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 Co	mpany 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 <u>the Commonwealth of Massachusetts</u>	
4. Date of annual meeting,	Consent in lieu of meeting dated
	June 16, 2021
5. Number of stockholders,	<u>1</u>
6. Number of stockholders in Massachusetts,	<u>1</u>
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 a	addressed regarding this report,

TITLE

Officer

Vice President, Controller

and Chief Accounting

NAME

Jay S. Buth

ADDRESS

107 Selden Street Berlin, CT 06037

Harbor Electric Energy Company Year ended December 31, 2021

Date of Expiration of

DIRECTORS AND PRINCIPAL OFFICERS

Directors or Trustees

Name	Address	Term
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>	Official's Address
President	Werner J. Schweiger	107 Selden Street Berlin, CT 06037
Executive Vice President a General Counsel	and Gregory B. Butler	56 Prospect Street Hartford, CT 06103
Executive Vice President a	and 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 Office		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 rd Floor Hartford, CT 06103

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.

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.

Date 2021

For What Time 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

INCOME	Amount
Services Rendered	\$17,336,044
Other Electric Revenue (Page 8)	-8,044,234
Interest Income	-0-
Total Income	\$ 9,291,810
EXPENSES .	
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	53,546
Total Expenses	6,413,963
Net Income	<u>\$ 2,877,847</u>

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

\$106,000,866

BALANCE SHEET

ASSETS

INVESTMENTS	
Property, Plant & Equipment (Page 8)	\$55,442,612
Organization	285,274
Asset Retirement Obligation	30,116,534
Total Investments	85,844,420
CURRENT ASSETS	
Cash & Equivalents	744,660
Accounts Receivable, Associated Companies (Page 9)	416,708
Accounts Receivable	-0-
Deposits with Trustee	<u>-0-</u>
Total Current Assets	1,161,368
DEFERRED CHARGES	
DEFEKURO CIRKGED	
Prepayments	398,504
Other Regulatory Assets	4,716,447
Other Deferred Charges (primarily Income Taxes)	13,880,127
Total Deferred Charges	18,995,078
TOTAL ASSETS	\$106,000,866
	
LIABILITIES	
	\$ 2,101,000
Capital Stock	
Capital Stock Other Paid in Capital	
Other Paid in Capital	48,600,000 50,701,000
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Other Paid in Capital	48,600,000
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Other Paid in Capital Total Capital Stock and Paid in Capital CURRENT LIABILITIES Accounts Payable, Associated Companies (Page 9) Accounts Payable Deferred Revenues Accrued Taxes Total Current Liabilities Asset Retirement Obligation	48,600,000 50,701,000 730,035 1,253,868 527,677 6,181,448 8,693,028 32,233,973 -0- 17,550,223
Other Paid in Capital Total Capital Stock and Paid in Capital CURRENT LIABILITIES Accounts Payable, Associated Companies (Page 9) Accounts Payable Deferred Revenues Accrued Taxes Total Current Liabilities Asset Retirement Obligation Notes Payable to Eversource Parent (Page 8)	48,600,000 50,701,000 730,035 1,253,868 527,677 6,181,448 8,693,028 32,233,973 -0-

TOTAL LIABILITIES

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 During 2021 HEEC repaid their intercompany payable to Eversource Parent reducing The balance to zero.

Harbor Electric Energy Company Year ended December 31, 2021

ACCOUNTS PAYABLE*

Accounts Payable Associated Companies

\$ 6,429 NSTAR Electric Company

4,900 Eversource Parent

718,706 Eversource Energy Service Company

\$730,035 Total Accounts Payable

ACCOUNTS RECEIVABLE*

Accounts Payable Associated Companies

\$415,708 NSTAR Electric Company

1,000 Eversource Energy Service Company

Total Accounts Payable \$416,708

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

Harbor Electric Energy Company Year ended December 31, 2021

SIGNATURES AND OATH TO RETURN

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UNDER THE PENALTIES OF PERJURY	
We hereby certify that the statements contained in the foregoing Return are full just and true.	1,
SIGNATURES OF ABOVE PARTIES AFFIXED OUTSIDE THE COMMONWEALTH OF MASSACHUSETTS N PROPERLY SWORN TO	1UST B
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Then personally appeared	
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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	

THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY		
- CAPD	Jay S. Buth	Vice President, Controller and Chief Accounting Officer
was all and the state of the st	John M. Moreira	Senior Vice President- Finance and Regulatory and Treasurer
Directors:		
· · ·	Gregory B. Butler	Director
	Philip J. Lembo	Director
- in the second case of the second control o	Werner J. Schweiger	Director
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SIGNATURE OF ABO	OVE PARTIES MUST BE I	PROPERLY SWORN TO
State of: Cimnecticut		
State of: County of: Hartford	MTP ************************************	
City of: Serlin	approximation of the second	April 15, 2022
Then personally appeared	rding to his best knowledg	and made oath to the truth of the ge and belief.
ANTOINETTE P. MIRANTE NOTARY PUBLIC State of Connecticut	aturette	es: Cycle 30, 2025
My Commission Expires April 30, 2025		

THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY			
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() . J. 211	Jay S. Buth	Vice President, Controller and Chief Accounting Officer	
John M. Moreus	John M. Moreira	Senior Vice President- Finance and Regulatory and Treasurer	
<u>Directors</u> :			
and the second s	Gregory B. Butler	Director	
- Company of the season of the	Philip J. Lembo	Director	
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City of:			
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Then personally appeared Tohn J. Morzica and made oath to the truth of the foregoing statement by him subscribed according to his best knowledge and belief.			
		Notary Public	
	My commission expire	98:	



THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY					
See Management of the Control of the	Jay S. Buth	Vice President, Controller and Chief Accounting Officer			
	John M. Moreira	Senior Vice President- Finance and Regulatory and Treasurer			
Directors:					
I YM W	Gregory B. Butler	Director			
P *	Philip J. Lembo	Director			
apri	Werner J. Schweiger	Director			
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County of: Dartford	11, 11, 1				
City of: Wartford	. — annin <u>a — mo</u> drodustični (1) c elu (1) v (1) produ	April 15, 2022			
Then personally appeared <u>Jugory A. Buttou</u> and made oath to the truth of the foregoing statement by him subscribed advording to his best knowledge and belief.					
	- Kally I	Schmidt Notary Public es: 11-30-3034			
	My commission expire	My commission expires: 11-30-40			

THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY			
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golge agence the plant and the left of the control	John M. Moreira	Senior Vice President- Finance and Regulatory and Treasurer	
Directors:			
	Gregory B. Butler	Director	
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SIGNATURE OF ABO	OVE PARTIES MUST BE I	PROPERLY SWORN TO	
State of: Massachusetts	unani — in mandi — mandi mand		
State of: Massachusetts County of: Suffilk City of: Buston			
City of:	instante en includes promoció de projetoros e Papayallo sej	April 15, 2022	
Then personally appeared Philip J. Leabo and made oath to the truth of the foregoing statement by him subscribed according to his best knowledge and belief.			
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	My commission expire	98: Alland to May 202	



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	John M. Moreira	Senior Vice President- Finance	
		and Regulatory and Treasurer	
Directors:			
	Gregory B. Butler	Director	
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	Werner J. Schweiger	Director	
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SIGNATURE OF ABOVE PARTIES MUST BE PROPERLY SWORN TO			
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State of: Connecticut	الاستان المستان والمستان والم		
County of: HEUHLOY	ila en el ren é ji pontri bronco men el man rep que na mana		
City of: Berlin	grand table sladen i pour municiperium militera—mun	a - sil 4 E 2022	
	,	April 15, 2022	
Then personally appeared LONGEV \. SchwligeV and made oath to the truth of the			
foregoing statement by him subscribed accord	ding to his best knowledg	je and belief.	
Monceunotary Public			
	My commission expire	s: 2-28-2027	

