8005010538

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

DIRECT TESTIMONY

OF

RUSSELL D. WRIGHT

Q. Please state your name and business address.

A. My name is Russell D. Wright. My business address is New Bedford Gas and Edison Light Company, 693 Purchase Street, New Bedford, Massachusetts.

Q. What is your position with New Bedford Gas and Edison Light Company?

A. I am Controller.

Q. Would you please describe your educational background, business experience, and principal duties with the Company.

A. I am a graduate of Bentley College, Waltham, Massachusetts, where I received a Bachelor of Science Degree in Accounting in 1968. After my graduation I served for two years in the United States Army, whereupon, after being honorably discharged in 1970, I joined NEGEA Service Corporation, a subsidiary of the New England Gas and Electric System. During my period of employment with that Company I worked in a variety of positions, including Supervisor of the Comptroller's Staff and Supervisor of Utility Accounting. In October 1978 I assumed my present position as Controller. I am responsible for all of the budgeting, accounting, and financial control procedures of the Electric Operations Division.

Q. Have you ever testified before this Department before?

A. No, I have not. I have, however, participated in the preparation of a number of filings before this Commission, including the Company's most recent prior request for general rate relief, DPU 18193. In addition, I have recently submitted written testimony on behalf of Cambridge Electric Light Company in DPU 20140 now pending before the Department.

Q. What was the date of the filing in DPU 18193?

A. The Company filed that case on November 11, 1974, using a test year ended September 30, 1974, for cost of service and rate base. The Department's Order granting rate relief in that proceeding was dated September 30, 1975.

Q. What is the purpose of your testimony in this proceeding?

A. My testimony sets out the financial considerations used in determining the Company's overall requirement for rate relief. In total, this deficiency amounts to $14,652,000. The Company's intent in this proceeding is to increase its rates from the retail sales of electricity by $11,218,000, an increase of 9.6%, and from the retail sales of gas by $3,434,000, an increase of 15.6%. The accompanying schedules and exhibits substantiate this request through the use of a test year ended December 31, 1978 with adjustments appropriate for rate-making purposes. Each Schedule identifies the Electric, Gas and combined requirements.

Q. Mr. Wright, were the financial exhibits and schedules attached to your written testimony prepared by you or under your direct supervision and control?

A. Yes, they were.

Q. Will you describe, generally, the manner in which you have prepared such financial exhibits and any standards used by you in the submission of this filing.

A. I have complied with the Department's regulations covering the filing requirements of gas and electric companies for rate relief, as set out in DPU 19019.

Q. Would you please describe Schedule One of your testimony?

A. This Schedule consists of the cost of service of the Company for the twelve months ended December 31, 1978, as adjusted. The information contained on Schedule One is cross-referenced in the supporting schedules and other documents filed as part of this case. This schedule is self-explanatory and demonstrates that the Company's adjusted revenue deficiency is in the amount of $14,652,000; $11,218,000 for electric and $3,434,000 for gas.

Q. Please describe Schedule Two.

A. Schedule Two shows the average rate base of the Company, the detail and supporting documentation for which will be discussed in Schedules Five through Twelve. All rate base items with the exception of fuel inventories have been averaged, using December 31, 1977 and December 31, 1978 balances. With respect to fuel inventory, I have

used a thirteen-month average for the period ended December 31, 1978.

Q. Please explain Schedule Three.

A. Schedule Three indicates the Cost of Capital computation assumed by the Company in this proceeding. It lists the Company's Long-Term Debt and Common Equity at December 31, 1978, adjusted to reflect the issuance of a $500,000 term note dated June 28, 1979. It further shows the percentage of Long-Term Debt and Common Equity in the Company's capitalization, the cost rate, and the return requirement for each. This results in an overall return requirement on rate base of 11.04%. The cost of capital and rate of return which the Company proposes will be covered in detail in the testimony of Mr. Earl G. Cheney.

Q. Please explain Schedule Four.

A. Schedule Four shows the calculation of the effective cost of Long-Term Debt to the Company. It details each Series of Long-Term Debt outstanding at December 31, 1978, (including the above-mentioned term note) and is used on Schedule Three in the computation of the overall Cost of Capital.

Q. Mr. Wright in your discussion of Schedule Two, you stated that Schedules Five through Twelve were supporting documentation to Schedule Two, Average Rate Base. Would you now please describe those Schedules.

A. Yes, the Schedules are as follows:

Schedule Five shows the functional classification of those items which make up plant in service and the calculation of average plant in service. It also includes two adjustments to plant in service to reflect the annualization of extraordinary changes in total plant. The first of these pertains to the Company's investment in the Wyman No. 4 Generating Unit. This Unit was placed in commercial operation in December, 1978, and is expected to have an estimated useful life of approximately 28 years. The investment in this unit is recorded in our books at December 31, 1978, but is not included in the December 31, 1977 figures. In accepting the use of an average rate base the Company recognizes that there are certain normal changes which occur annually in the Company's plant. The Wyman #4 investment falls outside of the classification, since the Company does not add generating capacity on an annual or routine basis. We believe that departure from the averaging convention is essential in this case to the ability of the Company to earn whatever level of return should be found appropriate. The plant investment is unusual and represents a large capital investment in generating capacity for the Company. Thus, we have made this adjustment in order to eliminate the averaging effect, and the resulting exclusion of half the investment, which would frustrate any hope of achieving a permitted rate of return. Conversly the second adjustment seeks to exclude from rate base the averaging impact of the retirement of certain L. P. Equipment. In this case the Company is decreasing its Gas Plant Capacity and applying, in effect, the same logic used in the Wyman No. 4 adjustment.

The Reserve for Depreciation and Amortization, and the calculation of the Average Reserve are shown by functional classification in Schedule Six.

Schedule Seven shows the items of prepayments, per our books, a reconciliation of the amounts included in rate base, and the methodology used to determine the split between Gas and Electric.

Schedule Eight shows the calculation of the Fuel Inventories, using a thirteen month average.

Materials and Supplies Inventories, excluding fuels, are shown in Schedule Nine. Several appliance items have been excluded to be consistent with sound rate-making practice, but have been shown here to reconcile total materials and supplies to our books.

