

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

NEW ENGLAND GAS COMPANY  
DOCKET NO. 3690

DIRECT TESTIMONY

OF

ROBERT J. RICCITELLI

September 1, 2005

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Robert J. Riccitelli. My business address is 100 Weybosset Street,  
3 Providence, RI 02903.

4 **Q. WHAT IS YOUR POSITION AND RESPONSIBILITIES?**

5 A. I am Manager of Financial Reporting and Budgeting for the New England Gas  
6 Company ("Company"). My responsibilities include the preparation of external  
7 financial reporting, budgeting and plant accounting.

8 **Q. HAVE YOU TESTIFIED PREVIOUSLY IN THIS DOCKET?**

9 A. Yes, I supported the earnings sharing calculation for the fiscal years ended June 30,  
10 2003 and 2004.

11 **Q. ARE THERE ANY ATTACHMENTS TO YOUR TESTIMONY?**

12 A. Yes, I am sponsoring the following Attachments:

13 RJR-1 Earnings Sharing Mechanism pursuant to Order No. 17971

14 RJR-2 ADIT Calculation

15 RJR-3 Letter from New England Gas Company to Rhode Island Public  
16 Utilities Commission dated July 8, 2005

17 RJR-4 FERC Form No. 2 Annual Filing

18

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

2 A. In Docket 3401, Order No. 17381, the Commission investigated, modified and  
3 approved a base-rate settlement between the Division, The Energy Council of RI and  
4 the Company ("the Settlement Agreement") that requires the Company to file an  
5 earnings sharing calculation by September 1 of each year as part of an incentive-based  
6 Earnings Sharing Mechanism ("ESM"). The purpose of my testimony is to calculate  
7 the earnings subject to the ESM for fiscal year ("FY") ended June 30, 2005 and to  
8 calculate the adjustments to the FY2004 earnings sharing calculation in accordance  
9 with the modifications outlined by the Commission in Docket 3548 at the Open  
10 Meeting conducted on May 31, 2005.

11 **Q. HAS THE COMPANY CALCULATED THE RETURN ON EQUITY FOR THE**  
12 **FISCAL YEAR ENDED JUNE 30, 2005 AND THE BENEFIT TO**  
13 **CUSTOMERS OF THAT RETURN?**

14 A. Yes. The Settlement Agreement requires the earnings to be calculated each year based  
15 on financial results for the 12-month period ending June 30 (Section II.F.1). The  
16 determination of earnings subject to the ESM is based on a benchmark return on  
17 equity of 11.25 percent, excluding the Company's portion of non-firm margins  
18 (Section II.F.5). The earnings-sharing formula requires that any annual earnings over  
19 an 11.25 percent return on equity, up to and including 100 basis points (12.25  
20 percent), will be shared 50 percent to customers and 50 percent to the Company. Any

1 earnings in excess of a 12.25 percent return on equity will be shared 75 percent to  
2 customers and 25 percent to the Company.

3 As discussed below, the Company calculated a return on equity for the period ending  
4 June 30, 2005 of 11.39 percent (Attachment RJR-1, at page 1 of 10). Based on this  
5 return, the Company has calculated that firm-throughput customers should receive a  
6 credit through the Distribution Adjustment Charge ("DAC") totaling \$112,282 for the  
7 period November 1, 2005 through October 31, 2006.

8 **Q. HOW DID THE COMPANY CALCULATE THE RETURN ON EQUITY FOR**  
9 **PURPOSES OF THE ESM?**

10 A. The Settlement Agreement states that the return on equity will be calculated by  
11 dividing the net income available for common equity by the common equity  
12 applicable to rate base (Section II.F.1).

13 **Q. PLEASE EXPLAIN THE CALCULATION OF NET INCOME AVAILABLE**  
14 **FOR COMMON EQUITY FOR PURPOSES OF THE ESM.**

15 A. In accordance with the Settlement Agreement and Order No. 17971, the Company  
16 calculated net income available for common equity based on operating income for the  
17 twelve months ended June 30, 2005, less applicable interest and preferred dividends  
18 and adjusted to reflect established Commission ratemaking principles, including the  
19 impact of the Weather Normalization Clause (Section II.F.1).

---

1 The Company's calculation of net income available for common equity is set forth in  
2 Attachment RJR-1, at page 2. As shown, for the period ending June 30, 2005, the  
3 Company calculated net income available for common equity of \$12,084,575.

4 **Q. DID THE COMPANY MAKE ANY ADJUSTMENTS TO OPERATING**  
5 **REVENUES, EXPENSES AND/OR INTEREST CHARGES?**

6 A. Yes. The Company made the following adjustments to Operating Revenues, Expenses  
7 and/or Interest Charges:

8 (1) The Weather Normalization Clause requires the Company to return to or  
9 receive from customers an amount sufficient to provide the Company with  
10 normal weather margins around a 2 percent deadband. In fiscal 2005, winter  
11 weather was colder than normal, resulting in \$1,602,000 of margins to be  
12 returned to customers through the DAC (Testimony of Witness Czekanski, at  
13 page 10), which has the effect of reducing operating income for purposes of  
14 the earnings-sharing calculation. Accordingly, the Operating Revenues  
15 reflected on Attachment RJR-1, at page 2, line 3, include the return of revenues  
16 to customers in relation to the Weather Normalization Clause (\$1,602,000).

17 (2) The Company's portion of non-firm margins are excluded from the earnings-  
18 sharing calculation because non-firm margins in excess of the amount in base  
19 rates, or \$1,600,000, are shared 75 percent with customers and 25 percent to

---

1           the Company through a separate mechanism (Section II.H). In FY2005, the  
2           Company's portion of non-firm margins was \$372,499.

3           (3)   The Company and the Division agreed in this Docket to remove stored gas  
4           inventory from rate base and to eliminate carrying costs on stored gas  
5           inventory from revenues. This resulted in a decrease to Operating Revenues of  
6           \$2,411,480.

7           (4)   The Company excluded unbilled revenues from the earnings-sharing  
8           calculation consistent with the methodology applied in Docket 3401. This  
9           resulted in a decrease to Operating Revenues of \$2,495,940.

10          (5)   Although not specified in the Settlement Agreement, the Company excluded  
11          the effect of the FY2004 ESM over-earnings and an estimate of the FY2005  
12          ESM over-earnings for a total of \$142,653.

13          (6)   In accordance with the Settlement Agreement, the Company included the  
14          investors' share of annual net merger savings, or \$2,049,000, in operating  
15          expenses (Section II.F.3). The Company also decreased operating expenses by  
16          \$2,196,345 to reflect unbilled gas costs.

17          (7)   In accordance with Order No. 17971, the Company excluded 75 percent of the  
18          New England Division Incentive Compensation related to earnings and 100%

1 of management's safety/customer-service bonus. This resulted in a decrease to  
2 Operating Expense of \$455,803.

3 (8) The Company included the Corporate Allocation of overhead expenses, less all  
4 amounts associated with the Corporate Incentive Compensation Plan. The  
5 Company also reviewed the Corporate Allocation and determined that  
6 lobbying-related costs were not included.

7 (9) The Company decreased Gas Costs \$573,422 for the prior year DAC  
8 adjustment.

9 (10) The Company has appropriately classified the Divisional lobbying-related  
10 costs as Non-Operating and excluded these amounts from the ESM calculation.

11 (11) For accounting purposes, the Company booked all expenses relating to the  
12 mercury-release incident below the line. Therefore, these expenses are  
13 excluded from Operating Expense for the purpose of calculating the earnings  
14 sharing.

15 (12) In accordance with Order No. 17971, the Company excluded 50 percent of  
16 advertising and public relation costs relating to the promotion of the corporate  
17 public image. This resulted in a decrease in Operating Expense of \$48,721.

18 (13) For "Other Interest Expense," the Company included only those costs  
19 associated with Customer Deposits. All other charges not considered as a

1           normal part of the gas distribution business were recorded below the line and  
2           not included in the ESM Calculation.

3           (14) The Company excluded amounts relating to Contributions in Aid of  
4           Construction (“CIAC”) from the rate base.

5   **Q.   HAS THE COMPANY UPDATED ITS CALCULATION OF ACCUMULATED**  
6   **DEFERRED INCOME TAX (“ADIT”)?**

7   A.   During the FY2005 the Company’s tax department calculated deferred income taxes  
8   related to accelerated depreciation, excluding amounts booked pursuant to FAS 109  
9   for the Rhode Island portion of the New England Gas division. To perform this  
10   calculation, the Company rolled forward the ADIT balance related to depreciation (tax  
11   versus book) less FAS 109 from the time of the merger (September 30, 2000) through  
12   June 30, 2005. Attachment RJR-2 presents the roll-forward calculation. The tax  
13   depreciation amount is related to Utility Plant only and includes Bonus Depreciation.  
14   The roll-forward schedule includes the actual ADIT for the six months ended  
15   December 31, 2004 and an estimate for the six months ended June 30, 2005. An  
16   estimate was necessary since the Company changed its fiscal year from June 30 to  
17   December 31.

---

1 Q. WHAT WAS THE FEDERAL INCOME TAX RATE USED BY THE  
2 COMPANY TO CALCULATE OPERATING INCOME BEFORE INTEREST  
3 EXPENSE?

4 A. The Company calculated federal income taxes at the statutory rate of 35 percent, as  
5 shown on Attachment RJR-1 at page 3.

6 Q. HOW DID THE COMPANY CALCULATE LONG-TERM DEBT INTEREST,  
7 SHORT-TERM DEBT INTERST AND PREFERRED STOCK DIVIDENDS?

8 A. The Settlement Agreement specifies the capital structure to be used in computing the  
9 cost of capital (Section II.F.2). The imputed capital structure is as follows:

|    |                 |       |
|----|-----------------|-------|
| 10 | Short-term Debt | 8.8%  |
| 11 | Long-term Debt  | 45.7% |
| 12 | Preferred Stock | 1.9%  |
| 13 | Common Equity   | 43.6% |

14 Therefore, as shown on Attachment RJR-1, at page 4, the Company computed the cost  
15 of long-term debt by multiplying the percentage of long-term debt applicable to rate  
16 base at the cost of 7.81 percent, as stated in the Settlement Agreement (Section II.F.2).  
17 Likewise, preferred dividends were calculated by multiplying rate base applicable to  
18 preferred stock at the rate of 9.93 percent, as stated in the Settlement Agreement. The  
19 Company computed the cost of short-term debt by multiplying rate base applicable to

1 short-term debt times the 12-month average cost of short-term debt for Southern  
2 Union or 3.13 percent as calculated in Attachment RJR-1 page 10.

3 **Q. DID THE COMPANY MAKE ANY OTHER CALCULATIONS TO DERIVE**  
4 **THE TOTAL NET INCOME AVAILABLE FOR COMMON EQUITY?**

5 A. Yes. In accordance with the Settlement Agreement, the Company included funds  
6 associated with the allowance for funds used during construction in calculating  
7 operating income (Section II.F.1).

8 **Q. HOW DID THE COMPANY CALCULATE RATE BASE UNDER THE ESM?**

9 A. As required by the Settlement Agreement, average rate base for the fiscal year ending  
10 June 30, 2005 is based on a five-quarter average, as set forth in Attachment RJR-1 at  
11 page 5 (Section II.F.1). In conformity with the Settlement Agreement, the Company  
12 excluded environmental response costs and prepaid taxes from rate base. However,  
13 the Company included construction work in progress in rate base. The Company  
14 computed the working capital allowance pursuant to the method approved in Docket  
15 No. 2286 (Attachment RJR-1 at page 6), consistent with the FY2004 ESM calculation.  
16 The deferred debits in rate base include Y2K costs, amortized at the rate of \$240,000  
17 per year, and exclude costs associated with legacy customer-information systems. As  
18 discussed above, the Company excluded Stored Gas Inventory and CIAC from the rate  
19 base calculation.

1 **Q. HOW DID THE COMPANY DETERMINE COMMON EQUITY**  
2 **APPLICABLE TO RATE BASE?**

3 A. In accordance with the capital structure set forth in Section II.F.2, the Company  
4 multiplied the average rate base, as discussed above, times 43.6 percent to determine  
5 common equity applicable to rate base (Attachment RJR-1, at page 5).

6 **Q. PLEASE EXPLAIN THE EARNINGS-SHARING CALCULATION ON**  
7 **ATTACHMENT RJR-1.**

8 A. Attachment RJR-1 at page 1, calculates the earnings to be shared with customers  
9 based on the sharing percentages required in the Settlement Agreement. Lines 1  
10 through 3 summarize the calculation of average common equity. Line 5 is the net  
11 income available for common equity and Line 6 is the return on common equity for  
12 the period ending June 30, 2005.

13 Since Line 6 is greater than 11.25 percent, Lines 8 through 10 calculate the after-tax  
14 earnings to be shared 50 percent with customers. The after-tax earnings to be shared  
15 are \$145,966, of which \$72,983 will be returned to customers. The amount to be  
16 reflected in the DAC should be the pre-tax impact or \$112,282 (Line 18), which was  
17 calculated by dividing Line 16 by 1 minus the tax rate of 35 percent.

1 **Q. HAS THE COMPANY PREPARED AN ADJUSTMENT TO THE INTERIM**  
2 **FY2004 ESM BASED ON THE COMMISSION'S DECISIONS AT THE OPEN**  
3 **MEETING ON May 31, 2005?**

4 A. Yes. In accordance with the Commission's statements at the May 31, 2005 Open  
5 Meeting, on July 8, 2005 the Company submitted a letter calculating adjustments to  
6 the FY2004 earnings sharing calculation and reflecting the Commission's May 31,  
7 2005 statements. The letter is provided as Attachment RJR-3.

8 **Q. HAS THE COMPANY COMPLETED THE FY2005 FERC FORM No 2?**

9 A. Yes, the FY2004 FERC Form 2 is provided as Attachment RJR-4.

10 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

11 A. Yes.



NEW ENGLAND GAS COMPANY  
 EARNINGS SHARING CALCULATION  
 FOR THE TWELVE MONTHS ENDED JUNE 2005

|    |  |                               |                    |    |
|----|--|-------------------------------|--------------------|----|
| 1  | Average Rate Base                              | Rate Base L25                 | 243,396,731        | 1  |
| 2  | Equity Component of Rate Base                  | Capital Structure L8          | 43.60%             | 2  |
| 3  | Average Common Equity                          | (L1 * L2)                     | <u>106,120,975</u> | 3  |
| 4  |  |                               |                    | 4  |
| 5  | Net Income Available for Common Stock          | Income Statement L61          | 12,084,575         | 5  |
| 6  | Return on Common Equity                        | (L3 / L5)                     | 11.39%             | 6  |
| 7  |  |                               |                    | 7  |
| 8  | Return on Equity > 11.25% and <12.25%          | (Lesser of 1% or L6 - 11.25%) | 0.14%              | 8  |
| 9  | Earnings to be Shared                          | (L3 * L8)                     | 145,966            | 9  |
| 10 | Earnings to Customers - 50%                    | (L9 * 50%)                    | 72,983             | 10 |
| 11 |  |                               |                    | 11 |
| 12 | Return on Equity >12.25 %                      | (If L6 >12.25%, L6 - 12.25%)  | 0.00%              | 12 |
| 13 | Earnings to be Shared                          | (L3 * L12)                    | 0                  | 13 |
| 14 | Earnings to Customers - 75%                    | (L13 * 75%)                   | 0                  | 14 |
| 15 |  |                               |                    | 15 |
| 16 | Total After tax Earnings Credited to Customers | (L10 + L14)                   | <u>72,983</u>      | 16 |
| 17 |  |                               |                    | 17 |
| 18 | Total Earnings Credited to DAC                 | (L16 / 65%)                   | <u>112,282</u>     | 18 |

NEW ENGLAND GAS COMPANY  
 INCOME STATEMENT  
 FOR THE TWELVE MONTHS ENDED JUNE 2005

|   | 12 MONTHS<br>ENDED<br>JUNE 2005 |    |
|---|---------------------------------|----|
| 1 OPERATING REVENUES                      |                                 | 1  |
| 2   |                                 | 2  |
| 3 TOTAL FIRM GAS                          | \$ 402,292,065                  | 3  |
| 4 TRANSPORTATION                          | 11,844,288                      | 4  |
| 5 OTHER                                   | 2,015,180                       | 5  |
| 6 COMPANY PORTION NON-FIRM MARGIN         | (372,499)                       | 6  |
| 7   |                                 | 7  |
| 8 TOTAL OPERATING REVENUES                | <u>415,779,035</u>              | 8  |
| 9   |                                 | 9  |
| 10 ADJUSTMENTS TO OPERATING REVENUES      |                                 | 10 |
| 11 ESM FY '04                             | (254,935)                       | 11 |
| 12 UNBILLED REVENUES                      | (2,495,940)                     | 12 |
| 13 INVENTORY FINANCING                    | (2,411,480)                     | 13 |
| 14 TOTAL ADJUSTED OPERATING REVENUES      | <u>410,616,680</u>              | 14 |
| 15  |                                 | 15 |
| 16  |                                 | 16 |
| 17 OPERATING EXPENSES                     |                                 | 17 |
| 18  |                                 | 18 |
| 19 PRODUCTION (GAS COSTS)                 | 263,537,485                     | 19 |
| 20 STORAGE                                | 913,746                         | 20 |
| 21 DISTRIBUTION                           | 19,263,662                      | 21 |
| 22 CUSTOMER ACCOUNTS                      | 17,932,127                      | 22 |
| 23 SALES                                  | 364,644                         | 23 |
| 24 ADMINISTRATIVE & GENERAL               | 35,321,211                      | 24 |
| 25 CORPORATE ALLOCATION                   | 2,323,465                       | 25 |
| 26 INCENTIVE PAYMENTS / ACCRUALS EXCLUDED | (455,803)                       | 26 |
| 27 TOTAL OPERATING EXPENSES               | <u>339,200,537</u>              | 27 |
| 28  |                                 | 28 |
| 29 ADJUSTMENTS TO OPERATING EXPENSES      |                                 | 29 |
| 30  |                                 | 30 |
| 31 UNBILLED GAS COSTS                     | (2,196,345)                     | 31 |
| 32 SAVINGS IMPUTED IN BASE RATES          | 2,049,000                       | 32 |
| 33  |                                 | 33 |
| 34 TOTAL FUNCTIONAL EXP                   | <u>339,053,192</u>              | 34 |
| 35  |                                 | 35 |
| 36 OTHER EXPENSES                         |                                 | 36 |
| 37  |                                 | 37 |
| 38 DEPRECIATION & AMORT.                  | 20,753,469                      | 38 |
| 39 LOCAL AND OTHER TAXES                  | 10,930,183                      | 39 |
| 40 REVENUE RELATED TAXES (GET)            | 11,312,889                      | 40 |
| 41 FEDERAL INCOME TAXES @ 35%             | 6,754,350                       | 41 |
| 42  |                                 | 42 |
| 43 TOTAL OTHER EXPENSES                   | <u>49,750,891</u>               | 43 |
| 44  |                                 | 44 |
| 45 INCOME BEFORE INT EXP                  | <u>21,812,597</u>               | 45 |
| 46  |                                 | 46 |
| 47  |                                 | 47 |
| 48 INTEREST EXPENSE                       |                                 | 48 |
| 49  |                                 | 49 |
| 50 SHORT-TERM DEBT                        | 670,807                         | 50 |
| 51 LONG-TERM DEBT                         | 8,687,243                       | 51 |
| 52 OTHER                                  | 117,536                         | 52 |
| 53 AFDUC                                  | (206,781)                       | 53 |
| 54 TOTAL INTEREST EXPENSE                 | <u>9,268,805</u>                | 54 |
| 55  |                                 | 55 |
| 56  |                                 | 56 |
| 57 NET INCOME (LOSS)                      | <u>12,543,792</u>               | 57 |
| 58  |                                 | 58 |
| 59 PREFERRED DIVIDENDS                    | <u>459,217</u>                  | 59 |
| 60  |                                 | 60 |
| 61 NET INC (LOSS) APPL TO CMN STK         | <u>\$ 12,084,575</u>            | 61 |

NEW ENGLAND GAS COMPANY  
FEDERAL INCOME TAX CALCULATION  
FOR THE TWELVE MONTHS ENDED JUNE 2005

|    |                              |                         |    |
|----|------------------------------|-------------------------|----|
| 1  | OPERATING REVENUES           | 410,616,680             | 1  |
| 2  |                              |                         | 2  |
| 3  | LESS :                       |                         | 3  |
| 4  |                              |                         | 4  |
| 5  | OPERATING EXPENSES           | 339,053,192             | 5  |
| 6  | DEPRECIATION & AMORT.        | 20,753,469              | 6  |
| 7  | LOCAL AND OTHER TAXES        | 10,930,183              | 7  |
| 8  | REVENUE RELATED TAXES (GET)  | 11,312,889              | 8  |
| 9  | SHORT-TERM DEBT              | 670,807                 | 9  |
| 10 | LONG-TERM DEBT               | 8,687,243               | 10 |
| 11 | OTHER                        | 117,536                 | 11 |
| 12 | AFDUC                        | <u>(206,781)</u>        | 12 |
| 13 |                              |                         | 13 |
| 14 | TOTAL DEDUCTIONS             | 391,318,538             | 14 |
| 15 |                              |                         | 15 |
| 16 | TAXABLE INCOME               | 19,298,142              | 16 |
| 17 |                              |                         | 17 |
| 18 | FEDERAL INCOME TAX RATE @35% | <u>35%</u>              | 18 |
| 19 |                              |                         | 19 |
| 20 | FEDERAL INCOME TAX EXPENSE   | <u><u>6,754,350</u></u> | 20 |

NEW ENGLAND GAS COMPANY  
APPLICABLE CAPITOL STRUCTURE, INTEREST EXP & PREFERRED DIVIDEND  
JUNE 2005

|   | %             | \$                 |    |
|---|---------------|--------------------|----|
| 1 RATE BASE   |               | <u>243,396,731</u> | 1  |
| 2   |               |                    | 2  |
| 3 <b>CAPITAL STRUCTURE</b>                              |               |                    | 3  |
| 4   |               |                    | 4  |
| 5 SHORT TERM DEBT                                       | 8.8%          | 21,418,912         | 5  |
| 6 LONG TERM DEBT  | 45.7%         | 111,232,306        | 6  |
| 7 PREFERRED STOCK                                       | 1.9%          | 4,624,538          | 7  |
| 8 COMMON EQUITY   | 43.6%         | <u>106,120,975</u> | 8  |
| 9   | <u>100.0%</u> | <u>243,396,731</u> | 9  |
| 10 <b>INTEREST EXPENSE</b>                              |               |                    | 10 |
| 11  |               |                    | 11 |
| 12  |               |                    | 12 |
| 13 LONG TERM DEBT PORTION                               | 45.7%         | 111,232,306        | 13 |
| 14  |               |                    | 14 |
| 15 COST OF LONG TERM DEBT JUNE 2005                     |               | 7.81%              | 15 |
| 16  |               |                    | 16 |
| 17 PROFORMA INTEREST FOR THE 12 MONTHS ENDED JUNE 2005  |               | <u>8,687,243</u>   | 17 |
| 18  |               |                    | 18 |
| 19  |               |                    | 19 |
| 20  |               |                    | 20 |
| 21 SHORT TERM DEBT PORTION                              | 8.8%          | 21,418,912         | 21 |
| 22  |               |                    | 22 |
| 23 COST OF SHORT TERM DEBT JUNE 2005                    |               | 3.1318%            | 23 |
| 24  |               |                    | 24 |
| 25 PROFORMA INTEREST FOR THE 12 MONTHS ENDED JUNE 2005  |               | <u>670,807</u>     | 25 |
| 26  |               |                    | 26 |
| 27 <b>PREFERRED STOCK</b>                               |               |                    | 27 |
| 28  |               |                    | 28 |
| 29  |               |                    | 29 |
| 30 PREFERRED STOCK PORTION                              | 1.9%          | 4,624,538          | 30 |
| 31  |               |                    | 31 |
| 32 COST OF PREFERRED STOCK JUNE 2005                    |               | 9.93%              | 32 |
| 33  |               |                    | 33 |
| 34 PROFORMA PREFERRED STK FOR 12 MONTHS ENDED JUNE 2005 |               | <u>459,217</u>     | 34 |

NEW ENGLAND GAS COMPANY  
 RATE BASE  
 FIVE QUARTER AVERAGE JUNE 2005

|  | JUNE<br>2004   | SEPTEMBER<br>2004 | DECEMBER<br>2004 | MARCH<br>2005  | JUNE<br>2005   | AVERAGE<br>JUNE<br>2005 |
|--|----------------|-------------------|------------------|----------------|----------------|-------------------------|
| 1 GAS PLANT IN SERVICE                 | \$ 489,759,235 | \$ 496,756,652    | \$ 502,087,970   | \$ 504,419,611 | \$ 512,735,591 | \$ 501,151,812          |
| 2 LESS : ACCUMULATED DEPRECIATION      | 217,836,008    | 223,422,652       | 225,864,562      | 230,723,841    | 239,369,631    | 227,443,339             |
| 3 LESS : CONTRIBUTION IN AID OF CONSTR | 885,404        | 1,233,650         | 1,040,113        | 1,068,017      | 1,583,328      | 1,162,102               |
| 4 LESS : ENVIRONMENTAL EXPENDITURES    | 10,490,624     | 4,282,224         | 4,085,732        | 3,972,190      | 3,742,085      | 5,314,571               |
| 5                                      |                |                   |                  |                |                |                         |
| 6 NET PLANT                            | 260,547,199    | 267,818,126       | 271,097,563      | 268,655,563    | 268,040,547    | 267,231,800             |
| 7                                      |                |                   |                  |                |                |                         |
| 8 MATERIALS AND SUPPLIES               | 1,854,664      | 2,378,523         | 2,237,265        | 1,991,671      | 2,062,575      | 2,104,940               |
| 9 PREPAID EXPENSES EXCLUDING TAXES     | 387,548        | 309,704           | 809,883          | 484,029        | 408,486        | 479,930                 |
| 10 DEFERRED DEBITS                     | 2,580,000      | 2,520,000         | 2,460,000        | 2,400,000      | 2,340,000      | 2,460,000               |
| 11 GAS INVENTORIES                     | -              | -                 | -                | -              | -              | 0                       |
| 12 CASH WORKING CAPITAL                | 12,190,407     | 12,190,407        | 12,190,407       | 12,190,407     | 12,190,407     | 12,190,407              |
| 13                                     |                |                   |                  |                |                |                         |
| 14                                     | 17,012,619     | 17,398,634        | 17,697,555       | 17,066,107     | 17,001,468     | 17,235,277              |
| 15                                     |                |                   |                  |                |                |                         |
| 16                                     |                |                   |                  |                |                |                         |
| 17 ACCUMULATED DEFERRED FIT            | 33,749,016     | 34,802,311        | 35,855,606       | 35,749,922     | 35,644,238     | 35,160,219              |
| 18 ACCUMULATED DEFERRED ITC            | 1,644,390      | 1,593,248         | 1,542,106        | 1,490,964      | 1,439,822      | 1,542,106               |
| 19 CUSTOMER DEPOSITS                   | 2,804,951      | 2,850,687         | 2,871,026        | 2,887,185      | 2,931,708      | 2,868,991               |
| 20 INJURY AND DAMAGE RESERVE           | 1,014,410      | 1,396,794         | 1,585,909        | 1,703,723      | 1,794,311      | 1,499,029               |
| 21                                     |                |                   |                  |                |                |                         |
| 22                                     | 39,212,767     | 40,642,440        | 41,854,647       | 41,831,794     | 41,810,079     | 41,070,345              |
| 23                                     |                |                   |                  |                |                |                         |
| 24                                     |                |                   |                  |                |                |                         |
| 25                                     |                |                   |                  |                |                |                         |
| 26 RATE BASE                           | \$ 238,347,051 | \$ 244,574,320    | \$ 246,940,471   | \$ 243,889,876 | \$ 243,231,936 | \$ 243,396,731          |

NEW ENGLAND GAS COMPANY  
 CASH WORKING CAPITAL CALCULATION  
 FOR THE TWELVE MONTHS ENDED

|                                     | JUNE 2004                | JUNE 2005                |    |
|-------------------------------------|--------------------------|--------------------------|----|
| 1 GAS COSTS                         | 230,049,936              | 263,537,485              | 1  |
| 2 OPERATING EXP LESS CORPORATE OH'S | 76,197,766               | 73,339,587               | 2  |
| 3 PAYROLL TAXES                     | 3,082,628                | 2,968,037                | 3  |
| 4 PROPERTY TAXES                    | 7,334,067                | 7,691,915                | 4  |
| 5 STATE TAXES OTHER                 | (62,838)                 | 270,231                  | 5  |
| 6 RI GROSS EARNINGS TAX             | 10,746,928               | 11,312,889               | 6  |
| 7 FEDERAL TAXES                     |                          |                          | 7  |
| 8 TOTAL                             | <u>327,348,487</u>       | <u>359,120,144</u>       | 8  |
| 9                                   |                          |                          | 9  |
| 10 DAILY CASH REQUIREMENT           | 896,845                  | 983,891                  | 10 |
| 11                                  |                          |                          | 11 |
| 12 NET LAG                          | 12.39                    | 12.39                    | 12 |
| 13                                  |                          |                          | 13 |
| 14 TOTAL WORKING CAPITAL            | <u><u>11,111,912</u></u> | <u><u>12,190,407</u></u> | 14 |

NEW ENGLAND GAS COMPANY  
DETAIL OTHER REVENUE  
FOR THE TWELVE MONTHS ENDED JUNE 2005

|                                   | AMOUNT           |   |
|-----------------------------------|------------------|---|
| 1 RENT FROM GAS PROPERTY          | 261,000          | 1 |
| 2 DEFERRED REVENUE - GCC          | 345,763          | 2 |
| 3 OTHER GAS REVENUE - ( TO - CGA) | 11,303           | 3 |
| 4 DISPLACEMENT REVENUE            | 829,836          | 4 |
| 5 OTHER REVENUE MISC TAXABLE      | 40,135           | 5 |
| 6 INTEREST ON CUST ARREARS        | 502,416          | 6 |
| 7 INTEREST ON CUST ARREARS - LDCM | 12,606           | 7 |
| 8 MISC OPERATING INCOME           | 12,121           | 8 |
| 9                                 | <u>2,015,180</u> | 9 |

NEW ENGLAND GAS COMPANY  
DETAIL OTHER INTEREST EXPENSE  
FOR THE TWELVE MONTHS ENDED JUNE 2005

|                                 | AMOUNT                |   |
|---------------------------------|-----------------------|---|
| 1 INTEREST ON CUSTOMER DEPOSITS | <u>117,536</u>        | 1 |
| 2 TOTAL OTHER INTEREST EXPENSE  | <u><u>117,536</u></u> | 2 |

NEW ENGLAND GAS COMPANY  
DETAIL NON-OPERATING INCOME  
TWELVE MONTHS ENDED JUNE 2005

|                               | AMOUNT             |    |
|-------------------------------|--------------------|----|
| 1 GROSS EARNINGS TAX - NON-OP | (3,004)            | 1  |
| 2 RENTAL REVENUES             | 111,330            | 2  |
| 3 MISC NON-OP INCOME          | 103,595            | 3  |
| 4 MISC PENALTIES              | 48,500             | 4  |
| 5 DUES AND MEMBERSHIPS        | (24,186)           | 5  |
| 6 LOBBYING                    | (83,500)           | 6  |
| 7 NON-OPERATING ADVERTISING   | (48,721)           | 7  |
| 8 MERCURY                     | (8,640,215)        | 8  |
| 9 SERVICE CONTRACT REVENUE    | 830,971            | 9  |
| 10 TOTAL NON-OPERATING INCOME | <u>(7,705,230)</u> | 10 |

NEW ENGLAND GAS COMPANY  
 CALCULATION OF AVERAGE SHORT-TERM INTEREST  
 FOR THE YEAR ENDED JUNE 30, 2005

| <u>Month</u> | <u>Average Short-Term<br/>Debt Balance</u> | <u>Weighted<br/>Cost Rate</u> | <u>Short-Term<br/>Interest Expense</u> |    |
|--------------|--|-------------------------------|--|----|
| 1 Jul-04     | 13,580,645                                 | 2.78%                         | 31,506                                 | 1  |
| 2 Aug-04     | 30,567,742                                 | 2.82%                         | 71,732                                 | 2  |
| 3 Sep-04     | 105,253,333                                | 2.46%                         | 215,615                                | 3  |
| 4 Oct-04     | 149,796,774                                | 2.40%                         | 299,358                                | 4  |
| 5 Nov-04     | 201,666,667                                | 2.77%                         | 466,011                                | 5  |
| 6 Dec-04     | 232,741,935                                | 3.09%                         | 598,557                                | 6  |
| 7 Jan-05     | 253,096,774                                | 3.31%                         | 697,410                                | 7  |
| 8 Feb-05     | 222,678,571                                | 3.10%                         | 575,579                                | 8  |
| 9 Mar-05     | 137,451,613                                | 3.53%                         | 404,068                                | 9  |
| 10 Apr-05    | 85,500,000                                 | 3.60%                         | 256,654                                | 10 |
| 11 May-05    | 72,416,129                                 | 4.01%                         | 242,140                                | 11 |
| 12 Jun-05    | 108,500,000                                | 3.89%                         | 351,743                                | 12 |
| 13           |  |                               |  | 13 |
| 14           | \$ 134,437,515                             |                               | \$ 350,864                             | 14 |
| 15           |  |                               |  | 15 |
| 16 Totals    | 1,613,250,184                              | 3.1318%                       | 4,210,373                              | 16 |



**New England Gas Company  
 Rollforward of Accumulated Deferred Income Taxes**

|   | Valley Gas /<br>Bristol Warren | Providence Gas | New England<br>Gas Company |    |
|---|--------------------------------|----------------|----------------------------|----|
| 1 Balance @9/20/00                      | 4,560,838                      | 19,131,144     | 23,691,982                 | 1  |
| 2 FY '01 Y/E Accrual                    | 141,743                        | 819,542        | 961,285                    | 2  |
| 3 Balance @ 6/30/01                     | 4,702,581                      | 19,950,686     | 24,653,267                 | 3  |
| 4 FY '02 Y/E Accrual                    | 287,138                        | 3,133,623      | 3,420,761                  | 4  |
| 5 FY '01 Accrual True-Up                |                                | 164,510        | 164,510                    | 5  |
| 6 Balance @ 6/30/02                     | 4,989,719                      | 23,248,819     | 28,238,538                 | 6  |
| 7 FY '03 Y/E Accrual                    |                                |                | 1,980,834                  | 7  |
| 8 FY '02 Accrual True-Up                |                                |                | 407,907                    | 8  |
| 9 Balance @ 6/30/03                     |                                |                | 30,627,279                 | 9  |
| 10 FY '04 Y/E Accrual                   |                                |                | 2,957,227                  | 10 |
| 11 FY '03 Accrual True-Up               |                                |                | 164,510                    | 11 |
| 12 Balance @ 6/30/04                    |                                |                | 33,749,016                 | 12 |
| 13 FY '05 Six Months 12-31-04 Actual    |                                |                | 2,106,591                  | 13 |
| 14 FY '05 Six Months 06-30-05 Estimated |                                |                | (211,369)                  | 14 |
| 15 Total                                |                                |                | <u>35,644,238</u>          | 15 |



RECEIVED

2006 AUG -9 AM 1:19

UTILITY FILE # 3690

New England Gas Company

July 8, 2005

Ms. Luly Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

RE: Docket No. 3548, FY04 Earnings Sharing Mechanism ("ESM") Adjustments

Dear Ms. Massaro:

Enclosed for filing and for Commission review, please find the New England Gas Company's ("NEGC" or "Company") calculation of FY04 ESM adjustments to be carried over to the Company's next Distribution Adjustment Charge ("DAC") filing. Consistent with the minutes of the Commission's May 31, 2005 open meeting, the attached schedule, RJR-6, shows the earnings sharing calculation reflected in the interim DAC that became effective November 1, 2004, adjustments agreed to by the Division and the Company, and further adjustments ordered by the Commission. The net difference after reflecting all the adjustments is a reduction of \$7,480 that will be incorporated in the Company's next DAC filing.

Thank you for your attention to this filing. Should you have any questions please feel free to contact me at 401.574.2212.

