

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

**2012**

**Net Income Calculation:**

Utility Operating Income DPU page 10, Line 18	25,757,775
Less: Allocated Interest(See Below)	(8,456,941)
<b>Net Utility Income Available for Common Shareholders</b>	<b><u>17,300,834</u></b>

**Calculation of Allocated Interest:**

Interest + Preferred Dividends - DPU page 10, Lines 39 and 48	<u>8,456,983</u>
Utility Plant--DPU page 8, Line 2	748,852,787
Other Property & Investments - DPU page 8, Line 8	3,740
Total	<u>748,856,527</u>
 % of Line 20 to Line 22	 <u>100.00%</u>
Allocated Interest(Line 18 above times Line 24)	<u>8,456,941</u>

**Total Utility Common Equity:**

Proprietary Capital - DPU page 9,Line 13	345,172,548
Less preferred: DPU Page 9, Line 4	-
Less: Unamortized Acquisition Premium	(132,894,667)
Add back Push Down Debt - Acquisition Premium Finance by debt	
Long Term Debt - DPU Page 9, Line 18	<u>125,000,000</u>
	337,277,881
 50%/50% Capital Structure DPU 10-55	 <u>50%</u>
	168,638,941
 Total Equity	 <u>168,638,941</u>
% Above	<u>100.00%</u>
Ending Utility Common Equity	168,638,098
Beginning Utility Common Equity	<u>130,032,227</u>
Total	<u>298,670,325</u>
Average Common Equity	<u>149,335,163</u>

**NET UTILITY INCOME DIVIDED BY AVERAGE EQUITY**

**11.59%**

**The Commonwealth of Massachusetts**

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**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,**

**2012**

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 12<sup>th</sup> FL.  
Brooklyn, New York 11201

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

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GENERAL INFORMATION

PRINCIPAL AND SALARIED OFFICERS\*

Titles	Names	Addresses	Annual Salaries
President	(1) Reed, Marcy L.	Waltham, MA	\$18,428
Chief Financial Officer	(2) Campbell, David H.	Waltham, MA	5,765
Senior Vice President	(3) Akley, William J.	Hicksville, NY	4,323
Senior Vice President	(4) Madej, James	Brooklyn, NY	4,787
Senior Vice President	(5) Owyang, Colin	Waltham, MA	4,766
Senior Vice President	(6) Root, Christopher E.	Waltham, MA	4,417
Senior Vice President and Chief Procurement Officer	(7) Schlaff, Raymond C.	Waltham, MA	\$5,728

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
Akley, William J.	Hicksville, NY	No Fees Paid

(1) Salary disclosure includes amounts that have been allocated to Colonial Gas Company. The salary amount allocated to other companies was \$303,655. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2012 thru 12-31-2012.

(2) Salary disclosure includes amounts that have been allocated to Colonial Gas Company. The salary amount allocated to other companies was \$195,662. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2012 thru 12-31-2012.

(3) Salary disclosure includes amounts that have been allocated to Colonial Gas Company. The salary amount allocated to other companies was \$329,659. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2012 thru 12-31-2012.

(4) Salary disclosure includes amounts that have been allocated to Colonial Gas Company. The salary amount allocated to other companies was \$346,126. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2012 thru 12-31-2012.

(5) Salary disclosure includes amounts that have been allocated to Colonial Gas Company. The salary amount allocated to other companies was \$342,973. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2012 thru 12-31-2012.

(6) Salary disclosure includes amounts that have been allocated to Colonial Gas Company. The salary amount allocated to other companies was \$308,362. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2012 thru 12-31-2012.

(7) Salary disclosure includes amounts that have been allocated to Colonial Gas Company. The salary amount allocated to other companies was \$390,758. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2012 thru 12-31-2012.

\* 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 Company<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 of Gas and Electric Light Commissioners or Department of Public Utilities since June 5, 1894,   |   |  |        |
|  | Total, 100 common shares, par value, \$1.00, outstanding December 31 of the calendar year, 2012   |  | \$100  |
| 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 2012, the Company was charged \$38,757,059 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 .....Colonial Gas Company.....Year ended December 31, 2012

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, 12/31/2012	City or Town	Number of Customers Meters, 12/31/2012
<b>FRANCHISE AREA</b>			
Barnstable	21,274		
Billerica	11,280		
Bourne	6,922		
Brewster	3,051		
Chatham	5,584		
Chelmsford	11,906		
Dennis	10,934		
Dracut	9,158		
Dunstable	352		
Eastham	2,458		
Falmouth	13,804		
Groton	95		
Harwich	7,361		
Littletown	43		
Lowell	30,118		
Lynnfield	20		
Mashpee	8,186		
North Reading	3,059		
Orleans	1,902		
Pepperell	2,047		
Sandwich	5,305		
Tewksbury	9,097		
Tyngsboro	3,371		
Wareham	7,984		
Westford	6,994		
Wilmington	3,303		
Yarmouth	14,172		
	199,780		
<b>NON FRANCHISE AREA</b>			
Andover	48		
Carver	2		
Methuen	20		
Otis	120		
Woburn	47		
	237		
<b>TOTAL</b>	<b>200,017</b>		



## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

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	\$ 701,312,055	748,852,787	\$ 47,540,732
3	<b>OTHER PROPERTY AND INVESTMENTS</b>			
4	Nonutility Property (121) P. 19	-	-	-
4a	Capitalized Leases, net	-	-	-
5	Investment in Associated Companies (123) P. 20	-	-	-
6	Other Investments (124) P.20	3,740	3,740	-
7	Special Funds (125, 126, 127, 128) P. 21	-	-	-
8	Total Other Property and Investments	3,740	3,740	-
9	<b>CURRENT AND ACCRUED ASSETS</b>			
10	Cash (131)	-	-	-
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	23,318,019	34,171,470	10,853,451
15	Receivables from Assoc. Companies (145, 146) P. 23	6,455,891	3,757,522	(2,698,369)
16	Materials and Supplies (151-159, 163) P. 24	23,797,760	15,582,134	(8,215,626)
17	Prepayments (165) <sup>2</sup>	3,481,740	7,814,539	4,332,799
18	Interest and Dividends Receivable (171)	-	-	-
19	Rents Receivable (172)	-	-	-
20	Accrued Utility Revenues (173)	24,729,965	22,142,596	(2,587,369)
21	Misc. Current and Accrued Assets (174)	-	-	-
21A	Recoverable Fuel (175) <sup>1</sup>	(62,723,461)	(65,319,729)	(2,596,268)
22	Total Current and Accrued Assets	19,059,914	18,148,532	(911,382)
23	<b>DEFERRED DEBITS</b>			
24	Unamortized Debt Discount and Expense (181) P.26	1,898,906	1,983,475	84,569
25	Extraordinary Property Losses (182) P.27	-	-	-
26	Preliminary Survey and Investigation Charges (183)	-	-	-
27	Clearing Accounts (184)	-	-	-
28	Temporary Facilities (185)	216,377	305,977	89,600
29	Miscellaneous Deferred Debits (186) P. 27	365,764,864	352,242,212	(13,522,652)
30	Total Deferred Debits	367,880,147	354,531,664	(13,348,483)
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	\$ 1,088,255,856	\$ 1,121,536,723	\$ 33,280,867

## NOTES:

1 - At December 31, 2012, Recoverable Fuel included \$59,629,299 for cost of gas adjustment clause and \$5,690,430 for local distribution adjustment factor.

2 - The prepayment represents the total prepaid tax amount.

