

THIS FILING IS (CHECK ONE BOX FOR EACH ITEM)

Item 1: ☒ An Initial (Original) Submission OR ☐ Resubmission No. _____

Item 2: ☐ An Original Signed Form OR ☒ Conformed Copy

Form Approved
OMB No. 1902-0021
(Expires 11/30/2001)



FERC Form No. 1: ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHERS

This report is mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company)

CANAL ELECTRIC COMPANY

Year of Report

Dec. 31, 2000



800 Boylston Street Boston, Massachusetts 02199

April 27, 2001

Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Room 1A-21
Washington, DC 20426

In accordance with 18 C.F.R. section 385.2011 (c)(5), I hereby state that the paper copies contain the same information as contained in the electronic filing, that I know the contents of the paper copies and electronic filing, and that the contents as stated in the copies and in the electronic filing are true to the best of my knowledge and belief.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Weafer, Jr.", written over the printed name.

Robert J. Weafer, Jr.
Vice President, Controller &
Chief Accounting Officer

REPORT OF INDEPENDENT ACCOUNTANTS

Canal Electric Company
Boston, Massachusetts

We have audited the accompanying balance sheets of Canal Electric Company (the "Company") as of December 31, 2000 and 1999, and the related statements of income for the years then ended, and the related statement of retained earnings and cash flows for the year ended December 31, 2000, included on Pages 110 through 123 of the accompanying Federal Energy Regulatory Commission Form No.1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in the notes to financial statements on Page 123, these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Canal Electric Company as of December 31, 2000 and 1999, the results of its operations for the years then ended, and the changes in retained earnings and cash flows for the year ended December 31, 2000, in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

This report is intended solely for the information and use of the management of Canal Electric Company and the Federal Energy Regulatory Commission and should not be used for any other purpose.

PricewaterhouseCoopers LLP

January 26, 2001

**INSTRUCTIONS FOR FILING THE
FERC FORM NO. 1**

GENERAL INFORMATION

I. Purpose

This form is a regulatory support requirement (18 CFR 141.1). It is designed to collect financial and operational information from major electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. This report is also secondarily considered to be a nonconfidential public use form supporting a statistical publication (Financial Statistics of Selected Electric Utilities), published by the Energy Information Administration.

II. Who Must Submit

Each major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of The Federal Power Act (18 CFR 101), must submit this form.

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds

one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus Losses).

III. What and Where to Submit

(a) Submit this form electronically through the Form 1 Submission Software and an original and six (6) conformed paper copies, properly filed in and attested, to:

Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, NE.
Room 1A
Washington, DC 20426

Retain one copy of this report for your files.

Include with the original and each conformed paper copy of this form the subscription statement required by 18 C.F.R. 385.2011(c)(5). Paragraph (c)(5) of 18 C.F.R. 385.2011 requires each respondent submitting data electronically to file a subscription stating that the paper copies contain the same information as the electronic filing, that the signer knows the contents of the paper copies and electronic filing, and that the contents as stated in the copies and electronic filing are true to the best knowledge and belief of the signer.

(b) Submit, immediately upon publication, four (4) copies of the Latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. (Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Page 4, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared.) Mail these reports to:

Chief Accountant
Federal Energy Regulatory Commission
888 First Street, NE.
Washington, DC 20426

(c) For the CFA certification, submit with the original submission, or within 30 days after the filing date for this form, a Letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984):

(i) Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

(ii) Signed by independent certified public accountants or an independent Licensed public accountant certified or Licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 CFR 41.10-41.12 for specific qualifications.)

GENERAL INFORMATION (continued)

III. What and Where to Submit (Continued)

(c) Continued

Schedules	Reference Pages
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

When accompanying this form, insert the Letter or report immediately following the cover sheet. When submitting after the filing date for this form, send the letter or report to the office of the Secretary at the address indicated at III (a).

Use the following format for the Letter or report unless unusual circumstances or conditions, explained in the Letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____. We have also reviewed schedules _____ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

State in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

(d) Federal, State and Local Governments and other authorized users may obtain additional blank copies to meet their requirements free of charge from:

Public Reference and Files Maintenance Branch
Federal Energy Regulatory Commission
888 First Street, NE, Room 2A ES-1
Washington, DC 20426
(202) 208-2474

IV. When to Submit

Submit this report form on or before April 30th of the year following the year covered by this report.

V. Where to Send Comments on Public Reporting Burden

The public reporting burden for this collection of information is estimated to average 1,217 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, 888 First Street N.E., Washington, DC 20426 (Attention: Mr. Michael Miller, CI-1); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if this collection of information does not display a valid control number. (44 U.S.C. 3512(a)).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 101) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U. S. of A.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2, 3, and 4.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed only for resubmissions (see VII. below). The date of the resubmission must be reported in the header for all form pages, whether or not they are changed from the previous filing.
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the Form 1 Submission Software and an original and six (6) conformed paper copies of the entire form, as well as the appropriate number of copies of the subscription statement indicated at instruction III (a). Resubmissions must be numbered sequentially on the cover page of the paper copies of the form. In addition, the cover page of each paper copy must indicate that the filing is a resubmission. Send the resubmissions to the address indicated at instruction III (a).
- VIII. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.

DEFINITIONS

- I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
- II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. 791a-825r)

"Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to wit:
... (3) "Corporation" means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) "Person" means an individual or a corporation;

(5) "Licensee" means any person, State, or municipality licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) "Municipality" means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry on the business of developing, transmitting, unitizing, or distributing power;..."

(11) "Project" means a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or forebay reservoirs directly connected therewith, the primary line or lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, lands, or interest in lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered:

(a) To make investigations and to collect and record data concerning the utilization of the water resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

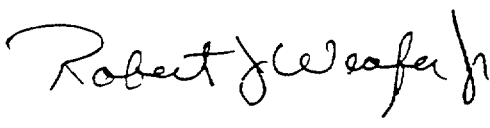
"Sec. 304. (a) Every licensee and every public utility shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or otherwise prescribe as necessary or appropriate to assist the Commission in the proper administration of this Act. The Commission may prescribe the manner and form in which such reports shall be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies."

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission the information which they shall contain, and the time within which they shall be filed..."

General Penalties

"Sec. 315. (a) Any licensee or public utility which willfully fails, within the time prescribed by the Commission, to comply with any order of the Commission, to file any report required under this Act or any rule or regulation of the Commission thereunder, to submit any information or document required by the Commission in the course of an investigation conducted under this Act ... shall forfeit to the United States an amount not exceeding \$1,000 to be fixed by the Commission after notice and opportunity for hearing..."

FERC FORM NO. 1:
ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

IDENTIFICATION		
01 Exact Legal Name of Respondent CANAL ELECTRIC COMPANY		02 Year of Report Dec. 31, 2000
03 Previous Name and Date of Change (if name changed during year) / /		
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 800 Boylston Street, Boston, Massachusetts 02199		
05 Name of Contact Person James W. Cardella		06 Title of Contact Person Accounting Manager
07 Address of Contact Person (Street, City, State, Zip Code) 26 Dartmouth Street, Westwood, Massachusetts, 02090		
08 Telephone of Contact Person, including Area Code (781) 441-8866	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 12/31/2000
ATTESTATION		
The undersigned officer certifies that he/she has examined the accompanying report: that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.		
01 Name Robert J. Weafer, Jr.	03 Signature 	04 Date Signed (Mo, Da, Yr) 04/27/2001
02 Title VP, Ctrl., Chief Acct. Officer		
Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.		

Name of Respondent CANAL ELECTRIC COMPANY	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	NONE
4	Officers	104	
5	Directors	105	
6	Security Holders and Voting Powers	106-107	
7	Important Changes During the Year	108-109	
8	Comparative Balance Sheet	110-113	
9	Statement of Income for the Year	114-117	
10	Statement of Retained Earnings for the Year	118-119	
11	Statement of Cash Flows	120-121	
12	Notes to Financial Statements	122-123	
13	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
14	Nuclear Fuel Materials	202-203	
15	Electric Plant in Service	204-207	
16	Electric Plant Leased to Others	213	NONE
17	Electric Plant Held for Future Use	214	NONE
18	Construction Work in Progress-Electric	216	
19	Construction Overheads-Electric	217	
20	General Description of Construction Overhead Procedure	218	
21	Accumulated Provision for Depreciation of Electric Utility Plant	219	
22	Nonutility Property	221	
23	Investment of Subsidiary Companies	224-225	
24	Materials and Supplies	227	
25	Allowances	228-229	NONE
26	Extraordinary Property Losses	230	
27	Unrecovered Plant and Regulatory Study Costs	230	
28	Other Regulatory Assets	232	
29	Miscellaneous Deferred Debits	233	
30	Accumulated Deferred Income Taxes	234	
31	Capital Stock	250-251	
32	Cap Stk Sub, Cap Stk Liab for Con, Prem Cap Stk & Inst Recd Cap Stk	252	
33	Other Paid-in Capital	253	NONE
34	Discount on Capital Stock	254	
35	Capital Stock Expense	254	
36	Long-Term Debt	256-257	NONE

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Lines Added During Year	424-425	NONE
68	Substations	426-427	NONE
69	Electric Distribution Meters and Line Transformers	429	NONE
70	Environmental Protection Facilities	430	
71	Environmental Protection Expenses	431	
72	Footnote Data	450	

Stockholders' Reports Check appropriate box:

- ☐ Four copies will be submitted
☒ No annual report to stockholders is prepared

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, <u>2000</u>
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GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Robert J. Weafer, Jr., Vice President, Controller and Chief Accounting Officer
 800 Boylston Street, Dart-55, Boston, MA 02199
 26 Dartmouth Street, Westwood, MA 02090

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Massachusetts, April 17, 1902

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

None

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric Sales For Resale - Massachusetts

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) ☐ Yes...Enter the date when such independent accountant was initially engaged:
 (2) ☒ No

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

Direct control is exercised by NSTAR by virtue of its ownership of 100% of the common stock of the respondent.

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
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Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Chairman of the Board and Chief Executive Officer	Thomas J. May (A)	
2	President and Chief Operating Officer	Russell D. Wright (A)	
3	Executive Vice President-Cust. Care/Shared Services	Deborah A. McLaughlin (A)	
4	Sr. Vice President-Strategy, Law & Policy	Douglas S. Horan (A)	
5	Sr. Vice President-Treasurer and Chief Financial Officer	James J. Judge(11) (A)	
6	Sr. Vice President-Corporate Relations	L. Carl Gustin (3) (A)	
7	Sr. Vice President-Corporate Relations	Joseph R. Nolan, Jr. (4) (A)	
8	Vice President/Controller & Chief Accounting Officer	Robert J. Weafer, Jr. (A)	
9	Vice President / Treasurer	James D. Rappoli (13) (A)	
10	Vice President - Asset Management	Ellen K. Anglely (A)	
11	Vice President / Clerk & General Counsel	Michael P. Sullivan (6) (A)	
12	Vice President - Customer Care	Charles W. Kiely (A)	
13	Vice President - Customer Services Delivery	Fred J. Greenberg (9) (A)	
14	Vice President- Human Resources	Alison Alden (10) (A)	
15	Vice President- Electric Operations	Ronald A. Ledgett (2) (A)	
16	Vice President- Electric Operations	William J. Meehan (1) (A)	
17	Vice President-Business Services	Kevin F. Roberts (7) (A)	
18	Vice President- Energy Supply and Transmission	Paul D. Vaitkus (8) (A)	
19	Assistant Treasurer	Donald Anastasia (12) (A)	
20	Assistant Treasurer	Philip J. Lembo (12) (A)	
21	Assistant Clerk	Theodora S. Convisser (5) (A)	
22	Assistant Clerk	Richard J. Morrison (A)	
23			
24			
25	(1) appointed as of 10/01/00		
26	(2) resigned as of 9/30/00		
27	(3) resigned as of 8/01/00		
28	(4) appointed as of 8/01/00		
29	(5) resigned as of 4/01/00		
30	(6) resigned as of 10/01/00		
31	(7) resigned as VP-Network services as of 9/30/00		
32	(7) appointed as VP-Business Services as of 10/01/00		
33	(8) appointed new position as of 5/04/00		
34	(9) resigned as of 11/01/00		
35	(10) resigned as of 12/31/00		
36	(11) appointed title of Treasurer in add to Sr. VP & CFO		
37	as of 3/23/00		
38	(12) appointed new position as of 3/23/00		
39	(13) resigned as of 3/1/00		
40	(A) The salary of these officers exceeds \$50,000 in		
41	total but such salary is allocated, in part, to		
42	affiliate companies. The salary allocated to the		
43	Company does not exceed \$50,000.		
44			

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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DIRECTORS:

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Thomas J. May (Chairman of the Board/Chief Executive	800 Boylston Street, Boston, MA 02199
2	-Officer	
3		
4	Russell D. Wright (President/Chief Operating Officer)	800 Boylston Street, Boston, MA 02199
5		
6	James J. Judge (Sr. Vice President, Treasurer & Chief	800 Boylston Street, Boston, MA 02199
7	-Financial Officer)	
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Name of Respondent: CANAL ELECTRIC COMPANY	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Filing (Mo. Da. Yr) 12/31/2000	Dec. 31, <u>2000</u>
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SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a List of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carries voting rights, explain in a footnote the circumstances whereby such security became vested with voting rights give other important particulars (details) concerning voting rights of such security. State whether voting right are actual or contingent; if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method explain briefly in a footnote.
4. Furnish particulars (details) concerning any options warrants, or rights outstanding at the end of the year others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or right the amount of such securities or assets so entitled to purchased by any officer, director, associated company, or of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the public where the options, warrants, or rights were issued prorata basis.

1. Give the date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:	2. State the total number of votes cast at the latest general meeting prior to end of year for election of directors of the respondent and number of such votes cast by proxy Total: 354,533 By Proxy: 354,533	3. Give the date and place of such meeting 03/02/2000 800 Boylston Street Boston, MA 02199
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VOTING SECURITIES

Line No.	Name (Title) and Address of Security Holder (a)	Number of Votes as of (date): 12/31/2000			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	354,533	354,533		
5	TOTAL number of security holders	354,533	354,533		
6	TOTAL votes of security holders listed below	354,533	354,533		
7					
8	NSTAR				
9	800 Boylston Street				
10	Boston MA 02199				
11					
12					
13					
14					
15					
16					
17					
18					

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000		Period of Report Dec. 31, 2000	
SECURITY HOLDERS AND VOTING POWERS (Continued)							
Line No.	Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)		
19							
20							
21							
22							
23							
24							
25							
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Name of Respondent CANA ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/2000	Year of Report Dec. 31, 2000
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IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

- Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
- Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
- Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
- Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
- Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
- Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
- Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
- State the estimated annual effect and nature of any important wage scale changes during the year.
- State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
- Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
- (Reserved.)
- If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
CANAL ELECTRIC COMPANY	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	12/31/2000	Dec 31, 2000
IMPORTANT CHANGES DURING THE YEAR (Continued)			

1. None
2. None
3. None
4. None
5. None
6. None
7. None
8. None
9. None
10. None
11. None
12. None

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	243,044,528	242,393,082
3	Construction Work in Progress (107)	200-201	2,550,595	3,249,166
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		245,595,123	245,642,248
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	58,054,381	189,143,318
6	Net Utility Plant (Enter Total of line 4 less 5)		187,540,742	56,498,930
7	Nuclear Fuel (120.1-120.4, 120.6)	202-203	23,887,726	25,484,838
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	21,584,324	22,698,915
9	Net Nuclear Fuel (Enter Total of line 7 less 8)		2,303,402	2,785,923
10	Net Utility Plant (Enter Total of lines 6 and 9)		189,844,144	59,284,853
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored Underground - Noncurrent (117)		0	0
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	221	8,994	8,994
15	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
16	Investments in Associated Companies (123)		0	0
17	Investment in Subsidiary Companies (123.1)	224-225	2,833,479	2,363,580
18	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
19	Noncurrent Portion of Allowances	228-229	0	0
20	Other Investments (124)		1,120,889	1,120,889
21	Special Funds (125-128)		3,828,663	4,502,763
22	TOTAL Other Property and Investments (Total of lines 14-17,19-21)		7,792,025	7,996,226
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)		40,229	104,747
25	Special Deposits (132-134)		0	0
26	Working Fund (135)		12,088	12,088
27	Temporary Cash Investments (136)		0	0
28	Notes Receivable (141)		0	0
29	Customer Accounts Receivable (142)		0	0
30	Other Accounts Receivable (143)		94,553	64,695
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		0	0
32	Notes Receivable from Associated Companies (145)		0	0
33	Accounts Receivable from Assoc. Companies (146)		9,090,619	44,967,497
34	Fuel Stock (151)	227	0	0
35	Fuel Stock Expenses Undistributed (152)	227	0	0
36	Residuals (Elec) and Extracted Products (153)	227	0	0
37	Plant Materials and Operating Supplies (154)	227	1,307,916	1,396,741
38	Merchandise (155)	227	0	0
39	Other Materials and Supplies (156)	227	0	0
40	Nuclear Materials Held for Sale (157)	202-203/227	0	0
41	Allowances (158.1 and 158.2)	228-229	0	0
42	(Less) Noncurrent Portion of Allowances		0	0
43	Stores Expense Undistributed (163)	227	3,518	1,908
44	Gas Stored Underground - Current (164.1)•		0	0
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
46	Prepayments (165)		954,081	1,656,315
47	Advances for Gas (166-167)		0	0
48	Interest and Dividends Receivable (171)		0	247,822
49	Rents Receivable (172)		0	0
50	Accrued Utility Revenues (173)		0	0
51	Miscellaneous Current and Accrued Assets (174)		0	0
52	TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 51)		11,503,004	48,451,813

