

The Commonwealth of Massachusetts

AMENDED RETURN

OF THE

BOSTON GAS COMPANY

D/B/A NATIONAL GRID ENERGY DELIVERY NEW ENGLAND

TO THE

THE DEPARTMENT OF PUBLIC UTILITIES

OF MASSACHUSETTS

For the Year Ended December 31,

2010

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

}
}

Martin Wheatcroft

Official title: **Vice President and Controller**

Office address: One MetroTech Center
Brooklyn, New York 11201

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

TABLE OF CONTENTS

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

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

TABLE OF CONTENTS (Continued)

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

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

GENERAL INFORMATION			
PRINCIPAL AND SALARIED OFFICERS*			
Titles	Names	Addresses	Annual Salaries
President and Chief Operating Officer	Stavropoulos, Nickolas	Waltham	
Vice President	Ganem, Robert	Waltham	
Vice President	Teetz, Robert	New York	
Senior Vice President	Howe, James B.	New York	
Senior Vice President and Chief Financial Officer	Daly, Kenneth D.	New York	
Senior Vice President and Chief Procurement Officer	Schlaff, Raymond C	Waltham	
Senior Vice President, Secretary and Clerk	Owyang, Colin	Waltham	
Senior Vice President, Gas Operations	Akley, William J.	New York	
Senior Vice President, Sales & Account Management	Murphy, Richard D.	Waltham	
Vice President	Turrini, Ross	Waltham	
Vice President	White, Edward	Waltham	
Vice President	Rende, Joseph	New York	
Vice President and Controller	Wheatcroft, Martin	New York	
Vice President and Treasurer	Doxsee, David B.	New York	
Assistant Treasurer	Lynch, Lorraine	New York	
Assistant Treasurer	Vernon-Parry, Julie	New York	
Assistant Treasurer	DeRosa, Charles V.	New York	
Assistant Treasurer	Bonar, David Charles	New York	
Assistant Secretary	McAllister, Timothy E.	New York	
Assistant Secretary	O'Neill, Thomas P.	Waltham	
<u>DIRECTORS*</u>			
<u>Names</u>	<u>Addresses</u>	<u>Fees Paid During Year</u>	
Nickolas Stavropoulos	Waltham, Massachusetts		
<p>* 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 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."</p>			

GENERAL INFORMATION - Continued

- | | | |
|--|---|--------------|
| 1. Corporate name of company making this report, | Boston Gas Company
D/B/A NATIONAL GRID ENERGY DELIVERY NEW ENGLAND | |
| 2. Date of organization, | December 11, 1903 | |
| 3. Date of incorporation, | December 11, 1903 | |
| 4. Give location (including street and number) of principal business office:- | One MetroTech Center, Brooklyn New York 11201 | |
| 5. Total number of stockholders, | Common: 1 | |
| 6. Number of stockholders in Massachusetts, | Common: 1 | |
| 7. Amount of stock held in Massachusetts, | No. of Common Shares, 514,184 | \$51,418,400 |
| 8. Capital stock issued prior to June 5, 1894, | No. of shares, N/A | \$ N/A |
| 9. Capital stock issued with approval of Board of Gas and Electric Light Commissioners or Department of Public Utilities since June 5, 1894, | | |
| Total, 514,184 common shares, par value, \$100.00, outstanding December 31 of the fiscal year, 2010 | | \$51,418,400 |
10. If any stock has been issued during the last fiscal period, give the date and terms upon which such issue was offered to the stockholders, and if the whole or any part of the issue was sold at auction, the date or dates of such sale or sales, the number of shares sold and the amounts realized therefrom.
11. Management Fees and Expenses during the Year.
- List all individuals, corporations or concerns with whom the company has any contract or agreement covering management or supervision of its affairs, such as accounting, financing, engineering, construction, purchasing, operation, etc., and show the total amount paid to each for the year.
- In 2010, the Company was charged \$148,059,468 by National Grid Corporate Services for services, which included: executive and administrative, corporate affairs, customer services, environmental services, financial services (including accounting, auditing, risk management, tax, treasury/finance), human resources, information technology, legal, materials management and purchasing, and strategic planning.
12. Pursuant to the approval of the merger of the Boston Gas Company and the Essex Gas Company with and into the Boston Gas Company and per our Revised Appendix 2 compliance filing for D.P.U. 09-139 the income statement results of the Essex Gas Company for the two months ended December 31, 2010 have been combined and reported with the twelve months results of the Boston Gas Company. Additionally, in this report we have consolidated the Essex Gas Company into the Boston Gas Company for the period ended December 31, 2009 as the opening position in the balance sheet.

GENERAL INFORMATION - Continued

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

In Gas Property:

No Important Changes

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

GENERAL INFORMATION - Continued

Names of the cities or towns in which the company supplies GAS with the number fo customers' meters in each City or

NUMBER OF CUSTOMERS METERS					
City or Town	Number of Customers	City or Town	Number of Customers	City or Town	Number of Customers
Abington	3,425	Melrose	8,396	Amesbury	4,804
Acton	4,829	Middleton	1,501	Boxford	1,327
Arlington	14,253	Milton	7,221	Byfield	222
Ayer	2,116	Nahant	1,346	Danvers	29
Bedford	4,277	Natick	42	Essex	741
Belmont	8,456	Needham	2	Georgetown	2,051
Beverly	10,316	Newton	27,344	Groveland	1,831
Boston	28,211	North Brookfield	790	Hamilton	1,060
Boxborough	524	Norwood	9,946	Haverhill	22,102
Braintree	8,387	Oxford	95	Ipswich	2,947
Brookfield	241	Peabody	12,712	Manchester	1,667
Brookline	19,289	Quincy	27,666	Merrimac	1,842
Burlington	5,751	Reading	4,208	Methuen	14
Carlisle	730	Revere	14,347	Newbury	419
Charlestown	5022	Rockland	4,956	Newburyport	7,061
Chelsea	11,089	Rockport	159	North Andover	25
Clinton	3,467	Salem	14,826	Rowley	1,425
Cohasset	1,831	Saugus	6,983	Salisbury	3,432
Concord	3,986	Shirley	689	Topsfield	1,185
Danvers	6,434	Somerville	9,282	Wenham	703
Dorchester	50,877	Southbridge	5,191	West Newbury	128
Dudley	1,355	Spencer	2,133		
East Brookfield	13,741	Stoneham	4,403		
Everett	14,905	Sudbury	3,956		
Framingham	13	Swampscott	4,311		
Gloucester	8,104	Topsfield	34		
Groton	1,111	Wakefield	106		
Hanson	12	Waltham	18,042		
Harvard	295	Warren	650		
Hingham	4,950	Watertown	12,935		
Hull	4,890	Wayland	3,089		
Lancaster	347	Webster	4,188		
Leicester	179	Wellesley	7,747		
Leominster	8,418	West Brookfield	486		
Lexington	6,171	Weston	3,177		
Lincoln	1,141	Weymouth	11,498		
Littleton	1,479	Whitman	3,517		
Lunenburg	507	Wilmington	26		
Lynn	28,655	Winchester	5,511		
Lynnfield	2,538	Winthrop	6,346		
Malden	18,126	Woburn	9,627		
Marblehead	7,020				
Medford	19,011				
				TOTAL	650,978

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

COMPARATIVE BALANCE SHEET Assets and Other Credits				
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	2,578,632,356	2,751,420,233	172,787,877
3	OTHER PROPERTY AND INVESTMENTS			
4	Nonutility Property (121) P. 19	170,809	3,110,005	2,939,196
4a	Capitalized Leases, net	6,335,090	5,064,749	(1,270,341)
5	Investment in Associated Companies (123) P. 20	0	0	0
6	Other Investments (124) P.20	250	250	0
7	Special Funds (125, 126, 127, 128) P. 21	3,091,228	3,222,289	131,061
8	Total Other Property and Investments	9,597,377	11,397,293	1,799,916
9	CURRENT AND ACCRUED ASSETS			
10	Cash (131)	195,300	198,548	3,248
11	Special Deposits (132, 133, 134) P. 21	0	6,460,000	6,460,000
12	Working Funds (135)	0	0	0
13	Temporary Cash Investments (136) P. 20	0	0	0
14	Notes and Accounts Receivable (141, 142, 143) P. 22	103,324,024	118,812,656	15,488,632
15	Receivables from Assoc. Companies (145, 146) P. 23	4,875,449	5,566,557	691,108
16	Materials and Supplies (151-159, 163) P. 24	89,948,492	83,908,265	(6,040,227)
17	Prepayments (165)	23,737,788	19,596,459	(4,141,329)
18	Interest and Dividends Receivable (171)	0	0	0
19	Rents Receivable (172)	0	0	0
20	Accrued Utility Revenues (173)	115,752,525	114,727,559	(1,024,966)
21	Misc. Current and Accrued Assets (174)	193	0	(193)
21A	Recoverable Fuel (175)	114,163,650	126,067,396	11,903,746
22	Total Current and Accrued Assets	451,997,421	475,337,439	23,340,018
23	DEFERRED DEBITS			
24	Unamortized Debt Discount and Expense (181) P.26	2,438,104	2,182,351	(255,753)
25	Extraordinary Property Losses (182) P.27	0	0	0
26	Preliminary Survey and Investigation Charges (183)	0	0	0
27	Clearing Accounts (184)	0	0	0
28	Temporary Facilities (185)	39,771	856,909	817,138
29	Miscellaneous Deferred Debits (186) P. 27	323,677,072	355,293,610	31,616,538
30	Total Deferred Debits	326,154,947	358,332,870	32,177,923
31	CAPITAL STOCK DISCOUNT AND EXPENSE			
32	Discount on Capital Stock (191) P. 28	0	0	0
33	Capital Stock Expense (192) P. 28	0	0	0
34	Total Capital Stock Discount and Expense	0	0	0
35	REACQUIRED SECURITIES			
36	Reacquired Capital Stock (196)	0	0	0
37	Reacquired Bonds (197)	0	0	0
38	Total Reacquired Securities	0	0	0
39	Total Assets and Other Debits	3,366,382,101	3,596,487,836	230,105,735

NOTES:

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

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	73,389,247	51,418,400	(21,970,847)
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	640,069	640,069	(0)
7	Total	74,029,316	52,058,469	(21,970,847)
8	SURPLUS			
9	Other Paid-In Capital (208-211) P.30	814,572,474	836,543,322	21,970,848
10	Earned Surplus (215,216) P.12	180,377,007	191,521,201	11,144,194
11	Other Comprehensive Income	0	84,805	84,805
12	Total	994,949,481	1,028,149,328	33,199,847
13	Total Proprietary Capital	1,068,978,797	1,080,207,797	11,229,000
14	LONG-TERM DEBT			
15	Bonds (221) P.31	173,000,000	153,000,000	(20,000,000)
16	Capital Lease Obligations (221)	5,709,233	5,064,749	(644,484)
17	Other Long-Term Debt (224) P.31	0	0	0
18	Total Long-Term Debt	178,709,233	158,064,749	(20,644,484)
19	CURRENT AND ACCRUED LIABILITIES			
20	Notes Payable (231) P.32	10,000,000	20,000,000	10,000,000
21	Accounts Payable (232)	60,369,061	47,842,382	(12,526,679)
22	Payables to Associated Companies (233,234) P.32	563,321,888	625,715,691	62,393,803
23	Customer Deposits (235)	2,849,999	2,818,539	(31,460)
24	Taxes Accrued (236)	(7,835,715)	(17,468,881)	(9,633,166)
25	Interest Accrued (237)	14,095,984	8,317,279	(5,778,705)
26	Dividends Declared (238)	0	0	0
27	Matured Long-Term Debt (239)	0	0	0
28	Tax Collections Payable (241)	2,706,781	3,451,875	745,094
29	Misc. Current & Accrued Liab. (242) P.33	6,313,140	7,795,903	1,482,763
30	Total Current & Accrued Liability	651,821,138	698,472,789	46,651,651
31	DEFERRED CREDITS			
32	Unamortized Premium on Debt (251) P.26	0	0	0
33	Customer Advances for Construction (252)	7,875	8,875	1,000
34	Other Deferred Credits (253) P.33	34,562,709	31,892,995	(2,669,714)
35	Total Deferred Credits	34,570,584	31,901,870	(2,668,714)
36	RESERVES			
37	Reserves for Depreciation (254-256) P.13	883,281,611	960,070,169	76,788,558
38	Reserves for Amortization (257-259) P.13	74,604,887	80,007,422	5,402,535
39	Reserve for Uncollectible Accounts (260)	14,248,130	14,618,776	370,646
40	Operating Reserves (261-265) P.35	125,130,637	146,663,043	21,532,406
41	Reserve for Depreciation and Amortization of Nonutility Property (266)	0	0	0
42	Reserve for Deferred Federal Income Taxes (267, 268) P.36	0	0	0
43	Total Reserves	335,036,587	426,481,221	91,444,634
44	CONTRIBUTION IN AID OF CONSTRUCTION			
45	Contributions in Aid of Construction (271) P.36	497	0	(497)
46	Total Liabilities and Other Credits	3,366,382,101	3,596,487,836	230,105,735

STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a)	Current Year (b)	Prior Year (b)	Increase or (Decrease) from Preceding Year (c)
1	OPERATING INCOME			
2	Operating Revenues (400) P. 37,43	1,090,417,087	1,093,274,317	(2,857,231)
3	Operating Expenses:			
4	Operating Expenses (401) P. 42,47	831,512,917	854,122,976	(22,610,060)
5	Maintenance Expense (402) P. 42,47	60,309,420	62,937,442	(2,628,022)
6	Depreciation Expense (403) P. 34	101,100,723	92,751,529	8,349,195
7	Amortization of Utility Plant (404 and 405)	7,051,052	3,135,263	3,915,789
8	Amortization of Investment Credit (406.0)	0	0	0
9	Amortization of Conversion Expenses (407.2)	53,423	0	53,423
10	Taxes Other Than Income Taxes (408) P. 49	30,570,088	27,732,487	2,837,601
11	Income Taxes (409) P. 49	(18,540,833)	(80,422,805)	61,881,972
12	Provision for Deferred Income Taxes (410) P. 36	30,260,839	94,974,761	(64,713,922)
13	Income Taxes Deferred In Prior Years -- Cr. (411) P. 36	0	0	0
14	Total Operating Expenses	1,042,317,628	1,055,231,653	(12,914,025)
15	Net Operating Revenues	48,099,459	38,042,664	10,056,794
16	Income from Utility Plant Leased to Others		0	
17	Other Utility Operating Income (414) P. 50	0	0	0
18	Total Utility Operating Income	48,099,459	38,042,664	10,056,794
19	OTHER INCOME			
20	Income from Mdse. Jobbing & Contract Work (415) P. 51	0	0	0
21	Income from Nonutility Operations (417)	0	0	0
22	Nonoperating Rental Income (418)	0	0	0
23	Interest and Dividend Income (419)	1,656,811	1,426,497	230,314
24	Miscellaneous Nonoperating Income (421)	22,296	22,296	0
25	Total Other Income	1,679,107	1,448,793	230,314
26	Total Income	49,778,566	39,491,457	10,287,109
27	MISCELLANEOUS INCOME DEDUCTIONS			
28	Miscellaneous Amortization (425)	0	0	0
29	Other Income Deductions (426)	12,986,649	(1,173,863)	14,160,512
30	Total Income Deductions	12,986,649	(1,173,863)	14,160,512
31	Income Before Interest Charges	36,791,917	40,665,320	(3,873,403)
32	INTEREST CHARGES			
33	Interest on Long-Term Debt (427) P. 31	14,423,078	14,466,100	(43,021)
34	Amortization of Debt Disc. & Expense (428) P. 26	255,754	256,018	(264)
35	Amortization of Prem. on Debt - - Credit (429) P. 26	0	0	0
36	Int. on Debt to Associated Companies (430) P. 31, 32	25,766,435	27,022,706	(1,256,271)
37	Other Interest Expense (431)	(13,700,837)	(8,157,115)	(5,543,722)
38	Interest Charged to Construction - - Credit (432)	(734,096)	(1,519,249)	785,153
39	Total Interest Charges	26,010,333	32,068,460	(6,058,126)
40	Net Income	10,781,583	8,596,860	2,184,723
41	EARNED SURPLUS			
42	Unappropriated Earned Surplus (at beginning of period) (216)	137,952,836	129,355,976	8,596,860
43	Balance Transferred from Income (433)	10,781,583	8,596,860	2,184,723
44	Miscellaneous Credits to Surplus (434)	0	0	0
45	Miscellaneous Debits to Surplus (435)	0	0	0
46	Appropriations of Surplus (436)	0	0	0
47	Net Additions to Earned Surplus	10,781,583	8,596,860	2,184,723
48	Dividends Declared - - Preferred Stock (437)	0	0	0
49	Dividends Declared - - Common Stock (438)	0	0	0
50	Unappropriated Earned Surplus (at end of period) (216)	148,734,419	137,952,836	10,781,583

Annual Report ofBoston Gas Company.....Year ended December 31, 2010**STATEMENT OF INCOME FOR THE YEAR (CONTINUED)****Note:**

Pursuant to the approval of the merger of the Boston Gas Company and the Essex Gas Company with and into the Boston Gas Company per D.P.U. 09-139, the income statement results of the Essex Gas Company for the two months ended December 31, 2010 have been combined and reported with the twelve month results of the Boston Gas Company.

STATEMENT OF EARNED SURPLUS (Accounts 215-216)

1. Report in this schedule an accounting for changes in appropriated and unappropriated earned surplus for the year.

2. Each credit and debit during the year should be identified as to the surplus account in which included (Accounts 433-438) inclusive) and the contra primary account affected shown. Minor items may be grouped by classes, however, the number of items in each group should be shown.

3. For each reservation of appropriation of earned surplus state the purpose, amount, and in the case

of reservations, the reserve account credited.

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

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

5. List credits first; then debits.

Line No.	Item (a)	Contra Primary Account Affected (b)	(c)
1	UNAPPROPRIATED EARNED SURPLUS (Account 216)		
2	Balance - - Beginning of year		\$ 137,952,836
3	Charges: (identify by prescribed earned surplus accounts)		
4	Transfer from income (loss)		\$ 10,781,583
5	Retained Earnings transferred from Essex		\$ 44,434,700
6			
7			
8			
9	Dividends Declared - Common Stock	438	\$ -
10	Less: Dividends Declared - Preferred Stock	438	\$ -
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27	Balance - - end of year		\$ 193,169,118
28	APPROPRIATED EARNED SURPLUS (Account 215)		
29	State balance and purpose of each appropriated earned surplus amount at end		
30	of year and give accounting entries for any applications of appropriated		
31	earned surplus during year.		
32			
33			
34	NONE		
35			
36			
37			
38			
39			
40			

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

SUMMARY OF UTILITY PLANT AND RESERVES FOR DEPRECIATION AND AMORTIZATION							
Line No.		Total (b)	Electric (c)	Gas (d)	(e)	(f)	Common (g)
1	UTILITY PLANT						
2	In Service:						
3	101 Plant in Service (Classified)	\$2,561,199,465		\$2,561,199,465			
4	106 Completed Construction not Classified	176,608,520		176,608,520			
5	Total P. 16, 18	\$2,737,807,986		\$2,737,807,986			
6	104 Leased to Others	\$0					
7	105 Held for Future Use	515,704		515,704			
8	107 Construction Work in Progress	13,096,543		13,096,543			
9	Total Utility Plant	\$2,751,420,233		\$2,751,420,233			
10	DETAIL OF RESERVES FOR DEPRECIATION AND AMORTIZATION						
11	In Service:						
12	254 Depreciation P. 34	\$960,070,169		960,070,169			
13	257 Amortization	80,007,422		80,007,422			
14	Total, in Service	\$1,040,077,591		\$1,040,077,591			
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	\$1,040,077,591		\$1,040,077,591			

UTILITY PLANT - GAS

<div> 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 </div> <div> 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 </div> <div> of such amounts. 4. Reclassifications or transfers within utility plant accounts should be shown in column (f). </div>							
Balance							
Line No.	Account (a)	Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)
1	1. INTANGIBLE PLANT						
2	301 Organization	0	0	0	0	0	0
3	303 Miscellaneous Intangible Plant	129,328,815	46,689	(1,841,178)	0	0	127,534,326
3a	303 Goodwill	342,727,792	0	0	0	0	342,727,792
4	Total Intangible Plant	472,056,607	46,689	(1,841,178)	0	0	470,262,118
5	2. PRODUCTION PLANT						
6	Manufactured Gas Production Plant						
7	304 Land and Land Rights	618,826	0	0	0	0	618,826
8	305 Structures and Improvements	5,272,806	135,725	(30)	0	0	5,408,501
9	306 Boiler Plant Equipment	790,869	0	0	0	0	790,869
10	307 Other Power Equipment	566,209	0	0	0	0	566,209
11	310 Water Gas Generating Equipment	0	0	0	0	0	0
12	311 Liquefied Petroleum Gas Equipment	8,599,909	0	0	0	0	8,599,909
13	312 Oil Gas Generating Equipment	0	0	0	0	0	0
14	313 Generating Equipment - - Other Processes & LNG Equipment	0	0	0	0	0	0
15	315 Catalytic Cracking Equipment	0	0	0	0	0	0
16	316 Other Reforming Equipment	6,157,516	77,049	0	0	0	6,234,565
17	317 Purification Equipment	0	0	0	0	0	0
18	318 Residual Refining Equipment	0	0	0	0	0	0
19	319 Gas Mixing Equipment	1,243,959	0	0	0	0	1,243,959
19	320 Other Equipment	7,212,511	96,863	0	0	0	7,309,375
20	339 PRD Prod-ARO	1,331	0	0	0	0	1,331
21	Total Manufactured Gas Production Plant	30,463,937	309,637	(30)	0	0	30,773,544
22	3. STORAGE PLANT						
23	360 Land and Land Rights	2,397,883	0	0	0	0	2,397,883
24	361 Structures and Improvements	10,394,871	192,670	0	0	0	10,587,540
25	362 Gas Holders	8,412,389	0	0	0	0	8,412,389
26	363 Other Equipment	789,920	0	0	0	0	789,920
27	363.6 Sto-Other Equip ARO	402	0	0	0	0	402
27	Total Storage Plant	21,995,464	192,670	0	0	0	22,188,134

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

Annual Report ofBoston Gas Company.....Year ended December 31, 2009

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	759,328	73,135	0	0	0	832,463
3	365.2 Rights-of-Way	211,167	0	0	0	0	211,167
4	366 Structures and Improvements	7,382,425	110,946	0	0	0	7,493,370
5	367 Mains	1,009,631,057	99,783,318	(5,719,109)	(1,155)	0	1,103,694,111
6	368 Compressor Station Equipment	0	0	0	0	0	0
7	369 Measuring and Regulating Station Equipment	28,789,244	1,755,773	(3,278)	0	0	30,541,739
8	372 T&D-AROs	1,841,093	0	0	0	0	1,841,093
9	380 Services	780,085,155	77,043,210	(1,259,354)	1,155	0	855,870,166
10	381 Meters	122,688,140	5,148,518	(968,570)	0	0	126,868,088
11	382 Meter Installations	22,967,055	182,639	0	0	0	23,149,695
12	383 House Regulators	461,014	0	0	0	0	461,014
13	386 Other Property on Cust's Prem	1,001,580	0	0	0	0	1,001,580
14	387 Other Equipment	10,878,449	40,068	0	0	0	10,918,517
15	388 T&D-AROs	55,788	0	0	0	0	55,788
	Total Transmission and Distribution Plant	1,986,751,496	184,137,607	(7,950,311)	0	0	2,162,938,792
	5. GENERAL PLANT						
16	389 Land-Land Rights	153,225	0	0	0	0	153,225
17	390 Structures and Improvements	22,684,489	280,272	0	0	0	22,964,761
18	391 Office Furniture and Equipment	12,079,758	50,061	(2,739,073)	0	0	9,390,746
19	392 Transportation Equipment	30,721	0	0	0	0	30,721
20	393 Stores Equipment	726,679	0	(17,642)	0	0	709,036
21	394 Tools, Shop and Garage Equipment	7,492,561	1,233,373	(8,249)	0	0	8,717,685
22	395 Laboratory Equipment	8,455	0	0	0	0	8,455
23	396 Power Operated Equipment	238,315	0	0	0	0	238,315
24	397 Communication Equipment	2,307,114	0	(1,862)	0	0	2,305,252
25	398 Miscellaneous Equipment	7,099,221	16,813	(4,625)	0	0	7,111,409
26	399 Gen-ARO's	15,792	0	0	0	0	15,792
27	Total General Plant	52,836,330	1,580,519	(2,771,451)	0	0	51,645,397
28	Total Gas Plant in Service	2,564,103,835	186,267,122	(12,562,971)	0	0	2,737,807,986
29	104 Utility Plant Leased to Others	0	0	0	0	0	0
	Sub Total						
30	105 Property Held for Future Use	515,704	0	0	0	0	515,704
31	107 Construction Work in Progress	14,012,818	452,658,528	0	(453,574,802)	0	13,096,543
32	Total Utility Plant - - Gas	2,578,632,356	638,925,650	(12,562,971)	(453,574,802)	0	2,751,420,233

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

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

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

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

NONUTILITY PROPERTY (Account 121)

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

Line No.	Description of Location (a)	Book Value at End of Year (b)	Revenue for the year (c)	Expense for the year (d)	Net Revenue for Year (e)
1	Land - 97,120 Sq. Feet off				
2	Broad St., Danvers	50,701	0	8,037	(8,037)
3					
4	Land - 18,080 Sq. Feet				
5	Endicott St., Danvers	1,647	0	1,008	(1,008)
6					
7	Land - 36,282 Sq. Feet off				
8	Railroad St., Revere	12,750	0	1,567	(1,567)
9					
10	Land - 2,614 Sq. Feet				
11	Main St., Leominster	206	0	49	(49)
12					
13	Land - 145,673 Sq. Feet				
14	Robin & Rover Sts., Everett	98,866	375,918	46,650	329,268
15					
16	Land - 9,550 Sq. Feet				
17	Pleasant St., Clinton	645	0	499	(499)
18					
19	Land - 780 Sq. Feet				
20	Grove St., Arlington	2,000	0	270	(270)
21					
22	Land - 30,202 Sq. Feet				
23	River St., Beverly	2,671	0	4,428	(4,428)
24					
25	Land - 14,990 Sq. Feet				
26	River St., Beverly	1,322	0	2,154	(2,154)
27					
28					
29	Asset Transfer-Mains and Services-DPU-03-40*	2,939,197	N/A	N/A	N/A
30					
31					
32					
33					
34					
35	*This represents the transfer of utility assets to non-				
36	utility as required by the DPU Commission				
37	Order DPU-03-40				
38					
39					
40	TOTALS	\$3,110,005	\$375,918	\$64,662	\$311,256

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

INVESTMENTS (Accounts 123, 124, 136)

Give particulars of investments in stocks, bonds, notes, etc., held by the respondent at end of year.

