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NORTHEAST UTILITIES SYSTEM  
Form 8-K  
July 25, 2001

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549-1004

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)  
July 24, 2001

Commission File Number  
1-5324

NORTHEAST UTILITIES

(Exact name of registrant as specified in its charter)

MASSACHUSETTS

04-2147929

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

174 BRUSH HILL AVENUE, WEST SPRINGFIELD, MASSACHUSETTS 01090-0010

(Address of principal executive offices)

(Zip Code)

(413) 785-5871

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

ITEM 9. REGULATION FD DISCLOSURE

The material attached hereto as Exhibit 99, which is incorporated in this Item 9 by reference thereto, is furnished pursuant to Regulation FD.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the

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undersigned hereunto duly authorized.

NORTHEAST UTILITIES  
(registrant)

By: /s/ Randy A. Shoop

-----  
Name: Randy A. Shoop  
Title: Assistant Treasurer - Finance

Date: July 25, 2001

Exhibit 99

News Release

Contact: Jeffrey R. Kotkin  
Office: (860) 665-5154

NU REPORTS SECOND-QUARTER EARNINGS,  
FAVORABLE TERMS FOR SERVING WHOLESALE LOAD

HARTFORD, Connecticut, July 24, 2001-Northeast Utilities (NU) today reported second-quarter earnings of \$46.7 million, or \$0.35 per share fully diluted, compared with earnings of \$12.2 million, or \$0.08 per share fully diluted, in the same period of 2000.

For the first six months of 2001, NU earned \$158.9 million, or \$1.14 per share fully diluted, compared with earnings of \$86.8 million, or \$0.62 per share fully diluted, in the first six months of 2000.

NU also reported that its energy marketing subsidiary, Select Energy, Inc., has contracted to acquire the vast majority of the energy supplies it expects to need in 2002 and 2003 to serve its current power supply obligations. In recent weeks, given the sharp reduction in energy prices, Select has acquired significant additional resources within its target price range. As a result, NU management considers its energy supply book to be satisfactorily hedged for both 2002 and 2003.

Earnings in the second quarters of both 2001 and 2000 included moderate nonrecurring events. Second quarter 2001 results included a gain of approximately \$8.0 million, or \$0.06 per share, associated with the marking to market of 10.1 million shares NU acquired through a forward share repurchase. Second quarter 2000 results included after-tax charges of \$8.1 million, or \$0.06 per share, associated with the settlement of litigation related to the Millstone nuclear station, which NU sold to Dominion Resources, Inc. on March 31, 2001. Excluding those nonrecurring events, NU earned \$38.8 million, or \$0.29 per share in the second quarter of 2001, compared with \$20.3 million, or \$0.14 per share, in the second quarter of 2000.

Earnings in the first quarter of 2001 also included significant

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nonrecurring gains and charges associated with the Millstone sale and the adoption of certain accounting rules. Excluding those nonrecurring events and minor nonrecurring charges in the first quarter of 2000, NU earned \$92.1 million, or \$0.66 per share, in the first half of 2001, compared with \$99.0 million, or \$0.71 per share, in the first half of 2000.

Michael G. Morris, NU chairman, president and chief executive officer, attributed the improved second-quarter 2001 results primarily to strong performance at NU's unregulated energy subsidiaries, which include Select Energy. Those businesses earned \$13.6 million in the second quarter of 2001, compared with essentially break-even results in the second quarter of 2000.

Morris said he was encouraged by the improved second-quarter 2001 results at NU's unregulated businesses, as well as by Select Energy's ability to contract for necessary sources of energy to meet its contractual requirements to The Connecticut Light and Power Company, NU's largest operating subsidiary. "As we projected, lower fuel prices and the increasing number of new generating plants in New England have combined to drive down the cost of wholesale electricity," Morris said.

Besides Select, NU second-quarter results benefited from increased electric sales, a reduced number of outstanding shares, and lower interest and preferred dividend costs. Regulated retail electric sales were up 3.1 percent in the second quarter of 2001, compared with the same period of 2000. Over the first six months of 2001, regulated electric sales were up 2.2 percent compared with the same period in 2000.

