

# The Commonwealth of Massachusetts

---

## ANNUAL RETURN

OF THE

### COLONIAL 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,

# 2011

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

}  
}

**Bradley B. White**

Official title: **Vice President and Controller**

Office address: One MetroTech Center  
Brooklyn, New York 11201

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

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**GENERAL INFORMATION**  
**PRINCIPAL AND SALARIED OFFICERS\***

Titles	Names	Addresses	Annual Salaries
President	(1) Reed, Marcy L.	Waltham, MA	4,374
Senior Vice President and Chief Financial Officer	(1) Daly, Kenneth D.	New York, NY	1,075
Senior Vice President	(1) Akley, William J.	New York, NY	5,757
Senior Vice President	(1) Owyang, Colin	Waltham, MA	3,305
Senior Vice President and Chief Procurement Officer	(1) Schlaff, Raymond C.	Waltham, MA	4,820

**DIRECTORS\***

<u>Names</u>	<u>Addresses</u>	<u>Fees Paid During Year</u>
Campbell, David H.	Waltham, Massachusetts	No Fees Paid
Reed, Marcy L.	Waltham, Massachusetts	No Fees Paid
Smith, Ellen	Waltham, Massachusetts	No Fees Paid

(1) Amounts represent salary allocated to Colonial Gas Company

\* By General Laws, Chapter 164, Section 83, the Return must contain a "list of the names of all their salaried officers and the amount of the salary paid to each." and by Section 77, the department is required to include in its annual report "the names and addresses of the principal officers and of the directors."

**GENERAL INFORMATION - Continued**

- |   |  |        |
|---|--|--------|
| 1. Corporate name of company making this report,  | Colonial Gas Compnay<br>D/B/A NATIONAL GRID ENERGY DELIVERY NEW ENGLAND  |        |
| 2. Date of organization,  | May 2, 1849  |        |
| 3. Date of incorporation,   | May 2, 1849  |        |
| 4. Give location (including street and number) of principal business office:-   |  |        |
|   | One MetroTech Center, Brooklyn, New York 11201   |        |
| 5. Total number of stockholders,  | Common: 1 (recordholders)  |        |
| 6. Number of stockholders in Massachusetts,   | Common: 1 (recordholders)  |        |
| 7. Amount of stock held in Massachusetts,   | No. of Common Shares, 100  | \$100  |
| 8. Capital stock issued prior to June 5, 1894,  | No. of shares, N/A   | \$ N/A |
| 9. Capital stock issued with approval of Board<br>of Gas and Electric Light Commissioners<br>or Department of Public Utilities since<br>June 5, 1894,   |  |        |
|   | Total, 100 common shares, par value, \$1.00, outstanding<br>December 31 of the calendar year, 2011   | \$100  |
| 10. If any stock has been issued during the last fiscal period, give the date and terms upon which<br>such issue was offered to the stockholders, and if the whole or any part of the issue was sold<br>at auction, the date or dates of such sale or sales, the number of shares sold and the amounts<br>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<br>covering management or supervision of its affairs, such as accounting, financing, engineering, cons-<br>truction, purchasing, operation, etc., and show the total amount paid to each for the year.  |        |
|   | In 2011, the Company was charged \$39,159,668 by National Grid Corporate Services for services, which<br>included: executive and administrative, corporate affairs, customer services, environmental services,<br>financial services (including accounting, auditing, risk management, tax, treasury/finance), human<br>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

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GENERAL INFORMATION - Continued			
Names of the cities or towns in which the company supplies GAS with the number of customers' meters in each place.			
City or Town	Number of Customers Meters, 12/31/2011	City or Town	Number of Customers Meters, 12/31/2011
<b>LOWELL DIVISION</b>			
Billerica	11,436		
Chelmsford	12,147		
Dracut	9,336		
Dunstable	360		
Groton	96		
Lowell	33,147		
Littleton	44		
Lynnfield	1		
North Reading	3,243		
Pepperell	2,163		
Tewksbury	9,544		
Tyngsboro	3,384		
Westford	6,960		
Wilmington	3,405		
	95,266		
<b>CAPE COD DIVISION</b>			
Barnstable	21,734		
Bourne	6,951		
Brewster	2,927		
Chatham	5,617		
Dennis	11,192		
Eastham	2,377		
Falmouth	13,706		
Harwich	7,389		
Mashpee	8,682		
Orleans	1,846		
Sandwich	5,248		
Wareham	8,226		
Yarmouth	14,483		
	110,378		
<b>NON FRANCHISE AREA</b>			
Andover	49		
Carver	3		
Methuen	28		
Otis	128		
Woburn	54		
	262		
<b>TOTAL</b>	<b>205,906</b>		

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

COMPARATIVE BALANCE SHEET Assets and Other Credits				
Line No.	Title of Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Increase or (Decrease) (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-107) p. 13	807,985,705	701,312,055	(106,673,650)
3	<b>OTHER PROPERTY AND INVESTMENTS</b>			
4	Nonutility Property (121) P. 19	0	0	0
4a	Capitalized Leases, net	0	0	0
5	Investment in Associated Companies (123) P. 20	0	0	0
6	Other Investments (124) P.20	3,740	3,740	0
7	Special Funds (125, 126, 127, 128) P. 21	0	0	0
8	Total Other Property and Investments	3,740	3,740	0
9	<b>CURRENT AND ACCRUED ASSETS</b>			
10	Cash (131)	0	0	0
11	Special Deposits (132, 133, 134) P. 21	0	0	0
12	Working Funds (135)	0	0	0
13	Temporary Cash Investments (136) P. 20	0	0	0
14	Notes and Accounts Receivable (141, 142, 143) P. 22	23,051,536	23,318,019	266,483
15	Receivables from Assoc. Companies (145, 146) P. 23	4,056,077	6,455,891	2,399,814
16	Materials and Supplies (151-159, 163) P. 24	18,309,247	23,797,760	5,488,513
17	Prepayments (165)	4,040,526	0	(4,040,526)
18	Interest and Dividends Receivable (171)	0	0	0
19	Rents Receivable (172)	0	0	0
20	Accrued Utility Revenues (173)	28,513,144	24,729,965	(3,783,179)
21	Misc. Current and Accrued Assets (174)	0	0	0
21A	Recoverable Fuel (175)	(52,936,445)	(62,723,461)	(9,787,016)
22	Total Current and Accrued Assets	25,034,085	15,578,174	(9,455,911)
23	<b>DEFERRED DEBITS</b>			
24	Unamortized Debt Discount and Expense (181) P.26	2,030,078	1,898,906	(131,172)
25	Extraordinary Property Losses (182) P.27	0	0	0
26	Preliminary Survey and Investigation Charges (183)	0	0	0
27	Clearing Accounts (184)	0	0	0
28	Temporary Facilities (185)	286,726	216,377	(70,349)
29	Miscellaneous Deferred Debits (186) P. 27	116,920,685	365,764,864	248,844,179
30	Total Deferred Debits	119,237,489	367,880,147	248,642,658
31	<b>CAPITAL STOCK DISCOUNT AND EXPENSE</b>			
32	Discount on Capital Stock (191) P. 28	0	0	0
33	Capital Stock Expense (192) P. 28	0	0	0
34	Total Capital Stock Discount and Expense	0	0	0
35	<b>REACQUIRED SECURITIES</b>			
36	Reacquired Capital Stock (196)	0	0	0
37	Reacquired Bonds (197)	0	0	0
38	Total Reacquired Securities	0	0	0
39	Total Assets and Other Debits	952,261,019	1,084,774,116	132,513,097
NOTES:				