Provide a subheading for each account and list thereunder the information called for.

Line No.	Description of Security Held by Respondent (a)	Amount (b)
1	Account 123 - Investments in Associated Companies	-
2	Account 124 - Other Investments	250
3		
4	Account 136 - Temporary Cash Investments	-
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44	TOTAL	\$250

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

SPECIAL FUNDS (Accounts 125, 126, 127, 128)

(Sinking Funds, Depreciation Fund, Amortization Fund-Federal, Other Special Fund)

Report below the balance at end of year of each special fund maintained during year. Identify each fund as to account in which included. Indicate nature of any fund included in Account 128 Other Special Funds

Line No.	Name of Fund and Trustee If Any (a)	Balance End of Year (b)
1	Cushion Gas - Underground Storage (Account 128)	\$2,546,204
2	Other Special Funds	676,085
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19	TOTAL	\$3,222,289

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 company.

Line No.	Description and Purpose of Deposit (a)	Balance End of Year (b)
20	Interest Special Deposits (Account 132)	\$0
21	Dividend Special Deposits (Account 133)	\$0
22		
23	Other Special Deposits (Account 134):	\$6,460,000
24	(specify purpose of each other special deposit):	
25	Derivative counterparties' collateral position based on mark to market	
26		
27		
28		
29		
30		
31		
32		
33		
34		
35	TOTAL	\$6,460,000

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

NOTES RECEIVABLE (Account 141)

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

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

ACCOUNTS RECEIVABLE (Accounts 142, 143)

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

Line No.	Description (a)	Amount End of Year (b)
19	Customers (Account 142):	100,944,816
20	Other Accounts Receivable (Account 143):	
21	Credit Union Receivable	151,983
22	Miscellaneous Accounts Receivable	6,150,465
23	Other Customer Billing GP	5,536,042
24	Employee Appliance Purchase	31,895
25	Other AR OffSystem Sales	5,549,039
26	AR Alliance	448,416
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	118,812,656

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

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 Accounts 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 open account, state the period covered by such.
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 from Associated Companies	5,566,557		0
2	(Account 146):			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36	TOTALS	\$5,566,557		0

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

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

Line No.	Account (a)	Amount End of Year	
		Electric (b)	Gas (c)
1	Fuel (Account 151) (See Schedule, Page 25)		\$0
2	Supplemental Fuel Stock		77,290,149
3	Residuals (Account 153)		-
4	Plant Materials and Operating Supplies (Account 154)		6,618,116
5	Merchandise (Account 155)		-
6	Other Materials and Supplies (Account 154)		-
7	Nuclear Fuel Assemblies and Components - In Reactor (Account 157)		-
8	Nuclear Fuel Assemblies and Components - Stock Account (Account 158)		-
9	Nuclear Byproduct Materials (Account 159)		-
10	Stores Expenses (Account 163)		-
11	Total Per Balance Sheet		\$83,908,265

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

PRODUCTION FUEL AND OIL STOCKS (Included in Account 151)

(Except Nuclear Materials)

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

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

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

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

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

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Securities to Which Discount and Expense or Premium Minus Expense, Relates (Omit Cents) (b)	Total Discount and Expense or Net Premium (c)	Amortization Period		Balance Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance End of Year (i)
				From (d)	To (e)				
1	Medium-Term Notes								
2	2010 Series 9.68%	0	75,000	12-05-90	12-15-10	3,486	0	3,486	0
3	Medium-Term Notes								
4	2011 Series 8.95%	10,000,000	170,432	12-21-89	06-01-11	11,310	0	7,927	3,383
5	Medium-Term Notes								
6	2019 Series 8.97%	7,000,000	119,302	12-22-89	12-15-19	39,849	0	3,977	35,873
7	Medium-Term Notes								
8	2020 Series 9.75%	5,000,000	37,500	12-05-90	12-01-20	13,568	0	1,250	12,318
9	Medium-Term Notes								
10	2011 Series 9.0%	10,000,000	75,000	02-22-91	02-22-11	4,327	0	3,750	577
11	Medium-Term Notes								
12	2021 Series 9.05%	15,000,000	112,500	09-06-91	09-01-21	43,785	0	3,750	40,035
13	Medium - Term Notes								
14	2022 Series 8.33%	10,000,000	75,000	07-10-92	07-05-22	31,312	0	2,500	28,812
15	Medium - Term Notes								
16	2018 Series 8.33%	10,000,000	75,000	07-10-92	07-10-18	24,591	0	2,885	21,706
17	Medium - Term Notes								
18	2017 Series 8.33%	8,000,000	60,000	07-10-92	07-10-17	16,661	0	2,400	14,261
19	Medium-Term Notes								
20	2019 Series 6.93%	10,000,000	75,000	01-20-94	01-15-19	27,150	0	3,000	24,150
21	Medium-Term Notes								
22	2024 Series 6.98%	6,000,000	45,000	01-20-94	01-15-24	21,073	0	1,500	19,573
23	Medium-Term Notes								
24	2016 Series 6.93%	5,000,000	37,500	01-18-94	01-15-16	10,305	0	1,705	8,601
25	Medium-Term Notes								
26	2014 Series 6.93%	5,000,000	37,500	01-18-94	01-15-14	7,588	0	1,875	5,713
27									
28	SUBTOTAL see page 26 a.	101,000,000	994,734			255,005		40,005	215,002

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

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

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Securities to Which Discount and Expense or Premium Minus Expense, Relates (Omit Cents) (b)	Total Discount and Expense or Net Premium (c)	Amortization Period		Balance Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance End of Year (i)
				From (d)	To (e)				
29	Medium-Term Notes								
30	2016 Series 6.93%	10,000,000	143,983	01-18-94	04-01-16	44,167	0	5,999	38,167
31	Medium-Term Notes								
32	2014 Series 8.50%	2,000,000	11,000	10-25-94	10-24-14	2,700	0	550	2,150
33	Medium-Term Notes								
34	2025 Series 7.25%	20,000,000	1,699,499	10-03-95	10-01-25	903,405	0	56,650	846,755
35	Medium-Term Notes								
36	2025 Series 7.25%	5,000,000	424,646	10-03-95	10-01-25	225,730	0	14,155	211,575
37	Medium-Term Notes								
38	2015 Series 7.10%	5,000,000	423,397	10-11-95	10-15-15	125,801	0	21,170	104,632
39	Medium-Term Notes								
40	2012 Series 6.80%	10,000,000	834,750	11-30-95	11-30-12	146,295	0	49,103	97,192
41	Medium - Term Notes								
42	2013 Series 6.80%	5,000,000	417,147	12-01-95	12-02-13	93,061	0	23,175	69,886
43	Medium - Term Notes								
44	2023 Series 6.95%	10,000,000	849,750	12-01-95	12-02-23	422,967	0	30,348	392,619
45	Medium - Term Notes								
46	2024 Series 6.95%	5,000,000	423,397	12-05-95	12-01-24	218,973	0	14,600	204,373
47									
48									
49									
50	SUBTOTALS FROM PAGE 26	101,000,000	994,734			255,005	0	40,005	215,002
51									
52	TOTALS	\$173,000,000	\$6,222,303			\$2,438,104		\$255,755	\$2,182,351

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

EXTRAORDINARY PROPERTY LOSSES (Account 182)

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

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

MISCELLANEOUS DEFERRED DEBITS (Account 186)

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

Line No.	Description (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amount (e)	
11	OPEB Trueup	6,045,611	2,175,293	9267	4,478,115	3,742,788
12	Deferred Environmental	33,389,997	22,244,039	265	19,807,775	35,826,260
	Deferred Rate Case Expenses	700,089	2,994,801	928,4073	1,825,089	1,869,801
13	Deferred Transition Obligation	16,869,424	0	9267	4,400,719	12,468,705
14	Deferred Carrying Cost	3,505,632	1,732,201	431	16,155,271	(10,917,439)
15	Pension True-up	18,242,203	6,859,662	9265	4,359,645	20,742,221
16	Accrued Unfunded Post Retirement -					
17	FAS158	103,470,886	9,225,815	228,9265,9267	8,138,117	104,558,584
18	Environmental Recoveries	12,897,616	9,867,985	232,131,175	11,027,215	11,738,387
19	Deferred Derivatives	49,285,248	172,306,554	143,232,242,253,254,495	177,423,967	44,167,835
20	Deferred Income Tax	67,830,460	318,171,471	253,282,283,409,410	258,187,854	127,814,076
21	Deferred Miscellaneous	11,439,906	975,665	495,419,232	9,133,180	3,282,392
22						
23						
24						
25						
26						
27						
28						
29						
30						
31	TOTALS	\$323,677,072	\$546,553,486		\$514,936,947	\$355,293,610

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

DISCOUNT ON CAPITAL STOCK (Account 191)

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

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

2. If any change occurred during the year in the

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

CAPITAL STOCK EXPENSE (Account 192)

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

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

2. If any change occurred during the year in the

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

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

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

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

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

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

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

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

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

Line No.	Class and Series of Stock (a)	Number of Shares Authorized (b)	Par Value per Share (c)	Outstanding per Balance Sheet*			Premium at End of Year (g)
				Amount Authorized (d)	Shares (e)	Amount (f)	
1	Capital Stock - Common Stock (1)	514,184	\$100.00	\$51,418,400	514,184	\$51,418,400	\$640,069
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20	TOTALS	514,184		\$51,418,400	514,184	\$51,418,400	\$640,069

(1) On November 1, 2010 each share of Essex Gas Company common stock issued and outstanding was cancelled. \$21,970,847 of total equity was transferred from Common Stock Issued (Acct. 201) to Other Paid in Capital (Acct. 211). Per Revised Appendix 2, Compliance filing for D.P.U. 09-139.

