NSTAR Gas Company

Consolidated Financial Statements as of and for the
Years Ended December 31, 2014 and 2013,
Together With Independent Auditors' Reports

NSTAR Gas Company

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Deloitte & Touche LLP
City Place 1, 32nd Floor
185 Asylum Street
Hartford, CT 06103-3402
USA

Tel: +1 860 725 3000
Fax: +1 860 725 3500
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

NSTAR Gas Company and subsidiary
To the Board of Directors and Stockholder of NSTAR Gas Company
Berlin, CT

We have audited the accompanying consolidated financial statements of NSTAR Gas Company and subsidiary (the "Company"), which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, common stockholder's equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NSTAR Gas Company and subsidiary as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

March 27, 2015

NSTAR GAS COMPANY
CONSOLIDATED BALANCE SHEETS

(Thousands of Dollars)	As of December 31, 2014	2013
ASSETS		
Current Assets:		
Cash	$ 3,069	$ 1,898
Receivables, Net	45,711	39,967
Accounts Receivable from Affiliated Companies	4,298	6,580
Unbilled Revenues	11,233	14,251
Taxes Receivable	23,164	6,172
Fuel, Materials and Supplies	24,943	22,844
Regulatory Assets	70,065	40,124
Prepayments and Other Current Assets	926	1,695
Total Current Assets	183,409	133,531
Property, Plant and Equipment, Net	761,206	701,023
Deferred Debits and Other Assets:		
Regulatory Assets	235,961	111,492
Receivable from Affiliates	-	64,172
Other Long-Term Assets	12,273	11,738
Total Deferred Debits and Other Assets	248,234	187,402
Total Assets	$ 1,192,849	$ 1,021,956
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to NU Parent	$ 94,950	$ 102,950
Accounts Payable	49,990	34,382
Accounts Payable to Affiliated Companies	20,661	73,844
Accumulated Deferred Income Taxes	14,205	5,808
Regulatory Liabilities	17,901	10,371
Other Current Liabilities	22,342	12,377
Total Current Liabilities	220,049	239,732
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	224,250	188,668
Regulatory Liabilities	68,049	63,227
Accrued Pension, SERP and PBOP	83,548	-
Other Long-Term Liabilities	30,592	28,582
Total Deferred Credits and Other Liabilities	406,439	280,477
Capitalization:		
Long-Term Debt	210,000	210,000
Common Stockholder's Equity:		
Common Stock	71,425	71,425
Capital Surplus, Paid In	178,072	122,691
Retained Earnings	106,468	97,631
Accumulated Other Comprehensive Income	396	-
Common Stockholder's Equity	356,361	291,747
Total Capitalization	566,361	501,747
Total Liabilities and Capitalization	$ 1,192,849	$ 1,021,956

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

NSTAR GAS COMPANY
CONSOLIDATED STATEMENTS OF INCOME

(Thousands of Dollars)	For the Years Ended December 31, 2014	2013
Operating Revenues	$ 484,471	$ 432,183
Operating Expenses:		
Cost of Natural Gas	239,076	194,252
Operations and Maintenance	91,480	93,664
Depreciation	31,242	29,875
Amortization of Regulatory Assets, Net	5,083	5,321
Energy Efficiency Programs	46,255	44,770
Taxes Other Than Income Taxes	18,231	15,728
Total Operating Expenses	431,367	383,610
Operating Income	53,104	48,573
Interest Expense:		
Interest on Long-Term Debt	12,419	12,454
Other Interest (Income)/Expense	(239)	678
Interest Expense	12,180	13,132
Other Income, Net	335	738
Income Before Income Tax Expense	41,259	36,179
Income Tax Expense	16,422	13,963
Net Income	$ 24,837	$ 22,216

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Net Income	$ 24,837	$ 22,216
Other Comprehensive Income, Net of Tax:		
Changes in Funded Status of SERP Benefit Plan	396	-
Other Comprehensive Income, Net of Tax	396	-
Comprehensive Income	$ 25,233	$ 22,216

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

NSTAR GAS COMPANY
CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDER'S EQUITY

(Thousands of Dollars, except share information)	**Common Stock** Stock	**Common Stock** Amount	**Capital Surplus, Paid In**	**Retained Earnings**	**Accumulated Other Comprehensive Income**	**Total**
Balance as of January 1, 2013	2,857,000	$ 71,425	$ 122,690	$ 91,415	$ -	$ 285,530
Net Income				22,216		22,216
Dividends on Common Stock				(16,000)		(16,000)
Other Changes in Stockholder's Equity			1			1
Balance as of December 31, 2013	2,857,000	71,425	122,691	97,631	-	291,747
Net Income				24,837		24,837
Dividends on Common Stock				(16,000)		(16,000)
Capital Contributions from Parent			55,000			55,000
Allocation of Benefits – ESOP			381			381
Other Comprehensive Income					396	396
Balance as of December 31, 2014	2,857,000	$ 71,425	$ 178,072	$ 106,468	$ 396	$ 356,361

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

NSTAR GAS COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands of Dollars)	For the Years Ended December 31, 2014	2013
Operating Activities:		
Net Income	$ 24,837	$ 22,216
Adjustments to Reconcile Net Income to Net Cash Flows		
Provided by Operating Activities:		
Depreciation	31,242	29,875
Deferred Income Taxes	22,739	12,460
Amortization of Regulatory Assets, Net	5,083	5,321
Pension, SERP and PBOP Expense, Net	2,556	-
Pension and PBOP Contributions	(4,326)	-
Regulatory (Under)/Over Recoveries, Net	(1,044)	21,125
Bad Debt Expense	9,036	9,567
Other	(3,725)	(3,010)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	42,368	(18,024)
Fuel, Materials and Supplies	(2,100)	1,069
Taxes Receivable/Accrued, Net	(16,992)	(5,406)
Accounts Payable	(1,868)	6,337
Accounts Receivable from/Payable to Affiliates, Net	(50,901)	(9,389)
Other Current Assets and Liabilities, Net	(1,747)	(125)
Net Cash Flows Provided by Operating Activities	55,158	72,016
Investing Activities:		
Investments in Property, Plant and Equipment	(86,805)	(72,289)
Other Investing Activities	1,818	-
Net Cash Flows Used in Investing Activities	(84,987)	(72,289)
Financing Activities:		
Cash Dividends on Common Stock	(16,000)	(16,000)
Capital Contributions from Parent	55,000	-
(Decrease)/Increase in Notes Payable to NU Parent	(8,000)	15,625
Net Cash Flows Provided by/(Used in) Financing Activities	31,000	(375)
Net Increase/(Decrease) in Cash	1,171	(648)
Cash - Beginning of Year	1,898	2,546
Cash - End of Year	$ 3,069	$ 1,898

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

NSTAR GAS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. About NSTAR Gas Company

NSTAR Gas Company (NSTAR Gas or the Company) is a regulated public utility company engaged in the distribution and sale of natural gas to customers within Massachusetts. NSTAR Gas distributes natural gas to approximately 282,000 customers in 51 communities in central and eastern Massachusetts covering 1,067 square miles. The Company is subject to regulation of the rates it charges its customers, and other matters, by the Massachusetts Department of Public Utilities (DPU). NSTAR Gas is a wholly-owned subsidiary of Yankee Energy System, Inc., a holding company that is a wholly-owned subsidiary of Northeast Utilities (NU). On February 2, 2015, NSTAR Gas commenced doing business as Eversource Energy.

A portion of the storage of natural gas supply for NSTAR Gas during the winter heating season is provided by Hopkinton LNG Corp (Hopkinton), another wholly-owned subsidiary of Yankee Energy System, Inc.

B. Basis of Presentation

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires NSTAR Gas to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain reclassifications of prior year data were made in the accompanying consolidated balance sheets and statements of cash flows to conform to current year presentation.

NSTAR Gas is subject to rate-regulation that is based on cost recovery and meets the criteria for application of accounting guidance for entities with rate-regulated operations, which considers the effect of regulation on the differences in the timing of the recognition of certain revenues and expenses from those of other businesses and industries. See Note 2, "Regulatory Accounting," for further information.

NSTAR Gas has an exclusive service agreement with Hopkinton. NSTAR Gas is the sole customer of Hopkinton, bears the risk of financial losses that Hopkinton could be exposed to, and has therefore determined it is the primary beneficiary of Hopkinton. For further information, see Note 15, "Consolidation of Variable Interest Entity," to the consolidated financial statements.

NSTAR Gas evaluates events and transactions that occur after the balance sheet date but before financial statements are issued and recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed as of the balance sheet date and discloses, but does not recognize, in the consolidated financial statements subsequent events that provide evidence about the conditions that arose after the balance sheet date but before the financial statements are issued. In preparing the accompanying consolidated financial statements, NSTAR Gas has evaluated events subsequent to December 31, 2014 through the issuance of the consolidated financial statements on March 27, 2015 and did not identify any such events that required recognition or disclosure under this guidance.