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

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	\$ -
4	Preferred Stock Issued (204) P.29	-	-	-
5	Capital Stock Subscribed (202, 205)	-	-	-
6	Premium on Capital Stock (207) P.29	419,429,145	419,429,145	-
7	Total	419,429,245	419,429,245	-
8	<b>SURPLUS</b>			
9	Other Paid-In Capital (208-211) P.30	(167,590,544)	(167,590,544)	-
10	Earned Surplus (215,216) P.12	74,804,138	93,333,847	18,529,709
11	Other Comprehensive Income	-	-	-
12	Total	(92,786,406)	(74,256,697)	18,529,709
13	Total Proprietary Capital	326,642,839	345,172,548	18,529,709
14	<b>LONG-TERM DEBT</b>			
15	Bonds (221) P.31	75,000,000	125,000,000	50,000,000
16	Capital Lease Obligations (221)	-	-	-
	Advances from Associated Companies (223) P. 31	-	-	-
17	Other Long-Term Debt (224) P.31	-	-	-
18	Total Long-Term Debt	75,000,000	125,000,000	50,000,000
19	<b>CURRENT AND ACCRUED LIABILITIES</b>			
	Capitalized Lease Obligation	-	-	-
20	Notes Payable (231) P.32	-	-	-
21	Accounts Payable (232)	18,342,281	2,243,245	(16,099,036)
22	Payables to Associated Companies (233,234) P.32	78,586,654	37,643,667	(40,942,987)
23	Customer Deposits (235)	462,136	441,908	(20,228)
24	Taxes Accrued (236)	-	-	-
25	Interest Accrued (237)	5,310,648	5,853,321	542,673
26	Dividends Declared (238)	-	-	-
27	Matured Long-Term Debt (239)	-	-	-
	Matured Interest (240)	-	-	-
28	Tax Collections Payable (241)	4,633,411	297,105	(4,336,306)
29	Misc. Current & Accrued Liab. (242) P.33	1,285,468	1,863,004	577,536
30	Total Current & Accrued Liability	108,620,598	48,342,250	(60,278,348)
31	<b>DEFERRED CREDITS</b>			
32	Unamortized Premium on Debt (251) P.26	-	-	-
33	Customer Advances for Construction (252)	33,021	173,477	140,456
34	Other Deferred Credits (253) P.33	8,652,803	12,326,821	3,674,018
35	Total Deferred Credits	8,685,824	12,500,298	3,814,474
36	<b>RESERVES</b>			
37	Reserves for Depreciation (254-256) P.13	274,535,243	283,814,675	9,279,432
38	Reserves for Amortization (257-259) P.13	12,046,938	12,875,629	828,691
39	Reserve for Uncollectible Accounts (260)	1,751,170	1,873,257	122,087
40	Operating Reserves (261-265) P.35	55,685,714	58,407,574	2,721,860
41	Reserve for Depreciation and Amortization of Nonutility Property (266)	-	-	-
42	Reserve for Deferred Income Taxes (267, 268) P.36	225,297,206	233,550,492	8,253,286
43	Total Reserves	569,316,271	590,521,627	21,205,356
44	<b>CONTRIBUTION IN AID OF CONSTRUCTION</b>			
45	Contributions in Aid of Construction (271) P.36	(9,676)	-	9,676
46	Total Liabilities and Other Credits	\$ 1,088,255,856	\$ 1,121,536,723	\$ 33,280,867

## 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	\$ 245,358,129	\$ 292,726,932	\$ (47,368,803)
3	Operating Expenses:			
4	Operating Expenses (401) P. 42,47	172,801,786	222,383,904	(49,582,118)
5	Maintenance Expense (402) P. 42,47	(265,437)	1,815,286	(2,080,723)
6	Depreciation Expense (403) P. 34	21,529,030	20,510,313	1,018,717
7	Amortization of Utility Plant (404 and 405)	854,678	1,269,550	(414,872)
8	Amortization of Investment Credit (406.0)	-	-	-
9	Amortization of Conversion Expenses (407.2)	8,002,320	9,306,685	(1,304,365)
10	Taxes Other Than Income Taxes (408) P. 49	5,225,989	8,943,553	(3,717,564)
11	Income Taxes (409) P. 49	(2,197,421)	4,998,957	(7,196,378)
12	Provision for Deferred Income Taxes (410) P. 36	14,115,070	(11,102)	14,126,172
13	Income Taxes Deferred In Prior Years -- Cr. (411) P. 36	(465,661)	-	(465,661)
14	Total Operating Expenses	219,600,354	269,217,146	(49,616,792)
15	Net Operating Revenues	25,757,775	23,509,786	2,247,989
16	Income from Utility Plant Leased to Others	-	-	-
17	Other Utility Operating Income (414) P. 50	-	-	-
18	Total Utility Operating Income	25,757,775	23,509,786	2,247,989
19	<b>OTHER INCOME</b>			
20	Income from Mdse. Jobbing & Contract Work (415) P. 51	-	-	-
21	Income from Nonutility Operations (417)	-	-	-
22	Nonoperating Rental Income (418)	-	-	-
23	Interest and Dividend Income (419)	1,489,216	939,742	549,474
24	Miscellaneous Nonoperating Income (421)	24,529	233,051	(208,522)
25	Total Other Income	1,513,745	1,172,793	340,952
26	Total Income	27,271,520	24,682,579	2,588,941
27	<b>MISCELLANEOUS INCOME DEDUCTIONS</b>			
28	Miscellaneous Amortization (425)	-	-	-
29	Other Income Deductions (426)	284,828	236,197	48,631
30	Total Income Deductions	284,828	236,197	48,631
31	Income Before Interest Charges	26,986,692	24,446,382	2,540,310
32	<b>INTEREST CHARGES</b>			
33	Interest on Long-Term Debt (427) P. 31	7,211,139	5,635,333	1,575,806
34	Amortization of Debt Disc. & Expense (428) P. 26	146,914	139,272	7,642
35	Amortization of Prem. on Debt - - Credit (429) P. 26	-	-	-
36	Int. on Debt to Associated Companies (430) P. 31, 32	714,067	2,028,034	(1,313,967)
37	Other Interest Expense (431)	689,995	3,061,855	(2,371,860)
38	Interest Charged to Construction - - Credit (432)	(305,132)	(173,784)	(131,348)
39	Total Interest Charges	8,456,983	10,690,710	(2,233,727)
40	Net Income	18,529,709	13,755,672	4,774,037
41	<b>EARNED SURPLUS</b>			
42	Unappropriated Earned Surplus (at beginning of period) (216)	74,804,138	101,048,466	(26,244,328)
43	Balance Transferred from Income (433)	18,529,709	13,755,672	4,774,037
44	Miscellaneous Credits to Surplus (434)	-	-	-
45	Miscellaneous Debits to Surplus (435)	-	-	-
46	Appropriations of Surplus (436)	-	-	-
47	Net Additions to Earned Surplus	18,529,709	13,755,672	4,774,037
48	Dividends Declared - - Preferred Stock (437)	-	-	-
49	Dividends Declared - - Common Stock (438)	-	40,000,000	(40,000,000)
50	Unappropriated Earned Surplus (at end of period) (216)	\$ 93,333,847	\$ 74,804,138	\$ 18,529,709

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	Balance - - Beginning of year		\$ 74,804,138
3	Charges: (identify by prescribed earned surplus accounts)		
4	Transfer from income (loss)		18,529,709
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		\$ 93,333,847
<b>APPROPRIATED EARNED SURPLUS (Account 215)</b>			
28	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.		
29			
30			
31			
32			
33			
34	NONE		
35			
36			
37			
38			
39			
40			

