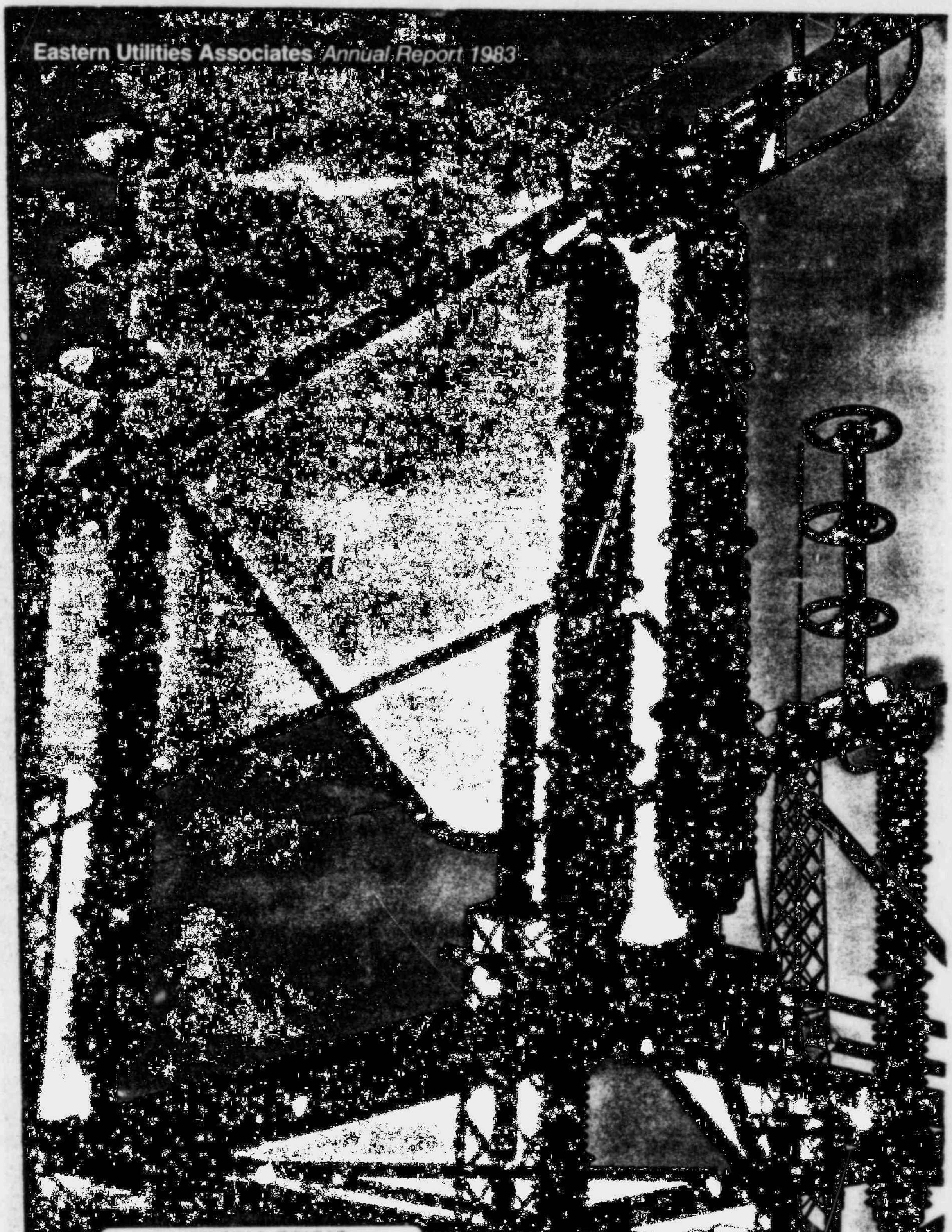
Eastern Utilities Associates *Annual Report 1983*



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Highlights

	1983	1982	% Change
Financial Data *(dollars in thousands)*			
Operating Revenues	**$ 302,450**	$ 288,417	+ 4.9
Operating Income	**36,537**	31,296	+ 16.7
Consolidated Net Income	**25,364**	16,941	+ 49.7
Net Utility Plant	**498,264**	413,260	+ 20.6
Cash Construction Expenditures	**78,912**	61,236	+ 28.9
Internally Generated Funds	**27,258**	12,658	+115.3
Return on Average Common Equity	**16.2%**	13.5%	+ 20.0
Common Share Data			
Earnings per Average Common Share	**$2.80**	$2.25	+ 24.4
Dividends Paid per Share	**$1.79**	$1.70	+ 5.3
Average Common Shares Outstanding	**9,062,810**	7,519,381	+ 20.5
Book Value per Share (Year End)	**$16.91**	$16.04	+ 5.4
Operating Data			
Total Electric Sales (mwh)	**4,201,000**	4,049,000	+ 3.7
System Peak Demand (mw)	**700**	680	+ 2.9
Reserve Margin (At Peak)	**22.3%**	26.0%	− 14.2
System Load Factor	**60.8%**	59.8%	+ 1.7
Customers (Year End)	**232,515**	230,094	+ 1.1
Employees (Year End)	**1,026**	965	+ 6.3

EUA System Profile

Eastern Utilities Associates is a public utility holding company with three electric operating subsidiaries which are principally engaged in the generation, purchase, transmission, distribution and sale of electric energy to 233,000 customers covering an area of about 540 square miles. Our retail electric companies are Eastern Edison Company operating in southeastern Massachusetts and Blackstone Valley Electric Company operating in northern Rhode Island. Montaup Electric Company supplies electricity at wholesale to Eastern Edison (its parent), Blackstone and three unaffiliated utilities for resale. Electric operations accounted for 100% of operating revenues. Approximately 156,000 of our customers are in Massachusetts and 77,000 are in Rhode Island. About 75% of total consolidated operating revenues are regulated by the Federal Energy Regulatory Commission.

Eastern Utilities Associates also owns EUA Service Corporation. EUA Service provides, at cost, various accounting, financial, engineering, planning, data processing and other services for the Association and its Subsidiaries. Together the companies are known as the EUA System.

To Our Shareholders:

I am pleased to report that 1983 was a year of continued financial growth for Eastern Utilities Associates. Kilowatthour sales advanced across the board, the company achieved record earnings, your dividend was increased, and the System's overall financial position strengthened. I am confident that this trend will continue.

Earnings per share jumped from $2.25 in 1982 to $2.80 in 1983; for the second consecutive year the quarterly dividend was raised, from 42.5 cents per share to 45.5 cents per share; and, as in 1982, we ended the year with no short-term bank debt.

This solid performance is a result primarily of responsive Federal rate regulation accompanied by a healthier national economy and a more advantageous securities market.

Our improved financial health has been recognized by the three major credit agencies, Moody's Investors Service, Standard & Poor's Corporation, and Duff and Phelps, all of whom raised their credit quality ratings on securities issued by Eastern Edison Company, our Massachusetts retail subsidiary.

Improved financial market conditions enabled us to effect $102 million of permanent financing. Eastern Edison Company sold $40 million of First Mortgage Bonds and $40 million of tax-exempt pollution control securities. About $16 milion was realized by EUA's one million common share offering and $6 million of new equity was added by our Employee Savings Plan and our Dividend Reinvestment and Common Share Purchase Plan.

These funds were used to finance our construction program, necessary to provide our existing and future customers with reliable energy at reasonable costs. We anticipate our cash construction expenditures will decrease annually from the 1983 peak of $78.9 million.

Current plans for 1984 external financing include the sale of one $6 million tax-exempt bond issue in Massachusetts and another $6 million tax-exempt bond issue in Rhode Island. In addition, $7 million is expected to come from our Dividend Reinvestment and Common Share Purchase Plan. Due to the foregoing financing and expected increased internally generated cash, short-term bank borrowings for 1984 should be minimal.

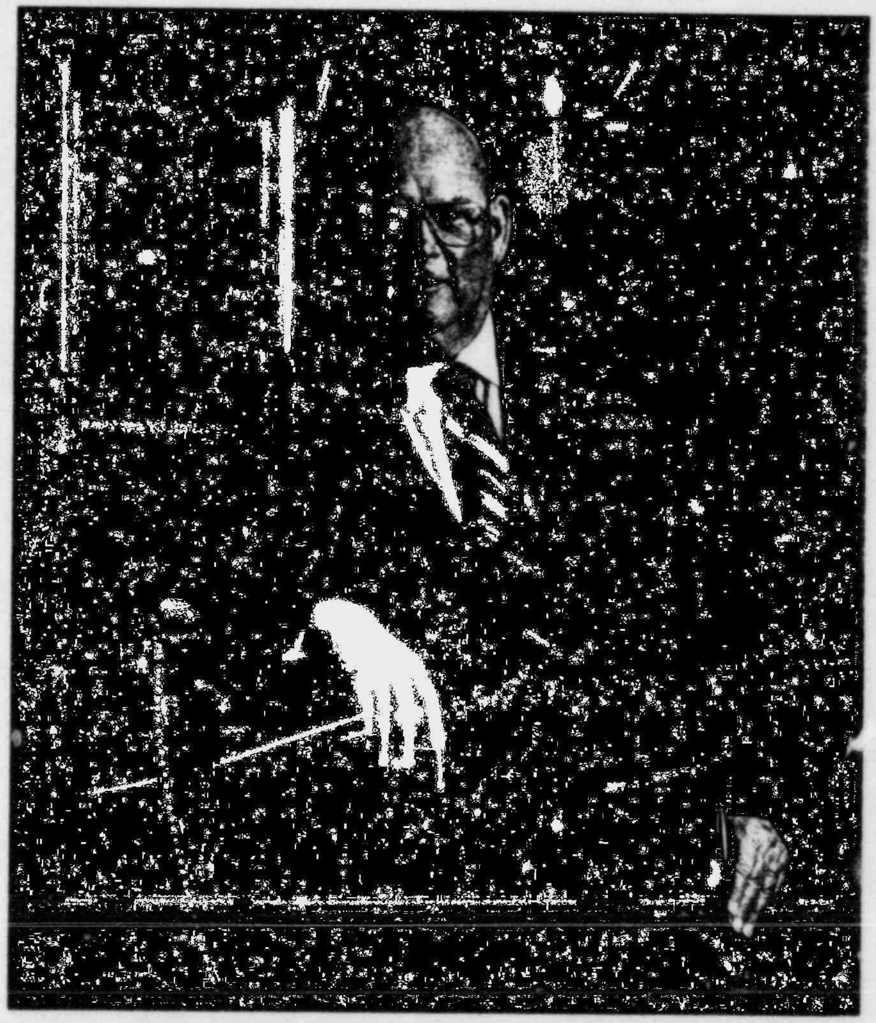
"I am heartened by the progressive actions of the Federal Energy Regulatory Commission (FERC) which regulates approximately 75 percent of our System's revenues. Responsible FERC rulings have been instrumental in restoring the System's financial viability in recent years."

Our ability to raise necessary capital at reasonable costs hinges on adequate, timely rate relief. Otherwise, our companies might be unable to meet legal coverage tests needed for the issuance of securities.

I am heartened by the progressive actions of the Federal Energy Regulatory Commission (FERC), which regulates approximately 75 percent of our System's revenues. Responsible FERC rulings have been instrumental in restoring the System's financial viability in recent years. Examples include FERC's latest Construction Work in Progress ruling allowing utilities to earn a cash return on a portion of new generating facilities under construction, and its allowance of a forward looking test year for determining rates. Montaup Electric, our wholesale generating subsidiary, is wholly under FERC jurisdiction. FERC has also granted Montaup a temporary Oil Conservation Adjustment rate to finance the oil-to-coal conversion at its Somerset, Massachusetts generating station. As a result of this responsive regulation at the Federal level, we expect to generate almost half of our cash construction needs internally during 1984.

The balance of our revenue (25%) is subject to regulation at the state level. Of $38 million of new revenue sought in Rhode Island and Massachusetts since 1982, our retail subsidiaries, Blackstone Valley Electric and Eastern Edison, have been permitted a mere $14 million. Appeals as well as additional rate filings in both states, therefore, must and will continue.

Our oil-to-coal conversion program at Somerset Station continued in 1983. The first electrostatic precipitator should be installed by May 1984, almost one year ahead of schedule. With the burning of coal for part of last year, our generation mix from 1982 to 1983 changed dramatically: oil use dropped from 77.8 percent to 59.9 percent; nuclear increased from 22.2 percent to 23.8 percent; and coal, not in our mix in 1982, stood at 16.3 percent of our total generation at year-end 1983. Low-cost hydroelectricity from Hydro-Quebec, Canada will further reduce our dependence on more costly oil.



Through our membership in the New England Power Pool (NEPOOL), we hold a 3.77 percent interest in a power interchange agreement between NEPOOL and Hydro-Quebec. Phase I of the project will bring 690 mw of electric energy into New England commencing in 1986. Since March 1983, negotiations between NEPOOL and Hydro-Quebec have been underway to increase the interconnection capability to 2,000 mw by the early 1990's.

Increased use of coal, more hydroelectric power, and the addition of new nuclear units are promising developments for our future fuel mix.

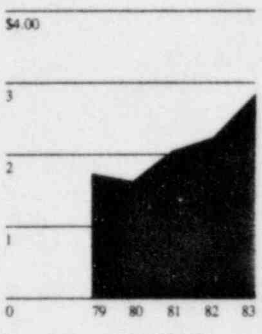
Meanwhile, an improved economic climate, both nationally and regionally, coupled with near record summer and winter temperatures, boosted electricity sales. This reverses the negative sales trends of 1980-1982 and gives cause for optimism for the future. It is our hope that leadership at both the Federal and local levels – government, labor and business – will support measures aimed at inducing productivity in the private sector in order to maintain the healthy momentum gained this year.

Very truly yours,

John F. G. Eichorn, Jr.
President

Review of Operations

Earnings Higher; Dividend Increased Again – Driven by much-needed rate relief and an increase in kilowatthour sales, Consolidated Net Income surged 50% to $25.4 million. This was an increase of $8.5 million over 1982's $16.9 million. The improvement in Consolidated Net Income also raised the System's earned return on average common equity to 16.2%. The effect of 1.5 million additional common shares limited the growth in earnings per average common share to 24.4%. Earnings

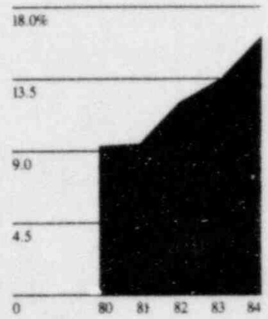


Earnings and Dividends:
■ Earnings
■ Dividends
Earnings for 1983 reached an all time high while dividends continued the growth pattern begun in 1982. We are committed to providing a fair return to our shareholders.

per average common share were $2.80, $0.55 over 1982.

Our stated goal of providing dividend increases at regular intervals was again met. The quarterly dividend rate was increased from 42.5¢ per share to 45.5¢ per share, effective with the May, 1983 dividend. This was the second consecutive year in which our dividend was increased.

A detailed discussion of rate case activity is provided later in this report. In addition, a review of Sales, Revenues and Expenses is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 20.



Return on Average Common Equity:
Our return on common equity has continually improved since 1979 although we still have not earned the returns allowed by our various regulatory commissions.

Residential and Commercial Sales Increase – Sales of electricity to residential and commercial customers during 1983 increased 5.5% over the prior year. This was due to record-breaking weather and improved economic conditions. Sales to commercial customers also increased due to a new Massachusetts state law allowing major chain stores and other retail enterprises to conduct business on Sundays.

Consumption during the third and fourth quarters of 1983 climbed sharply. Residential and commercial customers, in particular, relied heavily on air-conditioning systems to counteract extremely hot weather conditions.

"Consolidated Net Income surged 50% to $25.4 million. We met our stated goal of providing dividend increases at regular intervals by increasing our annual dividend for the second consecutive year."

National and local weather organizations reported that 1983 summer temperatures established all time highs, snapping decade-old records. Toward the end of 1983, bitterly cold temperatures were responsible for the increased use of electricity used to operate central heating systems and auxiliary electric heaters.

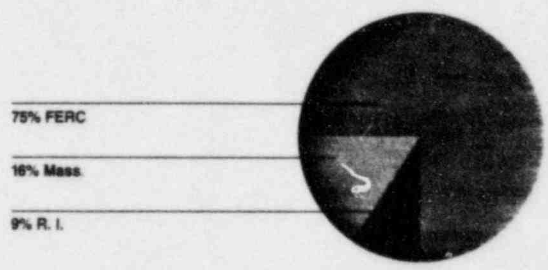
Economic and financial indicators showed positive signs of improvement in the national and regional economy. The residential customer base grew by 1% while commercial firms increased 2%.

Industrial Sales Trend Upwards
Sales of electricity to the industrial sector trended upwards for the first time in a number of years. Indications of improved business conditions surfaced late in the second quarter. This momentum continued to build through the third and fourth quarters providing optimism that improved business and employment opportunities will continue throughout 1984.

Responsive Federal Wholesale Rate Relief Continues
The continuation of responsive regulation on the part of the Federal Energy Regulatory Commission (FERC) is significant. It is the single most important external factor responsible for your System's dramatic upturn in financial health. FERC regulates approximately 75% of System revenues. It took further progressive steps, in June 1983, by issuing a final rulemaking permitting the inclusion of a portion of Construction Work in Progress (CWIP) in rate base for ratemaking purposes. In addition to CWIP in rate base, FERC allows the use of a forward looking test year for ratemaking. Also, in 1983 it granted Montaup Electric Company a temporary Oil Conservation Adjustment (OCA) rate. Montaup is the System's generation and transmission subsidiary. Each of these progressive con-

cepts is discussed in the following paragraphs. Details of rate relief granted at the Federal level over the last two years are shown in the accompanying table.

Under the CWIP rulemaking, all companies under FERC's jurisdiction will be permitted to include up to 50% of their Construction Work In Progress in rate base, thereby earning a cash return on the portion included. The final rule also places other limits on the amount of includable CWIP in rate base during the first two years of implementation.



Rate Regulation by Jurisdiction Year End 1983: About 75% of the System's consolidated revenues are regulated by FERC.