C. Accounting Standards

Recently Adopted Accounting Standards: On January 1, 2014, as required, NSTAR Gas prospectively adopted the Financial Accounting Standards Board's (FASB) final Accounting Standards Updates (ASU) that required presentation of certain unrecognized tax benefits as reductions to deferred tax assets. Implementation of this guidance had an immaterial impact on the consolidated balance sheets and no impact on the results of operations or cash flows.

D. Cash

Cash includes cash on hand and short-term investments that are highly liquid in nature and have original maturities of three months or less. At the end of each reporting period, any overdraft amounts are reclassified from Cash to Accounts Payable on the accompanying consolidated balance sheets.

E. Provision for Uncollectible Accounts

NSTAR Gas presents its receivables at estimated net realizable value by maintaining a provision for uncollectible accounts. This provision is determined based upon a variety of judgments and factors, including the application of an estimated uncollectible percentage to each receivable aging category. The estimate is based upon historical collection and write-off experience and management's assessment of collectability from customers. Management continuously assesses the collectability of receivables and adjusts collectability estimates based on actual experience. Receivable balances are written off against the provision for uncollectible accounts when the accounts are terminated and these balances are deemed to be uncollectible.

The provision for uncollectible accounts, which is included in Receivables, Net on the accompanying consolidated balance sheets, was $14.8 million and $15.5 million as of December 31, 2014 and 2013, respectively.

F. Fuel, Materials and Supplies

Fuel, Materials and Supplies include natural gas purchased for delivery to customers and materials purchased primarily for construction or operation and maintenance purposes. As of December 31, 2014 and 2013, there was $22.8 million and $20.7 million, respectively, of natural gas inventory, which is recorded at the weighted average cost, and $2.1 million and $2.1 million, respectively, of materials and supplies, which are valued at the lower of average cost or recoverable amount, included in Fuel, Materials and Supplies on the consolidated balance sheets.

G. Fair Value Measurements

Fair value measurement guidance is applied to derivative contracts that are not elected or designated as "normal purchases or normal sales" (normal). Fair value measurement guidance is also applied to valuations of the investments used to calculate the funded status of pension and postretirement benefits other than pension (PBOP) plans and nonrecurring fair value measurements of nonfinancial assets such as asset retirement obligations (ARO), and is also used to estimate the fair value of long-term debt.

Fair Value Hierarchy: In measuring fair value, NSTAR Gas uses observable market data when available and minimizes the use of unobservable inputs. Inputs used in fair value measurements are categorized into three fair value hierarchy levels for disclosure purposes. The entire fair value measurement is categorized based on the lowest level of input that is significant to the fair value measurement. NSTAR Gas evaluates the classification of assets and liabilities measured at fair value on a quarterly basis, and NSTAR Gas' policy is to recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. The three levels of the fair value hierarchy are described below:

> Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
>
> Level 2 - Inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable.
>
> Level 3 - Quoted market prices are not available. Fair value is derived from valuation techniques in which one or more significant inputs or assumptions are unobservable. Where possible, valuation techniques incorporate observable market inputs that can be validated to external sources such as industry exchanges, including prices of energy and energy-related products.

Determination of Fair Value: The valuation techniques and inputs used in NSTAR Gas' fair value measurements are described in Note 4, "Asset Retirement Obligations," Note 5, "Derivative Instruments," Note 8, "Pension Benefits and Postretirement Benefits other than Pensions," and Note 12, "Fair Value of Financial Instruments," to the consolidated financial statements.

H. Derivative Accounting

NSTAR Gas has entered into New York Mercantile Exchange (NYMEX) natural gas futures that are derivatives in order to reduce cash flow variability associated with the purchase price for approximately one-third of its natural gas purchases during the winter heating season of November through March. These are financial instruments that do not procure natural gas supply and qualify as derivative instruments. NSTAR Gas has entered into these contracts in accordance with a DPU order. The costs and benefits from all of the NYMEX futures contracts are recovered from, or refunded to, customers in rates and therefore, regulatory assets or regulatory liabilities are recorded to offset the fair values of these derivative contracts.

The fair value of derivative contracts is based upon the contract terms and conditions and the underlying market price or fair value per unit. When quantities are not specified in the contract, the Company determines whether the contract has a determinable quantity by using amounts referenced in default provisions and other relevant sections of the contract. The fair value of derivative assets and liabilities with the same counterparty are offset and recorded as a net derivative asset or liability on the consolidated balance sheets. Changes in the fair value of derivative contracts are recorded as regulatory assets or liabilities and do not impact net income.

NSTAR Gas also has natural gas supply contracts, which are derivatives, that are elected, and meet the definition of, and are designated as normal. The judgment applied in the election of the normal exception (and resulting accrual accounting) includes the conclusion that it is probable at the inception of the contract and throughout its term that it will result in physical delivery of the underlying product and that the quantities will be used or sold by the business in the normal course of business. If facts and circumstances change and management can no longer support this conclusion, then the normal exception and accrual accounting is terminated, and fair value accounting is applied prospectively. The costs and benefits of these derivative contracts qualify for accrual accounting under the applicable accounting guidance and are recognized in Operating Expenses or Operating Revenues on the consolidated statements of income, as applicable, as natural gas is delivered.

The gross fair values of derivative assets and liabilities with the same counterparty are offset and reported as net derivative assets or derivative liabilities, with current and long-term portions, on the accompanying consolidated balance sheets.

For further information regarding derivative contracts, see Note 5, "Derivative Instruments," to the consolidated financial statements.

I. Revenues

NSTAR Gas' revenues are based on rates approved by the DPU. In general, rates can only be changed through formal proceedings with the DPU. The rates are designed to recover the costs to provide service to its customers, including a return on investment. NSTAR Gas also utilizes DPU-approved tracking mechanisms to recover certain costs on a fully-reconciling basis. These tracking mechanisms require rates to be changed periodically to ensure recovery of actual costs incurred.

A significant portion of NSTAR Gas' revenues relate to the recovery of costs incurred for the sale of natural gas purchased on behalf of customers. These natural gas supply costs are recovered from customers in rates through a cost tracking mechanism. Natural gas purchases are recorded in Cost of Natural Gas, and the sale of natural gas associated with these purchases is recorded in Operating Revenues.

Because customers are billed throughout the month based on pre-determined cycles rather than on a calendar month basis, an estimate of natural gas delivered to customers for which the customers have not yet been billed (unbilled sales) is calculated as of the balance sheet date. Unbilled revenues are included in Operating Revenues on the consolidated statements of income and are assets on the consolidated balance sheets. Actual amounts billed to customers when meter readings become available may vary from the estimated amount.

NSTAR Gas estimates unbilled sales monthly using the daily load cycle method. The daily load cycle method allocates billed sales to the current calendar month based on the daily load for each billing cycle. The billed sales are subtracted from total month load, net of delivery losses, to estimate unbilled sales. Unbilled revenues are estimated by first allocating unbilled sales to the respective customer classes, then applying an estimated rate by customer class to those sales.

J. Allowance for Funds Used During Construction

Allowance for funds used during construction (AFUDC) represents the cost of borrowed funds used to finance construction and is included in the cost of NSTAR Gas' plant. The portion of AFUDC attributable to borrowed funds is recorded as a reduction of Other Interest Expense on the accompanying consolidated statements of income. AFUDC costs are recovered from customers over the service life of the related plant in the form of increased revenue collected as a result of higher depreciation expense.

NSTAR Gas' average AFUDC rate is based on a Federal Energy Regulatory Commission prescribed formula using the cost of a company's short-term financings. The average rate is applied to average eligible construction work in progress amounts to calculate AFUDC. Average AFUDC debt rates for the years ended December 31, 2014 and 2013 were 0.7 percent and 0.6 percent, respectively.

K. Supplemental Cash Flow Information

	As of and For the Years Ended December 31,	
(Millions of Dollars)	**2014**	**2013**
Cash Paid During the Year For:		
Interest, Net of Amounts Capitalized	$ 12.1	$ 13.1
Income Taxes	9.2	8.0
Non-Cash Investing Activities:		
Plant Additions Included in Accounts Payable	4.4	5.7

Short-term borrowings have original maturities of three months or less. Accordingly, borrowings and repayments are shown net on the accompanying consolidated statements of cash flows.

L. Related Parties

Northeast Utilities Service Company (NUSCO), NU's service company, provides centralized accounting, administrative, engineering, financial, information technology, legal, operational, planning, purchasing, and other services to NSTAR Gas.

Included in the consolidated balance sheets as of December 31, 2014 and 2013 were Accounts Receivable from Affiliated Companies and Accounts Payable to Affiliated Companies relating to transactions between NSTAR Gas and other subsidiaries that are wholly-owned by NU, primarily NUSCO.

Included in the consolidated balance sheet as of December 31, 2013 was Deferred Debits and Other Assets - Receivable from Affiliates, which reflected a net receivable from NSTAR Electric Company (NSTAR Electric), a wholly-owned NU subsidiary. This receivable resulted from NSTAR Gas' participation in and funding transactions related to the NSTAR Pension Plan, which has been settled as of December 31, 2014.

2. REGULATORY ACCOUNTING

The rates charged to NSTAR Gas' customers are designed to collect the Company's costs to provide service, including a return on investment. Therefore, the accounting policies of NSTAR Gas follow the application of accounting guidance for entities with rate-regulated operations and reflect the effects of the rate-making process.