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

SUMMARY OF UTILITY PLANT AND RESERVES FOR DEPRECIATION AND AMORTIZATION						
Line No.	Total (b)	Electric (c)	Gas (d)	(e)	(f)	Common (g)
<b>UTILITY PLANT</b>						
1						
2						
3	\$ 694,306,617		\$ 694,306,617			
4	29,599,542		29,599,542			
5	723,906,159		723,906,159			
6						
7						
8	24,946,628		24,946,628			
9	748,852,787		748,852,787			
10						
<b>DETAIL OF RESERVES FOR DEPRECIATION AND AMORTIZATION</b>						
11						
12	283,814,675		283,814,675			
13	12,875,629		12,875,629			
14	296,690,304		296,690,304			
15						
16						
17						
18						
19						
20						
21						
22						
23	\$ 296,690,304		\$ 296,690,304			

Annual Report of Colonial Gas Company Year ended December 31, 2012

UTILITY PLANT - GAS

		of such amounts.					of such amounts.	
		the preceding year. Such items should be included in column (c) or (d) as appropriate.					4. Reclassifications or transfers within utility plant accounts should be shown in column (f).	
		3. Credit adjustments of plant accounts should be enclosed in parentheses to indicate the negative effect						
		Balance						
Line No.	Account (a)	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	13,558,470	1,327	-	-	-	13,559,797	
3a	303 Goodwill	54,563,911	-	-	-	-	54,563,911	
4	Total Intangible Plant	68,122,381	1,327	-	-	-	68,123,708	
5	<b>2. PRODUCTION PLANT</b>							
6	Manufactured Gas Production Plant							
7	304 Land and Land Rights	669,111	-	-	-	-	669,111	
8	305 Structures and Improvements	9,780,424	506,026	-	-	-	10,286,450	
9	306 Boiler Plant Equipment	689,530	-	-	-	-	689,530	
10	307 Other Power Equipment	1,111,876	-	-	-	-	1,111,876	
11	310 Water Gas Generating Equipment	-	-	-	-	-	-	
12	311 Liquefied Petroleum Gas Equipment	3,216,656	-	-	-	-	3,216,656	
13	312 Oil Gas Generating Equipment	-	-	-	-	-	-	
14	313 Generating Equipment - - Other Processes & LNG Equipment	9,349,171	261,996	-	-	-	9,611,167	
15	315 Catalytic Cracking Equipment	-	-	-	-	-	-	
16	316 Other Reforming Equipment	-	-	-	-	-	-	
17	317 Purification Equipment	-	-	-	-	-	-	
18	318 Residual Refining Equipment	-	-	-	-	-	-	
19	319 Gas Mixing Equipment	-	-	-	-	-	-	
19	320 Other Equipment	5,163,503	11,601	-	-	-	5,175,104	
20	339 PRD-PROD-ARO	7,526	-	-	-	-	7,526	
21	Total Manufactured Gas Production Plant	29,987,796	779,623	-	-	-	30,767,419	
22	<b>3. STORAGE PLANT</b>							
23	360 Land and Land Rights	-	-	-	-	-	-	
24	361 Structures and Improvements	200,754	60,895	-	-	-	261,649	
25	362 Gas Holders	137,226	-	-	-	-	137,226	
26	363 Other Equipment	26,344	-	-	-	-	26,344	
27	Total Storage Plant	364,324	60,895	-	\$ -	\$ -	425,219	
		\$	\$	\$	\$	\$	\$	

Annual Report of Colonial Gas Company Year ended December 31, 2012

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</b>						
2	DISTRIBUTION PLANT						
3	365.1 Land and Land Rights	\$ 179,067	\$ -	\$ -	\$ -	\$ -	179,067
4	365.2 Rights-of-Way	5,215	-	-	-	-	5,215
5	366 Structures and Improvements	3,939,829	41,467	5,200	-	-	3,976,096
6	367 Mains	291,160,413	16,995,186	3,450,157	-	-	304,705,442
7	368 Compressor Station Equipment	-	-	-	-	-	-
8	369 Measuring and Regulating Station Equipment	9,383,404	794,703	-	-	-	10,178,107
9	372 T&D-AROs	549,511	-	-	-	-	549,511
10	380 Services	217,493,297	14,611,021	2,899,718	504	-	229,205,104
11	381 Meters	36,265,245	2,428,803	302,403	-	-	38,391,645
12	382 Meter Installations	17,472,187	-	-	-	-	17,472,187
13	383 House Regulators	-	-	-	-	-	-
14	386 Other Property on Cust's Prem	-	-	-	-	-	-
15	387 Other Equipment	934,215	-	-	-	-	934,215
16	Total Transmission and Distribution Plant	577,382,383	34,871,180	6,657,478	504	-	605,596,589
17	<b>5. GENERAL PLANT</b>						
18	16388 Land and Land Rights	15,935	-	-	-	-	15,935
19	16389 Land and Land Rights	126,670	-	-	-	-	126,670
20	18 Structures and Improvements	9,518,307	143,515	-	-	-	9,661,822
21	1991 Office Furniture and Equipment	4,346,020	12,450	1,057,287	-	-	3,301,183
22	20392 Transportation Equipment	337,703	-	-	-	-	337,703
23	21393 Stores Equipment	37,158	-	1,582	-	-	35,576
24	22394 Tools, Shop and Garage Equipment	4,152,584	155,241	-	-	-	4,307,825
25	23395 Laboratory Equipment	8,784	-	-	-	-	8,784
26	24396 Power Operated Equipment	-	-	-	-	-	-
27	25397 Communication Equipment	715,087	-	2,502	-	-	712,585
28	26398 Miscellaneous Equipment	489,107	-	-	-	-	489,107
29	27399 Other Tangible Property	6,840	-	-	-	-	6,840
30	Total General Plant	19,754,195	311,206	1,061,371	-	-	19,004,030
31	Total Gas Plant in Service	695,611,079	36,024,231	7,718,849	504	-	723,916,965
32	104 Utility Plant Leased to Others	-	-	-	-	-	-
33	105 Property Held for Future Use	-	-	-	-	-	-
34	107 Construction Work in Progress	5,700,975	182,059,583	-	(162,824,737)	-	24,935,821
35	Total Utility Plant - Gas	701,312,055	218,083,814	7,718,849	(162,824,233)	-	748,852,787

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	NONE				
2					
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41					
42					
43	TOTALS	\$0	\$0	\$0	\$0

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

**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		
2	Account 124 - Other Investments	\$ 3,740
3		
4		
5		
6		
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9		
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44	<b>TOTAL</b>	<b>\$ 3,740</b>

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

<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		
2	NONE	
3		
4		
5		
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19	TOTAL	

**SPECIAL DEPOSITS (Accounts 132, 133, 134)**

1. Report below the amount of special deposits by classes at end of year.
2. If any deposit consists of assets other than cash, give a brief description of such assets.
3. If any deposit is held by an associated company, give name of company.