Responsive rate regulation at the Federal level continues to have an enormous impact on the System's improving financial health and stability.

This new rule provides Montaup and ultimately the System with the opportunity to substantially improve the cash component of its earnings. By including CWIP in rate base and earning a cash return, the System will be able to reduce its external financing needs and thereby lower the overall cost of the major generation projects under construction. This will result in lower construction costs which will ultimately be reflected in rates. However, Federal legislation has been proposed that could change the benefits of this FERC rulemaking.

To obtain the initial benefit of the CWIP rulemaking, Montaup filed and was granted an additional rate increase in December, 1983. The rate increase as implemented, included in rate base approximately $44 million of pollution control and coal conversion CWIP and approximately $59 million of CWIP associated with generating facilities under construction.

"Responsive Federal Energy Regulatory Commission regulation is the single most important external factor responsible for your System's dramatic upturn in financ'al health."

In March, 1983, a new Oil Conservation Adjustment clause was implemented. The OCA clause allows Montaup to retain a portion of the fuel cost savings realized from burning coal rather than oil to fund the cost of converting its Somerset Generating Station. The remaining fuel cost savings are, after provision for taxes, passed on to customers. During 1983, the OCA provided Montaup with $10.3 million of cash and it is anticipated that this will increase to approximately $19.2 million in 1984. The OCA collection is expected to end in 1986 when the coal conversion has been fully paid for. After that all fuel cost savings will be passed on to customers.

By allowing a forward looking test period for ratemaking purposes, FERC provides companies under its jurisdiction the opportunity to anticipate the impact of inflation. It then sets rate levels designed both to match prospective costs and to allow a utility to earn an adequate return on equity.

In recognition of Montaup's need for prompt rate relief, FERC has allowed each of the rate increases shown in the table below to become effective approximately sixty days after the request was made. However, the increases granted are still subject to refund.

Rate Relief at State Level Remains Inadequate

As shown in the table below, the rate relief granted our retail companies in Massachusetts and Rhode Island continues to be inadequate. State regulation in both states is governed by a policy of using outdated costs for regulation. In periods of rising costs, it is difficult under this approach to generate sufficient revenues to cover constantly increasing costs.

Table of Recent Rate Relief Granted

	Annual Revenue (000's)			
Jurisdiction	Requested	Granted	Effective Date	Return on Equity
Federal (FERC)	$ 4,165	$ 4,165	4/21/82	18.0%
Federal (FERC)	18,053	16,767	1/09/83	18.0%
Federal (FERC)	17,400	15,000	12/28/83	16.2%
Rhode Island	5,709	3,236	5/20/82	15.50%
Rhode Island	5,900	1,770	11/10/83	15.20%
Massachusetts	9,572	4,353	3/03/82	15.25%
Massachusetts	10,778	4,503	11/09/82	16.00%
Massachusetts	6,200	109	1/31/84	15.25%

The Rhode Island Public Utilities Commision granted Blackstone Valley Electric Company, the System's Rhode Island retail subsidiary, a $1.7 million rate increase in October, 1983. This was only 27% of the amount requested. The order authorized Blackstone a return on common equity of 15.2%. However, by neglecting to fully recognize the increased cost of serving customers, the Commission's decision provides no opportunity for Blackstone to earn even this inadequate rate of return. In addition, the October order disallowed certain charges for EUA Service Corporation. Blackstone has appealed to the Rhode Island Supreme Court for relief of this portion of the order. The inadequacy of the Rhode Island Public Utilities Commission decision may force Blackstone to file another rate increase request in 1984.

Unsatisfactory prior rate decisions required Eastern Edison to file with the Massachusetts Department of Public Utilities (DPU) for higher rates in 1983. Eastern Edison is the System's Massachusetts retail subsidiary.

On January 31, 1984, the DPU denied Eastern Edison's request for a $6.2 million increase and ordered a rate reduction of approximately $0.6 million. In its order, the DPU disallowed Eastern's request for capital attrition and for anticipated increased operating and maintenance expenses. The DPU reduced Eastern's return on common equity from the 16% previously allowed to 15.25%.

Eastern petitioned for recalculation to correct mathematical errors in the DPU order. The final result was a rate increase of $109,000.

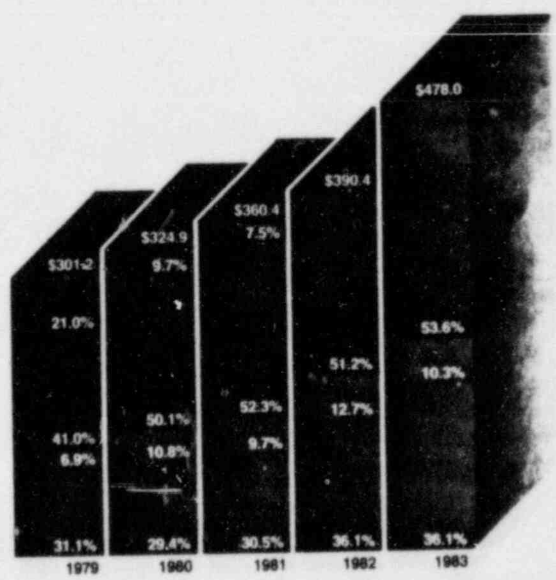
Credit Ratings Upgraded; Over $100 Million of New Capital Raised – In May, 1983, two major credit rating agencies raised the credit quality ratings on the permanent securities of Eastern Edison Company. The rating agencies specifically cited the beneficial effects of FERC's regulatory practices on the financial health of Eastern's subsidiary, Montaup Electric Company. Moody's Investors Service raised its rating from Baa 3 to Baa 2. Standard & Poor's Corporation raised its rating from BBB– to BBB. The third major rating agency, Duff and Phelps, assigned a rating of 9 to Eastern's securities. The rating of 9 is comparable to the Baa 2 and BBB rating of the other agencies. We are pleased with the improved credit ratings. The revised ratings are still in the lower range of the investment grade category. We believe it is in the best interests of our shareholders and ratepayers to maintain credit ratings in the middle range of the investment grade category. We will continue to work toward accomplishing this goal.

"The $102 million of financing completed this year has enabled the System to end the year with no short-term bank debt for the second consecutive year."

The improved ratings, combined with improved market conditions, enabled Eastern Edison to sell $40 million of 30-year mortgage bonds in May. The interest rate was 12¼%. This is the first time since 1973 that Eastern Edison has raised 30-year money. The 12¼% interest rate is the lowest fixed interest rate incurred by Eastern Edison since 1975.

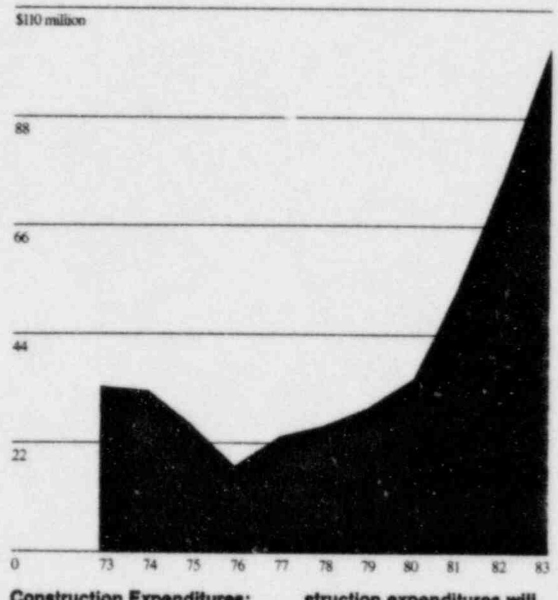
Eastern Edison also entered the tax-exempt market for the first time in August. Eastern issued $40 million of 10⅛%, 25-year tax-exempt securities through the Massachusetts Industrial Finance Agency. The proceeds from this financing will pay for the installation of certain pollution control facilities at Montaup Electric Company's Somerset Station. The pollution control facilities are required in order to convert the station from oil to coal burning.

Approximately $21 million of the proceeds from this tax-exempt financing were utilized in 1983. The



Capitalization Ratios:
- Short-Term Debt
- Long-Term Debt
- Preferred Equity
- Common Equity
- Total Capitalization in millions

For the second year in a row the EUA System ended the year with no short-term debt. Our long-term debt ratings were upgraded in 1983 by the three major rating agencies.



Construction Expenditures: EUA System construction expenditures peaked in 1983. It is expected that construction expenditures will decline somewhat in 1984 and should continue to decline for several years.

remaining $19 million have been temporarily invested and will be utilized in 1984 as additional expenditures are made on these pollution control facilities.

The Association sold one million common shares to underwriters in December 1983. This sale provided net proceeds of approximately $16 million. Current projections indicate that this should be the last public offering of common shares. An additional $6 million of new common equity was raised through participation in our Dividend Reinvestment and Common Share Purchase Plan and our Employee Savings Plan.

The foregoing $102 million of financing completed this year has enabled the System to end the year with no short-term bank debt for the second consecutive year.

1984 External Financing Minimal
The combination of reduced cash construction requirements, improved internal cash generation, and utilization of the remaining $19 million of tax-exempt financing proceeds will enable the System to drastically reduce the amount of external financing required in 1984. Current plans for 1984 call for the sale of two $6 million tax-exempt bond issues. These financings are contingent upon a continuation of favorable tax laws with respect to the issuance of tax-exempt securities.

It is also anticipated that our Dividend Reinvestment and Common Share Purchase Plan and Employee's Savings Plan will provide an additional $7 million in 1984.

This minimal amount of financing described above should enable the System to end 1984 with a relatively minor amount of short-term bank debt.

Construction Spending Peaks – The System's construction expenditures in 1983 totaled $103.3 million. About $82.5 million, or 80% of this total, was for generation-related projects, including approximately $54.4 million for the Seabrook and Millstone nuclear units, and about $27.0 million for the conversion of Montaup's Somerset Station from oil to coal burning. The remaining $20.8 million was spent on upgrading and improving our transmission and distribution system, as well as other general projects.

Looking ahead, the System's construction program for the next five years calls for expenditures of about $298.3 million, including $101.5 million for 1984. The 1984 estimated expenditures are less than experienced in 1983 and we expect construction spending to continue to decline somewhat for the next several years. Of the five year expenditures, about $210.1 million or 70.4% will go for generation-related projects and include the March 1, 1984 cost increases announced for the Seabrook nuclear units. The balance of $88.2 million will be used for transmission, distribution and general projects.

EUA continues to pursue a strategy of establishing an economic mix of production resources designed to create an efficient and reliable source of electric power for the System. This strategy was developed in the 1970s to reduce to manageable levels EUA's dependence on fuel oil, by diversifying our energy sources among nuclear, coal, hydro and oil facilities, and to minimize financial and operating risks by acquiring capacity from a number of sources.

"System construction expenditures peaked at $103 million. Nineteen hundred eighty-four expenditures are estimated to be somewhat less and are expected to continue to decline for the next several years."

Nuclear Commitment Shows Long-Term Benefits
EUA's early commitment to the Pilgrim and the four Yankee nuclear units has provided significant cost savings to our customers over the last two decades.

Our continued commitment to nuclear power is intended to fulfill a need for base load capacity while reducing the need to burn high-cost oil. Ongoing appraisals of the economics of nuclear power continue to show long-term benefits.

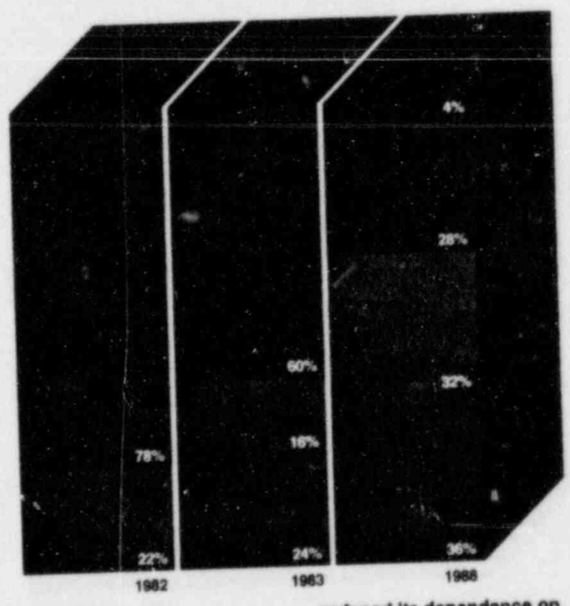
Since the Three Mile Island incident in 1979, the nuclear industry in this country has seen significant increases in regulation. This, in turn, has resulted in prolonged construction delays and ultimately substantial cost increases in projects under construction.

While the System has experienced its share of these increases, our exposure to such increases and our exposure to the risks associated with the uncertainty surrounding nuclear construction projects is significantly less than many other utilities. This is due to our relatively small ownership share in each project. Montaup has a 2.90% ownership share in the two 1150 mw Seabrook units and a 4.01% share in the single 1150 mw Millstone No. 3 unit.

On March 1, 1984, the lead participant of the Seabrook nuclear units (Public Service Company of New Hampshire) announced a substantial increase in the cost estimates and later in-service dates for both units. These revised estimates indicate that Unit No. 1 was approximately 72% complete as of December 31, 1983; its-in-service date will be July, 1986 and its total cost will be approximately $4.6 billion. Unit No. 2 was 22% complete, its in-service date will be December, 1990 and its cost will be approximately $4.4 billion.

Several participants in the Seabrook project have unsuccessfully attempted to bring about the cancellation of Unit No. 2.

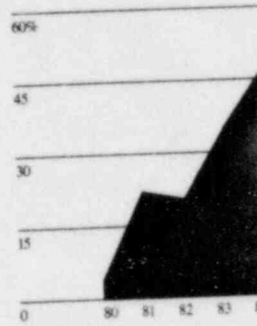
The Millstone No. 3 Unit is currently on schedule and on budget. As of November 30, 1983 it was approximately 80% complete. Federal and State licensing procedures are progressing and the in-service date of May 1986 appears achievable.



Energy Mix:
- **Oil**
- **Coal**
- **Nuclear**
- **Hydro**

In 1983 the EUA System began burning lower cost coal and reduced its dependence on oil to 60%. By 1988 we expect our energy mix to be diversified to the extent that we are not largely dependent on any one fuel source.

Internal Cash Generation Improves
The System was able to generate 35% of its cash construction needs from internal sources in 1983 – a dramatic improvement over recent years. It is expected that, for 1984, internal generation will



Internally Generated Funds: Internal generation of funds has improved dramatically since 1980 and is expected to approach the current electric industry average (50%) by the end of 1984.

account for more than 47% of cash construction requirements. The improvement in internal cash generation is directly related to the responsive rate relief obtained at the Federal level and is more fully explained earlier in this Report.

Coal Conversion Progresses
The conversion of two units at Montaup's Somerset Station from expensive oil to lower cost domestic coal continues. Current construction activity centers on the installation of state-of-the-art electrostatic precipitators on both units. This equipment is designed to allow Montaup to efficiently burn low-cost coal. In fact, stack particulate emissions are expected to be less than when the plant was burning oil. Full coal burning within environmentally acceptable standards, is expected to commence by the late summer of 1984, nearly one full year ahead of the original schedule.

When conversion is complete, Montaup's Somerset Station will have the option of using either oil or coal as a fuel, whichever is less expensive.

During part of 1983 Montaup's Somerset Station burned coal under a Delayed Compliance Order (DCO) issued by the Federal Environmental Protection Agency and monitored by the Massachusetts Department of Environmental Quality Engineering. The order temporarily relaxes air quality regulations that do not affect public health.

Burning coal, the Somerset units will ultimately be capable of providing about one-third of the System's energy requirements. It will also allow us to pass on to customers annual savings based on the cost differential between oil and coal and significantly reduce our dependence on oil as a source of energy. The System was able to reduce that dependence on oil from 78% of its total energy mix in 1982 to 60% by the end of 1983.

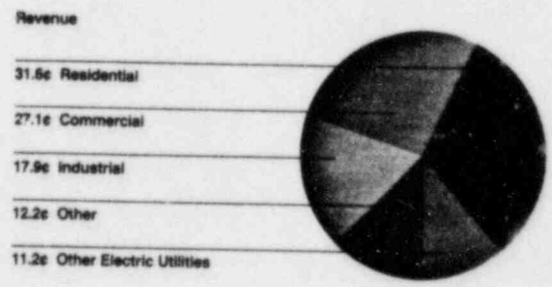
Hydro Projects Progress
Progress continues on the reactivation of Blackstone Valley Electric's 87-year-old hydroelectric generating plant in Pawtucket, Rhode Island. The reactivation plan calls for the installation of new, fully automatic, turbine/generators. Construction is expected to be completed during the Spring of 1984 at a cost of approximately $6 million.

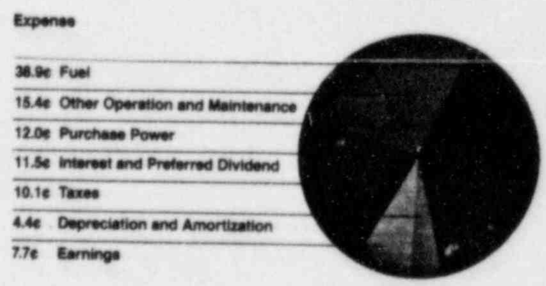
The System, along with other New England utilities is participating in negotiations with Hydro-Quebec to bring low-cost hydroelectricity to New England. During 1983 arrangements were completed which will allow the New England utilities to purchase three million megawatthours (mwh) per year of hydroelectric energy beginning in 1986. Discussions are currently underway to increase the interconnection to 2000 megawatts.

"With the conversion to coal and additional nuclear power coming on line, we are steadily moving towards our goal of greater diversification of fuel sources so that we will no longer be dependent on any single fuel for the generation of electricity."

The System will initially be entitled to purchase approximately 150 thousand mwh per year of this low-cost energy which will further aid in reducing our dependence on oil.

While 1983 saw continued progress in improving the System's financial position, the year was also noteworthy for activity in the areas of system operations, energy conservation and communications.





