



**Northeast
Utilities System**

107 Selden Street, Berlin, CT 06037

Northeast Utilities Service Company
P.O. Box 270
Hartford, CT 06141-0270
(860) 665-5000

April 25, 2002

Director
Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, DC 20555

Dear Sir/Madam:

In Accordance with paragraph 50.71(b) of 10CFR, Part 50, enclosed is one copy of the 2001 Annual Financial Reports for Northeast Nuclear Energy Company, and North Atlantic Energy Service Corporation, license holders.

Please acknowledge receipt by returning the duplicate of this letter in the stamped, self-addressed envelope enclosed for your convenience.

Respectfully yours,

M. J. Blackburn
Associate Accountant
Northeast Utilities Service Company

MJB
Enclosures

c: S. J. Sinnott

MO04

Form U-13-60

Mutual and Subsidiary Service Companies

ANNUAL REPORT

FOR THE PERIOD

Beginning January 1, 2001 and Ending December 31, 2001

TO THE

U.S. SECURITIES AND EXCHANGE COMMISSION

OF

NORTHEAST NUCLEAR ENERGY COMPANY

A Subsidiary Service Company

Date of Incorporation - November 14, 1950

State of Sovereign Power under which Incorporated or
Organized - Connecticut

Location of Principal Executive Offices of Reporting
Company - Selden Street, Berlin CT 06037

Name, title, and address of officer to whom correspondence
concerning this report should be addressed:

John P. Stack, Vice President - Accounting and Controller,
P.O. Box 270, Hartford, CT 06141-0270

Name of Principal Holding Company Whose Subsidiaries
are served by Reporting Company

NORTHEAST UTILITIES

INSTRUCTIONS FOR USE ON FORM U-13-60

1. TIME OF FILING

Rule 94 provides that on or before the first day of May in each calendar year, each mutual service company and each subsidiary service company as to which the Commission shall have made a favorable finding pursuant to Rule 88, and every service company whose application for approval or declaration pursuant to Rule 88 is pending shall file with the Commission an annual report on Form U-13-60 and in accordance with the instructions for that form.

2. NUMBER OF COPIES

Each annual report shall be filed in duplicate. The company should prepare and retain at least one extra copy for itself in case correspondence with reference to the report becomes necessary.

3. PERIOD COVERED BY REPORT

The first report filed by any company shall cover the period from the date the Uniform System of Accounts was required to be made effective as to that company under Rules 82 and 93 to the end of that calendar year. Subsequent reports should cover a calendar year.

4. REPORT FORMAT

Reports shall be submitted on the forms prepared by the Commission. If the space provided on any sheet of such form is inadequate, additional sheets may be inserted on the same size as a sheet of the form or folded to such size.

5. MONEY AMOUNTS DISPLAYED

All money amounts required to be shown in financial statements may be expressed in whole dollars, in thousands of dollars or hundreds thousands of dollars, as appropriate, and subject to provisions of Regulation S-X (§210.3-0.1(b)).

6. DEFICITS DISPLAYED

Deficits and other like entries shall be indicated by the use of either brackets or a parenthesis with corresponding reference in footnotes. (Regulation S-X (§210.3-0.1(c))).

7. MAJOR AMENDMENTS OR CORRECTIONS

Any company desiring to amend or correct a major omission or error in a report after it has been filed with the Commission shall submit an amended report including only those pages, schedules, and entries that are to be amended or corrected. A cover letter shall be submitted requesting the Commission to incorporate the amended report changes and shall be signed by a duly authorized officer of the company.

8. DEFINITIONS

Definitions contained in Instruction 01-8 to the Uniform System of Accounts for Mutual Service Companies and Subsidiary Companies, Public Utility Holding Company Act of 1935, as amended by February 2, 1979 shall be applicable to words or terms used specifically within this Form U-13-60.

9. ORGANIZATION CHART

The service company shall submit with each annual report a copy of its current organization chart.

10. METHODS OF ALLOCATION

The service company shall submit with each annual report a listing of the currently effective methods of allocation being used by the service company and on file with the Securities and Exchange Commission pursuant to the Public Utility Holding Company Act of 1935.

11. ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED

The service company shall submit with each annual report a copy of the annual statement supplied to each associate company in support of the amount of compensation for use in capital billed during the calendar year.

LISTING OF SCHEDULES AND ANALYSIS OF ACCOUNTS

<u>Description of Schedules and Accounts</u>	<u>Schedule or Acct. No.</u>	<u>Page No.</u>
COMPARATIVE BALANCE SHEET	Schedule I	4-5
SERVICE COMPANY PROPERTY	Schedule II	6-7
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF SERVICE COMPANY	Schedule III	8
INVESTMENTS	Schedule IV	9
ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES	Schedule V	10
FUEL STOCK EXPENSES UNDISTRIBUTED	Schedule VI	11
STORES EXPENSE UNDISTRIBUTED	Schedule VII	12
MISCELLANEOUS CURRENT AND ACCRUED ASSETS	Schedule VIII	13
MISCELLANEOUS DEFERRED DEBITS	Schedule IX	14
RESEARCH, DEVELOPMENT, OR DEMONSTRATION EXPENDITURES	Schedule X	15
PROPRIETARY CAPITAL	Schedule XI	16
LONG-TERM DEBT	Schedule XII	17
CURRENT AND ACCRUED LIABILITIES	Schedule XIII	18
NOTES TO FINANCIAL STATEMENTS	Schedule XIV	19
COMPARATIVE INCOME STATEMENT	Schedule XV	20
ANALYSIS OF BILLING - ASSOCIATE COMPANIES	Account 457	21
ANALYSIS OF BILLING - NONASSOCIATE COMPANIES	Account 458	22
ANALYSIS OF CHARGES FOR SERVICE - ASSOCIATE AND NONASSOCIATE COMPANIES	Schedule XVI	23
SCHEDULE OF EXPENSE BY DEPARTMENT OR SERVICE FUNCTION	Schedule XVII	24-25
DEPARTMENTAL ANALYSIS OF SALARIES	Account 920	26
OUTSIDE SERVICES EMPLOYED	Account 923	27
EMPLOYEE PENSIONS AND BENEFITS	Account 926	28
GENERAL ADVERTISING EXPENSES	Account 930.1	29
MISCELLANEOUS GENERAL EXPENSES	Account 930.2	30
RENTS	Account 931	31
TAXES OTHER THAN INCOME TAXES	Account 408	32
DONATIONS	Account 426.1	33
OTHER DEDUCTIONS	Account 426.5	34
NOTES TO STATEMENT OF INCOME	Schedule XVIII	35

LISTING OF INSTRUCTIONAL FILING REQUIREMENTS

<u>Description of Reports or Statements</u>	<u>Page No.</u>
ORGANIZATION CHART	36
METHODS OF ALLOCATION	37
ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED	38
ELECTRIC POWER BROKERING AND MARKETING ACTIVITIES	38A
SIGNATURE PAGE	39

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

SCHEDULE I - COMPARATIVE BALANCE SHEET

Give balance sheet of the Company as of December 31 of the current and prior year.

ACCOUNT	ASSETS AND OTHER DEBITS	AS OF DECEMBER 31	
		2001 (Thousands of Dollars)	2000
	SERVICE COMPANY PROPERTY		
101	Service company property (Schedule II)	\$ -	\$ 37,138
107	Construction work in progress (Schedule II)	-	416
	Total Property	-	37,554
108	Less accumulated provision for depreciation and amortization of service company property (Schedule III)	-	15,771
	Net Service Company Property	-	21,783
	INVESTMENTS		
123	Investments in associate companies (Schedule IV)	-	-
124	Other investments (Schedule IV)	-	-
	Total Investments	-	-
	CURRENT AND ACCRUED ASSETS		
131	Cash	36	-
134	Special deposits	-	-
135	Working funds	-	-
136	Temporary cash investments (Schedule IV)	-	-
141	Notes receivable	-	-
143	Accounts receivable	3,119	4,517
144	Accumulated provision of uncollectible accounts	-	-
146	Accounts receivable from associate companies (Schedule V)	58,058	49,194
152	Fuel stock expenses undistributed (Schedule VI)	-	-
154	Materials and supplies	-	71,312
163	Stores expense undistributed (Schedule VII)	-	46
165	Prepayments	-	1,188
174	Miscellaneous current and accrued assets (Schedule VIII)	-	-
	Total Current and Accrued Assets	61,213	126,257
	DEFERRED DEBITS		
181	Unamortized debt expense	-	-
184	Clearing accounts	-	8
186	Miscellaneous deferred debits (Schedule IX)	1,062	33,715
188	Research, development, or demonstration expenditures (Schedule X)	-	-
189	Unamortized loss on reacquired debt	-	-
190	Accumulated deferred income taxes	29,578	42,252
	Total Deferred Debits	30,640	75,975
	TOTAL ASSETS AND OTHER DEBITS	\$ 91,853	\$ 224,015

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

SCHEDULE I - COMPARATIVE BALANCE SHEET

Give balance sheet of the Company as of December 31 of the current and prior year.

ACCOUNT	LIABILITIES AND PROPRIETARY CAPITAL	AS OF DECEMBER 31	
		2001 (Thousands of Dollars)	2000
	PROPRIETARY CAPITAL		
201	Common stock issued (Schedule XI)	\$ 15	\$ 15
211	Miscellaneous paid-in-capital (Schedule XI)	15,229	15,229
215	Appropriated retained earnings (Schedule XI)	-	-
216	Unappropriated retained earnings (Schedule XI)	851	439
	Total Proprietary Capital	16,095	15,683
	LONG-TERM DEBT		
223	Advances from associate companies (Schedule XII)	-	-
224	Other long-term debt (Schedule XII)	-	-
225	Unamortized premium on long-term debt	-	-
226	Unamortized discount on long-term debt-debit	-	-
	Total Long-Term Debt	-	-
	CURRENT AND ACCRUED LIABILITIES		
231	Notes payable	-	-
232	Accounts payable	5,237	36,303
233	Notes payable to associate companies (Schedule XIII)	-	-
234	Accounts payable to associate companies (Schedule XIII)	5,575	16,281
236	Taxes accrued	(2,547)	(363)
237	Interest accrued	-	-
238	Dividends declared	-	-
241	Tax collections payable	(8)	294
242	Miscellaneous current and accrued liabilities (Schedule XIII)	50,521	130,474
	Total Current and Accrued Liabilities	58,778	182,989
	DEFERRED CREDITS		
253	Other deferred credits	16,017	24,364
255	Accumulated deferred investment tax credits	963	979
	Total Deferred Credits	16,980	25,343
282	ACCUMULATED DEFERRED INCOME TAXES	-	-
	TOTAL LIABILITIES AND PROPRIETARY CAPITAL	\$ 91,853	\$ 224,015

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE II - SERVICE COMPANY PROPERTY

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	ADDITIONS	RETIREMENTS OR SALES	OTHER CHANGES (1)	BALANCE AT CLOSE OF YEAR
(Thousands of Dollars)					
SERVICE COMPANY PROPERTY					
Account					
301 ORGANIZATION					
303 MISCELLANEOUS INTANGIBLE PLANT					
304 LAND AND LAND RIGHTS					
305 STRUCTURES AND IMPROVEMENTS					
306 LEASEHOLD IMPROVEMENTS					
307 EQUIPMENT (2)					
308 OFFICE FURNITURE AND EQUIPMENT					
309 AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT					
310 AIRCRAFT AND AIRPORT EQUIPMENT					
311 OTHER SERVICE COMPANY PROPERTY (3)					
321 STRUCTURES AND IMPROVEMENTS	\$ 33,296	\$ -	\$ -	\$ (33,296)	\$ -
322 REACTOR PLANT EQUIPMENT					
324 ACCESSORY ELECTRIC EQUIPMENT	27			(27)	-
325 MISCELLANEOUS POWER PLANT EQUIPMENT	2,964	(188)	-	(2,776)	-
391 OFFICE FURNITURE AND EQUIPMENT	851	30	-	(881)	-
SUB-TOTAL	37,138	(158)	-	(36,980) (A)	-
107 CONSTRUCTION WORK IN PROGRESS (4)	416	(407)		(9) (B)	-
TOTAL	\$ 37,554	\$ (565)	\$ -	\$ (36,989)	\$ -

(1) PROVIDE AN EXPLANATION OF THOSE CHANGES CONSIDERED MATERIAL:

(A) SALE OF MILLSTONE STATION TO DOMINION	(36,976)
TRANSFER TO CL&P	(4)
	(36,980)
(B) SALE OF MILLSTONE STATION TO DOMINION	(9)

SCHEDULE II - CONTINUED

(2) SUBACCOUNTS ARE REQUIRED FOR EACH CLASS OF EQUIPMENT OWNED. THE SERVICE COMPANY SHALL PROVIDE A LISTING BY SUBACCOUNT OF EQUIPMENT ADDITIONS DURING THE YEAR AND THE BALANCE AT THE CLOSE OF THE YEAR:

SUBACCOUNT DESCRIPTION	ADDITIONS	OF YEAR
NONE	(Thousands of Dollars)	

(3) DESCRIBE OTHER SERVICE COMPANY PROPERTY:

(4) DESCRIBE CONSTRUCTION WORK IN PROGRESS:

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE III

ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF SERVICE COMPANY PROPERTY

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	ADDITIONS CHARGED TO ACCT 403	RETIREMENTS	OTHER CHANGES ADD (DEDUCT) 1/	BALANCE AT CLOSE OF YEAR
(Thousands of Dollars)					
Account					

301 ORGANIZATION					
303 MISCELLANEOUS INTANGIBLE PLANT					
304 LAND AND LAND RIGHTS					
305 STRUCTURES AND IMPROVEMENTS					
306 LEASEHOLD IMPROVEMENTS					
307 EQUIPMENT					
308 OFFICE FURNITURE AND FIXTURES					
309 AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT					
310 AIRCRAFT AND AIRPORT EQUIPMENT					
311 OTHER SERVICE COMPANY PROPERTY					
321 STRUCTURES AND IMPROVEMENTS	\$ 12,863	\$ 207	\$ -	\$ (13,070)	\$ -
322 REACTOR PLANT EQUIPMENT	-	-	-	-	-
324 ACCESSORY ELECTRIC EQUIPMENT	14	-	-	(14)	-
325 MISCELLANEOUS POWER PLANT EQUIPMENT	2,055	11	-	(2,066)	-
391 OFFICE FURNITURE AND FIXTURES	839	4	-	(843)	-
TOTAL	\$ 15,771	\$ 222	\$ -	\$ (15,993)	\$ -
	=====	=====	=====	=====	=====

1/ PROVIDE AN EXPLANATION OF THOSE CHANGES CONSIDERED MATERIAL:

Sale of Millstone to DRI/CLP	\$ (15,993)

	\$ (15,993)
	=====

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE IV - INVESTMENTS

INSTRUCTIONS: Complete the following schedule concerning investments.

Under Account 124, "Other Investments," state each investment separately, with description, including the name of issuing company, number of shares or principal amount, etc.