Line No.	Description and Purpose of Deposit (a)	Balance End of Year (b)
20		
21	NONE	
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35	TOTAL	

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

<b>NOTES RECEIVABLE (Account 141)</b>					
1. Give the particulars called for below concerning notes receivable at end of year.		3. Minor items may be grouped by classes, showing number of such items.			
2. Give particulars of any note pledged or discounted.		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	<b>NONE</b>				
2					
3					
4					
5					
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7					
8					
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10					
11					
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17					
18		<b>TOTAL</b>			

<b>ACCOUNTS RECEIVABLE (Accounts 142, 143)</b>		
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 Accounts Receivable (Account 142)	\$ 28,804,990
20		
21	Other Accounts Receivable (Account 143)	
22	Off-System Sales	4,658,177
23	Other Customer Billing	375,498
24	Other Post Employment Benefits (Financial Accounting Standard Board Statement # 106)	331,383
25	Miscellaneous Other Receivables	1,421
26		
27		
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38		
39	<b>TOTAL</b>	<b>\$ 34,171,470</b>

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

**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	\$ 3,757,522		
2	(Account 146):			
3				
4				
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35				
36	TOTALS	\$ 3,757,522		

**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		15,234,976
3	Residuals (Account 153)		-
4	Plant Materials and Operating Supplies (Account 154)		351,350
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)		(4,192)
11	Total Per Balance Sheet		\$ 15,582,134

**PRODUCTION FUEL AND OIL STOCKS (Included in Account 151)**  
(Except Nuclear Materials)

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

Line No.	Item (a)	Total Cost (b)	Kinds of Fuel and Oil					
			Quantity (c)	Cost (d)	Quantity (e)	Cost (f)		
1	On Hand Beginning of Year	NONE						
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							
			Kinds of Fuel and Oil - Continued					
Line No.	Item (g)	Total Cost (b)	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.

Annual Report of Colonial Gas Company Year ended December 31, 2012

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	\$ 230,268	\$ -	\$ 22,517	\$ 207,751
3	MTA-1	10,000,000	348,671	10/12/95	10/14/25	159,716	-	11,738	147,978
4	MTA-2	10,000,000	1,761,058	12/15/95	12/15/25	828,652	-	61,150	767,502
5	MTA-3	10,000,000	1,176,422	02/05/96	02/05/26	552,234	-	40,090	512,144
6	MTB-1	20,000,000	345,500	04/07/98	04/07/28	128,036	-	8,050	119,986
7									
8	Unsecured note								
9	Series A	25,000,000	59,897	03/15/12	03/15/22	-	57,871	843	57,028
10	Series B	25,000,000	179,690	03/15/12	03/15/42	-	173,615	2,529	171,086
11									
12									
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25									
26									
27		\$ 125,000,000	\$ 4,527,160			\$ 1,898,906	\$ 231,486	\$ 146,917	\$ 1,983,475



## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

<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)	Written Off During Year			Balance End of Year (f)
			Previously Written off (c)	Account Charged (d)	Amount (e)	
1	None					
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						
12	Deferred Environmental	\$ 6,132,469	\$ 1,148,629	265	\$ 3,302,091	\$ 3,979,008
13	Deferred Derivatives			143, 232, 242, 253,		
14		12,960,288	21,805,724	254, 495	30,705,282	4,060,730
15	Deferred Income Tax			253, 282, 283, 409,		
16		74,937,152	56,085,471	410	64,443,375	66,579,248
17	Pension and Other post-employment benefits	36,695,888	13,378,546	228, 926.5, 926.7	13,512,023	36,562,411
18	Merger Savings	225,655,092	-	407	7,826,184	217,828,908
19	Miscellaneous Deferred Debits	18,640	684,415	-	-	703,055
20	Regulatory Asset Deferred Federal Income Tax	4,111,673	2,507,130	253, 282, 283	2,564,724	4,054,079
21	Capital Tracker	-	2,367,398	-	-	2,367,398
22	Revenue Decoupling Mechanism	2,451,393	12,113,105	495	1,233,368	13,331,130
23	Asset Retirement Obligation	1,950,943	168,751	-	-	2,119,693
24	Rate Case Expense	851,326	-	407	194,775	656,551
25						
26						
27						
28						
29						
30						
31						
32						
33	TOTALS	\$ 365,764,864	\$ 110,259,170		\$ 123,781,822	\$ 352,242,212

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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	

**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 ..... Colonial Gas Company ..... Year ended December 31, 2012  
**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							
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10							
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12							
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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.

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

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

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

2. Donations Received from Stockholders (Account 208)

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

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

Line No.	Item (a)	Amount (b)
1		
2		
3	Other Paid In Capital	\$ (167,590,544)
4		
5		
6		
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37	TOTAL	(\$167,590,544)

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**LONG-TERM DEBT (Accounts 221, 223-224)**

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

Line No.	Class and Series of Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Amount Authorized (d)	Amount Actually Outstanding at End of Year (e)	Interest Provisions		Interest Accrued During Year, Charged to Income (h)	Interest Paid During Year (i)
						Rate Per Cent (f)	Dates Due (g)		
1									
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	706,667	706,667
4	MTA-2	12/15/95	12/15/25	10,000,000	10,000,000	Note 2, 3	F - A	662,667	662,667
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	1,372,000	1,372,000
7									
8	Unsecured Note								
9	Series A	03/15/12	03/15/22	25,000,000	25,000,000	3.296%	M - S	654,623	412,000
10	Series B	03/15/12	03/15/42	25,000,000	25,000,000	4.628%	M - S	921,182	578,500
11									
12									
13									
14									
15									
16									
17									
18	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%.								
19	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%.								
20	Note 3: These issues of bonds can be redeemed by the holder within a 30 day period at the end of ten years .								
21	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%.								
22									
23									
24									
25									
26									
27					TOTALS \$ 125,000,000	\$ 125,000,000		\$ 7,211,139	\$ 6,625,834

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. #.

Per DPU#11-78, issued on December 22, 2011, in March 15, 2012, the Company issued \$50 million of unsecured long-term debt in two tranches: series A at 3.296% with a maturity date of March 15, 2022 and series B at 4.628% with a maturity date of March 15, 2042. The proceeds from the financing were used to pay off the advance from parent of \$49 million and the balance of the proceeds was used for ongoing working capital needs.

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

**NOTES PAYABLE (Account 231)**  
Report the particulars indicated concerning notes payable at end of year.

Line No	Payee (a)	Date of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of Year (e)
1	NONE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13		TOTAL			

**PAYABLES TO ASSOCIATED COMPANIES (Accounts 233, 234)**  
Report particulars of notes and accounts payable to associated companies at end of year.

Line No.	Name of Company (a)	Amount End of Year (b)	Interest for Year	
			Rate (c)	Amount (d)
14				
15				
16				
17				
18	Note Payable to Utility Pool - Working Capital	\$ (4,047,369)	1.259%	\$ 221,256
19				
20	Note Receive to Pool Gas Financing (1)	(4,674,119)	3.340%	155,936
21				
22	Payable to Associated Companies	46,365,157		
23				
24	Matured Debt Interest			336,875
25				
26				
27				
28				
29				
30	(1) Interest charged to cost of gas			
31				
32				
33				
34				
35				
36				
37	TOTALS	\$ 37,643,667		\$ 714,067

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

**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	\$ 214,113
4	Accrued Miscellaneous	249,609
5	Accrued Vacation	950,846
6	Accrued Payroll	448,436
7		
8		
9		
10		
11		
12	TOTAL	\$ 1,863,004

**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	\$ 504,185	408-409	\$ 203,316	\$ -	\$ 300,869
14	Residential Conservation Surcharge	497,706	175	804,087	972,965	666,584
15	Deferred Post Retirement Financial Account	171,518	926	3,091	24,725	193,152
16	Derivatives	1,999,721	186	4,420,240	5,500,700	3,080,181
17	Asset Retirement Obligation	2,046,217	-	-	112,317	2,158,534
18	Deferred Off System Sales Profit	3,307,703	495	28,702,810	31,117,509	5,722,402
19	Gain on Property Sale	113,985	495	29,736	-	84,249
20	Miscellaneous Deferred Credits	11,768	142	1,179,048	1,288,129	120,849
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35	TOTALS	\$ 8,652,803		\$ 35,342,328	\$ 39,016,345	\$ 12,326,821

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

**RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)**  
 Show below the amount credited during the year to Depreciation Reserve, and the amount charged to Depreciation Reserve on account of property retired. Also the balance in the account at the end of the year.

