensions Diam.	Height	No. of Lifts	Number	Working Capacity
23							
24							
25							
26							
27							
28							
29							
30	NONE						
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

TRANSMISSION AND DISTRIBUTION MAINS						
Report by size, for all mains and lines, the information called for below for cast iron, welded, wrought iron and steel mains.						
Sub-totals should be shown for each type.						
Line No.	Diameter	Total Length in Feet at Beginning of Year	Added During Year	Taken Up During Year	Abandoned but not Removed During Year	Total Length in Feet at End of Year
<b>CAST IRON</b>						
1	3"	446	-	-	-	446
2	4"	334,076	-	-	-	334,076
3	6"	461,552	-	-	7,864	453,688
4	8"	42,614	-	-	22	42,592
5	10"	17,398	-	-	-	17,398
6	12"	64,690	-	-	-	64,690
7	14"	-	-	-	-	-
8	16"	9,863	-	-	-	9,863
9	18"	5,136	-	-	-	5,136
10	20"	3,742	-	-	-	3,742
11	24"	2,287	-	-	-	2,287
12	Subtotal	941,804	-	-	7,886	933,918
<b>STEEL OR WROUGHT IRON</b>						
13	3/4"	-	-	-	-	-
14	1"	48,517	1	-	-	48,518
15	1-1/4"	9,702	-	-	-	9,702
16	1-1/2"	86,139	157	-	9	86,287
17	2"	4,708,324	-	-	22,434	4,685,890
18	3"	307,545	-	-	1,050	306,495
19	4"	1,646,532	887	-	9,219	1,638,200
20	5"	13,169	-	-	-	13,169
21	6"	606,694	120	-	726	606,088
22	8"	567,165	4,787	-	557	571,395
23	10"	146,588	5	-	-	146,593
24	12"	299,094	14,421	-	6	313,509
25	14"	887	-	-	-	887
26	16"	1,535	-	-	-	1,535
27	20"	104	-	-	-	104
28	24"	722	-	-	-	722
29	Subtotal	8,442,717	20,378	-	34,001	8,429,094
<b>PLASTIC</b>						
30	1/2"	38,855	-	-	-	38,855
31	5/8"	269	-	-	-	269
32	3/4"	10,278	-	-	-	10,278
33	1"	35,703	747	-	-	36,450
34	1-1/4"	31,410	-	-	-	31,410
35	1-1/2"	14,804	-	-	-	14,804
36	2"	7,392,264	50,222	-	597	7,441,889
37	3"	13,166	8	-	4	13,170
38	4"	1,820,074	10,803	-	171	1,830,706
39	6"	609,921	22,839	-	288	632,472
40	8"	200,251	4,574	-	4	204,821
41	10"	1,870	-	-	-	1,870
42	12"	365	-	-	-	365
43	20"	582	-	-	-	582
44	Subtotal	10,169,812	89,193	-	1,064	10,257,941
45	Totals	19,554,333	109,571	-	42,951	19,620,953
Normal Operating Pressure - - Mains and Lines - - Maximum.....60# PSI....Minimum.....7" W.C.....						
Normal Operating Pressure - - Services - - Maximum.....60# PSI....Minimum.....7" W.C.....						
Miles Added 21 8 Miles Retired						

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**TRANSMISSION AND DISTRIBUTION MAINS**

Report by size, for all mains and lines, the information called for below for cast iron, welded, wrought iron and steel mains.  
Sub-totals should be shown for each type.

Line No.	Diameter	Total Length in Feet at Beginning of Year	Added During Year	Taken Up During Year	Abandoned but not Removed During Year	Total Length in Feet at End of Year
1	No category	1,420	770	-	-	2,190
2						
3						
4						
5						
6						
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38						
39	<b>GRAND TOTAL</b>	<b>19,555,753</b>	<b>110,341</b>	<b>0</b>	<b>42,951</b>	<b>19,623,143</b>
40	Normal Operating Pressure - Mains and Lines - Maximum 60 PSIG Minimum 4" W.C					
41	Normal Operating Pressure - Services - Maximum 60 PSIG Minimum 4" W.C.					
42						

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**GAS DISTRIBUTION SERVICES, HOUSE GOVERNORS AND METERS**

Report below the information called for concerning Distribution Services, House Governors and Meters

Line No.	Item	Gas Services	House ** Governors	Meters
1	Number at beginning of year	213,054		261,953
2	Additions during year:			
3	Purchased			19,585
4	Installed	7,752		0
5	Associated with Plant acquired			
6	Total Additions	7,752		19,585
7	Reductions during year:			
8	Retirements	86		9,335
9	Associated with Plant sold	0		0
10	Total Reductions	86		9,335
11	Number at End of Year	220,720		272,203
12	In Stock			76,298
13	On Customers' Premises - - Inactive			2,841
14	On Customers' Premises - - Active			193,064
15	Number at End of Year			272,203
16	Number of Meters Tested by State Inspectors			
17	during Year			31,779

\*\* House Governors are consider part of the meter set and are not separately accounted for.