Under Account 136, "Temporary Cash Investments," list each investment separately.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
ACCOUNT 123 - INVESTMENT IN ASSOCIATE COMPANIES	NONE	
ACCOUNT 124 - OTHER INVESTMENTS	NONE	
ACCOUNT 136 - TEMPORARY CASH INVESTMENTS	NONE	
TOTAL	\$ -	\$ -

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE V - ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES

INSTRUCTIONS: Complete the following schedule listing accounts receivable from each associate company. Where the service company has provided accommodation or convenience payments for associate companies, a separate listing of total payments for each associate company by subaccount should be provided.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
(Thousands of Dollars)		
ACCOUNT 146 - ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES		
Northeast Utilities System Money Pool	\$ 9,300	\$ 56,900
Northeast Generation Services Company	41	-
The Connecticut Light and Power Company	12,343	1,158
Western Massachusetts Electric Company	2,882	-
Northeast Utilities Service Company	24,548	-
North Atlantic Energy Company	(10)	-
North Atlantic Energy Service Corporation	59	-
Public Service Company of New Hampshire	31	-
TOTAL	\$ 49,194	\$ 58,058

ANALYSIS OF CONVENIENCE OR ACCOMMODATION PAYMENTS:

See page 10A for details.

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE V - ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES

INSTRUCTIONS: Complete the following schedule listing accounts receivable from each associate company. Where the service company has provided accommodation or convenience payments for associate companies, a separate listing of total payments for each associate company by subaccount should be provided.

DESCRIPTION	TOTAL PAYMENTS
	(Thousands of Dollars)
ANALYSIS OF CONVENIENCE OR ACCOMMODATION PAYMENTS:	
The Connecticut Light and Power Company	\$ 14
Western Massachusetts Electric Company	3
North Atlantic Energy Service Corporation	385
Northeast Generation Services Company	62
Northeast Utilities Service Company	13
TOTAL	\$ 477

Convenience payments result primarily from the following items:

Department of Energy Decontamination and Membership Dues	\$ 316
Engineering Services	64
Miscellaneous (27 items)	97
TOTAL	\$ 477

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE VI - FUEL STOCK EXPENSES UNDISTRIBUTED

INSTRUCTIONS: Report the amount of labor and expenses incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associate company. Under the section headed "Summary" listed below, give an overall report of the fuel functions performed by the service company.

DESCRIPTION	LABOR	EXPENSES	TOTAL
	(Thousands of Dollars)		
ACCOUNT 152 - FUEL STOCK EXPENSES UNDISTRIBUTED	\$ - =====	\$ - =====	\$ - =====

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE VII - STORES EXPENSE UNDISTRIBUTED

INSTRUCTIONS: Report the amount of labor and expenses incurred with respect to stores expense during the year and indicate amount attributable to each associate company.

DESCRIPTION	LABOR	EXPENSES	TOTAL
(Thousands of Dollars)			
ACCOUNT 163 - STORES EXPENSE UNDISTRIBUTED			
Beginning Balance as of January 1, 2001			\$ 46
Activity for the year:			
Stores expense undistributed	\$ 483	\$ 2,043	2,526
The above stores expenses are billed back to each of the companies listed below:			
The Connecticut Light & Power Company	(353)	(1,490)	(1,843)
Western Massachusetts Electric Company	(82)	(348)	(430)
Public Service Company of New Hampshire	(5)	(20)	(25)
Nonassociate Companies (see page 22 for list of the companies)	(52)	(222)	(274)
Stores expense distributed	(492)	(2,080)	(2,572)
Net Activity for year	\$ (9)	\$ (37)	(46)
Ending Balance as of December 31, 2001			\$ -

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE VIII

MISCELLANEOUS CURRENT AND ACCRUED ASSETS

INSTRUCTIONS: Provide detail of items in this account. Items less than \$10,000 may be grouped, showing the number of items in each group.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
	(Thousands of Dollars)	
ACCOUNT 174 - MISCELLANEOUS CURRENT AND ACCRUED ASSETS	\$ -	\$ -
		NONE
TOTAL	\$ -	\$ -

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE IX

MISCELLANEOUS DEFERRED DEBITS

INSTRUCTIONS: Provide detail of items in this account. Items less than \$10,000 may be grouped, showing the number of items in each group.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
(Thousands of Dollars)		
ACCOUNT 186 - MISCELLANEOUS DEFERRED DEBITS		
Long term receivable from Rocky River Realty Company (associated company)	\$ 6,039	\$ -
RABBI Trust funding	952	-
Employee performance payments	46	-
Unfunded supplemental executive retirement plan	1,062	1,062
Decommissioning costs - Millstone Unit No. 1	23,890	-
Restricted stock - unearned compensation	11	11
Stores expense clearing	25	-
Unissued non-inventory stock materials	108	-
Displaced worker protection coverage	1,824	-
Nuclear revenue initiatives	(63)	-
Sale of inventory	(183)	-
Other deferred debits (2 items in 2001 and 6 items in 2000)	4	(11)
TOTAL	\$ 33,715	\$ 1,062

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE X

RESEARCH, DEVELOPMENT, OR DEMONSTRATION EXPENDITURES

INSTRUCTIONS: Provide a description of each material research, development, or demonstration project which incurred costs by the service corporation during the year.

DESCRIPTION	AMOUNT
	(Thousands of Dollars)
ACCOUNT 188 - RESEARCH, DEVELOPMENT OR DEMONSTRATION EXPENDITURES	
EPRI Research Dues	\$ 44
Services Billed from Northeast Utilities Service Company (Associated Company)	31
Internal Charges	690
Nuclear Oversight Audit - Environmental Quality	13
ISO 14001 Environmental Audit	147
Larval Winter Flounder Studies	22
Master Manual 28 Implementation	39
Scientific/Technical NPDES Permit	40
Preventive Maintenance Millstone MET System	45
Miscellaneous Projects	12
The above expenses are billed back to each of the associated companies listed below:	
The Connecticut Light and Power Company	(819)
Western Massachusetts Electric Company	(191)
Public Service Company of New Hampshire	(22)
Nonassociate Companies (see page 22 for list of the companies)	(51)
TOTAL	\$ -

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE XI

PROPRIETARY CAPITAL

ACCOUNT NUMBER	CLASS OF STOCK	NUMBER OF SHARES AUTHORIZED	PAR OR STATED VALUE PER SHARE	OUTSTANDING NO. OF SHARES	CLOSE OF PERIOD TOTAL AMOUNT
201	COMMON STOCK ISSUED	60,000	\$10	1,500	(Thousands of Dollars) \$15

INSTRUCTIONS: Classify amounts in each account with brief explanation, disclosing the general nature of transactions which give rise to the reported amounts.

DESCRIPTION	AMOUNT
	(Thousands of Dollars)
ACCOUNT 211 - MISCELLANEOUS PAID-IN-CAPITAL	\$15,229
ACCOUNT 215 - APPROPRIATED RETAINED EARNINGS	-
TOTAL	\$15,229

INSTRUCTIONS: Give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owed or net loss remaining from servicing nonassociated per the General Instructions of the Uniform Systems of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentage, amount of dividend, date declared and date paid.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	NET INCOME OR (LOSS)	DIVIDENDS PAID	BALANCE AT CLOSE OF YEAR
	(Thousands of Dollars)			
ACCOUNT 216-UNAPPROPRIATED RETAINED EARNINGS	\$438	\$413	-	\$851
TOTAL	\$438	\$413	-	\$851

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE XII

LONG-TERM DEBT

INSTRUCTIONS: Advances from associate companies should be reported separately for advances on notes, and advances on open account. Names of associate companies from which advances were received shall be shown under the class and series of obligation column. For Account 224 -- Other long-term debt provide the name of creditor company or organization, terms of obligation, date of maturity, interest rate, and the amount authorized and outstanding.

NAME OF CREDITOR	TERMS OF OBLIG. CLASS & SERIES OF OBLIGATION	DATE OF MATURITY	INTEREST RATE	AMOUNT AUTHORIZED	BALANCE	DEDUCTIONS (1)	BALANCE
					AT BEGINNING OF YEAR		AT CLOSE OF YEAR
(Thousands of Dollars)							
ACCOUNT 223-ADVANCES FROM ASSOCIATE COMPANIES:					NONE		
ACCOUNT 224-OTHER LONG-TERM DEBT:							
TOTAL OTHER LONG-TERM DEBT					NONE		

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE XIII - CURRENT AND ACCRUED LIABILITIES

INSTRUCTIONS: Provide balance of notes and accounts payable to each associate company. Give description and amount of miscellaneous current and accrued liabilities. Items less than \$10,000 may be grouped, showing the number of items in each group.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
(Thousands of Dollars)		
ACCOUNT 233 - NOTES PAYABLE TO ASSOCIATE COMPANIES		
Northeast Utilities System Money Pool	\$ -	\$ -
TOTAL	\$ -	\$ -
ACCOUNT 234 - ACCOUNTS PAYABLE TO ASSOCIATE COMPANIES		
The Connecticut Light and Power Company	\$ (204)	\$ -
Western Massachusetts Electric Company	45	-
Northeast Utilities Service Company	9,644	5,575
Northeast Utilities	160	-
Public Service Company of New Hampshire	-	-
North Atlantic Energy Service Corporation	1	-
Northeast Generation Services Company	6,635	-
TOTAL	\$ 16,281	\$ 5,575
ACCOUNT 242 - MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES		
Millstone 3 Funding Liability	\$ 30,717	\$ 1,057
Pension Cost	76,969	49,440
Employee Stock Option Plan Accrual	386	-
Performance Reward Program	19,185	20
Payroll Accrual	4,403	(13)
Severance Accrual	(1,176)	-
Miscellaneous (3 items in 2001 and 6 items in 2000)	(10)	17
TOTAL	\$ 130,474	\$ 50,521

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

INSTRUCTIONS: The space below is provided for important notes regarding the financial statements or any account thereof. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Northeast Nuclear Energy Company (NNECO or the company) is a wholly owned subsidiary of Northeast Utilities (NU). The Connecticut Light and Power Company (CL&P), Public Service Company of New Hampshire (PSNH), Western Massachusetts Electric Company (WMECO), North Atlantic Energy Corporation, Holyoke Water Power Company, and Yankee Energy System, Inc. are the operating companies comprising the Northeast Utilities system (NU system) and are wholly owned by NU.

On March 31, 2001, CL&P and WMECO consummated the sale of Millstone 1 and 2 to a subsidiary of Dominion Resources, Inc., Dominion Nuclear Connecticut, Inc. (DNCl). CL&P, PSNH and WMECO sold their ownership interests in Millstone 3 to DNCl. This sale included all of the respective joint ownership interests of CL&P, PSNH and WMECO in Millstone 3. The NU system received approximately \$1.2 billion of cash proceeds from the sale and applied the proceeds to taxes and reductions of debt and equity at CL&P, PSNH and WMECO. As part of the sale, DNCl assumed responsibility for decommissioning the three Millstone units.

Prior to March 31, 2001, NNECO acted as agent for the NU system companies and other New England utilities in operating the Millstone nuclear units. Until that date, the costs of the nuclear units were recorded by CL&P, PSNH, WMECO, and the unaffiliated utilities based on their proportionate ownership shares.

Several wholly owned subsidiaries of NU provide support services for the NU system companies and, in some cases, for other New England utilities. Northeast Utilities Service Company (NUSCO) provides centralized accounting, administrative, engineering, financial, information resources, legal, operational, planning, purchasing, and other services to the NU system companies. North Atlantic Energy Service Corporation has operational responsibility of the Seabrook Station nuclear unit.

All transactions among affiliated companies are on a recovery of cost basis which may include amounts representing a return on equity and are subject to approval by various federal and state regulatory agencies.

Public Utility Regulation

NU is registered with the Securities and Exchange Commission as a holding company under the Public Utility Holding Company Act of 1935 (1935 Act) and NU and its subsidiaries, including NNECO, are subject to the provisions of the 1935 Act.

Depreciation

The provision for depreciation was calculated using the straight-line method based on the estimated useful remaining lives of depreciable utility plant-in-service, adjusted for salvage value and removal costs, as approved by the appropriate regulatory agency where applicable. Depreciation rates were applied to plant-in-service from the time they were placed in service. When plant is retired from service, the original cost of plant, including costs of removal less salvage, is charged to the accumulated provision for depreciation.

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

Revenues

The company provided services to the affiliated utility companies on the basis of recovery of cost plus return on capital, as defined under the terms of agreements, which have been approved by various federal and state regulatory commissions having jurisdiction over operations of the company and the affiliated utility companies.

2. SHORT-TERM DEBT

Certain subsidiaries of NU, including NNECO, are members of the Northeast Utilities System Money Pool (Pool). The Pool provides a more efficient use of the cash resources of the NU system and reduces outside short-term borrowings. NUSCO administers the Pool as agent for the member companies. Short-term borrowing needs of the member companies are first met with available funds of other member companies, including funds borrowed by NU parent. NU parent may lend to the Pool but may not borrow. Funds may be withdrawn from or repaid to the Pool at any time without prior notice. Investing and borrowing subsidiaries receive or pay interest based on the average daily federal funds rate. Borrowings based on loans from NU parent, however, bear interest at NU parent's cost and must be repaid based upon the terms of NU parent's original borrowing. At December 31, 2001 and 2000, NNECO had \$56.9 million in lendings to and no borrowings from or lendings to the Pool, respectively. The interest rate on lendings to the Pool at December 31, 2001, was 1.5 percent.

3. LEASES

Prior to March 31, 2001, the company entered into lease agreements with two unaffiliated third parties for the use of nuclear control room simulators for Millstone 2 and CL&P's and WMECO's share of the simulator for Millstone 3. In addition, the company's affiliates entered into lease agreements, some of which are capital leases, for the use of data processing and office equipment, vehicles, and office space. NNECO was billed for its proportionate share of these leases through the intercompany billing system. In conjunction with the sale of the Millstone units, these lease agreements were either transferred to DNCI or terminated.

Capital lease rental payments charged to operating expense were \$0.9 million through March 31, 2001, and \$2.8 million in 2000. Interest included in capital lease rental payments was \$0.02 million through March 31, 2001, and \$0.3 million in 2000. Operating lease rental payments charged to expense were \$0.06 million through March 31, 2001, and \$2.3 million in 2000.

4. PENSION BENEFITS AND POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

The NU system companies, including NNECO, participate in a uniform noncontributory defined benefit retirement plan covering substantially all regular NU system employees. Benefits are based on years of service and the employees' highest eligible compensation during 60 consecutive months of employment. NNECO's portion of the NU system's total pension credit, part of which was credited to utility plant, was \$53.6 million in 2001. NNECO's portion of the NU system's total pension cost, part of which was charged to utility plant, was \$8.9 million in 2000.

Currently, NNECO's policy is to annually fund an amount at least equal to that which will satisfy the requirements of the Employee Retirement Income Security Act and the Internal Revenue Code.

The NU system companies, including NNECO, also provide certain health care benefits, primarily medical and dental, and life insurance benefits through a benefit plan to retired employees. These benefits are available for employees retiring from the NU system who have met specified service requirements. For current employees and certain retirees, the total benefit is limited to two times the 1993 per retiree health care cost. These costs are charged to expense over the estimated work life of the employee. The NU

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

system companies annually fund postretirement costs through external trusts with amounts that have been rate-recovered and which also are tax deductible.

Pension and trust assets are invested primarily in domestic and international equity securities and bonds.