Management believes it is probable that it will recover its investment in long-lived assets, including regulatory assets. If management were to determine that it could no longer apply the accounting guidance applicable to rate-regulated enterprises to NSTAR Gas' operations, or that management could not conclude it is probable that costs would be recovered from customers in future rates, the costs would be charged to net income in the period in which the determination is made.

Regulatory Assets: The components of regulatory assets were as follows:

	As of December 31,	
(Millions of Dollars)	**2014**	**2013**
Benefit Costs	$ 132.2	$ -
Goodwill-related	71.5	74.4
Regulatory Tracker Mechanisms	61.6	48.7
Environmental Remediation Costs	16.1	17.4
Asset Retirement Obligations	8.8	8.4
Derivative Instruments	11.4	-
Other Regulatory Assets	4.5	2.7
Total Regulatory Assets	$ 306.1	$ 151.6
Less: Current Portion	$ 70.1	$ 40.1
Total Long-Term Regulatory Assets	$ 236.0	$ 111.5

Regulatory Costs in Other Long-Term Assets: NSTAR Gas had $11.1 million and $10.4 million of additional regulatory costs as of December 31, 2014 and 2013, respectively, that were included in Other Long-Term Assets on the accompanying consolidated balance sheets. These amounts represent incurred costs for which recovery has not yet been specifically approved by the DPU. However, based on regulatory policies or past precedent on similar costs, management believes it is probable that these costs will ultimately be approved and recovered from customers in rates.

Benefit Costs: As of December 31, 2013, NSTAR Gas accounted for the obligations of the Pension and postretirement benefits other than pension (PBOP) Plans as if it were a multi-employer plan, and therefore, the funded status and corresponding regulatory assets of the plans were not recorded on NSTAR Gas' balance sheet. As a result of employee transfers that occurred on January 1, 2014, pension and PBOP liabilities, as well as the corresponding regulatory assets, were attributed by participant and transferred to NSTAR Gas' balance sheet. As of December 31, 2014, the Pension and PBOP Plans are accounted for under the multiple-employer approach, with NSTAR Gas' balance sheet reflecting its share of the funded status liability of the plans as well as the corresponding regulatory assets.

The Pension and PBOP Plans are accounted for in accordance with accounting guidance on defined benefit pension and other postretirement plans. The liability recorded by NSTAR Gas to recognize the funded status of the retiree benefit plans is offset by a regulatory asset in lieu of a charge to Accumulated Other Comprehensive Income/(Loss), reflecting ultimate recovery from customers through rates. All amounts are remeasured annually. As these regulatory assets do not represent a cash outlay for NSTAR Gas, no carrying charge is recovered from customers. For further information on the funded status liability and related regulatory assets of the Pension and PBOP plans, see Note 8, "Pension Benefits and Postretirement Benefits Other Than Pensions."

Goodwill-related: The goodwill regulatory asset originated from the transaction that created NSTAR in 1999. This regulatory asset is currently being amortized and recovered from customers in rates without a carrying charge over a 40-year period. As of December 31, 2014, there is 25 years of amortization remaining.

Regulatory Tracker Mechanisms: NSTAR Gas' approved rates are designed to recover its incurred costs to provide service to customers. NSTAR Gas recovers certain of its costs on a fully-reconciling basis through DPU-approved tracking mechanisms. The difference between the costs incurred (or the rate recovery allowed) and the actual revenues is recorded as regulatory assets (for undercollections) or regulatory liabilities (for overcollections) to be included in future customer rates each year. Carrying charges are recorded on all material regulatory tracker mechanisms. NSTAR Gas recovers the costs associated with the procurement of natural gas for its firm and seasonal customers, energy efficiency programs, and qualified pension and PBOP expenses on a fully reconciling basis through rate reconciling mechanisms.

Environmental Remediation Costs: Prudently incurred costs associated with the remediation of environmental sites are recorded as regulatory assets in accordance with DPU regulation. These costs do not earn a return. For further information, see Note 10A, "Commitments and Contingencies - Environmental Matters," to the consolidated financial statements.

Asset Retirement Obligations: The costs associated with the depreciation of NSTAR Gas' ARO assets and accretion of the ARO liabilities are recorded as regulatory assets in accordance with regulatory accounting guidance. NSTAR Gas' ARO assets, regulatory assets and liabilities offset and are excluded from rate base. These costs are being recovered over the life of the underlying property, plant and equipment.

Derivative Instruments: Regulatory assets and liabilities are recorded as an offset to derivative liabilities and assets. The derivatives relate to the fair value of contracts structured to hedge a portion of future natural gas supply purchases with settled amounts to be recovered from or refunded to customers in future rates. See Note 5, "Derivative Instruments," to the consolidated financial statements for further information. These assets are excluded from rate base and are being recovered as the actual settlements occur over the duration of the contracts, the majority of which are less than one year.

Regulatory Liabilities: The components of regulatory liabilities were as follows:

	As of December 31,	
(Millions of Dollars)	**2014**	**2013**
Cost of Removal	$ 68.0	$ 62.3
Regulatory Tracker Mechanisms	17.9	9.6
Derivative Instruments	-	1.7
Total Regulatory Liabilities	$ 85.9	$ 73.6
Less: Current Portion	$ 17.9	$ 10.4
Total Long-Term Regulatory Liabilities	$ 68.0	$ 63.2

Cost of Removal: NSTAR Gas currently recovers amounts in rates for future costs of removal of plant assets over the lives of the assets. The estimated cost to remove utility assets from service is recognized as a component of depreciation expense and the cumulative amounts collected from customers but not yet expended is recognized as a regulatory liability.

3. PROPERTY, PLANT AND EQUIPMENT AND ACCUMULATED DEPRECIATION

Property, plant and equipment is recorded at original cost. Original cost includes materials, labor, construction overhead and AFUDC. The cost of repairs and maintenance is charged to Operations and Maintenance as incurred.

The following table summarizes NSTAR Gas' investments in property, plant and equipment:

	As of December 31,	
(Millions of Dollars)	**2014**	**2013**
Property, Plant and Equipment, Gross	$ 1,076.7	$ 1,004.5
Less: Accumulated Depreciation	(339.3)	(318.3)
Property, Plant and Equipment, Net	737.4	686.2
Construction Work in Progress	23.8	14.8
Total Property, Plant and Equipment, Net	$ 761.2	$ 701.0

Depreciation of assets is calculated on a straight-line basis using composite rates based on the estimated remaining useful lives of the various classes of property. The composite rates are subject to approval by the DPU. The composite rates include a cost of removal component, which is collected from customers over the lives of the plant assets and is recognized as a regulatory liability. Depreciation rates are applied to property from the time it is placed in service. Upon retirement from service, the cost of the asset is charged to the accumulated provision for depreciation. The actual incurred removal costs are applied against the related regulatory liability. The depreciation rates for the various classes of property, plant and equipment aggregate to a composite rate of 3.3 percent in 2014 and 3.1 percent in 2013. As of December 31, 2014, the average depreciable life of NSTAR Gas' property, plant and equipment was 32.6 years.

4. ASSET RETIREMENT OBLIGATIONS

NSTAR Gas recognizes a liability for the fair value of an ARO on the obligation date if the liability's fair value can be reasonably estimated and is conditional on a future event. Settlement dates and future costs are reasonably estimated when sufficient information becomes available. NSTAR Gas has identified AROs related to the removal of hazardous materials and the purging and capping of natural gas mains and has performed a fair value calculation, reflecting expected probabilities for settlement scenarios.

The fair value of an ARO is recorded as a liability in Other Long-Term Liabilities with a corresponding amount included in Property, Plant and Equipment, Net on the accompanying consolidated balance sheets. The ARO assets are depreciated, and the ARO liabilities are accreted over the estimated life of the obligation with corresponding credits recorded as accumulated depreciation and ARO liabilities, respectively. As NSTAR Gas is rate-regulated on a cost-of-service basis, it applies regulatory accounting guidance and both the depreciation and accretion costs associated with NSTAR Gas’ AROs are recorded as increases to Regulatory Assets on the accompanying consolidated balance sheets.

A reconciliation of the beginning and ending carrying amounts of the NSTAR Gas ARO liabilities were as follows:

	As of December 31,	
(Millions of Dollars)	**2014**	**2013**
Balance as of Beginning of Year	$ (8.8)	$ (8.3)
Accretion	(0.4)	(0.5)
Revisions in Estimated Cash Flows	0.5	-
Balance as of End of Year	$ (8.7)	$ (8.8)

5. DERIVATIVE INSTRUMENTS

The following table presents the gross fair values of contracts categorized by risk type and the net amount recorded as current or long-term derivative asset or liability, with all valuations classified as Level 2 in the fair value hierarchy:

	As of December 31, 2014			As of December 31, 2013		
(Millions of Dollars)	Commodity Supply & Price Risk Management	Netting [(1)]	Net Amount Recorded as a Derivative	Commodity Supply & Price Risk Management	Netting [(1)]	Net Amount Recorded as a Derivative
Current Derivative Assets	$ -	$ -	$ -	$ 1.8	$ (0.3)	$ 1.5
Long-Term Derivative Assets	-	-	-	0.2	-	0.2
Current Derivative Liabilities	(11.1)	-	(11.1)	-	-	-
Long-Term Derivative Liabilities	(0.3)	-	(0.3)	-	-	-

(1) Amounts represent derivative assets and liabilities that NSTAR Gas elected to record net on the consolidated balance sheets. These amounts are subject to master netting agreements or similar agreements for which the right of offset exists.