Sincerely,



Kevin F. Penders, Esq.  
Manager, Regulatory Relations

Enclosure

Cc: Luly Massaro, Commission Clerk (nine copies)  
Robert J. Riccitelli, New England Gas Company  
David J. Effron  
Bruce Oliver

NEW ENGLAND GAS COMPANY  
 EARNINGS SHARING CALCULATION  
 FOR THE TWELVE MONTHS ENDED JUNE 2004

|  | ORIGINAL<br>AS FILED<br>12 MONTHS<br>ENDED<br>JUNE 2004 | FINAL<br>DIVISION<br>SUPPLEMENTAL<br>ADJUSTMENTS | DIVISION<br>ADJUSTED<br>12 MONTHS<br>ENDED<br>JUNE 2004 | FINAL<br>COMMISSIONS<br>ADJUSTMENTS | FINAL<br>COMMISSION<br>12 MONTHS<br>ENDED<br>JUNE 2004 |
|--|---|--|---|-------------------------------------|--|
| 1 Average Rate Base                                    | 241,200,361   | (688,766)  | 240,511,595   | 132,291                             | 240,643,886  |
| 2 Equity Component of Rate Base                        | 43.60%  | 43.60%   | 43.60%  | 43.60%                              | 43.60%   |
| 3 Average Common Equity                                | 105,163,357   | (300,302)  | 104,863,055   | 57,679                              | 104,920,734  |
| 4  |   |  |   |                                     |  |
| 5 Net Income Available for Common Stock                | 12,239,240  | (236,109)  | 12,003,131  | 169,736                             | 12,172,867   |
| 6 Return on Common Equity                              | 11.64%  |  | 11.45%  |                                     | 11.60%   |
| 7  |   |  |   |                                     |  |
| 8 Return on Equity > 11.25% and <12.25%                | 0.39%   |  | 0.20%   |                                     | 0.35%  |
| 9 Earnings to be Shared                                | 408,362   | (202,325)  | 206,038   | 163,247                             | 369,284  |
| 10 Earnings to Customers - 50%                         | 204,181   | (101,162)  | 103,019   | 81,623                              | 184,642  |
| 11   |   |  |   |                                     |  |
| 12 Return on Equity > 12.25%                           | 0.00%   |  | 0.00%   |                                     | 0.00%  |
| 13 Earnings to be Shared                               | 0   | 0  | 0   | 0                                   | 0  |
| 14 Earnings to Customers - 75%                         | 0   | 0  | 0   | 0                                   | 0  |
| 15   |   |  |   |                                     |  |
| 16 Total After tax Earnings Credited to Customers      | 204,181   | (101,162)  | 103,019   | 81,623                              | 184,642  |
| 17   |   |  |   |                                     |  |
| 18 FY 04 Total Earnings Credited to DAC                | 314,125   | (155,634)  | 158,491   | 125,574                             | 284,065  |
| 19   |   |  |   |                                     |  |
| 20 FY 03 Incremental Earnings Credited to DAC          |   |  |   |                                     | 99,000   |
| 21   |   |  |   |                                     |  |
| 22 FY 04 Total Earnings Credited to DAC 11/01/04       |   |  |   |                                     | (390,545)  |
| 23   |   |  |   |                                     |  |
| 24 Incremental Earnings to be Credited to DAC 11/01/05 |   |  |   |                                     | (7,480)  |

Schedule DJE - 1R Line 11

Attachment PCC-8

NEW ENGLAND GAS COMPANY  
INCOME STATEMENT  
FOR THE TWELVE MONTHS ENDED JUNE 2004

|                                      | ORIGINAL<br>AS FILED<br>12 MONTHS<br>ENDED<br>JUNE 2004 | FINAL<br>DIVISION<br>SUPPLEMENTAL<br>ADJUSTMENTS | DIVISION<br>ADJUSTED<br>12 MONTHS<br>ENDED<br>JUNE 2004 | FINAL<br>COMMISSION<br>ADJUSTMENTS | FINAL<br>COMMISSION<br>12 MONTHS<br>ENDED<br>JUNE 2004 |
|--------------------------------------|---|--|---|------------------------------------|--|
| 1 OPERATING REVENUES                 |   |  |   |                                    |  |
| 2                                    |   |  |   |                                    |  |
| 3 TOTAL FIRM GAS                     | \$ 368,640,597  |  | \$ 368,640,597  |                                    | \$ 368,640,597   |
| 4 TRANSPORTATION                     | 10,001,374  |  | 10,001,374  |                                    | 10,001,374   |
| 5 OTHER                              | 2,101,339   | 162,310  | 2,263,649   |                                    | 2,263,649  |
| 6 COMPANY PORTION NON-FIRM MARGIN    | (82,171)  |  | (82,171)  |                                    | (82,171)   |
| 7                                    |   |  |   |                                    |  |
| 8 TOTAL OPERATING REVENUES           | 380,661,139   | 162,310  | 380,823,449   |                                    | 380,823,449  |
| 9                                    |   |  |   |                                    |  |
| 10 ADJUSTMENTS TO OPERATING REVENUES |   |  |   |                                    |  |
| 11 ESM FY '03-'04                    | 1,914,647   |  | 1,914,647   |                                    | 1,914,647  |
| 12 UNBILLED REVENUES                 | 1,161,337   |  | 1,161,337   |                                    | 1,161,337  |
| 13 INVENTORY FINANCING               | (2,269,055)   |  | (2,269,055)   |                                    | (2,269,055)  |
| 14 TOTAL ADJUSTED OPERATING REVENUES | 381,468,068   | 162,310  | 381,630,378   |                                    | 381,630,378  |
| 15                                   |   |  |   |                                    |  |
| 16                                   |   |  |   |                                    |  |
| 17 OPERATING EXPENSES                |   |  |   |                                    |  |
| 18                                   |   |  |   |                                    |  |
| 19 PRODUCTION (GAS COSTS)            | 230,049,936   | 573,422  | 230,623,358   |                                    | 230,623,358  |
| 20 STORAGE                           | 855,554   |  | 855,554   |                                    | 855,554  |
| 21 DISTRIBUTION                      | 18,516,424  |  | 18,516,424  |                                    | 18,516,424   |
| 22 CUSTOMER ACCOUNTS                 | 18,882,667  |  | 18,882,667  |                                    | 18,882,667   |
| 23 SALES                             | 427,223   |  | 427,223   |                                    | 427,223  |
| 24 ADMINISTRATIVE & GENERAL          | 38,202,541  |  | 38,202,541  |                                    | 38,202,541   |
| 25 CORPORATE ALLOCATION              | 3,196,999   |  | 3,196,999   |                                    | 3,196,999  |
| 26 INCENTIVE RELATED TO EARNINGS     | (686,644)   |  | (686,644)   | (266,473)                          | (953,117)  |
| 27 TOTAL OPERATING EXPENSES          | 309,444,701   | 573,422  | 310,018,123   | (266,473)                          | 309,751,650  |
| 28                                   |   |  |   |                                    |  |
| 29 ADJUSTMENTS TO OPERATING EXPENSES |   |  |   |                                    |  |
| 30                                   |   |  |   |                                    |  |
| 31 UNBILLED GAS COSTS                | 809,416   |  | 809,416   |                                    | 809,416  |
| 32 SAVINGS IMPUTED IN BASE RATES     | 2,049,000   |  | 2,049,000   |                                    | 2,049,000  |
| 33                                   |   |  |   |                                    |  |
| 34 TOTAL FUNCTIONAL EXP              | 312,303,117   | 573,422  | 312,876,539   | (266,473)                          | 312,610,066  |
| 35                                   |   |  |   |                                    |  |
| 36 OTHER EXPENSES                    |   |  |   |                                    |  |
| 37                                   |   |  |   |                                    |  |
| 38 DEPRECIATION & AMORT.             | 19,729,957  |  | 19,729,957  |                                    | 19,729,957   |
| 39 LOCAL AND OTHER TAXES             | 10,353,857  |  | 10,353,857  |                                    | 10,353,857   |
| 40 REVENUE RELATED TAXES (GET)       | 10,588,530  |  | 10,588,530  |                                    | 10,588,530   |
| 41 FEDERAL INCOME TAXES @ 35%        | 6,835,399   | (127,835)  | 6,707,564   | 91,531                             | 6,799,095  |
| 42                                   |   |  |   |                                    |  |
| 43 TOTAL OTHER EXPENSES              | 47,507,743  | (127,835)  | 47,379,908  | 91,531                             | 47,471,439   |
| 44                                   |   |  |   |                                    |  |
| 45 INCOME BEFORE INT EXP             | 21,657,208  | (283,277)  | 21,373,932  | 174,942                            | 21,548,874   |
| 46                                   |   |  |   |                                    |  |
| 47                                   |   |  |   |                                    |  |
| 48 INTEREST EXPENSE                  |   |  |   |                                    |  |
| 49                                   |   |  |   |                                    |  |
| 50 SHORT-TERM DEBT                   | 429,140   | (1,225)  | 427,914   | 235                                | 428,150  |
| 51 LONG-TERM DEBT                    | 8,608,851   | (24,583)   | 8,584,268   | 4,722                              | 8,588,989  |
| 52 OTHER                             | 152,729   | (20,060)   | 132,669   |                                    | 132,669  |
| 53 AFDUC                             | (227,824)   |  | (227,824)   |                                    | (227,824)  |
| 54 TOTAL INTEREST EXPENSE            | 8,962,896   | (45,869)   | 8,917,027   | 4,957                              | 8,921,984  |
| 55                                   |   |  |   |                                    |  |
| 56                                   |   |  |   |                                    |  |
| 57 NET INCOME (LOSS)                 | 12,694,313  | (237,408)  | 12,456,904  | 169,985                            | 12,626,890   |
| 58                                   |   |  |   |                                    |  |
| 59 PREFERRED DIVIDENDS               | 455,073   | (1,299)  | 453,773   | 250                                | 454,023  |
| 60                                   |   |  |   |                                    |  |
| 61 NET INC (LOSS) APPL TO CMN STK    | \$ 12,239,240   | \$ (236,109)                                     | \$ 12,003,131   | \$ 169,736                         | \$ 12,172,867  |

NEW ENGLAND GAS COMPANY  
 INCOME STATEMENT RECONCILIATION  
 FINAL FISCAL 2004 ESM CALCULATION

| INCOME STATEMENT<br>LINE NUMBER | REFERENCE                         | FINAL COMMISSION<br>AMOUNT |
|---------------------------------|-----------------------------------|----------------------------|
| 1 OPERATING REVENUES:           |                                   |                            |
| 2 LINE 5 - SALE OF LAND         | SCHEDULE DJE - 2R, PAGE 2         | 162,310                    |
| 3                               |                                   |                            |
| 4                               |                                   |                            |
| 5 OPERATING EXPENSES:           |                                   |                            |
| 6                               |                                   |                            |
| 7 LINE 19 - DAC ADJUSTMENT      | SCHEDULE DJE-2R PAGE 1 FOOTNOTE 4 | 573,422                    |
| 8 LINE 25 - CORP INCENTIVE      | RIPUC OPEN MEETING 05/31/05       | (266,473)                  |
| 9                               |                                   | 306,949                    |
| 10                              |                                   |                            |
| 11 INTEREST EXPENSE:            |                                   |                            |
| 12                              |                                   |                            |
| 13 LINE 50 - SHORT-TERM DEBT    | SCHEDULE DJE-2R PAGE 1            | (1,225)                    |
| 14 LINE 51 - LONG-TERM DEBT     | SCHEDULE DJE-2R PAGE 1            | (24,583)                   |
| 15 LINE 52 - OTHER INTEREST     | SCHEDULE DJE - 2R, PAGE 2         | (20,060)                   |
| 16 LINE 50 - SHORT-TERM DEBT    | RJR-6 PAGE 5 OF 6 LINE 25         | 235                        |
| 17 LINE 51 - LONG-TERM DEBT     | RJR-6 PAGE 5 OF 6 LINE 17         | 4,722                      |
| 18                              |                                   | (40,911)                   |
| 19                              |                                   |                            |
| 20                              |                                   |                            |
| 21 LINE 59 - PREFERRED DIV      | SCHEDULE DJE-2R PAGE 1            | (1,299)                    |
| 22 LINE 59 - PREFERRED DIV      | RJR-6 PAGE 5 OF 6 LINE 34         | 250                        |
| 23                              |                                   | (1,049)                    |

NEW ENGLAND GAS COMPANY  
FEDERAL INCOME TAX CALCULATION  
FOR THE TWELVE MONTHS ENDED JUNE 2004

|                                 | ORIGINAL<br>AS FILED<br>12 MONTHS<br>ENDED<br>JUNE 2004 | FINAL<br>DIVISION<br>SUPPLEMENTAL<br>ADJUSTMENTS | DIVISION<br>ADJUSTED<br>12 MONTHS<br>ENDED<br>JUNE 2004 | FINAL<br>COMMISSION<br>ADJUSTMENTS | FINAL<br>COMMISSION<br>ENDED<br>JUNE 2004 |
|---------------------------------|---|--|---|------------------------------------|---|
| 1 OPERATING REVENUES            | 381,468,068   | 162,310  | 381,630,378   | 0                                  | 381,630,378                               |
| 2                               |   |  |   |                                    |   |
| 3 LESS :                        |   |  |   |                                    |   |
| 4                               |   |  |   |                                    |   |
| 5 OPERATING EXPENSES            | 312,303,117   | 573,422  | 312,876,539   | (266,473)                          | 312,610,066                               |
| 6 DEPRECIATION & AMORT.         | 19,729,957  |  | 19,729,957  | 0                                  | 19,729,957                                |
| 7 LOCAL AND OTHER TAXES         | 10,353,857  |  | 10,353,857  |                                    | 10,353,857                                |
| 8 REVENUE RELATED TAXES (GET)   | 10,588,530  |  | 10,588,530  |                                    | 10,588,530                                |
| 9 SHORT-TERM DEBT               | 429,140   | (1,225)  | 427,914   | 235                                | 428,150                                   |
| 10 LONG-TERM DEBT               | 8,608,851   | (24,583)   | 8,584,268   | 4,722                              | 8,588,989                                 |
| 11 OTHER                        | 152,729   | (20,060)   | 132,669   | 0                                  | 132,669                                   |
| 12 AFDUC                        | (227,824)   |  | (227,824)   |                                    | (227,824)                                 |
| 13                              |   |  |   |                                    |   |
| 14 TOTAL DEDUCTIONS             | 361,938,356   | 527,553  | 362,465,910   | (261,516)                          | 362,204,394                               |
| 15                              |   |  |   |                                    |   |
| 16 TAXABLE INCOME               | 19,529,712  | (365,243)  | 19,164,468  | 261,516                            | 19,425,984                                |
| 17                              |   |  |   |                                    |   |
| 18 FEDERAL INCOME TAX RATE @35% | 35%   | 35%  | 35%   | 35%                                | 35%                                       |
| 19                              |   |  |   |                                    |   |
| 20 FEDERAL INCOME TAX EXPENSE   | 6,835,399   | (127,835)  | 6,707,564   | 91,531                             | 6,799,095                                 |

NEW ENGLAND GAS COMPANY  
APPLICABLE CAPITOL STRUCTURE, INTEREST EXP & PREFERRED DIVIDEND  
JUNE 2004

|  | ORIGINAL<br>AS FILED<br>12 MONTHS<br>ENDED<br>JUNE 2004 | FINAL<br>DIVISION<br>SUPPLEMENTAL<br>ADJUSTMENTS | DIVISION<br>ADJUSTED<br>12 MONTHS<br>ENDED<br>JUNE 2004 | FINAL<br>COMMISSION<br>ADJUSTMENTS | FINAL<br>COMMISSION<br>ENDED<br>JUNE 2004 |
|--|---|--|---|------------------------------------|---|
| 1 RATE BASE  | \$ 241,200,361  | (688,766)  | 240,511,595   | 132,291                            | 240,643,886                               |
| 2  |   |  |   |                                    |   |
| 3  |   |  |   |                                    |   |
| 4  |   |  |   |                                    |   |
| 5 SHORT TERM DEBT                                  | 21,225,632  | (60,611)   | 21,165,020  | 11,642                             | 21,176,662                                |
| 6 LONG TERM DEBT                                   | 110,228,565   | (314,766)  | 109,913,799   | 60,457                             | 109,974,256                               |
| 7 PREFERRED STOCK                                  | 4,582,807   | (13,087)   | 4,569,720   | 2,514                              | 4,572,234                                 |
| 8 COMMON EQUITY                                    | 105,163,357   | (300,302)  | 104,863,055   | 57,679                             | 104,920,734                               |
| 9  | 241,200,361   | (688,766)  | 240,511,595   | 132,291                            | 240,643,886                               |
| 10   |   |  |   |                                    |   |
| 11   |   |  |   |                                    |   |
| 12   |   |  |   |                                    |   |
| 13 LONG TERM DEBT PORTION                          | 110,228,565   | (314,766)  | 109,913,799   | 60,457                             | 109,974,256                               |
| 14   |   |  |   |                                    |   |
| 15 COST OF LONG TERM DEBT JUNE 2004                | 7.81%   | 7.81%  | 7.81%   | 7.81%                              | 7.81%                                     |
| 16   |   |  |   |                                    |   |
| 17 PROFORMA INTEREST FOR 12 MONTHS ENDED JUNE 2004 | 8,608,851   | (24,583)   | 8,584,268   | 4,722                              | 8,588,989                                 |
| 18   |   |  |   |                                    |   |
| 19   |   |  |   |                                    |   |
| 20   |   |  |   |                                    |   |
| 21 SHORT TERM DEBT PORTION                         | 21,225,632  | (60,611)   | 21,165,020  | 11,642                             | 21,176,662                                |
| 22   |   |  |   |                                    |   |
| 23 COST OF SHORT TERM DEBT JUNE 2004               | 2.0218%   | 2.0218%  | 2.0218%   | 2.0218%                            | 2.0218%                                   |
| 24   |   |  |   |                                    |   |
| 25 PROFORMA INTEREST FOR 12 MONTHS ENDED JUNE 2004 | 429,140   | (1,225)  | 427,914   | 235                                | 428,150                                   |
| 26   |   |  |   |                                    |   |
| 27   |   |  |   |                                    |   |
| 28   |   |  |   |                                    |   |
| 29   |   |  |   |                                    |   |
| 30 PREFERRED STOCK PORTION                         | 4,582,807   | (13,087)   | 4,569,720   | 2,514                              | 4,572,234                                 |
| 31   |   |  |   |                                    |   |
| 32 COST OF LONG TERM DEBT JUNE 2004                | 9.93%   | 9.93%  | 9.93%   | 9.93%                              | 9.93%                                     |
| 33   |   |  |   |                                    |   |
| 34 PROFORMA INTEREST FOR 12 MONTHS ENDED JUNE 2004 | 455,073   | (1,299)  | 453,773   | 250                                | 454,023                                   |

NEW ENGLAND GAS COMPANY  
 RATE BASE  
 ADJUSTED FIVE QUARTER AVERAGE JUNE 2004

|  | ORIGINAL<br>AS FILED<br>12 MONTHS<br>ENDED<br>JUNE 2004 | FINAL<br>DIVISION<br>SUPPLEMENTAL<br>ADJUSTMENTS | EFFRON<br>ADJUSTED<br>12 MONTHS<br>ENDED<br>JUNE 2004 | FINAL<br>COMMISSION<br>ADJUSTMENTS | COMPANY<br>ADJUSTED<br>12 MONTHS<br>ENDED<br>JUNE 2004 |
|--|---|--|---|------------------------------------|--|
| 1 GAS PLANT IN SERVICE                 | \$ 483,606,100  |  | \$ 483,606,100  |                                    | \$ 483,606,100   |
| 2 LESS : ACCUMULATED DEPRECIATION      | 210,467,994   |  | 210,467,994   |                                    | 210,467,994  |
| 3 LESS : CONTRIBUTION IN AID OF CONSTR |   | 791,910  | 791,910   |                                    | 791,910  |
| 4 LESS : ENVIRONMENTAL EXPENDITURES    | 10,633,434  |  | 10,633,434  |                                    | 10,633,434   |
| 5                                      |   |  |   |                                    |  |
| 6 NET PLANT                            | 262,504,673   | (791,910)  | 261,712,764   | 0                                  | 261,712,764  |
| 7                                      |   |  |   |                                    |  |
| 8 MATERIALS AND SUPPLIES               | 1,723,447   |  | 1,723,447   |                                    | 1,723,447  |
| 9 PREPAID EXPENSES EXCLUDING TAXES     | 1,026,858   | (132,291)  | 894,566   | 132,291                            | 1,026,858  |
| 10 DEFERRED DEBITS                     | 2,700,000   |  | 2,700,000   |                                    | 2,700,000  |
| 11 GAS INVENTORIES                     | 0   |  | 0   |                                    | 0  |
| 12 CASH WORKING CAPITAL                | 9,850,723   | 1,255,811  | 11,106,535  |                                    | 11,106,535   |
| 13                                     |   |  |   |                                    |  |
| 14                                     | 15,301,028  | 1,123,520  | 16,424,549  | 132,291                            | 16,556,840   |
| 15                                     |   |  |   |                                    |  |
| 16                                     |   |  |   |                                    |  |
| 17 ACCUMULATED DEFERRED FIT            | 31,251,626  | 1,020,376  | 32,272,003  |                                    | 32,272,003   |
| 18 ACCUMULATED DEFERRED ITC            | 1,746,674   |  | 1,746,674   |                                    | 1,746,674  |
| 19 CUSTOMER DEPOSITS                   | 2,774,891   |  | 2,774,891   |                                    | 2,774,891  |
| 20 INJURY AND DAMAGE RESERVE           | 832,149   |  | 832,149   |                                    | 832,149  |
| 21                                     |   |  |   |                                    |  |
| 22                                     | 36,605,341  | 1,020,376  | 37,625,717  |                                    | 37,625,717   |
| 23                                     |   |  |   |                                    |  |
| 24                                     |   |  |   |                                    |  |
| 25                                     |   |  |   |                                    |  |
| 26 RATE BASE                           | \$ 241,200,361  | \$ (688,766)                                     | \$ 240,511,595  | \$ 132,291                         | \$ 240,643,886   |



**ANNUAL REPORT OF NATURAL GAS  
COMPANIES  
(Class A and Class B)**

OF

**New England Gas Company, A Division of Southern Union Company**

---

(Exact legal name of respondent)

If name was changed during year, show also the previous name and date of change.

**100 Weybosset Street, Providence, RI 02903**

---

(Address of principal business office at end of year)

TO THE  
**PUBLIC SERVICE COMMISSION**  
OF THE  
**STATE OF RHODE ISLAND**  
FOR THE  
Year Ended June 30, 2005

Name, title, address and telephone number (including area code), of the person to be contacted concerning this report:

---

---

INSTRUCTIONS FOR FILING THE  
FERC FORM NO. 2

GENERAL INFORMATION

I. Purpose

This form is designed to collect financial and operational information from major interstate natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. This report is a nonconfidential public use form.

II. Who Must Submit

Each Major natural gas company which meets the filing requirements of 18 CFR 260.1 must submit this form.

NOTE: Major means having combined gas transported or stored for a fee exceeding 50 million Dth in each of the 3 previous calendar years.

III. What and Where to Submit

- (a) Submit the electronic medium in accordance with the procedures specified in 18 CFR 385.2011 and an original and four (4) copies of this form to:

Office of the Secretary  
Federal Energy Regulatory Commission  
Washington, DC 20426

Retain one copy of this report for your files.

- (b) Submit immediately upon publication, four (4) copies of the latest annual report to stockholders and any *annual* financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. (Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared.) Mail these reports to:

Chief Accountant  
Federal Energy Regulatory Commission  
Washington, DC 20426

- (c) For the CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with current standards of reporting which will:

- (i) contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

### GENERAL INFORMATION

- (ii) be signed by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States (See 18 CFR 158.10-158.12 for specific qualifications.)

| <u>Schedules</u>               | <u>Reference<br/>Pages</u> |
|--------------------------------|----------------------------|
| Comparative Balance Sheet      | 110-113                    |
| Statement of Income            | 114-116                    |
| Statement of Retained Earnings | 118-119                    |
| Statement of Cash Flows        | 120-121                    |
| Notes to Financial Statements  | 122                        |

Insert the letter or report immediately following the cover sheet of the original and each copy of this form.

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

Public Reference and Files Maintenance Branch  
Washington, DC 20426  
(202) 208-2356

IV. When to Submit:

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

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for this collection of information is estimated to average 2,475 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, Washington, DC 20426 (Attention: Michael Miller, ED-12.4); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission).

You shall not be penalized for failure to respond to this collection of information unless the collection of information displays a valid OMB control number.

## GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 201) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.
- II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use the current year amounts for income accounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, either
  - (a). Enter the words "Not Applicable" on the particular page(s), or
  - (b). Omit the page(s) and enter "NA", "NONE", or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" at the top of each page is applicable only to resubmissions (see VII. below).
- VI. Indicate negative amounts (such as decreases) by enclosing the figures in parenthesis ( ).
- VII. When making revisions, resubmit the electronic medium and only those pages that have been changed from the original submission. Submit the same number of copies as required for filing the form. Include with the resubmission the Identification and Attestation, page 1. Mail dated resubmissions to:  
Chief Accountant  
Federal Energy Regulatory Commission  
Washington, DC 20426
- VIII. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement (8 1/2 by 11 inch size) to the page being supplemented. Provide the appropriate identification information, including the title(s) of the page and the page number supplemented.
- IX. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- X. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.
- XI. Report all gas volumes in MMBtu and Dth.
- XII. Respondents may submit computer printed schedules (reduced to 8 1/2 by 11) instead of the schedules in the FERC Form 2 if they are in substantially the same format.
- XIII. Report footnotes on pages 551 and 552. Sort data on page 551 by page number. Sort data on page 552 by footnote number. The page number component of the footnote reference is the first page of a schedule whether it is a single page schedule or a multi-page schedule. Even if a footnote appears on a later page of a multi-page schedule the footnote will only reference the first page of the schedule. The first page of a multi-page schedule now becomes a proxy for the entire schedule. For example, Gas Plant in Service ranges across pages 204 through 209. A footnote on page 207 would contain a page reference of 204.

#### DEFINITIONS

- I. Btu per cubic foot -- The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32F, and under standard gravitational force (980.665 cm. per sec.) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called the gross heating value or total heating value).
- II. Commission Authorization -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
- III. Dekatherm -- A unit of heating value equivalent to 10 therms or 1,000,000 Btu.
- IV. Respondent -- The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

#### EXERPTS FROM THE LAW

##### (Natural Gas Act; 15 U.S.C. 717-717w)

"Sec 10(a). Every natural gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest due and paid, depreciation, amortization, and other reserves, costs of facilities, cost of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, cost of renewal and replacement of such facilities, transportation, delivery, use, and sale of natural gas...."

"Sec. 16. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary and appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within which they shall be filed...."

#### GENERAL PENALTIES

"Sec. 21(b). Any person who willfully and knowingly violates any rule, regulation, restriction, condition, or order made or imposed by the Commission under authority of this act, shall, in addition to any other penalties provided by law, be punished upon conviction thereof by a fine of not exceeding \$500 for each and every day during which such offense occurs."

FERC FORM NO. 2:  
 ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

| IDENTIFICATION   |   |  |
|--|---|--|
| 01 Exact Legal Name of Respondent<br><b>New England Gas Company, A Division of<br/>Southern Union Company, RI Location</b>   | 02 Year of Report<br><b>June 30, 2005</b>   |  |
| 03 Previous Name and Date of Change (If name changed during year)<br><b>N/A</b>  |   |  |
| 04 Address of Principal Office at End of Year (Street, City, State, Zip Code)<br><b>100 Weybosset Street<br/>Providence, RI 02903</b>  |   |  |
| 05 Name of Contact Person<br><b>Sharon Partridge</b>   | 06 Title of Contact Person<br><b>Vice President, Finance</b>  |  |
| 07 Address of Contact Person (Street, City, State, Zip Code)<br><b>100 Weybosset Street<br/>Providence, RI 02903</b>   |   |  |
| 08 Telephone of Contact Person, including Area Code<br><b>(401) 574-2015</b>   | 09 This Report Is<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | 10 Date of Report (Mo, Da, Yr)<br><b>30-Jun-05</b> |
| ATTESTATION  |   |  |
| The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report. |   |  |
| 11 Name<br><b>Sharon Partridge</b>   | 12 Title<br><b>Vice President, Finance</b>  |  |
| 13 Signature   | 14 Date Signed<br><b>September 1, 2005</b>  |  |

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

|   |   |                                |  |
|---|---|--------------------------------|--|
| Name of Respondent<br><b>New England Gas Company, A Division of South</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year of Report<br><b>June 30, 2005</b> |
| <b>Rhode Island Location</b>  |   |                                |  |

LIST OF SCHEDULES (Natural Gas Company)

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

| Line No.  | Title of Schedule<br>(a)  | Reference Page No.<br>(b) | Date Revised<br>(c) | Remarks<br>(d) |
|---|---|---------------------------|---------------------|----------------|
| <b>GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS</b>                 |   |                           |                     |                |
| 1   | General Information   | 101                       |                     |                |
| 2   | Control Over Respondent   | 102                       |                     |                |
| 3   | Corporations Controlled by Respondent   | 103                       |                     |                |
| 4   | Security Holders and Voting Powers  | 107                       |                     |                |
| 5   | Important Changes During the Year   | 108                       |                     |                |
| 6   | Comparative Balance Sheet   | 110-113                   |                     |                |
| 7   | Statement of Income for the Year  | 114-116                   |                     |                |
| 8   | Statement of Retained Earnings for the Year   | 118-119                   |                     |                |
| 9   | Statements of Cash Flows  | 120-121                   |                     |                |
| 10  | Notes to Financial Statements   | 122                       |                     |                |
| <b>BALANCE SHEET SUPPORTING SCHEDULES<br/>(Assets and Other Debits)</b>       |   |                           |                     |                |
| 11  | Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion                                     | 200-201                   |                     |                |
| 12  | Gas Plant in Service  | 204-209                   |                     |                |
| 13  | Gas Property and Capacity Leased from Others  | 212                       |                     |                |
| 14  | Gas Property and Capacity Leased to Others  | 213                       |                     |                |
| 15  | Gas Plant Held for Future Use   | 214                       |                     |                |
| 16  | Construction Work in Progress -- Gas  | 216                       |                     |                |
| 17  | General Description of Construction Overhead Procedure  | 218                       |                     |                |
| 18  | Accumulated Provision for Depreciation of Gas Utility Plant   | 219                       |                     |                |
| 19  | Gas Stored  | 220                       |                     |                |
| 20  | Investments   | 222-223                   |                     |                |
| 21  | Investments in Subsidiary Companies   | 224-225                   |                     |                |
| 22  | Prepayments   | 230                       |                     |                |
| 23  | Extraordinary Property Losses   | 230                       |                     |                |
| 24  | Unrecovered Plant and Regulatory Study Costs  | 230                       |                     |                |
| 25  | Other Regulatory Assets   | 232                       |                     |                |
| 26  | Miscellaneous Deferred Debits   | 233                       |                     |                |
| 27  | Accumulated Deferred Income Taxes   | 234-235                   |                     |                |
| <b>BALANCE SHEET SUPPORTING SCHEDULES<br/>(Liabilities and Other Credits)</b> |   |                           |                     |                |
| 28  | Capital Stock   | 250-251                   |                     |                |
| 29  | Capital Stock Subscribed, Capital Stock Liability for Conversion Premium on Capital Stock, and Installments Received on Capital Stock | 252                       |                     |                |
| 30  | Other Paid-in Capital   | 253                       |                     |                |
| 31  | Discount on Capital Stock   | 254                       |                     |                |
| 32  | Capital Stock Expense   | 254                       |                     |                |
| 33  | Securities issued or Assumed and Securities Refunded or Retired During the Year   | 255                       |                     |                |
| 34  | Long-Term Debt  | 256-257                   |                     |                |
| 35  | Unamortized Debt Expense, Premium, and Discount on Long-Term Debt   | 258-259                   |                     |                |
| 36  | Unamortized Loss and Gain on Required Debt  | 260                       |                     |                |
| 37  | Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes  | 261                       |                     |                |

| Name of Respondent<br><b>New England Gas Company, A Division of South<br/>Rhode Island Location</b>  |   | This Report is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year of Report<br><b>June 30, 2005</b> |
|--|---|---|--|--|
| LIST OF SCHEDULES (Natural Gas Company) (Continued)  |   |   |  |  |
| Enter in column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA." |   |   |  |  |
| Line No.   | Title of Schedule<br>(a)  | Reference Page No.<br>(b)   | Date Revised<br>(c)                                    | Remarks<br>(d)                         |
| BALANCE SHEET SUPPORTING SCHEDULES<br>(Liabilities and Other Credits) (Continued)  |   |   |  |  |
| 38   | Taxes Accrued, Prepaid and Charged During the Year                            | 262-263   |  |  |
| 39   | Miscellaneous Current and Accrued Liabilities                                 | 268   |  |  |
| 40   | Other Deferred Credits  | 269   |  |  |
| 41   | Accumulated Deferred Income Taxes-Other Property                              | 274-275   |  |  |
| 42   | Accumulated Deferred Income Taxes-Other                                       | 276-277   |  |  |
| 43   | Other Regulatory Liabilities  | 278   |  |  |
| INCOME ACCOUNT SUPPORTING SCHEDULES  |   |   |  |  |
| 44   | Gas Operating Revenues  | 300-301   |  |  |
| 45   | Revenue from Transportation of Gas of Others Through Gathering Facilities     | 302-303   |  |  |
| 46   | Revenue from Transportation of Gas of Others Through Transmission Facilities  | 304-305   |  |  |
| 47   | Revenue from Storage Gas of Others  | 306-307   |  |  |
| 48   | Other Gas Revenues  | 308   |  |  |
| 49   | Gas Operation and Maintenance Expenses  | 317-325   |  |  |
| 50   | Exchange and Imbalance Transactions   | 328   |  |  |
| 51   | Gas Used in utility Operations  | 331   |  |  |
| 52   | Transmission and Compression of Gas by Others                                 | 332   |  |  |
| 53   | Other Gas Supply Expenses   | 334   |  |  |
| 54   | Miscellaneous General Expenses-Gas  | 335   |  |  |
| 55   | Depreciation, Depletion, and Amortization of Gas Plant                        | 336-338   |  |  |
| 56   | Particulars Concerning Certain Income Deduction and Interest Charges Accounts | 340   |  |  |
| COMMON SECTION   |   |   |  |  |
| 57   | Regulatory Commission Expenses  | 350-351   |  |  |
| 58   | Distribution of Salaries and Wages  | 354-355   |  |  |
| 59   | Charges for Outside Professional and Other Consultative Services              | 357   |  |  |
| GAS PLANT STATISTICAL DATA   |   |   |  |  |
| 60   | Compressor Stations   | 508-509   |  |  |
| 61   | Gas Storage Projects  | 512-513   |  |  |
| 62   | Transmission Lines  | 514   |  |  |
| 63   | Transmission System Peak Deliveries   | 518   |  |  |
| 64   | Auxiliary Peaking Facilities  | 519   |  |  |
| 65   | Gas Account-Natural Gas   | 520   |  |  |
| 66   | System Map  | 522   |  |  |
| 67   | Footnote Reference  | 551   |  |  |
| 68   | Footnote Text   | 552   |  |  |
| 69   | Stockholders' Reports (check appropriate box)                                 | -   |  |  |
| 70   | <input checked="" type="checkbox"/> Four copies will be submitted.            |   |  |  |
| 71   | <input type="checkbox"/> No annual report to stock holders is prepared.       |   |  |  |

**Blank Page**

**[Next page is 101]**

|   |   |                                       |  |
|---|---|---------------------------------------|--|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern</b><br><b>Rhode Island Location</b>  | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br><i>(Mo, Da, Yr)</i> | Year of Report<br><b>June 30, 2005</b> |
| GENERAL INFORMATION   |   |                                       |  |
| <p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p><b>Sharon Partridge, Vice President, Finance</b><br/> <b>100 Weybosset Street</b><br/> <b>Providence, RI 02903</b></p>   |   |                                       |  |
| <p>2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.</p> <p><b>On September 20 &amp; 28, 2000, the Valley Gas Company and Providence Gas Company, respectfully, merged with and into Southern Union Company whose date of incorporation is December 13, 1932. Southern Union Company is incorporated in the State of Delaware.</b></p> |   |                                       |  |
| <p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>N/A</p>  |   |                                       |  |
| <p>4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p><b>State of Rhode Island: Natural Gas</b></p>  |   |                                       |  |
| <p>5. Have you engaged as the principal accountant to audit your financial statements as an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) ___ Yes...Enter the date when such independent accountant was initially engaged: _____.</p> <p>(2) <input checked="" type="checkbox"/> No</p>  |   |                                       |  |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Rhode Island Location</b> | This Report is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year of Report<br><b>June 30, 2005</b> |
|--|---|--|--|

**CORPORATIONS CONTROLLED BY RESPONDENT**

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.

2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.

3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.

**DEFINITIONS**

1. See the Uniform System of Accounts for a definition of control.

2. Direct control is that which is exercised without interposition of an intermediary.

3. Indirect control is that which is exercised by the interposition of an intermediary that exercises direct control.

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

| Line No. | Name of Company Controlled<br>(a) | Type of Control<br>(b) | Kind of Business<br>(c)               | Percent Voting Stock Owned<br>(d) | Footnote Ref.<br>(e) |
|----------|-----------------------------------|------------------------|---------------------------------------|-----------------------------------|----------------------|
| 1        | Southern Union Company            | D                      | Natural Gas Distributor<br>- Division | N/A                               |                      |
| 2        |                                   |                        |                                       |                                   |                      |
| 3        |                                   |                        |                                       |                                   |                      |
| 4        |                                   |                        |                                       |                                   |                      |
| 5        |                                   |                        |                                       |                                   |                      |
| 6        |                                   |                        |                                       |                                   |                      |
| 7        |                                   |                        |                                       |                                   |                      |
| 8        |                                   |                        |                                       |                                   |                      |
| 9        |                                   |                        |                                       |                                   |                      |
| 10       |                                   |                        |                                       |                                   |                      |
| 11       |                                   |                        |                                       |                                   |                      |
| 12       |                                   |                        |                                       |                                   |                      |
| 13       |                                   |                        |                                       |                                   |                      |
| 14       |                                   |                        |                                       |                                   |                      |
| 15       |                                   |                        |                                       |                                   |                      |
| 16       |                                   |                        |                                       |                                   |                      |

**Blank Page**

**[Next page is 107]**

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year of Report<br><b>June 30, 2005</b> |
|--|---|--|--|

**SECURITY HOLDERS AND VOTING POWERS**

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of the trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

|  |   |   |
|--|---|---|
| 1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:<br><br>Stock book not closed | 2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy.<br>Total:<br>By proxy: | 3. Give the date and place of such meeting:<br><br>November 5, 2002<br>New York, New York |
|--|---|---|

**VOTING SECURITIES**

| Line No. | Name (Title) and Address of Security Holder (a) | 4. Number of votes as of (date): November 14, 2001 |                  |                     |           |
|----------|---|--|------------------|---------------------|-----------|
|          |   | Total Votes (b)                                    | Common Stock (c) | Preferred Stock (d) | Other (e) |
| 5        | TOTAL votes of all voting securities            | N/A  |                  | -                   | -         |
| 6        | TOTAL number of securities holders              | N/A  |                  | -                   | -         |
| 7        | TOTAL votes of security holders listed below    | N/A  |                  | -                   | -         |
| 8        |   |  |                  | -                   | -         |
| 9        |   |  |                  | -                   | -         |
| 10       |   |  |                  | -                   | -         |
| 11       |   |  |                  | -                   | -         |
| 12       |   |  |                  | -                   | -         |
| 13       |   |  |                  | -                   | -         |
| 14       |   |  |                  | -                   | -         |
| 15       |   |  |                  | -                   | -         |
| 16       |   |  |                  | -                   | -         |
| 17       |   |  |                  | -                   | -         |
| 18       |   |  |                  | -                   | -         |
| 19       |   |  |                  | -                   | -         |
| 20       |   |  |                  | -                   | -         |
| 21       |   |  |                  | -                   | -         |
| 22       |   |  |                  | -                   | -         |
| 23       |   |  |                  | -                   | -         |
| 24       |   |  |                  | -                   | -         |
| 25       |   |  |                  | -                   | -         |

**Blank Page**

**[Next page is 110]**

| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b> |  | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)                        | Year of Report<br><b>June 30, 2005</b>                 |
|---|--|---|---|--|
| Rhode Island Location   |  | COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)   |   |  |
| Line No.  | Title of Account<br>(a)  | Reference Page Number<br>(b)  | Balance at End of Current Year<br>(in dollars)<br>(c) | Balance at End of Previous Year<br>(in dollars)<br>(d) |
| 1   | UTILITY PLANT  |   |   |  |
| 2   | Utility Plant (101-106,114)  | 200-201   | 809,424,484   | 793,520,490  |
| 3   | Construction Work in Progress (107)                                    | 200-201   | 12,941,629  | 5,850,652  |
| 4   | TOTAL Utility Plant (Total of Lines 2 and 3)                           | 200-201   | 822,366,113   | 799,371,142  |
| 5   | (Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)       |   | (241,811,930)   | (223,755,018)  |
| 6   | Net Utility Plant (Total of line 4 less 5)                             |   | 580,554,183   | 575,616,124  |
| 7   | Nuclear Fuel (120.1 thru 120.4, and 120.6)                             |   |   |  |
| 8   | (Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5) |   |   |  |
| 9   | Nuclear Fuel (Total of line 7 less 8)                                  |   |   |  |
| 10  | Net Utility Plant (Total of Lines 6 and 9)                             |   | 580,554,183   | 575,616,124  |
| 11  | Utility Plant Adjustments (116)  | 122   |   |  |
| 12  | Gas Stored - Base Gas (117.1)  | 220   |   |  |
| 13  | System Balancing Gas (117.2)   | 220   |   |  |
| 14  | Gas Stored in Reservoirs and Pipelines - Noncurrent (117.3)            | 220   |   |  |
| 15  | Gas Owned to System Gas (117.4)  | 220   |   |  |
| 16  | OTHER PROPERTY AND INVESTMENTS   |   |   |  |
| 17  | Nonutility Property (121)  |   |   |  |
| 18  | (Less) Accum. Provision for Depreciation and Amortization (122)        |   |   |  |
| 19  | Investments in Associated Companies (123)                              | 222-223   | 117   | 117  |
| 20  | Investments in Subsidiary Companies (123.1)                            | 224-225   |   |  |
| 21  | (For Cost of Account 123.1 See Footnote Page 224, line 40)             |   |   |  |
| 22  | Noncurrent Portion of Allowances                                       |   |   |  |
| 23  | Other Investments (124)  | 222-223   | 49,286  | 411,634  |
| 24  | Special Funds (125 thru 128)   |   |   |  |
| 25  | TOTAL Other Property and Investments (Total of lines 17-20, 22-24)     |   | 49,403  | 411,751  |
| 26  | CURRENT AND ACCRUED ASSETS   |   |   |  |
| 27  | Cash (131)   |   | 907,393   | 383,150  |
| 28  | Special Deposits (132-134)   |   |   |  |
| 29  | Working Funds (135)  |   | 6,996   | 8,724  |
| 30  | Temporary Cash investments (136)                                       | 222-223   |   |  |
| 31  | Notes Receivable (141)   |   |   | (19,547)   |
| 32  | Customer Accounts Receivable (142)                                     |   | 61,248,903  | 51,468,852   |
| 33  | Other Accounts Receivable (143)  |   | 878,526   | 685,785  |
| 34  | (Less) Accum. Provision for Uncollectible Accounts - Credit (144)      |   | (7,101,767)   | (5,301,934)  |
| 35  | Notes Receivable from Associated Companies (145)                       |   |   |  |
| 36  | Accounts Receivable from Associated Companies (146)                    |   | 317,844,805   | 209,209,747  |
| 37  | Fuel Stock (151)   |   | 398,679   | 372,644  |
| 38  | Fuel Stock Expenses Undistributed (152)                                |   |   |  |
| 39  | Residuals (Elec) and Extracted Products (Gas) (153)                    |   |   |  |
| 40  | Plant Materials and Operating Supplies (154)                           |   | 1,663,895   | 1,482,021  |
| 41  | Merchandise (155)  |   |   |  |
| 42  | Other Materials and Supplies (156)                                     |   |   |  |
| 43  | Nuclear Materials Held for Sale (157)                                  |   |   |  |

|   |   |  |  |
|---|---|--|--|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b> | This Report is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year of Report<br><b>June 30, 2005</b> |
| Rhode Island Location   |   |  |  |