## Annual Report of Colonial Gas Company Year ended December 31, 2011

COMPARATIVE BALANCE SHEET Liabilities and Other Credits				
Line No.	Title of Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Increase or (Decrease) (d)
1	<b>PROPRIETARY CAPITAL</b>			
2	<b>CAPITAL STOCK</b>			
3	Common Stock Issued (201) P.29	100	100	0
4	Preferred Stock Issued (204) P.29	0	0	0
5	Capital Stock Subscribed (202, 205)	0	0	0
6	Premium on Capital Stock (207) P.29	419,429,145	419,429,145	0
7	Total	419,429,245	419,429,245	0
8	<b>SURPLUS</b>			
9	Other Paid-In Capital (208-211) P.30	(167,590,544)	(167,590,544)	0
10	Earned Surplus (215,216) P.12	101,048,466	74,804,138	(26,244,328)
11	Other Comprehensive Income	0	(0)	(0)
12	Total	(66,542,078)	(92,786,406)	(26,244,328)
13	Total Proprietary Capital	352,887,167	326,642,839	(26,244,328)
14	<b>LONG-TERM DEBT</b>			
15	Bonds (221) P.31	75,000,000	75,000,000	0
16	Capital Lease Obligations (221)	0	(0)	(0)
	Advances from Associated Companies (223) P. 31	0	0	0
17	Other Long-Term Debt (224) P.31	0	0	0
18	Total Long-Term Debt	75,000,000	75,000,000	0
19	<b>CURRENT AND ACCRUED LIABILITIES</b>			
	Capitalized Lease Obligation			
20	Notes Payable (231) P.32	0	0	0
21	Accounts Payable (232)	11,162,344	18,342,281	7,179,937
22	Payables to Associated Companies (233,234) P.32	61,528,427	78,586,654	17,058,227
23	Customer Deposits (235)	286,775	462,136	175,361
24	Taxes Accrued (236)	(4,636,314)	(3,481,740)	1,154,574
25	Interest Accrued (237)	5,692,636	5,310,648	(381,988)
26	Dividends Declared (238)	0	0	0
27	Matured Long-Term Debt (239)	0	0	0
	Matured Interest (240)	0	0	0
28	Tax Collections Payable (241)	511,355	4,633,411	4,122,056
29	Misc. Current & Accrued Liab. (242) P.33	1,508,388	1,285,468	(222,920)
30	Total Current & Accrued Liability	76,053,611	105,138,858	29,085,247
31	<b>DEFERRED CREDITS</b>			
32	Unamortized Premium on Debt (251) P.26	0	0	0
33	Customer Advances for Construction (252)	33,021	33,021	0
34	Other Deferred Credits (253) P.33	5,682,918	8,652,803	2,969,885
35	Total Deferred Credits	5,715,939	8,685,824	2,969,885
36	<b>RESERVES</b>			
37	Reserves for Depreciation (254-256) P.13	260,374,318	274,535,243	14,160,925
38	Reserves for Amortization (257-259) P.13	10,777,388	12,046,938	1,269,550
39	Reserve for Uncollectible Accounts (260)	3,022,183	1,751,170	(1,271,013)
40	Operating Reserves (261-265) P.35	50,191,786	55,685,714	5,493,928
41	Reserve for Depreciation and Amortization of Nonutility Property (266)	0	0	0
42	Reserve for Deferred Income	0	0	0
	Taxes (267, 268) P.36	118,238,627	225,297,206	107,058,579
43	Total Reserves	442,604,302	569,316,271	126,711,969
44	<b>CONTRIBUTION IN AID OF CONSTRUCTION</b>			
45	Contributions in Aid of Construction (271) P.36	0	(9,676)	(9,676)
46	Total Liabilities and Other Credits	952,261,019	1,084,774,116	132,513,097

STATEMENT OF INCOME FOR THE YEAR				
Line No.	Account (a)	Current Year (b)	Prior Year (b)	Increase or (Decrease) from Preceding Year (c)
1	<b>OPERATING INCOME</b>			
2	Operating Revenues (400) P. 37,43	292,726,932	266,878,248	25,848,684
3	Operating Expenses:			
4	Operating Expenses (401) P. 42,47	222,383,904	215,222,881	7,161,023
5	Maintenance Expense (402) P. 42,47	1,815,286	4,597,382	(2,782,096)
6	Depreciation Expense (403) P. 34	20,510,313	20,663,075	(152,762)
7	Amortization of Utility Plant (404 and 405)	1,269,550	1,376,707	(107,157)
8	Amortization of Investment Credit (406.0)	0	0	0
9	Amortization of Conversion Expenses (407.2)	9,306,685	29,358	9,277,327
10	Taxes Other Than Income Taxes (408) P. 49	8,943,553	5,834,793	3,108,760
11	Income Taxes (409) P. 49	4,998,957	3,105,099	1,893,858
12	Provision for Deferred Income Taxes (410) P. 36	(11,102)	(936,455)	925,353
13	Income Taxes Deferred In Prior Years -- Cr. (411) P. 36	0	0	0
14	Total Operating Expenses	269,217,146	249,892,840	19,324,306
15	Net Operating Revenues	23,509,786	16,985,408	6,524,378
16	Income from Utility Plant Leased to Others			
17	Other Utility Operating Income (414) P. 50	0	0	0
18	Total Utility Operating Income	23,509,786	16,985,408	6,524,378
19	<b>OTHER INCOME</b>			
20	Income from Mdse. Jobbing & Contract Work (415) P. 51	0	0	0
21	Income from Nonutility Operations (417)	0	0	0
22	Nonoperating Rental Income (418)	0	0	0
23	Interest and Dividend Income (419)	939,742	787,935	151,807
24	Miscellaneous Nonoperating Income (421)	233,051	59,595	173,456
25	Total Other Income	1,172,793	847,530	325,263
26	Total Income	24,682,579	17,832,938	6,849,641
27	<b>MISCELLANEOUS INCOME DEDUCTIONS</b>			
28	Miscellaneous Amortization (425)	0	0	0
29	Other Income Deductions (426)	236,197	172,822	63,375
30	Total Income Deductions	236,197	172,822	63,375
31	Income Before Interest Charges	24,446,382	17,660,116	6,786,266
32	<b>INTEREST CHARGES</b>			
33	Interest on Long-Term Debt (427) P. 31	5,635,333	5,635,333	0
34	Amortization of Debt Disc. & Expense (428) P. 26	139,272	139,882	(610)
35	Amortization of Prem. on Debt -- Credit (429) P. 26	0	0	0
36	Int. on Debt to Associated Companies (430) P. 31, 32	2,028,034	4,214,177	(2,186,143)
37	Other Interest Expense (431)	3,061,855	(789,553)	3,851,408
38	Interest Charged to Construction -- Credit (432)	(173,784)	(119,535)	(54,249)
39	Total Interest Charges	10,690,710	9,080,304	1,610,406
40	Net Income	13,755,672	8,579,812	5,175,860
41	<b>EARNED SURPLUS</b>			
42	Unappropriated Earned Surplus (at beginning of period) (216)	101,048,466	92,468,654	8,579,812
43	Balance Transferred from Income (433)	13,755,672	8,579,812	5,175,860
44	Miscellaneous Credits to Surplus (434)	0	0	0
45	Miscellaneous Debits to Surplus (435)	0	0	0
46	Appropriations of Surplus (436)	0	0	0
47	Net Additions to Earned Surplus	13,755,672	8,579,812	5,175,860
48	Dividends Declared -- Preferred Stock (437)	0	0	0
49	Dividends Declared -- Common Stock (438)	40,000,000	0	40,000,000
50	Unappropriated Earned Surplus (at end of period) (216)	74,804,138	101,048,466	(26,244,328)

STATEMENT OF INCOME FOR THE YEAR (CONTINUED)

NOT APPLICABLE

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

**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>			
2	Balance - - Beginning of year		\$ 101,048,466
3	Charges: (identify by prescribed earned surplus accounts)		
4	Transfer from income (loss)		13,755,672
5			
6			
7			
8			
9	Dividends Declared - Common Stock	438	40,000,000
10	Less: Dividends Declared - Preferred Stock	438	0
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27	Balance - - end of year		\$ 74,804,138
<b>APPROPRIATED EARNED SURPLUS (Account 215)</b>			
29	State balance and purpose of each appropriated earned surplus amount at end of year and give accounting entries for any applications of appropriated earned surplus during year.		
30			
31			
32			
33			
34	NONE		
35			
36			
37			
38			
39			
40			

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

SUMMARY OF UTILITY PLANT AND RESERVES FOR DEPRECIATION AND AMORTIZATION							
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)	\$660,622,682		\$660,622,682			
4	106 Completed Construction not Classified	\$34,988,398		34,988,398			
5	Total P. 16, 18	\$695,611,080		\$695,611,080			
6	104 Leased to Others	\$0					
7	105 Held for Future Use	\$0		0			
8	107 Construction Work in Progress	\$5,700,975		5,700,975			
9	Total Utility Plant	\$701,312,055		\$701,312,055			
10	<b>DETAIL OF RESERVES FOR DEPRECIATION AND AMORTIZATION</b>						
11	In Service:						
12	254 Depreciation P. 34	\$274,535,243		274,535,243			
13	257 Amortization	\$12,046,938		12,046,938			
14	Total, in Service	\$286,582,181		\$286,582,181			
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	\$286,582,181		\$286,582,181			