Schedule Ten is our calculation of working capital and shows Total Operations and Maintenance Expense per our books. We have eliminated those items recovered through Energy Adjustment Clauses and have used 12.5% in determining the lag on the remaining balance. This method of determining working capital differs from that used in previous rate filings, and is in our opinion a more proper reflection of the Company's actual requirements. Whereas it has been our past practice to use individual rates to determine requirements for Purchased Power/Gas, Payroll and all other Operations and Maintenance Expense, the Company is now adopting a method in which all Operation and Maintenance Expenses, other than those recovered through the

Energy Adjustment Clauses are at one rate. The Company recognizes that the Power Cost Charge (Electric) has virtually eliminated any lag in the recovery of those expenses, and has, therefore, deducted them accordingly. The Purchased Gas Adjustment Clause, because of its built in lag, continues to require a working capital allowance. In this case we have used 15/360. While the company acknowledges that some items for both Electric and Gas may have lags of more or less than 12.5%, it is our opinion that this rate is reflective of the average lag of all other Operations and Maintenance Expense items.

Schedule Eleven shows the split of customer deposits between Gas and Electric.

Schedule Twelve shows the determination of the remaining items of rate base and requires no explanation.

Q. Will you now describe Schedule Thirteen.

A. Schedule Thirteen shows the Company's cost of service per books for the test year ended December 31, 1978, and the pro forma adjustments necessary to normalize the results of a typical test year period. These adjustments are shown in detail on Schedules Fifteen through Twenty-Two and are contained in summary form on Schedule Fourteen.

Q. Will you now please explain Schedules Fifteen through Twenty-Two.

A. Yes, the Schedules contain the pro forma adjustments used on Schedules Thirteen and Fourteen and are as follows:

Schedule Fifteen shows payroll expenses in accordance with increases provided for in the settlement with the Brotherhood of Utility Workers of New England, Inc., Locals #333, #338 and #339, which was effective November 1, 1978, and for non-union personnel in accordance with the Company's Wage and Salary Plan.

Schedule Sixteen shows estimated rate case expense for this proceeding of $29,000 and an annual amortization of this amount over a three-year period of $10,000 per year, $9,000 for Electric and $1,000 for Gas.

Schedule Seventeen shows the projected increased costs of certain employee benefits. Blue Cross, Blue Shield, and Dental expenses have been annualized based on current contractual estimates. The pension expense is based upon actual experience for the first quarter ended March 31, 1979.

Schedule Eighteen reflects the annualization of the Wyman No. 4 Generating Unit, Operations and Maintenance expenses.

Schedule Nineteen details savings resulting from reductions in the Company's labor force, referred to in Mr. Donovan's testimony.

Schedule Twenty details the adjustment made to total book depreciation expense as a result of changes in the functional Plant Accrual Rates. These rates are based upon the remaining life of the Company's electric and gas plant, and will be supported in this proceeding by the direct testimony of Mr. G. Robert Faust of Gilbert Associates.

Schedule Twenty-One details the adjustments necessary to recover the Company's investment in certain L. P. Equipment retired in 1978.

Schedule Twenty-Two details projected changes in total payroll taxes. This is primarily attributable to increased FICA Tax Expense, the limit and rate of which became effective January 1, 1979.

Q. Please describe Schedule Twenty-Three.

A. Schedule Twenty-Three details the computation of the Attrition Allowance included as an item of Cost of Service. The determination of this allowance will be covered in the direct testimony of Mr. Earl G. Cheney.

Q. Will you now describe Schedules Twenty-Four through Twenty-Seven.

A. Yes. Schedules Twenty-Four through Twenty-Seven detail the computations used to arrive at total Federal Income and State Franchise Taxes for the test year. These amounts are included as part of the Company's total cost of service determination. I would like to point out that a Federal Tax Rate of 46% was used for all Federal Income Tax Calculations. This rate became effective January 1, 1979. Further details of these Schedules are as follows:

Schedule Twenty-Four details the calculation of Federal Income and State Franchise Taxes for all items other than the Dividend Income, and the Storm Damage Reserve reversal.

Schedule Twenty-Five details the separate computation needed to account for Dividend Income. This is necessary because of the 85% Dividend Exclusion permitted for Federal tax purposes.

Schedule Twenty-Six reflects the reversal of the Company's remaining Storm Damage Reserve. This item is shown separately in order to correctly reflect the lower tax rates used when the reserve was established.

Schedule Twenty-Seven summarizes the Total Federal Income and State Franchise Taxes calculated on Schedules Twenty-Four through Twenty-Seven.

Q. Do these income tax calculations differ in any way from the Company's present practice of determining this requirement?

A. Yes, they do.

Q. Will you please explain how?

A. There are two items affecting the calculation of income taxes which have been treated differently: Allowance for Funds Used During Construction (AFUDC), and Capitalized Expenses. AFUDC has been excluded because the Company has made no attempt to address the return being allowed on Construction Work in Progress. It is the Company's intent, with this Department's approval, to cease using flow-thru accounting and begin normalizing this item.

1 Q. What is the purpose of this change in accounting?

2 A. The Company currently records tax offsets above the line for interest
3 relating to Funds Borrowed for Construction. Since our current
4 practice is to record AFUDC entirely below the line, there is a
5 mismatching of related items. By normalizing, we will eliminate
6 this mismatch and record our taxes in a more correct manner. The
7 Company currently uses normalization for all other items, so that
8 this change would make our accounting treatment consistent throughout.
9 It is our intention to treat capitalized expenses in this same
10 manner and eliminate the flow-thru impact. With respect to this
11 item, the Company will be able to now reflect the tax impact of
12 this deduction as a reduction to expenses when the assets to which
13 they relate are complete, rather than when they are still under
14 construction.

15

16 Q. Will you now please describe Schedule Twenty-Eight?

17 A. This Schedule shows the Company's weather normalization adjustment
18 applicable to its annual volume of Gas Sales. The determination of
19 this adjustment will be covered in the direct testimony of Mr. J. J.
20 Tasillo, Jr.

21

22 Q. Mr. Wright, does this complete your testimony concerning Cost of
23 Service and Rate Base?

24 A. Yes, it does.

25

26 Q. Mr. Wright, on December 18, 1978, the Department notified all
27 utilities in this State that it is the Department's policy to

1 require any utility seeking a rate increase to document how that
2 requested increase conforms to the voluntary anti-inflationary
3 guidelines promulgated by the Federal Council on Wage and Price
4 Stability (CWPS). Are you familiar with such guidelines?
5 A. Yes I am. We have examined the guidelines carefully in an effort
6 to determine how and to what extent they apply to our situation and
7 whether the increase in revenue requirements to which we believe we
8 are entitled under traditional rate-making and constitutional
9 principles, complies with applicable standards, or qualifies for an
10 exemption from them. We are aware that the issue of compliance or
11 exemption is one which is delegated for decision by the guidelines
12 to state utility commissions in the case of state jurisdictional
13 retail rates, and we believe a brief presentation of our unusual
14 factual situation may be helpful to the Department.
15
16 Q. Would you describe briefly your understanding of how these guidelines
17 are intended to apply to public utilities such as New Bedford Gas
18 and Edison Light Company?
19 A. There are two measurement methods under the guidelines and there
20 are also provisions for exemptions and special situations. The
21 first measurement method is the Price Deceleration Standard. This
22 is the general standard applied to other industries, but the guidelines
23 expressly recognize that it is inappropriate for utilities, primarily
24 as the result of rapidly escalating fuel costs beyond the reasonable
25 control of the utilities. The second method is the Gross Margin
26 Standard. Under this method, generally speaking, a utility is
27 allowed to increase its rates, exclusive of fuel and purchased

power costs, by approximately 6.5% without any exemption or special treatment and using prescribed time periods for comparison. The gross margin standard is set forth in Sections 705 C-8 and 705 A-6 of the Guidelines of the CWPS.