Revenue/Expense Dollar: Fuel and Purchased Power continue to be our largest expense items comprising over 62% of total operating expenses. We continually strive to secure the lowest possible price for fuel purchases.

Central Operations Systems On-Line
The System's new SCADA (Supervisory Control and Data Acquisition) system went on line in October, 1983.

Extensive testing of hardware, software and communication links to remote terminals was performed. The testing demonstrated that the system met high availability and reliability specifications.

System operators are now able to centrally monitor and control our transmission and distribution facilities, measure the interchange of energy and perform other data acquisition tasks with the application of this advanced technology. The EUA System is in the forefront of this phase of electric utility operations.

A centralized automated trouble reporting system was implemented in 1983. All customer calls are now received in the System's Customer Service Center. Here the specifics of the difficulty the customer is experiencing are merged with technical information from the computer data base. This information is transmitted simultaneously to SCADA for analysis, and to the local operations section from which our repair crews are radio-dispatched to the scene.

Prompt restoration of service has always been a priority for the EUA System. The new centralized trouble system is providing even better service to our customers.

Conservation Efforts Enhanced

A program to aid customers in their energy conservation efforts was initiated in Rhode Island in 1983.

"The broad-based and aggressive customer communications efforts initiated in 1982 were continued in 1983 and expanded with considerable success."

Essentially the program is designed to help residential customers who use electricity to heat their homes and/or hot water, to reduce their energy consumption and electrical demand. For some conservation measures taken, cash grants are available which, in effect, offset the cost of the money the customer usually must borrow to implement the conservation measures. Other conservation steps are subsidized. Any qualifying low-income customer is offered a free, do-it-yourself home weatherization kit.

A similar program is expected to be offered in Massachusetts in 1984.

Communication Activities Increase

The broad-based and aggressive customer communications efforts initiated in 1982 were continued in 1983 and expanded with considerable success.

Particularly noteworthy was the impact of the EUA Employees' Speakers Club, through whose efforts thousands of customers were reached. In 1983 the number of engagements and total audience was the highest ever. While we have always encouraged employee participation at public forums, never before has there been such a need for articulate, knowledgeable goodwill ambassadors to present the System's position.

Expansion of the System's efforts to provide more comprehensive educational services to schools began in 1983. Safety programs, demonstrations, films, literature and classroom study kits have traditionally been available to teachers throughout our system, and are used principally in elementary schools. The need to reach secondary school audiences in a more systematic manner led to the formation of a pilot program aimed specifically at the high school level.

It's your System's intention to build a constructive working relationship with educators in order to demonstrate a genuine concern for energy education and to enhance the acceptance of our educational services programs.

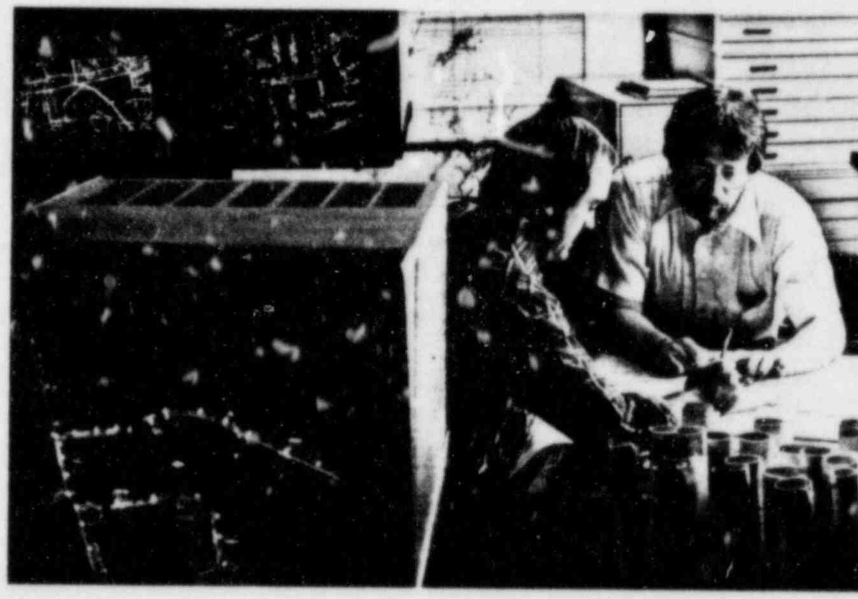
"We are proud of our employees for the professionalism they bring to their daily tasks, and for their willingness to communicate with their friends, relatives and neighbors to bring about a better understanding of electric industry issues."

During the 1982-83 academic year more than 16,000 kindergarten through twelfth grade students benefitted from these programs.

New Trustee Elected – Samuel C. Brown resigned as a Trustee at the end of 1983, having reached the mandatory retirement age. Mr. Brown has served with distinction as a Trustee of the Association since 1967, and his wisdom and counsel will be missed. John E. Conway was elected a Trustee to fill the vacancy. Mr. Conway is President of Jack Conway & Company, Inc., a Massachusetts realty company, and is also associated with several insurance agency, mortgage, and construction lending companies.

The total number of EUA System employees at year-end was 1,026 – up 6% from the end of 1982, but down 19% from the peak employment level of approximately 1,250 employees during the period preceding the onset of this nation's energy crisis in the latter part of 1973. Less than half of the increase in the number of employees is the result of expanding needs, primarily in the areas of data processing, engineering, planning and the conversion to coal burning at our generating station. The balance of the increase is attributable to filling positions which were authorized but unfilled at the end of 1982.

We are proud of our employees for the professionalism they bring to their daily tasks, and for their willingness to communicate with their friends, relatives and neighbors to bring about a better understanding of electric industry issues.



Today's technology provides powerful tools to help control costs and improve productivity in meeting the complex demands of today's business environment. State-of-the-art electrostatic precipitators and electronic monitoring systems, for instance, will enable Montaup's Somerset Station to burn economical coal. Individual productivity is improved by the use of computers – billing and payment information can be quickly tracked; System Operators are provided with an up-to-the-minute status of the movement of electric energy through EUA's transmission and distribution lines; power demand and revenue requirements are more accurately forecast; billing and payment processing are speeded; crews are more rapidly dispatched in an emergency – all through use of computers. Some of the ways this technology helps EUA employees perform their daily tasks are shown on these pages.

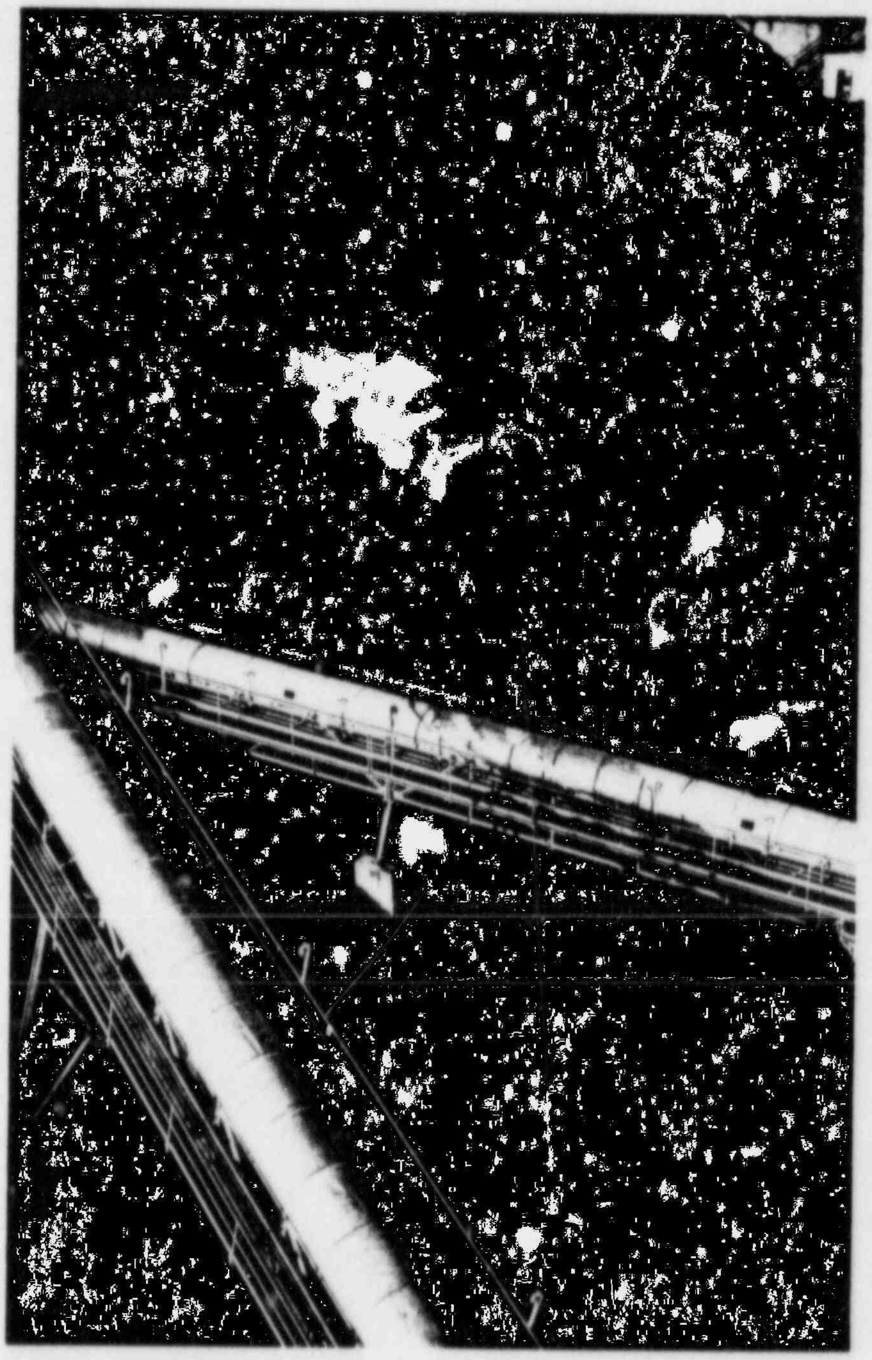
Graphic display terminals connected directly to the System's computer center enable personnel to immediately update the more than 4,000 maps locating each item of the System's electrical transmission and distribution equipment. Electronic mapping replaces laboriously hand-drawn maps with a computerized database. Copies of accurate maps can be supplied to engineers and construction crews showing just as much or as little information as needed.

The familiar meter reader takes the first step in EUA's highly automated billing process. Each day, thousands of special cards on which the customer's meter readings have been marked are "read" by electronic optical scanners. Bills are automatically produced, sorted and prepared for mailing, and customer records are simultaneously updated at the System's computer center. The EUA System is one of only a few utilities in the nation able to speed its revenue flow and reduce costs by mailing its bills within 24 hours after meters are read. ◄

Computers play a major role when customer payments are received. Each check is visually compared with its bill and run through a computerized sorter which micro-encodes information on the check for System accounting purposes. Payment information is entered into each customer's records at the computer center. Customer service and credit representatives have instant access to this up-to-date information when responding to customer billing queries. ►

Computers and multicolor video display consoles of the new SCADA (Supervisory Control and Data Acquisition) system enable personnel at the System Operations Center to continuously monitor and control the operation of transmission and distribution lines. SCADA computers give operators an up-to-the-second picture of the status of the System enabling them to control switches and circuit breakers directly from the Operations Center. SCADA also constantly monitors the interchange of energy between EUA and other utilities of the New England Power Pool. ◄

Mid-1984 installation of state-of-the-art electrostatic precipitators and electronic monitoring equipment at Montaup's Somerset generating station will complete the conversion of the plant from oil to coal as a fuel used to generate electricity. The precipitators will clean particulate matter from exhaust stack emissions. Conversion to coal reduces the System's dependence on oil and reduces customer fuel costs. However, the Somerset station still retains the flexibility to burn oil when and if that fuel source again becomes economically attractive. ►



The computerized Purchasing and Materials Management System automatically monitors inventory levels of the thousands of items required by our companies to provide customers with reliable electric service. Historical information on past purchases of each item tracks lead time needed for replenishing those inventories. When inventories fall to a pre-determined level, computers automatically generate new purchase orders and direct them to the appropriate buyer for each item. This allows EUA to reduce inventories to the safest appropriate level, enabling us to meet customer needs while reducing inventory carrying costs. ◄

Each Customer Service Representative is equipped with a video display terminal connected to the computer center. This enables customer queries to b answered promptly and accurately, with current information. Sophisticated electronic equipment routes incoming calls to the next available rep resentative and enables our personnel to assign repair crews more efficiently in tim of emergency. ►

This System computer center is the electronic home for all EUA financial and operating data and customer records. Bills originate here, and payments are recorded by these computers. Video display terminals enable financial forecasting and planning as well as accounting analysis to be done from various System locations with access to up-to-date information in the computers. Emergency calls are recorded and electronically routed to the proper operations section through these computers.

Selected Consolidated Financial Data

Years Ended December 31, *(In Thousands Except Common Shares and Per Share Amounts)*	**1983**	1982	1981	1980	1979
Income Statement Data:					
Operating Revenues	**$302,45[illegible]**	$288,417	$297,931	$244,642	$185,801
Operating Income	**36,537**	31,296	28,834	24,115	21,395
Consolidated Net Income	**25,364**	16,941	12,437	8,990	8,488
Balance Sheet Data:					
Plant in Service	**374,132**	358,599	348,255	333,812	322,684
Construction Work in Progress	**249,700**	172,057	109,348	82,308	61,493
Gross Utility Plant	**623,832**	530,656	457,603	416,120	384,177
Accumulated Depreciation	**125,568**	117,396	110,163	101,857	94,618
Net Utility Plant	**498,264**	413,260	347,440	314,263	289,559
Total Assets	**585,135**	489,259	426,821	390,958	348,642
Capitalization:					
Long-Term Debt	**256,398**	199,850	188,464	162,682	123,485
Redeemable Preferred Stock	**34,155**	34,457	19,906	20,199	5,607
Non-Redeemable Preferred Stock	**15,079**	15,079	15,079	15,079	15,079
Common Equity	**172,327**	140,973	109,875	95,424	93,765
Total Capitalization	**477,959**	390,359	333,324	293,384	237,936
Short-Term Debt	**0**	0	27,100	31,540	63,300
Common Stock Data:					
Earnings per Average Common Share	**2.80**	2.25	2.03	1.63	1.74
Average Number of Shares Outstanding	**9,062,810**	7,519,381	6,123,334	5,525,320	4,871,667
Return on Average Common Equity	**16.2%**	13.5%	12.1%	9.5%	9.4%
Market Price – High	**18⅜**	14⅝	12½	13¾	15½
– Low	**13⅞**	11	10⅛	10¼	11⅝
Cash Dividends Paid per Share	**1.79**	1.70	1.60	1.60	1.60

Management's Discussion and Analysis of Financial Condition and Results of Operations

Earnings

For the third consecutive year, the EUA System's financial performance and strength continued to improve. Consolidated Net Income for 1983 increased 49.7% over 1982 and 1982 increased 36.2% over 1981. Earnings per average common share of $2.80 in 1983 increased 24.4% over 1982, while 1982 per share earnings showed an increase of 10.8% over 1981. The earnings per share include the effects of increases of 20.5% and 22.8%, respectively, in the average number of common shares outstanding.

Operating Revenues

Operating Revenues in 1983 increased $14.0 million from 1982 while 1982 decreased $9.5 million from 1981. The table below analyzes the changes in Operating Revenues since 1981.

($ in millions)	Increase (Decrease) from Prior Years 1983	1982
Operating Revenue Increase Attributable To:		
Recovery Of Fuel Costs	**$(14.0)**	$(19.6)
Estimated Effect Of Rate Increases	**24.0**	18.2
Kwh Sales	**5.7**	(1.5)
Unit Contracts	**(1.7)**	(6.6)
Total	**$ 14.0**	$ (9.5)

The revenues attributable to fuel costs are the result of timely recovery of such costs through the operation of the adjustment clauses.

The estimated effect of rate increases for the periods shown, reflect the billing of higher wholesale and retail rates of $17.1 million and $6.9 million, respectively in 1983 and $12.1 million and $6.1 million, respectively in 1982.

Operating Revenues include revenues subject to possible refund of approximately $10.8 million and $11.7 million for year-end 1983 and 1982, respectively. See Note I of Notes to Consolidated Financial Statements.

Kilowatthour sales improved in 1983 as a result of a general strengthening of the economy. In addition, weather conditions significantly influenced kwh sales in 1983 by their effect on air conditioning and heating loads. The 1983 summer air conditioning season was significantly hotter than 1982, while the end of the 1983 winter heating season was colder than normal. The depressed kwh sales in 1982 resulted primarily from generally weak economic conditions and conservation efforts by our customers. The percent of increase or decrease in the EUA System's kwh sales by class of customers and in total since 1981 is shown in the following table:

	Increase (Decrease) from Prior Years 1983	1982
Residential	**5.3 %**	1.3 %
Commercial	**5.7**	(1.0)
Industrial	**4.9**	(8.2)
Wholesale	**5.8**	(15.3)
Other	**(3.6)**	(10.7)
Total	**3.7 %**	(5.1)%

Expenses

By the end of 1983, the EUA System was able to reduce its dependence on fuel oil from the 78% level of 1982 to 60%. This was accomplished primarily as a result of the commencement, in March 1983, of coal burning at our Somerset plant. EUA System fuel expenses decreased $9.4 million or 6.9% in 1983 from 1982 and 1982 decreased $27.1 million or 16.5% from 1981. Purchased Power-Demand costs increased $6.8 million in 1983 and $4.4 million in 1982, or 20.9% and 15.4%, respectively, over prior periods primarily due to increases in operating costs at several nuclear generating units in which the System has ownership interests or unit contracts. Other operation and maintenance expenses have continued to increase since 1981. The 1983 increases in other operation and maintenance expenses reflect increased costs related to the burning of coal at the Somerset plant. The balance of the increases for 1983 and the increases for 1982 reflect the effects of inflation on labor, materials and other costs.

