



Northeast
Utilities System

107 Selden Street, Berlin, CT 06037

Northeast Utilities Service Company
P.O. Box 270
Hartford, CT 06141-0270
(203) 665-5000

April 26, 1994
RE: 10CFR50.71(b)

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

Dear Sir:

In accordance with paragraph 50.71(b) of 10CFR, Part 50, enclosed is one copy of the 1993 Annual Financial Report 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,

F. J. Guglielmo
Senior Accountant
External Financial Reporting
Northeast Utilities Service Company

FJG/lmw/NRC3
Enclosures

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ANNUAL REPORT

FOR THE PERIOD

Beginning January 1, 1993 and Ending December 31, 1993

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 W. Noyes, Vice President 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 OF 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 of 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 in hundred thousands of dollars, as appropriate and subject to provisions of Regulation S-X (§210.3-01(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, §210.3-01(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 Service Companies, Public Utility Holding Company Act of 1935, as amended 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 of capital billed during the calendar year.

LISTING OF SCHEDULES AND ANALYSIS OF ACCOUNTS

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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 | |
|---------|---|------------------------|------------|
| | | 1993 | 1992 |
| | | (Thousands of Dollars) | |
| | SERVICE COMPANY PROPERTY | | |
| 101 | Service company property (Schedule II) | \$ 15,596 | \$ 15,430 |
| 107 | Construction work in progress (Schedule II) | 11,803 | 801 |
| | Total Property | 27,399 | 16,231 |
| 108 | Less accumulated provision for depreciation and amortization of service company property (Schedule III) | 6,700 | 6,074 |
| | Net Service Company Property | 20,699 | 10,157 |
| | INVESTMENTS | | |
| 123 | Investments in associate companies (Schedule IV) | - | - |
| 124 | Other investments (Schedule IV) | - | - |
| | Total Investments | - | - |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | 6 | 18 |
| 134 | Special deposits | - | - |
| 135 | Working funds | 8 | 8 |
| 136 | Temporary cash investments (Schedule IV) | - | - |
| 141 | Notes receivable | - | - |
| 143 | Accounts receivable | 1,396 | 4,748 |
| 144 | Accumulated provision of uncollectible accounts | - | - |
| 146 | Accounts receivable from associate companies (Schedule V) | 44,887 | 55,809 |
| 152 | Fuel stock expenses undistributed (Schedule VI) | - | - |
| 154 | Materials and supplies | 72,439 | 65,384 |
| 163 | Stores expense undistributed (Schedule VII) | 136 | 365 |
| 165 | Prepayments | 4,326 | 4,485 |
| 174 | Miscellaneous current and accrued assets (Schedule VIII) | - | - |
| | Total Current and Accrued Assets | 123,198 | 130,817 |
| | DEFERRED DEBITS | | |
| 181 | Unamortized debt expense | 88 | 8 |
| 184 | Clearing accounts | 4 | 9 |
| 186 | Miscellaneous deferred debits (Schedule IX) | 4,133 | 5,534 |
| 188 | Research, development, or demonstration expenditures (Schedule X) | - | - |
| 190 | Accumulated deferred income taxes | 2,827 | - |
| | Total Deferred Debits | 7,052 | 5,551 |
| | TOTAL ASSETS AND OTHER DEBITS | \$ 150,949 | \$ 146,525 |

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 | |
|---------|---|------------------------|---------|
| | | 1993 | 1992 |
| | | (Thousands of Dollars) | |
| | PROPRIETARY CAPITAL | | |
| 201 | Common stock issued (Schedule XI) | \$ 15 | \$ 15 |
| 211 | Miscellaneous paid-in-capital (Schedule XI) | 15,350 | 15,350 |
| 215 | Appropriated retained earnings (Schedule XI) | - | - |
| 216 | Unappropriated retained earnings (Schedule XI) | 1,004 | 1,036 |
| | Total Proprietary Capital | 16,369 | 16,401 |
| | LONG-TERM DEBT | | |
| 223 | Advances from associate companies (Schedule XII) | - | - |
| 224 | Other long-term debt (Schedule XII) | 25,000 | - |
| 225 | Unamortized premium on long-term debt | - | - |
| 226 | Unamortized discount on long-term debt-debit | - | - |
| | Total Long-Term Debt | 25,000 | - |
| | CURRENT AND ACCRUED LIABILITIES | | |
| 231 | Notes payable | - | - |
| 232 | Accounts payable | 25,333 | 28,476 |
| 233 | Notes payable to associate companies (Schedule XIII) | 7,500 | 16,000 |
| 234 | Accounts payable to associate companies (Schedule XIII) | 4,324 | 13,171 |
| 236 | Taxes accrued | 5,191 | 5,741 |
| 237 | Interest accrued | - | 106 |
| 238 | Dividends declared | - | - |
| 241 | Tax collections payable | 392 | 505 |
| 242 | Miscellaneous current and accrued liabilities (Schedule XIII) | 52,678 | 50,657 |
| | Total Current and Accrued Liabilities | 95,418 | 114,656 |
| | DEFERRED CREDITS | | |
| 253 | Other deferred credits | 13,359 | 6,519 |
| 255 | Accumulated deferred investment tax credits | 803 | 870 |
| | Total Deferred Credits | 14,162 | 7,389 |
| 282 | ACCUMULATED DEFERRED INCOME TAXES | - | 8,079 |
| | TOTAL LIABILITIES AND PROPRIETARY CAPITAL | 150,949 | 146,525 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 | \$11,099 | | | | \$11,099 |
| 322 REACTOR PLANT EQUIPMENT | | | | | |
| 324 ACCESSORY ELECTRIC EQUIPMENT | 27 | | | | 27 |
| 325 MISCELLANEOUS POWER PLANT EQUIPMENT | 3,130 | 166 | | | 3,296 |
| 391 OFFICE FURNITURE AND EQUIPMENT | 1,174 | | | | 1,174 |
| SUB-TOTAL | 15,430 | 166 | | | 15,596 |
| ----- | | | | | |
| 107 CONSTRUCTION WORK IN PROGRESS (4) | 801 | 11,002 | | | 11,803 |
| TOTAL | \$16,231 | \$11,168 | \$0 | \$0 | \$27,399 |
| ===== | | | | | |

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

NONE

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 | BALANCE AT CLOSE OF YEAR |
|------------------------|------------------------|--------------------------------|
| | (Thousands of Dollars) | |

NONE

(3) DESCRIBE OTHER SERVICE COMPANY PROPERTY:

(4) DESCRIBE CONSTRUCTION WORK IN PROGRESS:

This account includes simulator upgrade, tools and general plant items.

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

SCHEDULE III

ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF SERVICE COMPANY PROPERTY

| Account | DESCRIPTION | BALANCE AT | ADDITIONS | OTHER | BALANCE |
|------------------------|---|------------|-----------|-------------------------|----------|
| | | BEGINNING | CHARGED | CHANGES | AT CLOSE |
| | | OF YEAR | TO | ADD | OF YEAR |
| | | | ACCT 403 | RETIREMENTS (DEDUCT) 1/ | |
| (Thousands of Dollars) | | | | | |
| 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 | 3,322 | 345 | 392 | 4,059 |
| 322 | REACTOR PLANT EQUIPMENT | | | | |
| 324 | ACCESSORY ELECTRIC EQUIPMENT | 8 | 1 | 1 | 10 |
| 325 | MISCELLANEOUS POWER PLANT EQUIPMENT | 2,228 | 133 | (353) | 2,008 |
| 391 | OFFICE FURNITURE AND FIXTURES | 516 | 28 | 79 | 623 |
| TOTAL | | \$6,074 | \$507 | \$0 | \$119 |
| | | | | | \$6,700 |

1/ PROVIDE AN EXPLANATION OF THOSE CHANGES CONSIDERED MATERIAL:

Depreciation charged to clearing account.

The transfers shown are to bring account level accumulated depreciation
balances into line with the plant account balances.

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 |
|-------------|------------------------------------|--------------------------------|
| | | |

(Thousands of Dollars)

ACCOUNT 123 - INVESTMENT IN ASSOCIATE COMPANIES

NONE

ACCOUNT 124 - OTHER INVESTMENTS

NONE

ACCOUNT 136 - TEMPORARY CASH INVESTMENTS

NONE

TOTAL

| | |
|-------|-------|
| ----- | ----- |
| \$- | \$- |
| ===== | ===== |

For the Year Ended December 31, 1993

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.

ANALYSIS OF CONVENIENCE OR ACCOMMODATION PAYMENTS:

- 10 -

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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: | |
| Northeast Utilities | \$1,650 |
| The Connecticut Light and Power Company | 16,767 |
| Western Massachusetts Electric Company | 3,894 |
| Northeast Utilities Service Company | 2,002 |
| TOTAL | \$24,313 |

Convenience payments result primarily from the following items:

| | |
|---|----------|
| Engineering Services | \$721 |
| Nuclear Fuel | 17,669 |
| Computer Equipment & Supplies | 210 |
| Federal Income Taxes | 1,650 |
| Assessment for Decontamination & Decommissioning Fund | 3,345 |
| Miscellaneous (224 items) | 718 |
| TOTAL | \$24,313 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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, 1993 | | | \$365 |
| Activity for the year: | | | |
| Stores expense undistributed | \$2,069 | \$3,135 | 5,204 |
| The above stores expenses are billed back to each of the companies listed below: | | | |
| The Connecticut Light & Power Company | (1,559) | (2,339) | (3,898) |
| Western Massachusetts Electric Company | (372) | (558) | (930) |
| Public Service Company of New Hampshire | (20) | (31) | (51) |
| Nonassociate Companies (see page 22 for list of the companies) | (222) | (332) | (554) |
| Stores expense distributed | (2,173) | (3,260) | (5,433) |
| Net Activity for year | (\$104) | (\$125) | (229) |
| Ending Balance as of December 31, 1993 | | | \$136 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 | | |
| Financial system development costs | \$5,388 | \$3,938 |
| Employee performance payments | 39 | 21 |
| Connecticut sales tax under protest | 93 | 99 |
| Connecticut diesel tax | 21 | 21 |
| External Audit - Millstone Unit No. 3 | - | 61 |
| Other deferred debits (3 items in 1993 and 4 items in 1992) | (7) | (7) |
| TOTAL | \$5,534 | \$4,133 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 | |
| Services billed from Northeast Utilities Service Company (an associate company) | \$0 |
| Miscellaneous (0 items) | 0 |
| The above expenses are billed back to each of the associated companies listed below: | |
| The Connecticut Light and Power Company | 0 |
| Western Massachusetts Electric Company | 0 |
| Nonassociate Companies (see page 22 for list of the companies) | 0 |
| TOTAL | \$0 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

SCHEDULE XI

PROPRIETARY CAPITAL

| ACCOUNT NUMBER | CLASS OF STOCK | NUMBER OF SHARES | PAR OR STATED VALUE | OUTSTANDING PER SHARE | CLOSE OF PERIOD NO. OF SHARES | TOTAL AMOUNT |
|-------------------|---------------------|---------------------|------------------------|--------------------------|----------------------------------|---------------------------|
| | | AUTHORIZED | | | | (Thousands of Dollars) |
| 201 | COMMON STOCK ISSUED | 60,000 | \$10.00 | | 1,500 | \$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 | \$15,350 |
| ACCOUNT 215 - APPROPRIATED RETAINED EARNINGS | - |
| TOTAL | \$15,350 |
| | ===== |

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 | \$1,036 | \$2,116 | \$2,148 | \$1,004 |
| TOTAL | \$1,036 | \$2,116 | \$2,148 | \$1,004 |
| | ===== | ===== | ===== | ===== |

The net income is all compensation for use of capital.