The following table represents information on the plans' benefit obligation, fair value of plan assets, and the respective plans' funded status:

(Millions of Dollars)	At December 31,			
	Pension Benefits		Postretirement Benefits	
	2001	2000	2001	2000
Change in benefit obligation				
Benefit obligation				
at beginning of year.....	\$(199.9)	\$(190.0)	\$(25.7)	\$(22.4)
Service cost.....	(2.3)	(8.9)	(0.4)	(1.5)
Interest cost.....	(10.7)	(14.4)	(1.8)	(1.9)
Transfers.....	0.2	(6.5)	-	-
Actuarial loss.....	(8.2)	(0.9)	(11.3)	(1.6)
Benefits paid.....	39.3	20.8	2.1	1.7
Settlements and other.....	37.0	-	11.9	-
Benefit obligation				
at end of year.....	\$(144.6)	\$(199.9)	\$(25.2)	\$(25.7)
Change in plan assets				
Fair value of plan assets				
at beginning of year.....	\$137.4	\$152.2	\$15.7	\$14.5
Actual return on plan assets.....	(5.4)	(0.5)	(1.9)	0.8
Employer contribution.....	-	-	-	2.1
Transfers.....	(0.2)	6.5	-	-
Benefits paid.....	(39.3)	(20.8)	(2.1)	(1.7)
Fair value of plan assets				
at end of year.....	\$92.5	\$137.4	\$11.7	\$15.7
Funded status at December 31.....	\$(52.1)	\$(62.5)	(13.5)	\$(10.0)
Unrecognized transition				
(asset)/obligation.....	(0.8)	(1.1)	-	3.3
Unrecognized prior service cost.....	-	9.3	-	-
Unrecognized net loss/(gain).....	3.5	(22.7)	4.9	6.7
Accrued benefit cost.....	\$(49.4)	\$(77.0)	\$(8.6)	\$-

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

	At December 31,			
	Pension Benefits		Postretirement Benefits	
	2001	2000	2001	2000
Discount rate.....	7.25%	7.50%	7.25%	7.50%
Compensation/progression rate.....	4.25	4.50	4.25	4.50
Health care cost trend rate (a).....	N/A	N/A	11.00	5.26

(a) The annual per capita cost of covered health care benefits was assumed to decrease to 5.00 percent by 2007.

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

The components of net periodic benefit (credit)/cost are:

(Millions of Dollars)	For the Years Ended December 31,			
	Pension Benefits		Postretirement Benefits	
	2001	2000	2001	2000
Service cost.....	\$ 2.3	\$ 8.9	\$ 0.4	\$ 1.5
Interest cost.....	10.7	14.4	1.8	1.9
Expected return on plan assets.....	(11.4)	(13.0)	(1.4)	(1.2)
Amortization of unrecognized net transition (asset)/obligation	(0.2)	(0.1)	0.1	0.3
Amortization of prior service cost.....	-	0.8	-	-
Amortization of actuarial gain.....	(1.9)	(2.1)	-	-
Other amortization, net.....	-	-	0.2	(0.4)
Settlements and other	(53.1)	-	3.3	-
Net periodic benefit (credit)/cost .	\$(53.6)	\$ 8.9	\$ 4.4	\$ 2.1

For calculating pension and postretirement benefit costs, the following assumptions were used:

	For the Years Ended December 31,			
	Pension Benefits		Postretirement Benefits	
	2001	2000	2001	2000
Discount rate	7.50%	7.75%	7.50%	7.75%
Expected long-term rate of return	9.50	9.50	N/A	N/A
Compensation/progression rate.....	4.50	4.75	4.50	4.75
Long-term rate of return -				
Health assets, net of tax.....	N/A	N/A	7.50	7.50
Life assets	N/A	N/A	9.50	9.50

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 in each year would have the following effects:

(Millions of Dollars)	One Percentage Point Increase	One Percentage Point Decrease
Effect on total service and interest cost components	\$0.1	\$(0.1)
Effect on postretirement benefit obligation	\$0.2	\$(0.2)

The trust holding the health plan assets is subject to federal income taxes.

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

FOR THE YEAR ENDED DECEMBER 31, 2001

SCHEDULE XV

COMPARATIVE INCOME STATEMENT

ACCOUNT	DESCRIPTION	2001	2000
(Thousands of Dollars)			
INCOME			
457	Services rendered to associate companies	\$ 97,479	\$ 280,596
458	Services rendered to nonassociate companies	29,270	51,379
421	Miscellaneous income or loss	239	1,211
	Total Income	\$ 126,988	\$ 333,186
EXPENSE			
Nuclear Power Expenses			
517	Operation Supervision and Engineering	\$ 13,381	\$ 46,801
519	Coolants and Water	1,586	4,587
520	Steam Expenses	9,355	25,244
523	Electric Expenses	(195)	109
524	Miscellaneous Nuclear Power Expenses	18,037	71,654
525	Rents	691	3,995
528	Maintenance Supervision and Engineering	7,106	28,717
529	Maintenance of Structures	3,861	14,780
530	Maintenance of Reactor Plant Equipment	34,776	33,491
531	Maintenance of Electric Plant	5,145	29,112
532	Maintenance of Miscellaneous Nuclear Plant	120	1,272
Transmission Expenses			
560	Operation Supervision and Engineering	-	-
562	Station Expenses	339	1,365
566	Miscellaneous Transmission Expenses	-	-
568	Maintenance Supervision and Engineering	-	-
569	Maintenance of Structures	-	-
570	Maintenance of Station Equipment	-	-
Administrative and General Expenses			
920	Salaries and wages	5,925	15,187
921	Office supplies and expenses	909	3,219
922	Administrative expense transferred-credit	-	-
923	Outside services employed	919	13,016
924	Property insurance	(4,763)	(1,511)
925	Injuries and damages	(371)	1,938
926	Employee pensions and benefits	23,921	21,261
928	Regulatory commission expense	9	43
930.1	General advertising expenses	-	-
930.2	Miscellaneous general expenses	(11)	388
931	Rents	574	2,492
935	Maintenance of structures and equipment	46	172
All other expenses			
403	Depreciation and amortization expense	206	1,119
408	Taxes other than income taxes	5,588	11,288
409	Income taxes	(5,105)	2,354
410	Provision for deferred income taxes	10,891	8,785
411.5	Provision for deferred income taxes-credit	(7,424)	(13,096)
411.6	Investment tax credit	(16)	(65)
426.1	Donations	96	27
426.5	Other deductions	526	620
427	Interest on long-term debt	98	546
430	Interest on debt to associate companies	114	1,592
431	Other interest expense	241	935
	Total Expense	126,575	331,437
	Net Income	\$ 413	\$ 1,749

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

ANALYSIS OF BILLING

ASSOCIATE COMPANIES
ACCOUNT 457

NAME OF ASSOCIATE COMPANY	DIRECT COSTS CHARGED	INDIRECT COSTS CHARGED	COMPENSATION FOR USE OF CAPITAL	TOTAL AMOUNT BILLED
	(Thousands of Dollars)			
	457-1	457-2	457-3	
The Connecticut Light and Power Company	\$ 79,806	\$	\$ 1,750	\$ 81,556
Western Massachusetts Electric Company	13,467		410	13,877
Public Service Company of New Hampshire	2,037		9	2,046
TOTAL	\$ 95,310 =====	\$ - =====	\$ 2,169 =====	\$ 97,479 =====

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

ANALYSIS OF BILLING

NONASSOCIATE COMPANIES
ACCOUNT 458

NAME OF NONASSOCIATE COMPANY	DIRECT COSTS CHARGED	INDIRECT COSTS CHARGED	COMPENSATION FOR USE OF CAPITAL	TOTAL COSTS	EXCESS OR DEFICIENCY	TOTAL AMOUNT BILLED
(Thousands of Dollars)						
	458-1	458-2	458-3		458-4	
Central Maine Power Company	\$ 2,298	\$	\$ 8	\$ 2,306	\$	\$ 2,306
Central Vermont Public Service	1,592		5	1,597		1,597
Montaup Electric Co.	3,639		12	3,651		3,651
New England Power Co.	11,241		38	11,279		11,279
United Illuminating Company	3,384		11	3,395		3,395
Fitchburg Gas & Electric Co.	199		1	200		200
Chicopee Municipal Electric	1,251		4	1,255		1,255
Massachusetts Municipal Wholesale	4,234		15	4,249		4,249
Lyndonville Electric Department	45		-	45		45
Connecticut Municipal Electric Coop	963		3	966		966
Vermont Electric Gen. & Trans.	326		1	327		327
	\$ 29,172	\$ -	\$ 98	\$ 29,270	\$ -	\$ 29,270
	=====	=====	=====	=====	=====	=====

INSTRUCTIONS: Provide a brief description of the services rendered to each nonassociate company:

The Company acts as agent in operating Millstone Unit 3 for the nonassociate companies.

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY
For the Year Ended December 31, 2001

SCHEDULE XVI
ANALYSIS OF CHARGES FOR SERVICE
ASSOCIATE AND NONASSOCIATE COMPANIES

ACCOUNT NUMBER	DESCRIPTION OF ITEMS	ASSOCIATE COMPANY CHARGES			NONASSOCIATE COMPANY CHARGES			TOTAL CHARGES FOR SERVICE		
		DIRECT COST	INDIRECT COST	TOTAL	DIRECT COST	INDIRECT COST	TOTAL	DIRECT COST	INDIRECT COST	TOTAL
(Thousands of Dollars)										
Nuclear Power Expenses										
517	OPERATION SUPERVISION AND ENGINEERING	\$ 10,980	\$ -	\$ 10,980	\$ 2,401	\$ -	\$ 2,401	\$ 13,381	\$ -	\$ 13,381
519	COOLANTS AND WATER	1,289	-	1,289	297	-	297	1,586	-	1,586
520	STEAM EXPENSES	7,465	-	7,465	1,890	-	1,890	9,355	-	9,355
523	ELECTRIC EXPENSES	(157)	-	(157)	(38)	-	(38)	(195)	-	(195)
524	MISCELLANEOUS NUCLEAR POWER EXPENSES	14,780	-	14,780	3,257	-	3,257	18,037	-	18,037
525	RENTS	328	-	328	57	-	57	385	-	385
528	MAINTENANCE SUPERVISION AND ENGINEERING	5,419	-	5,419	1,687	-	1,687	7,106	-	7,106
529	MAINTENANCE OF STRUCTURES	2,993	-	2,993	868	-	868	3,861	-	3,861
530	MAINTENANCE OF REACTOR PLANT EQUIPMENT	24,153	-	24,153	10,623	-	10,623	34,776	-	34,776
531	MAINTENANCE OF ELECTRIC PLANT	3,880	-	3,880	1,265	-	1,265	5,145	-	5,145
532	MAINTENANCE OF MISCELLANEOUS NUCLEAR PLANT	109	-	109	11	-	11	120	-	120
Transmission Expenses										
560	OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-	-	-	-	-
562	STATION EXPENSES	27	-	27	312	-	312	339	-	339
566	MISCELLANEOUS TRANSMISSION EXPENSES	-	-	-	-	-	-	-	-	-
568	MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-	-	-	-	-
569	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	-	-	-
570	MAINTENANCE OF STATION EQUIPMENT	-	-	-	-	-	-	-	-	-
Administrative and General Expenses										
920	SALARIES AND WAGES	5,050	-	5,050	875	-	875	5,925	-	5,925
921	OFFICE SUPPLIES AND EXPENSES	759	-	759	150	-	150	909	-	909
922	ADMINISTRATIVE EXPENSE TRANSFERRED-CREDIT	-	-	-	-	-	-	-	-	-
923	OUTSIDE SERVICES EMPLOYED	759	-	759	160	-	160	919	-	919
924	PROPERTY INSURANCE	(4,154)	-	(4,154)	(609)	-	(609)	(4,763)	-	(4,763)
925	INJURIES AND DAMAGES	(366)	-	(366)	(5)	-	(5)	(371)	-	(371)
926	EMPLOYEE PENSIONS AND BENEFITS	19,110	-	19,110	4,811	-	4,811	23,921	-	23,921
928	REGULATORY COMMISSION EXPENSE	8	-	8	1	-	1	9	-	9
930.1	GENERAL ADVERTISING EXPENSES	-	-	-	-	-	-	-	-	-
930.2	MISCELLANEOUS GENERAL EXPENSES	(10)	-	(10)	(1)	-	(1)	(11)	-	(11)
931	RENTS	477	-	477	97	-	97	574	-	574
935	MAINTENANCE OF STRUCTURES AND EQUIPMENT	39	-	39	7	-	7	46	-	46
All other expenses										
403	DEPRECIATION AND AMORTIZATION EXPENSES	172	-	172	34	-	34	206	-	206
408	TAXES OTHER THAN INCOME TAXES	4,646	-	4,646	942	-	942	5,588	-	5,588
409	INCOME TAXES	(5,105)	-	(5,105)	-	-	-	(5,105)	-	(5,105)
410	PROVISION FOR DEFERRED INCOME TAXES	10,891	-	10,891	-	-	-	10,891	-	10,891
411	PROVISION FOR DEFERRED INCOME TAXES-CREDIT	(7,424)	-	(7,424)	-	-	-	(7,424)	-	(7,424)
411.5	INVESTMENT TAX CREDIT	(16)	-	(16)	-	-	-	(16)	-	(16)
426.1	DONATIONS	80	-	80	16	-	16	96	-	96
426.5	OTHER DEDUCTIONS	441	-	441	85	-	85	526	-	526
427	INTEREST ON LONG-TERM DEBTS	-	-	-	-	-	-	-	-	-
430	INTEREST ON DEBT TO ASSOCIATE COMPANIES	-	-	-	-	-	-	-	-	-
431	OTHER INTEREST EXPENSE	241	-	241	-	-	-	241	-	241
SUBTOTAL EXPENSES =		96,864	-	96,864	29,193	-	29,193	126,057	-	126,057
COMPENSATION FOR USE OF CAPITAL=										
427	INTEREST ON LONG-TERM DEBTS	-	-	98	-	-	-	-	-	98
430	INTEREST ON DEBT TO ASSOCIATE COMPANIES	-	-	114	-	-	-	-	-	114
431	OTHER INTEREST EXPENSE	-	-	-	-	-	-	-	-	-
525	RENTS	-	-	208	-	-	98	-	-	306
TOTAL EXPENSES =				97,284			29,291			126,575
421	MISCELLANEOUS INCOME - CREDIT	(218)	-	(218)	(21)	-	(21)	(239)	-	(239)
NET INCOME				413			-			413
TOTAL COST OF SERVICE =		\$ 96,646	\$ -	\$ 97,479	\$ 29,172	\$ -	\$ 29,270	\$ 125,818	\$ -	\$ 126,749

INSTRUCTION: Total cost of service will equal for associate and nonassociate companies the total amount billed under their separate analysis of billing schedules.