In the second quarter of 2001, NU repurchased approximately 10.3 million shares and had approximately 134 million shares outstanding as of June 30, 2001. NU announced two weeks ago that its Board of Trustees had authorized the repurchase of an additional 15 million shares by July 1, 2003. An earlier share repurchase authorization terminated on July 1, 2001. Morris said the timing of any material share repurchases will affect earnings per share over the next two years. NU had originally anticipated repurchasing more than 10.3 million shares by the middle of 2001. As a result of a higher estimated average share count for the year, NU now projects that 2001 earnings will be between \$1.35 per share and \$1.50 per share, somewhat lower than the \$1.40-\$1.60 per share range NU had projected earlier this year, excluding nonrecurring items.

NU operates New England's largest energy delivery system with nearly 1.8 million electric customers in Connecticut, New Hampshire and Massachusetts and 187,000 natural gas customers in Connecticut, and is one of the largest competitive energy suppliers in New England.

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are statements of future expectations and not facts. Actual results or developments might differ materially from those included in the forward-looking statements because of factors such as competition and industry restructuring, changes in economic conditions, changes in historical weather patterns, changes in laws, regulations or regulatory policies, developments in legal or public policy doctrines, technological developments and other presently unknown or unforeseen factors. Other risk factors are detailed from time to time in NU's reports to the Securities and Exchange Commission.

July 24, 2001

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## NORTHEAST UTILITIES AND SUBSIDIARIES

### FINANCIAL REPORT

|  | Three Months Ended<br>June 30,                      |              |
|--|---|--------------|
|  | 2001  | 2000         |
|  | (Thousands of Dollars,<br>Except Share Information) |              |
| Operating Revenues   | \$ 1,583,294  | \$ 1,414,973 |
|  | =====   | =====        |
| Earnings for common shares:  |   |              |
| Before extraordinary loss and cumulative effect<br>of accounting changes, net of taxes | \$ 46,732   | \$ 12,206    |
| Extraordinary (loss), net of tax benefits<br>of \$169,562                              | -   | -            |
| Cumulative effect of accounting changes,<br>net of tax benefits of \$14,908            | -   | -            |
|  | -----   | -----        |
| Total Net Income   | \$ 46,732   | \$ 12,206    |
|  | =====   | =====        |
| Fully Diluted Earnings Per Common Share:   |   |              |
| Before extraordinary loss and cumulative effect<br>of accounting changes, net of taxes | \$ 0.35   | \$ 0.08      |
| Extraordinary (loss), net of taxes   | -   | -            |
| Cumulative effect of accounting changes,<br>net of taxes                               | -   | -            |
|  | -----   | -----        |
| Total Fully Diluted Earnings<br>Per Common Share                                       | \$ 0.35   | \$ 0.08      |
|  | =====   | =====        |
| Common Shares Outstanding (fully diluted)  | 134,149,873   | 143,907,964  |
|  | =====   | =====        |

|  | Six Months Ended<br>June 30,                        |              |
|--|---|--------------|
|  | 2001  | 2000         |
|  | (Thousands of Dollars,<br>Except Share Information) |              |
| Operating Revenues   | \$ 3,383,838  | \$ 2,797,294 |
|  | =====   | =====        |
| Earnings for common shares:  |   |              |
| Before extraordinary loss and cumulative effect<br>of accounting changes, net of taxes | \$ 181,327  | \$ 86,793    |
| Extraordinary (loss), net of tax benefits<br>of \$169,562                              | -   | -            |
| Cumulative effect of accounting changes,<br>net of tax benefits of \$14,908            | (22,432)  | -            |
|  | -----   | -----        |
| Total Net Income   | \$ 158,895  | \$ 86,793    |
|  | =====   | =====        |
| Fully Diluted Earnings Per Common Share:   |   |              |
| Before extraordinary loss and cumulative effect<br>of accounting changes, net of taxes | \$ 1.30   | \$ 0.62      |