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

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

OTHER PAID-IN CAPITAL (Accounts 208-211)

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

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

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

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

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)

Line No.	Item (a)	Amount (b)
1		
2		
3	Other Paid In Capital	\$ 836,543,322
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37	TOTAL	\$836,543,322

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

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

Line No.	Class and Series of Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Amount Authorized (d)	Amount Actually Outstanding at End of Year (e)	Interest Provisions		Interest Accrued During Year, Charged to Income (h)	Interest Paid During Year (i)
						Rate Per Cent (f)	Dates Due (g)		
1	Account 221:								
2									
3	Medium-Term Note - 2010 Series	12-05-90	12-15-10	10,000,000	0	9.68	4/1, 10/1	924,978	924,978
4	Medium-Term Note - 2011 Series	12-21-89	06-01-11	10,000,000	0	8.95	4/1, 10/1	895,000	895,000
5	Medium-Term Note - 2019 Series	12-22-89	12-15-19	7,000,000	7,000,000	8.97	4/1, 10/1	627,900	627,900
6	Medium-Term Note - 2020 Series	12-05-90	12-01-20	5,000,000	5,000,000	9.75	4/1, 10/1	487,500	487,500
7	Medium-Term Note - 2011 Series	02-22-91	02-22-11	10,000,000	0	9.00	4/1, 10/1	900,000	900,000
8	Medium-Term Note - 2021 Series	09-06-91	09-01-21	15,000,000	15,000,000	9.05	4/1, 10/1	1,357,500	1,357,500
9	Medium-Term Note - 2017 Series	07-10-92	07-10-17	8,000,000	8,000,000	8.33	4/1, 10/1	666,400	666,400
10	Medium-Term Note - 2018 Series	07-10-92	07-10-18	10,000,000	10,000,000	8.33	4/1, 10/1	833,000	833,000
11	Medium-Term Note - 2022 Series	07-10-92	07-10-22	10,000,000	10,000,000	8.33	4/1, 10/1	833,000	833,000
12	Medium-Term Note - 2014 Series	01-18-94	01-15-14	5,000,000	5,000,000	6.93	4/1, 10/1	346,500	346,500
13	Medium-Term Note - 2016 Series	01-18-94	04-01-16	10,000,000	10,000,000	6.93	4/1, 10/1	693,000	693,000
14	Medium-Term Note - 2016 Series	01-18-94	01-15-16	5,000,000	5,000,000	6.93	4/1, 10/1	346,500	346,500
15	Medium-Term Note - 2019 Series	01-20-94	01-15-19	10,000,000	10,000,000	6.93	4/1, 10/1	693,000	693,000
16	Medium-Term Note - 2024 Series	01-20-94	01-15-24	6,000,000	6,000,000	6.98	4/1, 10/1	418,800	418,800
17	Medium-Term Note - 2014 Series	10-25-94	01-24-14	2,000,000	2,000,000	8.50	4/1, 10/1	170,000	170,000
18	Medium-Term Note - 2025 Series	10-03-95	10-01-25	20,000,000	20,000,000	7.25	4/1, 10/1	1,450,000	1,450,000
19	Medium-Term Note - 2025 Series	10-03-95	10-01-25	5,000,000	5,000,000	7.25	4/1, 10/1	362,500	362,500
20	Medium-Term Note - 2015 Series	10-11-95	10-15-15	5,000,000	5,000,000	7.10	4/1, 10/1	355,000	355,000
21	Medium-Term Note - 2012 Series	11-30-95	11-30-12	10,000,000	10,000,000	6.80	4/1, 10/1	680,000	680,000
22	Medium-Term Note - 2013 Series	12-01-95	12-02-13	5,000,000	5,000,000	6.80	4/1, 10/1	340,000	340,000
23	Medium-Term Note - 2023 Series	12-01-95	12-01-23	10,000,000	10,000,000	6.95	4/1, 10/1	695,000	695,000
24	Medium-Term Note - 2024 Series	12-05-95	12-01-24	5,000,000	5,000,000	6.95	4/1, 10/1	347,500	347,500
25									
26									
27									
28	Other Long Term Debt Capital Lease								
29	TOTALS			183,000,000	153,000,000			14,423,078	14,423,078

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. #.

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

NOTES PAYABLE (Account 231)

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

Line No	Payee (a)	Date of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of Year (e)
1	Medium-Term Notes				
2	2011 Series 8.95%	12-21-89	06-01-11	8.95%	10,000,000
3	2011 Series 9.0%	02-22-91	02-22-11	9.00%	10,000,000
4					
5					
6					
7					
8					
9					
10					
11					
12					
13	TOTAL				\$20,000,000

PAYABLES TO ASSOCIATED COMPANIES (Accounts 233, 234)

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

Line No.	Name of Company (a)	Amount End of Year (b)	Interest for Year	
			Rate (c)	Amount (d)
14				
15				
16	Advance from KeySpan	400,000,000	7.625%	24,376,951
17				
18	Note Payable to Utility Pool - Working Capital	(43,765,020)	1.259%	21,393
19				
20	Note Payable to Pool Gas Financing (1)	117,344,977	1.156%	1,356,542
21				
22	Payable to Associated Companies	152,135,735		11,549
23				
24				
25				
26				
27				
28				
29				
30	(1) Interest charged to cost of gas			
31				
32				
33				
34				
35				
36				
37	TOTALS	\$625,715,691		\$25,766,435

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

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

Line No.	Item (a)	Amount (b)
1		
2		
3	Accrued Gain Sharing	1,188,107
4	Accrued Miscellaneous	439,464
5	Accrued Vacation	5,353,628
6	Accrued Incentive Compensation	814,704
7		
8		
9		
10		
11		
12	TOTAL	\$7,795,903

OTHER DEFERRED CREDITS (Account 253)

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

Line No.	Description of Other Deferred Credit (a)	Balance Beginning of Year (b)	Debits		Credits (e)	Balance End of Year (f)
			Account Credited (c)	Amount (d)		
13	Deferred Tax Surplus	4,015,251	408-409	0	0	4,015,251
14	Residential Conservation Surcharge	(1,156,053)	175	0	1,218,501	62,448
15	Miscellaneous Deferred Credits	128,082	142	0	7,481	135,563
16	Deferred Post Retirement FAS 112	9,114,098	926	8,161,975	0	952,123
17	Derivatives	10,038,860	186	0	3,610,964	13,649,824
18	Asset Retirement Obligation	12,111,955	231	0	726,718	12,838,673
19	INV TAX CR POST-1970	310,516	236	71,400	0	239,116
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35	TOTALS	34,562,709		8,233,375	5,563,663	31,892,996

Annual Report ofBoston Gas Company.....Year ended December 31, 2010
RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)

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		\$883,281,611	\$883,281,611
2	Balance at beginning of the Year		\$883,281,611	\$883,281,611
3	Credits to Depreciation Reserve during year:			
4	Account 403 Depreciation		\$101,100,723	\$101,100,723
5	Transfer of Essex Balance to Boston Gas		\$5,058,154	\$5,058,154
6				
7	Other Accounts (Rental Equipment)			
8	TOTAL CREDITS DURING YEAR		\$106,158,877	\$106,158,877
9	Net Charges for Plant Retired:			
10	Book Cost of Plant Retired		\$10,721,793	\$10,721,793
11	Cost of Removal		19,867,131	19,867,131
12	Salvage (Credit)			
13	Transfer/Reclass Boston Gas		1,270,341	1,270,341
14	ARO Entries Journalled into the Account		221,948	221,948
15	Other Adjustment Entries		(2,710,893)	(2,710,893)
16				
17	NET CHARGES DURING YEAR		\$29,370,319	\$29,370,319
18	Balance December 31		\$960,070,169	\$960,070,169

METHOD OF DETERMINATION OF DEPRECIATION CHARGES

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.

19	Depreciation -	\$101,100,723	
20	The Composite Depreciation Rate as a Percentage of the Average Depreciable Property in Service was -		4.53%
21	Taken for Federal Income Taxes - Liberalized Depreciation and other Timing		
22	Differences	\$ 131,254,839	
23			

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 on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock on Which Dividend was Declared (d)	Amount of Dividend (e)	Date	
		Reg'l'r (b)	Extra (c)			Declared (f)	Payable (g)
24	Common Stock	\$0.0000		0	\$0		
25							
26	Preferred Stock	\$0.0000		0	\$0		
27		\$0.0000		0	\$0		
28		\$0.0000		0	\$0		
29							
30	Added Accrual				\$0		
31							
32							
33	TOTALS	\$0.000			\$0		
Dividend rates on Common Stock and Premium					0.00%		
Dividend rates on Common Stock, Premium and Surplus					0.00%		

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

1. Report below an analysis of the changes during the year for each of the above-named reserves.

2. Show name of reserve and account number, balance beginning of year, credits, debits, and balance at end of year. Credit amounts should be shown in black, debit amounts enclosed by parentheses.

3. Each credit and debit amount should be described as to its general nature and the contra account debited or credited shown. Combine the amounts of monthly accounting entries of the same general nature.

If respondent has more than one utility department, contra accounts debited or credited should indicate the utility department affected.

4. For Accounts 261, Property Insurance Reserve and 262, Injuries and Damages Reserve, explain the nature of the risks covered by the reserve.

5. For Account 265, Miscellaneous Operating Reserves, report separately each reserve comprising the account and explain briefly its purpose.

Line No.	Name of Reserve (a)	Bal. Beg. of Year (b)	Credits (c)	Debits (d)	Contra Acct. Debited or Credited (e)	Amount (f)
1	Account 262:					
2						
3	General Liability Reserve	24,961	0	11,232	926,131	13,729
4	Workers Compensation Reserve	361,901	3,443,375	0	926,131	3,805,276
5	Injuries&Damages Reserve	1,000,000	0	1,000,000	925	0
6						
7						
8	Account 263:					
9						
10	Pensions Reserve	(3,025,731)	20,904,549	15,759,134	926,131	2,119,684
11	OPEB Reserve	91,954,282	32,611,975	21,093,075	926,131	103,473,182
12						
13						
14						
15						
16	Account 265:					
17	Environmental Reserve	34,815,223	21,037,230	18,601,281	186,926	37,251,172
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34	TOTALS	125,130,636	77,997,129	56,464,722		146,663,043

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 Acct. 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 (e)
			Amts. Debited Account 410 (1) (c)	Amts. Credited Account 411 (2) (d)	
1	Accelerated Amortization				
2	(Account 267)				
3	Electric				
4	Gas	0	0	0	0
5	Other (Specify)				
6	Totals	0	0	0	0
7					
8	Liberalized Depreciation				
9	(Account 268)				
10	Electric				
11	Gas	285,882,241	82,236,611		368,118,852
12	Prov Deferred Merger Cost				
13	Trueup and Other				0
14	Totals	285,882,241	82,236,611	0	368,118,852
15	Total (Accounts 267, 268)				
16	Electric				
17	Gas	285,882,241	82,236,611	0	368,118,852
18	Prov Deferred Merger Cost				
19	Trueup and Other	0	0	0	0
20	Totals	285,882,241	82,236,611	0	368,118,852
21	Note (A) Includes debits and credits to Account 236 and 253 and also reclass between Federal and State Account 268.				
22	(1) Account 410, Provision for Deferred Federal Income Taxes				
23	(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)		
23	CONTRIB-AID OF CONSTRUCTION	500	107	42,708,777	42,708,277	0
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34	TOTALS	500	107	42,708,777	42,708,277	0

GAS OPERATING REVENUES (Account 400)

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

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

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

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

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

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

Line No	Account (a)	Operating Revenues			Dth Sold (1000 BTU)			Average No. of Cust. Per Month		
		Amount for Year (b)	Prior Year	Increase or (Decrease) from Preceding Year (c)	Amount for Year (d)	Prior Year	Increase or (Decrease) from Preceding Year (e)	Number for Year (f)	Prior Year	Increase or (Decrease) from Preceding Year (g)
1	SALES OF GAS									
2	480 Residential Sales	\$657,210,996	\$676,207,776	(\$18,996,780)	42,742,002	43,653,810	(911,808)	597,320	568,485	28,835
3	481 Commercial and Industrial Sales:									0
4	Small (or Commercial) see instr. 5	116,152,032	122,980,730	(6,828,698)	8,093,213	8,393,954	(300,741)	42,689	42,126	563
5	Large (or Industrial) see instr. 5	97,023,386	110,780,932	(13,757,546)	7,669,207	8,430,165	(760,957)	4,948	5,308	(360)
6	482 Other Sales to Public Authorities	1,212,574	1,190,277	22,296	95,156	108,988	(13,832)	0	3	0
7	484 Interdepartmental Sales	0	0	0	0	0	0	0	0	0
8		0	0	0	0	0	0	0	0	0
9	485 Miscellaneous Gas Sales	0	0	0	0	0	0	0	0	0
10	Total Sales to Ultimate Consumers	\$871,598,988	\$911,159,715	(\$39,560,727)	58,599,578	60,586,916	(1,987,338)	644,957	615,922	29,035
11	483 Sales for Resale	113,382,962	86,472,076	\$26,910,886	33,311,179	25,396,181	7,914,998	0	0	0
12	Total Sales of Gas*	\$984,981,950	\$997,631,791	(\$12,649,841)	91,910,757	85,983,097	5,927,660	644,957	615,922	29,035
13	OTHER OPERATING REVENUES									
14	487 Adjustments	\$ -	\$ -	\$0						
15	488 Miscellaneous Service Revenues	73,495	65,600	7,895						
16	489 Revenues from Trans. of Gas of Others	103,364,207	85,745,234	17,618,973						
17	490 Sales of Products Extracted from Natural Gas	0	0	0						
18	491 Rev. from Natural Gas Processed by Others	0	0	0						
19	493 Rent from Gas Property	0	0	0						
20	494 Interdepartmental Rents	0	0	0						
21	495 Other Gas Revenues	1,997,435	9,831,692	(7,834,257)						
22	Total Other Operating Revenues	\$ 105,435,137	\$ 95,642,526	\$9,792,611						
23	Total Gas Operation Revenues	\$1,090,417,087	\$1,093,274,317	(\$2,857,230)						
					Purchased Price Adjustment Clauses	Fuel Clauses				
					\$0					
					0					
	* Includes revenues from application of Total M.C.F. to which Applied									