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY
For the Year Ended December 31, 2001

SCHEDULE XVII
SCHEDULE OF EXPENSE DISTRIBUTION BY
DEPARTMENT OR SERVICE FUNCTION

ACCOUNT NUMBER	DESCRIPTION OF ITEMS	TOTAL AMOUNT	OVERHEAD	DEPARTMENT OR SERVICE FUNCTION		
				MILLSTONE UNIT #1	MILLSTONE UNIT #2	MILLSTONE UNIT #3
(Thousands of Dollars)						
Nuclear Power Expenses						
517	OPERATION SUPERVISION AND ENGINEERING	\$ 13,381	\$ -	\$ (11)	\$ 5,817	\$ 7,575
519	COOLANTS AND WATER	1,586	-	-	656	930
520	STEAM EXPENSES	9,355	-	(37)	3,812	5,580
523	ELECTRIC EXPENSES	(195)	-	-	(77)	(118)
524	MISCELLANEOUS NUCLEAR POWER EXPENSES	18,037	-	(29)	8,097	9,969
525	RENTS	691	306	1	194	190
528	MAINTENANCE SUPERVISION AND ENGINEERING	7,106	-	(17)	1,856	5,267
529	MAINTENANCE OF STRUCTURES	3,861	-	9	1,138	2,714
530	MAINTENANCE OF REACTOR PLANT EQUIPMENT	34,776	-	(71)	1,633	33,214
531	MAINTENANCE OF ELECTRIC PLANT	5,145	-	(35)	1,226	3,954
532	MAINTENANCE OF MISCELLANEOUS NUCLEAR PLANT	120	-	14	72	34
Transmission Expenses						
560	OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-
562	STATION EXPENSES	339	-	-	-	-
566	MISCELLANEOUS TRANSMISSION EXPENSES	-	-	-	-	339
568	MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-
569	MAINTENANCE OF STRUCTURES	-	-	-	-	-
570	MAINTENANCE OF STATION EQUIPMENT	-	-	-	-	-
Administrative and General Expenses						
920	SALARIES AND WAGES	5,925	-	16	2,611	3,298
921	OFFICE SUPPLIES AND EXPENSES	909	-	-	425	484
922	ADMINISTRATIVE EXPENSE TRANSFERRED-CREDIT	-	-	-	-	-
923	OUTSIDE SERVICES EMPLOYED	919	-	-	-	-
924	PROPERTY INSURANCE	(4,763)	-	20	571	328
925	INJURIES AND DAMAGES	(371)	-	(1,216)	(1,644)	(1,903)
926	EMPLOYEE PENSIONS AND BENEFITS	23,921	-	(250)	(110)	(11)
928	REGULATORY COMMISSION EXPENSE	9	-	(981)	9,865	15,037
930.1	GENERAL ADVERTISING EXPENSES	-	-	-	4	5
930.2	MISCELLANEOUS GENERAL EXPENSES	(11)	-	-	-	-
931	RENTS	574	-	-	(7)	(4)
935	MAINTENANCE OF STRUCTURES AND EQUIPMENT	46	-	-	270	304
All other expenses						
403	DEPRECIATION AND AMORTIZATION EXPENSES	206	-	-	100	106
408	TAXES OTHER THAN INCOME TAXES	5,588	-	(47)	2,689	2,946
409	INCOME TAXES	(5,105)	-	(2,552)	(2,552)	(1)
410	PROVISION FOR DEFERRED INCOME TAXES	10,891	-	5,445	5,446	-
411	PROVISION FOR DEFERRED INCOME TAXES-CREDIT	(7,424)	-	(3,712)	(3,712)	-
411.5	INVESTMENT TAX CREDIT	(16)	-	(8)	(8)	-
426.1	DONATIONS	96	-	-	45	51
426.5	OTHER DEDUCTIONS	526	-	5	254	267
427	INTEREST ON LONG-TERM DEBTS	98	98	-	-	-
430	INTEREST ON DEBT TO ASSOCIATE COMPANIES	114	114	-	-	-
431	OTHER INTEREST EXPENSE	241	-	-	-	-
	TOTAL EXPENSES =	\$ 126,575	\$ 518	\$ (3,336)	\$ 38,814	\$ 90,579

INSTRUCTIONS: Indicate each department or service function. (See Instruction 01-3 General Structure of Accounting System: Uniform System of Accounts)

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE XVII

KEYS FOR SERVICE FUNCTIONS

KEYS

SERVICE FUNCTION

The individual unit for which NNECO provides service is listed separately on Page 24.

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY
 For the Year Ended December 31, 2001
 DEPARTMENTAL ANALYSIS OF SALARIES

NAME OF DEPARTMENT ----- Indicate each dept. or service function. -----	DEPARTMENTAL SALARY EXPENSE INCLUDED IN AMOUNTS BILLED TO -----				NUMBER OF PERSONNEL END OF YEAR -----
	TOTAL AMOUNT	PARENT COMPANY	OTHER ASSOCIATES	NON ASSOCIATES	
	(Thousands of Dollars)				
MILLSTONE UNIT #1	\$ 413	\$ -	\$ 413	\$ -	-
MILLSTONE UNIT #2	14,174	-	14,174	-	-
MILLSTONE UNIT #3	29,969	-	20,527	9,442	-
	-----	-----	-----	-----	-----
	\$ 44,556	\$ -	\$ 35,114	\$ 9,442	-
	=====	=====	=====	=====	=====

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

OUTSIDE SERVICES EMPLOYED

INSTRUCTIONS: Provide a breakdown by subaccount of outside services employed. If the aggregate amounts paid to any one payee and included within one subaccount is less than \$100,000, only the aggregate number and amount of all such payments included within the subaccount need be shown. Provide a subtotal for each type of service.

FROM WHOM PURCHASED	ADDRESS	RELATIONSHIP "A"-ASSOCIATE "NA"-NON ASSOCIATE	AMOUNT
			(Thousands of Dollars)
ENGINEERING SERVICES			

DUKE ENGINEERING & SERVICES, INC		NA	224
ENERCON SERVICES, INC		NA	100
NORTHEAST GENERATION SERVICES		A	1,085
SCORE, L.L.C.		NA	132
STEVENSON & ASSOCIATES		NA	187
STONE & WEBSTER INC		NA	5,662
WESTINGHOUSE ELECTRIC CO., LLC		NA	111
MISCELLANEOUS (12 PAYEES)		NA	133
TOTAL ENGINEERING SERVICES			7,634
			=====
LEGAL SERVICES			

MISCELLANEOUS (2 PAYEES)		NA	42
TOTAL LEGAL SERVICES			42
			=====
TEMPORARY EMPLOYMENT SERVICES			

THE NUCON GROUP		NA	154
MISCELLANEOUS (1 PAYEE)		NA	3
TOTAL TEMPORARY EMPLOYMENT SERVICES			157
			=====
WATER TREATMENT SERVICES			

IONICS, INC		NA	219
MISCELLANEOUS (1 PAYEE)		NA	66
TOTAL WATER TREATMENT SERVICES			285
			=====

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

OUTSIDE SERVICES EMPLOYED

INSTRUCTIONS: Provide a breakdown by subaccount of outside services employed. If the aggregate amounts paid to any one payee and included within one subaccount is less than \$100,000, only the aggregate number and amount of all such payments included within the subaccount need be shown. Provide a subtotal for each type of service.

FROM WHOM PURCHASED	ADDRESS	RELATIONSHIP "A"-ASSOCIATE "NA"-NON ASSOCIATE	AMOUNT
COMPUTERS SERVICES			
SCIENTECH INC		NA	158
MISCELLANEOUS (3 PAYEES)		NA	87
TOTAL COMPUTER SERVICES			245
OTHER SERVICES			
BARTLETT SUPPORT SERVICES, INC.		NA	197
CALDON, INC.		NA	211
CANNON SLINE, INC.		NA	127
CARLIN CONTRACTING COMPANY INC		NA	1,813
DAY & ZIMMERMANN INTERNATIONAL, INC.		NA	135
DURATEK CHEM-NUCLEAR SYSTEMS		NA	663
ENTERGY OPERATIONS INC		NA	1,113
EXECUTIVE CONSULTING INC		NA	507
GENERAL ELECTRIC COMPANY		NA	205
GLOBAL NUCLEAR FUEL - AMERICA		NA	200
GTS DURATEK		NA	931
HEWITT ASSOCIATES		NA	104
IKON OFFICE SOLUTIONS, INC		NA	400
LEE HECHT HARRISON INC		NA	186
METCALF & EDDY		NA	167
NILSSON & ASSOCIATES, LLC		NA	438
PERFORMANCE ABATEMENT SERVICES		NA	192
PERFORMANCE CONTRACTING INC		NA	1,567
PRICE WATERHOUSE COOPERS LLP		NA	163
STUDSVIK PROCESSING FACILTIY, LLC		NA	253
TRS STAFFING SOLUTIONS INC		NA	177
UNITED STATES NUCLEAR REGULATORY COMMISSION		NA	109
WHITE & CASE, LLP		NA	1,009
MISCELLANEOUS (169 PAYEES)		NA	2,061
TOTAL OTHER SERVICES			12,928
NORTHEAST UTILIITES SERVICE COMPANY (Supplies centralized accounting, administrative, data processing, engineering, financial, legal, operational, planning, purchasing, and other services)			
		A	448
GRAND TOTAL			21,739

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY
For the Year Ended December 31, 2001

OUTSIDE SERVICES EMPLOYED FOR PAYEES GREATER THAN \$100,000

PAYEE NAME	DESCRIPTION OF SERVICES RENDERED
ENGINEERING SERVICES	
DUKE ENGINEERING & SERVICES, INC	ENGINEERING SUPPORT FOR THE MILLSTONE DESIGN ENGINEERING GROUP
ENERCON SERVICES INC	PROVIDE A FINAL SAFETY ANALYSIS REPORT
NORTHEAST GENERATION SERVICES	PROVIDE SUPPORT FOR ANALYSIS OF MILLSTONE WATER INTAKE
SCORE, L.L.C.	PROVIDE ENGINEERING SERVICES
STEVENSON & ASSOCIATES	PROVIDE TRAINING AND SOFTWARE SUPPORT FOR MP3 PASSPORT
STONE & WEBSTER INC	PROVIDE INSTALLATION FOR U2 CHEM FLOORING AND SERVICE TO INSULATE THE 2' COPPER DOMESTIC WATER LINE BETWEEN THE FIRE WATER STORAGE TANKS AND THE FIRE PUMP HOSE
WESTINGHOUSE ELECTRIC CO	PROVIDE SUPPORT FOR ACCUMULATOR CHECK VALVE TESTING AT MILLSTONE 3
TEMPORARY EMPLOYMENT SERVICES	
THE NUCON GROUP	FURNISH TEMPORARY LABOR SERVICES
WATER TREATMENT SERVICES	
IONICS, INC	PROVIDE DEMINERALIZED WATER SERVICE FOR MILLSTONE 2
COMPUTER SERVICES	
SCIENTECH, INC	CONSULTING SERVICES; MP2BOM - PARTS EVALUATION; 2001 RAPID INFORMATION SYS
OTHER SERVICES	
BARTLETT SUPPORT SERVICES, INC	PROVIDE PROFESSIONAL SERVICES FOR SCAFFOLD SUPPORT FOR REFUELING OUTAGE PROJECT
CALDON INC	PROVIDE PROFESSIONAL SERVICES FOR FLOWMETERS
CANNON SLINE, INC	PROVIDE PROFESSIONAL SERVICES FOR UNIT #3 MAIN CONDENSOR A & B (PLASTACOR)
CARLIN CONTRACTING COMPANY INC	PROVIDE CONSTRUCTION SUPPORT, SLMS REPLACEMENT, HVAC PROJECT
DAY & ZIMMERMANN INTERNATIONAL, INC	PROVIDE CONSULTING SERVICES FOR MILLSTONE TRANSITION MANAGEMENT
DURATEK CHEM-NUCLEAR SYSTEMS	PROVIDE BURIAL COSTS
ENTERGY OPERATIONS INC	DECOMMISSION FEES; MONTHLY FEES
EXECUTIVE CONSULTING INC	PROVIDE EXECUTIVE CONSULTING SERVICES
GENERAL ELECTRIC COMPANY	PROVIDE SERVICES FOR THE MERCHANT TRANSMISSION STUDY
GLOBAL NUCLEAR FUEL - AMERICA	PROVIDE SERVICES FOR THE MILLSTONE FUEL ROD ACCOUNTABILITY PROJECT
GTS DURATEK	PROVIDE SERVICES FOR NUCLEAR WASTE DISPOSAL
HEWITT ASSOCIATES	PROVIDE CONSULTING SERVICES FOR THE RETIREMENT DELIVERY REVIEW PROJECT
IKON OFFICE SOLUTIONS INC	PROVIDE COPIER SERVICES
LEE HECHT HARRISON INC	PROVIDE PROFESSIONAL SERVICES
METCALF & EDDY	PROVIDE CONSULTING SERVICES FOR PHASE II & III ENVIRONMENTAL INVESTIGATION
NILSSON & ASSOCIATES, LLC	PROVIDE OUTAGE MANAGEMENT TEAM BUILDING SUPPORT
PERFORMANCE ABATEMENT SERVICES	PROVIDE INSULATION AND ASBESTOS ABATEMENT
PERFORMANCE CONTRACTING INC	PROVIDE SCAFFOLDING SERVICES FROM BARTLETT SUPPORT SERVICES
PRICE WATERHOUSE COOPERS LLP	PROVIDE CONSULTING SERVICES FOR NORTHEAST UTILITIES' STRATEGIC ENVIRONMENTAL PLAN
STUDSVIK PROCESSING FACILITY, LLC	PROVIDE SERVICES FOR NUCLEAR WASTE DISPOSAL
TRS STAFFING SOLUTIONS INC	PROVIDE DECOMMISSIONING SUPPORT
US NUCLEAR REGULATORY COMMISSION	PROVIDE NRC INSPECTIONS
WHITE & CASE, LLP	PROVIDE LEGAL SUPPORT FOR DIVESTITURE

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

EMPLOYEE PENSIONS AND BENEFITS
ACCOUNT 926

INSTRUCTIONS: Provide a listing of each pension plan and benefit program provided by the service company. Such listing should be limited to \$25,000.

DESCRIPTION	AMOUNT
	(Thousands of Dollars)
Pension Plan	\$ 1,721
Supplemental Retirement and Savings Plan	889
Post Retirement Medical Benefit - FAS 106	688
Early Retirement Program	14,056
Group Life, Long-term Disability, Hospital and Medical Insurance Expenses	6,570
Other Employee Benefits Expenses	(3)
TOTAL	\$ 23,921

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

GENERAL ADVERTISING EXPENSES
ACCOUNT 930.1

INSTRUCTIONS: Provide a listing of the amount included in Account 930.1, "General Advertising Expenses," classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class includes an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

DESCRIPTION	NAME OF PAYEE	AMOUNT
-------------	---------------	--------

(Thousands of Dollars)

TOTAL \$ -----

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

MISCELLANEOUS GENERAL EXPENSES
ACCOUNT 930.2

INSTRUCTIONS: Provide a listing of the amount included in Account 930.2, "Miscellaneous General Expenses," classifying such expenses according to their nature. Payments and expenses permitted by Sections 321(b)(2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. 441(b)(2)) shall be separately classified.

DESCRIPTION	AMOUNT
	(Thousands of Dollars)
Services billed from Northeast Utilities Service Company (an associate company)	\$ (22)
Other miscellaneous expenses	11
TOTAL	\$ (11)

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

RENTS

INSTRUCTIONS: Provide a listing of the amount included in "Rents," classifying such expenses by major groupings of proper as defined in the account definition of the Uniform System of Accounts.

----- TYPE OF PROPERTY -----	AMOUNT -----
	(Thousands of Dollars)
Buildings/office space	\$ 19
Computer/office equipment	98
Vehicles	277
Simulator	574
Services billed from Northeast Utilities Service Company (an associate company)	573
TOTAL	\$ 1,541 =====

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

TAXES OTHER THAN INCOME TAXES
ACCOUNT 408

INSTRUCTIONS: Provide an analysis of Account 408, "Taxes Other Than Income Taxes." Separate the analysis into two groups: (1) Other than U.S. Government taxes, and (2) U.S. Government taxes. Specify each of the various kinds of taxes and show the amounts thereof. Provide a subtotal for each class of tax.

KIND OF TAX	AMOUNT
(Thousands of Dollars)	
(1) Other Than U.S. Government Taxes:	
Connecticut Unemployment	\$ 131
Connecticut Insurance Premium Excise Tax	12
Local property	282
Connecticut Sales Tax	11
Miscellaneous (7 items)	4
Sub-Total	\$ 440
(2) U.S. Government Taxes:	
Federal Insurance Contribution Act	\$ 4,067
Medicare Tax	977
Federal Unemployment	104
Sub-Total	5,148
TOTAL	\$ 5,588

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

DONATIONS
ACCOUNT 426.1

INSTRUCTIONS: Provide a listing of the amount included in Account 426.1, "Donations," classifying such expenses by its purpose. The aggregate number and amount of all items of less than \$3,000 may be shown in lieu of details.