Line No.	(a)	Electric (b)	Gas (c)	Total (d)
1	Balance at beginning of year		\$ 274,535,243	\$ 274,535,243
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation		21,529,030	21,529,030
4	Other Accounts (Rental Equipment)			
5				
6	TOTAL CREDITS DURING YEAR		21,529,030	21,529,030
7	Net Charges for Plant Retired:			
8	Book Cost of Plant Retired		7,718,849	7,718,849
9	Cost of Removal		4,574,026	4,574,026
10	Salvage (Credit)		-	-
11	Transfer/Reclass		13,156	13,156
12	ARO Entries book into the Account		(56,433)	(56,433)
13	NET CHARGES DURING YEAR		12,249,598	12,249,598
14	Balance December 31		\$ 283,814,675	\$ 283,814,675

**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	\$	21,529,030
16	The Composite Depreciation Rate as a Percentage of the Average Depreciable Property in Servi		2.78%
17	Depreciation taken for Federal Income Tax purposes		
18	Differences -		24,120,341
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	NONE					
22							
23	Preferred Stock						
24							
25							
26							
27	Added Accrual						
28							
29							
30	TOTALS						

Dividend rates on Common Stock and Premium  
 Dividend rates on Common Stock, Premium and Surplus



**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	Injuries&Damages Reserve (includes Gen, Auto and OCIP)	\$ 16,641	\$ 7,531	\$ 569,500	925	\$ (545,328)
4	Workers Compensation Reserve	152,309	1,050,583	181,423	925, 131	1,021,469
5	Incurred but not reported (IBNR)	-	1,793,740	-	925	1,793,740
6						
7						
8	Account 263:					
9						
10	Pensions	36,486,286	7,657,193	5,650,203	926, 131	38,493,276
11	Other Post Employment Benefits Reserve	10,631,953	1,457,046	539,084	926, 131	11,549,915
12						
13						
14						
15						
16	Account 265:					
17	Environmental Reserve	8,398,525	282,773	2,586,796	926, 131	6,094,502
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34	<b>TOTALS</b>	<b>\$ 55,685,714</b>	<b>\$ 12,248,866</b>	<b>\$ 9,527,006</b>		<b>\$ 58,407,574</b>

<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 (1) (c)	Amts. Credited Account 411 (2) (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	170,827,579	35,389,775		206,217,354
12	Prov Deferred Merger Cost Trueup and Other				
13	Totals	170,827,579	35,389,775	-	206,217,354
14					
15	Total (Accounts 267, 268)				
16	Electric				
17	Gas	170,827,579	35,389,775		206,217,354
18	Prov Deferred Merger Cost Trueup and Other				
19	Totals	\$ 170,827,579	\$ 35,389,775	\$ -	\$ 206,217,354
20	Note (A) Includes debits and credits to Account 236 and 253 and also reclass between Federal and State Account 268.				
21	(1) Account 410, Provision for Deferred Federal Income Taxes				
22	(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	\$ (9,676)	107		\$ 9,676	\$ -
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34	TOTALS	\$ (9,676)	107	\$ -	\$ 9,676	\$ -

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

**GAS OPERATING REVENUES (Account 400)**

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

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

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

Line No	Account (a)	Operating Revenues			Dth Sold (1000 BTU)			Average No. of Cust. Per Month		
		Amount for Year (b)	Prior Year	Increase or (Decrease) from Preceding Year (c)	Amount for Year (d)	Prior Year	Increase or (Decrease) from Preceding Year (e)	Number for Year (f)	Prior Year	Increase or (Decrease) from Preceding Year (g)
	<b>SALES OF GAS</b>									
1	480 Residential Sales	\$ 156,395,118	\$ 196,526,034	\$ (40,130,916)	12,385,215	14,107,622	(1,722,407)	179,410	176,977	2,433
2	481 Commercial and Industrial Sales:									
3	Small (or Commercial) see instr. 5	37,319,617	49,447,906	(12,128,288)	3,380,784	3,988,452	(607,668)	16,183	16,260	(77)
4	Large (or Industrial) see instr. 5	3,970,100	5,494,525	(1,524,424)	428,631	512,825	(84,194)	23	30	(7)
5	481 Other Sales to Public Authorities	16,430	19,589	(3,159)	1,332	1,343	(11)	-	3	(3)
6	481 Lost Margin	-	-	-	-	-	-	-	-	-
7	481 Quasi-Firm Sales	-	-	-	-	-	-	-	-	-
8	481 Miscellaneous Gas Sales	-	-	-	-	-	-	-	-	-
9	485 Miscellaneous Ultimate Consumers	197,701,265	251,488,053	(53,786,788)	16,195,962	18,610,243	(2,414,281)	195,616	193,270	2,346
10	483 Sales for Resale	19,121,288	22,248,403	(3,127,115)	4,866,041	48,385,341	(43,519,300)	-	-	-
11	Total Sales of Gas*	216,822,553	273,736,456	(56,913,903)	21,062,003	66,995,584	(45,933,581)	195,616	193,270	2,346
	<b>OTHER OPERATING REVENUES</b>									
12	487 Adjustments									
13	488 Miscellaneous Service Revenues	128,460	133,169	(4,709)						
14	489 Revenues from Trans. of Gas of Others	17,979,553	19,463,306	(1,483,754)						
15	490 Sales of Products Extracted from Natural Gas	-	-	-						
16	491 Rev. from Natural Gas Processed by Others	-	-	-						
17	493 Rent from Gas Property	-	-	-						
18	494 Interdepartmental Rents	-	-	-						
19	495 Other Gas Revenues	10,427,563	(605,999)	11,033,562						
20	Total Other Operating Revenues	28,535,575	18,990,476	9,545,100						
21	Total Gas Operation Revenues	\$ 245,358,129	\$ 292,726,932	\$ (47,368,803)						
22										
23										

\* Includes revenues from application of Total M.C.F. to which Applied

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

**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							
2	480	R-1 Residential	173,262	\$ 3,373,685	\$ 19.4716	9,487	9,197
3		R-2 Residential	9,027	128,382	14.2217	243	243
4		R-31 Residential	11,249,485	143,749,025	12.7783	161,417	163,015
5		R-32 Residential	953,441	9,144,026	9.5906	6,556	6,955
6		R-5 Residential-- CAPE			13.5641	-	-
7	481	G-17 Unmetered Gas Lamp-CAPE	1,332	16,430	12.3348	-	-
8		G-41 Commercial	1,868,419	22,257,470	11.9125	13,176	13,277
9		G-42 Commercial	613,310	6,304,103	10.2788	249	226
10		G-43 Commercial	365,379	3,464,403	9.4817	29	21
11		G-51 Commercial	729,819	7,199,039	9.8641	2,407	2,617
12		G-52 Commercial	169,237	1,563,012	9.2356	56	63
13		G-53 Commercial	63,253	543,024	8.5850	4	2
14		Lost Margin	-	-	-	-	-
15		Interruptibles	-	-	-	-	-
16		Sales Allowance Commercial	-	(41,335)	-	-	-
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		* Customers included in Rate Class R-1					
42							
43							
44							
45	TOTAL SALES TO ULTIMATE CONSUMERS (Page 43 line 10)		16,195,962	\$ 197,701,266	\$12.2068	193,624	195,616
46							