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

Annual Report ofBoston Gas Company.....Year ended December 31, 2009

SALES OF GAS TO ULTIMATE CONSUMERS

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

Line No.	Account No.	Schedule (a)	DTH (1000 BTU) (b)	Revenue (c)	Average Revenue per M.C.F. (\$0.0000) (d)	Number of Customers (Per Bills Rendered)	
						July 31 (e)	December 31 (f)
1		<u>Total Company</u>					
2							
3	480	R-1 Residential Non-Heat	1,760,373	39,098,203	\$ 22.21018	111,510	114,839
4		R-2 Residential SSI Non-Heat	168,004	2,408,140	14	5,314	5,477
5		R-31 Residential Heat	37,355,048	574,071,724	15	405,632	454,594
6		R-32 Residential SSI Heat	3,458,576	41,632,930	12	20,523	22,410
7							
8	481	G-17 Unmetered Gas Lamps	1,036	26,006	25.1075	10	14
9		G-41 Low Load - Small	2,557,970	41,824,152	16.3505	20,212	25,304
10		G-42 Low Load - Medium	2,947,973	40,785,296	13.8350	6,279	6,662
11		G-43 Low Load - Large	5,051,843	66,135,859	13.0914	3,497	3,618
12		G-44 Low Load - Extra Large	917,898	11,536,682	12.5686	165	160
13		G-51 High Load - Small	1,093,197	15,295,527	13.9916	6,940	7,872
14		G-52 High Load - Medium	1,493,038	18,221,051	12.2040	2,798	2,837
15		G-53 High Load - Large	1,261,309	15,391,023	12.2024	1,117	1,108
16		G-54 High Load - Extra Large	266,190	3,044,056	11.4356	57	58
17		G-61 Summer Load - Small	0	0	0.0000		0
18		G-62 Summer Load - Medium	0	0	0.0000		0
19		G-63 Summer Load - Large	0	0	0.0000		0
20		G-64 Summer Load-Extra Large	0	0	0.0000		0
21		Non-Core, Special Contracts		45,072	0.0000	1	1
22		Interruptible (808)	171,968	870,694	5.0631	2	3
23							
24							
25		G-27 CNG Fuel	0	0	0.0000		
26		G-92 Special Contract	0	0	0.0000		0
27							0
28							
29							
30							
31	482	G-7 Street Lighting (807)	95,156	1,212,574	12.7430	1	0
32							
33							
34							
35		* Customers included in Rate Class R-1					
36							
37							
38							
39	TOTAL SALES TO ULTIMATE						
40	CONSUMERS (Page 43 line 10)		58,599,578	\$871,598,988	\$14.8738	584,058	644,957

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

REVENUES FROM TRANSPORTATION

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

Line No.	Acct. No.	Schedule (a)	DKTH (1000 BTU) (b)	Revenue (c)	Average Revenue per M.C.F. (0.0000) (d)	Number of Customers (per Bills Rendered)	
						July 31 (e)	Dec. 31 (f)
1		<u>Total Company</u>					
2							
3	489	Contract Firm Transportation					
4		G-41 Low-Load Firm Transp.	326,041	1,799,595.09	5.5195	1,064	1394
5		G-42 Low-Load Firm Transp.	1,328,371	5,662,898.28	4.2630	1,638	1810
6		G-43 Low-Load Firm Transp.	7,399,911	25,956,643.41	3.5077	2,859	2944
7		G-44 Low-Load Firm Transp.	3,138,824	10,761,896.10	3.4286	649	772
8		G-51 High-Load Firm Transp.	213,193	979,815.36	4.5959	651	820
9		G-52 High-Load Firm Transp.	715,535	2,562,622.27	3.5814	720	749
10		G-53 High-Load Firm Transp.	2,333,904	7,319,980.89	3.1364	944	969
11		G-54 High-Load Firm Transp.	2,255,036	5,663,717.33	2.5116	196	348
12		G-55 High Load Metered Demand	15,966	43,187.32	2.7050	4	4
13		G-61 Summer-Load Firm Transp.	0	0.00	0.0000	0	0
14		G-62 Summer-Load Firm Transp.	0	0.00	0.0000	0	0
15		G-63 Summer-Load Large Transp.	0	0.00	0.0000	0	0
16		G-64 Summer-Load Extra-Large Transp.	0	0.00	0.0000	0	0
17		G-81 Low-Load Firm.	2,954,724	2,021,570.18	0.6842	17	17
18		G-82 High-Load Firm	16,770,824	16,275,254.93	0.9705	170	169
19		G-83 Low-Load Firm Optional Svc.	1,933,020	5,344,146.42	2.7647	114	0
20		G-84 High-Load Firm Optional Svc.	3,549,869	7,934,874.03	2.2353	150	1
21		Non-Firm Transportation					
22		R-1 Residential Non-Heat	4,689	27,585.93	5.8826	68	82
23		R-10 Interruptible Transport	-				
24		R-31 Residential Heat	195,162	919,890.94	4.7135	709	782
25		Broker		6,668,104.63			
26		Special Contracts (82)	58,707,837	3,182,621.84	0.0542	4	4
27		Special Contracts (83)	3,126	32,474.62	10.3879	0	0
28		Special Contracts (84)	18,295	207,327.62	11.3325	2	0
29							
30							
31							
32							
33							
34							
35							
36							
37							
38		Total Revenues from Transportation					
40		of Gas for Others (Page 43, Line 16)					
			101,864,326	\$103,364,207	1.0147	9,959	10,865

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

GAS OPERATION AND MAINTENANCE EXPENSES

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

Line No.	Account (a)	Amount for Year (b)	Prior Year amount	Increase/(Decrease) from Preceding Year (c)
1	PRODUCTION EXPENSE			
2	MANUFACTURED GAS PRODUCTION EXPENSES			
3	STEAM PRODUCTION			
4	Operation:			
5	700 Operation supervision and engineering	0	\$0	\$0
6	701 Operation labor	0	0	0
7	702 Boiler fuel	0	0	0
8	703 Miscellaneous steam expenses	0	0	0
9	704 Steam transferred - - Cr	0	0	0
10	Total operation	\$0	\$0	\$0
11	Maintenance:			
12	705 Maintenance supervision and engineering	0	0	0
13	706 Maintenance of structures and improvements	0	0	0
14	707 Maintenance of boiler plant equipment	0	0	0
15	708 Maintenance of other steam production plant	0	0	0
16	Total maintenance	\$0	\$0	\$0
17	Total steam production	\$0	\$0	\$0
18	MANUFACTURED GAS PRODUCTION			
19	Operation:			
20	710 Operation supervision and engineering	0		
21	Production labor and expenses:		0	
22	711 Steam expenses	0	0	0
23	712 Other power expenses	0	0	0
24	715 Water gas generating expenses	0	0	0
25	716 Oil gas generating expenses	0	0	0
26	717 Liquefied petroleum gas expenses	0	0	0
27	718 Other process production expenses	1,825,861	1,618,859	207,002
28	Gas fuels:		0	
29	721 Water gas generator fuel	0	0	0
30	722 Fuel for oil gas	0	0	0
31	723 Fuel for liquefied petroleum gas process	0	0	0
32	724 Other gas fuels	0	0	0
33	Gas raw materials:			
34	726 Oil for water gas	0	0	0
35	727 Oil for oil gas	0	0	0
36	728 Liquefied petroleum gas	38,658	2,378	36,280
37	729 Raw materials for other gas processes	0	0	0
38	730 Residuals expenses	0	0	0
39	731 Residuals produced - - Cr	0	0	0
40	732 Purification expenses	0	0	0
41	733 Gas mixing expenses	0	0	0
42	734 Duplicate charges - - Cr	0	0	0
43	735 Miscellaneous production expenses	20,000	135	19,865
44	736 Rents	0	(6,751)	6,751
45	Total operation	\$1,884,519	\$1,614,621	\$269,898
46	Maintenance:			
47	740 Maintenance supervision and engineering	0	0	0
48	741 Maintenance of structures and improvements	0	0	0
49	742 Maintenance of production equipment	859,603	836,909	22,716
50	Total maintenance	\$859,603	\$836,909	\$22,716
51	Total manufactured gas production	\$2,744,122	\$2,451,530	\$292,614

GAS OPERATION AND MAINTENANCE EXPENSES - - Continued

Line No.	Account (a)	Amount for Year (b)	Prior year amount	Increase/(Decrease) From Preceding Year (c)
1	OTHER GAS SUPPLY EXPENSES			
2	Operation:			
3	804 Natural gas city gate purchases	581,966,039	620,920,334	(\$38,954,295)
4	805 Other gas purchases	6,104,406	5,545,785	558,621
5	808-10 Liquified natural gas	28,285,643	34,965,285	(6,679,642)
6	808-20 Deferred cost of gas	56,951,405	23,455,112	33,496,293
7	812 Gas used for other utility operations - - Cr	0	-	0
8	813 Other gas supply expenses	19,694	18,731	963
9	814 Environmental Costs		3,106,812	(3,106,812)
10	815 Conservation & Load Management Expense	0	-	0
11				
12		\$673,327,186	688,012,059	(\$14,684,873)
13	Total production expenses	\$676,071,308	\$690,463,589	(\$14,392,259)
14	LOCAL STORAGE EXPENSES			
15	Operation:			
16	840 Operation supervision and engineering	0	-	0
17	841 Operation labor and expenses	1,297,555	1,156,126	141,429
18	842 Rents	0	-	0
19	Total operation	\$1,297,555	1,156,126	\$141,429
20	Maintenance:			
21	843 Maintenance supervision and engineering	0	-	0
22	844 Maintenance of structures and improvements	0	-	0
23	845 Maintenance of gas holders	0	-	0
24	846 Maintenance of other equipment	0	-	0
25	849 Joint Expenses-Credit	(12,660,338)	(11,901,470)	(758,868)
26	Total maintenance	(\$12,660,338)	(11,901,470)	(\$758,868)
27	Total storage expenses	(\$11,362,783)	(10,745,344)	(\$617,439)
28	TRANSMISSION AND DISTRIBUTION EXPENSES			
29	Operation:			
30	850 Operation supervision and engineering	41,034	1,227	39,807
31	851 System control and load dispatching	0	-	0
32	852 Communication system expenses	0	-	0
33	853 Compressor station labor and expenses	0	-	0
34	855 Fuel and power for compressor stations	0	-	0
35	857 Measuring and regulating station expenses	4,187,358	3,765,311	422,047
36	858 Transmission and compression of gas by others	0	-	0
36	860 Transmission Rents	(15)	15	(30)
37	874 Mains and services expenses	13,275,501	13,793,687	(518,186)
38	878 Meter and house regulator expenses	16,635,576	14,519,338	2,116,238
39	879 Customer installations expenses	(842,756)	(204,199)	(638,557)
40	880 Other expenses	782,436	799,709	(17,273)
41	881 Rents	0	-	0
42	882 Transportation expense	0	-	0
43	Total operation	\$34,079,132	32,675,088	\$1,404,044
44	Maintenance:			
45	885 Maintenance supervision and engineering	1,780,366	806,590	973,776
46	886 Maintenance of structures and improvements	285,201	284,827	374
47	887 Maintenance of mains	50,230,312	52,315,870	(2,085,558)
48	888 Maintenance of compressor station equipment	0	-	0
49	889 Maintenance of measuring and regulating station equipment	2,952,979	3,439,388	(486,409)
50	892 Maintenance of services	15,253,225	15,527,940	(274,715)
51	893 Maintenance of meters and house regulators	1,230,520	1,243,593	(13,073)
52	894 Maintenance of other equipment	102,656	36,624	66,032
54	Total maintenance	\$71,835,258	73,654,832	(\$1,819,574)
55	Total transmission and distribution expenses	\$105,914,390	106,329,920	(\$415,530)

