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System Profile

Commonwealth Energy System is an exempt public utility holding company with investments in four operating public utility companies located in central and eastern Massachusetts. System electric operations are involved in the production and sale of electricity in 41 communities including New Bedford, Plymouth, Cambridge and the geographic area comprising Cape Cod. Gas operations serve 47 communities including

New Bedford, Cambridge and Worcester.

In addition to the utility companies, the system includes a steam distribution company and five real estate trusts. The System also has a 34.5% ownership interest in a gas transmission and supply company and a 50% interest in a company engaged in the operation of an LNG facility serving our gas division. The retail electric subsidiaries also receive capacity and energy from their

respective ownership interests in one oil-fired and four nuclear electric generating facilities.

The System is a business trust organized in 1926 under the laws of Massachusetts. Subsidiaries of the System have common executive and financial management and receive technical assistance as well as financial, data processing, accounting, corporate planning and other services from a service company subsidiary.

COMEnergy Commonwealth Energy System 1983 Annual Report

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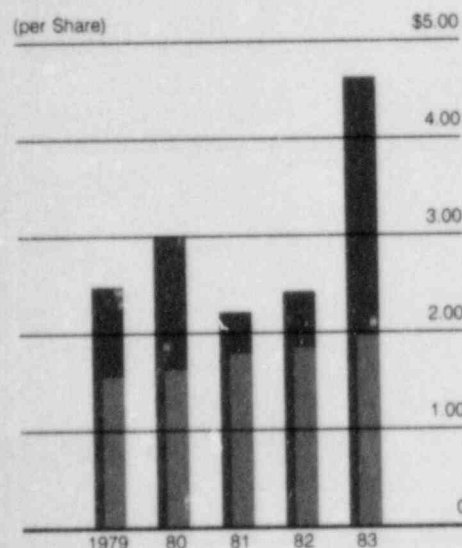
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Financial Highlights

	1983	1982
Financial Statistics		
Total Operating Revenues	\$619,655,000	\$607,081,000
Total Operating Expenses	575,862,000	575,007,000
Net Income	42,728,000	23,597,000
Earnings Applicable to Common Shares	39,127,000	19,863,000
Property Plant and Equipment (including Work in Progress, net)	715,876,000	663,245,000
Construction Expenditures	61,082,000	60,775,000
Common Stock Data		
Earnings Per Common Share	\$4.63	\$2.45
Common Share Dividend Rate at End of Year	\$2.12	\$1.96
Weighted Average Common Shares Outstanding	8,451,316	8,103,922
Common Shareholders	23,277	24,129
Operating Statistics		
Customers Served		
Electric (including seasonal)	287,000	278,000
Gas	202,000	200,000
Unit Sales (in thousands)		
KWH—Retail	3,349,755	3,164,336
Wholesale	1,396,427	2,109,969
MCF—Firm	30,830	32,448
Interruptible	4,717	3,844

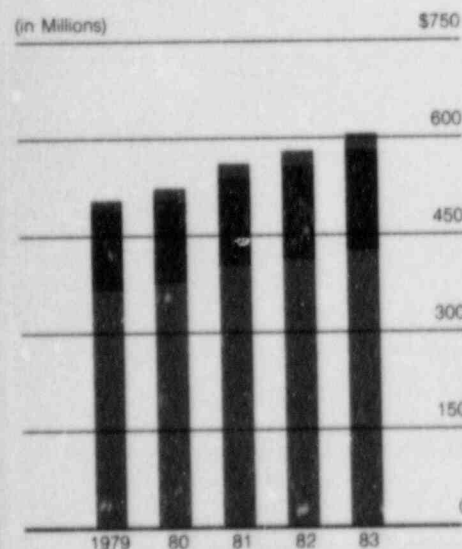
Earnings and Dividends

■ Earnings ■ Dividends



Plant in Service

■ Electric ■ Gas ■ Steam and Other



An Ideal Place To Be

This year's report features a photographic journey through an area that evokes a special response from us. Selected scenes depict the mood, rhythm and diversity of the people and locale which we are privileged to serve. The contrasting riches of the region are as high as the hills of central Massachusetts and as deep as the ocean encircling Cape Cod. They quicken the pulse and lift the spirit; they touch us and leave us with feelings of gratitude.

Annual Meeting

All shareholders are invited to attend the next Annual Meeting which will be held on May 3, 1984. A formal notice of the meeting together with a proxy statement and a form of proxy will be mailed on April 2, 1984 to shareholders entitled to vote at the meeting.

President's Letter

To Our Shareholders:

I am pleased to report that our System's 1983 earnings reached \$4.63 per common share, representing an all time high; up \$2.18 over the \$2.45 we reported a year ago. Prompted by these earnings and our improved cash position, the Board of Trustees raised the quarterly dividend rate effective November 1, 1983, by four cents per share to 53¢ or \$2.12 on an annual basis. This came after an earlier quarterly increase of two cents per share effective February 1, 1983. We believe these increases are consistent with our long-standing policy of providing an attractive return to our shareholders when it has been properly supported by strong earnings.

While the \$48.2 million of rate increases granted in 1982 provided the major impetus for our earnings success, there were a number of other positive factors:

- the downward trend in the rate of inflation,
- lower interest rates,
- our continuing commitment to controlling costs and improving operational efficiency, and
- sales growth stimulated by the economic climate in our service area.

Some of the credit for the positive direction the economy has taken in our service area belongs to our educational institutions which have provided business and industry with one of our most prized assets, a highly skilled and stable work force. This resource was particularly important when, after a decade of strong growth, industry was beset with a combination of problems coming together during the early 1970's, among which were the erosion of our older, less efficient industrial base, dwindling defense contracts and the energy crisis. All of these, combined with Massachusetts' increasing tax burden, dulled our com-

petitive posture. Fortunately the high-tech industry, then in its infancy, began to grow and a skilled work force was essential for its survival. Meanwhile, state government working with industry, began to address the problem of our reliance on foreign oil by introducing energy awareness and conservation programs. Today Massachusetts' total energy and oil consumption has declined from 1972 levels by an impressive 26% and 40%, respectively. Additionally, in the late 1970's, a tax reform measure called "Proposition 2½" was implemented. This voter-mandated reform has steadily reduced the total Massachusetts tax bite from among the nation's highest to a level currently below the national average. This ability and willingness to adapt to a changing business environment has led to the full-fledged blossoming of the high-tech and service industries and a resurgence within the general business sector.

The economic promise of the future bodes well for the system and its long range financial health. However, future benefits will only accrue to those who accept the cloak of responsibility together with its challenges. Our responsibilities revolve around our ability to deliver energy and services at prices which will not undermine our competitiveness or hurt our customers. The challenge will be to utilize our current energy sources to their fullest possible extent while providing new sources to meet future demand.

Today, the planning and construction of new generating facilities is a thankless, if not a perilous task. The recent stability of energy prices has slowly permeated a previously energy conscious society with a false sense of security. As witness to this energy malaise, one has only to note the recent revision of our national energy policy. It has abandoned the goal of energy independence in this century

and instituted reductions in public funding for research and development of alternative energy sources. While we agree that some additional energy savings will occur as less efficient automobiles and energy consuming equipment are replaced, we in planning for the future are confronted with these irrefutable facts: oil is a finite resource; two-thirds of the world's proven oil reserves are controlled by OPEC countries; the annual price tag for this country's oil imports, excluding the dollars spent to stabilize the turbulence in the Middle East, is approximately \$60 billion and, a recently concluded study by the Department of Energy states that this country will be faced with a shortage of electric generating plants by the 1990's. All of these factors combined give us real and immediate problems when we are faced with a current cycle of 10-15 years to complete a major generating facility.

The system's efforts to expand and extend its current electric generating sources have not gone unrewarded. In 1983 we were able to negotiate one short-term nuclear and several long-term hydro-power contracts and our load management and conservation programs continued to yield positive results. However, we recognize that significant amounts of base load generation will be required to meet future demand. Our options are few and herein lies our real problem. Vulnerability to world oil prices has necessitated a prohibition against additional oil and gas-fired plants. Price disincentives and funding cuts have cast serious doubts over the development of alternative sources of fuel and energy. Coal generation, with its acid rain dilemma, has become increasingly less attractive and the nuclear option is being eliminated by political expedience and a lack of understanding about the advanced stage of its technology. Yet, it has

been coal and nuclear generation, not the more glamorous alternatives like wind and solar power, which have produced the energy necessary to reduce oil consumption and fuel the current economic recovery.

Unfortunately, New England has only two base load energy projects either planned or under construction. The system has a 3.52% ownership interest in the Seabrook nuclear project. While some of the project's long standing critics perceived the joint-owners' recent vote to reduce work on the second unit as a first step cancellation measure, I want to assure you again that our support for the entire project has not wavered. Our decision to vote in favor of the slowdown was difficult, but one we felt was necessary in order to ease the unnecessary financial and regulatory hardships which have been imposed on some of the project's participants. We remain confident in our ability to finance our share of the total project on reasonable terms and, that the overall project cost will be less than any new base load options. The "bottom-line" is that we see the need for the capacity from both units as we reach the 1990's because there is no other major unit committed or even planned for this region in the 1990's.

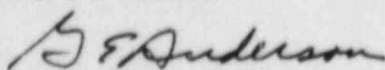
The gas supply picture remains bright. However, there are many legislative bills aimed at delaying the January 1985 completion of the phased-in decontrol of new natural gas prices. Frankly, many of the principles embraced in these proposals disturb us. As an example, some legislators would like to roll-back prices on both old and new gas to their 1982 levels and change existing contract provisions. This could be catastrophic! Not only are 1982 prices higher than our current prices but producers say the financing for their current and future drilling

projects would be jeopardized if contracts can be altered after the fact by legislative fiat. We support the current decontrol schedule because gas has been and, in our opinion, will continue to be price competitive with alternate energy forms.

Throughout 1983 our communications with you have highlighted our customers, their diversity and contributions to our local economy. In the upcoming year we would like to shift our focus to the Massachusetts lure, by sharing with you some of the sights and sounds of our service territory. We believe that our service territory with its countryside, hundreds of miles of shoreline, tradition and historical significance is indicative of the attraction Massachusetts holds for its citizens and tourists alike.

In conclusion, 1983 was a gratifying year in terms of both financial performance and operations. We continue to be thankful for the support of you, our shareholders, and our employees, who make these things happen. Much more needs to be done, however, if we are to secure the future for our customers and the System. We are confident that we will resolve our current problems in planning for future energy growth based on a foundation of financial strength which is essential to serve our customers, pay our employees and achieve an attractive return for our shareholders.

For the Trustees,



G. E. Anderson,
President and Chief Executive Officer





Pilgrim pride, thatched-roof cottages built from rustic materials the environment provided, sand fruits and a symbol of our nation's beginnings moored in Plymouth Harbor.

Year in Review

Our Role in the Community

The scope of public utility proprietorship and management can best be described as both a privilege and responsibility. As holder of an exclusive franchise, a public utility is the sole provider of a critical service to a designated territory. Company obligations, however, extend beyond the sale and distribution of electricity or gas; the well being of customers and employees must be safeguarded and community concerns addressed. Recognizing these obligations, COM/ Energy strives for excellence in all phases of its utility operations and corporate citizenship.

COM/ Energy values its reputation as a good neighbor in each community it serves and endeavors to maintain a harmonious relationship with local residents. Operating systems at subsidiary facilities are carefully controlled to eliminate or minimize environmental disturbances. Air quality is continually monitored at surrounding testing stations and we constantly upgrade and replace our precipitators and filtration equipment. Noise levels are limited by a series of barriers, man-made hills and enclosures that encircle our facilities. Cooling water at Canal Electric is returned to the adjacent canal at temperatures which will not endanger marine life.

Recently a college student polled the residents of Sandwich, MA as part of a business research assignment. His objective was to ascertain the residents' perception of the Canal Electric generating station situated in their community. To his surprise, he discovered that most respondents considered the plant to be an asset to the community.

COM/ Energy also strives to enhance the aesthetic appeal of utility services. The application of underground electric distribution equipment has been made possible by improved designs. Conventional gas and electric facilities



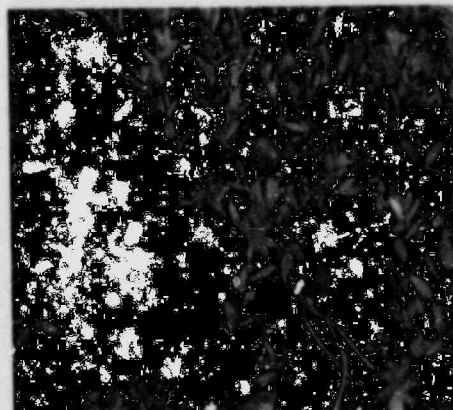
are developed to accommodate their surroundings without neglecting the functional priorities of cost and efficiency.

The spraying of herbicides along electric transmission right-of-ways has been a major concern of environmentalists, naturalists and system personnel in our service territory. While selective spraying continues to be the most cost-effective and reliable means of controlling vegetation, concern over possible contamination of aquifers cannot and will not be ignored. In addressing these concerns, COM/ Electric has discontinued the practice while alternative procedures are evaluated. The more costly approach of mechanized cutting is being considered. Experiments aimed at controlling vegetation growth are also being conducted on right-of-way properties.

We take our citizenship role seriously and will continue in our efforts to live harmoniously with our neighbors and our environment.

Load Management

Although the eventual investment in additional capacity is inevitable, we are exploring a wide range of conservation





A sturdy perch at day's end, a waterfront studio, lazy afternoons in the Cape Cod dunes and salt meadow-marsh grass silhouetted against a setting sun.

and load growth control techniques to more effectively utilize existing generating facilities while addressing customers' long-term energy requirements.

The term "load management" refers to the modification or shifting of peak electric use to periods of greater availability resulting in lower production costs. A flatter demand curve also reflects a more consistent use and operation of base load generators and keeps reserve capacity at responsible levels. These peak reductions can be readily achieved with minimal impact on customers' lifestyles through rate incentives, equipment improvements, and conservation measures. As an example, the availability of interruptible and off-peak water heating rates has already altered consumption patterns.

Our latest electric conservation program, initiated in the 1982 Energy Management Plan, is called "Saving Together." Mail campaigns, newspaper and radio advertisements, public presentations and other instructive vehicles have stimulated a very favorable response. Consequently, thousands of customers, who may not have known they were using too much energy, have adopted conservation measures in their homes. The focal point of this as well as our other conservation programs is a Mass-Save energy survey. Energy specialists

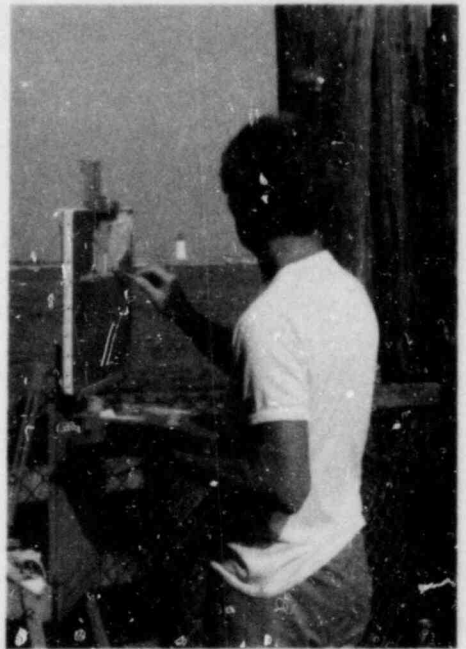
conduct a comprehensive analysis of the customers' homes, major appliances and energy consumption habits. This information is accumulated and processed by computer to determine what conservation measures can be taken, their implementation costs, potential savings and pay-back periods.

Generally, the heat retention capabilities of most homes are substantially improved with the simple application of weatherstripping, caulking and insulation in those areas where cold air is likely to infiltrate. These measures, combined with low-cost insulation wraps, which reduce the heat loss from water heaters, have already resulted in substantial energy savings for our customers.

System companies have exemplified their commitment to extending their current power base to its greatest potential by monitoring their own energy consumption and improving efficiencies wherever possible. The insulation of oil tanks that store fuel for electric generators has saved significant quantities of oil otherwise used to heat oil and lower its viscosity. Chemicals added to fuel oil have resulted in a cleaner burn reducing the clean-up costs of residue on boiler tubes. Conventional lighting equipment at system facilities has been replaced with energy efficient lamps, and the strategic installation of capacitors and low-loss transformers has greatly improved the efficiency of our electric distribution system in periods of greater demand. By conducting these load management, conservation and self-evaluation programs the system has demonstrated its commitment to realize the fullest possible benefit from our existing energy supply.

New Sources of Generation

Despite conservation and load management techniques new



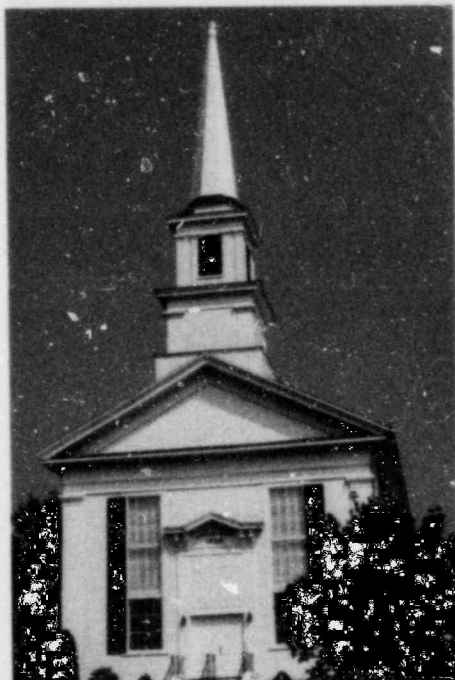


Precious Sandwich glass houses, a village museum, a towering white steeple reaching up from a solid foundation symbolizing the area's simple piety, lighthouses dotting the windswept coast and windmills providing tourists with places to reminisce.

sources of electric energy will be necessary to meet the growing energy needs in our service territories. While the system carefully reviews the merits of new energy sources on an individual basis, our ultimate planning objective is to assemble a diversified energy base. Strategically, a wider range of energy alternatives should further reduce domestic reliance on foreign oil and minimize the long-term financial impact of energy costs on our customers. Continued investment in the Seabrook nuclear project remains consistent with these objectives. The completion of Unit 1 will provide the system with 40 megawatts of additional generating capacity. And, although construction activity on Unit 2 has been reduced, its ultimate completion is vital to the New England region because there are no new major generating projects planned for the 1990's, a period in which the region will face a shortage in generating capacity.

Following the July 1983 approval of the Canadian National Energy Board, COM/Electric began receiving electricity from the Point Le Preau nuclear power facility, which has maintained an excellent production record during its first year of operation. Our 25 megawatt entitlement in this unit is available through 1991 and will provide the system with additional capacity at a reasonable cost.

By fostering independent energy initiatives in Massachusetts, the system has acquired several renewable and less expensive sources of electricity. Since January 1983, COM/Electric has been the recipient of up to 200 kilowatts of capacity of locally-generated hydro-power from the Tremont facility in Wareham. The Pioneer Hydro-Power Company has contracted to produce 1.5 megawatts of capacity for our



customers from its Swift River facility. COM/Electric will also be the recipient of additional hydro-power from Lowell when the \$38 million Boot Mills hydro-electric station is completed in 1985. In harnessing the currents of the historic Lowell Canal System, the developer will have transformed an under-utilized resource into a formidable power source. COM/Electric has contracted to purchase all of the 22.9 megawatt capacity and energy produced from this facility.

The prospect of relatively inexpensive hydro-electricity from Canada became a reality in March 1983 with the signing of a \$5 billion contract between Hydro-Quebec Electric Corporation and the New England Power Pool. The contract has the potential to reduce New England's foreign oil dependence by 4% and provide 33 billion kilowatt hours of power over an eleven-year period beginning in 1986.

The power will be transmitted through a new transmission line that will run from Sherbrooke, Quebec,





Deep-sea fishing trawlers returning with the catch, a whalin' out o' the port o' New Bedford, a master craftsman expertly fashioning a "Beetle Cat" sailboat and the Seamen's Bethel, immortalized by Herman Melville in Moby Dick.

through Vermont to a converter facility to be built at Comerford Station in New Hampshire. The line will be designed to carry 690 megawatts of electricity with the capability for expansion to 2,000 megawatts. When the initial phase of the project is completed, COM/Electric will be entitled to approximately 30 megawatts of this transmission capacity, and approximately 80 megawatts if the tie capability is expanded.

By 1988, purchased electricity from Hydro-Quebec and other low-cost hydro sources will represent more than 5% of total system generation. Presently, the system estimates purchased power costs for these projects will be 15% to 25% lower than conventional electric production costs, producing savings for our customers.

Energy Control

Once forsaken as a primary business objective, customer satisfaction is now being sought with renewed zeal by American industries. COM/Energy policies have always reflected a commitment to customer satisfaction as demonstrated by our superior record of service, reliability, and dedication to high operating standards.

Faced with the unpredictability of New England weather patterns, COM/

Gas has taken special precautions to ensure the adequacy of gas supplies for its customers. COM/Gas, through the satellite storage facilities of an affiliated company, Hopkinton LNG Corp., has 3.5 million MCF of reserve capability. This represents one of the highest storage to consumption ratios in the nation. These reserves, coupled with our pipeline entitlements from Algonquin and Tennessee, can sustain gas supply continuity and reliability even during prolonged periods of severe weather.

To get the gas to homes and industry during these periods, gas pressure must be maintained throughout our pipeline network. In September, COM/Gas integrated the control of the entire gas network into one central station with the installation of a Supervisory Control and Data Acquisition (SCADA) system. This innovative system uses a state-of-the-art computerized system, complete with back-up.

SCADA verifies and updates pressure readings continuously and notifies dispatchers of any abnormality. High or low limit pressure violations or incomplete device movements are signaled with audible or visual warnings. Using the prioritized data provided by the system, gas dispatchers can react instantaneously to supply or pressure problems by transmitting commands to remote devices that control the flow of gas.

Similarly in 1984, COM/Electric will culminate five years of design and construction by installing an electric SCADA system. This master station will have dual computer configurations and enable operators to monitor and control all main substations, transmission lines, tie interchanges and generating stations. The SCADA system will allow COM/Electric to recognize and quickly respond to system problems, thereby minimizing service interruptions to





An eminent native dressed for the fair, the Worcester Common providing mid-day strollers with a quiet refuge in the midst of a bustling city and time-worn wagon wheels at rest and forgotten.

our customers.

The addition of these modern control systems will enable COM/Energy to further enhance its superior service and reliability.

Gas Supply

Since the passage of the Natural Gas Policy Act (NGPA) in 1978, producers have accelerated exploration and extraction efforts resulting in an increased supply of natural gas. Currently, the country's natural gas supply remains excellent, and reports from the Department of Energy project an upward trend in proven-reserve additions. While NGPA provided the incentive necessary to increase supply, via higher prices at the wellhead, phased-in deregulation has also forced gas prices up more sharply than anticipated, causing customers to cut back their use of natural gas.

During 1983, the competitive pricing structures of alternative energy sources such as oil and electricity, prompted producers and pipeline companies to stabilize and even lower their prices to spur demand and sell excess gas supplies.

The improved gas supply situation combined with more stable prices should allow COM/Gas to strengthen its own supply picture in 1984. Both Tennessee and Algonquin pipelines are continuing to offer full contractual quantities of gas and we expect to purchase additional volumes of firm gas from Tennessee in 1984 to supply interruptible customers and displace some higher-priced supplemental gas.

Additionally, Tennessee will offer "firm transportation service" of 7,858 MCF/day from our in-ground storage gas located in New York and Pennsylvania. This new service will greatly enhance and secure our winter supply and will allow us to continue our marketing efforts.



Progress is still being made on a Canadian importation project as well as on a purchase of surplus domestic gas from Algonquin. These projects, when complete, will allow us to further increase our daily firm volumes and in-ground storage capacity.

These combined factors will allow the company to replace more expensive supplemental supplies which should result in substantial savings for our customers.

"Gopher Conservation"

Tempered by the forces of an increasingly competitive energy market, natural gas prices have stabilized. Yet for many, especially the elderly and lower income customers, the payment of gas bills is still a significant financial burden. COM/Gas has created an innovative energy conservation program to assist these customers in reducing unnecessary fuel consumption.

In November 1983, the Gopher Energy Conservation Program was introduced utilizing an industrious gopher cartoon character to inform gas customers of the conservation potential in their homes. The initial response has been enthusiastic.

A primary element of the program is a free home energy survey designed to identify areas of energy





Weathered images of Indian summer, a mouth-watering harvest, pride and anticipation at a local country fair and the unspoiled, mid-winter beauty of a hidden pasture.

loss and recommend solutions. Customers must recognize the sources of inefficiency before they can be eliminated.

The company is offering free surveys for the first 5000 residential gas-heating applicants. In addition \$100 worth of free weatherization materials will be given to residential heating customers, provided they have had a Mass-Save energy survey and are on fuel assistance with special priority for those who are elderly, chronically ill or handicapped. All customers may purchase, at the Company's cost, home weatherization materials for do-it-yourself installation.

Customer awareness of conservation techniques has been developed through a number of company-sponsored education programs. Ongoing grade school presentations introduce conservation principles to thousands of students every year. Company exhibits at home shows and energy fairs demonstrate the wide range of low or no-cost conservation techniques. Only the most efficient gas appliances and heating equipment are sold at company stores and free energy surveys are offered to municipal, commercial and industrial customers alike. By effec-

tively promoting conservation, COM/Gas has enhanced the value and appeal of natural gas as a fuel source in our service areas.