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

## UTILITY PLANT - GAS

		Balance				Balance	
Line No.	Account (a)	Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	End of Year (g)
1	<b>1. INTANGIBLE PLANT</b>						
2	301 Organization						
3	303 Miscellaneous Intangible Plant	212,557,682	1,252	0	(144,436,553)	0	68,122,381
4	Total Intangible Plant	212,557,682	1,252	0	(144,436,553)	0	68,122,381
5	<b>2. PRODUCTION PLANT</b>						
6	Manufactured Gas Production Plant						
7	304 Land and Land Rights	669,111	0	0	0	0	669,111
8	305 Structures and Improvements	9,344,210	436,214	0	0	0	9,780,424
9	306 Boiler Plant Equipment	689,530	0	0	0	0	689,530
10	307 Other Power Equipment	1,111,876	0	0	0	0	1,111,876
11	310 Water Gas Generating Equipment	0	0	0	0	0	0
12	311 Liquefied Petroleum Gas Equipment	0	0	0	0	0	0
		3,216,656	0	0	0	0	3,216,656
13	312 Oil Gas Generating Equipment	0	0	0	0	0	0
14	313 Generating Equipment - - Other Processes & LNG Equipment	0	0	0	0	0	0
		9,056,703	292,468	0	0	0	9,349,171
15	315 Catalytic Cracking Equipment	0	0	0	0	0	0
16	316 Other Reforming Equipment	0	0	0	0	0	0
17	317 Purification Equipment	0	0	0	0	0	0
18	318 Residual Refining Equipment	0	0	0	0	0	0
19	319 Gas Mixing Equipment	0	0	0	0	0	0
19	320 Other Equipment	5,156,740	6,763	0	0	0	5,163,503
20	339 PRD-PROD-ARO	7,526	0	0	0	0	7,526
21	Total Manufactured Gas Production Plant	29,252,352	735,444	0	0	0	29,987,796
22	<b>3. STORAGE PLANT</b>						
23	360 Land and Land Rights	0	0	0	0	0	0
24	361 Structures and Improvements	200,754	0	0	0	0	200,754
25	362 Gas Holders	137,226	0	0	0	0	137,226
26	363 Other Equipment	26,344	0	0	0	0	26,344
27	Total Storage Plant	364,324	0	0	0	0	364,324

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

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	179,067	0	0	0	0	179,067
3	365.2 Rights-of-Way	5,215	0	0	0	0	5,215
4	366 Structures and Improvements	3,902,237	37,592	0	0	0	3,939,829
5	367 Mains	270,030,795	21,551,792	(422,174)	0	0	291,160,413
6	368 Compressor Station Equipment	0	0	0	0	0	0
7	369 Measuring and Regulating Station Equipment	8,405,123	1,004,299	(26,018)	0	0	9,383,404
8	372 T&D-AROs	549,511	0	0	0	0	549,511
9	380 Services	205,397,384	12,168,632	(72,719)	0	0	217,493,297
10	381 Meters	35,514,338	1,551,820	(800,913)	0	0	36,265,245
11	382 Meter Installations	16,146,135	1,570,818	(244,766)	0	0	17,472,187
12	383 House Regulators	0	0	0	0	0	0
13	386 Other Property on Cust's Prem	0	0	0	0	0	0
14	387 Other Equipment	922,649	11,566	0	0	0	934,215
15	Total Transmission and Distribution Plant	541,052,454	37,896,519	(1,566,590)	0	0	577,382,383
16	<b>5. GENERAL PLANT</b>						
16	388 Land and Land Rights	15,935	0	0	0	0	15,935
17	389 Land and Land Rights	126,670	0	0	0	0	126,670
18	390 Structures and Improvements	9,444,161	74,146	0	0	0	9,518,307
19	391 Office Furniture and Equipment	4,626,193	8,414	(288,587)	0	0	4,346,020
20	392 Transportation Equipment	337,703	0	0	0	0	337,703
21	393 Stores Equipment	37,158	0	0	0	0	37,158
22	394 Tools, Shop and Garage Equipment	3,938,704	226,491	(12,611)	0	0	4,152,584
23	395 Laboratory Equipment	8,784	0	0	0	0	8,784
24	396 Power Operated Equipment	0	0	0	0	0	0
25	397 Communication Equipment	720,767	0	(5,680)	0	0	715,087
26	398 Miscellaneous Equipment	493,113	0	(4,006)	0	0	489,107
27	399 Other Tangible Property	6,840	0	0	0	0	6,840
28	Total General Plant	19,756,028	309,052	(310,885)	0	0	19,754,195
29	Total Gas Plant in Service	802,982,840	38,942,267	(1,877,475)	(144,436,553)	0	695,611,080
30	104 Utility Plant Leased to Others	0	0	0	0	0	0
31	105 Property Held for Future Use	0	0	0	0	0	0
32	107 Construction Work in Progress	5,002,865	67,809,158	0	(67,111,048)	0	5,700,975
33	Total Utility Plant - Gas	807,985,705	106,751,426	(1,877,475)	(211,547,601)	0	701,312,055

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.

<b>NONUTILITY PROPERTY (Account 121)</b>					
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					
2					
3					
4					
5					
6					
7	NONE				
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
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36					
37					
38					
39					
40					
41					
42					
43	TOTALS	\$0	\$0	\$0	\$0



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INVESTMENTS (Accounts 123, 124, 136)		
Give particulars of investments in stocks, bonds, notes, etc., held by the respondent at end of year. Provide a subheading for each account and list thereunder the information called for.		
Line No.	Description of Security Held by Respondent (a)	Amount (b)
1	Account 123 - Investments in Associated Companies	-
2	Account 124 - Other Investments	3,740
3		
4	Account 136 - Temporary Cash Investments	-
5		
6		
7		
8		
9		
10		
11		
12		
13		
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39		
40		
41		
42		
43		
44	TOTAL	\$3,740

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

<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	Other Special Funds	\$0
2		-
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19	TOTAL	\$0

<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)	\$0
21	Dividend Special Deposits (Account 133)	\$0
22		
23	Other Special Deposits (Account 134):	\$0
24	(specify purpose of each other special deposit):	
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35	TOTAL	\$0

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**NOTES RECEIVABLE (Account 141)**

1. Give the particulars called for below concerning notes receivable at end of year.  
 2. Give particulars of any note pledged or discounted.

3. Minor items may be grouped by classes, showing number of such items.  
 4. Designate any note the maker of which is a director, officer or other employee.

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

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

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

Line No.	Description (a)	Amount End of Year (b)
19	Customers (Account 142):	19,023,835
20	Other Accounts Receivable (Account 143):	
21	AR Alliance	418,675
22	Other Customer Billing GP	13,533
23	OPEB/ FASB 106	331,383
24	AR Deferred Hedging	
25	Other AR OffSystem Sales	3,530,592
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	23,318,019

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

1. Report particulars of notes and accounts receivable from associated companies at end of year.
2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.
3. For notes receivable list each note separately and state purpose for which received. Show also in column (a) date of note and date of maturity.
4. If any note was received in satisfaction of open account, state the period covered by such.
5. Include in column (d) interest recorded as income during the year, including interest on accounts and notes held any time during the year.
6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.

Line No.	Name of Company (a)	Amount End of Year (b)	Interest for Year	
			Rate (c)	Amount (d)
1	Accounts Receivable from Associated Companies	6,455,891		0
2	(Account 146):			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
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25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36	TOTALS	\$6,455,891		0

<b>MATERIALS AND SUPPLIES (Accounts 151-159, 163)</b>			
<b>Summary Per Balance Sheet</b>			
Line No.	Account (a)	Amount End of Year	
		Electric (b)	Gas (c)
1	Fuel (Account 151) (See Schedule, Page 25)		\$0
2	Supplemental Fuel Stock		23,167,569
3	Residuals (Account 153)		-
4	Plant Materials and Operating Supplies (Account 154)		630,191
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)		(0)
11	<b>Total Per Balance Sheet</b>		<b>\$23,797,760</b>

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

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

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

1. Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium on Debt, particulars of discount and expense or premium applicable to each class and series of long-term debt.  
2. Show premium amounts by enclosure in parentheses.  
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.

4. In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.  
5. Furnish particulars regarding the treatment of unamortized debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year, also, date of the Department's authorization of treatment other than as specified by the Uniform System of Accounts.

6. Set out separately and identify undisposed amounts applicable to issues which were redeemed prior years.  
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debit-Credit.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Securities to Which Discount and Expense or Premium Minus Expense, Relates (Omit Cents) (b)	Total Discount and Expense or Net Premium (c)	Amortization Period		Balance Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance End of Year (i)
				From (d)	To (e)				
1									
2	Series CH	25,000,000	655,923	06/30/92	06/30/22	252,192	0	21,924	230,268
3	MTA-1	10,000,000	348,671	10/12/95	10/14/25	171,344	0	11,628	159,716
4	MTA-2	10,000,000	1,761,058	12/15/95	12/15/25	879,172	0	50,520	828,652
5	MTA-3	10,000,000	1,176,422	02/05/96	02/05/26	591,450	0	39,216	552,234
6	MTB-1	20,000,000	345,500	04/07/98	04/07/28	135,920	0	7,884	128,036
7	COL 2011 Debt					0	0	0	0
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27		\$75,000,000	\$4,287,574			\$2,030,078	\$0	\$131,172	\$1,898,906

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**EXTRAORDINARY PROPERTY LOSSES (Account 182)**

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

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

**MISCELLANEOUS DEFERRED DEBITS (Account 186)**

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

Line No.	Description (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amount (e)	
11						
12	Deferred Environmental	4,455,709	1,004,451	265	1,572,735	3,887,425
13	Environmental Recoveries	2,176,311	2,640,494	232,131,175	2,571,761	2,245,044
14	Deferred Derivatives	10,805,324	25,848,761	143,232,242,253,254,495	23,693,797	12,960,288
15	Deferred Income Tax	60,670,094	75,031,214	253,282,283,409,410	60,764,156	74,937,152
16	Pension/OPEB /FAS158	36,870,832	5,199,612	228,9265,9267	5,374,556	36,695,888
17	Merger Savings	0	225,655,092		0	225,655,092
18	Miscellaneous Deferred Debits	1,942,415	7,749,872	4995,419,232	308,312	9,383,975
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
	TOTALS	\$116,920,685	\$343,129,496		\$94,285,317	\$365,764,864



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**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	0

**CAPITAL STOCK EXPENSE (Account 192)**

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

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

2. If any change occurred during the year in the

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

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

**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	100	\$1.00	\$ 100.00	100	\$0	\$ 419,429,145
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20	TOTALS	100		\$100	100	\$0	\$419,429,145

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

**OTHER PAID-IN CAPITAL (Accounts 208-211)**

1. Report below balance at end of year and the information specified in the instructions below for 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.