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

GAS OPERATION AND MAINTENANCE EXPENSES - - Continued

Line No.	Account (a)	Amount for Year (b)	Prior yr amount	Increase/(Decrease) from Preceding Year (c)
CUSTOMER ACCOUNTS EXPENSES				
1	Operation:			
2	901 Supervision	364,041	399,468	(\$35,427)
3	902 Meter reading expenses	4,340,471	3,460,563	879,908
4	903 Customer records and collection expenses	20,072,588	20,126,595	(54,007)
5	904 Uncollectible accounts	11,815,497	17,121,887	(5,306,390)
6	905 Miscellaneous customer accounts expenses	4,048,091	918,812	3,129,279
7	Total customer accounts expenses	\$40,640,688	\$42,027,325	(\$1,386,637)
8	SALES EXPENSES			
9	Operation:			
10	911 Supervision	0	0	0
11	912 Demonstrating and selling expenses	6,955,389	7,872,141	(916,752)
12	913 Advertising expenses	1,813,837	1,937,654	(123,817)
13	916 Miscellaneous sales expenses	(2,806,327)	(1,319,208)	(1,487,119)
14	Total sales expenses	\$5,962,899	\$8,490,587	(\$2,527,688)
15	ADMINISTRATIVE AND GENERAL EXPENSES			
16	Operation:			
17	920 Administrative and general salaries	23,263,601	26,561,341	(3,297,740)
18	921 Office supplies and expenses	16,809,225	18,920,614	(2,111,389)
19	922 Administrative expenses transferred - - Cr	152	0	152
20	923 Outside services employed	4,660,666	4,355,347	305,319
21	924 Property Insurance	128,747	174,227	(45,480)
22	925 Injuries and damages	5,005,113	2,481,203	2,523,910
23	926 Employees pensions and benefits	16,528,832	23,226,692	(6,697,860)
24	927 Franchise Requirements	0	5,702	(5,702)
25	928 Regulatory commission expenses	3,359,483	2,657,348	702,135
26	929 Duplicate charges - - Cr	0	15	(15)
27	930 Miscellaneous general expenses	318,390	471,585	(153,195)
28	931 Rents	1,821,346	1,293,096	528,250
29	Total operation	\$71,895,555	\$80,147,170	(\$8,251,615)
30	Maintenance:			
31	932 Maintenance of general plant	274,897	347,171	(72,274)
32	Total administrative and general expenses	\$72,170,452	\$80,494,341	(\$8,323,889)
33	Total gas operation and maintenance expenses	\$889,396,954	\$917,060,418	(\$27,663,442)
SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Functional Classification (a)	Operation (b)	Maintenance (c)	Total (d)
34	Steam production	\$0	\$0	\$0
35	Manufactured gas production	1,884,519	859,603	2,744,122
36	Other gas supply expenses	673,327,186	0	673,327,186
37	Total production expenses	\$675,211,705	\$859,603	\$676,071,308
38	Local storage expenses	1,297,555	(12,660,338)	(11,362,783)
39	Transmission and distribution expenses	34,079,132	71,835,258	105,914,390
40	Customer accounts expenses	40,640,688	0	40,640,688
41	Sales expenses	5,962,899	0	5,962,899
42	Administrative and general expenses	71,895,555	274,897	72,170,452
43	Total gas operation and maint. expenses.	\$829,087,534	\$60,309,420	\$889,396,954
44	Ratio of operating expenses to operating revenues (carry out decimal two places, e.g. : 0.00%)			91.06%
45	Compute by dividing Revenues (Acct. 400) into the sum of Operation and			
46	Maintenance Expenses (P. 47, line 43 (d), Depreciation (Acct. 403) and			
47	Amortization (Acct. 407)			
48	Total salaries and wages of gas department for year, including amounts charged to			
49	operating expenses, construction and other accounts			\$126,301,503
50	Total number of employees of gas department at end of year, including administrative,			
51	operating, maintenance, construction and other employees - National Grid Massachusetts.			989

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

SALES FOR RESALE (Account 483)

Line No.	Names of Companies to Which Gas Is Sold (a)	Where Delivered and Where and How Measured (b)	M.C.F. (1000 BTU) (c)	Rate Per M.C.F. (\$0.0000) (d)	Amount (e)
1	Off-System Sales	Delivered to customers, various points of delivery	33,311,179	3.40	113,382,962
2					
3					
4	Resale Non-Firm	Interruptible	171,968	5.06	870,694
5					
6					
7					
8					
9					
10					
11					
12	TOTALS		33,483,147		114,253,656

PURCHASED GAS (Accounts 804-806)

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

SALES OF RESIDUALS (Accounts 730,731)

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

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

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

Line No.	(a) Name of Companies From Which Gas is Purchased	(b) Where Rec'd & Where & How Measured	(c) M.C.F. 1,000 BTU	(d) Rate Per M.C.F.	(e) Amount
1	Algonquin Gas Transmission	Metered at Everett,			
2		Weston, Waltham,			
3		Braintree, Norwood,			
4		Wellesley, Milton,			
5		Waltham Polaroid, Mansfield,			
6		Medford & Potter Street			
7	Transportation and Capacity Costs				25,262,540
8	Other Charges				344,247
9	TOTAL ALGONQUIN		0		25,606,787
10	Tennessee Gas Pipeline	Metered at Leominster,			
11		Clinton, Southbridge,			
12		Spencer, Lynn, Acton,			
13		Lynnfield, Arlington,			
14		Burlington, Lexington,			
15		Reading, Revere, West			
16		Peabody, Beverly/Salem,			
17		& Gloucester			
18					
19	Transportation and Capacity Costs				50,024,410
20	Other Charges				2,287,592
21	TOTAL TENNESSEE		0		52,312,002
22	Texas Eastern				
23	Transportation and Capacity Costs				24,280,890
24	Other Charges				952,198
25	TOTAL TEXAS EASTERN		0		25,233,088
26	Canadian				
27					
28	Commodity Cost		4,388,967	4.83	28,118,688
29	Transportation and Capacity Costs				1,646,371
30	Other Charges				0
31	TOTAL CANADIAN		4,388,967		29,765,059
32					
33	Direct Purchases				
34					
35	Commodity Cost		63,036,656	5.82	446,609,938
36	Transportation and Capacity Costs				(927,685)
37	Other Charges				0
38	TOTAL DIRECT PURCHASES		63,036,656		445,682,252
39					
40					
41	Distrigas	Metered at Everett			
42	Commodity Cost		0		4,486,417
43	Capacity Costs				8,503,503
44	TOTAL DISTRIGAS				12,989,919

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

	(a)	(b)	(c)	(d)	(e)
	Name of Companies From Which Gas is Purchased	Where Rec'd & Where & How Measured	M.C.F. 1,000 BTU	Rate Per M.C.F.	Amount
1	Commonwealth Gas - Commodity	Metered at customers' houses in Wellesley, Acton & Medford	0		0
2					
3					
4					
5					
6					
7	Total Commodity Cost		67,425,623	5.79	479,215,042
8	Total Transportation & Capacity Costs				108,790,029
9	Total Other Charges				3,584,036
10					
11	Unbilled Gas Cost				(4,324,103)
12	Total Purchased Gas Cost		67,425,623		587,265,005
13	Net Change in Holder Gas *		(3,249,285)		29,091,083
14	Deferred Cost of Gas 808-20,21,23,29				56,951,405
15	Purchased Gas Expense		64,176,338		673,307,492
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35	* Add (Decreases) / Deduct Increases in Holder Gas - Note: Column (e) of this line includes those				
36	inventory transactions necessary to reconcile "Purchased Gas Expense" to Gas Costs expensed				
37	as presented on Lines 3 through 6 on page 46.				
38					
39					
40					
41					
42					

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

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 (h). Show both the utility department and number of account charged. For taxes charged to utility plant show the number of the appropriate balance sheet account or subaccount.

5. For any tax which it was necessary to apportion to more than one utility department or account, state in a footnote the basis for apportioning such tax.
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)						
			Gas Acct. 107 &/or Accts. 300-398(c)	Gas (Acct.408,409) (d)	Surplus Acct. (e)	Future Use (Acct 105) (f)	Taxes included in O&M (g)	Gas Acct. 418 (h)	Gas Acct. 419 (i)
1	Federal:								
2	Income	(9,569,271)		(9,569,271)					
3	F.I.C.A. & Medicare	2,763,818	0	2,763,818					
4	Transportation/Fleet	1,219		1,219					
5	Excise	0		0					
6									
7	State:			0					
8	Franchise	(8,971,563)		(8,971,563)					
9	Use	45,413		45,413					
10	Payroll	451,545		451,545					
11	Fuel	14,862		14,862					
12	Local:								
13	Cities & Towns	27,293,228		27,293,228					
14	Excise	2		2					
15									
16									
	TOTALS	\$12,029,254	\$0	\$12,029,254	\$0	\$0	\$0	\$0	\$0

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

OTHER UTILITY OPERATING INCOME (Account 414)

Report below the particulars called for in each column.

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

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

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

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

Line No.	Item	Total	January	February	March	April	May
1	<u>Gas Made</u>						
2							
3							
4	Propane	0	0	0	0	0	0
5							
6	TOTAL	0	0	0	0	0	0
7							
8	<u>Gas Purchased</u>						
9	Natural	67,425,623	12,583,031	10,567,461	7,444,478	4,029,942	2,638,434
10	Other						
11	TOTAL	67,425,623	12,583,031	10,567,461	7,444,478	4,029,942	2,638,434
12	TOTAL MADE AND						
13	PURCHASED	67,425,623	12,583,031	10,567,461	7,444,478	4,029,942	2,638,434
14	Net Change in Holder						
15	Gas (1)	(3,249,285)	(303,753)	(373,004)	(356,944)	(295,758)	(244,768)
16	TOTAL SENDOUT	64,176,338	12,279,278	10,194,457	7,087,534	3,734,184	2,393,666
17	GAS TRANSPORTED	102,459,854	6,576,457	7,665,688	6,972,802	9,105,114	7,696,833
18	TOTAL THROUGHPUT	166,636,192	18,855,735	17,860,145	14,060,336	12,839,298	10,090,499
19							
20	Gas Sold *	57,753,744	11,244,845	9,075,086	6,682,329	3,615,602	2,280,407
21	Gas Used by Company	22,215	2,493	2,639	3,023	2,218	1,668
22	Gas transported *	102,853,545	6,638,509	8,449,836	7,101,376	9,532,704	7,774,480
23	Gas Accounted for	160,629,503	17,885,848	17,527,561	13,786,728	13,150,523	10,056,555
24	Gas Unaccounted for (2)	6,006,689	969,887	332,584	273,607	(311,225)	33,944
25	% Unaccounted						
26	for (0.00%) (2)	3.60%					
27							
28							
29	<u>Sendout in 24 hours</u>						
30	<u>in MCF</u>						
31	Maximum - MCF		830,116	704,573	548,980	350,304	254,452
32	Maximum - Date		1/29/10	2/6/10	3/4/10	4/28/10	5/10/10
33	Minimum - MCF		329,565	410,288	187,884	153,069	115,118
34	Minimum - Date		1/25/10	2/25/10	3/20/10	4/7/10	5/30/10
35							
36							
37							
38	B.T.U. Content of Gas Delivered to Customers 1,042 per Cubic Foot.						
39							
40	(1) Add Decreases in Holder Gas, Deduct Increases.						
41	(2) Includes unbilled gas sales						
42							

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

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

Line No.	June	July	August	September	October	November	December
1							
2							
3							
4	0	0	0	0	0	0	0
5							
6	0	0	0	0	0	0	0
7							
8							
9	1,879,719	1,726,620	1,798,302	1,805,355	3,612,084	7,179,990	12,160,207
10							
11	1,879,719	1,726,620	1,798,302	1,805,355	3,612,084	7,179,990	12,160,207
12							
13	1,879,719	1,726,620	1,798,302	1,805,355	3,612,084	7,179,990	12,160,207
14							
15	(224,012)	(380,173)	(421,161)	(216,544)	(167,806)	(178,332)	(87,030)
16	1,655,707	1,346,447	1,377,141	1,588,811	3,444,278	7,001,658	12,073,177
17	10,017,097	10,521,951	9,274,383	6,193,296	8,425,813	8,285,791	11,724,629
18	11,672,804	11,868,398	10,651,524	7,782,107	11,870,091	15,287,449	23,797,806
19							
20	1,525,217	1,008,907	1,212,608	1,663,062	3,050,377	5,331,952	11,063,353
21	1,593	1,064	2,068	1,208	1,096	1,468	1,677
22	9,812,264	8,729,142	10,428,877	6,262,492	8,259,740	8,616,684	11,247,441
23	11,339,074	9,739,112	11,643,553	7,926,761	11,311,215	13,950,104	22,312,470
24	333,730	2,129,285	(992,029)	(144,655)	558,878	1,337,345	1,485,336
25							
26							
27							
28							
29							
30							
31	198,918	230,588	217,013	218,717	330,536	480,101	767,529
32	06/28/2010	07/07/2010	08/10/2010	09/01/2010	10/22/2010	11/27/2010	12/27/2010
33	107,652	101,406	104,348	107,445	131,707	263,063	331,648
34	06/26/2010	07/04/2010	08/07/2010	09/04/2010	10/01/2010	11/16/2010	12/12/2010
35							
36							
37							
38							
39							
40							
41							
42							

