



March 12, 2018

Commonwealth of Massachusetts  
Massachusetts Department of Public Utilities  
Attn: Mark D. Marini and Kevin M. Brannelly  
One South Station, 2<sup>nd</sup> Floor  
Boston, Massachusetts 02110

There are filed herewith three (3) copies of the returns for the year ended December 31, 2017 for Boston Gas Company.

We also enclosed a check for \$5.00 to cover filing fees.

Please acknowledge receipt of these returns on the duplicate of this letter. A stamped, self-addressed envelope is also enclosed for your convenience.

Sincerely,

A handwritten signature in cursive script that reads "George Carlin".

George Carlin  
Vice President  
NE Controller  
929-324-5249

**THE DEPARTMENT OF PUBLIC UTILITIES**

This statement is filed in accordance with Chapter 164, Section 84A

**CONDENSED FINANCIAL RETURN**

for the year ended December 31, 2017

Full Name of Company - BOSTON GAS COMPANY

D/B/A NATIONAL GRID ENERGY DELIVERY NEW ENGLAND

Location of Principal Business Office - One MetroTech Center 12<sup>th</sup> Fl, Brooklyn, New York 11201**Statement of Income for the Year**

Item	Current Year (b)	Increase or (Decrease) from Preceding Year (c)
<b>OPERATING INCOME</b>		
Operating Revenues	\$ 1,148,939,621	\$ 95,714,753
Operating Expenses:		
Operation Expenses	711,932,552	30,117,983
Maintenance Expense	67,969,990	11,635,663
Depreciation Expense	157,221,224	10,631,528
Amortization of Utility Plant	349	(39,216)
Amortization of Property Losses	-	-
Amortization of Conversion Expenses	-	(267,114)
Taxes Other Than Income Taxes	57,945,181	3,328,067
Income Taxes	(48,922,334)	(49,272,111)
Provision for Deferred Income Taxes	91,735,964	60,907,960
Income Taxes Deferred in Prior Years -- CR.	-	-
Total Operating Expenses	1,037,882,926	67,042,760
Net Operating Revenues	111,056,695	28,671,993
Income from Utility Plant Leased to Others	-	-
Other Utility Operating Income	-	-
Total Utility Operating Income	111,056,695	28,671,993
<b>OTHER INCOME</b>		
Income from Mdse. Jobbing & Contract Work	-	-
Income from Nonutility Operations	-	-
Nonoperating Rental Income	-	-
Interest and Dividend Income	4,005,961	2,381,392
Miscellaneous Nonoperating Income	378,802	254,499
Total Other Income	4,384,763	2,635,891
Total Income	115,441,458	31,307,884
<b>MISCELLANEOUS INCOME DEDUCTIONS</b>		
Miscellaneous Amortization	-	-
Other Income Deductions	20,060,905	4,271,529
Total Income Deductions	20,060,905	4,271,529
Income Before Interest Charges	95,380,553	27,036,355
<b>INTEREST CHARGES</b>		
Interest on Long-Term Debt	37,365,560	5,971,735
Amortization of Debt Disc. & Expense	377,307	103,374
Amortization of Premium on Debt -- Credit	-	-
Interest on Debt to Associated Companies	5,697,658	1,928,889
Other Interest Expense	(7,896,608)	2,871,830
Interest Charged to Construction -- Credit	(2,194,641)	(1,262,517)
Total Interest Charges	33,349,276	9,613,311
Net Income	\$ 62,031,277	\$ 17,423,044

<b>BALANCE SHEET</b>			
Title of Account	Balance End of Year	Title of Account	Balance End of Year
<b>UTILITY PLANT</b>		<b>PROPRIETARY CAPITAL</b>	
Utility Plant	\$ 4,783,368,141	<b>CAPITAL STOCK</b>	
<b>OTHER PROPERTY AND INVESTMENTS</b>		Common Stock Issued	\$ 51,418,400
Nonutility Property	170,808	Preferred Stock Issued	-
Capitalized Leases, net	-	Capital Stock Subscribed	-
Investment in Associated Companies	-	Premium on Capital Stock	640,069
Other Investments	400	Total	52,058,469
Special Funds	3,250,982	<b>SURPLUS</b>	
Total Other Property and Investments	3,422,190	Other Paid-In Capital	1,121,324,403
<b>CURRENT AND ACCRUED ASSETS</b>		Earned Surplus	509,660,555
Cash	1,675,411	Other Comprehensive Income	73,823
Special Deposits	-	Total	1,631,058,781
Working Funds	-	Total Proprietary Capital	1,683,117,250
Temporary Cash Investments	-	<b>LONG TERM DEBT</b>	
Notes and Accounts Receivable	200,956,736	Bonds	1,103,000,000
Receivables from Assoc. Companies	19,784,353	Capital Lease Obligations	-
Materials and Supplies	60,089,059	Other Long-Term Debt	-
Prepayments	22,114	Total Long-Term Debt	1,103,000,000
Interest and Dividends Receivable	-	<b>CURRENT AND ACCRUED</b>	
Rents Receivable	-	<b>LIABILITIES</b>	
Accrued Utility Revenues	126,887,279	Notes Payable	-
Misc. Current And Accrued Assets	101,189	Accounts Payable	75,171,599
Recoverable Fuel	232,355,196	Payables to Associated Companies	225,249,650
Total Current and Accrued Assets	641,871,337	Customer Deposits	1,497,828
<b>DEFERRED DEBITS</b>		Taxes Accrued	(44,469,415)
Unamortized Debt Discount and Expense	6,767,895	Interest Accrued	17,036,534
Extraordinary Property Losses	-	Dividends Declared	-
Preliminary Survey and Investigation	-	Matured Long-Term Debt	-
Charges	-	Matured Interest	-
Clearing Accounts	33,181	Tax Collections Payable	1,351,493
Temporary Facilities	-	Misc. Current and Accrued Liabilities	33,264,953
Miscellaneous Deferred Debits	449,392,851	Total Current & Accrued Liabilities	309,102,642
Total Deferred Debits	456,193,927		
<b>CAPITAL STOCK DISCOUNT AND EXPENSE</b>		<b>DEFERRED CREDITS</b>	
Discount on Capital Stock	-	Unamortized Premium on Debt	-
Capital Stock Expense	-	Customer Advances for Construction	-
Total Capital Stock Discount and Expense	-	Other Deferred Credits	396,004,085
<b>REACQUIRED SECURITIES</b>		Total Deferred Credits	396,004,085
Reacquired Capital Stock	-	<b>RESERVES</b>	
Reacquired Bonds	-	Reserves for Depreciation	1,532,730,889
Total Reacquired Securities	-	Reserves for Amortization	90,663,627
Total Assets and Other Debits	\$ 5,884,855,595	Reserve for Uncollectible Accounts	40,528,212
		Operating Reserves	89,606,195
		Reserve for Depreciation and Amortization of Nonutility Property	-
		Reserves for Deferred Federal Income Taxes	640,102,695
		Total Reserves	2,393,631,618
		<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	
		Contributions in Aid of Construction	-
		Total Liabilities and Other Credits	\$ 5,884,855,595

NOTES:

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

December 31, 2017

## STATEMENT OF EARNED SURPLUS

Item	Current Year (b)	Increase or (Decrease) from Preceding Year (c)
Unappropriated Earned Surplus (at beginning of period)	\$ 447,629,278	\$ 44,608,233
Balance Transferred from Income	62,031,277	17,423,044
Miscellaneous Credits to Surplus	-	-
Miscellaneous Debits to Surplus	-	-
Appropriations of Surplus	-	-
Net Additions to Earned Surplus	62,031,277	17,423,044
Dividends Declared - - Preferred Stock	-	-
Dividends Declared - - Common Stock	-	-
Unappropriated Earned Surplus (at end of period)	\$ 509,660,555	\$ 62,031,277

## ELECTRIC OPERATING REVENUES

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

## SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Functional Classification	Operation	Maintenance	Total
Power Production Expenses			
Electric Generation			
Hydraulic Power			
Other Power			
Other Power Supply Expenses			
Total Power Production Expenses			
Transmission Expenses			
Distribution Expenses			
Customer Accounts Expenses			
Sales Expenses			
Administrative and General Expenses			
Total Electric Operation and Maintenance Expenses			

<b>GAS OPERATING REVENUES</b>		
Account	Operating Revenues	
	Amount for Year	Increase or (Decrease) from Preceding Year
<b>SALES OF GAS</b>		
Residential Sales	\$ 687,821,525	\$ 88,081,738
Commercial and Industrial Sales		
Small (or Commercial)	118,363,701	15,437,419
Large (or Industrial)	102,989,180	7,357,575
Other Sales to Public Authorities	1,066,584	16,606
Interdepartmental Sales	-	-
Quasi-Firm Revenue	-	-
Miscellaneous Gas Sales (Unbilled Revenue)	-	-
Total Sales to Ultimate Consumers	910,240,990	110,893,338
Sales for Resale	48,790,172	(16,211,574)
Total Sales of Gas	959,031,162	94,681,764
<b>OTHER OPERATING REVENUES</b>		
Adjustments	-	-
Miscellaneous Service Revenues	(1,099,500)	(1,563,300)
Revenues from Transportation of Gas of Others	165,918,631	17,696,965
Sales of Products Extracted from Natural Gas	-	-
Revenues from Natural Gas Processed by Others	-	-
Rent from Gas Property	838,202	(549,988)
Interdepartmental Rents	-	-
Other Gas Revenues	24,251,126	(14,549,188)
Total Other Operating Revenues	189,908,459	1,034,490
Total Gas Operating Revenues	\$ 1,148,939,621	\$ 95,714,753

<b>SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES</b>				<b>4a</b>
Functional Classification	Operation	Maintenance	Total	
Steam Production				
Manufactured Gas Production	\$ 48,191	\$ 1,757	\$	49,948
Other Gas Supply Expenses	390,377,791	-		390,377,791
Total Production Expenses	390,425,982	1,757		390,427,739
Local Storage Expenses	10,411,101	(9,712,946)		698,155
Transmission and Distribution Expenses	43,875,978	77,655,274		121,531,252
Customer Accounts Expenses	129,318,137	-		129,318,137
Sales Expenses	1,550,597	-		1,550,597
Administrative and General Expenses	136,350,757	25,905		136,376,662
Total Gas Operation and Maintenance Expenses	\$ 711,932,552	\$ 67,969,990	\$	779,902,542

March 12, 2018, I hereby certify that the foregoing statements are full, just and true to the best of my knowledge and belief. This statement is signed under the penalties of perjury.