Q. Have you made any conclusions about the base rate increase which the Company is seeking in this proceeding and the application of the Guidelines?

A. Yes. Although the increase being sought, if allowed in full, would be greater than 6 5% on an annual basis, the Guidelines do not lend themselves to precise application and, in any case, the Company qualifies in our view for exemption because of the gross inequities which would result were it unable to obtain its requested increase.

The Guidelines make clear that state regulatory agencies are not being called upon to disregard traditional rate-making standards in seeking anti-inflationary solutions. It would be most anomalous to invoke an inflexible percentage increase standard based upon 1978-1979 price comparisons to the detriment of a company which has not sought base rate increases for over four years.

The Guidelines do not purport to abolish constitutional standards which apply to utility rate increases and which entitle the Company to recover its cost of service including a fair return on investments in plant, property and equipment used to provide service.

Q. Do you have any specific comments on the Gross Margin Standard Guidelines in the context of the proceeding?

A. Yes. The comparative periods which would be used (calendar quarters ending September 30, 1978 and 1979) would be wholly inappropriate because no definitive action will probably be taken with respect to the Company's rate increase request until the beginning of 1980. Further, the comparative standard assumes an adequate rate level in 1978 and penalizes a company which does not seek annual rate increases. In addition to the lag involved which is unavoidable under currently effective procedures, the new rates will be expected to operate for a considerable period of time without change, thus compounding the inequity of applying an inflexible standard. We hope that the Department will be guided by its knowledge that the Company's rate history substantiates its anti-inflationary performance. The Department will not be in a position to know until the completion of these proceedings the precise level of rate relief to which it believes the Company entitled. The Company believes that it has made every effort to observe the federal anti-inflation standards over a period of years and that its past performance and its financial needs to be demonstrated in this proceeding surely call for an exemption from the application of a fixed percentage limitation which would result in gross inequity in this case. Inadequate rate relief in this proceeding by traditional and constitutional standards, must result in a new request for rate relief whereas adequate relief provides an opportunity for the Company to avoid in the future as it has in the past, frequent, expensive rate filings.

Q. Does this conclude your comments on the Voluntary Wage and Price Standards?

A. Yes, it does.

Q. Does this conclude your prepared testimony?

A. Yes.

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

1979 Rate Case

Index of Schedules to Direct Testimony of Russell D. Wright

Schedule Number	
1	Cost of Service and Revenue Deficiency
2	Average Rate Base
3	Cost of Capital
4	Effective Cost of Long-term Debt
5	Plant in Service
6	Reserve for Depreciation and Amortization
7	Prepayments
8	Fuel Inventory
9	Other Materials and Supplies
10	Cash Working Capital
11	Customer Deposits
12	Other Rate Base Items
13	Cost of Service
14	Summary of Adjustments
15	Payroll Adjustments
16	Amortization of Rate Case Expenses
17	Employee Benefits Adjustment
18	Annulization of Wyman Unit No. 4 Expenses
19	Labor Force Reduction Savings Adjustment
20	Depreciation Adjustments
21	Annulization of Property Loss Amortization
22	Payroll Tax Adjustments
23	Attrition Allowance
24	Calculation of Income Taxes
25	Calculation of Other Tax Adjustments-Dividends Received
26	Calculation of Other Tax Adjustments-Storm Damage Reserve Reversal
27	Summary of Income Taxes
28	Weather Normalization Adjustment

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Cost of Service and Revenue Deficiency
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Combined		Electric		Gas		Schedule Reference
	Cost of Service							
1	Operation and Maintenance Expense	$113 739		$ 93 813		$19 926		-13-
2	Depreciation and Amortization Expense	7 265		6 477		788		-13-
3	Taxes Other Than Income Taxes	10 069		8 346		1 723		-13-
4	Massachusetts Franchise Tax	1 313		1 152		161		-13-
5	Federal Income Tax	8 690		7 624		1 066		-13-
6	Amortization of Investment Tax Credits	(250)		(225)		(25)		-13-
7	Return on Rate Base	14 801		13 009		1 792		-13-
8	Attrition Allowance	670		589		81		-23-
9	Total Cost of Service		$156 297		$130 785		$25 512	
	Revenues							
10	Sales of Electricity/Gas	139 459		117 428		22 031		
11	Adjustments	(39)		-		(39)		-28-
12	Other Operating Revenues	2 225		2 139		86		
13	Total Operating Revenues		141 645		119 567		22 078	
14	Revenue Defiency		$ 14 652		$ 11 218		$ 3 434	

SCHEDULE 1

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Average Rate Base
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Combined	Electric	Gas	Schedule Reference
1	Utility Plant In Service	$195 685	$173 590	$22 095	-5-
2	Reserve for Depreciation and Amortization	51 220	45 956	5 264	-6-
3	Net Utility Plant	144 465	127 634	16 831	
4	Add - Prepayments	83	73	10	-7-
5	- Fuel Stocks	1 208	383	825	-8-
6	- Other Materials and Supplies	2 865	2 666	199	-9-
7	- Cash Working Capital	4 392	3 090	1 302	-10-
8	- Investment in Generating Companies	384	384	-	-12-
9	Deduct - Customer Advances for Construction	1 088	1 088	-	-12-
10	- Customer Deposits	1 755	1 560	195	-11-
11	- Reserve for Deferred Taxes	15 724	13 091	2 633	-12-
12	- Pre 1971 Unamortized Investment Tax Credit	764	660	104	-12-
13	Rate Base	$134 066	$117 831	$16 235	