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

GAS GENERATING PLANT			
Line No.	General Description--Location, Size, Type, etc.	No. of Sets	24 Hour Cap. (MCF)
1	Liquefied Petroleum:		
2	Everett - decommissioned 697,000 gals. of Propane with vaporizing and		
3	12/15/05 accessory equipment		
4			
5	Southbridge 127,500 gals. of Propane with vaporizing and	1	1,900
6	accessory equipment		
7	Norwood 155,500 gals. of Propane with vaporizing and	1	3,000
8	accessory equipment		
9	Danvers 127,500 gals. of Propane with vaporizing and	1	2,600
10	accessory equipment		
11	Gloucester - decommissioned 102,000 gals. of Propane with vaporizing and	1	0
12	accessory equipment		
13	Spencer 15,300 gals. of Propane with vaporizing and	1	2,400
14	accessory equipment		
15	North Avenue Station		
16	Propane Air Plant		
17	Propane Vaporizers Decommissioned	2	
18	30,000 gallon tanks	6	
19	36,000 gallon tanks	10	
20	7 1/2 H.P. Propane vapor compressor	1	30.8 MCF
21	Propane liquid pumps	2	259.2 Mgals.
22	Liquefied Natural Gas:		
23			
24	Commercial Point Vaporization of LNG	4	187,400
25	Liquefaction Plant for Natural Gas	1	6,000
26	331,000 Barrels of LNG		
27	Lynn (Capitalized Lease) Vaporization of LNG	3	87,600
28	290,000 Barrels of LNG		
29			
30	Salem (Capitalized Lease) Vaporization of LNG	2	30,400
31	290,000 Barrels of LNG		
32	LNG Plant (leased)		
33	116,000 barrel tank	1	
34	Vaporizers	2	40,000 MCF
35	Pumps	2	30,000 MCF
36		1	36,000 MCF
37	Boil-off compressor	1	400 MCF
38	Electric air compressor 350 cu. ft. per minute		Removed
39	Note: Vap. Capacity is determined by pump capacity 36,000 MCFD		
40			
41		TOTAL	

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

BOILERS *						
Line No.	Location	Kind of Fuel and Method of Firing	Rated Pressure in Lbs.	Rated Steam Temp.	Number	Output Rating M. Lbs. Steam Per Hour
1	Broad Street, Danvers	Gas Or Oil				
2	Rover St., Everett	Gas				
3	Victory Rd., Dorchester	Gas		NONE		
4	Victory Rd., Dorchester	Gas				
5						
6						
7	LNG Vaporizer	Nat. Gas	300 Lbs @ 25	NA	2	20 MMSCFD
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	*Includes only those boilers that produce steam used in the production or conditioning of gas.					
26						
27						
28						

SCRUBBERS, CONDENSERS AND EXHAUSTERS. 24 HOUR CAPACITY (MCF)

Line No.		Kind of Gas					Total Capacity
29							
30							
31	Scrubbers						None
32							
33							
34							
35							
36	Condensers						None
37							
38							
39							
40							
41							
42	Exhausters						None
43							
44							
45							
46							
47							
48							

PURIFIERS				
Line No.	Location	Kind of Gas	Kind of Purifying Material	Estimated 24 Hour Capacity
1	NONE			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				

HOLDERS (Including Relief Holders). Indicate Relief Holders by the letters R.H.							
Line No.	Location	Type of Tank	Dimensions		No. of Lifts	Number	Working Capacity
			Diam.	Height			
23	NONE						
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

TRANSMISSION AND DISTRIBUTION MAINS

Report by size, for all mains and lines, the information called for below for cast iron, welded, wrought iron and steel mains.

Sub-totals should be shown for each type.

Line No.	Diameter	Total Length in Feet at Beginning of Year	Added During Year	Taken Up During Year	Abandoned but not Removed During Year	Total Length in Feet at End of Year
1	STREET MAINS - CAST IRON					
2	3" &					
3	smaller	713,879	0	0	19,195	694,684
4	4"	4,228,808	400	0	58,990	4,170,218
5	5"	0	0	0	0	0
6	6"	4,772,798	0	0	67,826	4,704,972
7	8"	915,258	0	0	11,515	903,743
8	10"	339,358	0	0	328	339,030
9	12"	984,689	0	0	1,169	983,520
10	14"	6,252	0	0	0	6,252
11	16"	159,396	0	0	0	159,396
12	18"	16,890	0	0	0	16,890
13	20"	108,097	0	0	12	108,085
14	24"	182,916	0	0	2,588	180,328
15	30"	66,180	0	0	33	66,147
16	36"	64,014	0	0	22	63,992
17	42"	13,278	0	0	0	13,278
18	54"	1,004	0	0	0	1,004
19	Total	12,572,817	400	0	161,678	12,411,539
20						
21	STREET MAINS - STEEL OR WROUGHT IRON					
22						
23	2" &					
24	smaller	3,257,276	705	0	69,544	3,188,437
25	2 1/2"	20,563	0	0	0	20,563
26	3"	2,514,284	17	0	22,893	2,491,408
27	3 1/2"	278	0		0	278
28	4"	3,188,431	2,048	0	25,322	3,165,157
29	5"	12,694	0	0	0	12,694
30	6"	2,307,344	648	0	11,583	2,296,409
31	8"	877,959	575	0	3,279	875,255
32	10"	82,643	3	0	8	82,638
33	12"	984,379	2,840	0	336	986,883
34	14"	1,041	0	0	0	1,041
35	16"	202,031	771	0	185	202,617
36	18"	531	0	0	0	531
37	20"	106,791	1,023	0	21	107,793
38	24"	77,762	96	0	30	77,828
39	30"	14,722	18	0	0	14,740
40	36"	3,472	23	0	0	3,495
####	42"	1,542	0	0	0	1,542
	Total	13,653,743	8,767	0	133,201	13,529,309
	SUB-TOTALS	26,226,560	9,167	0	294,879	25,940,848
	Normal Operating Pressure - Mains and Lines - Maximum Minimum Normal Operating Pressure - Services - Maximum Minimum					

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

TRANSMISSION AND DISTRIBUTION MAINS

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

Line No.	Diameter	Total Length in Feet at Beginning of Year	Added During Year	Taken Up During Year	Abandoned but not Removed During Year	Total Length in Feet at End of Year
1	STREET MAINS - PLASTIC PIPE FUSED					
2	2" &					
3	smaller	4,004,872	87,427	0	2,702	4,089,597
4	3" &	0	0		0	0
5	smaller	275,469	279	0	562	275,186
6	4"	2,816,367	60,146	0	5,435	2,871,078
7	5"	118,225	0	0	0	118,225
8	6"	3,002,785	120,195	0	3,648	3,119,332
9	8"	1,431,903	67,877	0	835	1,498,945
10	10"	645	0	0	0	645
11	12"	35,091	10	0	0	35,101
12	16"	37	3,685	0	0	3,722
13	Total	11,685,393	339,619	0	13,182	12,011,830
14						
15						
16	STREET MAINS - WELDED STEEL PIPE FUSED					
17	2.0"	653,023	0	0	0	653,023
18	4.0"	561,300	0	0	0	561,300
19	5.0"	43,690	0	0	0	43,690
20	6.0"	249,374	0	0	0	249,374
21	8.0"	171,473	0	0	0	171,473
22	10.0"	64,678	0	0	0	64,678
23	12.0"	97,086	0	0	0	97,086
24	16.0"	34,388	0	0	0	34,388
25	20.0"	2,424	0	0	0	2,424
26	24.0"	146	0	0	0	146
27	Total	1,877,582	0	0	0	1,877,582
28						
29	No category	13,340	5,854	0	0	19,194
30						
31						
32						
33						
34						
35						
36						
37						
38						
39	GRAND TOTAL	39,802,876	354,640	0	308,061	39,849,455
40	Normal Operating Pressure - Mains and Lines - Maximum 60 PSIG Minimum 4" W.C					
41	Normal Operating Pressure - Services - Maximum 60 PSIG Minimum 4" W.C.					
42						

Annual Report ofBoston Gas Company.....Year ended December 31, 2009

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.....	632,900	0	998,560
2	Additions during year:			
3	Purchased.....	0		18,997
4	Installed.....	14,787		16
5	Associated with Plant acquired.....			
6	Total Additions.....	14,787		19,013
7	Reductions during year:			
8	Retirements.....	1,799		15,085
9	Associated with Plant sold.....			
10	Total Reductions.....	1,799		15,085
11	Number at End of Year.....	645,888		1,002,488
	In Stock.....			320,654
12	On Customers' Premises--Inactive.....			18,043
13	On Customers' Premises--Active.....			663,791
14	In Company Use.....			0
15	Number at End of Year.....			1,002,488
16				
17				
18	Number of Meters Tested by State Inspectors			
19	During Year.....			104,323
20				

*House Governors are considered part of service installation.

RATE SCHEDULE INFORMATION				
1. Attach copies of all Filed Rates for General Consumers. 2. Show below the changes in rate schedules during year and the estimated increase or decrease in annual revenue predicated on the previous year's operations.				
Date Effective	M.D.T.E. Number	Rate Schedule	Estimated Effect on Annual Revenues 1/	
			Increases	Decreases
Nov 1, 2010	6	Residential Non-Heating Rate R-1	\$12,267	\$0
Nov 1, 2010	7	Residential Assistance Non-Heating Rate R-2	\$230,479	\$0
Nov 1, 2010	8	Residential Heating Rate R-3	\$11,929,577	\$0
Nov 1, 2010	9	Residential Assistance Heating Rate R-4	\$0	(\$1,014,578)
Nov 1, 2010	10	Commercial/Industrial, Small - Low Load Factor Rate G-41	\$717,831	\$0
Nov 1, 2010	11	Commercial/Industrial, Medium - Low Load Factor Rate G-42	\$1,765,265	\$0
Nov 1, 2010	12	Commercial/Industrial, Large - Low Load Factor Rate G-43	\$4,840,679	\$0
Nov 1, 2010	13	Commercial/Industrial, Extra Large - Low Load Factor Rate G-44	\$2,639,633	\$0
Nov 1, 2010	14	Commercial/Industrial, Small - High Load Factor Rate G-51	\$212,436	\$0
Nov 1, 2010	15	Commercial/Industrial, Medium - High Load Factor Rate G-52	\$506,646	\$0
Nov 1, 2010	16	Commercial/Industrial, Large - High Load Factor Rate G-53	\$1,075,754	\$0
Nov 1, 2010	17	Commercial/Industrial, Extra Large - High Load Factor Rate G-54	\$2,881,164	\$0
Nov 1, 2010	24	Street Lighting G-7	\$32,017	\$0
Nov 1, 2010	25	Outdoor Gas Lighting G-17	\$0	(\$804)
			\$26,843,748	(\$1,015,382)
				\$25,828,366

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

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

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

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

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

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

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

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

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

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

Line No.	Item (a)	Amount (b)
1		
2	Expenditures for Certain Civic, Political and Related Activities	254,127
3	Government Relations Lobbying	15,733
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32	TOTAL	\$269,861

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

913. Advertising Expenses

Line No.	Type (a)	General Description (b)	Amount for Year (c)
1			
2	Corporate Advertising, Advertising	Media, Direct Mail, Other	
3	Residential Advertising		1,813,837
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42		TOTAL	1,813,837

Annual Report ofBoston Gas Company.....Year ended December 31, 2010

DEPOSITS AND COLLATERAL

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

Line No.	Name of City of Town	Amount
1		
2	Pursuant to Mass. General Laws Chapter 164, Section 128	
3	Security Deposits - Commercial And Industrial Accounts	
4		\$2,818,539
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15	Interest is accrued and paid pursuant to Provisions of	
16	22 C.M.R. 26.09 (DPU Order #999 - 09/23/82)	
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40	TOTAL	\$2,818,539

THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY

Nicholas Sturpauler

.....President

.....Vice President and Controller

Louise M. Lynch

Assistant Treasurer

.....Director

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

Richmond, New York, ss

March 31, 2011

Then personally appeared.....

.....ROBERT T. CAMPBELL.....

NOTARY PUBLIC-STATE OF NEW YORK

.....No. 01CA6190626.....