**George Carlin**  
VP Controller NE

# The Commonwealth of Massachusetts

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## ANNUAL RETURN

OF THE

## BOSTON GAS COMPANY

## D/B/A NATIONAL GRID ENERGY DELIVERY NEW ENGLAND

TO THE

## THE DEPARTMENT OF PUBLIC UTILITIES

OF MASSACHUSETTS

**For the Year Ended December 31,**

# 2017

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

}  
}

**George Carlin**

Official title: **VP Controller NE**

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

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

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Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

GENERAL INFORMATION

PRINCIPAL AND SALARIED OFFICERS\*

Titles	Names	Addresses	Annual Salaries
President (Appointed 8/21/2017)	O'Hara, Cordelia	Waltham, MA	
President (Resigned 8/21/2017)	(1) Reed, Marcy L.	Waltham, MA	\$57,159
Vice President & Chief Financial Officer	(2) Urban, Dennis	Waltham, MA	\$42,638
VP Controller	(3) Carlin, George	Brooklyn, NY	\$21,961
VP Controller (Resigned 1/17/2017)	(4) Partridge, Sharon	Waltham, MA	\$18,923
Executive Vice President	(5) Bruckner, John	Hicksville, NY	\$33,339
Senior Vice President	(6) Mills, Jeannette	Waltham, MA	\$18,756
Senior Vice President	(7) Macklin, Ronald	Hicksville, NY	\$25,056
Senior Vice President (Removed 8/07/2017)	(8) Way, David	Waltham, MA	\$20,698
Senior Vice President	(9) Turrini, Ross	Hicksville, NY	\$59,066

DIRECTORS\*

<u>Names</u>	<u>Addresses</u>	<u>Fees Paid During Year</u>
Carlin, George	Brooklyn, New York	No Fees Paid
Partridge, Sharon	Waltham, Massachusetts	No Fees Paid
Mills, Jeannette	Waltham, Massachusetts	No Fees Paid
Nouel, Carlos	Waltham, Massachusetts	No Fees Paid

- (1) Reed: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$261,823. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2017 thru 12-31-2017.
- (2) Urban: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$168,417. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2017 thru 12-31-2017.
- (3) Carlin: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$176,021. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2017 thru 12-31-2017.
- (4) Partridge: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$190,625. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2017 thru 12-31-2017.
- (5) Bruckner: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$272,520. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2017 thru 12-31-2017.
- (6) Mills: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$188,955. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2017 thru 12-31-2017.
- (7) Macklin: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$256,280. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2017 thru 12-31-2017.
- (8) Way: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$200,073. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2017 thru 12-31-2017.
- (9) Turrini: Salary disclosure includes amounts that have been allocated to Boston Gas Company. The salary amount allocated to other companies was \$178,625. These salary amounts exclude incentive compensation payments and reflect base salary paid by the company from 1-1-2017 thru 12-31-2017.

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

**GENERAL INFORMATION - Continued**

1. Corporate name of company making this report,	Boston Gas Company D/B/A NATIONAL GRID ENERGY DELIVERY NEW ENGLAND	
2. Date of organization,	December 11, 1903	
3. Date of incorporation,	December 11, 1903	
4. Give location (including street and number) of principal business office:-  One MetroTech Center 12 <sup>th</sup> Fl, Brooklyn New York 11201		
5. Total number of stockholders,	Common: 1	
6. Number of stockholders in Massachusetts,	Common: 1	
7. Amount of stock held in Massachusetts,	No. of Common Shares, 514,184	\$51,418,400
8. Capital stock issued prior to June 5, 1894,	No. of shares, N/A	\$ N/A
9. Capital stock issued with approval of Board of Gas and Electric Light Commissioners or Department of Public Utilities since June 5, 1894,  Total, 514,184 common shares, par value, \$100.00, outstanding December 31 of the calendar year, 2017		\$51,418,400
10. If any stock has been issued during the last fiscal period, give the date and terms upon which such issue was offered to the stockholders, and if the whole or any part of the issue was sold at auction, the date or dates of such sale or sales, the number of shares sold and the amounts realized therefrom.		
11. Management Fees and Expenses during the Year.  List all individuals, corporations or concerns with whom the company has any contract or agreement covering management or supervision of its affairs, such as accounting, financing, engineering, construction, purchasing, operation, etc., and show the total amount paid to each for the year.  In 2017, the Company was charged \$229,118,670 by National Grid Corporate Services for services, which included: executive and administrative, corporate affairs, customer services, environmental services, financial services (including accounting, auditing, risk management, tax, treasury/finance), human resources, information technology, legal, materials management and purchasing, and strategic planning.		

GENERAL INFORMATION - Continued

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

In Gas Property:

No Important Changes

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

<b>GENERAL INFORMATION - Continued</b>					
Names of the cities or towns in which the company supplies GAS with the number of customers' meters in each City or Town					
<b>NUMBER OF CUSTOMER METERS</b>					
<b>City or Town</b>	<b>Number of Customers</b>	<b>City or Town</b>	<b>Number of Customers</b>	<b>City or Town</b>	<b>Number of Customers</b>
FRANCHISE AREA		LITTLETON	1,706	WEBSTER	2,946
ABINGTON	3,484	LUNENBURG	704	WELLESLEY	7,649
ACTON	5,236	LYNN	26,143	WENHAM	711
AMESBURY	5,047	LYNNFIELD	3,106	WEST NEWBURY	192
ARLINGTON	14,537	MALDEN	18,317	WESTON	3,288
AYER	2,176	MANCHESTER	1,721	WEYMOUTH	12,413
BEDFORD	4,308	MARBLEHEAD	7,176	WHITMAN	3,707
BELMONT	8,894	MEDFORD	19,614	WINCHESTER	5,749
BEVERLY	10,372	MELROSE	8,830	WINTHROP	6,204
BOSTON	24,431	MERRIMAC	1,852	WOBURN	9,741
BOXBORO	791	MIDDLETON	1,647		719,790
BOXFORD	1,415	MILTON	7,485		
BRAINTREE	9,140	N BROOKFIELD	613	NON FRANCHISE AREA	
BRIGHTON	19,235	NAHANT	1,311	METHUEN	14
BROOKFIELD	164	NATICK	41	N. ANDOVER	310
BROOKLINE	18,208	NEEDHAM	2	WESTFORD	83
BURLINGTON	6,056	NEWBURY	466	WILMINGTON	26
BYFIELD	238	NEWBURYPORT	7,027		433
CARLISLE	810	NEWTON	27,391		
CHARLESTOWN	5,148	NORWOOD	10,132		
CHELSEA	10,745	OXFORD	146		
CLINTON	3,280	PEABODY	12,457		
COHASSET	2,215	QUINCY	28,636		
CONCORD	4,636	READING	4,891		
DANVERS	6,649	REVERE	14,465		
DORCHESTER	46,889	ROCKLAND	4,966		
DUDLEY	1,040	ROCKPORT	110		
E BOSTON	13,014	ROSLINDALE	10,495		
E BROOKFIELD	204	ROWLEY	1,538		
ESSEX	750	ROXBURY	9,977		
EVERETT	14,427	S BOSTON	14,659		
FRAMINGHAM	13	SALEM	14,020		
GEORGETOWN	2,063	SALISBURY	3,423		
GLOUCESTER	7,646	SAUGUS	6,964		
GROTON	1,123	SHIRLEY	693		
GROVELAND	1,838	SOMERVILLE	9,372		
HAMILTON	1,085	SOUTHBRIDGE	3,459		
HANSON	13	SPENCER	1,603		
HARVARD	319	STONEHAM	4,766		
HAVERHILL	21,123	SUDBURY	4,181		
HINGHAM	5,245	SWAMPSCOTT	4,572		
HULL	4,605	TOPSFIELD	1,357		
IPSWICH	2,994	W BROOKFIELD	443		
JAMAICA PLAIN	13,119	W ROXBURY	8,655		
LANCASTER	359	WAKEFIELD	95		
LEICESTER	178	WALTHAM	17,797		
LEOMINSTER	7,820	WARREN	476		
LEXINGTON	6,622	WATERTOWN	13,367		
LINCOLN	1,187	WAYLAND	3,432		
				<b>TOTAL</b>	<b>720,223</b>

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

<b>COMPARATIVE BALANCE SHEET Assets and Other Credits</b>				
<b>Line No.</b>	<b>Title of Account (a)</b>	<b>Balance Beginning of Year (b)</b>	<b>Balance End of Year (c)</b>	<b>Increase or (Decrease) (d)</b>
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-107) p. 13	\$ 4,306,295,478	\$ 4,783,368,141	\$ 477,072,663
3	<b>OTHER PROPERTY AND INVESTMENTS</b>			
4	Nonutility Property (121) P. 19	170,808	170,808	-
4a	Capitalized Leases, net	-	-	-
5	Investment in Associated Companies (123) P. 20	-	-	-
6	Other Investments (124) P.20	400	400	-
7	Special Funds (125, 126, 127, 128) P. 21	3,236,518	3,250,982	14,464
8	Total Other Property and Investments	3,407,726	3,422,190	14,464
9	<b>CURRENT AND ACCRUED ASSETS</b>			
10	Cash (131)	4,944,434	1,675,411	(3,269,023)
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	185,087,332	200,956,736	15,869,404
15	Receivables from Assoc. Companies (145, 146) P. 23	20,473,699	19,784,353	(689,346)
16	Materials and Supplies (151-159, 163) P. 24	62,013,676	60,089,059	(1,924,617)
17	Prepayments (165) <sup>1</sup>	960,581	22,114	(938,467)
18	Interest and Dividends Receivable (171)	-	-	-
19	Rents Receivable (172)	-	-	-
20	Accrued Utility Revenues (173)	75,420,009	126,887,279	51,467,270
21	Misc. Current and Accrued Assets (174)	271	101,189	100,918
21A	Recoverable Fuel (175) <sup>2</sup>	210,513,287	232,355,196	21,841,909
22	Total Current and Accrued Assets	559,413,289	641,871,337	82,458,048
23	<b>DEFERRED DEBITS</b>			
24	Unamortized Debt Discount and Expense (181, 226) P.26	4,393,008	6,767,895	2,374,887
25	Extraordinary Property Losses (182) P.27	-	-	-
26	Preliminary Survey and Investigation Charges (183)	-	-	-
27	Clearing Accounts (184)	66,960	33,181	(33,779)
28	Temporary Facilities (185)	-	-	-
29	Miscellaneous Deferred Debits (186) P. 27	481,548,056	449,392,851	(32,155,205)
30	Total Deferred Debits	486,008,024	456,193,927	(29,814,097)
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	\$ 5,355,124,517	\$ 5,884,855,595	\$ 529,731,078

## NOTES:

1 - The prepayment represents the total prepaid tax amount.

2 - At December 31, 2017, the recoverable fuel includes \$209,658,947 of cost of gas adjustment clause \$113,477,094 of local distribution adjustment factor, and (\$90,780,844) of deferred gas.