2. Donations Received from Stockholders (Account 208)

State Amount and give brief explanation of the origin and purpose of each donation.

3 Reduction in Par Value of Capital Stock (Account 209)

State amount and give brief explanation of the capital changes which gave rise to amounts reported under 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.

Line No.	Item (a)	Amount (b)
1		
2		
3	Other Paid In Capital	\$ (167,590,544)
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
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31		
32		
33		
34		
35		
36		
37	TOTAL	(\$167,590,544)

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<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									
2	SERIES CH	06/30/92	06/30/22	25,000,000	25,000,000	8.800%	J - D	2,200,000	2,200,000
3	MTA-1	10/12/95	10/14/25	10,000,000	10,000,000	Note 1 , 3	A - O	738,000	706,667
4	MTA-2	12/15/95	12/15/25	10,000,000	10,000,000	Note 2 , 3	F - A	690,000	662,666
5	MTA-3	02/05/96	02/05/26	10,000,000	10,000,000	6.940%	F - A	694,000	694,000
6	MTB-1	04/07/98	04/07/28	20,000,000	20,000,000	Note 3 , 4	F - A	1,424,000	1,372,000
7									
8									
9									
10									
11	Note 1: For the period 10/12/95 through 10/14/05, the Rate Per Cent is 6.44%. For the period 10/15/05 through 10/14/25 the Rate Per Cent will be 7.38%.								
12	Note 2: For the period 12/15/95 through 12/14/05, the Rate Per Cent is 6.08%. For the period 12/15/05 through 12/15/25 the Rate Per Cent will be 6.90%.								
13	Note 3: These issues of bonds can be redeemed by the holder within a 30 day period at the end of ten years .								
14	Note 4: For the period 4/7/98 through 4/6/08, the Rate Per Cent is 6.34%. For the period 4/7/08 through 4/7/28 the Rate Per Cent will be 7.12%.								
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27			TOTALS	\$75,000,000	\$75,000,000			\$5,746,000	\$5,635,333

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<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	Medium-Term Notes				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13	TOTAL				\$0

<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				
15				
16	Advance from KeySpan	49,000,000	7.25%&7.625%	1,765,018
17				
18	Note Payable to Utility Pool - Working Capital	(30,378,747)	1.259%	(20,821)
19				
20	Note Payable to Pool Gas Financing (1)	28,990,460	0.979%	283,838
21				
22	Payable to Associated Companies	30,974,941		
23				
24				
25				
26				
27				
28				
29				
30	(1) Interest charged to cost of gas			
31				
32				
33				
34				
35				
36				
37	TOTALS	\$78,586,654		\$2,028,034

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)**

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

Line No.	Item (a)	Amount (b)
1		
2		
3	Accrued Gain Sharing	209,698
4	Accrued Miscellaneous	31,354
5	Accrued Vacation	935,107
6	Accrued Incentive Compensation	109,310
7		
8		
9		
10		
11		
12	<b>TOTAL</b>	<b>\$1,285,468</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	707,501	408-409	203,316	0	504,185
14	Residential Conservation Surcharge	11,047	175	452,201	938,860	497,706
15	Deferred Post Retirement FAS 112	174,488	926	2,970	0	171,518
16	Derivatives	2,704,123	186	4,012,022	3,307,620	1,999,721
17	Asset Retirement Obligation	1,930,393	231	0	115,824	2,046,217
18	Miscellaneous Deferred Credits	155,366	142	13,988,877	17,266,967	3,433,456
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35	<b>TOTALS</b>	<b>5,682,918</b>		<b>18,659,386</b>	<b>21,629,271</b>	<b>8,652,803</b>

**Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011**

<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	Balance at beginning of year		\$ 260,374,318	\$ 260,374,318
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation		20,510,313	20,510,313
4	Other Accounts (Rental Equipment)		0	0
5				
6	TOTAL CREDITS DURING YEAR		\$20,510,313	\$20,510,313
7	Net Charges for Plant Retired:			
8	Book Cost of Plant Retired		1,877,475	1,877,475
9	Cost of Removal		4,466,937	4,466,937
10	Salvage (Credit)		-	0
11	Transfer/Reclass		23	23
12	ARO Entries Journalled into the Account		4,953	4,953
13	NET CHARGES DURING YEAR		\$ 6,349,388	\$ 6,349,388
14	Balance December 31		\$274,535,243	\$274,535,243

**METHOD OF DETERMINATION OF DEPRECIATION CHARGES**

Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.

15	Depreciation	\$ 20,510,313
16	The composite book depreciation rate for 2011 depreciable property was -	2.65%
17	Depreciation taken for Federal Income Tax purposes	
18	Differences -	31,315,824
19		
20		

**DIVIDENDS DECLARED DURING THE YEAR (Accounts 437, 438)**

Give particulars of dividends declared on each class of stock during the year, and charged to Earned Surplus. This schedule shall include only dividends that have been declared by the Board of Directors during the fiscal year.

Line No.	Name of Security on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock on Which Dividend was Declared (d)	Amount of Dividend (e)	Date	
		Reg'l'r (b)	Extra (c)			Declared (f)	Payable (g)
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	\$0.0000			\$0		
Dividend rates on Common Stock and Premium					0.00%		
Dividend rates on Common Stock, Premium and Surplus					0.00%		

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

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

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

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

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

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

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

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

Line No.	Name of Reserve (a)	Bal. Beg. of Year (b)	Credits (c)	Debits (d)	Contra Acct. Debited or Credited (e)	Amount (f)
1	Account 262:					
2						
3	General Liability Reserve	16,641	(0)	0	926	16,641
4	Workers Compensation Reserve	92,988	59,321	0	926,131	152,309
5						
6						
7						
8	Account 263:					
9						
10	Pensions Reserve	35,817,502	5,903,262	5,234,477	926,131	36,486,287
11	OPEB Reserve	7,206,994	5,369,041	1,944,082	926,131	10,631,953
12						
13						
14						
15						
16	Account 265:					
17	Environmental Reserve	7,057,661	2,958,155	1,617,291	926,131	8,398,525
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34	<b>TOTALS</b>	<b>50,191,786</b>	<b>14,289,779</b>	<b>8,795,850</b>		<b>55,685,714</b>



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

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

2. In the space provided furnish significant explanations, including the following:

(a) Accelerated Amortization - - State for each certification number a brief description of property, total and amortizable cost of such property, date amortization for tax purposes commenced, "normal" depreciation rate used in computing deferred tax amounts.

(b) Liberalized Depreciation - - State the general method or methods of liberalized depreciation being used (sum-of-years digits, declining balance, etc.), estimated useful lives and classes of plant to which each method is being applied. Furnish a table showing for each year, 1954 to date of this report, the annual amounts of tax deferral, the total debits thereto which have been accounted for as credits to Acct. 411, Federal Income Taxes Deferred in Prior Years - - Credit or comparable account of the previous system of accounts.

Line No.	Account Subdivisions (a)	Balance Beginning of Year (b)	Changes During Year		Balance End of Year (e)
			Amts. Debited Account 410 (1) (c)	Amts. Credited Account 411 (2) (d)	
1	Accelerated Amortization				
2	(Account 267)				
3	Electric				
4	Gas	0	0	0	0
5	Other (Specify)				
6	Totals	0	0	0	0
7					
8	Liberalized Depreciation				
9	(Account 268)				
10	Electric				
11	Gas	74,236,476	25,189,977		99,426,453
12	Prov Deferred Merger Cost				
13	Trueup and Other				0
14	Totals	74,236,476	25,189,977	0	99,426,453
15	Total (Accounts 267, 268)				
16	Electric				
17	Gas	74,236,476	25,189,977		99,426,453
18	Prov Deferred Merger Cost				
19	Trueup and Other	0	0	0	0
20	Totals	74,236,476	25,189,977	0	99,426,453
21	Note (A) Includes debits and credits to Account 236 and 253 and also reclass between Federal and State Account 268.				
22	(1) Account 410, Provision for Deferred Federal Income Taxes				
23	(2) Account 411, Federal Income Taxes Deferred in Prior Years - - Credit				

**CONTRIBUTIONS IN AID OF CONSTRUCTION (Account 271)**

Report below the amount of contributions in aid of construction applicable to each utility department.