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)

| Line No. | Title of Account<br>(a)  | Reference Page Number<br>(b) | Balance at End of Current Year<br>(in dollars)<br>(c) | Balance at End of Previous Year<br>(in dollars)<br>(d) |
|----------|--|------------------------------|---|--|
| 44       | Allowances (158.1 and 158.2)   |                              |   |  |
| 45       | (Less) Noncurrent Portion of Allowances                                  |                              |   |  |
| 46       | Stores Expense Undistributed (163)                                       |                              | 71  |  |
| 47       | Gas Stored Underground - Current (164.1)                                 | 220                          | 16,007,288  | 12,189,350   |
| 48       | Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)  | 220                          | 4,922,766   | 4,542,432  |
| 49       | Prepayments (165)  | 230                          | 41,841,873  | 33,644,071   |
| 50       | Advances for Gas (166 thru 167)  |                              |   |  |
| 51       | Interest and Dividends Receivable (171)                                  |                              |   |  |
| 52       | Rents Receivable (172)   |                              |   |  |
| 53       | Accrued Utility Revenues (173) Reclassed Jan 2005. See FERC 186 page 233 |                              | 5,460,981   |  |
| 54       | Miscellaneous Current and Accrued Assets (174)                           |                              | 345   |  |
| 55       | TOTAL Current and Accrued Assets (Total of lines 27 thru 54)             |                              | 444,080,754   | 308,665,295  |
| 56       | DEFERRED DEBITS  |                              |   |  |
| 57       | Unamortized Debt Expense (181)   |                              |   |  |
| 58       | Extraordinary Property Losses (182.1)                                    | 230                          |   |  |
| 59       | Unrecovered Plant and Regulatory Study Costs (182.2)                     | 230                          |   |  |
| 60       | Other Regulatory Assets (182.3)  | 232                          | 11,156,796  | 12,515,587   |
| 61       | Preliminary Survey and Investigation Charges (Electric) (183)            |                              |   |  |
| 62       | Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2)        |                              |   |  |
| 63       | Clearing Accounts (184)  |                              | 17,578  |  |
| 64       | Temporary Facilities (185)   |                              |   |  |
| 65       | Miscellaneous Deferred Debits (186)                                      | 233                          | 2,648,408   | 5,920,104  |
| 66       | Deferred Losses from Disposition of Utility Plant (187)                  |                              |   |  |
| 67       | Research, Development, and Demonstration Expend. (188)                   |                              |   |  |
| 68       | Unamortized Loss on Required Debt (189)                                  |                              |   |  |
| 69       | Accumulated Deferred Income Taxes (190)                                  | 234-235                      |   |  |
| 70       | Unrecovered Purchase Gas Costs (191)                                     |                              |   |  |
| 71       | TOTAL Deferred Debits (Total of lines 57 thru 70)                        |                              | 13,822,782  | 18,435,691   |
| 72       | TOTAL Assets and Other Debits (Total of lines 10-15,25,55, and 71)       |                              | 1,038,507,122   | 903,128,861  |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year of Report<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |  |  |

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

| Line No. | Title of Account<br>(a)  | Reference Page Number<br>(b) | Balance at End of Current Year<br>(in dollars)<br>(c) | Balance at End of Previous Year<br>(in dollars)<br>(d) |
|----------|--|------------------------------|---|--|
| 1        | PROPRIETARY CAPITAL  |                              |   |  |
| 2        | Common Stock Issued (201)                                      | 250-251                      |   |  |
| 3        | Preferred Stock Issued (204)                                   | 250-251                      |   |  |
| 4        | Capital Stock Subscribed (202, 205)                            | 252                          |   |  |
| 5        | Stock Liability for Conversion (203, 206)                      | 252                          |   |  |
| 6        | Premium on Capital Stock (207)                                 | 252                          |   |  |
| 7        | Other Paid-in Capital (208-211)                                | 253                          |   |  |
| 8        | Installments Received on Capital Stock (212)                   | 252                          |   |  |
| 9        | (Less) Discount on Capital Stock (213)                         | 254                          |   |  |
| 10       | (Less) Capital Stock Expense (214)                             | 254                          |   |  |
| 11       | Retained Earnings (215, 215.1, 216)                            | 118-119                      | 291,019,547   | 263,344,332  |
| 12       | Unappropriated Undistributed Subsidiary Earnings (216.1)       | 118-119                      |   |  |
| 13       | (Less) Required Capital Stock (217)                            | 250-251                      |   |  |
| 14       | TOTAL Proprietary Capital (Total of lines 2 thru 13)           |                              | 291,019,547   | 263,344,332  |
| 15       | LONG TERM DEBT   |                              |   |  |
| 16       | Bonds (221)  | 256-257                      |   |  |
| 17       | (Less) Reacquired Bonds (222)                                  | 256-257                      |   |  |
| 18       | Advances from Associated Companies (223)                       | 256-257                      |   |  |
| 19       | Other Long-Term Debt (224)                                     | 256-257                      |   |  |
| 20       | Unamortized Premium on Long-Term Debt (225)                    | 258-259                      |   |  |
| 21       | (Less) Unamortized Discount on Long-Term Debt-Dr. (226)        | 258-259                      |   |  |
| 22       | (Less) Current Portion of Long-Term Debt                       |                              |   |  |
| 23       | TOTAL Long-Term Debt (Total of lines 16 thru 22)               |                              |   |  |
| 24       | OTHER NONCURRENT LIABILITIES                                   |                              |   |  |
| 25       | Obligations Under Capital Leases - Noncurrent (227)            |                              | 56,622  | 246,719  |
| 26       | Accumulated Provision for Property Insurance (228.1)           |                              |   |  |
| 27       | Accumulated Provision for Injuries and Damages (228.2)         |                              | 1,794,311   |  |
| 28       | Accumulated Provision for Pensions and Benefits (228.3)        |                              |   |  |
| 29       | Accumulated Miscellaneous Operating Provisions (228.4)         |                              |   |  |
| 30       | Accumulated Provision for Rate Refunds (229)                   |                              |   |  |
| 31       | TOTAL Other Noncurrent Liabilities (Total of lines 25 thru 30) |                              | 1,850,933   | 246,719  |

| Name of Respondent   |   | This Report Is:                                 | Date of Report  | Year of Report   |
|--|---|---|---|--|
| New England Gas Company, A Division of Southern Union Co             |   | <input checked="" type="checkbox"/> An Original | (Mo, Da, Yr)  | June 30, 2005  |
| Rhode Island Location  |   | A Resubmission                                  |   |  |
| COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(Continued) |   |   |   |  |
| Line No.   | Title of Account<br>(a)   | Reference Page Number<br>(b)                    | Balance at End of Current Year<br>(in dollars)<br>(c) | Balance at End of Previous Year<br>(in dollars)<br>(d) |
| 32   | CURRENT AND ACCRUED LIABILITIES   |   |   |  |
| 33   | Current Portion of Long-Term Debt   |   |   |  |
| 34   | Notes Payable (231)   |   |   |  |
| 35   | Accounts Payable (232)  |   | 31,539,116  | 17,577,014   |
| 36   | Notes Payable to Associated Companies (233)                               |   |   |  |
| 37   | Accounts Payable to Associated Companies (234)                            |   | 619,462,486   | 553,792,346  |
| 38   | Customer Deposits (235)   |   | 2,931,708   | 2,804,951  |
| 39   | Taxes Accrued (236)   | 262-263   | (11,489,509)  | (12,200,984)   |
| 40   | Interest Accrued (237)  |   | 287,145   | 286,040  |
| 41   | Dividends Declared (238)  |   |   |  |
| 42   | Matured Long-Term Debt (239)  |   |   |  |
| 43   | Matured Interest (240)  |   |   |  |
| 44   | Tax Collections Payable (241)   |   | 276,222   | 383,181  |
| 45   | Miscellaneous Current and Accrued Liabilities (242)                       | 268   | 24,627,373  | 20,355,754   |
| 46   | Obligations Under Capital Leases-Current (243)                            |   |   |  |
| 47   | TOTAL Current and Accrued Liabilities (Total of lines 33 thru 46)         |   | 667,634,541   | 582,998,302  |
| 48   | DEFERRED CREDITS  |   |   |  |
| 49   | Customer Advances for Construction (252)                                  |   |   |  |
| 50   | Accumulated Deferred Investment Tax Credits (255)                         |   | 1,439,822   | 1,644,390  |
| 51   | Deferred Gains from Disposition of Utility Plant (256)                    |   |   |  |
| 52   | Other Deferred Credits (253)  | 269   | 34,298,815  | 20,315,204   |
| 53   | Other Regulatory Liabilities (254)  | 278   | 9,947,069   | 2,263,425  |
| 54   | Unamortized Gain on Reaquired Debt (257)                                  | 260   |   |  |
| 54.1   | Contributions in aid of Construction (271)                                |   |   |  |
| 55   | Accumulated Deferred Income Taxes (281-283)                               | 276-277   | 32,316,395  | 32,316,489   |
| 56   | Operating Reserves  |   |   |  |
| 57   | TOTAL Deferred Credits (Total of lines 49 thru 55)                        |   | 78,002,101  | 56,539,508   |
| 58   | TOTAL Liabilities and Other Credits (Total of lines 14, 23,31,47, and 56) |   | 1,038,507,122   | 903,128,861  |

- | 0

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union C</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year of Report<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |  |  |

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413. *Revenue and Expenses from Utility Plant Leased to Others*, in another utility column (i,j) in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in discount 414. *Other Utility Operating Income*, in the same manner as accounts 412 and 413 above.
3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.

| Line No. | Title of Account<br>(a)   | Reference Page Number<br>(b) | Total Current Year<br>(in dollars)<br>(c) | Total Previous Year<br>(in dollars)<br>(d) |
|----------|---|------------------------------|---|--|
| 1        | UTILITY OPERATING INCOME  |                              |   |  |
| 2        | Gas Operating Revenues (400)  | 300-301                      | 415,290,748                               | 379,795,102                                |
| 3        | Operating Expenses  |                              |   |  |
| 4        | Operation Expenses (401)  | 317-325                      | 331,059,287                               | 301,109,930                                |
| 5        | Maintenance Expenses (402)  | 317-325                      | 6,561,618                                 | 5,574,650                                  |
| 6        | Depreciation Expense (403)  | 336-338                      | 17,754,687                                | 16,916,806                                 |
| 7        | Amortization & Depletion of Utility Plant (404-405)   | 336-338                      | 2,998,781                                 | 2,813,151                                  |
| 8        | Amortization of Utility Plant Acu. Adjustment (406)   | 336-338                      |   |  |
| 9        | Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)                          |                              |   |  |
| 10       | Amortization of Conversion Expenses (407.2)   |                              |   |  |
| 11       | Regulatory Debits (407.3)   |                              |   |  |
| 12       | (Less) Regulatory Credits (407.4)   |                              |   |  |
| 13       | Taxes Other Than Income Taxes (408.1)   | 262-263                      | 22,243,072                                | 20,942,387                                 |
| 14       | Income Taxes -- Federal (409.1)   | 262-263                      |   |  |
| 15       | Income Taxes -- Other (409.1)   | 262-263                      |   |  |
| 16       | Provision of Deferred Income Taxes (410.1)  | 234-235                      |   |  |
| 17       | (Less) Provision for Deferred Income Taxes -- Credit (411.1)                                    | 234-235                      |   |  |
| 18       | Investment Tax Credit Adjustment -- Net (411.4)   |                              |   |  |
| 19       | (Less) Gains from Disposition of Utility Plant (411.6)  |                              |   |  |
| 20       | Losses from Disposition of Utility Plant (411.7)  |                              |   |  |
| 21       | (Less) Gains from Disposition of Allowances (411.8)   |                              |   |  |
| 22       | Losses from Disposition of Allowances (411.9)   |                              |   |  |
| 23       | Income from Utility Plant leased to others  |                              |   |  |
| 24       | TOTAL Utility Operating Expenses (Total of lines 4 thru 22)                                     |                              | 380,617,445                               | 347,356,924                                |
| 25       | Net Utility Operating Income (Total of lines 2 less 23)<br>(Carry forward to page 116, line 25) |                              | 34,673,303                                | 32,438,178                                 |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year of Report<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |  |  |

STATEMENT OF INCOME FOR THE YEAR (Continued)

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

5. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on page 122 or in a supplemental statement.

| ELECTRIC UTILITY                    |                                      | GAS UTILITY                         |                                      | OTHER UTILITY                       |                                      | Line No. |
|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|----------|
| Current Year<br>(in dollars)<br>(e) | Previous Year<br>(in dollars)<br>(f) | Current Year<br>(in dollars)<br>(g) | Previous Year<br>(in dollars)<br>(h) | Current Year<br>(in dollars)<br>(i) | Previous Year<br>(in dollars)<br>(j) |          |
|                                     |                                      | 415,290,748                         | 379,795,102                          |                                     |                                      | 1        |
|                                     |                                      |                                     |                                      |                                     |                                      | 2        |
|                                     |                                      |                                     |                                      |                                     |                                      | 3        |
|                                     |                                      | 331,059,287                         | 301,109,930                          |                                     |                                      | 4        |
|                                     |                                      | 6,561,618                           | 5,574,650                            |                                     |                                      | 5        |
|                                     |                                      | 17,754,687                          | 16,916,806                           |                                     |                                      | 6        |
|                                     |                                      | 2,998,781                           | 2,813,151                            |                                     |                                      | 7        |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 8        |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 9        |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 10       |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 11       |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 12       |
|                                     |                                      | 22,243,072                          | 20,942,387                           |                                     |                                      | 13       |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 14       |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 15       |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 16       |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 17       |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 18       |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 19       |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 20       |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 21       |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 22       |
|                                     |                                      | -                                   | -                                    |                                     |                                      | 23       |
|                                     |                                      | 380,617,445                         | 347,356,924                          |                                     |                                      | 24       |
|                                     |                                      | 34,673,303                          | 32,438,178                           |                                     |                                      | 25       |

|   |   |  |  |
|---|---|--|--|
| Name of Respondent<br><b>New England Gas Company, A Division of S<br/>Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year of Report<br><b>June 30, 2005</b> |
|---|---|--|--|

STATEMENT OF INCOME FOR THE YEAR (Continued)

| Line No. | Title of Account<br>(a)   | Reference Page Number<br>(b) | Total Current Year<br>(in dollars)<br>(c) | Total Previous Year<br>(in dollars)<br>(d) |
|----------|---|------------------------------|---|--|
| 25       | Net Utility Operating Income (Carried forward from page 114)        |                              | 34,673,303                                | 32,438,178                                 |
| 26       | OTHER INCOME AND DEDUCTIONS   |                              |   |  |
| 27       | Other Income  |                              |   |  |
| 28       | Nonutility Operating Income   |                              |   |  |
| 29       | Revenues From Merchandising, Jobbing, and Contract Work (415)       |                              | 1,719,820                                 | 1,885,689                                  |
| 30       | (Less) Costs and Expense of Merchandising, Job & Contract Work      |                              | (777,519)                                 | (849,106)                                  |
| 31       | Revenues From Nonutility Operations (417)                           |                              |   |  |
| 32       | (Less) Expenses of Nonutility Operations (417.1)                    |                              | (3,004)                                   | 198,384                                    |
| 33       | Nonoperating Rental Income  |                              |   | 66,184                                     |
| 34       | Equity in Earnings of Subsidiary Companies (418.1)                  | 119                          |   |  |
| 35       | Interest and Dividend Income (419)                                  |                              | 860,785                                   | 951,802                                    |
| 36       | Allowance for Other Funds Used During Construction (419.1)          |                              | 206,781                                   | 227,824                                    |
| 37       | Miscellaneous Nonoperating Income (421)                             |                              | 103,595                                   | 210,375                                    |
| 38       | Gain on Disposition of Property (421.1)                             |                              |   | 162,310                                    |
| 39       | TOTAL Other Income (Total of lines 29 thru 38)                      |                              | 2,110,458                                 | 2,855,462                                  |
| 40       | Other Income Deductions   |                              |   |  |
| 41       | Loss on Disposition of Property (421.2)                             |                              |   |  |
| 42       | Miscellaneous Amortization (425)                                    | 340                          |   |  |
| 43       | Miscellaneous Income Deduction (426.1-426.5)                        | 340                          | (9,033,514)                               | (490,716)                                  |
| 44       | TOTAL Other Income Deductions (Total of lines 41 thru 43)           |                              | (9,033,514)                               | (490,716)                                  |
| 45       | Taxes Applic. to Other Income and Deductions                        |                              |   |  |
| 46       | Taxes Other Than Income Taxes (406.2)                               | 262-263                      |   |  |
| 47       | Income Taxes -- Federal (409.2)                                     | 262-263                      |   |  |
| 48       | Income Taxes -- Other (409.2)                                       | 262-263                      |   |  |
| 49       | Provision for Deferred Income Taxes (410.2)                         | 234-235                      |   |  |
| 50       | (Less) Provision for Deferred Income Taxes -- Credit (411.2)        | 234-235                      |   |  |
| 51       | Investment Tax Credit Adjustments -- Net (411.5)                    |                              |   |  |
| 52       | (Less) Investment Tax Credits (420)                                 |                              | 204,568                                   | 204,568                                    |
| 53       | TOTAL Taxes on Other Income and Deductions (Total of lines 46 - 52) |                              | 204,568                                   | 204,568                                    |
| 54       | Net Other Income and Deductions (Total of lines 39, 44, 53)         |                              | (6,718,488)                               | 2,569,314                                  |
| 55       | INTEREST CHARGES  |                              |   |  |
| 56       | Interest on Long-Term Debt (427)                                    |                              |   |  |
| 57       | Amortization of Debt Disc. and Expense (428)                        | 258-259                      |   |  |
| 58       | Amortization of Loss on Reacquired Debt (428.1)                     |                              |   |  |
| 59       | (Less) Amortization of Premium on Debt-Credit (429)                 | 258-259                      |   |  |
| 60       | (Less) Amortization of Gain on Reacquired Debt-Credit (429.1)       |                              |   |  |
| 61       | Interest on Debt to Associated Companies (430)                      | 340                          |   |  |
| 62       | Other Interest Expense (431)  | 340                          | (279,600)                                 | (290,219)                                  |
| 63       | (Less) Allowance for Borrowed Funds Used During Construction-Credit |                              |   |  |
| 64       | Net Interest Charges (Total of lines 56 thru 63)                    |                              | (279,600)                                 | (290,219)                                  |
| 65       | Income Before Extraordinary Items (Total of lines 25, 54, and 64)   |                              | 27,675,215                                | 34,717,273                                 |
| 66       | EXTRAORDINARY ITEMS   |                              |   |  |
| 67       | Extraordinary Income (434)  |                              |   |  |
| 68       | (Less) Extraordinary Deductions (435)                               |                              |   |  |
| 69       | Net Extraordinary Items (Total of line 67 less line 68)             |                              |   |  |
| 70       | Income Taxes -- Federal and Other (409.3)                           | 262-263                      |   |  |
| 71       | Extraordinary Items After Taxes (Total of line 69 less line 70)     |                              |   |  |
| 72       | Net Income (Total of lines 65 and 71) **                            |                              | 27,675,215                                | 34,717,273                                 |

\*\* EXCLUDES CORP ALLOCATIONS

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year of Report<br><b>June 30, 2005</b> |
|--|---|--|--|

**STATEMENT OF RETAINED EARNINGS FOR THE YEAR**

- |  |  |
|--|--|
| <p>1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.</p> <p>2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).</p> | <p>3. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>4. List first account 439, <i>Adjustments to Retained Earnings</i>, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items.</p> <p>5. Show dividends for each class and series of capital stock.</p> |
|--|--|

| Line No.                                | Item<br>(a)  | Contra Primary Account Affected<br>(b) | Current Year Amount<br>(in dollars)<br>(c) | Previous Year Amount<br>(in dollars)<br>(d) |
|---|--|--|--|---|
| <b>UNAPPROPRIATED RETAINED EARNINGS</b> |  |  |  |   |
| 1                                       | Balance -- Beginning of Year   |  | 263,344,332                                | 228,627,059                                 |
| 2                                       | Changes (Identify by prescribed retained earnings accounts)                                  |  |  |   |
| 3                                       | Adjustments to Retained Earnings (Account 439)   |  |  |   |
| 3.01                                    | Credit: Accumulated other comprehensive income   |  |  |   |
| 3.02                                    | Credit:  |  |  |   |
| 3.03                                    | Credit:  |  |  |   |
| 3.04                                    | Credit:  |  |  |   |
| 3.05                                    | Credit:  |  |  |   |
| 4                                       | TOTAL Credits to Retained Earnings (Account 439)<br>(Total of lines 3.01 thru 3.05)          |  |  |   |
| 4.01                                    | Debit: Accumulated other comprehensive income  |  |  |   |
| 4.02                                    | Debit: Cumulative effect of change in accounting principle                                   |  |  |   |
| 4.03                                    | Debit:   |  |  |   |
| 4.04                                    | Debit:   |  |  |   |
| 4.05                                    | Debit:   |  |  |   |
| 5                                       | TOTAL Debits to Retained Earnings (Account 439)<br>(Enter total of lines 4.01 thru 4.05)     |  | -  | -   |
| 6                                       | Balance Transferred from Income (Account 433 less Account 418.1)                             |  | 27,675,215                                 | 34,717,273                                  |
| 7                                       | Appropriations of Retained Earnings (Account 436)  |  |  |   |
| 7.01                                    |  |  |  |   |
| 7.02                                    |  |  |  |   |
| 7.03                                    |  |  |  |   |
| 7.04                                    |  |  |  |   |
| 8                                       | TOTAL Appropriations of Retained Earnings (Account 436)<br>(Total of lines 7.01 thru 7.04)   |  |  |   |
| 9                                       | Dividends Declared -- Preferred Stock (Account 437)  |  |  |   |
| 9.01                                    |  |  |  |   |
| 9.02                                    |  |  |  |   |
| 9.03                                    |  |  |  |   |
| 9.04                                    |  |  |  |   |
| 10                                      | TOTAL Dividends Declared -- Preferred Stock (Account 437)<br>(Total of lines 9.01 thru 9.04) |  |  |   |
| 11                                      | Dividends Declared -- Common Stock (Account 438)   |  |  |   |
| 11.01                                   | Stock Dividend   |  |  |   |
| 11.02                                   |  |  |  |   |
| 11.03                                   |  |  |  |   |
| 11.04                                   |  |  |  |   |
| 12                                      | TOTAL Dividends Declared -- Common Stock (Account 438)<br>(Total of lines 11.01 thru 11.04)  |  | -  | -   |
| 13                                      | Transfers from Acct. 216.1, Unappropriated Undistributed<br>Subsidiary Earnings              |  |  |   |
| 14                                      | Balance -- End of Year (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)                        |  | 291,019,547                                | 263,344,332                                 |

| Name of Respondent<br><b>New England Gas Company, A Division of Southern</b>  |  | This Report Is:<br><input checked="" type="checkbox"/> An Original  | Date of Report<br>(Mo, Da, Yr)              | Year of Report<br><b>June 30, 2005</b> |
|---|--|---|---|--|
| Rhode Island Location   |  | <input type="checkbox"/> A Resubmission   |   |  |
| STATEMENT OF RETAINED EARNINGS FOR THE YEAR   |  |   |   |  |
| 6. Show separately the State and Federal income tax effect of items shown in Account 439, <i>Adjustment to Retained Earnings</i> .  |  | 7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriate as well as the totals eventually to be accumulated.<br>8. At lines 3, 4, 7, 9, 11, and 15, add rows as necessary to report all data. When rows are added, the additional row numbers should follow in sequence, e.g., 3.01, 3.02, etc. |   |  |
| Line No.  | Item<br><br>(a)  | Current Year Amount<br>(in dollars)<br>(b)  | Previous Year Amount<br>(in dollars)<br>(c) |  |
| APPROPRIATED RETAINED EARNINGS (Account 215)  |  |   |   |  |
| State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.  |  |   |   |  |
| 15.01   |  |   |   |  |
| 15.02   |  |   |   |  |
| 15.03   |  |   |   |  |
| 15.04   |  |   |   |  |
| 15.05   |  |   |   |  |
| 15.06   |  |   |   |  |
| 15.07   |  |   |   |  |
| 15.08   |  |   |   |  |
| 16  | TOTAL Appropriated Retained Earnings (Account 215)                                       |   |   |  |
| APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1)  |  |   |   |  |
| State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote. |  |   |   |  |
| 17  | TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)       |   |   |  |
| 18  | TOTAL Appropriated Retained Earnings (Accounts 215, 215.1)<br>(Total of lines 16 and 17) |   |   |  |
| 19  | TOTAL Retained Earnings (Account 215, 215.1, 216)<br>(Total of lines 14 and 18)          | 291,019,547   | 263,344,332                                 |  |
| UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)  |  |   |   |  |
| 20  | Balance -- Beginning of Year (Debit or Credit)   |   |   |  |
| 21  | Equity in Earnings for Year (Credit) (Account 418.1)                                     |   |   |  |
| 22  | (Less ) Dividends Received (Debit)   |   |   |  |
| 23  | Other Changes (Explain)  |   |   |  |
| 24  | Balance - End of Year  |   |   |  |

**Blank Page**

**[Next page is 200]**

| Name of Respondent<br><b>New England Gas Company, A Division of Southern Rhode Island Location</b>   |  | This Report Is:<br><input checked="" type="checkbox"/> An Original<br>A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
|--|--|--|--------------------------------|-------------------------------------|
| SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS<br>FOR DEPRECIATION, AMORTIZATION, AND DEPLETION |  |  |                                |                                     |
| Line No.   | Item (a)   | Total (b)  |                                |                                     |
| 1  | UTILITY PLANT  |  |                                |                                     |
| 2  | In Service   |  |                                |                                     |
| 3  | Plant in Service (Classified)  | 498,993,505  |                                |                                     |
| 4  | Property Under Capital Leases  | 5,897,475  |                                |                                     |
| 5  | Plant Purchased or Sold  |  |                                |                                     |
| 6  | Completed Construction not Classified  | 932,761  |                                |                                     |
| 7  | Experimental Plant Unclassified  |  |                                |                                     |
| 8  | TOTAL Utility Plant (Total of lines 3 thru 7)  | 505,823,741  |                                |                                     |
| 9  | Leased to Others   |  |                                |                                     |
| 10   | Held for Future Use  |  |                                |                                     |
| 11   | Construction Work in Progress  | 12,941,629   |                                |                                     |
| 12   | Acquisition Adjustments  |  |                                |                                     |
| 13   | TOTAL Utility Plant (Total of lines 8 thru 12)   | 518,765,370  |                                |                                     |
| 14   | Accumulated Provision for Depreciation, Amortization, & Depletion                                | (241,811,930)  |                                |                                     |
| 15   | Net Utility Plant (Total of lines 13 and 14)   | (1)  | 276,953,440                    |                                     |
| 16   | DETAIL OF ACCUMULATED PROVISIONS FOR<br>DEPRECIATION, AMORTIZATION, AND DEPLETION                |  |                                |                                     |
| 17   | In Service:  |  |                                |                                     |
| 18   | Depreciation   | (241,811,930)  |                                |                                     |
| 19   | Amortization and Depletion of Producing Natural Gas Land and Land Rights                         |  |                                |                                     |
| 20   | Amortization of Underground Storage Land and Land Rights   |  |                                |                                     |
| 21   | Amortization of Other Utility Plant  |  |                                |                                     |
| 22   | TOTAL In Service (Total of lines 18 thru 21)   | (241,811,930)  |                                |                                     |
| 23   | Leased to Others   |  |                                |                                     |
| 24   | Depreciation   |  |                                |                                     |
| 25   | Amortization and Depletion   |  |                                |                                     |
| 26   | TOTAL Leased to Others (Total of lines 24 and 25)  |  |                                |                                     |
| 27   | Held for Future Use  |  |                                |                                     |
| 28   | Depreciation   |  |                                |                                     |
| 29   | Amortization   |  |                                |                                     |
| 30   | TOTAL Held for Future Use (Total of lines 28 and 29)   |  |                                |                                     |
| 31   | Abandonment of Leases (Natural Gas)  |  |                                |                                     |
| 32   | Amortization of Plant Acquisition Adjustment   |  |                                |                                     |
| 33   | TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32) | (241,811,930)  |                                |                                     |

(1) Excludes \$303,600,743 Goodwill

| Name of Respondent<br>New England Gas Company, A Division of<br>Rhode Island Location                            | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br>June 30, 2005 |      |
|--|---|--------------------------------|------------------------------|------|
| SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS<br>FOR DEPRECIATION, AMORTIZATION, AND DEPLETION (Continued) |   |                                |                              |      |
| Electric<br>(c)  | Gas<br>(d)  | Other (Specify)<br>(e)         | Common<br>(f)                | Line |
|  |   |                                |                              | 1    |
|  |   |                                |                              | 2    |
| -  | 498,993,505   | -                              | -                            | 3    |
| -  | 5,897,475   | -                              | -                            | 4    |
| -  | -   | -                              | -                            | 5    |
| -  | 932,761   | -                              | -                            | 6    |
| -  | -   | -                              | -                            | 7    |
| -  | 505,823,741   | -                              | -                            | 8    |
| -  | -   | -                              | -                            | 9    |
| -  | -   | -                              | -                            | 10   |
| -  | 12,941,629  | -                              | -                            | 11   |
| -  | -   | -                              | -                            | 12   |
| -  | 518,765,370   | -                              | -                            | 13   |
| -  | (241,811,930)   | -                              | -                            | 14   |
| -  | 276,953,440   | -                              | -                            | 15   |
|  |   |                                |                              | 16   |
|  |   |                                |                              | 17   |
| -  | (241,811,930)   | -                              | -                            | 18   |
|  | -   |                                |                              | 19   |
|  | -   |                                |                              | 20   |
| -  | -   | -                              | -                            | 21   |
| -  | (241,811,930)   | -                              | -                            | 22   |
|  |   |                                |                              | 23   |
| -  | -   | -                              | -                            | 24   |
| -  | -   | -                              | -                            | 25   |
| -  | -   | -                              | -                            | 26   |
|  |   |                                |                              | 27   |
| -  | -   | -                              | -                            | 28   |
| -  | -   | -                              | -                            | 29   |
| -  | -   | -                              | -                            | 30   |
|  |   |                                |                              | 31   |
| -  | -   | -                              | -                            | 32   |
| -  | (241,811,930)   | -                              | -                            | 33   |

|   |   |  |                                     |
|---|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of<br/>Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|---|---|--|-------------------------------------|

**GAS PLANT IN SERVICE (ACCOUNTS 101,102,103, and 106)**

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

2. In addition to Account 101, *Gas Plant in Service(Classified)*, this page and the next include Account 102, *Gas Plant Purchased or Sold*, Account 103, *Experimental Gas Plant Unclassified*, and Account 106, *Completed Construction Not Classified -- Gas*.

3. Include in column (c) or (d), as appropriate corrections of additions and retirements for the current or preceding year.

4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.

5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).

| Line No. | Account (a)   | Balance at Beginning of Year (b) | Additions (c) |
|----------|---|----------------------------------|---------------|
| 1        | <b>INTANGIBLE PLANT</b>   |                                  |               |
| 2        | 301 Organization  |                                  |               |
| 3        | 302 Franchises and Consents   | 188,054                          |               |
| 4        | 303 Miscellaneous Intangible Plant                                    | 33,280,532                       | 732,044       |
| 5        | TOTAL Intangible Plant (Enter Total of lines 2 thru 4)                | 33,468,586                       | 732,044       |
| 6        | <b>PRODUCTION PLANT</b>   |                                  |               |
| 7        | Natural Gas Production and Gathering Plant                            |                                  |               |
| 8        | 304 Land and Land Rights  | 196,998                          | -             |
| 9        | 305 Structures and Improvements                                       | 1,248,775                        |               |
| 10       | 306 Boiler Plant Equipment  |                                  |               |
| 11       | 307 Other Power Equipment   | 44,561                           |               |
| 12       | 311 Liquefied Petroleum Gas Equipment                                 | 1,439,480                        | 1,668         |
| 13       | 313 Generating Equipment- Other Processes                             |                                  |               |
| 14       | 320 Other Equipment   | 53,082                           |               |
| 15       | 325.1 Producing Lands   |                                  |               |
| 16       | 325.2 Producing Leaseholds  |                                  |               |
| 17       | 325.3 Gas Rights  |                                  |               |
| 18       | 325.4 Rights-of-Way   |                                  |               |
| 19       | 325.5 Other Land and Land Rights                                      |                                  |               |
| 20       | 326 Gas Well Structures   |                                  |               |
| 21       | 327 Field Compressor Station Structures                               |                                  |               |
| 22       | 328 Field Measuring and Regulating Station Equipment                  |                                  |               |
| 23       | 329 Other Structures  |                                  |               |
| 24       | 330 Producing Gas Wells -- Well Construction                          |                                  |               |
| 25       | 331 Producing Gas Wells -- Well Equipment                             |                                  |               |
| 26       | 332 Field Lines   |                                  |               |
| 27       | 333 Field Compressor Station Equipment                                |                                  |               |
| 28       | 334 Field Measuring and Regulating Station Equipment                  |                                  |               |
| 29       | 335 Drilling and Cleaning Equipment                                   |                                  |               |
| 30       | 336 Purification Equipment  |                                  |               |
| 31       | 337 Other Equipment   |                                  |               |
| 32       | 338 Unsuccessful Exploration and Development Costs                    |                                  |               |
| 33       | TOTAL Production and Gathering Plant (Enter Total of lines 8 thru 25) | 2,982,896                        | 1,668         |
| 34       | <b>PRODUCTS EXTRACTION PLANT</b>                                      |                                  |               |
| 35       | 340 Land and Land Rights  |                                  |               |
| 36       | 341 Structures and Improvements                                       |                                  |               |
| 37       | 342 Extraction and Refining Equipment                                 |                                  |               |
| 38       | 343 Pipe Lines  |                                  |               |
| 39       | 344 Extracted Products Storage Equipment                              |                                  |               |
| 40       | 345 Compressor Equipment  |                                  |               |

|   |   |                                |                                     |
|---|---|--------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of S</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location   |   |                                |                                     |

**GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)**

Including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

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

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

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

| Retirements<br>(d) | Adjustments (1)<br>(e) | Transfers<br>(f) | Balance at<br>End of Year<br>(g) | Line<br>No. |
|--------------------|------------------------|------------------|----------------------------------|-------------|
|                    |                        |                  |                                  | 1           |
|                    |                        |                  |                                  | 2           |
|                    |                        |                  | 188,054                          | 3           |
|                    |                        |                  | 34,012,576                       | 4           |
|                    |                        |                  | 34,200,630                       | 5           |
|                    |                        |                  |                                  | 6           |
|                    |                        |                  |                                  | 7           |
|                    |                        |                  | 196,998                          | 8           |
|                    |                        |                  | 1,248,775                        | 9           |
|                    |                        |                  | -                                | 10          |
|                    |                        |                  | 44,561                           | 11          |
|                    |                        |                  | 1,441,148                        | 12          |
|                    |                        |                  | -                                | 13          |
|                    |                        |                  | 53,082                           | 14          |
|                    |                        |                  | -                                | 15          |
|                    |                        |                  | -                                | 16          |
|                    |                        |                  | -                                | 17          |
|                    |                        |                  | -                                | 18          |
|                    |                        |                  | -                                | 19          |
|                    |                        |                  | -                                | 20          |
|                    |                        |                  | -                                | 21          |
|                    |                        |                  | -                                | 22          |
|                    |                        |                  | -                                | 23          |
|                    |                        |                  | -                                | 24          |
|                    |                        |                  | -                                | 25          |
|                    |                        |                  | -                                | 26          |
|                    |                        |                  | -                                | 27          |
|                    |                        |                  | -                                | 28          |
|                    |                        |                  | -                                | 29          |
|                    |                        |                  | -                                | 30          |
|                    |                        |                  | -                                | 31          |
|                    |                        |                  | -                                | 32          |
|                    |                        |                  | 2,984,564                        | 33          |
|                    |                        |                  |                                  | 34          |
|                    |                        |                  |                                  | 35          |
|                    |                        |                  |                                  | 36          |
|                    |                        |                  |                                  | 37          |
|                    |                        |                  |                                  | 38          |
|                    |                        |                  |                                  | 39          |
|                    |                        |                  |                                  | 40          |

| Name of Respondent  |   | This Report Is:                                 | Date of Report   | Year Ending   |
|---|---|---|------------------|---------------|
| New England Gas Company, A Division of Southern Un                      |   | <input checked="" type="checkbox"/> An Original | (Mo, Da, Yr)     | June 30, 2005 |
| Rhode Island Location   |   | <input type="checkbox"/> A Resubmission         |                  |               |
| <b>GAS PLANT IN SERVICE (Accounts 101,102,103, and 106) (Continued)</b> |   |   |                  |               |
| Line No.  | Account<br>(a)  | Balance at Beginning of Year<br>(b)             | Additions<br>(c) |               |
| 34  | 346 Gas Measuring and Regulating Equipment  |   |                  |               |
| 35  | 347 Other Equipment   |   |                  |               |
| 36  | TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)                   |   |                  |               |
| 37  | TOTAL Natural Gas Production Plant (Enter Total of lines 26 and 36)                 |   |                  |               |
| 38  | Manufactured Gas Production Plant (Submit Supplementary Statement)                  |   |                  |               |
| 39  | TOTAL Production Plant (Enter Total of lines 37 and 38)                             |   |                  |               |
| 40  | <b>NATURAL GAS STORAGE AND PROCESSING PLANT</b>                                     |   |                  |               |
| 41  | Underground Storage Plant   |   |                  |               |
| 42  | 350.1 Land  |   |                  |               |
| 43  | 350.2 Rights-of-Way   |   |                  |               |
| 44  | 351 Structures and improvements   |   |                  |               |
| 45  | 352 Wells   |   |                  |               |
| 46  | 352.1 Storage Leaseholds and Rights   |   |                  |               |
| 47  | 352.2 Reservoirs  |   |                  |               |
| 48  | 352.3 Non-recoverable Natural Gas   |   |                  |               |
| 49  | 353 Lines   |   |                  |               |
| 50  | 354 Compressor Station Equipment  |   |                  |               |
| 51  | 355 Measuring and Regulating Equipment  |   |                  |               |
| 52  | 356 Purification Equipment  |   |                  |               |
| 53  | 357 Other Equipment   |   |                  |               |
| 54  | TOTAL Underground Storage Plant (Enter Total of lines 42 thru 53)                   |   |                  |               |
| 55  | Other Storage Plant   |   |                  |               |
| 56  | 360 Land and Land Rights  | 236,939   |                  |               |
| 57  | 361 Structures and Improvements   | 2,132,034                                       |                  | 9,659         |
| 58  | 362 Gas Holders   | 4,081,046                                       |                  |               |
| 59  | 363 Purification Equipment  | 6,186,133                                       |                  | 261,827       |
| 60  | 363.1 Liquefaction Equipment  |   |                  |               |
| 61  | 363.2 Vaporizing Equipment  |   |                  |               |
| 62  | 363.3 Compressor Equipment  |   |                  |               |
| 63  | 363.4 Measuring and Regulating Equipment  |   |                  |               |
| 64  | 363.5 Other Equipment   |   |                  |               |
| 65  | TOTAL Other Storage Plant (Enter Total of lines 56 thru 64)                         |   | 12,636,152       | 271,486       |
| 66  | Base Load Liquefied Natural Gas Terminating and Processing Plant                    |   |                  |               |
| 67  | 364.1 Land and Land Rights  |   |                  |               |
| 68  | 364.2 Structures and Improvements   |   |                  |               |
| 69  | 364.3 LNG Processing Terminal Equipment   |   |                  |               |
| 70  | 364.4 LNG Transportation Equipment  |   |                  |               |
| 71  | 364.5 Measuring and Regulating Equipment  |   |                  |               |
| 72  | 364.6 Compressor Station Equipment  |   |                  |               |
| 73  | 364.7 Communications Equipment  |   |                  |               |
| 74  | 364.8 Other Equipment   |   |                  |               |
| 75  | TOTAL Base Load Liquefied Nat'l Gas, Terminating and Processing Plant (lines 67-74) |   |                  |               |
| 76  | TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54, 65 and 75)         |   | 12,636,152       | 271,486       |
| 77  | <b>TRANSMISSION PLANT</b>   |   |                  |               |
| 78  | 365.1 Land and Land Rights  |   |                  |               |
| 79  | 365.2 Rights-of-Way   |   |                  |               |
| 80  | 366 Structures and Improvements   |   |                  |               |

| Name of Respondent   | This Report Is:  | Date of Report   | Year Ending                      |             |
|--|--|------------------|----------------------------------|-------------|
| New England Gas Company, A<br>Rhode Island Location                | <input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | (Mo, Da, Yr)     | June 30, 2005                    |             |
| GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued) |  |                  |                                  |             |
| Retirements<br>(d)   | Adjustments (1)<br>(e)   | Transfers<br>(f) | Balance at<br>End of Year<br>(g) | Line<br>No. |
|  |  |                  |                                  | 34          |
|  |  |                  |                                  | 35          |
|  |  |                  |                                  | 36          |
|  |  |                  |                                  | 37          |
|  |  |                  |                                  | 38          |
|  |  |                  |                                  | 39          |
|  |  |                  |                                  | 40          |
|  |  |                  |                                  | 41          |
|  |  |                  |                                  | 42          |
|  |  |                  |                                  | 43          |
|  |  |                  |                                  | 44          |
|  |  |                  |                                  | 45          |
|  |  |                  |                                  | 46          |
|  |  |                  |                                  | 47          |
|  |  |                  |                                  | 48          |
|  |  |                  |                                  | 49          |
|  |  |                  |                                  | 50          |
|  |  |                  |                                  | 51          |
|  |  |                  |                                  | 52          |
|  |  |                  |                                  | 53          |
|  |  |                  |                                  | 54          |
|  |  |                  |                                  | 55          |
|  |  |                  | 236,939                          | 56          |
|  |  |                  | 2,141,693                        | 57          |
|  |  |                  | 4,081,046                        | 58          |
| 185,809  |  |                  | 6,262,151                        | 59          |
|  |  |                  | -                                | 60          |
|  |  |                  | -                                | 61          |
|  |  |                  | -                                | 62          |
|  |  |                  | -                                | 63          |
|  |  |                  | -                                | 64          |
| 185,809  |  |                  | 12,721,829                       | 65          |
|  |  |                  |                                  | 66          |
|  |  |                  |                                  | 67          |
|  |  |                  |                                  | 68          |
|  |  |                  |                                  | 69          |
|  |  |                  |                                  | 70          |
|  |  |                  |                                  | 71          |
|  |  |                  |                                  | 72          |
|  |  |                  |                                  | 73          |
|  |  |                  |                                  | 74          |
|  |  |                  |                                  | 75          |
| 185,809  |  |                  | 12,721,829                       | 76          |
|  |  |                  |                                  | 77          |
|  |  |                  |                                  | 78          |
|  |  |                  |                                  | 79          |
|  |  |                  |                                  | 80          |

| Name of Respondent<br>New England Gas Company, A Division of Southern Company |  | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br>June 30, 2005 |
|---|--|---|--------------------------------|------------------------------|
| Rhode Island Location   |  |   |                                |                              |
| GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, and 106) (Continued)            |  |   |                                |                              |
| Line No.  | Account<br>(a)   | Balance at Beginning of Year<br>(b)   | Additions<br>(c)               |                              |
| 81  | 367 Mains  |   |                                |                              |
| 82  | 368 Compressor Station Equipment                               |   |                                |                              |
| 83  | 369 Measuring and Regulating Station Equipment                 |   |                                |                              |
| 84  | 370 Communication Equipment                                    |   |                                |                              |
| 85  | 371 Other Equipment  |   |                                |                              |
| 86  | TOTAL Transmission Plant (Enter Total of lines 78 thru 85)     |   |                                |                              |
| 87  | DISTRIBUTION PLANT   |   |                                |                              |
| 88  | 374 Land and Land Rights                                       | 630,121   |                                |                              |
| 89  | 375 Structures and Improvements                                | 8,795,227   | 90,658                         |                              |
| 90  | 376 Mains  | 193,775,762   | 8,944,099                      |                              |
| 91  | 377 Compressor Station Equipment                               | 1,005,629   |                                |                              |
| 92  | 376 Measuring and Regulating Station Equipment-General         | 3,807,553   | 40,524                         |                              |
| 93  | 379 Measuring and Regulating Station Equipment-City Gate       | 6,049,121   | 88,650                         |                              |
| 94  | 380 Services   | 123,799,444   | 5,431,882                      |                              |
| 95  | 381 Meters   | 33,543,566  | 642,314                        |                              |
| 96  | 382 Meter Installations  | 32,048,545  | 1,054,655                      |                              |
| 97  | 383 House Regulators   | 478,676   |                                |                              |
| 98  | 384 House Regulator Installations                              | 614,703   |                                |                              |
| 99  | 385 Industrial Measuring and Regulating Station Equipment      | 317,555   |                                |                              |
| 100   | 386 Other Property on Customers' Premises                      | 410,532   |                                |                              |
| 101   | 387 Other Equipment  | 493,584   |                                |                              |
| 102   | TOTAL Distribution Plant (Enter Total of lines 88 thru 101)    |   |                                |                              |
| 103   | GENERAL PLANT  |   |                                |                              |
| 104   | 389 Land and Land Rights                                       | 532,236   |                                |                              |
| 105   | 390 Structures and Improvements                                | 11,489,279  | 625,419                        |                              |
| 106   | 391 Office Furniture and Equipment                             | 8,590,655   | 1,279,061                      |                              |
| 107   | 392 Transportation Equipment                                   | 511,587   |                                |                              |
| 108   | 393 Stores Equipment   | 57,199  |                                |                              |
| 109   | 394 Tools, Shop, and Garage Equipment                          | 2,289,230   | 99,116                         |                              |
| 110   | 395 Laboratory Equipment                                       | 143,292   | 51,686                         |                              |
| 111   | 396 Power Operated Equipment                                   | 120,795   |                                |                              |
| 112   | 397 Communication Equipment                                    | 2,934,927   | 110,582                        |                              |
| 113   | 398 Miscellaneous Equipment                                    | 2,495,420   | 43,610                         |                              |
| 114   | Subtotal (Enter Total of lines 104 thru 113)                   |   |                                |                              |
| 115   | 399 Other Tangible Property                                    | 5,897,475   |                                |                              |
| 116   | TOTAL General Plant (Enter Total of lines 114 and 115)         |   |                                |                              |
| 117   | TOTAL (Accounts 101 and 106)                                   |   |                                |                              |
| 118   | Gas Plant Purchased (See Instruction 8)                        |   |                                |                              |
| 119   | (Less) Gas Plant Sold (See Instruction 8)                      |   |                                |                              |
| 120   | Experimental Gas Plant Unclassified                            |   |                                |                              |
| 121   | TOTAL Gas Plant in Service (Enter Total of lines 117 thru 120) |   |                                |                              |

| Name of Respondent   |                        | This Report Is:  | Date of Report                   | Year Ending   |
|--|------------------------|--|----------------------------------|---------------|
| New England Gas Company, A D<br>Rhode Island Location            |                        | <input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | (Mo, Da, Yr)                     | June 30, 2005 |
| GAS PLANT IN SERVICE (ACCOUNTS 101,102,103, and 106) (Continued) |                        |  |                                  |               |
| Retirements<br>(d)   | Adjustments (1)<br>(e) | Transfers<br>(f)   | Balance at<br>End of Year<br>(g) | Line<br>No.   |
|  |                        |  |                                  | 81            |
|  |                        |  |                                  | 82            |
|  |                        |  |                                  | 83            |
|  |                        |  |                                  | 84            |
|  |                        |  |                                  | 85            |
|  |                        |  |                                  | 86            |
|  |                        |  |                                  | 87            |
|  |                        |  | 630,121                          | 88            |
|  |                        |  | 8,885,865                        | 89            |
| 307,593  | (255,690)              | (1,174,429)  | 200,982,149                      | 90            |
|  |                        |  | 1,005,629                        | 91            |
|  |                        |  | 3,848,077                        | 92            |
|  |                        |  | 6,117,771                        | 93            |
| 1,217,602  | (145,316)              |  | 127,868,408                      | 94            |
| 161,799  |                        |  | 34,024,081                       | 95            |
|  | (22,133)               |  | 33,081,067                       | 96            |
|  |                        |  | 478,676                          | 97            |
|  |                        |  | 614,703                          | 98            |
|  |                        |  | 317,555                          | 99            |
| 9,188  |                        |  | 401,344                          | 100           |
|  |                        |  | 493,584                          | 101           |
| 1,696,182  | (423,139)              | (1,174,429)  | 416,749,050                      | 102           |
|  |                        |  |                                  | 103           |
|  |                        |  | 532,236                          | 104           |
| 50,800   |                        |  | 12,063,898                       | 105           |
| 8,503  |                        |  | 9,861,213                        | 106           |
|  |                        |  | 511,587                          | 107           |
|  |                        |  | 57,199                           | 108           |
| 44,598   |                        |  | 2,343,748                        | 109           |
|  |                        |  | 194,978                          | 110           |
|  |                        |  | 120,795                          | 111           |
|  |                        |  | 3,045,509                        | 112           |
|  |                        |  | 2,539,030                        | 113           |
| 103,901  |                        |  | 31,270,193                       | 114           |
|  |                        |  | 5,897,475                        | 115           |
| 103,901  |                        |  | 37,167,668                       | 116           |
| 1,985,892  | (423,139)              | (1,174,429)  | 505,823,741                      | [1] 117       |
|  |                        |  |                                  | 118           |
|  |                        |  |                                  | 119           |
|  |                        |  |                                  | 120           |
| 1,985,892  | (423,139)              | (1,174,429)  | 505,823,741                      | 121           |

[1] Excludes \$303,600,743 Goodwill

|   |  |                                       |                                     |
|---|--|---------------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b> | This Report Is:<br><b>___ A Resubmission</b> | Date of Report<br><i>(Mo, Da, Yr)</i> | Year Ending<br><b>June 30, 2005</b> |
| <b>Rhode Island Location</b>  |  |                                       |                                     |

**GAS PROPERTY AND CAPACITY LEASED FROM OTHERS**

1. Report below the information called for concerning gas property and capacity leased from others for gas operations.

2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).

| Line No. | Name of Lessor<br>(a) | *<br>(b) | Description of Lease<br>(c) | Lease Payments For Current Year<br>(d) |
|----------|-----------------------|----------|-----------------------------|--|
| 1        |                       |          |                             |  |
| 2        |                       |          |                             |  |
| 3        |                       |          |                             |  |
| 4        | N/A                   |          |                             |  |
| 5        |                       |          |                             |  |
| 6        |                       |          |                             |  |
| 7        |                       |          |                             |  |
| 8        |                       |          |                             |  |
| 9        |                       |          |                             |  |
| 10       |                       |          |                             |  |
| 11       |                       |          |                             |  |
| 12       |                       |          |                             |  |
| 13       |                       |          |                             |  |
| 14       |                       |          |                             |  |
| 15       |                       |          |                             |  |
| 16       |                       |          |                             |  |
| 17       |                       |          |                             |  |
| 18       |                       |          |                             |  |
| 19       |                       |          |                             |  |
| 20       |                       |          |                             |  |
| 21       |                       |          |                             |  |
| 22       |                       |          |                             |  |
| 23       |                       |          |                             |  |
| 24       |                       |          |                             |  |
| 25       |                       |          |                             |  |
| 26       |                       |          |                             |  |
| 27       |                       |          |                             |  |
| 28       |                       |          |                             |  |
| 29       |                       |          |                             |  |
| 30       |                       |          |                             |  |
| 31       |                       |          |                             |  |
| 32       |                       |          |                             |  |
| 33       |                       |          |                             |  |
| 34       |                       |          |                             |  |
| 35       |                       |          |                             |  |
| 36       |                       |          |                             |  |
| 37       |                       |          |                             |  |
| 38       |                       |          |                             |  |
| 39       |                       |          |                             |  |
| 40       |                       |          |                             |  |
| 41       |                       |          |                             |  |
| 42       |                       |          |                             |  |
| 43       |                       |          |                             |  |
| 44       |                       |          |                             |  |
| 45       | TOTAL                 |          |                             |  |

|  |   |   |                                     |
|--|---|---|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br><i>(Mo, Da, Yr)</i><br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |   |                                     |

**GAS PROPERTY AND CAPACITY LEASED TO OTHERS**

1. For all leases in which the average lease income over the initial term of the lease exceeds \$500,000 provide in column (c), a description of each facility of leased capacity that is classified as gas plant in service, and is leased to others for gas operations.
2. In column (d) provide the lease payments received from others.
3. Designate associated companies with an asterisk in column (b).

| Line No. | Name of Lessor<br>(a) | * | Description of Lease<br>(c) | Lease Payments For Current Year<br>(d) |
|----------|-----------------------|---|-----------------------------|--|
| 1        |                       |   |                             |  |
| 2        |                       |   |                             |  |
| 3        |                       |   |                             |  |
| 4        | N/A                   |   |                             |  |
| 5        |                       |   |                             |  |
| 6        |                       |   |                             |  |
| 7        |                       |   |                             |  |
| 8        |                       |   |                             |  |
| 9        |                       |   |                             |  |
| 10       |                       |   |                             |  |
| 11       |                       |   |                             |  |
| 12       |                       |   |                             |  |
| 13       |                       |   |                             |  |
| 14       |                       |   |                             |  |
| 15       |                       |   |                             |  |
| 16       |                       |   |                             |  |
| 17       |                       |   |                             |  |
| 18       |                       |   |                             |  |
| 19       |                       |   |                             |  |
| 20       |                       |   |                             |  |
| 21       |                       |   |                             |  |
| 22       |                       |   |                             |  |
| 23       |                       |   |                             |  |
| 24       |                       |   |                             |  |
| 25       |                       |   |                             |  |
| 26       |                       |   |                             |  |
| 27       |                       |   |                             |  |
| 28       |                       |   |                             |  |
| 29       |                       |   |                             |  |
| 30       |                       |   |                             |  |
| 31       |                       |   |                             |  |
| 32       |                       |   |                             |  |
| 33       |                       |   |                             |  |
| 34       |                       |   |                             |  |
| 35       |                       |   |                             |  |
| 36       |                       |   |                             |  |
| 37       |                       |   |                             |  |
| 38       |                       |   |                             |  |
| 39       |                       |   |                             |  |
| 40       |                       |   |                             |  |
| 41       |                       |   |                             |  |
| 42       |                       |   |                             |  |
| 43       |                       |   |                             |  |
| 44       |                       |   |                             |  |
| 45       | TOTAL                 |   |                             |  |

| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b>  |  | This Report Is:<br><b>A Resubmission</b>  | Date of Report<br><i>(Mo, Da, Yr)</i><br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|--|--|---|---|-------------------------------------|
| Rhode Island Location  |  |   |   |                                     |
| <b>GAS PLANT HELD FOR FUTURE USE (ACCOUNT 105)</b>   |  |   |   |                                     |
| 1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use. |  | 2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105. |   |                                     |
| Line No.   | Description and Location of Property (a) | Date Originally Included in this Account (b)  | Date Expected to be Used in Utility Service (c)               | Balance at End of Year (d)          |
| 1  | N/A                                      |   |   |                                     |
| 2  |  |   |   |                                     |
| 3  |  |   |   |                                     |
| 4  |  |   |   |                                     |
| 5  |  |   |   |                                     |
| 6  |  |   |   |                                     |
| 7  |  |   |   |                                     |
| 8  |  |   |   |                                     |
| 9  |  |   |   |                                     |
| 10   |  |   |   |                                     |
| 11   |  |   |   |                                     |
| 12   |  |   |   |                                     |
| 13   |  |   |   |                                     |
| 14   |  |   |   |                                     |
| 15   |  |   |   |                                     |
| 16   |  |   |   |                                     |
| 17   |  |   |   |                                     |
| 18   |  |   |   |                                     |
| 19   |  |   |   |                                     |
| 20   |  |   |   |                                     |
| 21   |  |   |   |                                     |
| 22   |  |   |   |                                     |
| 23   |  |   |   |                                     |
| 24   |  |   |   |                                     |
| 25   |  |   |   |                                     |
| 26   |  |   |   |                                     |
| 27   |  |   |   |                                     |
| 28   |  |   |   |                                     |
| 29   |  |   |   |                                     |
| 30   |  |   |   |                                     |
| 31   |  |   |   |                                     |
| 32   |  |   |   |                                     |
| 33   |  |   |   |                                     |
| 34   |  |   |   |                                     |
| 35   |  |   |   |                                     |
| 36   |  |   |   |                                     |
| 37   |  |   |   |                                     |
| 38   |  |   |   |                                     |
| 39   |  |   |   |                                     |
| 40   |  |   |   |                                     |
| 41   |  |   |   |                                     |
| 42   |  |   |   |                                     |
| 43   |  |   |   |                                     |
| 44   |  |   |   |                                     |
| 45   | TOTAL                                    |   |   |                                     |

| Name of Respondent<br><b>New England Gas Company, A Div</b>  |                               | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br><i>(Mo, Da, Yr)</i>          | Year Ending<br><b>June 30, 2005</b> |
|--|-------------------------------|---|--|-------------------------------------|
| Rhode Island Location  |                               |   |  |                                     |
| CONSTRUCTION WORK IN PROGRESS-GAS (ACCOUNT 107)  |                               |   |  |                                     |
| 1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).             |                               | and Demonstration (see Account 107 of the Uniform System of Accounts).  |  |                                     |
| 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, |                               | 3. Minor projects (less than \$1,000,000) may be grouped.   |  |                                     |
| Line No.   | Description of Project<br>(a) | Construction Work in Progress-Gas<br>(Account 107)<br>(b)   | Estimated Additional<br>Cost of Project<br>(c) |                                     |
| 1  |                               |   |  |                                     |
| 2  |                               |   |  |                                     |
| 3  | Main location                 | d 4,405,167   | 5,526,592                                      |                                     |
| 4  | Regulator Stations            | d 424,988   | 1,605,514                                      |                                     |
| 5  | Building Renovations          | g 4,143   | 2,303,038                                      |                                     |
| 6  | AM/FM                         | t (11,345)  |  |                                     |
| 7  | Other Technology              | t 3,489,428   | 1,742,903                                      |                                     |
| 8  | Aquidneck LNG                 |   |  |                                     |
| 9  | New Main                      | d 2,866,283   | 1,410,594                                      |                                     |
| 10   | Misc. Projects                | 1,762,965   | 7,731,243                                      |                                     |
| 11   | sub-total                     | 12,941,629  | 20,319,884                                     |                                     |
| 12   |                               |   |  |                                     |
| 13   |                               |   |  |                                     |
| 14   |                               |   |  |                                     |
| 15   |                               |   |  |                                     |
| 16   |                               |   |  |                                     |
| 17   |                               |   |  |                                     |
| 18   |                               |   |  |                                     |
| 19   |                               |   |  |                                     |
| 20   |                               |   |  |                                     |
| 21   |                               |   |  |                                     |
| 22   |                               |   |  |                                     |
| 23   | TOTAL                         | 12,941,629  | 20,319,884                                     |                                     |
| 24   |                               |   |  |                                     |
| 25   |                               |   |  |                                     |
| 26   |                               |   |  |                                     |
| 27   |                               |   |  |                                     |
| 28   |                               |   |  |                                     |
| 29   |                               |   |  |                                     |
| 30   |                               |   |  |                                     |
| 31   |                               |   |  |                                     |
| 32   |                               |   |  |                                     |
| 33   |                               |   |  |                                     |
| 34   |                               |   |  |                                     |
| 35   |                               |   |  |                                     |
| 36   |                               |   |  |                                     |
| 37   |                               |   |  |                                     |
| 38   |                               |   |  |                                     |
| 39   |                               |   |  |                                     |
| 40   |                               |   |  |                                     |
| 41   |                               |   |  |                                     |
| 42   |                               |   |  |                                     |
| 43   |                               |   |  |                                     |
| 44   |                               |   |  |                                     |
| 45   |                               |   |  |                                     |
| 46   |                               |   |  |                                     |
| 47   |                               |   |  |                                     |
| 48   |                               |   |  |                                     |
| 49   |                               |   |  |                                     |
| 50   |                               |   |  |                                     |
| 51   |                               |   |  |                                     |
| 52   |                               |   |  |                                     |
| 53   |                               |   |  |                                     |
| 54   |                               |   |  |                                     |
| 55   |                               |   |  |                                     |
| 56   |                               |   |  |                                     |
| 57   |                               |   |  |                                     |
| 58   |                               |   |  |                                     |
| 59   |                               |   |  |                                     |

|  |   |                                |                                     |
|--|---|--------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of So</b><br><b>Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
|--|---|--------------------------------|-------------------------------------|

**GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE**

- |   |  |
|---|--|
| <p>1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.</p> | <p>2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.</p> <p>3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.</p> |
|---|--|

**Construction Overhead**

1. Administrative and General and Engineering and Supervision:
  - (A) Components of overhead cost are considered to be administrative salaries and expenses, employee fringe benefits and certain other general costs devoted to general planning and administration of construction program.
  - (B) The proportion of such overhead costs charged to construction is based upon an analysis made annually.
  - (C) The applicable monthly construction overhead is recorded in a clearing account and then capitalized to construction as a percent of direct costs to construction exclusive of overhead previously allocated.
  - (D) Overhead costs are spread equitably to all construction except certain specific work orders which may be exempted based upon circumstances of construction.
  - (E) Certain specific jobs may be exempted as company personnel may be directly assigned for the project. In those cases, all salaries and expenses are charged direct.
  - (F) Overhead charges are indirectly assigned except for those projects described in (E).
2. Allowance for Funds Used During Construction:
  - (A) AFUDC is charged to all classes of property for those specific jobs requiring more than 30 days to complete except those for purchases of equipment which are available for service upon request.
  - (B) AFUDC is compounded monthly.
  - (C) AFUDC is computed during the period of physical construction and terminates at inservice.
  - (D) Allowance for Funds Rate is calculated in accordance with Order No. 561.

**COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES**

For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.

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

| Title<br>(a)                                      | Amount<br>(b) | Capitalization Ratio<br>(Percent)<br>(c) | Cost Rate Percentage<br>(d) |
|---|---------------|--|-----------------------------|
| (1) Average Short-Term Debt                       | S             |  |                             |
| (2) Short-Term Interest                           |               | 8.80%                                    | s 3.13%                     |
| (3) Long-Term Debt                                | D             | 45.70%                                   | d 7.81%                     |
| (4) Preferred Stock                               | P             | 1.90%                                    | p 1.90%                     |
| (5) Common Equity                                 | C             | 43.60%                                   | c                           |
| (6) Total Capitalization                          |               | 100%                                     |                             |
| (7) Average Construction Work in Progress Balance | W             |  |                             |

2. Gross Rate for Borrowed Funds  $s(S/W) + d[(D/(D + P + C))(1-(S/W))]$

3. Rate for Other Funds  $[1-(S/W)][p(P/(D + P + C)) + c(C/(D + P + C))]$

4. Weighted Average Rate Actually Used for the Year:

- a. Rate for Borrowed Funds -
- b. Rate for Other Funds -

|  |   |                                |                                     |
|--|---|--------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
| <b>Rhode Island Location</b>   |   |                                |                                     |

**ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)**

1. Explain in a footnote any important adjustments during year.  
 2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, pages 204-209, column (d), excluding retirements of non-depreciable property.  
 3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.  
 4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.  
 5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g. 7.01, 7.02, etc.

| Line No.  | Item<br>(a)   | Total<br>(c+d+e)<br>(b) | Gas Plant in<br>Service<br>(c) | Gas Plant Held<br>for Future Use<br>(d) | Gas Plant Leased<br>to Others<br>(e) |
|---|---|-------------------------|--------------------------------|---|--------------------------------------|
| <b>Section A. BALANCE AND CHANGES DURING YEAR</b>                                 |   |                         |                                |   |                                      |
| 1   | Balance Beginning of Year   | 223,755,018             | 223,755,018                    |   |                                      |
| 2   | Depreciation Provisions for Year, Charged to                          |                         |                                |   |                                      |
| 3   | <b>(403) Depreciation Expense [1]</b>                                 | 20,598,637              | 20,598,637                     |   |                                      |
| 4   | (413) Expense of Gas Plant Leased to Others                           |                         |                                |   |                                      |
| 5   | Transportation Expenses - Clearing                                    | -                       |                                |   |                                      |
| 6   | Other Clearing Accounts   | 60,405                  | 60,405                         |   |                                      |
| 7   | Other (Specify): <i>New England Division beg. bal.</i>                |                         |                                |   |                                      |
| 7.01  | Reclass of conversion balances  | -                       |                                |   |                                      |
| 8   | TOTAL Deprec. Prov. for Year  | 20,659,042              | 20,659,042                     | -                                       | -                                    |
| 9   | Net Charges for Plant Retired:  |                         |                                |   |                                      |
| 10  | Book Cost of Plant Retired  | (1,985,894)             | (1,985,894)                    |   |                                      |
| 11  | Cost of Removal   | (980,353)               | (980,353)                      |   |                                      |
| 12  | Salvage (Credit)  | 2,544                   | 2,544                          |   |                                      |
| 13  | TOTAL Net Chrgs for Plant Ret. (Total of lines 10 thru 12)            | (2,963,703)             | (2,963,703)                    |   |                                      |
| 14  | Other Debit or Credit Items (Describe): Net Environmental Remediation | -                       |                                |   |                                      |
| 14.01a  | Contributions   | -                       |                                |   |                                      |
| 14.01b  | Cost of Removal - Environmental net of accrual                        | (228,671)               | (228,671)                      |   |                                      |
| 14.02   | Transfers   | 590,244                 | 590,244                        |   |                                      |
| 14.03   | Transfer of accumulated Reserve                                       | -                       |                                |   |                                      |
| 14.04   | Prior period adjustments  | -                       |                                |   |                                      |
| 14.05   | Out of period adjustment  | -                       |                                |   |                                      |
| 15  | Balance End of Year   | 241,811,930             | 241,811,930                    | -                                       | -                                    |
| <b>Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS</b> |   |                         |                                |   |                                      |
| 16  | Production-Manufactured Gas   | 11,804,385              | 11,804,385                     |   |                                      |
| 17  | Production and Gathering- Natural Gas                                 | -                       |                                |   |                                      |
| 18  | Products Extraction- Natural Gas                                      | -                       |                                |   |                                      |
| 19  | Underground Gas Storage   | -                       |                                |   |                                      |
| 20  | Other Storage Plant   | 651,885                 | 651,885                        |   |                                      |
| 21  | Base Load LNG Terminaling and Processing Plant                        | -                       |                                |   |                                      |
| 22  | Transmission  | -                       |                                |   |                                      |
| 23  | Distribution  | 188,615,495             | 188,615,495                    |   |                                      |
| 24  | General   | 40,740,165              | 40,740,165                     |   |                                      |
| 25  | TOTAL (Total of lines 16 thru 24)                                     | 241,811,930             | 241,811,930                    | -                                       | -                                    |

[1] Y2K AMORIZATION (\$240,000) & ENVIRONMENTAL RECLASS \$85,169 (154,831) [1]

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b><br>Rhode Island Location | This Report is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|--|---|--|-------------------------------------|

**GAS STORED (ACCOUNTS 117.1, 117.2, 117.3, 117.4, 164.1, 164.2 AND 164.3)**

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustment, the Dth and dollar amount of adjustment, and account charged or credited.

2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.  
 3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e. fixed assets method or inventory method).

| Line No. | Description<br>(a)               | (Account 117.1)<br>(b) | (Account 117.2)<br>(c) | Noncurrent (Account 117.3)<br>(d) | (Account 117.4)<br>(e) | Current (Account 164.1)<br>(f) | LNG (Account 164.2)<br>(g) | Propane (Account 164.3)<br>(h) | Total<br>(i) |
|----------|----------------------------------|------------------------|------------------------|-----------------------------------|------------------------|--------------------------------|----------------------------|--------------------------------|--------------|
| 1        | Balance at Beginning of Year (2) |                        |                        |                                   |                        | 12,189,350                     | 4,542,432                  | 372,644                        | 17,104,426   |
| 2        | Gas Delivered to Storage         |                        |                        |                                   |                        | 20,547,406                     | 7,433,958                  | 542,320                        | 28,523,684   |
| 3        | Gas Withdrawn from Storage       |                        |                        |                                   |                        | (16,729,468)                   | (7,053,624)                | (516,285)                      | (24,299,377) |
| 4        | Other Debits or Credits          |                        |                        |                                   |                        |                                |                            |                                |              |
| 5        | Balance at End of Year           |                        |                        |                                   |                        | 16,007,288                     | 4,922,766                  | 398,679                        | 21,328,733   |
| 6        | Mcf                              |                        |                        |                                   |                        | 2,760,172                      | 624,945                    | 36,456                         | 3,421,573    |
| 7        | Amount Per Mcf                   |                        |                        |                                   |                        | \$ 5.80                        | \$ 7.88                    | \$ 10.94                       | \$ 6.23      |

|   |   |   |                                      |
|---|---|---|--------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Un</b><br><b>Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June. 30, 2005</b> | Year Ending<br><b>June. 30, 2005</b> |
|---|---|---|--------------------------------------|

**INVESTMENTS (ACCOUNT 123, 124, AND 136)**

1. Report below investments in Accounts 123, *Investments in Associated Companies*, 124, *Other Investments*, and 136, *Temporary Cash Investments*.

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

(a) Investment in Securities - List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, *Other Investments*, state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, *Temporary Cash Investments*, also may be grouped by classes.

(b) Investment Advances - Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or open account.

| Line No. | Description of Investment         | *   | Book Cost at Beginning of Year<br>(If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) | Purchases or Additions During Year |
|----------|-----------------------------------|-----|--|------------------------------------|
|          | (a)                               | (b) | (c)  | (d)                                |
| 1        |                                   |     |  |                                    |
| 2        | Investment in Boundry Gas Project |     | 117  | 0                                  |
| 1        | 30 Acres Land - Warren            |     | 57,495   | 0                                  |
| 2        | Bristol Consortium - Partnership  |     | 78,726   | 360,070                            |
| 3        | Gooding Realty Corporation        |     | 275,413  | 10,000                             |
| 4        |                                   |     | 411,751  | 370,070                            |
| 4        |                                   |     | 0  |                                    |
| 5        |                                   |     |  |                                    |
| 6        |                                   |     |  |                                    |
| 7        |                                   |     |  |                                    |
| 8        |                                   |     |  |                                    |
| 9        |                                   |     |  |                                    |
| 10       |                                   |     |  |                                    |
| 11       |                                   |     |  |                                    |
| 12       |                                   |     |  |                                    |
| 13       |                                   |     |  |                                    |
| 14       |                                   |     |  |                                    |
| 15       |                                   |     |  |                                    |
| 16       |                                   |     |  |                                    |
| 17       |                                   |     |  |                                    |
| 18       |                                   |     |  |                                    |
| 19       |                                   |     |  |                                    |
| 20       |                                   |     |  |                                    |
| 21       |                                   |     |  |                                    |
| 22       |                                   |     |  |                                    |
| 23       |                                   |     |  |                                    |

|  |   |   |                                      |
|--|---|---|--------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division</b><br><b>Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June. 30, 2005</b> | Year Ending<br><b>June. 30, 2005</b> |
|--|---|---|--------------------------------------|

INVESTMENTS (ACCOUNT 123, 124, AND 136) (Continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.

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

5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

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

| Sales or Other Dispositions During Year<br>(e) | Principal Amount or No. of Shares at End of Year<br>(f) | Book cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.)<br>(g) | Revenues for Year<br>(h) | Gain or Loss from Investment Disposed of<br>(i) | Line No. |
|--|---|--|--------------------------|---|----------|
| 0  | N/A   | 117  |                          |   | 1        |
| 0  | 57,495  | 57,495   |                          |   | 2        |
| 7,722  | 25.00%  | (273,622)  |                          |   | 3        |
| 0  | 32.50%  | 265,413  |                          |   | 4        |
| <u>7,722</u>                                   |   | <u>49,403</u>  |                          |   | 5        |
|  |   |  |                          |   | 6        |
|  |   |  |                          |   | 7        |
|  |   |  |                          |   | 8        |
|  |   |  |                          |   | 9        |
|  |   |  |                          |   | 10       |
|  |   |  |                          |   | 11       |
|  |   |  |                          |   | 12       |
|  |   |  |                          |   | 13       |
|  |   |  |                          |   | 14       |
|  |   |  |                          |   | 15       |
|  |   |  |                          |   | 16       |
|  |   |  |                          |   | 17       |
|  |   |  |                          |   | 18       |
|  |   |  |                          |   | 19       |
|  |   |  |                          |   | 20       |
|  |   |  |                          |   | 21       |
|  |   |  |                          |   | 22       |
|  |   |  |                          |   | 23       |
|  |   |  |                          |   | 24       |
|  |   |  |                          |   | 25       |
|  |   |  |                          |   | 26       |
|  |   |  |                          |   | 27       |
|  |   |  |                          |   | 28       |
|  |   |  |                          |   | 29       |
|  |   |  |                          |   | 30       |
|  |   |  |                          |   | 31       |
|  |   |  |                          |   | 32       |
|  |   |  |                          |   | 33       |
|  |   |  |                          |   | 34       |
|  |   |  |                          |   | 35       |
|  |   |  |                          |   | 36       |
|  |   |  |                          |   | 37       |
|  |   |  |                          |   | 38       |
|  |   |  |                          |   | 39       |
|  |   |  |                          |   | 40       |

|   |   |                                |                                      |
|---|---|--------------------------------|--------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of S</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June. 30, 2005</b> |
| <b>Rhode Island Location</b>  |   |                                |                                      |

**INVESTMENTS IN SUBSIDIARY COMPANIES (ACCOUNT 123.1)**

1. Report below investments in Accounts 123.1, *Investments In Subsidiary Companies*.  
 2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g), and (h).  
 (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.

(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.