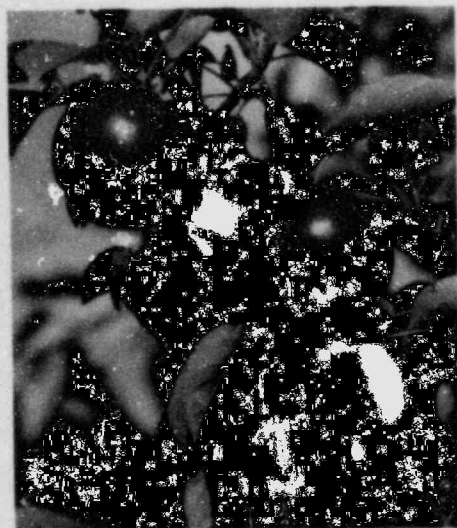
The funding for our conservation program was provided by a portion of a refund of the Louisiana First Use Tax. This tax was declared unconstitutional by the U.S. Supreme Court. The Court ordered Louisiana to refund all the previously collected amounts plus interest to distribution companies. Most of the monies COM/Gas received were refunded to our customers through reductions in the cost of gas. However, the portion of the refund the company would normally be allowed to retain was placed in escrow and used to fund the conservation program as ordered by the Massachusetts Department of Public Utilities (DPU).

Real Estate Activities

Darvel Realty Trust has developed the first phase of a joint venture, known as Riverfront Office Park, with three partners. The Saddlebrook Building, named for its lead tenant, was formally dedicated in May 1983. The building, containing 316,000 square feet of office space and 14,000 square feet of retail space, is currently 60% leased and occupied by such prime tenants as The Saddlebrook Corporation, IBM, AT&T and The Bay State Health Care Foundation.

The second phase of the Riverfront Office Park development is to be a thirteen-story structure with approximately 250,000 square feet of office space. A three-level parking facility will connect the two buildings. This second structure has development and design approval from the City of Cambridge.

We are also in the process of restructuring the Cambridge Research Park project which is to be developed on land owned by





The solid geometry of MIT overlooking the Charles, bricked charm off the beaten track, replicas of Puritan antiques fastened to Cambridge doors and a wrought iron gateway to the ivy-covered buildings of the Harvard Yard.

COM/Energy Research Park Realty. We are considering the use of a portion of this site for our gas and electric operations. This nine-acre parcel is in the midst of the Kendall Square area of Cambridge, which is rapidly becoming the center for new high-technology and genetic engineering firms spun off by local university research activities.

Construction and Financing

The system's 1983 construction expenditures, including allowance for funds used during construction (AFUDC) and nuclear fuel, totaled \$61.1 million. Of this amount, \$32.1 million was spent for our 3.52% share of the Seabrook nuclear generating project. For the five-year period 1984 through 1988, we are projecting that expenditures for electric, gas and steam projects will be \$329 million, including \$137 million for the Seabrook project.

In December 1983, Canal Electric issued \$9.3 million of Pollution Control Revenue Bonds and Cambridge Electric and Commonwealth Electric negotiated three-year term-loans of \$4 and \$10 million, respectively. Each of the debt issues offer favorable terms. The Canal Electric issue, financing our share of Seabrook pollution control facilities, is tax-exempt and, the three-year term loans include several floating rate options and the ability to "lock-in" the loans at fixed rates, should market condi-

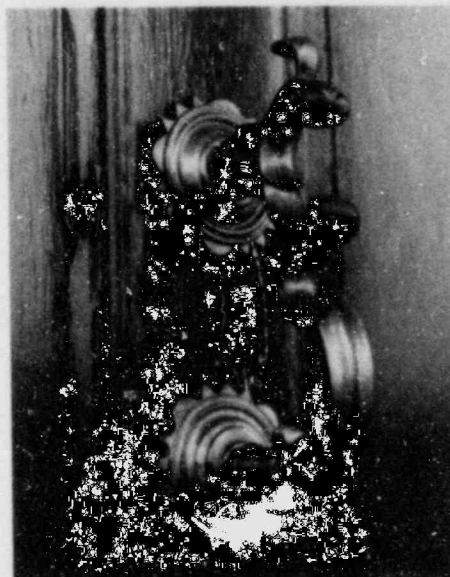
tions improve. Canal Electric plans to issue \$20 million of First Mortgage Bonds and \$30 million of common stock during 1984. This financing program requires additional public hearings and approval from the DPU.

For the five-year period 1984-1988, we anticipate that internal funds will provide approximately \$304 million of our total capital requirements, which include \$107 million necessary to satisfy maturing long-term debt and sinking fund requirements. The balance of our needs will be raised from external sources. Financings for this period include long-term debt issues by the operating subsidiaries of \$109 million, including \$49 million for the refunding of maturing long-term debt issues and a \$15 million nuclear fuel lease. Funds from our dividend reinvestment and common share purchase plan and short-term borrowings are expected to provide the balance of our requirements.

There has been no need for additional public offerings of System common shares since the inception of our dividend reinvestment plan in 1977. This plan has raised over \$20 million of new equity funds to date and we hope to raise an additional \$50 million over the next five years.

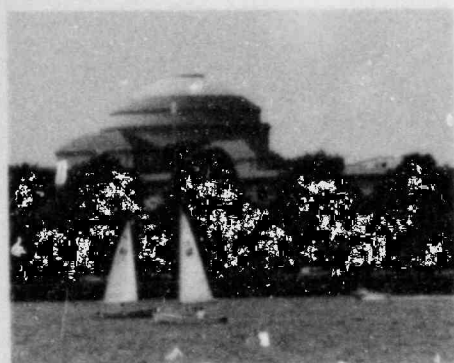
Presently, under the provisions of the Economic Recovery Tax Act of 1981 participants in a qualified public utility dividend reinvestment plan, such as ours, are permitted to exclude from income up to \$750 (or \$1500 on a joint return) of dividends. This exclusion, in general, does not apply to corporations, trusts, estates, or nonresident aliens.

If you are not presently a plan participant, additional information relating to the plan may be obtained by writing to Commonwealth Energy System, Dividend Reinvestment Plan, P.O. Box 190, Cambridge, MA 02139.



Change in Board of Trustees

Mr. William R. Driver, Jr., a member of the Board of Trustees, has announced his intention not to seek reelection to the Board. Mr. Driver has been a dedicated and valued Trustee since 1961. Mr. William M. Crozier, Jr., Chairman of the Board and President of BayBanks, Inc., has been named as a nominee for the position of Trustee.



Management Discussion and Analysis of Financial Condition and Results of Operations

Regulation

The system's operating subsidiaries are subject to the jurisdiction of state and Federal regulatory agencies with respect to the establishment of rates affecting retail electric and gas sales and wholesale electric sales.

While the Massachusetts Department of Public Utilities (DPU) still requires historic test-year information to support rate increase filings, it has become more progressive in other rate-making practices. In 1982, the DPU allowed our system retail companies to include known and measurable changes in their cost of service and rate base calculations and granted inflation allowances together with higher returns on common equity. These allowed equity returns ranged from 15% to 15.5% on capital structures with equity components of slightly more than 50%.

At the wholesale level, the Federal Energy Regulatory Commission (FERC) allowed Canal Electric, effective January 9, 1984, to include one-half of its Construction Work In Progress in rate base. The impact of this order, which is subject to refund pending further regulatory hearings, is described in the liquidity segment of this discussion.

Results of Operations

Operating revenues for 1983 increased by \$12.6 million or 2.1% over 1982. This increase primarily reflects the continued impact of the \$48.2 million in rate increases granted to the system's retail utility companies during 1982 and a 5.9% increase in retail electric sales. The impact of these factors was moderated however, by declines in unit sales to firm gas and wholesale electric customers of 5.0% and 33.8%, respectively. The lower level of firm gas sales was the result of milder weather conditions experienced during the first half of the year. Fluctua-

tions in the level of wholesale electric and interruptible gas sales have little, if any, impact on net income.

Except for the partial effects of the above-mentioned rate increases, the degree to which operating revenues increased during 1982 and 1981 largely reflects changes in the cost of gas, fuel and purchased power. During the three-year period, 1981 through 1983, the per MCF cost of gas averaged \$3.65, \$4.78 and \$4.81, respectively, while fuel and purchased power costs per KWH were 4.5¢, 4.3¢ and 4.4¢. The sharp increases in the cost of gas during 1981 and 1982 were due to the phased-in deregulation of natural gas while the relatively stable cost of fuel and purchased power reflect the stability in the system's per barrel cost of oil throughout the three-year period.

In general, other operating and maintenance costs have risen throughout the three-year period. However, the rate of increase in these expenses has slowed over the past two years due to a decline in the general rate of inflation.

Other income increased in 1983 by \$5.8 million or 67.7% after declining by \$2.4 million or 21.7% in 1982. The higher level of other income was due in large part to: \$2.2 million of interest income associated with the uncollected portion of approximately \$20.3 million of deferred gas costs which are expected to be fully recovered in 1984, the absence of the \$1.5 million after-tax write-off of the unrecoverable portion of two abandoned nuclear projects recorded in 1982 and a \$1.3 million increase in the equity component of AFUDC.

Total interest charges have declined during the two most recent years as a result of lower average interest rates.

Capital Resources

Interim and permanent financing is

done on an individual company basis. The System purchases 100% of all subsidiary common stock issues and provides, to the extent possible, a portion of the subsidiaries' short-term financing needs. The System's principal sources of capital are its retained earnings and equity funds provided by its dividend reinvestment and common share purchase plan. However, these sources may be supplemented, if necessary, with new equity and/or debt issues.

Subsidiary companies also participate in the COM/Energy Money Pool (the Pool). This is an arrangement whereby the subsidiary companies' 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 those offered by banks.

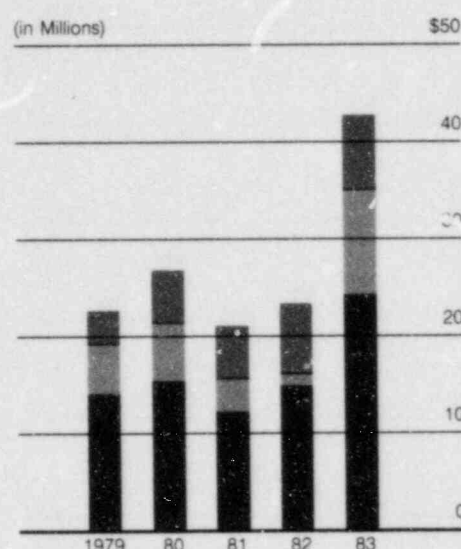
System companies also maintain lines of credit with banks. At December 31, 1983, short-term notes payable to banks were \$61.5 million or \$28.6 million less than the \$90.1 million reported a year ago.

Liquidity

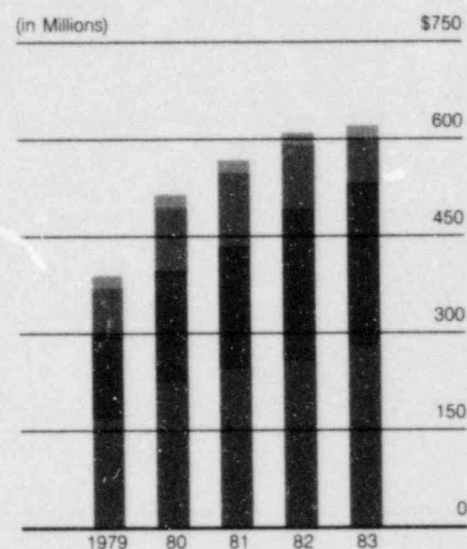
The system is able to generate an adequate level of cash to meet its needs through the collection of accounts receivable generated from the sale of electric and gas energy to retail and wholesale customers. Other cash sources include dividends from investments, the sale of common shares through the dividend reinvestment plan and periodic short-term borrowings from banks. Additionally, if Canal Electric's petition to include one-half of its Construction Work In Progress in rate base is approved by FERC without significant modification, the system should realize a cash benefit estimated at \$20 million over the next five years.

Presently, total system capital requirements for the five-year period ending December 31, 1988 are estimated at \$436 million. This amount includes approximately \$329 million for construction expenditures, \$80 million for maturing long-term debt and \$27 million for sinking fund requirements. Financing these needs and reducing our short-term bank borrowings to less than \$10 million will require subsidiary companies to issue \$109 million of new long-term debt, \$78 million of additional equity and a \$15 million nuclear fuel lease. The Parent company will purchase the subsidiary equity issues with the funds provided by a \$15 million revolving loan, its dividend reinvestment plan proceeds and retained earnings.

Net Income
■ Electric ■ Gas ■ Other



Revenues
■ Electric ■ Gas ■ Electric Wholesale
■ Steam and Other



Unaudited quarterly information pertaining to the results of operations for the years ended December 31, 1983 and 1982 is presented in the following tables:

1983 by Quarter				
	1st	2nd	3rd	4th
(Dollars in Thousands Except Per Share Amounts)				
Operating Revenues	\$205,617	\$131,054	\$118,709	\$164,275
Operating Income	15,491	7,527	7,629	13,126
Income Before Interest Charges	19,213	11,963	10,349	16,510
Net Income	14,891	7,793	6,838	13,206
Earnings per Common Share*	1.67	.82	.70	1.44
Dividends Declared per Common Share	.49	.49	.53	.53
Price of Common Shares—				
High	20	22	22 1/4	23 3/4
Low	18 1/8	18 3/4	19 1/2	19

1982 by Quarter				
	1st	2nd	3rd	4th
(Dollars in Thousands Except Per Share Amounts)				
Operating Revenues	\$184,250	\$117,876	\$135,060	\$169,895
Operating Income	8,613	5,259	7,844	10,358
Income Before Interest Charges	12,408	5,982	9,823	12,365
Net Income	8,192	1,695	5,871	7,839
Earnings per Common Share*	.91	.09	.61	.84
Dividends Declared per Common Share	.47	.47	.47	.49
Price of Common Shares—				
High	15	15 5/8	17 1/8	19
Low	13	13 7/8	13 5/8	15 1/4

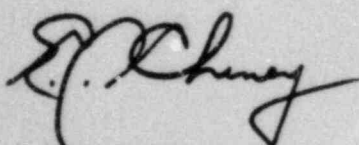
*The quarterly amounts for earnings per common share are derived from amounts previously reported on a year-to-date basis and have been computed using the weighted average number of common shares outstanding during the periods.

Financial and Statistical Information

Management's Report

The financial statements presented herein are representations of the management of Commonwealth Energy System. Management recognizes its responsibility for the preparation and presentation of financial statements in conformity with generally accepted accounting principles. To fulfill this responsibility, management maintains a system of internal accounting controls including established policies and procedures and a comprehensive internal auditing program to evaluate the adequacy and effectiveness of accounting and operating controls, compliance with system policies and procedures and the safeguarding of system assets.

The responsibility of our independent auditors' examination is limited to the expression of an opinion as to the fairness of the financial statements presented. The independent auditors are selected by the Board of Trustees and report their findings thereto through the Audit Committee, which is comprised of three outside Trustees. The Board of Trustees is responsible for ensuring that both the independent auditors and management fulfill their respective responsibilities as they pertain to these financial statements.



E. G. Cheney,
Financial Vice President

March 1, 1984.

Report of Independent Public Accountants

To the Board of Trustees of Commonwealth Energy System:

We have examined the consolidated balance sheets and statements of capitalization of COMMONWEALTH ENERGY SYSTEM (a Massachusetts trust) and subsidiary companies as of December 31, 1983 and 1982, and the consolidated statements of income, changes in common shareholders' investment, redeemable preferred shares and sources of funds used for construction, for each of the three years in the period ended December 31, 1983. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the consolidated financial statements of Algonquin Energy, Inc., the investment in which is reflected in the accompanying financial statements using the equity method of accounting. The financial statements of Algonquin were examined by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to amounts reported by Algonquin, is based solely upon the report of the other auditors.

In our opinion, based upon our examination and the report of other auditors, the financial statements referred to above present fairly the financial position of the System and subsidiary companies as of December 31, 1983 and 1982, and the results of their operations and their sources of funds used for construction, for each of the three years in the period ended December 31, 1983, in conformity with generally accepted accounting principles applied on a consistent basis.

Arthur Andersen & Co.

Boston, Massachusetts,
March 1, 1984.

Consolidated Statements of Income

Years Ended December 31,	1983	1982	1981
	(Dollars in Thousands)		
Operating Revenues:			
Electric	\$356,895	\$361,908	\$361,154
Gas	246,224	231,003	187,039
Steam and other	16,536	14,170	15,262
	619,655	607,081	563,455
Operating Expenses:			
Fuel used in electric production, principally oil	160,571	198,610	216,140
Electricity purchased for resale	45,939	26,217	21,506
Cost of gas sold	171,034	173,493	131,098
Other operation	102,339	93,249	85,043
Maintenance	25,780	26,371	24,410
Depreciation	19,846	18,936	18,188
Taxes—			
Local property	14,628	17,575	20,179
Income (Note 8)	30,709	15,787	13,753
Payroll and other	5,036	4,769	4,182
	575,882	575,007	534,499
Operating Income	43,773	32,074	28,956
Other Income (Expense):			
Equity in earnings of Algonquin Energy, Inc. (Note 2)	5,860	5,839	4,999
Allowance for equity funds used during construction	3,672	2,349	551
Abandoned nuclear projects, net	—	(1,472)	—
Other, net	4,730	1,788	5,313
	14,262	8,504	10,863
Income Before Interest Charges	58,035	40,578	39,819
Interest Charges:			
Long-term debt	15,154	16,088	13,701
Other interest charges	7,310	7,576	10,543
Allowance for borrowed funds used during construction	(7,157)	(6,683)	(5,682)
	15,307	16,981	18,562
Net Income	42,728	23,597	21,257
Dividends on preferred shares	3,601	3,734	3,898
Earnings Applicable to Common Shares	\$ 39,127	\$ 19,863	\$ 17,359
Weighted Average Number of Common Shares Outstanding	8,451,316	8,103,922	7,817,321
Earnings Per Common Share	\$4.63	\$2.45	\$2.22

The accompanying notes are an integral part of these financial statements.

Consolidated Balance Sheets

December 31,	1983	1982
	(Dollars in Thousands)	
Assets		
Property, Plant and Equipment, at original cost:		
Electric	\$436,114	\$420,117
Gas	144,295	137,746
Other	22,086	21,548
	602,495	579,411
Less—Accumulated depreciation	202,265	186,673
Accumulated deferred income taxes	68,570	54,328
	331,660	328,410
Construction work in progress, net (Notes 7 and 8)	113,381	83,834
	445,041	412,244
Equity in Corporate Joint Ventures:		
Algonquin Energy, Inc. (34.5%)	42,912	41,213
Nuclear electric power companies (2.5% to 4.5%)	8,991	8,228
Hopkinton LNG Corp. (50%)	1,658	1,643
Other investments	2,264	2,532
	55,825	53,616
Current Assets:		
Cash	21,219	3,586
Accounts receivable, less reserves of \$2,930,000 in 1983, and \$2,656,000 in 1982	60,386	55,542
Unbilled revenues	31,460	38,088
Inventories, at average cost—		
Electric production fuel oil	5,146	5,453
Natural gas	11,696	17,468
Materials and supplies	9,832	5,239
Prepaid property taxes	6,904	9,200
Other	5,505	5,529
	152,148	140,105
Deferred Charges, net	6,922	9,541
	\$659,936	\$715,506

December 31,	1983	1982
	(Dollars in Thousands)	
Capitalization and Liabilities		
Capitalization (See separate statement):		
Common share investment	\$202,713	\$174,628
Redeemable preferred shares, less current sinking fund requirements	40,380	42,200
Long-term debt, less current sinking fund requirements and maturities	206,303	186,374
	449,396	403,202
Current Liabilities:		
Interim Financing—		
Notes payable to banks	61,500	90,100
Maturing long-term debt	169	—
	61,669	90,100
Other Current Liabilities—		
Current sinking fund requirements	4,137	5,501
Accounts payable	59,783	47,772
Accrued taxes—		
Local property and other	10,469	10,132
Income	15,594	7,796
Accrued interest	3,867	3,754
Dividends declared	5,437	4,958
Other	13,771	10,270
	174,727	180,283
Deferred Credits:		
Unamortized investment tax credits	31,199	27,463
Other	4,614	4,558
	35,813	32,021
Commitments and Contingencies (Note 7)		
	\$659,936	\$615,506

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Sources of Funds Used for Construction

Years Ended December 31,	1983	1982	1981
	(Dollars in Thousands)		
Sources of Funds—			
Internal Sources			
From Operations—			
Net Income	\$42,728	\$23,597	\$21,257
Items not requiring or (providing) funds:			
Depreciation and amortization	23,120	20,709	18,188
Deferred income taxes—long-term	6,568	6,063	10,496
Investment tax credits, net	3,736	4,230	6,334
Equity in earnings of joint ventures, reduced by cash dividends of \$4,940,000 in 1983, \$2,928,000 in 1982 and \$2,711,000 in 1981	(2,477)	(4,175)	(3,339)
Allowance for equity funds used during construction	(3,672)	(2,349)	(551)
Abandoned nuclear projects, net	—	1,472	—
	70,003	49,547	52,385
Less—			
Payment of dividends	20,915	19,189	18,631
Retirement of long-term debt and preferred shares through sinking funds	5,022	5,488	5,451
Other	(1,540)	(3,646)	(1,441)
	24,397	21,031	22,641
Change in net current assets (exclusive of interim financing)—			
Cash	(17,633)	(1,684)	31,859
Accounts receivable and unbilled revenues	1,784	(8,874)	11,535
Local property and other taxes	2,633	(5,211)	3,389
Accrued income taxes	7,798	(2,814)	(4,196)
Accounts payable and other	16,250	(20,996)	(3,798)
	10,832	(39,579)	38,789
Net available from internal sources	56,438	(11,063)	68,533
External Sources			
Sale of common shares	6,272	5,480	3,216
Notes payable to banks, net	(28,600)	64,100	(22,950)
Long-term debt issues	23,300	6,000	20,000
Long-term debt issues refunded	—	(6,091)	—
Net available from external sources	972	69,489	266
	\$57,410	\$58,426	\$68,799
Funds Used for Construction —			
Electric	\$52,396	\$51,428	\$59,374
Gas	7,508	7,558	8,514
Other	1,178	1,789	1,462
	61,082	60,775	69,350
Less—Allowance for equity funds used during construction	3,672	2,349	551
	\$57,410	\$58,426	\$68,799

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Capitalization

December 31,	1983	1982
	(Dollars in Thousands)	
Common Share Investment:		
Common shares, \$4 par value—		
Authorized—12,000,000 shares		
Outstanding—8,596,802 in 1983 and 8,295,123 in 1982	\$ 34,387	\$ 33,180
Amounts paid in excess of par value	48,177	43,112
Retained earnings (Note 4)	120,149	98,336
Total common share investment	202,713	174,628
Redeemable Preferred Shares, Cumulative, \$100 par value (Note 3):		
Series A, 4.80%	4,200	4,320
Series B, 8.10%	6,240	6,400
Series C, 7.75%	14,760	15,300
Series D, 9.80%	17,000	18,000
Less current sinking fund requirements	(1,820)	(1,820)
Total redeemable preferred shares	40,380	42,200
Long-Term Debt, including premiums (Note 5):		
System Bonds, collateralized by common stock of utility operating subsidiaries, due—		
1987, 6 $\frac{3}{8}$ %	13,224	13,381
1988, 6 $\frac{7}{8}$ %	2,964	3,049
1996, 8 $\frac{7}{8}$ %	3,757	3,857
1999, 4.80%	3,060	3,240
Less current sinking fund requirements	(521)	(521)
Total System long-term debt	22,484	23,006
Subsidiary companies' long-term debt		
Mortgage Bonds due—		
1992, 8 $\frac{5}{8}$ %	5,750	6,000
1993, 9%	10,372	10,706
1994, 6 $\frac{1}{4}$ %	1,615	1,770
1996, 7%	12,716	13,509
2006, 8.85%	35,015	35,015
2007, 11 $\frac{1}{8}$ %	9,300	—
Notes due—		
1984, 3%, 6 $\frac{5}{8}$ %	196	273
1986, 4 $\frac{1}{2}$ %	3,937	4,000
1986, variable rate 9.60% in 1983 and 12.50% in 1982	26,000	26,000
1986, variable rate 10.83% in 1983	4,000	—
1986, variable rate 10.83% in 1983	10,000	—
1987, 4.90%	2,590	2,625
1988, 3 $\frac{7}{8}$ %	3,332	3,377
1992, 5 $\frac{5}{8}$ %	8,363	8,501
1994, 6 $\frac{1}{4}$ %	502	548
1995, 8 $\frac{1}{8}$ %	6,580	6,844
1997, 6 $\frac{1}{8}$ %	4,956	5,085
1997, 6 $\frac{1}{4}$ %	4,975	5,106
1998, 8 $\frac{3}{8}$ %	15,777	16,437
2000, 10 $\frac{5}{8}$ %	12,398	12,921
2001, 9 $\frac{3}{4}$ %	3,600	3,800
2002, 7 $\frac{3}{4}$ %	3,810	4,011
Less current sinking fund requirements and maturities	(1,965)	(3,160)
Total subsidiary companies' long-term debt	183,819	163,368
Total long-term debt	206,303	186,374
Total capitalization	\$449,396	\$403,202

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Changes in Common Shareholders' Investment

Years Ended December 31, 1983, 1982 and 1981

	Shares	Par Value \$4 Per Share	Amounts Paid in Excess of Par Value (Dollars in Thousands)	Retained Earnings	Total
Balance December 31, 1980	7,694,501	\$30,778	\$36,818	\$ 91,302	\$158,898
Add (Deduct)—					
Net income	—	—	—	21,257	21,257
Sale of shares	231,744	927	2,289	—	3,216
Cash dividends declared—					
Common shares—					
\$1.88 per share	—	—	—	(14,733)	(14,733)
Preferred shares	—	—	—	(3,898)	(3,898)
Balance December 31, 1981	7,926,245	31,705	39,107	93,928	164,740
Add (Deduct)—					
Net income	—	—	—	23,597	23,597
Sale of shares	368,878	1,475	4,005	—	5,480
Cash dividends declared—					
Common shares—					
\$1.90 per share	—	—	—	(15,455)	(15,455)
Preferred shares	—	—	—	(3,734)	(3,734)
Balance December 31, 1982	8,295,123	33,180	43,112	98,336	174,628
Add (Deduct)—					
Net income	—	—	—	42,728	42,728
Sale of shares	301,679	1,207	5,065	—	6,272
Cash dividends declared—					
Common shares—					
\$2.04 per share	—	—	—	(17,314)	(17,314)
Preferred shares	—	—	—	(3,601)	(3,601)
Balance December 31, 1983	8,596,802	\$34,387	\$48,177	\$120,149	\$202,713

Consolidated Statements of Changes in Redeemable Preferred Shares

Years Ended December 31, 1983, 1982 and 1981

	Authorized and Outstanding Cumulative Preferred Shares—\$100 Par Value				Total Shares
	Series A 4.80%	Series B 8.10%	Series C 7.75%	Series D 9.80%	
Balance December 31, 1980	45,600	67,200	163,800	200,000	476,600
Less—Sinking fund redemptions	1,200	1,600	5,400	10,350	18,550
Balance December 31, 1981	44,400	65,600	158,400	189,650	458,050
Less—Sinking fund redemptions	1,200	1,600	5,400	9,650	17,850
Balance December 31, 1982	43,200	64,000	153,000	180,000	440,200
Less—Sinking fund redemptions	1,200	1,600	5,400	10,000	18,200
Balance December 31, 1983	42,000	62,400	147,600	170,000	422,000

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1. Significant Accounting Policies

General and Regulatory

Commonwealth Energy System, the parent company, is referred to in this report as the "System" and together with its subsidiaries is sometimes collectively referred to as "the system". The operating companies are regulated by various authorities including the Federal Energy Regulatory Commission (FERC) and the Massachusetts Department of Public Utilities (DPU).