NAME OF RECIPIENT	PURPOSE OF DONATION	AMOUNT
		(Thousands of Dollars)
Salvation Army	Charitable contribution	\$ 6
Sea Research Foundation, Inc.	Charitable contribution	90
	TOTAL	\$ 96
		=====

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

OTHER DEDUCTIONS
ACCOUNT 426.5

INSTRUCTIONS: Provide a listing of the amount included in Account 426.5, "Other Deductions," classifying such expenses according to their nature.

DESCRIPTION	NAME OF PAYEE	AMOUNT
		(Thousands of dollars)
Executive incentive compensation plan	Various Officers	\$ 75
Services billed from Northeast Utilities Service Company (an associate company)		443
Communication services	Miscellaneous (8 payees)	8
	TOTAL	\$ 526

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 2001

SCHEDULE XVIII

NOTES TO STATEMENTS OF INCOME

INSTRUCTIONS: The space below is provided for important notes regarding the financial statements of income or any account thereof. Furnish particulars as to any significant increases in services rendered or expenses incurred during the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

See Notes to Financial Statements on pages 19 through 19D.

**Annual Report of Northeast Nuclear Energy Company
Organization Chart (As of December 31, 2001)**

President and Chief Executive Officer- Nuclear

On March 31, 2001, CL&P and WMECO consummated the sale of Millstone 1 and 2 to a subsidiary of Dominion Resources, Inc., Dominion Nuclear Connecticut, Inc. (DNCI). CL&P, PSNH and WMECO sold their ownership interests in Millstone 3 to DNCI.

NORTHEAST NUCLEAR ENERGY COMPANY

METHODS OF ALLOCATION

For the year ended December 31, 2001

During 2001, Millstone Unit 1 was being decommissioned. However, the costs associated with Millstone units 2 and 3 were billed directly or allocated using one of four methods. The allocation methods used through the sale date of March 31, 2001 are as follows:

1. One-third to each unit
2. Number of employees
3. Net capacity of each unit
4. Customized-supported by local management

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY
ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED .

The following annual statement was supplied to each associate company in support of the amount of compensation for use of capital billed during 2001:

In accordance with Instruction 01-12 of the Securities and Exchange Commission's Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies, Northeast Nuclear Energy Company submits the following information on the billing of interest on borrowed funds and a return on equity capital to associated companies for the year 2001:

- (A) Amount of compensation for use of capital billed to (See Note)
- (B) The basis for billing of interest and return on equity capital to the associated companies is based on the percentage ownership of the individual units.

NOTE: For the associate companies and amounts, see "Analysis of Billing - Associate Companies" on page 21.

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

SIGNATURE CLAUSE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935 and the rules and regulations of the Securities and Exchange Commission issued thereunder, the undersigned company has duly caused this report to be signed on its behalf by the undersigned office thereunto duly authorized.

NORTHEAST NUCLEAR ENERGY COMPANY

(Name of Reporting Company)

By: /s/ John P. Stack

(Signature of Signing Officer)

John P. Stack, Vice President - Accounting and Controller

(Printed Name and Title of Signing Officer)

Date: April 24, 2002

Form U-13-60
Mutual and Subsidiary Service Companies
Revised February 7, 1980

ANNUAL REPORT

FOR THE PERIOD

Beginning January 1, 2001 and ending December 31, 2001

TO THE

U.S. SECURITIES AND EXCHANGE COMMISSION

OF

North Atlantic Energy Service Corporation

A Subsidiary Service Company

Date of Incorporation: April 1, 1992

State or Sovereign Power under which Incorporated or Organized: New Hampshire

Location of Principal Executive Offices of Reporting Company:

Route 1, Lafayette Rd., Seabrook, NH, 03874

Name, title and address of officer to whom correspondence concerning this report should be addressed:

John P. Stack V.P. & Controller P.O. Box 270, Hartford, Ct. 06141-0270

Name of Principal Holding Company Whose Subsidiaries are served by Reporting Company:

Northeast Utilities

INSTRUCTIONS FOR USE ON FORM U-13-60

1. TIME OF FILING

Rule 94 provides that on or before the first day of May in each calendar year, each mutual service company and each subsidiary service company as to which the Commission shall have made a favorable finding pursuant to Rule 88, and every service company whose application for approval or declaration pursuant to Rule 88 is pending shall file with the Commission an annual report on Form U-13-60 and in accordance with the instructions for that form.

2. NUMBER OF COPIES

Each annual report shall be filed in duplicate. The company should prepare and retain at least one extra copy for itself in case correspondence with reference to the report becomes necessary.

3. PERIOD COVERED BY REPORT

The first report filed by any company shall cover the period from the date the Uniform System of Accounts was required to be made effective as to that company under Rules 82 and 93 to the end of that calendar year. Subsequent reports should cover a calendar year.

4. REPORT FORMAT

Reports shall be submitted on the forms prepared by the Commission. If the space provided on any sheet of such form is inadequate, additional sheets may be inserted on the same size as a sheet of the form or folded to such size.

5. MONEY AMOUNTS DISPLAYED

All money amounts required to be shown in financial statements may be expressed in whole dollars, in thousands of dollars or hundreds thousands of dollars, as appropriate, and subject to provisions of Regulation S-X (§210.3-0.1(b)).

6. DEFICITS DISPLAYED

Deficits and other like entries shall be indicated by the use of either brackets or a parenthesis with corresponding reference in footnotes. (Regulation S-X (§210.3-0.1(c))).

7. MAJOR AMENDMENTS OR CORRECTIONS

Any company desiring to amend or correct a major omission or error in a report after it has been filed with the Commission shall submit an amended report including only those pages, schedules, and entries that are to be amended or corrected. A cover letter shall be submitted requesting the Commission to incorporate the amended report changes and shall be signed by a duly authorized officer of the company.

8. DEFINITIONS

Definitions contained in Instruction 01-8 to the Uniform System of Accounts for Mutual Service Companies and Subsidiary Companies, Public Utility Holding Company Act of 1935, as amended by February 2, 1979 shall be applicable to words or terms used specifically within this Form U-13-60.

9. ORGANIZATION CHART

The service company shall submit with each annual report a copy of its current organization chart.

10. METHODS OF ALLOCATION

The service company shall submit with each annual report a listing of the currently effective methods of allocation being used by the service company and on file with the Securities and Exchange Commission pursuant to the Public Utility Holding Company Act of 1935.

11. ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED

The service company shall submit with each annual report a copy of the annual statement supplied to each associate company in support of the amount of compensation for use in capital billed during the calendar year.

LISTING OF SCHEDULES AND ANALYSIS OF ACCOUNTS

<u>Description of Schedules and Accounts</u>	<u>Schedule or Acct. No.</u>	<u>Page No.</u>
COMPARATIVE BALANCE SHEET	Schedule I	4-5
SERVICE COMPANY PROPERTY	Schedule II	6-7
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF SERVICE COMPANY	Schedule III	8
INVESTMENTS	Schedule IV	9
ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES	Schedule V	10
FUEL STOCK EXPENSES UNDISTRIBUTED	Schedule VI	11
STORES EXPENSE UNDISTRIBUTED	Schedule VII	12
MISCELLANEOUS CURRENT AND ACCRUED ASSETS	Schedule VIII	13
MISCELLANEOUS DEFERRED DEBITS	Schedule IX	14
RESEARCH, DEVELOPMENT, OR DEMONSTRATION EXPENDITURES	Schedule X	15
PROPRIETARY CAPITAL	Schedule XI	16
LONG-TERM DEBT	Schedule XII	17
CURRENT AND ACCRUED LIABILITIES	Schedule XIII	18
NOTES TO FINANCIAL STATEMENTS	Schedule XIV	19
COMPARATIVE INCOME STATEMENT	Schedule XV	20
ANALYSIS OF BILLING - ASSOCIATE COMPANIES	Account 457	21
ANALYSIS OF BILLING - NONASSOCIATE COMPANIES	Account 458	22
ANALYSIS OF CHARGES FOR SERVICE - ASSOCIATE AND NONASSOCIATE COMPANIES	Schedule XVI	23
SCHEDULE OF EXPENSE BY DEPARTMENT OR SERVICE FUNCTION	Schedule XVII	24-25
DEPARTMENTAL ANALYSIS OF SALARIES	Account 920	26
OUTSIDE SERVICES EMPLOYED	Account 923	27
EMPLOYEE PENSIONS AND BENEFITS	Account 926	28
GENERAL ADVERTISING EXPENSES	Account 930.1	29
MISCELLANEOUS GENERAL EXPENSES	Account 930.2	30
RENTS	Account 931	31
TAXES OTHER THAN INCOME TAXES	Account 408	32
DONATIONS	Account 426.1	33
OTHER DEDUCTIONS	Account 426.5	34
NOTES TO STATEMENT OF INCOME	Schedule XVIII	35

LISTING OF INSTRUCTIONAL FILING REQUIREMENTS

<u>Description of Reports or Statements</u>	<u>Page No.</u>
ORGANIZATION CHART	36
METHODS OF ALLOCATION	37
ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED	38
ELECTRIC POWER BROKERING AND MARKETING ACTIVITIES	38A
SIGNATURE PAGE	39

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

SCHEDULE I - COMPARATIVE BALANCE SHEET

Give balance sheet of the Company as of December 31 of the current and prior year.

ACCOUNT	ASSETS AND OTHER DEBITS	AS OF DECEMBER 31	
		2001 (Thousands of Dollars)	2000
	<u>SERVICE COMPANY PROPERTY</u>		
101	Service company property (Schedule II)	\$ -	\$ -
107	Construction work in progress (Schedule II)	-	-
	Total Property	-	-
108	Less accumulated provision for depreciation and amortization of service company property (Schedule III)	-	-
	Net Service Company Property	-	-
	<u>INVESTMENTS</u>		
123	Investments in associate companies (Schedule IV)	-	-
124	Other investments (Schedule IV)	-	-
	Total Investments	-	-
	<u>CURRENT AND ACCRUED ASSETS</u>		
131	Cash	2,187	3,078
134	Special deposits	-	-
135	Working funds	-	-
136	Temporary cash investments (Schedule IV)	17	17
141	Notes receivable	-	-
143	Accounts receivable	27,245	25,586
144	Accumulated provision of uncollectible accounts	-	-
146	Accounts receivable from associate companies (Schedule V)	43	147
152	Fuel stock expenses undistributed (Schedule VI)	-	-
154	Materials and supplies	-	-
163	Stores expense undistributed (Schedule VII)	13	35
165	Prepayments	1,082	1,058
174	Miscellaneous current and accrued assets (Schedule VIII)	-	-
	Total Current and Accrued Assets	30,587	29,921
	<u>DEFERRED DEBITS</u>		
181	Unamortized debt expense	-	-
184	Clearing accounts	-	-
186	Miscellaneous deferred debits (Schedule IX)	38,370	35,248
188	Research, development, or demonstration expenditures (Schedule X)	-	-
189	Unamortized loss on reacquired debt	-	-
190	Accumulated deferred income taxes	353	-
	Total Deferred Debits	38,723	35,248
	TOTAL ASSETS AND OTHER DEBITS	\$ 69,310	\$ 65,169

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

SCHEDULE I - COMPARATIVE BALANCE SHEET

Give balance sheet of the Company as of December 31 of the current and prior year.

ACCOUNT	LIABILITIES AND PROPRIETARY CAPITAL	AS OF DECEMBER 31	
		2001 (Thousands of Dollars)	2000
	<u>PROPRIETARY CAPITAL</u>		
201	Common stock issued (Schedule XI)	\$ 1	\$ 1
211	Miscellaneous paid-in-capital (Schedule XI)	9	9
215	Appropriated retained earnings (Schedule XI)	-	-
216	Unappropriated retained earnings (Schedule XI)	4	3
	Total Proprietary Capital	14	13
	<u>LONG-TERM DEBT</u>		
223	Advances from associate companies (Schedule XII)	-	-
224	Other long-term debt (Schedule XII)	-	-
225	Unamortized premium on long-term debt	-	-
226	Unamortized discount on long-term debt-debit	-	-
	Total Long-Term Debt	-	-
	<u>CURRENT AND ACCRUED LIABILITIES</u>		
231	Notes payable	-	-
232	Accounts payable	15,718	18,946
233	Notes payable to associate companies (Schedule XIII)	-	-
234	Accounts payable to associate companies (Schedule XIII)	6,103	2,478
236	Taxes accrued	-	481
237	Interest accrued	-	-
238	Dividends declared	-	-
241	Tax collections payable	-	-
242	Miscellaneous current and accrued liabilities (Schedule XIII)	43,271	38,626
	Total Current and Accrued Liabilities	65,092	60,531
	<u>DEFERRED CREDITS</u>		
253	Other deferred credits	4,204	4,390
255	Accumulated deferred investment tax credits	-	-
	Total Deferred Credits	4,204	4,390
282	<u>ACCUMULATED DEFERRED INCOME TAXES</u>	-	235
	<u>TOTAL LIABILITIES AND PROPRIETARY CAPITAL</u>	\$ 69,310	\$ 65,169

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE II - SERVICE COMPANY PROPERTY

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	ADDITIONS	RETIREMENTS OR SALES	OTHER CHANGES (1)	BALANCE AT CLOSE OF YEAR
(Thousands of Dollars)					
SERVICE COMPANY PROPERTY					

Account					
301	ORGANIZATION				
303	MISCELLANEOUS INTANGIBLE PLANT				
304	LAND AND LAND RIGHTS				
305	STRUCTURES AND IMPROVEMENTS				
306	LEASEHOLD IMPROVEMENTS				
307	EQUIPMENT (2)				
308	OFFICE FURNITURE AND EQUIPMENT				
309	AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT		NONE		
310	AIRCRAFT AND AIRPORT EQUIPMENT				
311	OTHER SERVICE COMPANY PROPERTY (3)				

(1) PROVIDE AN EXPLANATION OF THOSE CHANGES CONSIDERED MATERIAL:

NONE

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE II - CONTINUED

(2) SUBACCOUNTS ARE REQUIRED FOR EACH CLASS OF EQUIPMENT OWNED. THE SERVICE COMPANY SHALL PROVIDE A LISTING BY SUBACCOUNT OF EQUIPMENT ADDITIONS DURING THE YEAR AND THE BALANCE AT THE CLOSE OF THE YEAR:

SUBACCOUNT DESCRIPTION	ADDITIONS	OF YEAR
	(Thousands of Dollars)	

NONE

(3) DESCRIBE OTHER SERVICE COMPANY PROPERTY:

NONE

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE III

ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF SERVICE COMPANY PROPERTY

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	ADDITIONS CHARGED TO ACCT 403	RETIREMENTS	OTHER CHANGES ADD (DEDUCT) ^{1/}	BALANCE AT CLOSE OF YEAR
(Thousands of Dollars)					
Account					
301 ORGANIZATION					
303 MISCELLANEOUS INTANGIBLE PLANT					
304 LAND AND LAND RIGHTS					
305 STRUCTURES AND IMPROVEMENTS					
306 LEASEHOLD IMPROVEMENTS					
307 EQUIPMENT					
308 OFFICE FURNITURE AND FIXTURES			NONE		
309 AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT					
310 AIRCRAFT AND AIRPORT EQUIPMENT					
311 OTHER SERVICE COMPANY PROPERTY					
AMORTIZATION OF SERVICE COMPANY PROPERTY					

(1) PROVIDE AN EXPLANATION OF THOSE CHANGES CONSIDERED MATERIAL:

NONE

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE IV - INVESTMENTS

INSTRUCTIONS: Complete the following schedule concerning investments.

