



A NiSource Company

Stephen H. Bryant
President

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Westborough, MA 01581-5039
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March 28, 2012

Mark D. Marini, Secretary
Department of Public Utilities
One South Station, 5th Floor
Boston, MA 02110

Re: Bay State Gas Company d/b/a Columbia Gas of Massachusetts -
Annual Report for Year Ending 12-31-11

Dear Secretary Marini:

Pursuant to G.L. c. 164, § 83 and the Memorandum issued by you on August 18, 2011, please find enclosed the Annual Return of Bay State Gas Company d/b/a Columbia Gas of Massachusetts for the year ending December 31, 2011. The Annual Return includes the Statement of Operating Revenues required by the Memorandum.

Also enclosed is a check for the filing fee.

If you have any questions with respect to this filing, please contact me.
Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Stephen H. Bryant".

Stephen H. Bryant

cc: George Yiankos, Director, Gas Division
Jesse Reyes, Esq., Office of the Attorney General

GAS COMPANIES

The Commonwealth of Massachusetts

RETURN

OF THE

**BAY STATE GAS COMPANY d/b/a
COLUMBIA GAS OF MASSACHUSETTS**

TO THE

DEPARTMENT OF PUBLIC UTILITIES

OF MASSACHUSETTS

FOR THE YEAR ENDED DECEMBER 31,

2011

DEPARTMENT OF PUBLIC UTILITIES

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

CONDENSED FINANCIAL RETURN

FOR YEAR ENDED DECEMBER 31, 2011

FULL NAME OF COMPANY Bay State Gas Company d/b/a Columbia Gas of Massachusetts

LOCATION OF PRINCIPAL BUSINESS OFFICE 300 Friberg Parkway, Westborough, MA 01581-5039

STATEMENT OF INCOME FOR THE YEAR

Item	Current Year	Increase or (Decrease) from Preceding Year
OPERATING INCOME		
Operating Revenues.....	459,931,208	12,602,789
Operating Expenses:.....		
Operation Expense.....	348,642,645	6,697,152
Maintenance Expense.....	12,096,426	(319,247)
Depreciation Expense.....	36,474,724	(90,623)
Amortization of Utility Plant.....	12,018,344	(212,404)
Amortization of Property Losses.....	0	0
Amortization of Investment Tax Credit.....	(223,932)	0
Taxes other than Income Taxes.....	16,902,484	1,872,790
Income Taxes.....	(4,071,575)	(3,800,820)
Provisions for Deferred Federal Income Taxes.....	45,100,230	20,357,136
Federal Income Taxes Deferred In Prior Years.....	(34,241,480)	(14,811,103)
Total Operating Expenses.....	432,697,866	9,692,881
Net Operating Revenues.....	27,233,342	2,909,908
Income from Utility Plant Leased to Others.....	0	0
Other Utility Operating Income.....	0	0
Total Utility Operating Income.....	27,233,342	2,909,908
OTHER INCOME		
Income (Loss) from Mdse. Jobbing & Contract Work - After Taxes	5,431	24,586
Income from Nonutility Operations - After Taxes	(5,259)	236
Nonoperating Rental Income - After Taxes	0	0
Interest and Dividend Income - After Taxes	538,452	(179,103)
Miscellaneous Nonoperating Income + Earnings of Subsidiaries - After Taxes	645,769	432,427
Total Other Income.....	1,184,393	278,146
Total Income.....	28,417,735	3,188,054
MISCELLANEOUS INCOME DEDUCTIONS		
Miscellaneous Amortization.....	0	0
Other Income Deductions - After Taxes	200,910	(917,293)
Total Income Deductions.....	200,910	(917,293)
Income Before Interest Charges.....	28,216,825	4,105,347
INTEREST CHARGES		
Interest on Long-Term Debt.....	12,600,040	(419,460)
Amortization of Debt Discount and Expense.....	395,548	(4,424)
Amortization of Premium on Debt-Credit.....	0	0
Interest on Debt to Associated Companies.....	448,362	142,322
Other Interest Expense.....	833,476	136,759
Interest Charged to Construction-Credit.....	(109,049)	(96,705)
Total Interest Charges.....	14,168,377	(241,508)
Net Income.....	14,048,448	4,346,855

BALANCE SHEET			
Title of Account	Balance End of Year	Title of Account	Balance End of Year
UTILITY PLANT		PROPRIETARY CAPITAL	
Utility Plant.....	\$ 1,503,631,693	CAPITAL STOCK	
OTHER PROPERTY		Common Stock Issued.....	\$ 100
AND INVESTMENTS		Preferred Stock Issued.....	0
Nonutility Property.....	267,230	Capital Stock Subscribed.....	0
Investment in Associated Companies.....	0	Premium on Capital Stock.....	411,771,866
Other Investments.....	25,000	Total.....	411,771,966
Special Funds.....	1,992,602	SURPLUS	
Total Other Property and Investments	2,284,832	Other Paid-In Capital.....	7,258,474
CURRENT AND ACCRUED ASSETS		OCI Deficit.....	0
Cash.....	1,942,453	Earned Surplus	18,196,878
Special Deposits.....	0	Total.....	25,455,352
Working Funds.....	6,700	Total Proprietary Capital.....	437,227,318
Temporary Cash Investments.....	0	LONG-TERM DEBT	
Notes and Accounts Receivable.....	54,750,924	Bonds.....	0
Receivables from Associated Co.....	146,653	Capital-Lease Obligations.....	0
Materials and Supplies.....	21,135,873	Other Long-Term Debt.....	221,000,000
Prepayments.....	1,867,590	Total Long-Term Debt	221,000,000
Interest and Dividends Receivable.....	7,804	CURRENT AND ACCRUED	
Rents Receivable.....	0	LIABILITIES	
Accrued Utility Revenues.....	33,726,861	Notes Payable.....	0
Miscellaneous Current and Accrued Assets	0	Accounts Payable.....	39,372,322
Def. Fuel Costs.....	14,523,634	Payables to Associated Companies.....	66,939,004
Total Current and Accrued Assets.....	128,108,492	Customer Deposits.....	3,695,872
DEFERRED DEBITS		Taxes Accrued.....	2,639,763
Unamortized Debt Discount Expense	4,107,250	Interest Accrued.....	1,783,129
Extraordinary Property Losses.....	0	Dividends Declared.....	0
Preliminary Survey and Investigation		Fuel Purchase Commitments.....	0
Charges.....	75,487	Capital Leases	0
Clearing Accounts.....	0	Tax Collections Payable.....	763,518
Temporary Facilities.....	0	Misc. Current and Accrued Liabilities.....	31,735,230
Miscellaneous Deferred Debits.....	125,827,739	Total Current and Accrued Liabilities.....	146,928,838
Total Deferred Debits.....	130,010,476	DEFERRED CREDITS	
CAPITAL STOCK DISCOUNT		Unamortized Premium on Debt.....	0
AND EXPENSE		Customer Advances for Construction.....	31,696
Discount on Capital Stock.....	0	Other Deferred Credits.....	23,595,964
Capital Stock Expense.....	0	Total Deferred Credits.....	23,627,660
Total Capital Stock Discount and Exp.	0	RESERVES	
REACQUIRED SECURITIES		Reserves for Depreciation.....	442,810,272
Reacquired Capital Stock.....	0	Reserves for Amortization.....	150,989,057
Reacquired Bonds.....	0	Reserves for Uncollectible Accounts.....	4,665,042
Total Reacquired Securities.....	0	Operating Reserves.....	48,774,585
Total Assets and Other Debits.....	\$ 1,764,035,493	Reserve for Depreciation and Amort- ization of Nonutility Property.....	192,134
		Reserves for Deferred Federal Income Taxes.....	287,820,587
		Total Reserves.....	935,251,677
		CONTRIBUTIONS IN AID	
		OF CONSTRUCTION	
		Contributions in Aid of Construction.....	0
		Total Liabilities and Other Credits.....	\$ 1,764,035,493

STATEMENT OF EARNED SURPLUS			
	Amount for Year	Increase or (Decrease) from Preceding Year	
Unappropriated Earned Surplus (at beginning of period).....	\$ 20,324,745	\$	3,568,687
Balance Transferred from Income.....	14,048,448		4,346,855
Miscellaneous Debits to Surplus.....Prior Period Adjustment	(17,171)		(17,171)
Miscellaneous Credits to Surplus.....FAS 158 Adjustment	3,454,259		2,124,821
Miscellaneous Debits to Surplus.....FAS 158 Adjustment State Tax Effect	(224,522)		(138,104)
Miscellaneous Debits to Surplus.....FAS 158 Adjustment Fed Tax Effect	(1,130,408)		(695,351)
Miscellaneous Credits to Surplus.....OCI Deficits	0		0
Miscellaneous Credits to Surplus.....Tax Allocations	1		(59,130)
Net Additions to Earned Surplus.....	16,130,607		5,561,920
Dividends Declared-Preferred Stock.....	0		0
Appropriations of Surplus for Common Stock Rights.....	0		0
Dividends Declared-Common Stock.....	11,000,000		4,000,000
Unappropriated Earned Surplus (at end of period).....	\$ 25,455,352	\$	5,130,607
ELECTRIC OPERATING REVENUES			
Account	Operating Revenues		
	Amount for Year	Increase or (Decrease) from Preceding Year	
SALES OF ELECTRICITY	\$	\$	
Residential Sales.....			
Commercial and Industrial Sales.....			
Small (or Commercial).....			
Large (or Industrial).....			
Public Street and Highway Lighting.....			
Other Sales to Public Authorities.....			
Sales to Railroad and Railways.....			
Interdepartmental Sales.....			
Miscellaneous Electric Sales.....			
Total Sales to Ultimate Consumers.....			
Sales for Resale.....			
Total Sales of Electricity.....			
OTHER OPERATING REVENUES			
Forfeited Discounts.....			
Miscellaneous Service Revenues.....			
Sales of Water and Water Power.....			
Rent from Electric Property.....			
Interdepartmental Rents.....			
Other Electric Revenues.....			
Total Other Operating Revenues.....			
Total Electric Operating Revenues.....			
SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES			
Functional Classification	Operation	Maintenance	Total
Power Production Expenses.....	\$	\$	\$
Electric Generation			
Steam Power.....			
Nuclear Power.....			
Hydraulic Power.....			
Other Power.....			
Other Power Supply Expenses.....			
Total Power Production Expenses.....			
Transmission Expenses.....			
Distribution Expenses.....			
Customer Accounts Expenses.....			
Sales Expenses.....			
Administrative and General Expenses.....			
Total Electric Operation and Maintenance Expenses.....			

GAS OPERATING REVENUES		
ACCOUNT	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
SALES OF GAS		
Residential Sales.....	\$ 311,962,625	\$ 14,621,134
Commercial and Industrial Sales.....		
Commercial & Industrial.....	100,317,334	3,399,558
Interruptible.....	0	(1,408)
Other Sales to Public Authorities.....	0	0
Interdepartmental Sales.....	0	0
Unbilled Gas Sales.....	(10,065,200)	(5,473,800)
Total Sales to Ultimate Consumers.....	402,214,759	12,545,484
Sales for Resale.....	2,354,261	2,073,867
Total Sales of Gas.....	404,569,020	14,619,351
OTHER OPERATING REVENUES		
Residential Transportation.....	257,774	13,183
Forfeited Discounts-Late Payment Charges.....	476,303	55,868
Miscellaneous Service Revenues.....	15,705,666	(36,853)
Revenues from Transportation of Gas to Others.....	45,304,744	11,299,916
Sales of Products Extracted from Natural Gas.....	0	0
Revenues from Natural Gas Processed by Others.....	0	0
Rent from Gas Property.....	553,523	50,832
Interdepartmental Rents.....	0	0
Other Gas Revenues.....	(6,935,822)	(13,399,508)
Total Other Operating Revenues.....	55,362,188	(2,016,562)
Total Gas Operating Revenues.....	\$ 459,931,208	\$ 12,602,789

SUMMARY OF GAS OPERATIONS AND MAINTENANCE EXPENSES			
Functional Classification	Operation	Maintenance	Total
Steam Production.....			
Manufactured Gas Production.....	\$ 11,357,576	\$ 479,122	\$ 11,836,698
Other Gas Supply Expenses.....	213,358,231	0	213,358,231
Total Production Expenses.....	224,715,807	479,122	225,194,929
Local Storage Expenses.....	0	0	0
Transmission and Distribution Expense.....	22,234,990	8,260,012	30,495,002
Customer Accounts Expense.....	22,036,509	0	22,036,509
Sales Expense.....	558,429	0	558,429
Administrative and General Expenses.....	79,096,910	3,357,292	82,454,202
Total Gas Operation and Maintenance Expenses.....	\$ 348,642,645	\$ 12,096,426	\$ 360,739,071

March 31, 2012, 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.


Controller

Commonwealth of Massachusetts
Department of Public Utilities

One South Street
Boston, MA 02110

STATEMENT OF OPERATING REVENUES

YEAR 2011

Name of Company Bay State Gas Company
D/B/A Columbia Gas of Massachusetts
Address 300 Friberg Parkway, Westborough, MA 01581-5039

		Location on Annual Return
Massachusetts Operating Revenues (Intrastate)	\$ <u>459,931,208</u>	<u>C1, 10</u>
Other Revenues (outside Massachusetts)	\$ <u></u>	<u></u>
Total Revenues	\$ <u>459,931,208</u>	<u>C1, 10</u>

I hereby certify under the penalties of perjury that the foregoing statement is true to the best of my knowledge and belief.

Signature
Name
Title


Stephen H. Bryant
President & Director

The purpose of this statement is to provide the Department of Public Utilities with the amount of intrastate operating revenues for the annual assessment made pursuant to G.L. c. 25, § 18.

If invoices or correspondence are to be addressed to a particular individual or department of the Company, please provide the name, title, and address below.

Name Stephen H. Bryant
Title President & Director
Address Columbia Gas of Massachusetts
300 Friberg Parkway
Westborough, MA 01581-5039

Columbia Gas of Massachusetts
Return on Equity
For the Twelve Months Ended December 31, 2011

Ln. No.	Item (1)	Detail (2)	Total (3)
1	<u>Net Utility Income Available for Common Shareholders</u>		
2	Total Utility Operating Income - Annual Return - Pg. 10, Ln 18		\$ 27,233,342
3	Plus:		
4	Amortization of Acquisition Premium	\$ 10,989,478	
5	Service Quality Penalties	-	
6	Total	\$ 10,989,478	
7	Income Taxes on amortization	\$ 4,310,623	
8	Net Additions to Utility Operating Income (Ln. 6 - Ln. 7)		\$ 6,678,855
9	Less:		
10	Total Interest Charges - Annual Return - Pg. 10, Ln. 39	\$ 14,168,377	
11	Dividends Declared - Preferred Stock	-	
12	Total	\$ 14,168,377	
13	Utility Ratio (See Ln. 35 below)	99.79%	
14	Utility Interest Charges (Ln. 12 * Ln. 13)	\$ 14,138,623	
15	Income taxes on difference (Ln. 12 - Ln. 14) * 0.39225	\$ 11,671	
16	Net Utility Interest Charges (Ln. 14 + Ln. 15)		\$ 14,150,294
17	Net Utility Income (Ln.2 + Ln.8 - Ln. 16)		\$ 19,761,903
18	<u>Total Utility Common Equity</u>		
19	Total Proprietary Capital - Annual Return - Pg. 9, Ln. 13		
20	Balance Beginning of Year - Column (b)		\$ 432,096,711
21	Balance End of Year - Column (c)		\$ 437,227,318
22	Average (Ln. 20 + Ln 21)/2		\$ 434,662,015
23	Less:	Beginning Year	Ending Year
24	Average Preferred stock - Annual Return - Pg. 9, Ln. 4		-
25	Average Unamortized Acquisition Premium net of deferred income taxes		\$ 184,225,092
26	Average Investments in Subsidiary Companies-Annual Return-Pg8, Ln.5	\$ (2,099,329)	\$ -
27	Total Average Common Equity (Ln. 22 - Lns. 24, 25 and 26)		\$ 251,486,587
28	Utility Ratio (See Ln. 35 below)		99.79%
29	Total Average Utility Common Equity (Ln. 27 * Ln. 28)		\$ 250,958,465
30	Return on Equity (Ln. 17/Ln. 29)		7.87%
31	Utility Ratio:	Total	Less Acquisition Premium & Invest. In Subs. Net
32	Utility Plant - Annual Return - Pg. 8, Ln. 2	\$ 1,503,631,693	\$ (442,163,257) \$ 1,061,468,436
33	Total Other Property & Investment - Annual Return - Pg 8, Ln. 8	\$ 2,284,832	\$ - \$ 2,284,832
34	Total	\$ 1,505,916,525	\$ 1,063,753,268
35	Utility Ratio (Ln. 32/ Ln. 34)		99.79%

Annual report ofColumbia Gas of Massachusetts.....Year ended December 31, 2011

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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.		
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Nonutility Property	19	
Investments	20	
Special Funds	21	
Special Deposits	21	N/A
Notes Receivable	22	N/A
Accounts Receivable	22	
Receivables from Associated Companies	23	
Materials and Supplies	24	
Production Fuel and Oil Stocks	25	
Unamortized Debt Discount and Expense and Unamortized Premium on Debt	26	
Extraordinary Property Losses	27	N/A
Miscellaneous Deferred Debits	27	
Discount on Capital Stock	28	N/A
Capital Stock Expense	28	N/A
Capital Stock and Premium	29	
Other Paid-In Capital	30	
Long-Term Debt	31	
Notes Payable	32	N/A
Payables to Associated Companies	32	
Miscellaneous Current and Accrued Liabilities	33	
Other Deferred Credits	33	

Annual report ofColumbia Gas of Massachusetts.....Year ended December 31, 2011

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Contributions in Aid of Construction	36	N/A
Electric Operating Revenues	37	N/A
Sales of Electricity to Ultimate Customers	38	N/A
Electric Operation and Maintenance Expenses	39-42	N/A
Summary of Electric Operation and Maintenance Expenses	42	N/A
Gas Operating Revenues	43	
Sales of Gas to Ultimate Consumers	44	
Gas Operation and Maintenance Expenses	45-47	
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Sales for Resale - Gas	48	
Purchased Gas	48A	
Taxes Charged During Year	49	
Other Utility Operating Income	50	N/A
Income from Merchandising, Jobbing and Contract Work	51	
Pages detailing Electric Operations	52-71	N/A
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Gas Generating Plant	74	
Boilers	75	N/A
Scrubbers, Condensers, and Exhausters	75	N/A
Purifiers	76	N/A
Holders	76	N/A
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Annual report of.....Columbia Gas of Massachusetts.....Year ended December 31, 2011

GENERAL INFORMATION				
PRINCIPAL AND SALARIED OFFICERS *				
Titles	Names	Addresses	Annual Salaries	
Chief Executive Officer	Robert C. Skaggs, Jr.	801 East 86th Avenue, Merrillville, IN	\$	
President	Stephen H. Bryant	300 Friberg Parkway, Westborough, MA		
Chief Operations Officer	Shawn L. Patterson	200 Civic Center Drive, Columbus, OH		
General Manager	Frank Davis, Jr.	300 Friberg Parkway, Westborough, MA		
Chief Regulatory Officer	John W. Partridge, Jr.	200 Civic Center Drive, Columbus, OH		
Chief Commercial Officer & Chief Financial Officer- Gas Distribution	Stanley J. Sagun	200 Civic Center Drive, Columbus, OH		
Vice President, Commercial Operations	Heather Bauer	200 Civic Center Drive, Columbus, OH		
Vice President, Customer Operations	Michael J. Davidson	100 Laurel View Drive, Smithfield, PA		
Vice President, Retail Products & Services	Scott C. MacDonald	100 International Drive, Portsmouth, NH		
Vice President, Communications Strategy	Charles E. Moran	2025 Roosevelt Ave, Springfield, MA		
Vice President, Sales & Marketing	Douglas A. Nusbaum	7080 Fry Road, Middleburg Heights, OH		
Vice President, Ethics and Compliance and Clerk	Gary W. Pottorff	801 East 86th Avenue, Merrillville, IN		
Vice President, Human Resources	Edward A. Santry	121 Champion Way, Canonsburg, PA		
Vice President, Tax Services	Bruce M. Sedlock	200 Civic Center Drive, Columbus, OH		
Vice President , Engineering and Operations Logistics	Charles E. Shafer, II	200 Civic Center Drive, Columbus, OH		
Vice President and Assistant Clerk	Robert E. Smith	801 East 86th Avenue, Merrillville, IN		
Vice President, Regulatory Strategy/Support	Suzanne Surface	200 Civic Center Drive, Columbus, OH		
Vice President, Treasurer & Chief Risk Officer	David J. Vajda	801 East 86th Avenue, Merrillville, IN		
Vice President and Chief Accounting Officer	Jon D. Veurink	200 Civic Center Drive, Columbus, OH		
Vice President, Supply & Optimization	Michael D. Watson	200 Civic Center Drive, Columbus, OH		
Master Gas Fitter and Master Gas Plumber	Francis Corkery	995 Belmont Street, Brockton, MA		
Controller	June M. Konold	200 Civic Center Drive, Columbus, OH		
Assistant Controller	John M. O'Brien	200 Civic Center Drive, Columbus, OH		
Assistant Clerk	James H. Keshian	300 Friberg Parkway, Westborough, MA		
Assistant Treasurer	Vincent V. Rea	801 East 86th Avenue, Merrillville, IN		
DIRECTORS *				
Names		Addresses	Fees Paid During Year (E)	
Stephen H. Bryant		300 Friberg Parkway, Westborough, MA		
Frank Davis, Jr.		300 Friberg Parkway, Westborough, MA		
Robert C. Skaggs, Jr.		801 East 86th Avenue, Merrillville, IN		
(E) Included, where applicable, annual retainer paid to Directors who are not salaried officers of Company or subsidiary. Directors' meeting attendance fees, annual committee fees and committee meeting attendance fees.				
* 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:

Bay State Gas Company

2. Date of organization:

See Note 1

3. Date of incorporation:

November 10, 1998 as Acquisition Gas Company, Inc.

