

Affiliates of Gas and Electric Companies

THE COMMONWEALTH OF MASSACHUSETTS

ANNUAL RETURN

OF THE

HARBOR ELECTRIC ENERGY COMPANY

TO THE

DEPARTMENT OF PUBLIC UTILITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

Annual Report of Harbor Electric Energy Company Year ended December 31, 2021

1. Full title of the Company..... Harbor Electric Energy Company
2. Location of principal business office, 800 Boylston Street  
Boston, MA 02199
3. Date of organization, December 22, 1989 as a Massachusetts corporation under the laws  
of the Commonwealth of Massachusetts
4. Date of annual meeting,..... Consent in lieu of meeting dated  
June 16, 2021
5. Number of stockholders,..... 1
6. Number of stockholders in Massachusetts, 1
7. Amount of stock held in Massachusetts, ... 1,000 shares of \$1.00 par value  
common stock

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

<u>NAME</u>	<u>TITLE</u>	<u>ADDRESS</u>
Jay S. Buth	Vice President, Controller and Chief Accounting Officer	107 Selden Street Berlin, CT 06037

Annual Report of

Harbor Electric Energy Company

Year ended December 31, 2021

DIRECTORS AND PRINCIPAL OFFICERSDirectors or Trustees

<u>Name</u>	<u>Address</u>	<u>Date of Expiration of Term</u>
Gregory B. Butler	56 Prospect Street Hartford, CT 06103	Next Annual Meeting
Philip J. Lembo	800 Boylston Street Boston, MA 02199	Next Annual Meeting
Werner J. Schweiger	107 Selden Street Berlin, CT 06037	Next Annual Meeting

PRINCIPAL OFFICERS

<u>Title</u>	<u>Name</u>	<u>Official's Address</u>
President	Werner J. Schweiger	107 Selden Street Berlin, CT 06037
Executive Vice President and General Counsel	Gregory B. Butler	56 Prospect Street Hartford, CT 06103
Executive Vice President and Chief Financial Officer	Philip J. Lembo	800 Boylston Street Boston, MA 02199
Senior Vice President- Finance and Regulatory and Treasurer	John M. Moreira	247 Station Drive Westwood, MA 02090
Vice President, Controller and Chief Accounting Officer	Jay S. Buth	107 Selden Street Berlin, CT 06037
Secretary and Clerk	Florence J. Iacono	800 Boylston Street Boston, MA 02199
Assistant Treasurer- Corporate Finance and Cash Management	Emilie G. O'Neil	247 Station Drive Westwood, MA 02090
Independent Accountant	Deloitte & Touche LLP	City Place 185 Asylum Street 33 <sup>rd</sup> Floor Hartford, CT 06103

Annual Report of Harbor Electric Energy Company Year ended December 31, 2021

IF ANY OF THE DIRECTORS, TRUSTEES OR OFFICERS HOLD ANY OFFICE IN ANY OF THE COMPANIES OR ASSOCIATIONS RECEIVING SERVICES FROM THE REPORTING COMPANY, STATE THE TITLE AND THE COMPANY OR ASSOCIATION WITH WHICH SUCH DIRECTOR, TRUSTEE OR OFFICER IS ASSOCIATED.

Harbor Electric Energy Company does not provide any services to any affiliated company.

## Annual Report of Harbor Electric Energy Company Year ended December 31, 2021

LIST ALL CONTRACTS ENTERED INTO FOR THE FURNISHING OF SERVICES, PURCHASE OF MATERIALS, SUPPLIES, EQUIPMENT, ETC. SUBMIT CONTRACT FORM.

<u>Date</u>	<u>For What Time</u>
2021	Year ended December 31, 2021

The Company was incorporated on December 22, 1989 pursuant to the laws of the Commonwealth of Massachusetts. The Company commenced operations in January 1990. A service agreement was entered into between Harbor Electric Energy Company and Eversource Energy Service Company (formerly known as Northeast Utilities Service Company), and such agreement was amended and restated on January 1, 2014. Substantially all organizational, general and administrative, and operation and maintenance services required, are provided by Eversource Energy Service Company.