SCHEDULE 2

NEW BEDFORD GAS AND EDISON LIGHT COMPANY SCHEDULE 3

Cost of Capital
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Principal	Percentage	Cost	Return	Schedule Reference
1	Long-Term Debt					
2	Series A, Notes	$ 2 765	2.19%	4.94%	.11%	
3	Series B, Notes	5 232	4.15	6.14	.25	
4	Series C, Notes	4 162	3.30	4.53	.15	
5	Series D, Notes	8 793	6.98	5.58	.39	
6	Series E, Notes	7 489	5.94	8.15	.49	
7	Series F, Notes	17 468	13.86	8.37	1.16	
8	Series G, Notes	14 100	11.19	10.66	1.19	
9	Term Note	500	.40	4.83	.02	
10	Total Long-Term Debt	60 509	48.01		3.76	-4-
11	Common Equity	65 513	51.99	14.00	7.28	
12	Total	$126 022	100.00%		11.04%	

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Effective Cost of Long-Term Debt
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.	Long-Term Notes Series	Dated	Due	Term	Coupon Rate	Amount Original Issue	Total Discount and Expense	Total Premium	Net Proceeds to Company	Cost to Maturity	Net Proceeds Outstanding	Annual Interest Cost to Maturity Amount	Percent
1	A	4-01-57	4-01-87	30 Years	4.9%	$ 3 500	$31	$ -	$ 3 469	4.94%	$ 2 765	$ 137	
2	B	6-01-67	6-01-97	30 Years	6 1/8	6 000	29	17	5 988	6.14	5 232	321	
3	C	4-01-61	4-01-86	25 Years	4 1/2	5 000	35	-	4 965	4.53	4 162	189	
4	D	4-01-67	4-01-92	25 Years	5 5/8	10 000	39	122	10 083	5.58	8 793	491	
5	E	12-01-70	12-01-95	25 Years	8 1/8	9 000	37	10	8 973	8.15	7 489	610	
6	F	10-01-73	10-01-98	25 Years	8 3/8	20 000	66	72	20 006	8.37	17 468	1 462	
7	G	12-01-75	12-01-00	25 Years	10 5/8	15 000	89	33	14 944	10.66	14 100	1 503	
8											60 009	4 713	7.85%
9	Pro Forma												
10	Term Note	6-28-79	6-28-84	5 Years	3.0	250	1		249	3.01	250	8	
11					6 5/8	250	1		249	6.65	250	17	
12											$60 509	$4 738	7.83%

SCHEDULE 4

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Plant in Service
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.	Functional Classification	Combined December 31, 1977	Combined December 31, 1978	Combined Average	Electric December 31, 1977	Electric December 31, 1978	Electric Average	Gas December 31, 1977	Gas December 31, 1978	Gas Average
1	Steam Production	$ 15 168	$ 17 934		$ 15 168	$ 17 934		$ -	$ -	
2	Manufactured Gas Production	899	447		-	-		899	447	
3	Other Production	1 557	1 590		1 557	1 590		-	-	
4	Total Production Plant	17 624	19 971		16 725	19 524		899	447	
5	Transmission Plant - Electric	38 075	38 686		38 075	38 686		-	-	
6	Distribution Plant - Electric	107 559	113 509		107 559	113 509		-	-	
7 8	Transmission and Distribution Plant - Gas	20 024	21 023		-	-		20 024	21 023	
9	General Plant	5 898	6 814		4 792	5 676		1 106	1 138	
10	Total Plant in Service	189 180	200 003	$194 592	167 151	177 395	$172 273	22 029	22 608	$22 319
11 12 13	Adjustments to Average Plant in Service resulting from major changes occuring in 1978:									
14 15 16	Addition of 1.4325% Ownership Interest in Wyman #4 Generating Facilities	2 633			2 633					
17 18	Retirement of Liquefied Petroleum Gas Equipment	(448)						(448)		
19 20	Total Adjusted Plant in Service	$191 365	$200 003	$195 685	$169 784	$177 395	$173 590	$21 581	$22 608	$22 095

SCHEDULE 5

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Reserve for Depreciation and Amortization
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.	Functional Classification	Combined December 31, 1977	Combined December 31, 1978	Combined Average	Electric December 31, 1977	Electric December 31, 1978	Electric Average	Gas December 31, 1977	Gas December 31, 1978	Gas Average
1	Steam Production	$ 8 458	$ 8 963		$ 8 458	$ 8 963		$ -	$ -	
2	Manufactured Gas Production	306	60		-	-		306	60	
3	Other Production	207	269		207	269		-	-	
5	Total Production Plant	8 971	9 292		8 665	9 232		306	60	
6	Transmission Plant - Electric	8 947	10 186		8 947	10 186		-	-	
7	Distribution Plant - Electric	24 882	27 434		24 882	27 434		-	-	
7 8	Transmission and Distribution Plant - Gas	4 384	4 813		-	-		4 384	4 813	
9	General Plant	1 672	1 858		1 199	1 367		473	491	
10	Total Plant in Service	$48 856	$53 583	$51 220	$43 693	$48 219	$45 956	$5 163	$5 364	$5 264

SCHEDULE 6

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Prepayments
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.	Items	Combined December 31, 1977	Combined December 31, 1978	Combined Average	Electric December 31, 1977	Electric December 31, 1978	Electric Average	Gas December 31, 1977	Gas December 31, 1978	Gas Average
1	Insurance*	$ 70	$ 77		$62	$68		$ 8	$ 9	
2	Postage*	11	7		9	6		2	1	
3	Property Taxes	4 660	4 144		-	-		-	-	
4	Total Prepayments	4 741	4 228		71	74		10	10	
5	Less Property Taxes	4 660	4 144		-	-		-	-	
6	Total	$ 81	$ 84	$83	$71	$74	$73	$10	$10	$10

7 *Basis of Allocations between Electric and Gas:

8 Insurance: Based on the ratio of Net Electric Plant and Net Gas Plant in Service to
9 Total Net Electric and Gas Plant in Service Combined.

10	Net Electric Plant	$123 458	88.0%	$129 176	88.2%
11	Net Gas Plant	16 866	12.0%	17 244	11.8%
12	Total Utility Plant	$140 324	100.0%	$146 420	100.0%

13 Postage: Based on the Ratio of Total Annual Average Number of Electric Customers and Gas
14 Customers to the Total Annual Average Number of Electric and Gas Customers Combined,
15 Excluding Customers Counted Twice.