4. Give location (including street and number) of principal business office:

300 Friberg Parkway, Westborough, Massachusetts 01581

5. Total number of stockholders: One - NiSource Inc., 801 East 86th Avenue, Merrillville, IN 46410

6. Number of stockholders in Massachusetts: None

- | | | | |
|---|----------------|--------------|-----|
| 7. Amount of stock held in Massachusetts: | No. of shares, | 0 Common | \$0 |
| | No. of shares, | 0 \$50 Pfd. | \$0 |
| | No. of shares, | 0 \$100 Pfd. | \$0 |

- | | | | |
|--|----------------|-----|--|
| 8. Capital stock issued prior to June 5, 1894: | No. of shares, | 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 | No. of shares, | 100 Common | \$100 |
| | No. of shares, | 0 \$100 Pfd. | \$0 |
| | No. of shares, | 0 \$50 Pfd. | \$0 |

Total 100 Common Shares, par value, \$1.00, outstanding at December 31, 2011			\$100
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0 Pfd., par value, \$100			\$0
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0 Pfd., par value, \$ 50			\$0
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10. In connection with the Company's Common Stock Issuance:

DTE #98-31

In connection with the Company's Merger with NiSource Inc. 100 Shares of Common Stock, \$ 1.00 Par Value, were Issued, as approved in DTE #98-31, dated November 5, 1998.

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., & show the total amount paid to each for the year.

	Gross Dollars Billed to Columbia Gas of Massachusetts	Portion of Billed Charged to Balance Sheet or Non-Utility Expense
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Year 2011

Management Fee - NiSource Corporate Services Co.	40,395,028	4,048,752
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Annual report of.....Columbia Gas of Massachusetts.....Year ended December 31, 2011

GENERAL INFORMATION - Continued

12. 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.

ADDITIONS - MAJOR

Gas Mains

Gas Services

RETIREMENTS - MAJOR

Gas Services

Gas Mains

Note 1

On November 10, 1998, Acquisition Gas Company, Inc. was formed as a subsidiary of NiSource, Inc. On February 12, 1999, (Old) Bay State Gas Company was merged into Acquisition Gas Company, Inc. Old Bay State Gas Company was dissolved and Acquisition Gas Company changed its name to Bay State Gas Company.

Note 2

In 2010 Bay State Gas Company completed the process of changing the name of the Company to Columbia Gas of Massachusetts.

[illegible]

* Total represents active meters at December 31, 2011

COMPARATIVE BALANCE SHEET Assets and Other Debits				
Line No.	Title of Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Increase or (Decrease) (d)
1	UTILITY PLANT			
2	Utility Plant (101-107) P.13	1,442,499,559	1,503,631,693	61,132,134
3	OTHER PROPERTY AND INVESTMENTS			
4	Nonutility Property (121) P.19.....	267,230	267,230	0
5	Investment in Associated Companies (123) P.20.....	(2,099,329)	0	2,099,329
6	Other Investments (124) P.20.....	25,000	25,000	0
7	Special Funds (125,126,127,128) P.21.....	0	1,992,602	1,992,602
8	Total Other Property and Investments.....	(1,807,099)	2,284,832	4,091,931
9	CURRENT AND ACCRUED ASSETS			
10	Cash (131).....	885,024	1,942,453	1,057,429
11	Special Deposits (132,133,134) P.21.....	0	0	0
12	Working Funds (135).....	6,700	6,700	0
13	Temporary Cash Investments (136) P.20.....	0	0	0
14	Notes and Accounts Receivable (141,142,143) P.22.....	65,835,109	54,750,924	(11,084,185)
15	Receivables from Assoc. Companies (145,146) P.23.....	1,129,744	146,653	(983,091)
16	Materials and Supplies (151-159,163) P.24.....	22,928,808	21,135,873	(1,792,935)
17	Prepayments (165).....	1,777,706	1,867,590	89,884
18	Interest and Dividends Receivable (171).....	3,782	7,804	4,022
19	Rents Receivable (172).....	0	0	0
20	Accrued Utility Revenues (173).....	45,034,336	33,726,861	(11,307,475)
21	Miscellaneous Current and Accrued Assets (174)	0	0	0
22	Def. Fuel Costs (175).....	16,514,807	14,523,634	(1,991,173)
23	Total Current and Accrued Assets.....	154,116,016	128,108,492	(26,007,524)
24	DEFERRED DEBITS			
25	Unamortized Debt Discount and Expense (181) P.26.....	4,376,462	4,107,250	(269,212)
26	Extraordinary Property Losses (182) P.27.....	0	0	0
27	Preliminary Survey and Investigation Charges (183).....	0	75,487	75,487
28	Clearing Accounts (184).....	0	0	0
29	Temporary Facilities (185).....	0	0	0
30	Miscellaneous Deferred Debits (186)...P.27.....	122,703,969	125,827,739	3,123,770
31	Total Deferred Debits.....	127,080,431	130,010,476	2,930,045
32	CAPITAL STOCK DISCOUNT AND EXPENSE			
33	Discount on Capital Stock (191) P.28.....	0	0	0
34	Capital Stock Expense (192) P.28.....	0	0	0
35	Total Capital Stock Discount and Expense.....	0	0	0
36	REACQUIRED SECURITIES			
37	Reacquired Capital Stock (196).....	0	0	0
38	Reacquired Bonds (197).....	0	0	0
39	Total Reacquired Securities.....	0	0	0
40	Total Assets and Other Debits.....	1,721,888,907	1,764,035,493	42,146,586

COMPARATIVE BALANCE SHEET Liabilities and Other Credits				
Line No.	Title of Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Increase or (Decrease) (d)
1	PROPRIETARY CAPITAL			
2	CAPITAL STOCK			
3	Common Stock Issued (201) P.29.....	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.....	411,771,866	411,771,866	0
7	Total.....	411,771,966	411,771,966	0
8	SURPLUS			
9	Other Paid-In Capital (208-211) P. 30.....	7,258,473	7,258,474	1
10	OCI Deficit	(2,099,329)	0	2,099,329
11	Earned Surplus (215,216) P. 12.....	15,165,601	18,196,878	3,031,277
12	Total.....	20,324,745	25,455,352	5,130,607
13	Total Proprietary Capital.....	432,096,711	437,227,318	5,130,607
14	LONG TERM DEBT			
15	Bonds (221) P.31.....			
16	Capital Lease Obligations			
17	Other Long-Term Debt (224) P.31.....	218,500,000	221,000,000	2,500,000
18	Total Long-Term Debt.....	218,500,000	221,000,000	2,500,000
19	CURRENT AND ACCRUED LIABILITIES			
20	Notes Payable (231) P.32.....	0	0	0
21	Accounts Payable (232).....	45,773,982	39,372,322	(6,401,660)
22	Payables to Associated Companies (233,234) P.32.....	78,488,045	66,939,004	(11,549,041)
23	Customer Deposits (235).....	3,903,345	3,695,872	(207,473)
24	Taxes Accrued (236).....	(1,123,074)	2,639,763	3,762,837
25	Interest Accrued (237).....	1,896,394	1,783,129	(113,265)
26	Dividends Declared (238).....	0	0	0
27	Fuel Purchase Commitments.....	0	0	0
28	Capital Leases (240).....	0	0	0
29	Tax Collections Payable (241).....	815,153	763,518	(51,635)
30	Misc. Current and Accrued Liabilities (242) P.33.....	30,458,532	31,735,230	1,276,698
31	Total Current and Accrued Liabilities.....	160,212,377	146,928,838	(13,283,539)
32	DEFERRED CREDITS			
33	Unamortized Premium on Debt (251) P.26.....	0	0	0
34	Customer Advances for Construction (252)	27,732	31,696	3,964
35	Other Deferred Credits (253) P.33.....	15,631,226	23,595,964	7,964,738
36	Total Deferred Credits.....	15,658,958	23,627,660	7,968,702
37	RESERVES			
38	Reserves for Depreciation (254-256) P.13.....	414,493,786	442,810,272	28,316,486
39	Reserves for Amortization (257-259) P.13.....	140,218,530	150,989,057	10,770,527
40	Reserve for Uncollectible Accounts (260).....	5,253,566	4,665,042	(588,524)
41	Operating Reserves (261-265) P.35.....	58,261,735	48,774,585	(9,487,150)
42	Reserve for Depreciation and Amortization of Nonutility Property (266).....	192,134	192,134	0
43	Reserves for Deferred Federal Income Taxes (267,268) P.36.....	277,001,110	287,820,587	10,819,477
44	Total Reserves.....	895,420,861	935,251,677	39,830,816
45	CONTRIBUTIONS IN AID OF CONSTRUCTION			
46	Contributions in Aid of Construction (271) P. 36.....	0	0	0
47	Total Liabilities and Other Credits.....	1,721,888,907	1,764,035,493	42,146,586

STATEMENT OF INCOME FOR THE YEAR			
Line No.	Account (a)	Current Year (b)	Increase or (Decrease) from Preceding Year (c)
1	OPERATING INCOME		
2	Operating Revenues (400) P.37,43.....	\$ 459,931,208	\$ 12,602,789
3	Operating Expenses:		
4	Operation Expense (401) P.42,47.....	348,642,645	6,697,152
5	Maintenance Expense (402) P.42,47.....	12,096,426	(319,247)
6	Depreciation Expense (403) P.34.....	36,474,724	(90,623)
7	Amortization of Utility Plant (404 and 405).....	12,018,344	(212,404)
8	Asset Impairment.....	0	0
9	Amortization of Investment Tax Credit (407.2).....	(223,932)	0
10	Taxes Other Than Income Taxes (408) P.49.....	16,902,484	1,872,790
11	Income Taxes (409) P.49.....	(4,071,575)	(3,800,820)
12	Provision for Deferred Fed. Inc. Taxes (410) P.36.....	45,100,230	20,357,136
13	Fed. Inc. Taxes Def. in Prior Yrs.-Cr. (411) P. 36.....	(34,241,480)	(14,811,103)
14	Total Operating Expenses.....	432,697,866	9,692,881
15	Net Operating Revenues.....	27,233,342	2,909,908
16	Income from Utility Plant Leased to Others (412)-Net.....	0	0
17	Other Utility Operating Income (414) P.50.....		
18	Total Utility Operating Income.....	27,233,342	2,909,908
19	OTHER INCOME		
20	Income (Loss) from Mdse. Job & Contract Work (415) P. 51-After Taxes.....	5,431	24,586
21	Income from Nonutility Operations (417)-After Taxes.....	(5,259)	236
22	Nonoperating Rental Income (418).....	0	0
23	Interest and Dividend Income (419)-After Taxes.....	538,452	(179,103)
24	Misc Nonoperating Income (421)-After Taxes and Earnings of Subsidiaries.....	645,769	432,427
25	Total Other Income.....	1,184,393	278,146
26	Total Income.....	28,417,735	3,188,054
27	MISCELLANEOUS INCOME DEDUCTIONS		
28	Miscellaneous Amortization (425).....	0	0
29	Other Income Deductions (426) After Taxes.....	200,910	(917,293)
30	Total Income Deductions.....	200,910	(917,293)
31	Income Before Interest Charges.....	28,216,825	4,105,347
32	INTEREST CHARGES		
33	Interest on Long-Term Debt (427) P.31.....	12,600,040	(419,460)
34	Amortization of Debt Disc. & Expense (428) P.26.....	395,548	(4,424)
35	Amortization of Prem. on Debt-Credit (429) P.26.....	0	0
36	Int. on Debt to Associated Companies (430) P.31,32.....	448,362	142,322
37	Other Interest Expense (431).....	833,476	136,759
38	Interest Charged (Credited) to Construction-Credit (432).....	(109,049)	(96,705)
39	Total Interest Charges.....	14,168,377	(241,508)
40	Net Income.....	\$ 14,048,448	\$ 4,346,855
41	EARNED SURPLUS		
42	Unappropriated Earned Surplus (at beginning of period) (216).....	\$ 20,324,745	\$ 3,568,687
43	Balance Transferred from Income (433).....	14,048,448	4,346,855
44	Miscellaneous Debits to Surplus (434).....Prior Period Adjustment	(17,171)	(17,171)
45	Miscellaneous Credits to Surplus(434).....OCI Deficits	2,099,329	1,291,366
46	Miscellaneous Credits to Surplus (434).....Tax Allocation	1	(59,130)
47	Miscellaneous Debits to Surplus (435).....Rounding	0	0
48	Net Additions of Earned Surplus.....	16,130,607	5,561,920
49	Appropriations of Surplus for Common Stock Rights(436).....	0	0
50	Dividends Declared-Common Stock (438).....	11,000,000	4,000,000
51	Unappropriated Earned Surplus (at end of period) (216).....	\$ 25,455,352	\$ 5,130,607

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 accounts affected shown. Minor items may be grouped by classes; however, the number of items in each group should be shown.

3. For each reservation or appropriation of earned surplus state the purpose, amount, and in the case of reservations, the reserve account credited.

Explain in a footnote the basis for determining the amount reserved or appropriated and if such reservation or appropriation is to be recurrent, state the number and annual payments to be reserved or appropriated as well as the totals eventually to be accumulated.

4. Dividends should be shown for each class and series of capital stock. Show amounts of dividends per share.

5. List credits first; then debits.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
1	UNAPPROPRIATED EARNED SURPLUS (Account 216)		
2	Balance-Beginning of Year		\$ 20,324,745
3	Changes: (identify by prescribed earned surplus accounts)		
4	Net Income - Mass operations	433	14,048,448
5			
6			
7			
8			
9			
10	APIC tax Allocation	Various	1
11	FAS 158 Adjustment - Pension - Northern	Various	1,150,937
12	FAS 158 Adjustment - OPEB - Northern	Various	948,392
13	Prior Period Adjustment	Various	(17,171)
14			
15			
16			
17			
18			
19	Less: Appropriation of Earned Surplus for Common Stock Rights		
20	Appropriation of Earned Surplus for Common Stock Dividends		\$ 11,000,000
21			
22			
23			
24			
25			
26			
27	Balance - end of year		\$ 25,455,352
28	APPROPRIATED EARNED SURPLUS (Account 215)		\$
29	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 the year.		
30			
31			
32			
33			
34			
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41			
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43			

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SUMMARY OF UTILITY PLANT AND RESERVES FOR DEPRECIATION AND AMORTIZATION							
Line No.	Item (a)	Total (b)	Electric (c)	Gas (d)	(e)	(f)	Common (g)
1	UTILITY PLANT:						
2	In Service:						
3	101 Plant in Service (Classified)	\$ 1,473,539,968		\$ 1,473,539,968			
4	106 Completed Construction not Classified.....						
5	Total P. 18.....	1,473,539,968		1,473,539,968			
6	101.1 Leased from Others.....						
7	105 Held for Future Use.....						
8	106 Completed Construction Not Classified...	14,810,190		14,810,190			
8	107 Construction Work in Progress..	15,281,535		15,281,535			
9	Total Utility Plant.....	\$ 1,503,631,693		\$ 1,503,631,693			
10	DETAIL OF RESERVES FOR DEPRECIATION AND AMORTIZATION						
11	In Service:						
12	254 Depreciation P. 34.....	\$ 442,810,272		\$ 442,810,272			
13	257 Amortization.....	150,989,057		150,989,057			
14	Total, in Service.....	\$ 593,799,329		\$ 593,799,329			
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.....	\$ 593,799,329		\$ 593,799,329			

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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).

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)
1	1. INTANGIBLE PLANT	\$	\$	\$	\$	\$	\$
2	301 Organization.....	4,432,919					4,432,919
3	303 Miscellaneous Intangible Plant..	447,582,377	1,358,844	1,247,817			447,693,404
4	Total Intangible Plant.....	452,015,296	1,358,844	1,247,817			452,126,323
5	2. PRODUCTION PLANT						
6	Manufactured Gas Production Plant...						
7	304 Land and Land Rights	412,592					412,592
8	305 Structures and Improvements.....	3,089,792	64,995	2,017		(98,109)	3,054,661
9	306 Boiler Plant Equipment.....						
10	307 Other Power Equipment.....						
11	310 Water Gas Generating Equipment.						
12	311 Liquefied Petroleum Gas.....						
	Equipment.....	4,498,957	103,032	111,319		65,272	4,555,942
13	312 Oil Gas Generating Equipment...						
14	313 Generating Equipment-Other.....						
	Processes.....						
15	315 Catalytic Cracking Equipment...						
16	316 Other Reforming Equipment.....						
17	317 Purification Equipment.....						
18	321 LNG Equipment.....	21,737,150	3,225,706	141,969		662,535	25,483,422
19	319 Gas Mixing Equipment.....						
20	320 Other Equipment.....	838,544	8,665	33,841		(813,368)	0
21	Total Manufactured Gas						
22	Production Plant.....	30,577,035	3,402,398	289,146		(183,670)	33,506,617
23	3. STORAGE PLANT						
24	360 Land and Land Rights.....						
25	361 Structures and Improvements.....						
26	362 Gas Holders.....						
27	363 Other Equipment.....						
28	Total Storage Plant.....						

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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	4. TRANSMISSION AND DISTRIBUTION PLANT						
2	365.1 Land and Land Rights.....						
3	365.2 Rights of Way.....						
4	366 Structures and Improvements.....						
5	367 Mains.....						
6	368 Compressor Station Equipment...						
7	369 Measuring and Regulating Station Equipment.....						
9	374 Land & Land Rights, right of Way	328,014					328,014
10	375 Structures & Improvements.....	10,354,742	1,389,908	466,886		292,714	11,570,478
11	376 Mains.....	433,372,516	21,385,946	736,652		12,361	454,034,171
12	377 Compressor Station Equipment.....	327,265		303,947		(23,318)	0
13	378 Regulator Station.....	20,286,644	1,644,079	441,397		122,570	21,611,896
14	379 Other Equipment.....						
15	380 Services.....	306,818,540	17,289,233	1,047,343			323,060,430
16	381 Meters.....	29,679,281	2,023,829	438,593			31,264,517
17	382 Meter Installations.....	64,949,181	3,577,205	21,975			68,504,411
18	383 House Regulators.....	12,352,277		520,182			11,832,095
19	386 Other Property on Cust's Prem....	35,801,725	2,214,585				38,016,310
20	387 Other Equipment.....						
21	Total Transmission and Distribution Plant.....	914,270,185	49,524,785	3,976,975		404,327	960,222,322
23	5. GENERAL PLANT						
24	389 Land and Land Rights.....	172,321					172,321
25	390 Structures and Improvements.....						
26	391 Office Furniture and Equipment.....	5,533,808	211,709	299,934			5,445,583
27	392 Transportation Equipment.....	36,454					36,454
28	393 Stores Equipment.....	46,405	238,422			(238,423)	46,404
29	394 Tools, Shop, and Garage Eqpt....	3,114,818	1,229,506	1,506,238			2,838,086
30	395 Laboratory Equipment.....	177,937	141,056				318,993
31	396 Power Operated Equipment.....	9,129				17,766	26,895
32	397 Communication Equipment.....	15,464,243	3,506,987	265,167			18,706,063
33	398 Miscellaneous Equipment.....	96,601	36,038	38,732			93,907
34	399 Other Tangible Property.....						
35	Total General Plant.....	24,651,716	5,363,718	2,110,071		(220,657)	27,684,706
36	Total Gas Plant in Service.....	1,421,514,232	59,649,745	7,624,009		0	1,473,539,968
37	101.1 Utility Plant Leased From Others.....						
38	105 Held for Future Use						
39	106 Completed Construction Not Classified...	8,983,631	5,826,559				14,810,190
40	107 Construction Work in Progress.....	12,001,695	3,279,840				15,281,535
41	Total Utility Plant - Gas.....	1,442,499,558	68,756,144	7,624,009		0	1,503,631,693

Note: Completed Construction Not Classified, Account 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 distribution 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 columns (c) and (d) including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions 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.

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NONUTILITY PROPERTY (ACCOUNT 121)

Give particulars of all investments of the respondent in physical property not devoted to utility operation.

