

**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, 2014

Full Name of Company - **BOSTON GAS COMPANY**D/B/A **NATIONAL GRID ENERGY DELIVERY NEW ENGLAND**Location of Principal Business Office - One MetroTech Center 12<sup>th</sup> FL, Brooklyn, New York 11201**Statement of Income for the Year**

Item	Current Year (b)	Increase or (Decrease) from Preceding Year (c)
<b>OPERATING INCOME</b>		
Operating Revenues	\$ 1,273,079,534	\$ 53,831,992
Operating Expenses:		
Operation Expenses	918,365,665	27,760,217
Maintenance Expense	49,592,473	(5,278,202)
Depreciation Expense	126,983,168	9,201,157
Amortization of Utility Plant	801,755	(2,688,641)
Amortization of Property Losses	-	-
Amortization of Conversion Expenses	320,537	-
Taxes Other Than Income Taxes	56,291,761	6,421,729
Income Taxes	2,025,075	(18,600,160)
Provision for Deferred Income Taxes	31,126,894	19,557,033
Income Taxes Deferred in Prior Years -- CR.	(24,916)	2,594,973
Total Operating Expenses	1,185,482,412	38,968,106
Net Operating Revenues	87,597,122	14,863,886
Income from Utility Plant Leased to Others	-	-
Other Utility Operating Income	-	-
Total Utility Operating Income	87,597,122	14,863,886
<b>OTHER INCOME</b>		
Income from Mdse. Jobbing & Contract Work	-	-
Income from Nonutility Operations	(2,882,286)	(1,060,015)
Nonoperating Rental Income	-	-
Interest and Dividend Income	812,531	(2,991,417)
Miscellaneous Nonoperating Income	787,595	756,062
Total Other Income	(1,282,160)	(3,295,370)
Total Income	86,314,962	11,568,516
<b>MISCELLANEOUS INCOME DEDUCTIONS</b>		
Miscellaneous Amortization	-	-
Other Income Deductions	2,204,478	(354,327)
Total Income Deductions	2,204,478	(354,327)
Income Before Interest Charges	84,110,484	11,922,843
<b>INTEREST CHARGES</b>		
Interest on Long-Term Debt	32,753,436	(677,275)
Amortization of Debt Disc. & Expense	297,817	(14,730)
Amortization of Premium on Debt -- Credit	-	-
Interest on Debt to Associated Companies	279,249	(108,123)
Other Interest Expense	(309,229)	6,637,126
Interest Charged to Construction -- Credit	(242,047)	344,303
Total Interest Charges	32,779,226	6,181,301
Net Income	\$ 51,331,258	\$ 5,741,542

<b>BALANCE SHEET</b>			
Title of Account	Balance End of Year	Title of Account	Balance End of Year
<b>UTILITY PLANT</b>		<b>PROPRIETARY CAPITAL</b>	
Utility Plant	\$ 3,687,766,505	<b>CAPITAL STOCK</b>	
<b>OTHER PROPERTY AND INVESTMENTS</b>		Common Stock Issued	\$ 51,418,400
Nonutility Property	170,808	Preferred Stock Issued	-
Capitalized Leases, net	-	Capital Stock Subscribed	-
Investment in Associated Companies	-	Premium on Capital Stock	640,069
Other Investments	400	Total	52,058,469
Special Funds	3,233,726	<b>SURPLUS</b>	
Total Other Property and Investments	3,404,934	Other Paid-In Capital	838,550,854
<b>CURRENT AND ACCRUED ASSETS</b>		Earned Surplus	360,332,501
Cash	7,081,980	Other Comprehensive Income	73,442
Special Deposits	-	Total	1,198,956,797
Working Funds	-	Total Proprietary Capital	1,251,015,266
Temporary Cash Investments	-	<b>LONG TERM DEBT</b>	
Notes and Accounts Receivable	169,959,748	Bonds	631,000,000
Receivables from Assoc. Companies	98,441,350	Capital Lease Obligations	-
Materials and Supplies	86,305,998	Other Long-Term Debt	-
Prepayments	50,492,025	Total Long-Term Debt	631,000,000
Interest and Dividends Receivable	-	<b>CURRENT AND ACCRUED LIABILITIES</b>	
Rents Receivable	-	Notes Payable	-
Accrued Utility Revenues	75,159,340	Accounts Payable	38,267,695
Misc. Current And Accrued Assets	-	Payables to Associated Companies	483,598,901
Recoverable Fuel	171,703,724	Customer Deposits	3,239,913
Total Current and Accrued Assets	659,144,165	Taxes Accrued	-
<b>DEFERRED DEBITS</b>		Interest Accrued	11,318,163
Unamortized Debt Discount and Expense	4,963,574	Dividends Declared	-
Extraordinary Property Losses	-	Matured Long-Term Debt	-
Preliminary Survey and Investigation Charges	(2,824)	Matured Interest	-
Clearing Accounts	366,965	Tax Collections Payable	1,167,060
Temporary Facilities	-	Misc. Current and Accrued Liabilities	45,531,832
Miscellaneous Deferred Debits	354,006,557	Total Current & Accrued Liabilities	583,123,563
Total Deferred Debits	359,334,272	<b>DEFERRED CREDITS</b>	
<b>CAPITAL STOCK DISCOUNT AND EXPENSE</b>		Unamortized Premium on Debt	-
Discount on Capital Stock	-	Customer Advances for Construction	-
Capital Stock Expense	-	Other Deferred Credits	74,191,049
Total Capital Stock Discount and Expense	-	Total Deferred Credits	74,191,049
<b>REACQUIRED SECURITIES</b>		<b>RESERVES</b>	
Reacquired Capital Stock	-	Reserves for Depreciation	1,276,879,046
Reacquired Bonds	-	Reserves for Amortization	93,737,846
Total Reacquired Securities	-	Reserve for Uncollectible Accounts	29,349,631
Total Assets and Other Debits	\$ 4,709,649,876	Operating Reserves	123,224,427
		Reserve for Depreciation and Amortization of Nonutility Property	-
		Reserves for Deferred Federal Income Taxes	647,129,048
		Total Reserves	2,170,319,998
		<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	
		Contributions in Aid of Construction	-
		Total Liabilities and Other Credits	\$ 4,709,649,876

NOTES:

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

December 31, 2014

<b>STATEMENT OF EARNED SURPLUS</b>		
<b>Item</b>	<b>Current Year (b)</b>	<b>Increase or (Decrease) from Preceding Year (c)</b>
Unappropriated Earned Surplus (at beginning of period)	\$ 309,001,243	\$ 45,589,716
Balance Transferred from Income	51,331,258	5,741,542
Miscellaneous Credits to Surplus	-	-
Miscellaneous Debits to Surplus	-	-
Appropriations of Surplus	-	-
Net Additions to Earned Surplus	51,331,258	5,741,542
Dividends Declared - - Preferred Stock	-	-
Dividends Declared - - Common Stock	-	-
Unappropriated Earned Surplus (at end of period)	\$ 360,332,501	\$ 51,331,258

<b>ELECTRIC OPERATING REVENUES</b>		
<b>Account</b>	<b>Operating Revenues</b>	
	<b>Amount For Year</b>	<b>Increase or (Decrease) from Preceding Year</b>
<b>SALES OF ELECTRICITY</b>		
Residential Sales		
Commercial and Industrial Sales		
Small (or Commercial)		
Large (or Industrial)		
Public Street and Highway Lighting		
Other Sales to Public Authorities		
Sales to Railroad and Railways		
Interdepartmental Sales		
Miscellaneous Electric Sales		
Total Sales to Ultimate Consumers		
Sales for Resale		
Total Sales of Electricity		
<b>OTHER OPERATING REVENUES</b>		
Forfeited Discounts		
Miscellaneous Service Revenues		
Sales of Water and Water Power		
Rent from Electric Property		
Interdepartmental Rents		
Other Electric Revenues		
Total Other Operating Revenues		
Total Electric Operating Revenues		

**SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES**

<b>Functional Classification</b>	<b>Operation</b>	<b>Maintenance</b>	<b>Total</b>
Power Production Expenses			
Electric Generation			
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			

# The Commonwealth of Massachusetts

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## ANNUAL 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,**

# 2014

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

}  
}

**Charles DeRosa**

Official title: **Vice President and Controller**

Office address: One MetroTech Center 12<sup>th</sup> FL  
Brooklyn, New York 11201

<b>GAS OPERATING REVENUES</b>		
Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
<b>SALES OF GAS</b>		
Residential Sales	\$ 783,971,424	\$ 97,948,329
Commercial and Industrial Sales		
Small (or Commercial)	144,621,222	25,685,714
Large (or Industrial)	118,832,179	32,732,759
Other Sales to Public Authorities	1,280,814	103,613
Interdepartmental Sales	-	-
Quasi-Firm Revenue	-	-
Miscellaneous Gas Sales (Unbilled Revenue)	-	-
Total Sales to Ultimate Consumers	1,048,705,639	156,470,415
Sales for Resale	106,693,731	(59,102,134)
Total Sales of Gas	1,155,399,370	97,368,280
<b>OTHER OPERATING REVENUES</b>		
Adjustments	-	-
Miscellaneous Service Revenues	515,900	(68,050)
Revenues from Transportation of Gas of Others	158,158,831	9,208,402
Sales of Products Extracted from Natural Gas	-	-
Revenues from Natural Gas Processed by Others	-	-
Rent from Gas Property	411,547	-
Interdepartmental Rents	-	-
Other Gas Revenues	(41,406,114)	(53,094,354)
Total Other Operating Revenues	117,680,164	(43,542,455)
Total Gas Operating Revenues	\$ 1,273,079,534	\$ 53,831,992

<b>SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES</b>				<b>4a</b>
Functional Classification	Operation	Maintenance	Total	
Steam Production				
Manufactured Gas Production	\$ 2,704	\$ 5,249	\$	7,953
Other Gas Supply Expenses	612,519,817	-		612,519,817
Total Production Expenses	612,522,521	5,249		612,527,770
Local Storage Expenses	1,881,264	(9,650,095)		(7,768,831)
Transmission and Distribution Expenses	61,996,679	58,827,884		120,824,563
Customer Accounts Expenses	130,660,777	-		130,660,777
Sales Expenses	2,156,779	-		2,156,779
Administrative and General Expenses	109,147,645	409,435		109,557,080
Total Gas Operation and Maintenance Expenses	\$ 918,365,665	\$ 49,592,473	\$	967,958,138

March 31, 2015, 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.