Qualified in Richmond County

My Commission Expires July 28, 2012

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

Robert T. Campbell

3/31/2011

exp. 7/28/12

My Commission Expires:

Notary Public

Boston Gas Company
Return on Average Common Equity

	<u>2010</u> January-October	<u>2010</u> November-December	<u>2010</u> Total
<u>Net Income Calculation:</u>			
Utility Operating Income DPU page 10, Line 18	21,340,909	26,758,550	48,099,459
Adjustments			-
Exogenous Cost - Bad Debts (1)	-	-	-
Incremental Cost Adjustment (2)	(3,676,524)	-	(3,676,524)
			-
Add: Amortization of Acquisition Premium	-	-	-
Add: service quality penalties	-	-	-
			-
Less: Allocated Interest(See Below)	(24,839,659)	(1,007,536)	(25,847,194)
Net Utility Income Available for Common Shareholders	(7,175,274)	25,751,014	18,575,740

Calculation of Allocated Interest:

Interest + Preferred Dividends - DPU page 10, Lines 39 and 48	24,996,769	1,013,564
Utility Plant--DPU page 8, Line 2	2,495,771,961	2,751,420,233
Other Property & Investments - DPU page 8, Line 8	10,720,959	11,397,294
Total	2,506,492,920	2,762,817,527
% of Line 21 to Line 23	0.9957	0.9959
DPU page 8, line 4 (Capital Leases)	5,064,750	5,064,750
Total	2,511,557,670	2,767,882,277
% of Line 21 to Line 28 (Total on Line 23 + Capital Leases)	0.9937	0.9941
Allocated Interest(Line 19 above times Line 30)	24,839,659	1,007,536

Total Utility Common Equity:

Proprietary Capital - DPU page 9, Line 13	949,210,678	1,080,337,650
Less preferred: DPU Page 9, Line 4	-	-
Less: Unamortized Acquisition Premium	(342,727,792)	(394,547,102)
Add back Push Down Debt - Acquisition Premium Finance by debt *	171,363,896	-
Long Term Debt - DPU Page 9, Line 18 plus Page 32 line 16		578,709,233
		1,264,499,781
50%/50% Capital Structure DPU 10-55		50%
		632,249,891
Total Equity	777,846,782	632,249,891
% Above	0.9937	0.9941
Ending Utility Common Equity	772,957,838	628,489,570
Beginning Utility Common Equity	788,900,449	628,489,570
Total	1,561,858,288	1,256,979,139
Average Common Equity	780,929,144	628,489,570

NET UTILITY INCOME DIVIDED BY AVERAGE EQUITY	-0.92%	4.10%
---	---------------	--------------

* NOTE: Years 2000 through 2002 are calculated based on actual push down debt balances. 2003 through October 2010 assumes 50% of Acquisition Premium finance by Debt as agreed to in DTE 03-40. November/December 2010 calculation pursuant to DPU 10-55.

(1.) Out of period adjustment for 2004 and 2005 Exogenous Cost - Bad Debt Recovery allowed in Keyspan Energy Delivery New England, D.T.E. 06-66 Pages 14-15

(2.) Incremental cost adjustment pursuant to Boston Gas Company D.T.E. 03-40 at 220-223 (2003) through October 2010; citing: Eastern/Essex Acquisition, D.T.E. 98-27-A (1998) and Eastern Colonial Acquisition, D.T.E. 98-128 (1999).

THE DEPARTMENT OF PUBLIC UTILITIES

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

CONDENSED FINANCIAL RETURN

for the year ended December 31, 2010

Full Name of Company - BOSTON GAS COMPANY

D/B/A NATIONAL GRID ENERGY DELIVERY NEW ENGLAND

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

Statement of Income for the Year

Item	Current Year (b)	Increase or (Decrease) from Preceding Year (c)	
OPERATING INCOME			
Operating Revenues	\$1,090,417,087	(\$2,857,231)	
Operating Expenses:			
Operation Expenses	\$831,512,917	(\$22,610,060)	
Maintenance Expense	60,309,420	(2,628,022)	
Depreciation Expense	101,100,723	8,349,195	
Amortization of Utility Plant	7,051,052	3,915,789	
Amortization of Property Losses	0	0	
Amortization of Conversion Expenses	53,423	53,423	
Taxes Other Than Income Taxes	30,570,088	2,837,601	
Income Taxes	(18,540,833)	61,881,972	
Provision for Deferred Income Taxes	30,260,839	(64,713,922)	
Income Taxes Deferred in Prior Years -- CR.	0	0	
Total Operating Expenses	\$1,042,317,628	(\$12,914,025)	
Net Operating Revenues	\$48,099,459	\$10,056,794	
Income from Utility Plant Leased to Others	0	0	
Other Utility Operating Income	0	0	
Total Utility Operating Income	\$48,099,459	\$10,056,794	
OTHER INCOME			
Income from Mdse. Jobbing & Contract Work	\$0	\$0	
Income from Nonutility Operations	0	0	
Nonoperating Rental Income	0	0	
Interest and Dividend Income	1,656,811	230,314	
Miscellaneous Nonoperating Income	22,296	0	
Total Other Income	\$1,679,107	\$230,314	
March 31, 2010, I hereby certify that the foregoing statements are fu	\$49,778,566	\$10,287,109	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization	\$0	\$0	
Other Income Deductions	12,986,649	14,160,512	
Total Income Deductions	\$12,986,649	\$14,160,512	
Income Before Interest Charges	\$36,791,917	(\$3,873,403)	
INTEREST CHARGES			
Interest on Long-Term Debt	\$14,423,078	(\$43,021)	
Amortization of Debt Disc. & Expense	255,754	(264)	
Amortization of Premium on Debt -- Credit	0	0	
Interest on Debt to Associated Companies	25,766,435	(1,256,271)	
Other Interest Expense	(13,700,837)	(5,543,722)	
Interest Charged to Construction -- Credit	(734,096)	785,153	
Total Interest Charges	\$26,010,333	(\$6,058,126)	
Net Income	\$10,781,583	\$2,184,723	

BALANCE SHEET			
Title of Account	Balance End of Year	Title of Account	Balance End of Year
UTILITY PLANT		PROPRIETARY CAPITAL	
Utility Plant	\$2,766,254,155	CAPITAL STOCK	
OTHER PROPERTY AND INVESTMENTS		Common Stock Issued	\$51,418,400
Nonutility Property	\$3,110,005	Preferred Stock Issued	0
Capitalized Leases, net	5,064,749	Capital Stock Subscribed	0
Investment in Associated Companies	0	Premium on Capital Stock	640,069
Other Investments	250	Total	\$52,058,469
Special Funds	3,222,289	SURPLUS	
Total Other Property and Investments	\$11,397,293	Other Paid-In Capital	\$836,543,322
CURRENT AND ACCRUED ASSETS		Earned Surplus	191,521,201
Cash	\$198,548	Other Comprehensive Income	84,805
Special Deposits	6,460,000	Total	\$1,028,149,328
Working Funds	0	Total Proprietary Capital	\$1,080,207,797
Temporary Cash Investments	0	LONG TERM DEBT	
Notes and Accounts Receivable	118,812,656	Bonds	\$153,000,000
Receivables from Assoc. Companies	5,566,557	Advances from Associated Companies	0
Materials and Supplies	83,908,265	Capital Lease Obligations	5,064,749
Prepayments	19,596,459	Total Long-Term Debt	\$158,064,749
Interest and Dividends Receivable	0	CURRENT AND ACCRUED LIABILITIES	
Rents Receivable	0	Notes Payable	\$20,000,000
Accrued Utility Revenues	114,727,559	Accounts Payable	47,842,382
Misc. Current And Accrued Assets	0	Payables to Associated Companies	625,715,691
Recoverable Fuel	126,067,396	Customer Deposits	2,818,539
Total Current and Accrued Assets	\$475,337,439	Taxes Accrued	(17,468,881)
DEFERRED DEBITS		Interest Accrued	8,317,279
Unamortized Debt Discount and Expense	\$2,182,349	Dividends Declared	0
Extraordinary Property Losses	0	Matured Long-Term Debt	0
Preliminary Survey and Investigation		Matured Interest	0
Charges	0	Tax Collections Payable	3,451,875
Clearing Accounts	0	Misc. Current and Accrued Liabilities	7,795,903
Temporary Facilities	856,909	Total Current & Accrued Liabilities	\$698,472,789
Miscellaneous Deferred Debits	355,293,610		
Total Deferred Debits	\$358,332,870	DEFERRED CREDITS	
CAPITAL STOCK DISCOUNT AND EXPENSE		Unamortized Premium on Debt	0
Discount on Capital Stock	\$0	Customer Advances for Construction	8,875
Capital Stock Expense	0	Other Deferred Credits	31,892,995
Total Capital Stock Discount and Expense	\$0	Total Deferred Credits	31,901,870
REACQUIRED SECURITIES		RESERVES	
Reacquired Capital Stock	\$0	Reserves for Depreciation	960,070,169
Reacquired Bonds	0	Reserves for Amortization	80,007,422
Total Reacquired Securities	\$0	Reserve for Uncollectible Accounts	14,618,776
Total Assets and Other Debits	\$3,596,487,836	Operating Reserves	146,663,043
		Reserve for Depreciation and Amortization of Nonutility Property	0
		Reserves for Deferred Federal Income Taxes	426,481,221
		Total Reserves	\$1,627,840,631
		CONTRIBUTIONS IN AID OF CONSTRUCTION	
		Contributions in Aid of Construction	0
		Total Liabilities and Other Credits	\$3,596,487,836
NOTES:			

Condensed Financial Return (Continued) - Boston Gas Company

December 31, 2010

STATEMENT OF EARNED SURPLUS		
Unappropriated Earned Surplus (at beginning of period)	\$137,952,836	\$8,596,860
Balance Transferred from Income	\$10,781,583	\$2,184,723
Miscellaneous Credits to Surplus	0	0
Miscellaneous Debits to Surplus	0	0
Appropriations of Surplus	0	0
Net Additions to Earned Surplus	\$10,781,583	\$2,184,723
Dividends Declared - - Preferred Stock		\$0
Dividends Declared - - Common Stock	\$0	\$0
Unappropriated Earned Surplus (at end of period)	\$148,734,419	\$10,781,583
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

3a

Functional Classification	Operation	Maintenance	Total
Power Production Expenses			
Electric Generation			
Steam Power			
Hydraulic Power			
Other Power			
Other Power Supply Expenses			
Total Power Production Expenses			
Transmission Expenses			
Distribution Expenses			
Customer Accounts Expenses			
Sales Expenses			
Administrative and General Expenses			
Total Electric Operation and Maintenance Expenses			

GAS OPERATING REVENUES		
Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
SALES OF GAS		
Residential Sales	\$657,210,996	(\$18,996,781)
Commercial and Industrial Sales		
Small (or Commercial)	116,152,032	(6,828,698)
Large (or Industrial)	97,023,386	(13,757,546)
Other Sales to Public Authorities	1,212,574	22,296
Interdepartmental Sales	113,382,962	26,910,886
Quasi-Firm Revenue	0	0
Miscellaneous Gas Sales (Unbilled Revenue)	0	0
Total Sales to Ultimate Consumers	\$871,598,988	(\$39,560,728)
Sales for Resale	113,382,962	26,910,886
Total Sales of Gas	\$984,981,950	(\$12,649,841)
OTHER OPERATING REVENUES		
Adjustments	\$0	\$0
Miscellaneous Service Revenues	73,495	7,895
Revenues from Transportation of Gas of Others	103,364,207	17,618,973
Sales of Products Extracted from Natural Gas	0	0
Revenues from Natural Gas Processed by Others	0	0
Rent from Gas Property	0	0
Interdepartmental Rents	0	0
Other Gas Revenues	1,997,435	(7,834,257)
Total Other Operating Revenues	\$105,435,137	\$9,792,611
Total Gas Operating Revenues	\$1,090,417,087	(\$2,857,231)

SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES				4a
Functional Classification	Operation	Maintenance	Total	
Steam Production	\$0	\$0	\$0	
Manufactured Gas Production	1,884,519	859,603	2,744,122	
Other Gas Supply Expenses	673,327,186	0	673,327,186	
Total Production Expenses	\$675,211,705	\$859,603	\$676,071,308	
Local Storage Expenses	1,297,555	(12,660,338)	(11,362,783)	
Transmission and Distribution Expenses	34,079,132	71,835,258	105,914,390	
Customer Accounts Expenses	40,640,688	0	40,640,688	
Sales Expenses	5,962,899	0	5,962,899	
Administrative and General Expenses	71,895,555	274,897	72,170,452	
Total Gas Operation and Maintenance Expenses	\$829,087,534	\$60,309,420	\$889,396,954	

March 31, 2011, I hereby certify that the foregoing statements are full, just and true to the best of my knowledge and belief. This statement is signed under the penalties of perjury.

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

Louise M. Lynch
Assistant Treasurer

Robert T. Campbell 3/31/2011