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NORTHEAST UTILITIES SYSTEM
Form U5S
April 26, 2002

Commission File Number: 30-246

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549-1004

FORM U5S

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2001

Filed pursuant to the Public Utility Holding Company Act of 1935 by

NORTHEAST UTILITIES

174 Brush Hill Avenue, West Springfield, Massachusetts 01090-0010

(Corporate Address)

Selden Street, Berlin, Connecticut 06037-1616

(Principal Headquarters)

NORTHEAST UTILITIES

FORM U5S ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2001

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ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001

| Name of Company ----- | No. of Common Shares Owned ----- | % of Voting Power ----- |
|--|--|-------------------------------|
| Name of Owner ----- | | |
| Northeast Utilities (NU) (1) | | |
| Name of Issuer ----- | | |
| The Connecticut Light and Power Company (CL&P) (2) (3) * | 7,584,884 | 100% |
| Public Service Company of New Hampshire (PSNH) (2) (3) * | 388 | 100 |
| Western Massachusetts Electric Company (WMECO) (2) (3) * | 509,696 | 100 |
| North Atlantic Energy Corporation (NAEC) (3) | 224 | 100 |
| Holyoke Water Power Company (HWP) (3) * | 480,000 | 100 |
| Northeast Utilities Service Company (NUSCO) (4) | 1 | 100 |
| Northeast Nuclear Energy Company (NNECO) (5) | 1,500 | 100 |
| North Atlantic Energy Service Corporation (NAESCO) (6) | 1,000 | 100 |
| The Quinnehtuk Company (7) | 3,500 | 100 |
| The Rocky River Realty Company (RRR) (7) | 100 | 100 |
| Yankee Energy System, Inc. (YES) | 1,000 | 100 |
| Charter Oak Energy, Inc. (COE) (9) * | 100 | 100 |
| NU Enterprises, Inc. (NUEI) | 89 | 100 |

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ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001
(CONTINUED)

| Name of Company | Issuer Book Value | Owner's Book Value |
|---|----------------------|-----------------------|
| Name of Owner | (000's) | (000's) |
| Northeast Utilities (NU) (1) | | |
| Name of Issuer | | |
| ----- | | |
| The Connecticut Light and Power Company (CL&P) (2) (3) * | \$ 776,835 | \$ 776,835 |
| Public Service Company of New Hampshire (PSNH) (2) (3) * | 341,825 | 341,825 |
| Western Massachusetts Electric Company (WMECO) (2) (3) * | 150,447 | 150,447 |
| North Atlantic Energy Corporation (NAEC) (3) | 34,993 | 34,993 |
| Holyoke Water Power Company (HWP) (3) * | 7,162 | 7,162 |
| Northeast Utilities Service Company (NUSCO) (4) | 1 | 1 |
| Northeast Nuclear Energy Company (NNECO) (5) | 16,095 | 16,095 |
| North Atlantic Energy Service Corporation (NAESCO) (6) | 14 | 14 |
| The Quinnehtuk Company (7) | (2,587) | (2,587) |
| The Rocky River Realty Company (RRR) (7) | 684 | 684 |
| Yankee Energy System, Inc. (YES) | 508,573 | 508,573 |
| Charter Oak Energy, Inc. (COE) (9) * | 11,797 | 11,797 |
| NU Enterprises, Inc. (NUEI) | 116,394 | 116,394 |

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ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001

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(CONTINUED)

| Name of Company ----- Name of Owner ----- | No. of Common Shares Owned ----- | % of Voting Power ----- |
|---|--|-------------------------------|
| The Connecticut Light and Power Company (2) (3)*** | | |
| Name of Issuer ----- | | |
| CL&P Receivables Corporation (CRC) | 100 | 100 |
| CL&P Capital, L.P. | -- | 100 |
| CL&P Funding LLC (10) | -- | 100 |
| Name of Owner ----- | | |
| Public Service Company of New Hampshire (2) (3) | | |
| Name of Issuer ----- | | |
| Properties, Inc. (7) | 200 | 100 |
| PSNH Funding LLC (11) | -- | 100 |
| PSNH Funding LLC 2 (12) | -- | 100 |
| Name of Owner ----- | | |
| Western Massachusetts Electric Company (2) (3) | | |
| Name of Issuer ----- | | |
| WMECO Funding LLC (13) | -- | 100 |

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ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001
(CONTINUED)

| Name of Company ----- Name of Owner ----- | Issuer Book Value ----- (000's) | Owner's Book Value ----- (000's) |
|--|--|---|
| The Connecticut Light and | | |

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Power Company (2) (3)***

Name of Issuer

| | | |
|------------------------------------|------------|------------|
| CL&P Receivables Corporation (CRC) | \$ 111,887 | \$ 111,887 |
| CL&P Capital, L.P. | -- | -- |
| CL&P Funding LLC (10) | 7,193 | 7,193 |

Name of Owner

Public Service Company of New Hampshire (2) (3)

Name of Issuer

| | | |
|-------------------------|-------|-------|
| Properties, Inc. (7) | 5,220 | 5,220 |
| PSNH Funding LLC (11) | 3,126 | 3,126 |
| PSNH Funding LLC 2 (12) | 1 | 1 |

Name of Owner

Western Massachusetts Electric Company (2) (3)

Name of Issuer

| | | |
|------------------------|-----|-----|
| WMECO Funding LLC (13) | 776 | 776 |
|------------------------|-----|-----|

ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001
(CONTINUED)

Name of Company

Name of Owner

No. of Common
Shares Owned

% of
Voting Power

Holyoke Water Power Company (3)

Name of Issuer

| | | |
|---|-------|-----|
| Holyoke Power and Electric Company (HP&E) | 4,850 | 100 |
|---|-------|-----|

Name of Owner

Charter Oak Energy, Inc. (9)

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Name of Issuer

| | | |
|------------------------------|-----|-----|
| COE Development Corporation | 100 | 100 |
| COE Argentina II Corporation | 100 | 100 |
| COE Ave Fenix Corporation | 100 | 100 |

Name of Owner

Select Energy Services, Inc.

Name of Issuer

| | | |
|---|-----|-----|
| Select Energy Contracting, Inc. | 100 | 100 |
| HEC Energy Consulting Canada, Inc. (17) | 100 | 100 |
| Reeds Ferry Supply Co., Inc. | 100 | 100 |
| HEC/Tobyhanna Energy Project, Inc. | 100 | 100 |

Name of Owner

Northeast Generation Services Company

Name of Issuer

| | | |
|---------------------------|-----|-----|
| NGS Mechanical, Inc. (15) | 100 | 100 |
| E. S. Boulos Company (14) | 100 | 100 |

ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001
(CONTINUED)

Name of Company

Name of Owner

| | |
|--|---|
| Issuer Book Value ----- (000's) | Owner's Book Value ----- (000's) |
|--|---|

Holyoke Water Power Company (3)

Name of Issuer

| | | |
|---|--------|--------|
| Holyoke Power and Electric Company (HP&E) | \$ 181 | \$ 181 |
|---|--------|--------|

Name of Owner

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Charter Oak Energy, Inc. (9)

Name of Issuer

| | | |
|------------------------------|--------|--------|
| COE Development Corporation | 1,087 | 1,087 |
| COE Argentina II Corporation | 29 | 29 |
| COE Ave Fenix Corporation | 12,003 | 12,003 |

Name of Owner

Select Energy Services, Inc.

Name of Issuer

| | | |
|---|--------|--------|
| Select Energy Contracting, Inc. | 15,664 | 15,664 |
| HEC Energy Consulting Canada, Inc. (17) | -- | -- |
| Reeds Ferry Supply Co., Inc. | (42) | (42) |
| HEC/Tobyhanna Energy Project, Inc. | 226 | 226 |

Name of Owner

Northeast Generation Services Company

Name of Issuer

| | | |
|---------------------------|--------|--------|
| NGS Mechanical, Inc. (15) | 9 | 9 |
| E.S. Boulos Company (14) | 10,945 | 10,945 |

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ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001
(CONTINUED)

Name of Company

Name of Owner

No. of Common
Shares Owned

% of
Voting Power

NU Enterprises, Inc.

Name of Issuer

| | | |
|------------------------------------|---|-----|
| Northeast Generation Company (NGC) | 6 | 100 |
|------------------------------------|---|-----|

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| | | |
|---|-------|-----|
| Northeast Generation Services Company (NGS) | 100 | 100 |
| Select Energy Portland Pipeline, Inc. (SEPPPI) | 100 | 100 |
| Select Energy, Inc. (Select Energy) | 100 | 100 |
| Mode 1 Communications, Inc. (Mode 1) | 100 | 100 |
| Select Energy Services, Inc. (SES)* | 1,700 | 100 |

Name of Company

Name of Owner

Yankee Energy System, Inc.

Name of Issuer

| | | |
|---|-------|-----|
| Yankee Gas Services Company (Yankee Gas) | 1,000 | 100 |
| NorConn Properties, Inc. (NorConn) (7) (8) | 100 | 100 |
| Housatonic Corporation (Housatonic) | 100 | 100 |
| Yankee Energy Financial Services (YESCO) | 200 | 100 |
| Yankee Energy Services Company (YESCO) | 200 | 100 |
| R.M. Services, Inc. (RMS) (8) | 0 | 0 |

Name of Company

Name of Owner

Select Energy, Inc.

Name of Issuer

| | | |
|-------------------------------------|--------|-----|
| Select Energy New York, Inc. (SENY) | 10,000 | 100 |
|-------------------------------------|--------|-----|

ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001
(CONTINUED)

Name of Company

Name of Owner

Issuer
Book Value

(000's)

Owner's
Book Value

(000's)

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NU Enterprises, Inc.

Name of Issuer

| | | |
|--|-----------|-----------|
| Northeast Generation Company (NGC) | \$ 12,951 | \$ 12,951 |
| Northeast Generation Services Company (NGS) | 13,605 | 13,605 |
| Select Energy Portland Pipeline, (SEPPPI) Inc. | 447 | 447 |
| Select Energy, Inc. (Select Energy) | 22,067 | 22,067 |
| Mode 1 Communications, Inc. (Mode 1) | 24,720 | 24,720 |
| Select Energy Services, Inc. (SES)* | 27,831 | 27,831 |

Name of Company

Name of Owner

Yankee Energy System, Inc.

Name of Issuer

| | | |
|---|---------|---------|
| Yankee Gas Services Company (Yankee Gas) | 491,793 | 491,793 |
| NorConn Properties, Inc. (NorConn) (7) | 327 | 327 |
| Housatonic Corporation (Housatonic) | (626) | (626) |
| Yankee Energy Financial Services (YEFSCO) | 1,431 | 1,431 |
| Yankee Energy Services Company (YESCO) | 6,231 | 6,231 |
| R.M. Services, Inc. (RMS) (8) | 13,333 | 13,333 |

Name of Company

Name of Owner

Select Energy, Inc. (Select Energy)

Name of Issuer

| | | |
|-------------------------------------|-------|-------|
| Select Energy New York, Inc. (SENY) | 5,892 | 5,892 |
|-------------------------------------|-------|-------|

* Consolidated.

** Inactive.

*** Exempt holding company - see Commission Release Nos. 13048 and 14947.

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ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001 (CONTINUED)

- (1) For information regarding NU's investment in the hydro-transmission companies, see Note A to Item 1.
- (2) For information regarding CL&P's, PSNH's and WMECO's investment in regional nuclear generating companies, see Note A to Item 1.
- (3) Electric utility operating subsidiary.
- (4) Service company which provides support services for the NU system companies.
- (5) Prior to the sale of the Millstone nuclear plant to a subsidiary of Dominion Resources, Inc. on March 31, 2001, agent for the NU system companies and other New England utilities in operating Millstone. Now inactive.
- (6) Agent for the joint owners in operating the Seabrook nuclear facility.
- (7) Subsidiary which constructs, acquires or leases some of the property and facilities used by one or more of the system companies.
- (8) On June 30, 2001, R. M. Services was sold to a management group, and YES exchanged its 100 percent common stock ownership for preferred securities having a 10 percent common stock equivalent voting interest.
- (9) Directly and through its subsidiaries, COE formerly developed and invested in cogeneration, small power production and other forms of nonutility generation and in exempt wholesale generators and foreign utility companies, as permitted under the Energy Policy Act of 1992. Now inactive.
- (10) CL&P Funding LLC (CL&P Funding) is a special purpose limited liability company whose sole member is CL&P. CL&P Funding was formed on January 3, 2001, under the laws of the State of Delaware, to effect the issuance of rate reduction bonds (RRBs or notes) intended to finance certain of CL&P's stranded costs.
- (11) PSNH Funding LLC (PSNH Funding) is a special purpose limited liability company whose sole member is PSNH. PSNH Funding is a wholly owned subsidiary of PSNH, which is a wholly owned subsidiary of Northeast Utilities. PSNH Funding was formed on January 24, 2001, under the laws of the State of Delaware, to effect the issuance of rate reduction bonds (RRBs) intended to finance certain of PSNH's stranded costs.
- (12) PSNH Funding LLC 2 (PSNH Funding 2) is a special purpose limited liability company whose sole member is PSNH. PSNH Funding was formed on December 10, 2001, under the laws of the State of Delaware, to effect

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the issuance of additional RRBs intended to finance certain of PSNH's stranded costs.

- (13) WMECO Funding LLC (WMECO Funding) is a special purpose limited liability company whose sole member is WMECO. WMECO Funding is a wholly owned subsidiary of WMECO, which is a wholly owned subsidiary of Northeast Utilities. WMECO Funding was formed on March 28, 2001, under the laws of

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the State of Delaware, to effect the issuance of rate reduction bonds (RRBs or notes) intended to finance certain of WMECO's transition costs.

- (14) On January 19, 2001, NGS completed the acquisition of Boulos, an electrical construction company which specializes in high voltage electrical construction and maintenance in Maine, Massachusetts, New Hampshire, and Vermont. Boulos is wholly owned by NGS.
- (15) In January 2001, NGS formed a new subsidiary, NGS Mechanical, Inc., to provide mechanical services initially in certain New England states and New York. NGS Mechanical is wholly owned by NGS.
- (16) On November 30, 2001, Select Energy acquired NMEM for \$31.7 million. This business was subsequently renamed SENY. SENY is a wholly owned subsidiary of Select Energy and engages in the brokering, marketing, transportation, storage, and sale of energy commodities in the state of New York.
- (17) Dissolved December 31, 2001.

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ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001 (CONTINUED)

Note A: The following are CL&P's, PSNH's and WMECO's total investments in regional nuclear generating companies and NU's investments in New England Hydro-Transmission Electric Company, Inc. and New England Hydro-Transmission Corporation:

| Name of Owner | Name of Issuer | No. of Common Shares Owned | % of Voting Power |
|--|----------------|-------------------------------------|----------------------------|
| The Connecticut Light and Power Company: | | | |
| Connecticut Yankee Atomic Power Co. (b) | | 120,750 | 34.5% |
| Maine Yankee Atomic Power Co. (b) | | 50,976 | 12.0 |
| Vermont Yankee Nuclear Power Corp. (c) (d) | | 37,242 | 10.1 |
| Yankee Atomic Electric Co. (b) | | 1,879 | 24.5 |
| Public Service Company of New Hampshire: | | | |
| Connecticut Yankee Atomic Power Co. (b) | | 17,500 | 5.0 |
| Maine Yankee Atomic Power Co. (b) | | 21,240 | 5.0 |
| Vermont Yankee Nuclear Power Corp. (c) (d) | | 15,681 | 4.3 |
| Yankee Atomic Electric Co. (b) | | 537 | 7.0 |
| Western Massachusetts Electric Company: | | | |
| Connecticut Yankee Atomic Power Co. (b) | | 33,250 | 9.5 |
| Maine Yankee Atomic Power Co. (b) | | 12,744 | 3.0 |
| Vermont Yankee Nuclear Power Corp. (c) (d) | | 9,800 | 2.6 |
| Yankee Atomic Electric Co. (b) | | 537 | 7.0 |

Total System Investment:

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| | | |
|--|---------|------|
| Connecticut Yankee Atomic Power Co. (b) | 171,500 | 49.0 |
| Maine Yankee Atomic Power Co. (b) | 84,960 | 20.0 |
| Vermont Yankee Nuclear Power Corp. (c) (d) | 62,723 | 17.0 |
| Yankee Atomic Electric Co. (b) | 2,953 | 38.5 |

Northeast Utilities:

| | | |
|--|---------|-------|
| New England Hydro-Transmission Electric Company, Inc. | 906,324 | 22.66 |
| New England Hydro-Transmission Corp. | 4,871 | 22.66 |

- (b) Yankee Atomic Electric Co.'s, Connecticut Yankee Atomic Power Co.'s and Maine Yankee Atomic Power Co.'s nuclear power plants were shut down permanently on February 26, 1992, December 4, 1996, and August 6, 1997, respectively.
- (c) In August 2001, Vermont Yankee Nuclear Power Corporation announced it would sell the unit to an unaffiliated company for \$180 million,

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including \$145 million for the plant and materials and supplies and \$35 million for the nuclear fuel. The sale requires several regulatory approvals and is scheduled to close during the first half of 2002.

- (d) The ownership interests of CL&P, PSNH and WMECO in VYNPC increased slightly in early 2002 when VYNPC redeemed the stock owned by certain Vermont municipal electric systems which had previously owned about five percent of VYNPC's stock.

ITEM 2. ACQUISITIONS OR SALES OF UTILITY ASSETS

On March 31, 2001, CL&P and WMECO consummated the sale of Millstone 1 and 2 to a subsidiary of Dominion Resources, Inc., Dominion Nuclear Connecticut, Inc. (DNCCI). CL&P, PSNH and WMECO sold their ownership interests in Millstone 3 to DNCCI. This sale included all of the respective joint ownership interests of CL&P, PSNH and WMECO in Millstone 3. The NU system received approximately \$1.2 billion of cash proceeds from the sale.

In April 2001, CL&P sold its South Meadow Generating Station for total consideration of \$10.4 million.

In April 2001, Properties Inc. sold its March Avenue building for total consideration of \$5.8 million.

In December 2001, Holyoke Water Power Company sold its hydro generating units and distribution facilities for total consideration of \$17.5 million.

In December 2001, CL&P sold its Simsbury Service Center building for total consideration of \$7.2 million.

ITEM 3. ISSUE, SALE, PLEDGE, GUARANTEE OR ASSUMPTION OF SYSTEM SECURITIES

Descriptions of transactions involving the issue, sale, pledge, guarantee, or assumption of system securities, including short-term borrowings, have been filed pursuant to Rule 24, with the exception of certain NU guarantees incident to the procurement of surety bonds and the issue of certain securities, as described below.

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In the ordinary course of their businesses, the NU subsidiary companies are required to provide surety or performance bonds. From time to time, NU guarantees the payment of such a bond by its subsidiary through the indemnification of the surety company or agency which has agreed to provide the bond. NU's guarantee of these surety bonds is exempt from the provisions of Section 12(b) of the Public Utility Holding Company Act of 1935, pursuant to Rule 45(b)(6) thereunder. As of December 31, 2001, NU had \$9.3 million of such guarantees outstanding, which was the highest amount outstanding during 2001.

In addition, information relating to the following issuances has been filed on Form U-6B-2 in accordance with Rule 52:

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1. On February 6, 2001, HWP, the Massachusetts Industrial Finance Agency and Bay Bank as trustee, amended the 1992 Letter of Agreement between the parties, extending the expiration date to December 31, 2001. Form U-6B-2 for this transaction was filed on February 16, 2001.

2. On October 10, 2001, CL&P, The Bank of New York and certain participating banks therein amended the Standby Bond Purchase Agreement dated October 24, 2000 to extend its expiration date to October 22, 2002. Form U-6B-2 for this transaction was filed on October 22, 2001.

3. PSNH, The Business Finance Authority of the State of New Hampshire, and State Street Bank and Trust Company, as Trustee entered into a Series A Loan and Trust Agreement, a Series B Loan and Trust Agreement and a Series C Loan and Trust Agreement, each dated as of October 1, 2001. The proceeds of the 2001 Series A Bonds will be used to refund the outstanding balance of the Authority's \$66,000,000 7.65% Pollution Control Revenue Bonds (Public Service Company of New Hampshire Project - 1991 Tax Exempt Series A) and a portion of the outstanding balance of the Authority's \$112,500,000 7.65% Pollution Control Revenue Bonds (Public Service Company of New Hampshire Project - 1991 Tax Exempt Series C) (the "1991 Series C Bonds"). The proceeds of the 2001 Series B Bonds will be used to refund the remaining balance of the 1991 Series C Bonds. The proceeds of the 2001 Series C Bonds will be used to refund the outstanding balance of the Authority's \$108,985,000 7 1/2% Pollution Control Revenue Bonds (Public Service Company of New Hampshire Project - 1991 Tax Exempt Series B). Form U-6B-2 for this transaction was filed on December 27, 2001.

ITEM 4. ACQUISITION, REDEMPTION OR RETIREMENT OF SYSTEM SECURITIES (1)

| Name of Issuer and Title of Issue | No. of Shares or Principal Amount | Amounts Acquired Consideration |
|---|---|-----------------------------------|
| Public Service Company of New Hampshire | | |
| Pollution Control Bonds - | | |
| 1.55% Series A | \$ 89,250,000 | \$ 89,250,000 |
| 1.55% Series B | 89,250,000 | 89,250,000 |
| 5.45% Series C | 108,985,000 | 108,985,000 |
| | \$287,485,000 | \$287,485,000 |
| | ===== | ===== |

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NU Enterprises, Inc. (Consolidated)

| | | |
|------------------------|---------------|---------------|
| First Mortgage Bonds - | | |
| 4.998% Series A | \$120,000,000 | \$120,000,000 |
| 8.812% Series B | 320,000,000 | 320,000,000 |
| | ----- | ----- |
| | \$440,000,000 | \$440,000,000 |
| | ===== | ===== |

NU Parent

| | | |
|--------------------------|---------------|---------------|
| Other Notes/Agreements - | | |
| Variable rate note | \$263,000,000 | \$263,000,000 |
| | ===== | ===== |

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ITEM 4. ACQUISITION, REDEMPTION OR RETIREMENT OF SYSTEM SECURITIES (1)
(CONTINUED)

| Name of Issuer and Title of Issue ----- | Amounts Retired/Debt Repayment ----- | |
|--|--|------------------------|
| | No. of Shares or Principal Amount ----- | Consideration ----- |
| The Connecticut Light and Power Company | | |
| First Mortgage Bonds - | | |
| 7.8750% Series A | \$160,000,000 | \$160,000,000 |
| 8.5000% Series C | 56,000,000 | 56,000,000 |
| 7.8750% Series D | 155,000 | 155,000 |
| 7.7500% Series C | 200,000,000 | 200,000,000 |
| | ----- | ----- |
| | \$416,155,000 | \$416,155,000 |
| | ===== | ===== |
| Western Massachusetts Electric Company | | |
| First Mortgage Bonds - | | |
| 7.3750% Series B | \$ 60,000,000 | \$ 60,000,000 |
| 7.7500% Series V | 40,000,000 | 40,000,000 |
| | ----- | ----- |
| | \$100,000,000 | \$100,000,000 |
| | ===== | ===== |
| Public Service Company of New Hampshire | | |
| Other Notes/Agreements - | | |
| 7.65% Series A | \$ 66,000,000 | \$ 66,000,000 |
| 7.50% Series B | 108,985,000 | 108,985,000 |
| 7.65% Series C | 112,500,000 | 112,500,000 |
| | ----- | ----- |
| | \$287,485,000 | \$287,485,000 |

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| | | |
|---------------------------------------|------------|------------|
| | ===== | ===== |
| NU Enterprises, Inc. (Consolidated) | | |
| Other Notes/Agreements - | | |
| 7.6300% First Union Bank/John Hancock | \$ 498,000 | \$ 498,000 |
| | ===== | ===== |

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ITEM 4. ACQUISITION, REDEMPTION OR RETIREMENT OF SYSTEM SECURITIES (1)
(CONTINUED)

| Name of Issuer and Title of Issue ----- | Amounts Retired/Debt Repayment | |
|--|--|------------------------|
| | No. of Shares or Principal Amount ----- | Consideration ----- |
| NU Parent | | |
| 8.58% Series A Note | \$ 15,000,000 | \$ 15,000,000 |
| 8.38% Series B Note | 6,000,000 | 6,000,000 |
| | ----- | ----- |
| | \$ 21,000,000 | \$ 21,000,000 |
| | ===== | ===== |
| The Rocky River Realty Company | | |
| Other Notes/Agreements - | | |
| 7.875% Installment Note (2) | \$ 1,060,000 | \$ 1,060,000 |
| 6.620% Mortgage Note | 84,977 | 84,977 |
| 8.810% Series A Note (3) | 1,078,315 | 1,078,315 |
| | ----- | ----- |
| | \$ 2,223,292 | \$ 2,223,292 |
| | ===== | ===== |
| North Atlantic Energy Corporation | | |
| First Mortgage Bonds - | | |
| 9.05% Series A | \$135,000,000 | \$135,000,000 |
| | ===== | ===== |
| Yankee Energy Systems, Inc. | | |
| First Mortgage Bonds - | | |
| 10.0700% Series AE | \$ 950,000 | \$ 950,000 |
| | ===== | ===== |
| Other Notes/Agreements | | |
| 6.2400% NorConn Properties, Inc. - Series A-B | \$ 100,000 | \$ 100,000 |
| | ===== | ===== |
| Holyoke Water Power Company | | |
| Pollution Control Bonds - | | |

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| | | |
|---------------|---------------|---------------|
| Variable rate | \$ 8,000,000 | \$ 8,000,000 |
| Variable rate | 15,300,000 | 15,300,000 |
| Variable rate | 15,000,000 | 15,000,000 |
| | ----- | ----- |
| | \$ 38,300,000 | \$ 38,300,000 |
| | ===== | ===== |

- (1) For acquisitions, redemptions or retirements of system securities, other than preferred stock, all transactions exempt pursuant to Rule 42(b)(2) or (4).
- (2) Unsecured.
- (3) Secured.

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ITEM 5. INVESTMENTS IN SECURITIES OF NONSYSTEM COMPANIES

| Name of Owner ----- | Name of Issuer ----- | Security Owned (1) ----- |
|---|-------------------------------------|------------------------------|
| Western Massachusetts Electric Company | Massachusetts Mutual Life Insurance | Note |
| Public Service Company of New Hampshire | Amoskeag Industries, Inc. | Stock |
| Northeast Utilities (Parent) | Connecticut Seed Ventures, Ltc. | Limited Partnership Interest |
| 11 Subsidiaries (2) | Various | Stock, Debentures and Notes |
| Mode 1 Communications, Inc. (3) | NEON Communications, Inc. | Stock and Notes |
| NU Enterprises, Inc. | Acumentrics Corporation | Stock |

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ITEM 5. INVESTMENTS IN SECURITIES OF NONSYSTEM COMPANIES (CONTINUED)

| Name of Owner ----- | Number of Shares ----- | % of Voting Power | Carrying Value to Owners ----- (000's) |
|--|---------------------------|-------------------|--|
| Western Massachusetts Electric Company | -- | -- | \$ 190 ===== |

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| | | | |
|--|---------------------------------------|-------|--------------------|
| Public Service Company of New Hampshire | 1,000 | -- | \$ 100 ===== |
| Northeast Utilities (Parent) | -- | -- | \$ 14 ===== |
| 11 Subsidiaries (2) | -- | -- | \$ 28,291 ===== |
| Mode 1 Communications, Inc. (3) | 4,124,038 and \$15 million note | 19.3% | \$ 11,176 ===== |
| | | | \$ 15,000 ===== |
| NU Enterprises, Inc. | 500,000 | 5% | \$ 10,000 ===== |

- (1) Recorded at cost on owners' books. Partnership interests are accounted for under the equity method of accounting.
- (2) CL&P, WMECO, HWP, The Quinnehtuk Company, NUSCO, NU Parent, PSNH, Yankee Energy System, NUEI, HEC and RRR.
- (3) NEON's 18 percent subordinated convertible notes are convertible into 2,500,000 additional shares of NEON. On a fully diluted basis, Mode 1's common share interest and convertible interest in NEON represent 14.1 percent and 8.6 percent of NEON's common stock, respectively.

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ITEM 6. OFFICERS AND DIRECTORS

Part I. As of December 31, 2001

1. The following is a list of the names and principal business addresses of the individuals who are Trustees of Northeast Utilities (NU), but who are not officers or directors of any other NU system company. The names of the officers and directors of system companies appear in Section 2 below.

Mr. Richard H. Booth
Hartford Steam Boiler Inspection
& Insurance Company
One State Street
Hartford, CT 06102

Cotton Mather Cleveland
Mather Associates
123 Main Street
P.O. Box 935
New London, NH 03257

Sanford Cloud, Jr.
The National Conference for
Community and Justice
475 Park Avenue South, 19th Floor
New York, NY 10016

Mr. James F. Cordes
c/o Northeast Utilities

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P. O. Box 270
Hartford, CT 06141-0270

E. Gail de Planque, Ph.D
c/o Northeast Utilities
P.O. Box 270
Hartford, CT 06141-0271

Raymond L. Golden
c/o Northeast Utilities
P.O. Box 270
Hartford, CT 06141-0270

Elizabeth T. Kennan
c/o Northeast Utilities
P. O. Box 270
Hartford, CT 06141-0270

Robert E. Patricelli
Women's Health USA, Inc.
22 Waterville Road
Avon, CT 06001

John F. Swope
c/o Northeast Utilities
P. O. Box 270
Hartford, CT 06141-0270

2. Following are the names of and positions held by the officers and directors of all system companies (excluding the Trustees of Northeast Utilities who are listed in Section 1 above).

19

NAMES OF SYSTEM COMPANIES WITH WHICH CONNECTED AS OF DECEMBER 31, 2001

| | NU | NUSCO |
|-------------------------|-----------------|---------------|
| Michael G. Morris | CHB, P, CEO, T | CH, P, CEO, D |
| Bruce D. Kenyon | PG | PG |
| John H. Forsgren | VC, EVP, CFO, T | EVP, CFO, D |
| Cheryl W. Grise | PU | PU, D |
| Gary D. Simon | | SVP |
| Kerry J. Kuhlman (1) | | |
| Gary A. Long (2) | | |
| Leon J. Olivier | | |
| Dennis E. Welch | | |
| Christopher L. Beschler | | |
| David H. Boguslawski | | VP |
| Gregory B. Butler | VP, S, GC | VP, S, GC |
| John B. Keane | | VP |
| Mary Jo Keating | | VP |
| Robert J. Kost | | |
| Jeffrey R. Kotkin | | VP |
| Stephen P. Laden | | VP |

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| | | |
|-----------------------------|---------|---------|
| Jean M. LaVecchia | | VP |
| John M MacDonald (2) | | |
| Keith R. Marvin | | VP, CIO |
| David R. McHale | VP, TRS | VP, TRS |
| Margaret L. Morton | | VP |
| William J. Nadeau (3) | | |
| John W. Noyes | | |
| Rodney O. Powell | | |
| Paul E. Ramsey (2) | | |
| John J. Roman | VP, C | VP, C |
| Lisa J. Thibdaue | | VP |
| Richard L. Tower | | |
| Roger C. Zaklukiewicz | | |
| Robert A. Bersak (2) | | |
| O. Kay Comendul | | |
| Thomas V. Foley (4) | | |
| Randy A. Shoop | | |
| John P. Stack | | |
| Patricia A. Wood (1) | | |
| John C. Collins (5) | | |
| Gerald Letendre (6) | | |
| Jane E. Newman (7) | | |
| James E. Byrne (8) | | |
| Paul J. McDonald (9) | | |
| Melinda M. Phelps (10) | | |
| E. Edward Booker (11) | | |
| Eileen S. Kraus (12) | | |
| John J. Rando (13) | | |
| Patricia M. Worthy (14) | | |
| William J. Quinlan | | |
| Christopher T. Burt (15) | | |
| David O. Taylor (15) | | |
| Murry K. Staples (16) | | |
| Gregory C. Picklesimer (16) | | |

20

| | | |
|-------------------------|------|------|
| | HP&E | HWP |
| Michael G. Morris | P, D | P, D |
| Bruce D. Kenyon | | |
| John H. Forsgren | | |
| Cheryl W. Grise | D | D |
| Gary D. Simon | | |
| Kerry J. Kuhlman | D | D |
| Gary A. Long | | |
| Leon J. Olivier | | |
| Dennis E. Welch | | |
| Christopher L. Beschler | | |
| David H. Boguslawski | D | D |
| Gregory B. Butler | | |
| John B. Keane | | |
| Mary Jo Keating | | |
| Robert J. Kost | | |
| Jeffrey R. Kotkin | | |
| Steven P. Laden | | |
| Jean M. LaVecchia | | |
| Keith R. Marvin | | |

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| | | |
|------------------------|---------|---------|
| John M. MacDonald | | |
| David R. McHale | VP, TRS | VP, TRS |
| Margaret L. Morton | | |
| William J. Nadeau | VP | VP |
| John W. Noyes | | |
| Rodney O. Powell | | |
| Paul E. Ramsey | | |
| John J. Roman | VP, C | VP, C |
| Lisa J. Thibdaue | | |
| Richard L. Tower | | |
| Roger C. Zaklukiewicz | VP | VP |
| Robert A. Bersak | | |
| O. Kay Comendul | S | S |
| Thomas V. Foley | CL | CL |
| Randy A. Shoop | | |
| John P. Stack | | |
| Patricia A. Wood | | |
| John C. Collins | | |
| Gerald Letendre | | |
| Jane E. Newman | | |
| James E. Byrne | | |
| Paul J. McDonald | | |
| Melinda M. Phelps | | |
| E. Edward Booker | | |
| Eileen S. Kraus | | |
| John J. Rando | | |
| Patricia M. Worthy | | |
| William J. Quinlan | | |
| Christopher T. Burt | | |
| David O. Taylor | | |
| Murry K. Staples | | |
| Gregory C. Picklesimer | | |

| | | | |
|-------------------------|-----------|-----------|------|
| | WMECO | Mode 1 | PI |
| Michael G. Morris | C, CEO, D | P, CEO, D | |
| Bruce D. Kenyon | | | |
| John H. Forsgren | D | D | |
| Cheryl W. Grise | D | | |
| Gary D. Simon | | D | |
| Kerry J. Kuhlman | P, COO, D | | |
| Gary A. Long | | | P, D |
| Leon J. Olivier | | | |
| Dennis E. Welch | | | |
| Christopher L. Beschler | | | |
| David H. Boguslawski | VP, D | | |
| Gregory B. Butler | | | |
| John B. Keane | | | |
| Mary Jo Keating | | | |
| Robert J. Kost | | | |
| Jeffrey R. Kotkin | | | |
| Steven P. Laden | | | |
| Jean M. LaVecchia | | | |
| Keith R. Marvin | | | |
| John M. MacDonald | | | |