The dividends are paid as follows:

| Rate Percentage Per Share | Amount of Dividend | Date Declared | Date Paid |
|------------------------------|-----------------------|---------------|-----------|
| \$358.00 | \$537,000 | 03/08/93 | 03/31/93 |
| \$358.00 | \$537,000 | 06/14/93 | 06/01/93 |
| \$358.00 | \$537,000 | 09/20/93 | 09/30/93 |
| \$358.00 | \$537,000 | 12/13/93 | 12/31/93 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 AT BEGINNING OF YEAR | ADDITIONS | DEDUCTIONS (1) | BALANCE AT CLOSE OF YEAR |
|--|--|------------------------|------------------|----------------------|------------------------------------|-----------|----------------|--------------------------------|
| (Thousands of Dollars) | | | | | | | | |
| ACCOUNT 223-ADVANCES FROM ASSOCIATE COMPANIES: | | | | | | NONE | | |
| ACCOUNT 224-OTHER LONG-TERM DEBT: | | | | | | | | |
| Prudential Insurance Company of America | Senior Unsecured Note | 8/2019 | 7.17% | \$25,000 | \$0 | \$25,000 | \$0 | \$25,000 |
| TOTAL OTHER LONG-TERM DEBT | | | | \$25,000 | \$0 | \$25,000 | \$0 | \$25,000 |

(1) GIVE AN EXPLANATION OF DEDUCTIONS:

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 | \$16,000 | \$7,500 |
| TOTAL | \$16,000 | \$7,500 |
| ACCOUNT 234 - ACCOUNTS PAYABLE TO ASSOCIATE COMPANIES | | |
| The Connecticut Light and Power Company | \$953 | \$777 |
| Western Massachusetts Electric Company | 25 | 11 |
| Northeast Utilities Service Company | 11,532 | 3,121 |
| Northeast Utilities | 661 | 415 |
| TOTAL | \$13,171 | \$4,324 |
| ACCOUNT 242 - MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES | | |
| Millstone 3 Funding Liability | \$39,833 | \$38,343 |
| Pension Cost | 9,420 | 10,520 |
| Performance Reward Program | 490 | 1,362 |
| Payroll Accrual | 883 | 2,175 |
| Payroll Deductions | 17 | (2) |
| Audit Expense | 13 | 12 |
| Severance Payment | 0 | 243 |
| Executive Incentive Compensation | 0 | 26 |
| Other (1 item in 1993 and 3 items in 1992) | 1 | (1) |
| TOTAL | \$50,657 | \$52,678 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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), and North Atlantic Energy Corporation (NAEC) are four of the operating subsidiaries of the Northeast Utilities system (the system) and are wholly owned by NU. NNECO acts as agent in operating the two nuclear generating facilities (Millstone 1 and 2) that are wholly owned by CL&P and WMECO. The cost of the two nuclear units is recorded on the books of the affiliated utility companies in their proportionate ownership shares. In addition, the company acts as agent in operating a third nuclear generating unit, Millstone 3, for CL&P, PSNH, WMECO, and other nonaffiliated utilities. The cost of Millstone 3 is recorded on the books of CL&P, PSNH, WMECO, and the nonaffiliated utilities based upon their proportionate ownership shares.

Other wholly owned subsidiaries of NU provide substantial support services to the system. Northeast Utilities Service Company (NUSCO) supplies centralized accounting, administrative, data processing, engineering, financial, legal, operational, planning, purchasing, and other services to the system companies.

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.

ACCOUNTING CHANGES

Postretirement Benefits Other Than Pensions: The company has adopted the provisions of Statement of Financial Accounting Standards No. 106, "Employer's Accounting for Postretirement Benefits Other Than Pensions" (SFAS 106), effective January 1, 1993. For information on this change, see Note 6, "Postretirement Benefits Other Than Pensions "

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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 (the 1935 Act), and it and its subsidiaries, including the company, are subject to the provisions of the 1935 Act.

REVENUES

The company provides 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.

DEPRECIATION

The provision for depreciation is calculated using the straight-line method based on estimated remaining lives of depreciable utility plant-in-service, adjusted for salvage value and removal costs. Except for major facilities, depreciation factors are applied to the average plant-in-service during the period. Major facilities are depreciated from the time they are 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. The depreciation rates for the several classes of utility plant-in-service are equivalent to a composite rate of 4.3 percent in 1993 and 5.3 percent in 1992.

2. LEASES

The company has entered into lease agreements with two unaffiliated third parties for the use of nuclear control room simulators (simulators) for Millstone 1 and 2, and CL&P's and WMECO's share of the Millstone 3 simulator. In addition, the company's affiliates have entered into lease agreements for the use of data processing equipment, office equipment, vehicles and office space. NNECO is billed for its proportionate share of these leases through the intercompany billing system. The provisions of these lease agreements generally provide for renewal options. For the purposes of this report, all leases are accounted for as operating leases. At December 31, 1993, assuming those leases which would have been classified as capital leases were capitalized at the beginning of the lease terms, assets would have increased by approximately \$23.6 million, current liabilities would have increased by approximately \$2.0 million, and long-term obligations would have increased by approximately \$21.6 million. There is no effect on NNECO's results of operations.

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During 1993 NNECO charged approximately \$4,819,000 in capital lease rental payments and \$6,960,000 in operating lease rental payments to operating expense. Interest included in capital lease rental payments was approximately \$2,510,000.

Future minimum rental payments, excluding executory costs such as property taxes, state use taxes, insurance and maintenance, under long-term noncancelable leases as of December 31, 1993, are approximately:

| Year | Capital Leases | Operating Leases |
|--|-------------------|---------------------|
| ---- | ----- | ----- |
| (Thousands of Dollars) | | |
| 1994. | \$ 4,366 | \$ 600 |
| 1995. | 4,366 | 600 |
| 1996. | 4,366 | 227 |
| 1997. | 4,195 | 178 |
| 1998. | 4,127 | 106 |
| After 1998. | 9,657 | 142 |
| | ----- | ----- |
| Future minimum lease payments | 31,087 | \$1,853 |
| Less amount representing interest | 9,485 | ===== |
| Present value of future minimum lease payments. | \$21,602 | ===== |

3. SHORT-TERM DEBT

The system companies have various credit lines totaling \$485 million. NU, CL&P, WMECO, Holyoke Water Power Company (HWP), NNECO, and The Rocky River Realty Company (RRR) have established a revolving credit facility with a group of 17 banks. Under this facility, the participating companies may borrow up to an aggregate of \$360 million. Individual borrowing limits are \$175 million for NU, \$360 million for CL&P, \$75 million for WMECO, \$8 million for HWP, \$60 million for NNECO, and \$15 million for RRR. The system companies may borrow funds on a short-term revolving basis using either fixed-rate loans or standby loans. Fixed rates are set using competitive bidding. Standby-loan rates are based upon several alternative variable rates. The system companies are obligated to pay a facility fee of .20 percent of each bank's total commitment under the three-year portion of the facility, representing 75 percent of the total facility, plus .135 percent of each bank's total commitment under the 364-day portion of the facility, representing 25 percent of the total facility. At

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December 31, 1993, there were \$22.5 million of borrowings under the facility, of which NNECO had no outstanding borrowings.

The Pool provides a more efficient use of the cash resources of the 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. Investing and borrowing subsidiaries receive or pay interest based on the average daily Federal Funds rate. Funds may be withdrawn from or repaid to the Pool at any time without prior notice. However, borrowings based on loans from NU parent bear interest at NU parent's cost and must be repaid based upon the terms of NU parent's original borrowing.

Maturities of NNECO's short-term debt borrowings are for periods of three months or less.

The amount of short-term borrowings that may be incurred by the company is subject to periodic approval by the SEC under the 1935 Act. Under this restriction, as of January 1, 1993, the company was authorized to incur short-term borrowings up to a maximum of \$65 million.

4. LONG-TERM DEBT

Detail of long-term debt outstanding is:

| | December 31, | |
|-----------------------------------|------------------------|------|
| | 1993 | 1992 |
| | (Thousands of Dollars) | |
| 7.17% Senior Notes, due 2019 | \$25,000 | \$ - |
| Less: Amounts due within one year | - | - |
| Long-Term Debt, net | \$25,000 | - |

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NOTES TO FINANCIAL STATEMENTS

5. PENSION BENEFITS

The company participates in a uniform noncontributory-defined benefit retirement plan covering all regular system employees (the Plan). Benefits are based on years of service and employees' highest eligible compensation during five consecutive years of employment. NNECO's direct-allocated portion of the system's pension cost, part of which was charged to plant, approximated \$1.1 million in 1993 and \$1.8 million in 1992.

Currently, the company 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. Pension costs are determined using market-related values of pension assets. Pension assets are invested primarily in domestic and international equity securities and bonds.

The components of the Plan's net pension cost for the system (excluding PSNH and North Atlantic Energy Service Corporation in 1992) are:

| For the Years Ended December 31, | 1993 | 1992 |
|----------------------------------|------------------------|----------|
| | (Thousands of Dollars) | |
| Service cost. | \$ 59,068 | \$27,480 |
| Interest cost | 81,456 | 69,746 |
| Return on plan assets | (176,798) | (77,232) |
| Net amortization. | 65,447 | (16,266) |
| | ----- | ----- |
| Net pension cost. | \$ 29,173 | \$ 3,728 |
| | ===== | ===== |

For calculating pension cost, the following assumptions were used:

| For the Years Ended December 31, | 1993 | 1992 |
|---|-------|-------|
| Discount rate | 8.00% | 8.50% |
| Expected long-term rate of return | 8.50 | 9.00 |
| Compensation/progression rate | 5.00 | 6.75 |

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The following table represents the Plan's funded status reconciled to the NU Consolidated Balance Sheets:

| At December 31, | 1993 | 1992 |
|---|------------------------|----------------------|
| | (Thousands of Dollars) | |
| Accumulated benefit obligation, including \$817,421,000 of vested benefits at December 31, 1993 and \$719,608,000 at December 31, 1992 | \$ 898,788 ===== | \$ 764,432 ===== |
| Projected benefit obligation. | 1,141,271 | 1,055,295 |
| Less: Market value of plan assets. | 1,340,249 ----- | 1,226,468 ----- |
| Market value in excess of projected benefit obligation. | 198,978 | 171,173 |
| Unrecognized transition amount. | (16,735) | (18,277) |
| Unrecognized prior service costs. | 10,287 | 8,658 |
| Unrecognized net gain | (275,043) ----- | (214,894) ----- |
| Accrued pension liability | \$ (82,513) ===== | \$ (53,340) ===== |

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

| At December 31, | 1993 | 1992 |
|---|-------|------|
| Discount rate | 7.75% | 8.00 |
| Compensation/progression rate | 4.75 | 5.00 |

The discount rate for 1993 was determined by analyzing the interest rates, as of December 31, 1993 of long-term, high-quality corporate debt securities having a duration comparable to the 13.8-year duration of the plan.

During 1993, NU's work force was reduced by approximately 7 percent through a work force reduction program that involved an early retirement program

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and involuntary terminations. NNECO's direct cost of the program, which approximated \$243,000, included severance and other benefits.

6. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

The company provides 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 leaving the company who are otherwise eligible to retire and have met specified service requirements. Through December 31, 1992, the company recognized the cost of these benefits as they were paid. In December 1990, the FASB issued SFAS 106. This new standard requires that the expected cost of postretirement benefits, primarily health and life insurance benefits, must be charged to expense during the years that eligible employees render service. Effective January 1, 1993, the company adopted SFAS 106 on a prospective basis. Total health care and life insurance cost, part of which were deferred or charged to plant, approximated \$1.5 million in 1993 and \$87,000 in 1992.

On January 1, 1993, the accumulated postretirement benefit obligation (APBO) represented the company's prior-service obligation upon the adoption of SFAS 106. As allowed by SFAS 106, the company is amortizing its APBO of approximately \$6.9 million over a 20-year period. For current employees and certain retirees, the total SFAS 106 benefit is limited to two times the 1993 health care costs. The SFAS 106 obligation has been calculated based on this assumption.

During 1993, the company began funding SFAS 106 postretirement costs through external trusts. The company is funding annually amounts equal to the SFAS 106 costs for the year which also are tax-deductible under the Internal Revenue Code. The trust assets are invested primarily in equity securities and bonds.

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The following table represents the plan's funded status reconciled to the Balance Sheet at December 31, 1993:

(Thousands of Dollars)

| | |
|--|-----------|
| Accumulated postretirement benefit obligation of: | |
| Retirees. | \$(2,712) |
| Fully eligible active employees | (31) |
| Active employees not eligible to retire | (3,698) |
| | ----- |
| Total accumulated postretirement benefit obligation | (6,441) |
| Less: Market value of plan assets. . . | 1,433 |
| | ----- |
| Accumulated postretirement benefit obligation in excess of plan assets . | (5,008) |
| Unrecognized transition amount. | 5,268 |
| Unrecognized net gain | (64) |
| | ----- |
| Prepaid postretirement benefit cost | \$ 196 |
| | ===== |

The components of health care and life insurance costs for the year ended December 31, 1993 are:

(Thousands of Dollars)

| | |
|---|----------|
| Service cost. | \$ 611 |
| Interest cost | 555 |
| Return on plan assets | (34) |
| Net amortization. | 323 |
| | ----- |
| Net health care and life insurance costs. | \$ 1,455 |
| | ===== |

For measurement purposes, an 11.1-percent annual rate of increase in the per capita cost of covered health care benefits was assumed for 1993; the rate was assumed to decrease to 5.4 percent for 2002. The effect of increasing the assumed health care cost trend rates by one percentage point

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in each year would increase the accumulated postretirement benefit obligation as of December 31, 1993 by \$418,000 and the aggregate of the service and interest cost components of net periodic postretirement benefit cost for the year then ended by \$65,000.