Derivative assets are included in Prepayments and Other Current Assets and Other Long-Term Assets on the accompanying consolidated balance sheets**.** Derivative liabilities are included in Other Current Liabilities and Other Long-Term Liabilities on the accompanying consolidated balance sheets.

As of December 31, 2014, NSTAR Gas had NYMEX financial contracts for natural gas futures for approximately 8.8 million MMBtu of natural gas purchases.

For the years ended December 31, 2014 and 2013, losses of $6.9 million and gains of $2.3 million, respectively, were recorded as regulatory assets and liabilities, which reflect the current change in fair value.

Credit Risk

NSTAR Gas' derivative contracts contain credit risk contingent features. These features require NSTAR Gas to maintain investment grade credit ratings from the major rating agencies and to post collateral for contracts in a net liability position over specified credit limits. As of December 31, 2014, NSTAR Gas had $11.4 million of derivative contracts in a net liability position that were subject to credit risk contingent features and would have been required to post additional collateral of $11.4 million if NSTAR Gas' credit ratings had been downgraded to below investment grade. As of December 31, 2013, there were no derivative contracts in a net liability position that were subject to credit risk contingent features.

Fair Value Measurements of Derivative Instruments

Derivative contracts are classified as Level 2 in the fair value hierarchy and relate to the financial contracts for natural gas futures. Prices are obtained from broker quotes and are based on actual market activity. The contracts are valued using NYMEX natural gas prices. Valuations of these contracts also incorporate discount rates using the yield curve approach.

6. SHORT-TERM DEBT

Credit Agreement and Notes Payable: NU parent and certain of its subsidiaries, including NSTAR Gas, are parties to a five-year $1.45 billion revolving credit facility. The revolving credit facility is to be used primarily to backstop NU parent's $1.45 billion commercial paper program. The commercial paper program allows NU parent to issue commercial paper as a form of short-term debt, with intercompany loans to certain subsidiaries, including NSTAR Gas. Effective July 23, 2014, NU parent and certain of its subsidiaries, including NSTAR Gas, extended the expiration date of their joint revolving credit facility for one additional year to September 6, 2019. NSTAR Gas has a borrowing sublimit of $200 million.

As of December 31, 2014 and 2013, there were intercompany loans from NU parent of $95 million and $103 million, respectively, included in Notes Payable to NU Parent and classified in current liabilities on the accompanying consolidated balance sheets as all borrowings are outstanding for no more than 364 days at one time. The weighted-average interest rate on these borrowings as of December 31, 2014 and 2013 was 0.43 percent and 0.24 percent, respectively, which is generally based on NU parent's commercial paper credit ratings.

Under the credit facilities, NSTAR Gas must comply with certain financial and non-financial covenants, including a consolidated debt to total capitalization ratio. As of December 31, 2014 and 2013, NSTAR Gas was in compliance with these covenants. If NSTAR Gas was not in compliance with these covenants, an event of default would occur requiring all outstanding borrowings by NSTAR Gas to be repaid and additional borrowings would not be permitted under the credit facility.

7. LONG-TERM DEBT

Details of NSTAR Gas’ long-term debt outstanding were as follows:

	As of December 31,	
(Millions of Dollars)	2014	2013
9.95% Series J due 2020	$ 25.0	$ 25.0
7.11% Series K due 2033	35.0	35.0
7.04% Series M due 2017	25.0	25.0
4.46% Series N due 2020	125.0	125.0
Total Long-Term Debt	$ 210.0	$ 210.0

The utility plant of NSTAR Gas is subject to the lien of NSTAR Gas' first mortgage bond indenture.

NSTAR Gas’ long-term debt agreements provide that it must comply with certain covenants as are customarily included in such agreements, including a minimum equity requirement. Under the minimum equity requirement, the outstanding long-term debt of NSTAR Gas must not exceed equity. NSTAR Gas was in compliance with these covenants as of December 31, 2014 and 2013.

On January 12, 2015, NSTAR Gas filed an application with the DPU requesting authorization to issue up to $100 million in long-term debt for the period ending December 31, 2015.

8. PENSION BENEFITS AND POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

For the year ended December 31, 2013, NSTAR Gas accounted for the obligations of the NSTAR Pension Plan and NSTAR PBOP Plan as if it were a multi-employer plan, recognizing only unpaid contributions that were due as a liability on the accompanying consolidated balance sheets. As of December 31, 2013, the funded status of the NSTAR Pension Plan was recorded on NSTAR Electric's balance sheet, while the funded status of the NSTAR PBOP Plan and the total SERP obligation were recorded on NSTAR Electric & Gas' balance sheet. As of December 31, 2013, all NSTAR employees were employed by NSTAR Electric & Gas. The funded status of the pension and PBOP plans were not presented separately for NSTAR Gas. On January 1, 2014, NSTAR Electric & Gas was merged into NUSCO (service company merger) and, concurrently, all employees were transferred to the company they predominantly provide services for: NUSCO, NSTAR Electric or NSTAR Gas. As a result of the employee transfers, the pension, SERP and PBOP assets and liabilities were attributed by participant and transferred to the applicable company's balance sheets. This change had no impact on the income statement or net assets of NSTAR Gas or NU. For the year ended December 31, 2014, the NUSCO and NSTAR pension, SERP and PBOP plans are accounted for under the multiple-employer approach, with NSTAR Gas' balance sheet reflecting its share of the funded status of the plans.

As of December 31, 2014, NUSCO sponsored two defined benefit retirement plans that covered eligible employees, including employees of NSTAR Gas (NUSCO Pension Plan and NSTAR Pension Plan). Effective January 1, 2015, the two plans were merged into one plan, sponsored by NUSCO. The NUSCO and NSTAR Pension Plans are subject to the provisions of ERISA, as amended by the Pension Protection Act of 2006. NU's policy is to annually fund the Pension Plans in an amount at least equal to an amount that will satisfy all federal funding requirements. In addition, NU maintains non-qualified defined benefit retirement plans sponsored by NUSCO (herein collectively referred to as the SERP Plans), which provide benefits in excess of Internal Revenue Code limitations to eligible current and retired participants.

As of December 31, 2014, NUSCO also sponsored defined benefit postretirement plans that provide certain retiree benefits, primarily medical, dental and life insurance, to retiring employees that meet certain age and service eligibility requirements, including employees of NSTAR Gas (NUSCO PBOP Plans and NSTAR PBOP Plan). Effective January 1, 2015, the plans were merged into one plan, sponsored by NUSCO. Under certain circumstances, eligible retirees are required to contribute to the costs of postretirement benefits. The benefits provided under the PBOP Plans are not vested and NU has the right to modify any benefit provision subject to applicable laws at that time.

Because NSTAR Gas recovers the pension and PBOP benefit costs from customers through rates, regulatory assets are recorded in lieu of an adjustment to Accumulated Other Comprehensive Income to record the funded status of the Pension and PBOP Plans. The SERP funded status is recorded on an after-tax basis to Accumulated Other Comprehensive Income. For further information, see Note 2, "Regulatory Accounting," and Note 13, "Accumulated Other Comprehensive Income," to the consolidated financial statements. The SERP Plans do not have plan assets.

For the year ended December 31, 2014, the expected return on plan assets for the NUSCO Pension and PBOP Plans was calculated by applying the assumed rate of return to a four-year rolling average of plan asset fair values. This calculation recognized investment gains or losses over a four-year period from the years in which they occurred. Investment gains or losses for this purpose are the difference between the calculated expected return and the actual return. As investment gains and losses are reflected in the average plan asset fair values, they are subject to amortization with other unrecognized actuarial gains or losses. For the NSTAR Pension and PBOP Plans, the entire difference between the actual return and calculated expected return on plan assets is reflected as a component of unrecognized actuarial gain or loss. Unrecognized actuarial gains or losses are amortized as a component of Pension and PBOP expense over the estimated average future employee service period.

NSTAR Gas is allowed to fully recover its allocated share of qualified pension and PBOP expenses through a DPU-approved reconciling rate mechanism tariff (pension adjustment mechanism or PAM) that is collected from customers. PAM-related costs are a part of NSTAR Gas’ local distribution adjustment clause that is reset annually in a filing with the DPU.