Line No.	Description and Location (a)	Book Value at End of Year (b)	Revenue for the Year (c)	Expense for the Year (d)	Net Income after Tax for the Year (e)
1					
2					
3	<u>Non-Utility Property</u>				
4					
6	Land - Belmont Street, Brockton	\$ 29,197			
7	Land - Canton St., Canton	40,380			
8	Land - Meadow Lane, Brockton	5,519			
9		75,096	0	0	0
10					
11	<u>Other Non-Utility - 398</u>	192,134			
12					
13					
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49					
50					
51					
52					
53	TOTALS	\$ 267,230	\$ 0	\$ 0	\$ 0

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INVESTMENTS (ACCOUNTS 121, 136)

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

Line No.	Description of Security Held by Respondent (a)	Amount (b)
1	Investment in Northern Utilities, Inc.:	
2	100 Shares of Common Stock @ \$10 par	0
3	Other Equity	0
4	Total Investment in Northern Utilities, Inc.	0
5		
6	Investment in Northern:	
7	Other Equity	0
8	Total Investment in Bay State Northern	0
9		
10		
11		
12		
13		
14	Other Investments:	
15	Springfield Area Development Corp.: "A" Stock, 500 Shares	2,500
16	"B" Stock, 5,500 Shares	22,500
17		
18		
19	Total Other Investments	25,000

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SPECIAL FUNDS (Accounts 125,126,127,128) (Sinking Funds, Depreciation Fund, Amortization Fund-Federal, Other Special Funds) Report below the balance ay 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	LNG & LPG Heel Gas	\$ 1,992,602
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19	TOTAL	\$ 1,992,602
SPECIAL DEPOSITS (Accounts 132, 133, 134) 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 comapny.		
Line No.	Description and Purpose of Deposit (a)	Balance End of Year (b)
20	Interest Special Deposits (Account 132).....	
21	Dividend Special Deposits (Account 133).....	
22		
23	Other Special Deposits (Account 134)	
24	(specify purpose of each other special deposit).....	
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		NONE

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NOTES RECEIVABLE (Account 141)				
1. Give the particulars called for below concerning notes receivable at the end of year.		3. Minor items may be grouped by classes, showing number of such items.		
2. Give particulars of any note pledged or discounted.		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)	Amount End of Year (e)
1	NONE			
2				
3				
4				
5				
6				
7				
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9				
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11				
12				
13				
14				
15				
16				
17				
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20				
21				
22				
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)		
23	Customers (Account 142):			
24				
25	Gas	\$ 48,288,113		
26	Other Gas Utility	4,829,891		
27	Non-Utility	262,159		
28				
29				
30	Other Accounts Receivable (Account 143):			
31				
32	New Business	236,761		
33	Rate Refund	1,134,000		
34				
35				
36				
37				
38				
39				
40				
41				
42		\$ 54,750,924		
43	Total Notes and Accounts Receivable	\$ 54,750,924		

Annual report of.....Columbia Gas of Massachusetts.....Year ended December 31, 2011

RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145,146)

1. Report particulars of notes and accounts receivable from associated companies at end of year.

2. Provide separate headings and totals for Account 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.

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.

4. If any note was received in satisfaction of an open account, state the period covered by such open account.

5. Include in column (d) interest recorded as income during the year, including interest on accounts and notes held any time during the year.

6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.

Line No.	Name of Company (a)	Amount End of Year (b)	Interest for Year	
			Rate (c)	Amount (d)
1	Accounts Receivable (Account 146)			
2	NiSource	\$ 146,653		\$ 0
3				
4				
5				
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7				
8				
9				
10				
11				
12				
13				
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40				
41				
42				
43	TOTALS	\$ 146,653		\$ 0
44				

Annual report of.....Columbia Gas of Massachusetts.....Year ended December 31, 2011

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)		\$ 16,482,399
2			
3			
4	Plant Materials and Operating Supplies (Account 154)		4,629,125
5			
6			
7			
8			
9			
10	Stores Expense (Account 163)		24,349
11			
12	Total Per Balance Sheet		\$ 21,135,873

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			
			Liquid Propane		Liquefied Natural Gas	
			Quantity (Gallons) (c)	Cost (d)	Quantity (MMBTU) (e)	Cost (f)
1	On Hand Beginning of Year.....	18,481,034	1,165,494	1,329,140	1,572,430	10,723,464
2	Received During Year.....	16,522,505	436,478	563,131	1,324,641	8,358,758
3	TOTAL.....	35,003,539	1,601,972	1,892,271	2,897,071	19,082,222
4	Used During Year.....					
5	Retail Bottled Gas Sale					
6						
7						
8						
9						
10	Transferred to Heel Gas Investment	1,992,602	89,419	106,694	289,948	1,885,908
11	Sold or Transferred.....	16,528,538	266,945	405,997	919,670	8,106,583
12	TOTAL DISPOSED OF	18,521,140	356,364	512,691	1,209,618	9,992,491
13	BALANCE END OF YEAR.....	16,482,399	1,245,608	1,379,580	1,687,453	9,089,731
Line No.	Item (g)	Kinds of Fuel and Oil - Continued				
		Retail Propane		Natural Gas		
		Quantity (Gallons) (h)	Cost (i)	Quantity (MMBTU) (j)	Cost (k)	
14	On Hand Beginning of Year.....	0	0	1,370,088	6,428,430	
15	Received During Year.....	0	0	1,599,811	7,600,616	
16	TOTAL.....	0	0	2,969,899	14,029,046	
17	Used During Year.....					
18	Retail Propane Sales.....					
19						
20						
21						
22						
23						
24	Sold or Transferred.....	0	0	1,685,876	8,015,958	
25	TOTAL DISPOSED OF	0	0	1,685,876	8,015,958	
26	BALANCE END OF YEAR.....	0	0	1,284,023	6,013,088	

Annual report ofColumbia Gas of Massachusetts.....Year ended December 31, 2011

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, particularly 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 in prior years.

7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount or Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.

Line No.	Designation of Long-Term Debt (a)	Balance at the end of the reporting year	Principal Amount of Securities to which Discount and Expenses or Premium Minus Expense, Relates (Omit Cents) (b)	Total Discount and Expense or Net Premium (Omit Cents) (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	9.20% Notes, due June 06, 2011 (see Note below)	0	10,000,000	151,734	06/05/91	06/06/11	3,160		3,160	0
2	6.43% Notes, due December 15, 2025	10,000,000	10,000,000	2,148,966	12/15/95	12/15/25	1,074,420		71,628	1,002,792
3	6.26% Notes, due February 15, 2028	30,000,000	30,000,000	5,957,669	12/15/98	2/15/28	3,278,770		191,928	3,086,842
4	5.4% Notes, due March 18, 2013	50,000,000	50,000,000	8,640	03/17/03	03/18/13	1,944		864	1,080
5	5.58% Notes, due December 20, 2019	35,000,000	35,000,000	14,078	12/20/04	12/20/19	8,424		936	7,488
6	5.94% Notes, due December 20, 2024	35,000,000	35,000,000	14,079	12/20/04	12/20/24	9,744		696	9,048
7	5.25% Notes, due June 19, 2015	10,000,000	10,000,000	0			0		0	0
8	5.44% Notes due July 31, 2015	5,000,000	5,000,000	0			0		0	0
9	6.25% Notes, due April 1, 2016	35,000,000	35,000,000	0			0		0	0
10	5.36% Notes, due December 16, 2041	11,000,000	11,000,000	0			0		0	0
11	portion of 9.2% note retired in 1996 - \$1,500,000									
12	Acct 181 TOTALS (Credits tie to 428 account charges)						4,376,462	0	269,212	4,107,250
13	TOTALS	221,000,000	231,000,000	8,295,166						

Annual report ofColumbia Gas of Massachusetts.....Year ended December 31, 2011

EXTRAORDINARY PROPERTY LOSSES (Account 182)

1. Report below particulars concerning the accounting for extraordinary property losses.
 2. In column (a) describe the property abandoned or 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			
2						
3						
4						
5						
6						
7						
8						
9						
10						
11	TOTALS					

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)	
12	Regulatory Asset - Working Capital	199,899	1,647,502	495	1,615,894	231,507
13	Regulatory Asset - DSM	(3,729,569)	13,008,942	923,486	16,620,597	(7,341,224)
14	Regulatory Asset - LDAC Recoveries Unbilled	(4,663,316)	5,205,647	930	3,663,420	(3,121,089)
15	Regulatory Asset - Production & Storage	997,447	9,681,128	495	10,288,901	389,674
16	Long Term Asset - OPEB	188	0		188	0
17	Regulatory Asset - Environmental - Incurred Costs	12,967,160	5,922,861	932	7,839,535	11,050,486
18	Regulatory Asset - Environmental - Expected Costs	6,399,000	8,163,600	242,253	484,800	14,077,800
19	Regulatory Asset - Bad Debt - Gas Portion	4,439,805	10,468,987	904,186	11,838,851	3,069,941
20	Regulatory Asset - Debt Redemption	855,776	0	428	126,337	729,439
21	Regulatory Asset - Rate Case Expense	1,746,409	0	928	361,326	1,385,083
22	Regulatory Asset - Metscan	6,692,842	0	930	1,361,256	5,331,586
23	Regulatory Asset - Pension Tracker	12,080,266	12,095,702	926	11,725,130	12,450,838
24	Regulatory Asset - Residential Discount	4,813,649	13,032,167	486	18,308,768	(462,952)
25	Regulatory Asset - BSG Cares	(279,969)	306,467	495	179,534	(153,036)
26	Regulatory Asset - FAS 109 Taxes	3,185,743	7,789	278	441,529	2,752,003
27	Regulatory Asset - Pension SFAS 158	49,258,936	12,101,516	926,261-265	3,854,545	57,505,907
28	Regulatory Asset - OPEB SFAS 158	17,850,094	682,874	926,261-265	1,945,082	16,587,886
29	Credit Balance Regulatory Assets Transferred	4,179,189	33,262,038	253	29,483,320	7,957,907
30	Attorney General Consulting Fees	21,625	5,547	928	19,261	7,911
31	Decoupling	5,783,977	10,853,723	495	13,593,908	3,043,792
32	Northern Remainder	(268,305)	834,381	131,253	566,076	-
33	Regulatory Asset - TIRF	173,123	4,027,400	495	3,866,243	334,280
34						
35	TOTALS	\$ 122,703,969	141,308,271		\$ 138,184,501	125,827,739
36						
37						

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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 pledgee and purpose of pledge.

Line No.	Class and Series of Stock (a)	Number of Shares Authorized (b)	Par Value per Share (c)	Amount Authorized (d)	Outstanding per Balance Sheet *		Premium at End of Year (g)
					Shares (e)	Amount (f)	
1	Common Stock	1,000	1	1,000	100	100	411,771,866
2							
3							
4							
5							
6							
7							
8							
9							
10	In connection with the Company's merger with NiSource Inc., 100 shares of Common Stock, \$1.00 Par Value were Issued, as approved in DTE #98-31, dated November 5, 1998.						
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31	TOTALS	1,000		1,000	100	100	411,771,866

* 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 respective other paid-in capital accounts. Provide a conspicuous subheading 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 the 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. Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account at end 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	Tax Allocation	7,290,351
3	Stock Compensation	(31,877)
4		
5		
6		
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8		
9		
10		
11		
12		
13		
14		
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42		
43	TOTAL	7,258,474

Annual report ofColumbia Gas of Massachusetts.....Year ended December 31, 2011

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	9.20% notes, due June 6, 2011	6/5/91	6/6/11	10,000,000	0	9.20%	5/1-11/1	336,694	467,028
2	6.43% notes, due Dec. 15, 2025	12/15/95	12/15/25	10,000,000	10,000,000	6.43%	6/12-12/15	643,000	643,000
3	6.26% notes, due Feb. 15, 2028	2/15/98	2/15/28	30,000,000	30,000,000	6.26%	2/1-8/1	1,878,000	1,878,000
4	5.40% notes, due March 18, 2013	3/21/03	3/18/13	50,000,000	50,000,000	5.40%	6/1-12/1	2,700,000	2,700,000
5	5.58% notes, due December 20, 2019	12/21/04	12/20/19	35,000,000	35,000,000	5.58%	6/1-12/1	1,953,000	1,953,000
6	5.94% notes, due December 20, 2024	12/21/04	12/20/24	35,000,000	35,000,000	5.94%	6/1-12/1	2,079,000	2,079,000
7	5.25% notes, due June 19, 2015	6/21/05	6/19/15	10,000,000	10,000,000	5.25%	6/1-12/1	525,000	525,000
8	5.44% notes, due July 31, 2015	8/1/05	7/31/15	5,000,000	5,000,000	5.44%	2/1-8/1	272,000	272,000
9	6.25% notes, due April 1, 2016	4/3/06	4/1/16	35,000,000	35,000,000	6.25%	6/1 -12/1	2,187,500	2,187,500
10	5.36% notes, due December 16, 2041*	12/16/11	12/16/41	11,000,000	11,000,000	5.36%	6/1 -12/1	25,846	-
11									
12									
13									
14									
15									
16									
17	* New Long-Term Debt								
18									
19									
20									
21	TOTALS			\$ 231,000,000	\$ 221,000,000			\$ 12,600,040	\$ 12,704,528

For issues of long-term debt made during current year state purpose for which issued, date of issue, Department authorization date and D.P.U. #.

Purpose	Issue Date	Department Authorization Date	D.P.U. #
Selling the securities and using the proceeds to retire outstanding long-term debt; to refinance short-term and long-term debt; and for the payments of capital expenditures for additions to property, plant, and equipment.	12/16/11	10/24/11	D.P.U. 11-41

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)	Int. Rate (d)	Balance End of Year (e)				
1	Notes Payable:								
2									
3									
4									
5									
6									
7									
8									
13									
14									
15									
16									
17									
18									
19									
20									
21									
TOTAL							NONE		

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)
22	Accounts Payable (Account 234)			
23	Nisource Corporate Services	\$ 4,777,083		\$ NONE
24	NiSource, Inc.	505,997		NONE
25	Nisource Money Pool and Interest	61,638,915	see table	448,362
26	Columbia Gas of Virginia	17,009		NONE
27				
28				
29				
30	Interest Rates for Nisource Money Pool			
31	January	0.79%		
32	February	0.75%		
33	March	2.04%		
34	April	2.02%		
35	May	1.96%		
36	June	2.05%		
37	July	1.66%		
38	August	1.59%		
39	September	1.58%		
40	October	1.57%		
41	November	1.60%		
42	December	1.62%		
43				
44				
45				
46	TOTALS	\$ 66,939,004		448,362

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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	Accrued Vacation	\$ 3,148,000				
2	Current ERC Liabilities	1,649,000				
3	Accrued Payroll	760,000				
4	Accrued Incentives	3,049,593				
5	Payroll liability	61,137				
6	Thrift Restoration	12,956				
7	Accrued medical, dental and pharmacy expenses	180,330				
8	Accounts Receivable - Budget Plan Credit Balances	20,334,718				
9	Accrued Professional Services	331,827				
10	Supplier Refunds Peak	1,514,820				
11	Supplier Refunds Off - Peak	588,423				
12	Accrued Fees & Expense	104,426				
13						
14						
		TOTAL				\$ 31,735,230
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)		
15	Unamortized Investment Tax Credit	\$ 671,769	407	\$ 223,932	0	\$ 447,837
16	FASB 109 Regulatory Liability	433,577	267/268/411	144,528	0	289,049
17	Credit Balance Regulatory Asset Transfer	4,179,189	186	29,483,320	33,262,037	7,957,906
18	ST Regulatory Liability - Asset Sales	204,098		0	0	204,098
19	LT Regulatory Liability - Asset Sales	799,386	495	204,098	0	595,288
20	LT ERC Liabilities	5,112,200	186	547,200	7,863,800	12,428,800
21	ST Regulatory Liability -OPEB Medicare Subsidy	164,003	190	97,018	0	66,985
22	LT Regulatory Liability -OPEB Medicare Subsidy	164,003	267/268	164,003	0	0
23	Reg Liability - Rate Refund Current	2,268,001	143	1,134,000	0	1,134,001
24	Reg Liability - Rate Refund Non Current	1,134,000	143	1,134,000	0	0
25	Banked Vacation	501,000	186/920	97,000	68,000	472,000
26						
27						
28	TOTALS	\$ 15,631,226		\$ 33,229,099	\$ 41,193,837	\$ 23,595,964

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.....		\$ 414,493,786	\$ 414,493,786
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation.....		36,474,724	36,474,724
3A	Allocated Vehicle Depreciation		1,710	1,710
4	Sub-Total		36,476,434	36,476,434
5				
6				
7	TOTAL CREDITS DURING YEAR.....		36,476,434	36,476,434
8	Net Charges for Plant Retired:			
9	Book Cost of Plant Retired.....		6,376,189	6,376,189
10	Cost of Removal.....		1,804,884	1,804,884
11	Salvage (Credit).....		(21,125)	(21,125)
12	Other		0	0
13	NET CHARGES DURING YEAR.....		8,159,948	8,159,948
14	Balance December 31, 2011.....		\$ 442,810,272	\$ 442,810,272

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.

		Avg Plant Balance	Average Rate	Depreciation
15				
16				
17	Production.....	\$ 31,629,235	0.0279	\$ \$883,367
18	Distribution.....	948,789,806	0.0328	\$31,144,276
19	General.....	25,966,767	0.1713	\$4,447,081
20				
21	Total.....	\$ 1,006,385,808	0.0362	\$ \$36,474,724
22	Note: Transportation Equip, Power Operated Equipment depreciation charged to clearing			
23	account for \$1,710. Plant-in-service and associated depreciation not included			
	in this average.			

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	
		Regular (b)	Extra (c)			Declared	Payable
24	See Page 34A						
25							
26							
27							
28							
29							
30							
31							
32							
33	TOTALS						
34	Dividend rates on Common Stock and Premium %.						
35	Dividend rates on Common Stock, Premium, and Surplus %.						
36							

Annual report ofColumbia Gas of Massachusetts..... Year ended December 31, 2011

DIVIDENDS DECLARED DURING THE YEAR (Accounts 437,438)

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 (a)	Rate Per Share (b)	No. of Shares (c)	Par Value (d)	Amount of Dividend (e)	Date Declared (f)	Record Date (g)	Date Payable (h)
1								
2	Common Stock							
3								
4	Recorded in Account 438	\$20,000	100	100	2,000,000	03/25/2011	03/25/2011	03/29/2011
5								
6	Recorded in Account 438	\$20,000	100	100	2,000,000	06/21/2011	06/21/2011	6/28/2011
7								
8	Recorded in Account 438	\$30,000	100	100	3,000,000	09/16/2011	09/16/2011	09/28/2011
9								
10	Recorded in Account 438	\$40,000	100	100	4,000,000	12/07/2011	12/07/2011	12/21/2011
11								
12	Total Dividends				\$ 11,000,000			
13								
14								

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

1. Report below an analysis of the change 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.	Item (a)	Contra Account Debited or Credited (b)	Amount (c)
1	Reserve for Pensions-Union and Non-Union		
2	Balance Beginning of Year		33,111,378
3			
4	Pension/OCI Regulatory Asset	186	11,965,994
5	Expense - later deferred into regulatory asset per tracker mechanism	926	1,522,907
6	Expense	926	147,282
7	Pension contribution	131	(21,731,028)
8	SERP payments	131	(306,181)
9			
10			
11	Balance End of Year - Reserve for Pensions		24,710,352
12			
13	Reserve for Other Post employment Benefits - Non-Union		
14	Beginning Balance		19,065,566
15			
16			
17	Expense - later deferred into regulatory asset per tracker mechanism	926	635,970
18	Cash	131	(1,801,516)
19	OPEB Regulatory Asset	186	227,886
20			
21			
22	Balance End of Year - OPEB		18,127,906
23			
24	Reserve for Board of Directors Retirement Plan		
25	Beginning Balance		68,223
26			
27	Cash Distribution	131	(13,515)
28			
29	Balance End of Year - BOD Retirement Plan		54,708
30			
31	Reserve for Window Warranties		
32	Beginning Balance		46,441
33			
34	Cash Payment	131	0
35			
36	Balance End of Year - Window Warranties		46,441
37			
37	Reserve for Worker Compensation, General Liab., Auto Liab.		
38	Beginning Balance		270,128
39			
40	Expense Accruals	926	222,464
41	Payments Made	131	(357,414)
42			
43	Balance End of Year - Worker Compensation, General Liab., Auto Liab.		135,178
44			
44	Reserve for MassPower		
45	Beginning Balance		5,700,000
46			
47	Expense Accruals	489	0
48			
49	Balance End of Year - MassPower Reserve		5,700,000
50			
51	Total Operating Reserves:		\$ 48,774,585

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RESERVES FOR DEFERRED FEDERAL INCOME TAXES (Accounts 267, 268)

1. Report the information called for below concerning the respondent's accounting for deferred federal income taxes.
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.

- (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 Account 411, Federal Income Taxes Deferred in Prior Years - Credit or comparable account of the previous system of accounts.