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**RATE SCHEDULE INFORMATION**

1. Attach copies of all Filed Rates for General Consumers.
2. Show below the changes in rate schedules during year and the estimated increase or decrease in annual revenue predicated on the previous year's operations.

Date Effective	M.D.T.E. Number	Rate Schedule	Estimated Effect on Annual Revenues 1/	
			Increases	Decreases
Nov 1, 2010	6	Residential Non-Heating Rate R-1	\$4,384	\$0
Nov 1, 2010	7	Residential Assistance Non-Heating Rate R-2	\$3,557	\$0
Nov 1, 2010	8	Residential Heating Rate R-3	\$1,247,025	\$0
Nov 1, 2010	9	Residential Assistance Heating Rate R-4	\$0	(\$260,720)
Nov 1, 2010	10	Commercial/Industrial, Small - Low Load Factor Rate G-41	\$524,091	\$0
Nov 1, 2010	11	Commercial/Industrial, Medium - Low Load Factor Rate G-42	\$275,821	\$0
Nov 1, 2010	12	Commercial/Industrial, Large - Low Load Factor Rate G-43	\$21,898	\$0
Nov 1, 2010	13	Commercial/Industrial, Small - High Load Factor Rate G-51	\$70,256	\$0
Nov 1, 2010	14	Commercial/Industrial, Medium - High Load Factor Rate G-52	\$212,975	\$0
Nov 1, 2010	15	Commercial/Industrial, Large - High Load Factor Rate G-53	\$0	(\$103,360)
			\$2,360,006	(\$364,080)
				\$1,995,926

1/ November 2010 base rate increase from DPU 10-55. Also Includes Low Income discount.

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

**EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES (Account 426.4)**

1. Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public officials, referrals, legislation or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances); approval, modification, or refocation of franchises; or for the purpose of influencing the decisions of public officials which are accounted for as Other Income Deductions, Expenditures for Certain Civic, Political and Related Activities; Account 426.4.

2. Advertising expenditures in this Account shall be classified according to subheadings, as follows: (a) radio, television, and motion picture advertising;

(b) newspaper, magazine, and pamphlet advertising; (c) letters or inserts in customers' bills; (d) inserts in reports to stockholders; (e) newspaper and magazine editorial services; and (f) other advertising.

3. Expenditures within the definition of par. (1) other than advertising shall be reported according to captions or descriptions, clearly indicating the nature and purpose of the activity.

4. If respondent has not incurred any expenditures contemplated by the instruction of Acct. 426.4, so state.

5. For reporting years which begin during the calendar year 1963 only, minor amounts may be grouped by classes if the number of items so grouped is shown.

NOTE: The classification of expenses as nonoperating and their inclusion in this account is for accounting purposes. It does not preclude Commission consideration of proof to the contrary ratemaking or other purposes.

Line No.	Item (a)	Amount (b)
1		
2	Expenditures for Certain Civic, Political and Related Activities	63,227
3	Government Relations Lobbying	14,934
4		
5		
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Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

913. Advertising Expenses

Line No.	Type (a)	General Description (b)	Amount for Year (c)
1			
2	Corporate Advertising, Advertising	Media, Direct Mail, Other	
3	Residential Advertising		411,382
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
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41			
42		TOTAL	411,382

**DEPOSITS AND COLLATERAL**

1. Statement of money and the value of any collateral held as guaranty for the payment of charges pursuant to Massachusetts General Laws. Chapter 164, Section 128.

Line No.	Name of City of Town	Amount
1		
2	Pursuant to Mass. General Laws Chapter 164, Section 128	
3	Security Deposits - Commercial And Industrial Accounts	
4		\$286,775
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15	Interest is accrued and paid pursuant to Provisions of	
16	22 C.M.R. 26.09 (DPU Order #999 - 09/23/82)	
17		
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39		
40	TOTAL	\$286,775

THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY

*Nicholas Stampoulis*

.....President

.....Vice President and Controller

.....Director

*Lorraine M. Lynch*

*Assistant Treasurer*

SIGNATURES OF PARTIES AFFIXED OUTSIDE THE COMMONWEALTH OF MASSACHUSETTS MUST BE PROPERLY SWORN TO

Richmond, New York, ss

March 31, 2011

Then personally appeared.....