Line No.	Class of Utility Service (a)	Balance Beginning of Year (b)	Debits		Credits (e)	Balance End of Year (f)
			Account Credited (c)	Amount (d)		
23	CONTRIB-AID OF CONSTRUCTION	0	107	1,594,870	1,585,194	9,676
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34	TOTALS	-	107	1,594,870	1,585,194	9,676

Line No	Account (a)	Operating Revenues			Dth Sold (1000 BTU)			Average No. of Cust. Per Month		
		Amount for Year (b)	Prior Year	Increase or (Decrease) from Preceding Year (c)	Amount for Year (d)	Prior Year	Increase or (Decrease) from Preceding Year (e)	Number for Year (f)	Prior Year	Increase or (Decrease) from Preceding Year (g)
1	<b>SALES OF GAS</b>									
2	480 Residential Sales	\$196,526,034	\$189,874,156	\$6,651,878	14,107,622	13,112,025	995,597	176,977	179,811	(2,834)
3	481 Commercial and Industrial Sales:									
4	Small (or Commercial) see instr. 5	49,447,906	50,161,486	(\$713,580)	3,988,452	3,910,534	77,918	16,260	18,275	(2,015)
5	Large (or Industrial) see instr. 5	5,494,525	7,519,883	(\$2,025,358)	512,825	682,979	(170,154)	30	138	(108)
6	481 Other Sales to Public Authorities	19,589	15,072	4,517	1,343	1,332	11	3	3	0
7	481 Lost Margin	0	463,205	(463,205)	0	0	0	0	0	0
8	481 Quasi-Firm Sales	0	0	0	0	0	0	0	0	0
9	485 Miscellaneous Gas Sales	0	0	0	0	0	0	0	0	0
10	Total Sales to Ultimate Consumers	\$251,488,053	\$248,033,802	\$3,454,251	18,610,243	17,706,870	903,373	193,270	198,227	(4,957)
11	483 Sales for Resale	22,248,403	9,614,137	12,634,266	48,385,341	18,829,950	29,555,391	0	0	
12	Total Sales of Gas*	\$273,736,456	\$257,647,939	\$16,088,517	66,995,584	36,536,820	30,458,764	193,270	198,227	(4,957)
13	<b>OTHER OPERATING REVENUES</b>									
14	487 Adjustments			\$ -						
15	488 Miscellaneous Service Revenues	133,169	91,385	41,784						
16	489 Revenues from Trans. of Gas of Others	19,463,306	13,396,809	6,066,497						
17	490 Sales of Products Extracted from Natural Gas	0	0	0						
18	491 Rev. from Natural Gas Processed by Others	0	0	0						
19	493 Rent from Gas Property	0	0	0						
20	494 Interdepartmental Rents	0	0	0						
21	495 Other Gas Revenues	(605,999)	(4,257,885)	3,651,886						
22	Total Other Operating Revenues	\$ 18,990,476	\$ 9,230,309	\$ 9,760,167						
23	Total Gas Operation Revenues	\$292,726,932	\$266,878,248	\$25,848,684						
	* Includes revenues from application of Total M.C.F. to which Applied	\$0	0	0						

1. Report below the amount of operating revenue for the year for each prescribed account and the amount of increase or decrease over the preceding year.  
 2. If increases and decreases are not derived from previously reported figures explain any inconsistencies.  
 3. Number of customers should be reported on the basis of number of meters, plus number of flat rate accounts, except that where separate meter readings are added for billing purposes, one customer shall be

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

4. Unmetered sales should be included below. The details of such sales should be given in a footnote.  
 5. Classification of Commercial and Industrial Sales, Acct. 481, according to Small (or Commercial) and Large (or Industrial) may be according to the basis of classification regularly used by the respondent.

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

**SALES OF GAS TO ULTIMATE CONSUMERS**

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

Line No.	Account No.	Schedule (a)	DTH (1000 BTU) (b)	Revenue (c)	Average Revenue per DTH (\$0.0000) (d)	Number of Customers (Per Bills Rendered)	
						July 31 (e)	December 31 (f)
1		<b><u>LOWELL DIVISION</u></b>					
2	480	R-1 Residential	54,479	1,118,520	\$20.5313	2,540	2,520
3	480	R-2 Residential	7,143	107,297	\$15.0204	216	205
4	480	R-31 Residential	6,236,732	87,497,329	\$14.0294	72,989	73,967
5	480	R-32 Residential	695,255	7,336,292	\$10.5519	3,534	3,429
6	481	G-41 Commercial	1,333,625	17,476,918	\$13.1048	6,466	6,811
7	481	G-42 Commercial	538,312	6,240,974	\$11.5936	170	197
8	481	G-43 Commercial	275,183	2,995,232	\$10.8845	16	14
9	481	G-51 Commercial	383,382	4,455,066	\$11.6204	1,132	976
10	481	G-52 Commercial	114,916	1,259,272	\$10.9582	41	25
11	481	G-53 Commercial	119,780	1,222,073	\$10.2027	7	3
12	481	Lost Margin	0	0	\$0.0000	0	0
13	481	Interruptibles	0	0	\$0.0000		
14	481	Sales Allowance Commercial		(45,299)			
15		G-27 CNG Fuel					
16		G-90 Broker Sales					
17							
18							
19		<b>Total Lowell</b>	<b>9,758,806</b>	<b>\$129,663,673</b>	<b>\$13.2868</b>	<b>87,111</b>	<b>88,147</b>
20							
21							
22		<b><u>CAPE COD DIVISION</u></b>					
23	480	R-1 Residential	87,261	\$1,796,568	\$20.5884	7,293	7,013
24	480	R-2 Residential	1,064	\$16,994	\$15.9716	48	43
25	480	R-31 Residential	6,590,486	\$93,373,808	\$14.1680	86,395	87,333
26	480	R-32 Residential	374,680	\$3,997,030	\$10.6678	2,463	2,467
27	480	R-5 Residential	60,521	\$1,282,196	\$21.1859	15	0
28	481	G-17 Unmetered Gas Lamp	1,343	\$19,589	\$0.0000	3	3
29	481	G-41 Commercial	873,751	\$11,638,129	\$13.3197	6,324	6,651
30	481	G-42 Commercial	126,364	\$1,459,792	\$11.5523	68	72
31	481	G-43 Commercial	108,392	\$1,190,721	\$10.9854	9	12
32	481	G-51 Commercial	493,913	\$5,645,004	\$11.4291	1,720	1,493
33	481	G-52 Commercial	124,190	\$1,348,894	\$10.8615	53	35
34	481	G-53 Commercial	9,471	\$94,512	\$9.9794	3	1
35	481	Lost Margin	0	\$0	\$0.0000		
36		Sales Allowance Commercial	0	(\$38,857)	\$0.0000	0	0
37							
38		<b>Total Cape</b>	<b>8,851,437</b>	<b>121,824,380</b>	<b>\$13.7632</b>	<b>104,394</b>	<b>105,123</b>
39							
40							
41		* Customers included in Rate Class R-1					
42							
43							
44							
45		<b>TOTAL SALES TO ULTIMATE</b>					
46		<b>CONSUMERS (Page 43 line 10)</b>	<b>18,610,243</b>	<b>\$251,488,053</b>	<b>\$13.5134</b>	<b>191,505</b>	<b>193,270</b>