Line No.	Account Subdivisions (a)	Balance Beginning of Year (b)	Changes During Year			Balance End of Year (f)
			Amounts Debited Account 410 (1) (c)	Amounts Credited Account 411 (2) (d)	Other (e)	
1	Accelerated Amortization	\$	\$	\$		\$
2	(Account 267)					
3	Electric.....					
4	Gas.....					
5	Other (Specify).....					
6	Totals.....					
7	Gas SFAS 109 Reserve - State	(71,851)	0	0	23,952	(47,899)
8	Gas SFAS 109 Reserve - Federal	(361,727)	0	0	120,576	(241,151)
		(433,578)	0	0	144,528	(289,050)
9	Gas Plant Acquisition Adjustment - State & Federal	121,056,655	0	(4,310,623)	0	116,746,032
	Liberalized Depreciation					
	(Account 268)					
10	Electric.....					
11	Gas - State.....	18,632,232	4,505,367	(460,366)	0	22,677,233
12	Gas - Federal.....	118,045,420	23,528,306	(2,500,505)	-	139,073,221
	Other (Specify) -					
	Non Utility - State	0	0	0	0	0
	Non Utility - Federal	0	0	0	0	0
13	Totals.....	136,677,652	28,033,673	(2,960,871)	-	161,750,454
14	Gas - Other Reserves - State.....	2,891,744	1,413,513	(4,993,282)	(90,258)	(778,283)
15	Gas - Other Reserves - Federal.....	16,808,637	15,641,962	(21,976,704)	(82,461)	10,391,434
16	Totals.....	19,700,381	17,055,475	(26,969,986)	(172,719)	9,613,151
	Total (Accounts 267, 268)					
17	Electric.....					
18	Gas.....					
19	Other Adjustments.....		11,082,00		(11,082)	
20	Totals.....	156,378,033	45,100,230	(29,930,857)	(183,801)	171,363,605
21		277,001,110	45,100,230	(34,241,480)	(39,273)	287,820,587
		277,001,110	45,100,230	(34,241,480)	(39,273)	287,820,587
Note: Dollars reported in line 14 includes dollars reported on line 15 in the prior year.						
22	Analysis of Charges:					
23	Provision for Deferred Income Taxes			15,169,373		171,363,605
24	Provision for Plant Acquisition Adjustment			(4,310,623)		116,746,032
25	Plant Acquisition Adjustment Reclass/Other (Contingent Interest)			-		
26	ACE Allocation Re-opening			(11,082)		
27	LT OPEB Liability Medicare Subsidy (See Page 33)			261,021		
28	SFAS 109 DIT Regulatory Liabilities-Act 253 (See Page 33)			144,528		(289,050)
29	SFAS 109 DIT Regulatory Assets-Act 186 (See Page 27)			(433,740)		
30				10,819,477		287,820,587
31	(1) Account 410, Provision for Deferred Federal Income Taxes			10,819,477		
	(2) Account 411, Federal Income Taxes Deferred in Prior Years- Credit			-		

CONTRIBUTIONS IN AID OF CONSTRUCTION (Account 271)

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)		
32						
33						
34						
35						
36						
37			NONE			
38						
39						
40						
41	TOTALS					

GAS OPERATING REVENUES (Account 400)							
<p>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.</p> <p>2. If increases and decreases are not derived from previously reported figures explain any inconsistencies.</p> <p>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</p>		<p>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</p>		<p>classification.</p> <p>4. Unmetered sales should be included below. The details of such sales should be given in a footnote.</p> <p>5. Classification of Commercial and Industrial Sales, Account 481, according to Small (or Commercial) and Large (or Industrial) may be according to the basis of classification regularly used by the respondent.</p>			
Line No.	Account (a)	Operating Revenues		MMBTU Sold (1000 BTU)		Average Number of Customers per Month	
		Amount for Year (b)	Increase or (Decrease) from Preceding Year (c)	Amount for Year (d)	Increase or (Decrease) from Preceding Year (e)	Number for Year (f)	Increase or (Decrease) from Preceding Year (g)
1	SALES OF GAS						
2	480 Residential Sales **.....	\$ 311,962,625	\$ 14,621,134	23,737,775	677,473	265,484	2,101
3	481 Commercial and Industrial Sales:						
4	Commercial & Industrial **	100,317,334	3,399,558	8,686,843	159,985	24,283	123
5	Interruptible see instr.5.....	0	(1,408)	0	(346)	0	0
6	482 Other Sales to Public Authorities.....						
7	484 Interdepartmental Sales.....						
8							
9	485 Miscellaneous Gas Sales... Unbilled.....	(10,065,200)	(5,473,800)	(626,518)	(246,506)		
10							
11	Total Sales to Ultimate Consumers....	402,214,759	12,545,484	31,798,100	590,606	289,767	2,224
12	483 Sales for Resale.....	2,354,261	2,073,867	322,466	262,918		0
13							
14	Total Sales of Gas	404,569,020	14,619,351	32,120,566	853,524	289,767	2,224
15							
16							
17							
18	OTHER OPERATING REVENUES						
19	480 Residential Transportation**	257,774	13,183	46,016	622	356	2
20	487 Forfeited Discounts.....	476,303	55,868				
21	488 Miscellaneous Service Revenues.....	15,705,666	(36,853)				
22	489 Revenues from Trans.of Gas of Others**	45,304,744	11,299,916	25,283,451	730,640	4,685	67
23	490 Sales of Products Extracted from Natural Gas....						
24	491 Rev. from Natural Gas Processed by Others.....						
25	493 Rent from Gas Property	553,523	50,832				
26	494 Interdepartmental Rents.....						
27	495 Other Gas Revenues.....	(6,935,822)	(13,399,508)				
28							
29	Total Other Operating Revenues.....	55,362,188	(2,016,562)				
30							
31	Total Gas Operating Revenues.....	\$ 459,931,208	\$ 12,602,789	57,450,033	1,584,786	294,808	2,293
			Purchased Price Adjustment Clauses	Fuel Clauses			
32	** Includes billed revenues from application of		\$240,462,197	46,204,752			
33	Total MMBTU to which Applied.....		32,424,618	47,900,537			

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SALES OF GAS TO ULTIMATE CONSUMERS

Report by account the MMBTUs 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)	MMBTU (1000 BTU) (b)	Revenue (c)	Average Revenue per MMBTU (\$0.0000) (d)	Number of Customers (Per Bills Rendered)	
						July 31 (e)	December 31 (f)
1	480	Residential	23,737,775	\$ 311,962,625	\$ 13.1420	263,448	268,045
2	481	Commercial & Industrial	8,686,843	100,317,334	11.5482	23,767	24,712
3							
4							
5		Unbilled	(626,518)	(10,065,200)	16.0653	N/A	N/A
6							
7		TOTAL FIRM	31,798,100	402,214,759	12.6490	287,215	292,757
8							
9							
10							
11							
12							
13							
14							
15							
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42							
43							
44							
45							
46							
47							
48							
49	TOTAL SALES TO ULTIMATE CONSUMERS (Page 43 line 11)		31,798,100	\$ 402,214,759	\$ 12.6490	287,215	292,757

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)	Increase or (Decrease) from Preceding Year (c)
1	PRODUCTION EXPENSES		
2	MANUFACTURED GAS PRODUCTION EXPENSES		
3	STEAM PRODUCTION		
4	Operation:		
5	700 Operation Supervision and Engineering.....		
6	701 Operation labor.....		
7	702 Boiler Fuel.....		
8	703 Miscellaneous steam expenses.....		
9	704 Steam transferred-Cr.....		
10	Total operation.....		
11	Maintenance:		
12	705 Maintenance supervision and engineering.....		
13	706 Maintenance of structures and improvements.....		
14	707 Maintenance of boiler plant equipment.....		
15	708 Maintenance of other steam production plant.....		
16	Total Maintenance.....		
17	Total steam production.....		
18	MANUFACTURED GAS PRODUCTION		
19	Operation:		
20	710 Operation supervision and engineering.....	\$ 572,526	\$ (93,232)
21	Production labor and expenses:		
22	711 Steam expenses.....		
23	712 Other power expenses.....	8,212,851	818,521
24	715 Water gas generating expenses.....		
25	716 Oil gas generating expenses.....		
26	717 Liquefied petroleum gas expenses.....	432	432
27	718 Other process production expenses.....	35,007	(453)
28	Gas fuels:		
29	721 Water gas generator fuel.....		
30	722 Fuel for oil gas.....		
31	723 Fuel for liquefied petroleum gas process.....	68,766	51,829
32	724 Other gas fuels.....	1,246,198	681,214
33	Gas raw materials:		
34	726 Oil for water gas.....		
35	727 Oil for oil gas.....		
36	728 Liquefied petroleum gas.....	33,482	(79,365)
37	729 Raw materials for other gas processes.....See Note.....		
38	730 Residuals expenses.....		
39	731 Residuals produced-Cr.....		
40	732 Purification expenses.....		
41	733 Gas mixing expenses.....		
42	734 Duplicate charges-Cr.....		
43	735 Miscellaneous production expenses.....	1,188,314	229,170
44	736 Rents.....	-	(1,399,227)
45	Total operation.....	11,357,576	208,889
46	Maintenance:		
47	740 Maintenance supervision and engineering.....	45,817	51
48	741 Maintenance of structures and improvements.....	94,179	(46,095)
49	742 Maintenance of production equipment.....	339,126	(129,221)
50	Total maintenance.....	479,122	(175,265)
51	Total manufactured gas production.....	\$ 11,836,698	\$ 33,624

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GAS OPERATION AND MAINTENANCE EXPENSES-Continued			
Line No.	Account (a)	Amount for Year (b)	Increase or (Decrease) from Preceding Year (c)
1	OTHER GAS SUPPLY EXPENSES		
2	Operation:		
3	804 Natural gas city gate purchases.....	\$ 204,637,032	\$ (6,411,855)
4	805 Other gas purchases.....	(2,162,769)	(2,162,769)
5	806 Deferred Cost of Gas.....	3,721,330	11,069,922
6	807 Purchased gas expenses.....		
7	808 Natural Gas Storage Charges.....	6,208,918	1,852,293
8	Cost of Off-System Sales.....		
9	812 Gas used for other utility operations-Cr.....	(594,275)	104,324
10	813 Other gas supply expenses.....	1,547,995	321,070
11	Total other gas supply expenses.....	213,358,231	4,772,985
12	Total Production Expenses	225,194,929	4,806,609
13	LOCAL STORAGE EXPENSES		
14	Operation:		
15	840 Operation supervision and engineering.....		
16	841 Operation labor and expenses.....		
17	842 Rents.....		
18	Total Operation.....		
19	Maintenance:		
20	843 Maintenance supervision and engineering.....		
21	844 Maintenance of structures and improvements.....		
22	845 Maintenance of Gas Holders.....		
23	846 Maintenance of other equipment.....		
24	Total Maintenance.....		
25	Total storage expenses.....		
26	TRANSMISSION AND DISTRIBUTION EXPENSES		
27	Operation:		
28	850 Operation supervision and engineering.....	3,006,277	149,086
29	851 System control and load dispatching.....		
30	852 Communication system expenses.....	131,782	1,428
31	853 Compressor station labor and expenses.....		
32	855 Fuel and power for compressor stations.....		
33	857 Measuring and regulating station expenses.....	387,507	(74,037)
34	858 Transmission and Compression of gas by others.....		
35	874 Mains and services expenses.....	4,433,178	253,945
36	878 Meter and house regulator expenses.....	7,154,345	(198,571)
37	879 Customer Installations expenses.....	6,085,874	470,897
38	880 Other expenses.....	987,783	214,958
39	881 Rents.....	48,244	(3,944)
40	Total operation.....	22,234,990	813,762
41	Maintenance:		
42	885 Maintenance supervision and engineering.....	-	(59)
43	886 Maintenance of structures and improvements.....	119,407	15,817
44	887 Maintenance of mains.....	4,382,360	(470,194)
45	888 Maintenance of compressor station equipment.....		
46	889 Maintenance of measuring and regulating station equipment.....	325,075	(42,311)
47	892 Maintenance of services.....	2,593,459	476,319
48	893 Maintenance of meters and house regulators.....	584,273	(1,502)
49	894 Maintenance of other equipment...(Note 1).....	255,438	(42,506)
50	Total Maintenance.....	8,260,012	(64,436)
51	Total Transmission and Distribution expenses.....	\$ 30,495,002	\$ 749,326

GAS OPERATION AND MAINTENANCE EXPENSES-Continued				
Line No.	Account (a)	Amount for Year (b)	Increase or (Decrease) from Preceding Year (c)	
1	CUSTOMER ACCOUNTS EXPENSES			
2	Operation:			
3	901 Supervision.....	\$ 71,362	\$	(46,419)
4	902 Meter reading expenses.....	820,744		(18,893)
5	903 Customer records and collection expenses.....	9,447,084		484,585
6	904 Uncollectible accounts.....	10,227,282		(2,365,867)
7	905 Miscellaneous customer accounts expenses.....	1,470,037		1,069,976
8	Total customer account expenses.....	22,036,509		(876,618)
9	SALES EXPENSES			
10	Operation:			
11	911 Supervision.....	-		(188,688)
12	912 Demonstrating and selling expenses.....	10,137		(551,036)
13	913 Advertising expenses.....	544,172		192,899
14	916 Miscellaneous sales expenses.....	4,120		(19,173)
15	Total sales expenses.....	558,429		(565,998)
16	ADMINISTRATIVE AND GENERAL EXPENSES			
17	Operation:			
18	920 Administrative and general salaries.....	4,947,940		282,175
19	921 Office supplies and expenses.....	3,626,241		108,964
20	922 Administrative expenses transferred-Cr.....	(2,756,763)		(186,820)
21	923 Outside services employed.....	47,089,168		3,308,827
22	924 Property Insurance.....	185,669		(10,422)
23	925 Injuries and damages.....	3,662,435		54,144
24	926 Employees pensions and benefits.....	16,808,581		2,518,647
25	928 Regulatory commission expenses.....	1,014,732		(71,433)
26	929 Duplicate charges-Cr.....			
27	930 Miscellaneous general expenses.....	998,807		(3,388,809)
28	931 Rents.....	3,520,100		(271,141)
29	Total operation.....	79,096,910		2,344,132
30	Maintenance:			
31	932 Maintenance of general plant.....	3,357,292		(79,546)
32	Total administrative and general expenses.....	82,454,202		2,264,586
33	Total gas operation and maintenance expenses	\$ 360,739,071	\$	6,377,905
SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Functional Classification (a)	Operation (b)	Maintenance (c)	Total (d)
34	Steam production.....			
35	Manufactured gas production.....	\$ 11,357,576	\$ 479,122	\$ 11,836,698
36	Other gas supply expenses.....	213,358,231		213,358,231
37	Total production expenses.....	224,715,807	479,122	225,194,929
38	Local storage expenses.....			
39	Transmission and distribution expenses.....	22,234,990	8,260,012	30,495,002
40	Customer accounts expenses.....	22,036,509		22,036,509
41	Sales expenses.....	558,429		558,429
42	Administrative and general expenses.....	79,096,910	3,357,292	82,454,202
43	Total gas operation and maintenance expenses.....	\$ 348,642,645	\$ 12,096,426	\$ 360,739,071
44	Ratio of operating expenses to operating revenues (carry out decimal two places, e.g.: 0.00%) Compute by dividing Revenues (Acct. 400) into the sum of Operation and Maintenance Expenses (p. 47, line 43(d), Depreciation (Acct. 403) and Amortization (Acct. 407).....			<u>86.32%</u>
45	Total salaries and wages of gas department for year, including amounts charged to operating expenses, construction and other accounts.			<u>45,893,826</u>
46	Total number of employees of gas department at end of year, including administrative, operating, maintenance, construction and other employees (including part time employees).....			<u>559</u>

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

SALES FOR RESALE (Account 483)

Line No.	Names of Companies to Which Gas is Sold (a)	Where Delivered and Where and How Measured (b)	MMBTU (1000 BTU) (c)	Rate per M.C.F. (\$0.0000) (d)	Amount (e)
1 2 3 4 5 6 7 8 9 10 11 12 13 14	Spot Off System Sales	Delivered to customers, various points of delivery	322,466	\$7.3008	2,354,261
15	TOTALS		322,466	\$7.3008	2,354,261
16 17	Portion of above total sold to companies located outside of Massachusetts:		55,808		399,292

SALE 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)
18 19 20 21 22 23 24 25	None						
	TOTALS						

PURCHASED GAS (Accounts 804-806)

Line No.	Names of Companies to Which Gas is Purchased (a)	Where Received and Where and How Measured (b)	M.C.F. (1000 BTU) (c)	Rate per M.C.F. (\$0.0000) (d)	Amount (e)
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40	See Page 48A				
		TOTALS			

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PURCHASED GAS (804 - 806)					
Line No.	Names of Companies from Which Gas is Purchased (a)	Where Received and Where and How Measured (b)	MMBtu (1000 BTU) (c)	Rate Per MMBtu (0.0000) (d)	Amount (e)
1	Suppliers on the Tenn. Gas Pipeline	Various locations by station orifice meter	32,636,706	4.3099	140,659,347
2	Suppliers on the Algonquin Gas Pipeline				
3	Suppliers on the Portland Natural Gas Transmission				
4	Suppliers on the Maritimes and Northeast Pipeline				
5	Suppliers on the Vector Pipeline				
6	Suppliers on the Texas Eastern Gas Transmission				
7	Suppliers on the Iroquois Gas Transmission System				
8	Suppliers on the National Fuel Gas Supply Pipeline				
9	Suppliers on the TransCanada Pipeline				
10	Suppliers on the Union Gas Pipeline				
11	Suppliers on the Granite State Gas Transmission				
12	Suppliers on the Transcontinental Gas Pipeline				
13	(Includes various Spot Supplies)				
14					
15		Subtotal	32,636,706	4.3099	140,659,347
16					
17					
18	Demand charges paid to suppliers				63,977,685
19	and pipelines				
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38	Total		32,636,706	\$ 6.2701	\$ 204,637,032
39					
40	Deferred Cost of Gas				3,721,330
41	Other Gas Purchases				(2,162,769)
42					
43					
44					
45	Subtotal - Natural gas purchases - Account 804 - 806				206,195,593
46					
47	Total			\$	<u>206,195,593</u>

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TAXES CHARGED DURING YEAR

1. This schedule is intended to give the account distribution of total taxes charged to operations and other final accounts during the year.

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.

3. The aggregate of each kind of tax should be 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.

4. The accounts to which the taxes charged were distributed should be shown in columns (c) to (j). Show both the utility department and number of account charged. For taxes charged to utility plant show the number of the appropriate balance sheet plant account or subaccount.

5. For any tax which it was necessary to apportion to more than one utility

department or account, state in a footnote the basis of apportioning such a tax.

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.

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)							
			Electric Acct. 408, 409 (c)	Gas Acct. 408, 409 (d)	Capital, etc 107,186,254 (e)	Mdse 415 (f)	Other 417,419,421 (g)	Gas Proc by Others 777 (h)	Purch Gas Exp 807 (i)	Rents 931 (j)
1	<u>STATE</u>									
2	MA Franchise (A)	1,281,746		1,162,444		581	118,721			
3	Income (CT)(WV)(PA)(MD)	0		0						
4	Unemployment (B)	261,582		185,849	75,850	(117)				
6	Sales and Use	85,500		85,500						
7	<u>LOCAL</u>									
8	Property	13,347,812		13,159,298		31,818		0	2,537	154,159
9	Motor Vehicle Excise	4,756		4,756						
10										
11	<u>FEDERAL</u>									
12	FICA & Medicare (B)	3,196,921		2,271,409	926,938	(1,426)				
13	Unemployment (B)	46,765		33,228	13,558	(21)				
14	Excise	0		0						
15			Account 408	16,902,484						
16										
17	<u>FEDERAL</u>									
18	Income (A)	(3,470,937)	Account 409	(4,071,575)		2,924	597,714			
19										
20										
21										
22										
23										
24										
25										
26										
27										
28	TOTALS	14,754,145		12,830,909	1,016,346	33,759	716,435	0	2,537	154,159

(A) Apportioned on Earnings Basis

(B) Apportioned on Payroll Basis

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INCOME FROM MERCHANDISING, JOBBING, AND CONTRACT WORK (Account 415) Report by utility departments 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	Revenues:				
2	Merchandise sales, less discounts,				
3	allowance and returns.....		\$ (1,913)		\$ (1,913)
4	Contract work.....				
5	Commissions.....				
6	Other-list according to major classes.....				
7	Install.		475,876		475,876
8					
9					
10	Total Revenues.....	0	473,963	0	473,963
11					
12	Costs and Expenses:				
13	Cost of Sales (list according to major				
14	classes of cost).....				
15	Cost of Merchandise Sold.....		387,982		387,982
16	Install. expenses		6,060		6,060
17	Servicing installed appliance (net).....		0		0
18	Storeroom expenses.....		35,811		35,811
19	Fleet expenses.....		13,135		13,135
20					
21					
22					
23					
24					
25					
26	Miscellaneous.....				
27	Customer Account Expenses.....				
28	Administrative and general expenses.....		41		41
29	Clerical salaries and wages.....		25		25
30	Employee Benefits & Payroll Tax.....		(9,300)		(9,300)
31	Income Tax.....		3,505		3,505
32	Uncollectible Accounts.....		(545)		(545)
33	E/S Property Tax Non-Utility		31,818		31,818
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50	TOTAL COSTS AND EXPENSES	0	468,532	0	468,532
51	Net Profit (or Loss)	0	\$ 5,431	0	\$ 5,431

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RECORD OF SENDOUT FOR THE YEAR IN MCF BASED ON 1000 BTU PER CUBIC FOOT							
Line No.	Item	Total	January	February	March	April	May
1	Gas Made						
2	Liquid Natural Gas	858,017	485,242	137,718	106,942	34,139	(170,744)
3	Propane Air Gas	6,954	4,386	1,887	416		
4	Propane Meter Gas	0	0	0	0	0	0
6	TOTAL.....	864,971	489,628	139,605	107,358	34,139	(170,744)
7	Off System Sales	(322,466)	(71,758)	(8,008)	(7,500)	(55,000)	0
8	Storage Activity	22,257	359,333	343,288	216,810	18,340	(126,426)
	TOTAL.....	(300,209)	287,575	335,280	209,310	(36,660)	(126,426)
9	Net Gas Purchase	32,636,706	6,318,561	5,327,205	4,309,389	2,416,615	1,597,664
10	End User Transportation	24,851,605	2,288,630	2,057,857	2,114,207	2,735,075	1,565,984
11	TOTAL.....	57,488,311	8,607,191	7,385,062	6,423,596	5,151,690	3,163,648
12	TOTAL MADE AND						
13	PURCHASED	58,053,073	9,384,394	7,859,947	6,740,264	5,149,169	2,866,478
14	Difference Throughput vs. Purchased Gas.....	(47,485)	(9,901)	8,471	4,147	# 3,524	3,677
15	TOTAL SENDOUT.....	58,005,588	9,374,493	7,868,418	6,744,411	5,152,693	2,870,155
16	Residential Gas	23,253,254	4,802,335	4,019,885	3,409,759	1,805,613	808,765
17	C&I Gas	8,544,845	1,739,461	1,501,306	1,296,316	564,733	324,314
18	Interruptible Gas	0	0	0	0	0	0
19	Transportation	25,329,467	2,608,706	2,263,227	2,198,096	2,721,974	1,571,990
20	Gas Used by Company.....	333,778	25,996	25,470	24,262	24,105	27,023
21	Gas Accounted for.....	57,461,344	9,176,498	7,809,888	6,928,433	5,116,425	2,732,092
22	Gas Unaccounted for.....	544,244	197,995	58,530	(184,022)	36,268	138,063
23	% Unaccounted for (0.00%).....	0.94%	2.11%	0.74%	-2.73%	0.70%	4.81%
24							
25							
26	Sendout in 24 hours						
27	in MMBTU						
28	<u>Brockton</u>						
29	Maximum-MMBtu.....	211,492	211,492	172,892	164,915	104,445	54,500
30	Maximum Date.....	1/24	1/24	2/3	3/3	4/1	5/17
31	Minimum-MMBtu.....	15,617	73,402	75,970	47,091	26,627	18,940
32	Minimum Date.....	7/23	1/1	2/18	3/18	4/29	5/29
33	<u>Springfield</u>						
34	Maximum-MMBtu.....	114,701	114,701	100,725	91,163	55,699	29,226
35	Maximum Date.....	1/24	1/24	2/10	3/3	4/1	5/5
36	Minimum-MMBtu.....	10,946	45,704	48,422	32,267	16,205	12,100
37	Minimum Date.....	7/16	1/1	2/18	3/18	4/27	5/29
38	<u>Lawrence</u>						
39	Maximum-MMBtu.....	72,554	72,554	60,180	57,975	36,710	21,307
40	Maximum Date.....	1/24	1/24	2/1	3/3	4/1	5/17
41	Minimum-MMBtu.....	5,918	22,851	27,627	19,600	11,710	8,042
42	Minimum Date.....	7/3	1/1	2/18	3/18	4/28	5/29