**Charles DeRosa**  
Vice President and Controller

Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

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## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

<b>GENERAL INFORMATION</b>			
PRINCIPAL AND SALARIED OFFICERS*			
Titles	Names	Addresses	Annual Salaries
President	(1) Reed, Marcy L.	Waltham, MA	\$92,856
Vice President & Chief Financial Officer	(2) Nigloschy, Stephen	Waltham, MA	\$11,069
Senior Vice President (Resigned 05/30/2014)	(3) Akley, William J.	Hicksville, NY	\$39,303
Senior Vice President	(4) Madej, James	Brooklyn, NY	\$29,581
Senior Vice President	(5) Owyang, Colin	Waltham, MA	\$26,863
Senior Vice President	(6) Warren, Cheryl	Albany, NY	\$34,526
Senior Vice President	(7) Jordan, Marie	Waltham, MA	\$58,618
Senior Vice President and Chief Procurement Officer (Resigned 05/31/2014)	(8) Schlaff, Raymond C.	Waltham, MA	\$16,457
<b><u>DIRECTORS*</u></b>			
<u>Names</u>	<u>Addresses</u>	<u>Fees Paid During Year</u>	
Reed, Marcy L.	Waltham, Massachusetts	No Fees Paid	
Nigloschy, Stephen	Waltham, Massachusetts	No Fees Paid	
Jordan, Marie	Waltham, Massachusetts	No Fees Paid	
<p>(1) Reed: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$92,856. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2014 thru 12-31-2014.</p> <p>(2) Nigloschy: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$11,609. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2014 thru 12-31-2014.</p> <p>(3) Akley: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$39,303. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2014 thru 12-31-2014.</p> <p>(4) Madej: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$29,581. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2014 thru 12-31-2014.</p> <p>(5) Owyang: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$26,863. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2014 thru 12-31-2014.</p> <p>(6) Warren: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$34,526. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2014 thru 12-31-2014.</p> <p>(7) Jordan: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$58,618. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2014 thru 12-31-2014.</p> <p>(8) Schlaff: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$16,457. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2014 thru 12-31-2014.</p>			
<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<br>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 12 <sup>th</sup> FL, 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<br>December 31 of the calendar year, 2014  |              |
|  |   | \$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 2014, the Company was charged \$193,136,619. by National Grid Corporate Services for services, which included: executive and administrative, corporate affairs, customer services, environmental services, financial services (including accounting, auditing, risk management, tax, treasury/finance), human resources, information technology, legal, materials management and purchasing, and strategic planning. |              |

## GENERAL INFORMATION - Continued

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

In Gas Property:

No Important Changes

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

<b>GENERAL INFORMATION - Continued</b>					
Names of the cities or towns in which the company supplies GAS with the number of customers' meters in each City or Town					
<b>NUMBER OF CUSTOMER METERS</b>					
<b>City or Town</b>	<b>Number of Customers</b>	<b>City or Town</b>	<b>Number of Customers</b>	<b>City or Town</b>	<b>Number of Customers</b>
Abington	3,378	Lynn	26,470	Wellesley	7,485
Acton	5,060	Lynnfield	2,975	Wenham	695
Amesbury	4,759	Malden	17,532	West Brookfield	434
Arlington	14,415	Manchester	1,684	West Newbury	150
Ayer	2,120	Marblehead	7,075	West Roxbury	8,574
Bedford	4,212	Medford	18,957	Westford	84
Belmont	8,550	Melrose	8,546	Weston	3,178
Beverly	10,129	Merrimac	1,795	Weymouth	11,943
Boston	24,424	Methuen	14	Whitman	3,599
Boxborough	521	Middleton	1,542	Wilmington	22
Boxford	1,387	Milton	7,340	Winchester	5,618
Braintree	8,755	Nahant	1,313	Winthrop	6,215
Brighton	19,075	Natick	41	Woburn	9,464
Brookfield	179	Needham	2		
Brookline	18,027	Newbury	439		
Burlington	5,747	Newburyport	6,969		
Byfield	228	Newton	27,006		
Carlisle	783	North Andover	303		
Charlestown	4,976	North Brookfield	642		
Chelsea	10,657	Norwood	9,654		
Clinton	3,240	Oxford	132		
Cohasset	2,127	Peabody	12,506		
Concord	4,412	Quincy	27,135		
Danvers	6,610	Reading	4,594		
Dorchester	47,066	Revere	13,947		
Dudley	1,060	Rockland	4,978		
East Boston	12,849	Rockport	125		
Essex	746	Roslindale	10,474		
Everett	14,611	Rowley	1,522		
Framingham	13	Roxbury	9,967		
Georgetown	2,038	Salem	14,119		
Gloucester	7,663	Salisbury	3,267		
Groton	1,095	Saugus	6,905		
Groveland	1,827	Shirley	662		
Hamilton	1,064	Somerville	9,243		
Hanson	12	South Boston	14,017		
Harvard	313	Southbridge	3,568		
Haverhill	21,174	Spencer	1,611		
Hingham	5,119	Stoneham	4,394		
Hull	4,709	Sudbury	4,064		
Ipswich	2,947	Swampscott	4,355		
Jamaica Plain	12,656	Topsfield	1,329		
Lancaster	349	Wakefield	90		
Leicester	168	Waltham	17,249		
Leominster	7,847	Warren	515		
Lexington	6,412	Watertown	13,004		
Lincoln	1,162	Wayland	3,295		
Littleton	1,447	Webster	3,063		
Lunenburg	630				
				<b>TOTAL</b>	<b>706,638</b>

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

<b>COMPARATIVE BALANCE SHEET Assets and Other Credits</b>				
<b>Line No.</b>	<b>Title of Account (a)</b>	<b>Balance Beginning of Year (b)</b>	<b>Balance End of Year (c)</b>	<b>Increase or (Decrease) (d)</b>
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-107) p. 13	\$ 3,378,243,029	\$ 3,687,766,505	\$ 309,523,476
3	<b>OTHER PROPERTY AND INVESTMENTS</b>			
4	Nonutility Property (121) P. 19	170,808	170,808	(0)
4a	Capitalized Leases, net	737,943	-	(737,943)
5	Investment in Associated Companies (123) P. 20	-	-	-
6	Other Investments (124) P.20	400	400	-
7	Special Funds (125, 126, 127, 128) P. 21	3,231,370	3,233,726	2,356
8	Total Other Property and Investments	4,140,522	3,404,934	(735,588)
9	<b>CURRENT AND ACCRUED ASSETS</b>			
10	Cash (131)	9,913,405	7,081,980	(2,831,425)
11	Special Deposits (132, 133, 134) P. 21	-	-	-
12	Working Funds (135)	-	-	-
13	Temporary Cash Investments (136) P. 20	-	-	-
14	Notes and Accounts Receivable (141, 142, 143) P. 22	165,479,781	169,959,748	4,479,967
15	Receivables from Assoc. Companies (145, 146) P. 23	20,498,313	98,441,350	77,943,037
16	Materials and Supplies (151-159, 163) P. 24	89,995,275	86,305,998	(3,689,277)
17	Prepayments (165) <sup>1</sup>	44,459,106	50,492,025	6,032,919
18	Interest and Dividends Receivable (171)	-	-	-
19	Rents Receivable (172)	-	-	-
20	Accrued Utility Revenues (173)	121,079,084	75,159,340	(45,919,744)
21	Misc. Current and Accrued Assets (174)	-	-	-
21A	Recoverable Fuel (175) <sup>2</sup>	174,538,029	171,703,724	(2,834,305)
22	Total Current and Accrued Assets	625,962,993	659,144,165	33,181,172
23	<b>DEFERRED DEBITS</b>			
24	Unamortized Debt Discount and Expense (181) P.26	5,265,247	4,963,574	(301,673)
25	Extraordinary Property Losses (182) P.27	-	-	-
26	Preliminary Survey and Investigation Charges (183)	-	(2,824)	(2,824)
27	Clearing Accounts (184)	117,870	366,965	249,095
28	Temporary Facilities (185)	367,083	-	(367,083)
29	Miscellaneous Deferred Debits (186) P. 27	253,724,304	354,006,557	100,282,253
30	Total Deferred Debits	259,474,504	359,334,272	99,859,768
31	<b>CAPITAL STOCK DISCOUNT AND EXPENSE</b>			
32	Discount on Capital Stock (191) P. 28	-	-	-
33	Capital Stock Expense (192) P. 28	-	-	-
34	Total Capital Stock Discount and Expense	-	-	-
35	<b>REACQUIRED SECURITIES</b>			
36	Reacquired Capital Stock (196)	-	-	-
37	Reacquired Bonds (197)	-	-	-
38	Total Reacquired Securities	-	-	-
39	Total Assets and Other Debits	\$ 4,267,821,048	\$ 4,709,649,876	\$ (441,828,828)

## NOTES:

1 - The prepayment represents the total prepaid tax amount.

2 - At December 31, 2014, the recoverable fuel includes \$131,999,560 of cost of gas adjustment clause and \$39,704,164 of local distribution adjustment factor.

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

<b>COMPARATIVE BALANCE SHEET Liabilities and Other Credits</b>				
<b>Line No.</b>	<b>Title of Account (a)</b>	<b>Balance Beginning of Year (b)</b>	<b>Balance End of Year (c)</b>	<b>Increase or (Decrease) (d)</b>
1	<b>PROPRIETARY CAPITAL</b>			
2	<b>CAPITAL STOCK</b>			
3	Common Stock Issued (201) P.29	\$ 51,418,400	\$ 51,418,400	\$ -
4	Preferred Stock Issued (204) P.29			-
5	Capital Stock Subscribed (202, 205)			-
6	Premium on Capital Stock (207) P.29	640,069	640,069	-
7	Total	52,058,469	52,058,469	0
8	<b>SURPLUS</b>			
9	Other Paid-In Capital (208-211) P.30	838,550,854	838,550,854	-
10	Earned Surplus (215,216) P.12	309,001,243	360,332,501	51,331,258
11	Other Comprehensive Income	76,206	73,442	(2,764)
12	Total	1,147,628,303	1,198,956,797	51,328,494
13	Total Proprietary Capital	1,199,686,772	1,251,015,266	51,328,494
14	<b>LONG-TERM DEBT</b>			
15	Bonds (221) P.31	638,000,000	631,000,000	(7,000,000)
16	Capital Lease Obligations (221)	737,943	-	(737,943)
17	Other Long-Term Debt (224) P.31	-	-	-
18	Total Long-Term Debt	638,737,943	631,000,000	(7,737,943)
19	<b>CURRENT AND ACCRUED LIABILITIES</b>			
20	Notes Payable (231) P.32	-	-	-
21	Accounts Payable (232)	90,991,961	38,267,695	(52,724,266)
22	Payables to Associated Companies (233,234) P.32	278,547,730	483,598,901	205,051,171
23	Customer Deposits (235)	3,569,219	3,239,913	(329,306)
24	Taxes Accrued (236)	-	-	-
25	Interest Accrued (237)	11,443,836	11,318,163	(125,673)
26	Dividends Declared (238)	-	-	-
27	Matured Long-Term Debt (239)	-	-	-
28	Tax Collections Payable (241)	928,643	1,167,060	238,417
29	Misc. Current & Accrued Liab. (242) P.33	16,865,695	45,531,832	28,666,137
30	Total Current & Accrued Liability	402,347,084	583,123,564	180,776,480
31	<b>DEFERRED CREDITS</b>			
32	Unamortized Premium on Debt (251) P.26			-
33	Customer Advances for Construction (252)	710,136	-	(710,136)
34	Other Deferred Credits (253) P.33	55,372,036	74,191,049	18,819,013
35	Total Deferred Credits	56,082,172	74,191,049	18,108,877
36	<b>RESERVES</b>			
37	Reserves for Depreciation (254-256) P.13	1,188,909,411	1,276,879,046	87,969,635
38	Reserves for Amortization (257-259) P.13	77,120,771	93,737,846	16,617,075
39	Reserve for Uncollectible Accounts (260)	21,248,428	29,349,631	8,101,203
40	Operating Reserves (261-265) P.35	143,067,647	123,224,427	(19,843,220)
41	Reserve for Depreciation and Amortization of Nonutility Property (266)	-	-	-
42	Reserve for Deferred Income Taxes (267, 268) P.36	540,620,821	647,129,048	106,508,227
43	Total Reserves	1,970,967,078	2,170,319,997	199,352,919
44	<b>CONTRIBUTION IN AID OF CONSTRUCTION</b>			
45	Contributions in Aid of Construction (271) P.36			-
46	Total Liabilities and Other Credits	\$ 4,267,821,048	\$ 4,709,649,876	\$ 441,828,828

## STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a)	Current Year (b)	Prior Year (c)	Increase or (Decrease) from Preceding Year (d)
1	<b>OPERATING INCOME</b>			
2	Operating Revenues (400) P. 37,43	\$ 1,273,079,534	\$ 1,219,247,542	\$ 53,831,992
3	Operating Expenses:			
4	Operating Expenses (401) P. 42,47	918,365,665	890,605,448	27,760,217
5	Maintenance Expense (402) P. 42,47	49,592,473	54,870,675	(5,278,202)
6	Depreciation Expense (403) P. 34	126,983,168	117,782,011	9,201,157
7	Amortization of Utility Plant (404 and 405)	801,755	3,490,396	(2,688,641)
8	Amortization of Investment Credit (406.0)	-	-	-
9	Amortization of Regulatory Expenses (407.3)	320,537	320,537	-
10	Taxes Other Than Income Taxes (408) P. 49	56,291,761	49,870,032	6,421,729
11	Income Taxes (409) P. 49	2,025,075	20,625,235	(18,600,160)
12	Provision for Deferred Income Taxes (410) P. 36	31,126,894	11,569,861	19,557,033
13	Income Taxes Deferred In Prior Years -- Cr. (411) P. 36	(24,916)	(2,619,889)	2,594,973
14	Total Operating Expenses	1,185,482,412	1,146,514,306	38,968,106
15	Net Operating Revenues	87,597,122	72,733,236	14,863,886
16	Income from Utility Plant Leased to Others			
17	Other Utility Operating Income (414) P. 50	-	-	-
18	Total Utility Operating Income	87,597,122	72,733,236	14,863,886
19	<b>OTHER INCOME</b>			
20	Income from Mdse. Jobbing & Contract Work (415) P. 51	-	-	-
21	Income from Nonutility Operations (417)	(2,882,286)	(1,822,271)	(1,060,015)
22	Nonoperating Rental Income (418)	-	-	-
23	Interest and Dividend Income (419)	812,531	3,803,948	(2,991,417)
24	Miscellaneous Nonoperating Income (421)	787,595	31,533	756,062
25	Total Other Income	(1,282,160)	2,013,210	(3,295,370)
26	Total Income	86,314,962	74,746,445	11,568,517
27	<b>MISCELLANEOUS INCOME DEDUCTIONS</b>			
28	Miscellaneous Amortization (425)	-	-	-
29	Other Income Deductions (426)	2,204,478	2,558,805	(354,327)
30	Total Income Deductions	2,204,478	2,558,805	(354,327)
31	Income Before Interest Charges	84,110,484	72,187,640	11,922,844
32	<b>INTEREST CHARGES</b>			
33	Interest on Long-Term Debt (427) P. 31	32,753,436	33,430,711	(677,275)
34	Amortization of Debt Disc. & Expense (428) P. 26	297,817	312,547	(14,730)
35	Amortization of Prem. on Debt - - Credit (429) P. 26	-	-	-
36	Int. on Debt to Associated Companies (430) P. 31, 32	279,249	387,372	(108,123)
37	Other Interest Expense (431)	(309,229)	(6,946,355)	6,637,126
38	Interest Charged to Construction - - Credit (432)	(242,047)	(586,350)	344,303
39	Total Interest Charges	32,779,226	26,597,925	6,181,301
40	Net Income	51,331,258	45,589,715	5,741,543
41	<b>EARNED SURPLUS</b>			
42	Unappropriated Earned Surplus (at beginning of period) (216)	309,001,243	263,411,527	45,589,716
43	Balance Transferred from Income (433)	51,331,258	45,589,716	5,741,542
44	Miscellaneous Credits to Surplus (434)	-	-	-
45	Miscellaneous Debits to Surplus (435)	-	-	-
46	Appropriations of Surplus (436)	-	-	-
47	Net Additions to Earned Surplus	51,331,258	45,589,716	5,741,542
48	Dividends Declared - - Preferred Stock (437)			-
49	Dividends Declared - - Common Stock (438)			-
50	Unappropriated Earned Surplus (at end of period) (216)	\$ 360,332,501	\$ 309,001,243	\$ 51,331,258

**Annual Report of .....Boston Gas Company.....Year ended December 31, 2014**

STATEMENT OF INCOME FOR THE YEAR (CONTINUED)

Note:

None

**STATEMENT OF EARNED SURPLUS (Accounts 215-216)**

1. Report in this schedule an accounting for changes in appropriated and unappropriated earned surplus for the year.  
 2. Each credit and debit during the year should be identified as to the surplus account in which included (Accounts 433-438) inclusive and the contra primary account affected shown. Minor items may be grouped by classes, however, the number of items in each group should be shown.  
 3. For each reservation of appropriation of earned surplus state the purpose, amount, and in the case

of reservations, the reserve account credited. Explain in a footnote the basis for determining the amount reserved or appropriated and if such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.  
 4. Dividends should be shown for each class and series of capital stock. Show amounts of dividends per share.  
 5. List credits first; then debits.

Line No.	Item (a)	Contra Primary Account Affected (b)	(c)
<b>UNAPPROPRIATED EARNED SURPLUS (Account 216)</b>			
1			
2	Balance - - Beginning of year		\$ 309,001,243
3	Charges: (identify by prescribed earned surplus accounts)		
4	Transfer from income (loss)		51,331,258
5			
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		\$ 360,332,501
<b>APPROPRIATED EARNED SURPLUS (Account 215)</b>			
28			
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 of .....Boston Gas Company.....Year ended December 31, 2014

<b>SUMMARY OF UTILITY PLANT AND RESERVES FOR DEPRECIATION AND AMORTIZATION</b>							
Line No.		Total (b)	Electric (c)	Gas (d)	(e)	(f)	Common (g)
1	<b>UTILITY PLANT</b>						
2	In Service:						
3	101 Plant in Service (Classified)	\$3,262,285,728		\$3,262,285,728			
4	106 Completed Construction not Classified	\$349,276,264		\$349,276,264			
5	Total P. 16, 18	\$3,611,561,992		\$3,611,561,992			
6	104 Leased to Others						
7	105 Held for Future Use	\$515,704		\$515,704			
8	107 Construction Work in Progress	\$75,688,809		\$75,688,809			
9	Total Utility Plant	\$3,687,766,505		\$3,687,766,505			
10	<b>DETAIL OF RESERVES FOR DEPRECIATION AND AMORTIZATION</b>						
11	In Service:						
12	254 Depreciation P. 34	\$1,276,879,046		\$1,276,879,046			
13	257 Amortization	\$93,737,846		93,737,846			
14	Total, in Service	\$1,370,616,892		\$1,370,616,892			
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	\$1,370,616,892		\$1,370,616,892			

## UTILITY PLANT - GAS

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

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

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

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)
1	<b>1. INTANGIBLE PLANT</b>						
2	301 Organization						
3	303 Miscellaneous Intangible Plant	\$ 75,722,747	-	\$ -	\$ 2	\$ -	\$ 75,722,749
3a	303 Goodwill	396,321,766					\$ 396,321,766
4	Total Intangible Plant	472,044,513	-	-	2	-	472,044,515
5	<b>2. PRODUCTION PLANT</b>						
6	Manufactured Gas Production Plant						
7	304 Land and Land Rights	618,826	-	-	-	-	618,826
8	305 Structures and Improvements	5,632,168	288,390	-	730,627	-	6,651,185
9	306 Boiler Plant Equipment	790,869	-	-	-	-	790,869
10	307 Other Power Equipment	945,276	-	-	-	-	945,276
11	310 Water Gas Generating Equipment	-	-	-	-	-	-
12	311 Liquefied Petroleum Gas Equipment	7,925,540	26,007	-	1	-	7,951,548
13	312 Oil Gas Generating Equipment	-	-	-	-	-	-
14	313 Generating Equipment - - Other Processes & LNG Equipment	-	-	-	-	-	-
15	315 Catalytic Cracking Equipment	-	-	-	-	-	-
16	316 Other Reforming Equipment	6,991,698	207,945	(424,318)	-	-	6,775,325
17	317 Purification Equipment	-	-	-	-	-	-
18	318 Residual Refining Equipment	-	-	-	-	-	-
19	319 Gas Mixing Equipment	1,200,671	58,542	-	(1)	-	1,259,212
19	320 Other Equipment	8,044,320	3,347,091	-	12,333,948	-	23,725,359
20	339 PRD Prod-ARO	1,331	-	-	1	-	1,332
21	Total Manufactured Gas Production Plant	32,150,700	3,927,975	(424,318)	13,064,576	-	48,718,933
22	<b>3. STORAGE PLANT</b>						
23	360 Land and Land Rights	2,397,883	-	-	-	-	2,397,883
24	361 Structures and Improvements	17,946,476	1,323,615	-	(13,182,092)	-	6,087,999
25	362 Gas Holders	8,478,970	6,001,829	-	14,833,921	-	29,314,720
26	363 Other Equipment	789,920	-	-	-	-	789,920
27	363.6 Sto-Other Equip ARO	402	-	-	-	-	402
27	Total Storage Plant	29,613,650	7,325,444	-	1,651,829	-	38,590,923

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

UTILITY PLANT - GAS (Continued)							
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)
1	<b>4. TRANSMISSION AND DISTRIBUTION PLANT</b>						
2	365.1 Land and Land Rights	832,463	-	-	(1)	-	832,462
3	365.2 Rights-of-Way	211,167	-	-	-	-	211,167
4	366 Structures and Improvements	7,590,213	27,528	(6,695)	1	-	7,611,047
5	367 Mains	1,422,783,273	194,706,082	(3,979,977)	1	-	1,613,509,379
6	368 Compressor Station Equipment	-	-	-	-	-	-
7	369 Measuring and Regulating Station Equipment	48,811,701	8,997,154	(80,775)	(1)	-	57,728,079
8	372 T&D-AROs	1,841,093	-	-	1	-	1,841,094
9	380 Services	1,052,486,490	63,352,502	(13,329,231)	(5)	-	1,102,509,756
10	381 Meters	139,597,940	11,325,136	(5,011,382)	5,275,061	-	151,186,755
11	382 Meter Installations	28,353,460	10,312,999	(65,521)	2	-	38,600,940
12	383 House Regulators	435,521	-	-	-	-	435,521
13	386 Other Property on Cust's Prem	1,001,580	-	-	-	-	1,001,580
14	387 Other Equipment	10,927,327	77,595	-	1	-	11,004,923
15	388 T&D-AROs	55,788	-	-	-	-	55,788
	Total Transmission and Distribution Plant	2,714,928,016	288,798,996	(22,473,581)	5,275,060	-	2,986,528,491
	<b>5. GENERAL PLANT</b>						
16	389 Land-Land Rights	153,225	-	-	-	-	153,225
17	390 Structures and Improvements	28,354,942	1,355,099	(476,274)	117,518	-	29,351,285
18	391 Office Furniture and Equipment	8,884,752	115,177	(51,390)	2	-	8,948,541
19	392 Transportation Equipment	30,721	-	-	-	-	30,721
20	393 Stores Equipment	697,406	-	-	(1)	-	697,405
21	394 Tools, Shop and Garage Equipment	14,235,970	1,898,608	-	-	-	16,134,578
22	395 Laboratory Equipment	4,320	-	-	-	-	4,320
23	396 Power Operated Equipment	238,315	-	-	-	-	238,315
24	397 Communication Equipment	2,262,044	57,128	-	-	-	2,319,172
25	398 Miscellaneous Equipment	7,644,913	142,934	-	-	-	7,787,847
26	399 Gen-ARO's	15,793	-	(2,070)	(2)	-	13,721
27	Total General Plant	62,522,401	3,568,946	(529,734)	117,517	-	65,679,130
28	Total Gas Plant in Service	3,311,259,281	303,621,361	(23,427,632)	20,108,984	-	3,611,561,994
29	104 Utility Plant Leased to Others	-	-	-	-	-	-
	<b>Sub Total</b>						
30	105 Property Held for Future Use	515,704	-	-	-	-	515,704
31	107 Construction Work in Progress	66,468,044	312,842,126	-	(303,621,361)	-	75,688,809
32	Total Utility Plant -- Gas	\$ 3,378,243,029	\$ 616,463,487	\$ (23,427,632)	\$ (283,512,377)	\$ -	\$ 3,687,766,507