Principles of Consolidation

The consolidated financial statements include the accounts of the System and all of its subsidiary companies. All significant intercompany accounts and transactions have been eliminated in consolidation.

Equity Method of Accounting

The system uses the equity method of accounting for investments in corporate joint ventures. Under this method it records as income the proportionate share of the net earnings of the joint ventures with a corresponding increase in the carrying value of the investment. The investment amount is reduced as cash dividends are received.

The system does business with the corporate joint ventures in which it has investments including: Algonquin Energy, Inc., whose subsidiaries are principal suppliers of natural gas and substitute natural gas for the system; Hopkinton LNG Corp., a liquefied natural gas service company; and four nuclear generating facilities located in New England.

Operating Revenues

Customers are billed for their use of electricity and gas on a cycle basis throughout the month. To reflect revenues in the proper period, the estimated amount of unbilled sales is recorded each month.

System utility companies are permitted to bill customers for the total costs of purchased power, fuel used in electric production and gas. The amount of such costs incurred but not yet reflected in customers' bills, which totaled \$4,650,000 in 1983 and \$19,317,000 in 1982, is also recorded as unbilled revenues each month.

Depreciation

Depreciation is provided using the straight-line method at rates intended to amortize the original cost of properties

over their estimated economic lives. The average composite depreciation rates were as follows:

	1983	1982	1981
Electric	3.65%	3.64%	3.64%
Gas	3.02	2.90	3.04
Steam	3.59	3.50	3.53

Allowance for Funds Used During Construction

Under applicable rate-making practices, system companies are permitted to include an allowance for funds used during construction (AFUDC) as an element of their depreciable property costs. This allowance is based on the amount of Construction Work In Progress which is not included in rate base on which utility companies earn a return. An amount equal to the AFUDC so capitalized in the current period is reflected in the statements of income.

While AFUDC does not provide funds currently, these amounts are recoverable in revenues over the service life of the constructed property. The amount of AFUDC recorded was at a weighted average rate of 10% in 1983, 12% in 1982 and 17% in 1981.

2. Algonquin Energy, Inc.

The System uses the equity method of accounting for its 34.5% investment in Algonquin Energy, Inc.

During 1983, Algonquin and a group of its major customers reached a settlement agreement on several rate matters which date back to 1980. This agreement, approved by the FERC, required Algonquin to refund approximately \$22,919,000. Algonquin has restated its financial statements for the years 1982 and 1981 for the effect of the refunds applicable to those years.

Since 1980, the System has provided a reserve against its share of the Algonquin earnings which it estimated might ultimately be refunded. Accordingly, the restatement of Algonquin's prior year financial statements did not necessitate further adjustment of the System's equity in Algonquin's earnings or net assets. Condensed consolidated financial information of Algonquin is as follows:

	1983	1982	1981
	(Dollars in Thousands)		
Condensed Statements of Income			
As reported by Algonquin (1982 and 1981 restated)			
Operating revenues	\$759,744	\$746,587	\$569,103
Income before income taxes	33,300	31,068	29,684
Provisions for income taxes	17,497	13,040	15,129
Net income	\$ 15,803	\$ 18,028	\$ 14,555
System equity in Algonquin's net income	\$ 5,456	\$ 6,224	\$ 5,025
Adjustment for restatement of Algonquin's previously reported earnings	404	(385)	(26)
Reported equity in earnings	\$ 5,860	\$ 5,839	\$ 4,999
Condensed Balance Sheets			
As reported by Algonquin (1982 and 1981 restated)			
Total Assets	\$292,458	\$330,502	\$285,376
Less—			
Long-term debt	45,600	56,600	38,702
Other liabilities and deferred credits	121,505	152,299	137,072
Net assets	\$125,353	\$121,603	\$109,602
System equity in Algonquin's net assets	\$ 43,276	\$ 41,982	\$ 37,839
Adjustment for restatement of Algonquin's previously reported earnings	(364)	(769)	(385)
Reported equity in net assets	\$ 42,912	\$ 41,213	\$ 37,454

Financial statements of Algonquin are included in the System's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

3. Redeemable Preferred Shares

The System's four series of preferred shares have been issued at par value, \$100 per share, and are subject to periodic, mandatory sinking fund payments. The System

can make additional voluntary redemptions, not exceeding the required redemption, at par, on a non-cumulative basis, on each sinking fund date. Preferred shares may also be called for redemption, in whole or in part, in excess of the required and voluntary sinking fund redemptions. The obligation to make the mandatory redemptions is cumulative and the System is not allowed to pay dividends to common shareholders or make any optional sinking fund payments if mandatory redemptions are in arrears. Details of redemptions for the four series of Cumulative Preferred Shares are contained in the following table:

	Dividend Rate	Sinking Funds 1984-1988		Optional Redemption Call Prices	
		Mandatory	Optional		
		(Dollars in Thousands)			
Series A	4.80%	\$ 120	\$ 120	\$102	
Series B	8.10	160	160	108	to 101
Series C	7.75	540	540	106	to 101
Series D	9.80	1,000	1,000	110	to 101

Preferred shareholders have no voting rights except in the event that six full quarterly dividends have not been paid. In this circumstance, the preferred shareholders are entitled, voting as a class, to elect two of the nine Trustees of the System.

The preference of these shares in involuntary liquidation is equal to par value. The shares are of equal rank and are entitled to cumulative dividends at the annual rate established for each series. No dividend can be declared on any series unless proportionate dividends are concurrently declared on the other outstanding series and in the event that dividend payments are in arrears, the System may not redeem any shares unless all shares of all preferred series are redeemed.

4. Dividend Restriction

At December 31, 1983, approximately \$31,941,000 of consolidated retained earnings was restricted against the payment of cash dividends by terms of the indentures securing long-term debt. As of the same date, retained earnings included approximately \$41,268,000 representing the system's equity in undistributed earnings of corporate joint ventures.

5. Interim Financing and Long-Term Debt

Notes Payable to Banks

System companies have banking relationships under which borrowings are arranged as required for interim financing of their construction programs. The borrowings are unsecured and are evidenced by notes having maturities of 90 days or less which are renewable at maturity. At December 31, 1983, notes payable totaled \$61,500,000. Lines of credit with banks, against which these notes are applied, totaled \$162,000,000.

The terms of one line of credit require the payment of a fee equal to 3/8 of 1% of the line. Another line requires that when the system is borrowing, it must maintain normal operating balances for cash demand and bank service charges.

The interest rate on the outstanding borrowings is at the lower of the prime or an adjusted money market rate.

Long-Term Debt Maturities

Under terms of their various indentures, the System and certain subsidiary companies are required to make periodic sinking fund payments for retirement of outstanding long-term debt. The required sinking fund payments and balances of maturing debt issues for the five years subsequent to December 31, 1983 are as follows:

Year	Sinking Fund Payments		Maturing Debt Issues	Total
	System	Subsidiaries		
	(Dollars in Thousands)			
1984	\$521	\$1,796	\$ 169	\$ 2,486
1985	522	3,311	—	3,833
1986	521	3,750	43,850	48,121
1987	365	3,715	15,238	19,318
1988	280	3,670	20,823	24,773

6. Pension and Employee Benefits

The system has a noncontributory pension plan covering substantially all regular employees who have attained the age of 25. Pension costs are funded as accrued and include amounts applicable to prior service costs which are being amortized over a period of 30 years. Total pension expense was approximately \$6,067,000 in 1983, \$5,324,000 in 1982 and \$5,239,000 in 1981. The assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 7 1/2% in each of these years.

A comparison of accumulated benefits and net assets for the system's benefit plan is presented below:

	January 1,	
	1983	1982
	(Dollars in Thousands)	
Actuarial present value of accumulated plan benefits:		
Vested	\$66,686	\$55,808
Nonvested	1,236	1,154
	\$67,922	\$56,962
Net assets available for benefits	\$60,983	\$51,881

The system has an Employees Savings Plan which provides for system contributions equal to contributions by eligible employees but not in excess of four percent of each employee's compensation rate. The total system contribution was approximately \$2,163,000 in 1983, \$1,947,000 in 1982 and \$1,750,000 in 1981.

7. Commitments and Contingencies

Construction

The system is engaged in a continuous construction program presently estimated at \$329 million for the five-year period ending in 1988, including \$70 million in 1984. The program is subject to periodic review and revision.

A substantial portion of the total construction program is related to the system's 3.52% joint-ownership interest in the Seabrook nuclear units. This project, being constructed in Seabrook, N.H. with Public Service Company of New Hampshire (PSNH) as its lead participant, is designed to provide approximately 81 megawatts of capacity to the system. The project has experienced numerous delays due to regulatory, legal and other problems, resulting in significant increases in cost estimates. In November 1982, PSNH announced a change in the estimated cost of the project from \$3.56 billion to \$5.24 billion, and projected December 1984 and July 1987 as the in-service dates for Units 1 and 2, respectively.

On March 1, 1984, updated cost and completion date schedules were reviewed at a meeting of joint-owners. These schedules projected in-service dates of July 1986 and December 1990 for Units 1 and 2, respectively, and a total project cost of \$9 billion. This increased estimate

was largely a result of the extended timetable required for the completion of the units. Approximately one-half of the \$9 billion estimate relates to each unit and is based on a continuation of reduced construction activity on Unit 2 until fuel is loaded in Unit 1. Different costs have been estimated by the project architect/engineer and others. The joint-owners have decided not to accept any new estimates until the management of PSNH can complete an analysis designed to reduce both the time schedule and related costs. This analysis should be completed within the next two months. Based on the above in-service dates and costs our system's interest will cost approximately \$295 million, including AFUDC and nuclear fuel. At December 31, 1983, the system had incurred \$119.3 million for its share of the project.

Each of the Seabrook participants and regulatory bodies which have considered the matter to date favor prompt completion of Unit 1. However, in September 1983, the Seabrook participants voted unanimously to reduce construction on Unit 2 to the lowest feasible level until fuel loading for Unit 1 occurs. Certain participants (not including the system), either on their own volition or in response to suggestions or orders from their regulators, have been attempting unsuccessfully to sell some or all of their interest in the Seabrook Units or have been seeking mothballing or cancellation of Unit 2 because of concern by the participants or their regulators as to increases in its projected costs, delays in scheduled completion and their own need for its power. At the March 1, 1984 meeting the joint-owners voted down a proposed resolution to cancel Unit 2. Participants holding 41.8% of the project (including PSNH's 35.57%) voted against cancellation, 39.9% voted for cancellation and 18.3% abstained. An affirmative vote of 80% of the ownership

interest is required to cancel the unit.

Should Unit 2 be cancelled now, the system's investment and related future costs would amount to approximately \$35 million. Completion of the Seabrook Units will in any event be dependent upon a number of factors, including the continued ability of PSNH and other participants to finance their respective shares of project costs.

Costs associated with Seabrook Units 1 and 2 are subject to a Capacity Acquisition Agreement between Canal Electric and its customers, Commonwealth Electric and Cambridge Electric. This Agreement, which has been accepted for filing as a rate schedule by FERC, entitles Canal Electric to recover, from its customers, costs incurred in connection with any unit covered by such Agreement, whether or not the unit becomes operational.

Power Contracts

The system has long-term contracts for the purchase of electricity from various utilities. Generally, these contracts are for fixed periods and require that the system pay a demand charge for its entitlement in the generating capacity of each unit and an energy charge to cover the cost of fuel. Total costs under these contracts are included in electricity purchased for resale in the statements of income and are fully recoverable in revenues under the system's power cost charges.

8. Income Taxes

The system files a consolidated Federal income tax return. For financial reporting purposes, the subsidiaries provide taxes on a separate return basis and the System records the tax effects which result from including its taxable loss in the consolidated return.

The following is a summary of the consolidated provisions for income taxes for the years ended December 31, 1983, 1982 and 1981:

	1983			1982			1981		
	Total	Federal	State	Total	Federal	State	Total	Federal	State
(Dollars in Thousands)									
Currently payable	\$26,177	\$21,740	\$4,437	\$ 561	\$ (91)	\$ 652	\$ 2,023	\$ 675	\$1,348
Currently deferred	(5,772)	(4,951)	(821)	4,933	3,423	1,510	(5,100)	(4,368)	(732)
Long-term deferred	6,568	5,867	701	6,063	5,489	574	10,496	9,124	1,372
Investment tax credits, net	3,736	3,736	—	4,230	4,230	—	6,334	6,334	—
Tax credit on unrecoverable nuclear projects	—	—	—	(942)	(818)	(124)	—	—	—
	\$30,709	\$26,392	\$4,317	\$14,845	\$12,233	\$2,612	\$13,753	\$11,765	\$1,988

Income taxes are provided for the tax effects of timing differences other than certain construction related costs. Timing differences result from reporting income and ex-

pense for tax purposes in periods different from those used for financial reporting purposes. The accumulated deferred income taxes resulting from long-term timing dif-

ferences are presented as reductions in the assets to which they relate, consistent with rate-making treatment. Additionally, Construction Work In Progress is presented net of accumulated deferred income taxes which totaled \$12,408,000 in 1983 and \$8,182,000 in 1982.

The system's long-term deferred provision for income taxes results from the use of the following:

	1983	1982	1981
	(Dollars in Thousands)		
Accelerated depreciation for tax purposes	\$ 3,766	\$ 4,359	\$ 4,580
Capitalized interest during construction	4,123	3,919	2,813
Cancelled nuclear units	(1,424)	(2,510)	2,515
Other	103	296	563
Long-term deferred income tax provision	\$ 6,568	\$ 6,063	\$10,496

The tax effects of unbilled revenue and other current timing differences are included in the current deferred provision and accrued income taxes. Investment tax credits are deferred and amortized over the life of the property giving rise to the credits.

Income taxes totaling approximately \$2,580,000 at December 31, 1983 have not been provided on the undistributed earnings of Algonquin Energy, Inc. because such earnings are expected to be reinvested indefinitely.

The total income tax provision set forth above represents 42% in 1983 and 39% in 1982 and 1981 of income before such taxes. The following table reconciles the statutory Federal income tax rate to these percentages:

	1983	1982	1981
Statutory Federal income tax rate	46%	46%	
Decrease from statutory rate:			
Effect of dividend received deduction	(4)	(8)	(5)
State tax net of Federal tax benefit	3	4	3
Amortization of investment tax credits	(2)	(2)	(2)
Allowance for equity funds used during construction	(2)	(3)	(1)
Other, net	1	2	(1)
	42%	39%	39%

9. Segment Information

System companies provide electric, gas and steam services to retail customers in service territories located in central and eastern Massachusetts and, in addition, sell electricity at wholesale to Massachusetts customers.

Other operations of the system include the development and operation of rental properties and other activities which do not presently contribute significantly to either revenues or operating income.

Operating income of the various industry segments includes income from transactions with affiliates and is exclusive of interest expense, income taxes, and equity in earnings of unconsolidated corporate joint ventures which provide energy and services for the system's gas operations.

The amount of identifiable assets represented by the system's investment in corporate joint ventures consists principally of a percentage ownership in the assets of Algonquin Energy, Inc., whose principal subsidiary is a regulated natural gas transmission company operating in the northeastern United States; Hopkinton LNG Corp., which operates in the system's franchise areas; and four regional electric generating plants.

	1983	1982	1981
	(Dollars in Thousands)		
Revenues from Unaffiliated Customers:			
Electric	\$356,895	\$361,908	\$361,154
Gas	246,224	231,003	187,039
Steam and other	16,536	14,170	15,262
Total Consolidated Revenues	\$619,655	\$607,081	\$563,455
Income Before Depreciation Expense	\$ 47,153	\$ 37,424	\$ 28,764
Depreciation Expense:			
Electric	24,274	9,097	13,965
Gas	3,055	1,340	(20)
Steam and other			
Total Consolidated Depreciation Expense	\$ 74,482	\$ 47,861	\$ 42,709
Income Before Depreciation Expense and Depreciation	\$443,655	\$402,067	\$384,053
Gas	154,650	162,548	144,318
Steam and other	17,548	15,038	12,283
Total Consolidated Assets	615,853	579,653	540,654
Intercompany eliminations	(11,742)	(17,763)	(25,703)
Investment in corporate joint ventures	55,825	53,616	48,751
Total Consolidated Assets	\$659,936	\$615,506	\$563,702
Depreciation Expense:			
Electric	\$ 15,285	\$ 14,734	\$ 14,147
Gas	4,109	3,785	3,725
Steam and other	452	417	310
Total Consolidated Depreciation	\$ 19,846	\$ 18,936	\$ 18,188

Additional segment information relating to property additions is shown in the Consolidated Statements of Sources of Funds Used for Construction.

10. Supplementary Information to Disclose the Effects of Changing Prices (Unaudited)

The following supplementary information is supplied in accordance with the requirements of Financial Accounting Standards Board Statement No. 33 for the purpose of providing certain information about the effects of changing prices. It should be viewed as an estimate of the approximate effect of inflation, rather than as a precise measure.

Constant dollar amounts represent historical costs stated in terms of dollars of equal purchasing power, as measured by the Consumer Price Index for All Urban Consumers (CPI-U). Current cost amounts reflect the changes in specific prices of plant from the date the plant was acquired to the present and differ from constant dollar amounts to the extent that specific prices have increased more or less rapidly than prices in general.

The current cost of plant is determined primarily by indexing surviving plant by the Handy-Whitman Index of Public Utility Construction Costs. Since the utility plant is not expected to be replaced in kind, current cost does not necessarily represent the replacement cost of the system's productive capacity. Depreciation is determined by applying the system's depreciation rates to the revised asset amounts.

Fuel inventories, the cost of fuel used in generation

and cost of gas sold have not been restated from their historical cost in nominal dollars. Regulation provides for the recovery of fuel and purchased gas costs through the operation of adjustment clauses. For this reason fuel inventories are effectively monetary assets. Since only historical costs are deductible for income tax purposes, the income tax expense in the historical cost financial statements is not adjusted.

Under present ratemaking procedures prescribed by the regulatory commissions, only the historical cost of plant is recoverable in revenues as depreciation. Because the excess cost of plant stated in terms of constant dollars and current cost is not recoverable in rates, a write-down to net recoverable cost is required. While the ratemaking process does not recognize the current cost of replacing plant, regulated companies have, historically, been allowed to earn a return on the increased cost of its investment when replacement actually occurs.

During periods of inflation, holders of monetary assets suffer a loss of general purchasing power while holders of monetary liabilities experience a gain. The gain from the decline in purchasing power of net amounts owed is primarily attributable to the substantial amount of debt which has been used to finance property, plant and equipment. These gains are unrealized and, therefore, do not contribute to cash flow or distributable income.

Selected Financial Data

	1983	1982	1981	1980	1979
(In Thousands Except Common Share Data)					
Operating Revenues:					
Electric	\$356,895	\$361,908	\$361,154	\$326,050	\$250,410
Gas	246,224	231,003	187,039	169,807	124,563
Steam and other	16,536	14,170	15,262	16,678	11,870
Total	\$619,655	\$607,081	\$563,455	\$512,535	\$386,843
Net Income	\$ 42,728	\$ 23,597	\$ 21,257	\$ 26,925	\$ 22,715
Common Share Data—					
Earnings per share	\$4.63	\$2.45	\$2.22	\$3.01	\$2.50
Dividends declared per share	\$2.04	\$1.90	\$1.88	\$1.69	\$1.60
Weighted average shares outstanding	8,451,316	8,103,922	7,817,321	7,604,290	7,456,489
Total Assets	\$659,936	\$615,506	\$563,702	\$561,211	\$489,423
Long-term Debt	\$206,303	\$186,374	\$184,042	\$173,764	\$177,471
Redeemable Preferred Share Investment	40,380	42,200	44,020	45,840	47,660
Common Share Investment	202,713	174,628	164,740	158,898	146,240
Total Capitalization	\$449,396	\$403,202	\$392,802	\$378,502	\$371,371

Five Year Comparison of Selected Supplementary Financial Data
Adjusted for Effects of Changing Prices (In Thousands of Average 1983 Dollars)

Year Ended December 31,	1983	1982	1981	1980	1979
Operating Revenues:					
Actual	\$619,655	\$607,081	\$563,455	\$512,535	\$386,843
Adjusted to average 1983 dollars	\$619,655	\$626,610	\$617,236	\$619,443	\$530,552
Historical Cost Information Adjusted for General Inflation—					
Income (loss) from continuing operations (excluding adjustment to net recoverable cost)	\$ 16,150	\$ (2,159)	\$ (1,118)	\$ 10,237	\$ 9,328
Income (loss) per common share (after dividend requirements on preferred stock)	\$ 1.48	\$ (.73)	\$ (.64)	\$.70	\$.66
Net assets at year-end at net recoverable cost	\$199,307	\$178,211	\$174,630	\$183,495	\$189,687
Current Cost Information—					
Income (loss) from continuing operations (excluding adjustment to net recoverable cost)	\$ 9,013	\$ (10,094)	\$ (8,915)	\$ (169)	\$ (769)
Income (loss) per common share (after dividend requirements on preferred stock)	\$.64	\$ (1.71)	\$ (1.64)	\$ (.55)	\$ (.65)
Excess of increase (decrease) in general price level over increase in specific prices after adjustment to net recoverable cost	\$ (14,928)	\$ (16,036)	\$ 5,493	\$ 23,138	\$ 35,930
Net assets at year-end at net recoverable cost	\$199,307	\$178,211	\$174,630	\$183,495	\$189,687
General Information—					
Gain from decline in purchasing power of net amounts owed	\$ 13,345	\$ 12,805	\$ 26,058	\$ 33,147	\$ 37,901
Cash dividends declared per common share	\$ 2.00	\$ 1.96	\$ 2.06	\$ 2.04	\$ 2.20
Market price per common share at year-end	\$ 19.38	\$ 18.37	\$ 15.77	\$ 16.50	\$ 18.50
Average consumer price index	298.4	289.1	272.4	246.8	217.4

Statement of Income from Continuing Operations
Adjusted for Changing Prices

For the Year Ended December 31, 1983

	Conventional Historical Cost	Constant Dollar Average 1983 Dollars	Current Cost Average 1983 Dollars
		(Dollars in Thousands)	
Operating revenues	\$619,655	\$619,655	\$619,655
Operation, maintenance and other	557,081	557,081	557,081
Depreciation	19,846	46,423	53,560
Total	576,927	603,504	610,641
Income from continuing operations (excluding reduction to net recoverable cost)	\$ 42,728	\$ 16,151*	\$ 9,014
Decrease in specific prices (current cost) of property, plant and equipment held during the year**			\$ (18,431)
Adjustment to net recoverable cost		\$ 7,791	69,387
Effect of increase in general price level			(36,028)
Excess of specific prices over the increase in general price level after adjustment to net recoverable cost			14,928
Gain from decline in purchasing power of net amounts owed		13,345	13,345
Net		\$ 21,136	\$ 28,273

* Including the adjustment to net recoverable cost, the income from continuing operations on a constant dollar basis would have been \$23,941,000 for 1983.

** At December 31, 1983, current cost of property, plant and equipment, net of accumulated depreciation was \$959,324,000 while historical cost or net cost recoverable through depreciation was \$512,037,000.