ROBERT T. CAMPBELL

.....NOTARY PUBLIC-STATE OF NEW YORK.....

No. 01CA6190626

.....Qualified in Richmond County.....

My Commission Expires July 28, 2012

and severally made oath to the truth of the foregoing statement by them subscribed to their best knowledge and belief.

*Robert T. Campbell*

*3/31/2011*

*exp. 7/28/12*

.....Notary Public

My Commission Expires:

**Colonial Gas Company**  
Return on Average Common Equity

	<u>2010</u> January-October	<u>2010</u> November-December	<u>2010</u> Total
<u>Net Income Calculation:</u>			
Utility Operating Income DTE page 10, Line 18	7,563,325	9,422,083	16,985,408
Adjustments			-
Incremental Cost Adjustment (1)	3,676,524	-	3,676,524
Add: Amortization of Acquisition Premium	-	-	-
Add: service quality penalties	-	-	-
Less: Allocated Interest(See Below)	(9,601,366)	521,105	(9,080,262)
<b>Net Utility Income Available for Common Shareholders</b>	<b>1,638,483</b>	<b>9,943,188</b>	<b>11,581,670</b>

Calculation of Allocated Interest:

Interest + Preferred Dividends - DPU page 10, Lines 39 and 48	9,601,411	(521,107)
Utility Plant--DPU page 8, Line 2	803,663,326	807,985,705
Other Property & Investments - DPU page 8, Line 8	3,740	3,740
Total	803,667,066	807,989,445
% of Line 21 to Line 23	1.0000	1.0000
DPU page 8, line 4 (Capital Leases)	-	-
Total	803,667,066	807,989,445
% of Line 21 to Line 28 (Total on Line 23 + Capital Leases)	1.0000	1.0000
Allocated Interest(Line 19 above times Line 30)	9,601,366	(521,105)

Total Utility Common Equity:

Proprietary Capital - DTE page 9,Line 13	342,979,269	352,887,167
Less preferred: DTE Page 9, Line 4	-	-
Less: Unamortized Acquisition Premium	(199,000,464)	(199,000,464)
Add back Push Down Debt - Acquisition Premium Finance by debt *	99,500,232	-
Long Term Debt - DPU Page 9, Line 18 plus Page 32 line 16		124,000,000
		277,886,703
50%/50% Capital Structure DPU 10-55		50%
		138,943,352
<b>Total Equity</b>	<b>243,479,037</b>	<b>138,943,352</b>
% Above	1.0000	1.0000
Ending Utility Common Equity	243,477,904	138,942,708
Beginning Utility Common Equity	244,805,959	138,942,708
Total	488,283,863	277,885,417
<b>Average Common Equity</b>	<b>244,141,931</b>	<b>138,942,708</b>

<b>NET UTILITY INCOME DIVIDED BY AVERAGE EQUITY</b>	<b>0.67%</b>	<b>7.16%</b>
---	--------------	--------------

\* NOTE: Years 2000 through 2002 are calculated based on actual push down debt balances. 2003 forward assumes 50% of Acquisition Premium finance by Debt November/December 2010 calculation pursuant to DPU 10-55.

(1.) Incremental cost adjustment pursuant to Boston Gas Company D.T.E. 03-40 at 220-223 (2003); citing: Eastern/Essex Acquisition, D.T.E. 98-27-A (1998) and Eastern Colonial Acquisition, D.T.E. 98-128 (1999)..

THE DEPARTMENT OF PUBLIC UTILITIES

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

CONDENSED FINANCIAL RETURN

for the period ended December 31, 2010

Full Name of Company - COLONIAL GAS COMPANY

D/B/A NATIONAL GRID ENERGY DELIVERY NEW ENGLAND

Location of Principal Business Office -One MetroTech Center, Brooklyn, New York 11201