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

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

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

**Annual Report of .....Boston Gas Company.....Year ended December 31, 2014**

**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	385,572	46,650	338,922
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					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTALS	\$170,808	\$385,572	\$64,662	\$320,910

Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

**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		
3	Account 124 - Other Investments	
4	Bond - Haverhill Golf & Country Club	250
5	Other	150
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
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17		
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35		
36		
37		
38		
39		
40		
41		
42		
43		
44	TOTAL	\$ 400

Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

<b>SPECIAL FUNDS (Accounts 125, 126, 127, 128)</b>		
(Sinking Funds, Depreciation Fund, Amortization Fund-Federal, Other Special Fund)		
Report below the balance at end of year of each special fund maintained during year. Identify each fund as to account in which included. Indicate nature of any fund included in Account 128 Other Special Funds		
Line No.	Name of Fund and Trustee If Any (a)	Balance End of Year (b)
1	Cushion Gas - Underground Storage (Account 128)	\$ 687,522
2	Other Special Funds	
3	Employee Stock Ownership and Compensation Plan	\$2,546,204
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19	TOTAL	\$ 3,233,726

<b>SPECIAL DEPOSITS (Accounts 132, 133, 134)</b>		
1. Report below the amount of special deposits by classes at end of year.		
2. If any deposit consists of assets other than cash, give a brief description of such assets.		
3. If any deposit is held by an associated company, give name of company.		
Line No.	Description and Purpose of Deposit (a)	Balance End of Year (b)
20	Interest Special Deposits (Account 132)	\$ -
21	Dividend Special Deposits (Account 133)	-
22		
23	Other Special Deposits (Account 134):	-
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	\$ -

Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

**NOTES RECEIVABLE (Account 141)**

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

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					
2					
3					
4					
5					
6					
7					
8	NONE				
9					
10					
11					
12					
13					
14					
15					
16					
17					
18	TOTAL				

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

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

Line No.	Description (a)	Amount End of Year (b)
19	Customer Accounts Receivable (Account 142)	\$ 157,032,249
20		
21	Other Accounts Receivable (Account 143)	
22	Gas Sale for Resale	6,201,886
23	Employee Appliance Purchase	(79,971)
24	Other Customer Billing	6,404,929
25	Receivable from Boston Public Schools	400,655
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
TOTAL		\$ 169,959,748

Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

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

- |  |   |
|--|---|
| <p>1. Report particulars of notes and accounts receivable from associated companies at end of year.</p> <p>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.</p> <p>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.</p> | <p>4. If any note was received in satisfaction of open account, state the period covered by such.</p> <p>5. Include in column (d) interest recorded as income during the year, including interest on accounts and notes held any time during the year.</p> <p>6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.</p> |
|--|---|

Line No.	Name of Company (a)	Amount End of Year (b)	Interest for Year	
			Rate (c)	Amount (d)
1	Accounts Receivable from Associated Companies*:			-
2	<i>KeySpan Corporation</i>	\$58,070,049		
3	<i>NGUSA Service Company</i>	19,601,452		
4	<i>Colonial Gas Company</i>	12,620,162		
5	<i>Other</i>	8,149,687		
6				
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35				
36	TOTALS	\$ 98,441,350		-

\* These receivables from associated companies do not bear interest.



## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

**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)		\$ -
2	Supplemental Fuel Stock		70,764,828
3	Residuals (Account 153)		-
4	Plant Materials and Operating Supplies (Account 154)		15,541,170
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		\$ 86,305,998

Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

<b>PRODUCTION FUEL AND OIL STOCKS (Included in Account 151)</b>						
(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	<b>NONE</b>				
2	Received During Year					
3	Other charges					
4	TOTAL					
5	Used During Year (Note A)					
6	Liquid Propane					
7	SNG					
8	Fuel					
9						
10	Sold or Transferred					
11	TOTAL DISPOSED OF					
12	BALANCE END OF YEAR					
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	<b>NONE</b>				
14	Received During Year					
15	TOTAL					
16	Used During Year (Note A)					
17						
18						
19	Sold or Transferred					
20	TOTAL DISPOSED OF					
21	BALANCE END OF YEAR					

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

Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

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

- |  |   |   |
|--|---|---|
| <p>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.</p> <p>2. Show premium amounts by enclosure in parentheses.</p> <p>3. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> | <p>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.</p> <p>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.</p> | <p>6. Set out separately and identify undisposed amounts applicable to issues which were redeemed prior years.</p> <p>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.</p> |
|--|---|---|

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	Senior Unsecured Note								
2	4.487%	\$ 500,000,000	4,025,678	02-17-12	02-15-42	3,776,075		130,309	3,641,911
3	Medium-Term Notes								
4	2019 Series 8.97%	7,000,000	119,302	12-22-89	12-15-19	23,719	-	3,981	19,738
5	Medium-Term Notes								
6	2020 Series 9.75%	5,000,000	37,500	12-05-90	12-01-20	8,587	-	1,240	7,347
7	Medium-Term Notes								
8	2021 Series 9.05%	15,000,000	112,500	09-06-91	09-01-21	28,694	-	3,739	24,955
9	Medium - Term Notes								
10	2022 Series 8.33%	10,000,000	75,000	07-10-92	07-05-22	21,238	-	2,494	18,744
11	Medium - Term Notes								
12	2018 Series 8.33%	10,000,000	75,000	07-10-92	07-10-18	13,005	-	2,873	10,132
13	Medium - Term Notes								
14	2017 Series 8.33%	8,000,000	60,000	07-10-92	07-10-17	8,009	-	2,271	5,738
15	Medium-Term Notes								
16	2019 Series 6.93%	10,000,000	75,000	01-20-94	01-15-19	15,083	-	2,990	12,093
17	Medium-Term Notes								
18	2024 Series 6.98%	6,000,000	45,000	01-20-94	01-15-24	15,032	-	1,496	13,536
19	Medium-Term Notes								
20	2016 Series 6.93%	5,000,000	37,500	01-18-94	01-15-16	3,465	-	1,698	1,767
21	Medium-Term Notes								
22	2014 Series 6.93%	5,000,000	37,500	01-18-94	01-15-14	77	-	77	-
23	Medium-Term Notes								
24	2016 Series 6.93%	10,000,000	143,983	01-18-94	04-01-16	14,870	-	6,603	8,267
25	Medium-Term Notes								
26	2014 Series 8.50%	2,000,000	11,000	10-25-94	10-24-14	450	-	450	-
27									
28	SUBTOTAL see page 26 a.	\$ 593,000,000	\$ 4,854,963			\$ 3,928,304	\$ -	\$ 160,221	\$ 3,764,227

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

- |  |   |   |
|--|---|---|
| <p>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.</p> <p>2. Show premium amounts by enclosure in parentheses.</p> <p>3. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> | <p>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.</p> <p>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.</p> | <p>6. Set out separately and identify undisposed amounts applicable to issues which were redeemed prior years.</p> <p>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.</p> |
|--|---|---|

Line No.	Designation of Long-Term Debt (a)	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	2025 Series 7.25%	\$ 20,000,000	\$ 1,699,499	10-03-95	10-01-25	\$ 670,778	-	\$ 57,044	\$ 613,734
31	Medium-Term Notes								
32	2025 Series 7.25%	5,000,000	424,646	10-03-95	10-01-25	167,604	-	14,253	153,351
33	Medium-Term Notes								
34	2015 Series 7.10%	5,000,000	423,397	10-11-95	10-15-15	38,267	-	21,391	16,876
35	Medium - Term Notes								
36	2023 Series 6.95%	10,000,000	849,750	12-01-95	12-02-23	300,579	-	30,290	270,289
37	Medium - Term Notes								
38	2024 Series 6.95%	5,000,000	423,397	12-05-95	12-01-24	159,715	-	14,618	145,097
39									
40									-
41									-
42									
43									
44									
45									
46									
47									
48									
49									
50	SUBTOTALS FROM PAGE 26	593,000,000	4,854,963			3,928,304	-	160,221	3,764,227
51									
52	TOTALS	\$ 638,000,000	\$ 8,675,652			\$ 5,265,247	\$ -	\$ 297,817	\$ 4,963,574

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

<b>EXTRAORDINARY PROPERTY LOSSES (Account 182)</b>						
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	<b>None</b>					
2						
3						
4						
5						
6						
7						
8						
9						
10		TOTALS				
<b>MISCELLANEOUS DEFERRED DEBITS (Account 186)</b>						
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	Deferred Environmental	\$ 46,083,407	\$ 47,495,901	265	\$ 51,671,084	\$ 41,908,224
12	Deferred Rate Case Expenses	908,189	-	928, 407.3	320,537	587,652
13	Deferred Transition Obligation	-	-	926	-	-
14	Deferred Carrying Cost	(5,419,648)	28,062,757	431	22,643,109	-
15	Pension and other post-employment benefit					
16	True-ups	(1,132,437)	1,132,437	926.5, 926.7		-
17	Accrued Unfunded Post Retirement	87,255,046	139,052,089	228,926.5, 926.7	161,890,917	64,416,218
18	Environmental Recoveries	14,371,166	21,103,946	232, 131, 175	17,968,119	17,506,993
19	Deferred Derivatives	9,123,454	78,352,076	143, 232, 242, 253, 254, 495	52,277,676	35,197,854
20				253, 282, 283, 409,		
21	Deferred Income Tax			410	340,221,679	165,267,722
22		107,126,326	398,363,075	495,419,232		(350,639)
23	Deferred Miscellaneous	(1,090,396)	739,757	495	-	-
24	Capital Tracker	-		495	-	-
25	Revenue Decoupling Mechanism	(18,128,737)	126,268,899	495	94,212,434	13,927,728
26	Asset Retirement Obligation	14,627,934	916,871	419	-	15,544,805
27						
28						
29						
30						
	TOTALS	\$ 253,724,304	\$ 841,487,808		\$ 741,205,555	\$ 354,006,557

**Annual Report of .....Boston Gas Company.....Year ended December 31, 2014**

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

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

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

2. If any change occurred during the year in the

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

**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		
16		
17		
18		
19		
20		
21		
22		
23		
24	NONE	
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36	TOTAL	