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**RECORD OF SENDOUT FOR THE YEAR IN MCF-CONTINUED
BASED ON 1000 BTU PER CUBIC FOOT**

Line No.	Item	June	July	August	September	October	November	December
1	Gas Made							
2	Liquid Natural Gas	(67,318)	45,548	38,436	37,631	37,716	41,225	131,482
3	Propane Air Gas						21	244
4	Propane Meter Gas							
5	Propane Meter Gas	0	0	0	0	0	0	0
6	TOTAL.....	(67,318)	45,548	38,436	37,631	37,716	41,246	131,726
7	Off System Sales	0	(134,700)	(3,000)	0	(5,000)	(37,500)	0
8	Storage Activity	(225,030)	(232,531)	(300,593)	(223,110)	(43,070)	14,805	220,441
	TOTAL.....	(225,030)	(367,231)	(303,593)	(223,110)	(48,070)	(22,695)	220,441
9	Net Gas Purchase	1,125,291	1,009,476	1,039,712	990,855	1,703,394	2,709,235	4,089,309
10	End User Transportation	1,339,643	1,956,781	1,808,618	1,725,760	2,544,773	2,406,020	2,308,257
11	TOTAL.....	2,464,934	2,966,257	2,848,330	2,716,615	4,248,167	5,115,255	6,397,566
12	TOTAL MADE AND PURCHASED							
13		2,172,586	2,644,574	2,583,173	2,531,136	4,237,813	5,133,806	6,749,733
14	Difference Throughput vs. Purchased Gas.....	(1,758)	(4,831)	(5,734)	(5,075)	(1,290)	(35,361)	(3,354)
15	TOTAL SENDOUT.....	2,170,828	2,639,743	2,577,439	2,526,061	4,236,523	5,098,445	6,746,379
16	Residential Gas	616,593	433,816	519,709	586,728	1,246,355	1,840,378	3,163,318
17	C&I Gas	272,802	213,021	218,921	209,985	416,315	612,676	1,174,995
18	Interruptible Gas	0	0	0	0	0	0	0
19	Transportation	1,356,332	1,933,497	1,839,088	1,713,459	2,426,219	2,391,515	2,305,364
20	Gas Used by Company.....	30,404	27,227	46,707	30,875	34,907	15,906	20,896
21	Gas Accounted for.....	2,276,131	2,607,561	2,624,425	2,541,047	4,123,796	4,860,475	6,664,573
22	Gas Unaccounted for.....	(105,303)	32,182	(46,986)	(14,986)	112,727	237,970	81,806
23	% Unaccounted for (0.00%).....	-4.85%	1.22%	-1.82%	-0.59%	2.66%	4.67%	1.21%
24								
25								
26	Sendout in 24 hours							
27	in MMBTU							
28	<u>Brockton</u>							
29	Maximum-MMBtu.....	29,350	21,213	22,227	26,898	93,095	96,151	155,941
30	Maximum Date.....	6/14	7/14	8/31	9/18	10/30	11/18	12/18
31	Minimum-MMBtu.....	19,778	15,617	16,264	17,021	19,275	35,254	40,389
32	Minimum Date.....	6/18	7/23	8/6	9/4	10/1	11/29	12/6
33	<u>Springfield</u>							
34	Maximum-MMBtu.....	16,436	13,725	15,736	16,571	53,424	62,493	88,554
35	Maximum Date.....	6/14	7/5	8/30	9/18	10/27	11/5	12/18
36	Minimum-MMBtu.....	12,126	10,946	11,223	11,377	15,143	25,304	27,666
37	Minimum Date.....	6/1	7/16	8/27	9/4	10/9	11/14	12/6
38	<u>Lawrence</u>							
39	Maximum-MMBtu.....	11,779	8,709	9,139	12,317	31,722	35,994	53,583
40	Maximum Date.....	6/12	7/5	8/29	9/29	10/31	11/18	12/18
41	Minimum-MMBtu.....	8,118	5,918	6,137	5,929	8,291	13,897	16,824
42	Minimum Date.....	6/18	7/3	8/6	9/4	10/1	11/14	12/6

Annual report of.....Columbia Gas of Massachusetts.....Year ended December 31, 2011

GAS GENERATING PLANT			
Line No.	General Description - Location, Size, Type, etc.	No. of Sets	24 Hour Cap. (MMBtu)
1	Liquid Propane Plant Brockton		30,000
2	Liquefied Natural Gas Plant Easton		50,000
3	Liquefied Natural Gas Plant Marshfield		12,000
4	Liquid Propane Plant W. Springfield		24,699
5	Liquid Propane Plant Northampton		11,740
6	Liquid Propane Plant Lawrence		21,088
7	Liquefied Natural Gas Plant Ludlow		55,000
8	Liquefied Natural Gas Plant Lawrence		19,200
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44			
45	TOTAL		223,727

Annual report of.....Columbia Gas of Massachusetts.....Year ended December 31, 2011

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	<u>CAST IRON</u>					
2	3"	271,180			816	270,364
3	4"	1,202,787			39,800	1,162,987
4	6"	1,389,987			22,622	1,367,365
5	8"	182,974			3,048	179,926
6	10"	72,654			1,400	71,254
7	12"	125,030			2,714	122,316
8	14"	6,099				6,099
9	16"	64,708			2,730	61,978
10	20"	6,375				6,375
11	24"	5,732			9	5,723
12						
13	Sub Total	3,327,526			73,139	3,254,387
14	<u>STEEL</u>					
15	Under 4"	5,687,036	38		85,527	5,601,547
16	4"	2,729,674	630		18,934	2,711,370
17	6"	3,218,969	175		20,481	3,198,663
18	8"	1,324,143	586		1,137	1,323,592
19	10"	172,915	0		1	172,914
20	12"	631,599	613		1,563	630,649
21	16"	168,990	30			169,020
22	20"	7,238	8		8	7,238
23	24"	3,941	9			3,950
24	Sub Total	13,944,505	2,089		127,651	13,818,943
25	<u>PLASTIC</u>					
26	Under 4"	4,855,197	115,777		2,120	4,968,854
27	4"	2,225,041	75,360		2,302	2,298,099
28	6"	1,103,961	47,133		3,452	1,147,642
29	8" or Over	427,875	15,885		210	443,550
30	Sub Total	8,612,074	254,155		8,084	8,858,145
31	TOTALS	25,884,105	256,244		208,874	25,931,475
Normal Operating Pressure - Mains and Lines						LP 6" HP 40"
Normal Operating Pressure - Services						LP 6" HP 25"

Annual report of.....Columbia Gas of Massachusetts.....Year ended December 31, 2011

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.....	256,248	0	315,221
2	Additions during year:			
3	Purchased.....	5,066		
4	Installed.....			9,508
5	Meter adjustments.....			
6	Total Additions.....	5,066	0	9,508
7	Reductions during year:			
8	Retirements.....	1,965		6,572
9	Service adjustments.....		0	
10	Total Reductions.....	1,965	0	6,572
11	Number at End of Year.....	259,349	0	318,157
12	In Stock.....			10,870
13	On Customers' Premises - Inactive.....			8,092
14	On Customers' Premises - Active.....			299,141
15	In Company Use.....			54
16	Number at End of Year.....			318,157
17	Number of Meters Tested by State Inspectors During Year.....			50,923
House Governors are included as a component of the Gas Service.				

**RESIDENTIAL NON-HEATING
RESIDENTIAL RATE R-1****AVAILABILITY**

Service is available under this rate at single locations for all domestic purposes, except for resale, in individual private dwellings and individual apartments including condominiums and their facilities as defined in G.L. Chapter 183A, Section 1 and DPU 86-159 dated February 6, 1987.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - BI-MONTHLY

The Bi-Monthly rate schedule applicable to all customers being served with Company meters that do not have an installed radio-based automated meter reading device is as follows:

Customer Charge Per Two Month Period		\$ 21.88
Off-Peak	First 10 therms	@ \$ 0.3567 per therm
	Excess 10 therms	@ \$0.4356 per therm
Peak	First 10 therms	@ \$ 0.3567 per therm
	Excess 10 therms	@ \$0.4356 per therm

RATE – MONTHLY

The Monthly rate schedule applicable to all customers being served with Company meters that have an installed radio-based automated meter reading device is as follows:

Customer Charge Per One Month Period		\$ 10.94
Off-Peak	First 5 therms	@ \$ 0.3567 per therm
	Excess 5 therms	@ \$0.4356 per therm
Peak	First 5 therms	@ \$ 0.3567 per therm
	Excess 5 therms	@ \$0.4356 per therm

**RESIDENTIAL NON-HEATING
RESIDENTIAL RATE R-1**

MINIMUM CHARGE

The minimum charge per month shall be the sum of the applicable bi-monthly or monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.
Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

SPECIAL PROVISION

Where more than one but less than four individual apartments or dwellings are served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments or dwellings are served through one meter, the billings will be calculated on the appropriate Commercial and Industrial Service Rate.

**RESIDENTIAL NON-HEATING
RESIDENTIAL RATE R-1**

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**LOW INCOME RESIDENTIAL NON-HEATING
RESIDENTIAL RATE R-2**

AVAILABILITY

Service is available under this rate at single locations for all domestic purposes, except for resale, in individual private dwellings and individual apartments to persons who verify receipt of any means-tested public-benefit program or verify eligibility for the low-income home energy assistance program or its successor program, for which eligibility does not exceed 60 percent of the median income in Massachusetts based on a household's gross income or other criteria approved by the Department.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - BI- MONTHLY

The Bi-Monthly rate schedule applicable to all customers being served with Company meters that do not have an installed radio-based automated meter-reading device is as follows:

Customer Charge Per Two Month Period		\$ 21.88	
Off-Peak	-	First 10 therms	@ \$ 0.3567 per therm
		Excess 10 therms	@ \$ 0.4356 per therm
Peak	-	First 10 therms	@ \$ 0.3567 per therm
		Excess 10 therms	@ \$ 0.4356 per therm

RATE – MONTHLY

The Monthly rate schedule applicable to all customers being served with Company meters that have an installed radio-based automated meter reading device is as follows:

Customer Charge Per One Month Period		\$ 10.94	
Off-Peak	-	First 5 therms	@ \$ 0.3567 per therm
		Excess 5 therms	@ \$ 0.4356 per therm
Peak	-	First 5 therms	@ \$ 0.3567 per therm
		Excess 5 therms	@ \$ 0.4356 per therm

**LOW INCOME RESIDENTIAL NON-HEATING
RESIDENTIAL RATE R-2**

MINIMUM CHARGE

The minimum charge per month shall be the sum of the applicable bi-monthly or monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge, less the application of the Low Income Discount Adjustment provided under this rate schedule.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

LOW INCOME DISCOUNT ADJUSTMENT

The total amount resulting from the billing of all charges under this rate schedule shall be adjusted by a discount of 19.0 percent (19.0%) pursuant to D.P.U. 08-4 and D.P.U. 10-45.

DEFINITIONS

Off-Peak Period - Defined as the period May 1st through October 31st.
Peak Period - Defined as the period November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

**LOW INCOME RESIDENTIAL NON-HEATING
RESIDENTIAL RATE R-2**

SPECIAL PROVISIONS

Where more than one but less than four individual apartments or dwellings is served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments or dwellings are served through one meter, the billings shall be calculated on the appropriate Commercial and Industrial Service Rate.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

RESIDENTIAL HEATING
RESIDENTIAL RATE R-3**AVAILABILITY**

Service is available under this rate at single domestic locations for all purposes, except for resale, in individual private dwellings and individual apartments including condominiums and their facilities as defined in G. L. Chapter 183A, Section 1 and DPU 86-159 dated February 6, 1987 where such residences are heated exclusively by means of permanently installed space heating equipment.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - MONTHLY

Customer Charge Per Month		\$ 10.94
Off-Peak	First 10 therms	@ \$ 0.3044 per therm
	Excess 10 therms	@ \$ 0.3546 per therm
Peak	First 50 therms	@ \$ 0.3044 per therm
	Excess 50 therms	@ \$ 0.3546 per therm

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

RESIDENTIAL HEATING
RESIDENTIAL RATE R-3**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1st through October 31st.

Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

SPECIAL PROVISION

- a) Where more than one but less than four individual apartments or dwellings are served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments or dwellings are served through one meter the billing shall be calculated on the appropriated Commercial and Industrial Service Rate.
- b) Temporary service will be supplied, upon written application for the limited period necessary to protect and dry out unoccupied private residences under construction. Gas fired, permanently installed heating equipment of a type approved by the Company shall be the sole source of heat for the residence. The charge shall be computed in accordance with Residential Rate R-3.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

LOW INCOME RESIDENTIAL HEATING
RESIDENTIAL RATE R-4

AVAILABILITY

Service is available under this rate at single domestic locations for all purposes, except for resale, in individual private dwellings and individual apartments where such residences are heated exclusively by means of permanently attached space heating equipment to persons who verify receipt of any means-tested public-benefit program or verify eligibility for the low-income home energy assistance program or its successor program, for which eligibility does not exceed 60 percent of the median income in Massachusetts based on a household's gross income or other criteria approved by the Department..

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - MONTHLY

Customer Charge Per Month		\$ 10.94
Off-Peak	First 10 therms	@ \$ 0.3044 per therm
	Excess 10 therms	@ \$ 0.3546 per therm
Peak	First 50 therms	@ \$ 0.3044 per therm
	Excess 50 therms	@ \$ 0.3546 per therm

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge, less the application of the Low Income Discount Adjustment provided under this rate schedule.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

LOW INCOME RESIDENTIAL HEATING
RESIDENTIAL RATE R-4

COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

LOW INCOME DISCOUNT ADJUSTMENT

The total amount resulting from the billing of all charges under this rate schedule shall be adjusted by a discount of 20.9 percent (20.9%) pursuant to D.P.U. 08-4 and D.P.U. 10-45.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.

Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

SPECIAL PROVISIONS

Where more than one but less than four individual apartments or dwellings is served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments are served through one meter the billing shall be calculated on the appropriate Commercial and Industrial Service Rate.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

COMMERCIAL AND INDUSTRIAL SERVICE
(LOW ANNUAL USE / HIGH PEAK PERIOD USE)
RATE G-40

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - MONTHLY

Customer Charge Per Month		\$ 17.51
Off-Peak	First 8 therms	@ \$0.2963 per therm
	Excess 8 therms	@ \$ 0.3477 per therm
Peak	First 50 therms	@ \$0.2963 per therm
	Excess 50 therms	@ \$ 0.3477 per therm

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage of less than 5,000 therms and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**COMMERCIAL AND INDUSTRIAL SERVICE
(LOW ANNUAL USE / HIGH PEAK PERIOD USE)
RATE G-40**

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.
Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

Issued by: Stephen H. Bryant
President

Issued On: November 12, 2009
Effective: November 1, 2009

COMMERCIAL AND INDUSTRIAL SERVICE
(MEDIUM ANNUAL USE / HIGH PEAK PERIOD USE)
RATE G-41

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - MONTHLY

Customer Charge Per Month		\$ 71.11
Off-Peak	First 50 therms	@ \$0.1331 per therm
	Excess 50 therms	@ \$0.2201 per therm
Peak	First 700 therms	@ \$0.1732 per therm
	Excess 700 therms	@ \$0.2002 per therm

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage of between 5,000 therms and 39,999 therms and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**COMMERCIAL AND INDUSTRIAL SERVICE
(MEDIUM ANNUAL USE / HIGH PEAK PERIOD USE)
RATE G-41**

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.
Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

COMMERCIAL AND INDUSTRIAL SERVICE
(MEDIUM ANNUAL USE / HIGH PEAK PERIOD USE)
RATE G-41

DUAL FUEL EQUIPMENT

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**COMMERCIAL AND INDUSTRIAL SERVICE
(HIGH ANNUAL USE / HIGH PEAK PERIOD)
RATE G-42**

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - MONTHLY

Customer Charge Per Month		\$ 233.02
Off-Peak	First 400 therms	@ \$0.0630 per therm
	Excess 400 therms	@ \$0.0993 per therm
Peak	First 4,000 therms	@ \$0.1552 per therm
	Excess 4,000 therms	@ \$0.1794 per therm

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage between 40,000 and 249,999 therms and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures. With the exception that customers whose annual use is greater than 249,999 therms, and if the Company has been unable to install an Automated Meter Reading Device, such customers also shall take service under this rate schedule.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**COMMERCIAL AND INDUSTRIAL SERVICE
(HIGH ANNUAL USE / HIGH PEAK PERIOD)
RATE G-42**

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.

Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

**COMMERCIAL AND INDUSTRIAL SERVICE
(HIGH ANNUAL USE / HIGH PEAK PERIOD)
RATE G-42**

DUAL FUEL EQUIPMENT

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

COMMERCIAL AND INDUSTRIAL SERVICE
(EXTRA HIGH ANNUAL USE / HIGH PEAK PERIOD USE)
RATE G-43

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - MONTHLY

Customer Charge Per Month:		\$ 854.36
Demand Rates:	Off-Peak	- @ \$ 0.6598 per therm of maximum daily gas usage
	Peak	- @ \$ 1.5696 per therm of maximum daily gas usage
Volumetric Rates:	Off-Peak	- @ \$0.0374 per therm
	Peak	- @ \$0.0734 per therm

CALCULATION OF DEMAND CHARGES

Demand charges shall be calculated by applying the Demand Rate to the actual measured maximum daily gas usage in the billing month.

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage of 250,000 therms or more and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures.

**COMMERCIAL AND INDUSTRIAL SERVICE
(EXTRA HIGH ANNUAL USE / HIGH PEAK PERIOD USE)
RATE G-43**

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.
Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which, it shall automatically renew itself for like one year periods thereafter, unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

COMMERCIAL AND INDUSTRIAL SERVICE
(EXTRA HIGH ANNUAL USE / HIGH PEAK PERIOD USE)
RATE G-43

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

SPECIAL PROVISIONS

All customers eligible for this service class must provide and maintain a phone line for use by the Company and provide the Company with reasonable access to the meter for installation and maintenance of the Automated Meter Reading device. Customers must have Automated Meter Reading devices installed in order to receive service according to this schedule. If the Company determines that Automated Meter Reading is impractical, the customer may receive service under the terms of Rate Schedule G-42.

DUAL FUEL EQUIPMENT

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**COMMERCIAL AND INDUSTRIAL SERVICE
(LOW ANNUAL USE / LOW PEAK PERIOD USE)
RATE G-50**

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - MONTHLY

Customer Charge Per Month		\$ 17.51
Off-Peak	First 20 therms	@ \$0.2584 per therm
	Excess 20 therms	@ \$0.3490 per therm
Peak	First 20 therms	@ \$0.2584 per therm
	Excess 20 therms	@ \$0.3490 per therm

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage of less than 5,000 therms and peak period usage less than 70 percent of annual use as determined by Company records and procedures.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**COMMERCIAL AND INDUSTRIAL SERVICE
(LOW ANNUAL USE / LOW PEAK PERIOD USE)
RATE G-50**

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.
Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

COMMERCIAL AND INDUSTRIAL SERVICE
(MEDIUM ANNUAL USE / LOW PEAK PERIOD USE)
RATE G-51

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - MONTHLY

Customer Charge Per Month		\$71.11
Off-Peak	First 400 therms	@ \$0.1032 per therm
	Excess 400 therms	@ \$0.1156 per therm
Peak	First 400 therms	@ \$0.1609 per therm
	Excess 400 therms	@ \$0.1897 per therm

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage of between 5,000 and 39,999 therms and peak period usage less than 70 percent of annual use as determined by Company records and procedures.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**COMMERCIAL AND INDUSTRIAL SERVICE
(MEDIUM ANNUAL USE / LOW PEAK PERIOD USE)
RATE G-51**

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.
Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

COMMERCIAL AND INDUSTRIAL SERVICE
(MEDIUM ANNUAL USE / LOW PEAK PERIOD USE)
RATE G-51

DUAL FUEL EQUIPMENT

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U.. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

COMMERCIAL AND INDUSTRIAL SERVICE
(HIGH ANNUAL USE / LOW PEAK PERIOD USE)
RATE G-52

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - MONTHLY

Customer Charge Per Month		\$ 233.02
Off-Peak	First 2,500 therms	@ \$0.0778 per therm
	Excess 2,500 therms	@ \$0.0898 per therm
Peak	First 2,500 therms	@ \$0.1346 per therm
	Excess 2,500 therms	@ \$0.1715 per therm

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage between 40,000 and 249,999 therms and peak period usage less than 70 percent of annual use as determined by Company records and procedures. With the exception that customers whose annual use is greater than 249,999 therms, and if the Company has been unable to install an Automated Meter Reading Device, such customers also shall take service under this rate schedule.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**COMMERCIAL AND INDUSTRIAL SERVICE
(HIGH ANNUAL USE / LOW PEAK PERIOD USE)
RATE G-52**

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.

Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

COMMERCIAL AND INDUSTRIAL SERVICE
(HIGH ANNUAL USE / LOW PEAK PERIOD USE)
RATE G-52

DUAL FUEL EQUIPMENT

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

COMMERCIAL AND INDUSTRIAL SERVICE
(EXTRA HIGH ANNUAL USE / LOW PEAK PERIOD USE)
RATE G-53

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company to Commercial and Industrial customers having certain characteristics, as defined below, for all purposes when gas is for their exclusive use and not for resale.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - MONTHLY

Customer Charge Per Month:			\$ 854.36
Demand Rates:	Off-Peak	-	@ \$ 0.6598 per therm of maximum daily gas usage
	Peak	-	@ \$ 1.5696 per therm of maximum daily gas usage
Volumetric Rates:	Off-Peak	-	@ \$ 0.0374 per therm
	Peak	-	@ \$ 0.0734 per therm

CALCULATION OF DEMAND CHARGES

Demand charges shall be calculated by applying the Demand Rate to the actual measured maximum daily gas usage in the billing month.

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage of 250,000 therms or more and peak period usage less than 70 percent of annual use as determined by Company records and procedures.

COMMERCIAL AND INDUSTRIAL SERVICE
(EXTRA HIGH ANNUAL USE / LOW PEAK PERIOD USE)
RATE G-53

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas sold under this rate.

COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.
Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which, it shall automatically renew itself for like one year periods thereafter, unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

COMMERCIAL AND INDUSTRIAL SERVICE
(EXTRA HIGH ANNUAL USE / LOW PEAK PERIOD USE)
RATE G-53

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

SPECIAL PROVISIONS

All customers eligible for this service class must provide and maintain a phone line for use by the Company and provide the Company with reasonable access to the meter for installation and maintenance of the Automated Meter Reading device. Customers must have Automated Meter Reading devices installed in order to receive service according to this schedule. If the Company determines that Automated Meter Reading is impractical, the customer may receive service according to Rate Schedule G-52.

DUAL FUEL EQUIPMENT

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

OUTDOOR GAS LIGHTING SERVICE
RATE L**AVAILABILITY**

Service to all customers is available under this rate for outdoor gas lighting where a standard gas light is attached to the Company's existing distribution system, and when it is not feasible to meter gas for such lighting along with other gas used on the premises and bill the same under the rate in effect for all other service. All such installations shall be on private property. Service under this schedule is available only to those customers taking service under this rate as of December 14, 1979.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - MONTHLY

\$ 2.68 per month per light.

COST OF GAS ADJUSTMENT AND LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Cost of Gas Adjustment and Local Distribution Adjustment Clause apply to gas sold under this rate.

TERM OF CONTRACT

The terms of contract under this schedule shall be for an initial period of one year, and shall continue in effect thereafter until canceled by either party on 30 days' written notice.

OUTDOOR GAS LIGHTING SERVICE
RATE L

PAYMENT

Bills are net and payable upon presentation.

SPECIAL PROVISIONS

The customer shall own and maintain all equipment necessary for such lighting, including any necessary additional piping. The customer shall replace at his expense any mantles from time to time. All original or replacement equipment shall be approved by the Company.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

NON-HEATING FIRM TRANSPORTATION SERVICE
RESIDENTIAL RATE T-R1**AVAILABILITY**

Service is available under this rate at single domestic locations throughout the territory served by the Company for transportation of supplier-owned gas used in individual private dwellings and individual apartments including condominiums and their facilities as defined in G. L. Chapter 183A, Section 1 and DPU 86-159 dated February 6, 1987.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - BI-MONTHLY

The Bi-Monthly rate schedule applicable to all customers being served with Company meters that do not have an installed radio-based automated meter reading device is as follows:

Customer Charge Per Two Month Period		\$ 21.88
Off-Peak	- First 10 therms	@ \$0.3567 per therm
	Excess 10 therms	@ \$0.4356 per therm
Peak	- First 10 therms	@ \$0.3567 per therm
	Excess 10 therms	@ \$0.4356 per therm

RATE – MONTHLY

The Monthly rate schedule applicable to all customers being served with Company meters that have an installed radio-based automated meter reading device is as follows:

Customer Charge Per One Month Period		\$ 10.94
Off-Peak	- First 5 therms	@ \$0.3567 per therm
	Excess 5 therms	@ \$0.4356 per therm
Peak	- First 5 therms	@ \$0.3567 per therm
	Excess 5 therms	@ \$0.4356 per therm

**NON-HEATING FIRM TRANSPORTATION SERVICE
RESIDENTIAL RATE T-R1**

MINIMUM CHARGE

The minimum charge per month shall be the sum of the applicable bi-monthly or monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas transported under this rate.

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Local Distribution Adjustment Clause apply to gas transported under this rate.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.
Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

SPECIAL PROVISION

Where more than one but less than four individual apartments or dwellings are served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments or dwellings are served through one meter, the billings will be calculated on the appropriate Commercial and Industrial Service Rate.

NON-HEATING FIRM TRANSPORTATION SERVICE
RESIDENTIAL RATE T-R1**TERMS AND CONDITIONS**

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, or other arrangements between Customers and Suppliers operating pursuant to the Company's Supplier Service Agreement Terms and Conditions, are a part of this schedule.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

LOW INCOME NON-HEATING FIRM TRANSPORTATION SERVICE
RESIDENTIAL RATE T-R2

AVAILABILITY

Service is available under this rate at single domestic locations throughout the territory served by the Company for transportation of supplier-owned gas used in individual private dwellings and individual apartments for all domestic purposes to persons who verify receipt of any means-tested public-benefit program or verify eligibility for the low-income home energy assistance program or its successor program, for which eligibility does not exceed 60 percent of the median income in Massachusetts based on a household's gross income or other criteria approved by the Department..

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - BI-MONTHLY

The Bi-Monthly rate schedule applicable to all customers being served with Company meters that do not have an installed radio-based automated meter reading device is as follows:

Customer Charge Per Two Month Period		\$ 21.88	
Off-Peak	First 10 therms	@	\$0.3567 per therm
	Excess 10 therms	@	\$0.4356 per therm
Peak	First 10 therms	@	\$0.3567 per therm
	Excess 10 therms	@	\$0.4356 per therm

RATE – MONTHLY

The Monthly rate schedule applicable to all customers being served with Company meters that have an installed radio-based automated meter reading device is as follows:

Customer Charge Per One Month Period		\$ 10.94	
Off-Peak	First 5 therms	@	\$0.3567 per therm
	Excess 5 therms	@	\$0.4356 per therm
Peak	First 5 therms	@	\$0.3567 per therm
	Excess 5 therms	@	\$0.4356 per therm

**LOW INCOME NON-HEATING FIRM TRANSPORTATION SERVICE
RESIDENTIAL RATE T-R2**

MINIMUM CHARGE

The minimum charge per month shall be the sum of the applicable bi-monthly or monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge, less the application of the Low Income Discount Adjustment provided under this rate schedule.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas transported under this rate.

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Local Distribution Adjustment Clause apply to gas transported under this rate.

LOW INCOME DISCOUNT ADJUSTMENT

The total amount resulting from the billing of all charges under this rate schedule shall be adjusted by a discount of 19.0 percent (19.0%) pursuant to D.P.U. 08-4 and D.P.U. 10-45.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.
Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

SPECIAL PROVISIONS

Where more than one but less than four individual apartments or dwellings is served through one meter, the billings shall be calculated as though each individual dwelling or apartment were

**LOW INCOME NON-HEATING FIRM TRANSPORTATION SERVICE
RESIDENTIAL RATE T-R2**

served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments or dwellings are served through one meter, the billings shall be calculated on the appropriate Commercial and Industrial Service Rate.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, or other arrangements between Customers and Suppliers operating pursuant to the Company's Supplier Service Agreement Terms and Conditions, are a part of this schedule.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

HEATING FIRM TRANSPORTATION SERVICE
RESIDENTIAL RATE T-R3**AVAILABILITY**

Service is available under this rate at single domestic locations throughout the territory served by the Company for transportation of supplier-owned gas used in individual private dwellings and individual apartments including condominiums and their facilities as defined in G. L. Chapter 183A, Section 1 and DPU 86-159 dated February 6, 1987 where such residences are heated exclusively by means of permanently installed space heating equipment.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - MONTHLY

Customer Charge Per Month		\$ 10.94	
Off-Peak	-	First 10 therms	@ \$0.3044 per therm
		Excess 10 therms	@ \$0.3546 per therm
Peak	-	First 50 therms	@ \$0.3044 per therm
		Excess 50 therms	@ \$0.3546 per therm

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas transported under this rate.

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Local Distribution Adjustment Clause apply to gas transported under this rate.

HEATING FIRM TRANSPORTATION SERVICE
RESIDENTIAL RATE T-R3**DEFINITIONS**

Off-Peak Period - Defined as the period from May 1st through October 31st.

Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

SPECIAL PROVISION

- a) Where more than one but less than four individual apartments or dwellings are served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments or dwellings are served through one meter the billing shall be calculated on the appropriated Commercial and Industrial Service Rate.
- b) Temporary service will be supplied, upon written application for the limited period necessary to protect and dry out unoccupied private residences under construction. Gas fired, permanently installed heating equipment of a type approved by the Company shall be the sole source of heat for the residence. The charge shall be computed in accordance with Residential Rate R-3.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, or other arrangements between Customers and Suppliers operating pursuant to the Company's Supplier Service Agreement Terms and Conditions, are a part of this schedule.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

LOW INCOME HEATING FIRM TRANSPORTATION SERVICE
RESIDENTIAL RATE T-R4

AVAILABILITY

Service is available under this rate at single domestic locations throughout the territory served by the Company to persons who verify receipt of any means-tested public-benefit program or verify eligibility for the low-income home energy assistance program or its successor program, for which eligibility does not exceed 60 percent of the median income in Massachusetts based on a household's gross income or other criteria approved by the Department, for transportation of supplier-owned gas used in individual private dwellings and individual apartments where such residences are heated exclusively by means of permanently installed space heating equipment.

CHARACTER OF SERVICE

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

RATE - MONTHLY

Customer Charge Per Month		\$ 10.94
Off-Peak	First 10 therms	@ \$0.3044 per therm
	Excess 10 therms	@ \$0.3546 per therm
Peak	First 50 therms	@ \$0.3044 per therm
	Excess 50 therms	@ \$0.3546 per therm

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge, less the application of the Low Income Discount Adjustment provided under this rate schedule.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas transported under this rate.

LOW INCOME HEATING FIRM TRANSPORTATION SERVICE
RESIDENTIAL RATE T-R4

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Local Distribution Adjustment Clause apply to gas transported under this rate.

LOW INCOME DISCOUNT ADJUSTMENT

The total amount resulting from the billing of all charges under this rate schedule shall be adjusted by a discount of 20.9 percent (20.9%) pursuant to D.P.U. 08-4 and D.P.U. 10-45.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.
Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

SPECIAL PROVISIONS

Where more than one but less than four individual apartments or dwellings is served through one meter, the billings shall be calculated as though each individual dwelling or apartment were served through a separate meter by assuming the use was divided equally among them, except that one customer charge will apply. The owner of the property or his designee will be responsible for the payment of the service. Where four or more individual apartments are served through one meter the billing shall be calculated on the appropriate Commercial and Industrial Service Rate, and therefore such accounts are not eligible for the Pilot Program.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, or other arrangements between Customers and Suppliers operating pursuant to the Company's Supplier Service Agreement Terms and Conditions, are a part of this schedule.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

FIRM TRANSPORTATION SERVICE
(LOW ANNUAL USE / HIGH PEAK PERIOD USE)
RATE T-40

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

RATE - MONTHLY

Customer Charge Per Month		\$ 17.51
Off-Peak	First 8 therms	@ \$0.2963 per therm
	Excess 8 therms	@ \$0.3477 per therm
Peak	First 50 therms	@ \$0.2963 per therm
	Excess 50 therms	@ \$0.3477 per therm

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage of less than 5,000 therms and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

FIRM TRANSPORTATION SERVICE
(LOW ANNUAL USE / HIGH PEAK PERIOD USE)
RATE T-40

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.
Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

FIRM TRANSPORTATION SERVICE
(MEDIUM ANNUAL USE / HIGH PEAK PERIOD USE)
RATE T-41

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

RATE - MONTHLY

Customer Charge Per Month		\$ 71.11
Off-Peak	First 50 therms	@ \$0.1331 per therm
	Excess 50 therms	@ \$0.2201 per therm
Peak	First 700 therms	@ \$0.1732 per therm
	Excess 700 therms	@ \$0.2002 per therm

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage of between 5,000 therms and 39,999 therms and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

FIRM TRANSPORTATION SERVICE
(MEDIUM ANNUAL USE / HIGH PEAK PERIOD USE)
RATE T-41

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.

Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

DUAL FUEL EQUIPMENT

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U.. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

Issued by: Stephen H. Bryant
President

Issued On: November 12, 2009
Effective: November 1, 2009

**FIRM TRANSPORTATION SERVICE
(HIGH ANNUAL USE / HIGH PEAK PERIOD USE)
RATE T-42**

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

RATE - MONTHLY

Customer Charge Per Month		\$ 233.02
Off-Peak	First 400 therms	@ \$0.0630 per therm
	Excess 400 therms	@ \$0.0993 per therm
Peak	First 4,000 therms	@ \$0.1552 per therm
	Excess 4,000 therms	@ \$0.1794 per therm

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage between 40,000 and 249,999 therms and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

**FIRM TRANSPORTATION SERVICE
(HIGH ANNUAL USE / HIGH PEAK PERIOD USE)
RATE T-42**

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.

Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

DUAL FUEL EQUIPMENT

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U.. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

FIRM TRANSPORTATION SERVICE
(EXTRA HIGH ANNUAL USE / HIGH PEAK PERIOD USE)
RATE T-43

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

RATE - MONTHLY

Customer Charge Per Month:		\$854.36
Demand Rates:	Off-Peak	@ \$ 0.6598 per therm of maximum daily gas usage
	Peak	@ \$ 1.5696 per therm of maximum daily gas usage
Volumetric Rates:	Off-Peak	@ \$ 0.0374 per therm
	Peak	@ \$ 0.0734 per therm

CALCULATION OF DEMAND CHARGES

Demand charges shall be calculated by applying the Demand Rate to the actual measured maximum daily gas usage in the billing month.

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage of 250,000 therms or more and peak period usage greater than or equal to 70 percent of annual use as determined by Company records and procedures.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

**FIRM TRANSPORTATION SERVICE
(EXTRA HIGH ANNUAL USE / HIGH PEAK PERIOD USE)
RATE T-43**

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.
Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter, unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

FIRM TRANSPORTATION SERVICE
(EXTRA HIGH ANNUAL USE / HIGH PEAK PERIOD USE)
RATE T-43

SPECIAL PROVISIONS

All customers eligible for this service class must provide and maintain a phone line for use by the Company and provide the Company with reasonable access to the meter for installation and maintenance of the Automated Meter Reading device. Customers must have Automated Meter Reading devices installed in order to receive service according to this schedule.

DUAL FUEL EQUIPMENT

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U.. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

FIRM TRANSPORTATION SERVICE
(LOW ANNUAL USE / LOW PEAK PERIOD USE)
RATE T-50

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

RATE - MONTHLY

Customer Charge Per Month		\$ 17.51
Off-Peak	First 20 therms	@ \$0.2584 per therm
	Excess 20 therms	@ \$0.3490 per therm
Peak	First 20 therms	@ \$0.2584 per therm
	Excess 20 therms	@ \$0.3490 per therm

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage of less than 5,000 therms and peak period usage less than 70 percent of annual use as determined by Company records and procedures.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

**FIRM TRANSPORTATION SERVICE
(LOW ANNUAL USE / LOW PEAK PERIOD USE)
RATE T-50**

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.
Peak Period - Defined as being the period November 1st through April 30th

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

FIRM TRANSPORTATION SERVICE
(MEDIUM ANNUAL USE / LOW PEAK PERIOD USE)
RATE T-51

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

RATE - MONTHLY

Customer Charge Per Month		\$ 71.11
Off-Peak	First 400 therms	@ \$0.1032 per therm
	Excess 400 therms	@ \$0.1156 per therm
Peak	First 400 therms	@ \$0.1609 per therm
	Excess 400 therms	@ \$0.1897 per therm

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage of between 5,000 therms and 39,999 therms and peak period usage less than 70 percent of annual use as determined by Company records and procedures.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

FIRM TRANSPORTATION SERVICE
(MEDIUM ANNUAL USE / LOW PEAK PERIOD USE)
RATE T-51

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.

Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

DUAL FUEL EQUIPMENT

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

FIRM TRANSPORTATION SERVICE
(HIGH ANNUAL USE / LOW PEAK PERIOD USE)
RATE T-52

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

RATE - MONTHLY

Customer Charge Per Month		\$ 233.02
Off-Peak	First 2,500 therms	@ \$0.0778 per therm
	Excess 2,500 therms	@ \$0.0898 per therm
Peak	First 2,500 therms	@ \$0.1346 per therm
	Excess 2,500 therms	@ \$0.1715 per therm

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage between 40,000 and 249,999 therms and peak period usage less than 70 percent of annual use as determined by Company records and procedures.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

FIRM TRANSPORTATION SERVICE
(HIGH ANNUAL USE / LOW PEAK PERIOD USE)
RATE T-52

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.

Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

DUAL FUEL EQUIPMENT

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

FIRM TRANSPORTATION SERVICE
(EXTRA HIGH ANNUAL USE / LOW PEAK PERIOD USE)
RATE T-53

AVAILABILITY

This schedule is available at single locations throughout the territory served by the Company for transportation of customer-owned gas used for commercial, industrial, or institutional purposes.

RATE - MONTHLY

Customer Charge Per Month:			\$ 854.36
Demand Rates:	Off-Peak	-	@ \$ 0.6598 per therm of maximum daily gas usage
	Peak	-	@ \$ 1.5696 per therm of maximum daily gas usage
Volumetric Rates:	Off-Peak	-	@ \$ 0.0374 per therm
	Peak	-	@ \$ 0.0734 per therm

CALCULATION OF DEMAND CHARGES

Demand charges shall be calculated by applying the Demand Rate to the actual measured maximum daily gas usage in the billing month.

CHARACTERISTICS OF CUSTOMER

A customer receiving service under this schedule must have annual usage of 250,000 therms or more and peak period usage less than 70 percent of annual use as determined by Company records and procedures.

MINIMUM CHARGE

The minimum charge per month shall be the sum of the monthly Customer Charge and the Residential and Commercial Energy Conservation Service ("RCS") Charge.

FIRM TRANSPORTATION SERVICE
(EXTRA HIGH ANNUAL USE / LOW PEAK PERIOD USE)
RATE T-53

REVENUE DECOUPLING ADJUSTMENT CLAUSE

The provisions of the Company's Revenue Decoupling Adjustment Clause apply to gas throughput transported under this rate.

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The provisions of the Company's Local Distribution Adjustment Clause apply to gas throughput transported under this rate.

DEFINITIONS

Off-Peak Period - Defined as the period from May 1st through October 31st.
Peak Period - Defined as the period from November 1st through April 30th.

PAYMENT

Bills are net and payable upon presentation.

TERM OF CONTRACT

The term of contract under this schedule shall be for an initial period of at least one year, at the expiration of which initial period it shall automatically renew itself for like one year periods thereafter, unless terminated by either party giving to the other notice in writing 30 days prior to the expiration of any contract year.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this schedule.

FIRM TRANSPORTATION SERVICE
(EXTRA HIGH ANNUAL USE / LOW PEAK PERIOD USE)
RATE T-53

SPECIAL PROVISIONS

All customers eligible for this service class must provide and maintain a phone line for use by the Company and provide the Company with reasonable access to the meter for installation and maintenance of the Automated Meter Reading device. Customers must have Automated Meter Reading devices installed in order to receive service according to this schedule.

DUAL FUEL EQUIPMENT

The rates and charges applicable under this tariff for service rendered to locations with dual fuel equipment are subject to the Special Provision for Use of Dual Fuel Equipment, M.D.P.U.. No. 102, which applies to any Customer with installed dual fuel equipment capable of burning gas and another fuel.

FARM DISCOUNT

All charges under this tariff are subject to a ten percent (10%) discount for customers who are certified as eligible by the Massachusetts Department of Food and Agriculture.

**PEAKING SUPPLY SERVICE
RATE PSS**

1.0 AVAILABILITY

Peaking Service is available to all Suppliers or Customers acting as their own Suppliers that have been assigned Peaking Capacity on behalf of Customers in an Aggregation Pool, or on behalf of daily-metered Customers not included in an Aggregation Pool, upon execution of a Supplier Service Agreement with the Company.

2.0 APPLICABILITY

This tariff applies to all Suppliers, or Customers acting as their own Supplier, receiving Peaking Service from the Company pursuant to the Company's Terms and Conditions.