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

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)	M.C.F. (1000 BTU) (b)	Revenue (c)	Average Revenue per MCF (0.0000) (d)	Number of Customers (per Bills Rendered)	
						July 31 (e)	Dec. 31 (f)
1		<b>Lowell Division</b>					
2							
3	489	Contract Firm Transportation					
4		G-41 Low-Load Firm Transp.	321,649	1,477,907	\$4.5948	526	563
5		G-42 Low-Load Firm Transp.	526,322	1,914,511	\$3.6375	130	171
6		G-43 Low-Load Firm Transp.	375,537	1,152,455	\$3.0688	50	56
7		G-46 Small Load Transp.	0	0	\$0.0000	0	0
8		G-47 Medium Load Transp.	0	0	\$0.0000	0	0
9		G-48 Large Load Transp.	0	0	\$0.0000	0	0
10		G-51 High-Load Firm Transp.	170,009	671,476	\$3.9497	229	181
11		G-52 High-Load Firm Transp.	358,757	1,207,701	\$3.3664	90	70
12		G-53 High-Load Firm Transp.	1,541,178	4,034,564	\$2.6178	46	40
13		G-31 Res Heating Transp.	5,400	29,484	\$5.4601	16	16
14		G-56 Firm Small Load Transp.	0	0	\$0.0000		
15		G-57 Firm Medium Load Transp.	0	0	\$0.0000		
16		G-58 Firm Large Load Transp.	0	0	\$0.0000		
17		G-61 Firm Small Load Transp.	0	0	\$0.0000	0	0
18		G-81 Low-Load Contract Transp.	0	0	\$0.0000	0	0
19		G-82 High-Load Contract Transp.	1,391,597	333,816	\$0.2399	8	10
20		Interruptible	0	704,707	\$0.0000		
21		Broker Fee		1,766,626			
22		<b>Total Lowell</b>	<b>4,690,447</b>	<b>\$ 13,293,247</b>	<b>\$2.8341</b>	<b>1,095</b>	<b>1,107</b>
23							
24		<b>Cape Division</b>					
25							
26	489	Contract Firm Transportation					
27		G-41 Low-Load Firm Transp.	229,463	\$1,070,305	\$4.6644	550	615
28		G-42 Low-Load Firm Transp.	360,171	\$1,303,146	\$3.6181	75	111
29		G-43 Low-Load Firm Transp.	43,243	\$130,624	\$3.0207	2	7
30		G-31 Res Heating Transp.	3,015	\$18,535	\$0.0000	11	14
31		G-47 Medium Load Transp.	0	\$0	\$0.0000	0	0
32		G-48 Large Load Transp.	0	\$0	\$0.0000	0	0
33		G-51 High-Load Firm Transp.	191,750	\$760,681	\$3.9671	296	277
34		G-52 High-Load Firm Transp.	313,631	\$1,054,687	\$3.3628	87	66
35		G-53 High-Load Firm Transp.	695,418	\$1,768,889	\$2.5436	22	18
36		G-56 Firm Small Load Transp.	0	0	\$0.0000		
37		G-57 Firm Medium Load Transp.	0	0	\$0.0000		
38		G-58 Firm Large Load Transp.	0	0	\$0.0000		
39		G-82 High-Load Contract Transp.	44,514	62,322	\$1.4001	2	2
40		Transport Res Seasonal -Cape	81	870	\$10.7942	1	1
41		Interruptible	0	0	\$0.0000	0	0
42							
43		<b>Total Cape</b>	<b>1,881,284</b>	<b>\$6,170,059</b>	<b>\$3.2797</b>	<b>1,046</b>	<b>1,111</b>
44							
45							
46							
47							
48							
49		<b>Total Revenues from Transportation</b>					
50		<b>of Gas for Others (Page 43, Line 16)</b>	<b>6,571,731</b>	<b>\$ 19,463,306</b>	<b>2.96167126</b>	<b>2141</b>	<b>2218</b>
51							

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

**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	0	\$0	\$0
6	701 Operation labor	0	0	0
7	702 Boiler fuel	0	0	0
8	703 Miscellaneous steam expenses	0	0	0
9	704 Steam transferred - - Cr	0	0	0
10	Total operation	\$0	\$0	\$0
11	Maintenance:			
12	705 Maintenance supervision and engineering	0	0	0
13	706 Maintenance of structures and improvements	0	0	0
14	707 Maintenance of boiler plant equipment	0	0	0
15	708 Maintenance of other steam production plant	0	0	0
16	Total maintenance	\$0	\$0	\$0
17	Total steam production	\$0	\$0	\$0
18	<b>MANUFACTURED GAS PRODUCTION</b>			
19	Operation:			
20	710 Operation supervision and engineering	0		
21	Production labor and expenses:			
22	711 Steam expenses	0	0	0
23	712 Other power expenses	0	0	0
24	715 Water gas generating expenses	0	0	0
25	716 Oil gas generating expenses	0	0	0
26	717 Liquefied petroleum gas expenses	1,538,394	1,604,924	(66,530)
27	718 Other process production expenses	489	254	235
28	Gas fuels:		0	
29	721 Water gas generator fuel	0	0	0
30	722 Fuel for oil gas	0	0	0
31	723 Fuel for liquefied petroleum gas process	0	0	0
32	724 Other gas fuels	0	0	0
33	Gas raw materials:			
34	726 Oil for water gas	0	0	0
35	727 Oil for oil gas	0	0	0
36	728 Liquefied petroleum gas	4,051	8,924	(4,873)
37	729 Raw materials for other gas processes	0	0	0
38	730 Residuals expenses	0	0	0
39	731 Residuals produced - - Cr	0	0	0
40	732 Purification expenses	0	0	0
41	733 Gas mixing expenses	0	0	0
42	734 Duplicate charges - - Cr	0	0	0
43	735 Miscellaneous production expenses	0	0	0
44	736 Rents	0	106	(106)
45	Total operation	\$1,542,934	\$1,614,208	(\$71,273)
46	Maintenance:			
47	740 Maintenance supervision and engineering	0	0	0
48	741 Maintenance of structures and improvements	0	0	0
49	742 Maintenance of production equipment	123,717	113,629	10,088
50	Total maintenance	\$123,717	\$113,629	\$10,088
51	Total manufactured gas production	\$1,666,652	\$1,727,837	(\$61,185)

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

GAS OPERATION AND MAINTENANCE EXPENSES - - Continued				
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	141,292,830	139,262,976	\$2,029,854
4	805 Other gas purchases	1,518,865	1,495,680	23,185
5	808.10 Liquefied natural gas	5,962,722	7,126,036	(1,163,314)
6	808-20 Deferred cost of gas	27,901,285	29,447,116	(1,545,831)
7	812 Gas used for other utility operations - - Cr	0	-	0
8	813 Other gas supply expenses	1,171	4,449	(3,278)
9	814 Environmental Costs	166,662	119,327	47,335
10	815 Conservation & Load Management Expense	0	-	0
11				
12		\$176,843,533	177,455,584	(\$612,051)
13	Total production expenses	\$178,510,185	\$179,183,421	(\$673,236)
14	<b>LOCAL STORAGE EXPENSES</b>			
15	Operation:			
16	840 Operation supervision and engineering	0	-	0
17	841 Operation labor and expenses	17,618	-	17,618
18	842 Rents	0	-	0
19	Total operation	\$17,618	-	\$17,618
20	Maintenance:			
21	843 Maintenance supervision and engineering	0	-	0
22	844 Maintenance of structures and improvements	0	-	0
23	845 Maintenance of gas holders	0	-	0
24	846 Maintenance of other equipment	0	69,153	(69,153)
25	849 Joint Expenses-Credit	(6,460,667)	(4,632,951)	(1,827,716)
26	Total maintenance	(\$6,460,667)	(\$4,563,798)	(\$1,896,869)
27	Total storage expenses	(\$6,443,048)	(\$4,563,798)	(\$1,879,250)
28	<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>			
29	Operation:			
30	850 Operation supervision and engineering	297,789	5,638	292,151
31	851 System control and load dispatching	0	-	0
32	852 Communication system expenses	0	-	0
33	853 Compressor station labor and expenses	0	-	0
34	855 Fuel and power for compressor stations	0	-	0
35	857 Measuring and regulating station expenses	648,582	997,370	(348,788)
36	858 Transmission and compression of gas by others	0	-	0
36	860 Transmission Rents	0	(3)	3
37	874 Mains and services expenses	3,032,750	3,408,912	(376,162)
38	878 Meter and house regulator expenses	4,602,550	4,284,335	318,215
39	879 Customer installations expenses	(476,042)	(389,930)	(86,112)
40	880 Other expenses	923,959	859,800	64,159
41	881 Rents	0	-	0
42	882 Transportation expense	0	-	0
43	Total operation	\$9,029,589	\$9,166,122	(\$136,533)
44	Maintenance:			
45	885 Maintenance supervision and engineering	333,190	232,437	100,753
46	886 Maintenance of structures and improvements	16,531	26,658	(10,127)
47	887 Maintenance of mains	4,000,198	3,791,717	208,481
48	888 Maintenance of compressor station equipment	0	-	0
49	889 Maintenance of measuring and regulating station equipment	430,576	581,183	(150,607)
50	892 Maintenance of services	2,681,483	2,863,182	(181,699)
51	893 Maintenance of meters and house regulators	368,221	278,076	90,145
52	894 Maintenance of other equipment	302,102	1,218,724	(916,622)
54	Total maintenance	\$8,132,303	8,991,977	(\$859,675)
55	Total transmission and distribution expenses	\$17,161,892	\$18,158,099	(\$996,208)