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|  |   |              |
|--|---|--------------|
| Extraordinary (loss), net of taxes   | -   | -            |
| Cumulative effect of accounting changes,<br>net of taxes                               | (0.16)  | -            |
|  | -----   | -----        |
| Total Fully Diluted Earnings<br>Per Common Share                                       | \$ 1.14   | \$ 0.62      |
|  | =====   | =====        |
| <br>   |   |              |
| Common Shares Outstanding (fully diluted)  | 139,256,968   | 140,055,610  |
|  | =====   | =====        |
|  |   |              |
|  | Twelve Months Ended<br>June 30,                     |              |
|  | 2001                      2000                      |              |
|  | (Thousands of Dollars,<br>Except Share Information) |              |
| <br>   |   |              |
| Operating Revenues   | \$ 6,463,163  | \$ 5,186,570 |
|  | =====   | =====        |
| Earnings for common shares:  |   |              |
| Before extraordinary loss and cumulative effect<br>of accounting changes, net of taxes | \$ 299,830  | \$ 102,337   |
| Extraordinary (loss), net of tax benefits<br>of \$169,562                              | (233,881)   | -            |
| Cumulative effect of accounting changes,<br>net of tax benefits of \$14,908            | (22,432)  | -            |
|  | -----   | -----        |
| <br>   |   |              |
| Total Net Income   | \$ 43,517   | \$ 102,337   |
|  | =====   | =====        |
| <br>   |   |              |
| Fully Diluted Earnings Per Common Share:   |   |              |
| Before extraordinary loss and cumulative effect<br>of accounting changes, net of taxes | \$ 2.12   | \$ 0.75      |
| Extraordinary (loss), net of taxes   | (1.65)  | -            |
| Cumulative effect of accounting changes,<br>net of taxes                               | (0.16)  | -            |
|  | -----   | -----        |
| <br>   |   |              |
| Total Fully Diluted Earnings<br>Per Common Share                                       | \$ 0.31   | \$ 0.75      |
|  | =====   | =====        |
| <br>   |   |              |
| Common Shares Outstanding (fully diluted)  | 141,669,477   | 136,108,723  |
|  | =====   | =====        |

The data contained in this report is preliminary and is unaudited. This report is being submitted for the sole purpose of providing information to present shareholders about the Northeast Utilities System and is not a representation, prospectus, or intended for use in connection with any purchase or sale of securities.

Northeast Utilities and Subsidiaries  
Consolidated Statements of Income

Three Months Ended  
June 30,  
2001                      2000

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|  | (Thousands of Dollars,<br>Except Share Information) |              |
|--|---|--------------|
| Operating Revenues   | \$ 1,583,294  | \$ 1,414,973 |
|  | -----   | -----        |
| Operating Expenses:  |   |              |
| Operation -  |   |              |
| Fuel, purchased and net interchange power  | 1,009,877   | 795,089      |
| Other  | 189,014   | 214,036      |
| Maintenance  | 59,738  | 70,722       |
| Depreciation   | 65,518  | 58,946       |
| Amortization of regulatory assets, net   | 70,471  | 68,318       |
| Federal and state income taxes   | 46,801  | 47,445       |
| Taxes other than income taxes  | 55,204  | 61,325       |
| Gain on sale of utility plant  | -   | -            |
|  | -----   | -----        |
| Total operating expenses   | 1,496,623   | 1,315,881    |
|  | -----   | -----        |
| Operating Income (Loss)  | 86,671  | 99,092       |
|  | -----   | -----        |
| Other Income (Loss):   |   |              |
| Gain related to Millstone sale   | -   | -            |
| Gain/(Loss) on share repurchase contracts  | 8,049   | -            |
| Nuclear related costs  | -   | (15,572)     |
| Other, net   | 8,448   | (6,037)      |
| Minority interest in loss of subsidiary  | (775)   | (2,325)      |
| Income taxes   | 18,321  | 21,119       |
|  | -----   | -----        |
| Other income (loss), net   | 34,043  | (2,815)      |
|  | -----   | -----        |
| Income before interest charges   | 120,714   | 96,277       |
|  | -----   | -----        |
| Interest Charges:  |   |              |
| Interest on long-term debt   | 62,063  | 52,300       |
| Other interest, net  | 9,482   | 27,858       |
|  | -----   | -----        |
| Interest charges, net  | 71,545  | 80,158       |
|  | -----   | -----        |
| Income after interest charges  | 49,169  | 16,119       |
|  | -----   | -----        |
| Preferred Dividends of Subsidiaries  | 2,437   | 3,913        |
|  | -----   | -----        |
| Income before extraordinary loss and<br>cumulative effect of accounting changes,<br>net of taxes | 46,732  | 12,206       |
| Extraordinary (loss), net of tax benefits<br>of \$169,562  | -   | -            |
| Cumulative effect of accounting changes, net<br>of tax benefits of \$ 14,908                     | -   | -            |
|  | -----   | -----        |
| Net Income   | \$ 46,732   | \$ 12,206    |
|  | =====   | =====        |
| Fully Diluted Earnings (Loss) Per Common Share:  |   |              |
| Income before extraordinary loss and<br>cumulative effect of accounting changes                  | \$ 0.35   | \$ 0.08      |
| Extraordinary (loss), net of taxes   | -   | -            |
| Cumulative effect of accounting changes,<br>net of taxes   | -   | -            |
|  | -----   | -----        |
| Total Fully Diluted Earnings<br>Per Common Share   | \$ 0.35   | \$ 0.08      |