Pension and SERP Plans: The following table provides information on the NU Pension and SERP Plan benefit obligations, fair values of Pension Plan assets, and funded status, and the portions attributable to NSTAR Gas:

	Pension and SERP	
	As of December 31, 2014	
(Millions of Dollars)	**NU**	**NSTAR Gas**
Change in Benefit Obligation		
Benefit Obligation as of Beginning of Year	$ (4,676.5)	$ -
Increase due to Transfer of Employees	-	(223.2)
Service Cost	(79.9)	(3.3)
Interest Cost	(225.7)	(10.5)
Actuarial Gain/(Loss)	(739.6)	(29.2)
Benefits Paid – Pension	230.3	10.4
Benefits Paid – SERP	5.2	0.1
Benefit Obligation as of End of Year	$ (5,486.2)	$ (255.7)
Change in Pension Plan Assets		
Fair Value of Plan Assets as of Beginning of Year	$ 3,985.9	$ -
Increase due to Transfer of Employees	-	201.5
Employer Contributions	171.6	1.0
Actual Return on Plan Assets	199.3	6.2
Benefits Paid	(230.3)	(10.4)
Fair Value of Plan Assets as of End of Year	$ 4,126.5	$ 198.3
Funded Status as of December 31st	$ (1,359.7)	$ (57.4)

During 2014, the Society of Actuaries released a series of updated mortality tables resulting from recent studies that measured mortality rates for various groups of individuals. The updated mortality tables released in 2014 increased life expectancy of plan participants by 3 to 5 years and have the effect of increasing the estimate of benefits to be provided to plan participants. The impact of this adoption on NU's funded status liability for the year ended December 31, 2014 was an increase of approximately $340 million. In addition, the decreases in the discount rates resulted in an increase on NU's funded status liability of approximately $530 million. Partially offsetting these increases are the impact of other actuarial assumptions.

Pension and SERP benefits funded status includes the current portion of the SERP liability, which is included in Other Current Liabilities on the accompanying consolidated balance sheets.

The accumulated benefit obligation for the Pension and SERP Plans is as follows:

	Pension and SERP
(Millions of Dollars)	As of December 31, 2014
NU	$ 5,000.1
NSTAR Gas	237.3

The following actuarial assumptions were used in calculating the Pension and SERP Plans' year end funded status:

	Pension and SERP
	As of December 31, 2014
Discount Rate	4.20 %
Compensation/Progression Rate	3.50 %

Pension and SERP Expense: NU charges net periodic pension expense to its subsidiaries based on the actual participant demographic data for each subsidiary's participants. Benefit payments to participants and contributions are also tracked for each subsidiary. The actual investment return in the trust is allocated to each of the subsidiaries annually in proportion to the investment return expected to be earned during the year.

The components of net periodic benefit expense for the Pension and SERP Plans are shown below. The net periodic benefit expense and the intercompany allocations less the capitalized portion of pension is included in Operations and Maintenance on the consolidated statements of income. Capitalized pension amounts relate to employees working on capital projects and are included in Property, Plant and Equipment, Net. Intercompany allocations are not included in the NSTAR Gas net periodic benefit expense amounts. Pension and SERP expense reflected in the consolidated statements of cash flows for NSTAR Gas does not include the intercompany allocations and the corresponding capitalized portion, as these amounts are cash settled on a short-term basis.

	Pension and SERP	
	For the Year Ended December 31, 2014	
(Millions of Dollars)	**NU**	**NSTAR Gas**
Service Cost	$ 79.9	$ 3.3
Interest Cost	225.7	10.5
Expected Return on Plan Assets	(310.8)	(15.8)
Actuarial Loss	128.4	5.9
Prior Service Cost	4.4	-
Total Net Periodic Benefit Expense	$ 127.6	$ 3.9
Intercompany Allocations	N/A	$ 2.5
Capitalized Pension Expense	$ 35.2	$ 1.6

For the year ended December 31, 2013, NSTAR Electric allocated the costs of the Plan to other participating NU subsidiaries, including NSTAR Gas, based on a percentage of total direct labor charged to each participating NU subsidiary. The periodic pension costs allocated to NSTAR Gas for the year ended December 31, 2013 was $8 million.

The following actuarial assumptions were used to calculate Pension and SERP expense amounts:

	Pension and SERP
	For the Year Ended December 31, 2014
Discount Rate	4.85 % - 5.03 %
Expected Long-Term Rate of Return	8.25 %
Compensation/Progression Rate	3.50 % - 4.00 %

The following is a summary of the changes in plan assets and benefit obligations recognized in Regulatory Assets and Other Comprehensive Income (OCI) as well as amounts in Regulatory Assets and OCI reclassified as net periodic benefit expense during the year presented:

	Amounts Reclassified To/From	
NU	Regulatory Assets	OCI
(Millions of Dollars)	For the Year Ended December 31, 2014	
Actuarial Losses Arising During the Year	$ 797.3	$ 55.9
Actuarial Losses Reclassified as Net Periodic Benefit Expense	(122.8)	(5.6)
Prior Service Cost Reclassified as Net Periodic Benefit Expense	(4.2)	(0.2)

The following is a summary of the remaining Regulatory Assets and Accumulated Other Comprehensive Loss amounts that have not been recognized as components of net periodic benefit expense as of December 31, 2014, and the amounts that are expected to be recognized as components in 2015:

NU *(Millions of Dollars)*	Regulatory Assets as of December 31, 2014	Expected 2015 Expense	AOCI as of December 31, 2014	Expected 2015 Expense
Actuarial Loss	$ 1,811.9	$ 149.1	$ 93.5	$ 6.4
Prior Service Cost	13.2	3.5	0.8	0.2

PBOP Plans: For the year ended December 31, 2013, NSTAR Gas accounted for the obligations of the PBOP Plan as if it were a multi-employer plan, recognizing only unpaid contributions that are due as a liability on the accompanying consolidated balance sheets. For the year ended December 31, 2014, NSTAR Gas accounted for the NUSCO and NSTAR PBOP Plans under the multiple-employer approach, with the balance sheet reflecting its share of the funded status of the plans.

NSTAR Gas annually funds postretirement costs through tax deductible contributions to external trusts.

The following table provides information on the NU PBOP Plan benefit obligations, fair values of plan assets, and funded status, and the portions attributable to NSTAR Gas:

	PBOP	
	As of December 31, 2014	
(Millions of Dollars)	NU	NSTAR Gas
Change in Benefit Obligation		
Benefit Obligation as of Beginning of Year	$ (1,038.0)	$ -
Increase due to Transfer of Employees	-	(72.7)
Service Cost	(12.5)	(0.8)
Interest Cost	(49.5)	(3.6)
Actuarial Loss	(95.5)	(14.3)
Benefits Paid	47.6	3.0
Benefit Obligation as of End of Year	$ (1,147.9)	$ (88.4)
Change in Plan Assets		
Fair Value of Plan Assets as of Beginning of Year	$ 826.5	$ -
Increase due to Transfer of Employees	-	58.2
Actual Return on Plan Assets	43.7	3.7
Employer Contributions	40.0	3.3
Benefits Paid	(47.6)	(3.0)
Fair Value of Plan Assets as of End of Year	$ 862.6	$ 62.2
Funded Status as of December 31st	$ (285.3)	$ (26.2)

During 2014, the Society of Actuaries released a series of updated mortality tables resulting from recent studies that measured mortality rates for various groups of individuals. The updated mortality tables released in 2014 increased life expectancy of plan participants by 3 to 5 years and have the effect of increasing the estimate of benefits to be provided to plan participants. The impact of this adoption on NU's funded status liability for the year ended December 31, 2014 was an increase of approximately $82 million. In addition, the decreases in the discount rates resulted in an increase on NU's funded status liability of approximately $110 million. Partially offsetting these increases are the impact of other actuarial assumptions.

The following actuarial assumptions were used in calculating the PBOP Plans' year end funded status:

	PBOP
	As of December 31, 2014
Discount Rate	4.22 %
Health Care Cost Trend Rate	6.50 %

PBOP Expense: NU charges net periodic postretirement benefits expense to its subsidiaries based on the actual participant demographic data for each subsidiary's participants. Benefit payments to participants and contributions are also tracked for each subsidiary. The actual investment return in the trust is allocated to each of the subsidiaries annually in proportion to the investment return expected to be earned during the year.

The components of net periodic benefit expense for the PBOP Plans are shown below. The net periodic benefit expense and the intercompany allocations less the capitalized portion of PBOP is included in Operations and Maintenance on the consolidated statements of income. Capitalized PBOP amounts relate to employees working on capital projects and are included in Property, Plant and Equipment, Net. Intercompany allocations are not included in the NSTAR Gas net periodic benefit expense amounts. PBOP expense reflected in the consolidated statements of cash flows for NSTAR Gas does not include the intercompany allocations and the corresponding capitalized portion, as these amounts are cash settled on a short-term basis.

	PBOP	
	For the Year Ended December 31, 2014	
(Millions of Dollars)	NU	NSTAR Gas
Service Cost	$ 12.5	$ 0.8
Interest Cost	49.5	3.6
Expected Return on Plan Assets	(63.3)	(4.8)
Actuarial Loss/(Gain)	12.2	(0.1)
Prior Service Credit	(2.8)	(0.3)
Total Net Periodic Benefit Expense/(Income)	$ 8.1	$ (0.8)
Intercompany Allocations	N/A	$ 0.2
Capitalized PBOP Expense/(Income)	$ 1.4	$ (0.3)

For the year ended December 31, 2013 (prior to the service company merger), the net periodic postretirement benefits cost of the NSTAR PBOP Plan allocated to NSTAR Gas was $0.7 million and represented cash transfers between NSTAR Gas and NUSCO based on a percentage of total direct labor charged to NSTAR Gas.