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7.75 percent. The discount rate for 1993 was determined by analyzing the interest rates, as of December 31, 1993, of the long-term, high-quality corporate debt securities having a duration comparable to that of the plan. The trust holding the plan assets is subject to federal income taxes at a 35-percent tax rate. The expected long-term rate of return on plan assets after estimated taxes was 5.00 percent for health assets and 8.50 percent for life assets.

7. COMMITMENTS AND CONTINGENCIES

CONSTRUCTION PROGRAM

The construction program is subject to periodic review and revision. Actual construction expenditures may vary from such estimates due to factors such as revised estimates, inflation, revised regulations, delays, the availability and cost of capital, and actions by regulatory bodies. The company currently forecasts construction program expenditures of \$13.6 million for the years 1994-1998, including \$12.5 million for 1994.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Cash and special deposits: The carrying amount approximates fair value.

Long-term debt: The fair value of NNECO's fixed-rate security is based upon the quoted market price for the issue or similar issues. At December 31, 1993, the fair value of NNECO's fixed-rate security was \$25 million.

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SCHEDULE XV

COMPARATIVE INCOME STATEMENT

| ACCOUNT | DESCRIPTION | 1993 | 1992 |
|-------------------------------------|---|------------------------|-----------|
| | | (Thousands of Dollars) | |
| INCOME | | | |
| ----- | | | |
| 457 | Services rendered to associate companies | \$317,417 | \$329,068 |
| 458 | Services rendered to nonassociate companies | 54,433 | 38,357 |
| 421 | Miscellaneous income or loss | 275 | 535 |
| Total Income | | 372,125 | 367,960 |
| | | ----- | ----- |
| EXPENSE | | | |
| ----- | | | |
| Nuclear Power Expenses | | | |
| 517 | Operation Supervision and Engineering | 61,586 | 55,804 |
| 519 | Coolants and Water | 7,771 | 6,328 |
| 520 | Steam Expenses | 24,838 | 25,992 |
| 523 | Electric Expenses | 5,862 | 5,226 |
| 524 | Miscellaneous Nuclear Power Expenses | 76,466 | 87,088 |
| 525 | Rents | 6,060 | 5,992 |
| 528 | Maintenance Supervision and Engineering | 19,317 | 17,121 |
| 529 | Maintenance of Structures | 13,055 | 11,678 |
| 530 | Maintenance of Reactor Plant Equipment | 46,396 | 46,785 |
| 531 | Maintenance of Electric Plant | 30,451 | 38,018 |
| 532 | Maintenance of Miscellaneous Nuclear Plant | 1,813 | 1,305 |
| Transmission Expenses | | | |
| 560 | Operation Supervision and Engineering | 0 | 17 |
| 562 | Station Expenses | 1,927 | 2,175 |
| 566 | Miscellaneous Transmission Expenses | 0 | 329 |
| 568 | Maintenance Supervision and Engineering | 0 | 0 |
| 569 | Maintenance of Structures | 0 | 0 |
| 570 | Maintenance of Station Equipment | 515 | 464 |
| Administrative and General Expenses | | | |
| 920 | Salaries and wages | 10,189 | 10,717 |
| 921 | Office supplies and expenses | 4,741 | 4,846 |
| 922 | Administrative expense transferred-credit | 0 | 0 |
| 923 | Outside services employed | 3,880 | 3,556 |
| 924 | Property insurance | 9,681 | 9,279 |
| 925 | Injuries and damages | 1,868 | 1,686 |
| 926 | Employee pensions and benefits | 19,935 | 12,972 |
| 928 | Regulatory commission expense | 35 | 45 |
| 930.1 | General advertising expenses | 0 | 0 |
| 930.2 | Miscellaneous general expenses | 616 | 641 |
| 931 | Rents | 4,284 | 4,224 |
| 932 | Maintenance of structures and equipment | 1,284 | 986 |
| All other expenses | | | |
| 403 | Depreciation and amortization expense | 507 | 544 |
| 408 | Taxes other than income taxes | 13,758 | 7,830 |
| 409 | Income taxes | 2,881 | 2,955 |
| 410 | Provision for deferred income taxes | 1,338 | 12 |
| 411 | Provision for deferred income taxes-credit | (3,011) | (1,663) |
| 411.5 | Investment tax credit | (68) | (59) |
| 426.1 | Donations | 42 | 112 |
| 426.5 | Other deductions | 1,375 | 1,048 |
| 427 | Interest on long-term debt | (100) | 1,252 |
| 430 | Interest on debt to associate companies | 322 | 160 |
| 431 | Other interest expense | 395 | 371 |
| Total Expense | | 370,009 | 365,836 |
| | | ----- | ----- |
| Net Income | | \$2,116 | \$2,124 |
| | | ===== | ===== |

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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 |
|--|----------------------------|------------------------------|---------------------------------------|---------------------------|
| | 457-1 | 457-2 | 457-3 | |
| The Connecticut Light and Power Company | \$251,359 | | \$2,106 | \$253,465 |
| Western Massachusetts Electric Company | 58,663 | | 494 | 59,157 |
| Public Service Company of New Hampshire | 4,785 | | 10 | 4,795 |
| TOTAL | \$314,807 | \$0 | \$2,610 | \$317,417 |

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ANALYSIS OF BILLING

NONASSOCIATE COMPANIES
ACCOUNT 458

| NAME OF NONASSOCIATE COMPANY | DIRECT | INDIRECT | COMPENSATION | TOTAL | EXCESS | TOTAL |
|--|----------|----------|--------------|--------|------------|----------|
| | COSTS | COSTS | FOR USE | | OR | AMOUNT |
| | CHARGED | CHARGED | OF CAPITAL | COSTS | DEFICIENCY | BILLED |
| (Thousands of Dollars) | | | | | | |
| | 458-1 | 458-2 | 458-3 | | 458-4 | |
| Connecticut Yankee Atomic Power Company | \$322 | | | \$322 | | 322 |
| Central Maine Power Company | 4,203 | | 8 | 4,211 | | 4,211 |
| Central Vermont Public Service | 2,921 | | 6 | 2,927 | | 2,927 |
| Montaup Electric Co. | 6,736 | | 13 | 6,749 | | 6,749 |
| New England Power Co. | 20,590 | | 41 | 20,631 | | 20,631 |
| United Illuminating Company | 6,188 | | 12 | 6,200 | | 6,200 |
| Fitchburg Gas & Electric Co. | 367 | | 1 | 368 | | 368 |
| Chicopee Municipal Electric | 2,304 | | 5 | 2,309 | | 2,309 |
| Massachusetts Municipal Wholesale | 8,174 | | 16 | 8,190 | | 8,190 |
| Lyndonville Electric Department | 83 | | 0 | 83 | | 83 |
| Connecticut Municipal Electric Coop | 1,841 | | 4 | 1,845 | | 1,845 |
| Vermont Electric Gen & Trans. | 597 | | 1 | 598 | | 598 |
| | \$54,326 | \$0 | 107 | 54,433 | \$0 | \$54,433 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

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.

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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 | \$53,957 | \$0 | \$53,957 | \$7,629 | \$0 | \$7,629 | \$61,586 | \$0 | \$61,586 |
| 519 | COOLANTS AND WATER | 6,842 | 0 | 6,842 | 929 | 0 | 929 | 7,771 | 0 | 7,771 |
| 520 | STEAM EXPENSES | 21,562 | 0 | 21,562 | 3,276 | 0 | 3,276 | 24,838 | 0 | 24,838 |
| 523 | ELECTRIC EXPENSES | 5,086 | 0 | 5,086 | 776 | 0 | 776 | 5,862 | 0 | 5,862 |
| 524 | MISCELLANEOUS NUCLEAR POWER EXPENSES | 68,255 | 0 | 68,255 | 8,211 | 0 | 8,211 | 76,466 | 0 | 76,466 |
| 525 | RENTS | 5,925 | 0 | 5,925 | (200) | 0 | (200) | 5,725 | 0 | 5,725 |
| 528 | MAINTENANCE SUPERVISION AND ENGINEERING | 16,864 | 0 | 16,864 | 2,453 | 0 | 2,453 | 19,317 | 0 | 19,317 |
| 529 | MAINTENANCE OF STRUCTURES | 10,969 | 0 | 10,969 | 2,086 | 0 | 2,086 | 13,055 | 0 | 13,055 |
| 530 | MAINTENANCE OF REACTOR PLANT EQUIPMENT | 35,054 | 0 | 35,054 | 11,342 | 0 | 11,342 | 46,396 | 0 | 46,396 |
| 531 | MAINTENANCE OF ELECTRIC PLANT | 23,902 | 0 | 23,902 | 6,549 | 0 | 6,549 | 30,451 | 0 | 30,451 |
| 532 | MAINTENANCE OF MISCELLANEOUS NUCLEAR PLANT | 1,613 | 0 | 1,613 | 200 | 0 | 200 | 1,813 | 0 | 1,813 |
| Transmission Expenses | | | | | | | | | | |
| 560 | OPERATION SUPERVISION AND ENGINEERING | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 562 | STATION EXPENSES | 157 | 0 | 157 | 1,770 | 0 | 1,770 | 1,927 | 0 | 1,927 |
| 566 | MISCELLANEOUS TRANSMISSION EXPENSES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 568 | MAINTENANCE SUPERVISION AND ENGINEERING | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 569 | MAINTENANCE OF STRUCTURES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 570 | MAINTENANCE OF STATION EQUIPMENT | 409 | 0 | 409 | 106 | 0 | 106 | 515 | 0 | 515 |
| Administrative and General Expenses | | | | | | | | | | |
| 920 | SALARIES AND WAGES | 8,734 | 0 | 8,734 | 1,455 | 0 | 1,455 | 10,189 | 0 | 10,189 |
| 921 | OFFICE SUPPLIES AND EXPENSES | 4,075 | 0 | 4,075 | 666 | 0 | 666 | 4,741 | 0 | 4,741 |
| 922 | ADMINISTRATIVE EXPENSE TRANSFERRED-CREDIT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 923 | OUTSIDE SERVICES EMPLOYED | 3,445 | 0 | 3,445 | 435 | 0 | 435 | 3,880 | 0 | 3,880 |
| 924 | PROPERTY INSURANCE | 8,551 | 0 | 8,551 | 1,130 | 0 | 1,130 | 9,681 | 0 | 9,681 |
| 925 | INJURIES AND DAMAGES | 1,601 | 0 | 1,601 | 267 | 0 | 267 | 1,868 | 0 | 1,868 |
| 926 | EMPLOYEE PENSIONS AND BENEFITS | 17,447 | 0 | 17,447 | 2,488 | 0 | 2,488 | 19,935 | 0 | 19,935 |
| 928 | REGULATORY COMMISSION EXPENSE | 31 | 0 | 31 | 4 | 0 | 4 | 35 | 0 | 35 |
| 930.1 | GENERAL ADVERTISING EXPENSES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 930.2 | MISCELLANEOUS GENERAL EXPENSES | 537 | 0 | 537 | 79 | 0 | 79 | 616 | 0 | 616 |
| 931 | RENTS | 3,622 | 0 | 3,622 | 662 | 0 | 662 | 4,284 | 0 | 4,284 |
| 932 | MAINTENANCE OF STRUCTURES AND EQUIPMENT | 1,130 | 0 | 1,130 | 154 | 0 | 154 | 1,284 | 0 | 1,284 |
| All other expenses | | | | | | | | | | |
| 403 | DEPRECIATION AND AMORTIZATION EXPENSES | 373 | 0 | 373 | 134 | 0 | 134 | 507 | 0 | 507 |
| 408 | TAXES OTHER THAN INCOME TAXES | 12,124 | 0 | 12,124 | 1,634 | 0 | 1,634 | 13,758 | 0 | 13,758 |
| 409 | INCOME TAXES | 2,881 | 0 | 2,881 | 0 | 0 | 0 | 2,881 | 0 | 2,881 |
| 410 | PROVISION FOR DEFERRED INCOME TAXES | 1,338 | 0 | 1,338 | 0 | 0 | 0 | 1,338 | 0 | 1,338 |
| 411 | PROVISION FOR DEFERRED INCOME TAXES-CREDIT | (3,011) | 0 | (3,011) | 0 | 0 | 0 | (3,011) | 0 | (3,011) |
| 411.5 | INVESTMENT TAX CREDIT | (68) | 0 | (68) | 0 | 0 | 0 | (68) | 0 | (68) |
| 426.1 | DONATIONS | 37 | 0 | 37 | 5 | 0 | 5 | 42 | 0 | 42 |
| 426.5 | OTHER DEDUCTIONS | 1,289 | 0 | 1,289 | 86 | 0 | 86 | 1,375 | 0 | 1,375 |
| 427 | INTEREST ON LONG-TERM DEBTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 430 | INTEREST ON DEBT TO ASSOCIATE COMPANIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 431 | OTHER INTEREST EXPENSE | 353 | 0 | 353 | (1) | 0 | (1) | 352 | 0 | 352 |
| SUBTOTAL EXPENSES - | | 315,084 | 0 | 315,084 | 54,325 | 0 | 54,325 | 369,409 | 0 | 369,409 |
| | | | | | | | | | | |
| 427 | COMPENSATION FOR USE OF CAPITAL* | | | (100) | | | 0 | | | (100) |
| 430 | INTEREST ON DEBT TO ASSOCIATE COMPANIES | | | 322 | | | 0 | | | 322 |
| 431 | OTHER INTEREST EXPENSE | | | 43 | | | 0 | | | 43 |
| 525 | RENTS | | | 228 | | | 107 | | | 335 |
| TOTAL EXPENSES - | | | | 315,577 | | | 54,432 | | | 370,009 |
| 421 | MISCELLANEOUS INCOME - CREDIT | (276) | 0 | (276) | 1 | 0 | 1 | (275) | 0 | (275) |
| NET INCOME | | | | 2,116 | | | | | | 2,116 |
| TOTAL COST OF SERVICE - | | \$314,808 | \$0 | \$317,417 | \$54,326 | \$0 | \$54,433 | \$369,134 | \$0 | \$371,850 |