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| | | | |
|------------------------|---------|---------|---------|
| David R. McHale | VP, TRS | VP, TRS | VP, TRS |
| Margaret L. Morton | | | |
| William J. Nadeau | | | |
| John W. Noyes | | VP | |
| Rodney O. Powell | | | |
| Paul E. Ramsey | | | VP, D |
| John J. Roman | VP, C | VP, C | VP, C |
| Lisa J. Thibdaue | | | |
| Richard L. Tower | | | |
| Roger C. Zaklukiewicz | VP | | |
| Robert A. Bersak | | | S, D |
| O. Kay Comendul | | S | |
| Thomas V. Foley | | | |
| Randy A. Shoop | | | |
| John P. Stack | | | |
| Patricia A. Wood | CL | | |
| John C. Collins | | | |
| Gerald Letendre | | | |
| Jane E. Newman | | | |
| James E. Byrne | D | | |
| Paul J. McDonald | D | | |
| Melinda M. Phelps | D | | |
| E. Edward Booker | | | |
| Eileen S. Kraus | | | |
| John J. Rando | | | |
| Patricia M. Worthy | | | |
| William J. Quinlan | | | |
| Christopher T. Burt | | | |
| David O. Taylor | | | |
| Murry K. Staples | | | |
| Gregory C. Picklesimer | | | |

22

| | | | |
|-------------------------|---------|---------|--|
| | Quinn. | RRR | |
| Michael G. Morris | | | |
| Bruce D. Kenyon | | | |
| John H. Forsgren | | | |
| Cheryl W. Grise | D | D | |
| Gary D. Simon | | | |
| Kerry J. Kuhlman | P, D | | |
| Gary A. Long | | | |
| Leon J. Olivier | | P, D | |
| Dennis E. Welch | | | |
| Christopher L. Beschler | | | |
| David H. Boguslawski | D | D | |
| Gregory B. Butler | | | |
| John B. Keane | | | |
| Mary Jo Keating | | | |
| Robert J. Kost | | | |
| Jeffrey R. Kotkin | | | |
| Steven P. Laden | | | |
| Jean M. LaVecchia | | | |
| Keith R. Marvin | | | |
| John M. MacDonald | | | |
| David R. McHale | VP, TRS | VP, TRS | |

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| | | |
|------------------------|-------|-------|
| Margaret L. Morton | | |
| William J. Nadeau | | |
| John W. Noyes | | |
| Rodney O. Powell | | D |
| Paul E. Ramsey | | |
| John J. Roman | VP, C | VP, C |
| Lisa J. Thibdaue | | |
| Richard L. Tower | | |
| Roger C. Zaklukiewicz | VP | VP |
| Robert A. Bersak | | |
| O. Kay Comendul | | S |
| Thomas V. Foley | | |
| Randy A. Shoop | | |
| John P. Stack | | |
| Patricia A. Wood | CL | |
| John C. Collins | | |
| Gerald Letendre | | |
| Jane E. Newman | | |
| James E. Byrne | | |
| Paul J. McDonald | | |
| Melinda M. Phelps | | |
| H. Edward Booker | | |
| Eileen S. Kraus | | |
| John J. Rando | | |
| Patricia M. Worthy | | |
| William J. Quinlan | | |
| Christopher T. Burt | | |
| David O. Taylor | | |
| Murry K. Staples | | |
| Gregory C. Picklesimer | | |

23

| | Conn Steam | Nutmeg Power |
|-------------------------|------------|--------------|
| Michael G. Morris | | |
| Bruce D. Kenyon | | |
| John H. Forsgren | | |
| Cheryl W. Grise | D | D |
| Gary D. Simon | | |
| Kerry J. Kuhlman | | |
| Gary A. Long | | |
| Leon J. Olivier | | |
| Dennis E. Welch | | |
| Christopher L. Beschler | | |
| David H. Boguslawski | P | P |
| Gregory B. Butler | | |
| John B. Keane | | |
| Mary Jo Keating | | |
| Robert J. Kost | | |
| Jeffrey R. Kotkin | | |
| Steven P. Laden | | |
| Jean M. LaVecchia | | |
| Keith R. Marvin | | |
| John M. MacDonald | | |
| David R. McHale | | |
| Margaret L. Morton | | |

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| | | |
|------------------------|------|------|
| William J. Nadeau | | |
| John W. Noyes | | |
| Rodney O. Powell | | |
| Paul E. Ramsey | | |
| John J. Roman | | |
| Lisa J. Thibdaue | | |
| Richard L. Tower | | |
| Roger C. Zaklukiewicz | | |
| Robert A. Bersak | | |
| O. Kay Comendul | S, D | S, D |
| Thomas V. Foley | | |
| Randy A. Shoop | TRS | TRS |
| John P. Stack | C | C |
| Patricia A. Wood | | |
| John C. Collins | | |
| Gerald Letendre | | |
| Jane E. Newman | | |
| James E. Byrne | | |
| Paul J. McDonald | | |
| Melinda M. Phelps | | |
| Eileen S. Kraus | | |
| John J. Rando | | |
| Patricia M. Worthy | | |
| H. Edward Booker | | |
| William J. Quinlan | D | D |
| Christopher T. Burt | | |
| David O. Taylor | | |
| Murry K. Staples | | |
| Gregory C. Picklesimer | | |

24

| | | |
|-------------------------|----------------|-------------|
| | CL&P Cap. (22) | YES |
| Michael G. Morris | | C, CEO, D |
| Bruce D. Kenyon | | |
| John H. Forsgren | | EVP, CFO, D |
| Cheryl W. Grise | | D |
| Gary D. Simon | | |
| Kerry J. Kuhlman | | |
| Gary A. Long | | |
| Leon J. Olivier | | |
| Dennis E. Welch | | P, COO, D |
| Christopher L. Beschler | | |
| David H. Boguslawski | | |
| Gregory B. Butler | | VP, S, GC |
| John B. Keane | | |
| Mary Jo Keating | | |
| Robert J. Kost | | |
| Jeffery R. Kotkin | | |
| Steven P. Laden | | |
| Jean M. LaVecchia | | |
| Keith R. Marvin | | |
| John M. MacDonald | | |
| David R. McHale | | VP, TRS |
| Margaret L. Morton | | |
| William J. Nadeau | | |

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| | |
|------------------------|-------|
| John W. Noyes | |
| Rodney O. Powell | |
| Paul E. Ramsey | |
| John J. Roman | VP, C |
| Lisa J. Thibdaue | |
| Richard L. Tower | |
| Roger C. Zaklukiewicz | |
| Robert A. Bersak | |
| O. Kay Comendul | |
| Thomas V. Foley | |
| Randy A. Shoop | |
| John P. Stack | |
| Patricia A. Wood | |
| John C. Collins | |
| Gerald Letendre | |
| Jane E. Newman | |
| James E. Byrne | |
| Paul J. McDonald | |
| Melinda M. Phelps | |
| E. Edward Booker | |
| Eileen S. Kraus | D |
| John J. Rando | D |
| Patricia M. Worthy | D |
| William J. Quinlan | |
| Christopher T. Burt | |
| David O. Taylor | |
| Murry K. Staples | |
| Gregory C. Picklesimer | |

25

| | YGSCO | YESCO |
|-------------------------|-------------|-------------|
| Michael G. Morris | C, CEO, D | C, CEO, D |
| Bruce D. Kenyon | | |
| John H. Forsgren | EVP, CFO, D | EVP, CFO, D |
| Cheryl W. Grise | | |
| Gary D. Simon | | |
| Kerry J. Kuhlman | | |
| Gary A. Long | | |
| Leon J. Olivier | | |
| Dennis E. Welch | P, COO, D | P, COO, D |
| Christopher L. Beschler | VP | |
| David H. Boguslawski | | |
| Gregory B. Butler | VP, S, GC | VP, S, GC |
| John B. Keane | | |
| Mary Jo Keating | | |
| Robert J. Kost | | |
| Jeffrey R. Kotkin | | |
| Steven P. Laden | | |
| Jean M. LaVecchia | | |
| Keith R. Marvin | | |
| John M. MacDonald | | |
| David R. McHale | VP, TRS | VP, TRS |
| Margaret L. Morton | | |
| William J. Nadeau | | |
| John W. Noyes | | |

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| | | |
|------------------------|-------|-------|
| Rodney O. Powell | | |
| Paul E. Ramsey | | |
| John J. Roman | VP, C | VP, C |
| Lisa J. Thibdaue | | |
| Richard L. Tower | | |
| Roger C. Zaklukiewicz | | |
| Robert A. Bersak | | |
| O. Kay Comendul | | |
| Thomas V. Foley | | |
| Randy A. Shoop | | |
| John P. Stack | | |
| Patricia A. Wood | | |
| John C. Collins | | |
| Gerald Letendre | | |
| Jane E. Newman | | |
| James E. Byrne | | |
| Paul J. McDonald | | |
| Melinda M. Phelps | | |
| E. Edward Booker | | |
| Eileen S. Kraus | | |
| John J. Rando | | |
| Patricia M. Worthy | | |
| William J. Quinlan | | |
| Christopher T. Burt | | |
| David O. Taylor | | |
| Murry K. Staples | | |
| Gregory C. Picklesimer | | |

26

| | | |
|-------------------------|-------------|-----|
| | YEMCO | RMS |
| Michael G. Morris | C, CEO, D | |
| Bruce D. Kenyon | | |
| John H. Forsgren | EVP, CFO, D | |
| Cheryl W. Grise | | |
| Gary D. Simon | | |
| Kerry J. Kuhlman | | |
| Gary A. Long | | |
| Leon J. Olivier | | |
| Dennis E. Welch | P, COO, D | |
| Christopher L. Beschler | | |
| David H. Boguslawski | | |
| Gregory B. Butler | VP, S, GC | |
| John B. Keane | | |
| Mary Jo Keating | | |
| Robert J. Kost | | |
| Jeffrey R. Kotkin | | |
| Steven P. Laden | | |
| Jean M. LaVecchia | | |
| Keith R. Marvin | | |
| John M. MacDonald | | |
| David R. McHale | VP, TRS | |
| Margaret L. Morton | | |
| William J. Nadeau | | |
| John W. Noyes | | |
| Rodney O. Powell | | |

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| | | |
|------------------------|-------|-----------|
| Paul E. Ramsey | | |
| John J. Roman | VP, C | |
| Lisa J. Thibdaue | | |
| Richard L. Tower | | |
| Roger C. Zaklukiewicz | | |
| Robert A. Bersak | | |
| O. Kay Comendul | | |
| Thomas V. Foley | | |
| Randy A. Shoop | | |
| John P. Stack | | |
| Patricia A. Wood | | |
| John C. Collins | | |
| Gerald Letendre | | |
| Jane E. Newman | | |
| James E. Byrne | | |
| Paul J. McDonald | | |
| Melinda M. Phelps | | |
| E. Edward Booker | | |
| Eileen S. Kraus | | |
| John J. Rando | | |
| Patricia M. Worthy | | |
| William J. Quinlan | | |
| Christopher T. Burt | | |
| David O. Taylor | | |
| Murry K. Staples | | P, CEO, D |
| Gregory C. Picklesimer | | S, TRS |

27

| | PSNH FUNDING (24) | PSNH FUNDING 2 (24) |
|-------------------------|-------------------|---------------------|
| Michael G. Morris | | |
| Bruce D. Kenyon | | |
| John H. Forsgren | | |
| Cheryl W. Grise | | |
| Gary D. Simon | | |
| Kerry J. Kuhlman | | |
| Gary A. Long | D, MC | D, MC |
| Leon J. Olivier | | |
| Dennis E. Welch | | |
| Christopher L. Beschler | | |
| David H. Boguslawski | | |
| Gregory B. Butler | | |
| John B. Keane | | |
| Mary Jo Keating | | |
| Robert J. Kost | | |
| Jeffrey R. Kotkin | | |
| Steven P. Laden | | |
| Jean M. LaVecchia | | |
| Keith R. Marvin | | |
| John M. MacDonald | | |
| David R. McHale | | |
| Margaret L. Morton | | |
| William J. Nadeau | | |
| John W. Noyes | | |
| Rodney O. Powell | | |
| Paul E. Ramsey | D, MC | D, MC |

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| | | |
|------------------------|----------|----------|
| John J. Roman | | |
| Lisa J. Thibdaue | | |
| Richard L. Tower | | |
| Roger C. Zaklukiewicz | | |
| Robert A. Bersak | | |
| O. Kay Comendul | S | S |
| Thomas V. Foley | | |
| Randy A. Shoop | P, D, MC | P, D, MC |
| John P. Stack | VP, TRS | VP, TRS |
| Patricia A. Wood | | |
| John C. Collins | | |
| Gerald Letendre | | |
| Jane E. Newman | | |
| James E. Byrne | | |
| Paul J. McDonald | | |
| Melinda M. Phelps | | |
| E. Edward Booker | | |
| Eileen S. Kraus | | |
| John J. Rando | | |
| Patricia M. Worthy | | |
| William J. Quinlan | | |
| Christopher T. Burt | D, MC | |
| David O. Taylor | D, MC | |
| Murry K. Staples | | |
| Gregory C. Picklesimer | | |

28

| | | |
|-----------------------------|-------|--------------|
| | COE | COE Argen II |
| Bruce D. Kenyon | P, D | P, D |
| Dennis G. Morrisette (17) | | |
| William W. Schivley | | |
| Ted C. Feigenbaum (18) | | |
| James B. Redden (19) | | |
| Armando J. Barone (17) | | |
| Joseph F. Bellefeuille (17) | | |
| Paul J. Bohonowicz (17) | | |
| H. Donald Burbank (19) | | |
| James J. Cifaratta | | |
| Richard J. Cohen | | |
| David S. Dayton (19) | | |
| Annette M. Durnack | | |
| Stephen J. Fabiani | | |
| Linda A. Jensen (19) | | |
| John B. Keane | | |
| Stephen E. Mehennitt | | |
| William J. Nadeau (3) | D | D |
| Marcus A. Overdyk | | |
| John W. Noyes | | |
| Frank P. Sabatino | VP, D | VP, D |
| Jeffrey M. Warren (17) | | |
| Carol L. Carver (19) | | |
| Christopher Fogarty (17) | | |
| Michelle D. Gouin | S | S |
| Frederic Lee Klein | | |
| Dennis R. Brown (3) | | |

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Thomas M. Driscoll
 Gene F. St. Pierre
 Richard H. Kacich
 Michael A. Paolella
 A. John StremLaw (20)
 Neil Petchers (21)
 Eileen Martinsky (21)
 Britta MacIntosh (19)
 Scott Silver (21)

29

| | | |
|------------------------|-------------|-------------|
| | COE Develop | SESI |
| Bruce D. Kenyon | P, D | |
| Dennis G. Morrissette | | |
| William W. Schivley | | CHB, D |
| Ted C. Feigenbaum | | |
| James B. Redden | | P, D |
| Armondo J. Barone | | |
| Joseph F. Bellefeuille | | |
| Paul J. Bohonowicz | | |
| H. Donald Burbank | | VP |
| James J. Cifaratta | | |
| Richard J. Cohen | | |
| David S. Dayton | | VP, D |
| Annette M. Durnack | | |
| Stephen J. Fabiani | | |
| Linda A. Jensen | | VP, TRS, CL |
| John B. Keane | | |
| Stephen E. Mehennitt | | |
| William J. Nadeau | D | |
| John W. Noyes | | |
| Marcus A. Overdyk | | |
| Frank P. Sabatino | VP, D | |
| Jeffrey M. Warren | | |
| Carol L. Carver | | |
| Christopher Fogarty | | |
| Michelle D. Gouin | S | |
| Frederic Lee Klein | | |
| Dennis R. Brown | | |
| Thomas M. Driscoll | | |
| Gene F. St. Pierre | | |
| Richard H. Kacich | | |
| Michael A. Paolella | | |
| A. John StremLaw | | |
| Neil Petchers | | |
| Eileen Martinsky | | |
| Britta MacIntosh | | |
| Scott Silver | | |

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| | ERI/HEC (26) | HTEP |
|------------------------|--------------|-------------|
| Bruce D. Kenyon | | |
| Dennis G. Morrisette | | |
| William W. Schivley | | |
| Ted C. Feigenbaum | | |
| James B. Redden | VC, MC | P, D |
| Armando J. Barone | | |
| Joseph F. Bellefeuille | | |
| Paul J. Bohonowicz | | |
| H. Donald Burbank | | |
| James J. Cifaratta | | |
| Richard J. Cohen | | |
| David S. Dayton | | D |
| Annette M. Durnack | | |
| Stephen J. Fabiani | | |
| Linda A. Jensen | TRS | VP, TRS, CL |
| John B. Keane | | |
| Steven E. Mehennitt | | |
| William J. Nadeau | | |
| John W. Noyes | | |
| Marcus A. Overdyk | | |
| Frank P. Sabatino | | |
| Jeffrey M. Warren | | |
| Carol L. Carver | | |
| Christopher Fogarty | | |
| Michelle D. Gouin | | |
| Frederic Lee Klein | | |
| Dennis R. Brown | | |
| Thomas M. Driscoll | | |
| A. John Stremlaw | | |
| Gene F. St. Pierre | | |
| Michael A. Paoletta | | |
| Richard H. Kacich | | |
| Neil Petchers | CH, MC | |
| Eileen Martinsky | S | |
| Britta MacIntosh | MC | |
| Scott Silver | MC | |

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| | NEI | NGC |
|------------------------|-------|------|
| Bruce D. Kenyon | P, D | P, D |
| Dennis G. Morrisette | | |
| William W. Schivley | VP, D | D |
| Ted C. Feigenbaum | | |
| James B. Redden | | |
| Armando J. Barone | | |
| Joseph F. Bellefeuille | | |
| Paul J. Bohonowicz | | |
| H. Donald Burbank | | |
| James J. Cifaratta | | |
| Richard J. Cohen | | |
| David S. Dayton | | |
| Annette M. Durnack | | |

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| | | |
|----------------------|-------|-------|
| Stephen J. Fabiani | | |
| Linda A. Jensen | | |
| John B. Keane | | |
| Stephen E. Mehennitt | | |
| William J. Nadeau | | VP, D |
| John W. Noyes | | |
| Marcus A. Overdyk | | |
| Frank P. Sabatino | VP, D | VP, D |
| Jeffrey M. Warren | | |
| Carol L. Carver | | |
| Christopher Fogarty | | |
| Michelle D. Gouin | S | S |
| Frederic Lee Klein | | |
| Dennis R. Brown | | |
| Thomas M. Driscoll | | |
| Gene F. St. Pierre | | |
| Richard H. Kacich | | |
| Michael A. Paolella | | |
| A. John Stremmlaw | | |
| Neil Petchers | | |
| Eileen Martinsky | | |
| Britta MacIntosh | | |
| Scott Silver | | |

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| | | |
|------------------------|-------------|-------------|
| | NAEC | NAESCO |
| Bruce D. Kenyon | P, CEO, D | P, CEO, D |
| Dennis G. Morrissette | | |
| William W. Schivley | | |
| Ted C. Feigenbaum | EVP, CNO, D | EVP, CNO, D |
| James B. Redden | | |
| Armando J. Barone | | |
| Joseph F. Bellefeuille | | |
| Paul J. Bohonowicz | | |
| H. Donald Burbank | | |
| James J. Cifaratta | | |
| Richard J. Cohen | | |
| David S. Dayton | | |
| Annette M. Durnack | | |
| Stephen J. Fabiani | | |
| Linda A. Jensen | | |
| John B. Keane | | |
| Stephen E. Mehennitt | | |
| William J. Nadeau | | |
| John W. Noyes | | |
| Marcus A. Overdyk | | |
| Frank P. Sabatino | | |
| Jeffrey M. Warren | | |
| Carol L. Carver | | |
| Christopher Fogarty | | |
| Michelle D. Gouin | S | S |
| Frederic Lee Klein | | |
| Dennis R. Brown | | |
| Thomas M. Driscoll | | |
| Gene F. St. Pierre | D | D |

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Richard M. Kacich
 Michael A. Paolella
 A. John Stremmlaw
 Neil Petchers
 Eileen Martinsky
 Britta MacIntosh
 Scott Silver

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| | | |
|------------------------|--------|-------|
| | Select | SEPMI |
| Bruce D. Kenyon | | P, D |
| Dennis G. Morrisette | | |
| William W. Schivley | P, D | D |
| Ted C. Feigenbaum | | |
| James B. Redden | | |
| Armando J. Barone | | |
| Joseph F. Bellefeuille | | |
| Paul J. Bohonowicz | | |
| H. Donald Burbank | | |
| James J. Cifaratta | | |
| Richard J. Cohen | | |
| David S. Dayton | | |
| Annette M. Durnack | | |
| Stephen J. Fabiani | VP, D | VP, D |
| Linda A. Jensen | | |
| John B. Keane | | |
| Stephen E. Mehennitt | | |
| William J. Nadeau | | VP, D |
| John W. Noyes | | |
| Marcus A. Overdyk | | |
| Frank P. Sabatino | SVP, D | |
| Jeffrey M. Warren | | |
| Carol L. Carver | | |
| Christopher Fogarty | | |
| Michelle D. Gouin | S | S |
| Frederic Lee Klein | | |
| Dennis R. Brown | | |
| Thomas M. Driscoll | | |
| Gene F. St. Pierre | | |
| Richard M. Kacich | | |
| Michael A. Paolella | | |
| A. John Stremmlaw | | |
| Neil Petchers | | |
| Eileen Martinsky | | |
| Britta MacIntosh | | |
| Scott Silver | | |

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ESB

NGSM

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| | | |
|------------------------|------------|------------|
| Bruce D. Kenyon | P, CEO, D | P, CEO, D |
| Dennis G. Morrissette | | |
| William W. Schivley | | |
| Ted C. Feigenbaum | | |
| James B. Redden | | |
| Armando J. Barone | | |
| Joseph F. Bellefeuille | | |
| Paul J. Bohonowicz | | |
| H. Donald Burbank | | |
| James J. Cifaratta | | |
| Richard J. Cohen | | |
| David S. Dayton | | |
| Annette M. Durnack | | |
| Stephen J. Fabiani | | |
| Linda A. Jensen | | |
| John B. Keane | | |
| Stephen E. Mehennitt | | |
| William J. Nadeau | VP, COO, D | VP, COO, D |
| John W. Noyes | | |
| Marcus A. Overdyk | | |
| Frank P. Sabatino | | |
| Jeffrey M. Warren | | |
| Carol L. Carver | | |
| Christopher Fogarty | | |
| Michelle D. Gouin | S | S |
| Frederic Lee Klein | | |
| Dennis R. Brown | | |
| Thomas M. Driscoll | D | |
| Gene F. St. Pierre | | |
| Richard M. Kacich | | |
| Michael A. Paolella | | D |
| A. John Stremmlaw | | |
| Neil Petchers | | |
| Eileen Martinsky | | |
| Britta MacIntosh | | |
| Scott Silver | | |

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The principal business address of the individuals listed above is 107 Selden Street, Berlin, Connecticut 06037, except as otherwise noted.

- (1) Principal business address is: Western Massachusetts Electric Company, 174 Brush Hill Avenue, West Springfield, Massachusetts 01089.
- (2) Principal business address is: Public Service Company of New Hampshire, 780 N. Commercial Street, Manchester, New Hampshire 03101.
- (3) Principal business address is: Northeast Generation Services Company, 273 Dividend Road, Rocky Hill, Connecticut 06067.
- (4) Principal business address is: Holyoke Water Power Company, 174 Brush Hill Avenue, West Springfield, Massachusetts 01089.
- (5) Mr. Collins' principal business address is: The Hitchcock Clinic, One Medical Center Drive, Lebanon, New Hampshire 03756.
- (6) Mr. Letendre's principal business address is: Diamond Casting & Machine

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Co., Inc., P.O. Box 420, Route 130, Hollis, New Hampshire 03049.

- (7) Ms. Newman's principal business address is: John F. Kennedy School of Government, Harvard University, 79 JFK Street, Cambridge, Massachusetts 02138.
 - (8) Mr. Byrne's principal business address is: Finneran, Byrne & Dreschler, L.L.P, Eastern Harbor Office Park, 50 Redfield Street, Boston, Massachusetts 02122.
 - (9) Mr. McDonald's principal business address is: 2205 Boston Road, N-128, Wilbraham, Massachusetts 01095.
 - (10) Ms. Phelps' principal business address is: Bulkley, Richardson and Gelinas, LLP, 1500 Main Street, Suite 2700, P. O. Box 15507, Springfield, Massachusetts 01115.
 - (11) Mr. Booker's principal business address is: AMACAR Group, 6525 Morrison Boulevard, Suite 318, Charlotte, North Carolina 28211
 - (12) Ms. Kraus' principal business address is: 209 Tunxis Road, West Hartford, Connecticut 06107.
 - (13) Mr. Rando's principal business address is: 165 Little Harbor Road, P. O. Box 2011, New Castle, New Hampshire 03854.
 - (14) Ms. Worthy's principal business address is: Howard University School of Law, 2900 Van Ness Street, N. W., Washington, D. C. 20008.
 - (15) Messrs. Burt and Taylor's principal business address is: Global Securitization Services, LLC, 114 West 47th Street, Suite 1715, New York, New York 10036.
 - (16) Principal business address is: R. M. Services, Inc., 222 Pitkin Street, East Hartford, Connecticut 06108.
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- (17) Principal business address is: Select Energy Contracting, Inc., 605 Front Street, Manchester, New Hampshire 03102.
 - (18) Principal business address is: North Atlantic Energy Service Corporation, 1 Lafayette Road, Route 1, Seabrook, New Hampshire 03874.
 - (19) Principal business address is: Select Energy Services, Inc., 24 Prime Parkway, Natick, Massachusetts 01760.
 - (20) Mr. Stremmlaw's principal business address is: 242 Simcoe Street, Niagra-on-the-Lake, Ontario Canada, L0S 1J0.
 - (21) Principal business address is: ERI Services, Inc., 350 Fairfield Avenue, Bridgeport, Connecticut 06604.
 - (22) CL&P Capital is a partnership in which CL&P serves as general partner.
 - (23) CLP Funding LLC is a Delaware limited liability company formed to issue rate reduction bonds. CL&P is the sole member.
 - (24) PSNH Funding LLC and PSNH Funding LLC2 are Delaware limited liability companies formed to issue rate reduction bonds. PSNH is the sole member of

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each.

- (25) WMECO Funding LLC is a Delaware limited liability company formed to issue rate reduction bonds. WMECO is the sole member.
- (26) ERI/HEC EFA-Med, LLC is a Delaware limited liability company formed to perform energy services work for the United States Navy. Select Energy Services, Inc. owns 50% membership interest and ERI Services, Inc., owns 50% membership ownership interest.

KEY:

AT - Associate Trustee
AVP - Assistant Vice President
C - Controller
CAO - Chief Administrative Officer
CEO - Chief Executive Officer
CFO - Chief Financial Officer
CIO - Chief Information Officer
CH - Chairman
CHB - Chairman of the Board
CH(E) - Chairman of the Executive Committee
CL - Clerk
COMP - Comptroller
CNO - Chief Nuclear Officer
D - Director
DS - Director of Services
EVP - Executive Vice President
ED - Executive Director
GC - General Counsel
MC - Member of Management Committee
P - President
PG - President - Generation Group

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PN - President - Nuclear Group
PU - President - Utility Group
PCT - President - Connecticut Division
PNH - President - New Hampshire Division
S - Secretary
SVP - Senior Vice President
T - Trustee
TRS - Treasurer
VC - Vice Chairman
VP - Vice President

NU - Northeast Utilities
ESB - E. S. Boulos Company
CL&P - The Connecticut Light and Power Company
CL&P Cap. - CL&P Capital, L.L.C.
CL&P Funding - CL&P Funding LLC
COE - Charter Oak Energy, Inc.
COE Argen II - COE Argentina II Corp.
COE Ave Fenix - COE Ave Fenix Corporation
COE Develop - COE Development Corporation
Conn Steam - The Connecticut Steam Company
CRC - CL&P Receivables Corporation
EPI - Electric Power, Incorporated
ERI/HEC - ERI/HEC EFA-Med, LLC

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| | | |
|----------------|---|---|
| HEC Canada | - | HEC Energy Consulting Canada Inc. |
| HWP | - | Holyoke Water Power Company |
| Mode 1 | - | Mode 1 Communications, Inc. |
| NAEC | - | North Atlantic Energy Corporation |
| NAESCO | - | North Atlantic Energy Service Corporation |
| NGC | - | Northeast Generation Company |
| NGS | - | Northeast Generation Services Company |
| NGSM | - | NGS Mechanical, Inc. |
| NNECO | - | Northeast Nuclear Energy Company |
| NORCONN | - | NorConn Properties, Inc. |
| NUEI | - | NU Enterprises, Inc. |
| NUSCO | - | Northeast Utilities Service Company |
| Nutmeg Power | - | The Nutmeg Power Company |
| PI | - | Properties, Inc. |
| PSNH | - | Public Service Company of New Hampshire |
| PSNH Funding | - | PSNH Funding LLC |
| PSNH Funding 2 | - | PSNH Funding LLC 2 |
| Quinn. | - | The Quinnehtuk Company |
| RFS | - | Reeds Ferry Supply Co., Inc. |
| RMS | - | R. M. Services, Inc. |
| RRR | - | The Rocky River Realty Company |
| SECI | - | Select Energy Contracting, Inc. |
| Select | - | Select Energy, Inc. |
| SENY | - | Select Energy New York, Inc. |
| SEPPI | - | Select Energy Portland Pipeline, Inc. |
| SESI | - | Select Energy Services, Inc. |
| WMECO | - | Western Massachusetts Electric Company |
| WMECO Funding | - | WMECO Funding LLC |
| YES | - | Yankee Energy System, Inc. |
| YEFSCO | - | Yankee Energy Financial Services Company |
| YESCO | - | Yankee Energy Services Company |
| YGSCO | - | Yankee Gas Services Company |

Part II. The following is a list of the officers, Directors and Trustees who have financial connections within the provisions of Section 17(c) of the Act.

| Name of Officer or Director (1) | Name and Location of Financial Institution (2) | Position Held in Financial Institution (3) | Applicable Exemption Rule* (4) |
|---------------------------------|---|--|--------------------------------|
| Michael G. Morris | Webster Financial Corporation Waterbury, CT | Director | A, E, F |
| John H. Forsgren | Circle Trust Company Connecticut | Director | A, E, F |
| Cotton Mather Cleveland | Ledyard National Bank Ledyard, New Hampshire | Director | A |
| James Cordes | Comerica Bank, Texas | Director | A |
| Thomas V. Foley | Hampden Savings Bank Springfield, MA | Trustee | F |

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"A" designates Rule 70(b)(1), (2), (3) and (4);
"B" designates Rule 70(c)(1) and (2);
"C" designates Rule 70(d)(1), (2), (3) and (4);
"D" designates Rule 70(e)(1) and (2); and
"E" designates Rule 70(f)(1) and (2); and (2).

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ITEM 6. OFFICERS AND DIRECTORS (Continued)

Part III. The information provided herein is applicable to all system companies, except as indicated otherwise.

a. Compensation of Trustees, Directors, and Executive Officers

During 2001, each Trustee who was not an employee of NU or its subsidiaries was compensated at an annual rate of \$20,000 cash plus 500 common shares of NU, and received \$1,000 for each meeting attended of the Board or its Committees. Effective January 1, 2002, the annual payment of 500 shares was increased to 1,000 shares. A non-employee Trustee who participates in a meeting of the Board or any of its Committees by conference telephone receives \$675 per meeting. Also, a non-employee Trustee who is asked by either the Board of Trustees or the Chairman of the Board to perform extra services in the interest of the NU system may receive additional compensation of \$1,000 per day plus necessary expenses. The Chairs of the Audit, the Compensation, the Corporate Affairs, the Corporate Governance, the Finance and the Nuclear Committees were compensated at an additional annual rate of \$3,500. In addition to the above compensation, Dr. Kennan is paid at the annual rate of \$30,000 for the extra services performed as Lead Trustee. The Chair of the Nuclear Committee receives an additional retainer at the rate of \$25,000 per year.

Under the terms of the Incentive Plan adopted by shareholders at the 1998 Annual Meeting, each non-employee Trustee is eligible for stock-based grants. During 2001 each such Trustee was granted nonqualified options to purchase 2,500 common shares of NU. Receipt of shares acquired on exercise of these options may be deferred pursuant to the terms of the Northeast Utilities Deferred Compensation Plan for Executives. In February 2002 each non-employee Trustee was granted non-qualified options to purchase 2,500 common shares.

Prior to the beginning of each calendar year, each non-employee Trustee may irrevocably elect to have all or any portion of the annual retainer fee paid in the form of common shares of NU. Pursuant to the Northeast Utilities Deferred Compensation Plan for Trustees, each Trustee may also irrevocably elect to defer receipt of some or all cash and/or share compensation.

During 2001 each non-employee Director of PSNH and WMECO was compensated at an annual rate of \$10,000 cash, and received \$500 for each meeting attended of the Board of Directors or, in the case of PSNH, its committees. A non-employee Director who participates in a meeting of the Board of Directors or any of its committees by conference telephone receives \$300 per meeting. Also, committee chairs were compensated at an additional annual rate of \$1,500.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires Trustees and certain officers of NU and persons who beneficially own more than 10 percent of the outstanding common shares of NU to file reports of ownership and changes in ownership with the SEC and the New York Stock Exchange. Based on review of

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copies of such forms furnished to NU, or written representations that no Form 5 was required, NU believes that for the year ended December 31,

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2001, all such reporting requirements were complied with in a timely manner except that Mrs. Grise and Mr. Kenyon each reported the exercise of stock appreciation rights in September, 2001 on their Form 5 for 2001 rather than on a Form 4 for September 2001.