Statement of Income for the Year

Item	Current Year (b)	Increase or (Decrease) from Preceding Year (c)
<b>OPERATING INCOME</b>		
Operating Revenues	\$266,878,248	(\$19,951,014)
Operating Expenses:		
Operation Expenses	\$215,222,881	(\$20,004,632)
Maintenance Expense	4,597,382	(1,053,990)
Depreciation Expense	20,663,075	590,826
Amortization of Utility Plant	1,376,707	1,046,574
Amortization of Property Losses	0	0
Amortization of Conversion Expenses	29,358	29,358
Taxes Other Than Income Taxes	5,834,793	(4,076)
Income Taxes	3,105,099	8,628,333
Provision for Deferred Income Taxes	(936,455)	(10,247,989)
Income Taxes Deferred in Prior Years -- CR.	0	0
Total Operating Expenses	\$249,892,840	(\$21,015,596)
Net Operating Revenues	\$16,985,408	\$1,064,582
Income from Utility Plant Leased to Others	0	0
Other Utility Operating Income	0	0
Total Utility Operating Income	\$16,985,408	\$1,064,582
<b>OTHER INCOME</b>		
Income from Mdse. Jobbing & Contract Work	\$0	\$0
Income from Nonutility Operations	0	0
Nonoperating Rental Income	0	0
Interest and Dividend Income	787,935	51,727
Miscellaneous Nonoperating Income	59,595	(296,207)
Total Other Income	\$847,530	(\$244,480)
March 31, 2010, I hereby certify that the foregoing statements are fu	\$17,832,938	\$820,102
<b>MISCELLANEOUS INCOME DEDUCTIONS</b>		
Miscellaneous Amortization	\$0	\$0
Other Income Deductions	172,822	81,949
Total Income Deductions	\$172,822	\$81,949
Income Before Interest Charges	\$17,660,116	\$738,153
<b>INTEREST CHARGES</b>		
Interest on Long-Term Debt	\$5,635,333	\$0
Amortization of Debt Disc. & Expense	139,882	610
Amortization of Premium on Debt -- Credit	0	0
Interest on Debt to Associated Companies	4,214,177	48,436
Other Interest Expense	(789,553)	(1,414,112)
Interest Charged to Construction -- Credit	(119,535)	93,808
Total Interest Charges	\$9,080,304	(\$1,271,258)
Net Income	\$8,579,812	\$2,009,411

<b>BALANCE SHEET</b>			
Title of Account	Balance End of Year	Title of Account	Balance End of Year
<b>UTILITY PLANT</b>		<b>PROPRIETARY CAPITAL</b>	
Utility Plant	807,985,705	<b>CAPITAL STOCK</b>	
<b>OTHER PROPERTY AND INVESTMENTS</b>		Common Stock Issued	100
Nonutility Property	-	Preferred Stock Issued	-
Capitalized Leases, net	-	Capital Stock Subscribed	-
Investment in Associated Companies	-	Premium on Capital Stock	419,429,145
Other Investments	3,740	Total	419,429,245
Special Funds	-	<b>SURPLUS</b>	
Total Other Property and Investments	3,740	Other Paid-In Capital	(167,590,544)
<b>CURRENT AND ACCRUED ASSETS</b>		Earned Surplus	101,048,466
Cash	-	Other Comprehensive Income	-
Special Deposits	-	Total	(66,542,078)
Working Funds	-	Total Proprietary Capital	352,887,167
Temporary Cash Investments	-	<b>LONG TERM DEBT</b>	
Notes and Accounts Receivable	23,051,536	Bonds	75,000,000
Receivables from Assoc. Companies	4,056,077	Advances from Associated Companies	-
Materials and Supplies	18,309,247	Capital Lease Obligations	-
Prepayments	4,040,526	Total Long-Term Debt	75,000,000
Interest and Dividends Receivable	-	<b>CURRENT AND ACCRUED</b>	
Rents Receivable	-	<b>LIABILITIES</b>	
Accrued Utility Revenues	28,513,144	Notes Payable	-
Misc. Current And Accrued Assets	-	Accounts Payable	11,162,344
Recoverable Fuel	(52,936,445)	Payables to Associated Companies	61,528,427
Total Current and Accrued Assets	25,034,085	Customer Deposits	286,775
<b>DEFERRED DEBITS</b>		Taxes Accrued	(4,636,314)
Unamortized Debt Discount and Expense	2,030,078	Interest Accrued	5,692,636
Extraordinary Property Losses	-	Dividends Declared	-
Preliminary Survey and Investigation Charges	-	Matured Long-Term Debt	-
Clearing Accounts	-	Matured Interest	-
Temporary Facilities	286,726	Tax Collections Payable	511,355
Miscellaneous Deferred Debits	116,920,685	Misc. Current and Accrued Liabilities	1,508,388
Total Deferred Debits	119,237,489	Total Current & Accrued Liabilities	76,053,611
<b>CAPITAL STOCK DISCOUNT AND EXPENSE</b>		<b>DEFERRED CREDITS</b>	
Discount on Capital Stock	-	Unamortized Premium on Debt	
Capital Stock Expense	-	Customer Advances for Construction	33,021
Total Capital Stock Discount and Expense	-	Other Deferred Credits	5,682,918
<b>REACQUIRED SECURITIES</b>		Total Deferred Credits	5,715,939
Reacquired Capital Stock	-	<b>RESERVES</b>	
Reacquired Bonds	-	Reserves for Depreciation	260,374,318
Total Reacquired Securities	-	Reserves for Amortization	10,777,388
Total Assets and Other Debits	952,261,019	Reserve for Uncollectible Accounts	3,022,183
		Operating Reserves	50,191,786
		Reserve for Depreciation and Amortization of Nonutility Property	-
		Reserves for Deferred Federal Income Taxes	118,238,627
		Total Reserves	442,604,302
		<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	
		Contributions in Aid of Construction	
		Total Liabilities and Other Credits	952,261,019