Under Account 124, "Other Investments," state each investment separately, with description, including the name of issuing company, number of shares or principal amount, etc.

Under Account 136, "Temporary Cash Investments," list each investment separately.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
ACCOUNT 123 - INVESTMENT IN ASSOCIATE COMPANIES	\$ -	\$ -
ACCOUNT 124 - OTHER INVESTMENTS	-	-
ACCOUNT 136 - TEMPORARY CASH INVESTMENTS		
Fidelity Institute Tax Exempt Cash Portfolio	13	13
Citizens Bank Certificate of Deposit	4	4
TOTAL	\$ 17	\$ 17

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE V - ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES

INSTRUCTIONS: Complete the following schedule listing accounts receivable from each associate company. Where the service company has provided accommodation or convenience payments for associate companies, a separate listing of total payments for each associate company by subaccount should be provided.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
(Thousands of Dollars)		
ACCOUNT 146 - ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES		
Northeast Utilities Service Company	\$ 6	\$ -
Northeast Nuclear Energy Company	1	1
North Atlantic Energy Company	127	37
Public Service Company of New Hampshire	(4)	1
The Connecticut Light and Power Company	17	4
TOTAL	\$ 147	\$ 43

ANALYSIS OF CONVENIENCE OR ACCOMMODATION PAYMENTS:

NONE

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE VI - FUEL STOCK EXPENSES UNDISTRIBUTED

INSTRUCTIONS: Report the amount of labor and expenses incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associate company. Under the section headed "Summary" listed below, give an overall report of the fuel functions performed by the service company.

DESCRIPTION	LABOR	EXPENSES	TOTAL
(Thousands of Dollars)			
ACCOUNT 152 - FUEL STOCK EXPENSES UNDISTRIBUTED		NONE	

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE VII - STORES EXPENSE UNDISTRIBUTED

INSTRUCTIONS: Report the amount of labor and expenses incurred with respect to stores expense during the year and indicate amount attributable to each associate company.

DESCRIPTION	LABOR	EXPENSES	TOTAL
(Thousands of Dollars)			
ACCOUNT 163 - STORES EXPENSE UNDISTRIBUTED			
Balance at prior year end	\$ 26	\$ 9	\$ 35
Amount incurred during the year	2,411	270	2,681
The above stores expenses are billed back to each of the companies listed below:			
Associate Companies			
The Connecticut Light & Power Company	(97)	(13)	(110)
North Atlantic Energy Corporation	(873)	(100)	(973)
Nonassociate Companies	(1,456)	(164)	(1,620)
	-----	-----	-----
TOTAL	\$ 11	\$ 2	\$ 13
	=====	=====	=====

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE VIII

MISCELLANEOUS CURRENT AND ACCRUED ASSETS

INSTRUCTIONS: Provide detail of items in this account. Items less than \$10,000 may be grouped, showing the number of items in each group.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
	(Thousands of Dollars)	
ACCOUNT 174 - MISCELLANEOUS CURRENT AND ACCRUED ASSETS		NONE

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE IX

MISCELLANEOUS DEFERRED DEBITS

INSTRUCTIONS: Provide detail of items in this account. Items less than \$10,000 may be grouped, showing the number of items in each group.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
(Thousands of Dollars)		
ACCOUNT 186 - MISCELLANEOUS DEFERRED DEBITS		
Noncurrent receivable from Joint Owner funding	\$ 33,767	\$ 36,632
Fairbanks Morse Diesel Settlement	-	350
Westinghouse Reactor Coolant Pump Settlement	429	266
Accounting Treatment Change for Payroll	239	209
Engineering & Supervision Overheads	43	29
Allocable Performance Pay	90	63
Miscellaneous (2 items)	-	1
Preliminary Engineering for:		
Station Support Building	581	581
Third Diesel Generator	-	115
CAP System Enhancements	67	67
Steam Generator Blowdown	30	30
Waste Gas System Mod	-	20
Miscellaneous (4 items)	2	7
TOTAL	\$ 35,248	\$ 38,370

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE X

RESEARCH, DEVELOPMENT, OR DEMONSTRATION EXPENDITURES

INSTRUCTIONS: Provide a description of each material research, development, or demonstration project which incurred costs by the service corporation during the year.

DESCRIPTION	AMOUNT
	(Thousands of Dollars)
ACCOUNT 188 - RESEARCH, DEVELOPMENT OR DEMONSTRATION EXPENDITURES	NONE

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE XI

PROPRIETARY CAPITAL

ACCOUNT NUMBER	CLASS OF STOCK	NUMBER OF SHARES AUTHORIZED	PAR OR STATED VALUE PER SHARE	OUTSTANDING NO. OF SHARES	CLOSE OF PERIOD TOTAL AMOUNT
201	COMMON STOCK ISSUED	1,000	\$1	1,000	(Thousands of Dollars) \$1

INSTRUCTIONS: Classify amounts in each account with brief explanation, disclosing the general nature of transactions which give rise to the reported amounts.

DESCRIPTION	AMOUNT
	(Thousands of Dollars)
ACCOUNT 211 - MISCELLANEOUS PAID-IN-CAPITAL	\$9
ACCOUNT 215 - APPROPRIATED RETAINED EARNINGS	-
TOTAL	\$9

INSTRUCTIONS: Give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owed or net loss remaining from servicing nonassociated per the General Instructions of the Uniform Systems of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentage, amount of dividend, date declared and date paid.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	NET INCOME OR (LOSS)	DIVIDENDS PAID	BALANCE AT CLOSE OF YEAR
	(Thousands of Dollars)			
ACCOUNT 216-UNAPPROPRIATED RETAINED EARNINGS	\$3	\$1	-	\$4
TOTAL	\$3	\$1	-	\$4

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE XII

LONG-TERM DEBT

INSTRUCTIONS: Advances from associate companies should be reported separately for advances on notes, and advances on open account. Names of associate companies from which advances were received shall be shown under the class and series of obligation column. For Account 224 -- Other long-term debt provide the name of creditor company or organization, terms of obligation, date of maturity, interest rate, and the amount authorized and outstanding.

NAME OF CREDITOR	TERMS OF OBLIG. CLASS & SERIES OF OBLIGATION	DATE OF MATURITY	INTEREST RATE	AMOUNT AUTHORIZED	BALANCE	DEDUCTIONS(1) ADDITIONS (1)	BALANCE
					AT BEGINNING OF YEAR		AT CLOSE OF YEAR
(Thousands of Dollars)							
ACCOUNT 223-ADVANCES FROM ASSOCIATE COMPANIES:					NONE		
ACCOUNT 224-OTHER LONG-TERM DEBT:							
TOTAL OTHER LONG-TERM DEBT					NONE		

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE XIII - CURRENT AND ACCRUED LIABILITIES

INSTRUCTIONS: Provide balance of notes and accounts payable to each associate company. Give description and amount of miscellaneous current and accrued liabilities. Items less than \$10,000 may be grouped, showing the number of items in each group.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
-------------	------------------------------------	--------------------------------

(Thousands of Dollars)

ACCOUNT 233 - NOTES PAYABLE TO ASSOCIATE COMPANIES

NONE

ACCOUNT 234 - ACCOUNTS PAYABLE TO ASSOCIATE COMPANIES

Northeast Utilities Service Company	\$ 2,293	\$ 6,073
Northeast Nuclear Electric Company	59	-
Northeast Generation Service Company	74	14
Public Service Company of New Hampshire	52	16
TOTAL	\$ 2,478	\$ 6,103

ACCOUNT 242 - MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES

Accrued payroll and other employee payables	\$ 3,673	\$ 6,609
Accrued Pension Cost	31,893	35,108
On-hand operations funding from associate companies:		
North Atlantic Energy Corporation	1,101	559
The Connecticut Light & Power Company	124	63
On-hand operations funding from non-associate companies	1,835	932
TOTAL	\$ 38,626	\$ 43,271

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

INSTRUCTIONS: The space below is provided for important notes regarding the financial statements or any account thereof. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: North Atlantic Energy Service Corporation (the Company or NAESCO) is a wholly owned subsidiary of Northeast Utilities (NU). The Connecticut Light and Power Company (CL&P), Public Service Company of New Hampshire (PSNH), and North Atlantic Energy Corporation (NAEC) are electric production and distribution operating subsidiaries which comprise, in part, the Northeast Utilities System (the NU system) and are wholly owned by NU.

NAEC sells all of its entitlement to the capacity and output of the Seabrook Nuclear Power Project (the Project or Seabrook) to PSNH under two life-of-unit, full cost recovery contracts. In addition to its retail service, the NU system furnishes firm and other wholesale electric services to various municipalities and other utilities, and participates in limited retail access programs, which provide off-system retail electric service.

The Company acts as agent in operating the Project pursuant to the Seabrook Project Managing Agent Operating Agreement (the Managing Agent Agreement) and the Seabrook Project Disbursing Agent Agreement (the Disbursing Agent Agreement). The Project is owned jointly by NAEC, CL&P and nine non-affiliated New England utility companies as tenants in common with undivided interests (the Seabrook Joint Owners). The cost of the Project is recorded on the books of the Seabrook Joint Owners based upon their proportionate ownership share of the Project. The Company does not have an ownership interest in the Project. The Company is only liable for payroll related expenditures and liabilities. The Seabrook Joint Owners are severally responsible for their respective share of the costs of operating and maintaining the Project. This funding is provided to the Company in advance of such costs being incurred.

Ownership percentages of the Project as of December 31, 2001 were as follows:

<u>PARTICIPANTS</u>	<u>OWNERSHIP SHARE</u>
Canal Electric Company	3.52317%
Great Bay Power Corporation	12.13240
Hudson Light & Power Department	0.07737
Little Bay Power Corporation	2.89989
Massachusetts Municipal Wholesale Electric Company	11.59340
New England Power Company	9.95766
New Hampshire Electric Cooperative, Inc.	2.17391
North Atlantic Energy Corporation	35.98201
Taunton Municipal Lighting Plant	0.10034
The Connecticut Light and Power Company	4.05985
The United Illuminating Company	17.50000
	<u>100.00000%</u>

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION
For the Year Ended December 31, 2001

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other wholly owned subsidiaries of NU provide support services to the Company. Northeast Utilities Service Company (NUSCO) provides certain administrative support to the Company, pursuant to the Service Agreement between NUSCO and NAESCO acting as agent for the Seabrook Joint Owners, as amended, and to other NU system companies. Billings from NUSCO recorded by the Company approximated \$5,916,000 and \$6,064,000 in 2001 and 2000, respectively. PSNH provides certain services to the Company pursuant to the Service Agreement between PSNH and NAESCO acting as agent for the Seabrook Joint Owners, as amended. Billings from PSNH recorded by the Company were approximately \$450,000 and \$659,000 in 2001 and 2000, respectively.

All transactions among affiliated companies are on a recovery of cost basis, which may include amounts representing a return on equity, and are subject to approval of various Federal and state regulatory agencies.

Cash and special deposits: Cash and special deposits include cash on hand and short-term cash investments which are highly liquid in nature and have original maturities of three months or less.

Method of Accounting: The accompanying financial statements were prepared in accordance with the Uniform System of Accounts for Mutual and Subsidiary Service Companies, promulgated pursuant to the Public Utility Holding Company Act of 1935, as modified (1935 Act). This system of accounts follows, with modifications, the Federal Energy Regulatory Commission's (the FERC) Uniform System of Accounts and the Managing Agent Agreement. The financial statements reflect expenses associated with managing, operating, and maintaining the Project, excluding decommissioning costs, property taxes, amortization of nuclear fuel, reserves, and book depreciation. These expenses are recorded by the Joint Owners. Pursuant to the Managing Agent Agreement, NAESCO does not earn a return on capital; therefore, revenues represent the sum of the Company's operating expenses and other deductions, and are recognized as costs are incurred.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Public Utility Regulation: NU and its subsidiaries, including the Company, are registered with the Securities and Exchange Commission as a holding company under the 1935 Act, and it and its subsidiaries, including the Company, are subject to the provisions of the 1935 Act. The Company is a registered utility company in the State of New Hampshire and is subject to appropriate regulation by the New Hampshire Public Utilities Commission (NHPUC). The Seabrook Joint Owners, whom the Company represents as agent, are subject to further regulation by the FERC. The Company, therefore, follows the accounting policies prescribed by the FERC.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

2. PENSION AND POSTRETIREMENT BENEFITS

Pension: Employees of NAESCO are covered by the NU system's uniform noncontributory defined benefit plan covering all of its regular employees. Benefits are based on years of service and the employees' highest compensation during 60 consecutive months of employment. The Company's allocated portion of the NU system's pension cost for 2001 and 2000, part of which was capitalized and billed as utility plant, approximated \$3,216,000 and \$2,531,000, respectively.

Currently, the NU system funds annually an amount at least equal to that which will satisfy the requirements of the Employee Retirement Income Security Act and the Internal Revenue Code. There was no funding in 2001 or 2000. Pension costs are determined using market-related values of pension assets.

Postretirement Benefits: The Company also provides certain health care benefits, primarily medical and dental, and life insurance benefits through a benefit plan to retired employees (referred to as Statement of Financial Accounting Standard No. 106, "Employers Accounting for Postretirement Benefits Other Than Pensions" (SFAS 106) benefits). These benefits are available for employees retiring from the Company who have met specified service requirements. For current employees and certain retirees, the total postretirement benefit is limited to two times the 1993 per-retiree health care cost. The postretirement benefit obligation has been calculated based on this assumption. The expected cost of postretirement benefits, primarily health and life insurance benefits are charged to expense during the years that eligible employees render service. The Company is funding its postretirement benefit costs through external trusts. The annually funded amounts are tax deductible under the Internal Revenue Code. Actuarially determined total postretirement benefits, part of which were capitalized and billed as utility plant, approximated \$1,213,000 in 2001 and \$707,000 in 2000.