The System experienced increases in the level of Allowance for Funds Used During Construction (AFUDC) (both equity and debt totaling $8.5 million in 1983 and $3.2 million in 1982. AFUDC represents a non-cash element of income. The System's continuing expenditures for the construction of future generating facilities has resulted in significant increases in the level of construction-work-in-progress balances to which the AFUDC rate is applied. AFUDC as a percentage of consolidated net income decreased from 102% in 1981 to 94% in 19[illegible] and rose slightly to 96% in 1983. The inclusion in rate base during 1982 and 1983 of a portion of construction work in progress limited the increase in AFUDC.

Increases in total interest expense are reflective of the System's continuing need to borrow funds to meet those cash requiremen[illegible] of its construction program which cannot be met with funds generated internally from operations.

Increases in long-term debt interest since 1981 reflect greater amounts of debt outstanding, mainly due to the permanent funding of short-term debt. (See Statement of Capitalization for details). Other Interest Expense decreased $1.1 million from 1982 and decreased $3.3 million in 1982 from 1981 primarily as a result of reduced levels of short-term borrowings.

Inflation continues to have a significant impact on the operation of our System. At the Federal level wholesale rate-making practices permit a forward looking test period which enables the anticipation of inflationary increases. The traditional use of a historical test period for retail rate-making purposes at the state level does not provide a reasonable opportunity for System retail companies to actually earn their allowed return on invested capital. Accordingly, System retail companies have continually included requests for "attrition" or "erosion" adjustments in their rate filings and will continue to pursue these and other concepts in an effort to bring actual earned returns closer to the level permitted by the regulatory agencies. See "Supplementary Information to Disclose the Effects of Changing Prices" on page 30 for further financial information regarding the effects of inflation using measurement bases developed by the Financial Accounting Standards Board.

Financial Condition

The EUA System's need for permanent capital is primarily related to the construction of facilities requi[illegible] to meet the needs of its existing customers and to meet the future requirements of these customers as well as new customers. For 1983, 1982 and 1981, the EUA System's cash construction expenditures (excluding AFUDC), were $78.9 million, $61.2 million and $41.7 million, respectively.

The System expects cash construction expenditures to decrease to about $77.1 million in 1984 and to continue to decline for the next several years.

As is customary in the utility industry, cash construction requirements not met with internally generated funds are obtained through short-term borrowings which are ultimately funded with permanent capital. In 1983, internally generated funds amounted to $27.3 million or 34.5% of the cash construction requirements. The remaining cash construction requirements were funded with short-term bank borrowings which were ultimately permanently financed. In 1982 and 1981, the EUA System was able to generate 22.5% and 4.5%, respectively, of its cash construction requirements with internally generated funds with the balance coming from short-term borrowings. The System expects that in 1984 it will be able to generate internally slightly more than 47% of its cash construction requirements. Current Federal regulatory rules permit a cash return to be earned on a portion of new generating facilities under construction.

Permanent financing during 1983 included a $40 million Mortgage Bond Issue, a $40 million Pollution Control Bond Issue (of which $19.6 million is held by the Trustee), an underwritten public offering of 1,000,000 common shares and the issuance of 403,313 common shares through the EUA System's Dividend Reinvestment and Employee Share Ownership Plans. Net proceeds from these sales totaled approximately $102 million.

The financing completed during 1983 and 1982 enabled the EUA System to end both years with no short-term bank borrowings. The ability to maintain reduced levels of short-term borrowings will be dependent on the System's ability to increase the amount of funds generated internally, thereby reducing the need to borrow externally, and the ability to sell additional amounts of permanent securities, as needed.

Report of Management

The management of Eastern Utilities Associates is responsible for the consolidated financial statements and related information included in this annual report. The financial statements are prepared in accordance with generally accepted accounting principles applicable to rate-regulated utilities and include amounts based on the best estimates and judgments of management, giving appropriate consideration to materiality. Financial information included elsewhere in the annual report is consistent with the financial statements.

The Company maintains an accounting system and related system of internal controls which are designed to provide reasonable assurance as to the reliability of financial records and the protection of assets. The Company's staff of internal auditors conducts reviews to maintain the effectiveness of internal control procedures.

Alexander Grant & Company, certified public accountants, is engaged to examine and express an opinion on our financial statements. Their examinations include a review of internal controls to the extent required by generally accepted auditing standards.

The Audit Committee of the Board of Trustees, which consists solely of outside Trustees, meets with management, internal auditors and Alexander Grant & Company to discuss auditing, internal controls and financial reporting matters. The internal auditors and Alexander Grant & Company have free access to the Audit Committee without management present.

Consolidated Income Statement

Years Ended December 31, *(In Thousands Except Numbers of Shares and Per Share Amounts)*	1983	1982	1981
Operating Revenues (A) (I)	**$ 302,450**	$ 288,417	$ 297,931
Operating Expenses:			
Fuel	**127,898**	137,308	164,367
Purchased Power-Demand (I)	**39,560**	32,732	28,362
Other Operation	**43,107**	40,156	35,128
Maintenance	**7,609**	7,852	7,144
Depreciation and Amortization (A)	**14,571**	13,379	11,280
Taxes – Other Than Income	**12,950**	14,143	14,358
Income and Deferred Taxes (A) (B)	**20,218**	11,551	8,458
Total Operating Expenses	**265,913**	257,121	269,097
Operating Income	**36,537**	31,296	28,834
Equity in Earnings of Nuclear Generating Companies (A)	**1,331**	1,121	928
Allowance for Other Funds Used During Construction (A)	**12,684**	6,657	4,955
Other Income – Net	**751**	152	482
Income Before Interest Charges	**51,303**	39,226	35,199
Interest Charges:			
Interest on Long-Term Debt	**29,148**	23,760	19,552
Other Interest Expense	**2,691**	3,764	7,063
Allowance for Borrowed Funds Used During Construction (Credit) (A)	**(11,713)**	(9,203)	(7,736)
Net Interest Charges	**20,126**	18,321	18,879
Income After Interest Charges	**31,177**	20,905	16,320
Preferred Dividends of Subsidiaries	**5,813**	3,964	3,883
Consolidated Net Income	**$ 25,364**	$ 16,941	$ 12,437
Average Common Shares Outstanding	**9,062,810**	7,519,381	6,123,334
Consolidated Earnings Per Average Common Share	**$2.80**	$2.25	$2.03
Dividends Per Common Share	**$1.79**	$1.70	$1.60

Consolidated Retained Earnings Statement

Years Ended December 31, *(In Thousands)*	1983	1982	1981
Consolidated Retained Earnings – Beginning of Year	**$30,396**	$26,137	$23,462
Consolidated Net Income	**25,364**	16,941	12,437
Total	**55,760**	43,078	35,899
Dividends Paid – EUA Common Shares	**16,029**	12,682	9,762
Consolidated Retained Earnings – End of Year (E)	**$39,731**	$30,396	$26,137

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Changes in Financial Position

Years Ended December 31, *(In Thousands)*	1983	1982	1981
Source of Funds			
Internally Generated:			
Income After Interest Charges	**$ 31,177**	$ 20,905	$16,320
Principal Non-Cash Charges (Credits) to Income:			
Depreciation (A)	**11,618**	11,277	10,876
Amortization	**3,450**	3,223	1,376
Deferred Taxes (A) (B)	**10,056**	4,694	6,604
Investment Tax Credits, Net (A)	**7,635**	5,565	1,016
Equity in Undistributed Earnings of Nuclear Generating Companies	**(753)**	(500)	(464)
Allowance for Funds Used During Construction (A)	**(24,397)**	(15,860)	(12,691)
Funds from Operations	**38,786**	29,304	23,037
Proceeds from Oil Conservation Adjustment	**10,314**		
Less: Dividends Declared:			
EUA Common Dividends	**(16,029)**	(12,682)	(9,762)
Subsidiary Preferred Dividends	**(5,813)**	(3,964)	(3,883)
Internally Generated Funds	**27,258**	12,658	9,392
External Sources:			
Proceeds from Sale of Common Shares	**22,239**	26,975	11,908
Proceeds from Sale of Long-Term Debt – Net	**61,019**	24,000	30,800
Proceeds from Sale of Preferred Stock		15,000	
Other – Net	**5,140**	2,418	171
Funds from External Sources	**88,398**	68,393	42,879
Total Source of Funds	**$115,656**	$ 81,051	$52,271
Application of Funds			
Construction Expenditures	**$103,309**	$ 77,096	$54,436
Less: Allowance for Funds Used During Construction	**(24,397)**	(15,860)	(12,691)
Cash Construction Expenditures	**78,912**	61,236	41,745
Decrease in Short-Term Debt		27,100	4,440
Retirement of Long-Term Debt	**13,996**		5,000
Retirement of Preferred Stock	**300**	300	300
Increase (Decrease) in Working Capital	**14,663**	(10,454)	(2,105)
Other Application – Net	**7,785**	2,869	2,891
Total Application of Funds	**$115,656**	$ 81,051	$52,271
Changes in Components of Working Capital*			
Cash	**$ 264**	$ (809)	$ 22
Accounts Receivable	**10,107**	(4,546)	(3,062)
Materials and Supplies	**3,884**	3,152	(6,246)
Other Current Assets	**117**	(176)	56
Accounts Payable	**5,711**	(7,331)	9,669
Accrued Taxes	**(3,690)**	(73)	(312)
Other Current Liabilities	**(1,730)**	(671)	(2,232)
Increase (Decrease) in Working Capital	**$ 14,663**	$(10,454)	$(2,105)

**(Excluding Short-Term Debt, Current Deferred Taxes and Redeemable Preferred Stock Sinking Fund Requirement)*

The accompanying notes are an integral part of the financial statements.

Consolidated Balance Sheet

December 31, *(In Thousands)*	1983	1982
Assets		
Utility Plant and Other Investments:		
Utility Plant (A) (H):		
In Service	**$374,132**	$358,599
Less Accumulated Provision for Depreciation (A)	**125,568**	117,396
Net Utility Plant in Service	**248,564**	241,203
Construction Work in Progress	**249,700**	172,057
Net Utility Plant	**498,264**	413,260
Nonutility Property – Net	**901**	903
Investments in Nuclear Generating Companies (A)	**9,139**	8,313
Other Investments (at cost)	**69**	69
Total Utility Plant and Other Investments	**508,373**	422,545
Current Assets:		
Cash (G)	**564**	299
Accounts Receivable:		
Customers, Less Allowance for Doubtful Accounts of $569,400 and $349,500, respectively	**30,831**	25,502
Accrued Unbilled Revenues (A)	**7,440**	5,810
Other	**3,969**	820
Materials and Supplies (at average cost):		
Fuel	**12,899**	9,090
Plant Materials and Operating Supplies	**5,653**	5,578
Other Current Assets	**387**	271
Total Current Assets	**61,743**	47,370
Deferred Debits:		
Unamortized Debt Expense	**5,734**	2,170
Extraordinary Property Losses	**7,187**	10,164
Other Deferred Debits	**2,098**	7,010
Total Deferred Debits	**15,019**	19,344
Total Assets	**$585,135**	$489,259
Liabilities and Capitalization		
Capitalization:		
Common Equity	**$172,327**	$140,973
Non-Redeemable Preferred Stock of Subsidiaries	**15,079**	15,079
Redeemable Preferred Stock of Subsidiaries	**34,155**	34,457
Long-Term Debt – Net	**256,398**	199,850
Total Capitalization	**477,959**	390,359
Current Liabilities:		
Long-Term Debt Due Within One Year	**4,458**	13,99
Accounts Payable	**20,154**	25,86
Redeemable Preferred Stock Sinking Fund Requirement	**309**	26
Customer Deposits	**1,799**	1,88
Taxes Accrued (B)	**7,231**	3,54
Deferred Taxes (A) (B)	**3,240**	2,44
Interest Accrued	**5,749**	6,34
Other Current Liabilities	**3,537**	1,13
Total Current Liabilities	**46,477**	55,47
Deferred Credits:		
Unamortized Investment Credit (A)	**21,254**	13,61
Other Deferred Credits	**104**	12
Total Deferred Credits	**21,358**	13,74
Accumulated Deferred Taxes (A) (B)	**39,341**	29,6
Total Liabilities and Capitalization	**$585,135**	$489,2

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Capitalization

December 31, *(Dollar Amounts in Thousands)*	1983		1982	
Eastern Utilities Associates:				
Common Shares:				
$5 par value, authorized 12,000,000 shares, outstanding 10,192,304 shares in 1983 and 8,788,991 shares in 1982 (C)	**$ 50,962**		$ 43,945	
Other Paid-In Capital (C)	**83,406**		68,183	
Common Shares Expense	**(1,772)**		(1,551)	
Retained Earnings (E)	**39,731**		30,396	
Total Common Equity	**172,327**	**36.1%**	140,973	36.1%
Preferred Stock of Subsidiaries:				
Non-Redeemable Preferred (C):				
Blackstone Valley Electric Company:				
4.25%, $100 par value 35,000 shares (1)	**3,500**		3,500	
5.60%, $100 par value 25,000 shares (1)	**2,500**		2,500	
Premium	**129**		129	
Eastern Edison Company:				
4.64%, $100 par value 60,000 shares (1)	**6,000**		6,000	
8.32%, $100 par value 30,000 shares (1)	**3,000**		3,000	
Expense, Net of Premium	**(50)**		(50)	
	15,079	**3.2**	15,079	3.9
Redeemable Preferred (D):				
Eastern Edison Company:				
13.25%, $100 par value 150,000 shares (1)	**15,000**		15,000	
13.60%, $100 par value (2)	**4,800**		5,100	
15.48%, $100 par value 150,000 shares (1)	**15,000**		15,000	
Expense, Net of Premium	**(331)**		(329)	
Sinking Fund and Reacquired Shares	**(314)**		(314)	
	34,155	**7.1**	34,457	8.8
Long-Term Debt (F):				
Eastern Utilities Associates:				
Senior Notes 10¼% due 1999	**22,500**		22,500	
EUA Service Corporation:				
Notes Payable (Various Maturities at Money Market rates)	**2,000**		1,400	
Blackstone Valley Electric Company:				
First Mortgage Bonds:				
14¼% due 1995 (Series A)	**30,000**		30,000	
Eastern Edison Company:				
First Mortgage and Collateral Trust Bonds:				
3¾% due 1983			6,800	
7⅝% due 1983 (second series)			5,000	
4⅛% due 1983 (third series)			2,196	
3⅝% due 1985	**6,000**		6,000	
12% due 1985 (second series)	**19,800**		19,800	
4⅝% due 1987	**3,000**		3,000	
4⅞% due 1988	**3,000**		3,000	
14¼% due 1990	**15,000**		15,000	
17½% due 1991	**30,000**		30,000	
16⅞% due 1992	**24,000**		24,000	
4½% due 1993	**5,000**		5,000	
6½% due 1997	**7,000**		7,000	
8⅝% due 1999	**5,000**		5,000	
7⅞% due 2002	**8,000**		8,000	
8⅝% due 2003	**10,000**		10,000	
12¼% due 2013	**40,000**			
Pollution Control Revenue Bonds (3):				
10⅛% due 2008	**20,419**			
Note Payable due 1985 (Prime × 105%)	**10,000**		10,000	
Unamortized Premium	**137**		150	
	260,856		213,846	
Less Portion Due Within One Year	**4,458**		13,996	
Total	**256,398**	**53.6**	199,850	51.2
Total Capitalization	**$477,959**	**100.0%**	$390,359	100.0%

(1) Authorized and Outstanding.
(2) Authorized 60,000 shares, Outstanding 48,000 shares in 1983 and 51,000 shares in 1982.
(3) Net of $19,581,000 held by Trustee.
The accompanying notes are an integral part of the financial statements.

Notes To Consolidated Financial Statements

December 31, 1983, 1982 and 1981

(A) Summary of Significant Accounting Policies:

General: Eastern Utilities Associates (EUA) and EUA Service Corporation (Service) are subject to the jurisdiction of the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935, and Service's accounts are maintained under the system of accounts prescribed by that Act. The accounting policies and practices of the retail subsidiaries, namely, Blackstone Valley Electric Company (Blackstone) and Eastern Edison Company (Eastern Edison), and of Montaup Electric Company (Montaup) are subject to regulation by the Federal Energy Regulatory Commission (FERC) and the respective state regulatory commissions with respect to their rates and accounting. The retail subsidiaries and Montaup conform with generally accepted accounting principles, as applied in the case of regulated public utilities, and conform with the accounting requirements and rate-making practices of the regulatory authority having jurisdiction.

Principles of Consolidation: The consolidated financial statements include the accounts of EUA and its subsidiaries (Blackstone, Eastern Edison, Montaup and Service). All material intercompany balances and transactions have been eliminated in consolidation.

Nuclear Generating Companies: Montaup follows the equity method of accounting for its investments in four regional nuclear generating companies. Montaup's investments in these companies range from 2.50 to 4.50 percent. Montaup is entitled to electricity produced from these facilities based on its ownership interests and is billed pursuant to contractual agreements which are approved by FERC.

Utility Plant: Utility plant is stated at original cost. The cost of additions to utility plant includes contracted work, direct labor and material, allocable overhead, allowance for funds used during construction and indirect charges for engineering and supervision.

Depreciation of Utility Plant: For financial statement purposes, depreciation is computed on the straight-line method based on estimated useful lives of the various classes of property.

Provisions for depreciation, on a consolidated basis, were equivalent to a composite rate of approximately 3.2% in 1983, 1982 and 1981 based on the average depreciable property balances at the beginning and end of each year.

Operating Revenues: Revenues are based on billing rates authorized by applicable Federal and state regulatory commissions. The retail subsidiaries follow the policy of accruing the estimated amount of unbilled base rate revenues for electricity provided at the end of the month to more closely match costs and revenues. In addition they also accrue unrecovered fuel costs.

Federal Income Taxes: The general policy of EUA and its subsidiaries with respect to accounting for Federal income taxes is to reflect in income the estimated amount of taxes currently payable and to provide for deferred taxes on certain items subject to timing differences to the extent permitted by the various regulatory commissions. See Note B for details of major deferred tax items.

As permitted by the regulatory commissions it is the policy of the subsidiaries to defer the annual investment tax credits and to amortize these credits over the productive lives of the related assets.