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

<b>COMPARATIVE BALANCE SHEET Liabilities and Other Credits</b>				
<b>Line No.</b>	<b>Title of Account (a)</b>	<b>Balance Beginning of Year (b)</b>	<b>Balance End of Year (c)</b>	<b>Increase or (Decrease) (d)</b>
1	<b>PROPRIETARY CAPITAL</b>			
2	<b>CAPITAL STOCK</b>			
3	Common Stock Issued (201) P.29	\$ 51,418,400	\$ 51,418,400	\$ -
4	Preferred Stock Issued (204) P.29	-	-	-
5	Capital Stock Subscribed (202, 205)	-	-	-
6	Premium on Capital Stock (207) P.29	640,069	640,069	-
7	Total	52,058,469	52,058,469	-
8	<b>SURPLUS</b>			
9	Other Paid-In Capital (208-212) P.30	851,324,403	1,121,324,403	270,000,000
10	Earned Surplus (215,216) P.12	447,629,278	509,660,555	62,031,277
11	Other Comprehensive Income	69,366	73,823	4,457
12	Total	1,299,023,047	1,631,058,781	332,035,734
13	Total Proprietary Capital	1,351,081,516	1,683,117,250	332,035,734
14	<b>LONG-TERM DEBT</b>			
15	Bonds (221) P.31	611,000,000	1,103,000,000	492,000,000
16	Capital Lease Obligations (221)	-	-	-
17	Other Long-Term Debt (224) P.31	-	-	-
18	Total Long-Term Debt	611,000,000	1,103,000,000	492,000,000
19	<b>CURRENT AND ACCRUED LIABILITIES</b>			
20	Notes Payable (231) P.32	-	-	-
21	Accounts Payable (232)	59,533,051	75,171,599	15,638,548
22	Payables to Associated Companies (233,234) P.32	679,527,132	225,249,650	(454,277,482)
23	Customer Deposits (235)	1,752,142	1,497,828	(254,314)
24	Taxes Accrued (236)	(1)	(44,469,415)	(44,469,414)
25	Interest Accrued (237)	10,725,217	17,036,534	6,311,317
26	Dividends Declared (238)	-	-	-
27	Matured Long-Term Debt (239)	-	-	-
28	Tax Collections Payable (241)	1,044,925	1,351,493	306,568
29	Misc. Current & Accrued Liab. (242) P.33	17,866,427	33,264,953	15,398,526
30	Total Current & Accrued Liability	770,448,893	309,102,642	(461,346,251)
31	<b>DEFERRED CREDITS</b>			
32	Unamortized Premium on Debt (251) P.26	-	-	-
33	Customer Advances for Construction (252)	-	-	-
34	Other Deferred Credits (253) P.33	147,006,075	396,004,085	248,998,010
35	Total Deferred Credits	147,006,075	396,004,085	248,998,010
36	<b>RESERVES</b>			
37	Reserves for Depreciation (254-256) P.13	1,411,454,151	1,532,730,889	121,276,738
38	Reserves for Amortization (257-259) P.13	93,968,690	90,663,627	(3,305,063)
39	Reserve for Uncollectible Accounts (260)	41,217,383	40,528,212	(689,171)
40	Operating Reserves (261-265) P.35	116,894,193	89,606,195	(27,287,998)
41	Reserve for Depreciation and Amortization of Nonutility Property (266)	-	-	-
42	Reserve for Deferred Income Taxes (267, 268) P.36	812,053,616	640,102,695	(171,950,921)
43	Total Reserves	2,475,588,033	2,393,631,618	(81,956,415)
44	<b>CONTRIBUTION IN AID OF CONSTRUCTION</b>			
45	Contributions in Aid of Construction (271) P.36	-	-	-
46	Total Liabilities and Other Credits	\$ 5,355,124,517	\$ 5,884,855,595	\$ 529,731,078

## STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a)	Current Year (b)	Prior Year (c)	Increase or (Decrease) from Preceding Year (d)
1	<b>OPERATING INCOME</b>			
2	Operating Revenues (400) P. 37,43	\$ 1,148,939,621	\$ 1,053,224,868	\$ 95,714,753
3	Operating Expenses:			
4	Operating Expenses (401) P. 42,47	711,932,552	681,814,569	30,117,983
5	Maintenance Expense (402) P. 42,47	67,969,990	56,334,327	11,635,663
6	Depreciation Expense (403) P. 34	157,221,224	146,589,696	10,631,528
7	Amortization of Utility Plant (404 and 405)	349	39,565	(39,216)
8	Amortization of Investment Credit (406.0)	-	-	-
9	Amortization of Regulatory Expenses (407.3)	-	267,114	(267,114)
10	Taxes Other Than Income Taxes (408) P. 49	57,945,181	54,617,114	3,328,067
11	Income Taxes (409) P. 49	(48,922,334)	349,777	(49,272,111)
12	Provision for Deferred Income Taxes (410) P. 36	91,735,964	30,828,004	60,907,960
13	Income Taxes Deferred In Prior Years -- Cr. (411) P. 36	-	-	-
14	Total Operating Expenses	1,037,882,926	970,840,166	67,042,760
15	Net Operating Revenues	111,056,695	82,384,702	28,671,993
16	Income from Utility Plant Leased to Others	-	-	-
17	Other Utility Operating Income (414) P. 50	-	-	-
18	Total Utility Operating Income	111,056,695	82,384,702	28,671,993
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)	4,005,961	1,624,569	2,381,392
24	Miscellaneous Nonoperating Income (421)	378,802	124,303	254,499
25	Total Other Income	4,384,763	1,748,872	2,635,891
26	Total Income	115,441,458	84,133,574	31,307,884
27	<b>MISCELLANEOUS INCOME DEDUCTIONS</b>			
28	Miscellaneous Amortization (425)	-	-	-
29	Other Income Deductions (426)	20,060,905	15,789,376	4,271,529
30	Total Income Deductions	20,060,905	15,789,376	4,271,529
31	Income Before Interest Charges	95,380,553	68,344,198	27,036,355
32	<b>INTEREST CHARGES</b>			
33	Interest on Long-Term Debt (427) P. 31	37,365,560	31,393,825	5,971,735
34	Amortization of Debt Disc. & Expense (428) P. 26	377,307	273,933	103,374
35	Amortization of Prem. on Debt - - Credit (429) P. 26	-	-	-
36	Int. on Debt to Associated Companies (430) P. 31, 32	5,697,658	3,768,769	1,928,889
37	Other Interest Expense (431)	(7,896,608)	(10,768,438)	2,871,830
38	Interest Charged to Construction - - Credit (432)	(2,194,641)	(932,124)	(1,262,517)
39	Total Interest Charges	33,349,276	23,735,965	9,613,311
40	Net Income	62,031,277	44,608,233	17,423,044
41	<b>EARNED SURPLUS</b>			
42	Unappropriated Earned Surplus (at beginning of period) (216)	447,629,278	403,021,045	44,608,233
43	Balance Transferred from Income (433)	62,031,277	44,608,233	17,423,044
44	Miscellaneous Credits to Surplus (434)	-	-	-
45	Miscellaneous Debits to Surplus (435)	-	-	-
46	Appropriations of Surplus (436)	-	-	-
47	Net Additions to Earned Surplus	62,031,277	44,608,233	17,423,044
48	Dividends Declared - - Preferred Stock (437)			-
49	Dividends Declared - - Common Stock (438)			-
50	Unappropriated Earned Surplus (at end of period) (216)	\$ 509,660,555	\$ 447,629,278	\$ 62,031,277

**Annual Report of .....Boston Gas Company.....Year ended December 31, 2017**

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)
1	<b>UNAPPROPRIATED EARNED SURPLUS (Account 216)</b>		
2	Balance - - Beginning of year		\$ 447,629,278
3	Charges: (identify by prescribed earned surplus accounts)		
4	Transfer from income (loss)		62,031,277
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		\$ 509,660,555
28	<b>APPROPRIATED EARNED SURPLUS (Account 215)</b>		
29	State balance and purpose of each appropriated earned surplus amount at end		
30	of year and give accounting entries for any applications of appropriated		
31	earned surplus during year.		
32			
33			
34	NONE		
35			
36			
37			
38			
39			
40			

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

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)	\$4,358,846,194		\$4,358,846,194			
4	106 Completed Construction not Classified	\$172,213,272		\$172,213,272			
5	Total P. 16, 18	\$4,531,059,466		\$4,531,059,466			
6	104 Leased to Others						
7	105 Held for Future Use	\$515,704		\$515,704			
8	107 Construction Work in Progress	\$251,792,971		\$251,792,971			
9	Total Utility Plant	\$4,783,368,141		\$4,783,368,141			
10	<b>DETAIL OF RESERVES FOR DEPRECIATION AND AMORTIZATION</b>						
11	In Service:						
12	254 Depreciation P. 34	\$ 1,532,730,889		\$1,532,730,889			
13	257 Amortization	\$90,663,627		90,663,627			
14	Total, in Service	\$1,623,394,516		\$1,623,394,516			
15	Leased to Others:						
16	255 Depreciation						
17	258 Amortization						
18	Total, Leased to Others						
19	Held for Future Use:						
20	256 Depreciation						
21	259 Amortization						
22	Total, Held for Future Use						
23	Total Reserves for Depreciation and Amortization	\$1,623,394,516		\$1,623,394,516			

UTILITY PLANT - GAS

<p>1. Report below the cost of utility plant in service according to prescribed accounts.</p> <p>2. Do not include as adjustments, corrections of additions and retirements for the current or</p>	<p>the preceding year. Such items should be included in column (c) or (d) as appropriate.</p> <p>3. Credit adjustments of plant accounts should be enclosed in parentheses to indicate the negative effect</p>	<p>of such amounts.</p> <p>4. Reclassifications or transfers within utility plant accounts should be shown in column (f).</p>
--	--	---

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)
1	<b>1. INTANGIBLE PLANT</b>						
2	301 Organization	-	-	-	-	-	-
3	303 Miscellaneous Intangible Plant	\$ 75,722,749	-	\$ (3,305,412)	\$ -	\$ -	\$ 72,417,337
3a	303 Goodwill	396,321,766	-	\$ -	\$ -	\$ -	\$ 396,321,766
4	Total Intangible Plant	472,044,515	-	(3,305,412)	-	-	468,739,103
5	<b>2. PRODUCTION PLANT</b>						
6	Manufactured Gas Production Plant	-			-	-	-
7	304 Land and Land Rights	878,314	115,568	-	-	-	993,882
8	305 Structures and Improvements	19,155,045	472,176	-	-	-	19,627,221
9	306 Boiler Plant Equipment	790,869	-	-	-	-	790,869
10	307 Other Power Equipment	945,276	17,049	-	-	-	962,325
11	310 Water Gas Generating Equipment	-	-	-	-	-	-
12	311 Liquefied Petroleum Gas Equipment	7,402,959	35,549	-	-	-	7,438,508
13	312 Oil Gas Generating Equipment	-	-	-	-	-	-
14	313 Generating Equipment -- Other Processes & LNG Equipment	-	-	-	-	-	-
15	315 Catalytic Cracking Equipment	-	-	-	-	-	-
16	316 Other Reforming Equipment	7,337,478	121,693	-	-	-	7,459,171
17	317 Purification Equipment	-	-	-	-	-	-
18	318 Residual Refining Equipment	-	-	-	-	-	-
19	319 Gas Mixing Equipment	1,259,211	-	-	-	-	1,259,211
19	320 Other Equipment	25,285,735	1,598,822	-	-	-	26,884,557
20	339 PRD Prod-ARO	554	-	-	1	-	555
21	Total Manufactured Gas Production Plant	63,055,441	2,360,857	-	1	-	65,416,299
22	<b>3. STORAGE PLANT</b>						
23	360 Land and Land Rights	2,397,883	-	-	-	-	2,397,883
24	361 Structures and Improvements	6,562,275	-	-	-	-	6,562,275
25	362 Gas Holders	29,314,720	-	-	-	-	29,314,720
26	363 Other Equipment	789,920	-	-	-	-	789,920
27	363.6 Sto-Other Equip ARO	635	-	-	-	-	635
27	Total Storage Plant	39,065,433	-	-	-	-	39,065,433