Pension and postretirement benefit assets are invested primarily in domestic and international equity securities and bonds.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION
For the Year Ended December 31, 2001

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

2. PENSION AND POSTRETIREMENT BENEFITS (Continued)

The components of net cost for the Company (in thousands) are:

	As of December 31,			
	Pension Benefits		Postretirement Benefits	
	2001	2000	2001	2000
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ (86,466)	\$ (80,883)	\$ (11,730)	\$ (9,387)
Service cost	(4,545)	(4,236)	(679)	(546)
Interest cost	(6,563)	(6,011)	(1,034)	(861)
Transfers	79	77	-	-
Actuarial gain/(loss)	(3,750)	899	(2,843)	(1,799)
Benefits paid	<u>1,662</u>	<u>3,688</u>	<u>1,569</u>	<u>863</u>
Benefit obligation at end of year	(99,583)	(86,466)	(14,717)	(11,730)
Change in plan assets:				
Fair value of plan assets at beginning of year	70,309	74,323	9,002	8,730
Actual return on plan assets	(3,240)	(249)	(851)	429
Employer contribution	-	-	1,226	706
Transfers	(79)	(77)	(4)	-
Benefits Paid	<u>(1,662)</u>	<u>(3,688)</u>	<u>(1,569)</u>	<u>(863)</u>
Fair value of plan assets at end of year	65,328	70,309	7,804	9,002
Funded status at year end	(34,255)	(16,157)	(6,913)	(2,728)
Unrecognized net gain	(8,072)	(23,627)	5,189	833
Unrecognized prior service cost	6,715	7,324	-	-
Unrecognized net transition obligation	<u>504</u>	<u>567</u>	<u>1,736</u>	<u>1,894</u>
Accrued benefit cost	<u>\$ (35,108)</u>	<u>\$ (31,893)</u>	<u>\$ 12</u>	<u>\$ (1)</u>

The following actuarial assumptions were used in calculating the plan's year-end funded status:

	As of December 31,			
	Pension Benefits		Postretirement Benefits	
	2001	2000	2001	2000
Discount rate	7.25%	7.50%	7.25%	7.50%
Compensation/progression rate	4.25	4.50	4.25	4.50
Health care cost trend rate (a)	N/A	N/A	11.00	5.26

(a) The annual growth in per capita cost of covered health care benefits was assumed to decrease to 5.00 percent by 2007.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

2. PENSION AND POSTRETIREMENT BENEFITS (Continued)

The components of net periodic benefit cost (in thousands) are:

	For the Years Ended December 31,			
	Pension Benefits		Postretirement Benefits	
	2001	2000	2001	2000
Service cost	\$ 4,545	\$ 4,236	\$ 679	\$ 546
Interest cost	6,563	6,011	1,034	861
Expected return on plan assets	(6,765)	(6,348)	(775)	(697)
Amortization of unrecognized net gain	(1,799)	(2,040)	-	-
Amortization of prior service cost	609	609	-	-
Amortization of unrecognized net transition obligation	63	63	158	158
Other amortization, net	-	-	117	(161)
Net periodic cost	<u>\$ 3,216</u>	<u>\$ 2,531</u>	<u>\$ 1,213</u>	<u>\$ 707</u>

For calculating pension and postretirement benefit costs, the following assumptions were used:

	For the Years Ended December 31,			
	Pension Benefits		Postretirement Benefits	
	2001	2000	2001	2000
Discount rate	7.50%	7.75%	7.50%	7.75%
Expected long-term rate of return	9.50	9.50	N/A	N/A
Compensation/progression rate	4.50	4.75	4.50	4.75
Long term rate of return				
Health assets, net of tax	N/A	N/A	7.50	7.50
Life assets	N/A	N/A	9.50	9.50

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 in each year would have the following effects (in thousands):

	One Percentage Point Increase	One Percentage Point Decrease
Effect on total service and interest cost components	\$ 41	\$ (39)
Effect on accumulated postretirement benefit obligation	\$ 287	\$ (280)

The trust holding the health plan assets is subject to Federal income taxes.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION
For the Year Ended December 31, 2001

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

3. LEASES

The Company, on behalf of the Seabrook Joint Owners, has entered into operating lease agreements for certain data processing equipment, office equipment, vehicles and offsite facilities. The Company does not enter into capital leases. Operating lease costs charged to expense approximated \$1,334,000 and \$1,404,000 in 2001 and 2000, respectively.

The provisions of these lease agreements generally provide for renewal options. The Company has no noncancelable leases.

4. INCOME TAX BENEFIT

The components of the Federal and state income tax benefit (in thousands) are:

	For the Years Ended December 31,	
	2001	2000
Current income taxes:		
Federal	\$ 600	\$ 51
State	(320)	(383)
Total current	280	(332)
Deferred income taxes, net:		
Federal	(588)	(7)
State	-	-
Total deferred	(588)	(7)
Total income tax benefit	\$ (308)	\$ (339)

All income taxes were charged to or credited to operating expenses in both 2001 and 2000.

Deferred income taxes (in thousands) are comprised of the tax effects of temporary differences as follows:

	For the Years Ended December 31,	
	2001	2000
Severance benefits	\$ (536)	\$ -
Other deferred tax assets	154	86
Other deferred tax liabilities	(206)	(93)
Deferred income taxes, net	\$ (588)	\$ (7)

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION
For the Year Ended December 31, 2001

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

4. INCOME TAX BENEFIT (Continued)

A reconciliation between income tax expense and the expected tax expense at the applicable statutory rate (in thousands) is as follows:

	For the Years Ended December 31,	
	2001	2000
Expected Federal income tax at 35 percent of pretax income	\$ (108)	\$ (118)
Tax effect of differences:		
State income taxes, net of federal benefit	(208)	(249)
Other, net	8	28
Total income tax benefit	\$ (308)	\$ (339)

The Company, as a wholly-owned subsidiary of NU, is included in NU's consolidated tax returns. Income tax benefit is determined on a separate company basis.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

FOR THE YEAR ENDED DECEMBER 31, 2001

SCHEDULE XV

COMPARATIVE INCOME STATEMENT

ACCOUNT	DESCRIPTION	2001	2000
(Thousands of Dollars)			
INCOME			
457	Services rendered to associate companies	\$ 62,239	\$ 68,611
458	Services rendered to nonassociate companies	93,197	102,738
421	Miscellaneous income or loss	158	81
Total Income		\$ 155,594	\$ 171,430
EXPENSE			
Nuclear Power Expenses			
517	Operation Supervision and Engineering	\$ 24,553	\$ 22,723
518	Nuclear Fuel Expense	8,243	7,509
519	Coolants and Water	2,257	2,235
520	Steam Expenses	18,630	22,156
523	Electric Expenses	105	832
524	Miscellaneous Nuclear Power Expenses	29,409	31,226
528	Maintenance Supervision and Engineering	11,370	12,539
529	Maintenance of Structures	2,933	3,262
530	Maintenance of Reactor Plant Equipment	8,532	18,301
531	Maintenance of Electric Plant	13,950	21,109
532	Maintenance of Miscellaneous Nuclear Plant	510	853
Transmission Expenses			
570	Maintenance of Station Equipment	329	237
Administrative and General Expenses			
920	Salaries and wages	6,107	5,242
921	Office supplies and expenses	88	886
922	Administrative expense transferred-credit	-	-
923	Outside services employed	1,937	2,022
924	Property insurance	186	342
925	Injuries and damages	409	1,378
926	Employee pensions and benefits	19,600	12,543
928	Regulatory commission expense	5	6
930.1	General advertising expenses	13	20
930.2	Miscellaneous general expenses	54	121
931	Rents	532	732
935	Maintenance of structures and equipment	454	26
All other expenses			
408	Taxes other than income taxes	4,821	4,583
409	Income taxes	280	(332)
410	Provision for deferred income taxes	130	337
411	Provision for deferred income taxes-credit	(718)	(344)
426.1	Donations	84	145
426.5	Other deductions	667	641
431	Other interest expense	123	99
Total Expense		155,593	171,429
Net Income		\$ 1	\$ 1

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

ANALYSIS OF BILLING

ASSOCIATE COMPANIES
ACCOUNT 457

NAME OF ASSOCIATE COMPANY	DIRECT COSTS CHARGED	INDIRECT COSTS CHARGED	COMPENSATION FOR USE OF CAPITAL	TOTAL AMOUNT BILLED
	(Thousands of Dollars)			
	457-1	457-2	457-3	
The Connecticut Light and Power Company	\$ 6,310	\$ -	\$ -	\$ 6,310
North Atlantic Energy Corporation	55,929	-	-	55,929
TOTAL	\$ 62,239 =====	\$ - =====	\$ - =====	\$ 62,239 =====

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

ANALYSIS OF BILLING

NONASSOCIATE COMPANIES
ACCOUNT 458

NAME OF NONASSOCIATE COMPANY	DIRECT COSTS CHARGED	INDIRECT COSTS CHARGED	COMPENSATION FOR USE OF CAPITAL	TOTAL COSTS	EXCESS OR DEFICIENCY	TOTAL AMOUNT BILLED
(Thousands of Dollars)						
	458-1	458-2	458-3		458-4	
Canal Electric Company	\$ 5,476	\$ -	\$ -	\$ 5,476	\$ -	\$ 5,476
Great Bay Power Corporation	18,858			18,858		18,858
Hudson Light & Power Dept.	120			120		120
Little Bay Power Corporation	4,507			4,507		4,507
Massachusetts Municipal Wholesale Electric Company	18,021			18,021		18,021
New England Power Company	15,478			15,478		15,478
New Hampshire Electric Coop.	3,379			3,379		3,379
Taunton Municipal Lighting Plant	156			156		156
United Illuminating Company	27,202			27,202		27,202
	\$ 93,197	\$ -	\$ -	\$ 93,197	\$ -	\$ 93,197

INSTRUCTIONS: Provide a brief description of the services rendered to each nonassociate company:

The Company acts as agent in operating Seabrook Station for the nonassociate companies.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION
For the Year Ended December 31, 2001

SCHEDULE XVI
ANALYSIS OF CHARGES FOR SERVICE
ASSOCIATE AND NONASSOCIATE COMPANIES

ACCOUNT NUMBER	DESCRIPTION OF ITEMS	ASSOCIATE COMPANY CHARGES			NONASSOCIATE COMPANY CHARGES			TOTAL CHARGES FOR SERVICE		
		DIRECT COST	INDIRECT COST	TOTAL	DIRECT COST	INDIRECT COST	TOTAL	DIRECT COST	INDIRECT COST	TOTAL
(Thousands of Dollars)										
Nuclear Power Expenses										
517	OPERATION SUPERVISION AND ENGINEERING	\$ 9,831	\$ -	\$ 9,831	\$ 14,722	\$ -	\$ 14,722	\$ 24,553	\$ -	\$ 24,553
518	NUCLEAR FUEL DISPOSAL	3,301	-	3,301	4,942	-	4,942	8,243	-	8,243
519	COOLANTS AND WATER	904	-	904	1,353	-	1,353	2,257	-	2,257
520	STEAM EXPENSES	7,460	-	7,460	11,170	-	11,170	18,630	-	18,630
523	ELECTRIC EXPENSES	42	-	42	63	-	63	105	-	105
524	MISCELLANEOUS NUCLEAR POWER EXPENSES	11,776	-	11,776	17,633	-	17,633	29,409	-	29,409
528	MAINTENANCE SUPERVISION AND ENGINEERING	4,553	-	4,553	6,817	-	6,817	11,370	-	11,370
529	MAINTENANCE OF STRUCTURES	1,174	-	1,174	1,759	-	1,759	2,933	-	2,933
530	MAINTENANCE OF REACTOR PLANT EQUIPMENT	3,416	-	3,416	5,116	-	5,116	8,532	-	8,532
531	MAINTENANCE OF ELECTRIC PLANT	5,586	-	5,586	8,364	-	8,364	13,950	-	13,950
532	MAINTENANCE OF MISCELLANEOUS NUCLEAR PLANT	204	-	204	306	-	306	510	-	510
Transmission Expenses										
570	MAINTENANCE OF STATION EQUIPMENT	132	-	132	197	-	197	329	-	329
Administrative and General Expenses										
920	SALARIES AND WAGES	2,445	-	2,445	3,662	-	3,662	6,107	-	6,107
921	OFFICE SUPPLIES AND EXPENSES	35	-	35	53	-	53	88	-	88
922	ADMINISTRATIVE EXPENSE TRANSFERRED-CREDIT	-	-	-	-	-	-	-	-	-
923	OUTSIDE SERVICES EMPLOYED	776	-	776	1,161	-	1,161	1,937	-	1,937
924	PROPERTY INSURANCE	74	-	74	112	-	112	186	-	186
925	INJURIES AND DAMAGES	164	-	164	245	-	245	409	-	409
926	EMPLOYEE PENSIONS AND BENEFITS	7,848	-	7,848	11,752	-	11,752	19,600	-	19,600
928	REGULATORY COMMISSION EXPENSE	2	-	2	3	-	3	5	-	5
930.1	GENERAL ADVERTISING EXPENSES	5	-	5	8	-	8	13	-	13
930.2	MISCELLANEOUS GENERAL EXPENSES	22	-	22	32	-	32	54	-	54
931	RENTS	213	-	213	319	-	319	532	-	532
935	MAINTENANCE OF STRUCTURES AND EQUIPMENT	182	-	182	272	-	272	454	-	454
All other expenses										
408	TAXES OTHER THAN INCOME TAXES	1,930	-	1,930	2,891	-	2,891	4,821	-	4,821
409	INCOME TAXES	112	-	112	168	-	168	280	-	280
410	PROVISION FOR DEFERRED INCOME TAXES	52	-	52	78	-	78	130	-	130
411	PROVISION FOR DEFERRED INCOME TAXES-CREDIT	(288)	-	(288)	(430)	-	(430)	(718)	-	(718)
426.1	DONATIONS	34	-	34	50	-	50	84	-	84
426.5	OTHER DEDUCTIONS	267	-	267	400	-	400	667	-	667
431	OTHER INTEREST EXPENSE	49	-	49	74	-	74	123	-	123
	TOTAL EXPENSES =	62,301	-	62,301	93,292	-	93,292	155,593	-	155,593
421	MISCELLANEOUS INCOME - CREDIT	(63)	-	(63)	(95)	-	(95)	(158)	-	(158)
	NET INCOME	1	-	1	-	-	-	1	-	1
	TOTAL COST OF SERVICE =	\$ 62,239	\$ -	\$ 62,239	\$ 93,197	\$ -	\$ 93,197	\$ 155,436	\$ -	\$ 155,436

INSTRUCTION: Total cost of service will equal for associate and nonassociate companies the total amount billed under their separate analysis of billing schedules.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION
For the Year Ended December 31, 2001

SCHEDULE XVII
SCHEDULE OF EXPENSE DISTRIBUTION BY
DEPARTMENT OR SERVICE FUNCTION

ACCOUNT NUMBER	DESCRIPTION OF ITEMS	TOTAL AMOUNT	SERVICE FUNCTION	
			OVERHEAD	SEABROOK STATION
(Thousands of Dollars)				
Nuclear Power Expenses				
517	OPERATION SUPERVISION AND ENGINEERING	\$ 24,553	\$ -	\$ 24,553
518	NUCLEAR FUEL DISPOSAL	8,243	-	8,243
519	COOLANTS AND WATER	2,257	-	2,257
520	STEAM EXPENSES	18,630	-	18,630
523	ELECTRIC EXPENSES	105	-	105
524	MISCELLANEOUS NUCLEAR POWER EXPENSES	29,409	-	29,409
528	MAINTENANCE SUPERVISION AND ENGINEERING	11,370	-	11,370
529	MAINTENANCE OF STRUCTURES	2,933	-	2,933
530	MAINTENANCE OF REACTOR PLANT EQUIPMENT	8,532	-	8,532
531	MAINTENANCE OF ELECTRIC PLANT	13,950	-	13,950
532	MAINTENANCE OF MISCELLANEOUS NUCLEAR PLANT	510	-	510
Transmission Expenses				
570	MAINTENANCE OF STATION EQUIPMENT	329	-	329
Administrative and General Expenses				
920	SALARIES AND WAGES	6,107	-	6,107
921	OFFICE SUPPLIES AND EXPENSES	88	-	88
922	ADMINISTRATIVE EXPENSE TRANSFERRED-CREDIT	-	-	-
923	OUTSIDE SERVICES EMPLOYED	1,937	-	1,937
924	PROPERTY INSURANCE	186	-	186
925	INJURIES AND DAMAGES	409	-	409
926	EMPLOYEE PENSIONS AND BENEFITS	19,600	-	19,600
928	REGULATORY COMMISSION EXPENSE	5	-	5
930.1	GENERAL ADVERTISING EXPENSES	13	-	13
930.2	MISCELLANEOUS GENERAL EXPENSES	54	-	54
931	RENTS	532	-	532
935	MAINTENANCE OF GENERAL PLANT	454	-	454
All other expenses				
408	TAXES OTHER THAN INCOME TAXES	4,821	-	4,821
409	INCOME TAXES	280	-	280
410	PROVISION FOR DEFERRED INCOME TAXES	130	-	130
411	PROVISION FOR DEFERRED INCOME TAXES-CREDIT	(718)	-	(718)
426.1	DONATIONS	84	-	84
426.5	OTHER DEDUCTIONS	667	-	667
431	OTHER INTEREST EXPENSE	123	-	123
	TOTAL EXPENSES	\$ 155,593	\$ -	\$ 155,593

INSTRUCTIONS: Indicate each department or service function. (See Instruction 01-3 General Structure of Accounting System: Uniform System of Accounts)

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE XVII

KEYS FOR SERVICE FUNCTIONS

KEYS

SERVICE FUNCTION

The individual unit for which NAESCO provides service is listed separately on Page 24.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION
 For the Year Ended December 31, 2001
 DEPARTMENTAL ANALYSIS OF SALARIES

NAME OF DEPARTMENT ----- Indicate each dept. or service function. -----	DEPARTMENTAL SALARY EXPENSE INCLUDED IN AMOUNTS BILLED TO -----				NUMBER OF PERSONNEL END OF YEAR -----
	TOTAL AMOUNT	PARENT COMPANY	OTHER ASSOCIATES	NON ASSOCIATES	
	(Thousands of Dollars)				
SEABROOK STATION	\$ 59,948	\$ -	\$ 24,004	\$ 35,944	812
	-----	-----	-----	-----	-----
	\$ 59,948	\$ -	\$ 24,004	\$ 35,944	812
	=====	=====	=====	=====	=====

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

OUTSIDE SERVICES EMPLOYED

INSTRUCTIONS: Provide a breakdown by subaccount of outside services employed. If the aggregate amounts paid to any one payee and included within one subaccount is less than \$100,000, only the aggregate number and amount of all such payments included within the subaccount need be shown. Provide a subtotal for each type of service.