Allowance for Funds Used During Construction: Allowance for funds used during construction (AFUDC) (a non-cash item) is defined in the applicable regulatory system of accounts as "the net cost during the period of construction of borrowed funds used for construction purposes and a reasonable rate upon other funds when so used."

The combined rate used in calculating AFUDC was 14.00% in 1983, 1982 and 1981. In accordance with rate orders, Eastern Edison and Montaup provide deferred income taxes on the borrowed funds component of AFUDC.

(B) Income and Deferred Taxes:

Components of income and deferred tax expense for the years 1983, 1982 and 1981 are as follows:

(In Thousands)	**1983**	1982	1981
Federal:			
Current	**$ 725**	$ 435	$ 509
Deferred	**9,070**	4,455	6,179
Investment Tax Credit, Net	**8,163**	5,778	958
	17,958	10,668	7,646
State:			
Current	**1,274**	645	387
Deferred	**986**	238	425
	2,260	883	812
Charged to Operations	**20,218**	11,551	8,458
Charged to Other Income	**417**	133	
Total	**$20,635**	$11,684	$8,458

Federal income tax expense was less than the amounts computed by applying Federal income tax statutory rates to book income subject to tax for the following reasons:

(In Thousands)	**1983**	1982	1981
Federal Income Tax Computed at Statutory Rates	**$23,196**	$14,661	$11,243
(Decreases) Increases in Tax From:			
AFUDC	**(6,024)**	(3,151)	(2,583)
Excess Tax Depreciation	**1,326**	229	176
Other	**(191)**	(970)	(673)
Federal Income Tax Expense	**$18,307**	$10,769	$ 8,163

The provision for deferred taxes resulting from timing differences is comprised of the following:

(In Thousands)	**1983**	1982	1981
Excess Tax Depreciation	**$ 2,076**	$ 1,282	$ 1,083
Computer Conversion Costs	**(33)**	(120)	(135)
Estimated Unbilled Revenue	**704**	969	103
Unbilled Purchased Power Costs		(1,702)	(731)
Unbilled Fuel Costs	**1,347**	373	(235)
Debt Component of AFUDC	**5,078**	3,978	3,281
Abandonment Losses	**(847)**	(806)	2,818
Capitalized Overheads	**757**	481	
Effect of State and Local Taxes	**986**	238	425
Other – Net	**(12)**	1	(5)
Total	**$10,056**	$ 4,694	$ 6,604

At December 31, 1983 unused investment tax credits of approximately $10,380,000, which begin to expire in 1992, are available to reduce future Federal income tax liability.

(C) Capital Stock:

The changes in the number of common shares outstanding and the increases in other paid-in capital during the years ended December 31, 1983, 1982 and 1981 were as follows:

	Number of Common Shares Issued			
Year	Dividend Reinvestment and Employee Savings Plans	**Public Sales**	**Total**	Increase In Other Paid-In Capital
1983	**403,313**	**1,000,000**	**1,403,313**	**$15,222,736**
1982	324,431	1,800,000	2,124,431	16,352,501
1981	180,926	900,000	1,080,926	6,503,102

In the event of involuntary liquidation the non-redeemable preferred stock of Blackstone and Eastern Edison is entitled to $100 per share. In the event of voluntary liquidation, or if redeemed at the option of those companies, the non-redeemable preferred stock is entitled to: Blackstone's 4.25% issue, $104.40; Blackstone's 5.60% issue, $103.82; Eastern Edison's 4.64% issue, $102.98; Eastern Edison's 8.32% issue, $105.62 prior to 10-1-88 and at reduced premiums in subsequent years.

Under the terms and provisions of the issues of preferred stock of Blackstone and Eastern Edison, certain restrictions are placed upon the payment of dividends on common stock by each company. At December 31, 1983 and 1982 the respective capitalization ratios were in excess of the minimum which would make these restrictions effective.

(D) Redeemable Preferred Stock:

Eastern Edison's 13.60%, 15.48% and 13.25% Preferred Stock issues are entitled to mandatory sinking funds sufficient to redeem 3,000, 6,000 and 7,500 shares, respectively, during each twelve month period, commencing October 1, 1980 in the case of the 13.60% issue, October 1, 1985 in the case of the 15.48% issue and January 31, 1989 in the case of the 13.25% issue. The redemption price, for each issue, is equal to the initial public offering price ($104.615, $101.50 and $100 respectively) plus accrued dividends. Eastern Edison also has the non-cumulative option of redeeming an additional 3,000, 6,000 and 7,500 shares, respectively, during each period at such price. In the case of the 13.25% issue, if Eastern Edison does not exercise its option of redeeming an additional 7,500 shares, the holders of that preferred stock have the right to exercise such option.

In the event of involuntary liquidation the redeemable preferred stock of Eastern Edison is entitled to $100 per share. In the event of voluntary liquidation, or if redeemed at the option of Eastern Edison, the 13.60% and 15.48% issues of redeemable preferred stock are entitled to $114.82 and $116.98 prior to October 1, 1985, respectively; the 13.25% issue is entitled to $113.25 prior to January 31, 1984. The redemption premium reduces in subsequent years.

The aggregate amount of redeemable preferred stock sinking fund requirements for each of the five years following 1983 are: $314,000 in 1984 and $923,000 in 1985, 1986, 1987 and 1988.

(E) Retained Earnings:

Under the provisions of EUA's Senior Note Agreements, Retained Earnings in the amount of $32,253,020 as of December 31, 1983 were unrestricted as to the payment of cash dividends on EUA Common Shares.

Under provisions of the Indentures securing the various bond issues of the retail subsidiaries, Retained Earnings in the amount of $3,601,563 in the case of Blackstone and $21,822,262 in the case of Eastern Edison, as of December 31, 1983, were unrestricted as to the payment of cash dividends on their Common Stock.

(F) Long-Term Debt:

Under terms of the Indentures securing their various bond issues the retail subsidiaries are required to deposit annually with their respective Trustee, cash in an amount equal to; 1% of the aggregate principal amount of bonds previously authenticated and delivered in the case of Eastern Edison and 2.25% of the average gross investment in depreciable property in the case of Blackstone.

The retail subsidiaries have satisfied sinking fund requirements for 1983 under alternate provisions of their respective Indentures by certifying to the Trustee "available property additions" and each expects to continue such practice during 1984.

The various bond issues of the retail subsidiaries are secured by substantially all of their utility plant. In addition, Eastern Edison's Bonds are collateralized by securities of Montaup in the principal amount of $280,910,000.

The aggregate amount of EUA System cash sinking fund requirements and maturities for long-term debt for each of the five years following 1983 are: $4,458,000 in 1984, $36,592,000 in 1985, $4,125,000 in 1986, $7,125,000 in 1987 and 1988.

(G) Lines of Credit:

EUA System companies had unused short-term lines of credit with various banks of approximately $47,000,000 and $44,500,000 at December 31, 1983 and 1982, respectively.

In accordance with informal agreements with the various banks commitment fees are required to maintain the lines of credit.

(H) Jointly-Owned Facilities:

At December 31, 1983 Montaup owned the following interests in jointly-owned electric generating facilities (dollars in thousands):

Unit	Percent Owned	Plant in Service	Accumulated Depreciation	Net Plant in Service	Construction Work in Progres
Canal No. 2	50.00%	$64,271	$17,816	$46,455	$ 2
Wyman No. 4	1.96	3,976	593	3,383	
Seabrook No. 1	2.90	62	7	55	73,82
Seabrook No. 2	2.90				21,23
Millstone No. 3	4.01				101,48

The foregoing amounts represent Montaup's interest in eac' facility. Financing for any such interest is provided by Montaup. Montaup's share of related operating and maintenance expenses is included in its corresponding operating expenses.

(I) Commitments and Contingencies:

The System companies have leases covering certain facilities and equipment. Total rental expense for these leases for the years 1983, 1982 and 1981 amounted to approximately $1,845,000, $1,781,000 and $1,590,000, respectively.

All of the System companies' leases are treated as operating leases for rate making purposes and have been accounted for as such; however, certain lease agreements meet the criteria requiring capitalization as set forth in the Statement of Financial Accounting Standards No. 13. If such leases were capitalized, the amounts thereof would not have a material effect on assets, liabilities, or related expenses.

Future minimum rental payments at December 31, 1983 for such leases are estimated to aggregate $1,842,000 in 1984, $1,784,000 in 1985, $1,690,000 in 1986, $1,087,000 in 1987, $911,000 in 1988 and $2,592,000 for years after 1988.

The EUA System companies participate in a pension plan covering substantially all of their employees. The total pension expense charged to operations, which includes amortization of past service costs over 20 years, amounted to approximately $1,408,00 $1,942,000 and $1,640,000 for the years ended 1983, 1982 and 1981, respectively. Th EUA System companies make annual contributions to the plan equal to the amounts accrued for pension expense. The accumulated plan benefits and plan net assets for the Employees' Retirement Plan of Eastern Utilities Associates and its Subsidiary Companies is presented below.

(In Thousands)	January 1, 1983	January 1, 1982
Actuarial Present Value of Accumulated Plan Benefits:		
Vested	$26,697	$24,403
Nonvested	1,544	1,559
	$28,241	$25,962
Market Value of Net Assets Available for Benefits	$40,697	$32,289

The assumed rate of return used in determining the actuarial present value of the accumulated plan benefits was 8.0% for 1983 and 1982.

The EUA System is committed under long-term purchase power contracts, expiring on various dates through the year 2008, to pay demand charges whether or not energy is received. Under terms in effect at December 31, 1983 the aggregate annual minimum commitments for such contracts is approximately $42,000,000 for each year through 1987, $38,000,000 in 1988 and will aggregate $654,000,000 for years after 1988. In addition, the EUA System is required to pay additional amounts depending on the actual amount of energy received under such contracts. The demand costs associated with these contracts are reflected as Purchased Power-Demand on the Consolidated Income Statement.

The EUA System's construction program is estimated at $101,478,000 for the year 1984 and $298,311,000 for the years 1984 through 1988 (including allowance for funds used during construction).

Montaup has a 2.90% ownership interest in each of the two 1150 megawatt nuclear generating units being constructed in Seabrook, New Hampshire, by the lead participant, Public Service Company of New Hampshire (PSNH). All of the necessary state and Federal regulatory approvals for the construction of the units have been obtained but further appeals are possible. PSNH's original 50% share of the Seabrook Units has been reduced to 35%. The New Hampshire Public Utilities Commission has ordered PSNH to reduce its ownership share in the Seabrook Units to 28%. PSNH's offer to other utilities of an ownership interest of approximately 7% received no substantial responses. Several participants in the Seabrook Units have unsuccessfully attempted to bring about the cancellation of Unit No. 2.

Montaup is unable to predict whether any other action will be ordered by the New Hampshire Public Utilities Commission or what effect such action, or any financing difficulties of PSNH or any other participant, may have on the cost or completion of the Seabrook Units or on Montaup. Further delays in the in-service dates of the units would increase the ultimate costs of the units.

At December 31, 1983 approximately $23,700,000 of Montaup's revenue collected during the years ended 1983, 1982 and 1981 are subject to possible refund. Of that amount approximately $10,800,000, $11,700,000 and $1,200,000 relates to each of those years, respectively. Montaup believes that any amounts which may ultimately be refunded will not have a material financial effect.

Montaup and the other stockholders of Vermont Yankee Nuclear Power Corporation have guaranteed their respective pro rata shares (2.5% in the case of Montaup) of a $40,000,000 nuclear fuel financing. In addition, Montaup along with the other stockholders of Connecticut Yankee Atomic Power Company have guaranteed their respective pro rata shares (4.5% in the case of Montaup) of a bank line of credit of up to $50,000,000 and a debenture bond issue of $50,000,000. The proceeds of the debentures were used in part to repay subordinated notes purchased by Montaup and other stockholders pursuant to an interim financing arrangement.

Auditors' Report to the Trustees of Eastern Utilities Associates

We have examined the consolidated balance sheets and statements of capitalization of Eastern Utilities Associates and subsidiary companies as of December 31, 1983 and 1982 and the related consolidated statements of income, retained earnings and changes in financial position for each of the three years in the period ended December 31, 1983. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of Eastern Utilities Associates and subsidiary companies at December 31, 1983 and 1982 and the consolidated results of their operations and changes in their financial position for each of the three years in the period ended December 31, 1983 in conformity with generally accepted accounting principles applied on a consistent basis.

Alexander Grant & Company

Boston, Massachusetts
March 2, 1984

Quarterly Financial and Common Share Information

(Unaudited)

	Operating Revenues	Operating Income	Income After Interest Charges	Consolidated Net Income	Earnings per Average Common Share	Dividends Paid	Common Share Market Price High	Common Share Market Price Low
	thousands							
For the quarters ended 1983:								
December 31	$84,474	$ 9,023	$7,777	$6,333	$0.67	$0.455	18⅜	14½
September 30	$73,015	$10,207	$8,587	$7,134	$0.79	$0.455	17¼	15¼
June 30	$64,266	$ 7,548	$6,313	$4,861	$0.54	$0.455	16¾	14⅝
March 31	$80,695	$ 9,760	$8,501	$7,036	$0.80	$0.425	15¾	13⅞
For the quarters ended 1982:								
December 31	$75,716	$ 7,942	$5,770	$4,682	$0.58	$0.425	14⅝	13
September 30	$68,004	$ 7,944	$5,270	$4,312	$0.56	$0.425	13⅜	11⅝
June 30	$64,335	$ 7,037	$4,272	$3,314	$0.43	$0.425	13⅜	12
March 31	$80,363	$ 8,373	$5,593	$4,633	$0.69	$0.425	12¾	11

The common shares of Eastern Utilities Associates are listed on the New York Stock Exchange and the ticker is "EUA". The approximate number of Common Shareholders of record on February 1, 1984 was 24,500.

Supplementary Information To Disclose The Effects of Changing Prices

(Unaudited)

The following supplementary information is supplied in accordance with the requirements of the Statement of Financial Accounting Standards No. 33 to provide certain information about the effects of changing prices. It should be viewed as an estimate of the approximate effect of inflation, rather than a precise measure, since a number of subjective judgments and estimating techniques were used in developing this information.

Constant dollar amounts represent historical costs stated in terms of dollars of equal purchasing power, as measured by the Consumer Price Index for all Urban Consumers. Current cost amounts reflect the changes in specific prices from the date the plant was acquired to the present, and differ from constant dollar amounts to the extent that specific prices have increased more or less rapidly than prices in general.

The current cost of utility plant, comprising all plant in service, construction work in progress and plant held for future use, represents the estimated cost of replacing existing plant assets and was primarily determined by indexing the surviving plant by the Handy-Whitman Index of Public Utility Construction Costs.

The current year's provision for depreciation on a constant dollar and current cost basis was computed by applying the current depreciation rates to the respective indexed plant amounts.

Fuel inventories, the cost of fuel used in generation, and purchased power for resale have not been restated from their historical cost. Regulation limits the recovery of fuel and purchased power costs through the operation of adjustment clauses. For this reason fuel inventories are effectively monetary assets.

As prescribed in Financial Accounting Standard No. 33, income taxes were not adjusted.

Under the rate-making practices prescribed by the regulatory commissions to which the System companies are subject, only the historical cost of plant is recoverable in revenues as depreciation. Therefore, the excess of the cost of plant stated in terms of constant dollars that exceeds the historical cost of plant is not presently recoverable in rates as depreciation, and is reflected as a reduction to net recoverable cost. To properly reflect the economics of rate regulation in the Statement of Income from Continuing Operations, the reduction to net recoverable cost of net property, plant, and equipment should be offset by the gain from the decline in purchasing power of net amounts owed. During a period of inflation, holders of monetary assets suffer a loss of general purchasing power while holders of monetary liabilities experience a gain. The gain from the decline in purchasing power of net amounts owed is primarily attributable to the substantial amount of debt which has been used to finance property, plant, and equipment. Since the depreciation on this plant is limited to the recovery of historical costs, the System companies do not have the opportunity to realize a holding gain on debt and are limited to recovery only of the embedded cost of debt capital.