16	Total Avg. Annual Number				
17	Electric Customers	200 898	81.3%	206 400	81.6%
18	Total Avg. Annual Number				
19	Gas Customers	46 247	18.7%	46 472	18.4%
20	Total Avg. Annual Number				
21	Customers	247 145	100.0%	252 872	100.0%

SCHEDULE 7

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Fuel Inventory
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.	Year	Month	Combined Month End Balance	Combined Average	Electric Month End Balance	Electric Average	Gas Month End Balance	Gas Average
1	1977	December	$ 1 043		$ 362		$ 681	
2	1978	January	966		319		647	
3		February	906		312		594	
4		March	1 265		362		903	
5		April	1 155		376		779	
6		May	1 244		354		890	
7		June	1 263		382		881	
8		July	1 238		369		869	
9		August	1 190		340		850	
10		September	1 163		336		827	
11		October	1 212		257		955	
12		November	1 217		285		932	
13		December	1 840		921		919	
14		Total	$15 702	$1 208	$4 975	$383	$10 727	$825

SCHEDULE 8

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Other Materials and Supplies
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.	Item	Combined			Electric			Gas		
		December 31, 1977	December 31, 1978	Average	December 31, 1977	December 31, 1978	Average	December 31, 1977	December 31, 1978	Average
1	Power Station - Supplies	$ 15	$ 15		$ 15	$ 15		$ -	$ -	
2	Power Station - Repair Parts	86	91		86	91		-	-	
3	Substation Repair Parts	10	9		10	9		-	-	
4 5	Wire, Cable and Pole Line Material	2 143	1 774		2 143	1 774		-	-	
6	Underground Conduit	260	265		260	265		-	-	
7	Street Lighting	186	157		186	157		-	-	
8	Reels and Containers	62	47		62	47		-	-	
9	House Wiring	1	2		1	2		-	-	
10	Pipe, Valves, and Fittings	204	175		-	-		204	175	
11	Miscellaneous	109	119		99	110		10	9	
12 13	Total M&S Applicable to Rate Base	3 076	2 654	$2 865	$2 862	$2 470	$2 666	$214	$184	$199
14	Water Heaters	-	11							
15	Conversion Burners	-	27							
16	Appliances	59	53							
17	Appliance Repair Parts	18	12							
18	Fuels	1 043	1 840							
19	Total M&S per Balance Sheet	$4 196	$4 597							

SCHEDULE 9

NEW BEDFORD GAS AND EDISON LIGHT COMPANY SCHEDULE 10

Cash Working Capital
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.	Item	Combined	Electric	Gas
1	Gas/Power Production Expenses	$ 79 449	$65 975	$13 474
2	Local Storage Expenses	176	-	176
3	Transmission Expenses - Electric	3 232	3 232	-
4	Distribution Expenses - Electric	7 013	7 013	-
5	Transmission and Distribution Expenses - Gas	2 673	-	2 673
6	Customer Accounts Expenses	5 348	4 441	907
7 8	Sales Expenses (Marketing and Consumer Relations)	745	473	272
9	Administrative and General Expenses	11 123	9 304	1 819
10	Total Operations and Maintenance Expenses	109 759	90 438	19 321
11 12	Less - Expenses Recovered through Energy Adjustment Clauses	79 077	65 722	13 355
13	Net Operations and Maintenance Expenses	30 682	24 716	5 966
14 15	Cash Working Capital Allowance @ 12.5% for Operations and Maintenance	3 836	3 090	746
16	Purchased Gas Allowance ($13,355 x 15/360)	556	-	556
17	Total Cash Working Capital Allowance	$ 4 392	$ 3 090	$ 1 302

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Customer Deposits
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Combined December 31, 1977	Combined December 31, 1978	Combined Average	Electric December 31, 1977	Electric December 31, 1978	Electric Average	Gas December 31, 1977	Gas December 31, 1978	Gas Average
1	Cape & Vineyard District	$ 734	$ 888		$ 734	$ 888		$ -	$ -	
2	New Bedford and Plymouth									
3	Districts (A)	812	1 076		643	854		169	222	
4	Total	$1 546	$1 964	$1 755	$1 377	$1 742	$1 560	$169	$222	$195

5 (A) Basis for Allocation between Electric and Gas Customer Deposits of New Bedford and Plymouth Districts.

6 Allocated on the Ratio of Total Annual Revenues for Electric Commercial and Industrial Customers and
7 Total Annual Revenues for Gas Commercial and Industrial Customers to Total Electric and Gas Commercial
8 and Industrial Customers of the New Bedford and Plymouth Districts.

9 New Bedford and Plymouth Districts:

		Commercial and Industrial Revenues			
10		12 Months Ended		12 Months Ended	
11		December 31, 1977	%	December 31, 1978	%
12	Electric:				
13	Commercial Customers	$15 632		$16 180	
14	Industrial Customers	13 589		14 545	
15	Total Electric	29 221	79.2%	30 725	79.4%
16	Gas:				
17	Commercial Customers	3 932		3 893	
18	Industrial Customers	3 758		4 093	
19	Total Gas	7 690	20.8%	7 986	20.6%
20	Total Electric and Gas	$36 911	100.0%	$38 711	100.0%

SCHEDULE 11

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Other Rate Base Items
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.	Item	Combined			Electric			Gas		
		December 31, 1977	December 31, 1978	Average	December 31, 1977	December 31, 1978	Average	December 31, 1977	December 31, 1978	Average
1	Additions:									
2	Investment in Generating Company	$ 384	$ 384	$ 384	$ 384	$ 384	$ 384	$ -	$ -	$ -
3	Deductions:									
4 5	Customer Advances for Construction	853	1 323	1 088	853	1 323	1 088	-	-	-
6	Reserve for Deferred Taxes	14 402	17 046	15 724	11 921	14 261	13 091	2 481	2 785	2 633
7 8	Pre 1971 Unamortized Investment Tax Credits	784	743	764	677	642	660	107	101	104

SCHEDULE 12

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Cost of Service
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Combined			Electric			Gas			Schedule Reference
		Per Books	Adjustments	Pro Forma	Per Books	Adjustments	Pro Forma	Per Books	Adjustments	Pro Forma	
1	Operations and Maintenance	$109 760	$3 979	$113 739	$ 90 438	$3 375	$ 93 813	$19 322	$604	$19 926	-14-
2	Depreciation Expense	7 052	113	7 165	6 429	16	6 445	623	97	720	-14-
3 4	Amortization of Utility Plant	33	-	33	32	-	32	1	-	1	
5 6	Amortization of Property Losses	6	61	67	-	-	-	6	61	67	-14-
7 8	Taxes Other Than Income Taxes	9 975	94	10 069	8 269	77	8 346	1 706	17	1 723	-14-
9	Subtotal	$126 826	$4 247	131 073	$105 168	$3 [illegible]8	108 636	$21 658	$779	22 437	
10	Massachusetts Franchise Tax			1 313			1 152			161	-27-
11	Federal Income Tax			8 690			7 624			1 066	-27-
12 13	Amortization of Investment Credit			(250)			(225)			(25)	
14	Subtotal			140 826			117 187			23 639	
15	Return on Rate Base	($134 066 x 11.04%)		14 801	($117 831 x 11.04%)		13 00[illegible]	($16 235 x 11.04%)		1 [illegible]92	
16	Attrition Allowance			670			589			81	-24-
17	Total Cost of Service			$156 297			$130 785			$25 512	