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)					
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)	
53	DEFERRED DEBITS				
54	Unamortized Debt Expenses (181)		0	0	
55	Extraordinary Property Losses (182.1)	230	0	0	
56	Unrecovered Plant and Regulatory Study Costs (182.2)	230	853,236	805,821	
57	Other Regulatory Assets (182.3)	232	18,099,456	5,147,140	
58	Prelim. Survey and Investigation Charges (Electric) (183)		1,081	23,830	
59	Prelim. Sur. and Invest. Charges (Gas) (183.1, 183.2)		0	0	
60	Clearing Accounts (184)		0	2,019	
61	Temporary Facilities (185)		0	0	
62	Miscellaneous Deferred Debits (186)	233	2,086,967	476,860	
63	Def. Losses from Disposition of Utility Plt. (187)		0	0	
64	Research, Devel. and Demonstration Expend. (188)	352-353	0	0	
65	Unamortized Loss on Reaquired Debt (189)		0	0	
66	Accumulated Deferred Income Taxes (190)	234	995,953	4,116,723	
67	Unrecovered Purchased Gas Costs (191)		0	0	
68	TOTAL Deferred Debits (Enter Total of lines 54 thru 67)		22,036,693	10,572,393	
69	TOTAL Assets and Other Debits (Enter Total of lines 10,11,12,22,52,68)		231,175,866	126,305,285	

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
46	DEFERRED CREDITS			
47	Customer Advances for Construction (252)		0	0
48	Accumulated Deferred Investment Tax Credits (255)	266-267	8,126,357	7,825,393
49	Deferred Gains from Disposition of Utility Plant (256)		0	0
50	Other Deferred Credits (253)	269	10,580,575	8,933,293
51	Other Regulatory Liabilities (254)	278	0	0
52	Unamortized Gain on Reacquired Debt (257)		0	0
53	Accumulated Deferred Income Taxes (281-283)	272-277	55,112,715	16,204,137
54	TOTAL Deferred Credits (Enter Total of lines 47 thru 53)		73,819,647	32,962,823
55			0	0
56			0	0
57			0	0
58			0	0
59			0	0
60			0	0
61			0	0
62			0	0
63			0	0
64			0	0
65			0	0
66			0	0
67			0	0
68	TOTAL Liab and Other Credits (Enter Total of lines 14,22,30,45,54)		231,175,866	126,305,285

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STATEMENT OF INCOME FOR THE YEAR (Continued)

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be included on pages 122-123.

B. Enter on pages 122-123 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on pages 122-123 or in a footnote.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
33,907,481	47,342,396					2
						3
9,482,956	10,480,467					4
1,739,650	1,974,579					5
6,282,645	6,991,548					6
						7
655,732	1,319,436					8
						9
						10
						11
						12
1,538,671	1,257,562					13
46,203,611	17,934,613					14
8,139,386	2,573,483					15
338,840	2,819,730					16
50,329,649	9,378,528					17
-300,964	-301,124					18
						19
						20
						21
						22
23,750,878	35,671,766					23
10,156,603	11,670,630					24

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000		Year of Report Dec. 31, 2000	
STATEMENT OF INCOME FOR THE YEAR (Continued)							
Line No.	OTHER UTILITY		OTHER UTILITY		OTHER UTILITY		
	Current Year (k)	Previous Year (l)	Current Year (m)	Previous Year (n)	Current Year (o)	Previous Year (p)	
1							
2							
3							
4							
5							
6							
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Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
STATEMENT OF INCOME FOR THE YEAR (Continued)					
Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL		
			Current Year (c)	Previous Year (d)	
25	Net Utility Operating Income (Carried forward from page 114)		10,156,603	11,670,630	
26	Other Income and Deductions				
27	Other Income				
28	Nonutility Operating Income				
29	Revenues From Merchandising, Jobbing and Contract Work (415)				
30	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)				
31	Revenues From Nonutility Operations (417)				
32	(Less) Expenses of Nonutility Operations (417.1)				
33	Nonoperating Rental Income (418)				
34	Equity in Earnings of Subsidiary Companies (418.1)	119	124,096	627,117	
35	Interest and Dividend Income (419)		496,575	1,579,792	
36	Allowance for Other Funds Used During Construction (419.1)				
37	Miscellaneous Nonoperating Income (421)			257,586	
38	Gain on Disposition of Property (421.1)			12,694,100	
39	TOTAL Other Income (Enter Total of lines 29 thru 38)		620,671	15,158,595	
40	Other Income Deductions				
41	Loss on Disposition of Property (421.2)				
42	Miscellaneous Amortization (425)	340			
43	Miscellaneous Income Deductions (426.1-426.5)	340	15,784	88,148	
44	TOTAL Other Income Deductions (Total of lines 41 thru 43)		15,784	88,148	
45	Taxes Applic. to Other Income and Deductions				
46	Taxes Other Than Income Taxes (408.2)	262-263			
47	Income Taxes-Federal (409.2)	262-263	169,635		
48	Income Taxes-Other (409.2)	262-263	31,504		
49	Provision for Deferred Inc. Taxes (410.2)	234, 272-277			
50	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277			
51	Investment Tax Credit Adj.-Net (411.5)				
52	(Less) Investment Tax Credits (420)				
53	TOTAL Taxes on Other Income and Deduct. (Total of 46 thru 52)		201,139		
54	Net Other Income and Deductions (Enter Total lines 39, 44, 53)		403,748	15,070,447	
55	Interest Charges				
56	Interest on Long-Term Debt (427)				
57	Amort. of Debt Disc. and Expense (428)			2,389,384	
58	Amortization of Loss on Reaquired Debt (428.1)				
59	(Less) Amort. of Premium on Debt-Credit (429)			283	
60	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)				
61	Interest on Debt to Assoc. Companies (430)	340	564,545	333,729	
62	Other Interest Expense (431)	340	2,855,065	3,734,891	
63	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		172,478	120,363	
64	Net Interest Charges (Enter Total of lines 56 thru 63)		3,247,132	6,337,358	
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		7,313,219	20,403,719	
66	Extraordinary Items				
67	Extraordinary Income (434)				
68	(Less) Extraordinary Deductions (435)				
69	Net Extraordinary Items (Enter Total of line 67 less line 68)				
70	Income Taxes-Federal and Other (409.3)	262-263			
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)				
72	Net Income (Enter Total of lines 65 and 71)		7,313,219	20,403,719	

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. 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.
8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance-Beginning of Year		5,661,909
2	Changes		
3	Adjustments to Retained Earnings (Account 439)		
4			
5			
6			
7			
8			
9	TOTAL Credits to Retained Earnings (Acct. 439)		
10			
11			
12			
13			
14			
15	TOTAL Debits to Retained Earnings (Acct. 439)		
16	Balance Transferred from Income (Account 433 less Account 418.1)		7,189,123
17	Appropriations of Retained Earnings (Acct. 436)		
18			
19			
20			
21			
22	TOTAL Appropriations of Retained Earnings (Acct. 436)		
23	Dividends Declared-Preferred Stock (Account 437)		
24			
25			
26			
27			
28			
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)		
30	Dividends Declared-Common Stock (Account 438)		
31			-6,092,800
32			
33			
34			
35			
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-6,092,800
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings		-270,872
38	Balance, - End of Year (Total 1,9,15,16,22,29,36,37)		6,487,360

Name of Respondent CANAL ELECTRIC COMPANY	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec 31, 2000
FOOTNOTE DATA			

Schedule Page: 118 Line No.: 1 Column: c

STATEMENT OF RETAINED EARNINGS FOR THE YEAR 1999

LINE #	ITEM	1999 AMOUNT
1	BALANCE - BEGINNING OF YEAR	242,271,126
16	BALANCE TRANSFERRED FROM INCOME (ACCOUNT 433 LESS 418.1)	19,776,602
30	DIVIDENDS DECLARED - COMMON STOCK	-238,212,030
36	TOTAL DIVIDENDS DECLARED - COMMON STOCK	-238,212,030
37	TRANSFERS FROM ACCOUNT 216.1	593,756
38	BALANCE - END OF YEAR	24,429,454

UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (ACCOUNT 216.1)

49	BALANCE - BEGINNING OF YEAR	-305,974
50	EQUITY IN EARNINGS FOR YEAR (ACCOUNT 418.1)	627,117
51	(LESS) DIVIDENDS RECEIVED (DEBIT)	593,758
53	BALANCE - END OF YEAR	-272,615

(LINE 38 OF FOOTNOTE)

38 THE END OF YEAR BALANCE HAS BEEN REVISED TO \$5,661,909 DUE TO MERGER ADJUSTING ENTRIES RECORDED IN 2000 OF \$-18,767,545 RESULTING IN A DEBIT TO ACCOUNT 216 AND A CREDIT TO ACCOUNT 207.

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Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Dec. 31, 2000
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STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be included in page 122-123. Information about non-cash investing and financing activities should be provided on Page 122-123. Provide also on pages 122-123 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.
2. Under "Other" specify significant amounts and group others.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on Page 122-123 the amount of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	Description (See Instruction No. 5 for Explanation of Codes) (a)	Amounts (b)
1	Net Cash Flow from Operating Activities:	7,313,219
2	Net Income	
3	Noncash Charges (Credits) to Income:	5,608,545
4	Depreciation and Depletion	
5	Amortization of	1,114,591
6	Amortization of Nuclear Fuel Assemblies	
7		
8	Deferred Income Taxes (Net)	-49,990,809
9	Investment Tax Credit Adjustment (Net)	-300,964
10	Net (Increase) Decrease in Receivables	5,007,980
11	Net (Increase) Decrease in Inventory	-87,215
12	Net (Increase) Decrease in Allowances Inventory	
13	Net Increase (Decrease) in Payables and Accrued Expenses	40,649,187
14	Net (Increase) Decrease in Other Regulatory Assets	12,952,316
15	Net Increase (Decrease) in Other Regulatory Liabilities	
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	124,096
18	Other:	
19		-10,213,749
20	Other:	
21		11,929,005
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	-698,570
26	Gross Additions to Utility Plant (less nuclear fuel)	-1,597,112
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance for Other Funds Used During Construction	141,600,000
31	Other: Buydown of Seabrook Unit 1 investment	
32		
33		139,304,318
34	Cash Outflows for Plant (Total of lines 26 thru 33)	
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	
38		210,931
39	Investments in and Advances to Assoc. and Subsidiary Companies	
40	Contributions and Advances from Assoc. and Subsidiary Companies	
41	Disposition of Investments in (and Advances to)	-40,855,000
42	Associated and Subsidiary Companies	383,064
43	Dividends from Subsidiary Companies	
44	Purchase of Investment Securities (a)	
45	Proceeds from Sales of Investment Securities (a)	

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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STATEMENT OF CASH FLOWS

4. Investing Activities include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on pages 122-123. Do not include on this statement the dollar amount of Leases capitalized per US of A General Instruction 20; instead provide a reconciliation of the dollar amount of Leases capitalized with the plant cost on pages 122-123.

5. Codes used:
 (a) Net proceeds or payments. (c) Include commercial paper.
 (b) Bonds, debentures and other long-term debt. (d) Identify separately such items as investments, fixed assets, intangibles, etc.

6. Enter on pages 122-123 clarifications and explanations.

Line No.	Description (See instruction No. 5 for Explanation of Codes)	Amounts
	(a)	(b)
46	Loans Made or Purchased	
47	Collections on Loans	
48		
49	Net (Increase) Decrease in Receivables	
50	Net (Increase) Decrease in Inventory	
51	Net (Increase) Decrease in Allowances Held for Speculation	
52	Net Increase (Decrease) in Payables and Accrued Expenses	
53	Other	
54		
55		
56	Net Cash Provided by (Used in) Investing Activities	99,043,313
57	Total of lines 34 thru 55)	
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long-Term Debt (b)	
62	Preferred Stock	
63	Common Stock	
64	Other:	
65		
66	Net Increase in Short-Term Debt (c)	
67	Other:	
68		
69		
70	Cash Provided by Outside Sources (Total 61 thru 69)	
71		
72	Payments for Retirement of:	
73	Long-term Debt (b)	
74	Preferred Stock	
75	Common Stock	
76	Other:	
77	Return of capital	-50,000,000
78	Net Decrease in Short-Term Debt (c)	-54,815,000
79		
80	Dividends on Preferred Stock	-6,092,800
81	Dividends on Common Stock	
82	Net Cash Provided by (Used in) Financing Activities	-110,907,800
83	(Total of lines 70 thru 81)	
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	64,518
86	(Total of lines 22.57 and 83)	
87		52,317
88	Cash and Cash Equivalents at Beginning of Year	
89		116,835
90	Cash and Cash Equivalents at End of Year	

Name of Respondent	This Report is:	Date of Report	Year of Report
CANAL ELECTRIC COMPANY	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2000	Dec 31, 2000
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 2 Column: b

STATEMENT OF CASH FLOW FOR 1999

Line 1	Net Cash Flow from Operating Activities:	20,403,719
Line 2	Net Income	
Line 3	Noncash Charges (Credits) to Income:	6,582,000
Line 4	Depreciation and Depletion	
Line 5	Amortization of:	
Line 6	Seabrook Unit 1 Preconstruction Cost	1,319,436
Line 8	Deferred Income Taxes (net)	-6,558,801
Line 9	Investment Tax Credit Adjustment (net)	-301,124
Line 10	Net (Increase) Decrease in Receivables	57,087,043
Line 11	Net (Increase) Decrease in Inventory	-43,805
Line 13	Net Increase (Decrease) in Payables	-136,511,548
Line 14	Net (Increase) Decrease in Regulatory Assets	-157,624
Line 17	(Less) Undistributed Earnings from Subsidiary	627,117
Line 18	Other: Dividends from Subsidiary Companies	593,758
Line 19	Other	2,681,178
Line 22	Net Cash Provided by Operating Companies	-55,532,885
Line 24	Cash Flows from Investment Activities:	
Line 25	Construction and Acquisition of Plant:	
Line 26	Gross Addition to Utility Plant	-720,778
Line 27	Gross Additions to Nuclear Fuel	-306,726
Line 31	Sale of Generating Assets (net)	-12,694,100
Line 34	Cash Outflows for Plant	-13,721,604
Line 39	Investments in and Advances to Associated and Subsidiary Companies	258,925,000

<PAGE 121>

STATEMENT OF CASH FLOW FOR 1999

Line 57	Net Cash Used in Investing Activities	245,203,396
Line 59	Cash Flows from Financing Activities:	
Line 66	Net Increase in short-term debt (c)	48,575,000
Line 72	Payments for Retirement of:	
Line 81	Dividends on Common Stock	-238,212,030
Line 83	Net Cash Used in Financing Activities	-189,637,030
Line 86	Net Decrease in Cash and Cash Equivalents	33,481
Line 88	Cash and Cash Equivalents at Beginning of Year	18,836
Line 90	Cash and Cash Equivalents at End of Year	52,317

Schedule Page: 120 Line No.: 10 Column: b

LINE 10 RECEIVABLES

	ACCT 143	29,858
	ACCT 146	(35,876,878)
LINE 41	LESS MONEYPOL LOANS	(40,855,000)
LINE 10 RECEIVABLES	NET RECEIVABLES	5,007,980

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
CANAL ELECTRIC COMPANY	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	12/31/2000	Dec 31, 2000
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 13 Column: b

Line 13 Net increase (decrease) in payables and accrued expenses:

account	
232	(7,051,586)
234	1,296,725
236	38,147,397
237	(15,863)
241	-
242	2,032,514
243 noncash (4,774)	-
less money pool loan (a/c232)	6,240,000
net payable and other	40,649,187

record loan as use of funds on line 78 with use of 48,575,000 bank loans

Schedule Page: 120 Line No.: 20 Column: b

LINE 20 OTHER:

ACCOUNT	
181	0
225	0
226	0
124	0
125-128	(674,100)
165	(702,234)
171	(247,822)
172	0
174	0
182.2	47,415
183	(22,749)
186	1,610,107
184	(2,019)
227 noncash (646,672)	0
236	0
241	0
242	0
243	0
252	0
253 noncash pension \$686,000	(2,333,283)

TOTAL (2,324,685)

DEFERRED TAX:

190	(2,851,686)
281-3	(39,177,662)

TOTAL	(42,029,348)
LINE 8 OF CF	(49,990,809)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec 31, 2000
CANAL ELECTRIC COMPANY			
FOOTNOTE DATA			

NET	7,961,461
Deferred tax seabrook buydown	(16,119,608)
noncash tax on pension a/c253	269,083

	(10,213,749)

Schedule Page: 120 Line No.: 31 Column: b

Depreciation (page 110 line 5)	125,480,392
Deferred Taxes (page 113 line 53)	16,119,608

Line 31 # Seabrook unit 1 buydown	141,600,000
	=====

Name of Respondent CANAL ELECTRIC COMPANY	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/2000	Year of Report Dec. 31, 2000
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec 31, 2000
CANAL ELECTRIC COMPANY			
NOTES TO FINANCIAL STATEMENTS (Continued)			

PAGE 120 LINE 20 NOTE A:

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION
INTEREST (NET OF CAPITALIZED AMOUNTS)
INCOME TAXES PAID

\$2,786,364
\$11,008,621

The Notes attached are a reprint of the notes to the financial statements included in Canal Electrical Company's 2000 Annual Report. Therefore, certain amounts may differ from those that are presented on the basis of accounting prescribed by the FERC.