Consolidated Statement of Income From Continuing Operations Adjusted For Changing Prices For the year ended December 31, 1983

(Thousands of Dollars)	Historical Cost	Constant Dollar Average 1983 Dollars	Current Cost Average 1983 Dollars
Operating Revenues	$302,450	$302,450	$302,450
Fuel and Purchased Power Expense	167,458	167,458	167,458
Other Operating and Maintenance Expenses	50,716	50,716	50,716
Depreciation and Amortization	14,571	30,564	36,118
Taxes Other Than Income	12,950	12,950	12,950
Income Taxes	20,218	20,218	20,218
Interest Charges – Net	20,126	20,126	20,126
Other (Income) and Deductions – Net	(14,766)	(14,766)	(14,766)
	271,273	287,266	292,820
Income (Loss) From Continuing Operations (excluding adjustment to net recoverable costs)	$ 31,177	$ 15,184*	$ 9,630
Increase in Specific Prices of Utility Plant Held During the Year**		$	$ 17,676
Adjustment to Net Recoverable Cost		(869)	20,575
Effect of Increases in General Price Level			(33,566)
Excess of Increase in General Price Level Over Increase in Specific Prices After Adjustment to Net Recoverable Cost			(4,685)
Gain From Decline in Purchasing Power of Net Amounts Owed		8,942	8,942
Net		$ 8,073	$ 4,257

** Including the adjustment to net recoverable cost, income from continuing operations on a constant dollar basis would have been $14,315.*

*** At December 31, 1983, the current cost of net utility plant was $944,624 while historical cost or net cost recoverable through depreciation was $498,264.*

Five Year Summary of Selected Financial Data Adjusted for the Effects of Changing Prices

Years Ended December 31, *(In Thousands of Average 1983 Dollars)*	**1983**	1982	1981	1980	1979
Operating Revenues	**$302,450**	$297,694	$326,425	$295,794	$254,996
Historical Cost Information Adjusted For General Inflation					
Income (Loss) From Continuing Operations*	**9,370**	5,353	2,248	2,007	6,934
Income (Loss) Per Common Share After Preferred Dividend Requirements*	**1.07**	0.17	(0.33)	(0.08)	0.96
Net Assets At Year-End At Net Recoverable Cost	**221,561**	194,417	153,583	150,934	149,177
Current Cost Information					
Income (Loss) From Continuing Operations*	**3,816**	(520)	(2,938)	(1,696)	1,379
Income (Loss) Per Common Share After Preferred Dividend Requirements*	**0.42**	(0.61)	(1.17)	(0.75)	(0.18)
Excess Of Increase In General Price Level Over Increase In Specific Prices After Adjustment To Net Recoverable Cost	**(4,685)**	(7,389)	5,438	24,023	26,027
Net Assets At Year-End At Net Recoverable Cost	**221,561**	194,417	153,583	150,934	149,177
General Information					
Gain From Decline In Purchasing Power Of Net Amounts Owed	**8,942**	8,226	18,244	24,122	26,014
Cash Dividends Paid Per Common Share	**1.79**	1.75	1.75	1.93	2.20
Market Price Per Common Share At Year End	**14.88**	14.58	12.47	13.46	16.13
Average Consumer Price Index	**289.4**	289.1	272.4	246.8	217.4

**Before Adjustment to Net Recoverable Cost.*

Consolidated Operating Statistics

Years Ended December 31,	1983	1982	1981	1980	1979	1978	1973
Energy Generated and Purchased (millions kwh):							
Generated – by Somerset Station	**1,123**	738	940	1,041	792	660	1,775
– by Nuclear Units	**1,019**	861	869	733	1,012	1,011	765
– by Jointly-Owned Units	**1,724**	1,632	1,784	1,746	1,795	1,865	—
– by Life of the Unit Contracts	**452**	706	675	757	706	705	963
Interchange with NEPOOL	**(285)**	(49)	(240)	(263)	(600)	(620)	156
Purchased Power – Unit Power	**168**	161	240	319	410	304	271
Total Generated and Purchased	**4,201**	4,049	4,268	4,333	4,115	3,925	3,930
Operating Revenues (thousands):							
Residential	**$104,101**	$ 97,161	$ 94,217	$ 79,357	$ 63,394	$ 55,731	$ 32,564
Commercial	**89,225**	83,519	82,515	67,377	53,012	46,976	21,092
Industrial	**58,9[illegible]1**	56,468	60,486	48,531	38,192	32,440	16,837
Other Electric Utilities	**16,[illegible]12**	18,289	22,770	18,183	12,435	10,220	6,136
Other	**13,463**	10,761	9,081	7,886	7,502	7,505	3,669
Total Primary Sales Revenues	**281,902**	266,198	269,069	221,734	174,535	152,872	80,298
Unit Contracts	**20,548**	22,219	28,862	22,908	11,266	5,441	4,568
Total Operating Revenues	**$302,450**	$288,417	$297,931	$244,642	$185,801	$158,313	$ 84,866
Energy Sales (millions of kwh):							
Residential	**1,197**	1,137	1,122	1,149	1,150	1,123	1,083
Commercial	**1,103**	1,044	1,055	1,058	1,052	1,011	792
Industrial	**810**	772	841	848	859	815	865
Other Electric Utilities	**386**	365	431	420	398	403	459
Other	**34**	36	38	42	44	49	45
Total Primary Sales	**3,530**	3,354	3,487	3,517	3,503	3,401	3,244
Losses and Company Use	**201**	206	196	230	226	290	220
Total System Requirements	**3,731**	3,560	3,683	3,747	3,729	3,691	3,464
Unit Contracts	**470**	489	585	586	386	234	466
Total Energy Sales	**4,201**	4,049	4,268	4,333	4,115	3,925	3,930
Number of Customers:							
Residential	**209,678**	207,702	205,894	204,221	201,435	198,910	190,899
Commercial	**21,605**	21,133	20,732	20,380	20,073	19,781	20,041
Industrial	**1,189**	1,210	1,213	1,219	1,222	1,213	1,789
Other Electric Utilities	**12**	18	14	17	16	15	12
Other	**31**	31	34	30	150	171	258
Total Customers	**232,515**	230,094	227,887	225,867	222,896	220,090	212,999
Average Revenue per Residential Customer ($)	**496**	468	458	389	315	280	171
Average Use per Residential Customer (kwh)	**5,708**	5,474	5,449	5,626	5,708	5,646	5,702
Average Revenue per kwh:							
Residential	**8.70¢**	8.55¢	8.40¢	6.91¢	5.52¢	4.96¢	3.01¢
Commercial	**8.09¢**	7.99¢	7.82¢	6.37¢	5.04¢	4.65¢	2.66¢
Industrial	**7.27¢**	7.31¢	7.20¢	5.77¢	4.44¢	3.98¢	1.95¢

Consolidated Operating Statistics - General

Years Ended December 31,	**1983**	1982	1981	1980	1979	1978	1973
Capitalization:							
(thousands)							
Bonds (Net)	**$226,219**	$165,950	$155,964	$125,182	$ 80,985	$ 81,203	$ 68,786
Other Long-Term Debt	**30,179**	33,900	32,500	37,500	42,500	16,667	3,400
Total Long-Term Debt	**256,398**	199,850	188,464	162,682	123,485	97,820	72,186
Preferred Stock	**49,234**	49,536	34,985	35,278	20,686	21,000	15,078
Common Equity	**172,327**	140,973	109,875	95,424	93,765	85,842	49,936
Total Capitalization	**$477,959**	$390,359	$333,324	$293,384	$237,936	$204,712	$137,200
Common Shares Data:							
Earnings per Average Common Share ($)	**2.80**	2.25	2.03	1.63	1.74	1.92	.97
Dividends per Share ($)	**1.79**	1.70	1.60	1.60	1.60	1.60	1.50
Payout (%)	**63.9**	75.6	78.8	98.2	92.0	83.3	154.6
Average Common Shares Outstanding	**9,062,810**	7,519,381	6,123,334	5,525,320	4,871,667	4,266,921	2,784,945
Total Common Shares Outstanding	**10,192,304**	8,788,991	6,664,560	5,583,634	5,438,969	4,835,598	2,784,945
Book Value per Share ($)	**16.91**	16.04	16.49	17.09	17.24	17.75	17.93
Percent Earned On Average Common Equity (%)	**16.2**	13.5	12.1	9.5	9.4	10.2	5.3
Market Prices ($):							
High	**18⅝**	14⅝	12½	13¾	15½	17	22¾
Low	**13⅞**	11	10⅛	10¼	11⅝	14¼	19⅞
Miscellaneous ($ in thousands)							
Total Construction Expenditures ($)	**103,309**	77,096	54,436	34,939	30,498	25,948	33,841
Cash Construction Expenditures ($)	**78,912**	61,236	41,745	25,024	24,230	22,028	32,250
Internally Generated Funds as a % of Cash Construction (%)	**34.5**	20.7	22.5	4.5	26.7	43.2	11.6
Installed Capability – MW	**931**	927	927	940	996	1,005	836
Less: Unit Contract Sales – MW	**75**	70	80	88	88	36	37
System Capability – MW	**856**	857	847	852	908	969	799
System Peak Demand – MW	**700**	680	661	6[illegible]5	677	666	635
Reserve Margin (%)	**22.3**	26.0	28.1	22.7	34.1	44.2	62.3
System Load Factor (%)	**60.8**	59.8	63.6	61.5	62.8	62.7	62.1
Sources of Energy (%):							
Nuclear	**23.8**	22.2	20.6	17.0	21.9	22.0	19.5
Coal	**16.3**						
Oil	**59.9**	77.8	79.4	83.0	78.1	78.0	80.5
Cost of Fuel (Mills Per kwh):							
Nuclear	**6.5**	6.3	5.4	4.9	3.5	3.0	2.3
Coal	**21.6**						
Oil	**41.5**	41.5	47.0	35.3	25.1	18.1	7.7
All Fuels Combined	**30.7**	34.1	39.0	30.8	19.6	14.3	6.5

Dividend Reinvestment and Common Share Purchase Plan

A Dividend Reinvestment and Common Share Purchase Plan is available to all registered shareholders and System company employees.

Participants in the Plan are given a 5% discount on shares purchased with reinvested dividends. Participants may also make additional cash payments as frequently as once a month to purchase additional shares with no discount. Optional cash payments are limited to a maximum of $5,000 per calendar quarter and must be received not later than the 5th day preceding the Investment Date to be invested in that month.

The Economic Recovery Tax Act of 1981 provides special tax treatment to individual shareholders who reinvest their dividends under EUA's Plan. Individual shareholders are eligible to exclude from their income, for Federal income tax purposes, up to $750 annually $1,500 on a joint return) of qualified reinvested dividends.

The Investment Date for all shares purchased under the Plan is the dividend payment date for the months in which dividends are payable. For each month in which a dividend is not payable the Investment Date is the 15th of such month. The price of shares purchased is based on the average closing price of EUA shares for the five trading days preceding each investment date.

Complete details regarding the Plan may be obtained by writing:

The First National Bank of Boston
EUA Automatic Dividend
Reinvestment Plan
P.O. Box 1681
Boston, MA 02105

Transfer Agent

The First National Bank of Boston
P.O. Box 644
Boston, MA 02102
(Common and Preferred Shares)

Bond Trustee

State Street Bank and Trust Company
225 Franklin Street
Boston, MA 02110
(Bonds of all series)

System Companies

Eastern Utilities Associates
EUA Service Corporation
Montaup Electric Company
One Liberty Square
P.O. Box 2333
Boston, MA 02107
(617) 357-9590
John F. G. Eichorn, Jr., *President*

Eastern Edison Company
110 Mulberry Street
Brockton, MA 02403
(617) 580-1213
Allan K. Hamer, *President*

Blackstone Valley Electric Company
Washington Highway
Lincoln, RI 02865
(401) 333-1400
William R. Bisson, *President*

The name Eastern Utilities Associates is the designation of the Trustees for the time being under a declaration of Trust dated April 2, 1928, as amended, and all persons dealing with Eastern Utilities Associates must look solely to the trust property for the enforcement of any claims against Eastern Utilities Associates as neither the Trustees, Officers nor Shareholders assume any personal liability for obligations entered into on behalf of Eastern Utilities Associates.

Annual Meeting

The 1984 Annual Shareholders Meeting will be held on Monday, April 23, 1984 at 10 a.m. in the Board Room on the 33rd Floor at State Street Bank and Trust Company, 225 Franklin Street, Boston, Massachusetts.

Eastern Utilities

Annual Report 1983

Eastern Utilities Associates

1983 FINANCIAL SUPPLEMENT

EUA System Operating Companies:

Blackstone Valley Electric
Eastern Edison Company
Montaup Electric Company

This booklet has been prepared primarily for institutional investors and security analysts as a reference source. It is not intended for use in connection with any sale, or offer to sell, or solicitation of an offer to buy any securities. All inquiries should be directed to:

Donald G. Pardus
Vice President, Treasurer and
Chief Financial Officer
Eastern Utilities Associates
P.O. Box 2333
Boston, MA 02107
Telephone (617) 357-9590

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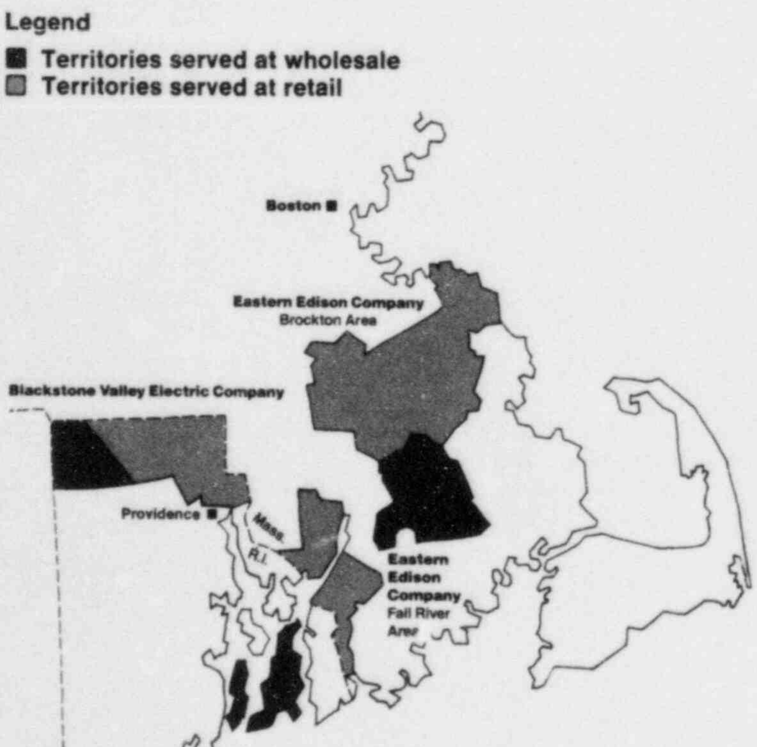

EUA System Profile

Eastern Utilities Associates is a public utility holding company with three electric operating subsidiaries which are principally engaged in the generation, purchase, transmission, distribution and sale of electric energy to 233,000 customers covering an area of about 540 square miles. Our retail electric companies are Eastern Edison Company operating in southeastern Massachusetts and Blackstone Valley Electric Company operating in northern Rhode Island. Montaup Electric Company supplies electricity at wholesale to Eastern Edison (its parent), Blackstone and three unaffiliated utilities for resale. Electric operations accounted for 100% of operating revenues. Approximately 156,000 of our customers are in Massachusetts and 77,000 are in Rhode Island. About 75% of total consolidated operating revenues are regulated by the Federal Energy Regulatory Commission.

Eastern Utilities Associates also owns EUA Service Corporation. EUA Service provides, at cost, various accounting, financial, engineering, planning, data processing and other services for the Association and its Subsidiaries. Together the companies are known as the EUA System.

System Companies

Eastern Utilities Associates
EUA Service Corporation
Montaup Electric Company
One Liberty Square
P.O. Box 2333
Boston, MA 02107
(617) 357-9590
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Blackstone Valley Electric Company
Washington Highway
Lincoln, RI 02865
(401) 333-1400
William R. Bisson, *President*

Rate Relief and Regulation

The EUA System companies are subject to regulation by the Federal Energy Regulatory Commission (FERC) and by the Massachusetts and Rhode Island Commissions as more fully described below. FERC regulates about 75% of System operating revenues while Massachusetts and Rhode Island regulate about 16% and 9%, respectively. The following table details the rate relief granted for the last two years.

Company	Jurisdiction	Amount Requested	Amount Granted	Effective Date	Return on Common Equity	Test Year
		(Thousands of Dollars)				
Montaup	FERC	$ 4,165	$ 4,165*	4/21/82	18.00%	1982
	FERC	18,053	16,767*	1/09/83	18.00%	1983
	FERC	17,400	15,000*	12/28/83	16.20%	1984
Blackstone	R.I.	5,709	3,236	5/20/82	15.50%	1981
	R.I.	5,900	1,600	10/27/83	15.20%	1982
Eastern Edison	Mass.	9,572	4,353	3/03/82	15.25%	1980
	Mass.	10,778	4,503	11/09/82	16.00%	1981
	Mass.	6,200	109	1/31/84	15.25%	1982

* *Granted on a subject-to-refund basis.*

Regulatory Commission Highlights

- **Federal Energy Regulatory Commission:**
- Regulates Montaup which accounts for about 75% of System operating revenues.
- Consists of five members appointed by the President and confirmed by the Senate. Commissioners serve five-year staggered terms. Chairman appointed by the President.
- Present Commissioners are: Raymond J. O'Connor, Chairman (term expires 1987); Georgiana Sheldon (term expires 1984); J. David Hughes (term expires 1984); Anthony G. Sousa (term expires 1984) and Oliver Richard III (term expires 1985).
- Utilizes projected test period for rate making.
- Allows normalization for accelerated depreciation and investment tax credits.
- Permits construction work in progress (CWIP) in rate base for all pollution control expenditures and up to 50% of other CWIP expenditures. (Montaup CWIP represents about 96% of System CWIP).

- **Massachusetts Department of Public Utilities:**
- Regulates Eastern Edison which accounts for about 16% of System operating revenues.
- Consists of three members, appointed by the Governor. Commissioners serve for 4 years. Term runs co-terminous with the Governor. The Chairman is appointed by the Governor.
- Present Commissioners are: Paul C. Levy (Chairman); Bernice K. McIntyre and Robert J. Keegan.
- Utilizes historic test period with adjustments.
- Allows normalization for accelerated depreciation, investment tax credits and deferred fuel costs.
- Permits fuel and purchased power adjustment clauses
- Does not allow CWIP in rate base.

- **Rhode Island Public Utilities Commission:**
- Regulates Blackstone which accounts for about 9% of System operating revenues.
- Consists of three members, appointed by the Governor and confirmed by the Senate. Commissioners serve six-year staggered terms. The Chairman is appointed by the Governor.
- Present Commissioners are: Edward F. Burke (Chairman, term expires 1989), Eleanor Miller (term expires 1987) and Mary N. Kilmarx (term expires 1985).
- Utilizes historic test period with adjustments.
- Allows normalization for accelerated depreciation, investment tax credits and deferred fuel costs.
- Permits fuel and purchased power adjustment clauses.
- Does not allow CWIP in rate base.