SCHEDULE 13

NEW BEDFORD GAS AND EDISON LIGHT COMPANY SCHEDULE 14

Summary of Adjustments
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Combined	Electric	Gas	Schedule Reference
1	Operations and Maintenance				
2	Annualization of Wage Increases	$3 174	$2 603	$ 571	-15-
3 4	Payment to Massachusetts Taxpayers' Foundation	(2)	(2)	-	
5	Amortization of Rate Case Expense	10	9	1	-16-
6	Employee Benefits Costs	971	795	176	-17-
7 8	Annualization of Wyman No. 4 Expenses	73	73	-	-18-
9	Labor Force Reduction Savings	(351)	(196)	(155)	-19-
10	Interest on Customer Deposits	104	93	11	
11 12	Total Operations and Maintenance Adjustments	$3 979	$3 375	$ 604	
13	Depreciation	$ 113	$ 16	$ 97	-20-
14	Amortization of Property Losses	$ 61	$ -	$ 61	-21-
15	Taxes Other Than Income Taxes				
16	Payroll Tax Expense	$ 94	$ 77	$ 17	-22-

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Payroll Adjustments
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Combined	Amount	Electric	Amount	Gas	Amount
1	Labor Adjustment for 1978						
2	Payroll Charged to Operations and Maintenance,						
3	Twelve Months Ended October 31, 1978	$13 814		$11 327		$2 487	
4	Wage Increase @ 7.5%	1 036		850		186	
5	Portion of Increase Not Included in Test						
6	Year January 1 - October 31, 1978		$ 863		$ 708		$155
7	Labor Adjustment for 1979						
8	Payroll Charged to Operations and Maintenance,						
9	Twelve Months Ended October 31, 1979	14 850		12 177		2 673	
10	Wage Increase @ 7.5%		1 114		913		201
11	Labor Adjustment for 1980						
12	Payroll Charged to Operations and Maintenance,						
13	Twelve Months Ended October 31, 1980	15 964		13 090		2 874	
14	Wage Increase @ 7.5%		1 197		982		215
15	Total Payroll Adjustment		$3 174		$2 603		$571

16 Payroll Adjustments were allocated between Electric and Gas based on the actual salaries and wages charged
17 to Electric and Gas for twelve months ended December 31, 1978 as follows:

18	Total Salaries and Wages Electric @ 12/31/78	$16 562	82%
19	Total Salaries and Wages Gas @ 12/31/78	3 619	18
20	Total Salaries and Wages	$20 181	100%

SCHEDULE 15

NEW BEDFORD GAS AND EDISON LIGHT COMPANY SCHEDULE 16

Amortization of Rate Case Expenses
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Total	Electric	Gas
1	Estimated Cost of Study to			
2	determine Depreciable lives			
3	of Utility Plant in Service			
4	at December 31, 1978. Study			
5	was performed by Commonwealth			
6	Gilbert Associates	$29	$26	$3
7	Costs to be Amortized over			
8	3 years beginning in 1979.	10	9	1
9	Allocation between Electric and Gas based on net			
10	utility plant in service at December 31, 1978 as follows:			

		Amount	Allocation Rate
11	Net Electric Utility Plant in Service	$129 176	88%
12	Net Gas Utility Plant in Service	17 244	12
13	Total Utility Plant in Service	$146 420	100%

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

SCHEDULE 17

Employee Benefits Adjustment
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Combined	Amount	Electric	Amount	Gas	Amount
1	Pension Adjustment						
2	Actual Pensions Charged to Operations Expense -						
3	12 months ended December 31, 1978	$1 668		$1 372		$296	
4	Estimated Pension Expense for Year Beginning						
5	January 1, 1979 Based on 1st Quarter Experience						
6	Ending March 31, 1979	2 150		1 768		382	
7	Projected Increase		$482		$396		$ 86
8	Blue Cross/Blue Shield						
9	Actual Blue Cross/Blue Shield and Dental Expenses						
10	Charged to Operations Expense 12 Months Ended						
11	December 31, 1978	1 061		865		196	
12	Estimated Contractual Blue Cross/Blue Shield and						
13	Dental Expenses for the Year Beginning						
14	January 1, 1979	1 317		1 073		244	
15	Projected Increase		256		208		48
16	Employee Savings Plan						
17	Actual Employee Savings Plan Expenses Charged to						
18	Operations Expense 12 Months Ended December 31, 1978	510		419		91	
19	Estimated Employee Savings Plan Expenses for the Year						
20	Beginning January 1, 1979	586		481		105	
21	Projected Increase		76		62		14
22	Other Benefits						
23	Actual Life Insurance, Medicare B, and Supplemental						
24	Payments in lieu of Insurance Charged Operations						
25	Expense - 12 Months Ended December 31, 1978	320		263		57	
26	Estimated Expenses, for Other Benefits, to be						
27	Expensed for Year Beginning January 1, 1979	477		392		85	
28	Projected Increase		157		129		28
29	Total Employee Benefits Adjustment		$971		$795		$176

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

SCHEDULE 18

Annualization of Wyman No. 4 Expenses
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Amount
1	To include expense of operating and maintaining	
2	New Bedford Gas and Edison Light Company's	
3	1.4325% ownership interest in Central	
4	Maine Power Company's Wyman No. 4 Generating	
5	Unit which went into commercial operation	
6	Operation on December 1, 1978.	
7	Budgeted Operations and Maintenance	
8	Expense for the twelve months ended December 31,	
9	1979.	
10	Operations	$59
11	Maintenance	20
12	Total Budgeted Wyman #4 Expenses for 1979	79
13	Less: Amount included in December, 1978	6
14	Total Annualization Adjustment Wyman #4 Expenses	$73