The financial statements are prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission and Department of Telecommunications and Energy as set forth in the applicable Uniform System of Accounts and published accounting releases. This is a comprehensive basis of accounting consistent with generally accepted accounting principles (GAAP).

NOTES TO FINANCIAL STATEMENTS

(1) General Information

Canal Electric company (Canal Electric or the Company) is a wholly owned subsidiary of NSTAR. NSTAR is an energy delivery company serving approximately 1.3 million customers in Massachusetts including more than one million electric customers in 81 communities and 244,000 gas customers in 51 communities. NSTAR also supplies electricity at wholesale for resale to municipalities. NSTAR was created through the merger of BEC Energy (BEC) and Commonwealth Energy System (COM/Energy) on August 25, 1999 and is an exempt public utility holding company under the provisions of the Public Utility Holding Company Act of 1935. Its retail utility subsidiaries are Commonwealth Electric Company (Com/Electric). Boston Edison Company (Boston Edison) and NSTAR Gas Company (NSTAR Gas).

The Company is a wholesale electric generating company organized in 1902 under the laws of the Commonwealth of Massachusetts. The Company has a 3.52% interest in the Seabrook 1 nuclear power plant and a 3.8% investment in the New England/Hydro Quebec Phase II transmission facilities to provide a portion of the capacity and energy needs of affiliates Cambridge Electric and Com/Electric.

(2) Significant Accounting Policies

(a) Accounting Principles

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(b) Reclassifications

Certain prior year amounts have been reclassified from time to time to conform with the presentation used in the current year's financial statements.

(c) Merger and Financial Statement Presentation

NSTAR's utility subsidiaries include Canal Electric Company (Canal Electric). The merger was accounted for by NSTAR as an acquisition by BEC of Com/Energy and all of its

Name of Respondent	This Report is:	Date of Report	Year of Report
CANAL ELECTRIC COMPANY	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2000	Dec 31, 2000
NOTES TO FINANCIAL STATEMENTS (Continued)			

subsidiaries including Canal Electric Company under the purchase method of accounting.

In the accompanying statements for 1999, the period prior to the merger is labeled as the "Predecessor" and the period after the merger as the "Successor."

As a result of this merger, the fourth quarter 1999 dividend amounting to approximately \$35 million was reflected as a return of capital and, as a result, reduced paid-in capital. As of August 25, 1999, approximately \$54 million of retained earnings was reclassified as additional paid-in capital.

Canal Electric had previously registered its debt securities pursuant to Section 12 (b) of the Exchange Act of 1934 (the Act). Since the date of the retirement of its registered debt, Canal Electric had continued to maintain its voluntary reporting obligation. On May 4, 2000, Canal Electric filed a Form 15 with the Securities and Exchange Commission (SEC) to terminate its registration under the Act and thus terminate its filing of certain reports with the SEC.

(d) Regulatory Assets

The Company is regulated as to rates, accounting and other matters by various authorities, including the Federal Energy Regulatory Commission (FERC) and the Massachusetts Department of Telecommunications and Energy (MDTE).

Based on the current regulatory framework, the Company accounts for the economic effects of regulation in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation." The Company has established various regulatory assets in cases where the FERC has permitted or is expected to permit recovery of specific costs over time. Based on the current evaluation of the various factors and conditions that are expected to impact future cost recovery, the Company believes that its regulatory assets are probable of future recovery.

The principal regulatory assets included in deferred charges at December 31, 2000 and 1999 were as follows:

	<u>2000</u>	<u>1999</u>
	(Dollars in thousands)	
Seabrook related costs	\$ 47,405	\$ 178,541
Deferred income taxes	1,476	17,401
Post retirement benefits	3,521	-
Merger costs	18	20
Total regulatory assets	<u>\$ 52,420</u>	<u>\$ 195,962</u>

As of December 31, 2000, all of the Company's regulatory assets are reflected in rates charged to customers over a weighted average period of approximately 11 years beginning in 1998.

COM/Energy completed the sale of substantially all of its investment in electric generation assets in 1998. Proceeds from the sale of these assets, after construction-related adjustments at the closing that occurred on December 30, 1998, amounted to approximately \$453.9 million, or 6.1 times their book value of approximately \$74.2 million. The proceeds from the sale, net of book value, transaction costs and certain other adjustments, amounted to \$358.6 million and are being used to reduce stranded costs related to electric industry restructuring that otherwise would have been collected from customers.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec 31, 2000
CANAL ELECTRIC COMPANY			
NOTES TO FINANCIAL STATEMENTS (Continued)			

COM/Energy established Energy Investment Services, Inc. (EIS) as the vehicle to invest the net proceeds from the sale of Canal Electric's generation assets. These proceeds were invested in a portfolio of securities that are designed to maintain principle and earn a reasonable return. Both the principle amount and income earned were used to reduce the future stranded costs that would otherwise have been billed to customers of Cambridge Electric and Com/Electric.

(e) Buydown of Seabrook Contract

On October 26, 2000, the MDTE approved the filing made by Cambridge Electric and Com/Electric (together, "the Companies") for the partial buydown of their contract with Canal Electric for power from the Seabrook nuclear generating facility (Seabrook Contract). The buydown transaction is effected by means of an amendment to the Seabrook Contract. On November 8, 2000, \$120.5 million of funds held by EIS was transferred to Com/Electric and Cambridge Electric in the amount of \$113.4 million and \$7.1 million, respectively. In addition, Cambridge Electric also made a \$21.1 million payment to Canal Electric as a further buydown of its share of the Seabrook Contract with after-tax proceeds received from the sale of Cambridge Electric's Kendall Station in December 1988. Approval of the November 1, 2000 buydown amount is pending at the MDTE. Canal Electric also made a filing with the FERC to amend the Seabrook Contract to reflect the buydown effective November 1, 2000. Action by FERC on this filing is pending.

(f) Transactions with Affiliates

Transactions between the Company and other NSTAR companies include purchases and sales of electricity. Prior to 2000, the Company had functioned as the principal supplier of electric generation capacity for and on behalf of affiliates Cambridge Electric and Com/Electric, including non-construction costs related to the Seabrook generating unit. In addition, payments for management, accounting, data processing and other services are made to affiliated companies. Transactions with other NSTAR Electric companies are subject to review by the FERC and the MDTE.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec 31, 2000
CANAL ELECTRIC COMPANY			
NOTES TO FINANCIAL STATEMENTS (Continued)			

The Company's operating revenues included the following inter-company amounts for the periods indicated:

Period	(Dollar in thousands)		
	Electricity Sales (Canal Units)	Purchased Power	Seabrook Units and Other
2000	\$ -	\$ -	\$33,907
January 1,- August 24, 1999	28	3,477	29,146
August 25,- December 31, 1999	-	-	13,029

(g) Equity Method of Accounting

The Company uses the equity method of accounting for its 3.8% investment in the New England/Hydro-Quebec Phase II transmission facilities due in part to its ability to exercise significant influence over operating and financial policies of the entity. Under this method, it records as income the proportionate share of the net earnings of this project with a corresponding increase in the carrying value of the investment. The investment amount is reduced as cash dividends are received.

(h) Operating Revenues

Revenues are recognized and billed to Cambridge Electric and Com/Electric for its power entitlement of its Seabrook I investment and other transmission expenses.

(i) Depreciation and Nuclear Fuel Amortization

Depreciation is provided using the straight-line method at rates intended to amortize the original cost and the estimated cost of removal less salvage of properties over their estimated economic lives. The Company's composite depreciation rate, based on average depreciable property in service, was 2.78% in 2000 and 3.01% in 1999.

The cost of nuclear fuel is amortized to fuel expense based on the quantity of energy produced. Nuclear fuel expense also includes a provision for the costs associated with the ultimate disposal of the spent nuclear fuel.

(j) Maintenance

Expenditures for repairs of property and replacement and renewal of items determined to be less than units of property were charged to maintenance expense. Additions, replacements and renewals of property considered to be units of property, were charged to the appropriate plant accounts. Upon retirement, accumulated depreciation was charged with the original cost of property units and the cost of removal net of salvage.

(k) Allowance for Funds Used During Construction

Under applicable rate-making practices, the Company is permitted to include an allowance for funds used during construction (AFUDC) as an element of its depreciable property costs. This allowance is based on the amount of construction work in progress that is not included in the rate base on which the Company earns a return. An amount equal to the AFUDC capitalized in the current period is reflected in the accompanying Statements of Income.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec 31, 2000
CANAL ELECTRIC COMPANY			
NOTES TO FINANCIAL STATEMENTS (Continued)			

While AFUDC does not provide funds currently, these amounts are recoverable in revenues over the service life of the constructed property. The Company develops rates based upon its current cost of capital and used a compound rate of 6.5% in 2000 and 5.75% in 1999.

(1) Cash and Cash Equivalents

Cash and cash equivalents are comprised of liquid securities with maturities of 90 days or less when purchased.

(3) Income Taxes

For financial reporting purposes, the Company provides federal and state income taxes on a separate return basis. However, for federal income tax purposes, the Company's taxable income and deductions are included in the consolidated income tax return of NSTAR (COM/Energy prior to the merger) the Parent and it makes tax payments or receives refunds on the basis of its tax attributes in the tax return in accordance with applicable regulations.

Income taxes are accounted for in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS 109). SFAS 109 requires the recognition of deferred tax assets and liabilities for the future tax effects of temporary differences between the carrying amounts and the tax basis of assets and liabilities.

Accumulated deferred income taxes consisted of the following:

	2000	1999
	(Dollars in thousands)	
Deferred tax liabilities		
Property-related	\$21,255	\$65,815
Seabrook non-construction	-	707
All other	-	611
	<u>21,255</u>	<u>67,133</u>
Deferred tax assets		
Investment tax credits	5,051	7,456
Regulatory liability	-	2,102
All other	<u>3,848</u>	<u>3,458</u>
	<u>8,899</u>	<u>13,016</u>
Net accumulated deferred income taxes	<u>\$12,356</u>	<u>\$54,117</u>

Previously deferred investment tax credits are amortized over the estimated remaining lives of the property giving rise to the credits. The net year-end deferred income tax liability above includes a current deferred tax liability of \$3,848,000 and \$2,141,000 in 2000 and 1999, respectively, which is included in accrued income taxes in the accompanying Balance Sheets.

Components of income tax expense were as follows:

		For the 1999 Periods	
		August 25, to December 31, (Successor)	January 1, to August 24, (Predecessor)
(Dollars in thousands)	2000		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec 31, 2000
CANAL ELECTRIC COMPANY			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Current income tax expenses	\$54,611	\$11,152	\$ 9,356
Deferred income tax expense	(50,058)	(7,188)	630
Investment tax credit amortization	<u>(301)</u>	<u>(101)</u>	<u>(201)</u>
Income taxes charged to operations:	<u>\$ 4,252</u>	<u>\$ 3,863</u>	<u>\$ 9,785</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec 31, 2000
CANAL ELECTRIC COMPANY			
NOTES TO FINANCIAL STATEMENTS (Continued)			

The effective income tax rates reflected in the accompanying financial statements and the reasons for their differences from the statutory federal income tax rate were as follows:

(Dollars in thousands)	2000	For the 1999 Periods	
		August 25, to December 31, (Successor)	January 1, to August 24, (Predecessor)
Federal statutory tax rate	<u>35%</u>	<u>35%</u>	<u>35%</u>
Federal income tax expense at statutory levels	\$ 4,048	\$ 3,238	\$ 8,680
Increase (Decrease) from statutory rate:			
Tax versus book depreciation	872	459	730
State tax, net of federal tax benefit	389	435	1,083
Amortization of investment tax credits	(301)	(100)	(201)
Reversals of capitalized expenses	(692)	(200)	(446)
Other	<u>(64)</u>	<u>31</u>	<u>(61)</u>
	<u>\$ 4,252</u>	<u>\$ 3,863</u>	<u>\$ 9,785</u>
Effective federal tax rate	<u>37%</u>	<u>42%</u>	<u>39%</u>

(4) Long-Term Debt and Interim Financing

(a) Notes Payable to Banks

Canal and certain of its affiliated companies, collectively have \$185 million available under several lines of credit that will expire at varying intervals in 2001. These lines are normally renewed upon expiration and require annual fees of approximately .1875%. Collectively, \$120 million and \$108 million were outstanding under these lines of credit as of December 31, 2000 and 1999, respectively. The Company has no notes payable to banks outstanding at December 31, 2000.

(b) Advances from Affiliates

The Company is a member of the COM/Energy Money Pool (the Pool), an arrangement among the subsidiaries of COM/Energy, whereby short-term cash surpluses are used to help meet the short-term borrowing needs of the utility subsidiaries. In general, lenders to the Pool receive a higher rate of return than they otherwise would on such investments, while borrowers pay a lower interest rate than that available from banks. Interest rates on the outstanding borrowings are based on the monthly average rate the Company would otherwise have to pay banks, less one-half the difference between that rate and the monthly average U.S. Treasury Bill weekly auction rate. The borrowings are for a period of less than one year and are payable upon demand. The Company had no outstanding borrowing at December 31, 2000 and had \$6,240,000 in borrowings from the Pool at December 31, 1999. Rates on these borrowings averaged 6.3 % in 2000 and 5.1% in 1999.

The Company had no short-term notes payable to COM/Energy at December 31, 2000 and 1999. These notes are written for a term of up to 11 months and 29 days. Interest is at the prime rate and is adjusted for changes in that rate during the terms of the notes. This rate averaged 9.2% in 2000 and 8.0% in 1999.

(c) Disclosures About Fair Value of Financial Instruments

Name of Respondent	This Report is:	Date of Report	Year of Report
CANAL ELECTRIC COMPANY	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2000	Dec 31, 2000
NOTES TO FINANCIAL STATEMENTS (Continued)			

The carrying amount of cash, notes payable to banks and advances from affiliates approximates the fair value due to the short maturity of these financial instruments.

(5) Commitments and Contingencies

(a) Seabrook Nuclear Power Station

The Company's 3.52% interest in the Seabrook nuclear power station is to provide for a portion of the capacity and energy needs of Cambridge Electric and Com/Electric. The Company is recovering 100% of its Seabrook 1 investment through power contracts pursuant to FERC and MDTE approval.

The Company and the other joint-owners have established a decommissioning fund to cover decommissioning costs. The estimated total cost to decommission the plant is \$509.8 million in current dollars. The Company's share of this liability is approximately \$4.5 million at December 31, 2000.

(b) Environmental Matters

The Company is subject to laws and regulations administered by federal, state and local authorities relating to the quality of the environment. These laws and regulations affect, among other things, the operation of electric generating and transmission facilities and can require the installation of expensive air and water pollution control equipment. These regulations have had an impact on the Company's operations in the past; however their impact on future operations, capital costs and construction schedules is not expected to be significant since all of the Company's non-nuclear generating assets were sold in 1998.

Pursuant to the terms of the Canal Units 1 and 2 Asset Sale Agreement with Southern Energy dated May 15, 1998, the Company agreed to fund assessment work up to a \$500,000 cap to address a condition of metals contamination found on the station site. Management is unable at this time to predict when closure on this issue will be determined.

(6) Employee Benefit Plans

Effective December 31, 1999, the pension and other postretirement benefit plans of BEC and COM/Energy were combined under NSTAR.

(a) Pension

The Company participates with other subsidiaries of NSTAR in a noncontributory pension plan with certain contributory features covering substantially all employees of NSTAR. Effective January 1, 2000, the defined benefit plan was amended to provide management employees lump sum benefits under a final average pay pension equity formula. Prior to January 1, 2000 these pension benefits were provided under a traditional final average pay formula. This amendment is reflected in the December 31, 1999 benefit obligation. It is the Company's policy to fund the Plan in amounts determined to meet the funding standards established by the Employee Retirement Income Security Act of 1974.