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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							
2							
3	489	Contract Firm Transportation					
4		G-41 Low-Load Firm Transp.	522,556	\$ 2,439,510	\$ 4.6684	1,312	1,365
5		G-42 Low-Load Firm Transp.	976,353	3,536,991	3.6227	306	273
6		G-43 Low-Load Firm Transp.	463,996	1,424,543	3.0702	61	55
7		G-31 Res Heating Transp.--CAPE	8,767	49,487	5.6446	53	91
8		G-46 Small Load Transp.	-	-	-	-	-
9		G-47 Medium Load Transp.	-	-	-	-	-
10		G-48 Large Load Transp.	-	-	-	-	-
11		G-51 High-Load Firm Transp.	341,779	1,360,813	3.9816	516	570
12		G-52 High-Load Firm Transp.	546,432	1,841,068	3.3693	141	117
13		G-53 High-Load Firm Transp.	2,034,484	5,259,817	2.5853	60	60
14		G-56 Firm Small Load Transp.	-	-	-	-	-
15		G-57 Firm Medium Load Transp.	-	-	-	-	-
16		G-58 Firm Large Load Transp.	-	-	-	-	-
17		G-61 Firm Small Load Transp.	-	-	-	-	-
18		G-81 Low-Load Contract Transp.	-	-	-	-	-
19		G-82 High-Load Contract Transp.	1,878,657	667,312	0.3552	12	12
20		Interruptible	-	832,976	-	-	-
21		Broker Fee	-	444,088	-	-	-
22		Transport Res Seasonal -Cape	-	122,949	-	-	-
23							
24							
25							
26							
27							
28							
29							
30							
31							
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40							
41							
42							
43							
44							
45							
46							
47							
48							
49	Total Revenues from Transportation						
50	of Gas for Others (Page 43, Line 16)		6,773,025	\$ 17,979,553	\$ 2.6546	2,461	2,543

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

<b>GAS OPERATION AND MAINTENANCE EXPENSES</b>				
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	1,141,973	1,538,394	(396,421)
27	718 Other process production expenses	2,185	489	1,696
28	Gas fuels:			
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	6,693	4,051	2,642
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	3,453	-	3,453
45	Total operation	1,154,304	1,542,934	(388,631)
46	Maintenance:			
47	740 Maintenance supervision and engineering	-	-	-
48	741 Maintenance of structures and improvements	-	-	-
49	742 Maintenance of production equipment	89,332	123,717	(34,385)
50	Total maintenance	89,332	123,717	(34,385)
51	Total manufactured gas production	\$ 1,243,636	\$ 1,666,652	\$ (423,016)

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

<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	\$ 95,065,399	\$ 141,292,830	\$ (46,227,431)
4	805 Other gas purchases	1,372,778	1,518,865	(146,087)
5	808.10 Liquefied natural gas	4,876,061	5,962,722	(1,086,661)
6	808-20 Deferred cost of gas	15,901,789	27,901,285	(11,999,496)
7	812 Gas used for other utility operations - - Cr	-	-	-
8	813 Other gas supply expenses	1,298	1,170	128
9	814 Environmental Costs	209,293	166,661	42,632
10	815 Conservation & Load Management Expense	-	-	-
11				
12		117,426,618	176,843,533	(59,416,915)
13	Total production expenses	118,670,254	178,510,185	(59,839,931)
14	<b>LOCAL STORAGE EXPENSES</b>			
15	Operation:			
16	840 Operation supervision and engineering	-	-	-
17	841 Operation labor and expenses	27,445	17,618	9,827
18	842 Rents	-	-	-
19	Total operation	27,445	17,618	9,827
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	(6,500,394)	(6,460,667)	(39,728)
26	Total maintenance	(6,500,394)	(6,460,667)	(39,728)
27	Total storage expenses	(6,472,949)	(6,443,048)	(29,901)
28	<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>			
29	Operation:			
30	850 Operation supervision and engineering	309,528	297,789	11,739
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	290,746	648,582	(357,836)
36	858 Transmission and compression of gas by others	-	-	-
36	860 Transmission Rents	-	-	-
37	874 Mains and services expenses	2,846,709	3,032,750	(186,041)
38	878 Meter and house regulator expenses	3,378,802	4,602,550	(1,223,748)
39	879 Customer installations expenses	(560,040)	(476,042)	(83,998)
40	880 Other expenses	952,020	923,959	28,061
41	881 Rents	-	-	-
42	882 Transportation expense	-	-	-
43	Total operation	7,217,765	9,029,589	(1,811,824)
44	Maintenance:			
45	885 Maintenance supervision and engineering	258,681	333,190	(74,509)
46	886 Maintenance of structures and improvements	4,387	16,531	(12,144)
47	887 Maintenance of mains	2,870,941	4,000,198	(1,129,257)
48	888 Maintenance of compressor station equipment	-	-	-
49	889 Maintenance of measuring and regulating station equipment	315,788	430,576	(114,788)
50	892 Maintenance of services	2,454,406	2,681,483	(227,077)
51	893 Maintenance of meters and house regulators	205,774	368,221	(162,447)
52	894 Maintenance of other equipment	30,324	302,102	(271,778)
54	Total maintenance	6,140,301	8,132,303	(1,992,001)
55	Total transmission and distribution expenses	\$ 13,358,066	\$ 17,161,892	\$ (3,803,825)

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

GAS OPERATION AND MAINTENANCE EXPENSES - - Continued				
Line No.	Account (a)	Amount for Year (b)	Prior Year Amount	Increase/(Decrease) from Preceding Year (c)
<b>CUSTOMER ACCOUNTS EXPENSES</b>				
1	Operation:			
2	901 Supervision	\$ 31,495	\$ 53,358	\$ (21,863)
3	902 Meter reading expenses	651,415	1,012,547	(361,132)
4	903 Customer records and collection expenses	2,689,769	5,073,855	(2,384,086)
5	904 Uncollectible accounts	1,828,261	598,436	1,229,825
6	905 Miscellaneous customer accounts expenses	15,278,786	6,348,103	8,930,683
7	Total customer accounts expenses	20,479,726	13,086,299	7,393,427
<b>SALES EXPENSES</b>				
9	Operation:			
10	911 Supervision	914	309	605
11	912 Demonstrating and selling expenses	1,038,975	3,148,206	(2,109,231)
12	913 Advertising expenses	4,598	45,847	(41,249)
13	916 Miscellaneous sales expenses	(378,662)	(519,754)	141,092
14	Total sales expenses	665,825	2,674,608	(2,008,783)
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>				
16	Operation:			
17	920 Administrative and general salaries	4,714,818	4,595,469	119,349
18	921 Office supplies and expenses	3,521,135	3,457,253	63,882
19	922 Administrative expenses transferred - - Cr	-	-	-
20	923 Outside services employed	1,863,401	1,282,596	580,805
21	924 Property Insurance	57,435	35,486	21,949
22	925 Injuries and damages	2,839,431	543,696	2,295,735
23	926 Employees pensions and benefits	10,077,763	6,528,814	3,548,949
24	927 Franchise Requirements	-	-	-
25	928 Regulatory commission expenses	545,487	388,332	157,155
26	929 Duplicate charges - - Cr	-	-	-
27	930 Miscellaneous general expenses	1,633,758	2,026,071	(392,313)
28	931 Rents	576,875	331,608	245,267
29	Total operation	25,830,103	19,189,324	6,640,778
30	Maintenance:			
31	932 Maintenance of general plant	5,324	19,932	(14,608)
32	Total administrative and general expenses	25,835,427	19,209,256	6,626,170
33	Total gas operation and maintenance expenses	\$ 172,536,349	\$ 224,199,190	\$ (51,662,841)
<b>SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES</b>				
Line No.	Functional Classification (a)	Operation (b)	Maintenance (c)	Total (d)
34	Steam production			
35	Manufactured gas production	\$ 1,154,304	\$ 89,332	\$ 1,243,636
36	Other gas supply expenses	117,426,618	-	117,426,618
37	Total production expenses	118,580,922	89,332	118,670,254
38	Local storage expenses	27,445	(6,500,394)	(6,472,949)
39	Transmission and distribution expenses	7,217,765	6,140,301	13,358,066
40	Customer accounts expenses	20,479,726	-	20,479,726
41	Sales expenses	665,825	-	665,825
42	Administrative and general expenses	25,830,103	5,324	25,835,427
43	Total gas operation and maint. expenses.	\$ 172,801,786	\$ (265,437)	\$ 172,536,349
44	Ratio of operating expenses to operating revenues (carry out decimal two places, e.g. : 0.00%)			82.70%
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			\$ 17,956,991
50	Total number of employees of gas department at end of year, including administrative,			
51	operating, maintenance, construction and other employees - National Grid Massachusetts.			79



Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

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	4,866,041	3.93	19,121,288
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					

**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		SEE PAGES 48a & 48b			
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27	TOTALS				

**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				NONE			
17							
18							
19							
20							
21							
22							
23							

## Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

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	Algonquin Gas Transmission	Metered at Everett,			
2		Weston, Waltham,			
3		Braintree, Norwood,			
4		Wellesley, Milton,			
5		Waltham Polaroid, Mansfield,			
6		Medford & Potter Street			
7	Transportation and Capacity Costs				4,729,832
8	Other Charges				69,160
9	TOTAL ALGONQUIN		-		4,798,992
10	Tennessee Gas Pipeline	Metered at Leominster,			
11		Clinton, Southbridge,			
12		Spencer, Lynn, Acton,			
13		Lynnfield, Arlington,			
14		Burlington, Lexington,			
15		Reading, Revere, West			
16		Peabody, Beverly/Salem,			
17		& Gloucester			
18					
19	Transportation and Capacity Costs				9,160,176
20	Other Charges				1,019,136
21	TOTAL TENNESSEE		-		10,179,312
22	Texas Eastern				
23	Transportation and Capacity Costs				4,723,985
24	Other Charges				331,177
25	TOTAL TEXAS EASTERN		-		5,055,162
26	Canadian				
27					
28	Commodity Cost		151,236	2.50	378,141
29	Transportation and Capacity Costs				19,055
30	Other Charges				-
31	TOTAL CANADIAN		151,236		397,196
32					
33	Direct Purchases				
34	Gas Cost Accrual				13,802,150
35	Commodity Cost		28,784,343	2.63	61,765,987
36	Transportation and Capacity Costs				2,460,382
37	Other Charges				-
38	TOTAL DIRECT PURCHASES		28,784,343		78,028,519
39					
40					
41					
42					
43					
44					



Annual Report of ..... Colonial Gas Company ..... Year ended December 31, 2012

**TAXES CHARGED DURING YEAR**

1. This schedule is intended to give the account distribution of total taxes charged to operations and other final accounts during the year.  
 2 Do not include gasoline and other sales taxes which have been charged to accounts to which the material on which the tax was levied was charged. If the actual or estimated amounts of such taxes are known, they should be shown as a footnote and designated whether estimated or actual amounts.  
 3 The aggregate of each kind of tax should be listed under the appropriate heading of "Federal," "State," and "Local" in such manner that the total tax for each State and for all subdivisions can readily be ascertained.  
 4. The accounts to which the taxes charged were distributed should be shown in columns (c) to (h). Show both the utility department and number of account charged. For taxes charged to utility plant show the number of the appropriate balance sheet account or subaccount.

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	\$ (3,536,955)		\$ (3,536,955)						
3	F.I.C.A. & Medicare	864,906		864,906						
4	Transportation/Fleet									
5	Excise									
6										
7	State:									
8	Income	1,339,533		1,339,533						
9	Use	(2,760,689)		(2,760,689)						
10	Payroll	172,891		172,891						
11	Fuel									
12	Local:									
13	Cities & Towns	6,948,881		6,948,881						
14	Excise									
15										
16										
<b>TOTALS</b>		\$ 3,028,568		\$ 3,028,568						

**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, 2012

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					
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 .....Colonial Gas Company.....Year ended December 31, 2012

**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	-	-	-	-	-	-
5							
6	TOTAL	-	-	-	-	-	-
7							
8	<u>Gas Purchased</u>						
9	Natural	28,935,579	3,009,407	2,834,034	2,740,799	2,016,452	1,706,458
10	Other						
11	TOTAL	28,935,579	3,009,407	2,834,034	2,740,799	2,016,452	1,706,458
12	TOTAL MADE AND						
13	PURCHASED	28,935,579	3,009,407	2,834,034	2,740,799	2,016,452	1,706,458
14	Net Change in Holder						
15	Gas (1)	(10,804,839)	98,948	(271,401)	(817,107)	(671,059)	(865,938)
16	TOTAL SENDOUT	18,130,740	3,108,355	2,562,633	1,923,692	1,345,393	840,520
17	GAS TRANSPORTED	5,693,713	690,897	652,048	541,305	463,163	373,323
18	TOTAL THROUGHPUT	23,824,453	3,799,252	3,214,681	2,464,997	1,808,556	1,213,843
19							
20	Gas Sold *	15,641,360	3,037,153	2,505,343	1,663,103	1,123,572	706,900
21	Gas Used by Company	167,067	16,981	33,608	19,325	21,485	17,406
22	Gas transported *	7,290,212	735,072	609,624	210,536	404,273	547,946
23	Gas Accounted for	23,098,638	3,789,206	3,148,575	1,892,963	1,549,330	1,272,253
24	Gas Unaccounted for (2)	725,815	10,046	66,106	572,034	259,226	(58,410)
25	% Unaccounted						
26	for (0.00%) (2)	3.05%					
27							
28							
29	<u>Sendout in 24 hours</u>						
30	<u>in MCF</u>						
31	Maximum - MCF		233,307	187,380	167,113	107,397	86,056
32	Maximum - Date		01/15/2012	02/12/2012	03/01/2012	04/02/2012	05/01/2012
33	Minimum - MCF		90,787	94,987	35,011	38,865	25,033
34	Minimum - Date		01/01/2012	02/22/2012	03/22/2012	04/15/2012	05/27/2012
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, 2012