The following actuarial assumptions were used to calculate PBOP expense amounts:

	PBOP
	For the Year Ended December 31, 2014
Discount Rate	4.78 % - 5.10 %
Expected Long-Term Rate of Return	8.25 %

As of December 31, 2014, the health care cost trend rate assumption used to determine the PBOP Plans' funded status was 6.5 percent, subsequently decreasing to an ultimate rate of 4.5 percent in 2023. The health care cost trend rate assumption used to calculate the PBOP expense amounts was 7 percent for the year ended December 31, 2014.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. The effect of changing the assumed health care cost trend rate by one percentage point for the year ended December 31, 2014 would have the following effects:

NU *(Millions of Dollars)*	One Percentage Point Increase	One Percentage Point Decrease
Effect on PBOP Obligation	$ 111.2	$ (88.4)
Effect on Total Service and Interest Cost Components	5.3	(4.4)

The following is a summary of the changes in plan assets and benefit obligations recognized in Regulatory Assets and OCI as well as amounts in Regulatory Assets and OCI reclassified as net periodic benefit (expense)/income during the year presented:

	Amounts Reclassified To/From	
NU	Regulatory Assets	OCI
(Millions of Dollars)	For the Year Ended December 31, 2014	
Actuarial Losses Arising During the Year	$ 115.1	$ 0.4
Actuarial Losses Reclassified as Net Periodic Benefit Expense	(11.6)	(0.6)
Prior Service Credit Reclassified as Net Periodic Benefit Income	2.8	-

The following is a summary of the remaining Regulatory Assets and Accumulated Other Comprehensive Loss amounts that have not been recognized as components of net periodic benefit expense as of December 31, 2014, and the amounts that are expected to be recognized as components in 2015:

NU *(Millions of Dollars)*	**Regulatory Assets as of December 31, 2014**	**Expected 2015 Expense**	**AOCI as of December 31, 2014**	**Expected 2015 Expense**
Actuarial Loss	$ 192.7	$ 6.9	$ 6.0	$ 0.3
Prior Service Credit	(1.8)	(0.5)	-	-

Estimated Future Benefit Payments: The following benefit payments, which reflect expected future service, are expected to be paid by the NU Pension, SERP and PBOP Plans:

NU *(Millions of Dollars)*	**2015**	**2016**	**2017**	**2018**	**2019**	**2020-2024**
Pension and SERP	$ 244.5	$ 253.6	$ 268.9	$ 273.4	$ 285.4	$ 1,591.1
PBOP	58.7	59.7	60.6	61.3	62.0	318.8

Contributions: NU contributed $171.6 million to the Pension Plans in 2014, of which $1 million was contributed by NSTAR Gas. Based on the current status of the Pension Plans, NU expects to make contributions of approximately $155 million in 2015, of which $5 million will be contributed by NSTAR Gas.

NU contributed $40 million to the PBOP Plans in 2014 and expects to make approximately $27 million in contributions in 2015. This amount will be funded into the 401(h) account and VEBAs up to the maximum tax-deductible level permitted.

Fair Value of Pension and PBOP Plan Assets: Pension and PBOP funds are held in external trusts. Trust assets, including accumulated earnings, must be used exclusively for Pension and PBOP payments. NU's investment strategy for its Pension and PBOP Plans is to maximize the long-term rates of return on these plans' assets within an acceptable level of risk. The investment strategy for each asset category includes a diversification of asset types, fund strategies and fund managers and establishes target asset allocations that are routinely reviewed and periodically rebalanced. PBOP assets are comprised of assets held in the PBOP Plans as well as specific assets within the defined benefit pension plan trust (401(h) assets). The investment policy and strategy of the 401(h) assets is consistent with those of the defined benefit pension plans. NU's expected long-term rates of return on Pension and PBOP Plan assets are based on target asset allocation assumptions and related expected long-term rates of return. In developing its expected long-term rate of return assumptions for the Pension and PBOP Plans, NU evaluated input from consultants, as well as long-term inflation assumptions and historical returns. For the year ended December 31, 2014, management has assumed long-term rates of return of 8.25 percent for the Pension and PBOP Plan assets. These long-term rates of return are based on the assumed rates of return for the target asset allocations as follows:

	As of December 31, 2014	
	Pension and Tax-Exempt PBOP Plans	
	Target Asset Allocation	**Assumed Rate of Return**
Equity Securities:		
United States	24%	9%
International	10%	9%
Emerging Markets	6%	10%
Private Equity	10%	13%
Debt Securities:		
Fixed Income	15%	5%
High Yield Fixed Income	9%	7.5%
Emerging Markets Debt	6%	7.5%
Real Estate and Other Assets	9%	7.5%
Hedge Funds	11%	7%

The Taxable PBOP Plans have a target asset allocation of 70 percent equity securities and 30 percent fixed income securities.

The following table presents, by asset category, the Pension and PBOP Plan assets recorded at fair value on a recurring basis by the level in which they are classified within the fair value hierarchy:

	NU Pension Plans			
(Millions of Dollars)	**Fair Value Measurements as of December 31, 2014**			
Asset Category:	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity Securities (1)	$ 414.7	$ 1,035.0	$ 292.2	$ 1,741.9
Private Equity	18.8	-	367.9	386.7
Fixed Income (2)	10.2	561.4	722.0	1,293.6
Real Estate and Other Assets	-	132.0	265.8	397.8
Hedge Funds	-	20.0	475.0	495.0
Total Master Trust Assets	$ 443.7	$ 1,748.4	$ 2,122.9	$ 4,315.0
Less: 401(h) PBOP Assets (3)				(188.5)
Total Pension Assets				$ 4,126.5

(Millions of Dollars)	NU PBOP Plans Fair Value Measurements as of December 31, 2014			
Asset Category:	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and Cash Equivalents	$ -	$ -	$ -	$ -
Equity Securities [(1)]	104.1	172.8	75.1	352.0
Private Equity	-	-	24.9	24.9
Fixed Income [(2)]	16.1	110.0	78.3	204.4
Real Estate and Other Assets		19.4	15.0	34.4
Hedge Funds		-	58.4	58.4
Total	$ 120.2	$ 302.2	$ 251.7	$ 674.1
Add: 401(h) PBOP Assets [(3)]				188.5
Total PBOP Assets				$ 862.6

(1) United States, International and Emerging Markets equity securities classified as Level 2 include investments in commingled funds. Level 3 investments include hedge funds that are overlayed with equity index swaps and futures contracts and funds invested in equities that have redemption restrictions.

(2) Fixed Income investments classified as Level 3 investments include fixed income funds that invest in a variety of opportunistic fixed income strategies, and hedge funds that are overlayed with fixed income futures.

(3) The assets of the Pension Plans include a 401(h) account that has been allocated to provide health and welfare postretirement benefits under the PBOP Plans.

Effective January 1, 2013, the NSTAR Pension Plan assets were transferred into the NUSCO Pension Plan master trust. The NUSCO Pension Plan is entitled to approximately 66 percent of each asset category in the master trust, the NSTAR Pension Plan is entitled to approximately 30 percent of each asset category in the master trust and the 401(h) plans are entitled to approximately four percent of each asset category in the master trust. For the year ended December 31, 2014, the NUSCO Pension Plan was entitled to $2,803.6 million and the NSTAR Pension Plan was entitled to $1,322.9 million. Also effective January 1, 2013, the NSTAR PBOP Plan assets were transferred into a master trust with the NUSCO PBOP Plan assets and assets were allocated to each plan. For the year ended December 31, 2014, the NUSCO PBOP Plan was entitled to $399 million and the NSTAR PBOP Plan was entitled to $463.6 million. NSTAR Gas is entitled to a portion of the NSTAR Pension and PBOP Plan assets.

NU values assets based on observable inputs when available. Equity securities, exchange traded funds and futures contracts classified as Level 1 in the fair value hierarchy are priced based on the closing price on the primary exchange as of the balance sheet date. Commingled funds included in Level 2 equity securities are recorded at the net asset value provided by the asset manager, which is based on the market prices of the underlying equity securities. Swaps are valued using pricing models that incorporate interest rates and equity and fixed income index closing prices to determine a net present value of the cash flows. Fixed income securities, such as government issued securities, corporate bonds and high yield bond funds, are included in Level 2 and are valued using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. The pricing models utilize observable inputs such as recent trades for the same or similar instruments, yield curves, discount margins and bond structures. Hedge funds and investments in opportunistic fixed income funds are recorded at net asset value based on the values of the underlying assets. The assets in the hedge funds and opportunistic fixed income funds are valued using observable inputs and are classified as Level 3 within the fair value hierarchy due to redemption restrictions. Private Equity investments and Real Estate and Other Assets are valued using the net asset value provided by the partnerships, which are based on discounted cash flows of the underlying investments, real estate appraisals or public market comparables of the underlying investments. These investments are classified as Level 3 due to redemption restrictions.