3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

| Line No. | Description of Investment<br>(a)     | Date Acquired<br>(b) | Date of Maturity<br>(c) | Amount of Investment at Beginning of Year<br>(d) |
|----------|--------------------------------------|----------------------|-------------------------|--|
| 1        |                                      |                      |                         |  |
| 2        | N/A                                  |                      |                         |  |
| 3        |                                      |                      |                         |  |
| 4        |                                      |                      |                         |  |
| 5        |                                      |                      |                         |  |
| 6        |                                      |                      |                         |  |
| 7        |                                      |                      |                         |  |
| 8        |                                      |                      |                         |  |
| 9        |                                      |                      |                         |  |
| 10       |                                      |                      |                         |  |
| 11       |                                      |                      |                         |  |
| 12       |                                      |                      |                         |  |
| 13       |                                      |                      |                         |  |
| 14       |                                      |                      |                         |  |
| 15       |                                      |                      |                         |  |
| 16       |                                      |                      |                         |  |
| 17       |                                      |                      |                         |  |
| 18       |                                      |                      |                         |  |
| 19       |                                      |                      |                         |  |
| 20       |                                      |                      |                         |  |
| 21       |                                      |                      |                         |  |
| 22       |                                      |                      |                         |  |
| 23       |                                      |                      |                         |  |
| 24       |                                      |                      |                         |  |
| 25       |                                      |                      |                         |  |
| 26       |                                      |                      |                         |  |
| 27       |                                      |                      |                         |  |
| 28       |                                      |                      |                         |  |
| 29       |                                      |                      |                         |  |
| 30       |                                      |                      |                         |  |
| 31       |                                      |                      |                         |  |
| 32       |                                      |                      |                         |  |
| 33       |                                      |                      |                         |  |
| 34       |                                      |                      |                         |  |
| 35       |                                      |                      |                         |  |
| 36       |                                      |                      |                         |  |
| 37       |                                      |                      |                         |  |
| 38       |                                      |                      |                         |  |
| 39       |                                      |                      |                         |  |
| 40       | TOTAL Cost of Account 123.1 \$ _____ |                      | TOTAL                   | -  |

|  |   |   |  |
|--|---|---|--|
| Name of Respondent<br><b>New England Gas Company, A Division of<br/>         Rhode Island Location</b>   | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><br>            | Year Ending<br><b>June 30, 2005</b>                    |
| INVESTMENTS IN SUBSIDIARY COMPANIES (ACCOUNT 123.1) (Continued)  |   |   |  |
| <p>4. Designate in a footnote any securities, notes, or accounts that were pledged, and state the name of pledges and purpose of the pledge.</p> <p>5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.</p> <p>6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.</p> <p>7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustment includible in column (f).</p> <p>8. Report on Line 40, column (a) the total cost of Account 123.1.</p> |   |   |  |
| Equity in Subsidiary<br>Earnings for Year<br><br>(e)   | Revenues for Year<br><br>(f)  | Amount of Investment at<br>End of Year<br><br>(g) | Gain or Loss from<br>Investment Disposed of<br><br>(h) |
| N/A  |   |   | 1  |
|  |   |   | 2  |
|  |   |   | 3  |
|  |   |   | 4  |
|  |   |   | 5  |
|  |   |   | 6  |
|  |   |   | 7  |
|  |   |   | 8  |
|  |   |   | 9  |
|  |   |   | 10   |
|  |   |   | 11   |
|  |   |   | 12   |
|  |   |   | 13   |
|  |   |   | 14   |
|  |   |   | 15   |
|  |   |   | 16   |
|  |   |   | 17   |
|  |   |   | 18   |
|  |   |   | 19   |
| 20   |   |   |  |
| 21   |   |   |  |
| 22   |   |   |  |
| 23   |   |   |  |
| 24   |   |   |  |
| 25   |   |   |  |
| 26   |   |   |  |
| 27   |   |   |  |
| 28   |   |   |  |
| 29   |   |   |  |
| 30   |   |   |  |
| 31   |   |   |  |
| 32   |   |   |  |
| 33   |   |   |  |
| 34   |   |   |  |
| 35   |   |   |  |
| 36   |   |   |  |
| 37   |   |   |  |
| 38   |   |   |  |
| 39   |   |   |  |
| 40   |   |   |  |

| Name of Respondent<br><b>New England Gas Company, A Division of So<br/>Rhode Island Location</b> |  | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission |                                | Date of Report<br>(Mo, Da, Yr)       |                         | Year Ending<br><b>June 30, 2005</b> |                               |
|--|--|---|--------------------------------|--------------------------------------|-------------------------|-------------------------------------|-------------------------------|
| <b>PREPAYMENTS (ACCOUNT 165)</b>   |  |   |                                |                                      |                         |                                     |                               |
| 1. Report below the particulars (details) on each prepayment.                                    |  |   |                                |                                      |                         |                                     |                               |
| Line No.   | Nature of Prepayment<br>(a)  | Balance at End of Year (in dollars)<br>(b)  |                                |                                      |                         |                                     |                               |
| 1  | Prepaid Insurance  | 17,481  |                                |                                      |                         |                                     |                               |
| 2  | Prepaid Rents  |   |                                |                                      |                         |                                     |                               |
| 3  | Prepaid Taxes  | 1,901,805   |                                |                                      |                         |                                     |                               |
| 4  | Prepaid Interest   |   |                                |                                      |                         |                                     |                               |
| 5  | Miscellaneous Prepayments (FAS 87 \$36,369,870, SERP \$3,167,218, Misc Exp \$385,499)  | 39,922,587  |                                |                                      |                         |                                     |                               |
| 6  | <b>TOTAL</b>   | <b>41,841,873</b>   |                                |                                      |                         |                                     |                               |
| <b>EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1)</b>   |  |   |                                |                                      |                         |                                     |                               |
| Line No.   | Description of Extraordinary Loss [Include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] Add rows as necessary to report all data.<br>(a)   | Balance at Beginning of Year<br>(b)   | Total Amount of Loss<br>(c)    | Losses Recognized During Year<br>(d) | WRITTEN OFF DURING YEAR |                                     | Balance at End of Year<br>(g) |
|  |  |   |                                |                                      | Account Charged<br>(e)  | Amount<br>(f)                       |                               |
| 7  | <b>NONE</b>  |   |                                |                                      |                         |                                     |                               |
| 8  |  |   |                                |                                      |                         |                                     |                               |
| 9  |  |   |                                |                                      |                         |                                     |                               |
| 10   |  |   |                                |                                      |                         |                                     |                               |
| 11   |  |   |                                |                                      |                         |                                     |                               |
| 12   |  |   |                                |                                      |                         |                                     |                               |
| 13   |  |   |                                |                                      |                         |                                     |                               |
| 14   |  |   |                                |                                      |                         |                                     |                               |
| 15   | <b>TOTAL</b>   |   |                                |                                      |                         |                                     |                               |
| <b>UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)</b>                              |  |   |                                |                                      |                         |                                     |                               |
| Line No.   | Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2, and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses.<br>(a) | Balance at Beginning of Year<br>(b)   | Total Amount of Charges<br>(c) | Costs Recognized During Year<br>(d)  | WRITTEN OFF DURING YEAR |                                     | Balance at End of Year<br>(g) |
|  |  |   |                                |                                      | Account Charged<br>(e)  | Amount<br>(f)                       |                               |
| 16   | <b>NONE</b>  |   |                                |                                      |                         |                                     |                               |
| 17   |  |   |                                |                                      |                         |                                     |                               |
| 18   |  |   |                                |                                      |                         |                                     |                               |
| 19   |  |   |                                |                                      |                         |                                     |                               |
| 20   |  |   |                                |                                      |                         |                                     |                               |
| 21   |  |   |                                |                                      |                         |                                     |                               |
| 22   |  |   |                                |                                      |                         |                                     |                               |
| 23   |  |   |                                |                                      |                         |                                     |                               |
| 24   |  |   |                                |                                      |                         |                                     |                               |
| 25   |  |   |                                |                                      |                         |                                     |                               |
| 26   | <b>TOTAL</b>   |   |                                |                                      |                         |                                     |                               |

|  |   |   |                                      |
|--|---|---|--------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division<br/>Rhode Island Location</b> | This Report is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June. 30, 2005</b> | Year Ending<br><b>June. 30, 2005</b> |
|--|---|---|--------------------------------------|

OTHER REGULATORY ASSETS (ACCOUNT 182.3)

1. Reporting below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).  
 2. For regulatory assets being amortized, show period of amortization in column (a).  
 3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.  
 4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.

| Line No. | Description and Purpose of Other Regulatory Assets<br>(a) | Balance at Beginning of Year<br>(b) | Debits<br>(c) | WRITTEN OFF DURING YEAR |               | Balance at End of Year<br>(f) |
|----------|---|-------------------------------------|---------------|-------------------------|---------------|-------------------------------|
|          |   |                                     |               | Account Charged<br>(d)  | Amount<br>(e) |                               |
| 1        |   |                                     |               |                         |               |                               |
| 2        |   |                                     |               |                         |               |                               |
| 3        | Employee Vacation Accrual                                 | 945,494                             |               | 920                     | 250,108       | 695,386                       |
| 4        |   |                                     |               |                         |               |                               |
| 5        | Year 2000   | 4,288,233                           |               | 404                     | 240,000       | 4,048,233                     |
| 6        |   |                                     |               |                         |               |                               |
| 7        | Rate Case Expense   | 961,376                             |               | 928,930.2               | 754,526       | 206,850                       |
| 8        |   |                                     |               |                         |               |                               |
| 9        | Reg. Asset- PIPP (Forgivable)                             | 149,694                             |               | 904                     | 114,157       | 35,537                        |
| 10       |   |                                     |               |                         |               |                               |
| 11       | Deferred FAS 109 Expense                                  | 4,549,889                           |               | -                       |               | 4,549,889                     |
| 12       |   |                                     |               |                         |               |                               |
| 13       | Regulatory Asset Pension                                  | 1,620,901                           |               | -                       |               | 1,620,901                     |
| 14       |   |                                     |               |                         |               |                               |
| 15       |   |                                     |               |                         |               |                               |
| 16       |   |                                     |               |                         |               |                               |
| 17       |   |                                     |               |                         |               |                               |
| 18       |   |                                     |               |                         |               |                               |
| 19       |   |                                     |               |                         |               |                               |
| 20       |   |                                     |               |                         |               |                               |
| 21       |   |                                     |               |                         |               |                               |
| 22       |   |                                     |               |                         |               |                               |
| 23       |   |                                     |               |                         |               |                               |
| 24       |   |                                     |               |                         |               |                               |
| 25       |   |                                     |               |                         |               |                               |
| 26       |   |                                     |               |                         |               |                               |
| 27       |   |                                     |               |                         |               |                               |
| 28       |   |                                     |               |                         |               |                               |
| 29       |   |                                     |               |                         |               |                               |
| 30       |   |                                     |               |                         |               |                               |
| 31       |   |                                     |               |                         |               |                               |
| 32       |   |                                     |               |                         |               |                               |
| 33       |   |                                     |               |                         |               |                               |
| 34       |   |                                     |               |                         |               |                               |
| 35       |   |                                     |               |                         |               |                               |
| 36       |   |                                     |               |                         |               |                               |
| 37       |   |                                     |               |                         |               |                               |
| 38       |   |                                     |               |                         |               |                               |
| 39       |   |                                     |               |                         |               |                               |
| 40       |   |                                     |               |                         |               |                               |
| 41       |   |                                     |               |                         |               |                               |
| 42       |   |                                     |               |                         |               |                               |
| 43       |   |                                     |               |                         |               |                               |
| 44       |   |                                     |               |                         |               |                               |
| 45       |   |                                     |               |                         |               |                               |
| 46       | TOTAL   | 12,515,587                          | -             |                         | 1,358,791     | 11,156,796                    |

| Name of Respondent<br><b>New England Gas Company, A Division</b>                 |   | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission |               | Date of Report<br>(Mo, Da, Yr)  |               | Year Ending<br><b>June 30, 2005</b> |  |
|--|---|---|---------------|---|---------------|-------------------------------------|--|
| Rhode Island Location  |   |   |               |   |               |                                     |  |
| MISCELLANEOUS DEFERRED DEBITS (ACCOUNT 186)                                      |   |   |               |   |               |                                     |  |
| 1. Report below the details called for concerning miscellaneous deferred debits. |   |   |               | 2. For any deferred debit being amortized, show period of amortization in column (a). |               |                                     |  |
| 3. Minor items (less than \$250,000) may be grouped by classes.                  |   |   |               |   |               |                                     |  |
| Line No.   | Description of Miscellaneous Deferred Debits<br>(a) | Balance at Beginning of Year<br>(b)   | Debits<br>(c) | CREDITS   |               | Balance at End of Year<br>(f)       |  |
|  |   |   |               | Account Charged<br>(d)  | Amount<br>(e) |                                     |  |
| 1  |   |   |               |   |               |                                     |  |
| 2  |   |   |               |   |               |                                     |  |
| 3  | Deferred Networking Cost                            | 26,764  |               | 874   | 7,058         | 19,706                              |  |
| 4  |   |   |               |   |               |                                     |  |
| 5  | Defd Revenue Unbilled                               | 2,965,041   | 34,337,549    | 480 / 173   | 37,302,590    | 0                                   |  |
| 6  | - Reclassed Jan 05 FERC 173                         |   |               |   |               |                                     |  |
| 7  | Cash Value of Life Insurance                        | 2,004,220   |               | 131   | 92,980        | 1,911,240                           |  |
| 8  |   |   |               |   |               |                                     |  |
| 9  | Conversion  | 67,226  |               | 107   | 67,226        | 0                                   |  |
| 10   |   |   |               |   |               |                                     |  |
| 11   | Deferred Contract Expense                           | 260,363   |               | 923   | 80,307        | 180,056                             |  |
| 12   |   |   |               |   |               |                                     |  |
| 13   | Deferred Pension RJF                                | 120,895   |               | 926,431   | 55,398        | 65,497                              |  |
| 14   |   |   |               |   |               |                                     |  |
| 15   | IRP   | 24,000  |               | -   |               | 24,000                              |  |
| 16   |   |   |               |   |               |                                     |  |
| 17   | FAS 87  | 381,467   |               | 253,242   | 23,686        | 357,781                             |  |
| 18   |   |   |               |   |               |                                     |  |
| 19   | Deferred Time Keeping                               | 0   | 798           | 107   |               | 798                                 |  |
| 20   |   |   |               |   |               |                                     |  |
| 21   |   |   |               |   |               |                                     |  |
| 22   |   |   |               |   |               |                                     |  |
| 23   |   |   |               |   |               |                                     |  |
| 24   |   |   |               |   |               |                                     |  |
| 25   |   |   |               |   |               |                                     |  |
| 26   |   |   |               |   |               |                                     |  |
| 27   |   |   |               |   |               |                                     |  |
| 28   |   |   |               |   |               |                                     |  |
| 29   |   |   |               |   |               |                                     |  |
| 30   |   |   |               |   |               |                                     |  |
| 31   |   |   |               |   |               |                                     |  |
| 32   |   |   |               |   |               |                                     |  |
| 33   |   |   |               |   |               |                                     |  |
| 34   |   |   |               |   |               |                                     |  |
| 35   |   |   |               |   |               |                                     |  |
| 36   |   |   |               |   |               |                                     |  |
| 37   |   |   |               |   |               |                                     |  |
| 38   |   |   |               |   |               |                                     |  |
| 39   |   |   |               |   |               |                                     |  |
| 40   |   |   |               |   |               |                                     |  |
| 41   | Miscellaneous Work in Progress                      | 70,128  |               |   |               | 89,330                              |  |
| 42   |   | 5,920,104   | 34,338,347    |   | 37,629,245    | 2,648,408                           |  |

|   |   |   |                                     |
|---|---|---|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of<br/>Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br><i>(Mo, Da, Yr)</i><br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|---|---|---|-------------------------------------|

**ACCUMULATED DEFERRED INCOME TAXES (ACCOUNT 190)**

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

2. At Other (Specify), include deferrals relating to other income and deductions.

3. At lines 4 and 6, add rows as necessary to report all data. Number the additional rows in sequence 4.01, 4.02, etc. and 6.01, 6.02, etc.

| Line No. | Account Subdivisions<br><br>(a)               | Balance at Beginning of Year<br><br>(b) | CHANGES DURING YEAR                         |  |
|----------|---|---|---|--|
|          |   |   | Amounts Debited to Account 410.1<br><br>(c) | Amounts Credited to Account 411.1<br><br>(d) |
| 1        | Account 190 N/A                               |   |   |  |
| 2        | Electric                                      |   |   |  |
| 3        | Gas   |   |   |  |
| 4        | Other (Define)                                |   |   |  |
| 5        | Total (Total of lines 2 thru 4)               |   |   |  |
| 6        | Other (Specify)                               |   |   |  |
| 6.01     |   |   |   |  |
| 6.02     |   |   |   |  |
| 7        | TOTAL Account 190 (Total of lines 5 thru 6.?) |   |   |  |
| 8        | Classification of TOTAL                       |   |   |  |
| 9        | Federal Income Tax                            |   |   |  |
| 10       | State Income Tax                              |   |   |  |
| 11       | Local Income Tax                              |   |   |  |

|   |                                   |  |                                     |
|---|-----------------------------------|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b> | This Report Is:<br>A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location   |                                   |  |                                     |

ACCUMULATED DEFERRED INCOME TAXES (ACCOUNT 190) (Continued)

4. If more space is needed, use separate pages as required. 5. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under "Other".

| CHANGES DURING YEAR                        |   | ADJUSTMENTS     |               |                 |               | Balance at<br>End of Year<br>(k) | Line<br>No. |
|--|---|-----------------|---------------|-----------------|---------------|----------------------------------|-------------|
| Amounts Debited<br>to Account 410.2<br>(e) | Amounts Credited<br>to Account 411.2<br>(f) | DEBITS          |               | CREDITS         |               |                                  |             |
|  |   | Acct No.<br>(g) | Amount<br>(h) | Acct No.<br>(i) | Amount<br>(j) |                                  |             |
|  |   |                 |               |                 |               |                                  | 1           |
|  |   |                 |               |                 |               |                                  | 2           |
| N/A  |   |                 |               |                 |               |                                  | 3           |
|  |   |                 |               |                 |               |                                  | 4           |
|  |   |                 |               |                 |               |                                  | 5           |
|  |   |                 |               |                 |               |                                  | 6           |
|  |   |                 |               |                 |               |                                  | 6.01        |
|  |   |                 |               |                 |               |                                  | 6.02        |
|  |   |                 |               |                 |               |                                  | 7           |
|  |   |                 |               |                 |               |                                  | 8           |
|  |   |                 |               |                 |               |                                  | 9           |
|  |   |                 |               |                 |               |                                  | 10          |
|  |   |                 |               |                 |               |                                  | 11          |

|  |   |                                       |                                     |
|--|---|---------------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern U</b><br><b>Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br><i>(Mo, Da, Yr)</i> | Year Ending<br><b>June 30, 2005</b> |
|--|---|---------------------------------------|-------------------------------------|

**CAPITAL STOCK (ACCOUNTS 201 and 204)**

- |   |   |
|---|---|
| <p>1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.</p> | <p>2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.</p> <p>3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.</p> |
|---|---|

| Line No. | Class and Series of Stock and Name of Stock Exchange (a) | Number of Shares Authorized by Charter (b) | Par or Stated Value Per Share (c) | Call Price at End of Year (d) |
|----------|--|--|-----------------------------------|-------------------------------|
| 1        |  |  |                                   |                               |
| 2        | N/A  |  |                                   |                               |
| 3        |  |  |                                   |                               |
| 4        |  |  |                                   |                               |
| 5        |  |  |                                   |                               |
| 6        |  |  |                                   |                               |
| 7        |  |  |                                   |                               |
| 8        |  |  |                                   |                               |
| 9        |  |  |                                   |                               |
| 10       |  |  |                                   |                               |
| 11       |  |  |                                   |                               |
| 12       |  |  |                                   |                               |
| 13       |  |  |                                   |                               |
| 14       |  |  |                                   |                               |
| 15       |  |  |                                   |                               |
| 16       |  |  |                                   |                               |
| 17       |  |  |                                   |                               |
| 18       |  |  |                                   |                               |
| 19       |  |  |                                   |                               |
| 20       |  |  |                                   |                               |
| 21       |  |  |                                   |                               |
| 22       |  |  |                                   |                               |
| 23       |  |  |                                   |                               |
| 24       |  |  |                                   |                               |
| 25       |  |  |                                   |                               |
| 26       |  |  |                                   |                               |
| 27       |  |  |                                   |                               |
| 28       |  |  |                                   |                               |
| 29       |  |  |                                   |                               |
| 30       |  |  |                                   |                               |
| 31       |  |  |                                   |                               |
| 32       |  |  |                                   |                               |
| 33       |  |  |                                   |                               |
| 34       |  |  |                                   |                               |
| 35       |  |  |                                   |                               |
| 36       |  |  |                                   |                               |
| 37       |  |  |                                   |                               |
| 38       |  |  |                                   |                               |
| 39       |  |  |                                   |                               |
| 40       |  |  |                                   |                               |

|   |   |  |                                     |
|---|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division</b><br>Rhode Island Location | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|---|---|--|-------------------------------------|

CAPITAL STOCK (ACCOUNTS 201 and 204) (Continued)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.  
 5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.  
 6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

| OUTSTANDING PER BALANCE SHEET<br>(Total amount outstanding without reduction for amounts held by respondent.) |               | HELD BY RESPONDENT                   |             |                            |               | Line No. |
|---|---------------|--------------------------------------|-------------|----------------------------|---------------|----------|
| Shares<br>(e)   | Amount<br>(f) | AS REACQUIRED STOCK<br>(Account 217) |             | IN SINKING AND OTHER FUNDS |               |          |
|   |               | Shares<br>(g)                        | Cost<br>(h) | Shares<br>(i)              | Amount<br>(j) |          |
| N/A   |               |                                      |             |                            |               | 1        |
|   |               |                                      |             |                            |               | 2        |
|   |               |                                      |             |                            |               | 3        |
|   |               |                                      |             |                            |               | 4        |
|   |               |                                      |             |                            |               | 5        |
|   |               |                                      |             |                            |               | 6        |
|   |               |                                      |             |                            |               | 7        |
|   |               |                                      |             |                            |               | 8        |
|   |               |                                      |             |                            |               | 9        |
|   |               |                                      |             |                            |               | 10       |
|   |               |                                      |             |                            |               | 11       |
|   |               |                                      |             |                            |               | 12       |
|   |               |                                      |             |                            |               | 13       |
|   |               |                                      |             |                            |               | 14       |
|   |               |                                      |             |                            |               | 15       |
|   |               |                                      |             |                            |               | 16       |
|   |               |                                      |             |                            |               | 17       |
|   |               |                                      |             |                            |               | 18       |
|   |               |                                      |             |                            |               | 19       |
|   |               |                                      |             |                            |               | 20       |
|   |               |                                      |             |                            |               | 21       |
|   |               |                                      |             |                            |               | 22       |
|   |               |                                      |             |                            |               | 23       |
|   |               |                                      |             |                            |               | 24       |
|   |               |                                      |             |                            |               | 25       |
|   |               |                                      |             |                            |               | 26       |
|   |               |                                      |             |                            |               | 27       |
|   |               |                                      |             |                            |               | 28       |
|   |               |                                      |             |                            |               | 29       |
|   |               |                                      |             |                            |               | 30       |
|   |               |                                      |             |                            |               | 31       |
|   |               |                                      |             |                            |               | 32       |
|   |               |                                      |             |                            |               | 33       |
|   |               |                                      |             |                            |               | 34       |
|   |               |                                      |             |                            |               | 35       |
|   |               |                                      |             |                            |               | 36       |
|   |               |                                      |             |                            |               | 37       |
|   |               |                                      |             |                            |               | 38       |
|   |               |                                      |             |                            |               | 39       |
|   |               |                                      |             |                            |               | 40       |

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern<br/>Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|--|---|--|-------------------------------------|

CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION,  
 PREMIUM ON CAPITAL STOCK, AND INSTALLMENTS RECEIVED ON CAPITAL STOCK  
 (ACCOUNTS 202, 203, 205, 206, 207, and 212)

- |  |  |
|--|--|
| <p>1. Show for each of the above accounts the amounts applying to each class and series of capital stock.</p> <p>2. For Account 202, <i>Common Stock Subscribed</i>, and Account 205, <i>Preferred Stock Subscribed</i>, show the subscription price and the balance due on each class at the end of year.</p> | <p>3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, <i>Common Stock Liability for Conversion</i>, or Account 206, <i>Preferred Stock Liability for Conversion</i>, at the end of year.</p> <p>4. For Premium on Account 207, <i>Capital Stock</i>, designate with an asterisk in column (b), any amounts representing the excess of consideration received over stated values of stocks without par value.</p> |
|--|--|

| Line No. | Name of Account and Description of Item<br>(a) | *<br>(b) | Number of Shares<br>(c) | Amount<br>(d) |
|----------|--|----------|-------------------------|---------------|
| 1        |  |          |                         |               |
| 2        | N/A  |          |                         |               |
| 3        |  |          |                         |               |
| 4        |  |          |                         |               |
| 5        |  |          |                         |               |
| 6        |  |          |                         |               |
| 7        |  |          |                         |               |
| 8        |  |          |                         |               |
| 9        |  |          |                         |               |
| 10       |  |          |                         |               |
| 11       |  |          |                         |               |
| 12       |  |          |                         |               |
| 13       |  |          |                         |               |
| 14       |  |          |                         |               |
| 15       |  |          |                         |               |
| 16       |  |          |                         |               |
| 17       |  |          |                         |               |
| 18       |  |          |                         |               |
| 19       |  |          |                         |               |
| 20       |  |          |                         |               |
| 21       |  |          |                         |               |
| 22       |  |          |                         |               |
| 23       |  |          |                         |               |
| 24       |  |          |                         |               |
| 25       |  |          |                         |               |
| 26       |  |          |                         |               |
| 27       |  |          |                         |               |
| 28       |  |          |                         |               |
| 29       |  |          |                         |               |
| 30       |  |          |                         |               |
| 31       |  |          |                         |               |
| 32       |  |          |                         |               |
| 33       |  |          |                         |               |
| 34       |  |          |                         |               |
| 35       |  |          |                         |               |
| 36       |  |          |                         |               |
| 37       |  |          |                         |               |
| 38       |  |          |                         |               |
| 39       |  |          |                         |               |
| 40       | TOTAL  |          | -                       | -             |

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern<br/>Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|--|---|--|-------------------------------------|

OTHER PAID-IN CAPITAL (ACCOUNTS 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.  
 (a) *Donations Received from Stockholders* (Account 208) - State amount and briefly explain the origin and purpose of each donation.

(b) *Reduction in Par of stated Value of Capital Stock* (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

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

(d) *Miscellaneous Paid-In Capital* (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

| Line No. | Item (a) | Amount (b) |
|----------|----------|------------|
| 1        |          |            |
| 2        | N/A      |            |
| 3        |          |            |
| 4        |          |            |
| 5        |          |            |
| 6        |          |            |
| 7        |          |            |
| 8        |          |            |
| 9        |          |            |
| 10       |          |            |
| 11       |          |            |
| 12       |          |            |
| 13       |          |            |
| 14       |          |            |
| 15       |          |            |
| 16       |          |            |
| 17       |          |            |
| 18       |          |            |
| 19       |          |            |
| 20       |          |            |
| 21       |          |            |
| 22       |          |            |
| 23       |          |            |
| 24       |          |            |
| 25       |          |            |
| 26       |          |            |
| 27       |          |            |
| 28       |          |            |
| 29       |          |            |
| 30       |          |            |
| 31       |          |            |
| 32       |          |            |
| 33       |          |            |
| 34       |          |            |
| 35       |          |            |
| 36       |          |            |
| 37       |          |            |
| 38       |          |            |
| 39       |          |            |
| 40       |          |            |

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |  |                                     |

**DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)**

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.

2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.

| Line No. | Class and Series of Stock<br>(a) | Balance at End of Year<br>(b) |
|----------|----------------------------------|-------------------------------|
| 1        |                                  |                               |
| 2        | N/A                              |                               |
| 3        |                                  |                               |
| 4        |                                  |                               |
| 5        |                                  |                               |
| 6        |                                  |                               |
| 7        |                                  |                               |
| 8        |                                  |                               |
| 9        |                                  |                               |
| 10       |                                  |                               |
| 11       |                                  |                               |
| 12       |                                  |                               |
| 13       |                                  |                               |
| 14       |                                  |                               |
| 15       | TOTAL                            |                               |

**CAPITAL STOCK EXPENSE (ACCOUNT 214)**

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above.

2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

| Line No. | Class and Series of Stock<br>(a) | Balance at End of Year<br>(b) |
|----------|----------------------------------|-------------------------------|
| 16       |                                  |                               |
| 17       | N/A                              |                               |
| 18       |                                  |                               |
| 19       |                                  |                               |
| 20       |                                  |                               |
| 21       |                                  |                               |
| 22       |                                  |                               |
| 23       |                                  |                               |
| 24       |                                  |                               |
| 25       |                                  |                               |
| 26       |                                  |                               |
| 27       |                                  |                               |
| 28       |                                  |                               |
| 29       | TOTAL                            |                               |

|   |   |                                       |                                     |
|---|---|---------------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union</b><br>Rhode Island Location | This Report is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br><i>(Mo, Da, Yr)</i> | Year Ending<br><b>June 30, 2005</b> |
|---|---|---------------------------------------|-------------------------------------|

SECURITIES ISSUED OR ASSUMED AND  
 SECURITIES REFUNDED OR RETIRED DURING THE YEAR

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.

2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses, relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.

3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.

4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.

5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

N/A

|  |   |                                |                                     |
|--|---|--------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of So</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |                                |                                     |

**LONG-TERM DEBT (ACCOUNTS 221, 222, 223, and 224)**

- |  |  |
|--|--|
| <p>1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, <i>Bonds</i>, 222, <i>Reacquired Bonds</i>, 223, <i>Advances from Associated Companies</i>, and 224, <i>Other Long-Term Debt</i>.</p> <p>2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> | <p>3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p> |
|--|--|

| Line No. | Class and Series of Obligation and Name of Stock Exchange<br><br>(a) | Nominal Date of Issue<br><br>(b) | Date of Maturity<br><br>(c) | Outstanding (Total amount outstanding without reduction for amounts held by respondent)<br><br>(d) |
|----------|--|----------------------------------|-----------------------------|--|
| 1        |  |                                  |                             |  |
| 2        | N/A  |                                  |                             |  |
| 3        |  |                                  |                             |  |
| 4        |  |                                  |                             |  |
| 5        |  |                                  |                             |  |
| 6        |  |                                  |                             |  |
| 7        |  |                                  |                             |  |
| 8        |  |                                  |                             |  |
| 9        |  |                                  |                             |  |
| 10       |  |                                  |                             |  |
| 11       |  |                                  |                             |  |
| 12       |  |                                  |                             |  |
| 13       |  |                                  |                             |  |
| 14       |  |                                  |                             |  |
| 15       |  |                                  |                             |  |
| 16       |  |                                  |                             |  |
| 17       |  |                                  |                             |  |
| 18       |  |                                  |                             |  |
| 19       |  |                                  |                             |  |
| 20       |  |                                  |                             |  |
| 21       |  |                                  |                             |  |
| 22       |  |                                  |                             |  |
| 23       |  |                                  |                             |  |
| 24       |  |                                  |                             |  |
| 25       |  |                                  |                             |  |
| 26       |  |                                  |                             |  |
| 27       |  |                                  |                             |  |
| 28       |  |                                  |                             |  |
| 29       |  |                                  |                             |  |
| 30       |  |                                  |                             |  |
| 31       |  |                                  |                             |  |
| 32       |  |                                  |                             |  |
| 33       |  |                                  |                             |  |
| 34       |  |                                  |                             |  |
| 35       |  |                                  |                             |  |
| 36       |  |                                  |                             |  |
| 37       |  |                                  |                             |  |
| 38       |  |                                  |                             |  |
| 39       |  |                                  |                             |  |
| 40       | TOTAL  |                                  |                             |  |

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |  |                                     |

LONG-TERM DEBT (ACCOUNT 221, 222, 223 and 224) (Continued)

5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.

6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.

7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, *Interest on Long-Term Debt* and Account 430, *Interest on Debt to Associated Companies*.

9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

| INTEREST FOR YEAR     |               | HELD BY RESPONDENT                          |                                   | Redemption Price<br>Per \$100 at<br>End of Year<br>(i) | Line<br>No. |
|-----------------------|---------------|---|-----------------------------------|--|-------------|
| Rate<br>(In %)<br>(e) | Amount<br>(f) | Reacquired<br>Bonds<br>(Account 222)<br>(g) | Sinking and<br>Other Funds<br>(h) |  |             |
| N/A                   |               | -   | -                                 | -  | 1           |
|                       |               | -   | -                                 | -  | 2           |
|                       |               | -   | -                                 | -  | 3           |
|                       |               | -   | -                                 | -  | 4           |
|                       |               | -   | -                                 | -  | 5           |
|                       |               | -   | -                                 | -  | 6           |
|                       |               | -   | -                                 | -  | 7           |
|                       |               | -   | -                                 | -  | 8           |
|                       |               | -   | -                                 | -  | 9           |
|                       |               | -   | -                                 | -  | 10          |
|                       |               | -   | -                                 | -  | 11          |
|                       |               | -   | -                                 | -  | 12          |
|                       |               | -   | -                                 | -  | 13          |
|                       |               | -   | -                                 | -  | 14          |
|                       |               | -   | -                                 | -  | 15          |
|                       |               | -   | -                                 | -  | 16          |
|                       |               | -   | -                                 | -  | 17          |
|                       |               | -   | -                                 | -  | 18          |
|                       |               | -   | -                                 | -  | 19          |
|                       |               | -   | -                                 | -  | 20          |
|                       |               | -   | -                                 | -  | 21          |
|                       |               |   |                                   |  | 22          |
|                       |               |   |                                   |  | 23          |
|                       |               |   |                                   |  | 24          |
|                       |               |   |                                   |  | 25          |
|                       |               |   |                                   |  | 26          |
|                       |               |   |                                   |  | 27          |
|                       |               |   |                                   |  | 28          |
|                       |               |   |                                   |  | 29          |
|                       |               |   |                                   |  | 30          |
|                       |               |   |                                   |  | 31          |
|                       |               |   |                                   |  | 32          |
|                       |               |   |                                   |  | 33          |
|                       |               |   |                                   |  | 34          |
|                       |               |   |                                   |  | 35          |
|                       |               |   |                                   |  | 36          |
|                       |               |   |                                   |  | 37          |
|                       |               |   |                                   |  | 38          |
|                       |               |   |                                   |  | 39          |
|                       |               |   |                                   |  | 40          |

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |  |                                     |

**UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (ACCOUNTS 181, 225, 226)**

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

| Line No. | Designation of Long-Term Debt<br><br>(a) | Principal Amount of Debt issued<br><br>(b) | Total Expense, Premium or Discount<br><br>(c) | AMORTIZATION PERIOD |                |
|----------|--|--|---|---------------------|----------------|
|          |  |  |   | Date From<br>(d)    | Date To<br>(e) |
| 1        |  |  |   |                     |                |
| 2        | N/A                                      |  |   |                     |                |
| 3        |  |  |   |                     |                |
| 4        |  |  |   |                     |                |
| 5        |  |  |   |                     |                |
| 6        |  |  |   |                     |                |
| 6.1      |  |  |   |                     |                |
| 7        |  |  |   |                     |                |
| 8        |  |  |   |                     |                |
| 9        |  |  |   |                     |                |
| 10       |  |  |   |                     |                |
| 11       |  |  |   |                     |                |
| 12       |  |  |   |                     |                |
| 13       |  |  |   |                     |                |
| 14       |  |  |   |                     |                |
| 15       |  |  |   |                     |                |
| 16       |  |  |   |                     |                |
| 17       |  |  |   |                     |                |
| 18       |  |  |   |                     |                |
| 19       |  |  |   |                     |                |
| 20       |  |  |   |                     |                |
| 21       |  |  |   |                     |                |
| 22       |  |  |   |                     |                |
| 23       |  |  |   |                     |                |
| 24       |  |  |   |                     |                |
| 25       |  |  |   |                     |                |
| 26       |  |  |   |                     |                |
| 27       |  |  |   |                     |                |
| 28       |  |  |   |                     |                |
| 29       |  |  |   |                     |                |
| 30       |  |  |   |                     |                |
| 31       |  |  |   |                     |                |
| 32       |  |  |   |                     |                |
| 33       |  |  |   |                     |                |
| 34       |  |  |   |                     |                |
| 35       |  |  |   |                     |                |
| 36       |  |  |   |                     |                |
| 37       |  |  |   |                     |                |
| 38       |  |  |   |                     |                |
| 39       |  |  |   |                     |                |
| 40       |  |  |   |                     |                |
| 41       |  |  |   |                     |                |
| 42       |  |  |   |                     |                |
| 43       | TOTAL                                    |  |   |                     |                |

|   |   |  |                                     |
|---|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b><br><b>Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|---|---|--|-------------------------------------|

UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accts. 181, 225, 226) (Cont.)

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

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

| Balance at Beginning of Year<br>(f) | Debits During Year<br>(g) | Credits During Year<br>(h) | Balance at End of Year<br>(i) | Line No. |
|-------------------------------------|---------------------------|----------------------------|-------------------------------|----------|
| N/A                                 |                           |                            |                               | 1        |
|                                     |                           |                            |                               | 2        |
|                                     |                           |                            |                               | 3        |
|                                     |                           |                            | -                             | 4        |
|                                     |                           |                            |                               | 5        |
|                                     |                           |                            | -                             | 6        |
|                                     |                           |                            |                               | 6.1      |
|                                     |                           |                            | -                             | 7        |
|                                     |                           |                            |                               | 8        |
|                                     |                           |                            | -                             | 9        |
|                                     |                           |                            |                               | 10       |
|                                     |                           |                            | -                             | 11       |
|                                     |                           |                            |                               | 12       |
|                                     |                           |                            | -                             | 13       |
|                                     |                           |                            |                               | 14       |
|                                     |                           |                            | -                             | 15       |
|                                     |                           |                            |                               | 16       |
|                                     |                           |                            | -                             | 17       |
|                                     |                           |                            |                               | 18       |
|                                     |                           |                            | -                             | 19       |
|                                     |                           |                            |                               | 20       |
|                                     |                           |                            | -                             | 21       |
|                                     |                           |                            |                               | 22       |
|                                     |                           |                            | -                             | 23       |
|                                     |                           |                            |                               | 24       |
|                                     |                           |                            | -                             | 25       |
|                                     |                           |                            |                               | 26       |
|                                     |                           |                            | -                             | 27       |
|                                     |                           |                            |                               | 28       |
|                                     |                           |                            | -                             | 29       |
|                                     |                           |                            |                               | 30       |
|                                     |                           |                            | -                             | 31       |
|                                     |                           |                            |                               | 32       |
|                                     |                           |                            | -                             | 33       |
|                                     |                           |                            |                               | 34       |
|                                     |                           |                            | -                             | 35       |
|                                     |                           |                            |                               | 36       |
|                                     |                           |                            | -                             | 37       |
|                                     |                           |                            |                               | 38       |
|                                     |                           |                            | -                             | 39       |
|                                     |                           |                            |                               | 40       |
|                                     |                           |                            | -                             | 41       |
|                                     |                           |                            |                               | 42       |
|                                     |                           |                            |                               | 43       |

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern</b><br><b>Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|--|---|--|-------------------------------------|

**UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (ACCOUNTS 189, 257)**

- |   |   |
|---|---|
| <p>1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.</p> <p>2. In column (c) show the principal amount of bonds or other long-term debt reacquired.</p> | <p>3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform System of Accounts.</p> <p>4. Show loss amounts by enclosing the figures in parentheses.</p> <p>5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, <i>Amortization of Loss on Reacquired Debt</i>, or credited to Account 429.1, <i>Amortization of Gain on Reacquired Debt-Credit</i>.</p> |
|---|---|

| Line No. | Designation of Long-Term Debt<br>(a) | Date Reacquired<br>(b) | Principal of Debt Reacquired<br>(c) | Net Gain or Net Loss<br>(d) | Balance at Beginning of Year<br>(e) | Balance at End of Year<br>(f) |
|----------|--------------------------------------|------------------------|-------------------------------------|-----------------------------|-------------------------------------|-------------------------------|
| 1        |                                      |                        |                                     |                             |                                     |                               |
| 2        | N/A                                  |                        |                                     |                             |                                     |                               |
| 3        |                                      |                        |                                     |                             |                                     |                               |
| 4        |                                      |                        |                                     |                             |                                     |                               |
| 5        |                                      |                        |                                     |                             |                                     |                               |
| 6        |                                      |                        |                                     |                             |                                     |                               |
| 7        |                                      |                        |                                     |                             |                                     |                               |
| 8        |                                      |                        |                                     |                             |                                     |                               |
| 9        |                                      |                        |                                     |                             |                                     |                               |
| 10       |                                      |                        |                                     |                             |                                     |                               |
| 11       |                                      |                        |                                     |                             |                                     |                               |
| 12       |                                      |                        |                                     |                             |                                     |                               |
| 13       |                                      |                        |                                     |                             |                                     |                               |
| 14       |                                      |                        |                                     |                             |                                     |                               |
| 15       |                                      |                        |                                     |                             |                                     |                               |
| 16       |                                      |                        |                                     |                             |                                     |                               |
| 17       |                                      |                        |                                     |                             |                                     |                               |
| 18       |                                      |                        |                                     |                             |                                     |                               |
| 19       |                                      |                        |                                     |                             |                                     |                               |
| 20       |                                      |                        |                                     |                             |                                     |                               |
| 21       |                                      |                        |                                     |                             |                                     |                               |
| 22       |                                      |                        |                                     |                             |                                     |                               |
| 23       |                                      |                        |                                     |                             |                                     |                               |
| 24       |                                      |                        |                                     |                             |                                     |                               |
| 25       |                                      |                        |                                     |                             |                                     |                               |
| 26       |                                      |                        |                                     |                             |                                     |                               |
| 27       |                                      |                        |                                     |                             |                                     |                               |
| 28       |                                      |                        |                                     |                             |                                     |                               |
| 29       |                                      |                        |                                     |                             |                                     |                               |
| 30       |                                      |                        |                                     |                             |                                     |                               |
| 31       |                                      |                        |                                     |                             |                                     |                               |
| 32       |                                      |                        |                                     |                             |                                     |                               |
| 33       |                                      |                        |                                     |                             |                                     |                               |
| 34       |                                      |                        |                                     |                             |                                     |                               |
| 35       |                                      |                        |                                     |                             |                                     |                               |
| 36       |                                      |                        |                                     |                             |                                     |                               |
| 37       |                                      |                        |                                     |                             |                                     |                               |
| 38       |                                      |                        |                                     |                             |                                     |                               |
| 39       |                                      |                        |                                     |                             |                                     |                               |
| 40       |                                      |                        |                                     |                             |                                     |                               |
| 41       |                                      |                        |                                     |                             |                                     |                               |
| 42       |                                      |                        |                                     |                             |                                     |                               |
| 43       |                                      |                        |                                     |                             |                                     |                               |
| 44       |                                      |                        |                                     |                             |                                     |                               |
| 45       |                                      |                        |                                     |                             |                                     |                               |

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Sc</b> | This Report Is:<br><b>X</b> An Original<br>_____ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |  |                                     |

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.