FROM WHOM PURCHASED	RELATIONSHIP "A"-ASSOCIATE "NA"-NON ASSOCIATE	AMOUNT
(Thousands of Dollars)		
<u>COMPUTER AND COMMUNICATION SERVICES</u>		
CNEX	NA	\$ 168
Data Systems & Solutions, LLC	NA	155
KForce.com, Inc.	NA	120
Microware Technologies	NA	111
Northeast Utilities Service Company	A	1,774
Verizon	NA	268
Miscellaneous (34 payees)	NA	471
TOTAL COMPUTER SERVICES		\$ 3,067
<u>ENGINEERING SERVICES</u>		
Duke Engineering & Services, Inc.	NA	\$ 416
Electric Power Research Institute	NA	349
Lehigh Staffing	NA	138
Marathon Consulting Group, Inc.	NA	208
Northeast Utilities Service Company	A	123
NUCON Engineering Associates, Inc.	NA	340
Proto Power Corp.	NA	228
Rudolf P. Neustadter	NA	102
Washington Group, Inc.	NA	244

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

OUTSIDE SERVICES EMPLOYED

FROM WHOM PURCHASED	RELATIONSHIP "A"-ASSOCIATE "NA"-NON ASSOCIATE	AMOUNT
<u>ENGINEERING SERVICES (continued)</u>		
Westinghouse Electric Co.	NA	528
Miscellaneous (50 payees)	NA	729
TOTAL ENGINEERING SERVICES		\$ 3,405
<u>LEGAL SERVICES</u>		
Prime Bucholz & Associates, Inc.	NA	\$ 108
Sheehan, Phinney, Bass & Green	NA	137
Miscellaneous (11 payees)	NA	179
TOTAL LEGAL SERVICES		\$ 424
<u>SECURITY SERVICES</u>		
Burns International Security Services	NA	\$ 4,169
Miscellaneous (22 payees)	NA	139
TOTAL SECURITY SERVICES		\$ 4,308
<u>OTHER SERVICES</u>		
Adecco Employment Services	NA	\$ 275
Christine M. Fahnestock	NA	127
Equinox Health and Healing	NA	189
Food With a Flair	NA	139
HR Strategies & Solutions, Inc.	NA	194
Interaction Associates, LLC	NA	205
Normandeau Associates, Inc.	NA	1,014

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

OUTSIDE SERVICES EMPLOYED

FROM WHOM PURCHASED	RELATIONSHIP "A" - ASSOCIATE "NA" - NON ASSOCIATE	AMOUNT
<u>OTHER SERVICES (continued)</u>		
Northeast Utilities Service Company	A	4,107
Public Service Company of New Hampshire	A	450
URS Corporation	NA	141
Zurich Scudder Investments, Inc.	NA	160
Miscellaneous (729 payees)	NA	2,444
		9,445
TOTAL OTHER SERVICES		9,445

GRAND TOTAL OUTSIDE SERVICES EMPLOYED		\$ 20,649 =====

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

OUTSIDE SERVICES EMPLOYED

FROM WHOM PURCHASED DESCRIPTION OF SERVICES

COMPUTER AND COMMUNICATION SERVICES

CNEX

Provides computer based asset divestiture information services.

Data Systems & Solutions, LLC

Provides general and technical computer consulting services.

KForce.com, Inc.

Provides temporary, technical manpower.

Microware Technologies

Provides general computer consulting services.

Northeast Utilities Service Company

See note Page 27e.

Verizon

Provides communication services.

ENGINEERING SERVICES

Duke Engineering & Services, Inc.

Provides engineering services.

Electric Power Research Institute

Provides industry with technical and operational support services.

Lehigh Staffing

Provides temporary, technical manpower.

Marathon Consulting Group, Inc.

Provides temporary, technical manpower.

Northeast Utilities Service Company

See note Page 27e.

NUCON Engineering Associates, Inc.

Provides temporary, technical manpower.

Proto Power Corp.

Provides technical inspection and analysis services.

Rudolf P. Neustadter

Provides temporary, technical manpower.

Washington Group, Inc.

Provides engineering services.

Westinghouse Electric Co.

Provides engineering, technical, and site services.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

OUTSIDE SERVICES EMPLOYED

FROM WHOM PURCHASED DESCRIPTION OF SERVICES

LEGAL SERVICES

Prime Bucholz & Associates, Inc.
Provides legal services.

Sheehan, Phinney, Bass & Green
Provides legal services.

Northeast Utilities Service Company
See note Page 27e.

SECURITY SERVICES

Burns International Security Services
Provides security services for baseline security support.

OTHER SERVICES

Adecco Employment Services
Provides temporary, technical manpower.

Christine M. Fahnestock
Provides performance monitoring, trending, and/or improvement services.

Equinox Health and Healing
Provides site occupational health services and medical consultation
for NRC required programs.

Food With a Flair
Provides food service for site meetings.

HR Strategies & Solutions, Inc.
Provides performance monitoring, trending, and/or improvement
services.

Interaction Associates, LLC
Provides performance monitoring, trending, and/or improvement services.

Normandeau Associates, Inc.
Provides environmental monitoring services.

Northeast Utilities Service Company
See note Page 27e.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

OUTSIDE SERVICES EMPLOYED

FROM WHOM PURCHASED DESCRIPTION OF SERVICES

OTHER SERVICES (continued)

Public Service Company of New Hampshire
 Provides worker's compensation administration, facilities, and
 miscellaneous services.

URS Corporation
 Provides environmental monitoring services.

Zurich Scudder Investments, Inc.
 Provides Decommissioning Fund management.

Note:

Northeast Utilities Service Company
 Provides centralized accounting, administrative, data processing,
 engineering, financial, legal, operational, planning, purchasing
 and other services.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

EMPLOYEE PENSIONS AND BENEFITS
ACCOUNT 926

INSTRUCTIONS: Provide a listing of each pension plan and benefit program provided by the service company. Such listing should be limited to \$25,000.

DESCRIPTION	AMOUNT
(Thousands of Dollars)	
Pension Plan	\$ 2,800
Incentive Goals Plan	3,843
Group Life, Long-term Disability, Hospital and Medical Insurance Expenses	4,714
FAS 106 VEBA Funding	1,256
Supplemental and Early Retirement Plans	5,806
Education	102
Employee Stock Option Plan	1,022
Other Employee Benefits Expenses	57
TOTAL	\$ 19,600

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

GENERAL ADVERTISING EXPENSES
ACCOUNT 930.1

INSTRUCTIONS: Provide a listing of the amount included in Account 930.1, "General Advertising Expenses," classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class includes an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

DESCRIPTION	NAME OF PAYEE	AMOUNT
		(Thousands of Dollars)
Science & Nature Center	New England Aquarim Services	\$ 11
	Stone Signs & Designs	2
	TOTAL	\$ 13

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

MISCELLANEOUS GENERAL EXPENSES
ACCOUNT 930.2

INSTRUCTIONS: Provide a listing of the amount included in Account 930.2, "Miscellaneous General Expenses," classifying such expenses according to their nature. Payments and expenses permitted by Sections 321(b)(2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. •441(b)(2)) shall be separately classified.

DESCRIPTION	AMOUNT
	(Thousands of Dollars)
Research and Development	\$ 36
Employee Services	8
Service Awards	8
Brochures	2
TOTAL	\$ 54

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

RENTS

INSTRUCTIONS: Provide a listing of the amount included in "Rents," classifying such expenses by major groupings of property, as defined in the account definition of the Uniform System of Accounts.

TYPE OF PROPERTY	AMOUNT
(Thousands of Dollars)	
Computers/Data processing equipment	\$ 169
Communications equipment	74
Vehicles	85
Buildings	250
Equipment and other	756
TOTAL	\$ 1,334 =====

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

TAXES OTHER THAN INCOME TAXES
ACCOUNT 408

INSTRUCTIONS: Provide an analysis of Account 408, "Taxes Other Than Income Taxes." Separate the analysis into two groups: (1) Other than U.S. Government taxes, and (2) U.S. Government taxes. Specify each of the various kinds of taxes and show the amounts thereof. Provide a subtotal for each class of tax.

KIND OF TAX	AMOUNT
(Thousands of Dollars)	
(1) Other Than U.S. Government Taxes:	
Insurance Premium Excise Tax	\$ 17
Property Tax	42
State Unemployment Tax	5
State Business Tax	343
Sub-Total	\$ 407
(2) U.S. Government Taxes:	
Federal Unemployment Tax	\$ 47
Federal Insurance Contribution Act	4,367
Sub-Total	4,414
TOTAL	\$ 4,821

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

DONATIONS
ACCOUNT 426.1

INSTRUCTIONS: Provide a listing of the amount included in Account 426.1, "Donations," classifying such expenses by its purpose. The aggregate number and amount of all items of less than \$3,000 may be shown in lieu of details.

NAME OF RECIPIENT	PURPOSE OF DONATION	AMOUNT
		(Thousands of Dollars)
New Hampshire Seacoast United Way	Charitable contribution	\$ 73
Seacoast Repertory Theater	Charitable contribution	5
Miscellaneous (9 items)	Charitable contributions	6
	TOTAL	\$ 84

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

OTHER DEDUCTIONS
ACCOUNT 426.5

INSTRUCTIONS: Provide a listing of the amount included in Account 426.5, "Other Deductions," classifying such expenses according to their nature.

DESCRIPTION	NAME OF PAYEE	AMOUNT
Political activities	S&H/Murphy, Inc Employees	\$ 18 4
Executive Incentive Compensation	Various	645
	TOTAL	\$ 667

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 2001

SCHEDULE XVIII

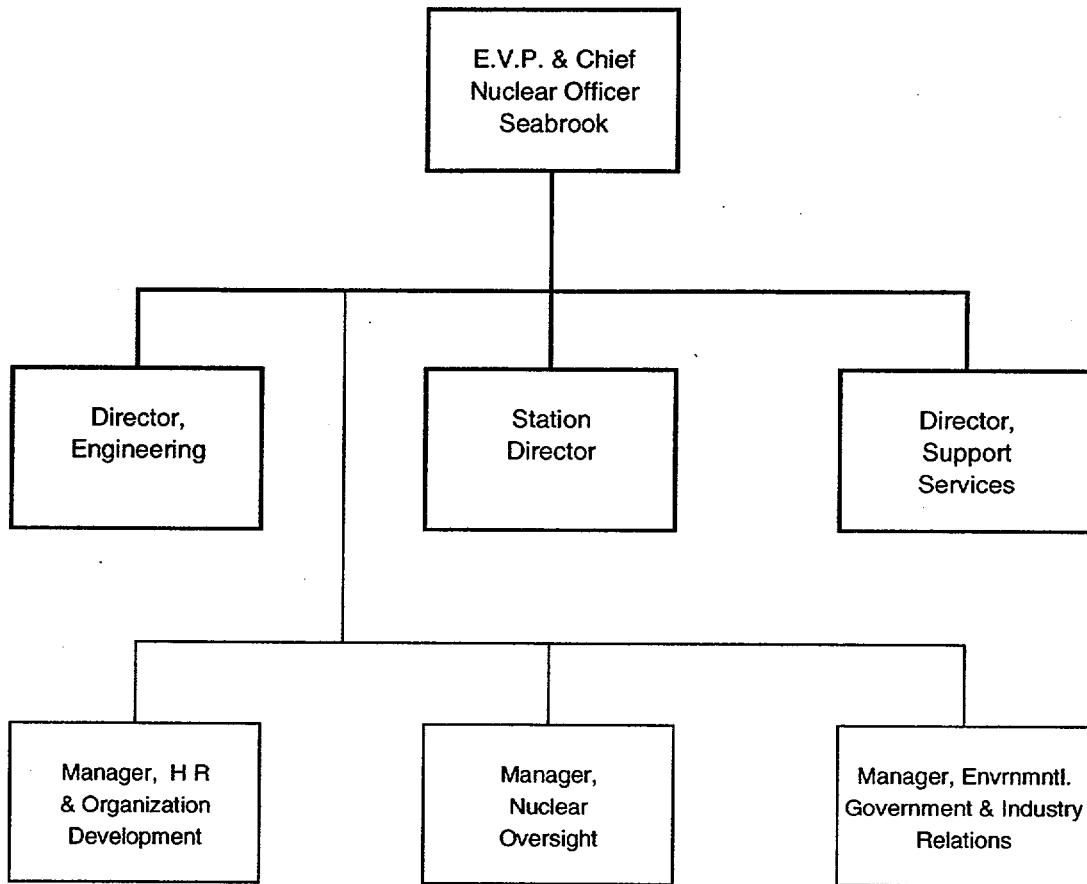
NOTES TO STATEMENTS OF INCOME

INSTRUCTIONS: The space below is provided for important notes regarding the financial statements of income or any account thereof. Furnish particulars as to any significant increases in services rendered or expenses incurred during the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

See Notes to Financial Statements on pages 19A through 19G.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

ORGANIZATION CHART AS OF DECEMBER 31, 2001



NORTH ATLANTIC ENERGY SERVICE CORPORATION

METHODS OF ALLOCATION

For the year ended December 31, 2001

METHODS OF ALLOCATION

All costs are specific to Seabrook Station and are direct charges.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED

For the Year Ended December 31, 2001

Expenses of Seabrook Station are funded in advance.
Therefore, there are no charges for use of capital.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

SIGNATURE CLAUSE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935 and the rules and regulations of the Securities and Exchange Commission issued thereunder, the undersigned company has duly caused this report to be signed on its behalf by the undersigned office thereunto duly authorized.

NORTH ATLANTIC ENERGY SERVICE CORPORATION
(Name of Reporting Company)

By: /s/ John P. Stack
(Signature of Signing Officer)

John P. Stack - Vice President and Controller
(Printed Name and Title of Signing Officer)

Date: April 19, 2002