Fair Value Measurements Using Significant Unobservable Inputs (Level 3): The following tables present changes in the Level 3 category of Pension and PBOP Plan assets for the year ended December 31, 2014:

(Millions of Dollars)	NU Pension Plans Equity Securities	Private Equity	Fixed Income	Real Estate and Other Assets	Hedge Funds	Total
Balance as of January 1, 2014	$ 255.5	$ 300.3	$ 589.5	$ 288.5	$ 416.9	$ 1,850.7
Actual Return/(Loss) on Plan Assets:						
Relating to Assets Still Held as of Year End	(2.3)	14.0	45.2	(3.6)	23.5	76.8
Relating to Assets Distributed During the Year	-	13.9	(6.2)	28.3	(15.2)	20.8
Purchases, Sales and Settlements	39.0	39.7	93.5	(47.4)	49.8	174.6
Balance as of December 31, 2014	$ 292.2	$ 367.9	$ 722.0	$ 265.8	$ 475.0	$ 2,122.9

(Millions of Dollars)	NU PBOP Plans Equity Securities	Private Equity	Fixed Income	Real Estate and Other Assets	Hedge Funds	Total
Balance as of January 1, 2014	$ 69.1	$ 17.9	$ 51.5	$ 33.9	$ 57.0	$ 229.4
Actual Return/(Loss) on Plan Assets:						
Relating to Assets Still Held as of Year End	6.0	1.3	1.9	(2.8)	1.4	7.8
Relating to Assets Distributed During the Year	-	0.1	-	(2.2)	-	(2.1)
Purchases, Sales and Settlements	-	5.6	24.9	(13.9)	-	16.6
Balance as of December 31, 2014	$ 75.1	$ 24.9	$ 78.3	$ 15.0	$ 58.4	$ 251.7

9. INCOME TAXES

The components of income tax expense were as follows:

(Millions of Dollars)	For the Years Ended December 31, 2014	2013
Current Income Taxes:		
Federal	$ (2.8)	$ 0.3
State	(3.3)	1.4
Total Current	(6.1)	1.7
Deferred Income Taxes, Net:		
Federal	16.1	11.5
State	6.6	1.0
Total Deferred	22.7	12.5
Investment Tax Credit Amortization	(0.2)	(0.2)
Income Tax Expense	$ 16.4	$ 14.0

A reconciliation between income tax expense and the expected tax expense at the statutory rate is as follows:

(Millions of Dollars, except percentages)	For the Years Ended December 31, 2014	2013
Income Before Income Tax Expense	$ 41.3	$ 36.2
Statutory Federal Income Tax Expense at 35%	14.5	12.7
Tax Effect of Differences:		
State Income Taxes, Net of Federal Impact	2.1	1.6
Investment Tax Credit Amortization	(0.2)	(0.2)
Other, Net	-	(0.1)
Income Tax Expense	$ 16.4	$ 14.0
Effective Tax Rate	39.8%	38.6%

NSTAR Gas files a consolidated federal income tax return with NU. NSTAR Gas is party to a tax allocation agreement with NU under which taxable subsidiaries do not pay any more taxes than they would have otherwise paid had they filed a separate company tax return, and subsidiaries generating tax losses, if any, are paid for their losses when utilized. The amount of current and deferred federal income tax expense or benefit is calculated based on NSTAR Gas' stand-alone taxable income and reflects the impact of both temporary and permanent book to tax differences.

Deferred tax assets and liabilities are recognized for the future tax effects of temporary differences between the carrying amounts and the tax basis of assets and liabilities. The tax effect of temporary differences is accounted for in accordance with the rate-making treatment of the DPU and relevant accounting authoritative literature.

The tax effects of temporary differences that give rise to the net accumulated deferred income tax obligations were as follows:

(Millions of Dollars)	As of December 31, 2014	2013
Deferred Tax Assets:		
Regulatory Deferrals - Liabilities	$ 34.4	$ 25.1
Other	4.7	14.7
Total Deferred Tax Assets	$ 39.1	$ 39.8
Deferred Tax Liabilities:		
Accelerated Depreciation and Other Plant-Related Differences	$ 204.7	$ 172.5
Regulatory Amounts:		
Regulatory Deferrals - Assets	18.6	21.3
Goodwill Regulatory Asset – 1999 Merger	28.7	29.9
Employee Benefits	20.7	-
Other	4.9	10.6
Total Deferred Tax Liabilities	$ 277.6	$ 234.3

Accumulated deferred income taxes of $4 million and $2.8 million are offset by corresponding regulatory assets as of December 31, 2014 and 2013, respectively. The regulatory assets represent future revenues to be collected from customers for deferred income taxes.

Uncertain Tax Benefits: As of December 31, 2014 and 2013, there were no unrecognized tax benefits of a permanent nature that if recognized would have an impact on the Company’s effective tax rate. The Company did not have a reserve for uncertain tax positions as of December 31, 2014 and 2013.

Open Tax Years: The following table summarizes NSTAR Gas' tax years that remain subject to examination by major tax jurisdictions as of December 31, 2014:

Description	Tax Years
Federal (NU consolidated)	2014
Massachusetts	2011 - 2014

2014 Federal Legislation: On December 19, 2014, the "Tax Increase Prevention Act of 2014" became law, which extended the accelerated deduction of depreciation to businesses through 2014. This extended stimulus provides NSTAR Gas with cash flow benefits of approximately $9 million in 2015.

2013 Federal Legislation: On January 2, 2013, the "American Taxpayer Relief Act of 2012" became law, which extended the accelerated deduction of depreciation to businesses through 2013. This extended stimulus provided NSTAR Gas with cash flow benefits of approximately $13 million.

On September 13, 2013, the Internal Revenue Service issued final Tangible Property regulations that are meant to simplify, clarify and make more administrable previously issued guidance. NSTAR Gas is in compliance with the new regulations, but continues to evaluate several new potential elections.

2013 Massachusetts Legislation: On July 24, 2013, Massachusetts enacted a law that changed the income tax rate applicable to utility companies effective January 1, 2014, from 6.5 percent to 8 percent. The tax law change required NSTAR Gas to remeasure its accumulated deferred income taxes and resulted in increasing its deferred tax liability with an offsetting regulatory asset of approximately $4 million for the year ended December 31, 2013.

10. COMMITMENTS AND CONTINGENCIES

A. Environmental Matters

General: NSTAR Gas is subject to environmental laws and regulations intended to mitigate or remove the effect of past operations and improve or maintain the quality of the environment. These laws and regulations require the removal or the remedy of the effect on the environment of the disposal or release of certain specified hazardous substances at current and former operating sites. NSTAR Gas has an active environmental auditing and training program, and management believes that NSTAR Gas is substantially in compliance with all enacted laws and regulations. The environmental sites are primarily comprised of former manufactured gas plant (MGP) sites that were operated several decades ago, which resulted in certain by-products remaining in the environment that may pose a risk to human health and the environment.

Environmental reserves are accrued when assessments indicate it is probable that a liability has been incurred and an amount can be reasonably estimated. The approach used estimates the liability based on the most likely action plan from a variety of available remediation options, including no action required or several different remedies ranging from establishing institutional controls to full site remediation and monitoring. These liabilities are estimated on an undiscounted basis and do not assume that any amounts are recoverable from insurance companies or other third parties. The environmental reserves include sites at different stages of discovery and remediation and do not include any unasserted claims.

These estimates are subjective in nature as they take into consideration several different remediation options at each specific site. The reliability and precision of these estimates can be affected by several factors, including new information concerning either the level of contamination at the site, the extent of NSTAR Gas' responsibility or the extent of remediation required, recently enacted laws and regulations or a change in cost estimates due to certain economic factors. It is possible that new information or future developments could require a reassessment of the potential exposure to related environmental matters. As this information becomes available, NSTAR Gas will continue to assess the potential exposure and adjust the reserves accordingly.

The amounts recorded as environmental liabilities included in Other Current Liabilities and Other Long-Term Liabilities on the accompanying consolidated balance sheets represent NSTAR Gas' best estimate of the liability for environmental costs, and take into consideration site assessment, remediation and long-term monitoring costs. The environmental liability also takes into account recurring costs of managing hazardous substances and pollutants, mandated expenditures to remediate previously contaminated sites and any other infrequent and non-recurring clean-up costs. A reconciliation of the activity in the environmental reserves is as follows:

	As of December 31,	
(Millions of Dollars)	2014	2013
Balance as of Beginning of Year	$ 7.8	$ 10.5
Additions	0.8	-
Payments	(2.1)	(2.7)
Balance as of End of Year	$ 6.5	$ 7.8

The Company had nine environmental sites as of December 31, 2014. For seven of the nine environmental sites that were included in the Company's reserve for environmental costs, the $2 million accrual represents management's best estimate of the liability and no additional loss is anticipated. For one of the nine environmental sites, the site is under investigation and management cannot reasonably estimate the exposure to loss, or range of loss. For the remaining environmental site that was included in the Company's reserve for environmental costs, the information known and nature of the remediation options at this site allows for management to estimate the range of loss for environmental costs. As of December 31, 2014, $4.5 million had been accrued as a liability for this site, which represents management's best estimate of the liability for environmental costs. This amount is the best estimate with an estimated range of additional loss from zero to $11.8 million.