3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. List the aggregate of each kind of tax in such a manner that the total tax for each State and subdivision can readily be ascertained.

| Line No. | Kind of Tax<br>(See Instruction 5)<br>(a) | BALANCE AT BEGINNING OF YEAR |                         |
|----------|---|------------------------------|-------------------------|
|          |   | Taxes<br>Accrued<br>(b)      | Prepaid<br>Taxes<br>(c) |
| 1        | Income Taxes                              |                              |                         |
| 2        | Federal                                   | (13,441,547)                 | 1,901,805               |
| 3        | State                                     | 22,839                       |                         |
| 4        | City                                      |                              |                         |
| 5        | Taxes Other than Income                   |                              |                         |
| 6        | Payroll                                   | (454,280)                    |                         |
| 7        | Ad Valorem                                | 4,105,424                    |                         |
| 8        | Gross Receipts Tax                        | (2,433,420)                  |                         |
| 9        | Franchise Payment - Local                 |                              |                         |
| 10       | Franchise Tax - State                     |                              |                         |
| 11       | City Earnings                             |                              |                         |
| 12       | City Franchise                            |                              |                         |
| 13       | Compensating Use                          |                              |                         |
| 14       | Excess & Surplus Insurance                |                              |                         |
| 15       | Annual Reports                            |                              |                         |
| 16       | RI Use Tax                                | -                            |                         |
| 17       |   |                              |                         |
| 18       | TOTAL                                     | (12,200,984)                 | 1,901,805               |

**DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)**

| Line No. | Electric<br>(Account 408.1, 409.1)<br>(i) | Gas<br>(Account 408.1, 409.1)<br>(j) | Other Utility Department<br>Act 163,187 & 184<br>(k) | Other Income and Deductions<br>(Account 408.2, 409.2)<br>(l) |
|----------|---|--------------------------------------|--|--|
|          |   |                                      |  |  |
| 2        | Federal                                   |                                      |  |  |
| 3        | State                                     |                                      |  |  |
| 4        | City                                      |                                      |  |  |
| 5        | Taxes Other than Income                   |                                      |  |  |
| 6        | Payroll                                   | 2,968,037                            |  |  |
| 7        | Ad Valorem                                | 7,691,915                            |  |  |
| 8        | Gross Receipts Tax                        | 11,312,889                           |  |  |
| 9        | Franchise Payment - Local                 |                                      |  |  |
| 10       | Franchise Tax - State                     |                                      |  |  |
| 11       | City Earnings                             |                                      |  |  |
| 12       | City Franchise                            |                                      |  |  |
| 13       | Compensating Use                          |                                      |  |  |
| 14       | Excess & Surplus Insurance                |                                      |  |  |
| 15       | Annual Reports                            |                                      |  |  |
| 16       | RI Use Tax                                | 270,231                              |  |  |
| 17       |   |                                      |  |  |
| 18       | TOTAL                                     | 22,243,072                           | 0  | 0  |

|   |   |                                |                                     |
|---|---|--------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
| <b>Rhode Island Location</b>  |   |                                |                                     |

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. 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.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.

| Taxes Charged<br>During Year<br>(d) | Taxes Paid<br>During Year<br>(e) | Adjustments<br>(f) | BALANCE AT END OF YEAR                |  | Line<br>No. |
|-------------------------------------|----------------------------------|--------------------|---------------------------------------|--|-------------|
|                                     |                                  |                    | Taxes Accrued<br>(Account 236)<br>(g) | Prepaid Taxes<br>Included in Acct. 165)<br>(h) |             |
|                                     |                                  |                    | (13,441,547)                          | 1,901,805                                      | 1           |
|                                     |                                  |                    | 22,839                                |  | 2           |
|                                     |                                  |                    | -                                     |  | 3           |
|                                     |                                  |                    | -                                     |  | 4           |
|                                     |                                  |                    | 160                                   |  | 5           |
| 2,968,037                           | (2,513,597)                      |                    | 4,403,879                             |  | 6           |
| 7,691,915                           | (7,393,460)                      |                    | (2,474,840)                           |  | 7           |
| 11,312,889                          | (11,354,309)                     |                    | -                                     |  | 8           |
|                                     |                                  |                    | -                                     |  | 9           |
|                                     |                                  |                    | -                                     |  | 10          |
|                                     |                                  |                    | -                                     |  | 11          |
|                                     |                                  |                    | -                                     |  | 12          |
|                                     |                                  |                    | -                                     |  | 13          |
|                                     |                                  |                    | -                                     |  | 14          |
| 270,231                             | (270,231)                        |                    | -                                     |  | 15          |
|                                     |                                  |                    | -                                     |  | 16          |
| 22,243,072                          | (21,531,597)                     | -                  | (11,489,509)                          | 1,901,805                                      | 17          |
|                                     |                                  |                    |                                       |  | 18          |

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

| Extraordinary Items<br>(Account 409.3)<br>(m) | Other Utility Opn. Income<br>(Account 408.1, 409.1)<br>(n) | Adjustment to Ret. Earnings<br>(Account 439)<br>(o) | Other<br>(p) | Line |
|---|--|---|--------------|------|
|   |  |   |              | 1    |
|   |  |   |              | 2    |
|   |  |   |              | 3    |
|   |  |   |              | 4    |
|   |  |   |              | 5    |
|   |  |   |              | 6    |
|   |  |   |              | 7    |
|   |  |   |              | 8    |
|   |  |   |              | 9    |
|   |  |   |              | 10   |
|   |  |   |              | 11   |
|   |  |   |              | 12   |
|   |  |   |              | 13   |
|   |  |   |              | 14   |
|   |  |   |              | 15   |
|   |  |   |              | 16   |
|   |  |   |              | 17   |
|   |  |   |              | 18   |

| Name of Respondent<br><b>New England Gas Company, A Division of</b>                            |  | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br><i>(Mo, Da, Yr)</i><br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|--|--|---|---|-------------------------------------|
| Rhode Island Location  |  |   |   |                                     |
| <b>MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (ACCOUNT 242)</b>                             |  |   |   |                                     |
| 1. Describe and report the amount of other current and accrued liabilities at the end of year. |  | 2. Minor items (less than \$250,000) may be grouped under appropriate title.                                  |   |                                     |
| Line No.   | Item (a)                               | Balance at End of Year (b)  |   |                                     |
| 1  | ACCRUED VACATIONS                      | 3,321,919   |   |                                     |
| 2  | ACCRUED PAYROILL                       | 572,030   |   |                                     |
| 3  | DEFERRED & ACCRUED COMP                | 610,032   |   |                                     |
| 4  | ACCRUED NON-OPERATING MERGER EXPENSE   | 1,775,507   |   |                                     |
| 5  | CONTRIBUTIONS IN AID - ADVANCE PAYMENT | 1,516,798   |   |                                     |
| 6  | CIAC - TELEMETERING DEVICES            | 66,530  |   |                                     |
| 7  | ACCRUED FAS 106 LIAB S/T               | 14,506,870  |   |                                     |
| 8  | ACCRUED PENSION                        | 2,262,211   |   |                                     |
| 9  | MISC                                   | (4,524)   |   |                                     |
| 10   |  |   |   |                                     |
| 11   |  |   |   |                                     |
| 12   |  |   |   |                                     |
| 13   |  |   |   |                                     |
| 14   |  |   |   |                                     |
| 15   |  |   |   |                                     |
| 16   |  |   |   |                                     |
| 17   |  |   |   |                                     |
| 18   |  |   |   |                                     |
| 19   |  |   |   |                                     |
| 20   |  |   |   |                                     |
| 21   |  |   |   |                                     |
| 22   |  |   |   |                                     |
| 23   |  |   |   |                                     |
| 24   |  |   |   |                                     |
| 25   |  |   |   |                                     |
| 26   |  |   |   |                                     |
| 27   |  |   |   |                                     |
| 28   |  |   |   |                                     |
| 29   |  |   |   |                                     |
| 30   |  |   |   |                                     |
| 31   |  |   |   |                                     |
| 32   |  |   |   |                                     |
| 33   |  |   |   |                                     |
| 34   |  |   |   |                                     |
| 35   |  |   |   |                                     |
| 36   |  |   |   |                                     |
| 37   |  |   |   |                                     |
| 38   |  |   |   |                                     |
| 39   |  |   |   |                                     |
| 40   |  |   |   |                                     |
| 41   |  |   |   |                                     |
| 42   |  |   |   |                                     |
| 43   |  |   |   |                                     |
| 44   |  |   |   |                                     |
| 45   | TOTAL                                  | 24,627,373  |   |                                     |

| Name of Respondent   |   | This Report is:                                 |                    | Date of Report | Year Ending   |                            |   |
|--|---|---|--------------------|----------------|---------------|----------------------------|---|
| New England Gas Company, A Division of Southern Union  |   | <input checked="" type="checkbox"/> An Original |                    | (Mo, Da, Yr)   | June 30, 2005 |                            |   |
| Rhode Island Location  |   | <input type="checkbox"/> A Resubmission         |                    |                |               |                            |   |
| OTHER DEFERRED CREDITS (ACCOUNT 253)   |   |   |                    |                |               |                            |   |
| 1. Report below the details called for concerning other deferred credits<br>2. For any deferred credits being amortized, show the period of amortization.<br>3. Minor items (less than \$250,000) may be grouped by classes. |   |   |                    |                |               |                            |   |
| Line No.   | Description of Other Deferred Credits (a) | Balance at Beginning of Year (b)                | DEBITS             |                | Credits (e)   | Balance at End of Year (f) |   |
|  |   |   | Contra Account (c) | Amount (d)     |               |                            |   |
| 1  |   |   |                    |                |               |                            |   |
| 2  |   |   |                    |                |               |                            |   |
| 3  | DEFERRED DIRECTOR FEES                    | 969,197   | 431                | 92,981         | 118,583       | 994,799                    | 0 |
| 4  | DEFERRED HOUSING PROJECT                  | -   | 419                |                |               | -                          |   |
| 5  | ADVANCED PAYMENTS SERVICE CONTRACTS       | 260,188   | 488                | 1,185,048      | 1,236,192     | 311,332                    | 0 |
| 6  | CONSERVATION FUND                         | 478,727   | 431                | 1,100          | 52,479        | 530,106                    | 0 |
| 7  | DEFERRED PENSION FASB 87                  | 16,798,953                                      | 926                | 4,454,398      | 18,309,636    | 30,654,191                 | 0 |
| 8  | ACCRUED FAS 109 LIAB                      | 1,802,439                                       | -                  |                |               | 1,802,439                  | 0 |
| 9  | MISC                                      | 5,700   | Various            | 1,531          | 1,779         | 5,948                      | 0 |
| 10   |   |   |                    |                |               |                            |   |
| 11   |   |   |                    |                |               |                            |   |
| 12   |   |   |                    |                |               |                            |   |
| 13   |   |   |                    |                |               |                            |   |
| 14   |   |   |                    |                |               |                            |   |
| 15   |   |   |                    |                |               |                            |   |
| 16   |   |   |                    |                |               |                            |   |
| 17   |   |   |                    |                |               |                            |   |
| 18   |   |   |                    |                |               |                            |   |
| 19   |   |   |                    |                |               |                            |   |
| 20   |   |   |                    |                |               |                            |   |
| 21   |   |   |                    |                |               |                            |   |
| 22   |   |   |                    |                |               |                            |   |
| 23   |   |   |                    |                |               |                            |   |
| 24   |   |   |                    |                |               |                            |   |
| 25   |   |   |                    |                |               |                            |   |
| 26   |   |   |                    |                |               |                            |   |
| 27   |   |   |                    |                |               |                            |   |
| 28   |   |   |                    |                |               |                            |   |
| 29   |   |   |                    |                |               |                            |   |
| 30   |   |   |                    |                |               |                            |   |
| 31   |   |   |                    |                |               |                            |   |
| 32   |   |   |                    |                |               |                            |   |
| 33   |   |   |                    |                |               |                            |   |
| 34   |   |   |                    |                |               |                            |   |
| 35   |   |   |                    |                |               |                            |   |
| 36   |   |   |                    |                |               |                            |   |
| 37   |   |   |                    |                |               |                            |   |
| 38   |   |   |                    |                |               |                            |   |
| 39   |   |   |                    |                |               |                            |   |
| 40   |   |   |                    |                |               |                            |   |
| 41   |   |   |                    |                |               |                            |   |
| 42   |   |   |                    |                |               |                            |   |
| 43   |   |   |                    |                |               |                            |   |
| 44   |   |   |                    |                |               |                            |   |
| 45   |   |   |                    |                |               |                            |   |
| 46   |   |   |                    |                |               |                            |   |
| 47   |   | 20,315,204                                      |                    | 5,735,058      | 19,718,669    | 34,298,815                 |   |

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |  |                                     |

ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (ACCOUNT 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.      2. For Other, include deferrals relating to other income and deductions.

| Line No. | Account Subdivisions<br>(a)                         | Balance at Beginning of Year<br>(b) | Amounts Debited to Account 410.1<br>(c) | Amounts Credited to Account 411.1<br>(d) |
|----------|---|-------------------------------------|---|--|
| 1        | Account 282 N/A                                     |                                     |   |  |
| 2        | Electric  |                                     |   |  |
| 3        | Gas   |                                     |   |  |
| 4        | Other (Define)                                      |                                     |   |  |
| 5        | Total (Enter Total of lines 2 thru 4)               |                                     |   |  |
| 6        | Other (Specify)                                     |                                     |   |  |
| 6.01     |   |                                     |   |  |
| 6.02     |   |                                     |   |  |
| 7        | TOTAL Account 282 (Enter Total of lines 5 thru 6.?) |                                     |   |  |
| 8        | Classification of TOTAL                             |                                     |   |  |
| 9        | Federal Income Tax                                  |                                     |   |  |
| 10       | State Income Tax                                    |                                     |   |  |
| 11       | Local Income Tax                                    |                                     |   |  |







|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |  |                                     |

OTHER REGULATORY LIABILITIES (ACCOUNT 254)

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.

| Line No. | Description and Purpose of Other Regulatory Liabilities (a) | Balance at Beginning of Year (b) | DEBITS               |            | Credits (e) | Balance at End of Year (f) |
|----------|---|----------------------------------|----------------------|------------|-------------|----------------------------|
|          |   |                                  | Account Credited (c) | Amount (d) |             |                            |
| 1        |   |                                  |                      |            |             |                            |
| 2        | ACCRUED ENVIRONMENTAL EXPENSE                               | 1,029,335                        | 405                  | 38,566     | 1,331       | 992,100                    |
| 3        | LIABILITY & DAMAGE RESERVE                                  | 1,014,410                        | 925 / *228.2         | 2,494,963  | 1,480,553   | -                          |
| 4        | DSM REBATE PROGRAM  | 1,906,923                        | 480                  | 620,094    | 606,085     | 992,914                    |
| 5        | WEATHERIZATION PROGRAM                                      | (50,000)                         | 480                  | 200,000    |             | (250,000)                  |
| 6        | DEFERRED REVENUE NON-FIRM MARGIN                            | 478,925                          | 480                  | 492,161    | 1,158,021   | 1,144,785                  |
| 7        | DEFERRED REVENUE WEATHER MITIGATION                         | 1,373,597                        | 480                  | 2,338,376  | 2,621,733   | 1,656,954                  |
| 8        | DEFERRED REVENUE GCC  | (3,260,509)                      | 480                  | 17,562,793 | 26,137,959  | 5,314,657                  |
| 9        | DEFERRED REVENUE OVER/UNDER EARNINGS                        | 961,769                          | 480                  | 2,145,138  | 1,224,423   | 41,054                     |
| 10       | DEFERRED REVENUE DISTRIB ADJ CLAUSE                         | (324,554)                        | 480                  | 1,231,996  | 826,909     | (729,641)                  |
| 11       | DEFERRED REVENUE RECONCILIATION FACTOR                      | (54,009)                         | 480                  |            | 838,255     | 784,246                    |
| 12       | DEFERRED REVENUE ENVIRONMENTAL DAC                          | 87,538                           | 480                  | 87,538     |             | -                          |
| 13       |   |                                  |                      |            |             |                            |
| 14       | * Reclassed to FERC Act 228.2                               |                                  |                      |            |             |                            |
| 15       |   |                                  |                      |            |             |                            |
| 16       |   |                                  |                      |            |             |                            |
| 17       |   |                                  |                      |            |             |                            |
| 18       |   |                                  |                      |            |             |                            |
| 19       |   |                                  |                      |            |             |                            |
| 20       |   |                                  |                      |            |             |                            |
| 21       |   |                                  |                      |            |             |                            |
| 22       |   |                                  |                      |            |             |                            |
| 23       |   |                                  |                      |            |             |                            |
| 24       |   |                                  |                      |            |             |                            |
| 25       |   |                                  |                      |            |             |                            |
| 26       |   |                                  |                      |            |             |                            |
| 27       |   |                                  |                      |            |             |                            |
| 28       |   |                                  |                      |            |             |                            |
| 29       |   |                                  |                      |            |             |                            |
| 30       |   |                                  |                      |            |             |                            |
| 31       |   |                                  |                      |            |             |                            |
| 32       |   |                                  |                      |            |             |                            |
| 33       |   |                                  |                      |            |             |                            |
| 34       |   |                                  |                      |            |             |                            |
| 35       |   |                                  |                      |            |             |                            |
| 36       |   |                                  |                      |            |             |                            |
| 37       |   |                                  |                      |            |             |                            |
| 38       |   |                                  |                      |            |             |                            |
| 39       |   |                                  |                      |            |             |                            |
| 40       |   |                                  |                      |            |             |                            |
| 41       |   |                                  |                      |            |             |                            |
| 42       |   |                                  |                      |            |             |                            |
| 43       |   |                                  |                      |            |             |                            |
| 44       |   |                                  |                      |            |             |                            |
| 45       | TOTAL   | 2,263,425                        |                      | 27,211,625 | 34,895,269  | 9,947,069                  |

|   |   |  |                                     |
|---|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
| <b>Rhode Island Location</b>  |   |  |                                     |

**GAS OPERATING REVENUES**

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.  
 2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.

3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

| Line No. | Title of Account<br><br>(a)   | REVENUES for Transition Costs and Take-or-Pay |                                 | REVENUES for GRI and ACA       |                                 |
|----------|---|---|---------------------------------|--------------------------------|---------------------------------|
|          |   | Amount for Current Year<br>(b)                | Amount for Previous Year<br>(c) | Amount for Current Year<br>(d) | Amount for Previous Year<br>(e) |
| 1        | 480-484 Sales   |   |                                 |                                |                                 |
| 2        | 485 Intracompany Transfers  | -   | -                               | -                              | -                               |
| 3        | 487 Forfeited Discounts   | -   | -                               | -                              | -                               |
| 4        | 488 Miscellaneous Service Revenues  | -   | -                               | -                              | -                               |
| 5        | 489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities    | -   |                                 | -                              | -                               |
| 6        | 489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities | -   |                                 | -                              | -                               |
| 7        | 489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities | -   | -                               | -                              | -                               |
| 8        | 489.4 Revenues from Storing Gas of Others   | -   | -                               | -                              | -                               |
| 9        | 490 Sales of Prod. Ext. from Natural Gas  | -   | -                               | -                              | -                               |
| 10       | 491 Revenues form Natural Gas Proc. by Others                                       | -   | -                               | -                              | -                               |
| 11       | 492 Incidental Gasoline and Oil Sales   | -   | -                               | -                              | -                               |
| 12       | 493 Rent from Gas Property  | -   | -                               | -                              | -                               |
| 13       | 494 Interdepartmental Rents   | -   | -                               | -                              | -                               |
| 14       | 495 Other Gas Revenues  | -   | -                               | -                              | -                               |
| 15       | Subtotal:   | -   | -                               | -                              | -                               |
| 16       | 496 (Less) Provision for Rate Refunds   | -   | -                               | -                              | -                               |
| 17       | TOTAL:  | 0   | 0                               | -                              | -                               |

|   |   |  |                                     |          |
|---|---|--|-------------------------------------|----------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> | done rdr |
| Rhode Island Location   |   |  |                                     |          |

**GAS OPERATING REVENUES (Continued)**

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.  
 5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.  
 6. Report the revenues from transportation services that are bundled with storage services as transportation service revenue.

| Line No. | OTHER REVENUES |                                 | TOTAL OPERATING REVENUES       |                                 | MCF OF NATURAL GAS              |                                 |
|----------|----------------|---------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|
|          |                | Amount for Previous Year<br>(g) | Amount for Current Year<br>(h) | Amount for Previous Year<br>(i) | Amounts for Current Year<br>(j) | Amount for Previous Year<br>(k) |
| 1        | 402,292,065    | 368,640,597                     | 402,292,065                    | 368,640,597                     | 29,711,803                      | 29,938,582                      |
| 2        | -              | -                               | -                              | -                               |                                 |                                 |
| 3        |                |                                 | -                              | -                               |                                 |                                 |
| 4        |                |                                 | -                              | -                               |                                 |                                 |
| 5        |                |                                 |                                | -                               |                                 |                                 |
| 6        |                |                                 |                                | -                               |                                 |                                 |
| 7        | 11,844,288     | 10,001,374                      | 11,844,288                     | 10,001,374                      | 7,961,816                       | 7,717,113                       |
| 8        | -              | -                               | -                              | -                               | -                               | -                               |
| 9        | -              | -                               | -                              | -                               |                                 |                                 |
| 10       | -              | -                               | -                              | -                               |                                 |                                 |
| 11       | -              | -                               | -                              | -                               |                                 |                                 |
| 12       | 261,000        | 261,000                         | 261,000                        | 261,000                         |                                 |                                 |
| 13       |                |                                 |                                | -                               |                                 |                                 |
| 14       | 893,395        | 892,131                         | 893,395                        | 892,131                         |                                 |                                 |
| 15       | 415,290,748    | 379,795,102                     | 415,290,748                    | 379,795,102                     |                                 |                                 |
| 16       | -              | -                               | -                              | -                               |                                 |                                 |
| 17       | 415,290,748    | 379,795,102                     | 415,290,748                    | 379,795,102                     |                                 |                                 |

|  |   |   |                                      |
|--|---|---|--------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union C</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June. 30, 2005</b> | Year Ending<br><b>June. 30, 2005</b> |
| Rhode Island Location  |   |   |                                      |

**REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH GATHERING FACILITIES (ACCOUNT 489.1)**

1. Report revenues and Dth of gas delivered through gathering facilities by zone of receipt (i.e. state in which gas enters respondent's system).  
 2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.

| Line No. | Rate Schedule and Zone of Receipt<br>(a) | REVENUES for Transition Costs and Take-or-Pay |                                 | REVENUES for GRI and ACA       |                                 |
|----------|--|---|---------------------------------|--------------------------------|---------------------------------|
|          |  | Amount for Current Year<br>(b)                | Amount for Previous Year<br>(c) | Amount for Current Year<br>(d) | Amount for Previous Year<br>(e) |
| 1        | N/A                                      | -   | -                               | -                              | -                               |
| 2        |  | -   | -                               | -                              | -                               |
| 3        |  | -   | -                               | -                              | -                               |
| 4        |  |   |                                 |                                |                                 |
| 5        |  |   |                                 |                                |                                 |
| 6        |  |   |                                 |                                |                                 |
| 7        |  |   |                                 |                                |                                 |
| 8        |  |   |                                 |                                |                                 |
| 9        |  |   |                                 |                                |                                 |
| 10       |  |   |                                 |                                |                                 |
| 11       |  |   |                                 |                                |                                 |
| 12       |  |   |                                 |                                |                                 |
| 13       |  |   |                                 |                                |                                 |
| 14       |  |   |                                 |                                |                                 |
| 15       |  |   |                                 |                                |                                 |
| 16       |  |   |                                 |                                |                                 |
| 17       |  |   |                                 |                                |                                 |
| 18       |  |   |                                 |                                |                                 |
| 19       |  |   |                                 |                                |                                 |
| 20       |  |   |                                 |                                |                                 |
| 21       |  |   |                                 |                                |                                 |
| 22       |  |   |                                 |                                |                                 |
| 23       |  |   |                                 |                                |                                 |
| 24       |  |   |                                 |                                |                                 |
| 25       |  |   |                                 |                                |                                 |

|   |   |  |                                     |
|---|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b><br><b>Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|---|---|--|-------------------------------------|

REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH GATHERING FACILITIES (Continued)

3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e).

4. Delivered Dth of gas must not be adjusted for discounting.

| OTHER REVENUES          |                          | TOTAL OPERATING REVENUES |                          | MCF OF NATURAL GAS      |                          | Line No. |
|-------------------------|--------------------------|--------------------------|--------------------------|-------------------------|--------------------------|----------|
| Amount for Current Year | Amount for Previous Year | Amount for Current Year  | Amount for Previous Year | Amount for Current Year | Amount for Previous Year |          |
| (f)                     | (g)                      | (h)                      | (i)                      | (j)                     | (k)                      |          |
| N/A                     |                          |                          |                          |                         |                          | 1        |
|                         |                          |                          |                          |                         |                          | 2        |
|                         |                          |                          |                          |                         |                          | 3        |
|                         |                          |                          |                          |                         |                          | 4        |
|                         |                          |                          |                          |                         |                          | 5        |
|                         |                          |                          |                          |                         |                          | 6        |
|                         |                          |                          |                          |                         |                          | 7        |
|                         |                          |                          |                          |                         |                          | 8        |
|                         |                          |                          |                          |                         |                          | 9        |
|                         |                          |                          |                          |                         |                          | 10       |
|                         |                          |                          |                          |                         |                          | 11       |
|                         |                          |                          |                          |                         |                          | 12       |
|                         |                          |                          |                          |                         |                          | 13       |
|                         |                          |                          |                          |                         |                          | 14       |
|                         |                          |                          |                          |                         |                          | 15       |
|                         |                          |                          |                          |                         |                          | 16       |
|                         |                          |                          |                          |                         |                          | 17       |
|                         |                          |                          |                          |                         |                          | 18       |
|                         |                          |                          |                          |                         |                          | 19       |
|                         |                          |                          |                          |                         |                          | 20       |
|                         |                          |                          |                          |                         |                          | 21       |
|                         |                          |                          |                          |                         |                          | 22       |
|                         |                          |                          |                          |                         |                          | 23       |
|                         |                          |                          |                          |                         |                          | 24       |
|                         |                          |                          |                          |                         |                          | 25       |

|   |   |  |                                     |
|---|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location   |   |  |                                     |

REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH TRANSMISSION FACILITIES (ACCOUNT 489.2)

1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).

| Line No. | Zone of Delivery, Rate Schedule<br><br>(a) | REVENUES for Transition Costs and Take-or-Pay |                                     | REVENUES for GRI and ACA           |                                     |
|----------|--|---|-------------------------------------|------------------------------------|-------------------------------------|
|          |  | Amount for Current Year<br><br>(b)            | Amount for Previous Year<br><br>(c) | Amount for Current Year<br><br>(d) | Amount for Previous Year<br><br>(e) |
| 1        |  |   |                                     |                                    |                                     |
| 2        | N/A  |   |                                     |                                    |                                     |
| 3        |  |   |                                     |                                    |                                     |
| 4        |  |   |                                     |                                    |                                     |
| 5        |  |   |                                     |                                    |                                     |
| 6        |  |   |                                     |                                    |                                     |
| 7        |  |   |                                     |                                    |                                     |
| 8        |  |   |                                     |                                    |                                     |
| 9        |  |   |                                     |                                    |                                     |
| 10       |  |   |                                     |                                    |                                     |
| 11       |  |   |                                     |                                    |                                     |
| 12       |  |   |                                     |                                    |                                     |
| 13       |  |   |                                     |                                    |                                     |
| 14       |  |   |                                     |                                    |                                     |
| 15       |  |   |                                     |                                    |                                     |
| 16       |  |   |                                     |                                    |                                     |
| 17       |  |   |                                     |                                    |                                     |
| 18       |  |   |                                     |                                    |                                     |
| 19       |  |   |                                     |                                    |                                     |
| 20       |  |   |                                     |                                    |                                     |
| 21       |  |   |                                     |                                    |                                     |
| 22       |  |   |                                     |                                    |                                     |
| 23       |  |   |                                     |                                    |                                     |
| 24       |  |   |                                     |                                    |                                     |
| 25       |  |   |                                     |                                    |                                     |

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b><br>Rhode Island Location | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|--|---|--|-------------------------------------|

REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH TRANSMISSION FACILITIES (Continued)

4. Delivered Dth of gas must not be adjusted for discounting.  
 5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported.  
 6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

| OTHER REVENUES                 |                                 | TOTAL OPERATING REVENUES       |                                 | MCF OF NATURAL GAS             |                                 | Line No. |
|--------------------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|----------|
| Amount for Current Year<br>(f) | Amount for Previous Year<br>(g) | Amount for Current Year<br>(h) | Amount for Previous Year<br>(i) | Amount for Current Year<br>(j) | Amount for Previous Year<br>(k) |          |
| N/A                            |                                 |                                |                                 |                                |                                 | 1        |
|                                |                                 |                                |                                 |                                |                                 | 2        |
|                                |                                 |                                |                                 |                                |                                 | 3        |
|                                |                                 |                                |                                 |                                |                                 | 4        |
|                                |                                 |                                |                                 |                                |                                 | 5        |
|                                |                                 |                                |                                 |                                |                                 | 6        |
|                                |                                 |                                |                                 |                                |                                 | 7        |
|                                |                                 |                                |                                 |                                |                                 | 8        |
|                                |                                 |                                |                                 |                                |                                 | 9        |
|                                |                                 |                                |                                 |                                |                                 | 10       |
|                                |                                 |                                |                                 |                                |                                 | 11       |
|                                |                                 |                                |                                 |                                |                                 | 12       |
|                                |                                 |                                |                                 |                                |                                 | 13       |
|                                |                                 |                                |                                 |                                |                                 | 14       |
|                                |                                 |                                |                                 |                                |                                 | 15       |
|                                |                                 |                                |                                 |                                |                                 | 16       |
|                                |                                 |                                |                                 |                                |                                 | 17       |
|                                |                                 |                                |                                 |                                |                                 | 18       |
|                                |                                 |                                |                                 |                                |                                 | 19       |
|                                |                                 |                                |                                 |                                |                                 | 20       |
|                                |                                 |                                |                                 |                                |                                 | 21       |
|                                |                                 |                                |                                 |                                |                                 | 22       |
|                                |                                 |                                |                                 |                                |                                 | 23       |
|                                |                                 |                                |                                 |                                |                                 | 24       |
|                                |                                 |                                |                                 |                                |                                 | 25       |

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b><br>Rhode Island Location | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|--|---|--|-------------------------------------|

**REVENUES FROM STORING GAS OF OTHERS (ACCOUNT 489.4)**

- |   |  |
|---|--|
| <p>1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.</p> <p>2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.</p> | <p>3. Other Revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).</p> |
|---|--|

| Line No. | Rate Schedule<br><br>(a) | REVENUES for Transition Cost and Take-or-Pay |                                     | REVENUES for GRI and ACA           |                                     |
|----------|--------------------------|--|-------------------------------------|------------------------------------|-------------------------------------|
|          |                          | Amount for Current Year<br><br>(b)           | Amount for Previous Year<br><br>(c) | Amount for Current Year<br><br>(d) | Amount for Previous Year<br><br>(e) |
| 1        | N/A                      |  |                                     |                                    |                                     |
| 2        |                          |  |                                     |                                    |                                     |
| 3        |                          |  |                                     |                                    |                                     |
| 4        |                          |  |                                     |                                    |                                     |
| 5        |                          |  |                                     |                                    |                                     |
| 6        |                          |  |                                     |                                    |                                     |
| 7        |                          |  |                                     |                                    |                                     |
| 8        |                          |  |                                     |                                    |                                     |
| 9        |                          |  |                                     |                                    |                                     |
| 10       |                          |  |                                     |                                    |                                     |
| 11       |                          |  |                                     |                                    |                                     |
| 12       |                          |  |                                     |                                    |                                     |
| 13       |                          |  |                                     |                                    |                                     |
| 14       |                          |  |                                     |                                    |                                     |
| 15       |                          |  |                                     |                                    |                                     |
| 16       |                          |  |                                     |                                    |                                     |
| 17       |                          |  |                                     |                                    |                                     |
| 18       |                          |  |                                     |                                    |                                     |
| 19       |                          |  |                                     |                                    |                                     |
| 20       |                          |  |                                     |                                    |                                     |
| 21       |                          |  |                                     |                                    |                                     |
| 22       |                          |  |                                     |                                    |                                     |
| 23       |                          |  |                                     |                                    |                                     |
| 24       |                          |  |                                     |                                    |                                     |
| 25       |                          |  |                                     |                                    |                                     |

|   |   |  |                                     |
|---|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location   |   |  |                                     |

REVENUES FROM STORING GAS OF OTHERS (ACCOUNT 489.4) (Continued)

4. Dth of gas withdrawn from storage must not be adjusted for discounting.

5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.

| OTHER REVENUES          |                          | TOTAL OPERATING REVENUES |                          | DEKATHERM OF NATURAL GAS |                          | Line No. |
|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------|
| Amount for Current Year | Amount for Previous Year | Amount for Current Year  | Amount for Previous Year | Amount for Current Year  | Amount for Previous Year |          |
| (f)                     | (g)                      | (h)                      | (i)                      | (j)                      | (k)                      |          |
| N/A                     |                          |                          |                          |                          |                          | 1        |
|                         |                          |                          |                          |                          |                          | 2        |
|                         |                          |                          |                          |                          |                          | 3        |
|                         |                          |                          |                          |                          |                          | 4        |
|                         |                          |                          |                          |                          |                          | 5        |
|                         |                          |                          |                          |                          |                          | 6        |
|                         |                          |                          |                          |                          |                          | 7        |
|                         |                          |                          |                          |                          |                          | 8        |
|                         |                          |                          |                          |                          |                          | 9        |
|                         |                          |                          |                          |                          |                          | 10       |
|                         |                          |                          |                          |                          |                          | 11       |
|                         |                          |                          |                          |                          |                          | 12       |
|                         |                          |                          |                          |                          |                          | 13       |
|                         |                          |                          |                          |                          |                          | 14       |
|                         |                          |                          |                          |                          |                          | 15       |
|                         |                          |                          |                          |                          |                          | 16       |
|                         |                          |                          |                          |                          |                          | 17       |
|                         |                          |                          |                          |                          |                          | 18       |
|                         |                          |                          |                          |                          |                          | 19       |
|                         |                          |                          |                          |                          |                          | 20       |
|                         |                          |                          |                          |                          |                          | 21       |
|                         |                          |                          |                          |                          |                          | 22       |
|                         |                          |                          |                          |                          |                          | 23       |
|                         |                          |                          |                          |                          |                          | 24       |
|                         |                          |                          |                          |                          |                          | 25       |

| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b>  |                                      | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br><i>(Mo, Da, Yr)</i><br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|--|--------------------------------------|---|---|-------------------------------------|
| Rhode Island Location  |                                      |   |   |                                     |
| <b>OTHER GAS REVENUES (ACCOUNT 495)</b>  |                                      |   |   |                                     |
| <p>1. For transactions with annual revenues of \$250,000 or more, describe, for each transaction, commissions on sales of distributions of gas of others, compensation for minor or incidental services provided for others, penalties, profit or loss on sales of material and supplies, sales of steam, water, or electricity, miscellaneous royalties, revenues from dehydration, other processing of gas of others, and gains on settlements of imbalance receivables. Separately report revenues from cash-out penalties.</p> |                                      |   |   |                                     |
| Line No.   | Description of Transaction<br>(a)    | Revenues<br>(in dollars)<br>(b)   |   |                                     |
| 1  |                                      |   |   |                                     |
| 2  |                                      |   |   |                                     |
| 3  | OTHER REVENUE - DISPLACEMENT REVENUE | 829,836   |   |                                     |
| 4  | OTHER REVENUE - CELL TOWER RENTAL    | 40,135  |   |                                     |
| 5  | OTHER REVENUE - LATE PYMT            | 0   |   |                                     |
| 6  | OTHER REVENUE - CGA                  | 11,303  |   |                                     |
| 7  | OTHER REVENUE                        | 12121   |   |                                     |
| 8  |                                      |   |   |                                     |
| 9  |                                      |   |   |                                     |
| 10   |                                      |   |   |                                     |
| 11   |                                      |   |   |                                     |
| 12   |                                      |   |   |                                     |
| 13   |                                      |   |   |                                     |
| 14   |                                      |   |   |                                     |
| 15   |                                      |   |   |                                     |
| 16   |                                      |   |   |                                     |
| 17   |                                      |   |   |                                     |
| 18   |                                      |   |   |                                     |
| 19   |                                      |   |   |                                     |
| 20   |                                      |   |   |                                     |
| 21   |                                      |   |   |                                     |
| 22   |                                      |   |   |                                     |
| 23   |                                      |   |   |                                     |
| 24   |                                      |   |   |                                     |
| 25   | TOTAL                                | 893,395   |   |                                     |

| Name of Respondent<br><b>New England Gas Company, A Division of Southern Rhode Island Location</b>  |   | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission                     | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|---|---|---|--|-------------------------------------|
| <b>GAS OPERATION AND MAINTENANCE EXPENSES</b>   |   |   |  |                                     |
| 1. Report operation and maintenance expenses. If the amount for previous year is not derived from previously reported figures, explain in footnote. |   | 2. Provide in footnotes the source of the index used to determine the price for gas supplied by shippers as reflected on line 74. |  |                                     |
| Line No.  | Account<br>(a)  | Amount for Current Year<br>(b)  | Amount for Previous Year<br>(c)                        |                                     |
| 1   | 1. PRODUCTION EXPENSES  |   |  |                                     |
| 2   | A. Manufactured Gas Production  |   |  |                                     |
| 3   | Manufactured Gas Production (Submit Supplemental Statement Page 317a) | 597,309   | 529,334  |                                     |
| 4   | B. Natural Gas Production   |   |  |                                     |
| 5   | B1. Natural Gas Production and Gathering                              |   |  |                                     |
| 6   | Operation   |   |  |                                     |
| 7   | 750 Operation Supervision and Engineering                             |   |  |                                     |
| 8   | 751 Production Maps and Records                                       |   |  |                                     |
| 9   | 752 Gas Well Expenses   |   |  |                                     |
| 10  | 753 Field Lines Expenses  |   |  |                                     |
| 11  | 754 Field Compressor Station Expenses                                 |   |  |                                     |
| 12  | 755 Field Compressor Station Fuel and Power                           |   |  |                                     |
| 13  | 756 Field Measuring and Regulating Station Expenses                   |   |  |                                     |
| 14  | 757 Purification Expenses   |   |  |                                     |
| 15  | 758 Gas Well Royalties  |   |  |                                     |
| 16  | 759 Other Expenses  |   |  |                                     |
| 17  | 760 Rents   |   |  |                                     |
| 18  | TOTAL Operation (Total of lines 7 thru 17)                            | -   | -  |                                     |
| 19  | Maintenance   |   |  |                                     |
| 20  | 761 Maintenance Supervision and Engineering                           |   |  |                                     |
| 21  | 762 Maintenance of Structures and Improvements                        |   |  |                                     |
| 22  | 763 Maintenance of Producing Gas Wells                                |   |  |                                     |
| 23  | 764 Maintenance of Field Lines  |   |  |                                     |
| 24  | 765 Maintenance of Field Compressor Station Equipment                 |   |  |                                     |
| 25  | 766 Maintenance of Field Measuring and Regulating Station Equipment   |   |  |                                     |
| 26  | 767 Maintenance of Purification Equipment                             |   |  |                                     |
| 27  | 768 Maintenance of Drilling and Cleaning Equipment                    |   |  |                                     |
| 28  | 769 Maintenance of Other Equipment                                    |   |  |                                     |
| 29  | TOTAL Maintenance (Total of lines 20 thru 28)                         | -   | -  |                                     |
| 30  | TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29) | -   | -  |                                     |