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SUMMARY COMPENSATION TABLE

CL&P, PSNH, WMECO, NGC

The following tables present the cash and non-cash compensation received by the Chief Executive Officer and the next four highest paid executive officers of CL&P, PSNH, WMECO and NGC accordance with rules of the Securities and Exchange Commission (SEC):

| Name and Principal Position | Year | Annual Compensation | | | Other Annual Compensation (\$) (Note 1) | Restrict- ed Stock Award(s) (\$) (Note 2) | Long Term Awards Sec Und Opt Sto App Rig |
|--|------|---------------------|------------|--------|--|--|--|
| | | Salary (\$) | Bonus (\$) | | | | |
| Michael G. Morris Chairman of the Board, President and Chief Executive Officer of NU and Chairman and Chief Executive Officer of PSNH and WMECO | 2001 | 900,000 | 869,805 | -- | -- | | |
| | 2000 | 830,770 | 1,200,000 | -- | -- | | |
| | 1999 | 783,173 | 1,253,300 | 92,243 | 348,611 | | |
| John H. Forsgren Vice Chairman, Executive Vice President and Chief Financial Officer of NU | 2001 | 524,423 | 200,000 | -- | -- | | |
| | 2000 | 444,615 | 450,000 | -- | -- | | |
| | 1999 | 429,904 | 400,000 | -- | 122,682 | | |
| Bruce D. Kenyon President - Generation Group of NU and President of NGC (in NGC table only) | 2001 | 515,000 | 150,000 | -- | -- | | |
| | 2000 | 504,616 | 475,000 | -- | -- | | |
| | 1999 | 500,000 | -- | -- | 77,690 | | |

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| | | | | | |
|---|------|---------|---------|----|--------|
| Cheryl W. Grise President - Utility Group of NU (in CL&P, PSNH and WMECO tables only) | 2001 | 338,654 | 180,000 | -- | -- |
| | 2000 | 279,616 | 290,000 | -- | -- |
| | 1999 | 244,712 | 250,000 | -- | 73,612 |
| Gary D. Simon Senior Vice President - Enterprise Development and Analysis of NUSCO (in NGC table only) | 2001 | 236,539 | 70,000 | -- | -- |
| | 2000 | 231,539 | 200,000 | -- | -- |
| | 1999 | 226,635 | 200,000 | -- | 61,333 |
| Gregory B. Butler Vice President, Secretary and General Counsel of NU and NUSCO | 2001 | 189,269 | 70,000 | -- | -- |
| | 2000 | 174,462 | 105,000 | -- | -- |
| | 1999 | 168,635 | 94,000 | -- | 31,892 |
| Lisa J. Thibdaue Vice President - Rates, Regulatory Affairs and Compliance of NUSCO (in CL&P, PSNH and WMECO tables only) | 2001 | 193,539 | 60,000 | -- | -- |
| | 2000 | 187,154 | 115,000 | -- | -- |
| | 1999 | 181,635 | 112,000 | -- | 30,667 |

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OPTION/SAR GRANTS IN LAST FISCAL YEAR

| Name | Individual Grants | | | | Grant Date Value |
|-------------------|--|---|--------------------------------|-----------------|-------------------------------|
| | Number of Securities Underlying Options/SARs Granted (#) | % of Total Options/SARs Granted to Employees in Fiscal Year | Exercise or Base Price (\$/sh) | Expiration Date | Grant Date Present Value (\$) |
| Michael G. Morris | 120,000 | 14.47 | 21.03 | 2/27/2011 | 1,006,800 (Not) |
| | 100,000 | 12.06 | 20.06 | 6/28/2011 | 803,000 (Not) |
| John H. Forsgren | 33,000 | 3.98 | 21.03 | 2/27/2011 | 276,870 (Not) |
| | 65,000 | 7.84 | 20.06 | 6/28/2011 | 521,950 (Not) |
| Bruce D. Kenyon | 34,000 | 4.10 | 21.03 | 2/27/2011 | 228,745 (Not) |
| Cheryl W. Grise | 26,000 | 3.14 | 21.03 | 2/27/2011 | 218,140 (Not) |
| | 50,000 | 6.03 | 20.06 | 6/28/2011 | 401,500 (Not) |
| Gary D. Simon | 14,000 | 1.69 | 21.03 | 2/27/2011 | 117,460 (Not) |

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| | | | | | |
|-------------------|-------|------|-------|-----------|-------------|
| Gregory B. Butler | 7,600 | 0.92 | 21.03 | 2/27/2011 | 63,764 (Not |
| Lisa J. Thibdaue | 8,500 | 1.03 | 21.03 | 2/27/2011 | 71,315 (Not |

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AGGREGATED OPTIONS/SAR EXERCISES IN LAST FISCAL YEAR AND FY-END OPTION/SAR VALUES

| Name | Shares With Respect to Which SARs Were Exercised (#) | Value Realized (\$) | Number of Securities Underlying Unexercised Options/SARs at Fiscal Year End (#) | | Value of Unexercised In-the-Money Options/SARs at Fiscal Year End (\$) | |
|-------------------|--|---------------------|---|---------------|--|---------------|
| | | | Exercisable | Unexercisable | Exercisable | Unexercisable |
| Michael G. Morris | -- | -- | 698,475 | 344,451 | 4,256,831 | 83,7 |
| John H. Forsgren | 50,471 | 326,800 | 107,085 | 132,950 | 155,390 | 29,4 |
| Bruce D. Kenyon | 38,253 | 260,312 | 41,772 | 54,268 | 65,323 | 18,6 |
| Cheryl W. Grise | 24,490 | 166,654 | 33,724 | 97,904 | 52,402 | 17,6 |
| Gary D. Simon | -- | -- | 73,198 | 50,226 | 170,384 | 61,7 |
| Gregory B. Butler | -- | -- | 15,868 | 16,448 | 24,783 | 7,6 |
| Lisa J. Thibdaue | -- | -- | 16,172 | 17,572 | 24,665 | 7,3 |

Notes to Summary Compensation and Option/SAR Grants Tables:

1. Other annual compensation for Mr. Morris consists of 1999 relocation expense reimbursements.
2. At December 31, 2001, the aggregate restricted stock holdings by the five individuals named in the table for CL&P, WMECO and PSNH were 13,556 shares with a value of \$238,992 and for NGC were 14,332 shares with a value of \$252,673. Awards shown for 1999 vested one-third on February 23, 2000, one-third on February 23, 2001, and one-third on February 23, 2002. No restricted stock was awarded in 2001. Dividends paid on restricted stock are either paid out or reinvested into additional shares.

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3. "All Other Compensation" for 2001 consists of employer matching contributions under the Northeast Utilities Service Company 401k Plan, generally available to all eligible employees (\$5,100 for each named officer), and matching contributions under the Deferred Compensation Plan for Executives (Mr. Morris - \$21,900, Mrs. Grise - \$5,019, Mr. Kenyon - \$10,350, Mr. Simon - \$1,996).
4. These options were granted on February 27, 2001 under the Incentive

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Plan. All options granted vest one-third on February 27, 2002, one-third on February 27, 2003 and one-third on February 27, 2004. Valued using the Black-Scholes option pricing model, discounted by 5.71% to reflect the risk of forfeiture, with the following assumptions: Volatility: 25.96 percent (36 months of monthly data); Risk-free rate: 5.23 percent; Dividend yield: 0.94 percent; Exercise date: February 27, 2011.

5. These options were granted on June 28, 2001 under the Incentive Plan. All options granted vest one-third on June 28, 2002, one-third on June 28, 2003 and one-third on June 28, 2004. Valued using the Black-Scholes option pricing model, discounted by 5.71% to reflect the risk of forfeiture, with the following assumptions: Volatility: 26.38 percent (36 months of monthly data); Risk-free rate: 5.63 percent; Dividend yield: 1.12 percent; Exercise date: June 28, 2011.

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PENSION BENEFITS

The tables on the following pages show the estimated annual retirement benefits payable to an executive officer of Northeast Utilities upon retirement, assuming that retirement occurs at age 65 and that the officer is at that time not only eligible for a pension benefit under the Northeast Utilities Service Company Retirement Plan (the Retirement Plan) but also eligible for either the make-whole benefit or the make-whole benefit plus the target benefit under the Supplemental Executive Retirement Plan for Officers of Northeast Utilities System Companies (the Supplemental Plan). The Supplemental Plan is a non-qualified pension plan providing supplemental retirement income to system officers. The make-whole benefit under the Supplemental Plan, available to all officers, makes up for benefits lost through application of certain tax code limitations on the benefits that may be provided under the Retirement Plan, and includes as "compensation" awards under the executive incentive plans and deferred compensation (as earned). The target benefit further supplements these benefits and is available to officers at the Senior Vice President level and higher who are selected by the Board of Trustees to participate in the target benefit and who remain in the employ of Northeast Utilities companies until at least age 60 (unless the Board of Trustees sets an earlier age).

Mr. Forsgren and Mrs. Grise are currently eligible for a make-whole plus a target benefit. Messrs. Kenyon, Simon, and Butler and Ms. Thibdaue are eligible for the make-whole benefit but not the target benefit.

Mr. Kenyon's Employment Agreement provides specially calculated retirement benefits, based on his previous arrangement with South Carolina Electric and Gas, which supplement his make-whole benefit under the Supplemental Plan. If Mr. Kenyon retires with at least three years of service with the Company, he will be deemed to have two extra years of service for purpose of his special retirement benefit. If after achieving three years of service he voluntarily terminates employment following a "substantial change in responsibilities resulting from a material change in the business of Northeast Utilities," he will be deemed to have an additional year of service for purpose of his special retirement benefit, and if he retires with at least three years of service with the Company, he will receive a lump sum payment of \$500,000. Mr. Kenyon has met these service-related milestones.

Mr. Morris's Employment Agreement provides that upon retirement after reaching the fifth anniversary of his employment date (or upon disability or termination without cause or following a change of control, as defined) he will be entitled to receive a special retirement benefit calculated by applying the

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benefit formula of the CMS Energy/Consumers Energy Company (CMS) Supplemental Executive Retirement Plan to all compensation earned from the Northeast Utilities system (the Company) and to all service rendered to the Company and CMS. If Mr. Morris retires after age 60, his special retirement benefit will be no less than that which he would have received had he been eligible for a make-whole benefit plus a target benefit under the Supplemental Plan.

Mr. Forsgren's Employment Agreement provides for supplemental pension benefits based on crediting up to ten years additional service and providing payments equal to 25 percent of salary for up to 15 years following

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retirement, reduced by four percentage points for each year that his age is less than 65 years at retirement. In addition, if Mr. Forsgren retires after age 58, he will be eligible for a make-whole plus a target benefit under the Supplemental Plan based on crediting three extra years of service, unreduced for early commencement.

ANNUAL BENEFIT FOR OFFICERS ELIGIBLE FOR MAKE-WHOLE BENEFIT

| Final Average Compensation | Years of Credited Service | | | |
|----------------------------------|---------------------------|-----------|-----------|-----------|
| | 15 | 20 | 25 | 30 |
| \$ 200,000 | \$ 43,605 | \$ 58,139 | \$ 72,674 | \$ 87,209 |
| 250,000 | 54,855 | 73,139 | 91,424 | 109,709 |
| 300,000 | 66,105 | 88,139 | 110,174 | 132,209 |
| 350,000 | 77,355 | 103,139 | 128,924 | 154,709 |
| 400,000 | 88,605 | 118,139 | 147,674 | 177,209 |
| 450,000 | 99,855 | 133,139 | 166,424 | 199,709 |
| 500,000 | 111,105 | 148,139 | 185,174 | 222,209 |
| 600,000 | 133,605 | 178,139 | 222,674 | 267,209 |
| 700,000 | 156,105 | 208,139 | 260,174 | 312,209 |
| 800,000 | 178,605 | 238,139 | 297,674 | 357,209 |
| 900,000 | 201,105 | 268,139 | 335,174 | 402,209 |
| 1,000,000 | 223,605 | 298,139 | 372,674 | 447,209 |
| 1,100,000 | 246,105 | 328,139 | 410,174 | 492,209 |
| 1,200,000 | 268,605 | 358,139 | 447,674 | 537,209 |

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ANNUAL BENEFIT FOR OFFICERS ELIGIBLE FOR MAKE-WHOLE PLUS TARGET BENEFIT

| Final Average Compensation | Years of Credited Service | | | |
|----------------------------------|---------------------------|-----------|-----------|-----------|
| | 15 | 20 | 25 | 30 |
| \$ 200,000 | \$ 72,000 | \$ 96,000 | \$120,000 | \$120,000 |
| 250,000 | 90,000 | 120,000 | 150,000 | 150,000 |

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| | | | | |
|-----------|---------|---------|---------|---------|
| 300,000 | 108,000 | 144,000 | 180,000 | 180,000 |
| 350,000 | 126,000 | 168,000 | 210,000 | 210,000 |
| 400,000 | 144,000 | 192,000 | 240,000 | 240,000 |
| 450,000 | 162,000 | 216,000 | 270,000 | 270,000 |
| 500,000 | 180,000 | 240,000 | 300,000 | 300,000 |
| 600,000 | 216,000 | 288,000 | 360,000 | 360,000 |
| 700,000 | 252,000 | 336,000 | 420,000 | 420,000 |
| 800,000 | 288,000 | 384,000 | 480,000 | 480,000 |
| 900,000 | 324,000 | 432,000 | 540,000 | 540,000 |
| 1,000,000 | 360,000 | 480,000 | 600,000 | 600,000 |
| 1,100,000 | 396,000 | 528,000 | 660,000 | 660,000 |
| 1,200,000 | 432,000 | 576,000 | 720,000 | 720,000 |

The benefits presented in the tables above are based on a straight life annuity beginning at age 65 and do not take into account any reduction for joint and survivorship annuity payments. Final average compensation for purposes of calculating the target benefit is the highest average annual compensation of the participant during any 36 consecutive months compensation was earned. Final average compensation for purposes of calculating the make-whole benefit is the highest average annual compensation of the participant during any 60 consecutive months compensation was earned. Compensation for these benefits takes into account the annual compensation shown in the Summary Compensation Table and long term incentive compensation but does not include employer matching contributions under the 401k Plan. In the event that an officer's employment terminates because of disability, the retirement benefits shown above would be offset by the amount of any disability benefits payable to the recipient that are attributable to contributions made by Northeast Utilities and its subsidiaries under long term disability plans and policies.

As of December 31, 2001, the executive officers named in the Summary Compensation Table had the following years of credited service for purposes of the Supplemental Plan: Mr. Kenyon - 7, Mr. Forsgren - 5, Mrs. Grise - 21, Mr. Simon - 3, Mr. Butler - 5, and Ms. Thibdaue - 4. Mr. Morris had 23 years of service for purposes of his special retirement benefit. In addition, Mr. Forsgren had 10 years of service for purposes of his supplemental pension benefit and would have 25 years of service for such purpose if he were to retire at age 65.

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT ARRANGEMENTS

Northeast Utilities has entered into an employment agreement with Mr. Morris and Northeast Utilities Service Company (NUSCO) has entered into employment agreements with each of the other named executive officers except Messrs. Simon and Butler and Ms. Thibdaue, who participate in the Special Severance Program for Officers of Northeast Utilities Companies. The agreements and the Special Severance Program are also binding on Northeast Utilities and on each majority-owned subsidiary of Northeast Utilities.

Each agreement obligates the officer to perform such duties as may be directed by the NUSCO Board of Directors or the Northeast Utilities Board of Trustees, protect the Company's confidential information, and refrain, while employed by the Company and for a period of time thereafter, from competing with the Company in a specified geographic area. Each agreement provides that the officer's base salary will not be reduced below certain levels without the consent of the officer, and that the officer will participate in specified benefits under the Supplemental Executive Retirement Plan or other supplemental retirement programs (see Pension Benefits, above) and/or in certain executive

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incentive programs at specified incentive opportunity levels.

Each agreement provides for a specified employment term and for automatic one-year extensions of the employment term unless at least six months' notice of non-renewal is given by either party. The employment term may also be ended by the Company for "cause", as defined, at any time (in which case no supplemental retirement benefit, if any, shall be due), or by the officer on thirty days' prior written notice for any reason. Absent "cause", the Company may remove the officer from his or her position on sixty days' prior written notice, but in the event the officer is so removed and signs a release of all claims against the Company, the officer will receive one or two years' base salary and annual incentive payments, specified employee welfare and pension benefits, and vesting of stock appreciation rights, options and restricted stock.

Under the terms of the agreements and the Special Severance Program, upon any termination of employment following a change of control, as defined, between (a) the earlier of the date shareholders approve a change of control transaction or a change of control transaction occurs and (b) the earlier of the date, if any, on which the Board of Trustees abandons the transaction or the date two years following the change of control, if the officer signs a release of all claims against the Company, the officer will be entitled to certain payments including a multiple (not to exceed three) of annual base salary, annual incentive payments, specified employee welfare and pension benefits, and vesting of stock appreciation rights, options and restricted stock. Certain of the change of control provisions may be modified by the Board of Trustees prior to a change of control, on at least two years' notice to the affected officer(s).

Besides the terms described above, the agreements of Messrs. Morris, Kenyon and Forsgren provide for a specified salary, cash, restricted stock and/or stock options upon employment, special incentive programs and/or special retirement benefits. See Pension Benefits, above, for further description of these provisions. The agreements of Mr. Forsgren and Mrs. Grise were supplemented during 2001 to provide for special deferred

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compensation of \$520,000 and \$500,000, respectively, vesting in even installments (adjusted to reflect investment performance) on June 28, 2002, 2003 and 2004, so long as such officer remains in the employ of Northeast Utilities Service Company, and vesting sooner in the event of a change of control of the Company or involuntary termination without cause.

Letter agreements reflecting the terms of employment of Messrs. Simon and Butler and Ms. Thibdaue provide for specified salary, cash, restricted stock or stock options upon employment.

The descriptions of the various agreements set forth above are for purpose of disclosure in accordance with the proxy and other disclosure rules of the SEC and shall not be controlling on any party; the actual terms of the agreements themselves determine the rights and obligations of the parties.

b. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table provides information as of February 27, 2002, as to the beneficial ownership of the equity securities of NU by each Trustee, each of the five highest paid executive officers of NU and its subsidiaries, and Directors and executive officers of system companies. Unless otherwise noted, each Trustee, Director and executive officer has sole voting and investment power with respect to the listed shares. No equity securities of other system

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companies are owned by Trustees, Directors or executive officers.

| Title of Class | Name | Amount and Nature of Beneficial Ownership | Percent of Class (1) |
|----------------|-------------------------|---|----------------------|
| NU Common | David H. Boguslawski | 30,349 (2) | |
| NU Common | Richard H. Booth | 4,750 (3) | |
| NU Common | Gregory B. Butler | 33,969 (4) | |
| NU Common | James E. Byrne | 0 | |
| NU Common | Cotton Mather Cleveland | 15,982 (5) | |
| NU Common | Sanford Cloud, Jr. | 15,487 (6) | |
| NU Common | John C. Collins | 0 | |
| NU Common | James F. Cordes | 10,250 (3) | |
| NU Common | E. Gail de Planque | 15,971 (5) | |
| NU Common | John H. Forsgren | 149,132 (7) | |
| NU Common | Raymond L. Golden | 16,710 (8) | |
| NU Common | Cheryl W. Grise | 78,813 (9) | |
| NU Common | Elizabeth T. Kennan | 17,100 (5) | |
| NU Common | Bruce D. Kenyon | 133,710 (10) | |
| NU Common | Kerry J. Kuhlman | 20,565 (11) | |
| NU Common | Gerald Letendre | 0 | |
| NU Common | Gary A. Long | 18,784 (12) | |
| NU Common | Paul J. McDonald | 500 | |
| NU Common | Michael G. Morris | 890,925 (13) | |
| NU Common | William J. Nadeau | 17,709 (14) | |
| NU Common | Jane E. Newman | 0 | |
| NU Common | Leon J. Olivier | 0 | |
| NU Common | Robert E. Patricelli | 22,451 (5) | |
| NU Common | Melinda M. Phelps | 0 | |
| NU Common | Frank P. Sabatino | 56,734 (15) | |
| NU Common | William W. Schivley | 44,357 (16) | |
| NU Common | Gary D. Simon | 114,081 (17) | |
| NU Common | Lisa J. Thibdaue | 30,713 (18) | |
| NU Common | John F. Swope | 20,101 (5) | |

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- (1) As of February 27, 2002, there were 133,748,279 common shares of NU outstanding. The percentage of such shares beneficially owned by any Director or Executive Officer, and by all Directors and Executive Officers of CL&P, PSNH, WMECO and NGC as a group, equals 1.31 percent.
- (2) Includes 24,016 shares that could be acquired by Mr. Boguslawski pursuant to currently exercisable options and 462 shares held under the Northeast Utilities Employee Share Purchase Plan II as to which Mr. Boguslawski has sole voting but no dispositive power.
- (3) Includes 3,750 shares that could be acquired by the beneficial owner pursuant to currently exercisable options.
- (4) Includes 24,249 shares that could be acquired by Mr. Butler pursuant to currently exercisable options and 796 shares held in an ESOP as to which Mr. Butler has sole voting power but no dispositive power.
- (5) Includes 11,250 shares that could be acquired by the beneficial owner pursuant to currently exercisable options.

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- (6) Includes 6,250 shares that could be acquired by Mr. Cloud pursuant to currently exercisable options.
- (7) Includes 141,035 shares that could be acquired by Mr. Forsgren pursuant to currently exercisable options and 5,382 restricted shares as to which Mr. Forsgren has sole voting and no dispositive power.
- (8) Includes 8,750 shares that could be acquired by Mr. Golden pursuant to currently exercisable options.
- (9) Includes 56,626 shares that could be acquired by Mrs. Grise pursuant to currently exercisable options, 4,844 restricted as to which Mrs. Grise has sole voting and no dispositive power, and 265 shares held by Mrs. Grise's husband as custodian for her children, with whom she shares voting and dispositive power.
- (10) Includes 66,705 shares that could be acquired by Mr. Kenyon pursuant to currently exercisable options, 501 shares held under the Northeast Utilities Employee Share Purchase Plan II as to which Mr. Kenyon has sole voting but no dispositive power, and 1,212 shares held in an ESOP as to which Mr. Kenyon has sole voting power but no dispositive power.
- (11) Includes 14,331 shares that could be acquired by Ms. Kuhlman pursuant to currently exercisable options.
- (12) Includes 13,183 shares that could be acquired by Mr. Long pursuant to currently exercisable options.

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- (13) Includes 816,258 shares that could be acquired by Mr. Morris pursuant to currently exercisable options, 1,262 shares held under the Northeast Utilities Employee Share Purchase Plan II as to which Mr. Morris has sole voting but no dispositive power, 23,407 restricted shares as to which Mr. Morris has sole voting and no dispositive power, and 922 shares held in an ESOP as to which Mr. Morris has sole voting power but no dispositive power.
- (14) Includes 13,183 shares that could be acquired by Mr. Nadeau pursuant to currently exercisable options.
- (15) Includes 34,280 shares that could be acquired by Mr. Sabatino pursuant to currently exercisable options and 670 shares held under the Northeast Utilities Employee Share Purchase Plan II as to which Mr. Sabatino has sole voting but no dispositive power.
- (16) Includes 30,916 shares that could be acquired by Mr. Schivley pursuant to currently exercisable options, 383 shares held in an ESOP as to which Mr. Schivley has sole voting power but no dispositive power.
- (17) Includes 108,090 shares that could be acquired by Mr. Simon pursuant to currently exercisable options, and 564 shares held in an ESOP as to which Mr. Simon has sole voting power but no dispositive power.
- (18) Includes 24,909 shares that could be acquired by Ms. Thibdaue pursuant to currently exercisable options and 575 shares held in an ESOP as to which Mr. Thibdaue has sole voting power but no dispositive power.

c. CONTRACTS AND TRANSACTIONS OF TRUSTEES, DIRECTORS AND EXECUTIVE

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OFFICERS WITH SYSTEM COMPANIES

This disclosure was included in the discussion of employment contracts in Part III, Section (a) above.

d. INDEBTEDNESS OF TRUSTEES, DIRECTORS AND EXECUTIVE OFFICERS OF SYSTEM COMPANIES

No Trustee, Director or executive officer was indebted to a system company during 2001.

e. PARTICIPATION OF TRUSTEES, DIRECTORS AND EXECUTIVE OFFICERS IN BONUS AND PROFIT-SHARING ARRANGEMENTS

This disclosure was included in the discussion of compensation in Part III, Section (a) above.

f. RIGHTS TO INDEMNITY OF TRUSTEES, DIRECTORS AND EXECUTIVE OFFICERS

No disclosures were made in any system company's most recent proxy statement or annual report on Form 10-K with respect to the rights to indemnity of Trustees, Directors or executive officers.

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ITEM 7. CONTRIBUTIONS AND PUBLIC RELATIONS

1. There were no expenditures, disbursements or payments made during 2001 in money, goods or services, directly or indirectly to or for the account of any political party, candidate for public office or holder of such office, or any committee or agent therefore; and
2. There were no expenditures, disbursements or payments made during 2001 to citizens groups or public relations counsel.

ITEM 8. SERVICE, SALES AND CONSTRUCTION CONTRACTS

PART I:

The following energy management and/or demand-side management and other services to one or more system companies follows:

| Transaction | Serving Company | Receiving Company | Compensation |
|--|--------------------|----------------------|------------------------|
| | | | (Thousands of Dollars) |
| Worker Compensation Costs | PSNH | NAESCO | \$229 |
| Electrical Maintenance Services | PSNH | NAESCO | \$ 51 |
| Vehicle Lease Charges | PSNH | NAESCO | \$ 15 |
| Human Resources Service | PSNH | NAESCO | \$ 6 |
| Miscellaneous Services | PSNH | NAESCO | \$ 1 |
| Newington Station building and outside storage | PSNH | NAESCO | \$137** |
| Real estate (plant auction) services | PSNH | NAESCO | \$ 11 |

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** Includes operation and maintenance charges and property taxes associated with leased property.

| Transaction | Serving Company | Receiving Company | Compensation |
|---------------------------------------|--------------------|----------------------|------------------------|
| | | | (Thousands of Dollars) |
| Engineering and Construction Services | NGS | NGC | \$18,600 |
| Engineering and Construction Services | NGS | HWP | \$14,900 |
| Engineering and Construction Services | NGS | SESI | \$ 8,300 |

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| Transaction | Serving Company | Receiving Company | Compensation |
|------------------------------------|--------------------|----------------------|------------------------|
| | | | (Thousands of Dollars) |
| Various Demand-Side Management | SES | Select Energy | \$150 |
| Various Energy Management Services | SES | CL&P | \$ 18 |
| Various Energy Management Services | SES | WMECO | \$ 20 |

PART II:

See Item 6, Part III(c).

PART III:

None to be reported.

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ITEM 9. WHOLESALE GENERATORS AND FOREIGN UTILITY COMPANIES

PART I:

(a) Identification of Company

1. Northeast Generation Company (NGC)
2. Location:

107 Selden Street
Berlin, CT 06037

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3. Business Address:

Same

4. Description:

NGC owns and operates a portfolio of 1,287.9 MW of generating assets in New England which was acquired in March 2000, as a result of the auctions by NGC's affiliates, The Connecticut Light and Power Company (CL&P) and Western Massachusetts Electric Company (WMECO) in their electric restructuring activities. The table below lists these generating assets:

| Asset ----- | Location ----- | Type ----- | Capacity (MW) ----- |
|---------------------|-------------------|---------------------------------------|---------------------------|
| Northfield Mountain | Erving, MA | Pumped Storage | 1,080.0 |
| Cabot | Montague, MA | Conventional Hydro | 52.8 |
| Turners Falls | Montague, MA | Conventional Hydro | 6.4 |
| Falls Village | Falls Village, CT | Conventional Hydro | 11.1 |
| Bulls Bridge | New Milford, CT | Conventional Hydro | 8.4 |
| Rocky River | New Milford, CT | Conventional Hydro/ Pumped Storage | 29.0 |
| Shepaug | Southbury, CT | Conventional Hydro | 43.0 |
| Stevenson | Monroe, CT | Conventional Hydro | 28.8 |
| Robertsville | Colebrook, CT | Conventional Hydro | 0.6 |
| Bantam | Litchfield, CT | Conventional Hydro | 0.5 |
| Scotland | Windham, CT | Conventional Hydro | 2.2 |
| Tunnel | Preston, CT | Conventional Hydro | 2.1 |
| Taftville | Norwich, CT | Conventional Hydro | 2.0 |
| Tunnel ICU | Preston, CT | Internal Combustion Unit | 21.0 |
| | | | ----- |
| Total | | | 1,287.9 ===== |

5. System Company that Holds Interest:

Northeast Generation Company, a Connecticut corporation, is a wholly-owned subsidiary of NU Enterprises, Inc., the holding company for Northeast Utilities unregulated businesses.

6. EWG or FUCO:

EWG

(c) State the ratio of debt to common equity and earnings as of 12/31/01:

Ratio of debt to common equity as of 12/31/01: 33.974
Ratio of debt to earnings/(loss) as of 12/31/01: 10.412

(d) Service, Sales or Construction Contracts:

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NGC has a Power Sales and Purchase Agreement, dated December 27, 1999, with Select Energy, Inc. (Select), an affiliate of NGC. The term of this agreement is six years (through December 31, 2005) with an option for renewal. The agreement sets forth the terms and conditions by which Select purchases the capacity, associated energy, and ancillary services from the NGC assets. During 2001, Select paid NGC \$124.9 million under this contract.

NGC has a Management and Operation Agreement, dated February 1, 2000, as amended March 1, 2000, with Northeast Generation Services Company (NGS), an affiliate of NGC, to manage and operate the NGC generating assets. This agreement is in effect until March 15, 2006. The scope of services that NGS renders to NGC under this agreement includes management, operations, maintenance, administration, labor, consumables, water, supervision, and other goods and services necessary for the safe, efficient and reliable management, operation and maintenance of the NGC assets on a daily basis. During 2001, NGC paid NGS \$18.6 million under this contract.

NGC has a Service Contract with Northeast Utilities Service Company (NUSCO), an affiliate of NGC, dated January 4, 1999. This agreement was extended through the year 2000 for a one-year period by a renewal agreement dated December 31, 1999. Under this contract, NUSCO agrees to provide NGC with services such as corporate and secretarial, financial planning, accounting, taxes, insurance, budgets, data processing, purchasing, and other administrative services. During 2001, NGC paid NUSCO \$1.3 million under this contract.

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PART II.

An organizational chart showing the relationship of the foreign utility company to other NU system companies is provided as Exhibit H. Required financial data is provided as Exhibit I.

PART III.

(a) NU's aggregate investment in EWGs and FUCOs, respectively, as of 12/31/01:

EWGs: \$448.2 million

FUCOS: \$0.0 million

(b) Ratio of aggregate investment to aggregate retained earnings of NU's public-utility subsidiary companies as of 12/31/01: .71

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ITEM 10. FINANCIAL STATEMENTS AND EXHIBITS

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Financial Statements filed pursuant to the
Public Utility Holding Company Act of 1935

Report of Independent Public Accountants

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Signature

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Financial Statements as of and for the year ended
December 31, 2001

Northeast Utilities and Subsidiaries:

| | |
|---|------------|
| Consolidating Balance Sheet | F-3--F-6 |
| Consolidating Statement of Income | F-7--F-8 |
| Consolidating Statement of Retained Earnings | F-9--F-10 |
| Consolidating Statement of Capital Surplus, Paid In | F-9--F-10 |
| Consolidating Statement of Cash Flows | F-11--F-12 |

The Connecticut Light and Power Company and Subsidiaries:

| | |
|---|------------|
| Consolidating Balance Sheet | F-13--F-14 |
| Consolidating Statement of Income | F-15 |
| Consolidating Statement of Retained Earnings | F-16 |
| Consolidating Statement of Capital Surplus, Paid In | F-16 |
| Consolidating Statement of Cash Flows | F-17 |

Public Service Company of New Hampshire and Subsidiary:

| | |
|---|------------|
| Consolidating Balance Sheet | F-19--F-20 |
| Consolidating Statement of Income | F-21 |
| Consolidating Statement of Retained Earnings | F-22 |
| Consolidating Statement of Capital Surplus, Paid In | F-22 |
| Consolidating Statement of Cash Flows | F-23 |

Western Massachusetts Electric Company and Subsidiary:

| | |
|---|------------|
| Consolidating Balance Sheet | F-25--F-26 |
| Consolidating Statement of Income | F-27 |
| Consolidating Statement of Retained Earnings | F-28 |
| Consolidating Statement of Capital Surplus, Paid In | F-28 |
| Consolidating Statement of Cash Flows | F-29 |

Holyoke Water Power Company and Subsidiary:

| | |
|---|------------|
| Consolidating Balance Sheet | F-31--F-32 |
| Consolidating Statement of Income | F-33 |
| Consolidating Statement of Retained Earnings | F-34 |
| Consolidating Statement of Capital Surplus, Paid In | F-34 |
| Consolidating Statement of Cash Flows | F-35 |

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Yankee Energy System, Inc. and Subsidiaries:

| | |
|---|------------|
| Consolidating Balance Sheet | F-37--F-40 |
| Consolidating Statement of Income | F-41--F-42 |
| Consolidating Statement of Retained Earnings | F-43--F-44 |
| Consolidating Statement of Capital Surplus, Paid In | F-43--F-44 |
| Consolidating Statement of Cash Flows | F-45--F-46 |

Charter Oak Energy Incorporated and Subsidiaries:

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| | |
|---|------------|
| Consolidating Balance Sheet | F-47--F-48 |
| Consolidating Statement of Income | F-49 |
| Consolidating Statement of Retained Earnings | F-50 |
| Consolidating Statement of Capital Surplus, Paid In | F-50 |
| Consolidating Statement of Cash Flows | F-51 |
| Select Energy Services, Inc.: | |
| Consolidating Balance Sheet | F-53--F-56 |
| Consolidating Statement of Income | F-57--F-58 |
| Consolidating Statement of Retained Earnings | F-59--F-60 |
| Consolidating Statement of Capital Surplus, Paid In | F-59--F-60 |
| Consolidating Statement of Cash Flows | F-61--F-62 |
| NU Enterprises, Inc. and Subsidiaries: | |
| Consolidating Balance Sheet | F-63--F-66 |
| Consolidating Statement of Income | F-67--F-68 |
| Consolidating Statement of Retained Earnings | F-69--F-70 |
| Consolidating Statement of Capital Surplus, Paid In | F-69--F-70 |
| Consolidating Statement of Cash Flows | F-71--F-72 |
| Select Energy, Inc. and Subsidiary: | |
| Consolidating Balance Sheet | F-73--F-74 |
| Consolidating Statement of Income | F-75 |
| Consolidating Statement of Retained Earnings | F-76 |
| Consolidating Statement of Capital Surplus, Paid In | F-76 |
| Consolidating Statement of Cash Flows | F-77 |
| Northeast Generation Services Company and Subsidiaries: | |
| Consolidating Balance Sheet | F-79--F-80 |
| Consolidating Statement of Income | F-81 |
| Consolidating Statement of Retained Earnings | F-82 |
| Consolidating Statement of Capital Surplus, Paid In | F-82 |
| Consolidating Statement of Cash Flows | F-83 |
| Notes to Financial Statements | F-84 |
| Exhibits | E-1--E-28 |

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Northeast Utilities and Subsidiaries:

We have audited the consolidated balance sheets and consolidated statements of capitalization of Northeast Utilities (a Massachusetts trust) and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of income, comprehensive income, shareholders' equity, cash flows, and income taxes

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for each of the three years in the period ended December 31, 2001, included in the 2001 annual report to shareholders, incorporated by reference in the Form 10-K and incorporated by reference in this Form U5S, and have issued our report thereon dated January 22, 2002. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Utilities and subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP
Arthur Andersen LLP

Hartford, Connecticut
January 22, 2002

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SIGNATURE

Northeast Utilities, a registered holding company, has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, pursuant to the requirements of the Public Utility Holding Company Act of 1935.