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|   |             |             |
|---|-------------|-------------|
|   | =====       | =====       |
| Common Shares Outstanding (fully diluted) | 134,149,873 | 143,907,964 |
|   | =====       | =====       |

Northeast Utilities and Subsidiaries  
Consolidated Statements of Income

|  | Six Months Ended<br>June 30,                        |              |
|--|---|--------------|
|  | 2001  | 2000         |
|  | (Thousands of Dollars,<br>Except Share Information) |              |
| Operating Revenues   | \$ 3,383,838  | \$ 2,797,294 |
| Operating Expenses:  |   |              |
| Operation -  |   |              |
| Fuel, purchased and net interchange power  | 2,140,717   | 1,563,461    |
| Other  | 407,942   | 415,497      |
| Maintenance  | 148,419   | 121,490      |
| Depreciation   | 126,147   | 119,338      |
| Amortization of regulatory assets, net   | 790,327   | 113,450      |
| Federal and state income taxes   | 91,182  | 109,870      |
| Taxes other than income taxes  | 131,091   | 119,687      |
| Gain on sale of utility plant  | (653,872)   | -            |
| Total operating expenses   | 3,181,953   | 2,562,793    |
| Operating Income (Loss)  | 201,885   | 234,501      |
| Other Income (Loss):   |   |              |
| Gain related to Millstone sale   | 202,159   | -            |
| Gain/(Loss) on share repurchase contracts  | (35,394)  | -            |
| Nuclear related costs  | -   | (18,373)     |
| Other, net   | 9,255   | 1,437        |
| Minority interest in loss of subsidiary  | (3,100)   | (4,650)      |
| Income taxes   | (49,597)  | 28,955       |
| Other income (loss), net   | 123,323   | 7,369        |
| Income before interest charges   | 325,208   | 241,870      |
| Interest Charges:  |   |              |
| Interest on long-term debt   | 105,731   | 108,184      |
| Other interest, net  | 33,009  | 38,222       |
| Interest charges, net  | 138,740   | 146,406      |
| Income after interest charges  | 186,468   | 95,464       |
| Preferred Dividends of Subsidiaries  | 5,141   | 8,671        |
| Income before extraordinary loss and<br>cumulative effect of accounting changes,<br>net of taxes | 181,327   | 86,793       |
| Extraordinary (loss), net of tax benefits<br>of \$169,562  | -   | -            |

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|   |             |             |
|---|-------------|-------------|
| Cumulative effect of accounting changes, net<br>of tax benefits of \$ 14,908    | (22,432)    | -           |
|   | -----       | -----       |
| Net Income  | \$ 158,895  | \$ 86,793   |
|   | =====       | =====       |
| Fully Diluted Earnings (Loss) Per Common Share:                                 |             |             |
| Income before extraordinary loss and<br>cumulative effect of accounting changes | \$ 1.30     | \$ 0.62     |
| Extraordinary (loss), net of taxes  | -           | -           |
| Cumulative effect of accounting changes,<br>net of taxes                        | (0.16)      | -           |
|   | -----       | -----       |
| Total Fully Diluted Earnings<br>Per Common Share                                | \$ 1.14     | \$ 0.62     |
|   | =====       | =====       |
| Common Shares Outstanding (fully diluted)                                       | 139,256,968 | 140,055,610 |
|   | =====       | =====       |