The funded status of the Plan cannot be presented separately for the Company since the Company participates in the Plan trust with other subsidiaries of NSTAR. Plan assets are available to provide benefits for all Plan participants. And are commingled.

The periodic costs (income) allocated to the company was \$304,000 and (\$20,000) in 2000 and 1999, respectively. The accrued pension cost in the Company's balance sheet was \$0 and \$1,911,000 in 2000 and 1999, respectively.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec 31, 2000
CANAL ELECTRIC COMPANY			
NOTES TO FINANCIAL STATEMENTS (Continued)			

As a result of the Company participating in the NSTAR multi-employer plan, effective January 1, 2000, it no longer reflects any plan assets or liabilities.

(b) Other Postretirement Benefits

On December 31, 1999 other postretirement benefit plans of BEC and COM/Electric were combined under NSTAR. Certain employees are eligible for postretirement benefits if they meet specific requirements. These benefits could include health and life insurance coverage and reimbursement of Medicare Part B premiums. Under certain circumstances, eligible employees are required to make contributions for postretirement benefits.

To fund postretirement benefits, the Company makes contributions to various voluntary employees' beneficiary association (VEBA) trusts that were established pursuant to section 501(c)(9) of the Internal Revenue Code (the Code). The Company also makes contributions to a sub-account of the COM/Energy pension plan and its successor pursuant to section 401(h) of the Code to fund a portion of its postretirement benefit obligation.

The funded status of the Plan cannot be presented separately for the Company since the Company participates in the Plan trusts and sub-account with other subsidiaries of NSTAR. Plan assets are available to provide benefits for all Plan participants who are former employees of the Company and of other subsidiaries of NSTAR.

The net periodic postretirement benefit cost (income) allocated to the Company was \$(191,000), and \$311,000, in 2000 and 1999, respectively. The accrued benefit cost in the Company's balance sheet was \$2,652,242, and \$2,863,000 at December 31, 2000 and 1999, respectively.

(7) Lease Obligations

The Company has entered into support agreements with other participating New England utilities for 3.6% of the Hydro-Quebec Phase II transmission facilities and makes monthly support payments to cover depreciation and interest costs.

Future minimum lease payments, by period and in the aggregate, of capital leases consisted of the following at December 31, 2000:

	<u>Capital Leases</u> (Dollars in thousands)
2001	\$1,633
2002	1,572
2003	1,511
2004	1,450
2005	1,388
2006 and thereafter	<u>12,470</u>
Total future minimum lease payments	20,024
Less: Estimated interest element included therein	<u>10,124</u>
Estimated present value of future minimum lease payments	<u>\$ 9,900</u>

Total rent expense for all operating leases, except those with terms of a month or less, amounted to \$0 in both 2000 and 1999. There were no contingent rentals and no sublease

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CANAL ELECTRIC COMPANY			
NOTES TO FINANCIAL STATEMENTS (Continued)			

rentals for the years 2000 and 1999.

(8) New Accounting Principles

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133) and as amended by Statements of Financial Accounting Standards Nos. 137 and 138, collectively referred to as SFAS 133. SFAS 133 established accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts possibly including fixed-price fuel supply and power contracts) be recorded on the Consolidated Balance Sheets as either an asset or liability measured at its fair value. SFAS 133 is effective for fiscal years beginning after June 15, 2000.

Canal Electric has begun to adopt SFAS 133 as of January 1, 2001. The impact of this adoption has been assessed by the management of the Company. As a part of this assessment, the Company formed an implementation team in 2000 consisting of key individuals from various operational and financial areas of the organization. The primary role of this team was to inventory and determine the impact of potential contractual arrangements for SFAS 133 application. The implementation team has performed extensive reviews of critical operating areas of Canal Electric and has documented it's procedures in applying the requirements of SFAS 133 to Canal Electric's contractual arrangements in effect on January 1, 2001. Based on Canal Electric's assessment to date, the adoption of SFAS 133 will not have a material adverse effect on its results of operations, cash flows, or its financial position as of January 1, 2001.

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Line No.	Classification (a)	Total (b)	Electric (c)		
1	Utility Plant				
2	In Service				
3	Plant in Service (Classified)	232,493,313	232,493,313		
4	Property Under Capital Leases	9,899,769	9,899,769		
5	Plant Purchased or Sold				
6	Completed Construction not Classified				
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	242,393,082	242,393,082		
9	Leased to Others				
10	Held for Future Use				
11	Construction Work in Progress	3,249,166	3,249,166		
12	Acquisition Adjustments				
13	Total Utility Plant (8 thru 12)	245,642,248	245,642,248		
14	Accum Prov for Depr, Amort, & Depl	189,143,318	189,143,318		
15	Net Utility Plant (13 less 14)	56,498,930	56,498,930		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	189,143,318	189,143,318		
19	Amort & Depl of Producing Nat Gas Land/Land Right				
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant				
22	Total In Service (18 thru 21)	189,143,318	189,143,318		
23	Leased to Others				
24	Depreciation				
25	Amortization and Depletion				
26	Total Leased to Others (24 & 25)				
27	Held for Future Use				
28	Depreciation				
29	Amortization				
30	Total Held for Future Use (28 & 29)				
31	Abandonment of Leases (Natural Gas)				
32	Amort of Plant Acquisition Adj				
33	Total Accum Prov (equals 14) (22,26,30,31,32)	189,143,318	189,143,318		

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
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					4
					5
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Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)					
1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent. 2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.					
Line No.	Description of Item (a)	Balance Beginning of Year (b)	Changes during Year Additions (c)		
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)				
2	Fabrication	290,319			
3	Nuclear Materials	982,471	2,117,197		
4	Allowance for Funds Used during Construction	601,971	-520,085		
5	(Other Overhead Construction Costs)				
6	SUBTOTAL (Total 2 thru 5)	1,874,761			
7	Nuclear Fuel Materials and Assemblies				
8	In Stock (120.2)				
9	In Reactor (120.3)	4,183,765			
10	SUBTOTAL (Total 8 & 9)	4,183,765			
11	Spent Nuclear Fuel (120.4)	17,829,200			
12	Nuclear Fuel Under Capital Leases (120.6)				
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)	21,584,324			
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)	2,303,402			
15	Estimated net Salvage Value of Nuclear Materials in line 9				
16	Estimated net Salvage Value of Nuclear Materials in line 11				
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing				
18	Nuclear Materials held for Sale (157)				
19	Uranium				
20	Plutonium				
21	Other				
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)				

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo. Da. Yr) 12/31/2000	Dec. 31, 2000
NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)					
Changes during Year				Balance End of Year (f)	Line No.
Amortization (d)	Other Reductions (Explain in a footnote) (e)				
					1
				290,319	2
				3,099,668	3
				81,886	4
					5
				3,471,873	6
					7
					8
				4,183,765	9
				4,183,765	10
				17,829,200	11
					12
				22,698,915	13
-1,114,591				2,785,923	14
					15
					16
					17
					18
					19
					20
					21
					22

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

- Report below the original cost of electric plant in service according to the prescribed accounts.
- In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). 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, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year of unclassified retirements. Show in a footnote the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents	315,932	
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	315,932	
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights		
9	(311) Structures and Improvements		
10	(312) Boiler Plant Equipment		
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units		
13	(315) Accessory Electric Equipment		
14	(316) Misc. Power Plant Equipment		
15	TOTAL Steam Production Plant (Enter Total of lines 8 thru 14)		
16	B. Nuclear Production Plant		
17	(320) Land and Land Rights	56,287	
18	(321) Structures and Improvements	74,490,160	
19	(322) Reactor Plant Equipment	102,946,151	
20	(323) Turbogenerator Units	16,881,161	
21	(324) Accessory Electric Equipment	24,268,356	
22	(325) Misc. Power Plant Equipment	7,553,600	
23	TOTAL Nuclear Production Plant (Enter Total of lines 17 thru 22)	226,195,715	
24	C. Hydraulic Production Plant		
25	(330) Land and Land Rights		
26	(331) Structures and Improvements		
27	(332) Reservoirs, Dams, and Waterways		
28	(333) Water Wheels, Turbines, and Generators		
29	(334) Accessory Electric Equipment		
30	(335) Misc. Power Plant Equipment		
31	(336) Roads, Railroads, and Bridges		
32	TOTAL Hydraulic Production Plant (Enter Total of lines 25 thru 31)		
33	D. Other Production Plant		
34	(340) Land and Land Rights		
35	(341) Structures and Improvements		
36	(342) Fuel Holders, Products, and Accessories		
37	(343) Prime Movers		
38	(344) Generators		
39	(345) Accessory Electric Equipment		

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Instructions 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.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
				2
			315,932	3
				4
			315,932	5
				6
				7
				8
				9
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				11
				12
				13
				14
				15
				16
			56,287	17
			74,490,160	18
			102,946,151	19
			16,881,161	20
			24,268,356	21
			7,553,600	22
			226,195,715	23
				24
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Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)		
40	(346) Misc. Power Plant Equipment				
41	TOTAL Other Prod. Plant (Enter Total of lines 34 thru 40)				
42	TOTAL Prod. Plant (Enter Total of lines 15, 23, 32, and 41)	226,195,715			
43	3. TRANSMISSION PLANT				
44	(350) Land and Land Rights	95,620			
45	(352) Structures and Improvements	892,438			
46	(353) Station Equipment	7,480,402			
47	(354) Towers and Fixtures	2,200,230			
48	(355) Poles and Fixtures	1,394,516			
49	(356) Overhead Conductors and Devices	1,469,173			
50	(357) Underground Conduit				
51	(358) Underground Conductors and Devices				
52	(359) Roads and Trails	111,225			
53	TOTAL Transmission Plant (Enter Total of lines 44 thru 52)	13,643,604			
54	4. DISTRIBUTION PLANT				
55	(360) Land and Land Rights				
56	(361) Structures and Improvements				
57	(362) Station Equipment				
58	(363) Storage Battery Equipment				
59	(364) Poles, Towers, and Fixtures				
60	(365) Overhead Conductors and Devices				
61	(366) Underground Conduit				
62	(367) Underground Conductors and Devices				
63	(368) Line Transformers				
64	(369) Services				
65	(370) Meters				
66	(371) Installations on Customer Premises				
67	(372) Leased Property on Customer Premises				
68	(373) Street Lighting and Signal Systems				
69	TOTAL Distribution Plant (Enter Total of lines 55 thru 68)				
70	5. GENERAL PLANT				
71	(389) Land and Land Rights				
72	(390) Structures and Improvements	953,285			
73	(391) Office Furniture and Equipment	1,840,455			
74	(392) Transportation Equipment				
75	(393) Stores Equipment				
76	(394) Tools, Shop and Garage Equipment				
77	(395) Laboratory Equipment				
78	(396) Power Operated Equipment	133			
79	(397) Communication Equipment	1			
80	(398) Miscellaneous Equipment	95,403			
81	SUBTOTAL (Enter Total of lines 71 thru 80)	2,889,277			
82	(399) Other Tangible Property				
83	TOTAL General Plant (Enter Total of lines 81 and 82)	2,889,277			
84	TOTAL (Accounts 101 and 106)	243,044,528			
85	(102) Electric Plant Purchased (See Instr. 8)				
86	(Less) (102) Electric Plant Sold (See Instr. 8)				
87	(103) Experimental Plant Unclassified				
88	TOTAL Electric Plant in Service (Enter Total of lines 84 thru 87)	243,044,528			

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					40
					41
			226,195,715		42
					43
			94,315		44
	-1,305		945,251		45
	52,813		7,040,739		46
	-439,663		2,043,154		47
	-157,076		1,361,603		48
	-32,913		1,341,397		49
	-127,776				50
					51
			165,699		52
	54,474		12,992,158		53
	-651,446				54
					55
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					61
					62
					63
					64
					65
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			953,285		72
			1,840,455		73
					74
					75
					76
					77
			133		78
			1		79
			95,403		80
			2,889,277		81
					82
			2,889,277		83
	-651,446		242,393,082		84
					85
					86
					87
	-651,446		242,393,082		88

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, <u>2000</u>
CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107) 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts) 3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	Joint-owned Projects - seabrook unit 1	3,234,109		
2	Minor Projects	15,057		
3				
4				
5				
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43	TOTAL	3,249,166		

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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CONSTRUCTION OVERHEADS - ELECTRIC

1. List in column (a) to kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items. 2. On Page 218 furnish information concerning construction overheads. 3. A respondent should not report "none" to the page if no overhead apportionments are made, but rather should explain on Page 218 the accounting procedures, employed and the amounts of engineering, supervision and administrative costs, etc. which are directly charged to construction. 4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of overhead (a)	Total amount charged for the year (b)
		172,478
1	Allowance for Funds Used During Construction	
2		
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46	TOTAL	172,478

Name of Respondent CANAL ELECTRIC COMPANY	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

- For each construction overhead explain: (a) the nature and extent of work, etc. the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
- Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Electric Plant instructions 3(17) of the U.S. of A.
- Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

AFUDC is calculated in accordance with FERC Order #561.

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

For line 1(5), column (d) below, enter the rate granted in the last rate proceeding. If such is not available, use the average rate earned during the preceding three years.

- Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ratio(Percent) (c)	Cost Rate Percentage (d)
1	Average Short-Term Debt & Computation of Allowance text	S 44,207,644		
2	Short-term Interest			s 6.59
3	Long-Term Debt	D		d
4	Preferred Stock	P		p
5	Common Equity	C 70,557,568	100.00	c 11.72
6	Total Capitalization	70,557,568	100%	
7	Average Construction Work in Progress Balance	W 3,624,893		

2. Gross Rate for Borrowed Funds $s \left(\frac{S}{W} \right) + d \left(\frac{D}{D+P+C} \right) \left(1 - \frac{S}{W} \right)$ 6.59

3. Rate for Other Funds $\left[1 - \frac{S}{W} \right] \left[p \left(\frac{P}{D+P+C} \right) + c \left(\frac{C}{D+P+C} \right) \right]$ 0.00

- Weighted Average Rate Actually Used for the Year:
 - Rate for Borrowed Funds - 6.50
 - Rate for Other Funds - 0.00

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FOOTNOTE DATA			

Schedule Page: 218 Line No.: 8 Column: Item 4a

DISCOUNTED RATE

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	58,054,381	58,054,381		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	5,608,545	5,608,545		
4	(413) Exp. of Elec. Plt. Leas. to Others				
5	Transportation Expenses-Clearing				
6	Other Clearing Accounts				
7	Other Accounts (Specify):				
8	Seabrook Unit 1 buydown	125,480,392	125,480,392		
9	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 8)	131,088,937	131,088,937		
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired				
12	Cost of Removal				
13	Salvage (Credit)				
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)				
15	Other Debit or Cr. Items (Describe):				
16					
17	Balance End of Year (Enter Totals of lines 1, 9, 14, 15, and 16)	189,143,318	189,143,318		

Section B. Balances at End of Year According to Functional Classification

18	Steam Production				
19	Nuclear Production	189,143,318	189,143,318		
20	Hydraulic Production-Conventional				
21	Hydraulic Production-Pumped Storage				
22	Other Production				
23	Transmission				
24	Distribution				
25	General				
26	TOTAL (Enter Total of lines 18 thru 25)	189,143,318	189,143,318		

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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NONUTILITY PROPERTY (Account 121)

1. Give a brief description and state the location of Nonutility property included in Account 121.
2. Designate with a double asterisk any property which is Leased to another company. State name of Lessee and whether Lessee is an associated company.
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.
4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.
5. Minor Items (5% of the Balance at the End of the Year), for Account 121 or \$100,000, whichever is Less) may be-grouped by (1) previously devoted to public service (Line 44), or (2) other Nonutility property (Line 45).

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Purchases, Sales, Transfers, etc. (c)	Balance at End of Year (d)
1	Land - Purchased 10 acres in Plymouth, MA in 1994.			
2	Leased to Commonwealth Electric Company-Associated Co.	8,994		8,994
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43				
44	Minor Item Previously Devoted to Public Service			
45	Minor Items; Other Nonutility Property			
46	TOTAL	8,994	0	8,994

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is:		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.
2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	New England Hydro-Transmission Electric Company-			
2	Common Stock			1,635,756
3	Stock Repurchase			-134,350
4	Equity and Dividends			237,354
5	Subtotal			1,738,760
6				
7				
8	New England Hydro-Transmission Corporation-			
9	Common Stock			1,026,397
10	Stock Repurchase			-95,002
11	Equity and Dividends			163,324
12	Subtotal			1,094,719
13				
14				
15				
16				
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42	Total Cost of Account 123.1 S	2,241,227		TOTAL 2,833,479

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.

5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.

6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.

7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).

