

NSTAR GAS CONSOLIDATED  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)

(Thousands of Dollars)	June 30, 2012	December 31, 2011
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 679	\$ 1,703
Receivables, Net	13,826	39,671
Accounts Receivable from Affiliated Companies	53,169	1
Unbilled Revenues	2,128	10,421
Fuel, Materials and Supplies	24,781	36,269
Regulatory Assets	18,275	38,537
Prepayments and Other Current Assets	4,803	533
Total Current Assets	<u>117,661</u>	<u>127,135</u>
Property, Plant and Equipment, Net	<u>616,533</u>	<u>597,497</u>
Deferred Debits and Other Assets:		
Regulatory Assets	120,247	118,102
Receivable from Affiliates	70,569	75,905
Other Long-Term Assets	11,197	5,682
Total Deferred Debits and Other Assets	<u>202,013</u>	<u>199,689</u>
Total Assets	<u>\$ 936,207</u>	<u>\$ 924,321</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 CONSOLIDATED  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)

(Thousands of Dollars)	June 30, 2012	December 31, 2011
<b>LIABILITIES AND CAPITALIZATION</b>		
Current Liabilities:		
Notes Payable to Affiliated Companies	\$ 58,600	\$ 79,100
Accounts Payable	14,781	25,184
Accounts Payable to Affiliated Companies	86,591	53,174
Accrued Taxes	9,915	3,097
Accrued Interest	4,856	3,584
Regulatory Liabilities	4,762	2,285
Derivative Liabilities	942	147
Other Current Liabilities	<u>7,657</u>	<u>21,222</u>
Total Current Liabilities	<u>188,104</u>	<u>187,793</u>
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	158,788	150,855
Regulatory Liabilities	58,929	54,516
Other Long-Term Liabilities	<u>31,371</u>	<u>32,181</u>
Total Deferred Credits and Other Liabilities	<u>249,088</u>	<u>237,552</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	122,691	122,690
Retained Earnings	<u>94,899</u>	<u>94,861</u>
Common Stockholder's Equity	<u>289,015</u>	<u>288,976</u>
Total Capitalization	<u>499,015</u>	<u>498,976</u>
 Total Liabilities and Capitalization	 <u>\$ 936,207</u>	 <u>\$ 924,321</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 CONSOLIDATED  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

(Thousands of Dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Operating Revenues	<u>\$ 59,034</u>	<u>\$ 81,740</u>	<u>\$ 223,604</u>	<u>\$ 321,594</u>
Operating Expenses:				
Cost of Natural Gas	26,010	42,906	114,091	189,017
Operations and Maintenance	19,294	22,145	52,995	61,522
Depreciation	4,942	4,663	16,755	16,106
Amortization of Regulatory Assets/(Liabilities), Net	(303)	877	1,629	2,851
Energy Efficiency Programs	6,237	4,938	9,880	8,406
Taxes Other Than Income Taxes	<u>2,468</u>	<u>2,414</u>	<u>8,592</u>	<u>7,766</u>
Total Operating Expenses	<u>58,648</u>	<u>77,943</u>	<u>203,942</u>	<u>285,668</u>
Operating Income	386	3,797	19,662	35,926
Interest Expense:				
Interest on Long-Term Debt	3,099	3,090	6,200	6,189
Other Interest	<u>280</u>	<u>388</u>	<u>515</u>	<u>501</u>
Interest Expense	3,379	3,478	6,715	6,690
Other Income, Net	<u>35</u>	<u>160</u>	<u>283</u>	<u>300</u>
Income/(Loss) Before Income Tax Expense/(Benefit)	(2,958)	479	13,230	29,536
Income Tax Expense/(Benefit)	<u>(1,053)</u>	<u>169</u>	<u>5,192</u>	<u>11,557</u>
Net Income/(Loss)	<u>\$ (1,905)</u>	<u>\$ 310</u>	<u>\$ 8,038</u>	<u>\$ 17,979</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 CONSOLIDATED  
CONDENSED CONSOLIDATED STATEMENT OF RETAINED EARNINGS  
(Unaudited)

(Thousands of Dollars)	Six Months Ended June 30, 2012	
Balance at Beginning of Period	\$	94,861
Additions:		
Net income		8,038
Deductions:		
Dividends on Common Stock		8,000
Balance at End of Period	<u>\$</u>	<u>94,899</u>

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