Comparative Statistical Data—1983-1974

	1983	1982	1981
Operations (Dollars in Thousands)			
Revenues	\$619,655	\$607,081	\$563,455
Operating expenses—			
Operations	479,883	491,569	453,787
Maintenance	25,780	26,371	24,410
Depreciation	19,846	18,936	18,188
Taxes	50,373	38,131	38,114
Total	575,882	575,007	534,499
Operating income	43,773	32,074	28,956
Other income	14,262	8,504	10,863
Total income	58,035	40,578	39,819
Interest charges	15,307	16,981	18,562
Net income	42,728	23,597	21,257
Preferred dividends	3,601	3,734	3,898
Earnings applicable to common shares	\$ 39,127	\$ 19,863	\$ 17,359
Sources of Consolidated Net Income—			
Electric	\$ 24,382	\$ 15,172	\$ 12,401
Gas	10,929	1,162	3,306
Steam and other	7,417	7,263	5,550
Total	\$ 42,728	\$ 23,597	\$ 21,257
Financial (Dollars in Thousands)			
Property, plant and equipment (including construction work in progress, net)	\$715,876	\$663,245	\$613,216
Accumulated depreciation	202,265	186,673	174,298
Accumulated deferred income taxes	68,570	64,328	61,656
Capitalization—			
Long-term debt	\$206,303	\$186,374	\$184,042
Preferred shares	40,380	42,200	44,020
Common equity	202,713	174,626	164,740
Total	\$449,396	\$403,202	\$392,802
Statistics and Ratios			
Unit sales—(In Thousands) KWH—Retail	3,349,755	3,164,336	3,072,810
Wholesale	1,396,427	2,109,969	2,230,786
MCF—Firm	30,830	32,448	32,309
Interruptible	4,717	3,844	3,586
Capitalization ratios—			
Long-term debt	45.9%	46.2%	46.9%
Preferred shares	9.0	10.5	11.2
Common equity	45.1	43.3	41.9
Total	100.0%	100.0%	100.0%
Return on common equity	20.7%	11.7%	10.7%
Common share dividend pay-out	44.3%	77.8%	84.9%
Average price/earnings ratio	4.5	6.5	6.4
Data Per Common Share			
Earnings per share*	\$ 4.63	\$ 2.45	\$ 2.22
Dividends paid	2.00	1.88	1.84
Annual dividend rate at end of year	2.12	1.96	1.83
Book value	23.58	21.05	20.78
Common share price range—			
High	23¾	19	15⅞
Low	18⅞	13	12⅜

*Based on the weighted average number of shares outstanding.

1980	1979	1978	1977	1976	1975	1974
\$512,535	\$386,843	\$339,195	\$359,746	\$324,277	\$288,330	\$269,049
394,683	285,678	236,264	255,942	230,879	216,433	199,004
21,702	16,422	15,505	14,174	10,819	9,305	9,277
17,172	16,721	16,119	15,590	14,439	10,910	10,166
43,878	37,770	41,277	42,368	37,427	27,205	26,383
477,435	356,591	309,165	328,074	293,564	263,853	244,830
35,100	30,252	30,030	31,672	30,713	24,477	24,219
9,097	7,170	6,490	4,463	4,360	3,179	3,613
44,197	37,422	36,520	36,135	35,073	27,656	27,832
17,272	14,707	14,652	14,676	16,785	14,266	14,938
26,925	22,715	21,868	21,459	18,288	13,390	12,894
4,033	4,093	4,154	4,183	3,042	2,260	2,279
\$ 22,892	\$ 18,622	\$ 17,714	\$ 17,276	\$ 15,246	\$ 11,130	\$ 10,615
\$ 15,550	\$ 13,939	\$ 14,165	\$ 14,578	\$ 12,376	\$ 10,150	\$ 6,520
6,135	5,257	4,817	4,837	2,375	931	3,708
5,240	3,519	2,886	2,044	3,537	2,309	2,666
\$ 26,925	\$ 22,715	\$ 21,868	\$ 21,459	\$ 18,288	\$ 13,390	\$ 12,894
\$559,772	\$528,674	\$504,160	\$484,848	\$466,621	\$445,257	\$415,651
160,654	147,068	133,470	121,019	109,473	99,363	92,752
54,475	47,096	43,137	38,668	35,463	25,984	24,083
\$173,764	\$177,471	\$180,056	\$186,699	\$190,532	\$154,553	\$148,587
45,840	47,660	48,480	49,300	50,120	30,400	30,680
158,898	146,240	138,133	130,551	122,843	111,102	98,979
\$378,502	\$371,371	\$366,669	\$366,550	\$363,495	\$296,055	\$278,246
3,121,583	3,048,612	2,974,570	2,888,557	2,825,076	2,651,377	2,618,225
2,418,540	2,586,954	2,687,955	3,023,877	3,319,815	2,970,122	2,620,738
33,174	29,590	30,795	29,063	30,158	29,006	29,786
3,571	4,549	4,674	3,648	2,156	1,085	5,004
45.9%	47.8%	49.1%	50.9%	52.4%	52.2%	53.4%
12.1	12.8	13.2	13.5	13.8	10.3	11.0
42.0	39.4	37.7	35.6	33.8	37.5	35.6
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
15.0%	13.1%	13.2%	13.6%	13.0%	10.6%	10.9%
56.3%	64.1%	62.6%	60.3%	62.7%	76.4%	70.7%
4.7	6.1	6.9	7.2	6.8	6.5	6.7
\$ 3.01	\$ 2.50	\$ 2.40	\$ 2.36	\$ 2.15	\$ 1.71	\$ 1.77
1.66	1.58	1.48	1.40	1.31	1.28	1.24
1.72	1.60	1.52	1.44	1.36	1.28	1.28
20.65	19.48	18.63	17.75	16.82	16.21	16.49
16 $\frac{3}{4}$	16 $\frac{7}{8}$	18 $\frac{1}{8}$	18 $\frac{7}{8}$	16 $\frac{3}{8}$	13 $\frac{1}{2}$	15 $\frac{3}{8}$
11 $\frac{1}{4}$	13 $\frac{1}{2}$	15	15 $\frac{1}{8}$	12 $\frac{3}{4}$	8 $\frac{7}{8}$	8 $\frac{3}{4}$

System Facts

System Companies

Electric

Cambridge Electric Light Company
Canal Electric Company
Commonwealth Electric Company

Gas

Commonwealth Gas Company

Steam

COM/Energy Steam Company

Other Companies

COM/Energy Services Company (service company)
COM/Energy Acushnet Realty (leases land to Hopkinton LNG Corp.)
COM/Energy Cambridge Realty (organized to hold various system non-utility properties)
COM/Energy Realty Trust (owns and operates an office building in Cambridge with system companies as major tenants)
COM/Energy Research Park Realty (organized to develop a research complex in Cambridge)

Darvel Realty Trust (joint-owner of the Riverfront Office Park complex)

In addition, the System owns 34.5% of Algonquin Energy, Inc., whose subsidiaries are principal suppliers of natural gas and SNG to the system, and 50% of Hopkinton LNG Corp., an LNG service company.

The system has a 1.4% interest in a jointly-owned oil-fired generating unit and also owns from 2½% to 4½% interests in four joint venture nuclear power plant projects in New England (projects located in Massachusetts, Connecticut, Vermont and Maine).

Territory of Utility Operating Companies

Electric Operations—1,112 square miles covering 41 communities with population of 560,000.

Gas Operations—1,012 square miles covering 47 cities and towns (including 12 served with electricity) with population of 991,000.

Customers

Electric—287,000 (including 49,000 seasonal)

Gas—202,000

Employees and Shareholders at Year-End

Employees—2,454

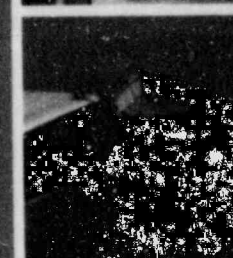
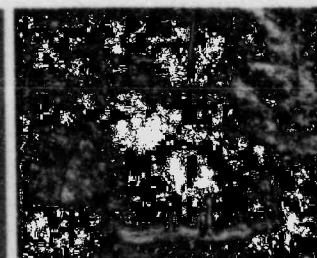
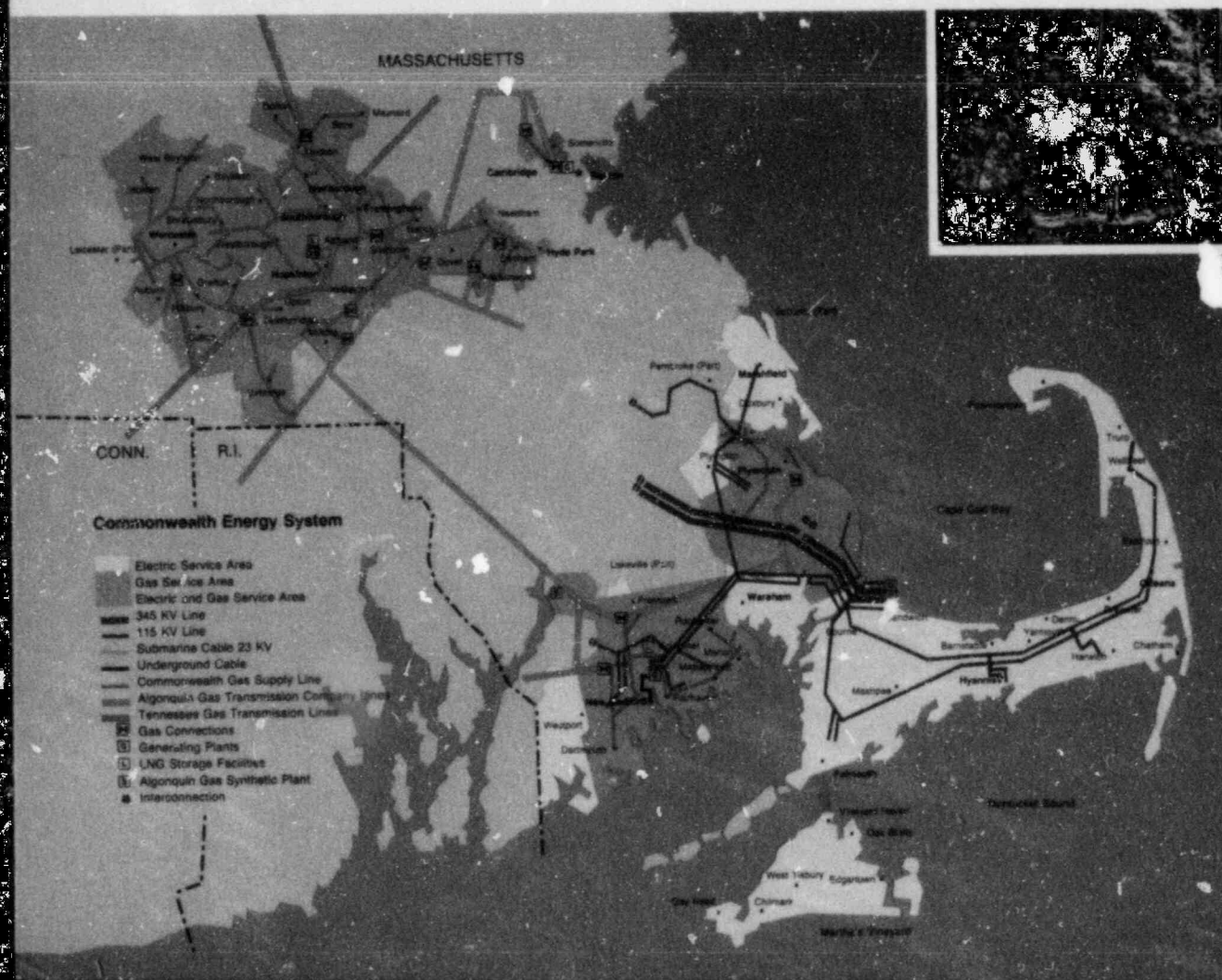
Shareholders—23,277

Electric Plant

Capability—1,260,200 KW, including capacity entitlements under power contracts with other New England utilities, a Canadian utility and 860,000 KW for Canal Electric Company of which 426,000 KW is sold to other utilities. Peak demand—665,000 KW on July 19, 1982.

Gas Plant

Distribution lines—2,377 miles
Peak day send-out—285,800 MCF on January 17, 1982



Trustees and Officers

Trustees of Commonwealth Energy System

Gerald E. Anderson, President and Chief Executive Officer of the System and its subsidiaries

- (2) **Thomas H. Bilodeau**, Partner, May, Bilodeau, Dondis & Landergan, Boston, Massachusetts (Attorneys)
- (1) **William R. Driver, Jr.**, Partner, Brown Bros., Harriman & Co., Boston, Massachusetts (Bankers)
- (1) **Haynes H. Fellows, Jr.**, formerly Vice President — Finance and Comptroller, New England Telephone and Telegraph Company, Boston, Massachusetts
- (3) **John F. Rich**, Chairman of the Board of Trustees of the System
- (1) **Calvin Siegal**, Corporate Group President — Men's Wear, Palm Beach Incorporated, New York, New York
- (3) **Robert E. Siegfried**, Chairman of the Board and Chief Executive Officer, The Badger Company, Inc., Cambridge, Massachusetts
- (2) **George P. Wadsworth**, Professor of Mathematics, Emeritus, Massachusetts Institute of Technology, Cambridge, Massachusetts
- (3) **Sinciair Weeks, Jr.**, President and Chief Executive Officer and Director, Reed & Barton Corp., Taunton, Massachusetts

- (1) Member of Audit Committee
- (2) Member of Executive Compensation Committee
- (3) Member of Nominating Committee

Form 10-K

The System files annually a report on Form 10-K with the Securities and Exchange Commission. Many of the information requirements of Form 10-K are satisfied by this 1983 Annual Report. However, a copy of Form 10-K is available upon written request addressed to Michael P. Sullivan, Vice President, Secretary and General Attorney, Commonwealth Energy System, P. O. Box 190, Cambridge, Massachusetts 02139.

The sole purpose of this report is to give present security holders information about this System and its subsidiary companies and it is not a representation, prospectus or circular in respect to any security of this System or of its subsidiary companies.

System Management

Corporate Division

- ***Gerald E. Anderson**, President and Chief Executive Officer
- William F. Burt**, Assistant to the President
- ***Earl G. Cheney**, Financial Vice President
- ***Forest W. Grumney**, Vice President — Human Resources
- ***John J. Molloy**, Vice President — Public Relations
- ***Michael P. Sullivan**, Vice President, Secretary and General Attorney
- J. James Tasillo, Jr.**, Vice President — Rates
- Walter J. Cotting**, Assistant Vice President — Information Services
- Robert S. Parker**, Treasurer
- John A. Whalen**, Comptroller

Electric Division

- ***Jeremiah V. Donovan**, Executive Vice President
- Andrew S. Griffiths**, Vice President — Administration
- Robert E. Healey**, Vice President — Human Resources
- Ronald F. MacDonald**, Vice President — Customer Services
- William R. Smith**, Vice President — Energy Supply
- Richard G. Velte**, Vice President — Facilities Development

Gas Division

- ***William G. Poist**, Executive Vice President
- Donald Johnson**, Vice President — Customer Services
- James M. Meikle**, Vice President — Administrative Services
- Harold A. Melden**, Vice President — Gas Supply
- Franklin J. Morrison**, Vice President — Facilities Development
- John R. Williams**, Vice President — Human Resources and Administration

*Member of Policy Committee

Transfer Agents and Registrars

Common Shares

Transfer Agent and Registrar:
The First National Bank of Boston

Preferred Shares — Series A, B, C
Transfer Agent: Commonwealth Energy System

Registrar: State Street Bank and Trust Company

Preferred Shares — Series D

Co-Transfer Agents: Commonwealth Energy System and
The First National Bank of Boston
Registrar: State Street Bank and Trust Company

Dividend Payments

(Paid by the System subject to declaration by Trustees)
Preferred on the 1st day of January, April, July, October
Common on the 1st day of February, May, August, November

Trustees Under Indentures of Trust

The First National Bank of Boston — The System's Bonds
Citibank, N.A. — Canal Electric Company Series B and D Bonds
State Street Bank and Trust Company — Other Subsidiary Companies'
Long-term Debt and the System's Bond Sinking Funds

Listing Affiliations

Common

New York Stock Exchange, Inc.
Boston Stock Exchange
Pacific Stock Exchange, Incorporated

Preferred — Series D

New York Stock Exchange, Inc.

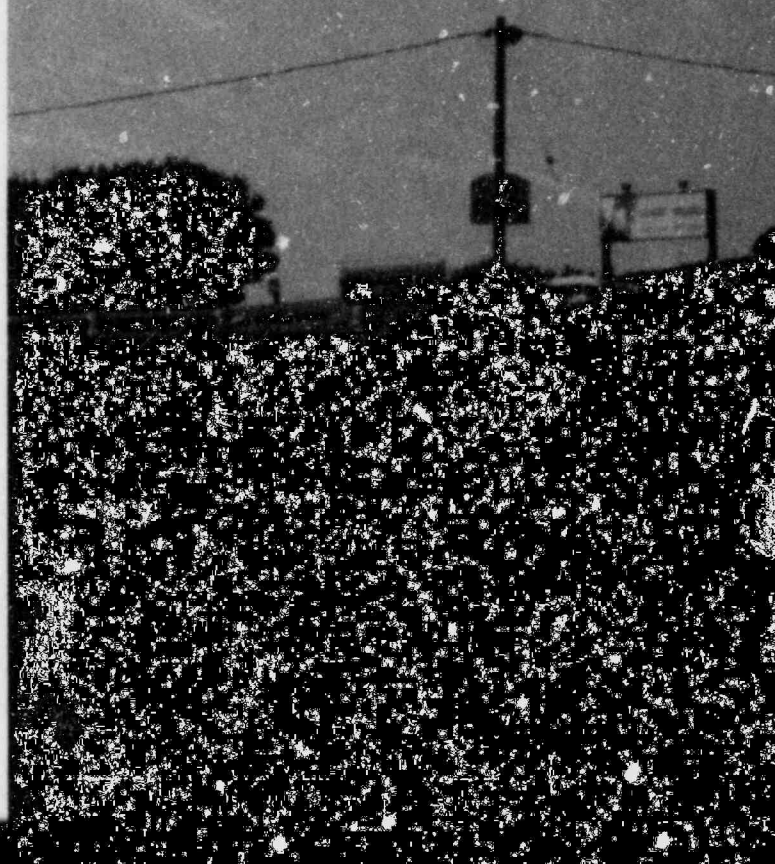
The name "Commonwealth Energy System" means the trustees for the time being (as trustees but not individually) under a Declaration of Trust dated December 31, 1926, as amended, which is hereby referred to, and a copy of which has been filed with the Secretary of The Commonwealth of Massachusetts. Any agreement, obligation or liability made, entered into or incurred by or on behalf of said System binds only the trust estate, and no shareholder, director, trustee, officer or agent assumes, or shall be held to, any liability by reason thereof.

Commonwealth Energy System

Post Office Box 190

Cambridge, Massachusetts 02139

Telephone (617) 864-3100



The Commonwealth of Massachusetts

RETURN

OF THE

.....Town.....OF

.....HUDSON LIGHT & POWER DEPARTMENT.....

TO THE

DEPARTMENT OF PUBLIC UTILITIES

OF MASSACHUSETTS

For the Year Ended December 31,

1933

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

Horst Huehmer

Official title Manager

Office address 49 Forest Ave. Hudson, Ma.

GENERAL INFORMATION.

1. Name of town (or city) making this report. Hudson, MA 01749
2. If the town (or city) has acquired a plant,
 Kind of plant, whether gas or electric. Electric
 Owner from whom purchased, if so acquired. Hudson Electric Light Company
 Date of votes to acquire a plant in accordance with the provisions of chapter 164 of the General Laws. 7/1/1891
 Record of votes: First vote: Yes, 30 ; No, 7 Second vote: Yes, 69 ; No, 11
 Date when town (or city) began to sell gas and electricity,

January 15, 1897

3. Name and address of manager of municipal lighting:

Horst Huehmer
 49 Forest Ave
 Hudson, MA 01749

4. Name and address of mayor or selectmen:

Chairman: Paul R. Boire, 10 Ridge Rd. Hudson, MA 01749
 Clerk: Albert A. Morel, Jr. 364 Main St. Hudson, MA 01749
 George McGee, 271 Cox St., Hudson, MA 01749
 Joseph J. Durant, 22 Harriman Rd. Hudson, MA 01749
 William G. Collette, 29 Maple St. Hudson, MA 01749

5. Name and address of town (or city) treasurer:

David J. O'Neil
 49 Temi Road
 Hudson, MA 01749

6. Name and address of town (or city) clerk:

Ralph Warner
 18 Riverview Street
 Hudson, MA 01749

7. Names and addresses of members of municipal light board:

Chairman: Roland L. Plante, 136 Murphy St. Hudson, MA 01749
 Clerk: Richard J. Dion, 110 Murphy St. Hudson, MA 01749
 Robert F. Wood, 14 Parkhurst Drive, Hudson, MA 01749

8. Total valuation of estates in town (or city) according to last State valuation \$ 309,000,000.00

9. Tax rate for all purposes during the year: \$ 20.03 Res.
 34.77 Com.

10. Amount of manager's salary: \$ 52,593.78

11. Amount of manager's bond: \$ 1,000.00

12. Amount of salary paid to members of municipal light board (each): \$ 500.02

FURNISH SCHEDULE OF ESTIMATES REQUIRED BY GENERAL LAWS, CHAPTER 164, SECTION 57 FOR GAS AND ELECTRIC LIGHT PLANTS FOR THE FISCAL YEAR, ENDING DECEMBER 31, NEXT.

		Ampunt.
INCOME FROM PRIVATE CONSUMERS:		
1	From sales of gas	
2	From sales of electricity	
3		13,043,400.00
4	TOTAL	13,043,400.00
EXPENSES:		
6	For operation, maintenance and repairs	11,906,000.00
7	For interest on bonds, notes or scrip	None
8	For depreciation fund (5 per cent. on \$ 11,347,368.36 as per page 9) ..	567,368.42
9	For sinking fund requirements	19,400.00
10	For note payments	None
11	For bond payments	None
12	For loss in preceding year	None
13		
14	TOTAL	12,492,768.42
COST:		
16	Of gas to be used for municipal buildings	None
17	Of gas to be used for street lights	None
18	Of electricity to be used for municipal buildings	330,000.00
19	Of electricity to be used for street lights	72,000.00
20	Total of the above items to be included in the tax levy	402,000.00
21		
22	New construction to be included in the tax levy	None
23	Total amounts to be included in the tax levy	402,000.00

CUSTOMERS

Names of the cities or towns in which the plant supplies GAS, with the number of customers' meters in each		Names of the cities or towns in which the plant supplies ELECTRICITY, with the number of customers' meters in each	
City or Town	Number of Customers' Meters, Dec. 31	City or Town	Number of Customers' Meters, Dec. 31
NOT APPLICABLE		Hudson	6405
		Stow	2005
		Berlin, Bolton, Boxboro, Harvard, Maynard, Marlboro	100
TOTAL		TOTAL	8510

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

Annual report of Year ended December 31, 1983

APPROPRIATIONS SINCE BEGINNING OF YEAR

(Include also all items charged direct to tax levy, even where no appropriation is made or required.)

FOR CONSTRUCTION OR PURCHASE OF PLANT:

*At	meeting	19	, to be paid from t	\$
*At	meeting	19	, to be paid from t	
TOTAL				\$ None

FOR THE ESTIMATED COST OF THE GAS OR ELECTRICITY TO BE USED BY THE CITY OR TOWN FOR:

1. Street lights	\$ 78,000.00
2. Municipal buildings. Amounts are included in overall appropriations	
3. for each department	
TOTAL	\$ 78,000.00

*Date of meeting and whether regular or special.

†Here insert bonds, notes or tax levy.

CHANGES IN THE PROPERTY

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

In electric property:

NONE

In gas property:

NOT APPLICABLE

BONDS (Issued on Account of Gas or Electric Lighting.)						
When Authorized*	Date of Issue	Amount of Original Issuance	Period of Payments		Interest	Amount Outstanding at End of Year
			Amounts	When Payable	Rate	When Payable
Apr. 7, 1913	Spec. June 1, 1913	\$ 9,000.00				
Mar. 4, 1918	Reg. Apr. 1, 1918	50,000.00				
June 14, 1920	Spec. Feb. 1, 1921	25,000.00				
Mar. 5, 1928	Reg. Nov. 1, 1928	40,000.00				
Nov. 29, 1954	Spec. Mar. 1, 1955	250,000.00				
Mar. 7, 1955	Reg. May 1, 1955	100,000.00				
Mar. 7, 1955	Reg. Nov. 1, 1955	150,000.00				
June 8, 1959	Spec. Aug. 1, 1959	300,000.00				
Nov. 7, 1961	Spec. July 15, 1962	450,000.00				
TOTAL		\$1,374,000.00				TOTAL
The bonds and notes outstanding at end of year should agree with the Balance Sheet. When bonds and notes are repaid report the first three columns only.						

*Date of meeting and whether regular or special.

†Last original issue of bonds and notes including those that have been ret.

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

Year ended December 31, 1983

*Date of meeting and whether regular or special.

†List original issues of bonds and notes including those that have been retired.

TOTAL COST OF PLANT. — ELECTRIC

1. Report below the cost of utility plant in service according to prescribed accounts.

2. Do not include as adjustments, corrections of additions and retirements for the current or the pre-

ceding year. Such items should be included in column (c) or (d) as appropriate.

3. Credit adjustments of plant accounts should be enclosed in parentheses to indicate the negative

effect of such accounts.