NEW ENGLAND GAS COMPANY  
MANUFACTURED GAS PRODUCTION  
SUPPLEMENTAL STATEMENT

| FERC<br>ACCOUNT | DESCRIPTION                              | AMOUNT<br>CURRENT YEAR | AMOUNT<br>PREVIOUS YEAR |   |
|-----------------|--|------------------------|-------------------------|---|
| 1 717           | Liquid Petroleum Gas Expense             | 89,993                 | 122,607                 | 1 |
| 2 728           | Liquid Petroleum Gas                     | 493,077                | 404,275                 | 2 |
| 3 735           | Miscellaneous Production Expense         | 1,121                  | 0                       | 3 |
| 4 741           | Maintenance of Structures & Improvements | 405                    | 1,152                   | 4 |
| 5 742           | Maintenance of Production Equipment      | 12,713                 | 1,300                   | 5 |
| 6               | Total                                    | <u>597,309</u>         | <u>529,334</u>          | 6 |

| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union</b> |  | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)  | Year Ending<br><b>June 30, 2005</b> |
|--|--|---|---------------------------------|-------------------------------------|
| Rhode Island Location  |  |   |                                 |                                     |
| GAS OPERATION AND MAINTENANCE EXPENSES (Continued)                                 |  |   |                                 |                                     |
| Line No.   | Account<br>(a)   | Amount for Current Year<br>(b)  | Amount for Previous Year<br>(c) |                                     |
| 31   | B2. Products Extraction                                    |   |                                 |                                     |
| 32   | Operation  |   |                                 |                                     |
| 33   | 770 Operation Supervision and Engineering                  |   |                                 |                                     |
| 34   | 771 Operation Labor  |   |                                 |                                     |
| 35   | 772 Gas Shrinkage  |   |                                 |                                     |
| 36   | 773 Fuel   |   |                                 |                                     |
| 37   | 774 Power  |   |                                 |                                     |
| 38   | 775 Materials  |   |                                 |                                     |
| 39   | 776 Operation Supplies and Expenses                        |   |                                 |                                     |
| 40   | 777 Gas Processed by Others                                |   |                                 |                                     |
| 41   | 778 Royalties on Products Extracted                        |   |                                 |                                     |
| 42   | 779 Marketing Expenses                                     |   |                                 |                                     |
| 43   | 780 Products Purchased for Resale                          |   |                                 |                                     |
| 44   | 781 Variation in Products Inventory                        |   |                                 |                                     |
| 45   | (Less) 782 Extracted Products Used by the Utility - Credit |   |                                 |                                     |
| 46   | 783 Rents  |   |                                 |                                     |
| 47   | TOTAL Operation (Total of lines 33 thru 46)                |   |                                 |                                     |
| 48   | Maintenance  |   |                                 |                                     |
| 49   | 784 Maintenance Supervision and Engineering                |   |                                 |                                     |
| 50   | 785 Maintenance of Structures and Improvements             |   |                                 |                                     |
| 51   | 786 Maintenance of Extraction and Refining Equipment       |   |                                 |                                     |
| 52   | 787 Maintenance of Pipe Lines                              |   |                                 |                                     |
| 53   | 788 Maintenance of Extracted Products Storage Equipment    |   |                                 |                                     |
| 54   | 789 Maintenance of Compressor Equipment                    |   |                                 |                                     |
| 55   | 790 Maintenance of Gas Measuring and Regulating Equipment  |   |                                 |                                     |
| 56   | 791 Maintenance of Other Equipment                         |   |                                 |                                     |
| 57   | TOTAL Maintenance (Total of lines 49 thru 56)              |   |                                 |                                     |
| 58   | TOTAL Products Extraction (Total of lines 47 and 57)       |   |                                 |                                     |

| Name of Respondent<br><b>New England Gas Company, A Division of S</b> |   | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)  | Year Ending<br><b>June 30, 2005</b> |
|---|---|---|---------------------------------|-------------------------------------|
| Rhode Island Location   |   |   |                                 |                                     |
| GAS OPERATION AND MAINTENANCE EXPENSES (Continued)                    |   |   |                                 |                                     |
| Line No.  | Account<br>(a)  | Amount for Current Year<br>(b)  | Amount for Previous Year<br>(c) |                                     |
| 59  | C. Exploration and Development                                |   |                                 |                                     |
| 60  | Operation   |   |                                 |                                     |
| 61  | 795 Delay Rentals   |   |                                 |                                     |
| 62  | 796 Nonproductive Well Drilling                               |   |                                 |                                     |
| 63  | 797 Abandoned Leases  |   |                                 |                                     |
| 64  | 798 Other Exploration   |   |                                 |                                     |
| 65  | TOTAL Exploration and Development (Total of lines 61 thru 64) | -   |                                 | -                                   |
| 66  | D. Other Gas Supply Expenses                                  |   |                                 |                                     |
| 67  | Operation   |   |                                 |                                     |
| 68  | 800 Natural Gas Well Head Purchases                           |   |                                 |                                     |
| 69  | 800.1 Natural Gas Well Head Purchases, Intracompany Transfers |   |                                 |                                     |
| 70  | 801 Natural Gas Field Line Purchases                          |   |                                 |                                     |
| 71  | 802 Natural Gas Gasoline Plant Outlet Purchases               |   |                                 |                                     |
| 72  | 803 Natural Gas Transmission Line Purchases                   |   |                                 |                                     |
| 73  | 804 Natural Gas City Gate Purchases                           | 266,245,714   |                                 | 229,384,843                         |
| 74  | 804.1 Liquefied Natural Gas Purchases                         |   |                                 |                                     |
| 75  | 805 Other Gas Purchases                                       |   |                                 |                                     |
| 76  | (Less) 805.1 Purchased Gas Cost Adjustments                   | 12,741  |                                 | 4,554,018                           |
| 77  | TOTAL Purchased Gas (Total of lines 68 thru 76)               | 266,258,455   |                                 | 233,938,861                         |
| 78  | 806 Exchange Gas  |   |                                 |                                     |
| 79  | Purchased Gas Expenses  |   |                                 |                                     |
| 80  | 807.1 Well Expense - Purchased Gas                            |   |                                 |                                     |
| 81  | 807.2 Operation of Purchased Gas Measuring Stations           |   |                                 |                                     |
| 82  | 807.3 Maintenance of Purchased Gas Measuring Stations         |   |                                 |                                     |
| 83  | 807.4 Purchased Gas Calculations Expenses                     |   |                                 |                                     |
| 84  | 807.5 Other Purchased Gas Expenses                            |   |                                 |                                     |
| 85  | TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)      |   | -                               | -                                   |

| Name of Respondent<br><b>New England Gas Company, A Division of S</b><br><b>Rhode Island Location</b> |  | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)  | Year Ending<br><b>June 30, 2005</b> |
|---|--|---|---------------------------------|-------------------------------------|
| <b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>   |  |   |                                 |                                     |
| Line No.  | Account<br>(a)   | Amount for Current Year<br>(b)  | Amount for Previous Year<br>(c) |                                     |
| 86  | 808.1 Gas Withdrawn from Storage - Debit                                   |   |                                 |                                     |
| 87  | (Less) 808.2 Gas Delivered to Storage - Credit                             |   |                                 |                                     |
| 88  | 809.1 Withdrawals of Liquefied Natural Gas for Processing - Debit          |   |                                 |                                     |
| 89  | (Less) 809.2 Deliveries of Natural Gas for Processing - Credit             |   |                                 |                                     |
| 90  | Gas Used in Utility Operations - Credit                                    |   |                                 |                                     |
| 91  | 810 Gas Used for Compressor Station Fuel - Credit                          |   |                                 |                                     |
| 92  | 811 Gas Used for Products Extraction - Credit                              |   |                                 |                                     |
| 93  | 812 Gas Used for Other Utility Operations - Credit                         | (443,288)   | (713,455)                       |                                     |
| 94  | TOTAL Gas Used in Utility Operations - Credit (Total of lines 91 thru 93)  | (443,288)   | (713,455)                       |                                     |
| 95  | 813 Other Gas Supply Expenses  | (2,301,569)   | (3,704,804)                     |                                     |
| 96  | TOTAL Other Gas Supply Exp. (Total of lines 77, 78, 85, 86 thru 89, 94,95) | 263,513,598   | 229,520,602                     |                                     |
| 97  | TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)           | 264,110,907   | 230,049,936                     |                                     |
| 98  | <b>2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES</b>         |   |                                 |                                     |
| 99  | <b>A. Underground Storage Expense</b>                                      |   |                                 |                                     |
| 100   | <b>Operation</b>   |   |                                 |                                     |
| 101   | 814 Operation Supervision and Engineering                                  |   |                                 |                                     |
| 102   | 815 Maps and Records   |   |                                 |                                     |
| 103   | 816 Wells Expenses   |   |                                 |                                     |
| 104   | 817 Lines Expenses   |   |                                 |                                     |
| 105   | 818 Compressor Station Expenses  |   |                                 |                                     |
| 106   | 819 Compressor Station Fuel and Power                                      |   |                                 |                                     |
| 107   | 820 Measuring and Regulating Station Expenses                              |   |                                 |                                     |
| 108   | 821 Purification Expenses  |   |                                 |                                     |
| 109   | 822 Exploration and Development  |   |                                 |                                     |
| 110   | 823 Gas Losses   |   |                                 |                                     |
| 111   | 824 Other Expenses   |   |                                 |                                     |
| 112   | 825 Storage Well Royalties   |   |                                 |                                     |
| 113   | 826 Rents  |   |                                 |                                     |
| 114   | TOTAL Operation (Total of lines 101 thru 113)                              | -   | -                               |                                     |

| Name of Respondent<br><b>New England Gas Company, A Division of S</b> |   | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)  | Year Ending<br><b>June 30, 2005</b> |
|---|---|---|---------------------------------|-------------------------------------|
| Rhode Island Location   |   |   |                                 |                                     |
| GAS OPERATION AND MAINTENANCE EXPENSES (Continued)                    |   |   |                                 |                                     |
| Line No.  | Account<br>(a)  | Amount for Current Year<br>(b)  | Amount for Previous Year<br>(c) |                                     |
| 115   | Maintenance   |   |                                 |                                     |
| 116   | 830 Maintenance Supervision and Engineering                     |   |                                 |                                     |
| 117   | 831 Maintenance of Structures and Improvements                  |   |                                 |                                     |
| 118   | 832 Maintenance of Reservoirs and Wells                         |   |                                 |                                     |
| 119   | 833 Maintenance of Lines  |   |                                 |                                     |
| 120   | 834 Maintenance of Compressor Station Equipment                 |   |                                 |                                     |
| 121   | 835 Maintenance of Measuring and Regulating Station Equipment   |   |                                 |                                     |
| 122   | 836 Maintenance of Purification Equipment                       |   |                                 |                                     |
| 123   | 837 Maintenance of Other Equipment                              |   |                                 |                                     |
| 124   | TOTAL Maintenance (Total of lines 116 thru 123)                 |   | -                               | -                                   |
| 125   | TOTAL Underground Storage Expenses (Total of lines 114 and 124) |   | -                               | -                                   |
| 126   | B. Other Storage Expenses                                       |   |                                 |                                     |
| 127   | Operation   |   |                                 |                                     |
| 128   | 840 Operation Supervision and Engineering                       | 37  |                                 |                                     |
| 129   | 841 Operation Labor and Expenses                                | 717,817   | 683,961                         |                                     |
| 130   | 842 Rents   |   | 20,540                          |                                     |
| 131   | 842.1 Fuel  | 10,472  | 24,180                          |                                     |
| 132   | 842.2 Power   | 236   | -                               |                                     |
| 133   | 842.3 Gas Losses  |   | -                               |                                     |
| 134   | TOTAL Operation (Total of lines 128 thru 133)                   | 728,562   | 728,681                         |                                     |
| 135   | Maintenance   |   |                                 |                                     |
| 136   | 843.1 Maintenance Supervision and Engineering                   |   |                                 |                                     |
| 137   | 843.2 Maintenance of Structures and Improvements                |   |                                 |                                     |
| 138   | 843.3 Maintenance of Gas Holders                                |   |                                 |                                     |
| 139   | 843.4 Maintenance of Purification Equipment                     |   |                                 |                                     |
| 140   | 843.5 Maintenance of Liquefaction Equipment                     |   |                                 |                                     |
| 141   | 843.6 Maintenance of Vaporizing Equipment                       |   |                                 |                                     |
| 142   | 843.7 Maintenance of Compressor Equipment                       |   |                                 |                                     |
| 143   | 843.8 Maintenance of Measuring and Regulating Equipment         |   |                                 |                                     |
| 144   | 843.9 Maintenance of Other Equipment                            |   |                                 |                                     |
| 145   | TOTAL Maintenance (Total of lines 136 thru 144)                 |   | -                               | -                                   |
| 146   | TOTAL Other Storage Expenses (Total of lines 134 and 145)       | 728,562   | 728,681                         |                                     |

| Name of Respondent<br><b>New England Gas Company, A Division of S</b> |   | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)  | Year Ending<br><b>June 30, 2005</b> |
|---|---|---|---------------------------------|-------------------------------------|
| Rhode Island Location   |   |   |                                 |                                     |
| GAS OPERATION AND MAINTENANCE EXPENSES (Continued)                    |   |   |                                 |                                     |
| Line No.  | Account<br>(a)  | Amount for Current Year<br>(b)  | Amount for Previous Year<br>(c) |                                     |
| 147   | C. Liquefied Natural Gas Terminating and Processing Expenses                  |   |                                 |                                     |
| 148   | Operation   |   |                                 |                                     |
| 149   | 844.1 Operation Supervision and Engineering                                   |   |                                 |                                     |
| 150   | 844.2 LNG Processing Terminal Labor and Expenses                              |   | 51,705                          |                                     |
| 151   | 844.3 Liquefaction Processing Labor and Expenses                              |   |                                 |                                     |
| 152   | 844.4 Liquefaction Transportation Labor and Expenses                          |   |                                 |                                     |
| 153   | 844.5 Measuring and Regulating Labor and Expenses                             |   |                                 |                                     |
| 154   | 844.6 Compressor Station Labor and Expenses                                   |   |                                 |                                     |
| 155   | 844.7 Communication System Expenses   |   |                                 |                                     |
| 156   | 844.8 System Control and Load Dispatching                                     |   |                                 |                                     |
| 157   | 845.1 Fuel  | 25,377  |                                 |                                     |
| 158   | 845.2 Power   |   |                                 |                                     |
| 159   | 845.3 Rents   | 23,345  |                                 |                                     |
| 160   | 845.4 Demurrage Charges   |   |                                 |                                     |
| 161   | (Less) 845.5 Wharfage Receipts - Credit                                       |   |                                 |                                     |
| 162   | 845.6 Processing Liquefied or Vaporized Gas by Others                         |   |                                 |                                     |
| 163   | 846.1 Gas Losses  |   |                                 |                                     |
| 164   | 846.2 Other Expenses  |   |                                 |                                     |
| 165   | TOTAL Operation (Total of lines 149 thru 164)                                 | 48,722  | 51,705                          |                                     |
| 166   | Maintenance   |   |                                 |                                     |
| 167   | 847.1 Maintenance Supervision and Engineering                                 | 46,078  |                                 |                                     |
| 168   | 847.2 Maintenance of Structures and Improvements                              | 29,510  |                                 |                                     |
| 169   | 847.3 Maintenance of LNG Processing Terminal Equipment                        | 45,754  | 47,533                          |                                     |
| 170   | 847.4 Maintenance of LNG Transportation Equipment                             |   |                                 |                                     |
| 171   | 847.5 Maintenance of Measuring and Regulating Equipment                       | 1,504   | 981                             |                                     |
| 172   | 847.6 Maintenance of Compressor Station Equipment                             |   |                                 |                                     |
| 173   | 847.7 Maintenance of Communication Equipment                                  |   |                                 |                                     |
| 174   | 847.8 Maintenance of Other Equipment  | 13,616  | 26,654                          |                                     |
| 175   | TOTAL Maintenance (Total of lines 167 thru 174)                               | 136,462   | 75,168                          |                                     |
| 176   | TOTAL Liquefied Nat Gas Terminating and Proc Exp (Total of lines 165 and 175) | 185,184   | 126,873                         |                                     |
| 177   | TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)                  | 913,746   | 855,554                         |                                     |

| Name of Respondent<br><b>New England Gas Company, A Division of<br/>Rhode Island Location</b> |   | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|---|---|---|--|-------------------------------------|
| GAS OPERATION AND MAINTENANCE EXPENSES (Continued)  |   |   |  |                                     |
| Line No.  | Account<br>(a)  | Amount for Current Year<br>(b)  | Amount for Previous Year<br>(c)                        |                                     |
| 178   | 3. TRANSMISSION EXPENSES                                      |   |  |                                     |
| 179   | Operation   |   |  |                                     |
| 180   | 850 Operation Supervision and Engineering                     |   |  |                                     |
| 181   | 851 System Control and Load Dispatching                       |   |  |                                     |
| 182   | 852 Communication System Expenses                             |   |  |                                     |
| 183   | 853 Compressor Station Labor and Expenses                     |   |  |                                     |
| 184   | 854 Gas for Compressor Station Fuel                           |   |  |                                     |
| 185   | 855 Other Fuel and Power for Compressor Stations              |   |  |                                     |
| 186   | 856 Mains Expenses  |   |  |                                     |
| 187   | 857 Measuring and Regulating Station Expenses                 |   |  |                                     |
| 188   | 858 Transmission and Compression of Gas by Others             |   |  |                                     |
| 189   | 859 Other Expenses  |   |  |                                     |
| 190   | 860 Rents   |   |  |                                     |
| 191   | TOTAL Operation (Total of lines 180 thru 190)                 | -   | -  |                                     |
| 192   | Maintenance   |   |  |                                     |
| 193   | 861 Maintenance Supervision and Engineering                   |   |  |                                     |
| 194   | 862 Maintenance of Structures and improvements                |   |  |                                     |
| 195   | 863 Maintenance of Mains                                      |   |  |                                     |
| 196   | 864 Maintenance of Compressor Station Equipment               |   |  |                                     |
| 197   | 865 Maintenance of Measuring and Regulating Station Equipment |   |  |                                     |
| 198   | 866 Maintenance of Communication Equipment                    |   |  |                                     |
| 199   | 867 Maintenance of Other Equipment                            |   |  |                                     |
| 200   | TOTAL Maintenance (Total of lines 193 thru 199)               | -   | -  |                                     |
| 201   | TOTAL Transmission Expenses (Total of lines 191 and 200)      | -   | -  |                                     |
| 202   | 4. DISTRIBUTION EXPENSES                                      |   |  |                                     |
| 203   | Operation   |   |  |                                     |
| 204   | 870 Operation Supervision and Engineering                     | 850,716   | 1,302,816  |                                     |
| 205   | 871 Distribution Load Dispatching                             | 988,048   | 1,019,655  |                                     |
| 206   | 872 Compressor Station Labor and Expenses                     | -   | -  |                                     |
| 207   | 873 Compressor Station Fuel and Power                         | 82,309  | 85,231   |                                     |

| Name of Respondent<br><b>New England Gas Company, A Division of<br/>Rhode Island Location</b> |  | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)  | Year Ending<br><b>June 30, 2005</b> |
|---|--|---|---------------------------------|-------------------------------------|
| <b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>                                     |  |   |                                 |                                     |
| Line No.  | Account<br>(a)   | Amount for Current Year<br>(b)  | Amount for Previous Year<br>(c) |                                     |
| 208   | 874 Mains and Services Expenses  | 3,487,834   | 3,384,806                       |                                     |
| 209   | 875 Measuring and Regulating Station Expenses - General                    | 178,523   | 59,036                          |                                     |
| 210   | 876 Measuring and Regulating Station Expenses - Industrial                 | -   | -                               |                                     |
| 211   | 877 Measuring and Regulating Station Expenses - City Gas Check Station     | 29,315  | 46,573                          |                                     |
| 212   | 878 Meter and House Regulator Expenses                                     | 1,784,507   | 1,715,880                       |                                     |
| 213   | 879 Customer Installations Expenses  | 2,830,207   | 2,914,318                       |                                     |
| 214   | 880 Other Expenses   | 2,655,745   | 2,543,322                       |                                     |
| 215   | 881 Rents  | 24  | (2,990)                         |                                     |
| 216   | TOTAL Operation (Total of lines 204 thru 215)                              | 12,887,228  | 13,068,647                      |                                     |
| 217   | Maintenance  |   |                                 |                                     |
| 218   | 885 Maintenance Supervision and Engineering                                |   | 10,643                          |                                     |
| 219   | 886 Maintenance of Structures and Improvements                             | 836,355   | 545,839                         |                                     |
| 220   | 887 Maintenance of Mains   | 3,284,003   | 3,012,540                       |                                     |
| 221   | 888 Maintenance of Compressor Station Equipment                            | 58  |                                 |                                     |
| 222   | 889 Maintenance of Measuring and Regulating Station Equipment - General    | 348,244   | 295,224                         |                                     |
| 223   | 890 Maintenance of Meas. and Reg. Station Equipment - Industrial           | 1,168   |                                 |                                     |
| 224   | 891 Maintenance of Meas. and Reg. Station Equip. - City Gate Check Station | 74,405  | 78,336                          |                                     |
| 225   | 892 Maintenance of Services  | 601,950   | 426,351                         |                                     |
| 226   | 893 Maintenance of Meters and House Regulators                             | 1,085,477   | 953,794                         |                                     |
| 227   | 894 Maintenance of Other Equipment   | 144,774   | 125,050                         |                                     |
| 228   | TOTAL Maintenance (Total of lines 218 thru 227)                            | 6,376,434   | 5,447,777                       |                                     |
| 229   | TOTAL Distribution Expenses (Total of lines 216 and 228)                   | 19,263,662  | 18,516,424                      |                                     |
| 230   | 5. CUSTOMER ACCOUNTS EXPENSES  |   |                                 |                                     |
| 231   | Operation  |   |                                 |                                     |
| 232   | 901 Supervision  |   |                                 |                                     |
| 233   | 902 Meter Reading Expenses   | 1,160,730   | 1,083,650                       |                                     |
| 234   | 903 Customer Records and Collection Expenses                               | 7,646,330   | 7,205,243                       |                                     |

| Name of Respondent  |   | This Report Is:   | Date of Report          | Year Ending              |
|---|---|---|-------------------------|--------------------------|
| New England Gas Company, A Division of                    |   | <input checked="" type="checkbox"/> An Original           | (Mo, Da, Yr)            | June 30, 2005            |
| Rhode Island Location                                     |   | <input type="checkbox"/> A Resubmission                   |                         |                          |
| <b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b> |   |   |                         |                          |
| Line No.  | Account   |   | Amount for Current Year | Amount for Previous Year |
|   | (a)   |   | (b)                     | (c)                      |
| 235   | 904   | Uncollectible Accounts                                    | 7,733,557               | 9,149,630                |
| 236   | 905   | Miscellaneous Customer Accounts Expenses                  | 862,487                 | 1,070,978                |
| 237   | TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)                    |   | 17,403,104              | 18,509,501               |
| 238   | 6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES                                    |   |                         |                          |
| 239   | Operation   |   |                         |                          |
| 240   | 907   | Supervision   |                         |                          |
| 241   | 908   | Customer Assistance Expenses                              | 53                      |                          |
| 242   | 909   | Information and Instructional Expenses                    | 146,709                 |                          |
| 243   | 910   | Miscellaneous Customer Service and Informational Expenses | 382,261                 | 373,166                  |
| 244   | TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)     |   | 529,023                 | 373,166                  |
| 245   | 7. SALES EXPENSES   |   |                         |                          |
| 246   | Operation   |   |                         |                          |
| 247   | 911   | Supervision   |                         | 83,445                   |
| 248   | 912   | Demonstrating and Selling Expenses                        | 158,782                 | 201,895                  |
| 249   | 913   | Advertising Expenses                                      |                         |                          |
| 250   | 916   | Miscellaneous Sales Expenses                              | 205,862                 | 141,883                  |
| 251   | TOTAL Sales Expenses (Total of lines 247 thru 250)                                |   | 364,644                 | 427,223                  |
| 252   | 8. ADMINISTRATIVE AND GENERAL EXPENSES  |   |                         |                          |
| 253   | Operation   |   |                         |                          |
| 254   | 920   | Administrative and General Salaries                       | 9,813,728               | 11,066,365               |
| 255   | 921   | Office Supplies and Expenses                              | 3,092,890               | 3,161,409                |
| 256   | (Less) 922  | Administrative Expenses Transferred - Credit              | (4,018,188)             | (4,315,830)              |
| 257   | 923   | Outside Services Employed                                 | 2,355,002               | 1,478,522                |
| 258   | 924   | Property Insurance  | 829,943                 | 1,676,754                |
| 259   | 925   | Injuries and Damages                                      | 1,811,927               | 2,495,938                |
| 260   | 926   | Employee Pensions and Benefits                            | 16,369,843              | 17,425,261               |
| 261   | 927   | Franchise Requirements                                    |                         |                          |
| 262   | 928   | Regulatory Commission Expenses                            | 1,385,595               | 1,645,199                |
| 263   | (Less) 929  | Duplicate Charges - Credit                                |                         |                          |
| 264   | 930.1   | General Advertising Expenses                              |                         | 1,757                    |
| 265   | 930.2   | Miscellaneous General Expenses                            | 2,993,561               | 2,967,264                |
| 266   | 931   | Rents   | 124,048                 | (37,588)                 |
| 267   | 932   | Maintenance of General Plant                              | 277,470                 | 387,725                  |
| 268   | TOTAL Operation (Total of lines 254 thru 267)                                     |   | 35,035,819              | 37,952,776               |
| 269   |   |   |                         |                          |
| 270   | 935   | Maintenance of General Plant                              |                         |                          |
| 271   | TOTAL Administrative and General Expenses (Total of lines 267 and 269)            |   | 35,035,819              | 37,952,776               |
| 272   | TOTAL Gas O&M Expenses (Total of lines 97, 177, 201, 229, 237, 244, 251, and 270) |   | 337,620,905             | 306,684,580              |

|   |   |  |                                     |
|---|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>(June 30, 2005)</b> | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location   |   |  |                                     |

**EXCHANGE AND IMBALANCE TRANSACTIONS**

1. Report below details by zone and rate schedule concerning the gas quantities and related dollar amounts of imbalance associated with system balancing and no-notice service. Also, report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no-notice quantities for exchanges.

If respondent does not have separate zones, provide totals by rate schedule. Minor exchange transactions (less than 100,000 Dth) may be grouped.

| Line No. | Zone/Rate Schedule<br>(a) | Gas Received From Others |         | Gas Delivered to Others |         |
|----------|---------------------------|--------------------------|---------|-------------------------|---------|
|          |                           | Amount (b)               | Mcf (c) | Amount (d)              | Mcf (e) |
| 1        | N/A                       |                          |         |                         |         |
| 2        |                           |                          |         |                         |         |
| 3        |                           |                          |         |                         |         |
| 4        |                           |                          |         |                         |         |
| 5        |                           |                          |         |                         |         |
| 6        |                           |                          |         |                         |         |
| 7        |                           |                          |         |                         |         |
| 8        |                           |                          |         |                         |         |
| 9        |                           |                          |         |                         |         |
| 10       |                           |                          |         |                         |         |
| 11       |                           |                          |         |                         |         |
| 12       |                           |                          |         |                         |         |
| 13       |                           |                          |         |                         |         |
| 14       |                           |                          |         |                         |         |
| 15       |                           |                          |         |                         |         |
| 16       |                           |                          |         |                         |         |
| 17       |                           |                          |         |                         |         |
| 18       |                           |                          |         |                         |         |
| 19       |                           |                          |         |                         |         |
| 20       |                           |                          |         |                         |         |
| 21       |                           |                          |         |                         |         |
| 22       |                           |                          |         |                         |         |
| 23       |                           |                          |         |                         |         |
| 24       |                           |                          |         |                         |         |
| 25       | <b>TOTAL</b>              | -                        | -       | -                       | -       |

|  |   |                                |                                     |
|--|---|--------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |                                |                                     |

**GAS USED IN UTILITY OPERATIONS**

1. Report below details of credits during the year to Accounts 810, 811, and 812.

2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

| Line No. | Purpose for Which Gas Was Used<br><br>(a)   | Account Charged<br><br>(b) | Natural Gas               |  | Manufactured Gas          |                             |
|----------|---|----------------------------|---------------------------|--|---------------------------|-----------------------------|
|          |   |                            | Gas Used (Mcf)<br><br>(c) | Amount of Credit (in dollars)<br><br>(d) | Gas Used (Dth)<br><br>(e) | Amount of Credit<br><br>(f) |
| 1        | 810 Gas Used for Compressor Station Fuel - Credit   |                            |                           |  |                           |                             |
| 2        | 811 Gas Used for Products Extraction - Credit   |                            |                           |  |                           |                             |
| 3        | Gas Shrinkage and Other Usage in Respondent's Own Processing  |                            |                           |  |                           |                             |
| 4        | Gas Shrinkage, etc. for Respondent's Gas Processed by Others  |                            |                           |  |                           |                             |
| 5        | 812 Gas Used for Other Utility Operations - Credit<br>(Report separately for each principal use. Group minor uses.) | Various                    | 110,643                   | 443,288                                  |                           |                             |
| 6        |   |                            |                           |  |                           |                             |
| 7        |   |                            |                           |  |                           |                             |
| 8        |   |                            |                           |  |                           |                             |
| 9        |   |                            |                           |  |                           |                             |
| 10       |   |                            |                           |  |                           |                             |
| 11       |   |                            |                           |  |                           |                             |
| 12       |   |                            |                           |  |                           |                             |
| 13       |   |                            |                           |  |                           |                             |
| 14       |   |                            |                           |  |                           |                             |
| 15       |   |                            |                           |  |                           |                             |
| 16       |   |                            |                           |  |                           |                             |
| 17       |   |                            |                           |  |                           |                             |
| 18       |   |                            |                           |  |                           |                             |
| 19       |   |                            |                           |  |                           |                             |
| 20       |   |                            |                           |  |                           |                             |
| 21       |   |                            |                           |  |                           |                             |
| 22       |   |                            |                           |  |                           |                             |
| 23       |   |                            |                           |  |                           |                             |
| 24       |   |                            |                           |  |                           |                             |
| 25       | <b>TOTAL</b>  |                            | 110,643                   | 443,288                                  | -                         | -                           |

|   |   |                                |                                     |
|---|---|--------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location   |   |                                |                                     |

**TRANSMISSION AND COMPRESSION OF GAS BY OTHERS (ACCOUNT 858)**

1. Report below details concerning gas transported or compressed for respondent by others equaling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000) Dth may be grouped. Also, include in column (c) amounts paid as transition costs to an upstream pipeline.

2. In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system.

3. Designate associated companies with an asterisk in column (b).

| Line No. | Name of Company and Description of Service Performed<br>(a) | *     | Amount of Payment<br>(in dollars)<br>(c) | Dth of Gas Delivered<br>(d) |
|----------|---|-------|--|-----------------------------|
| 1        |   |       |  |                             |
| 2        | N/A   |       |  |                             |
| 3        |   |       |  |                             |
| 4        |   |       |  |                             |
| 5        |   |       |  |                             |
| 6        |   |       |  |                             |
| 7        |   |       |  |                             |
| 8        |   |       |  |                             |
| 9        |   |       |  |                             |
| 10       |   |       |  |                             |
| 11       |   |       |  |                             |
| 12       |   |       |  |                             |
| 13       |   |       |  |                             |
| 14       |   |       |  |                             |
| 15       |   |       |  |                             |
| 16       |   |       |  |                             |
| 17       |   |       |  |                             |
| 18       |   |       |  |                             |
| 19       |   |       |  |                             |
| 20       |   |       |  |                             |
| 21       |   |       |  |                             |
| 22       |   |       |  |                             |
| 23       |   |       |  |                             |
| 24       |   |       |  |                             |
| 25       |   | TOTAL |  |                             |

| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b>  |                               | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission  | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|--|-------------------------------|--|--|-------------------------------------|
| Rhode Island Location  |                               |  |  |                                     |
| <b>OTHER GAS SUPPLY EXPENSES (ACCOUNT 813)</b>   |                               |  |  |                                     |
| 1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account |                               | 117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of \$250,000 or more. |  |                                     |
| Line No  | Description<br>(a)            | Amount<br>(in dollars)<br>(b)  |  |                                     |
| 1  |                               |  |  |                                     |
| 2  | Marketer and Capacity Release | (2,301,569)  |  |                                     |
| 3  |                               | -  |  |                                     |
| 4  |                               | -  |  |                                     |
| 5  |                               |  |  |                                     |
| 6  |                               |  |  |                                     |
| 7  |                               |  |  |                                     |
| 8  |                               |  |  |                                     |
| 9  |                               |  |  |                                     |
| 10   |                               |  |  |                                     |
| 11   |                               |  |  |                                     |
| 12   |                               |  |  |                                     |
| 13   |                               |  |  |                                     |
| 14   |                               |  |  |                                     |
| 15   |                               |  |  |                                     |
| 16   |                               |  |  |                                     |
| 17   |                               |  |  |                                     |
| 18   |                               |  |  |                                     |
| 19   |                               |  |  |                                     |
| 20   |                               |  |  |                                     |
| 21   |                               |  |  |                                     |
| 22   |                               |  |  |                                     |
| 23   |                               |  |  |                                     |
| 24   |                               |  |  |                                     |
| 25   | TOTAL                         | (2,301,569)  |  |                                     |

| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union Co</b> |   | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission  | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|---|---|--|--|-------------------------------------|
| Rhode Island Location   |   |  |  |                                     |
| <b>MISCELLANEOUS GENERAL EXPENSES (ACCOUNT 930.2)</b>                                 |   |  |  |                                     |
| 1. Provide the information requested below on miscellaneous general expenses.         |   | 2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown. |  |                                     |
| Line No.  | Description<br>(a)  | Amount<br>(in dollars)<br>(b)  |  |                                     |
| 1   | Industry association dues.  |  |  |                                     |
| 2   | Experimental and general research expenses.<br>a. Gas Research Institute (GRI)<br>b. Other  |  |  |                                     |
| 3   | Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent |  |  |                                     |
| 4   | Other expenses  |  |  |                                     |
| 5   | Other Miscellaneous General Expenses (no items > \$250,000)   | 223,058  |  |                                     |
| 6   |   |  |  |                                     |
| 7   | DSM Rebate  | 315,619  |  |                                     |
| 8   | Low Income Assistance Expense   | 1,682,834  |  |                                     |
| 9   | Weatherization Program Expense  | 200,000  |  |                                     |
| 10  | Amortization Integration Expenses   | 572,050  |  |                                     |
| 11  |   |  |  |                                     |
| 12  |   |  |  |                                     |
| 13  |   |  |  |                                     |
| 14  |   |  |  |                                     |
| 15  |   |  |  |                                     |
| 16  |   |  |  |                                     |
| 17  |   |  |  |                                     |
| 18  |   |  |  |                                     |
| 19  |   |  |  |                                     |
| 20  |   |  |  |                                     |
| 21  |   |  |  |                                     |
| 22  |   |  |  |                                     |
| 23  |   |  |  |                                     |
| 24  |   |  |  |                                     |
| 25  | Total   | 2,993,561  |  |                                     |

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |  |                                     |

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (ACCOUNTS 403, 404.1, 404.2, 404.3, 405)  
 (Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion, and amortization for the accounts indicated and classified according to the plant functional groups shown.

2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are

Section A. Summary of Depreciation, Depletion, and Amortization Charges

| Line No. | Functional Classification<br><br>(a)           | Depreciation Expense<br>(Account 403)<br><br>(b) | Amortization and Depletion of Producing Natural Gas Land and Land Rights<br>(Account 404.1)<br><br>(c) | Amortization of Underground Storage Land and Land Rights<br>(Account 404.2)<br><br>(d) |
|----------|--|--|--|--|
| 1        | Intangible plant                               | 60,405   |  |  |
| 2        | Production plant, manufactured gas             | 655,371  |  |  |
| 3        | Production and gathering plant, natural gas    |  |  |  |
| 4        | Environmental                                  |  |  |  |
| 5        | Products extraction plant                      |  |  |  |
| 6        | Underground gas storage plant                  |  |  |  |
| 7        | Other storage plant                            |  |  |  |
| 8        | Base load LNG terminaling and processing plant |  |  |  |
| 9        | Transmission plant                             |  |  |  |
| 10       | Distribution plant                             | 15,544,535                                       |  |  |
| 11       | General plant                                  | 1,494,376  |  |  |
| 12       | Common plant - gas                             |  |  |  |
| 13       | TOTAL  | 17,754,687                                       | -  | -  |

|   |   |  |                                     |
|---|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of<br/>Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|---|---|--|-------------------------------------|

**DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (ACCOUNTS 403, 404.1, 404.2, 404.3, 405)**  
*(Except Amortization of Acquisition Adjustments) (Continued)*

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used

to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in footnote the amounts and nature of the provisions and the plant items to which related.

**Section A. Summary of Depreciation, Depletion, and Amortization Charges**

| Amortization of<br>Other Limited-term<br>Gas Plant<br>(Account 404.3)<br>(e) | Amortization of<br>Other Gas Plant<br>(Account 405)<br>(f) | Total<br>(b to f)<br>(g) | Functional Classification<br>(a)               | Line<br>No. |
|--|--|--------------------------|--|-------------|
| 2,209,488  |  | 2,269,893                | Intangible plant                               | 1           |
|  |  | 655,371                  | Production plant, manufactured gas             | 2           |
|  |  | -                        | Production and gathering plant, natural gas    | 3           |
|  | 789,293  | 789,293                  | Environmental                                  | 4           |
|  |  | -                        | Products extraction plant                      | 5           |
|  |  | -                        | Underground gas storage plant                  | 6           |
|  |  | -                        | Other storage plant                            | 7           |
|  |  | -                        | Base load LNG terminaling and processing plant | 8           |
|  |  | -                        | Transmission plant                             | 9           |
|  |  | 15,544,535               | Distribution plant                             | 10          |
|  |  | 1,494,376                | General plant                                  | 11          |
| -  | -  | -                        | Common plant - gas                             | 12          |
| 2,209,488  | 789,293  | 20,753,468               | <b>TOTAL</b>                                   | 13          |

| Name of Respondent   | This Report Is:   | Date of Report                          | Year Ending   |
|--|---|---|---------------|
| New England Gas Company, A Division of Southern Rhode Island Location  | <input checked="" type="checkbox"/> Original<br><input type="checkbox"/> A Resubmission | (Mo, Da, Yr)                            | June 30, 2005 |
| DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Continued)     |   |   |               |
| DEPRECIATION, DEPLETION AND AMORTIZATION OF GAS PLANT<br>June 30, 2005 |   |   |               |
| Account Number   | Depreciable<br>Plant Base   | Applied Depreciation Rates<br>(Percent) |               |
| Intangible Plant   |   |   |               |
| 302  | 188,054   |   |               |
| 303  | 515,449   |   |               |
| 303  | 1,136,202   | 33.30                                   | STL           |
| 303  | 3,309,047   | 20.00                                   | STL           |
| 303  | 5,784,612   | 10.00                                   | STL           |
| 303  | 566,861   | 7.20                                    |               |
| 303  | 12,709,031  | 5.56                                    | STL           |
| 303  | 9,991,374   | 4.43                                    | STL           |
| Total  | 34,200,630  |   | 1             |
| Production Plant   |   |   |               |
| 304  | 196,998   | 0.00                                    |               |
| 305  | 1,248,775   | 5.16                                    |               |
| 307  | 44,561  | 4.59                                    |               |
| 311  | 1,441,148   | 2.19                                    |               |
| 320  | 53,082  | 5.89                                    |               |
| 360  | 236,939   | 0.00                                    |               |
| 361  | 2,141,693   | 6.12                                    |               |
| 362  | 4,081,046   | 3.80                                    |               |
| 363  | 6,262,151   | 4.40                                    |               |
| Total  | 15,706,393  |   | 2             |
| Distribution Plant   |   |   |               |
| 3740   | 630,121   | 0.00                                    |               |
| 3750   | 8,885,885   | 2.99                                    |               |
| 3760   | 200,499,670   | 2.17                                    |               |
| 3770   | 1,005,629   | 4.72                                    |               |
| 3780   | 3,848,077   | 3.55                                    |               |
| 3790   | 6,117,771   | 2.53                                    |               |
| 3800   | 127,418,126   | 6.47                                    |               |
| 3810   | 34,024,081  | 4.96                                    |               |
| 3820   | 33,081,067  | 4.59                                    |               |
| 3830   | 478,676   | 5.53                                    |               |
| 3840   | 614,703   | 3.41                                    |               |
| 3850   | 317,555   | 4.07                                    |               |
| 3860   | 401,344   | 3.63                                    |               |
| 3870   | 493,584   | 3.42                                    |               |
| Total  | 417,816,289   |   | 3             |
| General Plant  |   |   |               |
| 3890   | 532,236   | 0.00                                    |               |
| 3900   | 12,063,898  | 2.33                                    |               |
| 3910   | 3,010,926   | 1.67                                    |               |
| 3911   | 6,850,287   | 20.00                                   | STL           |
| 3920   | 511,587   | 20.00                                   | STL           |
| 3921   | 0   | 5.76                                    |               |
| 3930   | 57,199  | 2.01                                    |               |
| 3940   | 2,343,746   | 2.54                                    |               |
| 3950   | 194,978   | 3.47                                    |               |
| 3960   | 120,795   | 0.00                                    |               |
| 3970   | 2,162,549   | 3.57                                    |               |
| 3971   | 882,961   | 20.00                                   | STL           |
| 3980   | 2,539,031   | 1.40                                    |               |
| 3990   | 5,897,475   | 20.00                                   | STL           |
| Total  | 37,167,668  |   | 4             |
| Grand Total  | 504,890,980   |   |               |
|  | 0   |   |               |

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |  |                                     |

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) *Miscellaneous Amortization* (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortizations charges for the year, and the period of amortization.  
 (b) *Miscellaneous Income Deductions* - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, *Donations*; 426.2, *Life Insurance*; 426.3, *Penalties*; 426.4, *Expenditures for Certain Civic, Political and Related Activities*; and 426.5, *Other Deductions*, of the Uniform System of Accounts.