**Annual Report of .....Boston Gas Company.....Year ended December 31, 2014**

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

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

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

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

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

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

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

Line No.	Class and Series of Stock (a)	Number of Shares Authorized (b)	Par Value per Share (c)	Outstanding per Balance Sheet*			Premium at End of Year (g)
				Amount Authorized (d)	Shares (e)	Amount (f)	
1							
2							
3							
4	Capital Stock - Common Stock	514,184	\$ 100	\$ 51,418,400	514,184	\$ 51,418,400	\$ 640,069
5							
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15							
16							
17							
18							
19							
20	TOTALS	514,184		\$ 51,418,400	514,184	\$ 51,418,400	\$ 640,069

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

Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

**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	Donations Received from Stockholders (208)	\$ 16,087,517
3	Gain on Capital Stock (210)	(2,475,015)
4	Other Paid In Capital (211)	824,938,352
5		
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35		
36		
37	<b>TOTAL</b>	<b>\$ 838,550,854</b>



## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

<b>LONG-TERM DEBT (Accounts 221, 223-224)</b>									
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	Senior Unsecured Note	02-17-12	02-15-42	500,000,000	500,000,000	4.487	4/1, 10/1	22,435,000	22,435,000
4	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
5	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
6	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
7	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
8	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
9	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
10	Medium-Term Note - 2014 Series	01-18-94	01-15-14	5,000,000	0	6.93	4/1, 10/1	13,475	100,100
11	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
12	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
13	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
14	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
15	Medium-Term Note - 2014 Series	10-25-94	01-24-14	2,000,000	0	8.50	4/1, 10/1	138,361	180,861
16	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
17	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
18	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
19	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
20	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
21									
22									
23									
24									
25									
26									
27									
28		TOTALS		638,000,000	631,000,000			32,753,436	32,882,561
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 of .....Boston Gas Company.....Year ended December 31, 2014

<b>NOTES PAYABLE (Account 231)</b>					
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	NONE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13	TOTAL				
<b>PAYABLES TO ASSOCIATED COMPANIES (Accounts 233, 234)</b>					
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	Payable to Regulated Money Pool*	306,842,433	0.27%	279,249	
15					
16	Accounts Payable to Associated Companies**	104,727,409			
17					
18					
19					
20					
21	NGUSA Service Company	43,194,400			
22	KeySpan Corporation	16,363,464			
23	Colonial Gas Company	12,471,195			
24	Other				
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
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41					
42					
43					
44					
45					
46					
47					
48	TOTALS	\$483,598,901		\$279,249	

\* The average rate on intercompany borrowings from the Regulated Money Pool was 0.27% during 2014.

\*\* These accounts payable to associated companies do not bear interest.

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

**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 Payroll	\$ 657,686
4	Accrued Miscellaneous	4,486,853
5	Accrued Vacation	5,599,325
6	Accrued Incentive Compensation	2,287,869
7	Accrued Regulatory Commission	970,982
8	Accrued Benefits	1,785,557
9	Short-Term Derivative Liability	29,743,560
10		
11		
12	<b>TOTAL</b>	<b>\$ 45,531,832</b>

**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	\$ 2,694,445	408-409		656,086	\$ 3,350,531
14	Miscellaneous Deferred Credits	2,528,528	142	2,436,512	2,569,572	2,661,588
15	Deferred Post Retirement	1,523,659	926	2,129,455	12,744,631	12,138,835
16	Derivatives	7,957,793	186	20,898,010	18,394,510	5,454,293
17	Asset Retirement Obligation	15,285,309		37,849	916,871	16,164,331
18	Investment Tax Credit Post-1970	24,916	236	24,916		-
19	Deferred Profit Off System Sales	25,357,386	495	82,628,000	89,615,263	32,344,649
20	Deferred Sales Tax	0			2,076,822	2,076,822
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35	<b>TOTALS</b>	<b>\$ 55,372,036</b>		<b>\$ 108,154,742</b>	<b>\$ 126,973,755</b>	<b>\$ 74,191,049</b>

**Annual Report of .....Boston Gas Company.....Year ended December 31, 2014**

<b>RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)</b>				
Show below the amount credited during the year to Depreciation Reserve, and the amount charged to Depreciation Reserve on account of property retired. Also the balance in the account at the end of the year.				
Line No.	(a)	Electric (b)	Gas (c)	Total (d)
1				
2	Balance at beginning of the Year		\$1,188,909,411	\$1,188,909,411
3	Credits to Depreciation Reserve during year:			
4	Account 403 Depreciation		126,983,168	\$126,983,168
5				
6				
7	Other Accounts (Rental Equipment)			
8	TOTAL CREDITS DURING YEAR		\$126,983,168	\$126,983,168
9	Net Charges for Plant Retired:			
10	Book Cost of Plant Retired		\$23,427,632	\$23,427,632
11	Cost of Removal		15,585,901	15,585,901
12	Salvage (Credit)		0	0
13				
14				
15				
16	Other Adjustment Entries		0	0
17	NET CHARGES DURING YEAR		39,013,533	\$39,013,533
18	Balance December 31		\$1,276,879,046	\$1,276,879,046

<b>METHOD OF DETERMINATION OF DEPRECIATION CHARGES</b>				
Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.				
15	Depreciation -	\$126,983,168		
16	The Composite Depreciation Rate as a Percentage of the Average Depreciable Property in Service was -		3.66%	
17	Taken for Federal Income Taxes		\$135,615,691	
18				
19				
20				

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

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

**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	Workers Compensation Reserve	\$ 1,319,683	\$ 66,688,237	\$ 66,703,784	925, 131	\$ 1,304,136
4	Injuries & Damages Reserve (includes Gen, Auto and OCIP)	1,274,946	3,219,906,020	3,218,125,559	926, 131	3,055,407
5	Incurred but not reported (IBNR)	11,906,126	107,342,067	108,130,917	925	11,117,276
6						
7						
8	Account 263:					
9						
10	Pensions	6,794,278	1,967,843	44,072,714	926, 131	(35,310,593)
11	Other Post Employment Benefits Reserve	73,805,805	34,531,186	10,190,943	926, 131	98,146,048
12						
13						
14						
15						
16	Account 265:					
17	Environmental Reserve	47,966,809	12,820,548	15,875,204	186	44,912,153
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35	TOTALS	\$ 143,067,647	\$ 3,443,255,901	\$ 3,463,099,121		\$ 123,224,427

<b>RESERVES FOR DEFERRED FEDERAL INCOME TAXES (Accounts 267, 268)</b>					
1. Report the information called for below concerning the respondent's accounting for deferred federal income taxes.		(b) Liberalized Depreciation - - State the general method or methods of liberalized depreciation being used (sum-of-years digits, declining balance, etc.), estimated useful lives and classes of plant to which each method is being applied. Furnish a table showing for each year, 1954 to date of this report, the annual amounts of tax deferral, the total debits thereto which have been accounted for as credits to Acct. 411, Federal Income Taxes Deferred in Prior Years - - Credit or comparable account of the previous system of accounts.			
2. In the space provided furnish significant explanations, including the following:					
(a) Accelerated Amortization - - State for each certification number a brief description of property, total and amortizable cost of such property, date amortization for tax purposes commenced, "normal" depreciation rate used in computing deferred tax amounts.					
Line No.	Account Subdivisions (a)	Balance Beginning of Year (b)	Changes During Year		Balance End of Year (e)
			Amts. Debited Account 410 <sup>(1)</sup> (c)	Amts. Credited Account 411 <sup>(2)</sup> (d)	
1	Accelerated Amortization				
2	(Account 267)				
3	Electric				
4	Gas	\$ -	\$ -	\$ -	\$ -
5	Other (Specify)				
6	Totals	-	-	-	-
7					
8	Liberalized Depreciation				
9	(Account 268)				
10	Electric				
11	Gas	525,396,130	51,994,351		577,390,481
12	Prov Deferred Merger Cost				
13	Trueup and Other				-
14	Totals	525,396,130	51,994,351	-	577,390,481
15	Total (Accounts 267, 268)				
16	Electric				
17	Gas	525,396,130	51,994,351	-	577,390,481
18	Prov Deferred Merger Cost				
19	Trueup and Other	-	-	-	-
20	Totals	\$ 525,396,130	\$ 51,994,351	\$ -	\$ 577,390,481
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				
	(2) Account 411, Federal Income Taxes Deferred in Prior Years - - Credit				

<b>CONTRIBUTIONS IN AID OF CONSTRUCTION (Account 271)</b>						
Report below the amount of contributions in aid of construction applicable to each utility department.						
Line No.	Class of Utility Service (a)	Balance Beginning of Year (b)	Debits		Credits (e)	Balance End of Year (f)
			Account Credited (c)	Amount (d)		
23	CONTRIB-AID OF CONSTRUCTION			\$ -	\$ -	\$ -
24						
25	None					
26						
27						
28						
29						
30						
31						
32						
33						
34	TOTALS	\$ -	0	\$ -	\$ -	\$ -



## Annual Report of .....Boston Gas Company..... As of December 31, 2014

**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 (b)	Revenue (c)	Average Revenue per DTH (\$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	1,905,881	39,199,704	20.5678	100,112	98,899
4		R-2 Residential SSI Non-Heat	193,330	2,887,251	14.9343	5,902	5,725
5		R-31 Residential Heat	47,490,409	691,480,963	14.5604	477,530	488,830
6		R-32 Residential SSI Heat	4,611,646	50,403,507	10.9296	30,891	30,375
7							
8	481	G-17 Unmetered Gas Lamps	998	23,693	23.7307	10	10
9		G-41 Low Load - Small	4,076,748	60,121,521	14.7474	26,172	27,715
10		G-42 Low Load - Medium	3,828,818	49,629,643	12.9621	6,789	7,213
11		G-43 Low Load - Large	6,751,597	81,716,753	12.1033	3,981	4,218
12		G-44 Low Load - Extra Large	1,452,918	15,931,421	10.9651	236	339
13		G-51 High Load - Small	1,320,481	16,645,929	12.6060	6,342	6,153
14		G-52 High Load - Medium	1,583,326	18,200,436	11.4951	2,646	2,596
15		G-53 High Load - Large	1,376,414	15,447,932	11.2233	1,038	3,632
16		G-54 High Load - Extra Large	569,786	5,679,001	9.9669	36	55
17		G-55 High Load - Metered Demand / Essex	5,094	55,786	0.0000	-	1
18		G-62 Summer Load - Medium			0.0000		
19		G-63 Summer Load - Large			0.0000		
20		G-64 Summer Load-Extra Large			0.0000		
21		Non-Core, Special Contracts			0.0000	1	1
22		Interruptible (808)	346	1,285	3.7140	2	2
23							
24							
25		G-27 CNG Fuel	0	0	0.0000		
26		G-92 Special Contract	0	0	0.0000		
27							
28							
29							
30							
31	482	G-7 Street Lighting (807)	99,920	1,280,814	12.8184	8	8
32							
33							
34							
35							
36							
37							
38							
39	TOTAL SALES TO ULTIMATE						
40	CONSUMERS (Page 43 line 10)		75,267,712	1,048,705,639	\$13.9330	661,696	675,772