CERCLA Matters: Of the nine environmental sites, three sites are superfund sites under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) and its amendments or state equivalents for which the Company has been notified that it is a potentially responsible party but for which the site assessment and remediation are not being managed by the Company. As of December 31, 2014, a liability of $0.2 million accrued on these sites represents management's best estimate of its potential remediation costs with respect to these superfund sites.

Environmental Rate Recovery: NSTAR Gas has a rate recovery mechanism for MGP related environmental costs and has recorded regulatory assets related to environmental remediation costs. For further information, see Note 2, "Regulatory Accounting," to the consolidated financial statements.

B. Long-Term Contractual Arrangements

The estimated future annual costs of NSTAR Gas' significant long-term contractual arrangements as of December 31, 2014 are as follows:

(Millions of Dollars)	2015	2016	2017	2018	2019	Thereafter	Total
Natural Gas Procurement	$ 57.1	$ 49.1	$ 11.0	$ 10.0	$ 7.8	$ 58.5	$ 193.5

NSTAR Gas has long-term contracts for the purchase, transportation and storage of natural gas in the normal course of business as part of its portfolio of supplies. These contracts extend through 2029. The total cost incurred under these agreements was $275.8 million in 2014 and $180.5 million in 2013.

C. Other Litigation and Legal Proceedings

NSTAR Gas is involved in legal, tax and regulatory proceedings regarding matters arising in the ordinary course of business, which involve management's assessment to determine the probability of whether a loss will occur and, if probable, its best estimate of probable loss. The Company records and discloses losses when these losses are probable and reasonably estimable, and discloses matters when losses are probable but not estimable or when losses are reasonably possible. Legal costs related to the defense of loss contingencies are expensed as incurred.

11. LEASES

NSTAR Gas has entered into operating lease agreements for the use of data processing and office equipment, vehicles, service centers, and office space. In addition, NSTAR Gas incurs costs associated with certain leases entered into by NUSCO and RRR, which are included below in operating lease payments rental expense and future minimum rental payments. The provisions of these lease agreements generally contain renewal options. Certain lease agreements contain payments impacted by the London Interbank Offered Rate (LIBOR) rate plus a credit spread.

Operating lease rental payments charged to expense were $1.8 million and $1.3 million for the years ended December 31, 2014 and 2013, respectively.

Future minimum rental payments, excluding executory costs, such as property taxes, state use taxes, insurance, and maintenance, under long-term noncancelable leases, as of December 31, 2014 were as follows:

(Millions of Dollars)	
2015	$ 2.9
2016	2.5
2017	2.2
2018	1.8
2019	1.5
Thereafter	3.4
Future minimum lease payments	$ 14.3

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each of the following financial instruments:

Long-Term Debt: The fair value of NSTAR Gas' long-term debt securities is based upon pricing models that incorporate quoted market prices for those issues or similar issues adjusted for market conditions, credit ratings and treasury benchmark yields.

The carrying amount of NSTAR Gas' long-term debt was $210 million as of both December 31, 2014 and 2013. The estimated fair values of these financial instruments were $243.9 million and $231.5 million as of December 31, 2014 and 2013, respectively. These fair values were classified as Level 2 in the fair value hierarchy. For further information regarding long-term debt, see Note 7, "Long-Term Debt," to the consolidated financial statements.

Other Financial Instruments: The carrying value of other financial instruments included in current assets and current liabilities approximates their fair value due to the short-term nature of these instruments.

13. ACCUMULATED OTHER COMPREHENSIVE INCOME

The change in accumulated other comprehensive income by component, net of tax effect, was as follows:

(Millions of Dollars)	As of December 31, 2014 SERP Plan
Balance as of Beginning of Year	$ -
OCI Before Reclassifications	0.4
Amounts Reclassified from AOCI	-
Net OCI	0.4
Balance as of End of Year	$ 0.4

Actuarial gains and losses arising during the year on the SERP Plan are recorded on an after-tax basis to AOCI and are reflected in OCI amounts before reclassifications. There was no amortization of actuarial gains and losses on the SERP Plan for the year ended December 31, 2014.

14. COMMON STOCK

NSTAR Gas had 2,857,000 shares of common stock authorized, issued and outstanding at a $25 per share par value as of December 31, 2014 and 2013.

15. CONSOLIDATION OF VARIABLE INTEREST ENTITY

An enterprise is required to consolidate a variable interest entity (VIE) if the company is the primary beneficiary of a VIE's activities. NSTAR Gas has an exclusive service agreement with Hopkinton. Hopkinton owns several facilities including a natural gas liquefaction and vaporization plant, a satellite vaporization plant and storage tanks. Hopkinton provides a portion of the storage of natural gas supply for NSTAR Gas during the winter heating season. NSTAR Gas is Hopkinton's sole customer, approves its operating budget, and controls the use of its facilities. Accordingly, NSTAR Gas has the power to direct the activities of Hopkinton that most significantly impact its economic performance and has therefore determined it is the primary beneficiary of Hopkinton. NSTAR Gas has consolidated Hopkinton, an affiliated company and under common control by Yankee Energy System, Inc., in the accompanying consolidated financial statements. All significant intercompany transactions have been eliminated in consolidation. Creditors of Hopkinton have no recourse to NSTAR Gas.

The impact of consolidating Hopkinton to NSTAR Gas is as follows:

Condensed consolidating statement of income for the year ended December 31, 2014:

(Millions of Dollars)	NSTAR Gas	Hopkinton	Intercompany Eliminations	Consolidated Total
Operating Revenues	$ 484.6	$ 13.1	$ (13.2)	$ 484.5
Operating Expenses	432.5	12.1	(13.2)	431.4
Operating Income	52.1	1.0	-	53.1
Interest Expense	12.2	-	-	12.2
Other Income, Net	0.3	-	-	0.3
Income Before Income Tax Expense	40.2	1.0	-	41.2
Income Tax Expense	16.0	0.4	-	16.4
Net Income	$ 24.2	$ 0.6	$ -	$ 24.8

Condensed consolidating balance sheet as of December 31, 2014:

(Millions of Dollars)	NSTAR Gas	Hopkinton	Intercompany Eliminations	Consolidated Total
Total Current Assets	$ 183.1	$ 3.4	$ (3.1)	$ 183.4
Property, Plant and Equipment	1,009.9	66.8	-	1,076.7
Accumulated Depreciation	(286.3)	(53.0)	-	(339.3)
Construction Work in Progress	19.8	4.0	-	23.8
Property, Plant and Equipment, Net	743.4	17.8	-	761.2
Total Deferred Debits and Other Assets	248.2	1.2	(1.2)	248.2
Total Assets	$ 1,174.7	22.4	$ (4.3)	$ 1,192.8
Total Current Liabilities	$ 210.3	$ 12.8	$ (3.1)	$ 220.0
Total Deferred Credits and Other Liabilities	407.6	-	(1.2)	406.4
Long-Term Debt	210.0	-	-	210.0
Common Stockholder's Equity	346.8	9.6	-	356.4
Total Liabilities and Capitalization	$ 1,174.7	$ 22.4	$ (4.3)	$ 1,192.8

Condensed consolidating statement of income for the year ended December 31, 2013:

(Millions of Dollars)	NSTAR Gas	Hopkinton	Intercompany Eliminations	Consolidated Total
Operating Revenues	$ 432.2	$ 12.5	$ (12.5)	$ 432.2
Operating Expenses	384.8	11.3	(12.5)	383.6
Operating Income	47.4	1.2	-	48.6
Interest Expense	13.1	-	-	13.1
Other Income, Net	0.7	-	-	0.7
Income Before Income Tax Expense	35.0	1.2	-	36.2
Income Tax Expense	13.5	0.5	-	14.0
Net Income	$ 21.5	$ 0.7	$ -	$ 22.2

Condensed consolidating balance sheet as of December 31, 2013:

(Millions of Dollars)	NSTAR Gas	Hopkinton	Intercompany Eliminations	Consolidated Total
Total Current Assets	$ 133.3	$ 12.0	$ (11.7)	$ 133.6
Property, Plant and Equipment	945.1	59.4	-	1,004.5
Accumulated Depreciation	(267.0)	(51.3)	-	(318.3)
Construction Work in Progress	13.1	1.7	-	14.8
Property, Plant and Equipment, Net	691.2	9.8	-	701.0
Total Deferred Debits and Other Assets	187.4	0.5	(0.5)	187.4
Total Assets	$ 1,011.9	$ 22.3	$ (12.2)	$ 1,022.0
Total Current Liabilities	$ 238.2	$ 13.2	$ (11.7)	$ 239.7
Total Deferred Credits and Other Liabilities	281.0	-	(0.5)	280.5
Long-Term Debt	210.0	-	-	210.0
Common Stockholder's Equity	282.7	9.1	-	291.8
Total Liabilities and Capitalization	$ 1,011.9	$ 22.3	$ (12.2)	$ 1,022.0