NORTHEAST UTILITIES

By: /s/ John P. Stack

John P. Stack
Vice President - Accounting and Controller

April 26, 2002

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NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Assets
December 31, 2001
(Thousands of Dollars)

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| | Northeast Utilities (parent) | The Connecticut Light and Power Company (consolidated) (b) | Public Service Company of New Hampshire (consolidated) (b) |
|--|------------------------------------|---|--|
| | ----- | ----- | ----- |
| Utility Plant, at cost: | | | |
| Electric | \$ -- | \$3,127,548 | \$1,447,955 |
| Gas | -- | -- | -- |
| Other | -- | -- | 6,221 |
| | ----- | ----- | ----- |
| | -- | 3,127,548 | 1,454,176 |
| Less: Accumulated provision for depreciation | -- | 1,236,638 | 689,397 |
| | ----- | ----- | ----- |
| | -- | 1,890,910 | 764,779 |
| Construction work in progress | -- | 134,964 | 44,961 |
| Nuclear fuel, net | -- | 3,299 | -- |
| | ----- | ----- | ----- |
| Total net utility plant | -- | 2,029,173 | 809,740 |
| | ----- | ----- | ----- |
| Other Property and Investments: | | | |
| Nuclear decommissioning trusts, at market | -- | 6,231 | -- |
| Investments in regional nuclear generating companies, at equity | -- | 34,696 | 8,510 |
| Investments in subsidiary companies, at equity | 2,392,884 | -- | -- |
| Investment in transmission company, at equity | 13,596 | -- | -- |
| Other, at cost | 14 | 50,572 | 35,837 |
| | ----- | ----- | ----- |
| | 2,406,494 | 91,499 | 44,347 |
| | ----- | ----- | ----- |
| Current Assets: | | | |
| Cash and cash equivalents | 13,183 | 773 | 1,479 |
| Special Deposits | -- | -- | -- |
| Investments in securitizable assets | -- | 36,367 | -- |
| Notes receivable from affiliated companies | 124,800 | 77,200 | -- |
| Receivables, net | 555 | 247,801 | 70,540 |
| Accounts receivable from affiliated companies | 21,713 | 22,134 | 13,055 |
| Taxes receivable from affiliated companies | -- | -- | -- |
| Unbilled revenues | -- | 7,492 | 29,268 |
| Fuel, materials and supplies, at average cost | -- | 33,085 | 42,047 |
| Unrealized gains on mark-to-market | -- | -- | -- |
| Prepayments and other | 1,093 | 17,703 | 10,211 |
| | ----- | ----- | ----- |
| | 161,344 | 442,555 | 166,600 |
| | ----- | ----- | ----- |
| Deferred Charges: | | | |
| Regulatory assets | -- | 1,877,191 | 1,046,760 |
| Accumulated deferred income taxes | -- | -- | -- |
| Unamortized debt expense | 662 | 6,203 | 7,939 |
| Goodwill and other purchased intangible assets, net | -- | -- | -- |
| Prepaid pension | -- | 233,692 | -- |

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| | | | |
|--------------|-------------|-------------|-------------|
| Other | 3,584 | 47,244 | 19,128 |
| | ----- | ----- | ----- |
| | 4,246 | 2,164,330 | 1,073,827 |
| | ----- | ----- | ----- |
| Total Assets | \$2,572,084 | \$4,727,557 | \$2,094,514 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
(b) See supporting statements.

NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Assets
December 31, 2001
(Thousands of Dollars)

| | Holyoke Water Power Company (consolidated) (b) | Northeast Utilities Service Company |
|--|--|--|
| | ----- | ----- |
| Utility Plant, at cost: | | |
| Electric | \$ 36,699 | \$ -- |
| Gas | -- | -- |
| Other | -- | 98,371 |
| | ----- | ----- |
| | 36,699 | 98,371 |
| Less: Accumulated provision for depreciation | 32,860 | 81,174 |
| | ----- | ----- |
| Construction work in progress | 3,839 | 17,197 |
| Nuclear fuel, net | 1,118 | 14,955 |
| | ----- | ----- |
| Total net utility plant | 4,957 | 32,152 |
| | ----- | ----- |
| Other Property and Investments: | | |
| Nuclear decommissioning trusts, at market | -- | -- |
| Investments in regional nuclear generating companies, at equity | -- | -- |
| Investments in subsidiary companies, at equity | -- | -- |
| Investment in transmission company, at equity | -- | -- |
| Other, at cost | 1,859 | 6,713 |
| | ----- | ----- |
| | 1,859 | 6,713 |
| | ----- | ----- |
| Current Assets: | | |
| Cash and cash equivalents | 3,130 | 58,293 |

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| | | |
|---|-----------|------------|
| Special Deposits | -- | -- |
| Investments in securitizable assets | -- | -- |
| Notes receivable from affiliated companies | 3,300 | 218,800 |
| Receivables, net | 125 | 56,817 |
| Accounts receivable from affiliated companies | 4,124 | 1,040 |
| Taxes receivable from affiliated companies | 239 | 12,341 |
| Unbilled revenues | -- | -- |
| Fuel, materials and supplies, at average cost | 6,157 | 286 |
| Unrealized gains on mark-to-market | -- | -- |
| Prepayments and other | 998 | 2,287 |
| | ----- | ----- |
| | 18,073 | 349,864 |
| | ----- | ----- |
| Deferred Charges: | | |
| Regulatory assets | 762 | -- |
| Accumulated deferred income taxes | -- | 6,037 |
| Unamortized debt expense | -- | -- |
| Goodwill and other purchased intangible assets, net | -- | -- |
| Prepaid pension | 2,514 | 18,366 |
| Other | 281 | 35,740 |
| | ----- | ----- |
| | 3,557 | 60,143 |
| | ----- | ----- |
| Total Assets | \$ 28,446 | \$ 448,872 |
| | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
(b) See supporting statements.

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NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Assets
December 31, 2001
(Thousands of Dollars)

| | Northeast Nuclear Energy Company | North Atlantic Energy Service Corporation | The Quinnehtuk Company | The Roc River Re Compan |
|---------------------------------|---|---|------------------------------|-------------------------------|
| | ----- | ----- | ----- | ----- |
| Utility Plant, at cost: | | | | |
| Electric | \$ -- | \$ -- | \$ -- | \$ -- |
| Gas | -- | -- | -- | -- |
| Other | -- | -- | 1,639 | 89,5 |
| | ----- | ----- | ----- | ----- |
| | -- | -- | 1,639 | 89,5 |
| Less: Accumulated provision for | | | | |

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| | | | | |
|---|-----------|-----------|----------|---------|
| depreciation | -- | -- | 1,265 | 37,2 |
| | ----- | ----- | ----- | ----- |
| | -- | -- | 374 | 52,3 |
| Construction work in progress | -- | -- | 1 | 5,3 |
| Nuclear fuel, net | -- | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Total net utility plant | -- | -- | 375 | 57,6 |
| | ----- | ----- | ----- | ----- |
| Other Property and Investments: | | | | |
| Nuclear decommissioning trusts, at market | -- | -- | -- | |
| Investments in regional nuclear generating companies, at equity | -- | -- | -- | |
| Investments in subsidiary companies, at equity | -- | -- | -- | |
| Investment in transmission company, at equity | -- | -- | -- | |
| Other, at cost | -- | -- | 1,140 | 1,9 |
| | ----- | ----- | ----- | ----- |
| | -- | -- | 1,140 | 1,9 |
| | ----- | ----- | ----- | ----- |
| Current Assets: | | | | |
| Cash and cash equivalents | 36 | 2,205 | 24 | 1 |
| Special Deposits | -- | -- | -- | |
| Investments in securitizable assets | -- | -- | -- | |
| Notes receivable from affiliated companies | 56,900 | -- | -- | |
| Receivables, net | 3,119 | 27,006 | -- | |
| Accounts receivable from affiliated companies | 1,158 | 43 | -- | 2 |
| Taxes receivable from affiliated companies | 2,547 | 239 | -- | 9 |
| Unbilled revenues | -- | -- | -- | |
| Fuel, materials and supplies, at average cost | -- | 13 | -- | |
| Unrealized gains on mark-to-market | -- | -- | -- | |
| Prepayments and other | -- | 1,081 | 1 | 5 |
| | ----- | ----- | ----- | ----- |
| | 63,760 | 30,587 | 25 | 1,9 |
| | ----- | ----- | ----- | ----- |
| Deferred Charges: | | | | |
| Regulatory assets | -- | 1 | 4 | |
| Accumulated deferred income taxes | 29,578 | 353 | 34 | |
| Unamortized debt expense | -- | -- | -- | |
| Goodwill and other purchased intangible assets, net | -- | -- | -- | |
| Prepaid pension | -- | -- | -- | |
| Other | 1,062 | 38,369 | -- | |
| | ----- | ----- | ----- | ----- |
| | 30,640 | 38,723 | 38 | |
| | ----- | ----- | ----- | ----- |
| Total Assets | \$ 94,400 | \$ 69,310 | \$ 1,578 | \$ 61,5 |
| | ===== | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
- (b) See supporting statements.

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NORTHEAST UTILITIES AND SUBSIDIARIES
 Consolidating Balance Sheet (a)
 Assets
 December 31, 2001
 (Thousands of Dollars)

| | Yankee Energy Systems, Inc. (consolidated) (b) | Charter Oak Energy, Inc. (consolidated) (b) | NU Enterprises, Inc. (consolidated) (b) |
|---|---|--|---|
| | ----- | ----- | ----- |
| Utility Plant, at cost: | | | |
| Electric | \$ -- | \$ 52 | \$ 266,215 |
| Gas | 634,884 | -- | -- |
| Other | -- | -- | 41,149 |
| | ----- | ----- | ----- |
| | 634,884 | 52 | 307,364 |
| Less: Accumulated provision for depreciation | 266,655 | 52 | 165,665 |
| | ----- | ----- | ----- |
| Construction work in progress | 368,229 | -- | 141,699 |
| Nuclear fuel, net | 37,726 | -- | 22,554 |
| | ----- | ----- | ----- |
| Total net utility plant | 405,955 | -- | 164,253 |
| | ----- | ----- | ----- |
| Other Property and Investments: | | | |
| Nuclear decommissioning trusts, at market | -- | -- | -- |
| Investments in regional nuclear generating companies, at equity | -- | -- | -- |
| Investments in subsidiary companies, at equity | -- | -- | -- |
| Investment in transmission company, at equity | -- | -- | -- |
| Other, at cost | 17,334 | -- | 36,207 |
| | ----- | ----- | ----- |
| | 17,334 | -- | 36,207 |
| | ----- | ----- | ----- |
| Current Assets: | | | |
| Cash and cash equivalents | 393 | 279 | 16,077 |
| Special Deposits | -- | -- | 13,036 |
| Investments in securitizable assets | -- | -- | -- |
| Notes receivable from affiliated companies | -- | -- | 16,300 |
| Receivables, net | 48,657 | -- | 332,813 |
| Accounts receivable from affiliated companies | 534 | 23,825 | 107,833 |
| Taxes receivable from affiliated companies | -- | -- | 2,001 |
| Unbilled revenues | 42,494 | -- | 34,397 |
| Fuel, materials and supplies, at average cost | 3,880 | -- | 2,618 |
| Unrealized gains on mark-to-market | -- | -- | 72,865 |
| Prepayments and other | 20,241 | -- | 21,172 |
| | ----- | ----- | ----- |
| | 116,199 | 24,104 | 619,112 |
| | ----- | ----- | ----- |
| Deferred Charges: | | | |
| Regulatory assets | 40,834 | -- | -- |

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| | | | |
|---|----------------|---------------|------------------|
| Accumulated deferred income taxes | -- | 80 | 286,768 |
| Unamortized debt expense | 1,135 | -- | 10,662 |
| Goodwill and other purchased intangible assets, net | 287,996 | -- | 34,604 |
| Prepaid pension | 42,757 | -- | 2,716 |
| Other | 717 | -- | 91,395 |
| | ----- | ----- | ----- |
| | 373,439 | 80 | 426,145 |
| | ----- | ----- | ----- |
| Total Assets | \$ 912,927 | \$ 24,184 | \$ 1,245,717 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
(b) See supporting statements.

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NORTHEAST UTILITIES AND SUBSIDIARIES

Consolidating Balance Sheet (a)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

| | Northeast Utilities (parent) | The Connecticut Light and Power Company (consolidated) (b) | Public Service Company of New Hampshire (consolidated) (b) |
|--|------------------------------------|---|--|
| | ----- | ----- | ----- |
| Capitalization: | | | |
| Common shareholders' equity: | | | |
| Common shares | \$ 744,453 | \$ 75,849 | \$ -- |
| Capital surplus, paid in | 1,107,609 | 414,018 | 165,000 |
| Deferred contribution plan - employee stock ownership plan | (101,809) | -- | -- |
| Retained earnings | 678,460 | 286,901 | 176,419 |
| Accumulated other comprehensive (loss)/ income | (32,470) | 67 | 406 |
| Treasury stock | (278,603) | -- | -- |
| | ----- | ----- | ----- |
| Total common shareholders' equity | 2,117,640 | 776,835 | 341,825 |
| Preferred stock not subject to mandatory redemption | -- | 116,200 | -- |
| Advances from Northeast Utilities | -- | -- | -- |
| Long-term debt | 357,000 | 824,349 | 407,285 |
| | ----- | ----- | ----- |
| Total capitalization | 2,474,640 | 1,717,384 | 749,110 |
| | ----- | ----- | ----- |
| Rate Reduction Bonds | -- | 1,358,653 | 507,381 |
| | ----- | ----- | ----- |
| Obligations Under Capital Leases | -- | 15,499 | 86,111 |

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| | | | |
|--|--------------|-------------|-------------|
| Current Liabilities: | | | |
| Notes payable to banks | 40,000 | -- | 60,500 |
| Notes payable to affiliated company | -- | -- | 23,000 |
| Long-term debt - current portion | 23,000 | -- | -- |
| Obligations under capital leases - current portion | -- | 541 | 24,164 |
| Accounts payable | 146 | 132,593 | 32,285 |
| Accounts payable to affiliated companies | 26,626 | 85,057 | 18,727 |
| Accrued taxes | 249 | 34,823 | 2,281 |
| Accrued interest | 2,492 | 10,369 | 9,428 |
| Other | 19 | 46,801 | 25,164 |
| | 92,532 | 310,184 | 195,549 |
| Deferred Credits and Other Long-term Liabilities: | | | |
| Accumulated deferred income taxes | 4,742 | 820,444 | 423,050 |
| Accumulated deferred investment tax credits | -- | 95,996 | 12,015 |
| Deferred contractual obligations | -- | 141,497 | 37,712 |
| Deferred pension costs | -- | -- | 37,326 |
| Other | 170 | 267,900 | 46,260 |
| | 4,912 | 1,325,837 | 556,363 |
| Total Capitalization and Liabilities | \$ 2,572,084 | \$4,727,557 | \$2,094,514 |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
 (b) See supporting statements.

NORTHEAST UTILITIES AND SUBSIDIARIES

Consolidating Balance Sheet (a)
 Capitalization and Liabilities
 December 31, 2001
 (Thousands of Dollars)

| | Holyoke Water Power Company (consolidated) (b) | Northeast Utilities Service Company |
|--|--|--|
| | ----- | ----- |
| Capitalization: | | |
| Common shareholders' equity: | | |
| Common shares | \$ 2,400 | \$ -- |
| Capital surplus, paid in | 6,000 | 1 |
| Deferred contribution plan - employee stock ownership plan | -- | -- |
| Retained earnings | (1,233) | -- |
| Accumulated other comprehensive (loss)/ income | (5) | -- |

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| | | |
|---|-----------|------------|
| Treasury stock | -- | -- |
| | ----- | ----- |
| Total common shareholders' equity | 7,162 | 1 |
| Preferred stock not subject to mandatory redemption | -- | -- |
| Advances from Northeast Utilities | 9,600 | -- |
| Long-term debt | -- | -- |
| | ----- | ----- |
| Total capitalization | 16,762 | 1 |
| | ----- | ----- |
| Rate Reduction Bonds | -- | -- |
| | ----- | ----- |
| Obligations Under Capital Leases | -- | 25 |
| | ----- | ----- |
| Current Liabilities: | | |
| Notes payable to banks | -- | -- |
| Notes payable to affiliated company | -- | 274,100 |
| Long-term debt - current portion | -- | -- |
| Obligations under capital leases - current portion | -- | 6 |
| Accounts payable | 4,755 | 44,564 |
| Accounts payable to affiliated companies | 1,785 | 21,058 |
| Accrued taxes | -- | -- |
| Accrued interest | 12 | 38 |
| Other | 38 | 16,395 |
| | ----- | ----- |
| | 6,590 | 356,161 |
| | ----- | ----- |
| Deferred Credits and Other Long-term Liabilities: | | |
| Accumulated deferred income taxes | 969 | -- |
| Accumulated deferred investment tax credits | -- | -- |
| Deferred contractual obligations | -- | -- |
| Deferred pension costs | -- | -- |
| Other | 4,125 | 92,685 |
| | ----- | ----- |
| | 5,094 | 92,685 |
| | ----- | ----- |
| Total Capitalization and Liabilities | \$ 28,446 | \$ 448,872 |
| | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
- (b) See supporting statements.

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NORTHEAST UTILITIES AND SUBSIDIARIES

Consolidating Balance Sheet (a)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

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| | Northeast Nuclear Energy Company | North Atlantic Energy Service Corporation | The Quinnehtuk Company | The Rive Co |
|---|---|---|------------------------------|-------------------|
| | ----- | ----- | ----- | ----- |
| Capitalization: | | | | |
| Common shareholders' equity: | | | | |
| Common shares | \$ 15 | \$ 1 | \$ 350 | \$ |
| Capital surplus, paid in | 15,350 | 9 | 155 | |
| Deferred contribution plan - employee stock ownership plan | -- | -- | -- | |
| Retained earnings | 851 | 4 | (3,092) | |
| Accumulated other comprehensive (loss)/ income | (121) | -- | -- | |
| Treasury stock | -- | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Total common shareholders' equity | 16,095 | 14 | (2,587) | |
| Preferred stock not subject to mandatory redemption | -- | -- | -- | |
| Advances from Northeast Utilities | -- | -- | -- | |
| Long-term debt | -- | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Total capitalization | 16,095 | 14 | (2,587) | |
| | ----- | ----- | ----- | ----- |
| Rate Reduction Bonds | -- | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Obligations Under Capital Leases | -- | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Current Liabilities: | | | | |
| Notes payable to banks | -- | -- | -- | |
| Notes payable to affiliated company | -- | -- | 3,700 | |
| Long-term debt - current portion | -- | -- | -- | |
| Obligations under capital leases - current portion | -- | -- | -- | |
| Accounts payable | 5,237 | 15,718 | -- | |
| Accounts payable to affiliated companies | 5,575 | 6,103 | 9 | |
| Accrued taxes | -- | -- | 200 | |
| Accrued interest | -- | -- | -- | |
| Other | 1,073 | 8,163 | -- | |
| | ----- | ----- | ----- | ----- |
| | 11,885 | 29,984 | 3,909 | |
| | ----- | ----- | ----- | ----- |
| Deferred Credits and Other Long-term Liabilities: | | | | |
| Accumulated deferred income taxes | -- | -- | -- | |
| Accumulated deferred investment tax credits | 963 | -- | -- | |
| Deferred contractual obligations | -- | -- | -- | |
| Deferred pension costs | 49,440 | 35,108 | -- | |
| Other | 16,017 | 4,204 | 256 | |
| | ----- | ----- | ----- | ----- |
| | 66,420 | 39,312 | 256 | |
| | ----- | ----- | ----- | ----- |
| Total Capitalization and Liabilities | \$ 94,400 | \$ 69,310 | \$ 1,578 | \$ |
| | ===== | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The

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accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
 (b) See supporting statements.

NORTHEAST UTILITIES AND SUBSIDIARIES

Consolidating Balance Sheet (a)
 Capitalization and Liabilities
 December 31, 2001
 (Thousands of Dollars)

| | Yankee Energy Systems, Inc. (consolidated) (b) | Charter Oak Energy, Inc. (consolidated) (b) | NU Enterprises, Inc. (consolidated) (b) |
|---|---|--|---|
| | ----- | ----- | ----- |
| Capitalization: | | | |
| Common shareholders' equity: | | | |
| Common shares | \$ -- | \$ -- | \$ -- |
| Capital surplus, paid in | 484,888 | 75,944 | 212,735 |
| Deferred contribution plan - employee stock ownership plan | -- | -- | -- |
| Retained earnings | 25,048 | (64,147) | (64,925) |
| Accumulated other comprehensive (loss)/ income | (1,363) | -- | (31,416) |
| Treasury stock | -- | -- | -- |
| | ----- | ----- | ----- |
| Total common shareholders' equity | 508,573 | 11,797 | 116,394 |
| Preferred stock not subject to mandatory redemption | -- | -- | -- |
| Advances from Northeast Utilities | -- | -- | 33,502 |
| Long-term debt | 152,908 | -- | 441,979 |
| | ----- | ----- | ----- |
| Total capitalization | 661,481 | 11,797 | 591,875 |
| | ----- | ----- | ----- |
| Rate Reduction Bonds | -- | -- | -- |
| | ----- | ----- | ----- |
| Obligations Under Capital Leases | -- | -- | -- |
| | ----- | ----- | ----- |
| Current Liabilities: | | | |
| Notes payable to banks | 50,000 | -- | -- |
| Notes payable to affiliated company | 5,200 | -- | 189,000 |
| Long-term debt - current portion | 1,050 | -- | 24,000 |
| Obligations under capital leases - current portion | -- | -- | -- |
| Accounts payable | 25,004 | 93 | 311,710 |
| Accounts payable to affiliated companies | 1,518 | 11,913 | 8,195 |
| Accrued taxes | 7,825 | 381 | 794 |
| Accrued interest | 3,514 | -- | 7,801 |
| Other | 7,166 | -- | 45,338 |
| | ----- | ----- | ----- |
| | 101,277 | 12,387 | 586,838 |
| | ----- | ----- | ----- |

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| | | | |
|---|----------------|---------------|------------------|
| Deferred Credits and Other Long-term Liabilities: | | | |
| Accumulated deferred income taxes | 67,336 | -- | -- |
| Accumulated deferred investment tax credits | 7,099 | -- | -- |
| Deferred contractual obligations | -- | -- | -- |
| Deferred pension costs | -- | -- | -- |
| Other | 75,734 | -- | 67,003 |
| | ----- | ----- | ----- |
| | 150,169 | -- | 67,003 |
| | ----- | ----- | ----- |
| Total Capitalization and Liabilities | \$ 912,927 | \$ 24,184 | \$ 1,245,716 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
(b) See supporting statements.

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NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Statement of Income (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Northeast Utilities (parent) | The Connecticut Light and Power Company (consolidated) (b) | Public Service Company of New Hampshire (consolidated) (b) |
|---|------------------------------------|---|--|
| | ----- | ----- | ----- |
| Operating Revenues | \$ -- | \$ 2,646,123 | \$ 1,171,686 |
| | ----- | ----- | ----- |
| Operating Expenses: | | | |
| Operation- | | | |
| Fuel, purchased and net interchange power | -- | 1,514,418 | 713,668 |
| Other | 11,847 | 310,477 | 124,123 |
| Maintenance | 21 | 106,228 | 56,276 |
| Depreciation | -- | 96,212 | 39,741 |
| Amortization of regulatory assets, net | -- | 746,693 | 65,445 |
| Federal and state income taxes | (10,997) | 88,218 | 32,054 |
| Taxes other than income taxes | 49 | 130,656 | 38,375 |
| Gain on sale of utility plant | -- | (521,590) | (590) |
| | ----- | ----- | ----- |
| Total operating expenses | 920 | 2,471,312 | 1,069,092 |
| | ----- | ----- | ----- |
| Operating (Loss)/Income | (920) | 174,811 | 102,594 |
| | ----- | ----- | ----- |
| Other Income/(Loss): | | | |
| Equity in earnings of subsidiaries | 188,783 | -- | -- |
| Equity in earnings of regional nuclear generating and transmission companies | 2,079 | 1,128 | 473 |
| Gain related to Millstone sale | 147,935 | 29,461 | 25,924 |

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| | | | |
|--|------------|------------|-----------|
| Loss on share repurchase contracts | (35,394) | -- | -- |
| Other, net | 8,784 | 25,315 | 10,246 |
| Minority interest in loss of subsidiary | -- | (3,100) | -- |
| Deferred nuclear plant return-other funds | -- | -- | -- |
| Income taxes | (35,061) | 3,317 | (6,517) |
| | ----- | ----- | ----- |
| Other income/(loss), net | 277,126 | 56,121 | 30,126 |
| | ----- | ----- | ----- |
| Income before interest charges | 276,206 | 230,932 | 132,720 |
| | ----- | ----- | ----- |
| Interest Charges: | | | |
| Interest on long-term debt | 24,191 | 59,724 | 30,201 |
| Interest on rate reduction bonds | -- | 60,644 | 20,721 |
| Other interest | 8,505 | 761 | 22 |
| Deferred interest-nuclear plants | -- | -- | -- |
| | ----- | ----- | ----- |
| Interest charges, net | 32,696 | 121,129 | 50,944 |
| | ----- | ----- | ----- |
| Income/(loss) before cumulative effect of accounting change, net of tax benefit | 243,510 | 109,803 | 81,776 |
| Cumulative effect of accounting change, net of tax benefit | -- | -- | -- |
| | ----- | ----- | ----- |
| Net Income/(Loss) | \$ 243,510 | \$ 109,803 | \$ 81,776 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
(b) See supporting statements.

NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Statement of Income (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | |
|---|--|
| | Holyoke Water Power Company (consolidated) (b) |
| | ----- |
| Operating Revenues | \$55,197 |
| | ----- |
| Operating Expenses: | |
| Operation- | |
| Fuel, purchased and net interchange power | 27,988 |
| Other | 8,938 |
| Maintenance | 7,030 |
| Depreciation | 2,106 |
| Amortization of regulatory assets, net | -- |
| Federal and state income taxes | 3,145 |

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| | |
|--|----------|
| Taxes other than income taxes | 546 |
| Gain on sale of utility plant | -- |
| | ----- |
| Total operating expenses | 49,753 |
| | ----- |
| Operating (Loss)/Income | 5,444 |
| | ----- |
| Other Income/(Loss): | |
| Equity in earnings of subsidiaries | -- |
| Equity in earnings of regional nuclear generating and transmission companies | -- |
| Gain related to Millstone sale | -- |
| Loss on share repurchase contracts | -- |
| Other, net | 383 |
| Minority interest in loss of subsidiary | -- |
| Deferred nuclear plant return-other funds | -- |
| Income taxes | 545 |
| | ----- |
| Other income/(loss), net | 928 |
| | ----- |
| Income before interest charges | 6,372 |
| | ----- |
| Interest Charges: | |
| Interest on long-term debt | 1,709 |
| Interest on rate reduction bonds | -- |
| Other interest | 287 |
| Deferred interest-nuclear plants | -- |
| | ----- |
| Interest charges, net | 1,996 |
| | ----- |
| Income/(loss) before cumulative effect of accounting change, net of tax benefit | 4,376 |
| Cumulative effect of accounting change, net of tax benefit | -- |
| | ----- |
| Net Income/(Loss) | \$ 4,376 |
| | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
- (b) See supporting statements.

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NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Statement of Income (a)
Year Ended December 31, 2001
(Thousands of Dollars)

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| | Northeast Utilities Service Company | Northeast Nuclear Energy Company | North Atlantic Energy Service Corporation | Quin Co |
|--|--|---|---|------------|
| Operating Revenues | \$ 304,802 | \$ 126,749 | \$ 155,436 | \$ |
| Operating Expenses: | | | | |
| Operation- | | | | |
| Fuel, purchased and net interchange power | -- | -- | 8,243 | |
| Other | 263,152 | 70,306 | 103,885 | |
| Maintenance | 12,403 | 51,054 | 38,078 | |
| Depreciation | 10,831 | 206 | -- | |
| Amortization of regulatory assets, net | -- | -- | -- | |
| Federal and state income taxes | (1,210) | (1,654) | (308) | |
| Taxes other than income taxes | 11,342 | 5,588 | 4,821 | |
| Gain on sale of utility plant | -- | -- | -- | |
| Total operating expenses | 296,518 | 125,500 | 154,719 | |
| Operating (Loss)/Income | 8,284 | 1,249 | 717 | |
| Other Income/(Loss): | | | | |
| Equity in earnings of subsidiaries | -- | -- | -- | |
| Equity in earnings of regional nuclear generating and transmission companies | -- | -- | -- | |
| Gain related to Millstone sale | -- | -- | -- | |
| Loss on share repurchase contracts | -- | -- | -- | |
| Other, net | (7,736) | (383) | (600) | |
| Minority interest in loss of subsidiary | -- | -- | -- | |
| Deferred nuclear plant return-other funds | -- | -- | -- | |
| Income taxes | -- | -- | -- | |
| Other income/(loss), net | (7,736) | (383) | (600) | |
| Income before interest charges | 548 | 866 | 117 | |
| Interest Charges: | | | | |
| Interest on long-term debt | -- | 98 | -- | |
| Interest on rate reduction bonds | -- | -- | -- | |
| Other interest | 548 | 355 | 116 | |
| Deferred interest-nuclear plants | -- | -- | -- | |
| Interest charges, net | 548 | 453 | 116 | |
| Income/(loss) before cumulative effect of accounting change, net of tax benefit | -- | 413 | 1 | |
| Cumulative effect of accounting change, net of tax benefit | -- | -- | -- | |
| Net Income/(Loss) | \$ -- | \$ 413 | \$ 1 | \$ |

Note: Individual columns may not add to Consolidated due to rounding. The

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accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
 (b) See supporting statements.

NORTHEAST UTILITIES AND SUBSIDIARIES
 Consolidating Statement of Income (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | Yankee Energy System, Inc. (consolidated) (b) | Charter Oak Energy, Inc. (consolidated) (b) | NU Enterprises, Inc. (consolidated) (b) |
|---|--|--|---|
| | ----- | ----- | ----- |
| Operating Revenues | \$ 380,223 | \$ -- | \$ 2,975,996 |
| | ----- | ----- | ----- |
| Operating Expenses: | | | |
| Operation- | | | |
| Fuel, purchased and net interchange power | 218,585 | -- | 2,673,379 |
| Other | 57,277 | (158) | 187,394 |
| Maintenance | 7,969 | -- | 55,783 |
| Depreciation | 26,578 | -- | 6,917 |
| Amortization of regulatory assets, net | 7,761 | -- | 1,267 |
| Federal and state income taxes | 11,191 | (309) | (2,629) |
| Taxes other than income taxes | 14,787 | -- | 12,855 |
| Gain on sale of utility plant | -- | -- | -- |
| | ----- | ----- | ----- |
| Total operating expenses | 344,148 | (467) | 2,934,966 |
| | ----- | ----- | ----- |
| Operating (Loss)/Income | 36,075 | 467 | 41,030 |
| | ----- | ----- | ----- |
| Other Income/(Loss): | | | |
| Equity in earnings of subsidiaries | -- | -- | -- |
| Equity in earnings of regional nuclear generating and transmission companies | -- | -- | -- |
| Gain related to Millstone sale | -- | -- | -- |
| Loss on share repurchase contracts | -- | -- | -- |
| Other, net | 4,193 | 535 | (2,877) |
| Minority interest in loss of subsidiary | -- | -- | -- |
| Deferred nuclear plant return-other funds | -- | -- | -- |
| Income taxes | (378) | (71) | (269) |
| | ----- | ----- | ----- |
| Other income/(loss), net | 3,815 | 464 | (3,146) |
| | ----- | ----- | ----- |
| Income before interest charges | 39,890 | 931 | 37,884 |
| | ----- | ----- | ----- |
| Interest Charges: | | | |
| Interest on long-term debt | 12,855 | -- | 7,396 |
| Interest on rate reduction bonds | -- | -- | -- |

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| | | | |
|--|-----------|--------|-------------|
| Other interest | 760 | -- | 33,111 |
| Deferred interest-nuclear plants | -- | -- | -- |
| | ----- | ----- | ----- |
| Interest charges, net | 13,615 | -- | 40,507 |
| | ----- | ----- | ----- |
| Income/(loss) before cumulative effect of accounting change, net of tax benefit | 26,275 | 931 | (2,623) |
| Cumulative effect of accounting change, net of tax benefit | (447) | -- | (21,985) |
| | ----- | ----- | ----- |
| Net Income/(Loss) | \$ 25,828 | \$ 931 | \$ (24,608) |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
(b) See supporting statements.

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NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Statement of Retained Earnings (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Northeast Utilities (parent) | The Connecticut Light and Power Company (consolidated) (b) | Public Service Company of New Hampshire (consolidated) (b) |
|--|------------------------------------|---|--|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 495,873 | \$ 243,197 | \$ 123,177 |
| Additions: | | | |
| Net income/(loss) | 243,510 | 109,803 | 81,776 |
| Tax benefit for 1993-1999 from reduction of NU losses | -- | -- | -- |
| | ----- | ----- | ----- |
| | 739,383 | 353,000 | 204,953 |
| | ----- | ----- | ----- |
| Deductions: | | | |
| Dividends declared: | | | |
| Preferred stock (at required annual rates): | | | |
| The Connecticut Light and Power Company | -- | 5,559 | -- |
| Western Massachusetts Electric Company | -- | -- | -- |
| Public Service Company of New Hampshire | -- | -- | 1,286 |
| Common shares: | | | |
| \$7.92 per share | -- | 60,072 | -- |
| \$69,587.622 per share | -- | -- | 27,000 |
| \$42.3616 per share | -- | -- | -- |
| \$.45 per share | 60,923 | -- | -- |

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| | | | |
|-----------------------------|------------|------------|------------|
| \$11,000.00 per share | -- | -- | -- |
| Allocation of benefits-ESOP | -- | 468 | 248 |
| | ----- | ----- | ----- |
| Total deductions | 60,923 | 66,099 | 28,534 |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 678,460 | \$ 286,901 | \$ 176,419 |
| | ===== | ===== | ===== |

NORTHEAST UTILITIES AND SUBSIDIARIES
 Consolidating Statement of Retained Earnings (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | Holyoke Water Power Company (consolidated) (b) | Northeast Nuclear Energy Company |
|--|--|---|
| | ----- | ----- |
| Balance at beginning of period | \$ (5,607) | \$ 438 |
| Additions: | | |
| Net income/(loss) | 4,376 | 413 |
| Tax benefit for 1993-1999 from reduction of NU losses | -- | -- |
| | ----- | ----- |
| | (1,231) | 851 |
| | ----- | ----- |
| Deductions: | | |
| Dividends declared: | | |
| Preferred stock (at required annual rates): | | |
| The Connecticut Light and Power Company | -- | -- |
| Western Massachusetts Electric Company | -- | -- |
| Public Service Company of New Hampshire | -- | -- |
| Common shares: | | |
| \$7.92 per share | -- | -- |
| \$69,587.622 per share | -- | -- |
| \$42.3616 per share | -- | -- |
| \$.45 per share | -- | -- |
| \$11,000.00 per share | -- | -- |
| Allocation of benefits-ESOP | 2 | -- |
| | ----- | ----- |
| Total deductions | 2 | -- |
| | ----- | ----- |
| Balance at end of period | \$ (1,233) | \$ 851 |
| | ===== | ===== |

NORTHEAST UTILITIES AND SUBSIDIARIES
 Consolidating Statement of Capital Surplus, Paid In (a)

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Year Ended December 31, 2001
(Thousands of Dollars)

| | Northeast Utilities (parent) ----- | The Connecticut Light and Power Company (consolidated) (b) ----- | Public Service Company of New Hampshire (consolidated) (b) ----- |
|--|---|--|---|
| Balance at beginning of period | \$ 942,144 | \$ 413,192 | \$ 424,909 |
| Repurchase of common stock | -- | -- | (259,999) |
| Capital contribution from Northeast Utilities | -- | -- | -- |
| Dividends declared on common shares | | | |
| at \$25,000.00 per share | -- | -- | -- |
| at \$55,000.00 per share | -- | -- | -- |
| Premium on Capital Stock - Issuance | 1,207 | -- | -- |
| Additional paid in capital - ESOP shares | (2,296) | -- | -- |
| Common share issuance & retirements expenses, net of amortization | 2,118 | 826 | 90 |
| Repurchase of common shares from share purchase arrangements | 164,436 | -- | -- |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 1,107,609 ===== | \$ 414,018 ===== | \$ 165,000 ===== |

Note: Individual columns may not add to Consolidated due to rounding.
The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
- (b) See supporting statements.

NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Statement of Capital Surplus, Paid In (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Holyoke Water Power Company (consolidated) (b) ----- | Northeast Utilities Energy Company ----- |
|---|---|--|
| Balance at beginning of period | \$ 6,000 | \$ 1 |
| Repurchase of common stock | -- | -- |
| Capital contribution from Northeast Utilities | -- | -- |
| Dividends declared on common shares | | |
| at \$25,000.00 per share | -- | -- |

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| | | |
|---|----------|-------|
| at \$55,000.00 per share | -- | -- |
| Premium on Capital Stock - Issuance | -- | -- |
| Additional paid in capital - ESOP shares | -- | -- |
| Common share issuance & retirements expenses, net of amortization | -- | -- |
| Repurchase of common shares from share purchase arrangements | -- | -- |
| | ----- | ----- |
| Balance at end of period | \$ 6,000 | \$ 1 |
| | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.
The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
(b) See supporting statements.

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NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Statement of Retained Earnings (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | North Atlantic Energy Service Corporation | The Quinnehtuk Company | The Rocky River Realty Company |
|--|---|------------------------------|--------------------------------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 3 | \$ (2,999) | \$ 674 |
| Additions: | | | |
| Net income/(loss) | 1 | (93) | -- |
| Tax benefit for 1993-1999 from reduction of NU losses | -- | -- | -- |
| | ----- | ----- | ----- |
| | 4 | (3,092) | 674 |
| | ----- | ----- | ----- |
| Deductions: | | | |
| Dividends declared: | | | |
| Preferred stock (at required annual rates): | | | |
| The Connecticut Light and Power Company | -- | -- | -- |
| Western Massachusetts Electric Company | -- | -- | -- |
| Public Service Company of New Hampshire | -- | -- | -- |
| Common shares: | | | |
| \$7.92 per share | -- | -- | -- |
| \$69,587.622 per share | -- | -- | -- |
| \$42.3616 per share | -- | -- | -- |
| \$.45 per share | -- | -- | -- |
| \$11,000.00 per share | -- | -- | -- |
| Allocation of benefits-ESOP | -- | -- | -- |

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| | | | |
|--------------------------|----------------------|----------------------|----------------------|
| Total deductions | ----- -- ----- | ----- -- ----- | ----- -- ----- |
| Balance at end of period | \$ 4 ===== | \$ (3,092) ===== | \$ 674 ===== |

NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Statement of Retained Earnings (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Yankee Energy System, Inc. (consolidated) (b) | Charter Oak Energy, Inc. (consolidated) (b) | NU Enterprises, Inc. (consolidated) (b) |
|--|--|--|---|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ (733) | \$ (65,078) | \$ (40,183) |
| Additions: | | | |
| Net income/(loss) | 25,828 | 931 | (24,608) |
| Tax benefit for 1993-1999 from reduction of NU losses | -- ----- 25,095 ----- | -- ----- (64,147) ----- | -- ----- (64,791) ----- |
| Deductions: | | | |
| Dividends declared: | | | |
| Preferred stock (at required annual rates): | | | |
| The Connecticut Light and Power Company | -- | -- | -- |
| Western Massachusetts Electric Company | -- | -- | -- |
| Public Service Company of New Hampshire | -- | -- | -- |
| Common shares: | | | |
| \$7.92 per share | -- | -- | -- |
| \$69,587.622 per share | -- | -- | -- |
| \$42.3616 per share | -- | -- | -- |
| \$.45 per share | -- | -- | -- |
| \$11,000.00 per share | -- | -- | -- |
| Allocation of benefits-ESOP | 47 | -- | 134 |
| Total deductions | 47 ----- | -- ----- | 134 ----- |
| Balance at end of period | \$ 25,048 ===== | \$ (64,147) ===== | \$ (64,925) ===== |

NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Statement of Capital Surplus, Paid In (a)
Year Ended December 31, 2001
(Thousands of Dollars)

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| | Northeast Nuclear Energy Company | North Atlantic Energy Service Corporation | The Quinnehtuk Company |
|--|---|---|------------------------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 15,350 | \$ 9 | \$ 155 |
| Repurchase of common stock | -- | -- | -- |
| Capital contribution from Northeast Utilities | -- | -- | -- |
| Dividends declared on common shares | | | |
| at \$25,000.00 per share | -- | -- | -- |
| at \$55,000.00 per share | -- | -- | -- |
| Premium on Capital Stock - Issuance | -- | -- | -- |
| Additional paid in captial - ESOP shares | -- | -- | -- |
| Common share issuance & retirements expenses, net of amortization | -- | -- | -- |
| Repurchase of common shares from share purchase arrangements | -- | -- | -- |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 15,350 ===== | \$ 9 ===== | \$ 155 ===== |

Note: Individual columns may not add to Consolidated due to rounding.
The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
- (b) See supporting statements.

NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Statement of Capital Surplus, Paid In (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Yankee Energy System, Inc. (consolidated) (b) | Charter Oak Energy, Inc. (consolidated) (b) | NU Enterprises, Inc. (consolidated) (b) |
|---|--|--|---|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 484,888 | \$ 83,944 | \$ 155,510 |
| Repurchase of common stock | -- | -- | (75,000) |
| Capital contribution from Northeast Utilities | -- | -- | 103,425 |
| Dividends declared on common shares | | | |
| at \$25,000.00 per share | -- | (2,500) | -- |
| at \$55,000.00 per share | -- | (5,500) | -- |
| Premium on Capital Stock - Issuance | -- | -- | -- |
| Additional paid in captial - ESOP shares | -- | -- | -- |

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| | | | |
|---|------------|-----------|------------|
| Common share issuance & retirements expenses, net of amortization | -- | -- | -- |
| Repurchase of common shares from share purchase arrangements | -- | -- | -- |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 484,888 | \$ 75,944 | \$ 183,935 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.
The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
(b) See supporting statements.

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NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Statement of Cash Flows (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Northeast Utilities (parent) | Connecticut Light and Power Company (consolidated) |
|--|------------------------------------|---|
| | (b) | (b) |
| | ----- | ----- |
| Operating Activities: | | |
| Income/(Loss) before extraordinary loss | \$ 243,510 | \$ 109,803 |
| Adjustments to reconcile to net cash provided by/(used in) operating activities: | | |
| Depreciation | -- | 96,212 |
| Deferred income taxes and investment tax credits, net | (233) | (144,559) |
| Amortization of recoverable energy costs | -- | 5,162 |
| Amortization of regulatory assets, net | -- | 746,693 |
| (Gain)/loss on sale of utility plant | -- | (521,590) |
| Cumulative effect of accounting change | -- | -- |
| Allocation of ESOP benefits | -- | (468) |
| Equity in earnings of subsidiary companies | (188,783) | -- |
| Cash dividends received from subsidiary companies | 120,072 | -- |
| Accumulated comprehensive income - hedging derivatives | -- | -- |
| Net other sources/(uses) of cash | 3,169 | (137,616) |
| Changes in working capital: | | |
| Receivables and accrued utility revenues, net | (17,492) | (144,419) |
| Fuel, materials and supplies | -- | 3,247 |
| Accounts payable | 25,788 | (58,400) |
| Accrued taxes | (886) | 1,922 |
| Investments in securitizable assets | -- | 61,779 |
| Unrealized gains on mark-to-market transactions | -- | -- |
| Other working capital (excludes cash) | (2,705) | 26,440 |
| | ----- | ----- |
| Net cash flows provided by/(used in) operating activities | 182,440 | 44,206 |
| | ----- | ----- |

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Investing Activities:

| | | |
|--|----------|-------------|
| Investment in regulated plant: | | |
| Electric and other utility plant | -- | (237,423) |
| Nuclear fuel | -- | (1,992) |
| | ----- | ----- |
| Net cash flows used for investments in regulated plant | -- | (239,415) |
| Investment in NU system Money Pool | (30,400) | (39,200) |
| Investment in subsidiaries | 363,631 | -- |
| Investment in nuclear decommissioning trusts | -- | (74,866) |
| Investments in competitive energy assets | -- | -- |
| Net proceeds from the sale of utility plant | -- | 827,692 |
| Other investment activities, net | 1,415 | (10,164) |
| Payment for the purchase of SENY, net of cash acquired | -- | -- |
| Buyout/buydown of IPP contracts | -- | (1,029,008) |
| | ----- | ----- |
| Net cash flows provided by/(used in) by investing activities | 334,646 | (564,961) |
| | ----- | ----- |

Financing Activities:

| | | |
|--|-----------|-----------|
| Issuance of rate reduction bonds | -- | 1,438,400 |
| Retirement of rate reduction bonds | -- | (79,747) |
| Repurchase of common shares | (291,789) | -- |
| Issuance of common shares | 1,751 | -- |
| Issuance of long-term debt | 263,000 | -- |
| Net (decrease)/increase in short-term debt | (396,000) | (115,000) |
| Reacquisitions and retirements of long-term debt | (21,000) | (416,155) |
| Reacquisitions and retirements of preferred stock | -- | -- |
| Retirement of monthly income preferred securities | -- | (100,000) |
| Retirement of capital lease obligation | -- | (145,800) |
| Advance from parent | -- | -- |
| Cash dividends on preferred stock | -- | (5,559) |
| Cash dividends on common shares | (60,923) | (60,072) |
| Buydown of capital lease obligation | -- | -- |
| Capital contributions from Northeast Utilities | -- | -- |
| | ----- | ----- |
| Net cash flows (used in)/provided financing activities | (504,961) | 516,067 |
| | ----- | ----- |

| | | |
|---|-----------|---------|
| Net increase/(decrease) in cash for the period | 12,125 | (4,688) |
| Cash and cash equivalents - beginning of period | 1,058 | 5,461 |
| | ----- | ----- |
| Cash and cash equivalents - end of period | \$ 13,183 | \$ 773 |
| | ===== | ===== |

Supplemental Cash Flow Information:

| | | |
|---|-----------|------------|
| Cash paid/(refunded) during the year for: | | |
| Interest, net of amounts capitalized | \$ 35,453 | \$ 120,645 |
| | ===== | ===== |
| Income taxes | \$ 32,126 | \$ 230,144 |
| | ===== | ===== |
| Increase in obligations: | | |
| Niantic Bay Fuel Trust and other capital leases | \$ -- | \$ 1,754 |
| | ===== | ===== |
| Seabrook Power Contracts | \$ -- | \$ -- |
| | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

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- (a) Not covered by auditors' report.
 (b) See supporting statements.

NORTHEAST UTILITIES AND SUBSIDIARIES
 Consolidating Statement of Cash Flows (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | North Atlantic Energy Corporation | Holyoke Water Power Company (consolidated) (b) | Northeast Utilities Service Company |
|--|--|--|--|
| | ----- | ----- | ----- |
| Operating Activities: | | | |
| Income/(Loss) before extraordinary loss | \$ 4,175 | \$ 4,376 | \$ -- |
| Adjustments to reconcile to net cash provided by/(used in) operating activities: | | | |
| Depreciation | 511,172 | 2,106 | 10,830 |
| Deferred income taxes and investment tax credits, net | (185,549) | 644 | (7,630) |
| Amortization of recoverable energy costs | -- | -- | -- |
| Amortization of regulatory assets, net | 28,366 | -- | -- |
| (Gain)/loss on sale of utility plant | -- | -- | -- |
| Cumulative effect of accounting change | -- | -- | -- |
| Allocation of ESOP benefits | -- | (2) | -- |
| Equity in earnings of subsidiary companies | -- | -- | -- |
| Cash dividends received from subsidiary companies | -- | -- | -- |
| Accumulated comprehensive income - hedging derivatives | -- | -- | -- |
| Net other sources/(uses) of cash | 17,291 | (8,000) | 27,660 |
| Changes in working capital: | | | |
| Receivables and accrued utility revenues, net | 41,291 | 1,678 | 82,630 |
| Fuel, materials and supplies | (416) | (1,394) | (13,000) |
| Accounts payable | (925) | 294 | (85,680) |
| Accrued taxes | -- | (785) | (2,130) |
| Investments in securitizable assets | -- | -- | -- |
| Unrealized gains on mark-to-market transactions | -- | -- | -- |
| Other working capital (excludes cash) | (5,541) | (469) | (16,560) |
| Net cash flows provided by/(used in) operating activities | 409,864 | (1,552) | 8,970 |
| Investing Activities: | | | |
| Investment in regulated plant: | | | |
| Electric and other utility plant | (5,356) | -- | (10,690) |
| Nuclear fuel | (12,106) | -- | -- |
| Net cash flows used for investments in regulated plant | (17,462) | -- | (10,690) |
| Investment in NU system Money Pool | (4,400) | 12,900 | (139,400) |
| Investment in subsidiaries | -- | -- | -- |
| Investment in nuclear decommissioning trusts | (7,036) | -- | -- |
| Investments in competitive energy assets | -- | (550) | -- |
| Net proceeds from the sale of utility plant | -- | 17,550 | -- |
| Other investment activities, net | -- | 1,617 | 44,000 |
| Payment for the purchase of SENY, net of cash acquired | -- | -- | -- |
| Buyout/buydown of IPP contracts | -- | -- | -- |

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| | | | |
|---|------------|----------|----------|
| Net cash flows provided by/(used in) investing activities | (28,898) | 31,517 | (149,65) |
| Financing Activities: | | | |
| Issuance of rate reduction bonds | -- | -- | -- |
| Retirement of rate reduction bonds | -- | -- | -- |
| Repurchase of common shares | (125,000) | -- | -- |
| Issuance of common shares | -- | -- | -- |
| Issuance of long-term debt | -- | -- | -- |
| Net (decrease)/increase in short-term debt | (110,000) | -- | 153,60 |
| Reacquisitions and retirements of long-term debt | (135,000) | (38,300) | -- |
| Reacquisitions and retirements of preferred stock | -- | -- | -- |
| Retirement of monthly income preferred securities | -- | -- | -- |
| Retirement of capital lease obligation | -- | -- | -- |
| Advance from parent | -- | 9,600 | -- |
| Cash dividends on preferred stock | -- | -- | -- |
| Cash dividends on common shares | (11,000) | -- | -- |
| Buydown of capital lease obligation | -- | -- | -- |
| Capital contributions from Northeast Utilities | -- | -- | -- |
| Net cash flows (used in)/provided by financing activities | (381,000) | (28,700) | 153,60 |
| Net increase/(decrease) in cash for the period | (34) | 1,265 | 12,91 |
| Cash and cash equivalents - beginning of period | 118 | 1,865 | 45,37 |
| Cash and cash equivalents - end of period | \$ 84 | \$ 3,130 | \$ 58,29 |
| Supplemental Cash Flow Information: | | | |
| Cash paid/(refunded) during the year for: | | | |
| Interest, net of amounts capitalized | \$ 15,409 | \$ 2,546 | \$ (3) |
| Income taxes | \$ 212,100 | \$ 2,776 | \$ 16,59 |
| Increase in obligations: | | | |
| Niantic Bay Fuel Trust and other capital leases | \$ 15,409 | \$ -- | \$ -- |
| Seabrook Power Contracts | \$ 212,100 | \$ -- | \$ -- |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

(b) See supporting statements.

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NORTHEAST UTILITIES AND SUBSIDIARIES
 Consolidating Statement of Cash Flows (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

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| | Northeast Nuclear Energy Company | North Atlantic Energy Service Corporation |
|--|---|---|
| | ----- | ----- |
| Operating Activities: | | |
| Income/(Loss) before extraordinary loss | \$ 413 | \$ 1 |
| Adjustments to reconcile to net cash provided by/(used in) operating activities: | | |
| Depreciation | 206 | -- |
| Deferred income taxes and investment tax credits, net | 3,451 | (588) |
| Amortization of recoverable energy costs | -- | -- |
| Amortization of regulatory assets, net | -- | -- |
| (Gain)/loss on sale of utility plant | -- | -- |
| Cumulative effect of accounting change | -- | -- |
| Allocation of ESOP benefits | -- | -- |
| Equity in earnings of subsidiary companies | -- | -- |
| Cash dividends received from subsidiary companies | -- | -- |
| Accumulated comprehensive income - hedging derivatives | -- | -- |
| Net other sources/(uses) of cash | 27,569 | (93) |
| Changes in working capital: | | |
| Receivables and accrued utility revenues, net | 40,134 | (1,316) |
| Fuel, materials and supplies | 71,358 | 22 |
| Accounts payable | (41,772) | 397 |
| Accrued taxes | -- | (481) |
| Investments in securitizable assets | -- | -- |
| Unrealized gains on mark-to-market transactions | -- | -- |
| Other working capital (excludes cash) | (53,723) | 1,168 |
| | ----- | ----- |
| Net cash flows provided by/(used in) operating activities | 47,636 | (890) |
| | ----- | ----- |
| Investing Activities: | | |
| Investment in regulated plant: | | |
| Electric and other utility plant | -- | -- |
| Nuclear fuel | -- | -- |
| | ----- | ----- |
| Net cash flows used for investments in regulated plant | -- | -- |
| Investment in NU system Money Pool | (47,600) | -- |
| Investment in subsidiaries | -- | -- |
| Investment in nuclear decommissioning trusts | -- | -- |
| Investments in competitive energy assets | -- | -- |
| Net proceeds from the sale of utility plant | -- | -- |
| Other investment activities, net | -- | -- |
| Payment for the purchase of SENY, net of cash acquired | -- | -- |
| Buyout/buydown of IPP contracts | -- | -- |
| | ----- | ----- |
| Net cash flows provided by/(used in) investing activities | (47,600) | -- |
| | ----- | ----- |
| Financing Activities: | | |
| Issuance of rate reduction bonds | -- | -- |
| Retirement of rate reduction bonds | -- | -- |
| Repurchase of common shares | -- | -- |
| Issuance of common shares | -- | -- |
| Issuance of long-term debt | -- | -- |
| Net (decrease)/increase in short-term debt | -- | -- |
| Reacquisitions and retirements of long-term debt | -- | -- |
| Reacquisitions and retirements of preferred stock | -- | -- |

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| | | |
|---|------------|----------|
| Retirement of monthly income preferred securities | -- | -- |
| Retirement of capital lease obligation | -- | -- |
| Advance from parent | -- | -- |
| Cash dividends on preferred stock | -- | -- |
| Cash dividends on common shares | -- | -- |
| Buydown of capital lease obligation | -- | -- |
| Capital contributions from Northeast Utilities | -- | -- |
| | ----- | ----- |
| Net cash flows (used in)/provided by financing activities | -- | -- |
| | ----- | ----- |
| Net increase/(decrease) in cash for the period | 36 | (890) |
| Cash and cash equivalents - beginning of period | -- | 3,095 |
| | ----- | ----- |
| Cash and cash equivalents - end of period | \$ 36 | \$ 2,205 |
| | ===== | ===== |
| Supplemental Cash Flow Information: | | |
| Cash paid/(refunded) during the year for: | | |
| Interest, net of amounts capitalized | \$ 212 | \$ -- |
| | ===== | ===== |
| Income taxes | \$ (3,511) | \$ 1,493 |
| | ===== | ===== |
| Increase in obligations: | | |
| Niantic Bay Fuel Trust and other capital leases | \$ -- | \$ -- |
| | ===== | ===== |
| Seabrook Power Contracts | \$ -- | \$ -- |
| | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

- (a) Not covered by auditors' report.
- (b) See supporting statements.

NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Statement of Cash Flows (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | The Quinnehtuk Company | The Rocky River Realty Company | Yank Syst (cons |
|---|------------------------------|---|-----------------------|
| | ----- | ----- | ----- |
| Operating Activities: | | | |
| Income/(Loss) before extraordinary loss | \$ (93) | \$ -- | \$ |
| Adjustments to reconcile to net cash provided by/(used in) operating activities: | | | |
| Depreciation | 54 | 2,445 | |
| Deferred income taxes and investment tax credits, net | (2) | 918 | |

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| | | |
|---|-------|---------|
| Amortization of recoverable energy costs | -- | -- |
| Amortization of regulatory assets, net | -- | -- |
| (Gain)/loss on sale of utility plant | -- | -- |
| Cumulative effect of accounting change | -- | -- |
| Allocation of ESOP benefits | -- | -- |
| Equity in earnings of subsidiary companies | -- | -- |
| Cash dividends received from subsidiary companies | -- | -- |
| Accumulated comprehensive income - hedging derivatives | -- | -- |
| Net other sources/(uses) of cash | (12) | (1,263) |
| Changes in working capital: | | |
| Receivables and accrued utility revenues, net | -- | 20 |
| Fuel, materials and supplies | -- | -- |
| Accounts payable | (34) | (6) |
| Accrued taxes | (32) | (32) |
| Investments in securitizable assets | -- | -- |
| Unrealized gains on mark-to-market transactions | -- | -- |
| Other working capital (excludes cash) | (1) | (913) |
| | ----- | ----- |
| Net cash flows provided by/(used in) operating activities | (120) | 1,169 |
| | ----- | ----- |
| Investing Activities: | | |
| Investment in regulated plant: | | |
| Electric and other utility plant | -- | (4,045) |
| Nuclear fuel | -- | -- |
| | ----- | ----- |
| Net cash flows used for investments in regulated plant | -- | (4,045) |
| Investment in NU system Money Pool | -- | -- |
| Investment in subsidiaries | -- | -- |
| Investment in nuclear decommissioning trusts | -- | -- |
| Investments in competitive energy assets | -- | -- |
| Net proceeds from the sale of utility plant | -- | -- |
| Other investment activities, net | -- | 4 |
| Payment for the purchase of SENY, net of cash acquired | -- | -- |
| Buyout/buydown of IPP contracts | -- | -- |
| | ----- | ----- |
| Net cash flows provided by/(used in) investing activities | -- | (4,041) |
| | ----- | ----- |
| Financing Activities: | | |
| Issuance of rate reduction bonds | -- | -- |
| Retirement of rate reduction bonds | -- | -- |
| Repurchase of common shares | -- | -- |
| Issuance of common shares | -- | -- |
| Issuance of long-term debt | -- | -- |
| Net (decrease)/increase in short-term debt | 100 | 5,200 |
| Reacquisitions and retirements of long-term debt | -- | (2,223) |
| Reacquisitions and retirements of preferred stock | -- | -- |
| Retirement of monthly income preferred securities | -- | -- |
| Retirement of capital lease obligation | -- | -- |
| Advance from parent | -- | -- |
| Cash dividends on preferred stock | -- | -- |
| Cash dividends on common shares | -- | -- |
| Buydown of capital lease obligation | -- | -- |
| Capital contributions from Northeast Utilities | -- | -- |
| | ----- | ----- |
| Net cash flows (used in)/provided by financing activities | 100 | 2,977 |
| | ----- | ----- |
| Net increase/(decrease) in cash for the period | (20) | 105 |
| Cash and cash equivalents - beginning of period | 44 | -- |
| | ----- | ----- |

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| | | | |
|---|---------|----------|-------|
| Cash and cash equivalents - end of period | \$ 24 | \$ 105 | \$ |
| | ===== | ===== | ===== |
| Supplemental Cash Flow Information: | | | |
| Cash paid/(refunded) during the year for: | | | |
| Interest, net of amounts capitalized | \$ 147 | \$ 1,818 | \$ |
| | ===== | ===== | ===== |
| Income taxes | \$ (50) | \$ 25 | \$ |
| | ===== | ===== | ===== |
| Increase in obligations: | | | |
| Niantic Bay Fuel Trust and other capital leases | \$ -- | \$ -- | \$ |
| | ===== | ===== | ===== |
| Seabrook Power Contracts | \$ -- | \$ -- | \$ |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

- (a) Not covered by auditors' report.
- (b) See supporting statements.

NORTHEAST UTILITIES AND SUBSIDIARIES
Consolidating Statement of Cash Flows (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | NU Enterprises, Inc. (consolidated) (b) | Eliminations | Con |
|---|---|--------------|-----|
| | ----- | ----- | --- |
| Operating Activities: | | | |
| Income/(Loss) before extraordinary loss | \$ (2,623) | \$ 210,320 | \$ |
| Adjustments to reconcile to net cash provided by/(used in) operating activities: | | | |
| Depreciation | 6,917 | 509,067 | |
| Deferred income taxes and investment tax credits, net | 31,599 | 13,714 | |
| Amortization of recoverable energy costs | -- | (10,862) | |
| Amortization of regulatory assets, net | 1,267 | (1,629) | |
| (Gain)/loss on sale of utility plant | -- | -- | |
| Cumulative effect of accounting change | (21,985) | -- | |
| Allocation of ESOP benefits | (134) | (994) | |
| Equity in earnings of subsidiary companies | -- | (188,783) | |
| Cash dividends received from subsidiary companies | -- | 120,072 | |
| Accumulated comprehensive income - hedging derivatives | (31,416) | (31,416) | |
| Net other sources/(uses) of cash | (48,308) | (92,328) | |
| Changes in working capital: | | | |
| Receivables and accrued utility revenues, net | (153,098) | 205,848 | |
| Fuel, materials and supplies | 685 | 4,554 | |
| Accounts payable | 110,812 | (233,179) | |

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| | | | |
|---|-------------|--------------|-------|
| Accrued taxes | (2,894) | 9,210 | |
| Investments in securitizable assets | -- | -- | |
| Unrealized gains on mark-to-market transactions | (45,989) | (45,989) | |
| Other working capital (excludes cash) | 8,908 | 80,542 | |
| | ----- | ----- | |
| Net cash flows provided by/(used in) operating activities | (146,259) | 548,147 | |
| | ----- | ----- | |
| Investing Activities: | | | |
| Investment in regulated plant: | | | |
| Electric and other utility plant | (40) | (568) | |
| Nuclear fuel | -- | -- | |
| | ----- | ----- | |
| Net cash flows used for investments in regulated plant | (40) | (568) | |
| Investment in NU system Money Pool | (15,500) | (276,401) | |
| Investment in subsidiaries | -- | 363,631 | |
| Investment in nuclear decommissioning trusts | -- | -- | |
| Investments in competitive energy assets | (14,818) | -- | |
| Net proceeds from the sale of utility plant | -- | (3,352) | 1 |
| Other investment activities, net | (9,990) | (1,008) | |
| Payment for the purchase of SENY, net of cash acquired | (25,823) | -- | |
| Buyout/buydown of IPP contracts | -- | 19,700 | (1 |
| | ----- | ----- | |
| Net cash flows provided by/(used in) investing activities | (66,171) | 102,002 | |
| | ----- | ----- | |
| Financing Activities: | | | |
| Issuance of rate reduction bonds | -- | -- | 2 |
| Retirement of rate reduction bonds | -- | -- | |
| Repurchase of common shares | (75,000) | (475,000) | |
| Issuance of common shares | -- | -- | |
| Issuance of long-term debt | 440,000 | 287,485 | |
| Net (decrease)/increase in short-term debt | (316,477) | 276,401 | (1 |
| Reacquisitions and retirements of long-term debt | (498) | (287,484) | |
| Reacquisitions and retirements of preferred stock | -- | -- | |
| Retirement of monthly income preferred securities | -- | -- | |
| Retirement of capital lease obligation | -- | -- | |
| Advance from parent | 4,702 | 14,302 | |
| Cash dividends on preferred stock | -- | -- | |
| Cash dividends on common shares | -- | (128,072) | |
| Buydown of capital lease obligation | -- | (497,508) | |
| Capital contributions from Northeast Utilities | 132,225 | 132,225 | |
| | ----- | ----- | |
| Net cash flows (used in)/provided by financing activities | 184,952 | (677,651) | |
| | ----- | ----- | |
| Net increase/(decrease) in cash for the period | (27,478) | (27,502) | |
| Cash and cash equivalents - beginning of period | 43,555 | 27,502 | |
| | ----- | ----- | |
| Cash and cash equivalents - end of period | \$ 16,077 | \$ 0 | \$ |
| | ===== | ===== | ===== |
| Supplemental Cash Flow Information: | | | |
| Cash paid/(refunded) during the year for: | | | |
| Interest, net of amounts capitalized | \$ 29,735 | \$ 10,632 | \$ |
| | ===== | ===== | ===== |
| Income taxes | \$ (30,960) | \$ 0 | \$ |
| | ===== | ===== | ===== |
| Increase in obligations: | | | |
| Niantic Bay Fuel Trust and other capital leases | \$ -- | \$ 15,408 | \$ |
| | ===== | ===== | ===== |
| Seabrook Power Contracts | \$ -- | \$ (305,898) | \$ |

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Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

(b) See supporting statements.

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THE CONNECTICUT LIGHT AND POWER COMPANY
AND SUBSIDIARIES (a)
Consolidating Balance Sheet (b)
Assets
December 31, 2001
(Thousands of Dollars)

| | The Connecticut Light and Power Company | CL&P Receivables Corporation | CL&P Capital, L.P. | C |
|--|--|------------------------------------|-----------------------|----|
| Utility Plant, at cost: | | | | |
| Electric | \$ 3,127,548 | \$ -- | \$ -- | \$ |
| Less: Accumulated provision for depreciation | 1,236,638 | -- | -- | |
| | 1,890,910 | -- | -- | |
| Construction work in progress | 134,964 | -- | -- | |
| Nuclear fuel, net | 3,299 | -- | -- | |
| Total net utility plant | 2,029,173 | -- | -- | |
| Other Property and Investments: | | | | |
| Nuclear decommissioning trusts, at market | 6,231 | -- | -- | |
| Investments in regional nuclear generating companies, at equity | 34,696 | -- | -- | |
| Investments in subsidiary companies, at equity | 48,311 | -- | -- | |
| Other, at cost | 36,502 | -- | -- | |
| | 125,740 | -- | -- | |
| Current Assets: | | | | |
| Cash | 610 | 163 | -- | |
| Investments in securitizable assets | (65,150) | 36,367 | -- | |
| Notes receivable from affiliated companies | 77,200 | -- | -- | 1, |
| Receivables, net | 247,801 | -- | -- | |
| Accounts receivable from affiliated companies | 78,568 | 109,856 | -- | |
| Unbilled revenues | 7,492 | -- | -- | |
| Fuel, materials, and supplies, at average cost | 33,085 | -- | -- | |
| Prepayments and other | 17,703 | -- | -- | |

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| | | | | |
|--------------------------|------------------|----------------|-----------|-----------|
| | 397,309 | 146,386 | -- | 1, |
| | ----- | ----- | ----- | ----- |
| Deferred Charges: | | | | |
| Regulatory assets | 1,877,191 | -- | -- | |
| Unamortized debt expense | 6,203 | -- | -- | |
| Prepaid pension | 233,692 | -- | -- | |
| Other | 47,244 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| | 2,164,330 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Total Assets | \$ 4,716,552 | \$ 146,386 | \$ -- | \$ 1, |
| | ===== | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.
The accompanying notes are an integral part of these financial statements.

- (a) Not included are the following inactive subsidiaries: Electric Power, Incorporated, The Nutmeg Power Company and the Connecticut Steam Company.
- (b) Not covered by auditors' report.

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THE CONNECTICUT LIGHT AND POWER COMPANY
AND SUBSIDIARIES (a)
Consolidating Balance Sheet (b)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

| | The Connecticut Light and Power Company | CL&P Receivables Corporation | CL&P Capital, L.P. | C Fund |
|---|--|------------------------------------|-----------------------|-----------|
| | ----- | ----- | ----- | ----- |
| Capitalization: | | | | |
| Common stockholder's equity: | | | | |
| Common stock | \$ 75,849 | \$ -- | \$ -- | \$ -- |
| Capital surplus, paid in | 414,018 | 70,829 | -- | |
| Retained earnings | 286,901 | 41,058 | -- | |
| Accumulated other comprehensive income | 67 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Total common stockholder's equity | 776,835 | 111,887 | -- | |
| Preferred stock not subject to mandatory redemption | 116,200 | -- | -- | |
| Long-term debt | 824,349 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Total capitalization | 1,717,384 | 111,887 | -- | |
| | ----- | ----- | ----- | ----- |
| Rate Reduction Bonds | -- | -- | -- | 1, |
| | ----- | ----- | ----- | ----- |

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| | | | | |
|---|--------------|------------|-------|------------|
| Obligations under Capital Leases | 15,499 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Current Liabilities: | | | | |
| Notes payable to affiliated companies | 1,358,653 | -- | -- | |
| Obligations under capital leases-current portion | 541 | -- | -- | |
| Accounts payable | 132,593 | -- | -- | |
| Accounts payable to affiliated companies | 85,057 | -- | -- | |
| Accrued taxes | 30,696 | 4,127 | -- | |
| Accrued interest | 10,369 | 30,372 | -- | |
| Other | 39,923 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| | 1,657,832 | 34,499 | -- | |
| | ----- | ----- | ----- | ----- |
| Deferred Credits and Other Long-term Liabilities: | | | | |
| Accumulated deferred income taxes | 820,444 | -- | -- | |
| Accumulated deferred investment tax credit | 95,996 | -- | -- | |
| Deferred contractual obligations | 141,497 | -- | -- | |
| Other | 267,900 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| | 1,325,837 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Total Capitalization and Liabilities | \$ 4,716,552 | \$ 146,386 | \$ -- | \$ 1,----- |
| | ===== | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.
The accompanying notes are an integral part of these financial statements.

- (a) Not included are the following inactive subsidiaries: Electric Power, Incorporated, The Nutmeg Power Company and the Connecticut Steam Company.
- (b) Not covered by auditors' report.