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

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)
1	1. INTANGIBLE PLANT	\$	\$	\$	\$	\$	\$
2							
3							
4							
5	2. PRODUCTION PLANT						
6	A. Steam Production						
7	310 Land and Land Rights.....						
8	311 Structures and Improvements.....						
9	312 Boiler Plant Equipment.....						
10	313 Engines and Engine Driven Generators.....						
11	314 Turbogenerator Units.....						
12	315 Accessory Electric Equipment.....						
13	316 Miscellaneous Power Plant Equipment.....						
14	Total Steam Production Plant.....						
15	B. Nuclear Production Plant						
16	320 Land and Land Rights.....	944.00					944.00
17	321 Structures and Improvements.....						
18	322 Reactor Plant Equipment.....						
19	323 Turbogenerator Units.....						
20	324 Accessory Electric Equipment.....						
21	325 Miscellaneous Power Plant Equipment.....						
22	Total Nuclear Production Plant	944.00	None	None	None	None	944.00
23							

TOTAL COST OF PLANT — ELECTRIC (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)
1	C. Hydraulic Production Plant	\$	\$	\$	\$	\$	\$
2	330 Land and Land Rights						
3	331 Structures and Improvements						
4	332 Reservoirs, Dams and Waterways						
5	333 Water Wheels, Turbines and Generators						
6	334 Accessory Electric Equipment						
7	335 Miscellaneous Power Plant Equipment						
8	336 Roads, Railroads and Bridges						
9	Total Hydraulic Production Plant	None	None	None	None	None	None
10	D. Other Production Plant						
11	340 Land and Land Rights	5,500.00					5,500.00
12	341 Structures and Improvements	332,767.70					332,767.70
13	342 Fuel Holders, Producers and Accessories	124,588.30					124,588.30
14	343 Prime Movers	2,456,445.92					2,456,445.92
15	344 Generators	287,549.94					287,549.94
16	345 Accessory Electric Equipment	832,477.01					832,477.01
17	346 Miscellaneous Power Plant Equipment	26,876.07	2,320.23				29,196.30
18	Total Other Production Plant	4,066,204.94	2,320.23				4,068,525.17
19	Total Production Plant	4,067,148.94	2,320.23				4,069,469.17
20	3. TRANSMISSION PLANT						
21	350 Land and Land Rights	53,804.14					53,804.14
22	351 Clearing Land and Rights of Way	None					None
23	352 Structures and Improvements	168,166.08					168,166.08
24	353 Station Equipment	298,288.34					298,288.34
25	354 Towers and Fixtures	None					None
26	355 Poles and Fixtures	796,839.02					796,839.02
27	356 Overhead Conductors and Devices	227,329.01					227,329.01
28	357 Underground Conduit	258.07					258.07
29	358 Underground Conductors and Devices	None					None
30	359 Roads and Trails	None					None
31	Total Transmission Plant	1,544,684.66					1,544,684.66

TOTAL COST OF PLANT (Concluded)							
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)
1	4. DISTRIBUTION PLANT	\$	\$	\$	\$	\$	\$
2	360 Land and Land Rights	None	None				None
3	361 Structures and Improvements	3,441.77	None				3,441.77
4	362 Station Equipment	397,357.87	1,572.61				398,930.48
5	363 Storage Battery Equipment	None	None				None
6	364 Poles, Towers and Fixtures	437,703.52	26,834.56				464,538.08
7	365 Overhead Conductors and Devices	1,206,288.09	137,324.82				1,343,612.91
8	366 Underground Conduit	118,295.92	12,182.80				130,478.72
9	367 Underground Conductors & Devices	276,691.37	7,848.33				284,539.70
10	368 Line Transformers	963,892.44	121,229.13	21,188.73			1,063,932.84
11	369 Services	310,236.34	21,979.12				332,215.46
12	370 Meters	322,556.85	37,208.75	5,578.75			354,186.85
13	371 Installations on Cust's Premises	None	None				None
14	372 Leased Prop. on Cust's Premises	None	None				None
15	373 Street Lighting and Signal Systems	258,691.53	7,126.91				265,818.44
16	Total Distribution Plant	4,295,155.70	373,307.03	26,767.48			4,641,695.25
17	5. GENERAL PLANT						
18	389 Land and Land Rights	None	None				None
19	390 Structures and Improvements	429,351.20	None				429,351.20
20	391 Office Furniture and Equipment	251,105.14	(5,680.53)				245,424.61
21	392 Transportation Equipment	263,660.16	159,172.00	26,344.96			396,487.20
22	393 Stores Equipment	11,255.77	None				11,255.77
23	394 Tools, Shop and Garage Equipment	10,626.63	2,440.00				13,066.63
24	395 Laboratory Equipment	19,627.53	981.50				20,609.03
25	396 Power Operated Equipment	1,138.25	711.55				1,849.80
26	397 Communication Equipment	24,321.81	1,391.19				25,713.00
27	398 Miscellaneous Equipment	3,638.18	None				3,638.18
28	399 Other Tangible Property	4,971.93	None	599.93			4,372.00
29	Total General Plant	1,019,696.60	159,015.71	26,944.89			1,151,767.42
30	Total Electric Plant in Service	10,926,685.90	534,642.97	53,712.37			11,407,616.50
31	Total Cost of Electric Plant						11,407,616.50
32	Less Cost of Land, Land Rights, Rights of Way						60,248.14
33	Total Cost upon which Depreciation is based						11,347,368.36
34							

The above figures should show the original cost of the existing property. In case any part of the property is sold or retired, the cost of such property should be deducted from the cost of the plant. The net cost of the property, less the land values, should be taken as a basis for figuring depreciation.

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

Annual report of..... Year ended December 31, 1983

COMPARATIVE BALANCE SHEET Assets and Other Debits

Line No.	Title of Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Increase or (Decrease) (d)
1	UTILITY PLANT			
2	101 Utility Plant — Electric (P. 17).....	\$4,942,990.19	\$5,391,044.35	448,054.16
3	101 Utility Plant — Gas (P. 20).....	None	None	None
4				
5	Total Utility Plant.....	4,942,990.19	5,391,044.35	448,054.16
6				
7				
8				
9				
10				
11	FUND ACCOUNTS			
12	125 Sinking Funds.....	None	None	None
13	126 Depreciation Fund (P. 14).....	1,903,394.95	1,676,762.01	(226,632.94)
14	128 Other Special Funds.....	29,226.28	56,264.36	27,038.08
15	Total Funds.....	1,932,621.23	1,733,026.37	(199,594.86)
16	CURRENT AND ACCRUED ASSETS			
17	131 Cash (P. 14).....	9,166.90	40,631.84	31,464.94
18	132 Special Deposits.....	117,743.71	133,762.20	16,018.49
19	135 Working Funds.....	200.00	300.00	100.00
20	171 Int. & Dividends Receivable.....	12,631.59	19,355.20	6,723.61
21	142 Customer Accounts Receivable.....	971,951.72	1,172,904.82	200,953.10
22	143 Other Accounts Receivable.....	15,066.33	24,357.71	9,291.38
23	146 Receivables from Municipality.....	None	29,814.36	29,814.36
24	151 Materials and Supplies (P. 14).....	908,765.30	942,102.20	33,336.90
25				
26	165 Prepayments.....	219,070.49	189,982.87	(29,087.62)
27	174 Miscellaneous Current Assets.....	452.51	182.20	(270.31)
28	Total Current and Accrued Assets.....	2,255,048.55	2,553,393.40	298,344.85
29	DEFERRED DEBITS			
30	181 Unamortized Debt Discount.....	None	None	None
31	182 Extraordinary Property Losses.....	None	None	None
32	185 Other Deferred Debits.....	34,387.96	36,489.49	2,101.53
33	Total Deferred Debits.....	34,387.96	36,489.49	2,101.53
34				
35	Total Assets and Other Debits.....	9,165,047.93	9,713,953.61	548,905.68

COMPARATIVE BALANCE SHEET Liabilities and Other Credits

Line No.	Title of Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Increase or (Decrease) (d)
1	APPROPRIATIONS			
2	201 Appropriations for Construction	None	None	None
3	SURPLUS			
4	205 Sinking Fund Reserves	None	None	None
5	206 Loans Repayment	1,925,000.00	1,925,000.00	.00
6	207 Investment by Municipality	20,093.39	20,093.39	.00
7	208 Unappropriated Earned Surplus (P. 12)....	6,743,689.71	7,411,496.35	667,806.64
8	Total Surplus	8,688,783.10	9,356,589.74	667,806.64
9	LONG TERM DEBT			
10	221 Bonds (P. 6)	None	None	None
11	231 Notes Payable (P. 7)	None	None	None
12	Total Bonds and Notes	None	None	None
13	CURRENT AND ACCRUED LIABILITIES			
14	232 Accounts Payable	284,906.11	41,656.23	(243,249.88)
15	234 Payables to Municipality	None	None	None
16	235 Customers' Deposits	117,743.71	133,762.20	16,018.49
17	236 Taxes Accrued	None	None	None
18	237 Interest Accrued	None	None	None
19	242 Miscellaneous Current and Accrued Liabilities	4,668.39	None	(4,668.39)
20	Total Current and Accrued Liabilities...	407,318.21	175,418.43	(231,899.78)
21	DEFERRED CREDITS			
22	251 Unamortized Premium on Debt	None	None	None
23	252 Customer Advances for Construction	32,400.00	34,450.00	2,050.00
24	253 Other Deferred Credits	4,276.50	115,225.32	110,948.82
25	Total Deferred Credits	36,676.50	149,675.32	112,998.82
26	RESERVES			
27	260 Reserves for Uncollectible Accounts			
28	261 Property Insurance Reserve			
29	262 Injuries and Damages Reserves			
30	263 Pensions and Benefits Reserves			
31	265 Miscellaneous Operating Reserves			
32	Total Reserves	None	None	None
33	CONTRIBUTIONS IN AID OF CONSTRUCTION			
34	271 Contributions in Aid of Construction	32,270.12	32,270.12	None
35	Total Liabilities and Other Credits	9,165,047.93	9,713,953.61	548,905.68

State below if any earnings of the municipal lighting plant have been used for any purpose other than discharging indebtedness of the plant, the purpose for which used and the amount thereof.

PAID TO THE TOWN OF HUDSON \$175,000.00

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

Annual report of.....Year ended December 31, 1983

STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a)	Total	
		Current Year (b)	Increase or (Decrease) from Preceding Year (c)
1	OPERATING INCOME		
2	400 Operating Revenues (P. 37 and 43)	11,375,003.72	1,677,342.50
3	Operating Expenses:		
4	401 Operation Expense (P. 42 and 47)	9,801,703.05	1,561,433.65
5	402 Maintenance Expense (P. 42 and 47)	343,417.29	1,074.57
6	403 Depreciation Expense	543,321.88	11,294.9
7	407 Amortization of Property Losses	None	None
8			
9	408 Taxes (P. 49)	6,580.03	1,771.92
10	Total Operating Expenses	10,695,022.25	1,575,574.73
11	Operating Income	679,981.47	101,767.77
12	414 Other Utility Operating Income (P. 50)		
13		None	None
14	Total Operating Income	679,981.47	101,767.77
15	OTHER INCOME		
16	415 Income from Merchandising, Jobbing and Contract Work (P. 51)	836.72	(122.07)
17	419 Interest Income	163,776.72	(52,004.83)
18	421 Miscellaneous Nonoperating Income	None	None
19	Total Other Income	164,613.44	(52,126.90)
20	Total Income	844,594.91	49,640.87
21	MISCELLANEOUS INCOME DEDUCTIONS		
22	425 Miscellaneous Amortization	None	None
23	426 Other Income Deductions	None	None
24	Total Income Deductions	None	None
25	Income Before Interest Charges	844,594.91	49,640.87
26	INTEREST CHARGES		
27	427 Interest on Bonds and Notes	None	None
28	428 Amortization of Debt Discount and Expense	None	None
29	429 Amortization of Premium on Debt — Credit	None	None
30	431 Other Interest Expense	1,788.27	(461.18)
31	432 Interest Charged to Construction — Credit		
32	Total Interest Charges	1,788.27	(461.18)
33	NET INCOME	842,806.64	50,102.05

EARNED SURPLUS

Line No.	(a)	Debits (b)	Credits (c)
34	208 Unappropriated Earned Surplus (at beginning of period)		6,743,689.71
35			
36			
37	433 Balance Transferred from Income		842,806.64
38	434 Miscellaneous Credits to Surplus (P. 21)		
39	435 Miscellaneous Debits to Surplus (P. 21)		
40	436 Appropriations of Surplus (P. 21)	175,000.00	
41	437 Surplus Applied to Depreciation		
42	208 Unappropriated Earned Surplus (at end of period)	7,411,496.35	
43			
44	TOTALS	7,586,496.35	7,586,496.35

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

13

Annual report of.....Year ended December 31, 1973.

STATEMENT OF INCOME FOR THE YEAR

Electric		Gas		Line No.
Current Year (d)	Increase or (Decrease) from Preceding Year (e)	Current Year (f)	Increase or (Decrease) from Preceding Year (g)	
				1
				2
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				33

Annual report of.....

CASH BALANCES AT END OF YEAR (Account 131)		
Line No.	Items (a)	Amount (b)
1	Operation Fund.....	40,631.84
2	Interest Fund.....	None
3	Bond Fund.....	None
4	Construction Fund....(128).....	36,710.48
5	Miscellaneous Cash (128)	19,388.48
6	Advances from Contractors (128)	165.40
7		
8		
9		
10		
11		
12	TOTAL	96,896.20

MATERIALS AND SUPPLIES (Accounts 151-159, 163)
Summary Per Balance Sheet

Line No.	Account (a)	Amount End of Year	
		Electric (b)	Gas (c)
13	Fuel (Account 151) (See Schedule, Page 25).....	739,987.42	
14	Fuel Stock Expenses (Account 152).....		
15	Residuals (Account 153).....		
16	Plant Materials and Operating Supplies (Account 154).....	202,114.78	
17	Merchandise (Account 155).....		
18	Other Materials and Supplies (Account 156).....		
19	Nuclear Fuel Assemblies and Components — In Reactor (Account 157)...		
20	Nuclear Fuel Assemblies and Components — Stock Account (Account 158)		
21	Nuclear Byproduct Materials (Account 159).....		
22	Stores Expense (Account 163).....		
23	Total Per Balance Sheet \$.....	942,102.20	NOT APPLICABLE

DEPRECIATION FUND ACCOUNT (Account 136)

Line No.	(a)	Amount (b)
24	DEBITS	
25	Balance of account at beginning of year.....	1,903,394.95
26	Income during year from balance on deposit.....	145,476.37
27	Amount transferred from income.....	543,321.88
28	Reimbursement for Plant Sold or Damaged.....	40,939.09
29	TOTAL	2,633,132.29
30	CREDITS	
31	Amount expended for construction purposes (Sec. 57, C. 164 of G.L.).....	956,370.28
32	Amounts expended for renewals, viz.:—	
33		
34		
35		
36		
37		
38		
39	Balance on hand at end of year.....	1,676,762.01
40	TOTAL	2,633,132.29

UTILITY PLANT — ELECTRIC

1. Report below the items of utility plant in service according to prescribed accounts.

2. Do not include as adjustments, corrections of additions and retirements for the current or the pre-

ceding year. Such items should be included in column (c).

3. Credit adjustments of plant accounts should be enclosed in parentheses to indicate the negative

effect of such amounts.

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

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Depreciation (d)	Other Credits (e)	Adjustments Transfers (f)	Balance End of Year (g)
1	1. INTANGIBLE PLANT	\$	\$	\$	\$	\$	\$
2							
3							
4							
5	2. PRODUCTION PLANT						
6	A. Steam Production						
7	310 Land and Land Rights						
8	311 Structures and Improvements						
9	312 Boiler Plant Equipment						
10	313 Engines and Engine Driven Generators						
11	314 Turbogenerator Units						
12	315 Accessory Electric Equipment						
13	316 Miscellaneous Power Plant Equipment						
14	Total Steam Production Plant						
15	B. Nuclear Production Plant						
16	320 Land and Land Rights	944.00					944.00
17	321 Structures and Improvements						
18	322 Reactor Plant Equipment						
19	323 Turbogenerator Units						
20	324 Accessory Electric Equipment						
21	325 Miscellaneous Power Plant Equipment						
22	Total Nuclear Production Plant	944.00	None	None	None	None	944.00
23							

Annual report of

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

Year ended December 31, 1983

UTILITY PLANT — ELECTRIC (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Depreciation (d)	Other Credits (e)	Adjustments Transfers (f)	Balance End of Year (g)
1	C. Hydraulic Production Plant	\$	\$	\$	\$	\$	\$
2	330 Land and Land Rights						
3	331 Structures and Improvements						
4	332 Reservoirs, Dams and Waterways						
5	333 Water Wheels, Turbines and Generators						
6	334 Accessory Electric Equipment						
7	335 Miscellaneous Power Plant Equipment						
8	336 Roads, Railroads and Bridges						
9	Total Hydraulic Production Plant	None	None	None	None	None	None
10	D. Other Production Plant						
11	340 Land and Land Rights	5,500.00	None	None	None	None	5,500.00
12	341 Structures and Improvements	25,487.11		4,159.59			21,327.52
13	342 Fuel Holders, Producers and Accessories	21,197.84		3,114.71			18,083.13
14	343 Prime Movers	415,494.97		122,822.96			292,672.01
15	344 Generators	34,279.08		3,594.38			30,684.70
16	345 Accessory Electric Equipment	100,846.88		20,811.93			80,034.95
17	346 Miscellaneous Power Plant Equipment	8,300.13	2,320.23	1,393.80			9,226.56
18	Total Other Production Plant ..	611,106.01	2,320.23	155,897.37			457,528.87
19	Total Production Plant	612,050.01	2,320.23	155,897.37	None	None	458,472.87
20	3. TRANSMISSION PLANT						
21	350 Land and Land Rights	53,804.14	None	None	None	None	53,804.14
22	351 Clearing Land and Rights of Way	21,760.28		4,204.15			17,556.13
23	352 Structures and Improvements	69,151.74		8,408.30			60,743.44
24	353 Station Equipment	75,031.14		14,913.87			60,117.27
25	354 Towers and Fixtures	None		None			None
26	355 Poles and Fixtures	354,684.60		82,776.21			271,908.39
27	356 Overhead Conductors and Devices	128,906.79		11,366.45			117,540.34
28	357 Underground Conduit	184.00		12.90			171.10
29	358 Underground Conductors and Devices	None		None			None
30	359 Roads and Trails	None		None			None
31	Total Transmission Plant	703,522.69	None	121,681.88	None	None	581,840.81

UTILITY PLANT — ELECTRIC (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Depreciation (d)	Other Credits (e)	Adjustments Transfers (f)	Balance End of Year (g)
1	4. DISTRIBUTION PLANT	\$	\$	\$	\$	\$	\$
2	360 Land and Land Rights	None	None	None	None	None	None
3	361 Structures and Improvements	1,303.13	None	172.09	None		1,131.04
4	362 Station Equipment	227,556.31	1,572.61	19,867.89	None		209,261.03
5	363 Storage Battery Equipment	None	None	None	None		None
6	364 Poles, Towers and Fixtures	74,031.60	36,196.10	21,885.18	9,361.54		78,980.98
7	365 Overhead Conductors and Devices	330,507.77	155,269.18	60,314.40	17,944.36		407,518.19
8	366 Underground Conduit	75,502.08	14,820.03	5,914.80	2,637.23		81,770.08
9	367 Underground Conductors & Devices	197,306.28	30,630.68	13,834.57	22,782.35		191,320.04
10	368 Line Transformers	338,838.31	124,166.65	48,194.62	2,937.52		411,872.82
11	369 Services	108,628.91	22,858.54	15,511.82	879.42		115,096.21
12	370 Meters	112,757.26	41,656.53	16,127.84	4,447.78		133,838.17
13	371 Installations on Cust's Premises	None	None	None	None		None
14	372 Leased Prop. on Cust's Premises	None	None	None	None		None
15	373 Street Lighting and Signal Systems	58,861.35	7,126.91	12,934.58	None		None
16	Total Distribution Plant	1,525,293.00	434,297.23	214,757.79	60,990.20	None	1,683,842.24
17	5. GENERAL PLANT						
18	389 Land and Land Rights	None	None	None	None		None
19	390 Structures and Improvements	138,983.50	None	21,467.56	None		167,515.94
20	391 Office Furniture and Equipment	178,009.20	6,835.07	12,555.26	12,515.60		159,773.41
21	392 Transportation Equipment	102,665.36	167,522.00	13,183.01	8,350.00		248,654.35
22	393 Stores Equipment	7,223.92	None	562.79	None		6,661.13
23	394 Tools, Shop and Garage Equipment	7,124.87	2,440.00	531.33	None		9,033.54
24	395 Laboratory Equipment	16,631.52	981.50	981.38	None		16,631.64
25	396 Power Operated Equipment	880.01	711.55	56.91	None		1,534.65
26	397 Communication Equipment	9,868.95	1,391.19	1,216.10	None		10,044.04
27	398 Miscellaneous Equipment	2,343.06	None	430.50	None		1,912.56
28	399 Other Tangible Property	4,971.93			599.93		4,372.00
29	Total General Plant	518,702.32	179,881.31	50,984.84	21,465.53	None	626,133.26
30	Total Electric Plant in Service	3,359,568.02	616,498.77	543,321.88	82,455.73	None	3,350,289.18
31	104 Utility Plant Leased to Others	None	None				None
32	105 Property Held for Future Use	None	None				None
33	107 Construction Work in Progress	1,503,422.17	457,333.00	None	None	None	2,040,755.17
34	Total Utility Plant Electric	4,942,990.19	1,073,831.77	543,321.88	82,455.73	None	5,391,044.35

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

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

Line No.	Item (a)	Total Cost (b)	Kinds of Fuel and Oil			
			#2 Diesel		GAS MCF	
			Quantity (c)	Cost (d)	Quantity (e)	Cost (f)
1	On Hand Beginning of Year.....	\$ 710,958.95	1,181,961	\$ 710,958.95	None	\$ None
2	Received During Year.....	966,809.45	196,330	166,213.00	176,968	800,596.45
3	TOTAL.....	1,677,768.40	1,378,291	877,171.95	176,968	800,596.45
4	Used During Year (Note A).....	935,649.98	184,801	135,053.53	176,968	800,596.45
5						
6						
7						
8						
9						
10						
11	Sold or Transferred.....	2,131.00	2,272	2,131.00	None	None
12	TOTAL DISPOSED OF.....	937,780.98	187,073	137,184.53	176,968	800,596.45
13	BALANCE END OF YEAR.....	739,987.42	1,191,218	739,987.42	None	None
						</

Note A — Indicate specific purpose for which used, e.g., Boiler Oil, Make Oil, Generator Fuel, etc.

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

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Annual report of.....Year ended December 31, 19.83

MISCELLANEOUS NONOPERATING INCOME (Account 421)		
Line No.	Item (a)	Amount (b)
1		
2		
3		
4		
5		
6		
	TOTAL	None
OTHER INCOME DEDUCTIONS (Account 426)		
Line No.	Item (a)	Amount (b)
7		
8		
9		
10		
11		
12		
13		
14		
	TOTAL	None
MISCELLANEOUS CREDITS TO SURPLUS (Account 434)		
Line No.	Item (a)	Amount (b)
15		
16		
17		
18		
19		
20		
21		
22		
23		
	TOTAL	None
MISCELLANEOUS DEBITS TO SURPLUS (Account 435)		
Line No.	Item (a)	Amount (b)
24		
25		
26		
27		
28		
29		
30		
31		
32		
	TOTAL	None
APPROPRIATIONS OF SURPLUS (Account 436)		
Line No.	Item (a)	Amount (b)
33	TRANSFERRED TO TOWN TREASURY	175,000.00
34		
35		
36		
37		
38		
39		
40		
	TOTAL	175,000.00

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

Annual report of..... Year ended December 31, 19-83

MUNICIPAL REVENUES (Accounts 482, 444)
(K.W.H. sold under the provisions of Chapter 265, Acts of 1927)

Line No.	Acc't No.	Gas Schedule (a)	Cubic Feet (b)	Revenue Received (c)	Average Revenue per M.C.F. (0.0000) (d)
1	482	NOT APPLICABLE			
2					
3					
4					
		TOTALS			
		Electric Schedule (a)	K.W.H. (b)	Revenue Received (c)	Average Revenue per K.W.H. (cents) (0.0000) (d)
5	444	Municipal: (Other than Street Lighting)			
6		All Electric	5,578,800	\$ 337,684.36	6.0530
7		Power	3,578,471	265,051.31	7.4068
8		Commercial	300,935	28,546.01	9.4858
9		Yard Lighting	21,025	2,035.35	9.6806
10					
11		TOTALS	9,479,231	\$ 633,317.03	6.6811
12					
13		Street Lighting: Town of Hudson	1,066,900	\$ 66,064.57	6.1922
14		Town of Stow	52,069	5,769.92	11.0813
15		Towns of Bolton & Berlin	779	92.16	11.8306
16					
17		TOTALS	1,119,748	\$ 71,926.65	6.4235
18		TOTALS	10,598,979	\$ 705,243.68	6.6539
19					

PURCHASED POWER (Account 555)

Line No.	Names of Utilities from Which Electric Energy is Purchased (a)	Where and at What Voltage Received (b)	K.W.H. (c)	Amount (d)	Cost per K.W.H. (cents) (0.0000) (e)
20	SEE PAGES 54 AND 55 FOR DETAILS				
21					
22					
23					
24					
25					
26					
27					
28					
29		TOTALS	144,580,053	6,361,317	4.3999

SALES FOR RESALE (Account 447)

Line No.	Names of Utilities to Which Electric Energy is Sold (a)	Where and at What Voltage Delivered (b)	K.W.H. (c)	Amount (d)	Revenues per K.W.H. (cents) (0.0000) (e)
30	SEE PAGES 52 AND 53 FOR DETAILS				
31					
32					
33					
34					
35					
36					
37					
38					
39		TOTALS	321,717	20,639	6.4153

ELECTRIC OPERATING REVENUES (Account 400)

1. Report below the amount of operating revenue for the year for each prescribed account and the amount of increase or decrease over the preceding year.

2. If increases and decreases are not derived from previously reported figures explain any inconsistencies.

3. Number of customers should be reported on the basis of number of meters, plus number of flat rate accounts, except that where separate meter readings are

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

4. Unmetered sales should be included below. The details of such sales should be given in a footnote.

5. Classification of Commercial and Industrial Sales, Account 442, according to Small (or Commercial) and Large (or Industrial) may be according to the basis of classification regularly used by the respondent if such basis of classification is not greater than 1000 Kw of demand. See Account 442 of the Uniform System of Accounts. Explain basis of classification.