8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
	233,973	1,401,783		2
	-134,350			3
88,236	245,433	80,157		4
88,236	345,056	1,481,940		5
				6
				7
				8
	186,953	839,444		9
	-95,002			10
35,860	156,988	42,196		11
35,860	248,939	881,640		12
				13
				14
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124,096	593,995	2,363,580		42

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
MATERIALS AND SUPPLIES					
<p>1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.</p> <p>2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.</p>					
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)	
1	Fuel Stock (Account 151)			Electric product.	
2	Fuel Stock Expenses Undistributed (Account 152)				
3	Residuals and Extracted Products (Account 153)				
4	Plant Materials and Operating Supplies (Account 154)				
5	Assigned to - Construction (Estimated)				
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)	1,307,916	1,396,741	Electric product.	
8	Transmission Plant (Estimated)				
9	Distribution Plant (Estimated)				
10	Assigned to - Other				
11	TOTAL Account 154 (Enter Total of lines 5 thru 10)	1,307,916	1,396,741		
12	Merchandise (Account 155)				
13	Other Materials and Supplies (Account 156)				
14	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)				
15	Stores Expense Undistributed (Account 163)	3,518	1,908	Electric product.	
16					
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	1,311,434	1,398,649		

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo. Da. Yr) 12/31/2000		Year of Report Dec. 31, 2000	
EXTRAORDINARY PROPERTY LOSSES (Account 182.1)							
Line No.	Description of Extraordinary Loss (Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).) (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
1	NONE						
2							
3							
4							
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18							
19							
20	TOTAL						

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000	
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)						
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
21	Abandonment of Seabrook Nuclear	853,236	-47,415			805,821
22	Generating Unit #2					
23						
24						
25						
26						
27						
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35						
36						
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49	TOTAL	853,236	-47,415			805,821

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets which are created through the rate making actions of regulatory agencies (and not includable in other accounts)
2. For regulatory assets being amortized, show period of amortization in column (a)
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Debits (b)	CREDITS		Balance at End of Year (e)
			Account Charged (c)	Amount (d)	
1	FASB #109 Income Taxes Surplus net of Deficiencies		283	15,925,309	1,475,720
2					
3					
4					
5					
6	Seabrook Unit No. 1 -				
7	Non-Construction Pre-Operating Cost				
8	7/1/90 - 6/20/00		406	655,732	
9					
10					
11					
12					
13	Department of Energy Assessment for	180,329	518	15,491	150,256
14	Decontamination and Decommissioning				
15					
16					
17	Canal Unit 1 & 2 Contract costs	2,835,164			3,521,164
18					
19					
20	ISO - Reorganization Costs			57,277	
21					
22					
23					
24					
25					
26					
27					
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30					
31					
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33					
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35					
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44	TOTAL	3,015,493		16,653,809	5,147,140

Name of Respondent: CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000	
MISCELLANEOUS DEFERRED DEBITS (Account 186)						
<p>1. Report below the particulars (details) called for concerning miscellaneous deferred debits.</p> <p>2. For any deferred debit being amortized, show period of amortization in column (a)</p> <p>3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.</p>						
Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d) Amount (e)		Balance at End of Year (f)
1	Seabrook Deferred Charges	272,767	95,689		2,080	366,376
2						
3	Com/Energy Services Charges	6,135		920	6,135	
4	Com/Energy Services Charges	392		921	392	
5						
6	Auction	62,636	103,089			165,725
7						
8	FASB 87 Payments	1,322,657		182.3	1,322,657	
9						
10	Corporate Owned Life Insurance	61,381			61,381	
11						
12	Postretirement	345,079		242500	345,079	
13						
14	1997 Diesel Tax Relief	11,002				11,002
15						
16	Cost to Achieve		17,783			17,783
17						
18	Minor Items	4,918	11,786	various		16,704
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45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)			928	100,730	-100,730
49	TOTAL	2,086,967				476,860

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	Pension Plan	995,953	1,265,037
3			
4			
5			
6			2,851,686
7	Other	995,953	4,116,723
8	TOTAL Electric (Enter Total of lines 2 thru 7)		
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Other (Specify)		
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	995,953	4,116,723

Notes

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Common Stock	2,328,200	25.00	
2				
3				
4	Note:			
5	The Board of Directors, on October 28, 1983,			
6	approved 805,000 shares of \$25.00 par value			
7	common stock. The Massachusetts DTE in order			
8	#1657, on December 9, 1983, approved the			
9	issuance of these shares. At the time of this			
10	filing, the shares are still unissued.			
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Name of Respondent CANAL ELECTRIC COMPANY	This Report Is:		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		

CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
- Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
				Shares (i)	Amount (j)	
Shares (e)	Amount (f)	Shares (g)	Cost (h)			
354,533	8,863,325					1
						2
						3
						4
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Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION PREMIUM ON CAPITAL AND INSTALLMENTS RECEIVED ON CAPITAL STOCK (Accounts 202 and 205, 203 and 206, 207, 212)					
1. Show for each of the above accounts the amounts applying to each class and series of capital stock. 2. For Account 202, Common stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year. 3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of the year. 4. For Premium on Account 207, Capital Stock, designate with a double asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.					
Line No.	Name of Account and Description of Item (a)	Number of shares (b)	Amount (c)		
1	Account 207				
2					
3	Premium on Capital Stock	354,533	6,304,949		
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46	TOTAL	354,533	6,304,949		

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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DISCOUNT ON CAPITAL STOCK (Account 213)

1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off during the year and specify the amount charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	None	
2		
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4		
5		
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20		
21	TOTAL	

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, <u>2000</u>
CAPITAL STOCK EXPENSE (Account 214)				
1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock. 2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.				
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)		
1	Common Stock, \$25 par value	12,019		
2				
3				
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7				
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9				
10				
11				
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21				
22 TOTAL		12,019		

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, ... 2000
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
		7,313,219
1	Net Income for the Year (Page 117)	
2		
3		
4	Taxable Income Not Reported on Books	
5		
6		141,600,000
7	Seabrook Unit 1 Contract buydown	
8		
9	Deductions Recorded on Books Not Deducted for Return	5,160,257
10	Provision for depreciation and amortization	4,553,326
11	Federal Income and Massachusetts State Franchise Tax	4,426,442
12	Other	300,964
13	Amortization of Investment Tax Credit	
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	-112,479
20	Allowable Depreciation	10,586,209
21	State Franchise Tax	
22		
23		
24		
25		
26		152,278,550
27	Federal Tax Net Income	
28	Show Computation of Tax:	
29		162,864,759
30	Taxable income	10,586,209
31	Estimated State tax	152,278,550
32	Total federal taxable income	
33		53,297,491
34	Estimated federal income tax payable	
35		6,092,800
36	Intercompany elimination - Dividend Paid	
37		
38		
39		
40		
41	Footnote - Tax for the members of the consolidated group has	
42	not yet been determined.	
43		
44		

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	Federal Income Tax	12,883,294		46,373,022	-1,133,188	-8,036,246
2						
3	State Franchise Tax	2,112,515		8,170,890	10,792,292	
4						
5	Real Estate and Personal					
6	Property Tax			1,370,400	580,016	
7						
8	Federal Old Age Benefit Tax	490		11,736	12,172	
9						
10	Federal Unemployment Tax	-7				
11						
12	State Unemployment Tax	-23				
13						
14	Seabrook 1 payroll tax			156,535	156,535	
15						
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	TOTAL	14,996,269		56,082,583	10,407,827	-8,036,246

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
52,353,258		46,203,611			169,635	1
						2
	508,887	8,139,386			31,504	3
						4
						5
790,384		1,370,400				6
						7
54		11,736				8
						9
-7						10
						11
-23						12
						13
		156,535				14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
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						39
						40
53,143,666	508,887	55,881,668			201,139	41

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	8,126,357			411.4	300,964	
6							
7							
8	TOTAL	8,126,357				300,964	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
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48							

Name of Respondent: CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)					
Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.		
			1		
			2		
			3		
			4		
7,825,393			5		
			6		
			7		
7,825,393			8		
			9		
			10		
			11		
			12		
			13		
			14		
			15		
			16		
			17		
			18		
			19		
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			31		
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			34		
			35		
			36		
			37		
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			47		
			48		

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, -2000
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OTHER DEFERRED CREDITS (Account 253)

- Report below the particulars (details) called for concerning other deferred credits.
- For any deferred credit being amortized, show the period of amortization.
- Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Supplemental Pension Plan	1,388,934	926	167,062		1,221,872
2						
3	Employee Pension Plan	1,541,367	182.30	1,541,367		
4						
5	Seabrook 2 Cost of Removal	484,200				484,200
6						
7	Seabrook 2 Sale of Steam Generator	1,994,114	186			1,994,114
8						
9	Employee Salary Continuation Plan	10,797	926/232			10,797
10						
11	Excess Pension Benefit	45,687	926	31,526		14,161
12						
13	Seabrook 1 Deferred Credits			36,119	80,955	44,836
14						
15	Decommissioning Trust Fund per					
16	Docket #FA93-30-000	3,828,664			674,100	4,502,764
17						
18	Supplemental Pension Interest	10,597		130,233		-119,636
19						
20	Long Term Disability	84,312		84,312		
21						
22	NU-Slice DOE Refund	85,604				85,604
23						
24	Algonquin Support Charges	219,299				219,299
25						
26	Environmental Reserve	500,000		14,218		485,782
27						
28	Worker's Compensation	167,000				167,000
29						
30	Auto Liability	154,000				154,000
31						
32	Repair Liability	66,000				66,000
33						
34	Officer VSP			397,500		-397,500
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	10,580,575		2,402,337	755,055	8,933,293

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Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to amortizable property.
 2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities	2,388,510		
5	Other			
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)	2,388,510		
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other			
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16				
17	TOTAL (Acct 281) (Total of 8, 15 and 16)	2,388,510		
18	Classification of TOTAL			
19	Federal Income Tax	1,992,709		
20	State Income Tax	395,801		
21	Local Income Tax			

NOTES

Name of Respondent CANAL ELECTRIC COMPANY	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
			2,388,510				4
							5
							6
							7
			2,388,510				8
							9
							10
							11
							12
							13
							14
							15
							16
			2,388,510				17
							18
			1,992,709				19
			395,801				20
							21

NOTES (Continued)

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 282				
2	Electric	32,731,849		49,504,138	
3	Gas				
4	Other				
5	TOTAL (Enter Total of lines 2 thru 4)	32,731,849		49,504,138	
6					
7					
8					
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	32,731,849		49,504,138	
10	Classification of TOTAL				
11	Federal Income Tax	26,326,075		42,061,087	
12	State Income Tax	6,405,774		7,443,051	
13	Local Income Tax				

NOTES

Name of Respondent CANAL ELECTRIC COMPANY	This Report is:		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
					31,500,706	14,728,417	2
							3
							4
					31,500,706	14,728,417	5
							6
							7
							8
					31,500,706	14,728,417	9
							10
					26,928,999	11,193,987	11
					4,571,707	3,534,430	12
							13

NOTES (Continued)

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Seabrook Unit 1 Non-Constructi	129,309		
4	Regulatory Asset Due to FAS #	17,401,029		
5	state Tax Apportionment	235,452		
6				
7				
8	Other	2,226,566		
9	TOTAL Electric (Total of lines 3 thru 8)	19,992,356		
10	Gas			
11				
12				
13				
14				
15				
16	Other			
17	TOTAL Gas (Total of lines 11 thru 16)			
18	Other Specify			
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	19,992,356		
20	Classification of TOTAL			
21	Federal Income Tax	19,676,886		
22	State Income Tax	315,470		
23	Local Income Tax			

NOTES

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000		
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)							
3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.							
4. Use footnotes as required.							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
			129,309				1
							2
							3
		182.3	15,925,309			1,475,720	4
			235,452				5
							6
							7
			2,226,566				8
			18,516,636			1,475,720	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
			18,516,636			1,475,720	19
							20
			18,201,166			1,475,720	21
			315,470				22
							23

NOTES (Continued)

Name of Respondent CANAL ELECTRIC COMPANY	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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ELECTRIC OPERATING REVENUES (Account 400)

- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous year (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales		
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)		
5	Large (or Ind.) (See Instr. 4)		
6	(444) Public Street and Highway Lighting		
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers		
11	(447) Sales for Resale	30,028,965	43,571,641
12	TOTAL Sales of Electricity	30,028,965	43,571,641
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	30,028,965	43,571,641
15	Other Operating Revenues		
16	(450) Forfeited Discounts		
17	(451) Miscellaneous Service Revenues		
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property		
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	3,878,516	3,770,755
22			
23			
24			
25			
26	TOTAL Other Operating Revenues	3,878,516	3,770,755
27	TOTAL Electric Operating Revenues	33,907,481	47,342,396

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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ELECTRIC OPERATING REVENUES (Account 400)

4. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
5. See pages 108-109, Important Changes During Year, for important new territory added and important rate increase or decreases.
6. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
7. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG. NO. CUSTOMERS PER MONTH		Line No.
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
279,088	306,012	2	5	11
279,088	306,012	2	5	12
				13
279,088	306,012	2	5	14

Line 12, column (b) includes \$ -314,977 of unbilled revenues.

Line 12, column (d) includes 0 MWH relating to unbilled revenues

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	(a)Cambridge Electric Light Company					
2	Note (1) (4) Canal 1	LU	4			
3	Note (2) (4) Canal 2	LU	17			
4	Note (3) Seabrook	LU	33			
5						
6	(a) Commonwealth Electric Company					
7	Note (1) (4) Canal 1	LU	4			
8	Note (2) (4) Canal 2	LU	17			
9	Note (3) Seabrook	LU	33			
10						
11	Boston Edison Company - Note (1) (4)	LU	1			
12	Montaup Electric Company - Note (1) (4)	LU	2			
13	New England Power Co. - Note (1) (4)	LU	3			
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent CANAL ELECTRIC COMPANY	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts.

Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
					1
				-5,788	2
	-5,788			-6,764	3
	-6,764			6,017,690	4
55,650	5,801,727	278,769	-62,806		5
					6
				-23,238	7
	-23,238			-27,159	8
	-27,159			24,161,299	9
223,438	23,292,874	1,120,596	-252,171		10
				-29,025	11
	-29,025			-29,025	12
	-29,025			-29,025	13
	-29,025				14
0	0	0	0	0	
279,088	28,944,577	1,399,365	-314,977	30,028,965	
279,088	28,944,577	1,399,365	-314,977	30,028,965	

Name of Respondent CANAL ELECTRIC COMPANY	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec 31, 2000
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 1 Column: a

Footnotes for p310-p311:

- Note (1) - Canal Unit 1 Power Contract Commencing July 1, 1968.
 Note (2) - Canal Unit 2 Power Contract Commencing February 1, 1967.
 Note (2a) - Canal Unit 2 Power Contract Commencing May 31, 1993.
 Note (3) - Seabrook Unit 1 Power Contract Commencing August 1, 1990.
 Note (4) - Canal Unit 1 and 2 were sold on December 30, 1998. Amounts
 in columns (h) and (i) represent prior period adjustments.

(a) - Associated Companies.

(b) - Amounts in column (j), other charges, represent unbilled
 revenues.

Schedule Page: 310 Line No.: 6 Column: a

Same as page 310, line 1.

Schedule Page: 310 Line No.: 11 Column: a

Same as page 310, line 1, notes 1 & 4.