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, 1993

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 | \$61,586 | \$0 | 18,750 | 19,048 | 23,788 |
| 519 | COOLANTS AND WATER | 7,771 | 0 | 2,109 | 2,756 | 2,906 |
| 520 | STEAM EXPENSES | 24,838 | 0 | 7,840 | 6,755 | 10,243 |
| 523 | ELECTRIC EXPENSES | 5,862 | 0 | 1,787 | 1,651 | 2,424 |
| 524 | MISCELLANEOUS NUCLEAR POWER EXPENSES | 76,466 | 0 | 27,086 | 23,282 | 26,098 |
| 525 | RENTS | 6,060 | 335 | 2,379 | 2,651 | 695 |
| 528 | MAINTENANCE SUPERVISION AND ENGINEERING | 19,317 | 0 | 5,827 | 5,830 | 7,660 |
| 529 | MAINTENANCE OF STRUCTURES | 13,055 | 0 | 3,321 | 3,418 | 6,316 |
| 530 | MAINTENANCE OF REACTOR PLANT EQUIPMENT | 46,396 | 0 | 4,315 | 6,617 | 35,464 |
| 531 | MAINTENANCE OF ELECTRIC PLANT | 30,451 | 0 | 4,844 | 5,129 | 20,478 |
| 532 | MAINTENANCE OF MISCELLANEOUS NUCLEAR PLANT | 1,813 | 0 | 612 | --- | 626 |
| Transmission Expenses | | | | | | |
| 560 | OPERATION SUPERVISION AND ENGINEERING | 0 | 0 | 0 | | 0 |
| 562 | STATION EXPENSES | 1,927 | 0 | 0 | 0 | 1,927 |
| 566 | MISCELLANEOUS TRANSMISSION EXPENSES | 0 | 0 | 0 | 0 | 0 |
| 568 | MAINTENANCE SUPERVISION AND ENGINEERING | 0 | 0 | 0 | 0 | 0 |
| 569 | MAINTENANCE OF STRUCTURES | 0 | 0 | 0 | 0 | 0 |
| 570 | MAINTENANCE OF STATION EQUIPMENT | 515 | 0 | 98 | 87 | 330 |
| Administrative and General Expenses | | | | | | |
| 920 | SALARIES AND WAGES | 10,189 | 0 | 2,754 | 2,908 | 4,527 |
| 921 | OFFICE SUPPLIES AND EXPENSES | 4,741 | 0 | 1,328 | 1,338 | 2,075 |
| 922 | ADMINISTRATIVE EXPENSE TRANSFERRED-CREDIT | 0 | 0 | 0 | 0 | 0 |
| 923 | OUTSIDE SERVICES EMPLOYED | 3,880 | 0 | 1,240 | 1,280 | 1,360 |
| 924 | PROPERTY INSURANCE | 9,681 | 0 | 2,703 | 3,040 | 3,938 |
| 925 | INJURIES AND DAMAGES | 1,868 | 0 | 487 | 545 | 836 |
| 926 | EMPLOYEE PENSIONS AND BENEFITS | 19,935 | 0 | 5,872 | 6,282 | 7,781 |
| 928 | REGULATORY COMMISSION EXPENSE | 35 | 0 | 12 | 12 | 11 |
| 930.1 | GENERAL ADVERTISING EXPENSES | 0 | 0 | 0 | 0 | 0 |
| 930.2 | MISCELLANEOUS GENERAL EXPENSES | 616 | 0 | 182 | 187 | 247 |
| 931 | RENTS | 4,284 | 0 | 1,079 | 1,134 | 2,071 |
| 932 | MAINTENANCE OF STRUCTURES AND EQUIPMENT | 1,284 | 0 | 399 | 402 | 483 |
| All other expenses | | | | | | |
| 403 | DEPRECIATION AND AMORTIZATION EXPENSES | 507 | 0 | 186 | 108 | 213 |
| 408 | TAXES OTHER THAN INCOME TAXES | 13,758 | 0 | 4,320 | 4,376 | 5,062 |
| 409 | INCOME TAXES | 2,881 | 0 | 1,441 | 1,440 | 0 |
| 410 | PROVISION FOR DEFERRED INCOME TAXES | 1,338 | 0 | 669 | 669 | 0 |
| 411 | PROVISION FOR DEFERRED INCOME TAXES-CREDIT | (3,011) | 0 | (1,505) | (1,506) | 0 |
| 411.5 | INVESTMENT TAX CREDIT | (68) | 0 | (34) | (34) | 0 |
| 426.1 | DONATIONS | 42 | 0 | 13 | 14 | 15 |
| 426.5 | OTHER DEDUCTIONS | 1,375 | 0 | 553 | 553 | 269 |
| 427 | INTEREST ON LONG-TERM DEBTS | (100) | (100) | 0 | 0 | 0 |
| 430 | INTEREST ON DEBT TO ASSOCIATE COMPANIES | 322 | 322 | 0 | 0 | 0 |
| 431 | OTHER INTEREST EXPENSE | 395 | 43 | 178 | 177 | (3) |
| TOTAL EXPENSES - | | \$370,009 | \$600 | \$100,845 | \$100,724 | \$167,840 |

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, 1993

SCHEDULE XVII

KEYS FOR SERVICE FUNCTIONS

KEYS

SERVICE FUNCTION

The individual generating units for which NNECO provides service are listed separately on Page 24.

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY
For the Year Ended December 31, 1993
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 | \$16,927 | \$0 | \$16,927 | \$0 | 310 |
| MILLSTONE UNIT #2 | 17,220 | 0 | 17,220 | 0 | 259 |
| MILLSTONE UNIT #3 | 25,838 | 0 | 17,575 | 8,263 | 379 |
| | ----- | | | | ----- |
| | \$59,985 | \$0 | \$51,722 | \$8,263 | 948 |
| | ===== | | | | ===== |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 \$25,000, 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) |
| LEGAL SERVICES | | | |
| DAY BERRY & HOWARD | | NA | \$50 |
| JOSEPH GALLO | | NA | 59 |
| NEWMAN & HOLTZINGER PC | | NA | 302 |
| DAVIS WRIGHT TREMAINE | | NA | 56 |
| WINSTON & STRAWN | | NA | 1,053 |
| TOTAL LEGAL SERVICES | | | \$1,520 |
| SECURITY SERVICES | | | |
| BURNS INTERNATIONAL SECURITY SERVICES | | NA | \$9,717 |
| TOTAL SECURITY SERVICES | | | \$9,717 |
| ENGINEERING SERVICES | | | |
| ABB POWER SYSTEMS ENERGY SERVICES INC | | NA | \$1,047 |
| A R JOSEPH ASSOCIATES | | NA | 31 |
| BARTLETT NUCLEAR INCORPORATED | | NA | 1,652 |
| CATARACT INCORPORATED | | NA | 1,355 |
| CDI CORPORATION NORTHEAST | | NA | 61 |
| COMBUSTION ENGINEERING | | NA | 404 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 \$25,000, 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) |
|---------------------------------------|---------|--|---|
| HMM ASSOCIATES INCORPORATED | | NA | 165 |
| INSTITUTE OF NUCLEAR POWER OPERATIONS | | NA | 102 |
| LIBERTY TECHNICAL SERVICES, INC | | NA | 1,206 |
| LIBERTY TECHNOLOGY CENTER | | NA | 79 |
| MARINER ENGINEERING INCORPORATED | | NA | 389 |
| NES INC | | NA | 236 |
| NEW ENGLAND MECHANICAL SERVICES INC | | NA | 84 |
| NUCLEAR SUPPORT SERVICES INC | | NA | 151 |
| NUCON ENGINEERING ASSOCIATES | | NA | 245 |
| NPS ENERGY SERVICES INCORPORATED | | NA | 253 |
| NRT TECHNICAL INCORPORATED | | NA | 59 |
| NUKAMM ENGINEERING | | NA | 47 |
| PERFORMANCE CONTRACTING INCORPORATED | | NA | 36 |
| PERFORMANCE ASSOCIATES INCORPORATED | | NA | 330 |
| QUADREX ENVIRONMENTAL COMPANY | | NA | 224 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 \$25,000, 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) |
|---|---------|--|---|
| SCIENTIFIC ECOLOGY GROUP INCORPORATED | | NA | 192 |
| SOFTAIDE SERVICES | | NA | 46 |
| SONALYSTS INCORPORATED | | NA | 494 |
| STONE & WEBSTER ENGINEERING CORPORATION | | NA | 1,370 |
| TELEDYNE BROWN ENGINEERING | | NA | 31 |
| TMA NORCAL | | NA | 102 |
| VECTRA TECHNOLOGIES INC | | NA | 110 |
| WESTINGHOUSE ELECTRIC CORPORATION | | NA | 549 |
| WESTINGHOUSE RADIOLOGICAL SERVICES | | NA | 118 |
| TOTAL ENGINEERING SERVICES | | | \$11,168 |
| OTHER SERVICES | | | |
| AT&T | | NA | \$118 |
| BLC CORPORATION | | NA | 44 |
| BLACKBURN JANITORIAL | | NA | 60 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 \$25,000, 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) |
|-------------------------------------|---------|--|---|
| CANBERRA INDUSTRIES INC | | NA | 94 |
| CHEM NUCLEAR SYSTEMS INCORPORATED | | NA | 3,568 |
| DIVING SERVICES INCORPORATED | | NA | 91 |
| EASTERN DESIGN COMPANY INCORPORATED | | NA | 50 |
| DIGITAL EQUIPMENT CORPORTION | | NA | 793 |
| GENERAL ELECTRIC COMPANY | | NA | 42 |
| HAY MANAGEMENT CONSULTANTS | | NA | 394 |
| HEALTH RESOURCES | | NA | 701 |
| C N FLAGG POWER INCORPORATED | | NA | 27 |
| INTERLEAF INCORPORATED | | NA | 130 |
| KELLY SERVICES INC | | NA | 109 |
| MANPOWER INCORPORATED | | NA | 1,064 |
| MICHAEL TOOMEY | | NA | 159 |
| SHORELINE EYE GROUP PC | | NA | 27 |
| H KREVIT & COMPANY INCORPORATED | | NA | 35 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 \$25,000, 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) |
|--|---------|--|---|
| JAY A GRAVES MD | | NA | 54 |
| OLSTEN | | NA | 209 |
| NATIONAL FIRE AND MEDICAL SERVICES INC | | NA | 3,574 |
| RLE SOFTWARE ENGINEERING INCORPORATED | | NA | 54 |
| PERFECTION FENCE COMPANY INC | | NA | 30 |
| P & I CONSULTING CO OP LTD | | NA | 156 |
| PROTO POWER CORPORATION | | NA | 211 |
| SMITHKLINE BEECHAM LABORATORIES | | NA | 90 |
| SOFTWARE SENSE INC | | NA | 40 |
| SOUTHEASTERN PULMONARY ASSOCIATES | | NA | 40 |
| TOWERS PERRIN | | NA | 35 |
| SOUTHERN NEW ENGLAND TELEPHONE COMPANY | | NA | 582 |
| COMPUTER HORIZONS CORPORATION | | NA | 40 |
| VOLIAM ENTERPRISES INC | | NA | 65 |
| YANKEE ATOMIC ELECTRIC COMPANY | | NA | 34 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 \$25,000, 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) |
|---|---------|--|---|
| MISCELLANEOUS (305 PAYEES) | | NA | 795 |
| TOTAL OTHER SERVICES | | | \$13,515 |
| NORTHEAST UTILITIES SERVICE COMPANY (Supplies centralized accounting, administrative, data processing, engineering, financial, legal, operational, planning, purchasing and other services.) | | A | \$8,590 |
| GRAND TOTAL | | | \$44,510 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 | \$1,604 |
| Supplemental Retirement and Savings Plan | 2,913 |
| Post Retirement Medical Benefit - FAS 106 | 3,125 |
| Early Retirement Program | 1,234 |
| Group Life, Long-term Disability, Hospital and Medical Insurance Expenses | 10,272 |
| Educational Activities | 116 |
| Consulting Expenses | 123 |
| Employee Relocation Expenses | 29 |
| Cafeteria Expenses | 42 |
| System Newspaper | 19 |
| Other Employee Benefits Expenses | 458 |
| | ----- |
| TOTAL | \$19,935 |
| | ***** |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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, 1993