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THE CONNECTICUT LIGHT AND POWER COMPANY
AND SUBSIDIARIES (a)
Consolidating Statement of Income (b)
Year Ended December 31, 2001
(Thousands of Dollars)

| | The Connecticut Light and Power Company | CL&P Receivables Corporation | CL&P Capital, L.P. |
|---|---|------------------------------------|-----------------------|
| | ----- | ----- | ----- |
| Operating Revenues | \$ 2,646,123 | \$ -- | \$ -- |
| | ----- | ----- | ----- |
| Operating Expenses: | | | |
| Operation- | | | |
| Fuel, purchased and net interchange power | 1,514,418 | -- | -- |
| Other | 309,998 | 479 | -- |

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| | | | |
|--|------------|-----------|----------|
| Maintenance | 106,228 | -- | -- |
| Depreciation | 96,212 | -- | -- |
| Amortization of regulatory assets | 746,693 | -- | -- |
| Federal and state income taxes | 88,218 | -- | -- |
| Taxes other than income taxes | 130,656 | -- | -- |
| Gain on sale of utility plant | (521,590) | -- | -- |
| | ----- | ----- | ----- |
| Total operating expenses | 2,470,833 | 479 | -- |
| | ----- | ----- | ----- |
| Operating Income/(Loss) | 175,290 | (479) | -- |
| | ----- | ----- | ----- |
| Other Income/(loss): | | | |
| Equity in earnings of subsidiaries | 13,187 | -- | -- |
| Equity in earnings of regional nuclear generating companies | 1,128 | -- | -- |
| Gain related to Millstone sale | 29,461 | -- | -- |
| Other, net | 6,163 | 25,108 | 3,196 |
| Minority interest in loss of subsidiary | (3,100) | -- | -- |
| Income taxes | 11,999 | (8,682) | -- |
| | ----- | ----- | ----- |
| Other income/(loss), net | 58,838 | 16,426 | 3,196 |
| | ----- | ----- | ----- |
| Income before interest charges | 234,128 | 15,947 | 3,196 |
| | ----- | ----- | ----- |
| Interest Charges: | | | |
| Interest on long-term debt | 59,724 | -- | -- |
| Interest on rate reduction bonds | 60,644 | -- | -- |
| Other interest | 3,957 | 2,857 | -- |
| | ----- | ----- | ----- |
| Interest charges, net | 124,325 | 2,857 | -- |
| | ----- | ----- | ----- |
| Net Income | \$ 109,803 | \$ 13,090 | \$ 3,196 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not included are the following inactive subsidiaries: Electric Power, Incorporated, The Nutmeg Power Company and The Connecticut Steam Company.

(b) Not covered by auditors' report.

THE CONNECTICUT LIGHT AND POWER COMPANY
AND SUBSIDIARIES (a)
Consolidating Statement of Income (b)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Eliminations | Consolidated |
|--------------------|--------------|--------------|
| | ----- | ----- |
| Operating Revenues | \$ 61,239 | \$ 2,646,123 |

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| | | |
|--|-----------|------------|
| Operating Expenses: | | |
| Operation- | | |
| Fuel, purchased and net interchange power | -- | 1,514,418 |
| Other | 595 | 310,477 |
| Maintenance | -- | 106,228 |
| Depreciation | -- | 96,212 |
| Amortization of regulatory assets | -- | 746,693 |
| Federal and state income taxes | -- | 88,218 |
| Taxes other than income taxes | -- | 130,656 |
| Gain on sale of utility plant | -- | (521,590) |
| | ----- | ----- |
| Total operating expenses | 595 | 2,471,312 |
| | ----- | ----- |
| Operating Income/(Loss) | 60,644 | 174,811 |
| | ----- | ----- |
| Other Income/(loss): | | |
| Equity in earnings of subsidiaries | 13,187 | -- |
| Equity in earnings of regional nuclear generating companies | -- | 1,128 |
| Gain related to Millstone sale | -- | 29,461 |
| Other, net | 9,706 | 25,315 |
| Minority interest in loss of subsidiary | -- | (3,100) |
| Income taxes | -- | 3,317 |
| | ----- | ----- |
| Other income/(loss), net | 22,893 | 56,121 |
| | ----- | ----- |
| Income before interest charges | 83,537 | 230,932 |
| | ----- | ----- |
| Interest Charges: | | |
| Interest on long-term debt | -- | 59,724 |
| Interest on rate reduction bonds | 61,198 | 60,644 |
| Other interest | 6,053 | 761 |
| | ----- | ----- |
| Interest charges, net | 67,251 | 121,129 |
| | ----- | ----- |
| Net Income | \$ 16,286 | \$ 109,803 |
| | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not included are the following inactive subsidiaries: Electric Power, Incorporated, The Nutmeg Power Company and The Connecticut Steam Company.
- (b) Not covered by auditors' report.

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THE CONNECTICUT LIGHT AND POWER COMPANY
AND SUBSIDIARIES (a)
Consolidating Statement of Retained Earnings (b)
Year Ended December 31, 2001

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(Thousands of Dollars)

| | The Connecticut Light and Power Company | CL&P Receivables Corporation | CL&P Capital, L.P. | CL&P Funding LLC |
|--|---|------------------------------------|-----------------------|---------------------|
| | ----- | ----- | ----- | ----- |
| Balance at beginning of period | \$ 243,197 | \$ 27,968 | \$ -- | \$ -- |
| Additions: | | | | |
| Net income | 109,803 | 13,090 | 3,196 | -- |
| | ----- | ----- | ----- | ----- |
| | 353,000 | 41,058 | 3,196 | -- |
| | ----- | ----- | ----- | ----- |
| Deductions: | | | | |
| Dividends declared: | | | | |
| Preferred stock (at required annual rates) | 5,559 | -- | -- | -- |
| Common stock \$7.92 per share | 60,072 | -- | -- | -- |
| MIPS Partnership distribution | -- | -- | 3,100 | -- |
| Cash distribution to The Connecticut Light and Power Company | -- | -- | 96 | -- |
| Close out of retained earnings due to dissolving of subsidiary | -- | -- | -- | -- |
| Allocation of benefits-ESOP | 468 | -- | -- | -- |
| | ----- | ----- | ----- | ----- |
| Total deductions | 66,099 | -- | 3,196 | -- |
| | ----- | ----- | ----- | ----- |
| Balance at end of period | \$ 286,901 | \$ 41,058 | \$ -- | \$ -- |
| | ===== | ===== | ===== | ===== |

THE CONNECTICUT LIGHT AND POWER COMPANY
AND SUBSIDIARIES (a)
Consolidating Statement of Retained Earnings (b)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Eliminations | Consolidated |
|--|--------------|--------------|
| | ----- | ----- |
| Balance at beginning of period | \$ 28,019 | \$ 243,197 |
| Additions: | | |
| Net income | 16,286 | 109,803 |
| | ----- | ----- |
| | 44,305 | 353,000 |
| | ----- | ----- |
| Deductions: | | |
| Dividends declared: | | |
| Preferred stock (at required annual rates) | -- | 5,559 |
| Common stock \$7.92 per share | -- | 60,072 |
| MIPS Partnership distribution | 3,100 | -- |
| Cash distribution to The Connecticut | | |

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| | | |
|--|-----------|------------|
| Light and Power Company | 96 | -- |
| Close out of retained earnings due to dissolving of subsidiary | 51 | -- |
| Allocation of benefits-ESOP | -- | 468 |
| | ----- | ----- |
| Total deductions | 3,247 | 66,099 |
| | ----- | ----- |
| Balance at end of period | \$ 41,058 | \$ 286,901 |
| | ===== | ===== |

THE CONNECTICUT LIGHT AND POWER COMPANY
AND SUBSIDIARIES (a)
Consolidating Statement of Capital Surplus, Paid In (b)
Year Ended December 31, 2001
(Thousands of Dollars)

| | The Connecticut Light and Power Company | CL&P Receivables Corporation | CL&P Capital, L.P. | C Fund |
|---|---|------------------------------------|-----------------------|-----------|
| | ----- | ----- | ----- | ----- |
| Balance at beginning of period | \$ 413,192 | \$ 70,829 | \$ 3,100 | \$ |
| Close out of Capital Surplus, Paid In due to dissolving of subsidiary | -- | -- | (3,100) | |
| Capital contribution from The Connecticut Light and Power Company | -- | -- | -- | |
| Capital stock expenses, net | 826 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Balance at end of period | \$ 414,018 | \$ 70,829 | \$ -- | \$ |
| | ===== | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.
The accompanying notes are an integral part of these financial statements.

(a) Not included are the following inactive subsidiaries: Electric Power, Incorporated, The Connecticut Steam Company and The Nutmeg Power Company.

(b) Not covered by auditors' report.

THE CONNECTICUT LIGHT AND POWER COMPANY
AND SUBSIDIARIES (a)
Consolidating Statement of Capital Surplus, Paid In (b)
Year Ended December 31, 2001
(Thousands of Dollars)

| | |
|--------------|--------------|
| Eliminations | Consolidated |
| ----- | ----- |

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| | | | | |
|--|----|---------|----|---------|
| Balance at beginning of period | \$ | 73,929 | \$ | 413,192 |
| Close out of Capital Surplus, Paid In due to dissolving of subsidiary | | (3,100) | | -- |
| Capital contribution from The Connecticut Light and Power Company | | 7,193 | | -- |
| Capital stock expenses, net | | -- | | 826 |
| | | ----- | | ----- |
| Balance at end of period | \$ | 78,022 | \$ | 414,018 |
| | | ===== | | ===== |

Note: Individual columns may not add to Consolidated due to rounding.
The accompanying notes are an integral part of these financial statements.

- (a) Not included are the following inactive subsidiaries: Electric Power, Incorporated, The Connecticut Steam Company and The Nutmeg Power Company.
- (b) Not covered by auditors' report.

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THE CONNECTICUT LIGHT AND POWER COMPANY AND SUBSIDIARIES
Consolidating Statement of Cash Flows (a) (b)
Year Ended December 31, 2001
(Thousands of Dollars)

| | The Connecticut Light and Power Company | CL&P Receivables Corporation | C |
|---|--|------------------------------------|-------|
| | ----- | ----- | ----- |
| Operating Activities: | | | |
| Income after interest charges | \$ 109,803 | \$ 13,090 | \$ |
| Adjustments to reconcile to net cash provided by operating activities: | | | |
| Depreciation | 96,212 | -- | |
| Deferred income taxes and investment tax credits, net | (144,559) | -- | |
| Amortization of regulatory assets, net | 746,693 | -- | |
| Gain on sale of utility plant | (521,590) | -- | |
| Allocation of ESOP benefits | (468) | -- | |
| Net other uses of cash | (132,443) | -- | |
| Changes in working capital: | | | |
| Receivables | (154,720) | (79,136) | |
| Fuel, materials and supplies | 3,247 | -- | |
| Accounts payable | (58,400) | -- | |
| Accrued taxes | 517 | 1,405 | |
| Investment in securitizable assets | 86,869 | 231,779 | |
| Other working capital (excludes cash) | 19,561 | 2,857 | |
| | ----- | ----- | ----- |
| Net cash flows provided by operating activities | 50,722 | 169,995 | |
| | ----- | ----- | ----- |

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Investing Activities:

| | | | |
|--|-------------|-------|-------|
| Investments in regulated plant: | | | |
| Electric utility plant | (237,423) | -- | |
| Nuclear fuel | (1,992) | -- | |
| | ----- | ----- | ----- |
| Net cash flows used for investments in regulated plant | (239,415) | -- | |
| Investment in NU system Money Pool | (39,200) | -- | |
| Investments in nuclear decommissioning trusts | (74,866) | -- | |
| Other investment activities, net | (13,219) | -- | |
| Net proceeds from the sale of assets | 827,681 | -- | |
| Buyout/buydown of IPP contracts | (1,029,008) | -- | |
| | ----- | ----- | ----- |
| Net cash flows used in investing activities | (568,027) | -- | |

Financing Activities:

| | | | |
|---|-----------|-----------|-------|
| Dissolution of Research Park | -- | -- | |
| Issuance of rate reduction bonds | -- | -- | |
| Retirement of rate reduction bonds | -- | -- | |
| Net decrease in short-term debt | (115,000) | (170,000) | |
| Intercompany Notes Receivable/Notes Payable | 1,358,653 | -- | |
| Reacquisitions and retirements of long-term debt | (419,255) | -- | |
| Retirement of monthly income preferred securities | (100,000) | -- | |
| MIPS partnership distribution | -- | -- | |
| Cash distribution to affiliated company | -- | -- | |
| Retirement of capital lease obligation | (145,800) | -- | |
| Repayment of long-term loan receivable | -- | -- | |
| Capital contributions | -- | -- | |
| Cash dividends on preferred stock | (5,559) | -- | |
| Cash dividends on common shares | (60,072) | -- | |
| | ----- | ----- | ----- |
| Net cash flows provided by/(used in) financing activities | 512,967 | (170,000) | |
| | ----- | ----- | ----- |
| Net (decrease)/increase in cash for the period | (4,338) | (5) | |
| Cash - beginning of period | 4,948 | 168 | |
| | ----- | ----- | ----- |
| Cash - end of period | \$ 610 | \$ 163 | \$ |
| | ===== | ===== | ===== |

Supplemental Cash Flow Information:

Cash paid during the year for:

| | | | |
|---|------------|----------|-------|
| Interest, net of amounts capitalized | \$ 123,841 | \$ -- | \$ |
| | ===== | ===== | ===== |
| Income taxes | \$ 222,867 | \$ 7,277 | \$ |
| | ===== | ===== | ===== |
| Increase in obligations: | | | |
| Niantic Bay Fuel Trust and other capital leases | \$ 1,754 | \$ -- | \$ |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not included are the following inactive subsidiaries:

Electric Power, Incorporated, The City and Suburban Electric and Gas Company, The Connecticut Transmission Corporation, The Connecticut Steam Company and The Nutmeg Power Company.

(b) Not covered by auditors' report.

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THE CONNECTICUT LIGHT AND POWER COMPANY AND SUBSIDIARIES
 Consolidating Statement of Cash Flows (a) (b)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | CL&P Funding LLC ----- | Eliminations ----- | Co ----- |
|--|------------------------------|-----------------------|-------------|
| Operating Activities: | | | |
| Income after interest charges | \$ -- | \$ 16,286 | \$ -- |
| Adjustments to reconcile to net cash provided by operating activities: | | | |
| Depreciation | -- | -- | |
| Deferred income taxes and investment tax credits, net | -- | -- | |
| Amortization of regulatory assets, net | -- | -- | |
| Gain on sale of utility plant | -- | -- | |
| Allocation of ESOP benefits | -- | -- | |
| Net other uses of cash | -- | -- | |
| Changes in working capital: | | | |
| Receivables | -- | (89,439) | |
| Fuel, materials and supplies | -- | -- | |
| Accounts payable | -- | (288) | |
| Accrued taxes | -- | -- | |
| Investment in securitizable assets | -- | 256,869 | |
| Other working capital (excludes cash) | 6,877 | 2,857 | |
| | ----- | ----- | |
| Net cash flows provided by operating activities | 6,877 | 186,285 | |
| | ----- | ----- | |
| Investing Activities: | | | |
| Investments in regulated plant: | | | |
| Electric utility plant | -- | -- | |
| Nuclear fuel | -- | -- | |
| | ----- | ----- | |
| Net cash flows used for investments in regulated plant | -- | -- | |
| Investment in NU system Money Pool | -- | -- | |
| Investments in nuclear decommissioning trusts | -- | -- | |
| Other investment activities, net | (14,069) | (17,124) | |
| Net proceeds from the sale of assets | -- | -- | |
| Buyout/buydown of IPP contracts | -- | -- | |
| | ----- | ----- | |
| Net cash flows used in investing activities | (14,069) | (17,124) | |
| | ----- | ----- | |
| Financing Activities: | | | |
| Dissolution of Research Park | -- | (56) | |
| Issuance of rate reduction bonds | 1,438,400 | -- | |
| Retirement of rate reduction bonds | (79,747) | -- | |
| Net decrease in short-term debt | -- | (170,000) | |
| Intercompany Notes Receivable/Notes Payable | (1,358,653) | -- | |
| Reacquisitions and retirements of long-term debt | -- | (3,100) | |
| Retirement of monthly income preferred securities | -- | (100,000) | |
| MIPS partnership distribution | -- | (3,100) | |
| Cash distribution to affiliated company | -- | (96) | |
| Retirement of capital lease obligation | -- | -- | |
| Repayment of long-term loan receivable | -- | 103,100 | |

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| | | | |
|---|-------|-----------|-------|
| Capital contributions | 7,193 | 4,093 | |
| Cash dividends on preferred stock | -- | -- | |
| Cash dividends on common shares | -- | -- | |
| | ----- | ----- | ----- |
| Net cash flows provided by/(used in) financing activities | 7,193 | (169,159) | |
| | ----- | ----- | ----- |
| Net (decrease)/increase in cash for the period | 1 | -- | |
| Cash - beginning of period | -- | -- | |
| | ----- | ----- | ----- |
| Cash - end of period | \$ 1 | \$ -- | \$ |
| | ===== | ===== | ===== |
| Supplemental Cash Flow Information: | | | |
| Cash paid during the year for: | | | |
| Interest, net of amounts capitalized | \$ -- | \$ 3,196 | \$ |
| | ===== | ===== | ===== |
| Income taxes | \$ -- | \$ -- | \$ |
| | ===== | ===== | ===== |
| Increase in obligations: | | | |
| Niantic Bay Fuel Trust and other capital leases | \$ -- | \$ -- | \$ |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not included are the following inactive subsidiaries:

Electric Power, Incorporated, The City and Suburban Electric and Gas Company, The Connecticut Transmission Corporation, The Connecticut Steam Company and The Nutmeg Power Company.

(b) Not covered by auditors' report.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Assets
December 31, 2001
(Thousands of Dollars)

| | Public Service Company of New Hampshire ----- | PSNH Funding LLC ----- | PSN Funding ----- |
|-------------------------|--|------------------------------|-------------------------|
| Utility Plant, at cost: | | | |
| Electric | \$ 1,447,754 | \$ -- | \$ |
| Other | -- | -- | |

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| | | | |
|---|--------------|------------|-------|
| | ----- | ----- | ----- |
| | 1,447,754 | -- | |
| Less: Accumulated provision for depreciation | 687,396 | -- | |
| | ----- | ----- | ----- |
| | 760,358 | -- | |
| Construction work in progress | 44,961 | -- | |
| | ----- | ----- | ----- |
| Total net utility plant | 805,319 | -- | |
| | ----- | ----- | ----- |
| Other Property and Investments: | | | |
| Investments in regional nuclear generating companies, at equity | 8,510 | -- | |
| Investments in subsidiary companies, at equity | 8,347 | -- | |
| Other, at cost | 2,028 | 33,628 | |
| | ----- | ----- | ----- |
| | 18,885 | 33,628 | |
| | ----- | ----- | ----- |
| Current Assets: | | | |
| Cash | 943 | 1 | |
| Notes receivable from affiliated companies | -- | 498,184 | |
| Receivables, net | 70,540 | -- | |
| Accounts receivable from affiliated companies | 13,361 | -- | |
| Taxes receivable | -- | -- | |
| Unbilled revenues | 29,268 | -- | |
| Fuel, materials, and supplies, at average cost | 42,047 | -- | |
| Prepayments and other | 10,166 | -- | |
| | ----- | ----- | ----- |
| | 166,325 | 498,185 | |
| | ----- | ----- | ----- |
| Deferred Charges: | | | |
| Regulatory assets | 1,046,760 | -- | |
| Accumulated deferred income taxes | -- | -- | |
| Unamortized debt expense | 7,939 | -- | |
| Other | 19,128 | -- | |
| | ----- | ----- | ----- |
| | 1,073,827 | -- | |
| | ----- | ----- | ----- |
| Total Assets | \$ 2,064,356 | \$ 531,813 | \$ |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Assets
December 31, 2001
(Thousands of Dollars)

| | | |
|-------------------------|--------------|--------------|
| | Eliminations | Consolidated |
| | ----- | ----- |
| Utility Plant, at cost: | | |

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| | | | |
|---|---------|---------|--------------|
| Electric | \$ | -- | \$ 1,447,955 |
| Other | | -- | 6,221 |
| | | | ----- |
| | | -- | 1,454,176 |
| Less: Accumulated provision for depreciation | | -- | 689,397 |
| | | | ----- |
| | | -- | 764,779 |
| Construction work in progress | | -- | 44,961 |
| | | | ----- |
| Total net utility plant | | -- | 809,740 |
| | | | ----- |
| Other Property and Investments: | | | |
| Investments in regional nuclear generating companies, at equity | | -- | 8,510 |
| Investments in subsidiary companies, at equity | 8,347 | | -- |
| Other, at cost | | -- | 35,837 |
| | | | ----- |
| | 8,347 | | 44,347 |
| | | | ----- |
| Current Assets: | | | |
| Cash | | -- | 1,479 |
| Notes receivable from affiliated companies | 498,184 | | -- |
| Receivables, net | | -- | 70,540 |
| Accounts receivable from affiliated companies | 398 | | 13,055 |
| Taxes receivable | 204 | | -- |
| Unbilled revenues | | -- | 29,268 |
| Fuel, materials, and supplies, at average cost | | -- | 42,047 |
| Prepayments and other | | -- | 10,211 |
| | | | ----- |
| | 498,786 | | 166,600 |
| | | | ----- |
| Deferred Charges: | | | |
| Regulatory assets | | -- | 1,046,760 |
| Accumulated deferred income taxes | 83 | | -- |
| Unamortized debt expense | | -- | 7,939 |
| Other | | -- | 19,128 |
| | | | ----- |
| | 83 | | 1,073,827 |
| | | | ----- |
| Total Assets | \$ | 507,216 | \$ 2,094,514 |
| | | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

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| | Public Service Company of New Hampshire | PSNH Funding LLC | PSN Funding |
|--|---|---------------------|----------------|
| | ----- | ----- | ----- |
| Capitalization: | | | |
| Common stockholder's equity: | | | |
| Common stock | \$ -- | \$ -- | \$ -- |
| Capital surplus, paid in | 165,000 | 3,126 | |
| Retained earnings | 176,419 | -- | |
| Accumulated other comprehensive income | 406 | -- | |
| | ----- | ----- | ----- |
| Total common stockholder's equity | 341,825 | 3,126 | |
| Long-term debt | 407,285 | -- | |
| | ----- | ----- | ----- |
| Total capitalization | 749,110 | 3,126 | |
| | ----- | ----- | ----- |
| Rate Reduction Bonds | -- | 507,381 | |
| | ----- | ----- | ----- |
| Obligations under Seabrook Power Contracts and Other Capital Leases | 86,111 | -- | |
| | ----- | ----- | ----- |
| Current Liabilities: | | | |
| Notes payable to banks | 60,500 | -- | |
| Notes payable to affiliated companies | 521,184 | -- | |
| Obligations under Seabrook Power Contracts and other capital leases-current portion | 24,164 | -- | |
| Accounts payable | 32,285 | 235 | |
| Accounts payable to affiliated companies | 18,558 | -- | |
| Accrued taxes | 2,477 | -- | |
| Accrued interest | 840 | 8,588 | |
| Other | 12,685 | 12,479 | |
| | ----- | ----- | ----- |
| | 672,693 | 21,302 | |
| | ----- | ----- | ----- |
| Deferred Credits and Other Long-term Liabilities: | | | |
| Accumulated deferred income taxes | 423,133 | -- | |
| Accumulated deferred investment tax credits | 12,015 | -- | |
| Deferred contractual obligations | 37,712 | -- | |
| Deferred pension | 37,326 | -- | |
| Other | 46,256 | 4 | |
| | ----- | ----- | ----- |
| | 556,442 | 4 | |
| | ----- | ----- | ----- |
| Total Capitalization and Liabilities | \$ 2,064,356 | \$ 531,813 | \$ |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

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AND SUBSIDIARIES
 Consolidating Balance Sheet (a)
 Capitalization and Liabilities
 December 31, 2001
 (Thousands of Dollars)

| | Eliminations | Consolidated |
|--|--------------|--------------|
| Capitalization: | | |
| Common stockholder's equity: | | |
| Common stock | \$ 1 | \$ -- |
| Capital surplus, paid in | 3,127 | 165,000 |
| Retained earnings | 5,219 | 176,419 |
| Accumulated other comprehensive income | -- | 406 |
| | 8,347 | 341,825 |
| Long-term debt | -- | 407,285 |
| | 8,347 | 749,110 |
| Rate Reduction Bonds | -- | 507,381 |
| Obligations under Seabrook Power Contracts and Other Capital Leases | -- | 86,111 |
| Current Liabilities: | | |
| Notes payable to banks | -- | 60,500 |
| Notes payable to affiliated companies | 498,184 | 23,000 |
| Obligations under Seabrook Power Contracts and other capital leases-current portion | -- | 24,164 |
| Accounts payable | 235 | 32,285 |
| Accounts payable to affiliated companies | 163 | 18,727 |
| Accrued taxes | 204 | 2,281 |
| Accrued interest | -- | 9,428 |
| Other | -- | 25,164 |
| | 498,786 | 195,549 |
| Deferred Credits and Other Long-term Liabilities: | | |
| Accumulated deferred income taxes | 83 | 423,050 |
| Accumulated deferred investment tax credits | -- | 12,015 |
| Deferred contractual obligations | -- | 37,712 |
| Deferred pension | -- | 37,326 |
| Other | -- | 46,260 |
| | 83 | 556,363 |
| Total Capitalization and Liabilities | \$ 507,216 | \$ 2,094,514 |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

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(a) Not covered by auditors' report.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND SUBSIDIARIES
Consolidating Statement of Income (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Public Service Company of New Hampshire | PSNH Funding LLC | PS Fundin |
|--|---|---------------------|--------------|
| | ----- | ----- | ----- |
| Operating Revenues | \$ 1,171,620 | \$ 21,974 | \$ |
| | ----- | ----- | ----- |
| Operating Expenses: | | | |
| Operation- | | | |
| Fuel, purchased and net interchange power | 713,668 | -- | |
| Other | 124,919 | 1,253 | |
| Maintenance | 56,276 | -- | |
| Depreciation | 39,741 | -- | |
| Amortization of regulatory assets | 65,445 | -- | |
| Federal and state income taxes | 30,105 | -- | |
| Taxes other than income taxes | 38,224 | -- | |
| Gain on sale of utility plant | (590) | -- | |
| | ----- | ----- | ----- |
| Total operating expenses | 1,067,788 | 1,253 | |
| | ----- | ----- | ----- |
| Operating Income/(Loss) | 103,832 | 20,721 | |
| | ----- | ----- | ----- |
| Other Income/(loss): | | | |
| Equity in earnings of subsidiaries | 2,537 | -- | |
| Equity in earnings of regional nuclear generating companies | 473 | -- | |
| Gain related to Millstone sale | 25,924 | -- | |
| Other, net | 6,471 | 310 | |
| Income taxes | (6,517) | -- | |
| | ----- | ----- | ----- |
| Other income, net | 28,888 | 310 | |
| | ----- | ----- | ----- |
| Income before interest charges | 132,720 | 21,031 | |
| | ----- | ----- | ----- |
| Interest Charges: | | | |
| Interest on long-term debt | 30,201 | -- | |
| Interest on rate reduction bonds | 20,721 | 21,031 | |
| Other interest | 22 | -- | |
| | ----- | ----- | ----- |
| Interest charges, net | 50,944 | 21,031 | |
| | ----- | ----- | ----- |
| Net Income | \$ 81,776 | \$ -- | \$ |

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Note: Individual columns may not add to Consolidated due to rounding.
The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND SUBSIDIARIES

Consolidating Statement of Income (a)

Year Ended December 31, 2001

(Thousands of Dollars)

| | Eliminations ----- | Consolidated ----- |
|--|-----------------------|-----------------------|
| Operating Revenues | \$ 22,783 | \$ 1,171,686 |
| | ----- | ----- |
| Operating Expenses: | | |
| Operation- | | |
| Fuel, purchased and net interchange power | -- | 713,668 |
| Other | 2,062 | 124,123 |
| Maintenance | -- | 56,276 |
| Depreciation | -- | 39,741 |
| Amortization of regulatory assets | -- | 65,445 |
| Federal and state income taxes | -- | 32,054 |
| Taxes other than income taxes | -- | 38,375 |
| Gain on sale of utility plant | -- | (590) |
| | ----- | ----- |
| Total operating expenses | 2,062 | 1,069,092 |
| | ----- | ----- |
| Operating Income/(Loss) | 20,721 | 102,594 |
| | ----- | ----- |
| Other Income/(loss): | | |
| Equity in earnings of subsidiaries | 2,537 | -- |
| Equity in earnings of regional nuclear generating companies | -- | 473 |
| Gain related to Millstone sale | -- | 25,924 |
| Other, net | 416 | 10,246 |
| Income taxes | -- | (6,517) |
| | ----- | ----- |
| Other income, net | 2,953 | 30,126 |
| | ----- | ----- |
| Income before interest charges | 23,674 | 132,720 |
| | ----- | ----- |
| Interest Charges: | | |
| Interest on long-term debt | -- | 30,201 |
| Interest on rate reduction bonds | 21,031 | 20,721 |
| Other interest | 106 | 22 |
| | ----- | ----- |
| Interest charges, net | 21,137 | 50,944 |
| | ----- | ----- |
| Net Income | \$ 2,537 | \$ 81,776 |
| | ===== | ===== |

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Note: Individual columns may not add to Consolidated due to rounding.
The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND SUBSIDIARIES
Consolidating Statement of Retained Earnings (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Public Service Company of New Hampshire | PSNH Funding LLC | PSNH Funding |
|---|---|---------------------|-----------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 123,177 | \$ -- | \$ |
| Additions: | | | |
| Net income | 81,776 | -- | |
| | ----- | ----- | ----- |
| | 204,953 | -- | |
| | ----- | ----- | ----- |
| Deductions: | | | |
| Dividends declared: | | | |
| Common stock \$69,587.622 per share | 27,000 | -- | |
| Common stock \$4,250.00 per share | -- | -- | |
| Preferred stock (at required annual rate) | 1,286 | -- | |
| Allocation of benefits-ESOP | 248 | -- | |
| | ----- | ----- | ----- |
| Total deductions | 28,534 | -- | |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 176,419 | \$ -- | \$ |
| | ===== | ===== | ===== |

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND SUBSIDIARIES
Consolidating Statement of Retained Earnings (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Eliminations | Consolidated |
|--------------------------------|--------------|--------------|
| | ----- | ----- |
| Balance at beginning of period | \$ 3,532 | \$ 123,177 |
| Additions: | | |
| Net income | 2,537 | 81,776 |

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| | | |
|---|-------------------------|---------------------------|
| | ----- 6,069 ----- | ----- 204,953 ----- |
| Deductions: | | |
| Dividends declared: | | |
| Common stock \$69,587.622 per share | -- | 27,000 |
| Common stock \$4,250.00 per share | 850 | -- |
| Preferred stock (at required annual rate) | -- | 1,286 |
| Allocation of benefits-ESOP | -- | 248 |
| | ----- | ----- |
| Total deductions | 850 | 28,534 |
| | ----- | ----- |
| Balance at end of period | \$ 5,219 ===== | \$ 176,419 ===== |

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND SUBSIDIARIES
Consolidating Statement of Capital Surplus, Paid In (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Public Service Company of New Hampshire ----- | PSNH Funding LLC ----- | PSN Funding ----- |
|--|--|------------------------------|-------------------------|
| Balance at beginning of period | \$ 424,909 | \$ -- | \$ |
| Repurchase of common stock | (259,999) | -- | |
| Capital contribution from Public Service Company of New Hampshire | -- | 3,126 | |
| Capital stock expenses, net | 90 | -- | |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 165,000 ===== | \$ 3,126 ===== | \$ ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND SUBSIDIARIES
Consolidating Statement of Capital Surplus, Paid In (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Eliminations ----- | Consolidated ----- |
|--------------------------------|-----------------------|-----------------------|
| Balance at beginning of period | \$ -- | \$ 424,909 |

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| | | |
|--|----------|------------|
| Repurchase of common stock | -- | (259,999) |
| Capital contribution from Public Service Company of New Hampshire | 3,127 | -- |
| Capital stock expenses, net | -- | 90 |
| | ----- | ----- |
| Balance at end of period | \$ 3,127 | \$ 165,000 |
| | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARIES
Consolidating Statement of Cash Flows (a) (b)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Public Service Company of New Hampshire | PSNH Funding LLC |
|---|---|---------------------|
| | ----- | ----- |
| Operating Activities: | | |
| Income before extraordinary loss | \$ 81,776 | \$ -- |
| Adjustments to reconcile to net cash provided by operating activities: | | |
| Depreciation | 39,741 | -- |
| Deferred income taxes and investment tax credits, net | 195,710 | -- |
| Deferral of recoverable energy costs, net | (21,234) | -- |
| Amortization of regulatory assets, net | 65,445 | -- |
| Allocation of ESOP benefits | (248) | -- |
| Net other sources of cash | (84,417) | 4 |
| Changes in working capital: | | |
| Receivables and unbilled revenues | 3,465 | -- |
| Fuel, materials and supplies | (13,287) | -- |
| Accounts payable | (49,161) | 235 |
| Accrued taxes | 1,821 | -- |
| Other working capital (excludes cash) | 10,018 | 21,067 |
| | ----- | ----- |
| Net cash flows provided by operating activities | 229,629 | 21,306 |
| | ----- | ----- |
| Investing Activities: | | |
| Investment in regulated plant: | | |
| Electric utility plant | (92,626) | -- |
| Nuclear fuel | (37) | -- |
| | ----- | ----- |
| Net cash flows used for investments in regulated plant | (92,663) | -- |
| Investment in nuclear decommissioning trusts | (137) | -- |

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| | | |
|---|--------------|------------|
| Other investment activities, net | 633 | (33,628) |
| Net proceeds from the sale of utility plant | 24,888 | -- |
| Buyout of IPP contract | (48,164) | -- |
| | ----- | ----- |
| Net cash flows (used in)/provided by investing activities | (115,443) | (33,628) |
| | ----- | ----- |
| Financing Activities: | | |
| Repurchase of common stock | (260,000) | -- |
| Issuance of long-term debt | 287,485 | -- |
| Issuance of rate reduction bonds | -- | 525,000 |
| Retirement of rate reduction bonds | -- | (17,619) |
| Net increase in short-term debt | 83,500 | -- |
| Intercompany Notes Receivable/Notes Payable | 498,184 | (498,184) |
| Reacquisitions and retirements of long-term debt | (287,485) | -- |
| Reacquisitions and retirements of preferred stock | (24,268) | -- |
| Buydown of capital lease obligation | (497,508) | -- |
| Capital contributions from parent | -- | 3,126 |
| Cash dividends on preferred stock | (1,286) | -- |
| Cash dividends on common stock | (27,000) | -- |
| | ----- | ----- |
| Net cash flows (used in)/provided by financing activities | (228,378) | 12,323 |
| | ----- | ----- |
| Net (decrease)/increase in cash for the period | (114,192) | 1 |
| Cash and cash equivalents - beginning of period | 115,135 | -- |
| | ----- | ----- |
| Cash and cash equivalents - end of period | \$ 943 | \$ 1 |
| | ===== | ===== |
| Supplemental Cash Flow Information: | | |
| Cash paid during the year for: | | |
| Interest, net of amounts capitalized | \$ 55,957 | \$ (8,588) |
| | ===== | ===== |
| Income taxes | \$ (170,442) | \$ -- |
| | ===== | ===== |
| Increase in obligations: | | |
| Seabrook Power Contracts and other capital leases | \$ (517,998) | \$ -- |
| | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not included is New Hampshire Electric Company which is an inactive subsidiary.