## Annual Report of .....Boston Gas Company..... As of December 31, 2014

REVENUES FROM TRANSPORTATION							
Report by account the M.C.F. sold, the amount derived and the number of customers under each filed schedule or contract. Municipal sales, contract sales and unbilled sales may be reported separately in total.							
Line No.	Acct. No.	Schedule (a)	DTH (b)	Revenue (c)	Average Revenue per DTH (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.	812,509	\$ 5,216,523	6.4203	1,982	1,953
5		G-42 Low-Load Firm Transp.	2,179,972	11,809,961	5.4175	2,138	2,145
6		G-43 Low-Load Firm Transp.	8,830,993	43,265,200	4.8992	3,189	3,190
7		G-44 Low-Load Firm Transp.	6,476,097	26,027,959	4.0191	797	714
8		G-51 High-Load Firm Transp.	413,820	2,183,876	5.2774	896	857
9		G-52 High-Load Firm Transp.	876,428	3,997,558	4.5612	789	746
10		G-53 High-Load Firm Transp.	2,421,235	10,247,344	4.2323	877	798
11		G-54 High-Load Firm Transp.	4,966,409	16,818,997	3.3866	254	232
12		G-55 High -Load Metered Demand- Essex	271,839	970,848	3.5714	9	7
13		G-61 Summer-Load Firm Transp.	-	-	0.0000	-	-
14		G-62 Summer-Load Firm Transp.	-	-	0.0000	-	-
15		G-63 Summer-Load Large Transp.	-	-	0.0000	-	-
16		G-64 Summer-Load Extra-Large Transp.	-	-	0.0000	-	-
17		G-81 Low-Load Firm.	2,712,176	4,484,111	1.6533	12	12
18		G-82 High-Load Firm	14,509,000	25,407,102	1.7511	105	96
19		G-83 Low-Load Firm Optional Svc.	59,074	(49,577)	-0.8392		
20		G-84 High-Load Firm Optional Svc.	168,135	831,167	4.9435		
21		Non-Firm Transportation	-	0	0		
22		R-1 Residential Non-Heat	11,282	134,795	11.9476	279	275
23		R-10 Interruptible Transport	-	0	0		
24		R-31 Residential Heat	419,179	2,989,681	7.1322	2,027	2,061
25		Broker (48900-005590 Broker Balance Charges)	-	0	0		
26		Special Contracts (82) 4810K-V882 and 48100-005182		3,823,286	0.0000		
27		Special Contracts (83)			0.0000	-	
28		Special Contracts (84)			0.0000		
		Total Revenues from Transportation of Gas for Others (Page 43, Line 16)	45,128,148	\$ 158,158,831	3.5047	13,354	13,086

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

**GAS OPERATION AND MAINTENANCE EXPENSES**

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

Line No.	Account (a)	Amount for Year (b)	Prior Year amount	Increase/(Decrease) from Preceding Year (c)
1	<b>PRODUCTION EXPENSE</b>			
2	<b>MANUFACTURED GAS PRODUCTION EXPENSES</b>			
3	<b>STEAM PRODUCTION</b>			
4	Operation:			
5	700 Operation supervision and engineering	\$ -	\$ -	\$ -
6	701 Operation labor	-	-	-
7	702 Boiler fuel	-	-	-
8	703 Miscellaneous steam expenses	-	-	-
9	704 Steam transferred - - Cr	-	-	-
10	Total operation	-	-	-
11	Maintenance:			
12	705 Maintenance supervision and engineering	-	-	-
13	706 Maintenance of structures and improvements	-	-	-
14	707 Maintenance of boiler plant equipment	-	-	-
15	708 Maintenance of other steam production plant	-	-	-
16	Total maintenance	-	-	-
17	Total steam production	-	-	-
18	<b>MANUFACTURED GAS PRODUCTION</b>			
19	Operation:			
20	710 Operation supervision and engineering	-	-	-
21	Production labor and expenses:			
22	711 Steam expenses	-	-	-
23	712 Other power expenses	-	-	-
24	715 Water gas generating expenses	-	-	-
25	716 Oil gas generating expenses	-	-	-
26	717 Liquefied petroleum gas expenses	-	-	-
27	718 Other process production expenses	-	-	-
28	Gas fuels:	2,704	1,562,395	(1,559,691)
29	721 Water gas generator fuel	-	-	-
30	722 Fuel for oil gas	-	-	-
31	723 Fuel for liquefied petroleum gas process	-	-	-
32	724 Other gas fuels	-	-	-
33	Gas raw materials:			
34	726 Oil for water gas	-	-	-
35	727 Oil for oil gas	-	-	-
36	728 Liquefied petroleum gas	-	1,567	(1,567)
37	729 Raw materials for other gas processes	-	-	-
38	730 Residuals expenses	-	-	-
39	731 Residuals produced - - Cr	-	-	-
40	732 Purification expenses	-	-	-
41	733 Gas mixing expenses	-	-	-
42	734 Duplicate charges - - Cr	-	-	-
43	735 Miscellaneous production expenses	-	-	-
44	736 Rents	-	-	-
45	Total operation	2,704	1,563,962	(1,561,258)
46	Maintenance:			
47	740 Maintenance supervision and engineering	-	-	-
48	741 Maintenance of structures and improvements	9	15,725	(15,716)
49	742 Maintenance of production equipment	5,240	516,503	(511,263)
50	Total maintenance	5,249	532,228	(526,979)
51	Total manufactured gas production	\$ 7,953	\$ 2,096,190	\$ (2,088,237)

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

<b>GAS OPERATION AND MAINTENANCE EXPENSES - - Continued</b>				
Line No.	Account (a)	Amount for Year (b)	Prior year amount	Increase/(Decrease) From Preceding Year (c)
1	<b>OTHER GAS SUPPLY EXPENSES</b>			
2	Operation:			
3	804 Natural gas city gate purchases	\$ 610,999,912	\$ 591,334,889	\$ 19,665,023
4	805 Other gas purchases	254,484	1,698,902	(1,444,418)
5	808-10 Liquified natural gas	66,760,354	55,055,186	11,705,168
6	808-20 Deferred cost of gas	(65,494,933)	(47,375,174)	(18,119,759)
7	812 Gas used for other utility operations - - Cr	-	-	-
8	813 Other gas supply expenses	-	25,000	(25,000)
9	814 Environmental Costs	-	1,028,865	(1,028,865)
10	815 Conservation & Load Management Expense	-	-	-
11				
12		612,519,817	601,767,668	10,752,149
13	Total production expenses	612,527,770	603,863,858	8,663,912
14	<b>LOCAL STORAGE EXPENSES</b>			
15	Operation:			
16	840 Operation supervision and engineering	-	-	-
17	841 Operation labor and expenses	1,881,264	1,748,171	133,093
18	842 Rents	-	-	-
19	Total operation	1,881,264	1,748,171	133,093
20	Maintenance:			
21	843 Maintenance supervision and engineering	-	-	-
22	844 Maintenance of structures and improvements	-	-	-
23	845 Maintenance of gas holders	-	-	-
24	846 Maintenance of other equipment	-	-	-
25	849 Joint Expenses-Credit	(9,650,095)	(10,566,017)	915,922
26	Total maintenance	(9,650,095)	(10,566,017)	915,922
27	Total storage expenses	(7,768,831)	(8,817,846)	1,049,015
28	<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>			
29	Operation:			
30	850 Operation supervision and engineering	1,225,976	3,136,984	(1,911,008)
31	851 System control and load dispatching	-	-	-
32	852 Communication system expenses	-	-	-
33	853 Compressor station labor and expenses	-	-	-
34	855 Fuel and power for compressor stations	-	-	-
35	857 Measuring and regulating station expenses	3,615,464	2,979,486	635,978
36	858 Transmission and compression of gas by others	-	-	-
37	860 Transmission Rents	-	-	-
38	874 Mains and services expenses	34,157,948	28,859,073	5,298,875
39	878 Meter and house regulator expenses	13,945,376	11,215,802	2,729,574
40	879 Customer installations expenses	2,734,179	5,193,570	(2,459,391)
41	880 Other expenses	6,315,877	3,234,823	3,081,054
42	881 Rents	1,859	-	1,859
43	882 Transportation expense	-	-	-
44	Total operation	61,996,679	54,619,737	7,376,942
45	Maintenance:			
46	885 Maintenance supervision and engineering	432,440	1,137,913	(705,473)
47	886 Maintenance of structures and improvements	-	-	-
48	887 Maintenance of mains	27,846,675	32,040,829	(4,194,154)
49	888 Maintenance of compressor station equipment	-	-	-
50	889 Maintenance of measuring and regulating station equipment	2,141,700	2,348,589	(206,889)
51	892 Maintenance of services	21,425,921	26,293,000	(4,867,079)
52	893 Maintenance of meters and house regulators	6,922,451	2,591,911	4,330,540
53	894 Maintenance of other equipment	58,697	243,602	(184,905)
54	Total maintenance	58,827,884	64,655,843	(5,827,959)
55	Total transmission and distribution expenses	\$ 120,824,563	\$ 119,275,580	\$ 1,548,983

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

<b>GAS OPERATION AND MAINTENANCE EXPENSES - - Continued</b>				
Line No.	Account (a)	Amount for Year (b)	Prior yr amount	Increase/(Decrease) from Preceding Year (c)
<b>CUSTOMER ACCOUNTS EXPENSES</b>				
1	Operation:			
2	901 Supervision	\$ 1,019,929	\$ 295,451	\$ 724,478
3	902 Meter reading expenses	5,580,584	2,437,606	3,142,978
4	903 Customer records and collection expenses	13,445,404	12,789,866	655,538
5	904 Uncollectible accounts	28,983,638	25,945,245	3,038,393
6	905 Miscellaneous customer accounts expenses	81,631,222	69,789,433	11,841,789
7	Total customer accounts expenses	130,660,777	111,257,602	19,403,175
<b>SALES EXPENSES</b>				
9	Operation:			
10	910 Miscellaneous Customer Service and Info Expense	-	-	-
10	911 Supervision	-	2,502	(2,502)
11	912 Demonstrating and selling expenses	1,801,438	3,434,556	(1,633,118)
12	913 Advertising expenses	688,315	101,999	586,316
13	916 Miscellaneous sales expenses	(332,974)	98,539	(431,513)
14	Total sales expenses	2,156,779	3,637,597	(1,480,818)
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>				
16	Operation:			
17	920 Administrative and general salaries	16,224,629	21,694,878	(5,470,249)
18	921 Office supplies and expenses	9,110,411	10,178,220	(1,067,809)
19	922 Administrative expenses transferred - - Cr	-	-	-
20	923 Outside services employed	16,651,389	12,693,960	3,957,429
21	924 Property Insurance	(532,682)	1,395,685	(1,928,367)
22	925 Injuries and damages	6,204,437	11,308,540	(5,104,103)
23	926 Employees pensions and benefits	45,457,642	44,281,057	1,176,585
24	927 Franchise Requirements	-	-	-
25	928 Regulatory commission expenses	1,812,494	2,321,162	(508,668)
26	929 Duplicate charges - - Cr	-	-	-
27	930 Miscellaneous general expenses	589,851	234,775	355,076
28	931 Rents	13,629,474	11,902,438	1,727,036
29	Total operation	109,147,645	116,010,716	(6,863,071)
30	Maintenance:			
31	932 Maintenance of general plant	409,435	248,622	160,813
32	Total administrative and general expenses	109,557,080	116,259,337	(6,702,257)
33	Total gas operation and maintenance expenses	\$ 967,958,138	\$ 945,476,128	\$ 22,482,010
<b>SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES</b>				
Line	Functional Classification (a)	Operation (b)	Maintenance (c)	Total (d)
34	Steam production	\$ -	\$ -	\$ -
35	Manufactured gas production	2,704	5,249	7,953
36	Other gas supply expenses	612,519,817	-	612,519,817
37	Total production expenses	612,522,521	5,249	612,527,770
38	Local storage expenses	1,881,264	(9,650,095)	(7,768,831)
39	Transmission and distribution expenses	61,996,679	58,827,884	120,824,563
40	Customer accounts expenses	130,660,777	-	130,660,777
41	Sales expenses	2,156,779	-	2,156,779
42	Administrative and general expenses	109,147,645	409,435	109,557,080
43	Total gas operation and maint. expenses.	\$ 918,365,665	\$ 49,592,473	\$ 967,958,138
44	Ratio of operating expenses to operating revenues (carry out decimal two places, e.g. : 0.00%)			86.10%
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			\$108,507,903
50	Total number of employees of gas department at end of year, including administrative,			
51	operating, maintenance, construction and other employees - National Grid Massachusetts.			558