Annual Report of Harbor Electric Energy Company Year ended December 31, 2021

INCOME ACCOUNT FOR THE YEAR

<u>INCOME</u>	<u>Amount</u>
Services Rendered	\$17,336,044
Other Electric Revenue (Page 8)	-8,044,234
Interest Income	<u>-0-</u>
Total Income	<u>\$ 9,291,810</u>
 <u>EXPENSES</u>	
Insurance	\$ 561,170
Other Deductions	-23,457
AFUDC	-37,595
Regulatory Credit (Page 8)	2,058,470
Depreciation and Amortization	1,397,272
Outside Services	11,621
Provision for Deferred Income Tax	-4,231,729
Other Expenses (Page 9)	1,251,107
Taxes, Current	5,330,798
Interest on Debt, Associated Companies	42,760
Interest, Commitment Fees	<u>53,546</u>
Total Expenses	<u>6,413,963</u>
 Net Income	 <u>\$ 2,877,847</u>

Annual Report of Harbor Electric Energy Company Year ended December 31, 2021

# BALANCE SHEET

## ASSETS

### INVESTMENTS

Property, Plant & Equipment (Page 8)	\$55,442,612
Organization	285,274
Asset Retirement Obligation	<u>30,116,534</u>
Total Investments	<u>85,844,420</u>

### CURRENT ASSETS

Cash & Equivalents	744,660
Accounts Receivable, Associated Companies (Page 9)	416,708
Accounts Receivable	-0-
Deposits with Trustee	-0-
Total Current Assets	<u>1,161,368</u>

### DEFERRED CHARGES

Prepayments	398,504
Other Regulatory Assets	4,716,447
Other Deferred Charges (primarily Income Taxes)	<u>13,880,127</u>
Total Deferred Charges	<u>18,995,078</u>

### TOTAL ASSETS

\$106,000,866

## LIABILITIES

Capital Stock	\$ 2,101,000
Other Paid in Capital	<u>48,600,000</u>
Total Capital Stock and Paid in Capital	<u>50,701,000</u>

### CURRENT LIABILITIES

Accounts Payable, Associated Companies (Page 9)	730,035
Accounts Payable	1,253,868
Deferred Revenues	527,677
Accrued Taxes	<u>6,181,448</u>
Total Current Liabilities	<u>8,693,028</u>

Asset Retirement Obligation	32,233,973
Notes Payable to Eversource Parent (Page 8)	-0-
Reserve for Depreciation	17,550,223
Earned Deficit	<u>-3,177,358</u>

### TOTAL LIABILITIES

\$106,000,866

Annual Report of Harbor Electric Energy Company Year ended December 31, 2021

#### OTHER ELECTRIC REVENUE\*

Other Electric Revenue \$8,044,234  
 Decrease in Other Electric Revenue relates to a revenue reclass to Services Rendered as the MWRA was billed the accumulated return on rate base for the new line. This recovery was approved by the DPU in December 2021 and documented in the Final Tariff Addendum. This reclass is offset by the return on rate base, or the equity component of the revenue requirement recorded during 2021.

\$ 13,028,879 Revenue reclass - return on rate base

4,984,643 Return on rate base 2021

\$ 8,044,234

#### REGULATORY CREDIT\*

Regulatory Credit \$2,058,470  
 Regulatory credit relates to the reimbursement from MWRA for the deferred depreciation booked by HEEC for the new line offset by the deferred depreciation recorded in 2021. This recovery was approved by the DPU in December 2021 and documented in the Final Tariff Addendum.

\$ 3,534,283 Revenue reclass - deferred depreciation

1,475,813 Return on rate base 2021

\$ 2,058,470

#### PROPERTY PLANT & EQUIPMENT\*

Property Plant & Equipment \$55,442,612  
 Property Plant & Equipment decreased \$6M in 2021. This is primarily due to the last CIAC payment made by MWRA for the new line in December 2021 as documented in the Final Tariff Addendum.

#### NOTES PAYABLE TO EVERSOURCE PARENT\*

Notes Payable to Eversource Parent \$-0-  
 During 2021 HEEC repaid their intercompany payable to Eversource Parent reducing The balance to zero.



Annual Report of Harbor Electric Energy Company Year ended December 31, 2021

# ACCOUNTS PAYABLE\*

## Accounts Payable Associated Companies

NSTAR Electric Company	\$ 6,429
Eversource Parent	4,900
Eversource Energy Service Company	<u>718,706</u>
Total Accounts Payable	<u>\$730,035</u>

# ACCOUNTS RECEIVABLE\*

## Accounts Payable Associated Companies

NSTAR Electric Company	\$415,708
Eversource Energy Service Company	<u>1,000</u>
Total Accounts Payable	<u>\$416,708</u>

# ANALYSIS OF CHARGES FOR SERVICES\*

## COMPANY OR CUSTOMER

## TOTAL AMOUNT BILLED

Included in Other expenses are General and administrative services provided by Eversource Energy Service Company.

\$40,984

Annual Report of Harbor Electric Energy Company Year ended December 31, 2021

SIGNATURES AND OATH TO RETURN

NOT USED

UNDER THE PENALTIES OF PERJURY

We hereby certify that the statements contained in the foregoing Return are full,  
just and true.

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

\_\_\_\_\_ SS.

\_\_\_\_\_ 2020

Then personally appeared

and severally made oath that the foregoing statement by them subscribed is,  
to the best of their knowledge and belief, true.