(b) Not covered by auditors' report.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARIES
Consolidating Statement of Cash Flows (a) (b)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Eliminations | Consolidated |
|----------------------------------|--------------|--------------|
| | ----- | ----- |
| Operating Activities: | | |
| Income before extraordinary loss | \$ 2,537 | \$ 81,776 |

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| | | |
|--|---------|--------------|
| Adjustments to reconcile to net cash provided by operating activities: | | |
| Depreciation | -- | 39,741 |
| Deferred income taxes and investment tax credits, net | -- | 195,422 |
| Deferral of recoverable energy costs, net | -- | (21,234) |
| Amortization of regulatory assets, net | -- | 65,445 |
| Allocation of ESOP benefits | -- | (248) |
| Net other sources of cash | 2 | (83,498) |
| Changes in working capital: | | |
| Receivables and unbilled revenues | 314 | 3,212 |
| Fuel, materials and supplies | -- | (13,287) |
| Accounts payable | (314) | (48,888) |
| Accrued taxes | 204 | 1,624 |
| Other working capital (excludes cash) | (205) | 31,095 |
| | ----- | ----- |
| Net cash flows provided by operating activities | 2,538 | 251,160 |
| | ----- | ----- |
| Investing Activities: | | |
| Investment in regulated plant: | | |
| Electric utility plant | -- | (92,626) |
| Nuclear fuel | -- | (37) |
| | ----- | ----- |
| Net cash flows used for investments in regulated plant | -- | (92,663) |
| Investment in nuclear decommissioning trusts | -- | (137) |
| Other investment activities, net | (2,020) | (30,906) |
| Net proceeds from the sale of utility plant | -- | 24,888 |
| Buyout of IPP contract | -- | (48,164) |
| | ----- | ----- |
| Net cash flows (used in)/provided by investing activities | (2,020) | (146,982) |
| | ----- | ----- |
| Financing Activities: | | |
| Repurchase of common stock | -- | (260,000) |
| Issuance of long-term debt | -- | 287,485 |
| Issuance of rate reduction bonds | -- | 525,000 |
| Retirement of rate reduction bonds | -- | (17,619) |
| Net increase in short-term debt | -- | 83,500 |
| Intercompany Notes Receivable/Notes Payable | -- | -- |
| Reacquisitions and retirements of long-term debt | (2,795) | (287,485) |
| Reacquisitions and retirements of preferred stock | -- | (24,268) |
| Buydown of capital lease obligation | -- | (497,508) |
| Capital contributions from parent | 3,127 | -- |
| Cash dividends on preferred stock | -- | (1,286) |
| Cash dividends on common stock | (850) | (27,000) |
| | ----- | ----- |
| Net cash flows (used in)/provided by financing activities | (518) | (219,181) |
| | ----- | ----- |
| Net (decrease)/increase in cash for the period | -- | (115,003) |
| Cash and cash equivalents - beginning of period | -- | 116,482 |
| | ----- | ----- |
| Cash and cash equivalents - end of period | \$ -- | \$ 1,479 |
| | ===== | ===== |
| Supplemental Cash Flow Information: | | |
| Cash paid during the year for: | | |
| Interest, net of amounts capitalized | \$ 106 | \$ 47,369 |
| | ===== | ===== |
| Income taxes | \$ -- | \$ (168,021) |
| | ===== | ===== |
| Increase in obligations: | | |

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| | | |
|---|-------|--------------|
| Seabrook Power Contracts and other capital leases | \$ -- | \$ (517,998) |
| | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

- (a) Not included is New Hampshire Electric Company which is an inactive subsidiary.
- (b) Not covered by auditors' report.

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WESTERN MASSACHUSETTS ELECTRIC COMPANY
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Assets
December 31, 2001
(Thousands of Dollars)

| | Western Massachusetts Electric Company | WMECO Funding LLC | WMECO Receivables Corporation |
|---|--|-------------------------|-------------------------------------|
| | ----- | ----- | ----- |
| Utility Plant, at cost: | | | |
| Electric | \$564,857 | \$ -- | \$ -- |
| Less: Accumulated provision for depreciation | 186,784 | -- | -- |
| | ----- | ----- | ----- |
| | 378,073 | -- | -- |
| Construction work in progress | 18,326 | -- | -- |
| | ----- | ----- | ----- |
| Total net utility plant | 396,399 | -- | -- |
| | ----- | ----- | ----- |
| Other Property and Investments: | | | |
| Investments in regional nuclear generating companies, at equity | 9,300 | -- | -- |
| Investments in subsidiary companies, at equity | 776 | -- | -- |
| Other, at cost | 4,057 | 3,191 | -- |
| | ----- | ----- | ----- |
| | 14,133 | 3,191 | -- |
| | ----- | ----- | ----- |
| Current Assets: | | | |
| Cash | 598 | 1 | -- |
| Notes receivable from affiliated companies | -- | 151,401 | -- |
| Receivables, net | 43,761 | -- | -- |
| Accounts receivable from affiliated companies | 2,226 | -- | -- |
| Unbilled revenues | 12,746 | -- | -- |
| Materials and supplies, at average cost | 1,457 | -- | -- |

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| | | | |
|--------------------------|-----------|-----------|-------|
| Prepayments and other | 1,544 | -- | -- |
| | ----- | ----- | ----- |
| | 62,332 | 151,402 | -- |
| | ----- | ----- | ----- |
| Deferred Charges: | | | |
| Regulatory assets | 320,222 | -- | -- |
| Unamortized debt expense | 678 | -- | -- |
| Prepaid pension | 54,226 | -- | -- |
| Other | 2,274 | -- | -- |
| | ----- | ----- | ----- |
| | 377,400 | -- | -- |
| | ----- | ----- | ----- |
| Total Assets | \$850,264 | \$154,593 | \$ -- |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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WESTERN MASSACHUSETTS ELECTRIC COMPANY
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

| | Western Massachusetts Electric Company | WMECO Funding LLC | WMECO Receivables Corporation |
|--|--|-------------------------|-------------------------------------|
| | ----- | ----- | ----- |
| Capitalization: | | | |
| Common stockholder's equity: | | | |
| Common stock | \$ 12,742 | \$ -- | \$ -- |
| Capital surplus, paid in | 82,224 | 776 | -- |
| Retained earnings | 55,422 | -- | -- |
| Accumulated other comprehensive income | 59 | -- | -- |
| | ----- | ----- | ----- |
| Total common stockholder's equity | 150,447 | 776 | -- |
| Long-term debt | 101,170 | -- | -- |
| | ----- | ----- | ----- |
| Total capitalization | 251,617 | 776 | -- |
| | ----- | ----- | ----- |
| Rate Reduction Bonds | -- | 152,317 | -- |
| | ----- | ----- | ----- |
| Obligations Under Capital Leases | 87 | -- | -- |
| | ----- | ----- | ----- |
| Current Liabilities: | | | |
| Notes payable to banks | 50,000 | -- | -- |

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| | | | |
|---|----------------|----------------|-----------|
| Notes payable to affiliated companies | 160,601 | -- | -- |
| Obligations under capital leases-current portion | 23 | -- | -- |
| Accounts payable | 34,970 | -- | -- |
| Accounts payable to affiliated companies | 2,982 | 18 | -- |
| Accrued taxes | 3,691 | -- | -- |
| Accrued interest | 1,372 | 829 | -- |
| Other | 9,454 | 651 | -- |
| | ----- | ----- | ----- |
| | 263,093 | 1,498 | -- |
| | ----- | ----- | ----- |
| Deferred Credits and Other Long-term Liabilities: | | | |
| Accumulated deferred income taxes | 229,893 | -- | -- |
| Accumulated deferred investment tax credits | 3,998 | -- | -- |
| Deferred contractual obligations | 37,357 | -- | -- |
| Other | 64,219 | 2 | -- |
| | ----- | ----- | ----- |
| | 335,467 | 2 | -- |
| | ----- | ----- | ----- |
| Total Capitalization and Liabilities | \$ 850,264 | \$ 154,593 | \$ -- |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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WESTERN MASSACHUSETTS ELECTRIC COMPANY
AND SUBSIDIARIES
Consolidating Statement of Income (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Western Massachusetts Electric Company | WMECO Funding LLC | WMECO Receivables Corporation | EL |
|---|--|-------------------------|-------------------------------------|-------|
| | ----- | ----- | ----- | ----- |
| Operating Revenues | \$ 478,869 | \$ 6,359 | \$ -- | |
| | ----- | ----- | ----- | |
| Operating Expenses: | | | | |
| Operation- | | | | |
| Fuel, purchased and net interchange power | 315,903 | -- | -- | |
| Other | 66,458 | 109 | -- | |
| Maintenance | 19,635 | -- | -- | |
| Depreciation | 13,818 | -- | -- | |
| Amortization of regulatory assets | 131,876 | -- | -- | |
| Federal and state income taxes | 9,796 | -- | -- | |
| Taxes other than income taxes | 13,065 | -- | -- | |
| Gain on sale of utility plant | (119,775) | -- | -- | |
| | ----- | ----- | ----- | |
| Total operating expenses | 450,776 | 109 | -- | |
| | ----- | ----- | ----- | |

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| | | | |
|--|-----------|-------|-------|
| Operating Income | 28,093 | 6,250 | -- |
| | ----- | ----- | ----- |
| Other Income: | | | |
| Equity in earnings of regional nuclear generating companies | 290 | -- | -- |
| Gain related to Millstone sale | 22 | -- | -- |
| Other, net | (1,362) | 33 | -- |
| Income taxes | 3,236 | -- | -- |
| | ----- | ----- | ----- |
| Other income, net | 2,186 | 33 | -- |
| | ----- | ----- | ----- |
| Income before interest charges | 30,279 | 6,283 | -- |
| | ----- | ----- | ----- |
| Interest Charges: | | | |
| Interest on long-term debt | 5,325 | -- | -- |
| Interest on rate reduction bonds | 6,251 | 6,283 | -- |
| Other interest | 3,735 | -- | -- |
| | ----- | ----- | ----- |
| Interest charges, net | 15,311 | 6,283 | -- |
| | ----- | ----- | ----- |
| Net Income | \$ 14,968 | \$ -- | \$ -- |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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WESTERN MASSACHUSETTS ELECTRIC COMPANY
AND SUBSIDIARIES
Consolidating Statement of Retained Earnings (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Western Massachusetts Electric Company | WMECO Funding LLC | WMECO Receivables Corporation |
|--------------------------------|---|----------------------|-------------------------------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 62,952 | \$ -- | \$ (71) |
| Additions: | | | |
| Net income | 14,968 | -- | -- |
| | ----- | ----- | ----- |
| | 77,920 | -- | (71) |
| | ----- | ----- | ----- |
| Deductions: | | | |
| Dividends declared: | | | |

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| | | | |
|---|-----------|-------|-------|
| Common stock \$42.3616 per share | 22,000 | -- | -- |
| Preferred stock (at required annual rates) | 404 | -- | -- |
| Close out of retained earnings due to dissolving of subsidiary | -- | -- | (71) |
| Allocation of benefits-ESOP | 94 | -- | -- |
| | ----- | ----- | ----- |
| Total deductions | 22,498 | -- | (71) |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 55,422 | \$ -- | \$ -- |
| | ===== | ===== | ===== |

WESTERN MASSACHUSETTS ELECTRIC COMPANY
AND SUBSIDIARIES
Consolidating Statement of Capital Surplus, Paid In (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Western Massachusetts Electric Company | WMECO Funding LLC | WMECO Receivables Corporation |
|--|---|----------------------|-------------------------------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 94,010 | \$ -- | \$ 60 |
| Repurchase of common stock | (12,990) | -- | -- |
| Capital contribution from Western Massachusetts Electric Company | -- | 776 | -- |
| Close out of capital surplus, paid in due to dissolving of subsidiary | -- | -- | (60) |
| Capital stock expenses, net | 1,204 | -- | -- |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 82,224 | \$ 776 | \$ -- |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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WESTERN MASSACHUSETTS ELECTRIC COMPANY AND SUBSIDIARY
Consolidating Statement of Cash Flows (a)
Year Ended December 31, 2001
(Thousands of Dollars)

Western
Massachusetts WMECO WMECO

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| | Electric Company | FUNDING LLC | Receiva Corpora |
|---|---------------------|----------------|--------------------|
| | ----- | ----- | ----- |
| Operating Activities: | | | |
| Income after interest charges | \$ 14,968 | \$ -- | \$ |
| Adjustments to reconcile to net cash provided by/(used in) operating activities: | | | |
| Depreciation | 13,818 | -- | |
| Deferred income taxes and investment tax credits, net | 5,281 | -- | |
| Amortization of recoverable energy costs, net | 3,179 | -- | |
| Amortization of regulatory assets, net | 131,876 | -- | |
| Gain on sale of utility plant | (119,775) | -- | |
| Allocation of ESOP benefits | (94) | -- | |
| Net other uses of cash | (1,961) | 2 | |
| Changes in working capital: | | | |
| Receivables and accrued utility revenues | 15,105 | -- | |
| Fuel, materials and supplies | 149 | -- | |
| Accounts payable | 4,043 | 18 | |
| Accrued taxes | (4,777) | -- | |
| Other working capital (excludes cash) | 1,725 | 1,480 | |
| | ----- | ----- | ----- |
| Net cash flows provided by/(used in) operating activities | 63,537 | 1,500 | |
| | ----- | ----- | ----- |
| Investing Activities: | | | |
| Investments in regulated plant: | | | |
| Electric utility plant | (30,921) | -- | |
| Nuclear fuel | (140) | -- | |
| | ----- | ----- | ----- |
| Net cash flows used for investments in regulated plant | (31,061) | -- | |
| Investments in nuclear decommissioning trusts | (23,037) | -- | |
| Other investment activities, net | 3,221 | (3,191) | |
| Net proceeds from the sale of utility plant | 175,154 | -- | |
| Buyout of IPP contracts | (80,000) | -- | |
| | ----- | ----- | ----- |
| Net cash flows provided by/(used in) investing activities | 44,277 | (3,191) | |
| | ----- | ----- | ----- |
| Financing Activities: | | | |
| Dissolution of WMECO Receivables Corporation | -- | -- | |
| Repurchase of common stock | (15,000) | -- | |
| Issuance of rate reduction bonds | -- | 155,000 | |
| Retirement of rate reduction bonds | -- | (2,683) | |
| Net decrease in short-term debt | (51,400) | -- | |
| Intercompany Notes Receivable/Notes Payable | 151,401 | (151,401) | |
| Reacquisitions and retirements of long-term debt | (100,000) | -- | |
| Reacquisitions and retirements of preferred stock | (36,500) | -- | |
| Retirement of capital lease obligation | (34,200) | -- | |
| Capital contribution from parent | -- | 776 | |
| Cash dividends on preferred stock | (404) | -- | |
| Cash dividends on common shares | (22,000) | -- | |
| | ----- | ----- | ----- |
| Net cash flows (used in)/provided by financing activities | (108,103) | 1,692 | |
| | ----- | ----- | ----- |
| Net (decrease)/increase in cash for the period | (289) | 1 | |
| Cash - beginning of period | 887 | -- | |
| | ----- | ----- | ----- |
| Cash - end of period | \$ 598 | \$ 1 | \$ |
| | ===== | ===== | ===== |

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Supplemental Cash Flow Information:

Cash paid/(refunded) during the year for:

| | | | |
|---|-----------|----------|-------|
| Interest, net of amounts capitalized | \$ 18,768 | \$ (829) | \$ |
| | ===== | ===== | ===== |
| Income taxes | \$ 6,314 | \$ -- | \$ |
| | ===== | ===== | ===== |
| Increase in obligations: | | | |
| Niantic Bay Fuel Trust and other capital leases | \$ 411 | \$ -- | \$ |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

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HOLYOKE WATER POWER COMPANY
 AND SUBSIDIARY
 Consolidating Balance Sheet (a)
 Assets
 December 31, 2001
 (Thousands of Dollars)

| | Holyoke Water Power Company | Holyoke Power and Electric Company | Eliminations | Con |
|--|--------------------------------------|---|--------------|-------|
| | ----- | ----- | ----- | ----- |
| Utility Plant, at cost: | | | | |
| Electric | \$ 35,281 | \$ 1,418 | \$ -- | \$ |
| Less: Accumulated provision for depreciation | 31,804 | 1,055 | -- | |
| | ----- | ----- | ----- | ----- |
| | 3,477 | 363 | -- | |
| Construction work in progress | 1,118 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Total net utility plant | 4,595 | 363 | -- | |
| | ----- | ----- | ----- | ----- |
| Other Property and Investments: | | | | |
| Investments in subsidiary companies, at equity | 750 | -- | 750 | |
| Other, at cost | 1,859 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| | 2,609 | -- | 750 | |
| | ----- | ----- | ----- | ----- |
| Current Assets: | | | | |
| Cash | -- | 3,130 | -- | |
| Notes Receivable from affiliated companies | 3,300 | -- | -- | |
| Receivables, net | 125 | -- | -- | |

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| | | | |
|--|-----------|----------|----------|
| Accounts receivable from affiliated companies | 3,766 | 4,032 | 3,675 |
| Taxes receivable | 292 | -- | 53 |
| Fuel, materials, and supplies, at average cost | 6,157 | -- | -- |
| Prepayments and other | 925 | 85 | 12 |
| | ----- | ----- | ----- |
| | 14,565 | 7,247 | 3,740 |
| | ----- | ----- | ----- |
| Deferred Charges: | | | |
| Regulatory assets | 762 | -- | -- |
| Accumulated deferred income taxes | -- | 36 | 36 |
| Prepaid pension | 2,514 | -- | -- |
| Other | 281 | -- | -- |
| | ----- | ----- | ----- |
| | 3,557 | 36 | 36 |
| | ----- | ----- | ----- |
| Total Assets | \$ 25,326 | \$ 7,646 | \$ 4,526 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

F-31

HOLYOKE WATER POWER COMPANY
AND SUBSIDIARY
Consolidating Balance Sheet (a)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

| | Holyoke Water Power Company | Holyoke Power and Electric Company | Eliminations | Con |
|--|--------------------------------------|---|--------------|-------|
| | ----- | ----- | ----- | ----- |
| Capitalization: | | | | |
| Common stockholder's equity: | | | | |
| Common stock | \$ 2,400 | \$ 485 | \$ 485 | \$ |
| Capital surplus, paid in | 6,000 | -- | -- | |
| Retained earnings | (1,233) | (304) | (304) | |
| Accumulated other comprehensive income | (5) | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Total common stockholder's equity | 7,162 | 181 | 181 | |
| Long-term debt: | | | | |
| Advances from parent companies | 9,600 | 424 | 424 | |
| | ----- | ----- | ----- | ----- |
| Total capitalization | 16,762 | 605 | 605 | |
| | ----- | ----- | ----- | ----- |
| Current Liabilities: | | | | |
| Accounts payable | 1,620 | 3,135 | -- | |
| Accounts payable to affiliated companies | 1,777 | 3,683 | 3,675 | |

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| | | | |
|---|-----------|----------|----------|
| Accrued taxes | -- | 65 | 65 |
| Accrued interest | 12 | -- | -- |
| Other | 25 | 13 | -- |
| | ----- | ----- | ----- |
| | 3,434 | 6,896 | 3,740 |
| | ----- | ----- | ----- |
| Deferred Credits and Other Long-term Liabilities: | | | |
| Accumulated deferred investment tax credits | 1,005 | -- | 36 |
| Other | 4,125 | 145 | 145 |
| | ----- | ----- | ----- |
| | 5,130 | 145 | 181 |
| | ----- | ----- | ----- |
| Total Capitalization and Liabilities | \$ 25,326 | \$ 7,646 | \$ 4,526 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

F-32

HOLYOKE WATER POWER COMPANY
AND SUBSIDIARY
Consolidating Statement of Income (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Holyoke Water Power Company | Holyoke Power and Electric Company | Eliminations | Con |
|---|--------------------------------------|---|--------------|-------|
| | ----- | ----- | ----- | ----- |
| Operating Revenues | \$ 55,137 | \$ 49,158 | \$ 49,097 | \$ |
| | ----- | ----- | ----- | ----- |
| Operating Expenses: | | | | |
| Operation- | | | | |
| Fuel, purchased and net interchange power | 27,894 | 49,188 | 49,094 | |
| Other | 8,789 | 152 | 3 | |
| Maintenance | 7,030 | -- | -- | |
| Depreciation | 2,083 | 24 | -- | |
| Federal and state income taxes | 3,232 | (87) | -- | |
| Taxes other than income taxes | 504 | 42 | -- | |
| | ----- | ----- | ----- | ----- |
| Total operating expenses | 49,532 | 49,319 | 49,097 | |
| | ----- | ----- | ----- | ----- |
| Operating Income/(Loss) | 5,605 | (161) | -- | |
| | ----- | ----- | ----- | ----- |
| Other Income/(loss): | | | | |
| Equity in losses of subsidiary | (209) | -- | (209) | |
| Other, net | 405 | -- | 21 | |

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| | | | |
|---------------------------------------|----------|----------|----------|
| Income taxes | 571 | (27) | -- |
| | ----- | ----- | ----- |
| Other income/(loss), net | 767 | (27) | (188) |
| | ----- | ----- | ----- |
| Income/(loss) before interest charges | 6,372 | (188) | (188) |
| | ----- | ----- | ----- |
| Interest Charges: | | | |
| Interest on long-term debt | 1,709 | -- | -- |
| Other interest | 287 | 21 | 21 |
| | ----- | ----- | ----- |
| Interest charges, net | 1,996 | 21 | 21 |
| | ----- | ----- | ----- |
| Net Income/(Loss) | \$ 4,376 | \$ (209) | \$ (209) |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

F-33

HOLYOKE WATER POWER COMPANY
AND SUBSIDIARY
Consolidating Statement of Retained Earnings (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Holyoke Water Power Company | Holyoke Power and Electric Company | Eliminations | Consolidated |
|--------------------------------|--------------------------------------|---|--------------|--------------|
| | ----- | ----- | ----- | ----- |
| Balance at beginning of period | \$ (5,607) | \$ (95) | \$ (95) | \$ (5,607) |
| Additions: | | | | |
| Net Income/(Loss) | 4,376 | (209) | (209) | 4,376 |
| Deductions: | | | | |
| Allocation of benefits-ESOP | 2 | -- | -- | 2 |
| | ----- | ----- | ----- | ----- |
| Balance at end of period | \$ (1,233) | \$ (304) | \$ (304) | \$ (1,233) |
| | ===== | ===== | ===== | ===== |

HOLYOKE WATER POWER COMPANY
AND SUBSIDIARY
Consolidating Statement of Capital Surplus, Paid In (a)
Year Ended December 31, 2001
(Thousands of Dollars)

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| | Holyoke Water Power Company ----- | Holyoke Power and Electric Company ----- | Eliminations ----- | Consolidated ----- |
|--------------------------------|---|--|-----------------------|-----------------------|
| Balance at beginning of period | \$ 6,000 ----- | \$ -- ----- | \$ -- ----- | \$ 6,000 ----- |
| Balance at end of period | \$ 6,000 ===== | \$ -- ===== | \$ -- ===== | \$ 6,000 ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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HOLYOKE WATER POWER COMPANY AND SUBSIDIARY
Consolidating Statement of Cash Flows (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Holyoke Water Power Company ----- | Holyoke Power and Electric Company ----- | Elimin ----- |
|---|---|--|-----------------|
| Operating Activities: | | | |
| Income/(loss) before extraordinary loss | \$ 4,376 | \$ (209) | \$ |
| Adjustments to reconcile to net cash (used in)/provided by operating activities: | | | |
| Depreciation | 2,083 | 24 | |
| Deferred income taxes, net | 644 | (1) | |
| Amortization of regulatory assets, net | -- | -- | |
| Loss on sale of assets | 135 | -- | |
| Allocation of ESOP benefits | (2) | -- | |
| Net other (uses)/sources of cash | (8,135) | 19 | |
| Changes in working capital: | | | |
| Receivables, net | 1,679 | 133 | |
| Fuel, materials and supplies | (1,394) | -- | |
| Accounts payable | (1,190) | 1,351 | |
| Accrued taxes | (756) | 36 | |
| Other working capital (excludes cash) | (446) | (88) | |
| Net cash flows (used in)/provided by operating activities | (3,006) ----- | 1,265 ----- | ----- |
| Investing Activities: | | | |
| Investments in competitive energy assets | (550) | -- | |
| Investment in NU system Money Pool | 12,900 | -- | |
| Other investment activities, net | 1,806 | -- | |
| Net proceeds from the sale of utility plant | 17,550 | -- | |

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| | | | |
|--|----------|----------|----|
| Net cash flows provided by investing activities | 31,706 | -- | |
| Financing Activities: | | | |
| Reacquisitions and retirements of long-term debt | (38,300) | -- | |
| Advances from/(repayment to) parent | 9,600 | -- | |
| Net cash flows used in financing activities | (28,700) | -- | |
| Net increase in cash for the period | -- | 1,265 | |
| Cash - beginning of period | -- | 1,865 | |
| Cash - end of period | \$ -- | \$ 3,130 | \$ |
| Supplemental Cash Flow Information: | | | |
| Cash paid/(refunded) during the year for: | | | |
| Interest, net of amounts capitalized | \$ 2,546 | \$ 21 | \$ |
| Income taxes | \$ 2,863 | \$ (87) | \$ |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

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F-36

YANKEE ENERGY SYSTEM, INC.
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Assets
December 31, 2001
(Thousands of Dollars)

| | Yankee Energy System, Inc. | Yankee Gas Services Company | NorConn Properties Inc. |
|--|-------------------------------------|-----------------------------------|-------------------------------|
| | ----- | ----- | ----- |
| Utility Plant, at cost: | | | |
| Gas | \$ -- | \$ 634,884 | \$ -- |
| Less: Accumulated provision for depreciation | -- | 266,655 | -- |
| | ----- | ----- | ----- |
| Construction work in progress | -- | 368,229 | -- |
| | ----- | 37,726 | ----- |

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| | | | |
|--|---------------------------|---------------------------|-------------------------|
| Total net utility plant | ----- -- ----- | ----- 405,955 ----- | ----- -- ----- |
| Other Property and Investments: | | | |
| Investments in subsidiary companies, at equity | 512,487 | -- | -- |
| Other, at cost | -- | 1,794 | 1,877 |
| | ----- 512,487 ----- | ----- 1,794 ----- | ----- 1,877 ----- |
| Current Assets: | | | |
| Cash | 3 | 130 | 25 |
| Notes receivable from affiliated companies | 3,670 | -- | 346 |
| Receivables, net | -- | 39,495 | -- |
| Accounts receivable from affiliated companies | -- | 9,529 | 25 |
| Taxes receivable | -- | -- | 52 |
| Unbilled revenues | -- | 42,494 | -- |
| Fuel, materials, and supplies, at average cost | -- | 3,880 | -- |
| Prepayments and other | 189 | 20,046 | -- |
| | ----- 3,862 ----- | ----- 115,574 ----- | ----- 448 ----- |
| Deferred Charges: | | | |
| Regulatory assets | -- | 40,834 | -- |
| Accumulated deferred income taxes | 3,482 | -- | -- |
| Unamortized debt expense | -- | 1,134 | 1 |
| Goodwill and other purchased intangible assets | -- | 287,591 | -- |
| Prepaid pension | -- | 42,757 | -- |
| Other | 395 | 371 | 1 |
| | ----- 3,877 ----- | ----- 372,687 ----- | ----- 2 ----- |
| Total Assets | \$ 520,226 ===== | \$ 896,010 ===== | \$ 2,327 ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

F-37

YANKEE ENERGY SYSTEM, INC.
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Assets
December 31, 2001
(Thousands of Dollars)

| | | |
|---|---|-----------------------------|
| Yankee Energy Financial Services | Yankee Energy Services Company | R.M. Services Company |
| ----- | ----- | ----- |

Utility Plant, at cost:

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| | | | | | | |
|--|----|-------|----|-------|----|--------|
| Gas | \$ | -- | \$ | -- | \$ | -- |
| Less: Accumulated provision for depreciation | | -- | | -- | | -- |
| | | ----- | | ----- | | ----- |
| | | -- | | -- | | -- |
| Construction work in progress | | -- | | -- | | -- |
| | | ----- | | ----- | | ----- |
| Total net utility plant | | -- | | -- | | -- |
| | | ----- | | ----- | | ----- |
| Other Property and Investments: | | | | | | |
| Investments in subsidiary companies, at equity | | -- | | -- | | -- |
| Other, at cost | | 59 | | 443 | | 13,160 |
| | | ----- | | ----- | | ----- |
| | | 59 | | 443 | | 13,160 |
| | | ----- | | ----- | | ----- |
| Current Assets: | | | | | | |
| Cash | | 83 | | 151 | | -- |
| Notes receivable from affiliated companies | | -- | | -- | | -- |
| Receivables, net | | 4,462 | | 4,700 | | -- |
| Accounts receivable from affiliated companies | | 1 | | 2,280 | | 173 |
| Taxes receivable | | -- | | 402 | | -- |
| Unbilled revenues | | -- | | -- | | -- |
| Fuel, materials, and supplies, at average cost | | -- | | -- | | -- |
| Prepayments and other | | 10 | | -- | | -- |
| | | ----- | | ----- | | ----- |
| | | 4,556 | | 7,533 | | 173 |
| | | ----- | | ----- | | ----- |
| Deferred Charges: | | | | | | |
| Regulatory assets | | -- | | -- | | -- |
| Accumulated deferred income taxes | | 74 | | 1,399 | | -- |
| Unamortized debt expense | | -- | | -- | | -- |
| Goodwill and other purchased intangible assets | | -- | | 405 | | -- |
| Prepaid pension | | -- | | -- | | -- |
| Other | | 44 | | -- | | -- |
| | | ----- | | ----- | | ----- |
| | | 118 | | 1,804 | | -- |
| | | ----- | | ----- | | ----- |
| Total Assets | \$ | 4,733 | \$ | 9,780 | \$ | 13,333 |
| | | ===== | | ===== | | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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YANKEE ENERGY SYSTEM, INC.
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

Yankee
Energy

Yankee Gas

NorConn

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| | System, Inc. | Services Company | Properties Inc. |
|---|-----------------|---------------------|--------------------|
| | ----- | ----- | ----- |
| Capitalization: | | | |
| Common stockholder's equity: | | | |
| Common stock | \$ -- | \$ 5 | \$ 1 |
| Capital surplus, paid in | 484,888 | 466,048 | 9 |
| Retained earnings | 25,048 | 27,103 | 317 |
| Accumulated other comprehensive loss | (1,363) | (1,363) | -- |
| | ----- | ----- | ----- |
| Total common stockholder's equity | 508,573 | 491,793 | 327 |
| Long-term debt | -- | 151,508 | 1,400 |
| | ----- | ----- | ----- |
| Total capitalization | 508,573 | 643,301 | 1,727 |
| | ----- | ----- | ----- |
| Current Liabilities: | | | |
| Notes payable to banks | -- | 50,000 | -- |
| Notes payable to affiliated companies | -- | 2,500 | -- |
| Long-term debt - current portion | -- | 950 | 100 |
| Accounts payable | -- | 24,958 | -- |
| Accounts payable to affiliated companies | 11,338 | 747 | 152 |
| Accrued taxes | 315 | 8,038 | -- |
| Accrued interest | -- | 3,507 | 8 |
| Other | -- | 7,132 | -- |
| | ----- | ----- | ----- |
| | 11,653 | 97,832 | 260 |
| | ----- | ----- | ----- |
| Deferred Credits and Other Long-term Liabilities: | | | |
| Accumulated deferred income taxes | -- | 71,950 | 340 |
| Accumulated deferred investment tax credits | -- | 7,099 | -- |
| Other | -- | 75,828 | -- |
| | ----- | ----- | ----- |
| | -- | 154,877 | 340 |
| | ----- | ----- | ----- |
| Total Capitalization and Liabilities | \$ 520,226 | \$ 896,010 | \$ 2,327 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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YANKEE ENERGY SYSTEM, INC.
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

Yankee

Yankee

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| | Energy Financial Services | Energy Services Company | R.M. Services Company |
|---|---------------------------------|-------------------------------|-----------------------------|
| | ----- | ----- | ----- |
| Capitalization: | | | |
| Common stockholder's equity: | | | |
| Common stock | \$ 1 | \$ 1 | \$ 1 |
| Capital surplus, paid in | 1,241 | 7,881 | 13,798 |
| Retained earnings | 189 | (1,651) | (466) |
| Accumulated other comprehensive loss | -- | -- | -- |
| | ----- | ----- | ----- |
| Total common stockholder's equity | 1,431 | 6,231 | 13,333 |
| Long-term debt | -- | -- | -- |
| | ----- | ----- | ----- |
| Total capitalization | 1,431 | 6,231 | 13,333 |
| | ----- | ----- | ----- |
| Current Liabilities: | | | |
| Notes payable to banks | -- | -- | -- |
| Notes payable to affiliated companies | 3,200 | 3,515 | -- |
| Long-term debt - current portion | -- | -- | -- |
| Accounts payable | 46 | -- | -- |
| Accounts payable to affiliated companies | 36 | -- | -- |
| Accrued taxes | 20 | -- | -- |
| Accrued interest | -- | -- | -- |
| Other | -- | 34 | -- |
| | ----- | ----- | ----- |
| | 3,302 | 3,549 | -- |
| | ----- | ----- | ----- |
| Deferred Credits and Other Long-term Liabilities: | | | |
| Accumulated deferred income taxes | -- | -- | -- |
| Accumulated deferred investment tax credits | -- | -- | -- |
| Other | -- | -- | -- |
| | ----- | ----- | ----- |
| | -- | -- | -- |
| | ----- | ----- | ----- |
| Total Capitalization and Liabilities | \$ 4,733 | \$ 9,780 | \$ 13,333 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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YANKEE ENERGY SYSTEM, INC. AND SUBSIDIARIES
Consolidating Statement of Income (a)
Year Ended December 31, 2001
(Thousands of Dollars)

Yankee
Energy

Yankee Gas

NorConn

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| | System, Inc. | Services Company | Properties Inc. |
|--|-----------------|---------------------|--------------------|
| | ----- | ----- | ----- |
| Operating Revenues | \$ 2 | \$ 378,033 | \$ 297 |
| | ----- | ----- | ----- |
| Operating Expenses: | | | |
| Operation- | | | |
| Fuel, purchased and net interchange power | -- | 218,585 | -- |
| Other | 169 | 53,271 | 88 |
| Maintenance | -- | 7,969 | -- |
| Depreciation | -- | 25,752 | 89 |
| Amortization of regulatory assets | -- | 7,541 | -- |
| Federal and state income taxes | -- | 11,900 | 161 |
| Taxes other than income taxes | 5 | 14,748 | -- |
| | ----- | ----- | ----- |
| Total operating expenses | 174 | 339,766 | 338 |
| | ----- | ----- | ----- |
| Operating (Loss)/Income | (172) | 38,267 | (41) |
| | ----- | ----- | ----- |
| Other Income/(Loss): | | | |
| Equity in earnings of subsidiaries | 24,600 | -- | -- |
| Other, net | 35 | 4,143 | 24 |
| Income taxes | 917 | (2,411) | 247 |
| | ----- | ----- | ----- |
| Other income/(loss), net | 25,552 | 1,732 | 271 |
| | ----- | ----- | ----- |
| Income/(loss) before interest charges | 25,380 | 39,999 | 230 |
| | ----- | ----- | ----- |
| Interest Charges: | | | |
| Interest on long-term debt | -- | 12,759 | 97 |
| Other interest | (895) | 1,239 | 23 |
| | ----- | ----- | ----- |
| Interest charges, net | (895) | 13,998 | 120 |
| | ----- | ----- | ----- |
| Income/(loss) before cumulative effect of accounting change, net of tax benefit | 26,275 | 26,001 | 110 |
| Cumulative effect of accounting change, net of tax benefit | (447) | -- | -- |
| | ----- | ----- | ----- |
| Net Income/(Loss) | \$ 25,828 | \$ 26,001 | \$ 110 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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Year Ended December 31, 2001

(Thousands of Dollars)

| | Yankee Energy, Inc. Financial Services ----- | Yankee Energy Services Company ----- | R.M. Services Inc. ----- |
|--|--|--|-----------------------------------|
| Operating Revenues | \$ 99 | \$ (90) | \$ 3,279 |
| Operating Expenses: | | | |
| Operation- | | | |
| Fuel, purchased and net interchange power | -- | -- | -- |
| Other | 128 | 989 | 2,976 |
| Maintenance | -- | -- | -- |
| Depreciation | 96 | 151 | 490 |
| Amortization of regulatory assets | -- | 22 | 198 |
| Federal and state income taxes | -- | (448) | -- |
| Taxes other than income taxes | -- | -- | 32 |
| Total operating expenses | 224 | 714 | 3,696 |
| Operating (Loss)/Income | (125) | (804) | (417) |
| Other Income/(Loss): | | | |
| Equity in earnings of subsidiaries | -- | -- | -- |
| Other, net | 336 | (1) | (141) |
| Income taxes | 13 | 740 | 123 |
| Other income/(loss), net | 349 | 739 | (18) |
| Income/(loss) before interest charges | 224 | (65) | (435) |
| Interest Charges: | | | |
| Interest on long-term debt | -- | -- | -- |
| Other interest | 93 | 399 | 90 |
| Interest charges, net | 93 | 399 | 90 |
| Income/(loss) before cumulative effect of accounting change, net of tax benefit | 131 | (464) | (525) |
| Cumulative effect of accounting change, net of tax benefit | -- | -- | -- |
| Net Income/(Loss) | \$ 131 ===== | \$ (464) ===== | \$ (525) ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

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(a) Not covered by auditors' report.