**Annual Report of .....Boston Gas Company.....Year ended December 31, 2014**

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	26,510,363	4.02	106,693,731
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12	TOTALS		26,510,363		106,693,731

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

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

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

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

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

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

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	<b>Algonquin Gas Transmission</b>	Metered at Everett,			
2		Weston, Waltham,			
3		Braintree, Norwood,			
4		Wellesley, Milton,			
5		Waltham Polaroid, Mansfield,			
6		Medford & Potter Street			
7	Transportation and Capacity Costs				\$ 19,505,683
8	Other Charges				0
9	TOTAL ALGONQUIN		-		19,505,683
10	<b>Tennessee Gas Pipeline</b>	Metered at Leominster,			
11		Clinton, Southbridge,			
12		Spencer, Lynn, Acton,			
13		Lynnfield, Arlington,			
14		Burlington, Lexington,			
15		Reading, Revere, West			
16		Peabody, Beverly/Salem,			
17		& Gloucester			
18					
19	Transportation and Capacity Costs				51,368,483
20	Other Charges				0
21	TOTAL TENNESSEE		-		51,368,483
22	<b>Texas Eastern</b>				
23	Transportation and Capacity Costs				25,287,614
24	Other Charges				0
25	TOTAL TEXAS EASTERN		-		25,287,614
26	<b>Canadian</b>				
27					
28	Commodity Cost		461,159	5.94	2,741,241
29	Transportation and Capacity Costs				0
30	Other Charges				0
31	TOTAL CANADIAN		461,159		2,741,241
32					
33	<b>Direct Purchases</b>				
34					
35	Commodity Cost		106,173,048	4.66	494,661,135
36	Transportation and Capacity Costs				9,013,365
37	Other Charges				
38	TOTAL DIRECT PURCHASES		106,173,048		503,674,500
39					
40					
41	<b>Distrigas</b>	Metered at Everett			
42	Commodity Cost		-		
43	Capacity Costs				
44	TOTAL DISTRIGAS				0

Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

	(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					
2					
3	<b>Commonwealth Gas - Commodity</b>	Metered at customers'			
4		houses in Wellesley,			
5		Acton & Medford			
6					
7	Total Commodity Cost		106,634,207	4.66	497,402,376
8	Total Transportation & Capacity Costs				105,175,145
9	Total Other Charges				-
10					
11	Unbilled Gas Cost				(22,486,529)
12	Total Purchased Gas Cost		106,634,207		580,090,992
13	Net Change in Holder Gas *		(28,206,343)		(33,066,108)
14	Deferred Cost of Gas 808-20,21,23,29				65,494,933
15	<b>Purchased Gas Expense</b>		<b>78,427,865</b>		<b>612,519,817</b>
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 of .....Boston Gas Company.....Year ended December 31, 2014

**TAXES CHARGED DURING YEAR**

- |   |   |   |
|---|---|---|
| <p>1. This schedule is intended to give the account distribution of total taxes charged to operations and other final accounts during the year.</p> <p>2 Do not include gasoline and other sales taxes which have been charged to accounts to which the material on which the tax was levied was charged. If the actual or estimated amounts of such taxes are known, they should be shown as a footnote and designated whether estimated or actual amounts.</p> <p>3 The aggregate of each kind of tax should be</p> | <p>listed under the appropriate heading of "Federal," "State," and "Local" in such manner that the total tax for each State and for all subdivisions can readily be ascertained.</p> <p>4. The accounts to which the taxes charged were distributed should be shown in columns (c) to (h). Show both the utility department and number of account charged. For taxes charged to utility plant show the number of the appropriate balance sheet account or subaccount.</p> | <p>5. For any tax which it was necessary to apportion to more than one utility department or account, state in a footnote the basis for apportioning such tax.</p> <p>6. Do not include in this schedule entries with respect to deferred income taxes, or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> |
|---|---|---|

Line No.	Kind of Tax (a)	Total Taxes Charged During Year (omit cents) (b)	Distribution of Taxes Charged (omit cents) (Show utility department where applicable and account charged)						
			Gas Acct. 107 &/or Accts. 300-398(c)	Gas (Acct.408,409) (d)	Surplus Acct. (e)	Future Use (Acct 105) (f)	Taxes included in O&M (g)	Gas Acct. 418 (h)	Gas Acct. 419 (i)
1	Federal:								
2	Income	997,535		997,535					
3	Payroll	7,946,196		7,946,196					
4	Transportation/Fleet	0							
5	Excise	0							
6									
7	State:								
8	Income	1,027,540		1,027,540					
9	Use	747,654		747,654					
10	Payroll	472,580		472,580					
11	Fuel	42,164		42,164					
12									
13	Local:								
14	Excise	0							
15	Cities & Towns	47,083,167		47,083,167					
16									
<b>TOTALS</b>		<b>\$58,316,836</b>	<b>\$0</b>	<b>\$58,316,836</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

<b>OTHER UTILITY OPERATING INCOME (Account 414)</b>					
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	<b>NONE</b>				
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	<b>TOTALS</b>				

Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

<b>INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK (Account 415)</b>					
Report by utility department the revenues, costs, expenses, and net income from merchandising, jobbing, and contract work during year.					
Line No.	Item (a)	Electric Department (b)	Gas Department (c)	Other Utility Department (d)	Total (e)
1		<b>NONE</b>			
2					
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	TOTAL COSTS AND EXPENSES				
35	Net Profit (or Loss)				

## Annual Report of .....Boston Gas Company..... As of December 31, 2014

RECORD OF SENDOUT FOR THE YEAR IN DTH							
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	78,427,865	14,528,566	13,142,584	12,255,043	5,921,642	2,776,830
10	Other						
11	TOTAL	78,427,865	14,528,566	13,142,584	12,255,043	5,921,642	2,776,830
12	TOTAL MADE AND						
13	PURCHASED	78,427,865	14,528,566	13,142,584	12,255,043	5,921,642	2,776,830
14	Net Change in Holder						
15	Gas (1)	610,629	785,210	(24,658)	(26,936)	(19,178)	(13,514)
16	TOTAL SENDOUT	79,038,494	15,313,776	13,117,926	12,228,107	5,902,464	2,763,316
17	GAS TRANSPORTED	45,139,083	6,120,028	5,254,394	5,525,753	3,760,262	2,862,844
18	TOTAL THROUGHPUT	124,177,577	21,433,804	18,372,320	17,753,860	9,662,726	5,626,160
19							
20	Gas Sold	69,734,228	14,766,953	11,623,293	7,383,090	5,713,272	2,892,122
21	Gas Used by Company	17,990	1,746	2,973	3,195	1,773	1,464
22	Gas Transported	48,431,372	3,180,197	9,846,490	8,090,943	5,523,412	3,006,532
23	Gas Accounted for	118,183,589	17,948,896	21,472,756	15,477,228	11,238,458	5,900,118
24	Gas Unaccounted for (2)	5,993,988	3,484,908	(3,100,436)	2,276,631	(1,575,732)	(273,958)
25	% Unaccounted						
26	for (0.00%) (2)	4.83%					
27							
28							
29	<u>Sendout in 24 hours</u>						
30	<u>in DTH</u>						
31	Maximum - DTH		956,717	765,823	774,974	440,227	247,122
32	Maximum - Date		1/3/14	2/11/14	3/3/14	4/17/14	5/28/14
33	Minimum - DTH		313,377	397,676	313,245	167,226	135,389
34	Minimum - Date		1/11/14	2/22/14	3/28/14	4/14/14	5/26/14
35							
36							
37							
38							
39							
40	(1) Add Decreases in Holder Gas, Deduct Increases.						
41	(2) Includes unbilled gas sales						
42							

## Annual Report of .....Boston Gas Company..... As of December 31, 2014

RECORD OF SENDOUT FOR THE YEAR IN DTH (continued)							
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	1,998,539	1,549,026	1,612,272	1,800,861	3,436,677	8,293,193	11,112,630
10							
11	1,998,539	1,549,026	1,612,272	1,800,861	3,436,677	8,293,193	11,112,630
12							
13	1,998,539	1,549,026	1,612,272	1,800,861	3,436,677	8,293,193	11,112,630
14							
15	(21,224)	(17,081)	(17,945)	(11,352)	(14,938)	8,088	(15,841)
16	1,977,315	1,531,945	1,594,327	1,789,509	3,421,739	8,301,281	11,096,789
17	2,176,042	2,540,996	2,249,597	2,562,072	3,101,829	4,362,817	4,622,449
18	4,153,357	4,072,941	3,843,924	4,351,581	6,523,568	12,664,098	15,719,238
19							
20	1,903,903	1,661,897	1,477,035	1,963,446	3,201,686	7,097,879	10,049,651
21	869	811	1,171	890	865	1,131	1,101
22	2,624,875	2,919,047	4,284,444	3,138,626	(781,101)	6,082,413	515,495
23	4,529,648	4,581,755	5,762,650	5,102,960	2,421,451	13,181,423	10,566,246
24	(376,291)	(508,815)	(1,918,726)	(751,380)	4,102,118	(517,325)	5,152,992
25							
26							
27							
28							
29							
30							
31	154,173	186,137	126,682	179,577	278,706	593,517	668,886
32	06/05/2014	07/02/2014	08/14/2014	09/19/2014	10/31/2014	11/21/2014	12/30/2014
33	113,945	103,697	107,732	111,465	142,606	201,349	305,971
34	06/28/2014	07/26/2014	08/31/2014	09/06/2014	10/17/2014	11/24/2014	12/24/2014
35							
36							
37							
38							
39							
40							
41							
42							

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

GAS GENERATING PLANT			
Line No.	General Description--Location, Size, Type, etc.	No. of Sets	24 Hour Cap. (MCF)
1			
2			
3	-	-	
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22	<b>Liquefied Natural Gas:</b>		
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			
28	Haverhill Vaporization of LNG	2	38,500
29	116,000 Barrels of LNG		
30			
31	Lynn (Capitalized Lease) Vaporization of LNG	4	120,000
32	290,000 Barrels of LNG		
33			
34	Salem (Capitalized Lease) Vaporization of LNG	2	30,400
35	290,000 Barrels of LNG		
36	LNG Plant (leased)		
37	116,000 barrel tank	1	
38	Vaporizers	2	40,000
39	Pumps	2	30,000
40		1	36,000
41	Boil-off compressor	1	400
42			
43	Note: Vap. Capacity is determined by pump capacity 36,000 MCFD		
44			
45		<b>TOTAL</b>	<b>488,700</b>

Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

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				
4	Victory Rd., Dorchester	Gas				
5						
6						
7	LNG Vaporizer	Nat. Gas	300 Lbs @ 250 F	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						

Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

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 of .....Boston Gas Company.....Year ended December 31, 2014

**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.

Boston Gas						
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	<b><u>STREET MAINS - CAST IRON</u></b>					
2	3" &					
3	smaller	620,714	0	0	24,033	596,681
4	4"	3,929,088	0	0	161,258	3,767,830
5	5"	0	0	0	0	0
6	6"	4,488,813	0	0	146,273	4,342,540
7	8"	877,303	0	0	30,629	846,674
8	10"	332,275	0	0	3,378	328,897
9	12"	969,409	0	0	10,612	958,797
10	14"	6,252	0	0	0	6,252
11	16"	155,837	0	0	1,096	154,741
12	18"	16,890	0	0	0	16,890
13	20"	107,908	0	0	32	107,876
14	24"	180,174	0	0	45	180,129
15	30"	66,091	0	0	0	66,091
16	36"	63,980	0	0	0	63,980
17	42"	13,278	0	0	0	13,278
18	54"	1,004	0	0	0	1,004
19	Total	11,829,016	0	0	377,356	11,451,660
20						
21	<b><u>STREET MAINS - STEEL OR WROUGHT IRON</u></b>					
22						
23	2" &					
24	smaller	2,959,421	33	0	129,187	2,830,267
25	2 1/2"	19,581	0	0	0	19,581
26	3"	2,444,480	0	0	26,750	2,417,730
27	3 1/2"	278	0	0	0	278
28	4"	3,066,978	1,834	0	57,817	3,010,995
29	5"	12,694	0	0	800	11,894
30	6"	2,228,054	272	0	46,382	2,181,944
31	8"	856,686	1,801	0	16,793	841,694
32	10"	81,440	15	0	1,039	80,416
33	12"	991,970	2,516	0	1,065	993,421
34	14"	1,041	169	0	13	1,197
35	16"	202,661	1,151	0	2,231	201,581
36	18"	531	0	0	0	531
37	20"	106,637	420	0	184	106,873
38	24"	78,032	45	0	14	78,063
39	30"	14,611	0	0	0	14,611
40	36"	3,495	0	0	0	3,495
41	42"	1,542	0	0	0	1,542
	Total	13,070,132	8,256	0	282,275	12,796,113
	<b>SUB-TOTALS</b>	<b>24,899,148</b>	<b>8,256</b>	<b>0</b>	<b>659,631</b>	<b>24,247,773</b>
	Normal Operating Pressure - Mains and Lines - Maximum			Minimum		
	Normal Operating Pressure - Services - Maximum			Minimum		



## Annual Report of ...Boston Gas Company Company.....Year ended December 31, 2014

**TRANSMISSION AND DISTRIBUTION MAINS (continued)**

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	Boston Gas 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	<b>STREET MAINS - PLASTIC PIPE FUSED</b>					
2	2" &					
3	smaller	4,638,897	99,289	0	4,180	4,734,006
4	3" &					
5	smaller	274,959	75	0		275,034
6	4"	3,319,148	70,603	0	5,840	3,383,911
7	5"	118,225	0	0	0	118,225
8	6"	3,851,471	108,467	0	4,029	3,955,909
9	8"	1,796,893	51,907	0	734	1,848,066
10	10"	645		0	0	645
11	12"	68,571	11,482	0	0	80,053
12	16"	6,647	0	0	0	6,647
13	Total	14,075,455	341,823	0	14,783	14,402,495
14						
15						
16	<b>STREET MAINS - WELDED STEEL PIPE FUSED</b>					
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	16,560	13,218	0	0	29,778
30						
31						
32						
33						
34						
35						
36						
37						
38						
39	<b>GRAND TOTAL</b>	<b>40,868,746</b>	<b>363,297</b>	<b>0</b>	<b>674,414</b>	<b>40,557,629</b>
40	Normal Operating Pressure - Mains and Lines - Maximum 60 PSIG Minimum 4" W.C					
41	Normal Operating Pressure - Services - Maximum 60 PSIG Minimum 4" W.C.					
42						

## Annual Report of ....Boston Gas Company Company.....Year ended December 31, 2014

**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 - revised* .....	625,675		750,929
2	Additions during year:			
3	Purchased.....			53,212
4	Installed.....	13,734		
5	Associated with Plant acquired.....			
6	Total Additions.....	13,734		53,212
7	Reductions during year:			
8	Retirements.....	8,065		67,691
9	Associated with Plant sold.....			
10	Total Reductions.....	8,065		67,691
11	Number at end of year.....	631,344		736,450
	In Stock.....			27,000
12	On Customers' Premises--Inactive.....			22,981
13	On Customers' Premises--Active.....			686,469
14	In Company Use.....			0
15	Number at end of year.....			736,450
16				
17				
18	Number of Meters Tested by State Inspectors			
19	During Year.....			90,050
20				

\* The total number of meters as of December 31, 2014, was previously reported as 1,256,201. The revised number of total meters is 750,929.

**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.P.U. Number	Rate Schedule	Estimated Effect on Annual Revenues	
			Increases	Decreases
May 1, 2013	6.2	Residential Non-Heating Rate R-1		5%
May 1, 2013	7.2	Residential Assistance Non-Heating Rate R-2		6%
May 1, 2013	8.2	Residential Heating Rate R-3		10%
May 1, 2013	9.2	Residential Assistance Heating Rate R-4		9%
May 1, 2013	10.2	Commercial/Industrial, Small - Low Load Factor Rate G-41B		7%
May 1, 2013	11.2	Commercial/Industrial, Medium - Low Load Factor Rate G-42B		12%
May 1, 2013	12.2	Commercial/Industrial, Large - Low Load Factor Rate G-43B		16%
May 1, 2013	13.2	Commercial/Industrial, Extra Large - Low Load Factor Rate G-44B		19%
May 1, 2013	14.2	Commercial/Industrial, Small - High Load Factor Rate G-51B		10%
May 1, 2013	15.2	Commercial/Industrial, Medium - High Load Factor Rate G-52B		14%
May 1, 2013	16.2	Commercial/Industrial, Large - High Load Factor Rate G-53B		16%
May 1, 2013	17.2	Commercial/Industrial, Extra Large - High Load Factor Rate G-54B		25%
May 1, 2013	18.2	Commercial/Industrial, Small - Low Load Factor Rate G-41E		12%
May 1, 2013	19.2	Commercial/Industrial, Medium - Low Load Factor Rate G-42E		14%
May 1, 2013	20.2	Commercial/Industrial, Large - Low Load Factor Rate G-43E		19%
May 1, 2013	21.2	Commercial/Industrial, Small - High Load Factor Rate G-51E		13%
May 1, 2013	22.2	Commercial/Industrial, Medium - High Load Factor Rate G-52E		14%
May 1, 2013	23.2	Commercial/Industrial, Large - High Load Factor Rate G-53E		24%
Total				14%
Overall Average				11%

**Annual Report of .....Boston Gas Company.....Year ended December 31, 2014**

**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	\$ 82,575
3		
4		
5		
6		
7		
8		
9		
10		
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12		
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14		
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24		
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27		
28		
29		
30		
31		
32		
33	TOTAL	\$ 82,575

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2014

## 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		\$ 688,315
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
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23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42		TOTAL	\$ 688,315

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		\$ 3,239,913
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
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26		
27		
28		
29		
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35		
36		
37		
38		
39		
40	TOTAL	\$ 3,239,913

THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY

*Marcy Reed*

.....President

.....  
.....  
.....  
.....  
.....

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

Middlesex, Massachusetts

April 3, 2015

Then personally appeared..... *marcy L. Reed* .....

.....  
.....

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

*9/16/16*  
.....  
My Commission Expires:

*Susan E. Vigorito*

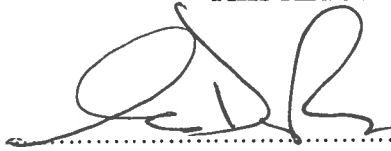
.....Notary Public

SUSAN E. VIGORITO  
Notary Public

My Commission Expires. Sept. 16, 2016



THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY



..... Vice President and Controller

.....  
.....  
.....  
.....  
.....

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

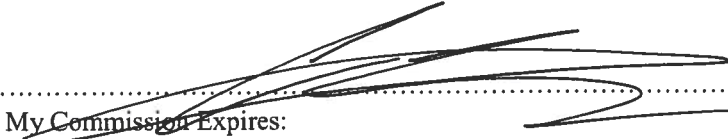
Kings, New York, ss

April 3, 2015

Then personally appeared... *FOR CHARLES V. DEROSA* .....

LEON CHANG  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01CH6275929  
Qualified in Kings County  
My Commission Expires February 04, 2017

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



.....Notary Public

My Commission Expires:



**Boston Gas Company**  
**Return on Average Common Equity**  
**For the year ended December 31, 2014**

Net Income Calculation:

1	Utility Operating Income DPU page 10, Line 18	\$ 87,597,122
2		
3	Less: Allocated Interest (See Below)	(32,748,989)
4		
5		
6	<b>Net Utility Income Available for Common Shareholders</b>	<b><u>\$ 54,848,133</u></b>

Calculation of Allocated Interest:

11		
12	Interest + Preferred Dividends - DPU page 10, Lines 39 and 48	<u>\$ 32,779,226</u>
13		
14	Utility Plant-DPU page 8, Line 2	\$ 3,687,766,505
15	Other Property & Investments - DPU page 8, Line 8	3,404,934
16	Total	<u>\$ 3,691,171,439</u>
17		
18	% of Line 14 to Line 16	<u>99.91%</u>
19		
24		
25	Allocated Interest(Line 18 above multiplied by Line 12)	<u>\$ 32,748,989</u>

Total Utility Common Equity:

30		
31		
32	Proprietary Capital - DPU page 9, Line 13	\$ 1,251,015,266
33		
34	Less preferred DPU Page 9, Line 4	-
35		
36	Less Goodwill DPU Page 17, Line 3a	(396,321,766)
37		
38		
39	Long Term Debt - DPU Page 9, Line 18	631,000,000
40		
41	Subtotal	<u>\$ 1,485,693,500</u>
42		
43	50%/50% Capital Structure DPU 10-55	50.00%
44	Hypothetical Common Equity, December 31, 2014	<u>\$ 742,846,750</u>
45		
46		
47		
48		
49		
50		
51		
52	Ending Hypothetical Utility Common Equity Multiplied by Utility % at 12-31-2014	\$ 742,161,508
53		
54	Beginning Hypothetical Utility Common Equity Multiplied by Utility % at 12-31-2013	<u>815,771,119</u>
55		
56	Total	<u>\$ 1,557,932,627</u>
57		
58	<b>Average Hypothetical Common Equity</b>	<b><u>\$ 778,966,314</u></b>
59		
60		
61	<b>NET UTILITY INCOME DIVIDED BY AVERAGE HYPOTHETICAL EQUITY</b>	<b><u>7.04%</u></b>