Northeast Utilities and Subsidiaries  
Consolidated Statements of Income

|   | Twelve Months Ended<br>June 30,                     |              |
|---|---|--------------|
|   | 2001  | 2000         |
|   | (Thousands of Dollars,<br>Except Share Information) |              |
| Operating Revenues                        | \$ 6,463,163  | \$ 5,186,570 |
|   | -----   | -----        |
| Operating Expenses:                       |   |              |
| Operation -                               |   |              |
| Fuel, purchased and net interchange power | 3,881,251   | 2,606,432    |
| Other                                     | 859,293   | 871,633      |
| Maintenance                               | 282,812   | 268,402      |
| Depreciation                              | 246,608   | 254,519      |
| Amortization of regulatory assets, net    | 953,016   | 576,827      |
| Federal and state income taxes            | 211,344   | 235,206      |
| Taxes other than income taxes             | 249,990   | 249,557      |
| Gain on sale of utility plant             | (653,297)   | (308,914)    |
|   | -----   | -----        |
| Total operating expenses                  | 6,031,017   | 4,753,662    |
|   | -----   | -----        |
| Operating Income (Loss)                   | 432,146   | 432,908      |
|   | -----   | -----        |
| Other Income (Loss):                      |   |              |
| Gain related to Millstone sale            | 202,159   | -            |
| Gain/(Loss) on share repurchase contracts | (35,394)  | -            |
| Nuclear related costs                     | -   | (86,754)     |
| Other, net                                | 21,181  | (28,671)     |
| Minority interest in loss of subsidiary   | (7,750)   | (9,300)      |
| Income taxes                              | (10,246)  | 90,787       |
|   | -----   | -----        |
| Other income (loss), net                  | 169,950   | (33,938)     |
|   | -----   | -----        |
| Income before interest charges            | 602,096   | 398,970      |
|   | -----   | -----        |



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|  |             |             |
|--|-------------|-------------|
| Interest Charges:  |             |             |
| Interest on long-term debt   | 198,244     | 233,451     |
| Other interest, net  | 93,391      | 43,636      |
|  | -----       | -----       |
| Interest charges, net  | 291,635     | 277,087     |
|  | -----       | -----       |
| Income after interest charges  | 310,461     | 121,883     |
| Preferred Dividends of Subsidiaries  | 10,631      | 19,546      |
|  | -----       | -----       |
| Income before extraordinary loss and<br>cumulative effect of accounting changes,<br>net of taxes | 299,830     | 102,337     |
| Extraordinary (loss), net of tax benefits<br>of \$169,562  | (233,881)   | -           |
| Cumulative effect of accounting changes, net<br>of tax benefits of \$ 14,908                     | (22,432)    | -           |
|  | -----       | -----       |
| Net Income   | \$ 43,517   | \$ 102,337  |
|  | =====       | =====       |
| Fully Diluted Earnings (Loss) Per Common Share:  |             |             |
| Income before extraordinary loss and<br>cumulative effect of accounting changes                  | \$ 2.12     | \$ 0.75     |
| Extraordinary (loss), net of taxes   | (1.65)      | -           |
| Cumulative effect of accounting changes,<br>net of taxes   | (0.16)      | -           |
|  | -----       | -----       |
| Total Fully Diluted Earnings<br>Per Common Share   | \$ 0.31     | \$ 0.75     |
|  | =====       | =====       |
| Common Shares Outstanding (fully diluted)  | 141,669,477 | 136,108,723 |
|  | =====       | =====       |

The data contained in this report is preliminary and is unaudited. This report is being submitted for the sole purpose of providing information to present shareholders about the Northeast Utilities System and is not a representation, prospectus, or intended for use in connection with any purchase or sale of securities.

Northeast Utilities and Subsidiaries  
Consolidated Balance Sheets

|  | June 30,               |              |
|--|------------------------|--------------|
|  | 2001                   | 2000         |
|  | (Thousands of Dollars) |              |
| ASSETS                                       |                        |              |
| Utility Plant, at cost:                      |                        |              |
| Electric                                     | \$ 5,988,999           | \$ 9,282,584 |
| Gas and other                                | 863,859                | 842,077      |
|  | -----                  | -----        |
|  | 6,852,858              | 10,124,661   |
| Less: Accumulated provision for depreciation | 3,435,530              | 6,431,583    |
|  | -----                  | -----        |