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

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 Land and Land Rights	1,043,629	-	-	-	-	1,043,629
3	365.2 Rights-of-Way	-	-	-	-	-	-
4	366 Structures and Improvements	7,613,280	-	-	-	-	7,613,280
5	367 Mains	2,066,938,205	236,576,367	(3,017,917)	-	-	2,300,496,655
6	368 Compressor Station Equipment	-	-	-	-	-	-
7	369 Measuring and Regulating Station Equipment	79,523,685	2,811,598	(10,918)	-	-	82,324,365
8	372 T&D-AROs	8,187,709	-	(5,207)	-	-	8,182,502
9	380 Services	1,185,189,362	62,555,740	2,477,502	-	-	1,250,222,604
10	381 Meters	117,236,548	19,931,815	-	4,457,825	-	141,626,188
11	382 Meter Installations	58,923,281	12,015,823	-	-	-	70,939,104
12	383 House Regulators	435,521	3,646,034	-	-	-	4,081,555
13	386 Other Property on Cust's Prem	1,001,580	-	-	-	-	1,001,580
14	387 Other Equipment	13,527,501	903,714	-	20,066	-	14,451,281
15	388 T&D-AROs	131,244	-	-	-	-	131,244
	Total Transmission and Distribution Plant	3,539,751,547	338,441,091	(556,540)	4,477,891	-	3,882,113,987
	<b>5. GENERAL PLANT</b>						
16	389 Land-Land Rights	191,058	210,619	-	-	-	401,677
17	390 Structures and Improvements	37,741,344	682,089	(153,730)	(276,387)	-	37,993,316
18	391 Office Furniture and Equipment	10,124,618	(394,029)	(970,804)	238,665	-	8,998,450
19	392 Transportation Equipment	30,721	-	-	-	-	30,721
20	393 Stores Equipment	697,405	2	-	-	-	697,407
21	394 Tools, Shop and Garage Equipment	17,868,639	2,152,668	(2,458,106)	17,654	-	17,580,855
22	395 Laboratory Equipment	4,320	-	-	-	-	4,320
23	396 Power Operated Equipment	-	-	-	-	-	-
24	397 Communication Equipment	349,119	12,033	-	-	-	361,152
25	398 Miscellaneous Equipment	10,131,624	(325,268)	(175,060)	-	-	9,631,296
26	399 Gen-ARO's	8,626,290	-	-	(8,600,840)	-	25,450
27	Total General Plant	85,765,137	2,338,114	(3,757,700)	(8,620,908)	-	75,724,643
28	Total Gas Plant in Service	4,199,682,072	343,140,062	(7,619,652)	(4,143,016)	-	4,531,059,466
29	104 Utility Plant Leased to Others	-	-	-	-	-	-
	<b>Sub Total</b>						
30	105 Property Held for Future Use	515,704	-	-	-	-	515,704
31	107 Construction Work in Progress	106,097,702	87,800,249	-	57,895,020	-	251,792,971
32	Total Utility Plant - - Gas	\$ 4,306,295,478	\$ 430,940,311	\$ (7,619,652)	\$ 53,752,004	\$ -	\$ 4,783,368,141

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

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

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

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**NONUTILITY PROPERTY (Account 121)**

Give particulars of all investments of the respondent in physical property not devoted to utility operations.

Line No.	Description of Location (a)	Book Value at End of Year (b)	Revenue for the year (c)	Expense for the year (d)	Net Revenue for Year (e)
1	Land - 97,120 Sq. Feet off				
2	Broad St., Danvers	50,701	0	10,387	(10,387)
3					
4	Land - 18,080 Sq. Feet				
5	Endicott St., Danvers	1,647	0	1,587	(1,587)
6					
7	Land - 36,282 Sq. Feet off				
8	Railroad St., Revere	12,750	0	1,422	(1,422)
9					
10	Land - 2,614 Sq. Feet				
11	Main St., Leominster	206	0	51	(51)
12					
13	Land - 145,673 Sq. Feet				
14	Robin & Rover Sts., Everett	98,866	424,367	69,630	354,737
15					
16	Land - 9,550 Sq. Feet				
17	Pleasant St., Clinton	645	0	739	(739)
18					
19	Land - 780 Sq. Feet				
20	Grove St., Arlington	2,000	0	470	(470)
21					
22	Land - 30,202 Sq. Feet				
23	River St., Beverly	2,671	0	4,514	(4,514)
24					
25	Land - 14,990 Sq. Feet				
26	River St., Beverly	1,322	0	2,240	(2,240)
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTALS	\$170,808	\$424,367	\$91,040	\$333,327

Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**INVESTMENTS (Accounts 123, 124, 136)**

Give particulars of investments in stocks, bonds, notes, etc., held by the respondent at end of year.

Provide a subheading for each account and list thereunder the information called for.

Line No.	Description of Security Held by Respondent (a)	Amount (b)
1	Account 123 - Investments in Associated Companies	\$ -
2		
3	Account 124 - Other Investments	
4	Bond - Haverhill Golf & Country Club	250
5	Other	150
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
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36		
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38		
39		
40		
41		
42		
43		
44	TOTAL	\$ 400

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**SPECIAL FUNDS (Accounts 125, 126, 127, 128)**

(Sinking Funds, Depreciation Fund, Amortization Fund-Federal, Other Special Fund)

Report below the balance at end of year of each special fund maintained during year. Identify each fund as to account in which included. Indicate nature of any fund included in Account 128 Other Special Funds

Line No.	Name of Fund and Trustee If Any (a)	Balance End of Year (b)
1	Cushion Gas - Underground Storage	\$ 2,546,204
2	Other Special Funds	
3	Employee Stock Ownership and Compensation Plan	\$704,778
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19	TOTAL	\$ 3,250,982

**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	Interest Special Deposits (Account 132)	\$ -
21	Dividend Special Deposits (Account 133)	-
22		
23	Other Special Deposits (Account 134):	-
24	(specify purpose of each other special deposit):	
25	Derivative counterparties' collateral position based on mark to market	
26		
27		
28		
29		
30		
31		
32		
33		
34		
35	TOTAL	\$ -

Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**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	<b>NONE</b>				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18		<b>TOTAL</b>			

**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	Customer Accounts Receivable (Account 142)	\$ 187,360,855
20		
21	Other Accounts Receivable (Account 143)	
22	Gas Sale for Resale	4,499,202
23	Employee Appliance Purchase	111
24	Other Customer Billing	124,697
25	Receivable from Boston Public Schools	108,707
26	ESCO billing	8,863,164
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
	<b>TOTAL</b>	<b>\$ 200,956,736</b>



## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**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*:			-
2	Colonial Gas Company	\$1,517,595		
3	NG Engineering Srvcs, LLC	1,965,362		
4	NGUSA Service Company	8,640,222		
5	National Grid USA Parent	9,151,347		
6	Other	(1,490,174)		
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				
35				
36	TOTALS	\$ 19,784,353		-

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

Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

<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)		\$ -
2	Supplemental Fuel Stock		45,148,260
3	Residuals (Account 153)		-
4	Plant Materials and Operating Supplies (Account 154)		14,940,799
5	Merchandise (Account 155)		-
6	Other Materials and Supplies (Account 154)		-
7	Nuclear Fuel Assemblies and Components - In Reactor (Account 157)		-
8	Nuclear Fuel Assemblies and Components - Stock Account (Account 158)		-
9	Nuclear Byproduct Materials (Account 159)		-
10	Stores Expenses (Account 163)		-
11	Total Per Balance Sheet		\$ 60,089,059

Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

<b>PRODUCTION FUEL AND OIL STOCKS (Included in Account 151)</b> (Except Nuclear Materials)						
1. Report below the information called for concerning production fuel and oil stocks. 2. Show quantities in tons of 2,000 lbs., gal., or Mcf., whichever unit of quantity is applicable. 3. Each kind of coal or oil should be shown separately. 4. Show gas and electric fuels separately by specific use.						
Line No.	Item (a)	Total Cost (b)	Kinds of Fuel and Oil			
			PROPANE		LIGHT OIL	
			Quantity (c)	Cost (d)	Quantity (e)	Cost (f)
1	On Hand Beginning of Year	<b>NONE</b>				
2	Received During Year					
3	Other charges					
4	TOTAL					
5	Used During Year (Note A)					
6	Liquid Propane					
7	SNG					
8	Fuel					
9						
10	Sold or Transferred					
11	TOTAL DISPOSED OF					
12	BALANCE END OF YEAR					
Line No.	Item (g)	Total Cost (b)	Kinds of Fuel and Oil - Continued			
			PROPANE		LIGHT OIL	
			Quantity (h)	Cost (i)	Quantity (j)	Cost (k)
13	On Hand Beginning of Year	<b>NONE</b>				
14	Received During Year					
15	TOTAL					
16	Used During Year (Note A)					
17						
18						
19	Sold or Transferred					
20	TOTAL DISPOSED OF					
21	BALANCE END OF YEAR					

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

Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**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	Senior Unsecured Note								
2	4.487%	\$ 500,000,000	4,025,678	02-17-12	02-15-42	3,373,215		134,164	3,239,051
3	Medium-Term Notes								
4	2019 Series 8.97%	7,000,000	119,302	12-22-89	12-15-19	11,766	-	3,980	7,785
5	Medium-Term Notes								
6	2020 Series 9.75%	5,000,000	37,500	12-05-90	12-01-20	4,863	-	1,240	3,623
7	Medium-Term Notes								
8	2021 Series 9.05%	15,000,000	112,500	09-06-91	09-01-21	17,467	-	3,739	13,728
9	Medium - Term Notes								
10	2022 Series 8.33%	10,000,000	75,000	07-10-92	07-05-22	13,749	-	2,494	11,255
11	Medium - Term Notes								
12	2018 Series 8.33%	10,000,000	75,000	07-10-92	07-10-18	4,377	-	2,873	1,503
13	Medium - Term Notes								
14	2017 Series 8.33%	8,000,000	60,000	07-10-92	07-10-17	1,188	-	1,189	(1)
15	Medium-Term Notes								
16	2019 Series 6.93%	10,000,000	75,000	01-20-94	01-15-19	6,103	-	2,990	3,113
17	Medium-Term Notes								
18	2024 Series 6.98%	6,000,000	45,000	01-20-94	01-15-24	10,540	-	1,496	9,043
19	Medium-Term Notes								
20	2016 Series 6.93%	5,000,000	37,500	01-18-94	01-15-16	0	-	-	0
21	Medium - Term Notes								
22	2024 Series 6.95%	5,000,000	423,397	12-05-95	12-01-24	115,821	-	14,618	101,203
23									
24									
25									
26									
27									
28	SUBTOTAL see page 26 a.	\$ 581,000,000	\$ 5,085,877			\$ 3,559,089	\$ -	\$ 168,785	\$ 3,390,304

**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)	Securities to Which Discount and Expense or Premium Minus Expense, Relates (Omit Cents) (b)	Total Discount and Expense or Net Premium (c)	Amortization Period		Balance Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance End of Year (i)
				From (d)	To (e)				
29	Medium-Term Notes								
30	2025 Series 7.25%	\$ 20,000,000	\$ 1,699,499	10-06-95	10-01-25	\$ 499,489	-	\$ 57,044	\$ 442,445
31	Medium-Term Notes								
32	2025 Series 7.25%	5,000,000	424,646	10-06-95	10-01-25	124,805	-	14,253	110,551
33	Medium - Term Notes								
34	2023 Series 6.95%	10,000,000	849,750	12-01-95	12-01-23	209,626	-	30,290	179,335
35	Medium - Term Notes					-			
36	3.150% Senior Notes due 2027	500,000,000	2,752,194	8-3-17	8-1-27	-	2,752,194	106,934	2,645,260
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48									
49									
50	SUBTOTALS FROM PAGE 26	581,000,000	5,085,877			3,559,089	-	168,785	3,390,304
51									
52	TOTALS	\$ 1,116,000,000	\$ 10,811,966			\$ 4,393,008	\$ 2,752,194	\$ 377,307	\$ 6,767,895