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

<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	53,358	52,960	\$398
3	902 Meter reading expenses	1,012,547	1,628,803	(616,256)
4	903 Customer records and collection expenses	5,073,855	4,923,569	150,286
5	904 Uncollectible accounts	598,436	2,201,956	(1,603,520)
6	905 Miscellaneous customer accounts expenses	6,348,103	758,289	5,589,814
7	Total customer accounts expenses	\$13,086,299	\$9,565,577	\$3,520,722
<b>SALES EXPENSES</b>				
8	Operation:			
9	911 Supervision	309	-	309
11	912 Demonstrating and selling expenses	3,148,206	2,301,939	846,267
12	913 Advertising expenses	45,847	411,382	(365,535)
13	916 Miscellaneous sales expenses	(519,754)	(386,890)	(132,864)
14	Total sales expenses	\$2,674,608	\$2,326,431	\$348,177
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>				
15	Operation:			
17	920 Administrative and general salaries	4,595,469	4,833,916	(238,447)
18	921 Office supplies and expenses	3,457,253	3,158,345	298,908
19	922 Administrative expenses transferred - - Cr	0	18	(18)
20	923 Outside services employed	1,282,596	408,831	873,765
21	924 Property Insurance	35,486	30,122	5,364
22	925 Injuries and damages	543,696	458,967	84,729
23	926 Employees pensions and benefits	6,528,814	5,165,162	1,363,652
24	927 Franchise Requirements	0	0	0
25	928 Regulatory commission expenses	388,332	662,205	(273,873)
26	929 Duplicate charges - - Cr	0	-	0
27	930 Miscellaneous general expenses	2,026,071	97,183	1,928,888
28	931 Rents	331,608	280,210	51,398
29	Total operation	\$19,189,324	15,094,959	\$4,094,366
30	Maintenance:			
31	932 Maintenance of general plant	19,932	55,574	(35,642)
32	Total administrative and general expenses	\$19,209,256	\$15,150,533	\$4,058,724
33	Total gas operation and maintenance expenses	\$224,199,190	\$219,820,263	\$4,378,927
<b>SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES</b>				
Line No.	Functional Classification (a)	Operation (b)	Maintenance (c)	Total (d)
34	Steam production	\$0	\$0	\$0
35	Manufactured gas production	\$1,542,934	123,717	1,666,651
36	Other gas supply expenses	176,843,533	0	176,843,533
37	Total production expenses	\$178,386,467	\$123,717	\$178,510,184
38	Local storage expenses	17,618	(6,460,667)	(6,443,049)
39	Transmission and distribution expenses	9,029,589	8,132,303	17,161,892
40	Customer accounts expenses	13,086,299	0	13,086,299
41	Sales expenses	2,674,608	0	2,674,608
42	Administrative and general expenses	19,189,324	19,932	19,209,257
43	Total gas operation and maint. expenses.	\$222,383,904	\$1,815,286	\$224,199,190
44	Ratio of operating expenses to operating revenues (carry out decimal two places, e.g. : 0.00%)			86.78%
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			\$24,354,538
50	Total number of employees of gas department at end of year, including administrative,			
51	operating, maintenance, construction and other employees - National Grid Massachusetts.			180

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

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	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	48,385,341	0.46	22,248,403
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12	TOTALS		48,385,341	0.46	22,248,403

**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 .....Colonial Gas Company.....Year ended December 31, 2010

Line No.	(a) Name of Companies From Which Gas is Purchased	(b) Where Rec'd & Where & How Measured	(c) MCF 1,000 BTU	(d) Rate Per MCF	(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				6,025,384	
8	Other Charges				76,333	
9	<b>TOTAL ALGONQUIN</b>		0		6,101,717	
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				13,278,322	
20	Other Charges				182,379	
21	<b>TOTAL TENNESSEE</b>		0		13,460,702	
22	<b>Texas Eastern</b>					
23		Transportation and Capacity Costs			6,053,791	
24		Other Charges			219,761	
25	<b>TOTAL TEXAS EASTERN</b>		0		6,273,552	
26	<b>Canadian</b>					
27						
28		Commodity Cost		321,523	9.96	3,203,216
29		Transportation and Capacity Costs				316,159
30	Other Charges				0	
31	<b>TOTAL CANADIAN</b>		1,421,869		3,519,375	
32						
33	<b>Direct Purchases</b>					
34						
35		Commodity Cost		22,385,757	4.95	110,914,621
36		Transportation and Capacity Costs				(388,667)
37		Other Charges				0
38	<b>TOTAL DIRECT PURCHASES</b>		17,290,587		110,525,954	
39						
40						
41						
42						
43						
44						

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2010

	(a) Name of Companies From Which Gas is Purchased	(b) Where Rec'd & Where & How Measured	(c) MCF 1,000 BTU	(d) Rate Per MCF	(e) Amount
1					
2	Distrigas	Metered at Everett			
3	Commodity Cost		0	0	0
4	Capacity Costs				487,893
5	TOTAL DISTRIGAS				487,893
6					0
7					
8					
9					
10					
11	Total Commodity Cost		22,707,280	5.03	114,117,838
12	Total Transportation & Capacity Costs				25,772,881
13	Total Other Charges				478,474
14					
15	Unbilled Gas Cost				(3,118,939)
16	Total Purchased Gas Cost		22,707,280		137,250,254
17	Net Change in Holder Gas *		(2,909,480)		12,143,508
18	Deferred Cost of Gas 808-20,21,23,29				27,281,940
19	<b>Purchased Gas Expense</b>		<b>19,797,800</b>		<b>176,675,702</b>
<p>* Add (Decreases) / Deduct Increases in Holder Gas - Note: Column (e) of this line includes those inventory transactions necessary to reconcile "Purchased Gas Expense" to Gas Costs expensed as presented on Lines 3 through 6 on page 46.</p>					

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	3,878,994		3,878,994					
3	F.I.C.A. & Medicare	495,085		495,085					
4	Transportation/Fleet								
5	Excise								
6									
7	State:	1,119,963		1,119,963					
8	Franchise								
9	Use	2,526,276		2,526,276					
10	Payroll	143,302		143,302					
11	Fuel								
12	Local:								
13	Cities & Towns	5,778,890		5,778,890					
14	Excise								
15									
16									
<b>TOTALS</b>		<b>\$13,942,510</b>	<b>\$0</b>	<b>\$13,942,510</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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OTHER UTILITY OPERATING INCOME (Account 414)					
Report below the particulars called for in each column.					
Line No.	Property (a)	Amount of Investment (b)	Amount of Revenue (c)	Amount of Operating Expenses (d)	Gain or (Loss) from Operation (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15	NONE				
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41	TOTALS				

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

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

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

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

Line No.	Item	Total	January	February	March	April	May
1	<u>Gas Made</u>						
2							
3							
4	Propane	0	0	0	0	0	0
5							
6	TOTAL	0	0	0	0	0	0
7							
8	<u>Gas Purchased</u>						
9	Natural	22,707,280	3,032,870	2,743,186	2,707,958	2,037,456	1,267,492
10	Other						
11	TOTAL	22,707,280	3,032,870	2,743,186	2,707,958	2,037,456	1,267,492
12	TOTAL MADE AND						
13	PURCHASED	22,707,280	3,032,870	2,743,186	2,707,958	2,037,456	1,267,492
14	Net Change in Holder						
15	Gas (1)	(2,909,480)	859,406	465,468	(77,873)	(571,027)	(463,512)
16	TOTAL SENDOUT	19,797,800	3,892,276	3,208,654	2,630,085	1,466,429	803,980
17	GAS TRANSPORTED	5,590,764	672,878	622,027	621,140	455,813	378,885
18	TOTAL THROUGHPUT	25,388,564	4,565,154	3,830,681	3,251,225	1,922,242	1,182,865
19							
20	Gas Sold *	17,928,152	3,476,550	2,907,984	2,444,464	1,402,466	1,482,774
21	Gas Used by Company	172,515	18,236	18,272	21,651	15,209	15,482
22	Gas transported *	7,016,838	731,346	641,218	563,654	398,033	227,616
23	Gas Accounted for	25,117,505	4,226,132	3,567,474	3,029,768	1,815,708	1,725,872
24	Gas Unaccounted for (2)	271,059	339,022	263,207	221,456	106,534	(543,007)
25	% Unaccounted						
26	for (0.00%) (2)	1.07%					
27							
28							
29	<u>Sendout in 24 hours</u>						
30	<u>in MCF</u>						
31	Maximum - MCF		215,823	173,891	168,965	104,626	65,683
32	Maximum - Date		01/24/2011	02/21/2011	03/03/2011	04/01/2011	05/17/2011
33	Minimum - MCF		72,444	81,659	53,505	29,448	22,927
34	Minimum - Date		01/01/2011	02/18/2011	03/18/2011	04/29/2011	05/29/2011
35							
36							
37							
38	B.T.U. Content of Gas Delivered to Customers 1,029 per Cubic Foot.						
39							
40	(1) Add Decreases in Holder Gas, Deduct Increases.						
41	(2) Includes unbilled gas sales						
42							