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Labor Force Reduction Savings Adjustment
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Total Payroll	Original Allocation Electric %	Original Allocation Electric Amount	Original Allocation Gas %	Original Allocation Gas Amount	New Allocation Electric %	New Allocation Electric Amount	New Allocation Gas %	New Allocation Gas Amount	Savings Combined Amount	Savings Electric Amount	Savings Gas Amount
1	New Employee Allocations:												
2	1 Employee	$ 57	-	$ -	-	$ -	62%	$ 35	13%	$ 7			
3	4 Employees	139	-	-	-	-	75	105	-	-			
4	2 Employees	79	-	-	-	-	61	31	12	6			
5	1 Employee	46	-	-	-	-	73	33	-	-			
6	1 Employee	66	-	-	-	-	70	46	-	-			
7	1 Employee	41	-	-	-	-	60	24	-	-			
8	1 Employee	14	-	-	-	-	50	7	-	-			
9	2 Employees	76	-	-	-	-	8	6	-	-			
10	1 Employee	65	-	-	-	-	5	3	-	-			
11	Total New Employees							$290		$ 13	$(303)	$(290)	$(13)
12	Revised Employee Allocations:												
13	1 Employee	17	83	14	17	3	77	$ 13	16	$ 3			
14	1 Employee	33	83	27	17	6	72	24	15	5			
15	2 Employees	81	100	81	-	-	85	69	-	-			
16	1 Employee	43	-	-	100	43	80	35	-	-			
17	1 Employee	52	100	52	-	-	80	42	-	-			
18	1 Employee	47	15	7	85	40	12	6	68	32			
19	1 Employee	18	83	15	17	3	66	12	14	2			
20	2 Employees	96	83	80	17	16	62	59	13	12			
21	1 Employee	45	-	-	100	45	75	34	-	-			
22	7 Employees	237	83	197	17	40	61	144	12	29			
23	2 Employees	51	37	19	63	32	27	14	46	23			
24	1 Employee	26	100	26	-	-	73	19	-	-			
25	1 Employee	18	90	16	10	2	63	11	7	1			
26	1 Employee	43	80	35	20	8	52	23	13	6			
27	2 Employees	51	58	30	42	21	35	18	25	13			
28	2 Employees	72	83	60	17	12	50	36	10	7			
29	1 Employee	37	63	23	27	14	38	14	22	8			
30	1 Employee	46	78	36	22	10	43	20	12	5			
31	1 Employee	51	83	42	17	9	8	4	-	-			
	Total Revised Employee Allocations			$760		$304		$597		$146	321	163	158
32	Employees Terminated:												
33	10 Employees	290	100	$290	-	$ -	-	$ -	-	$ -			
34	1 Employee	21	60	13	40	8	-	-	-	-			
35	1 Employee	22	90	20	10	2	-	-	-	-			
36	Total Employees Terminated			$323		$ 10		$ -		$ -	333	323	10
37	Total Reorganization Savings										$ 351	$ 196	$155

SCHEDULE 19

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Depreciation Adjustments
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Combined			Electric					Gas				
		Per Books Amount	As Adjusted Amount	Adjustment Amount	Per Books Rate	Per Books Amount	As Adjusted Rate	As Adjusted Amount	Adjustment Amount	Per Books Rate	Per Books Amount	As Adjusted Rate	As Adjusted Amount	Adjustment Amount
1	Steam Production Plant	$ 540	$ 549		3.57%	$ 540	3.12%	$ 549		- %	$ -	- %	$ -	
2	Manufactured Gas Production													
3	Plant	22	13		-	-	-	-		4.75	22	6.07	13	
4	Other Production Plant	67	85		4.29	67	5.36	85		-	-	-	-	
5	Total Production Plant	629	647		-	607	-	634		-	22	-	13	
6	Transmission Plant -													
7	Electric	1 283	1 110		3.72	1 283	3.19	1 110		-	-	-	-	
8	Distribution Plant -													
9	Electric	4 380	4 544		4.03	4 380	4.07	4 544		-	-	-	-	
10	Transmission and Distribution													
11	Plant - Gas	564	666		-	-	-	-		2.80	564	3.22	666	
12	Leased Water Heaters	16	22		-	-	-	-		5.06	16	7.56	22	
13	General Plant	195	191		3.60	159	3.19	157		3.43	36	3.24	34	
14	Total	$7 067	$7 180	$113	3.92%	$6 429	3.78%	$6 445	$16	2.91%	$638	3.30%	$735	$97

SCHEDULE 20

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

SCHEDULE 21

Annualization of Property Loss Amortization
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Gas	Amount
1	In December, 1978 the Company requested verbal		
2	permission to use account 182, Extraordinary		
3	Property Losses, for unrecovered depreciation		
4	in connection with the abandonment of liquefied		
5	Petroleum Plant Equipment. The amortization		
6	period to be three years beginning in		
7	December, 1978. Formal written application		
8	was made to the Department of Public Utilities		
9	on January 4, 1979.		
10	Total Amount to be Amortized	$201	
11	One year's amortization	67	
12	Amortized in December, 1978	6	
13	Total Adjustment		$61

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

SCHEDULE 22

Payroll Tax Adjustments
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Combined		Amount	Electric Amount	Gas Amount
1	FICA Expense					
2	Total 1978 Payroll		$20 181			
3	7.5% Increase		1 514			
4			$21 695			
5	Percent of 1978 Payroll Allocation:					
6	Income	$15 587	77%			
7	Other	4 594	23%			
8		20 181	100%			
9	Employee Salary Breakdown					
10	(229) over $22 900	6 204				
11	(859) under $22 900	15 505				
12		20 749				
13	FICA Base					
14	(229) x $22 900	5 244				
15	(859)	15 505				
16		20 749				
17		@ 6.13%	$ 1 272			
18	Applicable to Operations @ 77%		$ 979		$803	$176
19	Applicable to Operations in 1978		870		714	156
20	Increase in FICA Expense			$109	$89	$20
21	State Unemployment Tax Expense					
22	1 088 Employees x $6 000		6 528			
23			@ 2.7%			
24			176			
25	Applicable to Operations @ 77%		136		112	24
26	Applicable to Operations in 1978		146		120	26
27	Decrease in State Unemployment Tax Expense			(10)	(8)	(2)
28	Federal Unemployment Tax Expense					
29	1 088 Employees x $6 000		6 528			
30			@ .7%			
31			46			
32	Applicable to Operations @ 77%		35		29	6
33	Applicable to Operations in 1978		40		33	7
34	Decrease in Federal Unemployment Tax Expense			(5)	(4)	(1)
35	Total Payroll Tax Adjustments			$ 94	$77	$17

36 Payroll Tax Adjustments were allocated between
37 Electric and Gas based on the actual 1978 Payroll
38 Taxes incurred by Electric and Gas.