Consolidated Income Statement

Years Ended December 31, *(In Thousands Except Numbers of Shares and Per Share Amounts)*	**1983**	1982	1981	1980	1979	1978	1973
Operating Revenues:	**$302,540***	$288,417*	$297,931*	$244,642	$185,801	$159,195	$ 84,966
Operating Expenses:							
Fuel	**127,898**	137,308	164,367	133,120	82,133	56,295	14,238
Purchased Power-Demand	**39,560**	32,732	28,362	26,383	22,403	21,577	27,190
Other Operation	**43,107**	40,156	35,128	31,204	28,662	27,330	15,826
Maintenance	**7,609**	7,852	7,144	6,416	5,153	5,210	3,502
Depreciation and Amortization	**14,571**	13,379	11,280	9,154	9,729	8,963	5,421
Taxes — Other Than Income	**12,950**	14,143	14,358	13,560	12,363	13,286	8,907
— Income (Credit)	**10,162**	6,858	1,854	(3,656)	(132)	5,229	(145)
— Deferred (Credit)	**10,056**	4,693	6,604	4,346	2,478	(547)	673
Total Operating Expenses	**265,913**	257,121	269,097	220,527	162,789	137,343	75,612
Operating Income	**36,537**	31,296	28,834	24,115	23,012	21,852	9,254
Equity in Earnings of Nuclear Generating Companies	**1,331**	1,121	928	636	807	679	631
Allowance for Other Funds Used During Construction	**12,684**	6,657	4,955	2,298	1,608	982	1,591
Other Income and Deductions — Net	**751**	152	482	117	238	73	55
Income Before Interest Charges	**51,303**	39,226	35,199	27,166	25,665	23,586	11,531
Interest Charges:							
Interest on Long-Term Debt	**29,148**	23,760	19,552	11,955	11,401	10,385	4,892
Other Interest Expense	**2,691**	3,764	7,063	11,779	8,803	5,849	3,328
Allowance for Borrowed Funds Used During Construction (Credit)	**(11,713)**	(9,203)	(7,736)	(7,617)	(4,660)	(2,937)	
Net Interest Charges	**20,126**	18,321	18,879	16,117	15,544	13,297	
Income After Interest Charges	**31,177**	20,905	16,320	11,049	10,121	10,289	3,312
Preferred Dividends of Subsidiaries	**5,813**	3,964	3,883	2,059	1,633	1,633	619
Consolidated Net Income	**$ 25,364**	$ 16,941	$ 12,437	$ 8,990	$ 8,488	$ 8,656	$ 2,693
Average Common Shares Outstanding	**9,062,810**	7,519,381	6,123,334	5,525,320	4,871,667	4,266,921	2,784,945
Consolidated Earnings Per Average Common Share	**$2.80**	$2.25	$2.03	$1.63	$1.74	$2.03	$0.97
Dividends Per Common Share	**$1.79**	$1.70	$1.60	$1.60	$1.60	$1.60	$1.50

Consolidated Retained Earnings Statement

Years Ended December 31, *(In Thousands)*	**1983**	1982	1981	1980	1979	1978	1973
Consolidated Retained Earnings — Beginning of Year	**$ 30,396**	$ 26,137	$ 23,462	$ 23,291	$ 22,541	$ 21,116	$ 19,459
Consolidated Net Income	**25,364**	16,941	12,437	8,990	8,488	8,199	2,693
Total	**55,760**	43,078	35,899	32,281	31,029	29,315	22,152
Dividends Paid — EUA Common Shares	**16,029**	12,682	9,762	8,793	7,738	6,774	4,177
Miscellaneous Adjustments				26			14
Consolidated Retained Earnings — End of Year	**$ 39,731**	$ 30,396	$ 26,137	$ 23,462	$ 23,291	$ 22,541	$ 17,961

**At December 31, 1983, approximately $23,700,000 of Montaup's revenue was subject to possible refund. Of this amount, approximately $10,800,000, $11,700,000 and $1,200,000 relate to the years 1983, 1982 and 1981, respectively.*

Financial information included herein are not intended to represent complete Financial Statements.

Consolidated Balance Sheet

December 31, *(In Thousands)*	**1983**	1982	1981	1980	1979	1978	1973
Assets							
Utility Plant and Other Investments:							
Utility Plant:							
In Service	**$374,132**	$358,599	$348,255	$333,812	$322,684	$312,601	$214,814
Less Accumulated Provision for Depreciation	**125,568**	117,396	110,163	101,857	94,618	87,728	58,502
Net Utility Plant in Service	**248,564**	241,203	238,092	231,955	228,066	224,873	156,312
Construction Work in Progress	**249,700**	172,057	109,348	82,308	61,493	46,790	29,961
Net Utility Plant	**498,264**	413,260	347,440	314,263	289,559	271,663	186,273
Nonutility Property — Net	**901**	903	903	1,442	1,630	992	104
Investments in Nuclear Generating Companies	**9,139**	8,313	8,399	7,641	7,401	7,232	7,161
Other Investments (at cost)	**69**	69	69	69	67	67	67
Total Utility Plant and Other Investments	**508,373**	422,545	356,811	323,415	298,657	279,954	193,605
Current Assets:							
Cash	**564**	299	1,108	1,085	2,187	5,767	5,423
Accounts Receivable:							
Customers, Net of Reserve	**30,831**	25,502	29,621	29,011	22,324	20,507	8,331
Accrued Unbilled Revenues	**7,440**	5,810	6,391	9,501	2,009		
Other	**3,969**	820	667	1,229	879	328	2,150
Materials and Supplies (at average cost):							
Fuel	**12,899**	9,090	6,206	12,486	10,702	3,329	1,833
Plant Materials and Operating Supplies	**5,653**	5,578	5,311	5,276	4,646	4,217	4,778
Other Current Assets	**387**	271	446	391	559	337	474
Total Current Assets	**61,743**	47,370	49,750	58,979	43,306	34,485	24,839
Deferred Debits:							
Unamortized Debt Expense	**5,734**	2,170	1,703	795	739	699	346
Extraordinary Property Losses	**7,187**	10,164	12,860	2,943	2,065		
Other Deferred Debits	**2,098**	7,010	5,697	4,826	3,875	3,562	3,524
Total Deferred Debits	**15,019**	19,344	20,260	8,564	6,679	4,261	3,870
Total Assets	**$585,135**	$489,259	$426,821	$390,958	$348,642	$318,700	$222,314
Liabilities and Capitalization							
Capitalization:							
Common Equity	**$172,327**	$140,973	$109,875	$ 95,424	$ 93,765	$ 86,299	$ 49,935
Non-Redeemable Preferred Stock of Subsidiaries	**15,079**	15,079	15,079	15,079	15,079	15,079	15,079
Redeemable Preferred Stock of Subsidiaries	**34,155**	34,457	19,906	20,199	5,607	5,921	
Long-Term Debt — Net	**256,398**	199,850	188,464	162,682	123,485	97,870	72,186
Total Capitalization	**477,959**	390,359	333,324	293,384	237,936	205,169	137,200
Current Liabilities:							
Long-Term Debt Due Within One Year	**4,458**	13,996				20,770	3,621
Notes Payable			27,100	31,540	63,300	50,450	61,230
Accounts Payable	**20,154**	25,865	18,534	28,200	13,336	8,780	6,015
Redeemable Preferred Stock Sinking Fund Requirement	**309**	268	178	305	314		
Customer Deposits	**1,799**	1,880	1,792	1,547	1,270	1,143	712
Taxes Accrued	**7,231**	3,541	3,467	3,154	2,550	4,051	1,460
Deferred Taxes	**3,240**	2,445	1,335	3,843	1,739	1,522	
Interest Accrued	**5,749**	6,340	5,898	4,712	2,752	1,926	1,767
Other Current Liabilities	**3,537**	1,135	996	197	533	1,957	117
Total Current Liabilities	**46,477**	55,470	59,300	73,498	85,794	90,599	74,923
Deferred Credits:							
Unamortized Investment Credit	**21,254**	13,619	8,053	7,037	10,186	9,673	2,744
Other Deferred Credits	**104**	122	37	37	69	336	915
Total Deferred Credits	**21,358**	13,741	8,090	7,074	10,255	10,009	3,659
Accumulated Deferred Taxes	**39,341**	29,689	26,107	17,002	14,657	12,923	6,532
Total Liabilities and Capitalization	**$585,135**	$489,259	$426,821	$390,958	$348,642	$318,700	$222,314

Financial information included herein are not intended to represent complete Financial Statements.

Consolidated Statement of Capitalization

December 31, *(Dollar Amounts in Thousands)*	1983		1982	
Eastern Utilities Associates:				
Common Shares:				
$5 par value, authorized 12,000,000 shares, outstanding 10,192,304 shares in 1983 and 8,788,991 shares in 1982	**$ 50,962**		$ 43,945	
Other Paid-in Capital	**83,406**		68,183	
Common Shares Expense	**(1,772)**		(1,551)	
Retained Earnings	**39,731**		30,396	
Total Common Equity	**172,327**	**36.1%**	140,973	36.1%
Preferred Stock of Subsidiaries:				
Non-Redeemable Preferred:				
Blackstone Valley Electric Company:				
4.25%, $100 par value 35,000 shares (1)	**3,500**		3,500	
5.60%, $100 par value 25,000 shares (1)	**2,500**		2,500	
Premium	**129**		129	
Eastern Edison Company:				
4.64%, $100 par value 60,000 shares (1)	**6,000**		6,000	
8.32%, $100 par value 30,000 shares (1)	**3,000**		3,000	
Expense, Net of Premium	**(50)**		(50)	
	15,079	**3.2**	15,079	3.9
Redeemable Preferred:				
Eastern Edison Company:				
13.25%, $100 par value 150,000 shares (1)	**15,000**		15,000	
13.60%, $100 par value (2)	**4,800**		5,100	
15.48%, $100 par value 150,000 shares (1)	**15,000**		15,000	
Expense, Net of Premium	**(331)**		(329)	
Sinking Fund and Reacquired Shares	**(314)**		(314)	
	34,155	**7.1**	34,457	8.8
Long-Term Debt:				
Eastern Utilities Associates:				
Senior Notes 10¼% due 1999	**22,500**		22,500	
EUA Service Corporation:				
Notes Payable (Various Maturities at Money Market rates)	**2,000**		1,400	
Blackstone Valley Electric Company:				
First Mortgage Bonds:				
14¼% due 1995 (Series A)	**30,000**		30,000	
Eastern Edison Company:				
First Mortgage and Collateral Trust Bonds:				
3¾% due 1983			6,800	
7⅜% due 1983 (second series)			5,000	
4⅛% due 1983 (third series)			2,196	
3⅜% due 1985	**6,000**		6,000	
12% due 1985 (second series)	**19,800**		19,800	
4⅝% due 1987	**3,000**		3,000	
4⅜% due 1988	**3,000**		3,000	
14¼% due 1990	**15,000**		15,000	
17½% due 1991	**30,000**		30,000	
16⅞% due 1992	**24,000**		24,000	
4½% due 1993	**5,000**		5,000	
6½% due 1997	**7,000**		7,000	
8⅜% due 1999	**5,000**		5,000	
7⅞% due 2002	**8,000**		8,000	
8⅜% due 2003	**10,000**		10,000	
12¼% due 2013	**40,000**			
Pollution Control Revenue Bonds (3):				
10⅛% due 2008	**20,419**			
Note Payable due 1985 (Prime × 105%)	**10,000**		10,000	
Unamortized Premium	**137**		150	
	260,856		213,846	
Less Portion Due Within One Year	**4,458**		13,996	
Total	**256,398**	**53.6**	199,850	51.2
Total Capitalization	**$477,959**	**100.0%**	$390,359	100.0%

(1) Authorized and Outstanding.
(2) Authorized 60,000 shares. Outstanding 48,000 shares in 1983 and 51,000 shares in 1982.
(3) Net of $19,581,000 held by Trustee.
Financial information included herein are not intended to represent complete Financial Statements.

Consolidated Statement of Changes in Financial Position

Years Ended December 31, *(In Thousands)*	**1983**	1982	1981	1980	1979	1978	1973
Source of Funds							
Internally Generated:							
Income After Interest Charges	**$ 31,177**	$ 20,905	$16,320	$11,049	$10,121	$10,289	$ 3,312
Principal Non-Cash Charges (Credits) to Income:							
Depreciation	**11,618**	11,277	10,876	9,416	9,992	9,592	5,603
Amortization	**3,450**	3,223	1,376	309	123	210	83
Deferred Taxes	**10,056**	4,694	6,604	4,346	2,478	1,378	673
Investment Tax Credits, Net	**7,635**	5,565	1,016	(3,209)	(445)	2,751	601
Equity in Undistributed Earnings of Nuclear Generating Companies	**(753)**	(500)	(464)	(16)	(169)		(161)
Allowance for Funds Used During Construction	**(24,397)**	(15,860)	(12,691)	(9,915)	(6,268)	(3,920)	
Funds from Operations	**38,786**	29,304	23,037	11,980	15,832	20,300	10,111
Proceeds from Oil Conservation Adjustment	**10,314**						
Less: Dividends Declared:							
EUA Common Dividends	**(16,029)**	(12,682)	(9,762)	(8,793)	(7,738)	(6,774)	(4,177)
Subsidiary Preferred Dividends	**(5,813)**	(3,964)	(3,883)	(2,059)	(1,633)	(1,633)	(619)
Internally Generated Funds	**27,258**	12,658	9,392	1,128	6,461	11,893	5,315
External Sources:							
Proceeds from Sale of Common Shares	**22,239**	26,975	11,908	1,668	7,331	9,001	
Proceeds from Sale of Bonds — Net	**61,019**	24,000	30,800	44,200			15,000
Proceeds from Sale of Preferred Stock		15,000		15,000			3,000
Proceeds from Sale of Notes					42,500		
Other — Net	**5,140**	2,418	171	289	959	921	358
Funds from External Sources	**88,398**	68,393	42,879	61,157	50,790	9,922	18,358
Total Source of Funds	**$115,656**	$ 81,051	$52,271	$62,285	$57,251	$21,815	$ 23,673
Application of Funds							
Construction Expenditures	**$103,309**	$ 77,096	$54,436	$34,939	$30,498	$25,948	$ 33,841
Less: Allowance for Funds Used During Construction	**(24,397)**	(15,860)	(12,691)	(9,915)	(6,268)	(3,920)	
Cash Construction Expenditures	**78,912**	61,236	41,745	25,024	24,230	22,028	33,841
Decrease (Increase) in Short-Term Notes Payable to Banks		27,100	4,440	31,760	(12,850)	1,400	
Retirement of Long-Term Debt	**13,996**		5,000	5,000	37,637	3,880	
Retirement of Preferred Stock	**300**	300	300	300			
Increase (Decrease) in Working Capital	**14,663**	(10,454)	(2,105)	(1,695)	7,223	(5,875)	(12,096)
Other Application — Net	**7,785**	2,869	2,891	1,896	1,011	382	1,928
Total Application of Funds	**$115,656**	$ 81,051	$52,271	$62,285	$57,251	$21,815	$ 23,673
Changes in Components of Working Capital*							
Cash	**$ 264**	$ (809)	$ 22	$(1,102)	$(3,580)	$ 1,938	$ (2,689)
Accounts Receivable	**10,107**	(4,546)	(3,062)	14,528	5,258	(822)	2,102
Materials and Supplies	**3,884**	3,152	(6,246)	2,414	7,802	(2,496)	739
Other Current Assets	**117**	(176)	56	(165)	227	(229)	(31)
Accounts Payable	**5,711**	(7,331)	9,669	(14,867)	(4,557)	(817)	(2,004)
Accrued Taxes	**(3,690)**	(73)	(312)	(605)	1,604	(1,177)	645
Other Current Liabilities	**(1,730)**	(671)	(2,232)	(1,898)	469	(2,272)	(10,858)
Increase (Decrease) in Working Capital	**$ 14,663**	$(10,454)	$(2,105)	$(1,695)	$ 7,223	$(5,875)	$(12,096)

**(Excluding Short-Term Debt, Current Deferred Taxes and Redeemable Preferred Stock Sinking Fund Requirement)*

Financial information included herein are not intended to represent complete Financial Statements.

Consolidated Operating Statistics

Years Ended December 31,	**1983**	1982	1981	1980	1979	1978	1973
Energy Generated and Purchased (millions kwh):							
Generated – by Somerset Station	**1,123**	738	940	1,041	792	660	1,775
– by Nuclear Units	**1,019**	861	869	733	1,012	1,011	765
– by Jointly-Owned Units	**1,724**	1,632	1,784	1,746	1,795	1,865	—
– by Life of the Unit Contracts	**452**	706	675	757	706	705	963
Interchange with NEPOOL	**(285)**	(49)	(240)	(263)	(600)	(620)	156
Purchased Power – Unit Power	**168**	161	240	319	410	304	271
Total Generated and Purchased	**4,201**	4,049	4,268	4,333	4,115	3,925	3,930
Operating Revenues (thousands):							
Residential	**$104,101**	$ 97,161	$ 94,217	$ 79,357	$ 63,394	$ 55,731	$ 32,564
Commercial	**89,225**	83,519	82,515	67,377	53,012	46,976	21,092
Industrial	**58,901**	56,468	60,486	48,931	38,192	32,440	16,837
Other Electric Utilities	**16,212**	18,289	22,770	18,183	12,435	10,220	6,136
Other	**13,463**	10,761	9,081	7,886	7,502	7,505	3,669
Total Primary Sales Revenues	**281,902**	266,198	269,069	221,734	174,535	152,872	80,298
Unit Contracts	**20,548**	22,219	28,862	22,908	11,266	5,441	4,568
Total Operating Revenues	**$302,450**	$288,417	$297,931	$244,642	$185,801	$158,313	$ 84,866
Energy Sales (millions of kwh):							
Residential	**1,197**	1,137	1,122	1,149	1,150	1,123	1,083
Commercial	**1,103**	1,044	1,055	1,058	1,052	1,011	792
Industrial	**810**	772	841	848	859	815	865
Other Electric Utilities	**386**	365	431	420	398	403	459
Other	**34**	36	38	42	44	49	45
Total Primary Sales	**3,530**	3,354	3,487	3,517	3,503	3,401	3,244
Losses and Company Use	**201**	206	196	230	226	290	220
Total System Requirements	**3,731**	3,560	3,683	3,747	3,729	3,691	3,464
Unit Contracts	**470**	489	585	586	386	234	466
Total Energy Sales	**4,201**	4,049	4,268	4,333	4,115	3,925	3,930
Number of Customers:							
Residential	**209,678**	207,702	205,894	204,221	201,435	198,910	190,899
Commercial	**21,605**	21,133	20,732	20,380	20,073	19,781	20,041
Industrial	**1,189**	1,210	1,213	1,219	1,222	1,213	1,789
Other Electric Utilities	**12**	18	14	17	16	15	12
Other	**31**	31	34	30	150	171	258
Total Customers	**232,515**	230,094	227,887	225,867	222,896	220,090	212,999
Average Revenue per Residential Customer ($)	**496**	468	458	389	315	280	171
Average Use per Residential Customer (kwh)	**5,708**	5,474	5,449	5,626	5,708	5,646	5,702
Average Revenue per kwh:							
Residential	**8.70¢**	8.55¢	8.40¢	6.91¢	5.52¢	4.96¢	3.01¢
Commercial	**8.09¢**	7.99¢	7.82¢	6.37¢	5.04¢	4.65¢	2.66¢
Industrial	**7.27¢**	7.31¢	7.20¢	5.77¢	4.44¢	3.98¢	1.95¢

Financial information included herein are not intended to represent complete Financial Statements.