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

<b>EXTRAORDINARY PROPERTY LOSSES (Account 182)</b>						
1. Report below particulars concerning the accounting for extraordinary property losses.						
2. In column (a) describe the property abandoned for extraordinary loss suffered, date of abandonment or loss, date of Department authorization of use of Account 182, and period over which amortization is being made.						
Line No.	Description of Property Loss or Damage (a)	Total Amount of Loss (b)	Previously Written off (c)	Written Off During Year		Balance End of Year (f)
				Account Charged (d)	Amount (e)	
1	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	Deferred Environmental	\$ 48,645,565	\$ 29,834,398	253	\$ 22,030,297	\$ 56,449,666
12	Pension and Other Postretirement Benefits	61,288,726	15,541,623	228,926.5, 926.7	54,423,791	22,406,558
13	Derivatives	24,459,725	47,134,924	143, 232, 242, 253,	52,754,220	18,840,429
14	Deferred Income Tax	337,447,071	1,111,127,699	253, 282, 283, 409,	1,114,178,517	334,396,253
15	Miscellaneous Deferred Debits	(45,513)	299,724,784	Various	299,785,340	(106,069)
16	Asset Retirement Obligation	9,752,482	1,156,139	403,411	98,205	10,810,416
17	Deferred Rate Case Expenses	-	628,706	928, 407.3	263,012	365,694
18	Capital Tracker	-	54,406,610	495	48,176,706	6,229,904
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
	TOTALS	\$ 481,548,056	\$ 1,559,554,883		\$ 1,591,710,088	\$ 449,392,851

**Annual Report of .....Boston Gas Company.....Year ended December 31, 2017**

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

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

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

2. If any change occurred during the year in the

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

**CAPITAL STOCK EXPENSE (Account 192)**

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

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

2. If any change occurred during the year in the

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

**Annual Report of .....Boston Gas Company.....Year ended December 31, 2017**

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

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

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

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

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

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

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

Line No.	Class and Series of Stock (a)	Number of Shares Authorized (b)	Par Value per Share (c)	Outstanding per Balance Sheet*			Premium at End of Year (g)
				Amount Authorized (d)	Shares (e)	Amount (f)	
1							
2							
3							
4	Capital Stock - Common Stock	514,184	\$ 100.00	\$ 51,418,400	514,184	\$ 51,418,400	\$ 640,069
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20	TOTALS	514,184		\$ 51,418,400	514,184	\$ 51,418,400	\$ 640,069

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



Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**OTHER PAID-IN CAPITAL (Accounts 208-212)**

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.

2 Donations Received from Stockholders (Account 208)

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.

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

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

Line No.	Item (a)	Amount (b)
1		
2	Donations Received from Stockholders (208)	\$ 16,087,517
3	Gain on Capital Stock (210)	(2,475,015)
4	Other Paid In Capital (211)	837,711,900
5	Installments Rec on Cap Stock (212)	270,000,000
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
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28		
29		
30		
31		
32		
33		
34		
35		
36		
37	TOTAL	\$ 1,121,324,403

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**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	Account 221:								
2									
3	Senior Unsecured Note	02-17-12	02-15-42	500,000,000	500,000,000	4.49	4/1, 10/1	22,435,000	22,435,000
4	Medium-Term Note - 2019 Series	12-22-89	12-15-19	7,000,000	7,000,000	8.97	4/1, 10/1	627,900	627,900
5	Medium-Term Note - 2020 Series	12-05-90	12-01-20	5,000,000	5,000,000	9.75	4/1, 10/1	487,500	487,500
6	Medium-Term Note - 2021 Series	09-06-91	09-01-21	15,000,000	15,000,000	9.05	4/1, 10/1	1,357,500	1,357,500
7	Medium-Term Note - 2017 Series	07-10-92	07-10-17	8,000,000		8.33	4/1, 10/1	349,860	516,460
8	Medium-Term Note - 2018 Series	07-10-92	07-10-18	10,000,000	10,000,000	8.33	4/1, 10/1	833,000	833,000
9	Medium-Term Note - 2022 Series	07-10-92	07-10-22	10,000,000	10,000,000	8.33	4/1, 10/1	833,000	833,000
10	Medium-Term Note - 2016 Series	01-18-94	04-01-16		-	6.93	4/1, 10/1	-	-
11	Medium-Term Note - 2016 Series	01-18-94	01-15-16		-	6.93	4/1, 10/1	-	-
12	Medium-Term Note - 2019 Series	01-20-94	01-15-19	10,000,000	10,000,000	6.93	4/1, 10/1	693,000	693,000
13	Medium-Term Note - 2024 Series	01-20-94	01-15-24	6,000,000	6,000,000	6.98	4/1, 10/1	418,800	418,800
14	Medium-Term Note - 2025 Series	10-06-95	10-01-25	20,000,000	20,000,000	7.25	4/1, 10/1	1,450,000	1,450,000
15	Medium-Term Note - 2025 Series	10-06-95	10-01-25	5,000,000	5,000,000	7.25	4/1, 10/1	362,500	362,500
16	Medium-Term Note - 2023 Series	12-01-95	12-01-23	10,000,000	10,000,000	6.95	4/1, 10/1	695,000	695,000
17	Medium-Term Note - 2024 Series	12-05-95	12-01-24	5,000,000	5,000,000	6.95	4/1, 10/1	347,500	347,500
18	3.150% Senior Notes due 2027	8-3-17	8-1-27	500,000,000	500,000,000			6,475,000	-
19									
20									
21									
22									
23									
24									
25									
26									
27									
28		TOTALS		1,111,000,000	1,103,000,000			37,365,560	31,057,160

For issues of long-term debt made during current year state purpose for which issued, date of issue, Department authorization date and D.P.U. #.

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

<b>NOTES PAYABLE (Account 231)</b>							
Report the particulars indicated concerning notes payable at end of year.							
Line No	Payee (a)	Date of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of Year (e)		
1	NONE						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13		TOTAL					
<b>PAYABLES TO ASSOCIATED COMPANIES (Accounts 233, 234)</b>							
Report particulars of notes and accounts payable to associated companies at end of year.							
Line No.	Name of Company (a)	Amount End of Year (b)	Interest for Year				
			Rate (c)	Amount (d)			
14	Payable to Regulated Money Pool*	109,094,035		5,697,658			
15							
16							
17							
18							
19							
20					Accounts Payable to Associated Companies**		
21					NGUSA Service Company	18,587,188	
22					KeySpan Corporation	94,213,289	
23					Colonial Gas Company	3,823,641	
24					Other	(468,504)	
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48	TOTALS	225,249,650		\$5,697,658			

\* The average rate on intercompany borrowings from the Regulated Money Pool was 0.98% during 2017.

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

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

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

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

Line No.	Item (a)	Amount (b)
1		
2		
3	Accrued Payroll	\$ 1,964,100
4	Accrued Miscellaneous	5,809,006
5	Accrued Vacation	6,770,915
6	Accrued Incentive Compensation	2,558,482
7	Accrued Regulatory Commission	979,302
8	Accrued Benefits	1,793,398
9	Short-Term Derivative Liability	13,389,750
10		
11		
12	TOTAL	\$ 33,264,953

**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	\$ 3,350,531	408-409	\$ -	260,638,897	\$ 263,989,428
14	Deferred Postemployment Benefits	185,696	926	236,181	205,006	154,521
15	Derivatives	23,976,807	186	38,916,804	20,390,677	5,450,680
16	Asset Retirement Obligation	14,863,132	411	13,768,973	14,680,374	15,774,533
17	Deferred Off System Sales Profit	35,089,955	495	61,832,680	43,544,330	16,801,605
18	Miscellaneous Deferred Credits	1,392,469	Various	4,186,708	6,409,905	3,615,666
19	Deferred Sales Tax	5,945,400	408,431	1,996,990	585,058	4,533,468
20	Revenue Decoupling Mechanism	27,572,191	495	343,810,513	355,151,477	38,913,155
21	Deferred Equity Return on Capital Trackers	34,629,894	426	432,322,984	444,464,119	46,771,029
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35	TOTALS	\$ 147,006,075		\$ 897,071,833	\$ 1,146,069,843	\$ 396,004,085

**Annual Report of .....Boston Gas Company.....Year ended December 31, 2017**
**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				
2	Balance at beginning of the Year		\$1,411,454,151	\$1,411,454,151
3	Credits to Depreciation Reserve during year:			
4	Account 403 Depreciation		157,221,224	\$157,221,224
5	Account 404-405 Amortization		\$349	\$349
6				
7	Other Accounts (Rental Equipment)			
8	TOTAL CREDITS DURING YEAR		\$157,221,573	\$157,221,573
9	Net Charges for Plant Retired:			
10	Book Cost of Plant Retired		\$4,314,240	\$4,314,240
11	Cost of Removal		31,630,595	31,630,595
12	Salvage (Credit)		-	-
13				
14				
15				
16	Other Adjustment Entries			-
17	NET CHARGES DURING YEAR		35,944,835	\$35,944,835
18	Balance December 31		\$1,532,730,889	\$1,532,730,889

**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 -	\$157,221,224		
16	The Composite Depreciation Rate as a Percentage of the Average Depreciable Property in Service was -		3.60%	
17	Taken for Federal Income Taxes		\$127,225,163	
18				
19				
20				

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

34a

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)	Amount of Capital Stock on Which Dividend was			Amount of Dividend (e)	Date	
		Rate Per Cent (b)	Extra (c)	Declared (d)		Declared (f)	Payable (g)
21		-		-	\$ -		
22		-		-	-		
23		-		-	-		
24	<b>NONE</b>	-		-	-		
25		-		-	-		
26							
27					-		
28							
29							
30	TOTALS	-			\$ -		
Dividend rates on Common Stock and Premium					0.00%		
Dividend rates on Common Stock, Premium and Surplus					0.00%		

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

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

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

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

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

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

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

Line No.	Name of Reserve (a)	Bal. Beg. of Year (b)	Credits (c)	Debits (d)	Contra Acct. Debited or Credited (e)	Amount (f)
1	Account 262:					
2						
3	Workers Compensation Reserve	\$ 1,172,294	\$ 1,123,176	\$ 1,434,239	925, 131	\$ 861,231
4	Injuries & Damages Reserve (includes Gen, Auto and OCIP)	1,846,966	1,128,797	1,067,890	926, 131	1,907,873
5	Incurred but not reported (IBNR)	11,806,288		1,022,758	925	10,783,530
6						
7						
8	Account 263:					
9						
10	Pensions	(13,516,110)	17,776,092	36,088,124	926, 131	(31,828,142)
11	Other Post Employment Benefits Reserve	83,917,113	10,035,569	25,420,994	926, 131	68,531,688
12						
13						
14						
15						
16	Account 265:					
17	Environmental Reserve	31,667,642	25,637,445	17,955,073	186	39,350,014
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35	TOTALS	\$ 116,894,193	\$ 55,701,080	\$ 82,989,078		\$ 89,606,195

**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 <sup>(1)</sup> (c)	Amts. Credited Account 411 <sup>(2)</sup> (d)	
1	Accelerated Amortization				
2	(Account 267)				
3	Electric				
4	Gas	\$ -	\$ -	\$ -	\$ -
5	Other (Specify)				
6	Totals	-	-	-	-
7					
8	Liberalized Depreciation				
9	(Account 268)				
10	Electric				
11	Gas	727,571,859	(211,119,578)		516,452,282
12	Prov Deferred Merger Cost				
13	Trueup and Other				-
14	Totals	727,571,859	(211,119,578)	-	516,452,282
15	Total (Accounts 267, 268)				
16	Electric				
17	Gas	727,571,859	(211,119,578)	-	516,452,282
18	Prov Deferred Merger Cost				
19	Trueup and Other	-	-	-	-
20	Totals	\$ 727,571,859	\$ (211,119,578)	\$ -	\$ 516,452,282

21 (1) Account 410, Provision for Deferred Federal Income Taxes

22 (2) Account 411, Federal Income Taxes Deferred in Prior Years - - Credit

23 Note: The table above does not include the property and other taxes.

**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			\$ -	\$ -	\$ -
24						
25	None					
26						
27						
28						
29						
30						
31						
32						
33						
34	TOTALS	\$ -	0	\$ -	\$ -	\$ -





## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

## SALES OF GAS TO ULTIMATE CONSUMERS

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

Line No.	Account No.	Schedule (a)	DTH (b)	Revenue (c)	Average Revenue per DTH (\$0.0000) (d)	Number of Customers (Per Bills Rendered)	
						July 31 (e)	December 31 (f)
1		<u>Total Company</u>					
2							
3	480	R-1 Residential Non-Heat	1,157,454	\$ 25,035,517.77	21.6298	94,573	88,910
4		R-2 Residential SSI Non-Heat	137,620	2,097,855	15.2438	6,379	5,991
5		R-31 Residential Heat	43,852,081	617,158,073	14.0736	503,152	510,381
6		R-32 Residential SSI Heat	4,127,948	43,530,080	10.5452	36,831	36,270
7							
8	481	G-17 Unmetered Gas Lamps	955	22,612	23.6772	75	75
9		G-41 Low Load - Small	3,882,949	50,160,627	12.9182	30,150	29,964
10		G-42 Low Load - Medium	3,594,125	38,937,989	10.8338	7,558	7,587
11		G-43 Low Load - Large	6,599,674	64,809,815	9.8202	4,330	4,417
12		G-44 Low Load - Extra Large	1,926,627	16,674,137	8.6546	409	394
13		G-51 High Load - Small	1,306,687	14,416,862	11.0331	6,808	6,986
14		G-52 High Load - Medium	1,532,237	14,785,568	9.6497	2,698	2,832
15		G-53 High Load - Large	1,482,043	13,655,014	9.2136	1,131	1,219
16		G-54 High Load - Extra Large	386,992	3,341,902	8.6356	55	46
17		G-55 High Load - Metered Demand / Essex	-	-	-	1	1
18		G-62 Summer Load - Medium	3,390	16,258	-	-	-
19		G-63 Summer Load - Large	3,955	23,785	-	-	-
20		G-64 Summer Load-Extra Large	-	-	-	-	-
21		Non-Core, Special Contracts	-	-	-	-	-
22		Interruptible (808)	-	39,107	-	-	-
23							
24							
25		G-27 CNG Fuel	-	-	-		
26		G-92 Special Contract	55,733,999	4,469,205	0.0802	5	3
27							
28							
29							
30							
31	482	G-7 Street Lighting (807)	88,508	1,066,584	12.0507	-	-
32							
33							
34							
35							
36							
37							
38							
39	TOTAL SALES TO ULTIMATE						
40	CONSUMERS (Page 43 line 10)		125,817,244	\$ 910,240,990	7.2346	694,155	695,076

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

REVENUES FROM TRANSPORTATION							
Report by account the M.C.F. sold, the amount derived and the number of customers under each filed schedule or contract. Municipal sales, contract sales and unbilled sales may be reported separately in total.							
Line No.	Acct. No.	Schedule (a)	DTH (b)	Revenue (c)	Average Revenue per DTH (0.0000) (d)	Number of Customers (per Bills Rendered)	
						July 31 (e)	Dec. 31 (f)
1		Total Company					
2							
3	489	Contract Firm Transportation					
4		G-41 Low-Load Firm Transp.	824,840	\$ 5,675,647	6.8809	2,387	2,548
5		G-42 Low-Load Firm Transp.	2,087,775	11,497,696	5.5072	2,335	2,280
6		G-43 Low-Load Firm Transp.	8,743,070	41,431,731	4.7388	3,370	3,347
7		G-44 Low-Load Firm Transp.	5,102,361	20,106,711	3.9407	625	653
8		G-51 High-Load Firm Transp.	380,831	2,246,463	5.8988	907	887
9		G-52 High-Load Firm Transp.	863,060	4,162,461	4.8229	778	762
10		G-53 High-Load Firm Transp.	2,478,885	10,679,715	4.3083	811	827
11		G-54 High-Load Firm Transp.	4,919,184	15,436,877	3.1381	261	254
12		G-55 High -Load Metered Demand- Essex	313,524	1,108,452	3.5355	8	8
13		G-61 Summer-Load Firm Transp.	-	-	0.0000	-	-
14		G-62 Summer-Load Firm Transp.	-	-	0.0000	-	-
15		G-63 Summer-Load Large Transp.	-	-	0.0000	-	-
16		G-64 Summer-Load Extra-Large Transp.	-	-	0.0000	-	-
17		G-81 Low-Load Firm.	3,004,988	6,807,778	2.2655	12	12
18		G-82 High-Load Firm	13,851,196	33,416,739	2.4126	92	93
19		G-83 Low-Load Firm Optional Svc.	50,302	198,930	3.9547	-	-
20		G-84 High-Load Firm Optional Svc.	156,837	535,341	3.4133	-	-
21		Non-Firm Transportation	-	-	0	-	-
22		R-1 Residential Non-Heat	57,158	782,263	13.6861	1,835	3,450
23		R-10 Interruptible Transport	-	-	0	-	-
24		R-31 Residential Heat	1,449,816	11,831,827	8.1609	11,084	19,682
25		Broker (48900-005590 Broker Balance Charges)	-	-	0	-	-
26		Special Contracts (82) 4810K-V882 and 48100-005182	-	-	0.0000	-	-
27		Special Contracts (83)	-	-	0.0000	-	-
28		Special Contracts (84)	-	-	0.0000	-	-
29		<b>Total Revenues from Transportation</b>					
30		<b>of Gas for Others (Page 43, Line 16)</b>					
31			44,283,826	\$ 165,918,631	3.7467	24,505	34,803

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**GAS OPERATION AND MAINTENANCE EXPENSES**

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

Line No.	Account (a)	Amount for Year (b)	Prior Year amount	Increase/(Decrease) from Preceding Year (c)
1	<b>PRODUCTION EXPENSE</b>			
2	<b>MANUFACTURED GAS PRODUCTION EXPENSES</b>			
3	<b>STEAM PRODUCTION</b>			
4	Operation:			
5	700 Operation supervision and engineering	\$ -	\$ -	\$ -
6	701 Operation labor	-	-	-
7	702 Boiler fuel	-	-	-
8	703 Miscellaneous steam expenses	-	-	-
9	704 Steam transferred - - Cr	-	-	-
10	Total operation	-	-	-
11	Maintenance:			
12	705 Maintenance supervision and engineering	-	-	-
13	706 Maintenance of structures and improvements	-	-	-
14	707 Maintenance of boiler plant equipment	-	-	-
15	708 Maintenance of other steam production plant	-	-	-
16	Total maintenance	-	-	-
17	Total steam production	-	-	-
18	<b>MANUFACTURED GAS PRODUCTION</b>			
19	Operation:			
20	710 Operation supervision and engineering	-	-	-
21	Production labor and expenses:			
22	711 Steam expenses	-	-	-
23	712 Other power expenses	-	-	-
24	715 Water gas generating expenses	-	-	-
25	716 Oil gas generating expenses	-	-	-
26	717 Liquefied petroleum gas expenses	-	-	-
27	718 Other process production expenses	-	-	-
28	Gas fuels:	48,191	21,243	26,948
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	-	-	-
37	729 Raw materials for other gas processes	-	-	-
38	730 Residuals expenses	-	-	-
39	731 Residuals produced - - Cr	-	-	-
40	732 Purification expenses	-	-	-
41	733 Gas mixing expenses	-	-	-
42	734 Duplicate charges - - Cr	-	-	-
43	735 Miscellaneous production expenses	-	-	-
44	736 Rents	-	-	-
45	Total operation	48,191	21,243	26,948
46	Maintenance:			
47	740 Maintenance supervision and engineering	-	-	-
48	741 Maintenance of structures and improvements	-	-	-
49	742 Maintenance of production equipment	1,757	2,355	(598)
50	Total maintenance	1,757	2,355	(598)
51	Total manufactured gas production	\$ 49,948	\$ 23,598	\$ 26,350

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

<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	\$ 390,043,411	\$ 312,679,500	\$ 77,363,911
4	805 Other gas purchases	-	-	-
5	808-10 Liquefied natural gas	31,517,330	1,550,509	29,966,821
6	808-20 Deferred cost of gas	(31,182,950)	32,733,581	(63,916,531)
7	812 Gas used for other utility operations - - Cr	-	-	-
8	813 Other gas supply expenses	-	28,327	(28,327)
9	814 Environmental Costs	-	-	-
10	815 Conservation & Load Management Expense	-	-	-
11				
12		390,377,791	346,991,917	43,385,874
13	Total production expenses	390,427,739	347,015,515	43,412,224
14	<b>LOCAL STORAGE EXPENSES</b>			
15	Operation:			
16	840 Operation supervision and engineering	19,701	14,470	5,231
17	841 Operation labor and expenses	10,391,400	11,921,159	(1,529,759)
18	842 Rents	-	-	-
19	Total operation	10,411,101	11,935,629	(1,524,528)
20	Maintenance:			
21	843 Maintenance supervision and engineering	-	-	-
22	844 Maintenance of structures and improvements	-	-	-
23	845 Maintenance of gas holders	-	-	-
24	846 Maintenance of other equipment	-	-	-
25	849 Joint Expenses-Credit	(9,712,946)	(9,347,029)	(365,917)
26	Total maintenance	(9,712,946)	(9,347,029)	(365,917)
27	Total storage expenses	698,155	2,588,600	(1,890,445)
28	<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>			
29	Operation:			
30	850 Operation supervision and engineering	4,495,855	3,246,816	1,249,039
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	1,504,821	987,541	517,280
36	858 Transmission and compression of gas by others	-	-	-
37	860 Transmission Rents	-	-	-
38	874 Mains and services expenses	22,139,665	15,318,079	6,821,586
39	878 Meter and house regulator expenses	4,008,299	3,278,456	729,843
40	879 Customer installations expenses	2,076,134	2,108,290	(32,156)
41	880 Other expenses	7,248,281	19,214,996	(11,966,715)
42	881 Rents	2,402,923	2,516,379	(113,456)
43	882 Transportation expense	-	-	-
44	Total operation	43,875,978	46,670,557	(2,794,579)
45	Maintenance:			
46	885 Maintenance supervision and engineering	4,206,571	2,473,007	1,733,564
47	886 Maintenance of structures and improvements	-	-	-
48	887 Maintenance of mains	28,613,920	22,465,531	6,148,389
49	888 Maintenance of compressor station equipment	-	-	-
50	889 Maintenance of measuring and regulating station equipment	6,836,559	5,863,757	972,802
51	892 Maintenance of services	24,191,787	21,850,893	2,340,894
52	893 Maintenance of meters and house regulators	13,708,447	12,914,906	793,541
53	894 Maintenance of other equipment	97,990	93,764	4,226
54	Total maintenance	77,655,274	65,661,858	11,993,416
55	Total transmission and distribution expenses	\$ 121,531,252	\$ 112,332,415	\$ 9,198,837