Line No.	Account (a)	Operating Revenues		Kilowatt-hours Sold		Average Number of Customers per Month	
		Amount for Year (b)	Increase or (Decrease) from Preceding Year (c)	Amount for Year (d)	Increase or (Decrease) from Preceding Year (e)	Number for Year (f)	Increase or (Decrease) from Preceding Year (g)
1	SALES OF ELECTRICITY	\$	\$				
2	440 Residential Sales	4,090,357.34	289,582.21	56,021,185	3,371,528	7324	203
3	442 Commercial and Industrial Sales:						
4	Small (or Commercial) see instr. 5...	588,219.51	85,604.97	6,263,926	679,734	761	58
5	Large (or Industrial) see instr. 5....	5,983,251.13	1,079,757.57	93,554,385	15,578,064	163	(2)
6	444 Municipal Sales (P. 22)	705,243.68	12,866.32	10,598,979	(35,840)	86	(1)
7	445 Other Sales to Public Authorities	None	None	None	None	None	None
8	446 Sales to Railroads and Railways	None	None	None	None	None	None
9	449 Fuel Charge Adjustment	(110,625.72)	167,289.98	None	None	None	None
10	449 Miscellaneous Electric Sales	51,329.85	4,944.98	498,629	34,138	140	7
11	Total Sales to Ultimate Consumers	11,307,775.79	1,640,046.03	166,937,104	19,627,624	8474	265
12	447 Sales for Resale	20,638.76	17,882.08	321,717	298,517	1	-
13	Total Sales of Electricity*	11,328,414.55	1,657,928.11	167,258,821	19,926,141	8475	265
14	OTHER OPERATING REVENUES						
15	450 Forfeited Discounts	None					
16	451 Miscellaneous Service Revenues	None					
17	453 Sales of Water and Water Power	None					
18	454 Rent from Electric Property	17,087.27	17,087.27				
19	455 Interdepartmental Rents	None					
20	456 Other Electric Revenues... RCS	29,501.90	2,327.12				
21							
22							
23							
24							
25	Total Other Operating Revenues	46,589.17	19,414.39				
26	Total Electric Operating Revenues	11,375,003.72	1,677,342.50				

*Includes revenues from application of fuel clauses \$ 5,101,449.94

Total KWH to which applied... 165,870,204

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

Annual report of.....Year ended December 31, 1983

SALES OF ELECTRICITY TO ULTIMATE CONSUMERS

Report by account, the K.W.H. sold, the amount derived and the number of customers under each filed schedule or contract. Contract sales and unbilled sales may be reported separately in total.

Line No.	Account No.	Schedule (a)	K.W.H. (b)	Revenue (c)	Average Revenue per K.W.H. (cents) (0.0000) (d)	Number of Customers (Per Bills Rendered)	
						July 31, (e)	December 31, (f)
1	440	"A" Rate Domestic	32,036,597	2,500,379.16	7.8048	5560	5652
2	442	"C" Rate Commercial	6,161,418	581,402.99	9.4362	796	753
3	442	"D" Rate Power	93,554,385	5,983,251.13	6.3955	164	164
4	440	"E" Water Heater-Res	10,420,788	728,886.28	6.9945	1088	1079
5	440	"F" Rate All Elec.	13,563,800	861,091.90	6.3485	663	737
6	442	"G" Rate Com. Heat	102,508	6,816.52	6.6497	3	3
7	444	Street Lighting	1,119,748	71,926.65	6.4235	3	3
8	444	Municipal Sales	9,479,231	633,317.03	6.6811	85	85
9	449	Yard Lighting	498,629	51,329.85	10.2942	141	144
10	449	Fuel Charge Adj.		(110,625.72)		-	-
11							
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49	TOTAL SALES TO ULTIMATE CONSUMERS (Page 37 line 11)		166,937,104	11,307,775.79	6.7737	8503	8620

Annual report of.....Year ended December 31, 1983

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

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

Line No.	Account (a)	Amount for Year (b)	Increase or (Decrease) from Preceding Year (c)
1	POWER PRODUCTION EXPENSES	\$	\$
2	STEAM POWER GENERATION		
3	Operation:		
4	500 Operation supervision and engineering.....		
5	501 Fuel.....		
6	502 Steam expenses.....		
7	503 Steam from other sources.....		
8	504 Steam transferred — Cr.....		
9	505 Electric expenses.....		
10	506 Miscellaneous steam power expenses.....		
11	507 Rents.....		
12	Total operation.....	None	None
13	Maintenance:		
14	510 Maintenance supervision and engineering.....		
15	511 Maintenance of structures.....		
16	512 Maintenance of boiler plant.....		
17	513 Maintenance of electric plant.....		
18	514 Maintenance of miscellaneous steam plant.....		
19	Total maintenance.....	None	None
20	Total power production expenses — steam power.....	None	None
21	NUCLEAR POWER GENERATION		
22	Operation:		
23	517 Operation supervision and engineering.....		
24	518 Fuel.....		
25	519 Coolants and water.....		
26	520 Steam expenses.....		
27	521 Steam from other sources.....		
28	522 Steam transferred — Cr.....		
29	523 Electric expenses.....		
30	524 Miscellaneous nuclear power expenses.....		
31	525 Rents.....		
32	Total operation.....	None	None
33	Maintenance:		
34	528 Maintenance supervision and engineering.....		
35	529 Maintenance of structures.....		
36	530 Maintenance of reactor plant equipment.....		
37	531 Maintenance of electric plant.....		
38	532 Maintenance of miscellaneous nuclear plant.....		
39	Total maintenance.....	None	None
40	Total power production expenses—nuclear power.....	None	None
41	HYDRAULIC POWER GENERATION		
42	Operation:		
43	535 Operation supervision and engineering.....		
44	536 Water for power.....		
45	537 Hydraulic expenses.....		
46	538 Electric expenses.....		
47	539 Miscellaneous hydraulic power generation expenses.....		
48	540 Rents.....		
49	Total operation.....	None	None

ELECTRIC OPERATION AND MAINTENANCE EXPENSES — Continued

Line No.	Account (a)	Amount for Year (b)	Increase or (Decrease) from Preceding Year (c)
1	HYDRAULIC POWER GENERATION — Continued	\$	\$
2	Maintenance:		
3	541 Maintenance supervision and engineering.....		
4	542 Maintenance of structures.....		
5	543 Maintenance of reservoirs, dams and waterways.....		
6	544 Maintenance of electric plant.....		
7	545 Maintenance of miscellaneous hydraulic plant.....		
8	Total maintenance.....	None	None
9	Total power production expenses — hydraulic power.....	None	None
10	OTHER POWER GENERATION		
11	Operation:		
12	546 Operation supervision and engineering.....	13,109.56	1,545.07
13	547 Fuel.....	935,649.98	(132,205.19)
14	548 Generation expenses.....	155,719.77	408.50
15	549 Miscellaneous other power generation expenses.....	48,385.86	12,492.06
16	550 Rents.....	None	None
17	Total operation.....	1,152,865.17	(117,759.56)
18	Maintenance:		
19	551 Maintenance supervision and engineering.....	12,946.12	1,370.14
20	552 Maintenance of structures.....	15,200.86	376.67
21	553 Maintenance of generating and electric plant.....	106,738.63	(26,412.57)
22	554 Maintenance of miscellaneous other power generation plant....	2,609.12	(740.81)
23	Total maintenance.....	137,494.73	(25,406.57)
24	Total power production expenses — other power.....	1,290,359.90	(143,166.13)
25	OTHER POWER SUPPLY EXPENSES		
26	555 Purchased power.....	7,345,310.70	1,549,656.39
27	556 System control and load dispatching.....	25,067.29	8,130.84
28	557 Other expenses.....	88,615.57	(29,393.33)
29	Total other power supply expenses.....	7,458,993.56	1,528,393.90
30	Total power production expenses.....	8,749,353.46	1,385,227.77
31	TRANSMISSION EXPENSES		
32	Operation:		
33	560 Operation supervision and engineering.....	None	None
34	561 Load dispatching.....	None	None
35	562 Station expenses.....	525.94	252.29
36	563 Overhead line expenses.....	None	None
37	564 Underground line expenses.....	None	None
38	565 Transmission of electricity by others.....	324,317.42	130,242.46
39	566 Miscellaneous transmission expenses.....	None	None
40	567 Rents.....	None	None
41	Total operation.....	324,843.36	130,494.75
42	Maintenance:		
43	568 Maintenance supervision and engineering.....	None	None
44	569 Maintenance of structures.....	99.00	99.00
45	570 Maintenance of station equipment.....	422.45	256.39
46	571 Maintenance of overhead lines.....	818.85	594.85
47	572 Maintenance of underground lines.....	None	None
48	573 Maintenance of miscellaneous transmission plant.....	None	None
49	Total maintenance.....	1,340.30	950.24
50	Total transmission expenses.....	326,183.66	131,444.99

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Year ended December 31, 19..83

ELECTRIC OPERATION AND MAINTENANCE EXPENSES — Continued

Line No.	Account (a)	Amount for Year (b)	Increase or (Decrease) from Preceding Year (c)
1	DISTRIBUTION EXPENSES	\$	\$
2	Operation:		
3	580 Operation supervision and engineering.....	14,961.09	2,124.15
4	581 Load dispatching.....	None	None
5	582 Station expenses.....	1,862.76	1,862.76
6	583 Overhead line expenses.....	16,455.18	13,846.51
7	584 Underground line expenses.....	284.71	248.11
8	585 Street lighting and signal system expenses.....	5,601.54	529.91
9	586 Meter expenses.....	12,960.26	(54.78)
10	587 Customer installations expenses.....	4,824.99	(4,559.34)
11	588 Miscellaneous distribution expenses.....	7,405.13	3,510.76
12	589 Rents.....	None	None
13	Total operation.....	64,355.66	17,508.08
14	Maintenance:		
15	590 Maintenance supervision and engineering.....	14,830.23	2,071.63
16	591 Maintenance of structures.....	None	None
17	592 Maintenance of station equipment.....	None	None
18	593 Maintenance of overhead lines.....	127,653.56	8,949.68
19	594 Maintenance of underground lines.....	3,987.30	184.05
20	595 Maintenance of line transformers.....	3,373.51	14.65
21	596 Maintenance of street lighting and signal systems.....	14,792.40	8,525.34
22	597 Maintenance of meters.....	1,305.19	690.39
23	598 Maintenance of miscellaneous distribution plant.....	None	None
24	Total maintenance.....	165,942.21	20,435.74
25	Total distribution expenses.....	230,297.87	37,943.82
26	CUSTOMER ACCOUNTS EXPENSES		
27	Operation:		
28	901 Supervision.....	7,197.11	1,554.54
29	902 Meter reading expenses.....	31,841.51	4,128.30
30	903 Customer records and collection expenses.....	85,938.36	(466.77)
31	904 Uncollectible accounts.....	12,780.17	1,248.13
32	905 Miscellaneous customer accounts expenses.....	None	None
33	Total customer accounts expenses.....	137,757.15	6,464.20
34	SALES EXPENSES		
35	Operation:		
36	911 Supervision.....	None	None
37	912 Demonstrating and selling expenses.....	None	None
38	913 Advertising expenses.....	285.00	240.00
39	916 Miscellaneous sales expenses.....	17,658.17	(4,808.02)
40	Total sales expenses.....	17,943.17	(4,568.02)
41	ADMINISTRATIVE AND GENERAL EXPENSES		
42	Operation:		
43	920 Administrative and general salaries.....	127,710.60	12,137.82
44	921 Office supplies and expenses.....	7,594.68	(1,920.49)
45	922 Administrative expenses transferred — Cr.....	None	None
46	923 Outside services employed.....	13,262.25	1,094.53
47	924 Property insurance.....	6,147.24	(12,688.96)
48	925 Injuries and damages.....	41,810.16	(700.85)
49	926 Employee pensions and benefits.....	387,267.53	453.75
50	928 Regulatory commission expenses.....	1,985.00	(7,344.89)
51	933 Transportation Expense.....	39,596.04	8,157.60
52	930 Miscellaneous general expenses.....	19,571.48	1,711.79
53	931 Rents.....	None	None
54	Total operation.....	644,944.98	900.30

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES — Continued

Line No.	Account (a)	Amount for Year (b)	Increase or (Decrease) from Preceding Year (c)
1	ADMINISTRATIVE AND GENERAL EXPENSES — Cont.	\$	\$
2	Maintenance:		
3	932 Maintenance of general plant	38,640.05	5,095.16
4	Total administrative and general expenses	683,585.03	5,995.46
5	Total Electric Operation and Maintenance Expenses	10,145,120.34	1,562,500.22

SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Line No.	Functional Classification (a)	Operation (b)	Maintenance (c)	Total (d)
6	Power Production Expenses	\$	\$	\$
7	Electric Generation:			
8	Steam power			
9	Nuclear power			
10	Hydraulic power			
11	Other power	1,152,856.17	137,494.73	1,290,359.90
12	Other power supply expenses	7,458,993.56	.00	7,458,993.56
13	Total power production expenses ..	8,611,858.73	137,494.73	8,749,353.46
14	Transmission Expenses	324,843.36	1,340.30	326,183.66
15	Distribution Expenses	64,355.66	165,942.21	230,297.87
16	Customer Accounts Expenses	137,757.15	.00	137,757.15
17	Sales Expenses	17,943.17	.00	17,943.17
18	Administrative and General Expenses ..	644,944.98	38,640.05	683,585.03
19	Total Electric Operation and			
20	Maintenance Expenses	9,801,703.05	343,417.29	10,145,120.34

21	Ratio of operating expenses to operating revenues (carry out decimal two places, e.g.: 0.00%) Compute by dividing Revenues (Acct. 400) into the sum of Operation and Maintenance Expenses (Page 42, line 20(d), Depreciation (Acct. 403) and Amortization (Acct. 407)	93.96 %
22	Total salaries and wages of electric department for year, including amounts charged to oper- ating expenses, construction and other accounts	\$ 766,078.65
23	Total number of employees of electric department at end of year including administrative, operating, maintenance, construction and other employees (including part time employees)	35

TAXES CHARGED DURING YEAR

1. This schedule is intended to give the account distribution of total taxes charged to operations and other final accounts during the year.

2. Do not include gasoline and other sales taxes which have been charged to accounts to which the material on which the tax was levied was charged. If the actual or estimated amounts of such taxes are known, they should be shown as a footnote and designated whether estimated or actual amounts.

3. The aggregate of each kind of tax should be listed under the appropriate heading of "Federal," "State," and "Local" in such manner that the total tax for each State and for all subdivisions can readily be ascertained.

4. The accounts to which the taxes charged were distributed should be shown in columns (c) to (h). Show both the utility department and number of account charged. For taxes charged to utility plant show the

number of the appropriate balance sheet plant account or subaccount.

5. For any tax which it was necessary to apportion to more than one utility department or account, state in a footnote the basis of apportioning such tax.

6. Do not include in this schedule entries with respect to deferred income-taxes, or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

Line No.	Kind of Tax (a)	Total Taxes Charged During Year (omit cents) (b)	Distribution of Taxes Charged (omit cents) (Show utility department where applicable and account charged)						
			Electric (Acct. 408, 409) (c)	Gas (Acct. 408, 409) (d)	(e)	(f)	(g)	(h)	(i)
1	Real Estate Taxes	6580.03	6580.03						
2									
3									
4									
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27									
28	TOTALS	6580.03	6580.03						

OTHER UTILITY OPERATING INCOME (Account 414)

Report below the particulars called for in each column.

Line No.	Property (a)	Amount of Investment (b)	Amount of Revenue (c)	Amount of Operating Expenses (d)	Gain or (Loss) from Operation (e)
1					
2					
3					
4					
5					
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16					
17					
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19		NONE			
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48					
49					
50					
51	TOTALS				

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

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INCOME FROM MERCHANDISING, JOBBING, AND CONTRACT WORK (Account 415)

Report by utility departments the revenues, costs, expenses and net income from merchandising, jobbing, and contract work during year.

Line No.	Item (a)	Electric Department (b)	Gas Department (c)	Other Utility Department (d)	Total (e)
1	Revenues:	\$	\$	\$	\$
2	Merchandise sales, less discounts,				
3	allowances and returns.....	836.72			836.72
4	Contract work.....				
5	Commissions.....				
6	Other (list according to major classes).....				
7					
8					
9					
10	Total Revenues.....	836.72			836.72
11					
12					
13	Costs and Expenses:				
14	Cost of sales (list according to major				
15	classes of cost).....				
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26	Sales expenses.....				
27	Customer accounts expenses.....				
28	Administrative and general expenses.....				
29					
30					
31					
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33					
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44					
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47					
48					
49					
50	TOTAL COSTS AND EXPENSES	None	None	None	None
51	Net Profit (or Loss)	836.72	None	None	836.72

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

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SALES FOR RESALE (Account 447)

1. Report sales during year to other electric utilities and to cities or other public authorities for distribution to ultimate consumers.

2. Provide subheadings and classify sales as to (1) Associated Utilities, (2) Nonassociated Utilities, (3) Municipalities, (4) R.E.A. Cooperatives, and (5) Other Public Authorities. For each sale designate statistical classification in column (b), thus: firm power, FP; dump or surplus power, DP; other, G,

and place an "x" in column (c) if sale involves export across a state line.

3. Report separately firm, dump, and other power sold to the same utility. Describe the nature of any sales classified as Other Power, column (b).

4. If delivery is made at a substation indicate ownership in column (e), thus: respondent owned or leased, RS; customer owned or leased, CS.

Line No.	Sales to (a)	Statistical Classification (b)	Export Across State Lines (c)	Point of Delivery (d)	Substation (e)	Kw or Kva of Demand (Specify Which)		
						Contract Demand (f)	Average Monthly Maximum Demand (g)	Annual Maximum Demand (h)
1	MMWEC	G		Marlboro-Hudson		3000	NA	NA
2				Town Line				
3								
4								
5								
6								
7								
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TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

Annual report of.....Year ended December 31, 1983

SALES FOR RESALE (Account 447) — Continued

5. If a fixed number of kilowatts of maximum demand is specified in the power contract as a basis of billings to the customer this number should be shown in column (f). The number of kilowatts of maximum demand to be shown in column (g) and (h) should be actual based on monthly readings and should be furnished whether or not used in the determination of demand charges. Show in column (i) type of demand reading (instantaneous, 15, 30, or 60 minutes integrated).

6. The number of kilowatt-hours sold should be the quantities shown by the bills rendered to the purchasers.

7. Explain any amounts entered in column (n) such as fuel or other adjustments.

8. If a contract covers several points of delivery and small amounts of electric energy are delivered at each point, such sales may be grouped.

Type of Demand Reading (f)	Voltage at Which Delivered (d)	Kilowatt-hours (k)	Revenue (Omit Cents)				Revenue per kwh (Cents) (0.0000) (p)	Line No.
			Demand Charges (l)	Energy (m)	Other Charges (n)	Total (o)		
60 Min.	115KVA	321,717	17,434	2,554	651	20,639	6.4153	1
								2
								3
								4
								5
								6
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								41
TOTALS		321,717	17,434	2,554	651	20,639	6.4153	42

PURCHASED POWER (Account 555)

(except interchange power)

1. Report power purchased for resale during the year. Exclude from this schedule and report on page 56 particulars concerning interchange power transactions during the year.

2. Provide subheadings and classify purchases as to (1) Associated Utilities, (2) Nonassociated Utilities, (3) Associated Nonutilities, (4) Other Nonutilities, (5) Municipalities, (6) R.E.A. Cooperatives, and (7) Other Public

Authorities. For each purchase designate statistical classification in column (b), thus: firm power, FP; dump or surplus power, DP; other, O, and place an "x" in column (c) if purchase involves import across a state line.

3. Report separately firm, dump, and other power purchased from the same company. Describe the nature of any purchases classified as Other Power, column (b).

Line No.	Purchased From (a)	Statistical Classification (b)	Import Across State Lines (c)	Point of Receipt (d)	Substation (e)	Kw or Kva of Demand (Specify Which)		
						Contract Demand (f)	Average Monthly Maximum Demand (g)	Annual Maximum Demand (h)
1	NEPCO	O	X	Marlboro-Hudson		15,000	NA	NA
2	PILGRIM I B.E.	O		Line		2,500	NA	NA
3	VERMONT YANKEE	O	X			587	NA	NA
4	MAINE YANKEE	O	X			1,259	NA	NA
5	WYMAN-YARMOUTH	O	X			2,102	NA	NA
6	NEPCO-BRAYTON POINT	O				1,000	NA	NA
7	NEPCO-SALEM HARBOR	O				1,000	NA	NA
8	POINT LEPREAU	O	X			4,870	NA	NA
9	MMWEC - B.P./S. H.	O				2,600	NA	NA
10								
11								
12								
13								
14								
15								
16	POWER USED AT POWER PLANT AND							
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42								

Annual report of.....Year ended December 31, 1983

PURCHASED POWER (Account 555) — Continued

(except interchange power)

4. If receipt of power is at a substation indicate ownership in column (e), thus: respondent owned or leased, RS; seller owned or leased, SS.

5. If a fixed number of kilowatts of maximum demand is specified in the power contract as a basis of billing, this number should be shown in column (f). The number of kilowatts of maximum demand to be shown in columns (g) and (h) should be actual based on monthly readings and

should be furnished whether or not used in the determination of demand charges. Show in column (i) type of demand reading (instantaneous, 15, 30, or 60 minutes integrated).

6. The number of kilowatt hours purchased should be the quantities shown by the power bills.

7. Explain any amount entered in column (n) such as fuel or other adjustments.

Type of Demand Reading (l)	Voltage at Which Delivered (d)	Kilowatt-hours (k)	Cost of Energy (Omit Cents)				Cost per KWH (Cents) (0.0000) (e)	Line No.
			Charges (f)	Energy Charges (m)	Other Charges (n)	Total (o)		
NA	115 KV	68,365,827	1,047,096	1,781,238	85,871	2,914,205	4.2627	1
NA	115 KV	17,581,505	531,501	87,696		619,197	3.5219	2
NA	115 KV	3,196,416	82,853	23,751	18,282	124,886	3.9071	3
NA	115 KV	8,494,628	84,102	65,143	22,802	172,047	2.0254	4
NA	115 KV	4,503,474	101,517	226,834		328,351	7.2911	5
NA	115 KV	4,766,216	44,004	211,315		255,319	5.3568	6
NA	115 KV	4,006,892	44,004	174,097		218,101	5.4432	7
NA	115 KV	33,870,739	1,608,270	126,081		1,734,351	5.1205	8
NA	115 KV	455,678	3,134	20,206		23,340	5.1220	9
								10
								11
								12
								13
								14
								15
CHARGED TO	549	(661,322)			(28,480)	(28,480)		16
								17
								18
								19
								20
								21
								22
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								41
TOTALS		144,580,053	3,546,481	2,716,361	98,475	6,361,317	4.3999	42

INTERCHANGE POWER (Included in Account 555)

1. Report below the kilowatt-hours received and delivered during the year and the net charge or credit under interchange power agreements.
 2. Provide subheadings and classify interchanges as to (1) Associated Utilities, (2) Nonassociated Utilities, (3) Associated Nonutilities, (4) Other Nonutilities, (5) Municipalities, (6) R.E.A. Cooperatives, and (7) Other Public Authorities. For each interchange across a state line place an "x" in column (b).
 3. Particulars of settlements for interchange power

shall be furnished in Part B, Details of Settlement for Interchange Power. If settlement for any transaction also includes credit or debit amounts other than for increment generation expenses, show such other component amounts separately, in addition to debit or credit for increment generation expenses, and give a brief explanation of the factors and principles under which such other component amounts were determined. If such settlement represents the net of debits and credits under an interconnection, power pooling,

coordination, or other such arrangement, submit a copy of the annual summary of transactions and billings among the parties to the agreement. If the amount of settlement reported in this schedule for any transaction does not represent all of the charges and credits covered by the agreement, furnish in a footnote a description of the other debits and credits and state the amounts and accounts in which such other amounts are included for the year.

A. Summary of Interchange According to Companies and Points of Interchange

Line No.	Name of Company (a)	Interchange Across State Lines (b)	Point of Interchange (c)	Voltage at Which Interchanged (d)	Kilowatt-hours			Amount of Settlement (h)
					Received (e)	Delivered (f)	Net Difference (g)	
1	NEPEX	X	Marlboro-Hudson Line	115 KV	27,977,500	5,901,180	22,076,320	990,679.60
2	Used as station power and charged to (549)				(143,478)		(143,478)	(6,685.63)
3								
4								
5								
6								
7								
8								
9								
10								
11								
12	TOTALS				27,834,022	5,901,180	21,932,842	983,993.97

B. Details of Settlement for Interchange Power

Line No.	Name of Company (i)	Explanation (j)	Amount (k)
13	NEPEX	Energy received by H.L.&P. - Economy	1,257,769.41
14		- Scheduled Outage	137,029.78
15		- Unscheduled Outage	189.92
16		- Deficiency	284.14
17		Energy delivered by H.L. & P.	(304,277.55)
18		NEPEX savings	(112,245.87)
19		NEPEX expenses	11,929.77
20			
21	TOTAL		990,679.60

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

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Annual report of..... Year ended December 31, 1983

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, and interchanged during the year.