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Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
1	1. POWER PRODUCTION EXPENSES				
2	A. Steam Power Generation				
3	Operation				
4	(500) Operation Supervision and Engineering		-24,060		
5	(501) Fuel		106,290		
6	(502) Steam Expenses		48,010		
7	(503) Steam from Other Sources				
8	(Less) (504) Steam Transferred-Cr.				
9	(505) Electric Expenses		27,836		
10	(506) Miscellaneous Steam Power Expenses		300,185		
11	(507) Rents		-179		
12	(509) Allowances				
13	TOTAL Operation (Enter Total of Lines 4 thru 12)		458,082		
14	Maintenance		823		
15	(510) Maintenance Supervision and Engineering		12,885		
16	(511) Maintenance of Structures		45,726		
17	(512) Maintenance of Boiler Plant		33,467		
18	(513) Maintenance of Electric Plant		2,836		
19	(514) Maintenance of Miscellaneous Steam Plant		95,737		
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)		553,819		
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)				
22	B. Nuclear Power Generation				
23	Operation				
24	(517) Operation Supervision and Engineering	746,170	826,232		
25	(518) Fuel	1,398,921	1,437,496		
26	(519) Coolants and Water	78,469	76,795		
27	(520) Steam Expenses	693,906	598,914		
28	(521) Steam from Other Sources				
29	(Less) (522) Steam Transferred-Cr.				
30	(523) Electric Expenses	37,067	159,253		
31	(524) Miscellaneous Nuclear Power Expenses	994,866	990,363		
32	(525) Rents				
33	TOTAL Operation (Enter Total of lines 24 thru 32)	3,949,399	4,089,053		
34	Maintenance				
35	(528) Maintenance Supervision and Engineering	442,978	387,350		
36	(529) Maintenance of Structures	116,757	117,238		
37	(530) Maintenance of Reactor Plant Equipment	515,417	745,488		
38	(531) Maintenance of Electric Plant	602,537	587,466		
39	(532) Maintenance of Miscellaneous Nuclear Plant	29,081	17,594		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)	1,706,770	1,855,136		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)	5,656,169	5,944,189		
42	C. Hydraulic Power Generation				
43	Operation				
44	(535) Operation Supervision and Engineering				
45	(536) Water for Power				
46	(537) Hydraulic Expenses				
47	(538) Electric Expenses				
48	(539) Miscellaneous Hydraulic Power Generation Expenses				
49	(540) Rents				
50	TOTAL Operation (Enter Total of Lines 44 thru 49)				

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
51	C. Hydraulic Power Generation (Continued)				
52	Maintenance				
53	(541) Maintenance Supervision and Engineering				
54	(542) Maintenance of Structures				
55	(543) Maintenance of Reservoirs, Dams, and Waterways				
56	(544) Maintenance of Electric Plant				
57	(545) Maintenance of Miscellaneous Hydraulic Plant				
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)				
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)				
60	D. Other Power Generation				
61	Operation				
62	(546) Operation Supervision and Engineering				
63	(547) Fuel				
64	(548) Generation Expenses				
65	(549) Miscellaneous Other Power Generation Expenses				
66	(550) Rents				
67	TOTAL Operation (Enter Total of lines 62 thru 66)				
68	Maintenance				
69	(551) Maintenance Supervision and Engineering				
70	(552) Maintenance of Structures				
71	(553) Maintenance of Generating and Electric Plant				
72	(554) Maintenance of Miscellaneous Other Power Generation Plant				
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)				
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)				
75	E. Other Power Supply Expenses				
76	(555) Purchased Power			5,102	
77	(556) System Control and Load Dispatching				
78	(557) Other Expenses			5,102	
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)			5,102	
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	5,656,169		6,503,110	
81	2. TRANSMISSION EXPENSES				
82	Operation				
83	(560) Operation Supervision and Engineering				
84	(561) Load Dispatching				
85	(562) Station Expenses				
86	(563) Overhead Lines Expenses				
87	(564) Underground Lines Expenses				
88	(565) Transmission of Electricity by Others	3,486,649		3,661,612	
89	(566) Miscellaneous Transmission Expenses			20	
90	(567) Rents	3,486,649		3,661,632	
91	TOTAL Operation (Enter Total of lines 83 thru 90)				
92	Maintenance				
93	(568) Maintenance Supervision and Engineering				
94	(569) Maintenance of Structures	8,330		4,748	
95	(570) Maintenance of Station Equipment				
96	(571) Maintenance of Overhead Lines				
97	(572) Maintenance of Underground Lines				
98	(573) Maintenance of Miscellaneous Transmission Plant	8,330		4,748	
99	TOTAL Maintenance (Enter Total of lines 93 thru 98)	3,494,979		3,666,380	
100	TOTAL Transmission Expenses (Enter Total of lines 91 and 99)				
101	3. DISTRIBUTION EXPENSES				
102	Operation	3,507			
103	(580) Operation Supervision and Engineering				

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
104	3. DISTRIBUTION Expenses (Continued)				
105	(581) Load Dispatching				
106	(582) Station Expenses				
107	(583) Overhead Line Expenses				
108	(584) Underground Line Expenses				
109	(585) Street Lighting and Signal System Expenses				
110	(586) Meter Expenses				
111	(587) Customer Installations Expenses				
112	(588) Miscellaneous Expenses				
113	(589) Rents				
114	TOTAL Operation (Enter Total of lines 103 thru 113)	3,507			
115	Maintenance				
116	(590) Maintenance Supervision and Engineering				
117	(591) Maintenance of Structures				
118	(592) Maintenance of Station Equipment				
119	(593) Maintenance of Overhead Lines				
120	(594) Maintenance of Underground Lines				
121	(595) Maintenance of Line Transformers				
122	(596) Maintenance of Street Lighting and Signal Systems				
123	(597) Maintenance of Meters				
124	(598) Maintenance of Miscellaneous Distribution Plant				
125	TOTAL Maintenance (Enter Total of lines 116 thru 124)	3,507			
126	TOTAL Distribution Exp (Enter Total of lines 114 and 125)				
127	4. CUSTOMER ACCOUNTS EXPENSES				
128	Operation				
129	(901) Supervision				
130	(902) Meter Reading Expenses				
131	(903) Customer Records and Collection Expenses				
132	(904) Uncollectible Accounts				
133	(905) Miscellaneous Customer Accounts Expenses				
134	TOTAL Customer Accounts Expenses (Total of lines 129 thru 133)				
135	5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
136	Operation				
137	(907) Supervision				
138	(908) Customer Assistance Expenses				
139	(909) Informational and Instructional Expenses				
140	(910) Miscellaneous Customer Service and Informational Expenses				
141	TOTAL Cust. Service and Information. Exp. (Total lines 137 thru 140)				
142	6. SALES EXPENSES				
143	Operation				
144	(911) Supervision				
145	(912) Demonstrating and Selling Expenses				
146	(913) Advertising Expenses				
147	(916) Miscellaneous Sales Expenses				
148	TOTAL Sales Expenses (Enter Total of lines 144 thru 147)				
149	7. ADMINISTRATIVE AND GENERAL EXPENSES				
150	Operation				
151	(920) Administrative and General Salaries	378,794	805,880		
152	(921) Office Supplies and Expenses	695,134	60,270		
153	(Less) (922) Administrative Expenses Transferred-Credit	-202	-7,176		

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued).					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
154	7. ADMINISTRATIVE AND GENERAL EXPENSES (Continued)				
155	(923) Outside Services Employed	118,869	137,321		
156	(924) Property Insurance	30,846	61,283		
157	(925) Injuries and Damages	320,683	69,492		
158	(926) Employee Pensions and Benefits	206,178	719,580		
159	(927) Franchise Requirements				
160	(928) Regulatory Commission Expenses	156,977	300,083		
161	(929) (Less) Duplicate Charges-Cr.				
162	(930.1) General Advertising Expenses	1,667	3,430		
163	(930.2) Miscellaneous General Expenses	134,051	102,083		
164	(931) Rents				
165	TOTAL Operation (Enter Total of lines 151 thru 164)	2,043,401	2,266,598		
166	Maintenance				
167	(935) Maintenance of General Plant	24,550	18,958		
168	TOTAL Admin & General Expenses (Total of lines 165 thru 167)	2,067,951	2,285,556		
169	TOTAL Elec Op and Maint Expn (Tot 80, 100, 126, 134, 141, 148, 168)	11,222,606	12,455,046		

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES	
1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.	construction employees in a footnote.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special	3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.
1. Payroll Period Ended (Date)	12/23/2000
2. Total Regular Full-Time Employees	0
3. Total Part-Time and Temporary Employees	0
4. Total Employees	0

Name of Respondent CANAL ELECTRIC COMPANY		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000		
TRANSMISSION (IF ELECTRICITY BY OTHERS (Account 565) (Including transactions referred to as "wheeling")							
<p>1. Report all transmission, i.e., wheeling of electricity provided to respondent by other electric utilities, cooperatives, municipalities, or other public authorities during the year.</p> <p>2. In column (a) report each company or public authority that provide transmission service. Provide the full name of the company; abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider.</p> <p>3. Provide in column (a) subheadings and classify transmission service purchased from other utilities as: "Delivered Power to Wheeler" or "Received Power from Wheeler."</p> <p>4. Report in columns (b) and (c) the total Megawatt-hours received and delivered by the provider of the transmission service.</p> <p>5. In columns (d) through (g), report expenses as shown on bills or vouchers rendered to the respondent. In column (d), provide demand charges. In column (e), provide energy charges related to the amount of energy transferred. In column (f), provide the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (f). Report in column (g) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero ("0") column (g). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter "TOTAL" in column (a) as the last Line. Provide a total amount in columns (b) through (g) as the last Line. Energy provided by the respondent for the wheeler's transmission losses should be reported on the Electric Energy Account, Page 401. If the respondent received power from the wheeler, energy provided to account for Losses should be reported on Line 19, Transmission By Others Losses, on Page 401. Otherwise, Losses should be reported on line 27, Total Energy Losses, Page 401.</p> <p>7. Footnote entries and provide explanations following all required data.</p>							
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
		Megawatt-hours Received (b)	Megawatt-hours Delivered (c)	Demand Charges (\$) (d)	Energy Charges (\$) (e)	Other Charges (\$) (f)	Total Cost of Transmission (\$) (g)
1	Received Power from						
2	Wheeler"						
3							
4	(a),(b) Vermont Electr.			199,581			199,581
5	Transmission Company						
6	(a),(c) New England			319,121			319,121
7	Electr. Transmiss. Co.						
8	(a),(d) Public Service			115,506			115,506
9	Co. of New Hampshire						
10	(a),(e) New England			133,056			133,056
11	Power Company						
12							
13							
14							
15							
16							
	TOTAL			3,486,649			3,486,649

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000	
TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565) (Including transactions referred to as "wheeling")						
<p>1. Report all transmission, i.e., wheeling of electricity provided to respondent by other electric utilities, cooperatives, municipalities, or other public authorities during the year.</p> <p>2. In column (a) report each company or public authority that provide transmission service. Provide the full name of the company; abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider.</p> <p>3. Provide in column (a) subheadings and classify transmission service purchased from other utilities as: "Delivered Power to Wheeler" or "Received Power from Wheeler."</p> <p>4. Report in columns (b) and (c) the total Megawatthours received and delivered by the provider of the transmission service.</p> <p>5. In columns (d) through (g), report expenses as shown on bills or vouchers rendered to the respondent. In column (d), provide demand charges. In column (e), provide energy charges related to the amount of energy transferred. In column (f), provide the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (f). Report in column (g) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero ("0") column (g). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter "TOTAL" in column (a) as the last Line. Provide a total amount in columns (b) through (g) as the last Line. Energy provided by the respondent for the wheeler's transmission losses should be reported on the Electric Energy Account, Page 401. If the respondent received power from the wheeler, energy provided to account for Losses should be reported on Line 19. Transmission By Others Losses, on Page 401. Otherwise, Losses should be reported on line 27, Total Energy Losses, Page 401.</p> <p>7. Footnote entries and provide explanations following all required data.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS		
		Megawatt-hours Received (b)	Megawatt-hours Delivered (c)	Demand Charges (\$) (d)	Energy Charges (\$) (e)	Other Charges (\$) (f)
						Total Cost of Transmission (\$) (g)
1	(a), (f) New England			402,394		
2	Power Company					
3	(a),(f) Boston Edison			21,595		
4	Company					
5	(a),(f) New England			1,034,817		
6	Hydro-Transm Corp					
7	(a),(f) New England			1,260,579		
8	Hydro-Transm Electr Co					
9						
10						
11						
12						
13						
14						
15						
16						
	TOTAL			3,486,649		3,486,649

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
CANAL ELECTRIC COMPANY	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	12/31/2000	Dec 31, 2000
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 4 Column: a

- (A) NON-ASSOCIATED COMPANY.
- (B) VERMONT ELECTRIC TRANSMISSION LINE SUPPORT AGREEMENT, HYDRO-QUEBEC PHASE I.
- (C) TERMINAL FACILITY AGREEMENT, HYDRO-QUEBEC PHASE I.
- (D) SEABROOK 345 KV TRANSMISSION SUPPORT AGREEMENT.
- (E) SEABROOK 345 KV TRANSMISSION FACILITIES SUPPORT AGREEMENT - TEWKSBURY LINE.
- (F) HYDRO-QUEBEC PHASE II SUPPORT AGREEMENT.

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)					
Line No.	Description (a)	Amount (b)			
1	Industry Association Dues				
2	Nuclear Power Research Expenses				
3	Other Experimental and General Research Expenses				
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	53,640			
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000				
6					
7	Seabrook 1 Miscellaneous General Expenses	73,834			
8					
9					
10		6,577			
11	Minor Items				
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					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL	134,051			

Name of Respondent CANAL ELECTRIC COMPANY	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of acquisition adjustments)

- Report in Section A for the year the amounts for: (a) Depreciation Expense (Account 403); (b) Amortization of Limited-Term Electric Plant (Account 404); and (c) Amortization of Other Electric Plant (Account 405).
- Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
- Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
- If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization of Limited Term Electric Plant (Acc 404) (c)	Amortization of Other Electric Plant (Acc 405) (d)	Total (e)
1	Intangible Plant				
2	Steam Production Plant				
3	Nuclear Production Plant	6,282,645			6,282,645
4	Hydraulic Production Plant-Conventional				
5	Hydraulic Production Plant-Pumped Storage				
6	Other Production Plant				
7	Transmission Plant				
8	Distribution Plant				
9	General Plant				
10	Common Plant-Electric				
11	TOTAL	6,282,645			6,282,645

B. Basis for Amortization Charges

Name of Respondent CANAL ELECTRIC COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000		
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Seabrook 1 Original						
13	Investment						
14	302	316	36.30		2.79	Forecast	
15	321	73,728	36.30		2.79	Forecast	
16	322	101,696	36.30		2.79	Forecast	
17	323	16,403	36.30		2.79	Forecast	
18	324	23,716	36.30		2.79	Forecast	
19	325	7,141	36.30		2.79	Forecast	
20	Subtotal	223,000					
21							
22	353	2,999	36.30		2.79	Forecast	
23	Subtotal	2,999					
24							
25	390	929	18.00		5.64	Forecast	
26	391	1,665	18.00		5.64	Forecast	
27	396		18.00		5.64	Forecast	
28	398	96	18.00		5.64	Forecast	
29	Subtotal	2,690					
30							
31	Seabrook 1 Additional						
32	Investment						
33	321	762	36.30		3.10	Forecast	
34	322	1,251	36.30		3.10	Forecast	
35	323	478	36.30		3.10	Forecast	
36	324	552	36.30		3.10	Forecast	
37	325	412	36.30		3.10	Forecast	
38	Subtotal	3,455					
39							
40	353	94	36.30		3.10	Forecast	
41	Subtotal	94					
42							
43	390	2	18.00		5.64	Forecast	
44	391	175	18.00		5.64	Forecast	
45	398				5.64	Forecast	
46	Subtotal	177					
47							
48	Total	232,415					
49							
50							

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given, for the respective income deduction and interest charges account. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425): Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions: Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430) – For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) – Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 426	
2		
3	426.1 Donation	5,011
4		
5	426.4 Civic. Political and Related Activities	
6	North Atlantic Energy Service Corp. Agent Seabrook 1	1,559
7	NSTAR Service Company	2,320
8	426.5 Other Deductions	
9	North Atlantic Energy Service Corp. Agent Seabrook 1	6,894
10		
11	Total Account 426	15,784
12		
13	Account 430 Interest on Debt to Associated Companies	9,987
14	Various Associated Companies-Money Pool	554,557
15		
16	Total Account 430	564,544
17		
18	Account 431 Other Interest Expense	
19	Short Term Note Payable-Banks	2,429,066
20	Interest on Income Tax Liability	426,000
21		
22	Total Account 431	2,855,066
23		
24		
25		
26		
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Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1					
2	Misc DPU-Industry Restructuring		35	35	
3	MEMA		72,945	72,945	
4	Seabrook		27,785	27,785	
5					
6	FERC Assessment	11,951		11,951	
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
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43					
44					
45					
45	TOTAL	11,951	100,765	112,716	

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
							1
							2
							3
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Name of Respondent		This Report Is:		Date of Report		Year of Report	
CANAL ELECTRIC COMPANY		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo. Da. Yr) 12/31/2000		Dec. 31, 2000	
ELECTRIC ENERGY ACCOUNT							
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.							
Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)		
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY			
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)			
3	Steam		23	Requirements Sales for Resale (See instruction 4, page 311.)			
4	Nuclear	279,088	24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	279,088		
5	Hydro-Conventional		25	Energy Furnished Without Charge			
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)			
7	Other		27	Total Energy Losses			
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	279,088		
9	Net Generation (Enter Total of lines 3 through 8)	279,088					
10	Purchases						
11	Power Exchanges:						
12	Received						
13	Delivered						
14	Net Exchanges (Line 12 minus line 13)						
15	Transmission For Other (Wheeling)						
16	Received						
17	Delivered						
18	Net Transmission for Other (Line 16 minus line 17)						
19	Transmission By Others Losses						
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	279,088					

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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MONTHLY PEAKS AND OUTPUT

1. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
2. Report in column (b) the system's energy output for each month such that the total on Line 41 matches the total on Line 20.
3. Report in column (c) a monthly breakdown of the Non-Requirements Sales For Resale reported on Line 24. include in the monthly amounts any energy losses associated with the sales so that the total on Line 41 exceeds the amount on Line 24 by the amount of losses incurred (or estimated) in making the Non-Requirements Sales for Resale.
4. Report in column (d) the system's monthly maximum megawatt Load (60-minute integration) associated with the net energy for the system defined as the difference between columns (b) and (c)
5. Report in columns (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	26,636	26,636		0	
30	February	28,359	28,359		0	
31	March	30,354	30,354		0	
32	April	29,345	29,345		0	
33	May	30,333	30,333		0	
34	June	26,121	26,121		0	
35	July	30,307	30,307		0	
36	August	30,303	30,303		0	
37	September	29,327	29,327		0	
38	October	18,003	18,003		0	
39	November				0	
40	December				0	
41	TOTAL	279,088	279,088			

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 37) and average cost per unit of fuel burned (Line 40) must be consistent with charges to expense accounts 501 and 547 (Line 41) as show on Line 19. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: <i>Seabrook 1</i> (b)	Plant Name: (c)
1	Kind of Plant (Internal Comb. Gas Turb. Nuclear)	Nuclear	
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Fully Contained	
3	Year Originally Constructed	1990	
4	Year Last Unit was Installed	1990	
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	1197.00	0.00
6	Net Peak Demand on Plant - MW (60 minutes)	1160	0
7	Plant Hours Connected to Load	6911	0
8	Net Continuous Plant Capability (Megawatts)	0	0
9	When Not Limited by Condenser Water	1158	0
10	When Limited by Condenser Water	1158	0
11	Average Number of Employees	790	0
12	Net Generation, Exclusive of Plant Use - KWh	279087775	0
13	Cost of Plant: Land and Land Rights	56287	0
14	Structures and Improvements	74490160	0
15	Equipment Costs	151649268	0
16	Total Cost	226195715	0
17	Cost per KW of Installed Capacity (line 5)	188.9689	0.0000
18	Production Expenses: Oper, Supv, & Engr	746170	0
19	Fuel	1398921	0
20	Coolants and Water (Nuclear Plants Only)	78469	0
21	Steam Expenses	693906	0
22	Steam From Other Sources	0	0
23	Steam Transferred (Cr)	0	0
24	Electric Expenses	37067	0
25	Misc Steam (or Nuclear) Power Expenses	994866	0
26	Rents	0	0
27	Allowances	0	0
28	Maintenance Supervision and Engineering	442978	0
29	Maintenance of Structures	116757	0
30	Maintenance of Boiler (or reactor) Plant	515417	0
31	Maintenance of Electric Plant	602537	0
32	Maintenance of Misc Steam (or Nuclear) Plant	29081	0
33	Total Production Expenses	5656169	0
34	Expenses per Net KWh	0.0203	0.0000
35	Fuel: Kind (Coal, Gas, , or Nuclear)	Nuclear	
36	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Grams	
37	Quantity (units) of Fuel Burned	0 57458 0 0 0 0 0	
38	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0 48900000 0 0 0 0 0	
39	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000 24.347 0.000 0.000 0.000 0.000 0.000	
40	Average Cost of Fuel per Unit Burned	0.000 24.347 0.000 0.000 0.000 0.000 0.000	
41	Average Cost of Fuel Burned per Million BTU	0.000 0.498 0.000 0.000 0.000 0.000 0.000	
42	Average Cost of Fuel Burned per KWh Net Gen	0.000 0.005 0.000 0.000 0.000 0.000 0.000	
43	Average BTU per KWh Net Generation	0.000 10067.428 0.000 0.000 0.000 0.000 0.000	

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 24 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 31, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: (d)	Plant Name: (e)	Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
0	0	0	8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
0	0	0	13
0	0	0	14
0	0	0	15
0	0	0	16
0.0000	0.0000	0.0000	17
0	0	0	18
0	0	0	19
0	0	0	20
0	0	0	21
0	0	0	22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0.0000	0.0000	0.0000	34
			35
			36
0	0	0	37
0	0	0	38
0.000	0.000	0.000	39
0.000	0.000	0.000	40
0.000	0.000	0.000	41
0.000	0.000	0.000	42
0.000	0.000	0.000	43

Name of Respondent CANAL ELECTRIC COMPANY	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec 31, 2000
FOOTNOTE DATA			

Schedule Page: 402 Line No.: -1 Column: b

FOOTNOTES:

- 1. COLUMN B. - DATA IS APPLICABLE TO CANAL ELECTRIC COMPANY'S
SHARE OF SEABROOK UNIT 1 (3.52317%).

Name of Respondent CANAL ELECTRIC COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2000	Year of Report Dec. 31, 2000
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ENVIRONMENTAL PROTECTION FACILITIES

- For purposes of this response, environmental protection facilities shall be defined as any building, structure, equipment, facility, or improvement designed and constructed solely for control, reduction, prevention or abatement of discharges or releases into the environment of gaseous, liquid, or solid substances, heat, noise or for the control, reduction, prevention, or abatement of any other adverse impact of an activity on the environment.
- Report the differences in cost of facilities installed for environmental considerations over the cost of alternative facilities which would otherwise be used without environmental considerations. Use the best engineering design achievable without environmental restrictions as the basis for determining costs without environmental considerations. It is not intended that special design studies be made for purposes of this response. Base the response on the best engineering judgment where direct comparisons are not available. Include in these differences in costs the costs or estimated costs of environmental protection facilities in service, constructed or modified in connection with the production, transmission, and distribution of electrical energy and shall be reported herein for all such environmental facilities placed in service on or after January 1, 1969, so long as it is readily determinable that such facilities were constructed or modified for environmental rather than operational purposes. Also report similar expenditures for environmental plant included in construction work in progress. Estimate the cost of facilities when the original cost is not available or facilities are jointly owned with another utility, provided the respondent explains the basis of such estimations. Examples of these costs would include a portion of the costs of tall smokestacks, underground lines, and landscaped substations. Explain such costs in a footnote.
- In the cost of facilities reported on this page, include an estimated portion of the cost of plant that is or will be used to provide power to operate associated environmental protection facilities. These costs may be estimations on a percentage of plant basis. Explain such estimations in a footnote.
- Report all costs under the major classifications provided below and include, as a minimum, the items listed hereunder:
 - Air pollution control facilities:
 - Scrubbers, precipitators, tall smokestacks, etc.
 - Changes necessary to accommodate use of environmentally clean fuels such as low ash or low sulfur fuels including storage and handling equipment
 - Monitoring equipment
 - Other.
 - Water pollution control facilities:
 - Cooling towers, ponds, piping, pumps, etc.
 - Waste water treatment equipment
 - Sanitary waste disposal equipment
 - Oil interceptors
 - Sediment control facilities
 - Monitoring equipment
 - Other.
 - Solid waste disposal costs:
 - Ash handling and disposal equipment
 - Land
 - Settling ponds
 - Other.
 - Noise abatement equipment:
 - Structures
 - Mufflers
 - Sound proofing equipment
 - Monitoring equipment
 - Other.
 - Esthetic costs:
 - Architectural costs
 - Towers
 - Underground lines
 - Landscaping
 - Other.
 - Additional plant capacity necessary due to restricted output from existing facilities, or addition of pollution control facilities.
 - Miscellaneous:
 - Preparation of environmental reports
 - Fish and wildlife plants included in Accounts 330, 331, 332, and 335.
 - Parks and related facilities
 - Other.
- In those instances when costs are composites of both actual supportable costs and estimates of costs, specify in column (f) the actual costs that are included in column (e).
- Report construction work in progress relating to environmental facilities at Line 9.

Line No.	Classification of Cost (a)	CHANGES DURING YEAR			Balance at End of Year (e)	Actual Cost (f)
		Additions (b)	Retirements (c)	Adjustments (d)		
1	Air Pollution Control Facilities	4,171	4,812		1,763,732	1,763,732
2	Water Pollution Control Facilities	4,602	5,406		9,802,951	9,802,951
3	Solid Waste Disposal Costs				645,816	645,816
4	Noise Abatement Equipment					
5	Esthetic Costs					
6	Additional Plant Capacity					
7	Miscellaneous (Identify significant)				560,859	560,859
8	TOTAL (Total of lines 1 thru 7)	8,773	10,218		12,773,358	12,773,358
9	Construction Work in Progress					

Line No.	Classification of Expenses (a)	Amount (b)	Actual Expenses (c)
1	Depreciation		
2	Labor, Maint, Mtrls. & Supplies Cost Related to Env Fac & Programs	69,080	69,080
3	Fuel Related Costs		
4	Operation of Facilities		
5	Fly Ash and Sulfur Sludge Removal		
6	Difference in Cost of Environmentally Clean Fuels		
7	Replacement Power Costs		
8	Taxes and Fees		
9	Administrative and General		
10	Other (Identify significant)		
11	TOTAL	69,080	69,080

INDEX

<u>Schedule</u>	<u>Page No.</u>
Accrued and prepaid taxes	262-263
Accumulated Deferred Income Taxes	234
	272-277
Accumulated provisions for depreciation of	
common utility plant	356
utility plant	219
utility plant (summary)	200-201
Advances	
from associated companies	256-257
Allowances	228-229
Amortization	
miscellaneous	340
of nuclear fuel	202-203
Appropriations of Retained Earnings	118-119
Associated Companies	
advances from	256-257
corporations controlled by respondent	103
control over respondent	102
interest on debt to	256-257
Attestation	i
Balance sheet	
comparative	110-113
notes to	122-123
	256-257
Bonds	251
Capital Stock	254
discount	254
expense	252
installments received	252
premiums	251
reacquired	252
subscribed	120-121
Cash flows, statement of	
Changes	
important during year	108-109
Construction	
overheads, electric	217
overhead procedures, general description of	218
work in progress - common utility plant	356
work in progress - electric	216
work in progress - other utility departments	200-201
Control	
corporations controlled by respondent	103
over respondent	102
security holders and voting powers	106-107
Corporation	
controlled by	103
incorporated	101
CPA, background information on	101
CPA Certification, this report form	i-ii

Schedule

Deferred	
credits, other	269
debits, miscellaneous	233
income taxes accumulated - accelerated	
amortization property	272-273
income taxes accumulated - other property	274-275
income taxes accumulated - other	276-277
income taxes accumulated - pollution control facilities	234
Definitions, this report form	iii
Depreciation and amortization	
of common utility plant	356
of electric plant	219
	336-337
Directors	105
Discount on capital stock	254
Discount - premium on long-term debt	256-257
Distribution of salaries and wages	354-355
Dividend appropriations	118-119
Earnings, Retained	118-119
Electric energy account	401
Environmental protection	
expenses	431
facilities	430
Expenses	
electric operation and maintenance	320-323
electric operation and maintenance, summary	323
unamortized debt	256
Extraordinary property losses	230
Filing requirements, this report form	
General description of construction overhead procedure	218
General information	101
Instructions for filing the FERC Form 1	i-iv
Generating plant statistics	
hydroelectric (large)	406-407
pumped storage (large)	408-409
small plants	410-411
steam-electric (large)	402-403
Hydro-electric generating plant statistics	406-407
Identification	101
Important changes during year	108-109
Income	
statement of, by departments	114-117
statement of, for the year (see also revenues)	114-117
deductions, interest on debt to associated companies	340
deductions, miscellaneous amortization	340
deductions, other income deduction	340
deductions, other interest charges	340
Incorporation information	101
Installments received on capital stock	252

<u>Schedule</u>	<u>Page No.</u>
Interest	
charges, on debt to associated companies	340
charges, other	340
charges, paid on long-term debt, advances, etc	256-257
Investments	
nonutility property	221
subsidiary companies	224-225
Investment tax credits, accumulated deferred	266-267
Law, excerpts applicable to this report form	iv
List of schedules, this report form	2-4
Long-term debt	256-257
Losses-Extraordinary property	230
Materials and supplies	227
Meters and line transformers	429
Miscellaneous general expenses	335
Notes	
to balance sheet	122-123
to statement of changes in financial position	122-123
to statement of income	122-123
to statement of retained earnings	122-123
Nonutility property	221
Nuclear fuel materials	202-203
Nuclear generating plant, statistics	402-403
Number of Electric Department Employees	323
Officers and officers' salaries	104
Operating	
expenses-electric	320-323
expenses-electric (summary)	323
Other	
paid-in capital	253
donations received from stockholders	253
gains on resale or cancellation of reacquired	
capital stock	253
miscellaneous paid-in capital	253
reduction in par or stated value of capital stock	253
regulatory assets	232
regulatory liabilities	278
Overhead, construction-electric	217
Peaks, monthly, and output	401
Plant, Common utility	
accumulated provision for depreciation	356
acquisition adjustments	356
allocated to utility departments	356
completed construction not classified	356
construction work in progress	356
expenses	356
held for future use	356
in service	356
leased to others	356
Plant data	217-216
	336-337
	401-429

INDEX (continued)

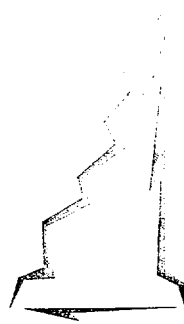
Page No.

Schedule

Plant - electric	
accumulated provision for depreciation	219
construction work in progress	216
held for future use	214
in service	204-207
leased to others	213
Plant - utility and accumulated provisions for depreciation	
amortization and depletion (summary)	201
Pollution control facilities, accumulated deferred	
income taxes	234
Power Exchanges	326-327
Premium and discount on long-term debt	256
Premium on capital stock	251
Prepaid taxes	262-263
Property - losses, extraordinary	230
Pumped storage generating plant statistics	408-409
Purchased power (including power exchanges)	326-327
Reacquired capital stock	250
Reacquired long-term debt	256-257
Receivers' certificates	256-257
Reconciliation of reported net income with taxable income	
from Federal income taxes	261
Regulatory commission expenses deferred	233
Regulatory commission expenses for year	350-351
Research, development and demonstration activities	352-353
Retained Earnings	
amortization reserve Federal	119
appropriated	118-119
statement of, for the year	118-119
unappropriated	118-119
Revenues - electric operating	300-301
Salaries and wages	
directors fees	105
distribution of	354-355
officers'	104
Sales of electricity by rate schedules	304
Sales - for resale	310-311
Salvage - nuclear fuel	202-203
Schedules, this report form	2-4
Securities	
exchange registration	250-251
holders and voting powers	106-107
Statement of Cash Flows	120-121
Statement of income for the year	114-117
Statement of retained earnings for the year	118-119
Steam-electric generating plant statistics	402-403
Stock liability for conversion	252
Substations	426
Supplies - materials and	227

INDEX (continued)

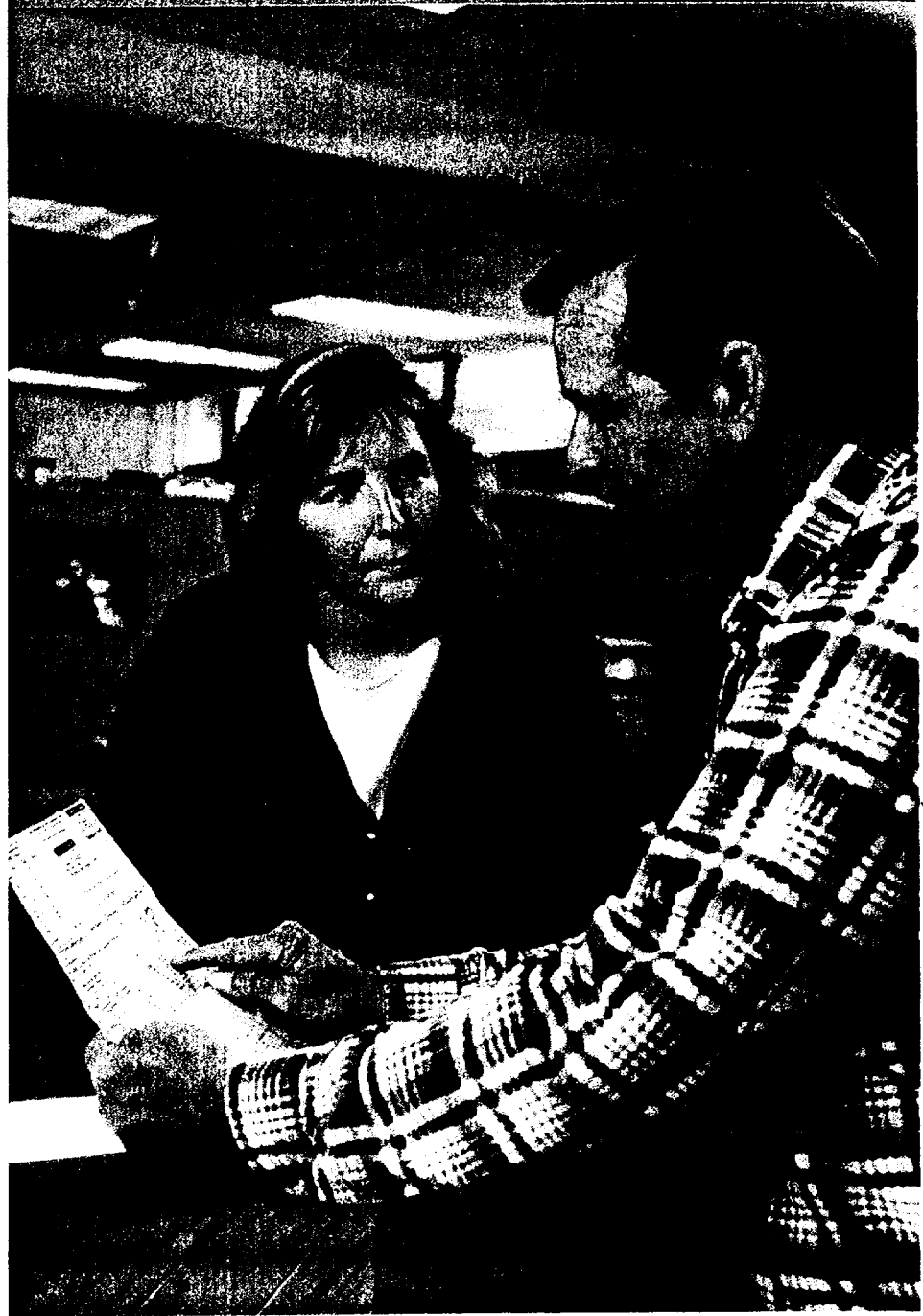
<u>Schedule</u>	<u>Page No.</u>
<u>Taxes</u>	
accrued and prepaid	262-263
charged during year	262-263
on income, deferred and accumulated	234
	272-277
reconciliation of net income with taxable income for	261
Transformers, line - electric	429
<u>Transmission</u>	
lines added during year	424-425
lines statistics	422-423
of electricity for others	328-330
of electricity by others	332
<u>Unamortized</u>	
debt discount	256-257
debt expense	256-257
premium on debt	256-257
Unrecovered Plant and Regulatory Study Costs	230



NEW HAMPSHIRE
Electric Co-op

Putting the Power in Your Hands

2000 Annual Report



Report from the Board Chair

On Choice and Equity

Deregulation uncertainty and high fuel costs create increased electricity prices; but Co-op's financial position is solidifying

By Eldwin "Ed" Wixson,
Chair,
NHEC Board of Directors



Ed Wixson

When electric choice was implemented for New Hampshire Electric Cooperative members on January 1, 2000, we experienced immediate benefits. The

Co-op was able to purchase power on the competitive wholesale market at a much lower cost than what we had previously paid for electric energy. The result was savings on your electric bills of up to 22%. This crystallizes the potential that deregulation of the electric utility industry holds for consumers.

