

NSTAR GAS COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	June 30, 2015	December 31, 2014
ASSETS		
Current Assets:		
Cash	\$ 3,899	\$ 3,069
Receivables, Net	28,373	45,711
Accounts Receivable from Affiliated Companies	2,813	4,298
Unbilled Revenues	2,852	11,233
Taxes Receivable	-	23,164
Fuel, Materials and Supplies	13,372	24,943
Accumulated Deferred Income Taxes	16,152	-
Regulatory Assets	22,739	70,065
Prepayments and Other Current Assets	716	926
Total Current Assets	<u>90,916</u>	<u>183,409</u>
Property, Plant and Equipment, Net	<u>779,683</u>	<u>761,206</u>
Deferred Debits and Other Assets:		
Regulatory Assets	226,168	235,961
Other Long-Term Assets	17,551	12,273
Total Deferred Debits and Other Assets	<u>243,719</u>	<u>248,234</u>
Total Assets	<u>\$ 1,114,318</u>	<u>\$ 1,192,849</u>
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Eversource Parent	\$ -	\$ 94,950
Accounts Payable	23,266	49,990
Accounts Payable to Affiliated Companies	5,736	20,661
Accrued Taxes	26,987	-
Accumulated Deferred Income Taxes	-	14,205
Regulatory Liabilities	34,988	17,901
Other Current Liabilities	10,478	22,342
Total Current Liabilities	<u>101,455</u>	<u>220,049</u>
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	228,986	224,250
Regulatory Liabilities	66,505	68,049
Accrued Pension, SERP and PBOP	85,177	83,548
Other Long-Term Liabilities	32,044	30,592
Total Deferred Credits and Other Liabilities	<u>412,712</u>	<u>406,439</u>
Capitalization:		
Long-Term Debt	<u>210,000</u>	<u>210,000</u>
Common Stockholder's Equity:		
Common Stock	71,425	71,425
Capital Surplus, Paid In	190,359	178,072
Retained Earnings	128,135	106,468
Accumulated Other Comprehensive Income	232	396
Common Stockholder's Equity	<u>390,151</u>	<u>356,361</u>
Total Capitalization	<u>600,151</u>	<u>566,361</u>
Total Liabilities and Capitalization	<u>\$ 1,114,318</u>	<u>\$ 1,192,849</u>

Note: In the opinion of the Company, all adjustments for a fair presentation of financial position for the periods shown have been made.

NSTAR GAS COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Thousands of Dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Operating Revenues	\$ 95,342	\$ 88,955	\$ 380,831	\$ 309,139
Operating Expenses:				
Cost of Natural Gas	50,562	43,722	220,386	155,013
Operations and Maintenance	16,780	19,887	44,429	48,726
Depreciation	8,245	7,766	16,502	15,487
Amortization of Regulatory Assets, Net	742	1,412	1,926	3,441
Energy Efficiency Programs	9,554	9,443	33,403	32,584
Taxes Other Than Income Taxes	4,200	4,200	8,617	9,156
Total Operating Expenses	90,083	86,430	325,263	264,407
Operating Income	5,259	2,525	55,568	44,732
Interest Expense:				
Interest on Long-Term Debt	3,091	3,103	6,186	6,214
Other Interest	133	(45)	69	(61)
Interest Expense	3,224	3,058	6,255	6,153
Other Income, Net	166	37	109	182
Income/(Loss) Before Income Tax Expense/(Benefit)	2,201	(496)	49,422	38,761
Income Tax Expense/(Benefit)	833	(219)	19,755	15,495
Net Income/(Loss)	\$ 1,368	\$ (277)	\$ 29,667	\$ 23,266

Note: In the opinion of the Company, all adjustments for a fair presentation of financial position for the periods shown have been made.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Net Income/(Loss)	\$ 1,368	\$ (277)	\$ 29,667	\$ 23,266
Other Comprehensive Loss, Net of Tax:				
Changes in Funded Status of SERP Benefit Plan	(2)	-	(164)	-
Other Comprehensive Loss, Net of Tax	(2)	-	(164)	-
Comprehensive Income	\$ 1,366	\$ (277)	\$ 29,503	\$ 23,266

Note: In the opinion of the Company, all adjustments for a fair presentation of financial position for the periods shown have been made.

NSTAR GAS COMPANY
CONSOLIDATED STATEMENT OF RETAINED EARNINGS
(Unaudited)

(Thousands of Dollars)	Six Months Ended June 30, 2015	
Balance at Beginning of Period	\$	106,468
Additions:		
Net Income		29,667
Deductions:		
Dividends on Common Stock		8,000
Balance at End of Period	<u>\$</u>	<u>128,135</u>

Note: In the opinion of the Company, all adjustments for a fair presentation of financial position for the period shown have been made.

NSTAR GAS COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Thousands of Dollars)	For the Six Months Ended June 30,	
	2015	2014
Operating Activities:		
Net Income	\$ 29,667	\$ 23,266
Adjustments to Reconcile Net Income to Net Cash Flows		
Provided by Operating Activities:		
Depreciation	16,502	15,487
Deferred Income Taxes	(25,774)	(7,437)
Amortization of Regulatory Assets, Net	1,926	3,441
Regulatory Overrecoveries, Net	58,770	25,245
Bad Debt Expense	8,288	5,859
Other	(2,651)	(2,885)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	17,432	20,284
Fuel, Materials and Supplies	11,571	7,002
Taxes Receivable/Accrued, Net	50,151	18,135
Accounts Payable	(26,532)	(9,199)
Accounts Receivable from/Accounts Payable to Affiliates, Net	(13,440)	(28,991)
Other Current Assets and Liabilities, Net	(1,826)	(4,232)
Net Cash Flows Provided by Operating Activities	<u>124,084</u>	<u>65,975</u>
Investing Activities:		
Investments in Property, Plant and Equipment	<u>(32,304)</u>	<u>(33,239)</u>
Net Cash Flows Used in Investing Activities	<u>(32,304)</u>	<u>(33,239)</u>
Financing Activities:		
Cash Dividends on Common Stock	(8,000)	(8,000)
Capital Contributions from Parent	12,000	-
Decrease in Notes Payable to Eversource Parent	(94,950)	(25,000)
Net Cash Flows Used in Financing Activities	<u>(90,950)</u>	<u>(33,000)</u>
Net Increase/(Decrease) in Cash	830	(264)
Cash - Beginning of Period	3,069	1,898
Cash - End of Period	<u>\$ 3,899</u>	<u>\$ 1,634</u>

Note: In the opinion of the Company, all adjustments for a fair presentation of financial position for the periods shown have been made.