Line No.	Item (a)	Kilowatt-hours (b)
1	SOURCES OF ENERGY	
2	Generation (excluding station use):	
3	Steam	
4	Nuclear	
5	Hydro	
6	Other	18,737,900
7	Total generation	18,737,900
8	Purchases	144,580,053
9	Interchanges:	
	In (gross)	27,834,022
10	Out (gross)	5,901,180
11	Net (kwh)	21,932,842
12	Transmission for/by others (wheeling):	
	Received	
13	Delivered	
14	Net (kwh)	
15	TOTAL	185,250,795
16	DISPOSITION OF ENERGY	
17	Sales to ultimate consumers (including interdepartmental sales)	166,937,104
18	Sales for resale	321,717
19	Energy furnished without charge	None
20	Energy used by the company (excluding station use):	273,600
21	Electric department only	
22	Energy losses:	
23	Transmission and conversion losses	6,530,278
24	Distribution losses	8,471,496
25	Unaccounted for losses	2,716,600
26	Total energy losses	17,718,374
27	Energy losses as percent of total on line 15	%
28	TOTAL	185,250,795

MONTHLY PEAKS AND OUTPUT

1. Report hereunder the information called for pertaining to simultaneous peaks established monthly (in kilowatts) and monthly output (in kilowatt-hours) for the combined sources of electric energy of respondent.

2. Monthly peak col. (b) should be respondent's maximum kw load as measured by the sum of its coincidental net generation and purchases plus or minus net interchange, minus temporary deliveries (not interchange) of emergency power to another system. Monthly peak including such emergency deliveries should be shown in a footnote with a brief explanation as to the nature of the emergency.

3. State type of monthly peak reading (instantaneous 15, 30, or 60 minutes integrated.)

4. Monthly output should be the sum of respondent's net generation and purchases plus or minus net interchange and plus or minus net transmission or wheeling. Total for the year should agree with line 15 above.

5. If the respondent has two or more power systems not physically connected, the information called for below should be furnished for each system.

System							
Line No.	Month (a)	Monthly Peak					Monthly Output (kwh) (See Instr. 4) (g)
		Kilowatts (b)	Day of Week (c)	Day of Month (d)	Hour (e)	Type of Reading (f)	
29	January	30,500	Wednesday	19	10:00 a.m.	60 Min.	16,243,309
30	February	26,800	Friday	11	9:00 a.m.	60 Min.	14,241,871
31	March	26,900	Wednesday	30	8:00 a.m.	60 Min.	15,437,548
32	April	25,500	Tuesday	19	12:00 a.m.	60 Min.	13,845,049
33	May	25,200	Wednesday	4	12:00 a.m.	60 min.	13,700,120
34	June	31,800	Wednesday	15	2:00 p.m.	60 min.	15,087,755
35	July	30,600	Monday	18	3:00 p.m.	60 Min.	15,787,503
36	August	31,000	Monday	8	4:00 p.m.	60 Min.	16,146,297
37	September	32,700	Tuesday	6	3:00 p.m.	60 Min.	15,425,232
38	October	27,500	Wednesday	26	11:00 a.m.	60 Min.	15,516,181
39	November	28,800	Monday	14	6:00 p.m.	60 Min.	15,660,305
40	December	33,500	Tuesday	20	9:00 a.m.	60 Min.	18,159,625
41						TOTAL	185,250,795

GENERATING STATION STATISTICS (Large Stations)

(Except Nuclear, See Instruction 10)

1. Large stations for the purpose of this schedule are steam and hydro stations of 2,500 Kw* or more of installed capacity and other stations of 500 Kw* or more of installed capacity (name plate ratings). (*10,000 Kw and 2,500 Kw, respectively, if annual electric operating revenue of respondent are \$25,000,000 or more.)

2. If any plant is leased, operated under a license from the Federal Power Commission, or operated as a joint facility, indicate such facts by the use of asterisks and footnotes.

3. Specify if total plant capacity is reported in kva instead of kilowatts as called for on line 5.

4. If peak demand for 60 minutes is not available, give that which is available, specifying period.

5. If a group of employees attends more than one generating station, report on line 11 the approximate average number of employees assignable to each station.

6. If gas is used and purchased on a therm basis, the B.t.u. content of the gas should be given and the quantity of fuel consumed converted to M cu. ft.

7. Quantities of fuel consumed and the average cost per unit of fuel consumed should be consistent with charges to expense accounts 301 and

Line No.	Item (a)	Plant (b) Cherry St. Sta.	Plant (c) H.L. & P. Peaking	Plant (d)
1	Kind of plant (steam, hydro, int. comb., gas turbine)	Int. Comb.	Int. Comb.	
2	Type of plant construction (conventional, outdoor boiler, full outdoor, etc.)	Conventional	Conventional	
3	Year originally constructed	1897	1962	
4	Year last unit was installed	1972	1962	
5	Total installed capacity (maximum generator name plate ratings in kw)	17,150*	4,400	
6	Net peak demand on plant-kilowatts (60 min.)	14,000	4,200	
7	Plant hours connected to load			
8	Net continuous plant capability, kilowatts:			
9	(a) When not limited by condenser water	15,200	4,400	
10	(b) When limited by condenser water	15,200	4,400	
11	Average number of employees	11		
12	Net generation, exclusive of station use	15,094,764	3,643,136	
13	Cost of plant (omit cents):			
14	Land and land rights	5,500	None	
15	Structures and improvements	332,640	None	
16	Reservoirs, dams, and waterways	None	None	
17	Equipment costs	3,019,275	712,054	
18	Roads, railroads, and bridges	None	None	
19	Total cost	3,357,415*	712,054	
20	Cost per kw of installed capacity	\$ 207	\$ 162	
21	Production expenses: TOTAL COMBINED PLANTS			
22	Operation supervision and engineering	13,109.56		
23	Station labor	137,128.13		
24	Fuel	935,649.98		
25	Supplies and expenses, including water	66,977.50		
26	Maintenance	137,494.73		
27	Rents	None		
28	Steam from other sources	None		
29	Steam transferred—Credit	None		
30	Total production expenses	1,290,359.90		
31	Expenses per net Kwh (5 places)	.068864		
32	Fuel: Kind	#2 DIESEL NATURAL GAS		
33	Unit: (Coal-tons of 2,000 lb.) (Oil-barrels of 42 gals.) (Gas-M cu. ft.) (Nuclear, indicate)	42 Gal.	M CU. Ft.	
34	Quantity (units) of fuel consumed	4,400	176,968	
35	Average heat content of fuel (B.t.u. per lb. of coal, per gal. of oil, or per cu. ft. of gas)	140,000 BTU	910 BTU	
36	Average cost of fuel per unit, del. f.o.b. plant	\$35.5573BBL	\$4.52396 MCF	
37	Average cost of fuel per unit consumed	\$30.6940 BBL	\$4.52396 MCF	
38	Average cost of fuel consumed per million B.t.u.	\$ 5.22004	\$ 4.97139	
39	Average cost of fuel consumed per kwh net gen.	.049933		
40	Average B.t.u. per kwh net generation	9,975		
41				
42				

*LIMITED TO 16,200 BY DIESEL

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

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Annual report of..... Year ended December 31, 19.83

GENERATING STATION STATISTICS (Large Stations) — Continued (Except Nuclear, See Instruction 10)

547 as shown on line 24.

8. The items under cost of plant and production expenses represents accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production expenses, however, do not include Purchased Power, System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."

9. If any plant is equipped with combinations of steam, hydro, internal combustion engine or gas turbine equipment, each should be reported as a separate plant. However, if a gas turbine unit functions in a combined

operation with a conventional steam unit, the gas turbine should be included with the steam station.

10. If the respondent operates a nuclear power generating station submit: (a) a brief explanatory statement concerning accounting for the cost of power generated including any attribution of excess costs to research and development expense; (b) a brief explanation of the fuel accounting specifying the accounting methods and types of cost units used with respect to the various components of the fuel cost, and (c) such additional information as may be informative concerning the type of plant, kind of fuel used, and other physical and operating characteristics of the plant.

Plant (e)	Plant (f)	Plant (g)	Plant (h)	Plant (i)	Plant (j)	Line No.
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
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						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42

STEAM GENERATING STATIONS

1. Report the information called for concerning generating stations and equipment at end of year.

2. Exclude from this schedule, plant, the book cost of which is included in Account 121, Nonutility Property.

3. Designate any generating station or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of

lessor, date and term of lease, and annual rent. For any generating station, other than a leased station or portion thereof for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars as to such matters as percent ownership by respondent, name of co-owner, basis of sharing output,

Line No.	Name of Station (a)	Location of Station (b)	Boilers				
			Number and Year Installed (c)	Kind of Fuel and Method of Firing (d)	Rated Pressure in lbs. (e)	Rated Steam Temperature* (f)	Rated Max. Continuous M lbs. Steam per Hour (g)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12		NOT APPLICABLE					
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							

Note references:

*Indicate reheat boilers thusly, 1050/1000.

Annual report of..... Year ended December 31, 1983

STEAM GENERATING STATIONS — Continued

expenses or revenues, and how expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.

4. Designate any generating station or portion thereof leased to another company and give name of lessee, date and term of lease and annual rent and how determined. Specify whether lessee is an associated company.

5. Designate any plant or equipment owned, not operated, and not leased to another company. If such plant or equipment was not operated within the past year explain whether it has been retired in the books of account or what disposition of the plant or equipment and its book cost are contemplated.

Turbine-Generators*

Year Installed (h)	Type†	Steam Pressure at Throttle p.s.i.g. (j)	R.P.M. (k)	Name Plate Rating in Kilowatts		Hydrogen Pressure‡		Power Factor (p)	Voltage K.v.†† (q)	Station Capacity Maximum Name Plate Rating‡‡ (r)	Line No.
				At Minimum Hydrogen Pressure (l)	At Maximum Hydrogen Pressure (m)	Min. (n)	Max. (o)				
											1
											2
											3
											4
											5
											6
											7
											8
											9
											10
											11
											12
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											30
											31
											32
											33
											34
											35
											36
											37
				TOTALS							

Note references:

*Report cross-compound turbine-generator units on two lines — H.P. section and L.P. section.

†Indicate tandem-compound (T.C.); cross-compound (C.C.); all single casing (S.C.); topping unit (T), and noncondensing (N.C.). Show back pressures.

‡Designate air cooled generators.

††If other than 3 phase, 60 cycle, indicate other characteristic.

‡‡Should agree with column (m).

HYDROELECTRIC GENERATING STATIONS

1. Report the information called for concerning generating stations and equipment at end of year. Show associated prime movers and generators on the same line.
2. Exclude from this schedule, plant, the book cost of which is included in Account 121, Nonutility Property.
3. Designate any generating station or portion thereof for which the respondent is not the sole owner. If such

property is leased from another company, give name of lessor, date and term of lease, and annual rent. For any generating station, other than a leased station, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars as to such matters as

Line No.	Name of Station (a)	Location (b)	Name of Stream (c)	Water Wheels			
				Attended or Unattended (d)	Type of Unit* (e)	Year Installed (f)	Gross Static Head with Pond Full (g)
1							
2							
3							
4							
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37							
38							
39							

NOT APPLICABLE

*Horizontal or vertical. Also indicate type of runner — Francis (F), fixed propeller (FP), automatically adjustable propeller (AP), Impulse (I).

HYDROELECTRIC GENERATING STATIONS — Continued

percent of ownership by respondent, name of co-owner, basis of sharing output, expenses, or revenues, and how expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.

4. Designate any generating station or portion thereof leased to another company and give name of lessee, date and term of lease and annual rent and how determined.

Specify whether lessee is an associated company.

5. Designate any plant or equipment owned, not operated and not leased to another company. If such plant or equipment was not operated within the past year explain whether it has been retired in the books of account or what disposition of the plant or equipment and its book cost are contemplated.

Water Wheels — Continued			Generators						Total Installed Generating Capacity in Kilowatts (name plate ratings) (q)	Line No.
Design Head (h)	R.P.M. (l)	Maximum hp. Capacity of Unit at Design Head (d)	Year Installed (k)	Voltage (l)	Phase (m)	Fre- quency or d.c. (n)	Name Plate Rating of Unit in Kilowatts (o)	Number of Units in Station (p)		
										1
										2
										3
										4
										5
										6
										7
										8
										9
										10
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										37
										38
TOTALS										39

NOT APPLICABLE

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

Annual report of.....Year ended December 31, 1983

COMBUSTION ENGINE AND OTHER GENERATING STATIONS

(except nuclear stations)

1. Report the information called for concerning generating stations and equipment at end of year. Show associated prime movers and generators on the same line.

2. Exclude from this schedule, plant, the book cost of which is included in Account 121, Nonutility Property.

3. Designate any generating station or portion thereof for which the respondent is not the sole owner. If such

property is leased from another company, give name of lessor, date and term of lease, and annual rent. For any generating station, other than a leased station, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars as to such matters as percent owner-

Line No.	Name of Station (a)	Location of Station (b)	Prime Movers				
			Diesel or Other Type Engine (c)	Name of Maker (d)	Year Installed (e)	2 or 4 Cycle (f)	Belted or Direct Connected (g)
1	Cherry St.	Cherry St. Hudson	Diesel	American Loco.	1937	2	Direct
2	Cherry St.	Cherry St. Hudson	Diesel	Nordberg-Mfg.Co	1951	2	Direct
3	Cherry St.	Cherry St. Hudson	Diesel	Nordberg-Mfg.Co	1955	2	Direct
4	Cherry St.	Cherry St. Hudson	Diesel	Nordberg-mfg.Co	1960	2	Direct
5	Cherry St.	Cherry St. Hudson	Diesel	Cooper-Bessemer	1972	4	Direct
6							
7							
8							
9	Hudson Light						
10	Peaking Plt.	Cherry St. Hudson	Diesel	Fairbanks-Morse	1962	2	Direct
11	Hudson Light						
12	Peaking Plt.	Cherry St. Hudson	Diesel	Fairbanks-Morse	1962	2	Direct
13							
14							
15							
16							
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36							
37							
38							
39							

COMBUSTION ENGINE AND OTHER GENERATING STATIONS — Continued

(except nuclear stations)

ship by respondent, name of co-owner, basis of sharing output, expenses, or revenues, and how expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.

4. Designate any generating station or portion thereof leased to another company and give name of lessee, date and term of lease and annual rent and how determined.

Specify whether lessee is an associated company.

5. Designate any plant or equipment owned, not operated and not leased to another company. If such plant or equipment was not operated within the past year, explain whether it has been retired in the books of account or what disposition of the plant or equipment and its book cost are contemplated.

Prime Movers — Continued		Generators						Total Installed Generating Capacity In Kilowatts (name plate ratings) (p)	Line No.
Rated hp. of Unit (h)	Total Rated hp. of Station Prime Movers (i)	Year Installed (j)	Voltage (k)	Phase (l)	Frequency or d.c. (m)	Name Plate Rating of Unit In Kilowatts (n)	Number of Units In Station (o)		
1480	1480	1937	2300	3Ø	60 cyl.	1000	1	1000	1
4250	5730	1951	4160	3Ø	60 cyl.	3300	1	3000	2
5100	10830	1955	4160	3Ø	60 cyl.	4000	1	3600	3
4250	15080	1943	4160	3Ø	60 cyl.	3250	1	3000	4
7760	22840	1972	4160	3Ø	60 cyl.	5600	1	5600	5
									6
									7
									8
									9
3168	3168	1962	4160	3Ø	60 cyl.	2200	1	2200	10
									11
3168	6336	1962	4160	3Ø	60 cyl.	2200	1	2200	12
									13
									14
									15
									16
									17
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									36
									37
									38
TOTALS						21,550	7	20,600	39

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

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Annual report of.....Year ended December 31, 19.83

TRANSMISSION LINE STATISTICS

Report information concerning transmission lines as indicated below.

Line No.	Designation		Operating Voltage (c)	Type of Supporting Structure (d)	Length (Pole Miles)		Number of Circuits (g)	Size of Conductor and Material (h)
	From (a)	To (b)			On Structures of Line Designated (e)	On Structures of Another Line (f)		
1	Marl-Hudson	Forest Ave.	115KV	Steel Poles	3.2		2	336.4 MCM
2	Town Line	Substation						
3	at River St.	Hudson						ACSR
4								"Linnet"
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
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42								
43								
44								
45								
46								
47	TOTALS				3.2	None	2	

*Where other than 60 cycle, 3 phase, so indicate.

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve but one industrial or street railway customer should not be listed hereunder.
3. Substations with capacities of less than 5000 kva, except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.

4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended.
5. Show in columns (i), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by

reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses of other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Line No.	Name and Location of Substation (a)	Character of Substation (b)	Voltage			Capacity of Substation in kva (In Service) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	Conversion Apparatus and Special Equipment		
			Primary (c)	Secondary (d)	Tertiary (e)				Type of Equipment (i)	Number of Units (j)	Total Capacity (k)
1	Cherry St. Hudson, MA	Unattended Distribution	8000I	2400I	Not Brought Out	19,200	2	None	None	None	None
2			13800	4160							
3											
4											
5	Forest Ave. Hudson, MA	Unattended 13.8 Distribution & Diesel Tie Tie with NEPCO	115KV	8000I 13800	NA	80,000	2	None	None	None	None
6											
7											
8											
9											
10											
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30											
31											
32					TOTALS	99,200	4	None	None	None	None

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

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Annual report of.....Year ended December 31, 1983

STREET LAMPS CONNECTED TO SYSTEM

Line No.	City or Town (a)	Total (b)	Type							
			Incandescent		Mercury Vapor		Fluorescent		H. P. S.	
			Municipal (c)	Other (d)	Municipal (e)	Other (f)	Municipal (g)	Other (h)	Municipal (i)	Other (j)
1	Hudson	1896	473	17	1065	312	None	None	17	12
2	Stow	132	57	3	18	54	None	None	None	None
3	Berlin	1	1	None	None	None	None	None	None	None
4	Marlboro	1	None	None	None	1	None	None	None	None
5	Bolton	2	None	None	None	2	None	None	None	None
6										
7										
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48										
49										
50										
51										
52	TOTALS	2032	531	20	1083	369	None	None	17	12

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

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Annual report of..... Year ended December 31, 19..83

OVERHEAD DISTRIBUTION LINES OPERATED

Line No.		Length (Pole Miles)		
		Wood Poles	Steel Towers	Total
1	Miles — Beginning of Year	175.6		175.6
2	Added During Year	None		
3	Retired During Year			
4	Miles — End of Year	175.6		175.6
5				
6				
7				
8	Distribution System Characteristics — A.C. or D.C., phase, cycles and operating voltages for Light and Power.			
9	Primary distribution at 2400/4160Y, 4800/8300Y, 8000/13800Y volts, 60 cycle,			
10	3 phase secondary power at 600 volts, 60 cycle, 3 phase 3 wire; 480 volts 3			
11	phase, 3 wire; 277/480 volts, 3 phase 4 wire; 220 volts, 3 phase 3 or 4 wire;			
12	120/208 volts, 3 phase, 4 wire lighting, heating and air conditioning			
13	120/240 volts, 120/208 volts, 60 cycle single or three phase.			
14				
15				

ELECTRIC DISTRIBUTION SERVICES, METERS AND LINE TRANSFORMERS

Line No.	Item	Electric Services	Number of Watt hour Meters	Line Transformers	
				Number	Total Capacity (kva)
16	Number at beginning of year	6960	8909	2849	68620.5
17	Additions during year:				
18	Purchased	*****	586	94	3400.0
19	Installed	138	*****	*****	*****
20	Associated with utility plant acquired	None	None	None	None
21	Total additions	138	586	94	3400.0
22	Reductions during year:				
23	Retirements	53	220	241	2432.5
24	Associated with utility plant sold	None	None	None	None
25	Total reductions	53	220	241	2432.5
26	Number at End of Year	7045	9275	2702	69588.0
27	In stock		740	244	8690.5
28	Locked meters on customers' premises		None	None	None
29	Inactive transformers on system		None	None	None
30	In customers' use		8510	2450	60763.5
31	In company's use		25	8	134.0
32	Number at End of Year		9275	2702	69588.0

CONDUIT, UNDERGROUND CABLE AND SUBMARINE CABLE — (Distribution System)
 Report below the information called for concerning conduit, underground cable, and submarine cable at end of year.

Line No.	Designation of Underground Distribution System (a)	Miles of Conduit Bank (All Sizes and Types) (b)	Underground Cable		Submarine Cable	
			Miles* (c)	Operating Voltage (d)	Fath* (e)	Operating Voltage (f)
1	Route 495 Underpass	.1	.1	13,800		
2	Harvard Acres Estates, Stow	6.5	6.5	13,800		
3	Meadowbrook Mobile Home Park, Hudson	1.8	1.9	13,800		
4	Colburn & Margaret Circle, Hudson	.0	.2	4,800		
5	Main, Felton, Central St. Hudson	.7	.7	13,800		
6	Seven Star Lane, Stow, MA	.0	.09	4,800		
7	Forest Avenue, Hudson, MA	1.5	1.5	13,800		
8	Juniper Estates, Stow, MA	.5	.5	13,800		
9	Carriage Lane, Stow, MA	.0	.14	4,800		
10	Brigham Circle, Hudson, MA	.9	.9	13,800		
11	Rustic Lane, Hudson, MA	.0	.2	4,800		
12	Wildwood Subdivision, Stow, MA	.0	.6	13,800		
13	Birch Hill Estates, Stow, MA	3.3	3.3	13,800		
14	Appleton Drive, Hudson, MA	.1	.1	13,800		
15	Cedar Street, Hudson, MA	.03	.03	4,800		
16	Country Estates, Hudson, MA	.0	.34	4,800		
17	Deacon Benham Drive, Stow, MA	.0	.07	8,320		
18	Forest Road, Stow, MA	.0	.22	8,320		
19	Francis Circle, Stow, MA	.0	.1	4,800		
20	Karen Circle, Hudson, MA	.0	.07	8,320		
21	Main Street, Hudson, MA (Whispering Pines)	.11	.11	13,800		
22	Glen Road, Hudson, MA	.24	.24	13,800		
23	Brigham Street (Valley Park) Hudson, MA	.12	.12	13,800		
24	Brigham Street (Assabet Village) Hudson, MA	.04	.04	13,800		
25	Chapin Road, Hudson, MA	.07	.07	13,800		
26	Great Road, Stow, MA	.07	.07	13,800		
27	Cahill Taylor Road, Stow, MA	.25	.25	13,800		
28	Digital, Kane Industrial Drive, Hudson, MA	.05	.05	13,800		
29	Peter's Grove, Hudson, MA	.05	.05	13,800		
30	Johnston Way, Stow, MA	.20	.20	13,800		
31	Hudson Town Hall, Hudson, MA	.08	.08	13,800		
32						
33						
34	TOTALS	16.71	18.84		None	

*Indicate number of conductors per cable.

TOWN OF HUDSON LIGHT AND POWER DEPARTMENT

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RATE SCHEDULE INFORMATION

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

Date Effective	M.D.P.U. Number	Rate Schedule	Estimated Effect on Annual Revenues	
			Increases	Decreases
7/1/83	87	Residential Rate "A"	91,000.00	
7/1/83	88	Commercial or General Rate "C"	33,800.00	
7/1/83	89	Industrial/Power Rate "D"	379,800.00	
7/1/83	90	Residential/Water Heater Rate "E"	26,400.00	
7/1/83	91	Residential/All Electric Rate "F"	43,200.00	
7/1/83	92	Commercial All Electric Rate "G"	350.00	
7/1/83	93	Street Lighting Schedule	2,100.00	

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EXTRACTS FROM CHAPTER 164 OF THE GENERAL LAWS AS AMENDED

SECTION 56. The Mayor of a city, or the selectmen or municipal light board, if any, of a town acquiring a gas or electric plant shall appoint a manager of municipal lighting who shall, under the direction and control of the mayor, selectmen or municipal light board, if any, and subject to this chapter, have full charge of the operation and management of the plant, the manufacture and distribution of gas or electricity, the purchase of supplies, the employment of agents and servants, the method, time, price, quantity and quality of the supply, the collection of bills, and the keeping of accounts. His compensation and term of office shall be fixed in cities by the city council and in towns by the selectmen or municipal light board, if any; and, before entering upon the performance of his official duties, he shall give bond to the city or town for the faithful performance thereof in a sum and form and with sureties to the satisfaction of the mayor, selectmen or municipal light board, if any, and shall, at the end of each municipal year, render to them such detailed statement of his doings and of the business and financial matters in his charge as the department may prescribe. All moneys payable to or received by the city, town, manager or municipal light board in connection with the operation of the plant, for the sale of gas or electricity or otherwise, shall be paid to the city or town treasurer. All accounts rendered to or kept in the gas or electric plant of any city shall be subject to the inspection of the city auditor or officer having similar duties, and in towns they shall be subject to the inspection of the selectmen. The auditor or officer having similar duties, or the selectmen, may require any person presenting for settlement an account or claim against such plant to make oath before him or them, in such form as he or they may prescribe, as to the accuracy of such account or claim. The wilful making of a false oath shall be punishable as perjury. The auditor or officer having similar duties in cities, and the selectmen in towns, shall approve the payment of all bills or pay rolls of such plants before they are paid by the treasurer, and may disallow and refuse to approve for payment, in whole or in part, any claim as fraudulent, unlawful or excessive; and in that case the auditor or officer having duties, or the selectmen, shall file with the city or town treasurer a written statement of the reasons for the refusal; and the treasurer shall not pay any claim or bill so disallowed. This section shall not abridge the powers conferred on town accountants by sections fifty-five to sixty-one, inclusive, of chapter forty-one. The manager shall at any time, when required by the mayor, selectmen, municipal light board, if any, or department, make a statement to such officers of his doings, business, receipts, disbursements, balances, and of the indebtedness of the town in his department.