3.0 CHARACTER OF SERVICE

Gas provided on a firm basis and not subject to interruption or curtailment except as permitted under the Company's Terms and Conditions and the Supplier Service Agreement. The Supplier shall nominate Peaking Service quantities on a daily basis subject to the operational restrictions and nominations requirements set forth in the Company's Terms and Conditions. The Company shall be obligated to provide a quantity not to exceed the Maximum Daily Peaking Quantity ("MDPQ"), as specified in the Supplier Service Agreement. The level of supply provided by the Company is subject to operational restrictions during the service availability period as set forth in the Company's Terms and Conditions.

4.0 PEAKING SERVICE RATES

Service hereunder is subject to a two-part monthly rate comprising a Peaking Service Demand Charge and a Peaking Service Commodity Charge. Such charges shall reflect the costs described below and shall be computed and submitted within the Company's Cost of Gas Adjustment Clause ("CGAC") filings.

**PEAKING SUPPLY SERVICE
RATE PSS**

5.0 RATE PER MONTH

The Peaking Service Demand Charge to the Supplier shall be the product of the currently effective monthly Peaking Service Demand Charge and the applicable MDPQ as established in the Supplier Service Agreement for that month for each Aggregation Pool.

The Peaking Service Commodity Charge to the Supplier shall be the Peaking Supply Commodity Charge multiplied by the volumes of gas nominated for each Aggregation Pool each month under this rate.

6.0 MAXIMUM DAILY PEAKING QUANTITY

The MDPQ for each of a Supplier's Aggregation Pools shall be established in the Supplier Service Agreement pursuant to Section 13.4 of the Company's Terms and Conditions.

7.0 OPERATIONAL RESTRICTIONS

The availability of Peaking Service may be restricted in accordance with the operational standards established by the Company in its Terms and Conditions.

8.0 TERMS AND CONDITIONS

Service under this rate is subject to the Company's Terms and Conditions, in effect from time to time, where not inconsistent with any specific provision herein.

INTERRUPTIBLE TRANSPORTATION AGREEMENT

THIS AGREEMENT made and entered into as of this _____ day of _____ 20____, by and between Bay State Gas Company, a Massachusetts corporation with headquarters at 300 Friberg Parkway, Westborough, Massachusetts (hereafter called "Bay State" or "Company"), and _____ (hereafter called "Customer"), pursuant to the following recitals and representations:

WHEREAS, Customer desires Bay State to transport on an interruptible basis such volumes of gas procured by Customer from _____ located at _____ (hereafter called "Customer's Supplier") for use at Customer's facility located at _____ (hereafter called "Point of Delivery"); and

WHEREAS, Bay State, subject to the Company's Distribution and Default Service Terms and Conditions and the conditions, limitations and provisions hereof, is willing to transport and deliver to Customer on an interruptible basis such volumes of gas:

(a) delivered by a properly licensed and registered third-party supplier with the following information provided by the Customer:

i. Customer's Transporting Pipeline: (Name) _____ located at _____

ii. Location of delivery of gas volumes to Bay State's distribution facilities:

_____ (hereafter called "Point of Receipt"); or

INTERRUPTIBLE TRANSPORTATION AGREEMENT

(b) procured by Bay State pursuant to an executed Interruptible Gas Supply Service Agreement between Bay State and the Customer.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, Bay State and Customer agree as follows:

ARTICLE 1: MAXIMUM DAILY TRANSPORTATION QUANTITY

Bay State shall provide interruptible transportation to Customer from the Point of Receipt to the Point of Delivery during any Gas Day up to a Maximum Daily Transportation Quantity of _____ therms.

ARTICLE 2: CONDITIONS PRECEDENT

This Agreement is expressly conditioned upon Customer's agreement, at Bay State's option, to assume responsibility for the cost of any additional facilities required to serve Customer including, but not necessarily limited to, any required gas mains, service lines and meters

In addition, this Agreement is conditioned upon Customer's installation and maintenance, at its expense, of a standard modular telephone jack with two pair wiring connecting the jack to the telephone company's network interface device. Such jack shall be installed near the entry point of the gas service line, and the telephone line and jack shall be continuously in service with a dial tone and shall be for the exclusive use of the Company to automatically transmit meter readings over the telephone lines to the Company's computer.

ARTICLE 3: RATE

The charge to be assessed under this Agreement shall consist of a monthly "Customer Charge" and a "Volumetric Charge."

The Customer Charge shall be charged each month from April through November, and shall be Bay State's marginal customer cost incurred to provide Interruptible Transportation Service. The Customer Charge shall be \$1,500.00.

INTERRUPTIBLE TRANSPORTATION AGREEMENT

The Volumetric Charge per therm for Interruptible Transportation service shall be at a rate per MMBtu established on a Value of Service ("VOS") basis as set forth below:

While there will be no ceiling on the calculated IT rate, the floor price shall be based on the Company's most recently calculated marginal variable cost of providing IT service plus the Customer Charge set forth above. The marginal variable cost shall include meter and regulator operations expense, meter maintenance expense, services operations and maintenance expense and communications expense. Such current marginal variable cost is equal to \$0.0841 per MMBtu. If the Customer has alternate fuel capabilities, the volumetric IT rate shall be equal to:

$$R = \text{CAFC} - \text{DCGP}$$

If the Customer has no alternate fuel capabilities, the IT rate shall be equal to:

$$R = \text{MBVE} - \text{DCGP}$$

where:

CAFC = Customer's Alternate Fuel Costs, expressed in dollars per MMBtu, determined as follows:

R = Interruptible Transportation Rate

$$\text{CAFC} = \text{APP} \pm A$$

where:

A = An Adjustment, measured in dollars per MMBtu, may be granted by Bay State in its sole judgment to reflect any discount to the average posted price which is granted to Customer by Customer's energy supplier.

APP = Average Posted Price of Customer's alternate fuel expressed in dollars per MMBtu as specified on Appendix A to this Agreement.

DCGP = Delivered City Gate Price of gas supply delivered to the Company's city gate, calculated as the Monthly Index Price of the Company's incremental gas supply as reported in the first publication each month of McGraw Hill, Inc.'s *Inside_FERC Gas Market Report*, plus the variable cost of transportation, including fuel reimbursement, from the zone where the gas supply is first delivered to the Transporting Pipeline to

INTERRUPTIBLE TRANSPORTATION AGREEMENT

the Company's city gate.
MBVE = Market Based Value of Energy supplied to the Customer's facility, expressed in dollars per MMBtu, mutually agreed upon by the Company and Customer.

In addition to the charges provided for above, Customer shall be subject to any applicable charges and taxes in accordance with the provisions of the Company's Terms and Conditions.

ARTICLE 4: TERM

This Agreement shall become effective on the date hereof and shall continue in full force and effect for an initial term of one (1) year. This Agreement shall further continue thereafter for successive one-year periods ending _____ of each subsequent year, unless terminated by either party with at least thirty (30) days prior written notice from either party to the other.

ARTICLE 5: NOMINATION AND BALANCING

The Company's nomination and balancing terms as set forth in Section 11.0 of the Distribution and Default Service Terms and Conditions for Daily Metered Distribution Service shall apply to Customer's usage hereunder. If Customer designates the Company as its gas supplier and executes an Interruptible Gas Supply Service Agreement, Customer shall not be subject to the aforementioned nomination and balancing terms, except as provided in the Interruptible Gas Supply Service Agreement.

ARTICLE 6: PEAK PERIOD INTERRUPTION

Service to Customer shall be interrupted beginning on December 1st of each year and shall remain interrupted through the following March 31st. As applicable, Customer is responsible for securing its alternate fuel to meet its full requirements, or for preparing for interruption or curtailment of natural gas service, during the period of unavailability of natural gas service each winter. At its sole discretion and at no cost to Customer, Bay State may manually shut-off gas service to the Customer's meter during the winter period interruption. In the event that service is shut-off, Bay State shall charge Customer to turn on gas service at the start or during the Non-peak Period.

INTERRUPTIBLE TRANSPORTATION AGREEMENT**ARTICLE 7: NON-PEAK PERIOD INTERRUPTION AND CURTAILMENT**

Service to Customer is subject to interruption and/or curtailment to the extent Bay State determines such interruption to be necessary to ensure the continued service to Bay State's firm sales or firm transportation customers. If notice of interruption is given by Bay State to Customer, Customer agrees to discontinue within two (2) hours the use of gas and change to its alternate fuel, if applicable, upon being notified of such interruption.

If notice of curtailment is given by Bay State to Customer, Customer agrees to reduce within two (2) hours its usage of gas by the level of curtailment specified by Bay State.

Customer shall be available to receive such notice twenty four (24) hours a day, seven (7) days a week. Customer agrees to provide Bay State with a telephone number(s) for providing such notice.

ARTICLE 8: UNAUTHORIZED USAGE

Failure by Customer to either (1) discontinue gas service during the interruption period of December 1 through March 31 or in the event of a notice of interruption or (2) to reduce usage in the event of a notice of curtailment shall constitute unauthorized use. Any such use shall be deemed to be aggravating a Critical Day and be subject to the unauthorized use penalty set out in Sections 11.6 and 12.6 of the Company's Distribution and Default Service Terms and Conditions.

ARTICLE 9: DISCLAIMER OF LIABILITY

Bay State shall not be liable to Customer for any loss or damage incurred by Customer resulting from any curtailment or interruption, including a permanent interruption in the delivery to Customer, whether or not notice of such curtailment or interruption has been given.

ARTICLE 10: CUSTOMER'S COVENANTS WITH RESPECT TO THE USE OF GAS

The Customer hereby covenants and agrees that all gas delivered by Bay State under the terms of this Agreement shall be used solely as fuel in Customer's equipment directly associated with service provided under this Agreement located at _____, and shall not be used interchangeably for gas supplied by Bay State under any other agreement or filed rate.

INTERRUPTIBLE TRANSPORTATION AGREEMENT**ARTICLE 11: ACCESS TO PREMISES**

Customer shall provide Bay State such reasonable rights of way and rights of entry to Customer's facilities as may be required by Bay State in connection with this Agreement, including but not limited to access for any use, maintenance and periodic inspection of all gas facilities of Bay State or Customer including piping and metering equipment.

ARTICLE 12: AGREEMENT IN ITS ENTIRETY

This Agreement and the references herein constitute the entire agreement of the parties for interruptible transportation service to the Customer's facilities, and there are no oral or written understandings or agreements between Bay State and Customer relating to the subject matter (interruptible transportation service) of this Agreement other than those expressed herein.

Provisions of this Agreement shall be changed, waived, discharged or terminated only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to an entity with which it is affiliated, but otherwise no assignment of this Agreement or any of the rights and obligations hereunder shall be made unless there first shall have been obtained the written consent of the other party.

ARTICLE 13: PUBLIC REGULATIONS

This Agreement shall be subject to Bay State's Distribution and Default Service Terms and Conditions on file with the Massachusetts Department of Public Utilities to the extent those Terms and Conditions are not inconsistent with the provisions of this Agreement. **In the event of a conflict, the terms of this Agreement shall govern.** Upon request, Bay State shall provide the Customer with copies of Bay State's complete filed Terms and Conditions thereafter provide all amendments or supplements to those documents promptly after filing.

INTERRUPTIBLE TRANSPORTATION AGREEMENT

ARTICLE 14: GOVERNING LAWS

This Agreement is entered into and shall be construed in accordance with the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the parties hereto have signed and sealed this Agreement by their duly authorized officers:

Bay State Gas Company

By _____
Name: _____
Title: _____
Date: _____

Witness

Customer

By _____
Name: _____
Title: _____
Date: _____

Witness

INTERRUPTIBLE TRANSPORTATION AGREEMENT

Bay State Gas Company
Appendix A

Customer Name: _____

Customer Address: _____

Customer's Alternate Fuel: _____

Source of monthly average
price to determine MMBtu
price equivalency: _____

Formula: _____

INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT

THIS AGREEMENT made and entered into as of this ____ day of _____ 20____, by and between Bay State Gas Company, a Massachusetts corporation with headquarters at 300 Friberg Parkway, Westborough, Massachusetts (hereafter called "Bay State" or "Company"), and _____ (hereafter called "Customer"), pursuant to the following recitals and representations:

WHEREAS, Customer desires Bay State to supply gas on an interruptible basis such volumes of gas to be used by Customer at its facilities located at _____;

WHEREAS, Bay State is prepared to sell gas to Customer on an interruptible basis; and

WHEREAS, Customer and Bay State have entered into a separate Interruptible Transportation Agreement in the form of that set forth in Bay State's Tariff providing for the delivery of gas supplied hereunder to Customer's location.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, Bay State and Customer agree as follows:

ARTICLE 1: DEFINITIONS

- a. Btu - British Thermal Unit
- b. MMBtu - One million (1,000,000) British Thermal Units
- c. Gas Dispatching Center - Bay State's central gas dispatching center located on Ravenwood Drive, Ludlow, Massachusetts 01056. Telephone number 413-583-8342.

INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**ARTICLE 2: PRIORITY OF SERVICE**

Interruptible gas supply service provided hereunder will be provided on a best efforts basis and will be subject to interruption and/or curtailment at the sole discretion of Bay State. This service is subject to interruption and/or curtailment to the extent Bay State determines such interruption to be necessary to ensure the continued service to Bay State's firm sales or firm transportation customers and Bay State's pursuit of a best-cost, long-term gas supply strategy. Bay State retains the right in its sole discretion to determine the priority of interruption and/or curtailment among and between all interruptible sales and interruptible transportation customers.

ARTICLE 3: NON-EFFECT ON OTHER SERVICES

Nothing herein shall be construed to limit Bay State during the term hereof, or otherwise, from contracting to provide sales or transportation services, to other customers, whether of a like or different nature and whether or not the performance of such services may impair Bay State's ability to render service to Customer as provided for herein.

ARTICLE 4: TERM

This Agreement shall become effective on the date hereof and shall continue in full force and effect for an initial term of one (1) year. This Agreement shall further continue thereafter for successive one-year periods ending _____ of each subsequent year, unless terminated by either party with at least thirty (30) days prior written notice from either party to the other.

INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**ARTICLE 5: SUPPLY RATE**

The volumetric commodity charge to be assessed under this Agreement shall consist of the Company's monthly "Delivered City Gate Price".

The Interruptible Gas Supply Rate, expressed in dollars per MMBtu, shall be determined as follows:

$$\text{IGSR} = \text{DCGP}$$

where:

IGSR = Interruptible Gas Supply Rate

DCGP = Delivered City Gate Price of gas supply delivered to the Company's citygate, calculated as the monthly "index" price, as published by Platt's Inside FERC's Gas Market Report under the heading "Price of Spot Gas Delivered to Pipeline," for the Company's incremental gas supply, plus the variable cost of transportation and applicable fuel reimbursement required to deliver the gas to the Company's city gate for the applicable month.

Should Inside FERC's Gas Market Report fail to publish an appropriate monthly index price, the Company shall use Energy Intelligence's Natural Gas Week as a substitute publication to determine a monthly index price. The appropriate price shall be found under the heading "NATURAL GAS BIDWEEK PRICES" for the applicable month in question.

Should Inside FERC's Gas Market Report or Natural Gas Week change ownership or names, the Company will utilize the substitute publication(s).

In addition to the charges provided for above, Customer shall be subject to any applicable charges and taxes in accordance with the provisions of the Company's Terms and Conditions.

INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**ARTICLE 6: BILLING AND PAYMENT**

Each month, Bay State shall send a bill to Customer for all quantities of gas, which Customer has purchased during the previous calendar month plus the charges incurred in accordance with the Customer's Interruptible Transportation Agreement (such services collectively, Rebundled Interruptible Sales Service). All bills submitted by Bay State to Customer hereunder shall be paid on or before the twentieth (20th) Calendar Day of each month (hereinafter called the "due date"). Payment shall be sent to the address designated on the bill.

Should Customer fail to pay all of the amount of any bill as herein provided when such amount is due, Customer shall pay a "Charge for Late Payment" which shall be included by Bay State on the next regular monthly bill rendered to Customer hereunder. Such Charge for Late Payment shall be determined by multiplying (a) the unpaid portion of the bill by (b) the ratio of the number of days from the due date to the date payment is received by Bay State to thirty (30), by (c) a monthly interest rate equivalent to one and one-half percent (1.5%) per month. If such failure to pay continues after payment is due, in addition to any other remedy it may have, Bay State may suspend further sales of gas until such amount is paid.

ARTICLE 7: DEPOSITS

At the request of Bay State, at any time prior to or during the term of this Agreement, Customer shall provide a deposit equal to a dollar amount estimated by Bay State to represent a reasonable projection of Customer's maximum gas supply bill for any two months for service under this Agreement.

INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**ARTICLE 8: GAS SUPPLY SCHEDULING**

During the term of this Agreement, Bay State agrees to sell to Customer and Customer agrees to purchase from Bay State such volumes of gas at Bay State's city gate as shall be mutually agreed upon by the parties. Since this gas shall be sold on an interruptible basis, with the availability of gas varying from season to season and day to day, Customer must keep Bay State's Gas Dispatching Center informed relative to its anticipated requirements. Bay State shall consider that the Customer's gas use equals the gas Bay State has scheduled on the Customer's behalf as long as the Customer keeps Bay State informed of its anticipated requirements. If the Customer fails to inform the Company of any significant change in daily requirements, the Customer may be subject to the daily balancing provisions referenced in Customer's Interruptible Transportation Agreement with the Company. Such daily balancing shall be predicated on the difference between the Company's expectation of the Customer's requirements as last communicated by Customer and the Customer's actual gas use.

ARTICLE 9: INTERRUPTION AND CURTAILMENT

Customer shall comply with all notices of interruption and/or curtailment provided by the Company pursuant to the terms of Customer's Interruptible Transportation Agreement. Failure to fully comply with a notice of interruption and/or curtailment will result in the assessment of unauthorized usage penalties to the Customer pursuant to Customer's Interruptible Transportation Agreement.

ARTICLE 10: DISCLAIMER OF LIABILITY

Bay State shall not be liable to Customer for any loss or damage incurred by Customer resulting

INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT

from any curtailment or interruption, including a permanent interruption in the delivery to Customer, whether or not notice of such curtailment or interruption has been given.

ARTICLE 11: CUSTOMER'S COVENANTS WITH RESPECT TO THE USE OF GAS

The Customer hereby covenants and agrees that all gas purchased from Bay State under the terms of this Agreement shall be used solely as fuel in Customer's equipment directly associated with service provided under this Agreement located at, and shall not be used interchangeably for gas supplied by Bay State under any other agreement or filed rate.

ARTICLE 12: DEFAULT

If either party shall fail to perform or otherwise be in default of any of its obligations under this Agreement, the other party may terminate this Agreement by giving the defaulting party written notice stating specifically the nature of the default and giving notice of termination effective the date of such notice. Any termination of this Agreement shall be without prejudice to the right of Bay State to collect any payments due Bay State for Rebundled Interruptible Sales Service provided prior to the time of termination including interest and late payment charges.

ARTICLE 13: SPECIAL OR CONSEQUENTIAL DAMAGES

Bay State shall not be liable to the Customer or any third party claiming through the Customer for special, consequential, indirect or punitive damages.

INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**ARTICLE 14: WAIVER**

Notwithstanding any other provision to the contrary, no waiver by either party of any default or breach of any of the obligations contained in this Agreement to be performed by the other party shall be construed as a waiver of any succeeding default or breach of the same or any other obligation or condition.

ARTICLE 15: AGREEMENT IN ITS ENTIRETY

This Agreement and the references herein constitute the entire agreement of the parties for interruptible gas supply service to the Customer's equipment directly associated with service provided under this Agreement as set forth in Article 11, and there are no oral or written understandings or agreements between Bay State and Customer relating to the subject matter of this Agreement other than those expressed herein. Provisions of this Agreement shall be changed, waived, discharged or terminated only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

All headings contained in this Agreement are for convenience only and shall not in any way affect the meaning of any of the provisions. This Agreement may be executed in one or more counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which together shall constitute one instrument. Subject to the provisions of Article 16, all terms of this Agreement shall be binding upon and enure to the benefit of the successors and assigns of the parties hereto.

INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT**ARTICLE 16: ASSIGNMENT**

None of the rights and obligations under this Agreement may be assigned or otherwise transferred by either party hereto without the prior written consent of the other party.

ARTICLE 17: NOTICES

Except as may otherwise be expressly provided, any notice required or desired to be served pursuant to this Agreement shall be in writing. In the absence of written notice of change of address to the other party to this Agreement, any such notice shall be hand delivered or mailed, first class with a postmark of the same day, to Bay State or Customer at the following addresses:

Bay State: Bay State Gas Company
300 Friberg Parkway
Westborough, MA 01581-5039
Attention: Gas Supply Department

The Customer: _____

ARTICLE 18: GOVERNING LAW

This Agreement is entered into and shall be construed in accordance with the laws of the Commonwealth of Massachusetts. No provision of this Agreement shall be interpreted more or less

INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT

favorably towards either party because its counsel drafted all or a portion hereof. If any provision of this Agreement is found to be invalid, in whole or in part, such provision shall be deemed modified so as to render it no longer invalid and all of the remaining provisions of this Agreement shall nonetheless remain in full force and effect.

ARTICLE 19: PUBLIC REGULATION

Bay State is a public utility subject to regulation by the Massachusetts Department of Public Utilities (hereinafter called "Department"). This Agreement is subject to any limitations imposed by the Department. Compliance by Bay State with any order of the Department or any other federal, state or local governmental authority issued before or after the effective date of this Agreement shall not be deemed to be breach hereof. In the event of the issuance of any order of the Department, which modifies the provisions of this Agreement, either Bay State or Customer, shall have the option within thirty (30) days after the issuance of said order to terminate this Agreement by giving notice of termination to the other party.