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	-	-	-	-	-	-	-
5							
6	-	-	-	-	-	-	-
7							
8							
9	1,836,356	2,788,275	2,428,628	2,029,396	2,252,222	2,381,279	2,912,272
10							
11	1,836,356	2,788,275	2,428,628	2,029,396	2,252,222	2,381,279	2,912,272
12							
13	1,836,356	2,788,275	2,428,628	2,029,396	2,252,222	2,381,279	2,912,272
14							
15	(1,167,326)	(2,054,192)	(1,765,093)	(1,352,978)	(1,359,399)	(280,853)	(298,440)
16	669,030	734,083	663,535	676,418	892,823	2,100,426	2,613,832
17	321,699	281,101	308,007	318,348	448,205	634,081	661,536
18	990,729	1,015,184	971,542	994,766	1,341,028	2,734,507	3,275,368
19							
20	544,979	450,248	473,094	496,987	782,971	1,864,008	2,493,002
21	11,646	7,021	8,959	6,458	6,040	7,957	10,181
22	444,904	415,955	528,039	651,885	651,610	807,191	783,178
23	1,001,528	873,224	1,010,091	1,155,329	1,440,621	2,679,156	3,286,361
24	(10,799)	141,960	(38,549)	(160,563)	(99,593)	55,351	(10,993)
25							
26							
27							
28							
29							
30							
31	52,317	38,167	39,696	41,959	69,428	125,537	158,718
32	06/20/2012	07/17/2012	08/03/2012	09/07/2012	10/12/2012	11/30/2012	12/31/2012
33	24,166	21,943	21,711	21,290	25,775	41,008	59,081
34	06/24/2012	07/28/2012	08/11/2012	09/02/2012	10/02/2012	11/12/2012	12/10/2012
35							
36							
37							
38							
39							
40							
41							
42							



Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

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: High Pressure Mix	3	6,800
3			
4			
5	Liquefied Natural Gas:		
6	Lowell Division: Tewksbury, MA	4	65,400
7	Westford, MA	1	6,000
8			
9	Cape Cod Division: South Yarmouth, MA	4	23,800
10	Wareham, MA	4	4,300
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36	<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, 2012

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	Lowell, MA		PSIG			AT 212F	
2	School and Rock Sts.					100C	
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							
Line No. SCRUBBERS, CONDENSERS AND EXHAUSTERS. 24 HOUR CAPACITY (MCF)							
26			Kind of Gas				Total Capacity
27							
28	Scrubbers	NONE					
29							
30							
31							
32							
33	Condensers						
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, 201

<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>							
	Location	Type of Tank	Dimensions		No. of Lifts	Number	Working Capacity
			Diam.	Height			
22							
23							
24							
25							
26							
27							
28							
29	NONE						
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

TRANSMISSION AND DISTRIBUTION MAINS						
Report by size, for all mains and lines, the information called for below for cast iron, welded, wrought iron and steel mains.						
Sub-totals should be shown for each type.						
Line No.	Diameter	Total Length in Feet at Beginning of Year	Added During Year	Taken Up During Year	Abandoned but not Removed During Year	Total Length in Feet at End of Year
1	<b>CAST IRON</b>					
2	3"	446	-	-	-	446
3	4"	334,058	-	-	-	334,058
4	6"	444,651	-	-	204	444,447
5	8"	41,772	-	-	23,027	18,745
6	10"	17,398	-	-	-	17,398
7	12"	64,690	-	-	-	64,690
8	14"	-	-	-	-	-
9	16"	9,863	-	-	-	9,863
10	18"	5,136	-	-	-	5,136
11	20"	3,742	-	-	-	3,742
12	24"	2,287	-	-	-	2,287
13	Subtotal	924,043	-	-	23,231	900,812
14	<b>STEEL OR WROUGHT IRON</b>					
15	3/4"	-	-	-	-	-
16	1"	48,518	-	-	17	48,501
17	1-1/4"	9,702	-	-	-	9,702
18	1-1/2"	86,287	-	-	-	86,287
19	2"	4,667,948	7	-	100,710	4,567,245
20	3"	304,932	-	-	3,397	301,535
21	4"	1,632,758	440	-	22,158	1,611,040
22	5"	13,169	-	-	-	13,169
23	6"	604,627	1,116	-	3,127	602,616
24	8"	567,455	3,198	-	19,787	550,866
25	10"	146,593	26	-	19	146,600
26	12"	321,168	13,174	-	147	334,195
27	14"	887	-	-	-	887
28	16"	1,535	-	-	-	1,535
29	20"	104	-	-	-	104
30	24"	722	-	-	-	722
31	Subtotal	8,406,405	17,961	-	149,362	8,275,004
32	<b>PLASTIC</b>					
33	1/2"	38,855	-	-	-	38,855
34	5/8"	269	-	-	-	269
35	3/4"	10,278	-	-	-	10,278
36	1"	36,758	1,890	-	217	38,431
37	1-1/4"	31,410	-	-	-	31,410
38	1-1/2"	14,804	-	-	-	14,804
39	2"	7,513,681	306,483	-	3,715	7,816,449
40	3"	13,151	-	-	20	13,131
41	4"	1,857,883	70,555	-	991	1,927,447
42	6"	650,229	32,237	-	277	682,189
43	8"	212,935	36,757	-	697	248,995
44	10"	1,870	-	-	-	1,870
45	12"	365	214	-	-	579
46	20"	582	-	-	-	582
47	Subtotal	10,383,070	448,136	-	5,917	10,825,289
48	Totals	19,713,518	466,097	-	178,510	20,001,105
Normal Operating Pressure - - Mains and Lines - - Maximum.....60# PSI....Minimum.....7" W.C.....						
Normal Operating Pressure - - Services - - Maximum.....60# PSI....Minimum .....7" W.C.....						
Miles Added			88	34 Miles Retired		

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

**TRANSMISSION AND DISTRIBUTION MAINS**

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

Line No.	Diameter	Total Length in Feet at Beginning of Year	Added During Year	Taken Up During Year	Abandoned but not Removed During Year	Total Length in Feet at End of Year
1	No category	3,342	1,289	-	-	4,631
2						
3						
4						
5						
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37						
38						
39	<b>GRAND TOTAL</b>	<b>19,716,860</b>	<b>467,386</b>	<b>0</b>	<b>178,510</b>	<b>20,005,736</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, 2012

**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	230,969		273,164
2	Additions during year:			
3	Purchased			8,162
4	Installed	53,983		
5	Associated with Plant acquired			
6	Total Additions	53,983		8,162
7	Reductions during year:			
8	Retirements	679		3,512
9	Associated with Plant sold			
10	Total Reductions	679		3,512
11	Number at End of Year	284,273		277,814
12	In Stock			76,438
13	On Customers' Premises - - Inactive			3,096
14	On Customers' Premises - - Active			198,280
15	In Company Use			0
16	Number at End of Year			277,814
17	Number of Meters Tested by State Inspectors during Year			28,285

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

**RATE SCHEDULE INFORMATION**

- 1. Attach copies of all Filed Rates for General Consumers.
- 2. Show below the changes in rate schedules during year and the estimated increase or decrease in annual revenue predicated on the previous year's operations.

Date Effective	M.D.T.E. Number	Rate Schedule	Estimated Effect on Annual Revenues 1/	
			Increases	Decreases
		<b>Base Tariff Rates did not change during calendar Year 2012</b>		

Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

**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	\$ 54,263
3		
4		
5		
6		
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31		
32	TOTAL	\$ 54,263



Annual Report of .....Colonial Gas Company.....Year ended December 31, 2012

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		\$ 4,598
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
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41			
42		TOTAL	\$ 4,598

**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		\$ 441,908
5		
6		
7		
8		
9		
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11		
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14		
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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39		
40	TOTAL	\$ 441,908
41		

THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY

*Mary Lisa* .....President

*Budg. J. White* .....Vice President and Controller

.....Director

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

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

Kings, New York, ss

July ~~17~~ 2013

Then personally appeared.....

.....  
.....

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

*[Signature]* .....Notary Public  
My Commission Expires:

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