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) |
| Industry association dues | - |
| Recruitment expenses | 21 |
| Services billed from Northeast Utilities Service Company (an associate company) | 597 |
| Other miscellaneous expenses (6 items) | (2) |
| TOTAL | ----- \$616 ===== |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

RENTS

INSTRUCTIONS: Provide a listing of the amount included in Account 931, "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) |
|--|--|
| Buildings/office space | \$1,311 |
| Computer/office equipment | 528 |
| Vehicles | 259 |
| Simulator | 4,467 |
| Services billed from Northeast Utilities Service Company (an associate company) | 5,432 |
| TOTAL | ----- \$11,997 ----- |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 | \$267 |
| Massachusetts Unemployment | 110 |
| Massachusetts Universal Health Tax | 1 |
| Local property | 909 |
| Connecticut Sales Tax | 4,568 |
| Sub-Total | 5,855 |
| (2) U.S. Government Taxes: | |
| Federal Insurance Contribution Act | 5,951 |
| Medicare Tax | 1,634 |
| Federal Unemployment | 108 |
| Federal Excise | 210 |
| Sub-Total | 7,903 |
| TOTAL | 13,758 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 | \$5 |
| United Way of Southeastern Connecticut | | 4 |
| Services billed from Northeast Utilities Service Company (an associate company) | | 23 |
| Miscellaneous (50 payees) | | 10 |
| | TOTAL | \$42 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

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 | \$22 |
| Services billed from Northeast Utilities Service Company (an associate company) | | 1,191 |
| Civil Penalties | Treasurer of the United States | 100 |
| | United States Nuclear Regulatory Commission | 62 |
| | TOTAL | \$1,375 |

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY

For the Year Ended December 31, 1993

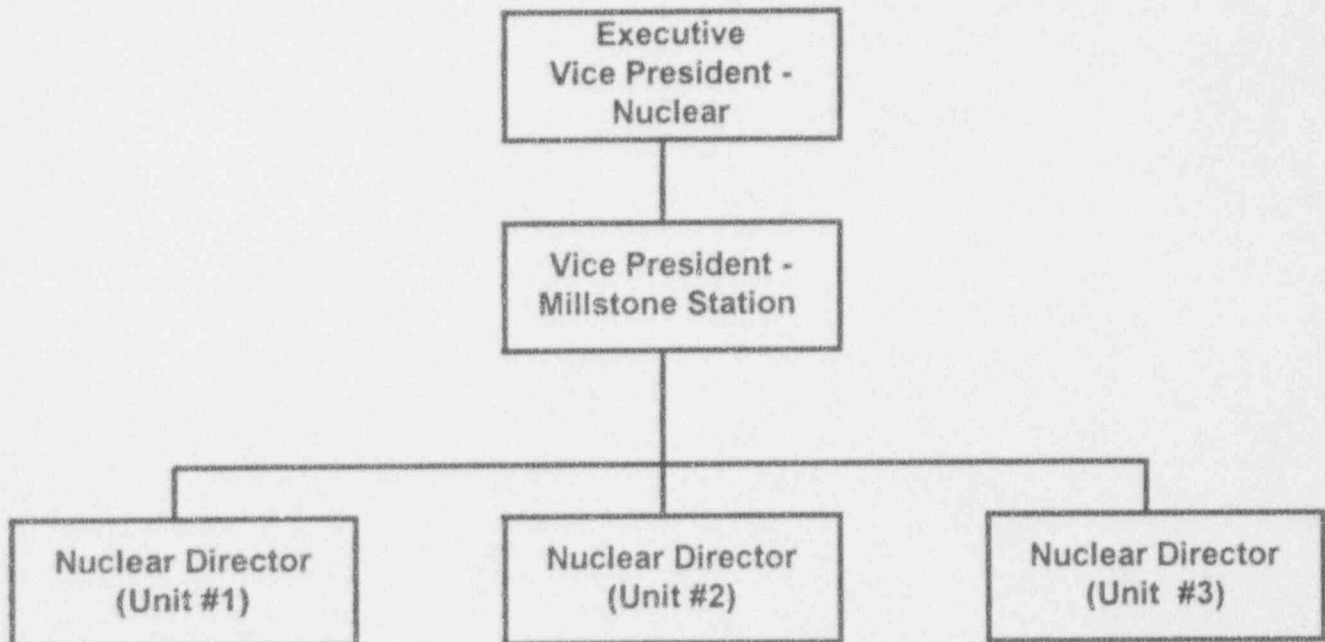
SCHEDULE XVIII

NOTES TO STATEMENTS OF INCOME

INSTRUCTIONS: The space below is provided for important notes regarding the statement 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 19H.

ANNUAL REPORT OF NORTHEAST NUCLEAR ENERGY COMPANY
ORGANIZATION CHART (AS OF DECEMBER 31, 1993)



NORTHEAST NUCLEAR ENERGY COMPANY

METHODS OF ALLOCATION

For the year ended December 31, 1993

The costs associated with the three Millstone units are billed either directly or are allocated on the basis of one third to each unit. If Millstone Unit 3 is not part of the allocation, then the allocated costs to Millstone 1 and 2 are on the basis of one-half to each of the two units.

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 1993:

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 1993:

- (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 officer thereunto duly authorized.

NORTHEAST NUCLEAR ENERGY COMPANY
(Name of Reporting Company)

By: /s/ John W. Noyes
(Signature of Signing Officer)

John W. Noyes -- Vice President and Controller
(Printed Name and Title of Signing Officer)

Date: April 27, 1994

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

ANNUAL REPORT

FOR THE PERIOD

Beginning January 1, 1993 and ending December 31, 1993

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 W. Noyes 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 OF 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 of 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 in hundred thousands of dollars, as appropriate and subject to provisions of Regulation S-X (§210.3-01(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, §210.3-01(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 Service Companies, Public Utility Holding Company Act of 1935, as amended 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 of 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 Property | 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 - Non-Associate Companies | Account 458 | 22 |
| Analysis of Charges for Service - Associate and Non-Associate 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 |

| <u>Description of Schedules and Accounts (cont.)</u> | <u>Schedule or Acct. No.</u> | <u>Page No.</u> |
|---|----------------------------------|---------------------|
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| Miscellaneous General Expenses | Account 930.2 | 30 |
| Rents | Account 931 | 31 |
| Taxes Other Than Income Taxes | Account 408 | 32 |
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| Notes to Statement of Income | Schedule XVIII | 35 |
| <u>Description of Reports or Statements</u> | | |
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SCHEDULE I - COMPARATIVE BALANCE SHEET

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

| ACCT | ASSETS AND OTHER DEBITS | AS OF DECEMBER 31 | |
|------|---|------------------------|------------------|
| | | 1993 | 1992 |
| | | (Thousands of Dollars) | |
| | <u>SERVICE COMPANY PROPERTY</u> | | |
| 101 | Service company property (Schedule II) | \$ 0 | \$ 188 |
| 107 | Construction work in progress (Schedule II) | 0 | 0 |
| | Total Service Company Property | \$ 0 | \$ 188 |
| 108 | Less accumulated provision for depreciation and amortization of service company property (Schedule III) | \$ 0 | \$ 0 |
| | Net Service Company Property | \$ 0 | \$ 188 |
| | <u>INVESTMENTS</u> | | |
| 123 | Investments in associate companies (Schedule IV) | \$ 0 | \$ 0 |
| 124 | Other investments (Schedule IV) | 0 | 0 |
| | Total Investments | \$ 0 | \$ 0 |
| | <u>CURRENT AND ACCRUED ASSETS</u> | | |
| 131 | Cash | \$ 387 | \$ 0 |
| 134 | Special deposits | 0 | 0 |
| 135 | Working funds | 16 | 20 |
| 136 | Temporary cash investments (Schedule IV) | 10 | 10 |
| 141 | Notes receivable | 0 | 0 |
| 143 | Accounts receivable | 8,564 | 16,800 |
| 144 | Accumulated provision of uncollectible accounts | 0 | 0 |
| 146 | Accounts receivable from associate companies (Schedule V) | 6,449 | 4,047 |
| 152 | Fuel stock expenses undistributed (Schedule VI) | 0 | 0 |
| 154 | Materials and supplies | 0 | 0 |
| 163 | Stores expense undistributed (Schedule VII) | 18 | 52 |
| 165 | Prepayments | 2,141 | 2,310 |
| 174 | Miscellaneous current and accrued assets (Schedule VIII) | 0 | 0 |
| | Total Current and Accrued Assets | \$ 17,585 | \$ 23,239 |
| | <u>DEFERRED DEBITS</u> | | |
| 181 | Unamortized Debt Expense | \$ 0 | \$ 0 |
| 184 | Clearing accounts | 392 | 1,012 |
| 186 | Miscellaneous deferred debits (Schedule IX) | 4,783 | 3,966 |
| 188 | Research, development, or demonstration expenditures (Schedule X) | 0 | 0 |
| 190 | Accumulated deferred income taxes | 0 | 0 |
| | Total Deferred Debits | \$ 5,175 | \$ 4,978 |
| | <u>TOTAL ASSETS AND OTHER DEBITS</u> | <u>\$ 22,760</u> | <u>\$ 28,405</u> |

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SCHEDULE I – COMPARATIVE BALANCE SHEET

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

| ACCT | | LIABILITIES AND PROPRIETARY CAPITAL | | AS OF DECEMBER 31 | |
|------|---|-------------------------------------|-----------|-------------------|--|
| | | 1993 | 1992 | | |
| | | (Thousands of Dollars) | | | |
| | <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) | 0 | 0 | | |
| 216 | Unappropriated retained earnings (Schedule XI) | 0 | 0 | | |
| | Total Proprietary Capital | \$ 10 | \$ 10 | | |
| | <u>LONG-TERM DEBT</u> | | | | |
| 223 | Advances from associate companies (Schedule XII) | \$ 0 | \$ 0 | | |
| 224 | Other long-term debt (Schedule XII) | 0 | 0 | | |
| 225 | Unamortized premium on long-term debt | 0 | 0 | | |
| 226 | Unamortized discount on long-term debt | 0 | 0 | | |
| | Total Long-Term Debt | \$ 0 | \$ 0 | | |
| | <u>CURRENT AND ACCRUED LIABILITIES</u> | | | | |
| 231 | Notes payable | \$ 0 | \$ 0 | | |
| 232 | Accounts payable | 7,705 | 11,561 | | |
| 233 | Notes payable to associate companies (Schedule XIII) | 0 | 0 | | |
| 234 | Accounts payable to associate companies (Schedule XIII) | 1,436 | 3,118 | | |
| 236 | Taxes accrued | 469 | 172 | | |
| 237 | Interest accrued | 0 | 0 | | |
| 238 | Dividends declared | 0 | 0 | | |
| 241 | Tax collections payable | 11 | 0 | | |
| 242 | Miscellaneous current and accrued liabilities (Schedule XIII) | 6,840 | 10,014 | | |
| | Total Current and Accrued Liabilities | \$ 16,461 | \$ 24,865 | | |
| | <u>DEFERRED CREDITS</u> | | | | |
| 253 | Other deferred credits | \$ 6,289 | \$ 3,530 | | |
| 255 | Accumulated deferred investment tax credits | 0 | 0 | | |
| | Total Deferred Credits | \$ 6,289 | \$ 3,530 | | |
| 282 | <u>ACCUMULATED DEFERRED INCOME TAXES</u> | \$ 0 | \$ 0 | | |
| | TOTAL LIABILITIES AND PROPRIETARY CAPITAL | \$ 22,760 | \$ 28,405 | | |

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For the Year Ended December 31, 1993

SCHEDULE II - SERVICE COMPANY PROPERTY

| ACCT | DESCRIPTION | BALANCE AT | | RETIREMENTS | | BALANCE | | | |
|---------------------------------|---|------------|-----|-------------|-------|---------|----------|----|---|
| | | BEGINNING | | OR | | OT | AT CLOSE | | |
| | | | | ADDIT | SALES | CHAN | OF YEAR | | |
| (Thousands of Dollars) | | | | | | | | | |
| <u>SERVICE COMPANY PROPERTY</u> | | | | | | | | | |
| 301 | ORGANIZATION | \$ | 188 | \$ | \$ | (188) | \$ | 0 | |
| 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) | | | | | | | | |
| TOTAL | | \$ | 188 | \$ | 0 | \$ | (188) | \$ | 0 |

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

Reclassified to Account 186, Miscellaneous Deferred Debits to be amortized over 60 months starting July 1, 1992.