ARTICLE 20: APPLICABILITY OF FILED TERMS AND CONDITIONS

This Agreement shall be subject to Bay State's Distribution and Default Service Terms and Conditions for service on file with the Department to the extent those Terms and Conditions apply to interruptible sales of gas and are not inconsistent with the provisions of this Agreement. In the event of a conflict, the terms of this Agreement shall govern.

INTERRUPTIBLE GAS SUPPLY SERVICE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have signed and sealed this Agreement by their
duly authorized officers:

BAY STATE GAS COMPANY

By_____

Name_____

Title_____

Date_____

Witness

CUSTOMER

By_____

Name_____

Title_____

Date_____

Witness

**SPECIAL PROVISION
FOR USE OF DUAL FUEL EQUIPMENT**

1.0 PURPOSE

The purpose of this special provision is to enable a Customer taking service under a firm rate schedule to install dual fuel equipment thereby enabling the Customer to displace natural gas service provided by the Company at the Customer's discretion. The terms of this special provision allow the Company to recover a minimum annual revenue from the Customer in a manner reflecting the reduced utilization of the Company's firm service.

2.0 APPLICABILITY

This special provision may be applicable to any Customer taking service under any one or more of the Company's Commercial & Industrial Service Medium or High Annual Use, or Extra High Annual Use, Rate Schedules (G-41, G-42, G-43, G-51, G-52, G-53, T-41, T-42, T-43, T-51, T-52, T-53) that has also installed equipment capable of burning natural gas and one or more other fuels.

3.0 NOTIFICATION REQUIREMENT

Customer is responsible for notifying the Company of any dual fuel equipment at Customer's location upon initial application for Distribution Service. Any Customer that installs or has previously installed dual fuel equipment at any time while taking Distribution Service from the Company shall notify the Company of the installation.

4.0 TERM

The minimum term shall be one (1) year from the initial operation of dual fuel equipment by the Customer. The initial term shall be automatically extended for successive one (1) year terms, unless terminated by written notice to the Company at least 30 days prior to the termination of the currently effective term. In the event that Customer ceases taking Distribution Service prior to the end of the term of this special provision, the terms of this special provision shall continue in effect until terminated in accordance with the terms herein.

5.0 MINIMUM ANNUAL REVENUE

Customer shall be responsible for payment to Company of a minimum annual revenue, net of any

**SPECIAL PROVISION
FOR USE OF DUAL FUEL EQUIPMENT**

gas commodity-related revenues from the Company's Cost of Gas Clause and revenues from the application of the Company's Local Distribution Adjustment Clause ("LDAC").

Company shall calculate Customer's minimum annual revenue requirement by multiplying the Company's appropriate portion of the annual unit long-run marginal cost ("LRMC") from the Company's most recent rate proceeding adjusted each year, effective September 1, for inflation, by the Customer's maximum daily requirement or quantity ("MDQ"). In accordance with D.P.U. 09-30, the appropriate portion of the unit LRMC to be applied shall be as follows:

- Constrained Capacity: Full LRMC of \$112.03 per MMBtu per MDQ
- Unconstrained Capacity: Pressure Support of \$29.95 per MMBtu per MDQ

The difference between the resulting calculated Minimum Annual Revenue and the Customer's actual annual distribution revenue shall be due to Company at the anniversary date of the Company providing service to Customer under this Special Provision for Use of Dual Fuel Equipment tariff. For any year that the difference between the Minimum Annual Revenue and the Customer's actual annual distribution revenue is zero or negative, no charge shall apply.

Annual Inflation Adjustment to Annual Unit LRMC:

The Company shall adjust the annual unit LRMC by using the gross domestic product price index ("GDP-PI") annual inflation adjustment each November 1.

Determination of Customer's MDQ:

Either:

- (a) Rated hourly natural gas input of all dual fuel equipment times 24 hours, or
- (b) The peak day use of the Customer's dual fuel equipment, agreed upon between the Company and Customer, using recent historical energy consumption data; or alternatively, the Company using the daily base load, plus the Customer's use per effective degree day ("EDD") times design day EDDs; these estimating factors shall be based on Customer's annual total energy requirements; or
- (c) If Customer has both dual fuel equipment and dedicated gas-fired equipment the Customer's MDQ shall be either (a) or (b) above, plus a representative MDQ of the dedicated gas-fired equipment using either historical Customer data or an agreed upon MDQ between the Company and Customer.

**RESIDENTIAL AND COMMERCIAL
ENERGY CONSERVATION SERVICE CHARGE**

A Residential and Commercial Energy Conservation Service ("RCS") Charge, determined as described herein and in accordance with the provisions of 220 C.M.R. 7.00 "Residential and Commercial Energy Conservation Service Program Cost Recovery", shall be applied to bills rendered pursuant to contracts and the following rate schedules:

<u>Title</u>	<u>Rate</u>
Residential Non-Heating	R-1
Low Income Residential Non-Heating	R-2
Residential Heating	R-3
Low Income Residential Heating	R-4
Commercial and Industrial Service (Low Annual Use, High Peak Period Use)	G-40
Commercial and Industrial Service (Medium Annual Use, High Peak Period Use)	G-41
Commercial and Industrial Service (High Annual Use, High Peak Period Use)	G-42
Commercial and Industrial Service (Extra High Annual Use, High Peak Period Use)	G-43
Commercial and Industrial Service (Low Annual Use, Low Peak Period Use)	G-50
Commercial and Industrial Service (Medium Annual Use, Low Peak Period Use)	G-51
Commercial and Industrial Service (High Annual Use, Low Peak Period Use)	G-52
Commercial and Industrial Service (Extra High Annual Use, Low Peak Period Use)	G-53
Non-Heating Firm Transportation Service, Residential Rate	T-R1
Low Income Non-Heating Firm Transportation Service, Residential Rate	T-R2
Heating Firm Transportation Service, Residential Rate	T-R3
Low Income Heating Firm Transportation Service, Residential Rate	T-R4
Firm Transportation Service (Low Annual Use, High Peak Period Use)	T-40
Firm Transportation Service (Medium Annual Use, High Peak Period Use)	T-41
Firm Transportation Service (High Annual Use, High Peak Period Use)	T-42
Firm Transportation Service (Extra High Annual Use, High Peak Period Use)	T-43
Firm Transportation Service (Low Annual Use, Low Peak Period Use)	T-50
Firm Transportation Service (Medium Annual Use, Low Peak Period Use)	T-51
Firm Transportation Service (High Annual Use, Low Peak Period Use)	T-52
Firm Transportation Service (Extra High Annual Use, Low Peak Period Use)	T-53

RCS program costs shall be those expenses recorded by the Company in the appropriate sub-accounts of Account 916 - Miscellaneous Sales Expense.

RCS program revenues shall be those revenues recorded by the Company in the appropriate sub-accounts of Accounts 495 – Other Gas Revenues.

**RESIDENTIAL AND COMMERCIAL
ENERGY CONSERVATION SERVICE CHARGE**

The accounts referenced above shall be those set forth in the Uniform System of Accounts for Gas Companies and prescribed by the Massachusetts Department of Public Utilities ("Department") from time to time.

The Company will determine its estimated RCS program costs for the twelve-month period commencing January 1st of each year as forecast by the Company. The RCS Charge applicable to said period shall be determined by dividing the total of said RCS program costs plus any prior period reconciling adjustment by the estimated total number of monthly bills to be rendered in accordance with the Company's contracts and Rate Schedules subject to this charge, as forecast by the Company for the same twelve-month period. The RCS Charge shall be applied to bills rendered pursuant to the Company's contracts and Rate Schedules subject to this charge during the twelve-month period commencing with the billing month of January of each year.

The Company shall file with the Department on or before November 1st of each year its computation of the RCS Charge to be applicable during the twelve-month period commencing with the billing month of January of said year.

The Company shall include in its computations for each such period the amount, whether positive or negative, required to reconcile any difference between amounts actually collected under this Rate Schedule and actual RCS Program costs experienced by the Company. At any time subsequent to the Company's annual filing hereunder, the Company may, or upon order of the Department, file a revised RCS Charge to be applied to future billings.

In the event that the Massachusetts Residential and Commercial Energy Conservation Service Program is terminated for any reason, this rate shall remain in effect for such further time period as shall be required to permit the Company to recover all RCS Program costs, if any, which remain unrecovered at the time of such termination.

The RCS Rate effective for the period January 2011 through December 2011 is **\$0.21 per bill**.

REVENUE DECOUPLING ADJUSTMENT CLAUSE**Section**

- 1.0** Purpose
- 2.0** Effective Date
- 3.0** Applicability
- 4.0** Definitions
- 5.0** Benchmark Base Revenue Per Customer
- 6.0** Calculation of the Decoupling Revenue Adjustment
- 7.0** Calculation of the Reconciliation Adjustment
- 8.0** Application of Decoupling Revenue Adjustment to Bills
- 9.0** Information Required to be Filed with the Department

1.0 Purpose

The purpose of the Revenue Decoupling Adjustment Clause ("RDAC") is to establish procedures that allow Bay State Gas Company ("Bay State" or the "Company") subject to the jurisdiction of the Department of Public Utilities ("Department") to adjust, on a semi-annual basis, its rates for firm gas sales and firm transportation service in order to reconcile actual base revenue recoveries with Benchmark base revenues. Bay State's RDAC eliminates the link between customer sales and Bay State earnings in order to align the interests of the Company and customers with respect to lowering customer usage.

2.0 Effective Date

The Peak Period Revenue Decoupling Adjustment Factor ("RDAF") shall be effective on the first day of each Peak Period as defined herein. The Off-peak RDAF shall become effective on the first day of each Off-peak Period as defined herein.

3.0 Applicability

The RDAC shall apply to all of the Company's firm sales and firm transportation Rate

REVENUE DECOUPLING ADJUSTMENT CLAUSE

Schedules, subject to the jurisdiction of the Department, as determined in accordance with the provisions of this mechanism.

4.0 Definitions

The following definitions shall apply throughout the provisions of this Revenue Decoupling tariff:

- (1) **Actual Base Revenue per Customer** is the actual base revenue divided by the respective number of customers booked by the Company over a given season for a Customer Class Group exclusive of customers and associated revenues for customers connected to the Company's distribution system since the end of the test period for the Company's most recent base rate case
- (2) **Base Rate Element** is any customer, volumetric or demand charge reflected in the Company's Rate Schedules that recovers a portion of the Company's base revenue requirement as established in its most recent base rate case or other proceeding that results in a base rate adjustment.
- (3) **Base Rates** are the collection of Base Rate Elements for all of the Company's Rate Schedules.
- (4) **Customer Class** is the group of customers all taking service pursuant to the same Rate Schedule.
- (5) **Customer Class Group** is the group of Rate Schedules combined for purposes of calculating the Revenue Decoupling Adjustment amounts.
- (6) **Off-peak Period** is the continuous period from May 1st through October 31st.
- (7) **Peak Period** is the continuous period from November 1st through April 30th.
- (8) **Benchmark Base Revenue per Customer** is the allowed average revenue per Customer for a given season for a Customer Class Group, reflecting the base revenue for the Company's base rate case or other proceeding that results in an adjustment to base rates.

REVENUE DECOUPLING ADJUSTMENT CLAUSE**5.0 Benchmark Base Revenue per Customer****5.1 Description of Benchmark Base Revenue per Customer Calculations**

The Benchmark Base RPC shall be determined separately for each Customer Class Group for the Peak Period and for the Off-peak period. For purposes of this revenue decoupling tariff, there are three Customer Class Groups as follows:

1. The Residential Heating Customer Class Group shall consist of all sales and transportation customers taking service pursuant to one of the Company's residential heating rate schedules.
2. The Residential Non-Heating Customer Class Group shall consist of all sales and transportation customers taking service pursuant to one of the Company's residential non-heating rate schedules.
3. The Commercial and Industrial Customer Class Group shall consist of all sales and transportation customers taking service pursuant to one of the Company's general service rate schedules.

The Benchmark Base RPC for the applicable Customer Class Group shall be determined by first multiplying the then effective base rates for each rate schedule by the corresponding test period billing determinants utilized to design base rates in the Company's most recent base rate case to yield benchmark base revenues by Customer Class. The resulting benchmark base revenues by Customer Class for all Rate Schedules within the same Customer Class Group shall be added together and divided by the total test period number of customers for the corresponding Customer Classes in order to yield the Benchmark Base RPC. For purposes of calculating the RPC, the non-discounted base rate elements shall replace the discounted rates of the low income rate schedules.

REVENUE DECOUPLING ADJUSTMENT CLAUSE**5.2 Benchmark Base RPC Formula**

$$\text{BRPC}_T^{cg} = \frac{\sum_{n=1}^{n=I} \sum_{e=1}^{e=J} \text{BR}^{n,e} \times \text{TPBD}^{n,e}}{\sum_{n=1}^{n=I} \text{TPCUSTS}^n}$$

Where:

BRPC_T^{cg}	The Benchmark Base Revenue Per Customer for the applicable Customer Class Group (<i>cg</i>) and Peak or Off-peak Period (T).
$\text{BR}^{n,e}$	The Base Rate Element <i>e</i> shown for Rate Schedule <i>n</i> .
$\text{TPBD}^{n,e}$	The Test Period Billing Determinant corresponding to Base Rate Element <i>e</i> applicable to Rate Schedule <i>n</i> .
<i>I</i>	The total number of Rate Schedules included in the Customer Class Group.
<i>J</i>	The total number of Base Rate Elements for Rate Schedule <i>n</i> .
TPCUSTS^n	The Test Period number of customers corresponding to Rate Schedule <i>n</i> .

REVENUE DECOUPLING ADJUSTMENT CLAUSE**5.3 Currently Effective Benchmark Base RPC**

The Benchmark Base RPC established by the Department in D.P.U. 09-30 by Customer Class Group for each season is as follows:

<u>Customer Class Group</u>	<u>Winter BRPC</u>	<u>Summer BRPC</u>
Residential Non-heating	\$ 113.93	\$ 95.58
Residential Heating	\$ 340.24	\$ 129.53
Commercial and Industrial	\$1,409.98	\$ 486.85

6.0 Calculation of Decoupling Revenue Adjustment**6.1 Description of Decoupling Revenue Adjustment**

At the conclusion of each Peak or Off-peak Period, the Company shall calculate a Decoupling Revenue Adjustment to be applied to customer bills in the next corresponding season. The Decoupling Revenue Adjustment for the Peak Period will be applied to customer bills in the next Peak Period and the Decoupling Revenue Adjustment for the Off-peak Period will be applied to customer bills in the next Off-peak Period.

The Decoupling Revenue Adjustment shall be calculated by comparing the difference between the actual Revenue per Customer to the Benchmark Base Revenue per Customer for the applicable Customer Class Group. The Decoupling Revenue Adjustment shall equal the sum of the adjustments calculated for each of the three Customer Class Groups and shall include a reconciliation component.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

6.2 Decoupling Revenue Adjustment Formula

$$RD = \frac{\sum_{cg=1}^{cg=3} ((BRPC_{T-1}^{cg} - ARPC_{T-1}^{cg}) * \sum_{n=1}^{n=I} ACUSTS_{T-1}^{cg}) + RCC + RF_{RD}}{TP_{VOL}}$$

Where:

RD		The Revenue Decoupling Adjustment for the Peak or Off-peak Period (T-1).
ARPC	$\frac{cg}{T-1}$	The Actual Base Revenue Per Customer for the applicable Customer Class Group for the most recently completed Peak or Off-peak Period (T-1), as defined in Section 4.0. For purposes of calculating the Actual Base Revenue Per Customer, the non-discounted base revenues shall replace the discounted base revenues charged through low income rate schedules.
BRPC	$\frac{cg}{T-1}$	The Benchmark Base Revenue Per Customer for the applicable Customer Class Group as determined in accordance with Section 5 of this tariff for the most recently completed Peak or Off-peak Period (T-1).
I		The total number of Rate Schedules included in the Customer Class Group.
ACUSTS	$\frac{cg}{T-1}$	The Actual number of customers for the applicable Customer Class Group for the most recently completed Peak or Off-peak Period (T-1), exclusive of customers connected to the Company's distribution system since the end of the test period for the Company's most recent base rate case.

REVENUE DECOUPLING ADJUSTMENT CLAUSE

RCC		Residential Conversion Credit equal to the number of residential customers that convert from non-heating to heating service, for conversions that do not necessitate any capital investments by the Company, since the end of the test period for the Company's most recent base rate case multiplied by the difference between the Benchmark Base RPC for the Residential Heating Customer Class Group and the Benchmark Base RPC for the Residential Non-Heating Customer Class Group.
TP	VOL	Forecast Throughput Volumes inclusive of all firm sales and firm transportation throughput for the Peak or Off-peak Period.
RF	RD	Revenue Decoupling Reconciliation Adjustment - Account 182 as outlined in Section 7.0.

6.3 Revenue Decoupling Adjustment Cap

The total Revenue Decoupling Adjustment determined in accordance with Section 6.2 may not exceed three percent (3%) of total revenues from firm sales and transportation throughput for the most recent corresponding Peak or Off-peak Period, with transportation revenues being adjusted by imputing the Company's cost of gas charges for that period. To the extent that the application of the Revenue Cap results in a Revenue Decoupling Adjustment that is less than that calculated in accordance with Section 6.2, the difference shall be deferred and included in the Revenue Decoupling Reconciliation for recovery in the subsequent year during the corresponding Peak or Off-peak Period. Carrying charges shall be calculated on the average deferred balance using the consensus prime rate as reported by the *Wall Street Journal* and then added to the end-of-month balance

7.0 Reconciliation Component

Accounts 182.01 (Res. Heat), 182.02 (Res. Non-heat), and 182.03 (C&I) shall contain the accumulated difference between revenues toward Revenue Decoupling Adjustment for the Peak Period, and Accounts 182.81 (Res. Heat), 182.82 (Res. Non-heat) and

REVENUE DECOUPLING ADJUSTMENT CLAUSE

182.83 (C&I) for the Off-peak Period, as calculated by multiplying the RD times corresponding seasonal firm sales and transportation throughput and revenue decoupling adjustment allowed revenues for the Peak or Off-peak Period as calculated pursuant to Section 6.2 of this tariff, plus carrying charges calculated on the average monthly balance using the consensus prime rate as reported by the *Wall Street Journal* and then added to the end-of-month balance.

8.0 Application of the RDAC to Customer Bills

The RDAFs (\$ per therm) for each Customer Class Group shall be truncated to the nearest one one-hundredth of a cent per therm and will be applied to the monthly firm sales and firm transportation throughput for each customer in a Customer Class Group.

9.0 Information to be Filed with the Department

Information pertaining to the RDAC will be filed with the Department forty-five (45) days prior to the effective dates of the November 1 Peak Period and May 1 Off-peak Period RDAF. Such information shall include the calculation of the updated benchmark revenue per customer, applicable revenue decoupling revenue adjustment and revenue decoupling reconciliation adjustment. In addition, with each Peak Period and Off-peak Period RDAC filings, such information shall include the number of new High Annual Use and Extra High Annual Use Commercial and Industrial class customers and associated usage and base revenue.

Annual report ofColumbia Gas of Massachusetts.....Year ended December 31, 2011

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, referenda, legislation or ordinances (either with respect to the possible adoption of referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances); approval, modification, or revocation 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) news-

paper and magazine editorial services; and (f) other advertising.

3. Expenditures within the definition of paragraph (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 instructions of Account 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 for ratemaking or other purposes.

Line No.	Item (a)	Amount (b)
1	Consulting Fees	\$ 132,000
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3		
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33	TOTAL	\$ 132,000

Annual report ofColumbia Gas of Massachusetts.....Year ended December 31, 2011

913. ADVERTISING EXPENSES.			
Line No.	Type (a)	General Description (b)	Amount for year (c)
1			
2	Miscellaneous Advertising	Marketing brochures, advertising rebates, newsletters and other expenses	\$ 118,417
3			
4			
5	Guardian Care Advertising		413,275
6			
7	Media and Other Advertising	Primarily radio, home shows and newspaper advertising for space heating, water heating, cooking, clothes drying usage.	11,460
8			
9			
10			
11			
12	Annual Inspection Advertising		1,020
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14			
15			
16			
17			
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49		TOTAL	\$ 544,172

Annual report ofColumbia Gas of Massachusetts.....Year ended December 31, 2011

DEPOSITS AND COLLATERALStatement 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.

	Town		Deposit
1	Brockton Division		\$ 1,873,297
2	Lawrence Division		664,345
3	Springfield Division		1,113,935
4	One Shield		44,295
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49		TOTAL	\$ 3,695,872

THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY

June M. Konold.....June Konold, Controller
Stanley J. Sagun.....Stanley J. Sagun, Chief Commercial Officer & Chief
Financial Officer
Stephen H. Bryant.....Stephen H. Bryant, President & Director
Frank Davis Jr......Frank Davis Jr., General Manager & Director

Said directors constitute a majority of the directors of Bay State Gas Company in accordance with M.G.L.ch 164 § 83.

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

State of Ohio)
County of Franklin) ss:

Before me the undersigned notary public, this day, personally appeared June Konold, Controller; and made oath to the truth of the foregoing statement by him subscribed according to his best knowledge and belief.

Subscribed and sworn to before me this 15th day of March, 2012.



State of Ohio)
County of Franklin) ss:

SHARON L. BOOTH
Notary Public, State of Ohio
My Commission Expires 11-08-2012

Sharon L. Booth
Notary Public

Before me the undersigned notary public, this day, personally appeared Stanley J. Sagun, Chief Commercial Officer & Chief Financial Officer; and made oath to the truth of the foregoing statement by him subscribed according to his best knowledge and belief.

Subscribed and sworn to before me this 15th day of March, 2012.



SHARON L. BOOTH
Notary Public, State of Ohio
My Commission Expires 11-08-2012

Sharon L. Booth
Notary Public