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

<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	\$ 891,515	\$ 750,775	\$ 140,740
3	902 Meter reading expenses	1,537,862	2,180,840	(642,978)
4	903 Customer records and collection expenses	17,894,329	16,311,229	1,583,100
5	904 Uncollectible accounts	16,489,939	23,119,640	(6,629,701)
6	905 Miscellaneous customer accounts expenses	92,504,492	85,963,853	6,540,639
7	Total customer accounts expenses	129,318,137	128,326,337	991,800
<b>SALES EXPENSES</b>				
9	Operation:			
910	Miscellaneous Customer Service and Info Expense	482,654	211,620	271,034
911	Supervision	-	-	-
912	Demonstrating and selling expenses	1,006,428	1,058,646	(52,218)
913	Advertising expenses	124,079	581,758	(457,679)
916	Miscellaneous sales expenses	(62,564)	(65,149)	2,585
14	Total sales expenses	1,550,597	1,786,875	(236,278)
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>				
16	Operation:			
920	Administrative and general salaries	31,109,240	30,157,255	951,985
921	Office supplies and expenses	23,862,850	22,837,008	1,025,842
922	Administrative expenses transferred - - Cr	-	-	-
923	Outside services employed	11,452,290	13,690,757	(2,238,467)
924	Property Insurance	678,562	547,132	131,430
925	Injuries and damages	3,148,638	3,643,714	(495,076)
926	Employees pensions and benefits	43,917,309	55,463,965	(11,546,656)
927	Franchise Requirements	-	-	-
928	Regulatory commission expenses	2,631,363	2,253,877	377,486
929	Duplicate charges - - Cr	-	-	-
930	Miscellaneous general expenses	953,959	373,568	580,391
931	Rents	18,596,546	17,114,735	1,481,811
29	Total operation	136,350,757	146,082,011	(9,731,254)
30	Maintenance:			
932	Maintenance of general plant	25,905	17,143	8,762
32	Total administrative and general expenses	136,376,662	146,099,154	(9,722,492)
33	Total gas operation and maintenance expenses	\$ 779,902,542	\$ 738,148,896	\$ 41,753,646
<b>SUMMARY OF GAS OPERATION AND MAINTENANCE EXPENSES</b>				
Line	Functional Classification (a)	Operation (b)	Maintenance (c)	Total (d)
34	Steam production	\$ -	\$ -	\$ -
35	Manufactured gas production	48,191	1,757	49,948
36	Other gas supply expenses	390,377,791	-	390,377,791
37	Total production expenses	390,425,982	1,757	390,427,739
38	Local storage expenses	10,411,101	(9,712,946)	698,155
39	Transmission and distribution expenses	43,875,978	77,655,274	121,531,252
40	Customer accounts expenses	129,318,137	-	129,318,137
41	Sales expenses	1,550,597	-	1,550,597
42	Administrative and general expenses	136,350,757	25,905	136,376,662
43	Total gas operation and maint. expenses.	\$ 711,932,552	\$ 67,969,990	\$ 779,902,542
44	Ratio of operating expenses to operating revenues (carry out decimal two places, e.g. : 0.00%)			81.56%
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			\$122,635,926
50	Total number of employees of gas department at end of year, including administrative,			
51	operating, maintenance, construction and other employees - National Grid Massachusetts.			588

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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	16,275,825	3.00	\$ 48,790,172
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12	TOTALS		16,275,825		\$ 48,790,172

**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

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

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

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

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

Line No.	(a) Name of Companies From Which Gas is Purchased	(b) Where Rec'd & Where & How Measured	(c) M.C.F. 1,000 BTU	(d) Rate Per M.C.F.	(e) Amount
1	<b>Algonquin Gas Transmission</b>	Metered at Everett,			
2		Weston, Waltham,			
3		Braintree, Norwood,			
4		Wellesley, Milton,			
5		Waltham Polaroid, Mansfield,			
6		Medford & Potter Street			
7	Transportation and Capacity Costs				58,792,883
8	Other Charges				-
9	<b>TOTAL ALGONQUIN</b>		-		58,792,883
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				50,428,462
20	Other Charges				-
21	<b>TOTAL TENNESSEE</b>		-		50,428,462
22	<b>Texas Eastern</b>				
23	Transportation and Capacity Costs				22,227,229
24	Other Charges				-
25	<b>TOTAL TEXAS EASTERN</b>		-		22,227,229
26	<b>Canadian</b>				
27					
28	Commodity Cost		(0)	5.14	(0)
29	Transportation and Capacity Costs				-
30	Other Charges				-
31	<b>TOTAL CANADIAN</b>		(0)		(0)
32					
33	<b>Direct Purchases</b>				
34					
35	Commodity Cost		92,705,033	3.14	291,426,782
36	Transportation and Capacity Costs				7,638,930
37	Other Charges				-
38	<b>TOTAL DIRECT PURCHASES</b>		92,705,033		299,065,712
39					
40					
41	<b>Distrigas</b>	Metered at Everett			
42	Commodity Cost		-		-
43	Capacity Costs				-
44	<b>TOTAL DISTRIGAS</b>				-

Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

	(a)	(b)	(c)	(d)	(e)
	Name of Companies From Which Gas is Purchased	Where Rec'd & Where & How Measured	M.C.F. 1,000 BTU	Rate Per M.C.F.	Amount
1					
2					
3	<b>Commonwealth Gas - Commodity</b>	Metered at customers'			
4		houses in Wellesley,			
5		Acton & Medford			
6					
7	Total Commodity Cost		92,705,033	3.14	291,426,782
8	Total Transportation & Capacity Costs				139,087,503
9	Total Other Charges				
10					
11	Unbilled Gas Cost				30,258,895
12	Total Purchased Gas Cost		92,705,033		460,773,180
13	Marketers and Other				(7,289,374)
14	Net Change in Holder Gas *				334,381
15	Deferred Cost of Gas 808-20,21,23,29				(63,440,396)
16	<b>Purchased Gas Expense</b>		92,705,033		390,377,791
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36	* Add (Decreases) / Deduct Increases in Holder Gas - Note: Column (e) of this line includes those				
37	inventory transactions necessary to reconcile "Purchased Gas Expense" to Gas Costs expensed				
38	as presented on Lines 3 through 6 on page 46.				
39					
40					
41					
42					
43					



Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**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	(41,494,230)		(41,494,230)					
3	Payroll	8,946,234		8,946,234					
4	Transportation/Fleet	0							
5	Excise	1,846		1,846					
6									
7	State:								
8	Income	(7,428,104)		(7,428,104)					
9	Use	(1,381,427)		(1,381,427)					
10	Payroll	406,061		406,061					
11	Fuel	1,756		1,756					
12									
13	Local:								
14	Excise	0							
15	Cities & Towns	49,970,710		49,970,710					
16									
<b>TOTALS</b>		\$9,022,847	\$0	\$9,022,847	\$0	\$0	\$0	\$0	\$0

Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**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 .....Boston Gas Company.....Year ended December 31, 2017

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

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

RECORD OF SENDOUT FOR THE YEAR IN DTH							
Line No.	Item	Total	January	February	March	April	May
1	<u>Gas Made</u>						
2							
3							
4	Propane	0	0	0	0	0	0
5							
6	TOTAL	0	0	0	0	0	0
7							
8	<u>Gas Purchased</u>						
9	Natural	92,705,033	12,135,257	9,645,032	12,286,387	7,647,198	5,101,963
10	Other						
11	TOTAL	92,705,033	12,135,257	9,645,032	12,286,387	7,647,198	5,101,963
12	TOTAL MADE AND						
13	PURCHASED	92,705,033	12,135,257	9,645,032	12,286,387	7,647,198	5,101,963
14	Net Change in Holder						
15	Gas (1)	(16,025,989)	539,760	871,665	612,176	(2,440,252)	(1,553,329)
16	TOTAL SENDOUT	76,679,044	12,675,017	10,516,697	12,898,563	5,206,946	3,548,634
17	GAS TRANSPORTED	45,784,570	5,140,308	4,815,421	5,405,414	3,698,480	3,101,646
18	TOTAL THROUGHPUT	122,463,614	17,815,325	15,332,118	18,303,977	8,905,426	6,650,280
19							
20	Gas Sold	72,004,141	11,453,243	11,518,988	10,578,367	10,044,437	4,787,374
21	Gas Used by Company	80,907	24,169	12,970	11,748	7,613	2,804
22	Gas Transported	44,283,826	5,752,646	5,514,398	5,043,960	5,276,013	3,512,620
23	Gas Accounted for	116,368,873	17,230,058	17,046,356	15,634,074	15,328,063	8,302,798
24	Gas Unaccounted for (2)	6,094,741	585,267	(1,714,238)	2,669,903	(6,422,637)	(1,652,518)
25	% Unaccounted						
26	for (0.00%) (2)	4.98%					
27							
28							
29	<u>Sendout in 24 hours</u>						
30	<u>in DTH</u>						
31	Maximum - DTH		894,430	848,019	917,855	568,154	312,150
32	Maximum - Date		1/9/17	2/9/17	3/4/17	4/1/17	5/8/17
33	Minimum - DTH		302,610	201,164	250,897	146,961	141,293
34	Minimum - Date		1/12/17	2/24/17	3/1/17	4/16/17	5/19/17
35							
36							
37							
38							
39							
40	(1) Add Decreases in Holder Gas, Deduct Increases.						
41	(2) Includes unbilled gas sales						
42							

RECORD OF SENDOUT FOR THE YEAR IN DTH (continued)							
Line No.	June	July	August	September	October	November	December
1							
2							
3							
4	0	0	0	0	0	0	0
5							
6	0	0	0	0	0	0	0
7							
8							
9	5,008,546	4,496,153	4,547,246	4,488,263	5,179,054	9,288,001	12,881,933
10							
11	5,008,546	4,496,153	4,547,246	4,488,263	5,179,054	9,288,001	12,881,933
12							
13	5,008,546	4,496,153	4,547,246	4,488,263	5,179,054	9,288,001	12,881,933
14							
15	(3,007,994)	(2,907,666)	(2,891,464)	(2,664,916)	(2,616,196)	(1,421,984)	1,454,211
16	2,000,552	1,588,487	1,655,782	1,823,347	2,562,858	7,866,017	14,336,144
17	2,445,184	2,382,401	2,410,040	2,408,777	3,059,873	4,532,338	6,384,688
18	4,445,736	3,970,888	4,065,822	4,232,124	5,622,731	12,398,355	20,720,832
19							
20	3,158,330	1,957,729	1,747,339	1,869,611	1,909,320	3,763,534	9,215,868
21	2,369	2,803	1,623	1,178	1,810	3,931	7,888
22	2,731,361	2,223,044	2,193,164	2,216,680	2,245,380	2,949,666	4,624,894
23	5,892,059	4,183,577	3,942,126	4,087,470	4,156,510	6,717,132	13,848,649
24	(1,446,323)	(212,689)	123,696	144,654	1,466,221	5,681,223	6,872,183
25							
26							
27							
28							
29							
30							
31	260,873	148,951	148,150	180,454	298,607	630,317	1,067,653
32	6/6/2017	7/13/2017	8/30/2017	9/30/2017	10/31/2017	11/10/2017	12/28/2017
33	122,737	114,744	113,592	125,006	128,378	174,555	349,489
34	6/24/2017	7/3/2017	8/12/2017	9/16/2017	10/7/2017	11/2/2017	12/5/2017
35							
36							
37							
38							
39							
40							
41							
42							

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

GAS GENERATING PLANT			
Line No.	General Description--Location, Size, Type, etc.	No. of Sets	24 Hour Cap. (MCF)
1			
2			
3	-	-	
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22	<b>Liquefied Natural Gas:</b>		
23			
24	Commercial Point Vaporization of LNG	4	118,000
25	331,000 Barrels of LNG		
26			
27			
28	Haverhill Vaporization of LNG	2	38,500
29	116,000 Barrels of LNG		
30			
31	Lynn Vaporization of LNG	4	115,000
32	290,000 Barrels of LNG		
33			
34	Salem Vaporization of LNG	2	30,000
35	290,000 Barrels of LNG		
36			
37			
38			
39			
40			
41			
42			
43	Note: Vap. Capacity is determined by pump capacity 36,000 MCFD		
44			
45		TOTAL	301,500

Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

BOILERS *						
Line No.	Location	Kind of Fuel and Method of Firing	Rated Pressure in Lbs.	Rated Steam Temp.	Number	Output Rating M. Lbs. Steam Per Hour
1	Broad Street, Danvers"	Gas Or Oil				
2	Rover St., Everett	Gas				
3	Victory Rd., Dorchester	Gas				
4	Victory Rd., Dorchester	Gas				
5						
6						
7	LNG Vaporizer	Nat. Gas	300 Lbs @ 250 F	NA	2	20 MMSCFD
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	*Includes only those boilers that produce steam used in the production or conditioning of gas.					
26	** Broad Street, Danver was removed for LNG					
27						
28						

SCRUBBERS, CONDENSERS AND EXHAUSTERS. 24 HOUR CAPACITY (MCF)

Line No.		Kind of Gas				Total Capacity
29						
30						
31	Scrubbers					NONE
32						
33						
34						
35						
36	Condensers					NONE
37						
38						
39						
40						
41						
42	Exhausters					NONE
43						
44						
45						
46						
47						
48						

Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

PURIFIERS				
Line No.	Location	Kind of Gas	Kind of Purifying Material	Estimated 24 Hour Capacity
1	NONE			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				

HOLDERS (Including Relief Holders). Indicate Relief Holders by the letters R.H.							
Line No.	Location	Type of Tank	Dimensions		No. of Lifts	Number	Working Capacity
			Diam.	Height			
23	NONE						
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							



## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**TRANSMISSION AND DISTRIBUTION MAINS**

Report by size, for all mains and lines, the information called for below for cast iron, welded, wrought iron and steel mains.