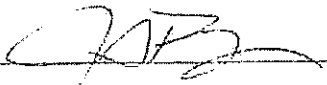
\_\_\_\_\_  
Notary Public or  
Justice of the Peace

Annual Report of

Harbor Electric Energy Company

Year Ended December 31, 2021

## THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY

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

\_\_\_\_\_  
 John M. Moreira Senior Vice President- Finance and Regulatory and Treasurer

**Directors:**

\_\_\_\_\_  
 Gregory B. Butler Director

\_\_\_\_\_  
 Philip J. Lembo Director

\_\_\_\_\_  
 Werner J. Schweiger Director

## SIGNATURE OF ABOVE PARTIES MUST BE PROPERLY SWORN TO

State of: Connecticut


County of: Hartford

City of: Berlin

April 15, 2022

Then personally appeared Jay S. Buth and made oath to the truth of the foregoing statement by him subscribed according to his best knowledge and belief.

**ANTOINETTE P. MIRANTE**  
 NOTARY PUBLIC  
 State of Connecticut  
 My Commission Expires  
 April 30, 2025

 Notary Public

My commission expires: April 30, 2025

## THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY

_____	Jay S. Buth	Vice President, Controller and Chief Accounting Officer
<u>John M. Moreira</u>	John M. Moreira	Senior Vice President- Finance and Regulatory and Treasurer

Directors:

_____	Gregory B. Butler	Director
_____	Philip J. Lembo	Director
_____	Werner J. Schweiger	Director

## SIGNATURE OF ABOVE PARTIES MUST BE PROPERLY SWORN TO

State of: MassachusettsCounty of: SuffolkCity of: BostonApril 15, 2022

Then personally appeared John J. Moreira and made oath to the truth of the foregoing statement by him subscribed according to his best knowledge and belief.

Paul M. Grimal Notary Public

My commission expires: December 14, 2027



Annual Report of

Harbor Electric Energy Company

Year Ended December 31, 2021

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\_\_\_\_\_  
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John M. Moreira Senior Vice President- Finance  
and Regulatory and Treasurer

Directors:

  
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Gregory B. Butler Director

\_\_\_\_\_  
Philip J. Lembo Director

\_\_\_\_\_  
Werner J. Schweiger Director

## SIGNATURE OF ABOVE PARTIES MUST BE PROPERLY SWORN TO

State of: Connecticut

County of: Hartford

City of: Hartford

\_\_\_\_\_  
April 15, 2022

Then personally appeared Gregory B. Butler and made oath to the truth of the  
foregoing statement by him subscribed according to his best knowledge and belief.

Kathy J. Schmidt Notary Public  
My commission expires: 11-30-2024

Annual Report of

Harbor Electric Energy Company

Year Ended December 31, 2021

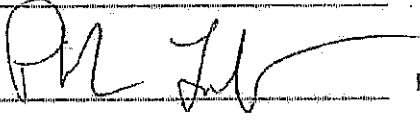
THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY

\_\_\_\_\_  
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Chief Accounting Officer

\_\_\_\_\_  
John M. Moreira Senior Vice President- Finance  
and Regulatory and Treasurer

**Directors:**

\_\_\_\_\_  
Gregory B. Butler Director

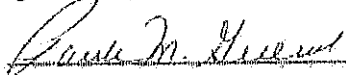
  
Philip J. Lembo Director

\_\_\_\_\_  
Werner J. Schweiger Director

SIGNATURE OF ABOVE PARTIES MUST BE PROPERLY SWORN TO

State of: MassachusettsCounty of: SuffolkCity of: Boston\_\_\_\_\_  
April 15, 2022

Then personally appeared Philip J. Lembo and made oath to the truth of the  
foregoing statement by him subscribed according to his best knowledge and belief.

 Notary Public

My commission expires: December 16, 2022

Annual Report of

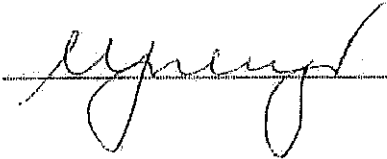
Harbor Electric Energy Company

Year Ended December 31, 2021

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_____	John M. Moreira	Senior Vice President- Finance and Regulatory and Treasurer

Directors:

_____	Gregory B. Butler	Director
_____	Philip J. Lembo	Director
	Werner J. Schweiger	Director

## SIGNATURE OF ABOVE PARTIES MUST BE PROPERLY SWORN TO

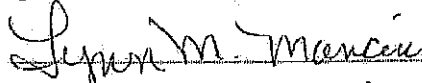
State of: Connecticut

County of: Hartford

City of: Berlin

\_\_\_\_\_ April 15, 2022

Then personally appeared Werner J. Schweiger and made oath to the truth of the foregoing statement by him subscribed according to his best knowledge and belief.

 Notary Public

My commission expires: 2-28-2027