Consolidated Operating Statistics - General

Years Ended December 31,	**1983**	1982	1981	1980	1979	1978	1973
Capitalization:							
(thousands)							
Bonds (Net)	**$226,219**	$165,950	$155,964	$125,182	$ 80,985	$ 81,203	$ 68,786
Other Long-Term Debt	**30,179**	33,900	32,500	37,500	42,500	16,667	3,400
Total Long-Term Debt	**256,398**	199,850	188,464	162,682	123,485	97,820	72,186
Preferred Stock	**49,234**	49,536	34,985	35,278	20,686	21,000	15,078
Common Equity	**172,327**	140,973	109,875	95,424	93,765	85,842	49,936
Total Capitalization	**$477,959**	$390,359	$333,324	$293,384	$237,936	$204,712	$137,200
Common Shares Data:							
Earnings per Average Common Share ($)	**2.80**	2.25	2.03	1.63	1.74	1.92	.97
Dividends per Share ($)	**1.79**	1.70	1.60	1.60	1.60	1.60	1.50
Payout (%)	**63.9**	75.6	78.8	98.2	92.0	83.3	154.6
Average Common Shares Outstanding	**9,062,810**	7,519,381	6,123,334	5,525,320	4,871,667	4,266,921	2,784,945
Total Common Shares Outstanding	**10,192,304**	8,788,991	6,664.560	5,583,634	5,438,969	4,835,598	2,784,945
Book Value per Share ($)	**16.91**	16.04	16.49	17.09	17.24	17.75	17.93
Percent Earned On Average Common Equity (%)	**16.2**	13.5	12.1	9.5	9.4	10.2	5.3
Market Prices ($):							
High	**18⅜**	14⅝	12½	13¾	15½	17	22¾
Low	**13⅞**	11	10⅛	10¼	11⅝	14¼	19⅞
Miscellaneous ($ in thousands)							
Total Construction Expenditures ($)	**103,309**	77,096	54,436	34,939	30,498	25,948	33,841
Cash Construction Expenditures ($)	**78,912**	61,236	41,745	25,024	24,230	22,028	32,250
Internally Generated Funds as a % of Cash Construction (%)	**34.5**	20.7	22.5	4.5	26.7	43.2	11.6
Installed Capability – MW	**931**	927	927	940	996	1,005	836
Less: Unit Contract Sales – MW	**75**	70	80	88	88	36	37
System Capability – MW	**856**	857	847	852	908	969	799
System Peak Demand – MW	**700**	680	661	695	677	666	635
Reserve Margin (%)	**22.3**	26.0	28.1	22.7	34.1	44.2	62.3
System Load Factor (%)	**60.8**	59.8	63.6	61.5	62.8	62.7	62.1
Sources of Energy (%):							
Nuclear	**23.8**	22.2	20.6	17.0	21.9	22.0	19.5
Coal	**16.3**						
Oil	**59.9**	77.8	79.4	83.0	78.1	78.0	80.5
Cost of Fuel (Mills Per kwh):							
Nuclear	**6.5**	6.3	5.4	4.9	3.5	3.0	2.3
Coal	**21.6**						
Oil	**41.5**	41.5	47.0	35.3	25.1	18.1	7.7
All Fuels Combined	**30.7**	34.1	39.0	30.8	19.6	14.3	6.5

Financial information included herein are not intended to represent complete Financial Statements.

Subsidiary Income Statements

Years Ended December 31, *(In Thousands)*	Blackstone Valley Electric Company		Eastern Edison Company (A)		Montaup Electric Company	
	1983	1982	**1983**	1982	**1983**	1982
Operating Revenues	**$ 98,153**	$ 91,987	**$168,690**	$156,842	**$226,710***	$221,045*
Operating Expenses:						
Fuel					**127,898**	137,308
Purchased Power-Demand	**67,934**	65,538	**119,975**	111,961	**39,136**	32,393
Other Operation	**10,242**	9,400	**19,639**	18,792	**16,893**	15,575
Maintenance	**1,720**	1,616	**2,342**	2,560	**3,536**	3,675
Depreciation and Amortization	**2,385**	2,242	**3,932**	3,738	**7,679**	7,729
Taxes — Other Than Income	**6,092**	6,194	**4,195**	5,197	**2,654**	2,751
— Income	**467**	1,625	**4,968**	2,590	**4,891**	2,642
— Deferred (Credit)	**2,151**	(1,063)	**1,793**	1,842	**6,112**	3,914
Total Operating Expenses	**90,991**	85,552	**156,844**	146,680	**208,799**	205,987
Operating Income	**7,162**	6,435	**11,846**	10,162	**17,911**	15,058
Equity in Earnings of Subsidiaries			**23,008**	15,431	**1,331**	1,121
Interest from Associated Company			**18,855**	13,421		
Allowance for Other Funds Used During Construction	**182**	98	**(10)**	36	**12,512**	6,521
Other Income (Deductions) — Net	**(1)**	(15)	**192**	4	**417**	78
Income Before Interest Charges	**7,343**	6,518	**53,891**	39,054	**32,171**	22,778
Interest Charges:						
Interest on Long-Term Debt	**4,275**	4,275	**22,371**	17,178	**18,855**	13,421
Other Interest Expense	**150**	116	**1,022**	853	**1,491**	2,623
Allowance for Borrowed Funds Used During Construction (Credit)	**(323)**	(211)	**(207)**	(295)	**(11,183)**	(8,697)
Net Interest Charges	**4,102**	4,180	**23,186**	17,736	**9,163**	7,347
Income After Interest Charges	**3,241**	2,338	**30,705**	21,318	**23,008**	15,431
Preferred Dividends	**289**	289	**5,525**	3,675		
Net Income	**$ 2,952**	$ 2,049	**$ 25,180**	$ 17,643	**$ 23,008**	$ 15,431

Subsidiary Retained Earnings Statements

Years Ended December 31, *(In Thousands)*						
Retained Earnings — Beginning of Year	**$5,348**	$4,816	**$36,330**	$28,488	**$19,138**	$14,234
Income After Interest Charges	**3,241**	2,338	**30,705**	21,318	**23,008**	15,431
Total	**8,589**	7,154	**67,035**	49,806	**42,146**	29,665
Dividends Paid — Preferred	**289**	289	**5,525**	3,675	**242**	186
— Common	**1,639**	1,517	**11,016**	9,801	**13,484**	10,341
Retained Earnings — End of Year	**$6,661**	$5,348	**$50,494**	$36,330	**$28,420**	$19,138

**At December 31, 1983 approximately $23,700,000 of Montaup's revenue was subject to possible refund. Of this amount, approximately $10,800,000 and $11,700,000 relate to the years 1983 and 1982, respectively.*

Note A: Montaup Electric Company is a wholly-owned subsidiary of Eastern Edison Company. For the purposes of these financial statements Montaup has not been consolidated with Eastern Edison.

Financial information included herein are not intended to represent complete Financial Statements.

Subsidiary Balance Sheets

December 31, *(In Thousands)*	Blackstone Valley Electric Company		Eastern Edison Company(A)		Montaup Electric Company	
	1983	1982	**1983**	1982	**1983**	1982
Assets						
Utility Plant and Other Investments:						
Utility Plant						
In Service	**$ 79,637**	$ 74,490	**$126,736**	$119,296	**$164,540**	$162,373
Less Accumulated Provision for Depreciation	**21,883**	20,608	**30,340**	28,563	**71,729**	66,902
Net Utility Plant in Service	**57,754**	53,882	**96,396**	90,733	**92,811**	95,471
Construction Work in Progress	**4,876**	2,229	**3,930**	3,149	**240,894**	166,679
Net Utility Plant	**62,630**	56,111	**100,326**	93,882	**333,705**	262,150
Nonutility Property — Net	**59**	60	**821**	821	**22**	22
Investments in Subsidiary Companies (at Equity)			**309,330**	252,241	**9,139**	8,313
Other Investments (at cost)			**50**	50		
Total Uiility Plant and Other Investments	**62,689**	56,171	**410,527**	346,994	**342,866**	270,485
Current Assets:						
Cash	**287**	13	**72**	75	**145**	59
Accounts Receivable:						
Customers, Net of Reserve	**8,695**	7,847	**16,073**	12,873	**6,063**	4,782
Associated Companies	**383**	304	**6,065**	3,915	**6,729**	7,121
Accrued Unbilled Revenues	**2,088**	1,507	**5,352**	4,303		
Other	**3,384**	340	**325**	248	**225**	178
Materials and Supplies (at average cost):						
Fuel					**12,899**	9,090
Plant Materials and Operating Supplies	**1,037**	1,085	**2,764**	2,764	**1,853**	1,730
Other Current Asssets	**14**	39	**73**	59	**233**	111
Total Current Assets	**15,888**	11,135	**30,724**	24,237	**28,147**	23,071
Deferred Debits:						
Unamortized Debt Expense	**394**	427	**5,081**	1,473	**48**	46
Extraordinary Property Losses					**7,187**	10,164
Other Deferred Debits	**212**	1,711	**1,364**	2,223	**332**	2,746
Total Deferred Debits	**606**	2,138	**6,445**	3,696	**7,567**	12,956
Total Assets	**$ 79,183**	$ 69,444	**$447,696**	$374,927	**$378,580**	$306,512
Liabilities and Capitalization						
Capitalization:						
Common Equity	**$ 25,472**	$ 21,159	**$169,988**	$142,770	**$141,548**	$132,266
Non-Redeemable Preferred Stock	**6,130**	6,130	**8,949**	8,949	**1,500**	1,500
Redeemable Preferred Stock of Subsidiaries			**34,156**	34,457		
Long-Term Debt — Net	**30,000**	30,000	**203,023**	145,950	**166,282**	118,475
Total Capitalization	**61,602**	57,289	**416,116**	332,126	**309,330**	252,241
Current Liabilities:						
Long-Term Debt Due Within One Year			**3,333**	13,996		
Accounts Payable — Public	**376**	327	**995**	1,126	**18,353**	23,730
— Associated Companies	**4,489**	1,259	**2,586**	6,518	**566**	284
Preferred Stock Sinking Fund Requirement			**309**	268		
Customer Deposits	**838**	759	**961**	1,121		
Taxes Accrued	**2,379**	3,428	**2,263**	1,208	**2,742**	(1,103)
Deferred Taxes	**1,006**	726	**2,234**	1,719		
Interest Accrued	**440**	356	**4,531**	5,183	**5,842**	3,833
Other Current Liabilities	**24**	39	**501**	1,020	**2,945**	
Total Current Liabilities	**9,552**	6,894	**17,713**	32,159	**30,448**	26,744
Deferred Credits:						
Unamortized Investment Credit	**3,147**	2,313	**5,384**	3,366	**12,723**	7,940
Other Deferred Credits	**77**	32	**27**	90		
Total Deferred Credits	**3,224**	2,345	**5,411**	3,456	**12,723**	7,940
Accumulated Deferred Taxes	**4,805**	2,916	**8,456**	7,186	**26,079**	19,587
Total Liabilities and Capitalization	**$ 79,183**	$ 69,444	**$447,696**	$374,927	**$378,580**	$306,512

Financial information included herein is not intended to represent complete Financial Statements.

Subsidiary Statements of Changes in Financial Position

Years Ended December 31, *(In Thousands)*	Blackstone Valley Electric Company		Eastern Edison Company (A)		Montaup Electric Company	
	1983	1982	**1983**	1982	**1983**	1982
Source of Funds						
Internally Generated:						
Income After Interest Charges	**$ 3,241**	$ 2,338	**$30,705**	$21,318	**$23,008**	$ 15,431
Principal Non-Cash Charges (Credits) to Income:						
Depreciation	**2,385**	2,242	**3,933**	3,738	**4,974**	4,958
Amortization	**33**	33	**179**	142	**3,224**	3,366
Deferred Taxes	**2,151**	(1,062)	**1,793**	1,842	**6,112**	3,914
Investment Tax Credits, Net	**834**	780	**2,018**	1,124	**4,782**	3,661
Equity in Undistributed Earnings of Subsidiaries			**(9,282)**	(4,905)	**(753)**	(500)
Allowance for Funds Used During Construction	**(505)**	(310)	**(197)**	(331)	**(23,695)**	(15,218)
Funds from Operations	**8,139**	4,021	**29,149**	22,928	**17,652**	15,612
Proceeds from Oil Conservation Adjustment					**10,314**	
Less: Dividends Declared:						
Common Dividends	**(1,640)**	(1,517)	**(11,016)**	(9,801)	**(13,485)**	(10,341)
Preferred Dividends	**(289)**	(289)	**(5,525)**	(3,675)	**(242)**	(186)
Internally Generated Funds	**6,210**	2,215	**12,603**	9,452	**14,239**	5,085
External Sources						
Proceeds from Sale of Long-Term Debt			**60,419**	24,000	**47,807**	24,000
Proceeds from Sale of Preferred Stock				15,000		
Proceeds from Capital Contributions	**3,000**	4,500	**13,054**	19,871		29,528
Proceeds from Repayment of Montaup Debenture				5,400		
Other – Net	**1,568**	25	**893**	161	**2,592**	585
Funds from External Sources	**4,568**	4,525	**74,366**	64,432	**50,399**	54,113
Total Source of Funds	**$10,778**	$ 6,740	**$86,974**	$73,884	**$64,638**	$ 59,198
Application of Funds						
Construction Expenditures	**$ 8,908**	$ 5,597	**$10,376**	$ 8,436	**$83,211**	$ 62,408
Less: Allowance for Funds Used During Construction	**(504)**	(310)	**(197)**	(331)	**(23,695)**	(15,218)
Cash Construction Expenditures	**8,404**	5,287	**10,179**	8,105	**59,516**	47,190
Decrease in Short-Term Debt				1,500		25,600
Purchase of Montaup Debentures			**47,807**	24,000		
Retirement of Long-Term Debt			**14,296**			5,400
Retirement of Preferred Stock			**300**	300		
Capital Contributions to Subsidiary				29,528		
Increase (Decrease) in Working Capital	**2,374**	878	**10,828**	8,649	**1,372**	(19,468)
Other Application — Net		575	**3,564**	1,802	**3,750**	476
Total Application of Funds	**$10,778**	$ 6,740	**$86,974**	$73,884	**$64,638**	$ 59,198
Changes in Components of Working Capital*						
Cash	**$ 273**	$ (229)	**$ (4)**	$ (60)	**$ 85**	$ (433)
Accounts Receivable	**4,552**	(3,890)	**6,476**	5,631	**935**	(12,919)
Materials and Supplies	**(48)**	83		195	**3,932**	2,875
Other Current Assets	**(25)**	7	**15**	(19)	**123**	(189)
Accounts Payable	**(3,278)**	4,398	**4,061**	3,249	**5,096**	(6,246)
Accrued Taxes	**1,049**	543	**(1,054)**	355	**(3,845)**	1,182
Other Current Liabilities	**(149)**	(34)	**1,334**	(702)	**(4,954)**	(3,738)
Increase (Decrease) in Working Capital	**$ 2,374**	$ 878	**$10,828**	$ 8,649	**$ 1,372**	$(19,468)

**(Excluding Short-Term Debt, Current Deferred Taxes and Redeemable Preferred Stock Sinking Fund Requirement)*

Financial information included herein are not intended to represent complete Financial Statements.

Dividend Reinvestment and Common Share Purchase Plan

A Dividend Reinvestment and Common Share Purchase Plan is available to all registered shareholders and System company employees.

Participants in the Plan are given a 5% discount on shares purchased with reinvested dividends. Participants may also make additional cash payments as frequently as once a month to purchase additional shares with no discount. Optional cash payments are limited to a maximum of $5,000 per calendar quarter and must be received not later than the 5th day preceding the Investment Date to be invested in that month.

The Economic Recovery Tax Act of 1981 provides special tax treatment to individual shareholders who reinvest their dividends under EUA's Plan. Individual shareholders are eligible to exclude from their income, for Federal income tax purposes, up to $750 annually $1,500 on a joint return) of qualified reinvested dividends.

The Investment Date for all shares purchased under the Plan is the dividend payment date for the months in which dividends are payable. For each month in which a dividend is not payable the Investment Date is the 15th of such month. The price of shares purchased is based on the average closing price of EUA shares for the five trading days preceding each investment date.

Complete details regarding the Plan may be obtained by writing:

The First National Bank of Boston
EUA Automatic Dividend
Reinvestment Plan
P.O. Box 1681
Boston, MA 02105

Transfer Agent

The First National Bank of Boston
P.O. Box 644
Boston, MA 02102
(Common and Preferred Shares)

Bond Trustee

State Street Bank and Trust Company
225 Franklin Street
Boston, MA 02110
(Bonds of all series)

The name Eastern Utilities Associates is the designation of the Trustees for the time being under a declaration of Trust dated April 2, 1928, as amended, and all persons dealing with Eastern Utilities Associates must look solely to the trust property for the enforcement of any claims against Eastern Utilities Associates as neither the Trustees, Officers nor Shareholders assume any personal liability for obligations entered into on behalf of Eastern Utilities Associates.

Annual Meeting

The 1984 Annual Shareholders Meeting will be held on Monday, April 23, 1984 at 10 a.m. in the Board Room on the 33rd Floor at State Street Bank and Trust Company, 225 Franklin Street, Boston, Massachusetts.

Eastern Utilities Associates
1983 Financial Supplement