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 | BALANCE AT CLOSE OF YEAR |
|------------------------|-----------|--------------------------------|
| | | |
| | | |

(Thousands of Dollars)

NONE

(3) DESCRIBE OTHER SERVICE COMPANY PROPERTY:

NONE

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SCHEDULE III

ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF SERVICE COMPANY PROPERTY

| DESCRIPTION | BALANCE AT BEGINNING OF YEAR | ADDITIONS CHARGED TO | | OTHER CHANGES ADD/ DEDUCT(1) | BALANCE AT CLOSE OF YEAR |
|-------------|------------------------------------|----------------------------|-------------|---------------------------------------|--------------------------------|
| | | ACCT 403 | RETIREMENTS | | |

(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

NONE

AMORTIZATION OF SERVICE COMPANY
 PROPERTY

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

NONE

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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 | |
|---|------------------------------------|-----------|--------------------------------|-----------|
| | (Thousands of Dollars) | | | |
| ACCOUNT 123 - INVESTMENT IN ASSOCIATE COMPANIES | \$ | 0 | \$ | 0 |
| ACCOUNT 124 - OTHER INVESTMENTS | | 0 | | 0 |
| ACCOUNT 136 - TEMPORARY CASH INVESTMENTS | | | | |
| Fidelity Institute Tax Exempt Cash Portfolio | | 10 | | 10 |
| TOTAL | \$ | 10 | \$ | 10 |

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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 | \$ 0 | \$ 0 |
| The Connecticut Light and Power Company | 415 | 546 |
| Northeast Nuclear Energy Company | 0 | 0 |
| North Atlantic Energy Corporation | 3,632 | 4,817 |
| Public Service Company of New Hampshire | 0 | 1,086 |

| | | |
|-------|----------|----------|
| TOTAL | \$ 4,047 | \$ 6,449 |
|-------|----------|----------|

ANALYSIS OF CONVENIENCE OR ACCOMMODATION PAYMENTS:

NONE

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For the Year Ended December 31, 1993

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

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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 | \$ 42 | \$ 10 | \$ 52 |
| Amount incurred during the year | 868 | 209 | 1,077 |
| The above stores expenses are billed back to each of the companies listed below: | | | |
| Associate Companies: | | | |
| The Connecticut Light and Power Company | (36) | (9) | (45) |
| North Atlantic Energy Corporation | (316) | (79) | (395) |
| Non-Associate Companies | (537) | (134) | (671) |
| TOTAL | <u>\$ 21</u> | <u>\$ (3)</u> | <u>\$ 18</u> |

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For the Year Ended December 31, 1993

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

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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 | BALANCE AT |
|---|------------------------|------------|
| | BEGINNING | CLOSE |
| | OF YEAR | OF YEAR |
| | (Thousands of Dollars) | |
| ACCOUNT 186 – MISCELLANEOUS DEFERRED DEBITS | | |
| Accrued construction period Worker's Compensation claims | \$ 2,680 | \$ 3,736 |
| Dept. of Energy waste disposal refund due | 297 | 5 |
| Unbilled services and backcharges (6 items) | 71 | 54 |
| Active Worker's Compensation claims | 1 | 1 |
| North Atlantic Energy Service Corporation Organization Cost | 0 | 132 |
| Accounting Treatment Change for Payroll | 0 | 448 |
| Preliminary Engineering for: | | |
| Power uprate program | 296 | 0 |
| Telephone switch replacement | 16 | 16 |
| Station support building | 34 | 0 |
| WRGM transmission factor mods | 43 | 0 |
| Decontamination facility | 380 | 0 |
| Local beta annunciator mods | 30 | 0 |
| Replace seismic monitoring system | 11 | 0 |
| PRT to VG permanent connection | 24 | 0 |
| Turbine overspeed breaker | 11 | 0 |
| Access barriers Waste Process Building | 14 | 0 |
| CS valve leak—off lines | 15 | 0 |
| PCCW cross connect | 19 | 0 |
| Spent Fuel Pool Upgrades | 0 | 83 |
| Materials System Replacement | 0 | 307 |
| Miscellaneous (2 items) | 24 | 1 |
| TOTAL | \$ 3,966 | \$ 4,783 |

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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

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For the Year Ended December 31, 1993

SCHEDULE XI

PROPRIETARY CAPITAL

| ACCOUNT NUMBER | CLASS OF STOCK | NUMBER OF SHARES AUTHORIZED | PAR OR STATED VALUE PER SHARE | OUTSTANDING CLOSE OF PERIOD | |
|-------------------|---------------------|-----------------------------------|-------------------------------------|-----------------------------|---------------------------|
| | | | | NO. OF SHARES | TOTAL AMOUNT |
| | | | | | (Thousands of Dollars) |
| 201 | COMMON STOCK ISSUED | 1,000 | \$ 1.00 | 1,000 | \$ 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 | 0 |
| TOTAL | <u>\$ 9</u> |

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

NONE

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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. | DATE OF MATURITY | INTEREST RATE | AMOUNT AUTHORIZED | BALANCE AT | DEDUCTION (1) | BALANCE AT |
|------------------|---------------------------------|------------------------|------------------|----------------------|----------------------|------------------|------------------|
| | CLASS & SERIES OF OBLIGATION | | | | BEGINNING OF YEAR | ADDITIONS | CLOSE OF YEAR |

(Thousands of Dollars)

ACCOUNT 223-ADVANCES FROM
ASSOCIATE COMPANIES

TOTAL ADVANCES FROM ASSOCIATES

NONE

ACCOUNT 224-OTHER
LONG-TERM DEBT

TOTAL OTHER LONG-TERM DEBT

NONE

(1) GIVE AN EXPLANATION OF DEDUCTIONS:

NONE

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For the Year Ended December 31, 1993

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 | \$ 188 | \$ 0 |
| Northeast Utilities Service Company | 361 | 1,129 |
| Public Service Company of New Hampshire | 2,569 | 307 |
| TOTAL | \$ 3,118 | \$ 1,436 |

ACCOUNT 242 – MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES

| | | |
|---|------------------|-----------------|
| Accrued payroll and other employee payables | \$ 3,145 | \$ 3,538 |
| Accrued Pension Cost | 0 | 8,646 |
| On-hand operations funding from associate companies: | | |
| North Atlantic Energy Corporation | 0 | 2,131 |
| The Connecticut Light & Power Company | 0 | 240 |
| On-hand operations funding from non-associate companies | 8,315 | 3,618 |
| Joint Owner Contra account | (1,446) | (11,333) |
| TOTAL | \$ 10,014 | \$ 6,840 |

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For the Year Ended December 31, 1993

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), Western Massachusetts Electric Company, Public Service Company of New Hampshire (PSNH), and Holyoke Water Power Company are operating subsidiaries comprising the Northeast Utilities system (the system) and are wholly owned by NU.

The Company acts as agent in operating the Seabrook Nuclear Power Project (the Project) pursuant to the Seabrook Project Managing Agent Operating Agreement (Managing Agent Agreement). The Project is owned jointly by North Atlantic Energy Corporation (NAEC) and CL&P, both wholly owned subsidiaries of NU and 9 nonaffiliated New England utility companies as tenants in common with undivided interests (Joint Owners). The cost of the Project is recorded on the books of the Joint Owners based upon their proportionate ownership share of the Project. The Company does not have an ownership interest in the Project.

The Company replaced the New Hampshire Yankee Division of PSNH (NHY) as the managing agent of the Project on June 29, 1992, following the merger of NU and PSNH on June 5, 1992. All employees of NHY became employees of NAESCO on June 29, 1992. Prior to this date NHY, and originally PSNH, was responsible for and authorized to act for the Joint Owners under the terms of the Agreement for Joint Ownership, Construction and Operation of New Hampshire Nuclear Units dated May 1, 1973, as amended (Joint Owner Agreement). The Company also replaced Yankee Atomic Electric Company (YAEC) as Disbursing Agent for the Joint Owners effective June 29, 1992 pursuant to the Agreement for Seabrook Project

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For the Year Ended December 31, 1993

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

Disbursing Agent, as amended. YAEC is owned by certain affiliates of the Company, certain nonaffiliated Joint Owners, and certain other New England utility companies.

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 Joint Owners of Seabrook, as amended, and to other system companies. PSNH provides certain services to the Company pursuant to the Service Agreement between PSNH and NAESCO Acting as Agent for the Joint Owners of Seabrook, as amended.

YAEC provides services to the Company pursuant to the Nuclear Support Services Agreement between YAEC and North Atlantic Energy Service Corporation Acting as Agent for the Joint Owners of Seabrook, as amended.

All transactions among affiliated companies, and between YAEC and the Company, 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.

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 (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 State of New Hampshire Public Utilities Commission. The 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.

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SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

Revenues: The Company provides service to the Joint Owners on a basis of recovery of cost as prescribed by the terms of Managing Agent Agreement. There is no return on capital being recovered pursuant to this agreement.

2. PENSION BENEFITS

The Company participated in PSNH's uniform noncontributory defined benefit retirement plan through December 31, 1992. Effective January 1, 1993, PSNH's plan was merged into the NU system's uniform noncontributory defined benefit plan covering all of its regular employees. Benefits are based on years of service and employees' highest compensation during five consecutive years of employment. The Company's allocated portion of the system's pension cost for 1993, part of which was capitalized and billed as utility plant, approximated \$3,227,000.

Currently, the 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. Pension costs are determined using market-related values of pension assets. Pension assets are invested primarily in domestic and international equity securities and bonds.

The components of net pension cost for the Company for the year ended December 31, 1993 are:

| | |
|------------------|------------------|
| Service Cost | \$ 3,659,000 |
| Interest Cost | 2,470,000 |
| Return on Assets | (4,519,000) |
| Net Amortization | <u>1,617,000</u> |
| | \$ 3,227,000 |
| | ===== |

For calculating pension cost the following actuarial assumptions were used:

| | |
|-----------------------------------|-------|
| Discount rate | 8.00% |
| Expected long-term rate of return | 8.50 |
| Compensation/progression rate | 5.00 |

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For the Year Ended December 31, 1993

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

The following table represents the system plan's funded status for the Company at December 31, 1993:

| | |
|---|----------------|
| Accumulated benefit obligation, including \$14,198,000 of vested benefits at December 1993. | \$ 19,249,000 |
| Projected benefit obligation (PBO) | \$ 37,468,000 |
| Less: Market value of plan assets | 34,964,000 |
| Market value in excess of PBO | (2,504,000) |
| Unrecognized transition amount | 1,007,000 |
| Unrecognized prior service costs | 3,077,000 |
| Unrecognized net gain | (10,226,000) |
| Accrued pension (liability) | \$ (8,646,000) |

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

| | |
|--------------------------------|-------|
| Discount Rate | 7.75% |
| Compensation/ progression rate | 4.75 |

The discount rate for 1993 was determined by analyzing the interest rates, as of December 31, 1993, of long term, high quality corporate debt securities having a duration comparable to the 13.8-year duration of the plan.

3. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

The Company provides 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 leaving the Company who are otherwise eligible to retire and have met specified service requirements. Through December 31, 1992, the Company recognized the cost of these benefits as they were paid. The cost of providing those benefits in 1992 was not material. In December 1990, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard 106 (SFAS 106). This new standard requires that the expected cost of postretirement benefits, primarily health and life insurance benefits, must be charged to

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For the Year Ended December 31, 1993

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

expense during the years that eligible employees render service. Effective January 1, 1993, the Company adopted SFAS 106 on a prospective basis. Total health care and life insurance cost, part of which was capitalized and billed as utility plant, approximated \$1,044,000 for the year.

On January 1, 1993, the accumulated postretirement benefit obligation (APBO) represented the Company's prior service obligation upon the adoption of SFAS 106. As allowed by SFAS 106, the Company is amortizing its APBO of approximately \$3,868,000 over a 20-year period. For current employees and certain retirees, the total SFAS 106 benefit is limited to two times the 1993 health care costs. The SFAS 106 obligation has been calculated based on this assumption.

During 1993, the Company began funding SFAS 106 postretirement costs through external trusts. The trust assets are invested primarily in equity securities and bonds.

The following table represents the plan's funded status at December 31, 1993:

| | |
|--|--------------------|
| Accumulated postretirement benefit obligation of: | |
| Retirees | \$(1,432,000) |
| Fully eligible active employees | 0 |
| Active employees not eligible to retire | <u>(2,440,000)</u> |
| Total accumulated postretirement benefit obligation | (3,872,000) |
| Less: Market value of plan assets | <u>1,065,000</u> |
| Accumulated postretirement benefit obligation in excess of plan assets | (2,807,000) |
| Unrecognized transition amount | 2,998,000 |
| Unrecognized net gain | <u>(123,000)</u> |
| Prepaid postretirement benefit liability | <u>\$ 68,000</u> |

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

The components of health care and life insurance costs for the year ended December 31, 1993, are:

| | |
|---|---------------------|
| Service cost | \$ 504,000 |
| Interest cost | 346,000 |
| Net amortization | <u>194,000</u> |
| Net health care and life insurance cost | <u>\$ 1,044,000</u> |

For measurement purposes, an 11.1 percent annual rate of increase in the per capita cost of covered health care benefits was assumed for 1993; the rate was assumed to decrease to 5.4 percent for 2002. The effect of increasing the assumed health care cost trend rates by one percentage point in each year would increase the accumulated postretirement benefit obligation as of December 31, 1993 by \$270,000 and the aggregate of the service and interest cost components of net periodic postretirement benefit cost for the year then ended by \$46,000.

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7.75 percent. The discount rate for 1993 was determined by analyzing the interest rates, as of December 31, 1993, of long-term, high-quality corporate debt securities having a duration comparable to that of the plan. The trust holding the plan assets is subject to federal income taxes at a 35-percent tax rate. The expected long-term rate of return on plan assets after estimated taxes was 5.00 percent for health assets and 8.50 percent for life assets.

4. LEASES

The Company, on behalf of the Joint Owners, has entered into operating lease agreements for data processing equipment, office equipment, vehicles, and offsite facilities. The Company does not enter into capital leases by directive of the Joint Owners. Operating lease costs charged to expense approximated \$1,907,000 in 1993. In addition, the Company's affiliates have entered into lease agreements for the use of data processing equipment, office equipment, vehicles and

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

office space. NAESCO is billed for its proportionate share of these leases through the intercompany billing system. The provisions of these lease agreements generally provide for renewal options. The Company has no noncancelable leases.

4. FINANCING

Each of the Joint Owners is responsible for financing its cost of participation in the Project in proportion to its respective ownership share. Such financing is provided to the Project in advance of such costs being incurred. The Company, therefore, has no long-term or short-term debt obligations.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

FOR THE YEAR ENDED DECEMBER 31, 1993

SCHEDULE XV
COMPARATIVE INCOME STATEMENT

| ACCT | DESCRIPTION | 1993 | 1992 |
|-------|---|------------------------|-----------|
| | | (Thousands of Dollars) | |
| | <u>INCOME</u> | | |
| 457 | Services Rendered to Associate Companies | \$ 51,170 | \$ 37,352 |
| 458 | Services Rendered to Nonassociate Companies | 77,953 | 56,902 |
| 421 | Miscellaneous Income or (Loss) | 1,278 | 574 |
| | Total Income | 130,401 | 94,828 |
| | <u>EXPENSE</u> | | |
| | <u>Nuclear Power Expenses</u> | | |
| 517 | Operation Supervision and Engineering | 20,555 | 11,077 |
| 518 | Nuclear Fuel Expense | 8,501 | 2,690 |
| 519 | Coolants and Water | 610 | 301 |
| 520 | Steam Expenses | 12,877 | 9,978 |
| 523 | Electric Expenses | 430 | 207 |
| 524 | Miscellaneous Nuclear Power Expenses | 24,239 | 19,672 |
| 528 | Maintenance Supervision and Engineering | 6,382 | 4,297 |
| 529 | Maintenance of Structures | 4,256 | 3,154 |
| 530 | Maintenance of Reactor Plant Equipment | 3,009 | 8,874 |
| 531 | Maintenance of Electric Plant | 3,897 | 6,111 |
| 532 | Maintenance of Miscellaneous Nuclear Plant | 7,657 | 6,734 |
| | <u>Transmission Expenses</u> | | |
| 570 | Maintenance of Station Equipment | 68 | 111 |
| | <u>Administrative and General Expenses</u> | | |
| 920 | Salaries and Wages | 4,988 | 2,380 |
| 921 | Office Supplies and Expenses | 2,521 | 1,283 |
| 922 | Administrative Expense Transferred—Credit | (37) | (14) |
| 923 | Outside Services Employed | 2,265 | 1,162 |
| 924 | Property Insurance | 5,106 | 2,837 |
| 925 | Injuries and Damages | 2,102 | 1,364 |
| 926 | Employee Pensions and Benefits | 11,145 | 6,676 |
| 928 | Regulatory Commission Expense | 4,543 | 2,987 |
| 930.1 | General Advertising Expenses | 343 | 193 |
| 930.2 | Miscellaneous General Expenses | 742 | 399 |
| 935 | Maintenance of General Plant | 6 | 3 |
| | <u>All Other Expenses</u> | | |
| 408 | Taxes Other Than Income Taxes | 4,015 | 2,223 |
| 426.1 | Donations | 70 | 41 |
| 426.5 | Other Deductions | 111 | 83 |
| | Total Expense | 130,401 | 94,828 |
| | Net Income or (Loss) | \$ 0 | \$ 0 |

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

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 | \$ 5,242 | \$ | \$ | \$ 5,242 |
| North Atlantic Energy Corporation | 45,928 | | | 45,928 |
| TOTAL | <u>\$ 51,170</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 51,170</u> |

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

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 |
|---|----------------------------|------------------------------|---------------------------------------|------------------|----------------------------|---------------------------|
| | 458-1 | 458-2 | 458-3 | | 458-4 | |
| (Thousands of Dollars) | | | | | | |
| Canal Electric Company | \$ 4,549 | \$ | \$ | \$ 4,549 | \$ | \$ 4,549 |
| E U A Power Corporation | 15,666 | | | 15,666 | | 15,666 |
| Hudson Light & Power Dept. | 100 | | | 100 | | 100 |
| Massachusetts Municipal Wholesale Electric Company | 14,970 | | | 14,970 | | 14,970 |
| Montaup Electric Company | 3,744 | | | 3,744 | | 3,744 |
| New England Power Company | 12,858 | | | 12,858 | | 12,858 |
| New Hampshire Electric Coop. | 2,807 | | | 2,807 | | 2,807 |
| Taunton Municipal Lighting Plant | 130 | | | 130 | | 130 |
| United Illuminating Company | 22,596 | | | 22,596 | | 22,596 |
| Vermont Electric Generation & Transmission Coop., Inc. | 533 | | | 533 | | 533 |
| | <u>\$ 77,953</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 77,953</u> | <u>\$ 0</u> | <u>\$ 77,953</u> |

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, 1993

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)

| | | | | | | | | | | |
|--|--|-----------|----|-----------|-----------|----|-----------|------------|----|------------|
| <u>Nuclear Power Expenses</u> | | | | | | | | | | |
| 517 | Operation Supervision and Engineering | \$ 8,146 | \$ | \$ 8,146 | \$ 12,409 | \$ | \$ 12,409 | \$ 20,555 | \$ | \$ 20,555 |
| 518 | Nuclear Fuel Disposal | 3,369 | | 3,369 | 5,132 | | 5,132 | 8,501 | | 8,501 |
| 519 | Coolants and Water | 242 | | 242 | 368 | | 368 | 610 | | 610 |
| 520 | Steam Expenses | 5,103 | | 5,103 | 7,774 | | 7,774 | 12,877 | | 12,877 |
| 523 | Electric Expenses | 170 | | 170 | 260 | | 260 | 430 | | 430 |
| 524 | Miscellaneous Nuclear Power Expenses | 9,606 | | 9,606 | 14,633 | | 14,633 | 24,239 | | 24,239 |
| 528 | Maintenance Supervision and Engineering | 2,529 | | 2,529 | 3,853 | | 3,853 | 6,382 | | 6,382 |
| 529 | Maintenance of Structures | 1,687 | | 1,687 | 2,569 | | 2,569 | 4,256 | | 4,256 |
| 530 | Maintenance of Reactor Plant Equipment | 1,192 | | 1,192 | 1,817 | | 1,817 | 3,009 | | 3,009 |
| 531 | Maintenance of Electric Plant | 1,544 | | 1,544 | 2,353 | | 2,353 | 3,897 | | 3,897 |
| 532 | Maintenance of Miscellaneous Nuclear Plant | 3,034 | | 3,034 | 4,623 | | 4,623 | 7,657 | | 7,657 |
| <u>Transmission Expenses</u> | | | | | | | | | | |
| 570 | Maintenance of Station Equipment | 27 | | 27 | 41 | | 41 | 68 | | 68 |
| <u>Administrative and General Expenses</u> | | | | | | | | | | |
| 920 | Salaries and Wages | 1,977 | | 1,977 | 3,011 | | 3,011 | 4,988 | | 4,988 |
| 921 | Office Supplies and Expenses | 999 | | 999 | 1,522 | | 1,522 | 2,521 | | 2,521 |
| 922 | Administrative Expense Transferred—Credit | (15) | | (15) | (22) | | (22) | (37) | | (37) |
| 923 | Outside Services Employed | 898 | | 898 | 1,367 | | 1,367 | 2,265 | | 2,265 |
| 924 | Property Insurance | 2,023 | | 2,023 | 3,083 | | 3,083 | 5,106 | | 5,106 |
| 925 | Injuries and Damages | 833 | | 833 | 1,269 | | 1,269 | 2,102 | | 2,102 |
| 926 | Employee Pensions and Benefits | 4,417 | | 4,417 | 6,728 | | 6,728 | 11,145 | | 11,145 |
| 928 | Regulatory Commission Expense | 1,800 | | 1,800 | 2,743 | | 2,743 | 4,543 | | 4,543 |
| 930.1 | General Advertising Expenses | 136 | | 136 | 207 | | 207 | 343 | | 343 |
| 930.2 | Miscellaneous General Expenses | 294 | | 294 | 448 | | 448 | 742 | | 742 |
| 935 | Maintenance of General Plant | 2 | | 2 | 4 | | 4 | 6 | | 6 |
| <u>All Other Expenses</u> | | | | | | | | | | |
| 408 | Taxes Other Than Income Taxes | 1,591 | | 1,591 | 2,424 | | 2,424 | 4,015 | | 4,015 |
| 426.1 | Donations | 28 | | 28 | 42 | | 42 | 70 | | 70 |
| 426.5 | Other Deductions | 44 | | 44 | 67 | | 67 | 111 | | 111 |
| TOTAL EXPENSES = | | 51,676 | | 51,676 | 78,725 | | 78,725 | 130,401 | | 130,401 |
| 421 | Miscellaneous Non-Operating Income | (506) | | (506) | (772) | | (772) | (1,278) | | (1,278) |
| TOTAL COST OF SERVICE = | | \$ 51,170 | \$ | \$ 51,170 | \$ 77,953 | \$ | \$ 77,953 | \$ 129,123 | \$ | \$ 129,123 |