Sub-totals should be shown for each type.

Boston Gas						
Line No.	Diameter	Total Length in Feet at Beginning of Year	Added During Year	Taken Up During Year	Abandoned but not Removed During Year	Total Length in Feet at End of Year
1	<b><u>STREET MAINS - CAST IRON</u></b>					
2	3" &					
3	smaller	551,833	0	0	16,483	535,350
4	4"	3,491,517	0	0	157,921	3,333,596
5	5"	0	0	0	0	0
6	6"	4,017,289	0	0	220,024	3,797,265
7	8"	784,092	0	0	32,645	751,447
8	10"	324,566	0	0	1,205	323,361
9	12"	938,317	0	0	6,566	931,751
10	14"	6,252	0	0	0	6,252
11	16"	152,375	0	0	1,059	151,316
12	18"	16,072	0	0	0	16,072
13	20"	107,443	0	0	128	107,315
14	24"	179,741	0	0	1,151	178,590
15	30"	65,666	0	0	0	65,666
16	36"	63,980	0	0	0	63,980
17	42"	13,278	0	0	0	13,278
18	54"	1,004	0	0	0	1,004
19	Total	10,713,425	0	0	437,182	10,276,243
20						
21	<b><u>STREET MAINS - STEEL OR WROUGHT IRON</u></b>					
22						
23	2" &					
24	smaller	2,584,590	638	0	183,185	2,402,043
25	2 1/2"	19,303	0	0	0	19,303
26	3"	2,373,241	0	0	58,795	2,314,446
27	3 1/2"	278	0	0	0	278
28	4"	2,906,146	1,364	0	71,473	2,836,037
29	5"	11,719	0	0	95	11,624
30	6"	2,135,047	3,332	0	53,440	2,084,939
31	8"	835,000	1,400	0	17,656	818,744
32	10"	78,164	484	0	0	78,648
33	12"	996,391	2,345	0	4,148	994,588
34	14"	1,197	0	0	0	1,197
35	16"	202,489	4,868	0	1,020	206,337
36	18"	531	0	0	0	531
37	20"	107,173	2,560	0	59	109,674
38	24"	78,070	396	0	0	78,466
39	30"	14,640	0	0	0	14,640
40	36"	3,451	144	0	144	3,451
41	42"	1,542		0		1,542
	Total	12,348,972	17,531	0	390,015	11,976,488
	<b>SUB-TOTALS</b>	<b>23,062,397</b>	<b>17,531</b>	<b>0</b>	<b>827,197</b>	<b>22,252,731</b>
	Normal Operating Pressure - Mains and Lines - Maximum			Minimum		
	Normal Operating Pressure - Services - Maximum			Minimum		

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**TRANSMISSION AND DISTRIBUTION MAINS (continued)**

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

Line No.	Diameter	Boston Gas Total Length in Feet at Beginning of Year	Added During Year	Taken Up During Year	Abandoned but not Removed During Year	Total Length in Feet at End of Year
1	<b>STREET MAINS - PLASTIC PIPE FUSED</b>					
2	2" &					
3	smaller	5,169,925	246,215	0	12,946	5,403,194
4	3" &					
5	smaller	274,712	208	0	408	274,512
6	4"	3,707,713	208,177	0	10,440	3,905,450
7	5"	118,225	0	0	0	118,225
8	6"	4,657,488	340,413	0	8,688	4,989,213
9	8"	2,237,463	174,387	0	2,740	2,409,110
10	10"	645	0	0	0	645
11	12"	203,152	86,814	0	0	289,966
12	16"	6,647	0	0	0	6,647
13	Total	16,375,969	1,056,214	0	35,222	17,396,961
14						
15						
16	<b>STREET MAINS - WELDED STEEL PIPE FUSED</b>					
17	2.0"	653,023	0	0	0	653,023
18	4.0"	561,300	0	0	0	561,300
19	5.0"	43,690	0	0	0	43,690
20	6.0"	249,374	0	0	0	249,374
21	8.0"	171,473	0	0	0	171,473
22	10.0"	64,678	0	0	0	64,678
23	12.0"	97,086	0	0	0	97,086
24	16.0"	34,388	0	0	0	34,388
25	20.0"	2,424	0	0	0	2,424
26	24.0"	146	0	0	0	146
27	Total	1,877,582	0	0	0	1,877,582
28						
29	No category	40,988	25,451	0	0	66,439
30						
31						
32						
33						
34						
35						
36						
37						
38						
39	<b>GRAND TOTAL</b>	<b>41,356,936</b>	<b>1,099,196</b>	<b>0</b>	<b>862,419</b>	<b>41,593,713</b>
40	Normal Operating Pressure - Mains and Lines - Maximum 60 PSIG Minimum 4" W.C					
41	Normal Operating Pressure - Services - Maximum 60 PSIG Minimum 4" W.C.					
42						

Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**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.....	644,829		537,392
2	Additions during year:			
3	Purchased.....			102,416
4	Installed.....	20,098		
5	Associated with Plant acquired.....			
6	Total Additions.....	20,098		102,416
7	Reductions during year:			
8	Retirements.....	21,602		(94,455)
9	Associated with Plant sold.....			
10	Total Reductions.....	21,602		(94,455)
11	Number at End of Year.....	643,325		545,353
	In Stock.....			(185,472)
12	On Customers' Premises--Inactive.....			23,052
13	On Customers' Premises--Active.....			707,773
14	In Company Use.....			0
15	Number at End of Year.....			545,353
16				
17				
18	Number of Meters Tested by State Inspectors			
19	During Year.....			128,020
20				

## Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**RATE SCHEDULE INFORMATION**

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

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

Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

**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	\$ 138,542
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
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23		
24		
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26		
27		
28		
29		
30		
31		
32		
33	TOTAL	\$ 138,542

Annual Report of .....Boston Gas Company.....Year ended December 31, 2017

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		\$ 124,079
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
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28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42		TOTAL	\$ 124,079

<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		\$ 1,497,828
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
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31		
32		
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36		
37		
38		
39		
40	<b>TOTAL</b>	<b>\$ 1,497,828</b>

THIS RETURN IS SIGNED UNDER THE PENALTIES OF PERJURY

*George Carlin*

..... Vice President and NE Controller

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

Kings, New York, ss

March 12, 2018

Then personally appeared. *George Carlin*

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

*Nov 27, 2021*

My Commission Expires:

*Estrella C. Tindan*

.....Notary Public

**Estrella C. Tindan  
Notary Public, State of New Jersey  
Qualified in Middlesex County  
My Commission Expires November 27, 2021**



**Commonwealth of Massachusetts**  
**Department of Public Utilities**  
 One South Street  
 Boston, MA 02110

**STATEMENT OF OPERATING REVENUES**

YEAR 2017

Name of Company	<u>Boston Gas Company</u>
D/B/A	<u>National Grid Energy Delivery New England</u>
Address	<u>One Metrotech Center 12<sup>th</sup> Floor</u>
	<u>Brooklyn, NY 11201</u>

	Location on <u>Annual Return</u>
Massachusetts Operating Revenues (Intrastate)	\$ <u>\$1,148,939,621</u> p.10,ln.2; p.43,ln.23
Other Revenues (outside Massachusetts)	\$ _____
<b>Total Revenues</b>	<b>\$ <u>\$1,148,939,621</u> p.10,ln.2; p.43,ln.23</b>

I hereby certify under the penalties of perjury that the foregoing statement is true to the best of my knowledge and belief.

Signature	<u></u>
Name	<u>George Carlin</u>
Title	<u>VP, NE Financial Controller</u>

The purpose of this statement is to provide the Department of Public Utilities with the amount of intrastate operating revenues for the annual assessment made pursuant to G.L. c. 25, § 18.

If invoices or correspondence are to be addressed to a particular individual or department of the Company, please provide the name, title, and address below.

Name	_____
Title	_____
Address	_____
	_____
	_____

**Boston Gas Company**  
**Return on Average Common Equity**  
**For the year ended December 31, 2017**

Net Income Calculation:

1	Utility Operating Income DPU page 10, Line 18	\$	111,056,695
2			
3	Less: Allocated Interest (See Below)		(33,325,434)
4			
5			
6	<b>Net Utility Income Available for Common Shareholders</b>	<b>\$</b>	<b><u>77,731,261</u></b>

Calculation of Allocated Interest:

11	Interest + Preferred Dividends - DPU page 10, Lines 39 and 48	\$	33,349,276
12			
13			
14	Utility Plant-DPU page 8, Line 2	\$	4,783,368,141
15	Other Property & Investments - DPU page 8, Line 8		3,422,190
16	Total	\$	<u>4,786,790,331</u>
17			
18	% of Line 14 to Line 16		<u>99.93%</u>
19			
24			
25	Allocated Interest(Line 18 above multiplied by Line 12)		<u>33,325,434</u>

Total Utility Common Equity:

31	Proprietary Capital - DPU page 9, Line 13	\$	1,683,117,250
32			
33			
34	Less preferred DPU Page 9, Line 4		-
35			
36	Less Goodwill DPU Page 17, Line 3a		(396,321,766)
37			
38			
39	Long Term Debt - DPU Page 9, Line 18		1,103,000,000
40			
41	Subtotal	\$	<u>2,389,795,484</u>
42			
43	50%/50% Capital Structure DPU 10-55		50%
44	Hypothetical Common Equity, December 31, 2017	\$	<u>1,194,897,742</u>

51	Ending Hypothetical Utility Common Equity Multiplied by Utility %	\$	1,194,043,481
52			
53			
54	Beginning Hypothetical Utility Common Equity Multiplied by Utility %		<u>784,811,066</u>
55			
56	Total	\$	<u>1,978,854,548</u>
57			
58	<b>Average Hypothetical Common Equity</b>	<b>\$</b>	<b><u>989,427,274</u></b>

**NET UTILITY INCOME DIVIDED BY AVERAGE HYPOTHETICAL EQUITY** **7.86%**