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|   |              |              |
|---|--------------|--------------|
|   | 3,417,328    | 3,693,078    |
| Unamortized PSNH acquisition costs                              | -            | 310,228      |
| Construction work in progress                                   | 222,884      | 183,916      |
| Nuclear fuel, net   | 26,038       | 124,262      |
|   | -----        | -----        |
| Total net utility plant   | 3,666,250    | 4,311,484    |
|   | -----        | -----        |
| Other Property and Investments:                                 |              |              |
| Nuclear decommissioning trusts, at market                       | 59,903       | 739,107      |
| Investments in regional nuclear generating companies, at equity | 59,442       | 81,849       |
| Other, at cost  | 192,345      | 119,318      |
|   | -----        | -----        |
|   | 311,690      | 940,274      |
|   | -----        | -----        |
| Current Assets:   |              |              |
| Cash and cash equivalents                                       | 197,646      | 301,636      |
| Investments in securitizable assets                             | 40,599       | 65,929       |
| Receivables, net  | 784,053      | 488,432      |
| Unbilled revenues   | 85,909       | 87,913       |
| Fuel, materials, and supplies, at average cost                  | 102,583      | 171,566      |
| Recoverable energy costs, net - current portion                 | 52           | 108,305      |
| Prepayments and other   | 178,217      | 171,456      |
|   | -----        | -----        |
|   | 1,389,059    | 1,395,237    |
|   | -----        | -----        |
| Deferred Charges:   |              |              |
| Regulatory assets   | 4,077,781    | 3,494,765    |
| Goodwill and other purchased intangible assets                  | 325,846      | 336,570      |
| Unamortized debt expense  | 25,632       | 36,480       |
| Prepaid pensions  | 190,145      | 93,260       |
| Other   | 174,305      | 154,173      |
|   | -----        | -----        |
|   | 4,793,709    | 4,115,248    |
|   | -----        | -----        |
| Total Assets  | \$10,160,708 | \$10,762,243 |
|   | =====        | =====        |

June 30,  
2001                      2000  
(Thousands of Dollars)

CAPITALIZATION AND LIABILITIES

Capitalization:

Common shareholders' equity:

Common shares, \$5.00 par value - authorized  
225,000,000 shares; 148,888,790 shares issued and  
133,864,193 shares outstanding in 2001 and  
148,680,841 shares issued and 143,455,129 shares  
outstanding in 2000

Capital surplus, paid in

Deferred contribution plan - employee stock  
ownership plan

Retained earnings

Accumulated other comprehensive income

|    |           |    |           |
|----|-----------|----|-----------|
| \$ | 744,444   | \$ | 743,404   |
|    | 902,562   |    | 1,102,334 |
|    | (108,122) |    | (121,381) |
|    | 610,248   |    | 639,973   |
|    | (26,470)  |    | 1,524     |
|    | -----     |    | -----     |

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|   |              |              |
|---|--------------|--------------|
| Total common shareholders' equity                       | 2,122,662    | 2,365,854    |
| Preferred stock not subject to mandatory redemption     | 116,200      | 136,200      |
| Preferred stock subject to mandatory redemption         | -            | 15,000       |
| Long-term debt  | 1,930,142    | 2,211,019    |
|   | -----        | -----        |
| Total capitalization                                    | 4,169,004    | 4,728,073    |
|   | -----        | -----        |
| Rate Reduction Bonds                                    | 2,118,400    | -            |
|   | -----        | -----        |
| Minority Interest in Consolidated Subsidiaries          | -            | 100,000      |
|   | -----        | -----        |
| Obligations Under Capital Leases                        | 17,180       | 60,220       |
|   | -----        | -----        |
| Current Liabilities:                                    |              |              |
| Notes payable to banks                                  | 455,400      | 1,104,000    |
| Long-term debt and preferred stock -<br>current portion | 24,365       | 479,834      |
| Obligations under capital leases -<br>current portion   | 931          | 111,496      |
| Accounts payable  | 685,485      | 547,509      |
| Accrued taxes   | 83,032       | 142,890      |
| Accrued interest  | 55,899       | 37,050       |
| Other   | 120,409      | 109,502      |
|   | -----        | -----        |
|   | 1,425,521    | 2,532,281    |
|   | -----        | -----        |
| Deferred Credits:                                       |              |              |
| Accumulated deferred income taxes                       | 1,447,536    | 1,699,169    |
| Accumulated deferred investment tax credits             | 126,422      | 142,359      |
| Decommissioning obligation - Millstone 1                | -            | 662,209      |
| Deferred contractual obligations                        | 228,701      | 326,582      |
| Other   | 627,944      | 511,350      |
|   | -----        | -----        |
|   | 2,430,603    | 3,341,669    |
|   | -----        | -----        |
| Total Capitalization and Liabilities                    | \$10,160,708 | \$10,762,243 |
|   | =====        | =====        |

The data contained in this report is preliminary and is unaudited. This report is being submitted for the sole purpose of providing information to present shareholders about the Northeast Utilities System and is not a representation, prospectus, or intended for use in connection with any purchase or sale of securities.