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

SCHEDULE 23

Attrition Allowance
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Combined	Electric	Gas
1	Computation of Attrition Allowance			
2	Rate Base	$134 066	$117 831	$16 235
3	Attrition Factor	.50%	.50%	.50%
4	Attrition Allowance	$ 670	$ 589	$ 81

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Calculation of Income Taxes
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Combined	Electric	Gas	Schedule Reference
1	Rate Base	$134 066	$117 831	$16 235	-2-
2	Return Requirement (11.04% of Rate				
3	Base)	$14 801	$13 009	$1 792	
4	Attrition Allowance	670	589	81	-23-
5	Add:				
6	Non-Deductible Depreciation Expense	120	107	13	
7	Deduct:				
8	Interest Charges (3.76% of Rate Base)	(5 040)	(4 430)	(610)	
9	Amortization of Investment Tax Credit	(250)	(225)	(25)	
10	Return on Investment Generating				
11	Companies	(55)	(55)	-	-25-
12	Reversal of Reserve for Storm Damage	(116)	(116)	-	-26-
13	Net	10 130	8 879	1 251	
14	Taxable Income (Line 13 x 1.9806)	$20 063	$17 585	$2 478	
15	Federal Income Tax (Line 14 x 43.01%)	$ 8 629	$ 7 563	$1 066	
16	Massachusetts Franchise Tax (Line 14 x				
17	6.5%)	$ 1 304	$ 1 143	$ 161	

SCHEDULE 24

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

SCHEDULE 25

Calculation of Other Tax Adjustments - Dividends Received
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Electric
1	Dividends Received Deduction	
2 3	Dividends Received from Generating Companies	$61
4	Massachusetts Franchise Tax (Line 3 x 6.5%)	4
5	85% Dividend Exclusion	52
6	Income Subject to Federal Income Tax	5
7	Federal Income Tax (Line 6 x 46%)	2
8	Return (Line 3 - Line 4 and Line 7)	$55

NEW BEDFORD GAS AND EDISON LIGHT COMPANY SCHEDULE 26

Calculation of Other Tax Adjustments - Storm Damage Reserve Reversal
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Electric
1	Storm Damage Reserved	$180
2	State Franchise Taxes @ 2.77% (effective)	5
3	Income Subject to Federal Tax	175
4	Federal Income Taxes @ 33.7% (effective)	59
5	Net Reserve for Storm Damage	
6	(Line 1 - Line 2 and Line 4)	$116

7 During the years 1963 to 1968 the Company accrued for anticipated storm
8 damage costs, net of applicable taxes. In 1973, the Company ceased using
9 this method of accounting and began to reverse the unused portion of the
10 reserve as required. This adjustment represents that final portion of
11 the reserve which was recorded during 1978, at the tax rates applicable
12 when accrued.

NEW BEDFORD GAS AND EDISON LIGHT COMPANY SCHEDULE 27

Summary of Income Taxes
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Combined	Electric	Gas	Schedule Reference
1	Massachusetts Franchise Tax -				
2	Regular	$1 304	$1 143	$ 161	-24-
3	Dividends Received	4	4	-	-25-
4	Storm Damage Reserve Reversal	5	5	-	-26-
5	Total	$1 313	$1 152	$ 161	
6	Federal Income Tax -				
7	Regular	$8 629	$7 563	$1 066	-24-
8	Dividends Received	2	2	-	-25-
9	Storm Damage Reserve Reversal	59	59	-	-26-
10	Total	$8 690	$7 624	$1 066	

SCHEDULE 28

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Weather Normalization Adjustment
Test Year Ended December 31, 1978

(Dollars in Thousands)

Line No.		Gas
1	To normalize the effect of increased gas sales, representing approximately 235,586 MCF's, due to the colder than normal weather experienced during the test year ended December 31, 1978	($39)

NEW BEDFORD GAS AND EDISON LIGHT COMPANY

Response to "Request for Additional Financial Information"

Item 2h

(Dollars in Thousands)

	1980	1981	1982	1983	1984	1985	
Generating Facilities (Note)							
Seabrook (1)	5,037	35,477	18,124	8,478	5,069	377	40Mw in 1983, 40Mw in 1985
Pilgrim	1,968	1,396	2,811	2,965	3,084	3,855	18 Mw in 1985
Montague	110	110	110	110	111	137	40Mw in each unit, in Service Dates unspecified at this time.
Diesels	900					1,300	2.8 Mw in 1980, 2.8 Mw in 1985.
Transmission Facilities							
Barnstable Sw. Stn. Addition	307						In-Service in 1980
Valley Sub Addition					345		1984
Duxbury Sub			100	1,000			1983
Falmouth Sw. Stn.					550		1984
West Pond Sub Addition				65	645		1984
Industrial Park Sub Addition					885		1984
Harwich Tap-Orleans 115/23 Kv line	1,800						1980
Harwich-Orleans 115/23 Kv line					2,600		1984
Chatham Substation						1,200	1985
Distribution Facilities							
Sw. Capacitors	361						1980
Brewster Rte. 39 23Kv Rebuild				189			1983
Provincetown Tap Upgrade		128	128	96			1983
Chatham Voltage Support	200						1980
Harwich Tap to Rte. 137 - 23 Kv			60	60	60		1984
Pine St. Sub to Hathaway St.					303		1984
General Plant							
Central Administration Building	3,500	1,875					1981

Note: Cash expenditures on Nuclear Units have been shown for information purposes only. The actual expenditure of cash is projected to be made by Canal Electric Company for the years 1981 through 1985.

(1) The additional acquisition of 50Mw from Public Service Company of New Hampshire has been phased in as incremental purchases from the period January 1, 1981 through May 30, 1982.

4/24/80

ATTACHMENT FOR ITEM NO. 2.i
FINANCIAL STATISTICS

	12 Months Ended December 31, 1979	1978
	(Dollars in Millions)	
Earnings available to common equity	$ 7	$ 6
Average common equity	$66	$66
Rate of return on average common equity	10.00%	9.12%
Times total interest earned before FIT: Gross income (incl. AFDC) + current and deferred FIT ÷ total interest charges + amortization of debt discount and expense	2.32	2.82
Times long-term interest earned before FIT: Gross income (incl. AFDC) + current and deferred FIT ÷ long-term interest charges + amortization of debt discount and expense	3.36	3.24
Bond ratings (end of period)		
Standard and Poor's	A	A
Moody's	Aa	Aa
Times interest and preferred dividends earned after FIT: Gross income (incl. AFDC) ÷ total interest charges + amortization of debt discount and expense + preferred dividends	1.96	2.12
AFUDC	$ 2	$ 1
Net income after preferred dividends	$ 7	$ 6
Market price of common (Parent)	$14.25	$16.00
Book value of common (Parent)	$19.48	$18.63
Market-book ratio (end of period)*	.73	.86
Earnings avail. for common less AFDC depreciation and amortization, deferred taxes, and invest. tax credit adjust. - deferred	$15.8	$15.7
Common dividends	$ 6.0	$ 6.3
Ratio	2.6	2.4
Short-term debt		
Bank loans	$15	-
Parent	$ 7	$ 5

Capitalization (Amount & Percent)	Amount	%	Amount	%
Long-term debt	$59	47	$59	48
Preferred stock			-	-
Common equity	66	53	66	52

*If subsidiary company, use parent's data.

ATTACHMENT 6