But electric choice has yet to live up to its advanced billing. In fact, the Co-op will experience a substantial increase in wholesale power costs in the second half of 2001. While the primary cause

is increased prices for the fuel used to generate electricity, some question whether deregulation should be considered a contributing factor.

The framers of deregulation laws envisioned a vibrant market with numerous energy suppliers competing for your energy business, driving down prices and spurring innovative new product offerings. More than a year after implementing electric choice, this has not happened for several reasons.

The patchwork quilt manner in which electric choice has been implemented nationwide and in New Hampshire, has not yet created the large competitive markets that will attract the energy industry's major players. Requiring electric utilities to set energy prices below market prices during the so-called "transition" period eliminates the profit motive for other energy suppliers to compete for retail sales. And, of course, the California crisis. Certainly, California's deregulation law is flawed. But the root cause of the crisis is that no new power plants have been built there to meet the dramatic growth in the demand for electricity experienced during the economic boom of the 1990s. There is growing evidence that the California crisis will spill over its borders and affect other states. Regardless, deregulation is an easy scapegoat, but certainly not totally to blame for higher prices in California—or New England.

In May 2000 spot market prices for electricity in New England soared when the planned shutdown for maintenance of power plants coincided with unseasonably hot weather, causing a short-lived supply crunch. The market has since recovered but prices remain high. Although New England's electric supply is more than adequate to meet demand, much higher fuel prices and fears that unusually high loads will again coincide with generation outages add to the value the market places on each kilowatt-hour.

It is often said that perception is reality. The potential benefits of deregulation are real. But so is the volatility in market prices that persist due to the high fuel costs plus the uncertainty in supply real or imagined—and the questions surrounding

the future of deregulation around the country. For the next year at least, the Co-op will pay more for wholesale power and you will pay more for your electricity as we pass those higher prices through to you. Remember, the Co-op does not collect any margin from you on the energy we purchase and sell to you; we charge only what it cost us.

Margins and Equity

While the cost of electric energy moves upward, the overall financial picture of your Cooperative continues to improve. During the past several years the Co-op has experienced positive margins (the difference between income and expenses), largely due to "non-operating" revenue sources, such as interest and dividends from contracts, mostly with PSNH.

In 2000 we achieved a positive margin on the "operating" portion of our budget for the first time in many years. This is the budget for delivering electricity to your homes and businesses, power restoration efforts, metering and billing, customer service and related costs, and is paid for by the "customer" and "distribution" charges line items on your bill. Positive margin was achieved because kilowatt hour sales grew significantly due to economic prosperity, but also because the Co-op continues to hold the line on operating costs, the only portion of electric costs for which the Co-op has direct control.

It is no coincidence that in achieving positive margin in our operating budget, we also achieved positive equity (the value of Co-op assets above debt and other liabilities) in the organization for the first time since the late 1980s. Granted, the equity position is small, less than 1%. Yet it is a strong signal that we are on our way to reversing the financial difficulties that have saddled the organization throughout the '90s.

Achieving a positive operating margin and positive equity allows NHEC to allocate capital credits, which are margins credited to members of a cooperative in proportion to their purchases and eventually returned to the members. In other

words, for the first time in many, many years, the Co-op is in a financial position to allocate dollars as capital to a fund that could eventually (some years into the future) be returned to members in the form of cash. In order to return capital credits to members, we must achieve a minimum 20% equity in the organization and gain approval for disbursement from our lender. But that does not discount the importance of this milestone.

Our goal is to achieve a financial position that results in the distribution of capital credits to our members on a regular basis. That is what the cooperative way of doing business is all about: member economic participation, including return on investment and return of surplus to the membership. You can be assured that the Co-op Board of Directors and management sees that as among its highest priorities.

Our 62nd Annual Meeting is scheduled for Tuesday, June 5, 2001 at the Co-op Headquarters on Tenney Mountain Highway in Plymouth. Registration and exhibits open at 9 a.m. The meeting begins at 10:30 a.m. Come, participate and enjoy your owner-equity as a member of NHEC. I look forward to greeting you there.

A handwritten signature, likely "Ed", in dark ink.

History in the Making

Rocky road to open markets is worth the trip

By Fred Anderson,
CEO/
General Manager



Fred Anderson

The New Hampshire Electric Cooperative began the new millenium in historic fashion. On January 1, 2000, the Co-op's long-term power supply contract with Public Service of New Hampshire was terminated, allowing the Co-op to operate under the 1996 State law deregulating the electric utility industry.

For the first time since our inception in 1939, individual members have the freedom to choose their own electric energy provider. The theory behind deregulation legislation is that an open marketplace with power suppliers competing for your business will result in lower prices. A year later, the excitement of this historic event is tempered by the fact that no alternative energy suppliers are offering electricity to Co-op members. In practical terms, you have the freedom to choose, but you have no choice unless power suppliers set up shop in New Hampshire.

Still, the Co-op's ability to replace PSNH-supplied power by shopping around on the open wholesale market resulted in immediate savings of up to 22% for Co-op members. We see this as a sign of what is to come when the region is fully

deregulated and competitive suppliers are vying for your energy dollar.

Meanwhile, the industry is experiencing convulsions during the transition from a highly regulated, monopolistic industry to one operating under free market rules. Nowhere are the growing pains more evident than in California, where soaring electric rates and rolling blackouts have left deregulation in shambles.

California made critical mistakes. Retail rates were capped, for instance, while wholesale rates were not, isolating consumers from price increases further up the supply chain. Customers have no incentive to control their electricity use when the costs are not reflected in their bills. And the prohibition on long-term energy contracts required local utilities to buy electricity on the volatile spot market. Just as important, California has built no new power plants in more than a decade, while economic growth has dramatically increased demand. This is fundamental economics at work: when demand outstrips supply, prices go up.

This is not the case in New England. Deregulation laws in New Hampshire and other Northeast states open both retail and wholesale markets for electricity, and long-term contracts are allowed as a tool to stabilize rates over time. And by virtually all accounts, there is adequate generating capacity to meet current demand and ample new supply coming online to meet future growth.

This is not to say that we are free of problems. The rising costs of fuel for generating electricity will likely push electric rates considerably higher in 2001. A general paranoia about temporary demand shortages continues to feed market volatility in the New England wholesale market. The region's aging transmission system needs to be upgraded to ensure the efficient flow of electricity from where it is made to where it is needed. And who knows what fallout could result from the California crisis?

Yet, we remain optimistic and confident about the long-term outlook for deregulation

in our region. Far from demonstrating that "deregulation doesn't work," the California crisis provides a treasure trove of lessons on what not to do. Rather than revert to a centrally planned electric system, the solution is to continue moving toward a free market system. Clearly, as shown by the California example, a mix of the two doesn't work.

Open markets present great opportunities for entrepreneurs and consumers. But there are risks, too. Despite the Depression of the 1930s, Black Monday in 1987, and the more recent volatility in the stock market, history tells us that, over time, the return on stocks outperforms that of other investments. We must take a big picture view of electric choice, too. Given time to overcome the growing pains, we believe deregulation of the electric industry will prove to be in the best long-term interests of consumers, including members of the Co-op.

We are part of history in the making. It would be foolhardy and futile to try to turn back the clock. Instead, we should continue to move forward on what will likely be a bumpy road for some time to come. But, ultimately, it will prove a road well worth traveling.

A handwritten signature, possibly reading "A. Reed", is located in the lower right quadrant of the page. The signature is written in dark ink and consists of a stylized, cursive name.

2000 New Hampshire

Balance Sheet

	2000	1999	Change \$	Change %
Assets				
Utility Plant	\$190,519,014	\$292,285,725	(101,766,711)	-34.82%
less: Depreciation	(61,558,448)	(84,795,390)	23,236,942	27.40%
Net Utility Plant (see footnote #1)	<u>\$128,960,566</u>	<u>\$207,490,335</u>	<u>(78,529,769)</u>	<u>-37.85%</u>
Cash and Cash Equivalents	566,718	6,228,157	(5,661,439)	-90.90%
Investments	3,581,793	8,255,745	(4,673,952)	-56.61%
Accounts Receivable (Net)	13,810,814	18,960,129	(5,149,315)	-27.16%
Material and Supplies Inventory	2,107,850	1,897,309	210,541	11.10%
Deferred Charges (see footnote #1)	125,994,340	37,843,062	88,151,278	232.94%
Other Assets	857,231	925,009	(67,778)	-7.33%
Total Assets	<u>\$275,879,312</u>	<u>\$281,599,746</u>	<u>(\$5,720,434)</u>	<u>-2.03%</u>
Liabilities				
CFC Debt	\$231,355,155	\$251,478,847	(20,123,692)	-8.00%
Accounts Payable	11,005,139	15,017,988	(4,012,849)	-26.72%
Accrued Interest and Expenses	1,495,722	4,268,375	(2,772,653)	-64.96%
Other Current Liabilities	573,317	611,136	(37,819)	-6.19%
Non Current Liabilities	1,215,396	1,302,688	(87,292)	-6.70%
Patronage Capital	612,424	(6,229,995)	6,842,419	109.83%
Deferred Credits (see footnote #1)	29,622,159	15,150,707	14,471,452	95.52%
Total Liabilities	<u>\$275,879,312</u>	<u>\$281,599,746</u>	<u>(\$5,720,434)</u>	<u>-2.03%</u>

Footnote #1: In accordance with New Hampshire Electric Coop's approved compliance filing with the New Hampshire PUC, the Seabrook plant asset value was written down, transferring the balance to a stranded cost regulatory asset and to a regulatory liability.

The annual audit of New Hampshire Electric Cooperative records was made by Berry, Dunn, McNeil & Parker, 100 Middle Street, Portland, ME 04104-1100. Copies of the complete report are on file with the New Hampshire Public Utilities Commission in Concord, NH, and at New Hampshire Electric Cooperative's Headquarters Office in Plymouth, NH.

Electric Cooperative

Historical Data

	2000	1999	1998
KILOWATT-HOUR SALES:			
Residential	373,277,544	358,381,081	350,324,614
Commercial & Industrial	243,391,479	240,937,738	229,600,865
Street & Highway Lighting	1,527,116	1,556,551	1,545,190
TOTAL	618,196,139	600,875,370	581,470,669
Increase/Decrease	2.9%	3.3%	-2.7%
REVENUE FROM SALES OF KWH:			
Residential	\$56,809,836	\$62,288,428	\$59,677,068
Commercial & Industrial	32,459,920	34,983,826	33,547,990
Street & Highway Lighting	354,729	381,157	392,206
TOTAL	\$89,624,485	\$97,653,411	\$93,617,264
Increase/Decrease	-8.2%	4.3%	19.0%
AVERAGE REVENUE PER KWH SOLD:			
Residential	\$0.1522	\$0.1738	\$0.1703
Commercial & Industrial	\$0.1334	\$0.1452	\$0.1461
Street & Highway Lighting	\$0.2323	\$0.2449	\$0.2538
TOTAL	\$0.1450	\$0.1625	\$0.1610
Increase/Decrease	-10.8%	0.9%	22.3%
AVERAGE NUMBER OF CUSTOMERS:			
Residential	60,196	59,605	59,552
Commercial & Industrial	8,581	8,433	8,364
Street & Highway Lighting	88	87	87
TOTAL	68,865	68,125	68,003
Increase/Decrease	1.1%	0.2%	1.4%
AVERAGE ANNUAL KILOWATT-HOUR USE:			
Residential	6,201	6,013	5,883
	3.1%	2.2%	-5.0%

Operating Statement

	2000	1999	Variance \$	Variance %
Revenue				
Operating Revenue	<u>\$101,817,145</u>	<u>\$114,327,281</u>	<u>(\$12,510,136)</u>	<u>-10.94%</u>
Expenses				
Cost of Power & Transmission	\$41,046,426	\$65,077,613	\$24,031,187	36.93%
Operations and Maintenance	\$9,389,138	\$9,959,769	\$570,631	5.73%
Customer, Admin. & General	12,164,279	11,787,797	(\$376,482)	-3.19%
Depreciation & Amortization (see footnote #2)	18,398,647	9,728,211	(\$8,670,436)	-89.13%
Interest Exp. & Other Ded. (see footnote #2)	10,766,704	15,090,523	\$4,323,819	28.65%
Taxes	3,767,816	3,785,468	\$17,652	0.47%
Total Operating Expenses	<u>\$95,533,010</u>	<u>\$115,429,381</u>	<u>\$19,896,371</u>	<u>17.24%</u>
Operating Margin	<u>6,284,135</u>	<u>(1,102,100)</u>	<u>7,386,235</u>	<u>670.20%</u>
Other Capital Credits and Patronage	1,527,805	1,540,913	(13,108)	-0.85%
Dividends	(969,520)	973,797	(1,943,317)	-199.56%
Non Operating Margins				
Net Margin	<u>\$6,842,420</u>	<u>\$1,412,610</u>	<u>5,429,810</u>	<u>384.38%</u>
Capital Credits Allocated to Each Patron at Percentage Rate to Revenue	5.49%	0.00%		
Capital Credits Assigned Accumulatively to End of Year	18,227,545	13,307,716	4,919,829	36.97%

Footnote #2: Interest on Stranded Cost debt categorized as amortization of a regulatory asset.
(refer to footnote #1)

As submitted by:



C. Allen Gable, Treasurer
NHEC Board of Directors

KILOWATT-HOURS PURCHASED

Kilowatt-Hours Purchased

<u>688,677,421</u>	<u>671,280,897</u>	<u>623,825,323</u>
2.6%	7.6%	-3.0%

COST OF KWHs PURCHASED & TRANSMISSION:

Purchased Power Costs

\$36,646,809	\$67,720,503	\$64,954,367
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Separately Purchased Transmission

4,217,432	0	0
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TOTAL

<u>40,864,241</u>	<u>67,720,503</u>	<u>64,954,367</u>
-39.7%	4.3%	31.2%

AVERAGE COST/KWH OF POWER & TRANSMISSION:

<u>0.0593</u>	<u>0.1009</u>	<u>0.1041</u>
-41.2%	-3.1%	35.4%

General Statistics

	2000	1999	1998
Maximum KW Demand For System	170,256	171,232	166,712
Load Factor	46.2%	44.8%	42.7%
Total Miles of Line - End of Year	5,061	4,997	4,957
Number of New Services Added During Year	1,262	1,105	933
Oper. & Maint. Costs Per Mile of Line	\$1,117	\$1,258	\$1,257
Consumer Accounts Expense Per Customer	\$34	\$38	\$34

Visit the Co-op's website**www.nhec.com**