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

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

Line No.	June	July	August	September	October	November	December
1							
2							
3							
4	0	0	0	0	0	0	0
5							
6	0	0	0	0	0	0	0
7							
8							
9	732,831	786,601	904,923	870,679	1,358,205	2,997,677	3,267,404
10							
11	732,831	786,601	904,923	870,679	1,358,205	2,997,677	3,267,404
12							
13	732,831	786,601	904,923	870,679	1,358,205	2,997,677	3,267,404
14							
15	(143,799)	(163,117)	(201,610)	(178,533)	(135,081)	(1,442,925)	(856,879)
16	589,032	623,484	703,313	692,146	1,223,124	1,554,752	2,410,525
17	317,209	282,904	309,727	315,477	435,185	525,542	653,977
18	906,241	906,388	1,013,040	1,007,623	1,658,309	2,080,294	3,064,502
19							
20	570,989	458,326	562,058	495,564	822,368	1,480,475	2,324,134
21	11,308	11,154	12,273	10,824	11,682	12,209	14,214
22	322,994	418,257	420,559	484,591	704,158	835,076	769,338
23	905,291	887,737	994,890	990,980	1,538,209	2,327,760	3,107,686
24	950	18,651	18,150	16,643	120,100	(247,466)	(43,184)
25							
26							
27							
28							
29							
30							
31	41,712	39,637	40,979	43,955	104,675	109,887	157,158
32	06/08/2011	07/21/2011	08/01/2011	09/20/2011	10/29/2011	11/23/2011	12/18/2011
33	23,879	22,685	22,037	23,924	32,758	38,436	42,105
34	06/17/2011	07/30/2011	08/13/2011	09/04/2011	10/01/2011	11/14/2011	12/06/2011
35							
36							
37							
38							
39							
40							
41							
42							

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GAS GENERATING PLANT			
Line No.	General Description - - Location, Size, Type, etc.	No. of Sets	24 Hour Cap. (MCF) (A)
1	Propane Air:		
2	Lowell Division: Lowell, MA		
3	Jet System	0	0
4	High Pressure Mix	3	6,800
5			
6			
7			
8			
9			
10			
11			
12	Liquefied Natural Gas:		
13	Lowell Division: Tewksbury, MA	4	65,400
14	Westford, MA	1	6,000
15			
16	Cape Cod Division: South Yarmouth, MA	4	23,800
17	Wareham, MA	4	4,300
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36	<b>NOTE (A): Assumes 1,000 BTU per cubic foot.</b>		
37			
38			
39			
40		<b>Total</b>	<b>106,300</b>



Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

BOILERS						
Line No.	Location	Kind of Fuel and Method of Firing	Hated Pressure in Lbs.	Hated Steam Temp.	Number	Output Rating M.Lbs. Steam Per Hour AT 212F 100C
1	Lowell, MA					
2	School and Rock Sts.		PSIG			
3						
4	Hodge	Gas	15		S-02369	
5	Hodge	Oil or Gas	15		502370	
6	Bigelow	Gas	15		1372	
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
SCRUBBERS, CONDENSERS AND EXHAUSTERS 24 HOUR CAPACITY (MCF)						
Line No.	Kind of Gas					Total Capacity
26						
27						
28	Scrubbers					
29						
30						
31						
32						
33	Condensers		NONE			
34						
35						
36						
37						
38						
39	Exhausters					
40						
41						
42						
43						
44						
45						
46						
47						

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

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

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



Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

<b>TRANSMISSION AND DISTRIBUTION MAINS</b>						
Report by size, for all mains and lines, the information called for below for cast iron, welded, wrought iron and steel mains. Sub-totals should be shown for each type.						
Line No.	Diameter	Total Length in Feet at Beginning of Year	Added During Year	Taken Up During Year	Abandoned but not Removed During Year	Total Length in Feet at End of Year
1	No category	2,190	1,152	-	-	3,342
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39	<b>GRAND TOTAL</b>	<b>19,623,143</b>	<b>137,406</b>	<b>0</b>	<b>43,689</b>	<b>19,716,860</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 .....Colonial Gas Company.....Year ended December 31, 2011

**GAS DISTRIBUTION SERVICES, HOUSE GOVERNORS AND METERS**

Report below the information called for concerning Distribution Services, House Governors and Meters

Line No.	Item	Gas Services	House ** Governors	Meters
1	Number at beginning of year	224,443		271,635
2	Additions during year:			
3	Purchased			9,831
4	Installed	6,579		0
5	Associated with Plant acquired			
6	Total Additions	6,579		9,831
7	Reductions during year:			
8	Retirements	53		8,302
9	Associated with Plant sold	0		0
10	Total Reductions	53		8,302
11	Number at End of Year	230,969		273,164
12	In Stock			74,388
13	On Customers' Premises - - Inactive			3,164
14	On Customers' Premises - - Active			195,612
15	In Company Use			0
16	Number at End of Year			273,164
17	Number of Meters Tested by State Inspectors during Year			29,115

\*\* House Governors are consider part of the meter set and are not separately accounted for.

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

<b>RATE SCHEDULE INFORMATION</b>				
1. Attach copies of all Filed Rates for General Consumers.				
2. Show below the changes in rate schedules during year and the estimated increase or decrease in annual revenue predicated on the previous year's operations.				
Date Effective	M.D.T.E. Number	Rate Schedule	Estimated Effect on Annual Revenues 1/	
			Increases	Decreases
Nov 1, 2011	6.1	Residential Non-Heating Rate R-1	\$973	\$0
Nov 1, 2011	7.1	Residential Assistance Non-Heating Rate R-2	\$59	\$0
Nov 1, 2011	8.1	Residential Heating Rate R-3	\$93,612	\$0
Nov 1, 2011	9.1	Residential Assistance Heating Rate R-4	\$8,247	\$0
Nov 1, 2011	10.1	Commercial/Industrial, Small - Low Load Factor Rate G-41	\$17,832	\$0
Nov 1, 2011	11.1	Commercial/Industrial, Medium - Low Load Factor Rate G-42	\$7,349	\$0
Nov 1, 2011	12.1	Commercial/Industrial, Large - Low Load Factor Rate G-43	\$2,312	\$0
			\$0	\$0
Nov 1, 2011	13.1	Commercial/Industrial, Small - High Load Factor Rate G-51	\$6,918	\$0
Nov 1, 2011	14.1	Commercial/Industrial, Medium - High Load Factor Rate G-52	\$3,599	\$0
Nov 1, 2011	15.1	Commercial/Industrial, Large - High Load Factor Rate G-53	\$6,234	\$0
			\$0	\$0
			\$147,135	\$0
				\$147,135

1/ November 2011 base rate increase from DPU 10-55-A and DPU-11-58 (RDM).

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

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

1. Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public officials, 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 advertising; (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	96,259
3	Government Relations Lobbying	15,717
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32	<b>TOTAL</b>	<b>111,976</b>

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2011

**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		45,847
4			
5			
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42		TOTAL	45,847



<b>DEPOSITS AND COLLATERAL</b>		
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		\$462,136
5		
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15	Interest is accrued and paid pursuant to Provisions of	
16	22 C.M.R. 26.09 (DPU Order #999 - 09/23/82)	
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40	<b>TOTAL</b>	<b>\$462,136</b>
41		

THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY

*Marcy Zeeb*

.....President

*Bill G. Jr.*

.....Vice President and Controller

.....Director

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

Kings, New York, ss

March 31, 2012

Then personally appeared.....

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

*Michael Aschendorf*  
My Commission Expires:

.....Notary Public

MICHAEL ASCHENDORF  
Notary Public, State of New York  
No. 01AS6246924  
Qualified in Kings County  
Commission Expires August 15, 20 15

**Colonial Gas Company  
Return on Average Common Equity**

**2011**

Net Income Calculation:

Utility Operating Income DTE page 10, Line 18	23,509,786
Adjustments	
Incremental Cost Adjustment	-
Add: Amortization of Acquisition Premium	-
Add: service quality penalties	-
Less: Allocated Interest(See Below)	(10,690,653)
	<hr/>
<b>Net Utility Income Available for Common Shareholders</b>	<b><u><u>12,819,133</u></u></b>

Calculation of Allocated Interest:

Interest + Preferred Dividends - DPU page 10, Lines 39 and 48	<u>10,690,710</u>
Utility Plant--DPU page 8, Line 2	701,312,055
Other Property & Investments - DPU page 8, Line 8	<u>3,740</u>
Total	<u><u>701,315,795</u></u>
% of Line 20 to Line 22	<u>100.00%</u>
Allocated Interest(Line 18 above times Line 24)	<u><u>10,690,653</u></u>

Total Utility Common Equity:

Proprietary Capital - DTE page 9, Line 13	326,642,839
Less preferred: DTE Page 9, Line 4	-
Less: Unamortized Acquisition Premium	(190,576,998)
Add back Push Down Debt - Acquisition Premium Finance by debt	-
Long Term Debt - DPU Page 9, Line 18 plus Page 32 line 16	<u>124,000,000</u>
	260,065,841
50%/50% Capital Structure DPU 10-55	<u>50%</u>
	<u>130,032,920</u>
Total Equity	<u>130,032,920</u>
% Above	<u>100.00%</u>
Ending Utility Common Equity	130,032,227
Beginning Utility Common Equity	<u>138,942,708</u>
Total	<u><u>268,974,935</u></u>
Average Common Equity	<u><u>134,487,468</u></u>

**NET UTILITY INCOME DIVIDED BY AVERAGE EQUITY**

**9.53%**