Amounts of less than \$250,000 may be grouped by classes within the above accounts.

(c) *Interest on Debt to Associated Companies* (Account 430) - For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.  
 (d) *Other Interest Expense* (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

| Line No | Item (a)                            | Amount (b) |
|---------|-------------------------------------|------------|
| 1       |                                     |            |
| 2       |                                     |            |
| 3       |                                     |            |
| 4       |                                     |            |
| 5       | 426 Miscellaneous Income Deductions |            |
| 7       | Penalties                           | (48,500)   |
| 8       | Dues & Memberships                  | 24,136     |
| 9       | Lobbying                            | 83,500     |
| 10      | Donations - RIGNEF \$63,813         | 334,112    |
| 11      | Advertising                         | 9,372      |
| 12      | Mercury                             | 8,640,215  |
| 13      | Miscellaneous                       | (9,321)    |
| 14      | Total Account 426                   | 9,033,514  |
| 15      |                                     | -          |
| 16      |                                     |            |
| 17      |                                     |            |
| 18      | 431 Other Interest Expense          |            |
| 19      | Interest D&O                        |            |
| 20      | Customers deposits                  | 117,536    |
| 21      | Property Tax                        | 118,584    |
| 22      | Conservation Fund / Other           | 43,480     |
| 23      |                                     |            |
| 24      |                                     |            |
| 26      | Total Account 431                   | 279,600    |
| 27      |                                     | -          |
| 28      |                                     |            |
| 29      |                                     |            |
| 30      |                                     |            |
| 31      |                                     |            |
| 32      |                                     |            |
| 33      |                                     |            |
| 34      |                                     |            |
| 35      |                                     |            |
| 36      |                                     |            |
| 37      |                                     |            |
| 38      |                                     |            |
| 39      |                                     |            |
| 40      |                                     |            |

| Name of Respondent<br><b>New England Gas Company, A Division of Southern</b>  |   | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission |   | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b>            |
|---|---|---|---|--|--|
| Rhode Island Location   |   |   |   |  |  |
| <b>REGULATORY COMMISSION EXPENSES (Account 928)</b>   |   |   |   |  |  |
| 1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party. |   |   | 2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility. |  |  |
| Line No.  | Description<br>(Furnish name of regulatory commission or body, the docket number, and a description of the case.) | Assessed by Regulatory Commission   | Expenses of Utility   | Total Expenses to Date                                 | Deferred in Account 182.3 at Beginning of Year |
|   | (a)   | (b)   | (c)   | (d)  | (e)  |
| 1   | RIPUC Assessment  | 936,289   | 936,289   | 936,289  |  |
| 2   | Outside Legal and Consulting  |   | 218,046   | 218,046  |  |
| 3   | Other   |   | 6,211   | 6,211  |  |
| 4   | RI Rate Case amortization   |   | 182,475   | 182,475  | 206,850  |
| 5   | RI Division & Commission  |   | 42,574  | 42,574   |  |
| 6   |   |   |   | -  |  |
| 7   |   |   |   | -  |  |
| 8   |   |   |   | -  |  |
| 9   |   |   |   | -  |  |
| 10  |   |   |   | -  |  |
| 11  |   |   |   | -  |  |
| 12  |   |   |   | -  |  |
| 13  |   |   |   | -  |  |
| 14  |   |   |   | -  |  |
| 15  |   |   |   | -  |  |
| 16  |   |   |   | -  |  |
| 17  |   |   |   | -  |  |
| 18  |   |   |   | -  |  |
| 19  |   |   |   | -  |  |
| 20  |   |   |   | -  |  |
| 21  |   |   |   | -  |  |
| 22  |   |   |   | -  |  |
| 23  |   |   |   | -  |  |
| 24  |   |   |   | -  |  |
| 25  | Sub-Total   | 936,289   | 1,385,595   | 1,385,595  | 206,850  |

|  |   |  |                                     |
|--|---|--|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern U<br/>Rhode Island Location</b> | This Report is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br><b>June 30, 2005</b> | Year Ending<br><b>June 30, 2005</b> |
|--|---|--|-------------------------------------|

**DISTRIBUTION OF SALARIES AND WAGES**

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to *Utility Departments, Construction, Plant Removals, and Other Accounts*, and enter such amounts in the appropriate lines and columns provided.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 74.01, 74.02, etc.

| Line No. | Classification<br>(a)  | Direct Payroll Distribution<br>(b) | Allocation of Payroll Charged for Clearing Accounts<br>(c) | Total<br>(d) |
|----------|--|------------------------------------|--|--------------|
| 1        | Electric   |                                    |  |              |
| 2        | Operation  |                                    |  |              |
| 3        | Production   | -                                  | -  | -            |
| 4        | Transmission   | -                                  | -  | -            |
| 5        | Distribution   | -                                  | -  | -            |
| 6        | Customer Accounts  | -                                  | -  | -            |
| 7        | Customer Service and Informational                               | -                                  | -  | -            |
| 8        | Sales  | -                                  | -  | -            |
| 9        | Administrative and General                                       | -                                  | -  | -            |
| 10       | TOTAL Operation (Total of lines 3 thru 9)                        | -                                  | -  | -            |
| 11       | Maintenance  |                                    |  |              |
| 12       | Production   | -                                  | -  | -            |
| 13       | Transmission   | -                                  | -  | -            |
| 14       | Distribution   | -                                  | -  | -            |
| 15       | Administrative and General                                       | -                                  | -  | -            |
| 16       | TOTAL Maintenance (Total of lines 12 thru 15)                    | -                                  | -  | -            |
| 17       | Total Operation and Maintenance                                  |                                    |  |              |
| 18       | Production (Total of lines 3 and 12)                             | -                                  | -  | -            |
| 19       | Transmission (Total of lines 4 and 13)                           | -                                  | -  | -            |
| 20       | Distribution (Total of lines 5 and 14)                           | -                                  | -  | -            |
| 21       | Customer Accounts (line 6)                                       | -                                  | -  | -            |
| 22       | Customer Service and Informational (line 7)                      | -                                  | -  | -            |
| 23       | Sales (line 8)   | -                                  | -  | -            |
| 24       | Administrative and General (Total of lines 9 and 15)             | -                                  | -  | -            |
| 25       | TOTAL Operation and Maintenance (Total of lines 18 thru 24)      | -                                  | -  | -            |
| 26       | Gas  |                                    |  |              |
| 27       | Operation  |                                    |  |              |
| 28       | Production - Manufactured Gas                                    | 46,703                             | -  | 46,703       |
| 29       | Production - Natural Gas (Including Exploration and Development) | -                                  | -  | -            |
| 30       | Other Gas Supply   | 614,418                            | -  | 614,418      |
| 31       | Storage, LNG Terminaling and Processing                          | -                                  | -  | -            |
| 32       | Transmission   | -                                  | -  | -            |
| 33       | Distribution   | 10,435,234                         | -  | 10,435,234   |
| 34       | Customer Accounts  | 5,169,660                          | -  | 5,169,660    |
| 35       | Customer Service and Informational                               | 370,061                            | -  | 370,061      |
| 36       | Sales  | 158,782                            | -  | 158,782      |
| 37       | Administrative and General                                       | 11,114,576                         | -  | 11,114,576   |
| 38       | TOTAL Operation (Total of lines 28 thru 37)                      | 27,909,434                         | -  | 27,909,434   |
| 39       | Maintenance  |                                    |  |              |
| 40       | Production - Manufactured Gas                                    | 141                                | -  | 141          |
| 41       | Production - Natural Gas (Including Exploration and Development) | -                                  | -  | -            |
| 42       | Other Gas Supply   | 46,071                             | -  | 46,071       |
| 43       | Storage, LNG Terminaling and Processing                          | -                                  | -  | -            |
| 44       | Transmission   | -                                  | -  | -            |
| 45       | Distribution   | 3,770,812                          | -  | 3,770,812    |
| 46       | Administrative and General                                       | -                                  | -  | -            |
| 47       | TOTAL Maint. (Total of lines 40 thru 46)                         | 3,817,024                          | -  | 3,817,024    |

87,211  
 541,804  
 10,158,414  
 5,158,346  
 362,816  
 127,005  
 12,358,280  
 28,793,876  
 68,551  
 6,336,473  
 6,405,024

| Name of Respondent                                  |   | This Report Is:                                 | Date of Report   | Year Ending   |
|---|---|---|--|---------------|
| New England Gas Company, A Division of Southern Uni |   | <input checked="" type="checkbox"/> An Original | (Mo, Da, Yr)   | June 30, 2005 |
| Rhode Island Location                               |   | <input type="checkbox"/> A Resubmission         |  |               |
| DISTRIBUTION OF SALARIES AND WAGES (Continued)      |   |   |  |               |
| Line No.  | Classification<br>(a)   | Direct Payroll Distribution<br>(b)              | Allocation of Payroll Charged for Clearing Accounts<br>(c) | Total<br>(d)  |
| 48  | Gas (Continued)   |   |  |               |
| 49  | Total Operation and Maintenance                                       |   |  |               |
| 50  | Production - Manufactured Gas (Total of lines 28 and 40)              | 46,844  | -  | 46,844        |
| 51  | Production - Natural Gas (Including Expl. and Dev.) (lines 29 and 41) | -   | -  | -             |
| 52  | Other Gas Supply (Total of lines 30 and 42)                           | 660,489   | -  | 660,489       |
| 53  | Storage, LNG Terminaling and Processing (Total of lines 31 and 43)    | -   | -  | -             |
| 54  | Transmission (Total of lines 32 and 44)                               | -   | -  | -             |
| 55  | Distribution (Total of lines 33 and 45)                               | 14,206,046                                      | -  | 14,206,046    |
| 56  | Customer Accounts (Total of line 34)                                  | 5,169,660                                       | -  | 5,169,660     |
| 57  | Customer Service and Informational (Total of line 35)                 | 370,061   | -  | 370,061       |
| 58  | Sales (Total of line 36)  | 158,782   | -  | 158,782       |
| 59  | Administrative and General (Total of lines 37 and 46)                 | 11,114,576                                      | -  | 11,114,576    |
| 60  | Other Utility Departments   |   |  |               |
| 61  | Operation and Maintenance   |   |  |               |
| 62  | TOTAL ALL Utility Dept. (Total of lines 25, 59, and 61)               | 11,114,576                                      | -  | 11,114,576    |
| 63  | Utility Plant   |   |  |               |
| 64  | Construction (By Utility Departments)                                 |   |  |               |
| 65  | Electric Plant  |   |  |               |
| 66  | Gas Plant   | 3,812,400                                       |  | 3,812,400     |
| 67  | Other   |   |  |               |
| 68  | TOTAL Construction (Total of lines 65 thru 67)                        | 3,812,400                                       | -  | 3,812,400     |
| 69  | Plant Removal (By Utility Department)                                 |   |  |               |
| 70  | Electric Plant  |   |  |               |
| 71  | Gas Plant   | 537,705   |  | 537,705       |
| 72  | Other   |   |  |               |
| 73  | TOTAL Plant Removal (Total of lines 70 thru 72)                       | 537,705   | -  | 537,705       |
| 74  | Other Accounts (Specify):   |   |  |               |
| 74.01   | 163 Stores Expense  |   | 258,116  | 258,116       |
| 74.02   | 184.1 Fleet   |   | 537,435  | 537,435       |
| 74.03   | 416 Non-Utility Merchandising & Jobbing                               | 227,958   |  | 227,958       |
| 74.04   | 426.5 Non-Operating Expenses  |   |  | -             |
| 74.05   |   |   |  | -             |
| 74.06   |   |   |  | -             |
| 74.07   |   |   |  | -             |
| 74.08   |   |   |  | -             |
| 74.09   |   |   |  | -             |
| 74.10   |   |   |  | -             |
| 74.11   |   |   |  | -             |
| 74.12   |   |   |  | -             |
| 74.13   |   |   |  | -             |
| 74.14   |   |   |  | -             |
| 74.15   |   |   |  | -             |
| 75  | TOTAL Other Accounts  | 227,958   | 795,551  | 1,023,509     |
| 76  | TOTAL SALARIES AND WAGES  | 36,304,521                                      | 795,551  | 37,100,072    |

|  |   |                                |                                     |
|--|---|--------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
| <b>Rhode Island Location</b>   |   |                                |                                     |

**COMPRESSOR STATIONS**

1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.

2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.

| Line No. | Name of Station and Location<br><br>(a) | Number of Units at Station<br><br>(b) | Certificated Horsepower for Each Station<br><br>(c) | Plant Cost<br><br>(d) |
|----------|---|---------------------------------------|---|-----------------------|
| 1        |   |                                       |   |                       |
| 2        | N/A                                     |                                       |   |                       |
| 3        |   |                                       |   |                       |
| 4        |   |                                       |   |                       |
| 5        |   |                                       |   |                       |
| 6        |   |                                       |   |                       |
| 7        |   |                                       |   |                       |
| 8        |   |                                       |   |                       |
| 9        |   |                                       |   |                       |
| 10       |   |                                       |   |                       |
| 11       |   |                                       |   |                       |
| 12       |   |                                       |   |                       |
| 13       |   |                                       |   |                       |
| 14       |   |                                       |   |                       |
| 15       |   |                                       |   |                       |
| 16       |   |                                       |   |                       |
| 17       |   |                                       |   |                       |
| 18       |   |                                       |   |                       |
| 19       |   |                                       |   |                       |
| 20       |   |                                       |   |                       |
| 21       |   |                                       |   |                       |
| 22       |   |                                       |   |                       |
| 23       |   |                                       |   |                       |
| 24       |   |                                       |   |                       |
| 25       |   |                                       |   |                       |

|  |   |                                |                                     |
|--|---|--------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Union</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |                                |                                     |

**COMPRESSOR STATIONS (Continued)**

Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size.

and the date the unit was placed in operation.  
 3. For column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

| Expenses (Except depreciation and taxes) |       | Gas for Compressor Fuel in Dth | Operation Data                                  |  |                      | Line No. |
|--|-------|--------------------------------|---|--|----------------------|----------|
| Fuel or Power                            | Other |                                | Total Compressor Hours of Operation During Year | Number of Compressors Operated at Time of Station Peak | Date of Station Peak |          |
| (e)                                      | (f)   | (g)                            | (h)   | (i)  | (j)                  |          |
| N/A                                      |       |                                |   |  |                      | 1        |
|  |       |                                |   |  |                      | 2        |
|  |       |                                |   |  |                      | 3        |
|  |       |                                |   |  |                      | 4        |
|  |       |                                |   |  |                      | 5        |
|  |       |                                |   |  |                      | 6        |
|  |       |                                |   |  |                      | 7        |
|  |       |                                |   |  |                      | 8        |
|  |       |                                |   |  |                      | 9        |
|  |       |                                |   |  |                      | 10       |
|  |       |                                |   |  |                      | 11       |
|  |       |                                |   |  |                      | 12       |
|  |       |                                |   |  |                      | 13       |
|  |       |                                |   |  |                      | 14       |
|  |       |                                |   |  |                      | 15       |
|  |       |                                |   |  |                      | 16       |
|  |       |                                |   |  |                      | 17       |
|  |       |                                |   |  |                      | 18       |
|  |       |                                |   |  |                      | 19       |
|  |       |                                |   |  |                      | 20       |
|  |       |                                |   |  |                      | 21       |
|  |       |                                |   |  |                      | 22       |
|  |       |                                |   |  |                      | 23       |
|  |       |                                |   |  |                      | 24       |
|  |       |                                |   |  |                      | 25       |

| Name of Respondent<br><b>New England Gas Company, A Division of S</b>                    |                                   | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission |                                      | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
|--|-----------------------------------|---|--------------------------------------|--------------------------------|-------------------------------------|
| Rhode Island Location  |                                   |   |                                      |                                |                                     |
| <b>GAS STORAGE PROJECTS</b>  |                                   |   |                                      |                                |                                     |
| 1. Report injections and withdrawals of gas for all storage projects used by respondent. |                                   |   |                                      |                                |                                     |
| Line No.   | Item<br>(a)                       | Gas Belonging to Respondent (Dth)<br>(b)  | Gas Belonging to Others (Dth)<br>(c) | Total Amount (Dth)<br>(d)      |                                     |
| STORAGE OPERATIONS (in Dth)  |                                   |   |                                      |                                |                                     |
| 1  | Gas Delivered to Storage          |   |                                      |                                |                                     |
| 2  | July-04                           | 535,831   |                                      | 535,831                        |                                     |
| 3  | August-04                         | 535,644   |                                      | 535,644                        |                                     |
| 4  | September-04                      | 535,734   |                                      | 535,734                        |                                     |
| 5  | October-04                        | 515,906   |                                      | 515,906                        |                                     |
| 6  | November-04                       | 8,548   |                                      | 8,548                          |                                     |
| 7  | December-04                       | 0   |                                      | 0                              |                                     |
| 8  | January-05                        | 0   |                                      | 0                              |                                     |
| 9  | February-05                       | 0   |                                      | 0                              |                                     |
| 10   | March-05                          | 87,932  |                                      | 87,932                         |                                     |
| 11   | April-05                          | 423,945   |                                      | 423,945                        |                                     |
| 12   | May-05                            | 438,260   |                                      | 438,260                        |                                     |
| 13   | June-05                           | 423,659   |                                      | 423,659                        |                                     |
| 14   | TOTAL (Total of lines 2 thru 13)  | 3,505,459   |                                      | 3,505,459                      |                                     |
| 15   | Gas Withdrawn from Storage        |   |                                      |                                |                                     |
| 16   | July-04                           | 0   |                                      | 0                              |                                     |
| 17   | August-04                         | 0   |                                      | 0                              |                                     |
| 18   | September-04                      | 0   |                                      | 0                              |                                     |
| 19   | October-04                        | 0   |                                      | 0                              |                                     |
| 20   | November-04                       | (46,009)  |                                      | (46,009)                       |                                     |
| 21   | December-04                       | (463,682)   |                                      | (463,682)                      |                                     |
| 22   | January-05                        | (982,234)   |                                      | (982,234)                      |                                     |
| 23   | February-05                       | (955,685)   |                                      | (955,685)                      |                                     |
| 24   | March-05                          | (670,597)   |                                      | (670,597)                      |                                     |
| 25   | April-05                          | (19,046)  |                                      | (19,046)                       |                                     |
| 26   | May-05                            | 0   |                                      | 0                              |                                     |
| 27   | June-05                           | (49)  |                                      | (49)                           |                                     |
| 28   | TOTAL (Total of lines 16 thru 27) | (3,137,302)   |                                      | (3,137,302)                    |                                     |

|  |   |                                |                                     |
|--|---|--------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |                                |                                     |

GAS STORAGE PROJECTS (Continued)

1. On line 4, enter the total storage capacity certificated by FERC.      2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.

| Line No.           | Item (a)                                       | Total Amount (b) |
|--------------------|--|------------------|
| STORAGE OPERATIONS |  |                  |
| 1                  | Top or Working Gas End of Year                 | N/A              |
| 2                  | Cushion Gas (Including Native Gas)             |                  |
| 3                  | Total Gas in Reservoir (Total of line 1 and 2) |                  |
| 4                  | Certificated Storage Capacity                  |                  |
| 5                  | Number of Injection - Withdrawal Wells         |                  |
| 6                  | Number of Observation Wells                    |                  |
| 7                  | Maximum Days' Withdrawal from Storage          |                  |
| 8                  | Date of Maximum Days' Withdrawal               |                  |
| 9                  | LNG Terminal Companies (in Dth)                |                  |
| 10                 | Number of Tanks                                |                  |
| 11                 | Capacity of Tanks                              |                  |
| 12                 | LNG Volume                                     |                  |
| 13                 | Received at "Ship Rail"                        |                  |
| 14                 | Transferred to Tanks                           |                  |
| 15                 | Withdrawn from Tanks                           |                  |
| 16                 | "Boil Off" Vaporization Loss                   |                  |

|  |   |                                |                                     |
|--|---|--------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |                                |                                     |

**TRANSMISSION LINES**

- |   |  |
|---|--|
| <p>1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.</p> <p>2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.</p> | <p>3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.</p> <p>4. Report the number of miles of pipe to one decimal point.</p> |
|---|--|

| Line No. | Designation (Identification) of Line or Group of Lines (a) | * (b) | Total Miles of Pipe (c) |
|----------|--|-------|-------------------------|
| 1        |  |       |                         |
| 2        | N/A  |       |                         |
| 3        |  |       |                         |
| 4        |  |       |                         |
| 5        |  |       |                         |
| 6        |  |       |                         |
| 7        |  |       |                         |
| 8        |  |       |                         |
| 9        |  |       |                         |
| 10       |  |       |                         |
| 11       |  |       |                         |
| 12       |  |       |                         |
| 13       |  |       |                         |
| 14       |  |       |                         |
| 15       |  |       |                         |
| 16       |  |       |                         |
| 17       |  |       |                         |
| 18       |  |       |                         |
| 19       |  |       |                         |
| 20       |  |       |                         |
| 21       |  |       |                         |
| 22       |  |       |                         |
| 23       |  |       |                         |
| 24       |  |       |                         |
| 25       |  |       |                         |

|  |   |                                |                                     |
|--|---|--------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of Southern Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
|--|---|--------------------------------|-------------------------------------|

**TRANSMISSION SYSTEM PEAK DELIVERIES**

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of peak information required on this page. Add rows as necessary to report all date. Number additional rows 6.01, 6.02, etc.

| Line No.                                     | Description   | Mcf of Gas Delivered to Interstate Pipelines<br>(b) | Mcf of Gas Delivered to Others<br>(c) | Total<br>(b) + (c)<br>(d) |
|--|---|---|---------------------------------------|---------------------------|
| <b>SECTION A: SINGLE DAY PEAK DELIVERIES</b> |   |   |                                       |                           |
| 1  | <b>Date: 0 1-15-04</b>  |   |                                       |                           |
| 2  | Volumes of Gas Transported                                    |   |                                       |                           |
| 3  | No-Notice Transportation                                      |   |                                       |                           |
| 4  | Other Firm Transportation                                     |   | 261,127                               |                           |
| 5  | Interruptible Transportation                                  |   |                                       |                           |
| 6  | Other (Describe)  |   |                                       |                           |
| 6.01   |   |   |                                       |                           |
| 7  | TOTAL   |   | 261,127                               |                           |
| 8  | Volumes of gas Withdrawn form Storage under Storage Contracts |   |                                       |                           |
| 9  | No-Notice Storage   |   |                                       |                           |
| 10   | Other Firm Storage  |   | 45,627                                |                           |
| 11   | Interruptible Storage   |   |                                       |                           |
| 12   | Other (Describe)  |   |                                       |                           |
| 12.01  |   |   |                                       |                           |
| 13   | TOTAL   |   | 45,627                                |                           |
| 14   | Other Operational Activities                                  |   |                                       |                           |
| 15   | Gas Withdrawn from Storage for System Operations              |   |                                       |                           |
| 16   | Reduction in Line Pack  |   |                                       |                           |
| 17   | Other (Describe)  |   |                                       |                           |
| 18   | TOTAL   |   |                                       |                           |
| 19   | <b>SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES</b>       |   |                                       |                           |
| 20   | <b>Dates: 01-14-04 - 01-16-04</b>                             |   |                                       |                           |
| 21   | Volumes of Gas Transported                                    |   |                                       |                           |
| 22   | No-Notice Transportation                                      |   |                                       |                           |
| 23   | Other Firm Transportation                                     |   | 753,469                               |                           |
| 24   | Interruptible Transportation                                  |   |                                       |                           |
| 25   | Other (Describe)  |   |                                       |                           |
| 25.01  |   |   |                                       |                           |
| 26   | TOTAL   |   | 753,469                               |                           |
| 27   | Volumes of Gas Withdrawn from Storage under Storage Contracts |   |                                       |                           |
| 28   | No-Notice Storage   |   |                                       |                           |
| 29   | Other Firm Storage  |   | 113,194                               |                           |
| 30   | Interruptible Storage   |   |                                       |                           |
| 31   | Other (Describe)  |   |                                       |                           |
| 31.01  |   |   |                                       |                           |
| 32   | TOTAL   |   | 113,194                               |                           |
| 33   | Other Operational Activities                                  |   |                                       |                           |
| 34   | Gas Withdrawn from Storage for System Operations              |   |                                       |                           |
| 35   | Reduction in Line Pack  |   |                                       |                           |
| 36   | Other (Describe)  |   |                                       |                           |
| 37   | TOTAL   |   | 1,173,417                             |                           |

|   |   |                                |                                     |
|---|---|--------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of<br/>Rhode Island Location</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
|---|---|--------------------------------|-------------------------------------|

**AUXILIARY PEAKING FACILITIES**

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.  
 2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted.

For other facilities, report the rated maximum daily delivery capacities.  
 3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

| Line No. | Location of Facility<br><br>(a) | Type of Facility<br><br>(b) | Maximum Daily Delivery Capacity of Facility Dth<br><br>(c) | Cost of Facility (in dollars)<br><br>(d) | Was Facility Operated on Day of Highest Transmission Peak Delivery? |        |
|----------|---------------------------------|-----------------------------|--|--|---|--------|
|          |                                 |                             |  |  | Yes (e)   | No (f) |
| 1        | N/A                             |                             |  |  |   |        |
| 2        |                                 |                             |  |  |   |        |
| 3        |                                 |                             |  |  |   |        |
| 4        |                                 |                             |  |  |   |        |
| 5        |                                 |                             |  |  |   |        |
| 6        |                                 |                             |  |  |   |        |
| 7        |                                 |                             |  |  |   |        |
| 8        |                                 |                             |  |  |   |        |
| 9        |                                 |                             |  |  |   |        |
| 10       |                                 |                             |  |  |   |        |
| 11       |                                 |                             |  |  |   |        |
| 12       |                                 |                             |  |  |   |        |
| 13       |                                 |                             |  |  |   |        |
| 14       |                                 |                             |  |  |   |        |
| 15       |                                 |                             |  |  |   |        |
| 16       |                                 |                             |  |  |   |        |
| 17       |                                 |                             |  |  |   |        |
| 18       |                                 |                             |  |  |   |        |
| 19       |                                 |                             |  |  |   |        |
| 20       |                                 |                             |  |  |   |        |
| 21       |                                 |                             |  |  |   |        |
| 22       |                                 |                             |  |  |   |        |
| 23       |                                 |                             |  |  |   |        |
| 24       |                                 |                             |  |  |   |        |
| 25       |                                 |                             |  |  |   |        |
| 26       |                                 |                             |  |  |   |        |
| 27       |                                 |                             |  |  |   |        |
| 28       |                                 |                             |  |  |   |        |
| 29       |                                 |                             |  |  |   |        |
| 30       |                                 |                             |  |  |   |        |

|  |   |                                |                                     |
|--|---|--------------------------------|-------------------------------------|
| Name of Respondent<br><b>New England Gas Company, A Division of So</b> | This Report Is:<br><input checked="" type="checkbox"/> An Original<br><input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year Ending<br><b>June 30, 2005</b> |
| Rhode Island Location  |   |                                |                                     |

**GAS ACCOUNT - NATURAL GAS**

- The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent
- Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
- Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.
- Indicate in a footnote report the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
- If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.
- Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline and, (3) the gathering line quantities that were not destined for interstate market or which were not transported through any interstate portion of the reporting pipeline.
- Also indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year and which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
- Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional rows as necessary to report all data, numbered 14.01, 14.02, etc.

**01 NAME OF SYSTEM**

| Line No. | Item<br>(a)   | Ref. Page No.<br>(b) | Amount of Mcf<br>(c) |
|----------|---|----------------------|----------------------|
| 2        | <b>GAS RECEIVED</b>   |                      |                      |
| 3        | Gas Purchases (Accounts 800-805)  |                      | 27,360,735           |
| 4        | Gas of Others Received for Gathering (Account 489.1)                      | 303                  | -                    |
| 5        | Gas of Others Received for Transmission (Account 489.2)                   | 305                  | -                    |
| 6        | Gas of Others Received for Distribution (Account 489.3)                   | 301                  | 7,828,562            |
| 7        | Gas of Others Received for Contract Storage (Account 489.4)               | 307                  | -                    |
| 8        | Exchanged Gas Received from Others (Account 806)                          | 328                  | -                    |
| 9        | Gas Received as Imbalances (Account 806)                                  | 328                  | -                    |
| 10       | Receipts of Respondent's Gas Transported by Others (Account 858)          | 332                  | -                    |
| 11       | Other Gas Withdrawn from Storage (Explain) 3137302/1.026 Page 512 Line 28 |                      | 3,057,303            |
| 12       | Gas Received from Shippers as Compressor Station Fuel                     |                      |                      |
| 13       | Gas Received from Shippers as Lost and Unaccounted for                    |                      |                      |
| 14       | Other Receipts (Specify)  |                      |                      |
| 15       | Total Receipts (Total of lines 3 thru 14.?)                               |                      | 38,246,600           |
| 16       | <b>GAS DELIVERED</b>  |                      |                      |
| 17       | Gas Sales (Account 480-484)   | 301                  | 29,711,803           |
| 18       | Deliveries of Gas Gathered for Others (Account 489.1)                     | 303                  | -                    |
| 19       | Deliveries of Gas Transported for Others (Account 489.2)                  | 305                  | -                    |
| 20       | Deliveries of Gas Distributed for Others (Account 489.3)                  | 301                  | 7,961,816            |
| 21       | Deliveries of Contract Storage Gas (Account 489.4)                        | 307                  | -                    |
| 22       | Exchanged Gas Delivered to Others (Account 806) Manchester Street         | 328                  | 7,177                |
| 23       | Gas Delivered as Imbalances (Account 806)                                 | 328                  | -                    |
| 24       | Deliveries of Gas to Others for Transportation (Account 858)              | 332                  | -                    |
| 25       | Other Gas Delivered to Storage (Explain)                                  |                      |                      |
| 26       | Gas Used for Compressor Station Fuel - Company Use                        | 509                  | 112,135              |
| 27       | Other Deliveries (Specify)  |                      |                      |
| 28       | Total Deliveries (Total of lines 17 thru 27.?)                            |                      | 37,792,931           |
| 29       | <b>GAS UNACCOUNTED FOR</b>  |                      |                      |
| 30       | Production System Losses  |                      |                      |
| 31       | Gathering System Losses   |                      |                      |
| 32       | Transmission System Losses  |                      |                      |
| 33       | Distribution System Losses  |                      | 453,669              |
| 34       | Storage System Losses   |                      |                      |
| 35       | Other Losses (Specify)-Imbalances   |                      |                      |
| 36       | Total Unaccounted For (Total of lines 30 thru 35)                         |                      | 453,669              |
| 37       | Total Deliveries & Unaccounted For (Total of lines 28 and 36)             |                      | 38,246,600           |

INDEX

|   |         |
|---|---------|
| Accrued and prepaid taxes.....                                      | 262-263 |
| Accumulated provision for depreciation of                           |         |
| gas utility plant.....  | 219     |
| utility plant (summary).....  | 200-201 |
| Advance to associated companies.....                                | 222     |
| Associated companies  |         |
| advances from.....  | 256     |
| advances to.....  | 222-223 |
| control over respondent.....  | 102     |
| corporations controlled by respondent.....                          | 103     |
| investment in.....  | 222-223 |
| service contracts charges.....                                      | 357     |
| Attestation.....  | 1       |
| Balance Sheet, comparative.....                                     | 110-113 |
| Bonds.....  | 256-257 |
| Capital Stock.....  | 250-251 |
| discount.....   | 254     |
| expense.....  | 254     |
| premiums.....   | 252     |
| reacquired.....   | 251     |
| subscribed.....   | 252     |
| Cash flows, statement of.....                                       | 120-121 |
| Changes important during the year.....                              | 108     |
| Compressor Stations.....  | 508-509 |
| Construction  |         |
| overhead procedures, general description of.....                    | 218     |
| work in progress - other utility departments.....                   | 200-201 |
| Contracts, service charges.....                                     | 357     |
| Control   |         |
| corporations controlled by respondent.....                          | 103     |
| over respondent.....  | 102     |
| security holders and voting powers.....                             | 107     |
| CPA, Certification, this report form.....                           | i       |
| Current and accrued   |         |
| liabilities, miscellaneous.....                                     | 268     |
| Deferred  |         |
| credits, other.....   | 269     |
| debits, miscellaneous.....  | 233     |
| income taxes, accumulated.....                                      | 234-235 |
| income taxes, accumulated-other property.....                       | 274-275 |
| income taxes, accumulated-other.....                                | 276-277 |
| regulatory expenses.....  | 350-351 |
| Definitions, this report form.....                                  | iv      |
| Depletion   |         |
| amortization and depreciation of gas plant.....                     | 336-338 |
| and amortization of producing natural gas land and land rights..... | 336-338 |
| Depreciation  |         |
| gas plant.....  | 336-338 |
| gas plant in service.....   | 219     |
| Discount on Capital Stock.....                                      | 254     |
| Dividend appropriations.....  | 118-119 |
| Earnings, retained.....   | 118-119 |
| Exchange and imbalance transactions.....                            | 328     |

| <b>INDEX (Continued)</b>   |              |
|--|--------------|
| Expenses, gas operation and maintenance.....                     | 320-325      |
| Extraordinary property losses.....                               | 230          |
| Filing Requirements, this report form.....                       | i-iii        |
| Footnote Data.....   | 551-552      |
| Gas account -- natural.....                                      | 520          |
| Gas  |              |
| exchanged, natural.....  | 328          |
| received.....  | 328          |
| stored underground.....  | 220          |
| used in utility operations, credit.....                          | 331          |
| plant in service.....  | 204-209      |
| Gathering revenues.....  | 302-303      |
| General description of construction overhead procedures.....     | 218          |
| General information.....   | 101          |
| Income   |              |
| deductions - details.....  | 256-259, 340 |
| statement of, for year.....                                      | 114-116      |
| Installments received on capital stock.....                      | 252          |
| Interest   |              |
| on debt to associated companies.....                             | 340          |
| on long-term from investment, advances, etc.....                 | 256-257      |
| Instructions for filing the FERC Form No. 2.....                 | i-iii        |
| Investment   |              |
| in associated companies.....                                     | 222-223      |
| other.....   | 222-223      |
| subsidiary companies.....  | 224-225      |
| securities disposed of during year.....                          | 222-223      |
| temporary cash.....  | 222-223      |
| Law, excerpts applicable to this report form.....                | iv           |
| List of Schedules, this report form.....                         | 2-3          |
| Legal proceedings during year.....                               | 108          |
| Long-term debt.....  | 256-257      |
| assumed during year.....   | 255          |
| retained during year.....  | 255          |
| Management and engineering contracts.....                        | 357          |
| Map, system.....   | 522          |
| Miscellaneous general expense.....                               | 335          |
| Notes  |              |
| Payable, advances from associated companies.....                 | 256-257      |
| to balance sheet.....  | 122          |
| to financial statements.....                                     | 122          |
| to statement of income for the year.....                         | 122          |
| Operating  |              |
| expenses - gas.....  | 317-325      |
| revenues - gas.....  | 300-301      |
| Other  |              |
| donations received from stockholders.....                        | 253          |
| gains on resale or cancellation of reacquired capital stock..... | 253          |
| miscellaneous paid-in-capital.....                               | 253          |
| other supplies expense.....                                      | 334          |
| paid-in capital.....   | 253          |
| reduction in par or stated value of capital stock.....           | 253          |
| regulatory assets.....   | 232          |
| regulatory liabilities.....                                      | 278          |

**INDEX (Continued)**

|  |                  |
|--|------------------|
| Peak deliveries, transmission system, .....  | 518              |
| Peaking facilities, auxiliary.....   | 519              |
| Plant -- gas   |                  |
| construction work in progress.....   | 216              |
| held for future use.....   | 214              |
| leased from others.....  | 212              |
| leased to others.....  | 213              |
| Plant -- Utility   |                  |
| accumulated provisions (summary).....  | 200-201          |
| leased to others, income from.....   | 213              |
| Premium on capital stock.....  | 252              |
| Prepaid taxes.....   | 262-263          |
| Prepayments.....   | 230              |
| Professional services, charges for.....  | 357              |
| Property losses, extraordinary.....  | 230              |
| Reacquired   |                  |
| capital stock.....   | 250-251          |
| long-term debt.....  | 256-257          |
| Receivers' certificate.....  | 256-257          |
| Reconciliation of reported net income with taxable income from federal income taxes..... | 261              |
| Regulatory commission expenses.....  | 350-351          |
| Regulatory commission expenses -- deferred.....  | 232              |
| Retained earnings  |                  |
| appropriated.....  | 118-119          |
| statement of.....  | 118-119          |
| unappropriated.....  | 118-119          |
| Revenues   |                  |
| from storing gas of others.....  | 306-307          |
| from transportation of gas through gathering facilities.....                             | 302-303          |
| from transportation of gas through transmission facilities.....                          | 304-305          |
| gas operating.....   | 300              |
| Salaries and wages, distribution of.....   | 354-355          |
| Sales.....   | 300-301          |
| Securities   |                  |
| disposed of during year.....   | 222-223          |
| holders and voting powers.....   | 107              |
| investment in associated companies.....  | 222-223          |
| investment, others.....  | 222-223          |
| issued or assumed during year.....   | 255              |
| refunded or retired during year.....   | 255              |
| registered on a national exchange.....   | 250-251, 256-257 |
| Stock liability for conversion.....  | 252              |
| Storage  |                  |
| of natural gas, underground.....   | 512-513          |
| revenues.....  | 306-307          |
| Taxes  |                  |
| accrued and prepaid.....   | 262-263          |
| charged during the year.....   | 262-263          |
| on income, deferred - accumulated.....   | 222-223, 234-235 |
| reconciliation of net income for.....  | 261              |

**INDEX (Continued)**

|  |         |
|--|---------|
| Transmission   |         |
| and compression of gas by others.....                        | 332     |
| lines.....   | 514     |
| revenues.....  | 304-305 |
| system peak deliveries.....                                  | 518     |
| Unamortized  |         |
| debt discount and expense.....                               | 258-259 |
| loss and gain on reacquired debt.....                        | 260     |
| premium on debt.....   | 258-259 |
| Underground  |         |
| storage of natural gas, expenses, operating data, plant..... | 512-513 |
| Unrecovered plant and regulatory study costs.....            | 230     |