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, 1993

SCHEDULE XVII
SCHEDULE OF EXPENSE DISTRIBUTION BY
DEPARTMENT OR SERVICE FUNCTION

| ACCOUNT | | TOTAL | | SERVICE |
|--|--|-------------------|-------------|---------------------------------|
| NUMBER | DESCRIPTION OF ITEMS | AMOUNT | OVERHEAD | FUNCTION SEABROOK STATION |
| (Thousands of Dollars) | | | | |
| <u>Nuclear Power Expenses</u> | | | | |
| 517 | Operation Supervision and Engineering | \$ 20,555 | \$ | \$ 20,555 |
| 518 | Nuclear Fuel Disposal | 8,501 | | 8,501 |
| 519 | Coolants and Water | 610 | | 610 |
| 520 | Steam Expenses | 12,877 | | 12,877 |
| 523 | Electric Expenses | 430 | | 430 |
| 524 | Miscellaneous Nuclear Power Expenses | 24,239 | | 24,239 |
| 528 | Maintenance Supervision and Engineering | 6,382 | | 6,382 |
| 529 | Maintenance of Structures | 4,256 | | 4,256 |
| 530 | Maintenance of Reactor Plant Equipment | 3,009 | | 3,009 |
| 531 | Maintenance of Electric Plant | 3,897 | | 3,897 |
| 532 | Maintenance of Miscellaneous Nuclear Plant | 7,657 | | 7,657 |
| <u>Transmission Expenses</u> | | | | |
| 570 | Maintenance of Station Equipment | 68 | | 68 |
| <u>Administrative and General Expenses</u> | | | | |
| 920 | Salaries and Wages | 4,988 | | 4,988 |
| 921 | Office Supplies and Expenses | 2,521 | | 2,521 |
| 922 | Administrative Expense Transferred-Credit | (37) | | (37) |
| 923 | Outside Services Employed | 2,265 | | 2,265 |
| 924 | Property Insurance | 5,106 | | 5,106 |
| 925 | Injuries and Damages | 2,102 | | 2,102 |
| 926 | Employee Pensions and Benefits | 11,145 | | 11,145 |
| 928 | Regulatory Commission Expense | 4,543 | | 4,543 |
| 930.1 | General Advertising Expenses | 343 | | 343 |
| 930.2 | Miscellaneous General Expenses | 742 | | 742 |
| 935 | Maintenance of General Plant | 6 | | 6 |
| <u>All Other Expenses</u> | | | | |
| 408 | Taxes Other Than Income Taxes | 4,015 | | 4,015 |
| 426.1 | Donations | 70 | | 70 |
| 426.5 | Other Deductions | 111 | | 111 |
| TOTAL EXPENSES | | <u>\$ 130,401</u> | <u>\$ 0</u> | <u>\$ 130,401</u> |

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, 1993

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, 1993

DEPARTMENTAL ANALYSIS OF SALARIES

| NAME OF DEPARTMENT | DEPARTMENTAL SALARY EXPENSE INCLUDED IN AMOUNTS BILLED TO | | | NUMBER OF PERSONNEL | |
|--|--|-------------------|---------------------|------------------------|----------------|
| Indicate each department or service function. | TOTAL AMOUNT | PARENT COMPANY | OTHER ASSOCIATES | NON ASSOCIATES | END OF YEAR |
| (Thousands of Dollars) | | | | | |

| | | | | | |
|------------------|-----------|----|-----------|-----------|-----|
| Seabrook Station | \$ 55,596 | \$ | \$ 22,032 | \$ 33,564 | 937 |
|------------------|-----------|----|-----------|-----------|-----|

| | | | | |
|------------------|-------------|------------------|------------------|------------|
| <u>\$ 55,596</u> | <u>\$ 0</u> | <u>\$ 22,032</u> | <u>\$ 33,564</u> | <u>937</u> |
|------------------|-------------|------------------|------------------|------------|

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

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 \$25,000, 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.

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

LEGAL SERVICES

| | | | |
|---------------------------------|----|----|--------|
| Cummings & Lockwood | NA | \$ | 32 |
| Joyce & Joyce | NA | | 25 |
| McKusick, Vincent L. | NA | | 43 |
| Ropes & Gray | NA | | 114 |
| Sheehan, Phinney, Bass & Greene | NA | | 44 |
| Miscellaneous (3 payees) | NA | | 11 |
| TOTAL LEGAL SERVICES | | | \$ 269 |

SECURITY SERVICES

| | | | |
|--------------------------|----|----|----------|
| Findan Corporation | NA | \$ | 25 |
| Green Mountain Security | NA | | 4,714 |
| Smithkline Beecham | NA | | 46 |
| Unifirst Corporation | NA | | 60 |
| Miscellaneous (8 payees) | NA | | 61 |
| TOTAL SECURITY SERVICES | | | \$ 4,906 |

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

OUTSIDE SERVICES EMPLOYED

| FROM WHOM PURCHASED | RELATIONSHIP | | AMOUNT |
|---------------------|---------------|-----------------------|--------|
| | "A"-ASSOCIATE | "NA"-NON ASSOCIATE | |

ENGINEERING SERVICES

| | | | |
|-----------------------------------|----|----|------------------|
| National Technical Systems | NA | \$ | 29 |
| Normandeau Associates | NA | | 1,104 |
| Nuclear Support Services | NA | | 58 |
| Ocean Surveys | NA | | 90 |
| Raytheon Engineers & Constructors | NA | | 3,562 |
| Southern Technical Services | NA | | 30 |
| Stone & Webster | NA | | 37 |
| Yankee Atomic Electric Company | NA | | 8,040 |
| Miscellaneous (5 payees) | NA | | 43 |
| TOTAL ENGINEERING SERVICES | | | <u>\$ 12,993</u> |

OTHER SERVICES

| | | | |
|--------------------------------|----|----|-----|
| AGS Computers, Incorporated | NA | \$ | 87 |
| Applied Radiological Control | NA | | 70 |
| BMC Strategies | NA | | 28 |
| Carr, Charles | NA | | 96 |
| Center For Occupational Health | NA | | 339 |
| Coopers & Lybrand | NA | | 34 |

For the Year Ended December 31, 1993

OUTSIDE SERVICES EMPLOYED

| FROM WHOM PURCHASED | RELATIONSHIP | | AMOUNT |
|--|-----------------------|----|--------|
| | "A"-ASSOCIATE | | |
| | "NA"-NON ASSOCIATE | | |
| Elizabeth Murphy Associates | NA | \$ | 60 |
| Exeter Group, Incorporated | NA | | 25 |
| Flanagan, James J. | NA | | 30 |
| General Physics Corporation | NA | | 96 |
| IBM Corporation | NA | | 55 |
| Information Handling | NA | | 38 |
| Jassmond, William | NA | | 81 |
| Management Associates | NA | | 129 |
| National Engineering Service Corporation | NA | | 38 |
| Northeast Utilities Service Company | A | | 1,866 |
| Price Waterhouse | NA | | 74 |
| Professional Choices | NA | | 41 |
| Public Service Company of New Hampshire | A | | 177 |
| Republic Management | NA | | 60 |
| Resource Management | NA | | 164 |
| Roach, Robert M. | NA | | 74 |
| Seapoint Consulting | NA | | 25 |
| Senn-Delaney | NA | | 81 |

For the Year Ended December 31, 1993

OUTSIDE SERVICES EMPLOYED

| FROM WHOM PURCHASED | RELATIONSHIP | | AMOUNT |
|---------------------------------------|----------------|------------------------|------------------|
| | "A"--ASSOCIATE | "NA"--NON ASSOCIATE | |
| TAD Technical Service | NA | | \$ 129 |
| The Winn Company | NA | | 63 |
| Uniforce Temp Agency | NA | | 44 |
| Miscellaneous (33 payees) | NA | | <u>198</u> |
| TOTAL OTHER SERVICES | | | <u>\$ 4,202</u> |
| GRAND TOTAL OUTSIDE SERVICES EMPLOYED | | | <u>\$ 22,370</u> |

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

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 | \$ 3,103 |
| Incentive Goals Plan | 1,468 |
| Group Life, Long-term Disability, Hospital and Medical Insurance Expenses | 4,187 |
| FAS 106 VEBA Funding | 1,004 |
| Employee Stock Ownership Plan | 964 |
| Employee Assistance Program | 158 |
| Educational Activities | 183 |
| Employee Relocation Expenses | 39 |
| Other Employee Benefits Expenses | 39 |
| TOTAL | \$ 11,145 |

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

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) |
| Advertising | Associated Press | \$ 29 |
| | Barker Specialty | 5 |
| | Pride Printers | 7 |
| | Various | 35 |
| Science & Nature Center | Aquatic Environments | 2 |
| | Barker Specialty | 17 |
| | Computer Hut of N.E. | 9 |
| | Culver Co. | 3 |
| | Lavigne Press | 7 |
| | Pride Printers | 6 |
| | Tad Temporaries | 2 |
| | Various | 221 |
| TOTAL | | \$ 343 |

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

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) |
| Industry association dues | \$ 742 |
| TOTAL | <u>\$ 742</u> |

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

RENTS

INSTRUCTIONS: Provide a listing of the amount included in accounts entitled "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 | \$ 949 |
| Communications equipment | 660 |
| Vehicles | 169 |
| Buildings | 11 |
| Equipment and other | 118 |
| TOTAL | |
| | \$ 1,907 |

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

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: | |
| N. H. Business Enterprise Tax | \$ 155 |
| State Unemployment Tax | 176 |
| | |
| Sub-Total | \$ 331 |
| (2) U.S. Government Taxes: | |
| Federal Unemployment Tax | \$ 52 |
| Federal Insurance Contribution Act | 3,632 |
| | |
| Sub-Total | \$ 3,684 |
| | |
| TOTAL | \$ 4,015 |

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

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 Contributions | \$ 24 |
| Miscellaneous (108 items) | Charitable Contributions | 46 |
| TOTAL | | <u>\$ 70</u> |

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

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) |
|-----------------------|-----------------------------|-------------------------------------|
| Local business events | Various - 19 payees | \$ 21 |
| Political activities | Elizabeth Murphy Associates | 60 |
| | James Flanagan | 30 |
| TOTAL | | \$ 111 |

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

SCHEDULE XVIII

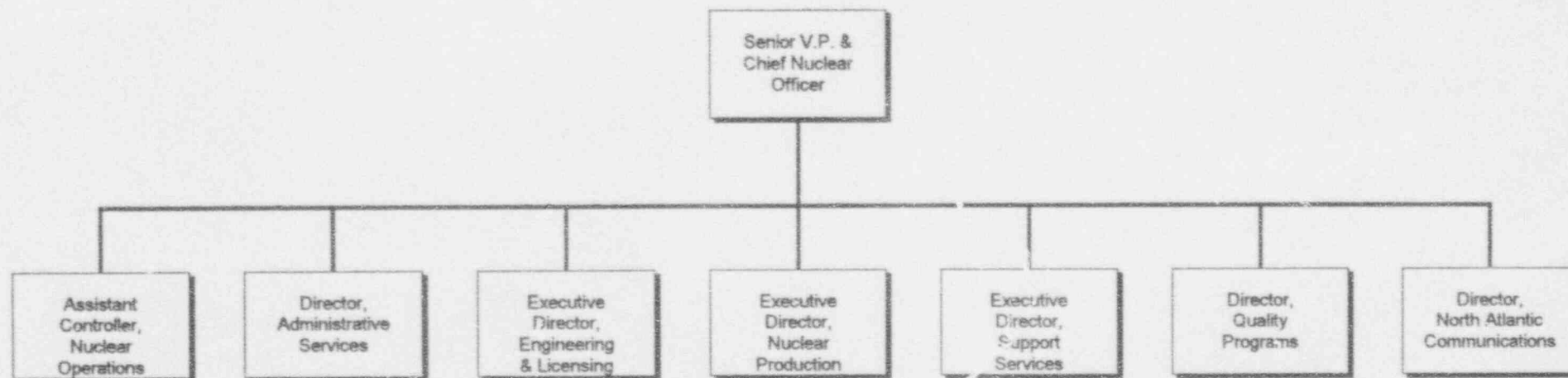
NOTES TO STATEMENT OF INCOME

INSTRUCTIONS: The space below is provided for important notes regarding the statement 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 of pages 19 through 19F.

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

ORGANIZATION CHART AS OF DECEMBER 31, 1993



ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

For the Year Ended December 31, 1993

Methods of Allocation

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

ANNUAL REPORT OF NORTH ATLANTIC ENERGY SERVICE CORPORATION

ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED

For the Year Ended December 31, 1993

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 officer thereunto duly authorized.

NORTH ATLANTIC ENERGY SERVICE CORPORATION
(Name of Reporting Company)

By: /s/ John W. Noyes
(Signature of Signing Officer)

John W. Noyes – Vice President and Controller
(Printed Name and Title of Signing Officer)

Date: April 27, 1994