NOTES:

## Condensed Financial Return (Continued) - Colonial Gas Company

December 31, 2010

<b>STATEMENT OF EARNED SURPLUS</b>		
Unappropriated Earned Surplus (at beginning of period)	\$92,468,654	\$6,570,401
Balance Transferred from Income	\$8,579,812	\$2,009,411
Miscellaneous Credits to Surplus	0	0
Miscellaneous Debits to Surplus	0	0
Appropriations of Surplus	0	0
Net Additions to Earned Surplus	\$8,579,812	\$2,009,411
Dividends Declared - - Preferred Stock		\$0
Dividends Declared - - Common Stock	\$0	\$0
Unappropriated Earned Surplus (at end of period)	\$101,048,466	\$8,579,812
<b>ELECTRIC OPERATING REVENUES</b>		
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**

3a

Functional Classification	Operation	Maintenance	Total
Power Production Expenses			
Electric Generation			
Steam 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			

## Condensed Financial Return (Continued) - Colonial Gas Company

December 31, 2010

GAS OPERATING REVENUES		
Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
<b>SALES OF GAS</b>		
Residential Sales	\$189,874,156	(\$11,888,535)
Commercial and Industrial Sales	\$0	\$0
Small (or Commercial)	50,161,486	(4,034,190)
Large (or Industrial)	7,519,883	(490,455)
Other Sales to Public Authorities	15,072	897
Interdepartmental Sales	463,205	(194,390)
Quasi-Firm Revenue	0	0
Miscellaneous Gas Sales (Unbilled Revenue)	0	0
Total Sales to Ultimate Consumers	\$248,033,802	(\$16,606,673)
Sales for Resale	9,614,137	572,905
Total Sales of Gas	\$257,647,939	(\$16,033,768)
<b>OTHER OPERATING REVENUES</b>		
Adjustments	\$0	\$0
Miscellaneous Service Revenues	91,385	5,680
Revenues from Transportation of Gas of Others	13,396,809	1,267,929
Sales of Products Extracted from Natural Gas	0	0
Revenues from Natural Gas Processed by Others	0	0
Rent from Gas Property	0	0
Interdepartmental Rents	0	0
Other Gas Revenues	(4,257,885)	(5,190,855)
Total Other Operating Revenues	\$9,230,308	(\$3,917,247)
Total Gas Operating Revenues	\$266,878,248	(\$19,951,014)

SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES				4a
Functional Classification	Operation	Maintenance	Total	
Steam Production	\$0	\$0	\$0	
Manufactured Gas Production	1,614,208	113,629	1,727,837	
Other Gas Supply Expenses	177,455,584	0	177,455,584	
Total Production Expenses	\$179,069,792	\$113,629	\$179,183,421	
Local Storage Expenses	0	(4,563,798)	(4,563,798)	
Transmission and Distribution Expenses	9,166,122	8,991,977	18,158,099	
Customer Accounts Expenses	9,565,577	0	9,565,577	
Sales Expenses	2,326,431	0	2,326,431	
Administrative and General Expenses	15,094,959	55,574	15,150,533	
Total Gas Operation and Maintenance Expenses	\$215,222,881	\$4,597,382	\$219,820,263	

March 31, 2011, 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 T. CAMPBELL  
 NOTARY PUBLIC-STATE OF NEW YORK  
 No. 01CA6190626  
 Qualified in Richmond County  
 My Commission Expires July 28, 2012

*Lorraine M. Lynch*  
 Assistant Treasurer

*Robert T. Campbell 3/31/2011*