SECTION 57. At the beginning of each fiscal year, the manager of municipal lighting shall furnish to the mayor, selectmen or municipal light board, if any, an estimate of the income from sales of gas and electricity to private consumers during the ensuing fiscal year, and of the expense of the plant during said year, meaning the gross expenses of operation, maintenance and repair, the interest on the bonds, notes or certificates of indebtedness issued to pay for the plant, an amount for depreciation equal to three per cent of the cost of the plant exclusive of land and any water power appurtenant thereto, or such smaller or larger amount as the department may approve, the requirements of the sinking fund or debt incurred for the plant, and the loss, if any, in the operation of the plant during the preceding year, and of the costs, as defined in section 58, of the gas and electricity to be used by the town. The town shall include in its annual appropriations and in the tax levy not less than the estimated cost of the gas and electricity to be used by the town as above defined and estimated. By cost of the plant is intended the total amount expended on the plant to the beginning of the fiscal year for the purpose of establishing, purchasing, extending or enlarging the same. By loss in operation is intended the difference between the actual income from private consumers plus the appropriations for maintenance for the preceding fiscal year and the actual expense of the plant, reckoned as above, for that year in case such expense exceeded the amount of such income and appropriation. The income from sales and the money appropriated as aforesaid shall be used to pay the annual expense of the plant, defined as above, for the fiscal year, except that no part of the sum therein included for depreciation shall be used for any other purpose than renewals in excess of ordinary repairs, extensions, reconstruction, enlargements and additions. The surplus, if any, of said annual allowances for depreciation after making the above payments shall be kept as a separate fund and used for renewals other than ordinary repairs, extensions, reconstructions, enlargements and additions in succeeding years; and no debt shall be incurred under section forty for any extension, reconstruction or enlargements of the plant in excess of the amount needed therefor in addition to the amount then on hand in said depreciation fund. Said depreciation fund shall be kept and managed by the town treasurer as a separate fund, subject to appropriation by the city council or selectmen or municipal light board, if any, for the foregoing purpose. So much of said fund as the department may from time to time approve may also be used to pay notes, bonds or certificates of indebtedness issued to pay for the cost of reconstruction or renewals in excess of ordinary repairs, when such notes, bonds or certificates of indebtedness become due. All appropriations for the plant shall be either for the annual expense defined as above, or for extensions, reconstruction, enlargements or additions; and no appropriation shall be used for any purpose other than that stated in the vote making the same. No bonds, notes or certificates of indebtedness shall be issued by a town for the annual expenses as defined in this section.

SECTION 58. A town manufacturing or selling gas or electricity for lighting shall keep records of its work and doings at its manufacturing station, and in respect to its distributing plant, as may be required by the department. It shall install and maintain apparatus, satisfactory to the department, for the measurement and recording of the output of gas and electricity, and shall sell the same by meter to private consumers when required by the department, and, if required by it, shall measure all gas or electricity consumed by the town. The books, accounts and returns shall be made and kept in a form prescribed by the department, and the accounts shall be closed annually on the last day of the fiscal year of such town, and a balance sheet of that date shall be taken therefrom and included in the return to the department. The mayor, selectmen or municipal light board and manager shall, at any time, on request, submit said books and accounts to the inspection of the department and furnish any statement or information required by it relative to the condition, management and operation of said business. The department shall, in its annual report, describe the operation of the several municipal plants with such detail as may be necessary to disclose the financial condition and results of each plant; and shall state what towns, if any, operating a plant have failed to comply with this chapter, and what towns, if any, are selling gas or electricity with the approval of the department at less than cost. The mayor, or selectmen, or municipal light board, if any, shall annually, on or before such date as the department fixes, make a return to the department, for the preceding fiscal year, signed and sworn to by the mayor, or by a majority of the selectmen or municipal light board, if any, and by the manager, stating the financial condition of said business, the amount of authorized and existing indebtedness, a statement of income and expenses in such detail as the department may require, and a list of its salaried officers and the salary paid to each. The mayor, the selectmen or the municipal light board may direct any additional returns to be made at such time and in such detail as he or they may order. Any officer of a town manufacturing or selling gas or electricity for lighting who, being required by this section to make an annual return to the department, neglects to make such annual return shall, for the first fifteen days or portion thereof during which such neglect continues, forfeit five dollars a day; for the second fifteen days or any portion thereof, ten dollars a day; and for each day thereafter not more than fifteen dollars a day. Any such officer who unreasonably refuses or neglects to make such return shall, in addition thereto, forfeit not more than five hundred dollars. If a return is defective or appears to be erroneous, the department shall notify the officer to amend it within fifteen days. Any such officer who neglects to amend said return within the time specified, when notified to do so, shall forfeit fifteen dollars for each day during which such neglect continues. All forfeitures incurred under this section may be recovered by an information in equity brought in the supreme judicial court by the attorney general, at the relation of the department, and when so recovered shall be paid to the commonwealth.

SECTION 59. The supreme judicial court for the county where the town is situated shall have jurisdiction on petition of the department or of twenty taxable inhabitants of the town to compel the fixing of prices by the town in compliance with sections fifty-seven and fifty-eight, to prevent any town from purchasing, operating or selling a gas or electric plant in violation of any provision of this chapter, and generally to enforce compliance with the terms and provisions thereof relative to the manufacture or distribution of gas or electricity by a town.

FINANCIAL STATEMENTS AND AUDITORS' REPORT

TAUNTON MUNICIPAL LIGHTING PLANT

December 31, 1983

Alexander Grant
& COMPANY

FINANCIAL STATEMENTS AND AUDITORS' REPORT

TAUNTON MUNICIPAL LIGHTING PLANT

December 31, 1983

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Alexander Grant

& COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER FIRM

GRANT THORNTON INTERNATIONAL

Municipal Light Commission
of the City of Taunton
Taunton, Massachusetts

We have examined the balance sheet of Taunton Municipal Lighting Plant, (a department of the City of Taunton) as of December 31, 1983, and the related statements of earnings, surplus and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As discussed in note G, Taunton Municipal Lighting Plant records pension expense based on a formula determined by the Town; whereas, generally accepted accounting principles require the use of actuarial methods in determining annual pension expense.

In our opinion, except for the effect on the financial statements of the accounting policy discussed in the second paragraph, the financial statements referred to above present fairly the financial position of the Taunton Municipal Lighting Plant at December 31, 1983, and the results of its operations and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Alexander Grant & Company

Boston, Massachusetts
March 29, 1984

Taunton Municipal Lighting Plant

BALANCE SHEET

December 31, 1983

ASSETS

UTILITY PLANT - AT COST

Plant in service	\$55,767,369	
Less accumulated depreciation (note A2)	<u>25,645,067</u>	
Net utility plant in service		\$30,122,302
Construction work in progress (note D)		<u>3,030,752</u>
Total utility plant		33,153,054

DEPRECIATION FUND

Cash		3,210,200
------	--	-----------

CURRENT ASSETS

Cash (note F)		1,718,826
Customer deposits (note F)		
Principal fund		168,358
Interest fund		28,984
Accounts receivable	5,709,825	
Less allowance for doubtful receivables	<u>569,426</u>	5,140,399

Materials and supplies inventory (note A4)	2,707,348
Prepaid insurance	<u>36,549</u>

Total current assets	<u>9,800,464</u>
	<u><u>\$46,163,718</u></u>

The accompanying notes are an integral part of this statement.

LIABILITIES AND SURPLUS

SURPLUS

Appropriated surplus	
Loans repayment	\$10,637,000
Construction repayment	<u>32,434</u>

	10,669,434
Unappropriated surplus	<u>7,897,584</u>

Total surplus		\$18,567,018
---------------	--	--------------

LONG-TERM DEBT (note C)

Bonds payable	22,554,064
---------------	------------

Less current maturities	<u>495,000</u>
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Total long-term debt		22,059,064
----------------------	--	------------

CURRENT LIABILITIES

Accounts payable	3,151,580
Customer deposits	168,358
Current maturities of long-term debt	495,000

Accrued liabilities	
Interest	730,309

Compensated absences	930,025
Payroll	<u>62,364</u>

Total current liabilities		5,537,636
---------------------------	--	-----------

COMMITMENTS AND CONTINGENCIES

(notes D and E)

	<u><u>\$46,163,718</u></u>
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Taunton Municipal Lighting Plant

STATEMENT OF EARNINGS

Year ended December 31, 1983

Operating revenues		
Sales of electricity		
Commercial and industrial	\$14,205,987	
Residential	10,731,291	
Sales for resale (note D)	10,117,574	
Municipal	<u>1,600,197</u>	\$36,655,049
Other operating revenues		<u>78,838</u>
Total operating revenues		36,733,887
Operating expenses		
Power production	25,484,571	
Transmission and distribution	1,110,988	
Customer accounts	1,003,964	
Administrative and general	3,213,447	
Depreciation (note A2)	<u>2,173,809</u>	
Total operating expenses		<u>32,986,779</u>
Earnings from operations		3,747,108
Other income (expense)		
Gain on sale of fixed assets	128,000	
Interest income	230,703	
Interest expense on bonds	(1,751,640)	
Other	<u>27,748</u>	
Total other income (expense)		<u>(1,365,189)</u>
NET EARNINGS BEFORE PROVISION FOR PAYMENT IN LIEU OF TAXES		2,381,919
Provision for payment to the City of Taunton in lieu of taxes (note B)		<u>1,059,400</u>
EXCESS NET EARNINGS AFTER PAYMENTS TO CITY OF TAUNTON		<u>\$ 1,322,519</u>

The accompanying notes are an integral part of this statement.

Taunton Municipal Lighting Plant

STATEMENT OF SURPLUS

Year ended December 31, 1983

	Appropriated Surplus		Unappropriated Surplus
	Loans Repayment	Construction Repayment	
Balance at January 1, 1983	\$10,167,000	\$32,434	\$7,045,065
ADD OR (DEDUCT)			
Transfer from unappropriated surplus of bond payments during year	470,000		(470,000)
Excess net earnings after payments to City of Taunton	<u> </u>	<u> </u>	<u>1,322,519</u>
Balance at December 31, 1983	<u>\$10,637,000</u>	<u>\$32,434</u>	<u>\$7,897,584</u>

The accompanying notes are an integral part of this statement.

Taunton Municipal Lighting Plant
STATEMENT OF CHANGES IN FINANCIAL POSITION
Year ended December 31, 1983

Sources of working capital	
From operations	
Net earnings before payment in lieu of taxes	\$2,381,919
Charges (credits) to earnings not using (providing) working capital	
Depreciation of utility plant (note A2)	2,173,809
Amortization of bond premium	<u>(3,353)</u>
Funds from operations before payment in lieu of taxes	4,552,375
Provision for payment to City in lieu of taxes (note B)	<u>(1,059,400)</u>
Net working capital provided from operations	3,492,975
Applications of working capital	
Current maturities of long-term debt (note C)	495,000
Utility plant additions - net	2,044,179
Increase in depreciation fund	<u>667,216</u>
Total applications of working capital	<u>3,206,395</u>
INCREASE IN WORKING CAPITAL	286,580
Working capital at January 1, 1983	<u>3,976,248</u>
Working capital at December 31, 1983	<u><u>\$4,262,828</u></u>
Charges in components of working capital	
Increase (decrease) in current assets	
Cash	\$ 311,094
Customer deposits	27,253
Accounts receivable - net	875,224
Inventories	(170,846)
Prepaid insurance	<u>(78,288)</u>
	964,437
(Increase) decrease in current liabilities	
Accounts payable	(523,222)
Customer deposits	(19,145)
Current maturities of long-term debt	(25,000)
Accrued liabilities	<u>(110,490)</u>
	<u>(677,857)</u>
INCREASE IN WORKING CAPITAL	<u><u>\$ 286,580</u></u>

The accompanying notes are an integral part of this statement.

Taunton Municipal Lighting Plant

NOTES TO FINANCIAL STATEMENTS

December 31, 1983

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of Taunton Municipal Lighting Plant's ("the Plant's") significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Rates

Rates charged by the Plant are not subject to the approval of regulatory agencies. Pursuant to state laws, rates must be such that the resulting net earnings less bond payments do not exceed 8% of the cost of utility plant. During 1983, the Plant's earnings amounted to 3.5% of utility plant.

2. Depreciation

Pursuant to state laws, depreciation is calculated as a percentage of depreciable property at January 1. Depreciation was computed at 3% of the cost of depreciable property for 1982. For 1983, the Plant increased the percentage to 4% with approval from the Department of Public Utilities.

The amount transferred from the operating fund to the depreciation fund during the year was \$4,213,809.

Depreciation Fund cash is used in accordance with state laws for replacements and additions to the electric plant in service.

3. Pension Plan

Substantially all employees of the Plant are covered by a contributory pension plan administered by the City of Taunton in conformity with State Retirement Board requirements. In addition, the Lighting Plant has a separate Employees Retirement Trust for the financing of future pension premiums. At December 31, 1983, the Retirement Trust had net assets of approximately \$2,022,000. The Plant contributed approximately \$1,364,319 for pensions in 1983, which included \$700,000 to the separate Retirement Trust.

4. Inventory

Materials and supplies inventory is carried at cost, principally on the average cost and first-in, first-out methods.

Taunton Municipal Lighting Plant

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1983

NOTE B - CONTRIBUTION TO THE CITY OF TAUNTON IN LIEU OF TAXES

By vote of the Municipal Light Commission, the Plant contributed \$1,059,400 in 1983 to the City of Taunton in lieu of taxes. All contributions to the City are voted by the Municipal Light Commission and are voluntary.

NOTE C - LONG-TERM DEBT

Long-term debt at December 31, 1983, is comprised of the following:

Electric loan, Act of 1969	
Interest rate - various rates from 7% to 8.5% dated February 1, 1976.	
Interest payable February 1 and August 1. Due serially from February 1, 1977 to February 1, 2006	\$22,190,000
Unamortized premium	74,064
Electric loan, Act of 1963	
Interest rate 3.1% dated August 15, 1965. Interest payable August 15 and February 15. Due serially from August 15, 1966 to August 15, 1985	90,000
Electric loan, Act of 1963	
Interest rate 3% dated January 1, 1965. Interest payable January 1, and July 1. Due serially from January 1, 1966 to January 1, 1985	<u>200,000</u>
	22,554,064
Less current maturities	<u>495,000</u>
Total long-term debt	<u><u>\$22,059,064</u></u>

Taunton Municipal Lighting Plant

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1983

NOTE C - LONG-TERM DEBT - Continued

Annual maturities of long-term debt are:

	<u>3% Bonds</u>	<u>3.1% Bonds</u>	<u>7% - 8.5% Bonds</u>	<u>Total</u>
1984	\$100,000	\$45,000	\$ 350,000	\$ 495,000
1985	100,000	45,000	380,000	525,000
1986			410,000	410,000
1987			445,000	445,000
1988			480,000	480,000
1989-2006			20,125,000	20,125,000
Bond premium			74,064	74,064
	<u>\$200,000</u>	<u>\$90,000</u>	<u>\$22,264,064</u>	<u>\$22,554,064</u>

NOTE D - COMMITMENTS

Interconnection Agreement

The City of Taunton, acting by vote of its Municipal Lighting Plant Commission, has entered into an agreement with Montaup Electric Company ("Montaup"), dated July 31, 1970, as amended, concerning interconnection of electrical operations, purchase and sale of kilowatt capacity, and construction by Taunton of a generating unit of approximately 110 megawatt capability. The agreement is for a period of twelve years following the commencement of operations of Unit No. 9 on December 1, 1975. Under the interconnection agreement, the City agrees to sell and Montaup agrees to purchase all capacity of Unit No. 9 not utilized by the City with a maximum not to exceed 95 megawatts in the first year of operation and on a declining scale in subsequent years. It is estimated that by 1986 or 1987 Montaup will have purchased the maximum capacity allowed by law for sale to that utility. The Plant credited to sales for resale \$9,019,181 of capacity and energy charges billed to Montaup Electric Company in 1983 for its share of power under the interconnection agreement. This agreement includes a provision that Taunton will purchase 8.2163% of the capacity and associated energy from Montaup's Somerset No. 6. generating unit for the period November 1, 1978 through October 31, 1984.

Taunton Municipal Lighting Plant

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1983

NOTE D - COMMITMENTS - Continued

Entitlements

The Plant is a joint owner of the Seabrook Units 1 and 2 nuclear generating station located in Seabrook, New Hampshire. The lead participant in the project is Public Service Company of New Hampshire. The Plant's ownership share is .10034%. Expenditures of \$2,621,042 through December 31, 1983, are included in the Construction work-in-progress account. Several participants in the Seabrook Units have unsuccessfully attempted to bring about the cancellation of Unit 2. The Plant is unable to predict whether any action will be ordered by the New Hampshire Public Utilities Commission or what effect such action, or any financing difficulties of PSNH or any other participant, may have on the cost of completion of the units.

It is estimated that Unit 1 will be completed in August, 1986. The completion date of Unit 2 is uncertain at this time because of the curtailment of construction. Public Service Company's latest estimates put the cost of building Unit 1 at \$4.5 billion.

NOTE E - CONTINGENCIES

Several contractors have initiated litigation to recover additional costs alleged to have been incurred during the construction of Unit No. 9. The Lighting Plant has disputed these claims which total approximately \$282,000. Although it is not possible to determine the outcome of this litigation, management of the Lighting Plant does not anticipate that the ultimate disposition of these suits, even if adversely decided, will have a material adverse effect on earnings or financial position of the Plant since such amounts would be capitalized to the cost of Utility Plant.

NOTE F - CASH

Municipal Lighting Plant cash is in the custody of the City of Taunton Treasurer and is commingled with other city funds.

NOTE G - DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Pension expense is not recorded in accordance with generally accepted accounting principles which require, as a minimum, an annual provision equal to the total of normal cost of present employees under the plan, an amount equivalent to interest on any unfunded prior service cost, and a provision for vested benefits.

Taunton Municipal Lighting Plant

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1983

NOTE G - DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES -
Continued

Instead, the Plant's pension expense is based on the current year contributions to the City's retirement fund and the Plant's retirement trust. The contribution to the City's retirement fund is based on the projected benefits to be paid during the year, while the contribution to the retirement trust is a straight-line funding of \$350,000 per year for ten years. Due to the availability of funds, the Plant contributed \$700,000 to the retirement trust in 1983. The Plant's retirement trust is presently being actuarially viewed.

The effect on the accompanying financial statements of this departure from generally accepted accounting principles has not been determined.

SUPPLEMENTAL INFORMATION

AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Taunton Municipal Lighting Plant

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole of Taunton Municipal Lighting Plant for the year ended December 31, 1983, which are presented in the preceding section of this report. The supplemental information presented hereinafter is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the examination of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Alexander Grant & Company

Boston, Massachusetts
March 29, 1984

Taunton Municipal Lighting Plant

UTILITY PLANT

Year ended December 31, 1983

Balance
January 1,
1983

Utility plant in service

Steam production plant

Land and land rights	\$ 245,509
Structures and improvements	5,805,070
Boiler plant equipment	14,349,408
Turbo-generator units	13,755,016
Accessory electric equipment	2,528,553
Miscellaneous power plant equipment	403,816

Total steam production plant

37,087,372

Other production plant

Fuel holders, producers, and accessories	507,964
Generators	83,407
Accessory electric equipment	402,423

Total other production plant

993,794

Transmission plant

Land and land rights	217,807
Clearing land and rights of way	28,901
Structures and improvements	129,489
Station equipment	2,312,120
Towers and fixtures	859,446
Poles and fixtures	304,605
Overhead conductors and devices	308,032
Underground conduit	3,104
Underground conductors	6,113

Total transmission plant

4,169,617

Distribution plant

Land and land rights	189,056
Structures and improvements	101,704
Station equipment	1,679,872
Poles, towers and fixtures	1,904,708
Overhead conductors and devices	1,881,906
Underground conduit	1,395,539
Underground conductors and devices	1,432,135
Line transformers	1,191,756
Services	277,764
Meters	992,021
Street lighting and signal system	607,990

Total distribution plant

11,654,451

Forward

53,905,234

<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 1983</u>	<u>Accumulated Depreciation December 31, 1983</u>	<u>Net Book Value December 31, 1983</u>
		\$ 245,509		\$ 245,509
\$ 456,202		5,805,070	\$ 3,387,007	2,418,063
502,151	\$454,247	14,805,610	6,506,789	8,298,821
35,359		13,802,920	4,280,268	9,522,652
23,452		2,563,912	1,679,705	884,207
		427,268	99,268	328,000
<u>1,017,164</u>	<u>454,247</u>	<u>37,650,289</u>	<u>15,953,037</u>	<u>21,697,252</u>
		507,964	136,335	371,629
		83,407	22,333	61,074
		402,423	108,453	293,970
		<u>993,794</u>	<u>267,121</u>	<u>726,673</u>
		217,807		217,807
		28,901		28,901
		129,489	24,012	105,477
21,421		2,333,541	457,121	1,876,420
		859,446	226,691	632,755
		304,605	65,553	239,052
1,290		309,322	56,255	253,067
		3,104	625	2,479
		6,113	875	5,238
<u>22,711</u>		<u>4,192,328</u>	<u>831,132</u>	<u>3,361,196</u>
		189,056		189,056
1,637		103,341	96,953	6,388
6,200		1,686,072	1,411,796	274,276
80,187		1,984,895	1,684,935	299,960
49,860	34,459	1,897,307	895,907	1,001,400
3,142		1,398,681	1,034,255	364,426
73,963	22,770	1,483,328	869,697	613,631
36,991	58,968	1,169,779	729,120	440,659
20,921	17,907	280,778	71,810	208,968
28,161		1,020,182	679,645	340,537
15,053	2,069	620,974	338,911	282,063
<u>316,115</u>	<u>136,173</u>	<u>11,834,393</u>	<u>7,813,029</u>	<u>4,021,364</u>
<u>1,355,990</u>	<u>590,420</u>	<u>54,670,804</u>	<u>24,864,319</u>	<u>29,806,485</u>

Taunton Municipal Lighting Plant

UTILITY PLANT - CONTINUED

Year ended December 31, 1983

	Balance January 1, 1983
Forwarded	<u>\$53,905,234</u>
General plant	
Land and land rights	35,691
Structures and improvements	281,965
Office furniture and equipment	108,730
Transportation equipment	571,065
Stores equipment	1,740
Tools, shop and garage equipment	13,093
Laboratory equipment	14,888
Power operated equipment	27,271
Communication equipment	86,858
Miscellaneous equipment	<u>15,649</u>
Total general plant	<u>1,156,950</u>
Less contribution-in-aid of construction	<u> </u>
Total utility plant in service	<u>55,062,184</u>
Construction work in progress	<u>2,284,773</u>
	<u><u>\$57,346,957</u></u>

<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 1983</u>	<u>Accumulated Depreciation December 31, 1983</u>	<u>Net Book Value December 31, 1983</u>
<u>\$1,355,990</u>	<u>\$590,420</u>	<u>\$54,670,804</u>	<u>\$24,864,319</u>	<u>\$29,806,485</u>
		35,691		35,691
		281,965	238,918	43,047
15,748	2,174	122,304	61,319	60,985
	8,973	562,092	401,121	160,971
		1,740	1,740	
		13,093	13,093	
		14,888	10,897	3,991
		27,271	16,207	11,064
		86,858	24,455	62,403
		15,649	12,998	2,651
<u>15,748</u>	<u>11,147</u>	<u>1,161,551</u>	<u>780,748</u>	<u>380,803</u>
<u>(64,986)</u>		<u>(64,986)</u>		<u>(64,986)</u>
<u>1,306,752</u>	<u>601,567</u>	<u>55,767,369</u>	<u>25,645,067</u>	<u>30,122,302</u>
<u>745,979</u>		<u>3,030,752</u>		<u>3,030,752</u>
<u>\$2,052,731</u>	<u>\$601,567</u>	<u>\$58,798,121</u>	<u>\$25,645,067</u>	<u>\$33,153,054</u>

Taunton Municipal Lighting Plant

OPERATING EXPENSES

Year ended December 31, 1983

POWER PRODUCTION EXPENSES

Operation		
Supervision and engineering	\$ 223,756	
Fuel	8,462,213	
Labor and expenses	<u>815,035</u>	\$9,501,004
Maintenance		
Supervision and engineering	66,346	
Structures	39,879	
Boiler plant	633,602	
Electric plant	1,050,661	
Miscellaneous	<u>22,936</u>	1,813,424
Purchased power		<u>14,170,143</u>
Total power production expenses		25,484,571

TRANSMISSION AND DISTRIBUTION EXPENSES

Operation		
Supervision and engineering	197,605	
Labor	57,148	
Supplies and expenses	35,915	
Meter expenses	32,947	
Customer installation	1,418	
Street lighting and signal systems	28,150	
Miscellaneous	<u>143,299</u>	496,482
Maintenance		
Lines - electric	436,006	
Lines - steam	199	
Street lighting and signal systems	24,711	
Meters	50,005	
Structures and equipment	17,190	
Line transformers	20,073	
Station equipment	57,456	
Miscellaneous	<u>8,866</u>	<u>614,506</u>
Total transmission and distribution expenses		<u>1,110,988</u>
Forward		<u>26,595,559</u>

Taunton Municipal Lighting Plant

OPERATING EXPENSES - CONTINUED

Year ended December 31, 1983

Forwarded			<u>\$26,595,559</u>
CUSTOMER ACCOUNTS EXPENSES			
Operation			
Meter reading labor and expenses	\$	102,123	
Accounting and collecting expenses		483,737	
Uncollectible accounts		401,393	
Advertising expense		<u>16,711</u>	
Total customer accounts expenses			1,003,964
ADMINISTRATIVE AND GENERAL EXPENSES			
Operation			
Administrative and general salaries		291,472	
Office supplies and expenses		132,279	
Outside services employed		125,347	
Property insurance		102,755	
Injuries and damages		145,936	
Employee pensions and benefits		2,198,527	
Miscellaneous general expenses		44,127	
Transportation expenses		77,117	
Regulatory commission expense		<u>34,977</u>	
			3,152,537
Maintenance			
General plant			<u>60,910</u>
Total administrative and general expenses			3,213,447
DEPRECIATION EXPENSE			<u>2,173,809</u>
			<u>\$32,986,779</u>