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YANKEE ENERGY SYSTEM, INC. AND SUBSIDIARIES
 Consolidating Statement of Retained Earnings (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | Yankee Energy System, Inc. | Yankee Gas Services Company | NorConn Properties Inc. |
|--------------------------------|-------------------------------------|-----------------------------------|-------------------------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ (733) | \$ 1,149 | \$ 207 |
| Additions: | | | |
| Net Income/(Loss) | 25,828 | 26,001 | 110 |
| | ----- | ----- | ----- |
| | 25,095 | 27,150 | 317 |
| | ----- | ----- | ----- |
| Deductions: | | | |
| Allocation of benefits-ESOP | 47 | 47 | -- |
| | ----- | ----- | ----- |
| Total deductions | 47 | 47 | -- |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 25,048 | \$ 27,103 | \$ 317 |
| | ===== | ===== | ===== |

YANKEE ENERGY SYSTEM, INC. AND SUBSIDIARIES
 Consolidating Statement of Capital Surplus, Paid In (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | Yankee Energy System, Inc. | Yankee Gas Services Company | NorConn Properties Inc. |
|---|-------------------------------------|-----------------------------------|-------------------------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 484,888 | \$ 466,048 | \$ 9 |
| Capital contribution from Yankee Energy System, Inc. | -- | -- | -- |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 484,888 | \$ 466,048 | \$ 9 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

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(a) Not covered by auditors' report.

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YANKEE ENERGY SYSTEM, INC. AND SUBSIDIARIES
 Consolidating Statement of Retained Earnings (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | Yankee Energy, Inc. Financial Services | Yankee Energy Services Company | R.M. Services Inc. |
|--------------------------------|---|---|--------------------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 58 | \$ (1,187) | \$ 59 |
| Additions: | | | |
| Net Income/(Loss) | 131 | (464) | (525) |
| | ----- | ----- | ----- |
| | 189 | (1,651) | (466) |
| | ----- | ----- | ----- |
| Deductions: | | | |
| Allocation of benefits-ESOP | -- | -- | -- |
| | ----- | ----- | ----- |
| Total deductions | -- | -- | -- |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 189 | \$ (1,651) | \$ (466) |
| | ===== | ===== | ===== |

YANKEE ENERGY SYSTEM, INC. AND SUBSIDIARIES
 Consolidating Statement of Capital Surplus, Paid In (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | Yankee Energy, Inc. Financial Services | Yankee Energy Services Company | R.M. Services Inc. |
|---|---|---|--------------------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 1,241 | \$ 7,881 | \$ 9,298 |
| Capital contribution from Yankee Energy System, Inc. | -- | -- | 4,500 |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 1,241 | \$ 7,881 | \$ 13,798 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The

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accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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YANKEE ENERGY SYSTEM, INC. AND SUBSIDIARIES
 Consolidating Statement of Cash Flows (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | Yankee Energy System, Inc. | Yankee Gas Services Company | No Pro |
|---|-------------------------------------|-----------------------------------|-----------|
| | ----- | ----- | ----- |
| Operating Activities: | | | |
| Income/(loss) after interest charges | \$ 26,275 | \$ 26,001 | \$ |
| Adjustments to reconcile to net cash provided by/(used in) operating activities: | | | |
| Depreciation | -- | 25,752 | |
| Deferred income taxes and investment tax credits, net | (3,185) | (1,196) | |
| Amortization of regulatory assets | -- | 7,541 | |
| Accumulative effect of accounting change | (447) | -- | |
| Allocation of ESOP benefits | (47) | (47) | |
| Net other (uses)/sources of cash | (1,291) | 1,225 | |
| Changes in working capital: | | | |
| Accounts receivable | 1,110 | 10,171 | |
| Fuel, materials and supplies | -- | (686) | |
| Accounts payable | 2,312 | (20,784) | |
| Accrued taxes | 315 | (11,584) | |
| Other working capital (excludes cash) | 508 | 6,234 | |
| Net cash flows provided by/(used in) operating activities | 25,550 | 42,627 | |
| Investing Activities: | | | |
| Investments in regulated plant | -- | (47,771) | |
| Investment in NU system Money Pool | 1,610 | (500) | |
| Other investments | (27,692) | (1,500) | |
| Net cash flows (used in)/provided by investing activities | (26,082) | (49,771) | |
| Financing Activities: | | | |
| Net increase in short-term debt | -- | 3,400 | |
| Capital contribution from parent | -- | -- | |
| Reacquisitions and retirements of long-term debt | -- | (950) | |
| Net cash flows provided by/(used in) financing activities | -- | 2,450 | |
| Net (decrease)/increase in cash for the period | (532) | (4,694) | |
| Cash - beginning of period | 535 | 4,824 | |
| Cash - end of period | \$ 3 | \$ 130 | \$ |
| | ===== | ===== | ===== |

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Supplemental Cash Flow Information:

Cash paid/(refunded) during the year for:

| | | | |
|--------------------------------------|----------|-----------|-------|
| Interest, net of amounts capitalized | \$ 37 | \$ 14,121 | \$ |
| | ===== | ===== | ===== |
| Income taxes | \$ 2,621 | \$ 24,937 | \$ |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

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YANKEE ENERGY SYSTEM, INC. AND SUBSIDIARIES
 Consolidating Statement of Cash Flows (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | Yankee Energy Financial Services Company | Yankee Energy Services Company | R.M. Servi Inc |
|---|--|---|----------------------|
| | ----- | ----- | ----- |
| Operating Activities: | | | |
| Income/(loss) after interest charges | \$ 131 | \$ (464) | \$ |
| Adjustments to reconcile to net cash provided by/(used in) operating activities: | | | |
| Depreciation | 96 | 151 | |
| Deferred income taxes and investment tax credits, net | (44) | -- | |
| Amortization of regulatory assets | -- | 22 | |
| Accumulative effect of accounting change | -- | -- | |
| Allocation of ESOP benefits | -- | -- | |
| Net other (uses)/sources of cash | (140) | 13,831 | 6 |
| Changes in working capital: | | | |
| Accounts receivable | (1,415) | (6,554) | |
| Fuel, materials and supplies | -- | 210 | |
| Accounts payable | (4) | (480) | (1 |
| Accrued taxes | (37) | -- | |
| Other working capital (excludes cash) | (3) | 1,148 | |
| | ----- | ----- | ----- |
| Net cash flows provided by/(used in) operating activities | (1,416) | 7,864 | 5 |
| | ----- | ----- | ----- |
| Investing Activities: | | | |
| Investments in regulated plant | -- | -- | |
| Investment in NU system Money Pool | 1,418 | (12,119) | (2 |
| Other investments | 73 | 4,406 | (8 |
| | ----- | ----- | ----- |
| Net cash flows (used in)/provided by investing activities | 1,491 | (7,713) | (11 |
| | ----- | ----- | ----- |
| Financing Activities: | | | |

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| | | | |
|---|-------|------------|-----|
| Net increase in short-term debt | -- | -- | 4 |
| Capital contribution from parent | -- | -- | 4 |
| Reacquisitions and retirements of long-term debt | -- | -- | 4 |
| Net cash flows provided by/(used in) financing activities | -- | -- | 4 |
| Net (decrease)/increase in cash for the period | 75 | 151 | (1) |
| Cash - beginning of period | 8 | -- | 1 |
| Cash - end of period | \$ 83 | \$ 151 | \$ |
| Supplemental Cash Flow Information: | | | |
| Cash paid/(refunded) during the year for: | | | |
| Interest, net of amounts capitalized | \$ 93 | \$ 399 | \$ |
| Income taxes | \$ 50 | \$ (1,173) | \$ |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

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CHARTER OAK ENERGY INCORPORATED
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Assets
December 31, 2001
(Thousands of Dollars)

| | Charter Oak Energy, Inc. | COE Development Corporation | COE Argentina II Corp | Ave Corp |
|--|--------------------------------|-----------------------------------|-----------------------------|-------------|
| Utility Plant, at cost: | | | | |
| Electric | \$ 40 | \$ 11 | \$ -- | \$ |
| Less: Accumulated provision for depreciation | 40 | 11 | -- | -- |
| Total net utility plant | -- | -- | -- | -- |
| Other Property and Investments: | | | | |
| Investments in subsidiary companies, at equity | 13,118 | -- | -- | -- |
| Current Assets: | | | | |
| Cash | 161 | 37 | 29 | |
| Receivables, net | -- | 215 | -- | |
| Accounts receivable from affiliated companies | -- | 1,168 | -- | |
| Taxes receivable | -- | -- | -- | |

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| | | | | |
|-----------------------------------|-----------|----------|-------|-------|
| | 161 | 1,420 | 29 | |
| | ----- | ----- | ----- | ----- |
| Deferred Charges: | | | | |
| Accumulated deferred income taxes | 80 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Total Assets | \$ 13,359 | \$ 1,420 | \$ 29 | \$ |
| | ===== | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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CHARTER OAK ENERGY INCORPORATED
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

| | Charter Oak Energy, Inc. | COE Development Corporation | COE Argentina II Corp | COE Ave Fe Corpora |
|--|--------------------------------|-----------------------------------|-----------------------------|--------------------------|
| | ----- | ----- | ----- | ----- |
| Capitalization: | | | | |
| Common stockholder's equity: | | | | |
| Common stock | \$ -- | \$ -- | \$ -- | \$ |
| Capital surplus, paid in | 75,944 | 15,873 | 1,571 | 51, |
| Retained earnings | (64,147) | (14,786) | (1,542) | (39, |
| | ----- | ----- | ----- | ----- |
| Total common stockholder's equity | 11,797 | 1,087 | 29 | 12, |
| | ----- | ----- | ----- | ----- |
| Total capitalization | 11,797 | 1,087 | 29 | 12, |
| | ----- | ----- | ----- | ----- |
| Current Liabilities: | | | | |
| Accounts payable | 308 | -- | -- | |
| Accounts payable to affiliated companies | 1,168 | -- | -- | 11, |
| Accrued taxes | 86 | 333 | -- | |
| | ----- | ----- | ----- | ----- |
| | 1,562 | 333 | -- | 11, |
| | ----- | ----- | ----- | ----- |
| Total Capitalization and Liabilities | \$ 13,359 | \$ 1,420 | \$ 29 | \$ 23, |
| | ===== | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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CHARTER OAK ENERGY, INC.
AND SUBSIDIARIES
Consolidating Statement of Income (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Charter Oak Energy, Inc. | COE Development Corporation | COE Argentina II Corp. | COE Ave Fenix Corporation |
|------------------------------------|-----------------------------|-----------------------------------|------------------------------|---------------------------------|
| Operating Revenues | \$ -- | \$ -- | \$ -- | \$ -- |
| Operating Expenses: | | | | |
| Operation | 20 | (179) | -- | -- |
| Federal and state income taxes | 1 | (309) | -- | -- |
| Total operating expenses | 21 | (488) | -- | -- |
| Operating (Loss)/Income | (21) | 488 | -- | -- |
| Other Income: | | | | |
| Equity in earnings of subsidiaries | 946 | -- | -- | -- |
| Other, net | 6 | 485 | -- | 44 |
| Income taxes | -- | -- | -- | (71) |
| Other income/(loss), net | 952 | 485 | -- | (27) |
| Net Income/(Loss) | \$ 931 | \$ 973 | \$ -- | \$ (27) |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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CHARTER OAK ENERGY, INC.
AND SUBSIDIARIES
Consolidating Statement of Retained Earnings (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Charter Oak Energy, Inc. | COE Development Corporation | COE Argentina II Corp | COE Ave Fenix Corporatio |
|--|-----------------------------|-----------------------------------|-----------------------------|--------------------------------|
|--|-----------------------------|-----------------------------------|-----------------------------|--------------------------------|

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| | ----- | ----- | ----- | ----- |
|--------------------------------|-------------|-------------|------------|-------------|
| Balance at beginning of period | \$ (65,078) | \$ (15,759) | \$ (1,542) | \$ (39,854) |
| Additions: | | | | |
| Net Income/(Loss) | 931 | 973 | (0) | (27) |
| | ----- | ----- | ----- | ----- |
| Balance at end of period | \$ (64,147) | \$ (14,786) | \$ (1,542) | \$ (39,881) |
| | ===== | ===== | ===== | ===== |

CHARTER OAK ENERGY, INC.
AND SUBSIDIARIES
Consolidating Statement of Capital Surplus, Paid In (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Charter Oak Energy, Inc. | COE Development Corporation | COE Argentina II Corp | COE Ave Fenix Corporatio |
|--------------------------------------|-----------------------------|-----------------------------------|-----------------------------|--------------------------------|
| | ----- | ----- | ----- | ----- |
| Balance at beginning of period | \$ 83,944 | \$ 17,373 | \$ 1,571 | \$ 55,884 |
| Dividends declared on common shares: | | | | |
| \$15,000.00 per share | -- | (1,500) | -- | -- |
| \$25,000.00 per share | (2,500) | -- | -- | -- |
| \$40,000.00 per share | -- | -- | -- | (4,000) |
| \$55,000.00 per share | (5,500) | -- | -- | -- |
| | ----- | ----- | ----- | ----- |
| Balance at end of period | \$ 75,944 | \$ 15,873 | \$ 1,571 | \$ 51,884 |
| | ===== | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.
The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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CHARTER OAK ENERGY AND SUBSIDIARIES
Consolidating Statement of Cash Flows (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Charter Oak Energy, Inc. | Charter Oak Development Corporation | COE Argentina II Corp. | COE Fe Co |
|--------------------------------------|-----------------------------|---|------------------------------|-----------------|
| | ----- | ----- | ----- | ----- |
| Operating Activities: | | | | |
| Income/(loss) after interest charges | \$ 931 | \$ 973 | \$ -- | \$ |
| Adjustments to reconcile to net cash | | | | |

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| | | | | |
|---|----------|---------|-------|-------|
| provided by operating activities: | | | | |
| Deferred income taxes | -- | -- | -- | |
| Net other (uses)/sources of cash | (200) | -- | -- | 1 |
| Changes in working capital: | | | | |
| Accounts receivable | 2,500 | -- | -- | (2 |
| Accounts payable | (6) | -- | -- | |
| Accrued taxes | 86 | 317 | -- | |
| Other working capital (excludes cash) | 34 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Net cash flows provided by operating activities | 3,345 | 1,290 | -- | |
| | ----- | ----- | ----- | ----- |
| Investing Activities: | | | | |
| Other investments | 4,554 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Net cash flows provided by investing activities | 4,554 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Financing Activities: | | | | |
| Cash dividends on common shares | (8,000) | (1,500) | -- | (|
| | ----- | ----- | ----- | ----- |
| Net cash flows used in financing activities | (8,000) | (1,500) | -- | (|
| | ----- | ----- | ----- | ----- |
| Net decrease in cash for the period | (101) | (210) | -- | (|
| Cash - beginning of period | 262 | 247 | 29 | |
| | ----- | ----- | ----- | ----- |
| Cash - end of period | \$ 161 | \$ 37 | \$ 29 | \$ |
| | ===== | ===== | ===== | ===== |
| Supplemental Cash Flow Information: | | | | |
| Cash refunded during the year for: | | | | |
| Interest, net of amounts capitalized | \$ -- | \$ -- | \$ -- | \$ |
| | ===== | ===== | ===== | ===== |
| Income taxes | \$ (120) | \$ 257 | \$ -- | \$ (|
| | ===== | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

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SELECT ENERGY SERVICES, INC. AND SUBSIDIARIES

Consolidating Balance Sheet (a)

Assets

December 31, 2001

(Thousands of Dollars)

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| | Select Energy Services, Inc. | Select Energy Contracting, Inc. | HEC Energy Consulting Canada, Inc. (b) | Ree Sup |
|---|------------------------------------|---------------------------------------|---|------------|
| | ----- | ----- | ----- | ----- |
| Utility Plant, at cost: | | | | |
| Other | \$ 5,974 | \$ 18,575 | \$ -- | \$ |
| Less: Accumulated provision for depreciation | 4,209 | 4,570 | -- | |
| | ----- | ----- | ----- | |
| Total net utility plant | 1,765 | 14,005 | -- | |
| | ----- | ----- | ----- | |
| Other Property and Investments: | | | | |
| Investments in subsidiary companies, at equity | 19,639 | -- | -- | |
| Other, at cost | 6 | -- | -- | |
| | ----- | ----- | ----- | |
| | 19,645 | -- | -- | |
| | ----- | ----- | ----- | |
| Current Assets: | | | | |
| Cash | 415 | 215 | -- | |
| Receivables, net | 5,617 | 15,307 | -- | |
| Accounts receivable from affiliated companies | 11,228 | 830 | -- | |
| Taxes receivable | 628 | -- | -- | |
| Other material and supplies, at average cost | -- | 267 | -- | |
| Prepayments and other | 309 | 421 | -- | |
| | ----- | ----- | ----- | |
| | 18,197 | 17,040 | -- | |
| | ----- | ----- | ----- | |
| Deferred Charges: | | | | |
| Goodwill | -- | 5,943 | -- | |
| Other | 20,743 | -- | -- | |
| | ----- | ----- | ----- | |
| | 20,743 | 5,943 | -- | |
| | ----- | ----- | ----- | |
| Total Assets | \$ 60,350 | \$ 36,988 | \$ -- | \$ |
| | ===== | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

(b) HEC Energy Consulting Canada, Inc. was dissolved on December 31, 2001. The business was transferred to Select Energy Services, Inc.

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SELECT ENERGY SERVICES, INC. AND SUBSIDIARIES

Consolidating Balance Sheet (a)
Assets
December 31, 2001
(Thousands of Dollars)

| | HEC/Tobyhanna Energy Project, Inc. | HEC/CJTS Energy Center LLC | Eliminations | Consolidated |
|---|--|----------------------------------|--------------|--------------|
| | ----- | ----- | ----- | ----- |
| Utility Plant, at cost: | | | | |
| Other | \$ 714 | \$ -- | \$ 714 | \$ 24 |
| Less: Accumulated provision for depreciation | 73 | -- | 73 | 8 |
| | ----- | ----- | ----- | ----- |
| Total net utility plant | 641 | -- | 641 | 16 |
| | ----- | ----- | ----- | ----- |
| Other Property and Investments: | | | | |
| Investments in subsidiary companies, at equity | -- | -- | 19,639 | |
| Other, at cost | -- | -- | -- | |
| | ----- | ----- | ----- | ----- |
| | -- | -- | 19,639 | |
| | ----- | ----- | ----- | ----- |
| Current Assets: | | | | |
| Cash | 2,525 | 1 | -- | 3 |
| Receivables, net | 1,272 | -- | 144 | 22 |
| Accounts receivable from affiliated companies | -- | -- | 11,964 | |
| Taxes receivable | -- | -- | 628 | |
| Other material and supplies, at average cost | -- | -- | -- | |
| Prepayments and other | -- | -- | -- | |
| | ----- | ----- | ----- | ----- |
| | 3,797 | 1 | 12,736 | 26 |
| | ----- | ----- | ----- | ----- |
| Deferred Charges: | | | | |
| Goodwill | -- | -- | -- | 5 |
| Other | 26,265 | -- | 1,898 | 45 |
| | ----- | ----- | ----- | ----- |
| | 26,265 | -- | 1,898 | 51 |
| | ----- | ----- | ----- | ----- |
| Total Assets | \$ 30,703 | \$ 1 | \$ 34,914 | \$ 93 |
| | ===== | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

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- (a) Not covered by auditors' report.
- (b) HEC Energy Consulting Canada, Inc. was dissolved on December 31, 2001. The business was transferred to Select Energy Services, Inc.

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SELECT ENERGY SERVICES, INC. AND SUBSIDIARIES

Consolidating Balance Sheet (a)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

| | Select Energy Services, Inc. | Select Energy Contracting, Inc. | HEC Energy Consulting Canada, Inc. (b) |
|---|------------------------------------|---------------------------------------|---|
| | ----- | ----- | ----- |
| Capitalization: | | | |
| Common stockholder's equity: | | | |
| Common stock | \$ -- | \$ -- | \$ -- |
| Capital surplus, paid in | 24,900 | 14,910 | -- |
| Retained earnings | 2,931 | 754 | -- |
| | ----- | ----- | ----- |
| Total common stockholder's equity | 27,831 | 15,664 | -- |
| Long-term debt | -- | -- | -- |
| | ----- | ----- | ----- |
| Total capitalization | 27,831 | 15,664 | -- |
| | ----- | ----- | ----- |
| Current Liabilities: | | | |
| Notes payable to affiliated company | 14,500 | 3,790 | -- |
| Accounts payable | 3,560 | 4,576 | -- |
| Accounts payable to affiliated companies | 1,035 | 7,454 | -- |
| Accrued taxes | -- | 926 | -- |
| Accrued interest | -- | -- | -- |
| Other | 13,405 | 1,780 | -- |
| | ----- | ----- | ----- |
| | 32,500 | 18,526 | -- |
| | ----- | ----- | ----- |
| Deferred Credits and Other | | | |
| Long-term Liabilities: | | | |
| Accumulated deferred income taxes | 19 | 260 | -- |
| Other | -- | 2,538 | -- |
| | ----- | ----- | ----- |
| | 19 | 2,798 | -- |
| | ----- | ----- | ----- |

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| | | | |
|--------------------------------------|-----------|-----------|-------|
| Total Capitalization and Liabilities | \$ 60,350 | \$ 36,988 | \$ -- |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
- (b) HEC Energy Consulting Canada, Inc. was dissolved on December 31, 2001. The business was transferred to Select Energy Services, Inc.

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SELECT ENERGY SERVICES, INC. AND SUBSIDIARIES

Consolidating Balance Sheet (a)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

| | HEC/Tobyhanna Energy Project, Inc. | HEC/CJTS Energy Center LLC | Eliminations | Consolidated |
|--|--|----------------------------------|--------------|--------------|
| | ----- | ----- | ----- | ----- |
| Capitalization: | | | | |
| Common stockholder's equity: | | | | |
| Common stock | \$ -- | \$ -- | \$ 4 | \$ -- |
| Capital surplus, paid in | -- | 10 | 14,923 | -- |
| Retained earnings | 226 | (9) | 922 | -- |
| | ----- | ----- | ----- | ----- |
| Total common stockholder's equity | 226 | 1 | 15,849 | -- |
| Long-term debt | 25,979 | -- | -- | -- |
| | ----- | ----- | ----- | ----- |
| Total capitalization | 26,205 | 1 | 15,849 | -- |
| | ----- | ----- | ----- | ----- |
| Current Liabilities: | | | | |
| Notes payable to affiliated company | -- | -- | 3,790 | -- |
| Accounts payable | -- | -- | 127 | -- |
| Accounts payable to affiliated companies | 3,403 | -- | 11,982 | -- |
| Accrued taxes | -- | -- | 628 | -- |
| Accrued interest | 744 | -- | -- | -- |
| Other | 351 | -- | -- | -- |
| | ----- | ----- | ----- | ----- |
| | 4,498 | -- | 16,527 | -- |
| | ----- | ----- | ----- | ----- |
| Deferred Credits and Other | | | | |
| Long-term Liabilities: | | | | |
| Accumulated deferred income taxes | -- | -- | -- | -- |
| Other | -- | -- | 2,538 | -- |

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| | | | |
|--------------------------------------|-----------|-------|-----------|
| | ----- | ----- | ----- |
| | -- | -- | 2,538 |
| | ----- | ----- | ----- |
| Total Capitalization and Liabilities | \$ 30,703 | \$ 1 | \$ 34,914 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
- (b) HEC Energy Consulting Canada, Inc. was dissolved on December 31, 2001. The business was transferred to Select Energy Services, Inc.

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SELECT ENERGY SERVICES, INC. AND SUBSIDIARIES
 Consolidating Statement of Income (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | Select Energy Services, Inc. | HEC Energy Select Energy Contracting, Inc. | HEC Energy Consulting Canada, Inc. (b) | Ree Fer Sup Co., |
|--|---------------------------------------|--|--|---------------------------|
| | ----- | ----- | ----- | ----- |
| Operating Revenues | \$ 49,563 | \$ 56,511 | \$ -- | \$ |
| | ----- | ----- | ----- | ----- |
| Operating Expenses: | | | | |
| Operation | 47,390 | 51,568 | 3 | |
| Maintenance | 38 | 437 | -- | |
| Depreciation | 234 | 1,571 | -- | |
| Amortization of regulatory assets | -- | 76 | -- | |
| Federal and state income taxes | 718 | 833 | -- | |
| Taxes other than income taxes | 504 | 450 | -- | |
| | ----- | ----- | ----- | ----- |
| Total operating expenses | 48,884 | 54,935 | 3 | |
| | ----- | ----- | ----- | ----- |
| Operating Income/(Loss) | 679 | 1,576 | (3) | |
| | ----- | ----- | ----- | ----- |
| Other Income | | | | |
| Equity in earnings of subsidiaries | 928 | -- | -- | |
| Other, net | 2,001 | 22 | -- | |
| | ----- | ----- | ----- | ----- |
| Other income, net | 2,929 | 22 | -- | |
| | ----- | ----- | ----- | ----- |
| Income/(loss) before interest charges | 3,608 | 1,598 | (3) | |
| | ----- | ----- | ----- | ----- |

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| | | | | |
|-------------------|----------|--------|--------|-------|
| Interest Charges | 1,219 | 680 | -- | |
| | ----- | ----- | ----- | ----- |
| Net Income/(Loss) | \$ 2,389 | \$ 918 | \$ (3) | \$ |
| | ===== | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

(b) HEC Energy Consulting Canada, Inc. was dissolved on December 31, 2001. The business was transferred to Select Energy Services, Inc.

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SELECT ENERGY SERVICES, INC. AND SUBSIDIARIES
 Consolidating Statement of Income (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | HEC/ Tobyhanna Energy Project, Inc. | HEC/ CJTS Energy Center LLC | Eliminations | Conso |
|--|---|---|--------------|-------|
| | ----- | ----- | ----- | ----- |
| Operating Revenues | \$ -- | \$ -- | \$ 5,050 | \$10 |
| | ----- | ----- | ----- | ----- |
| Operating Expenses: | | | | |
| Operation | -- | 9 | 5,050 | 9 |
| Maintenance | -- | -- | -- | |
| Depreciation | -- | -- | -- | |
| Amortization of regulatory assets | -- | -- | -- | |
| Federal and state income taxes | 178 | -- | -- | |
| Taxes other than income taxes | -- | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Total operating expenses | 178 | 9 | 5,050 | 9 |
| | ----- | ----- | ----- | ----- |
| Operating Income/(Loss) | (178) | (9) | -- | |
| | ----- | ----- | ----- | ----- |
| Other Income | | | | |
| Equity in earnings of subsidiaries | -- | -- | 928 | |
| Other, net | 2,259 | -- | -- | |
| | ----- | ----- | ----- | ----- |
| Other income, net | 2,259 | -- | 928 | |
| | ----- | ----- | ----- | ----- |
| Income/(loss) before interest charges | 2,081 | (9) | 928 | |
| | ----- | ----- | ----- | ----- |
| Interest Charges | 2,038 | -- | -- | |

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| | | | | |
|-------------------|-------|--------|--------|-------|
| | ----- | ----- | ----- | ----- |
| Net Income/(Loss) | \$ 43 | \$ (9) | \$ 928 | \$ |
| | ===== | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

(b) HEC Energy Consulting Canada Inc., was dissolved on December 31, 2001. The business was transferred to Select Energy Services, Inc.

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SELECT ENERGY SERVICES INC. AND SUBSIDIARIES
 Consolidating Statement of Retained Earnings (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | Select Energy Services, Inc. | Select Energy Contracting, Inc. | HEC Energy Consulting Canada, Inc. (b) |
|---|---------------------------------------|--|--|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 574 | \$ (144) | \$ (6) |
| Additions: | | | |
| Net income/(loss) | 2,389 | 918 | (3) |
| | ----- | ----- | ----- |
| | 2,963 | 774 | (9) |
| | ----- | ----- | ----- |
| Deductions: | | | |
| Close out of retained earnings due to transferring subsidiary to Select Energy Services, Inc. | -- | -- | (9) |
| Allocation of benefits-ESOP | 32 | 20 | -- |
| | ----- | ----- | ----- |
| Total deductions | 32 | 20 | (9) |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 2,931 | \$ 754 | \$ -- |
| | ===== | ===== | ===== |

SELECT ENERGY SERVICES INC. AND SUBSIDIARIES
 Consolidating Statement of Capital Surplus, Paid In (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | | | |
|--|--------|--------|--------------------------|
| | Select | Select | HEC Energy Consulting |
|--|--------|--------|--------------------------|

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| | Energy Services, Inc. | Energy Contracting, Inc. | Canada, Inc. (b) |
|--|-----------------------------|--------------------------------|------------------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 24,900 | \$ 14,910 | \$ 7 |
| Close out of capital surplus, paid in due to transferring subsidiary to Select Energy Services, Inc. | -- | -- | (7) |
| Capital contribution from Select Energy Services, Inc. | -- | -- | -- |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 24,900 ===== | \$ 14,910 ===== | \$ -- ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

(b) HEC Energy Consulting Canada, Inc. was dissolved on December 31, 2001. The business was transferred to Select Energy Services, Inc.

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SELECT ENERGY SERVICES INC. AND SUBSIDIARIES
Consolidating Statement of Retained Earnings (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | HEC/ Tobyhanna Energy Project, Inc. | HEC/ CJTS Energy Center LLC | Eliminations |
|---|---|---|--------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 183 | \$ -- | \$ 5 |
| Additions: | | | |
| Net income/(loss) | 43 | (9) | 928 |
| | ----- | ----- | ----- |
| | 226 | (9) | 933 |
| | ----- | ----- | ----- |
| Deductions: | | | |
| Close out of retained earnings due to transferring subsidiary to Select Energy Services, Inc. | -- | -- | (9) |
| Allocation of benefits-ESOP | -- | -- | 20 |
| | ----- | ----- | ----- |
| Total deductions | -- | -- | 11 |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 226 | \$ (9) | \$ 922 |

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=====

SELECT ENERGY SERVICES INC. AND SUBSIDIARIES
 Consolidating Statement of Capital Surplus, Paid In (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | HEC/ Tobyhanna Energy Project, Inc. ----- | HEC/ CJTS Energy Center LLC ----- | Eliminations ----- |
|--|--|--|-----------------------|
| Balance at beginning of period | \$ -- | \$ -- | \$ 14,920 |
| Close out of capital surplus, paid in due to transferring subsidiary to Select Energy Services, Inc. | -- | -- | (7) |
| Capital contribution from Select Energy Services, Inc. | -- | 10 | 10 |
| | ----- | ----- | ----- |
| Balance at end of period | \$ -- | \$ 10 | \$ 14,923 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
- (b) HEC Energy Consulting Canada, Inc. was dissolved on December 31, 2001. The business was transferred to Select Energy Services, Inc.

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SELECT ENERGY SERVICES, INC. AND SUBSIDIARIES
 Consolidating Statement of Cash Flows (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | Select Energy Services, Inc. ----- | Select Energy Contracting, Inc. ----- |
|---|--|---|
| Operating Activities: | | |
| Income/(loss) after interest charges | \$ 2,389 | \$ 918 |
| Adjustments to reconcile to net cash used in by operating activities: | | |
| Depreciation | 234 | 1,571 |
| Deferred income taxes and investment tax credits, net | (143) | (205) |

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| | | |
|---|----------|---------|
| Allocation of ESOP benefits | (32) | (20) |
| Other sources/(uses) of cash | 214 | 1,539 |
| Changes in working capital: | | |
| Receivables and accrued utility revenues | (4,087) | (4,391) |
| Fuel, materials and supplies | -- | 228 |
| Accounts payable | 956 | 8 |
| Accrued taxes | -- | 619 |
| Other working capital (excludes cash) | 1,879 | (900) |
| | ----- | ----- |
| Net cash flows provided by/(used in) operating activities | 1,410 | (633) |
| | ----- | ----- |
| Investing Activities: | | |
| Investment in plant: | | |
| Electric utility plant | (289) | (836) |
| | ----- | ----- |
| Net cash flows used for investments in plant | (289) | (836) |
| Other investments | (924) | -- |
| | ----- | ----- |
| Net cash flows used in investing activities | (1,213) | (836) |
| | ----- | ----- |
| Financing Activities: | | |
| Dissolution of HEC Energy Consulting Canada, Inc. | -- | -- |
| Retirement of long-term debt | -- | -- |
| Net decrease in short-term debt | (800) | -- |
| Capital contributions | -- | -- |
| | ----- | ----- |
| Net cash flows (used in)/provided by financing activities | (800) | -- |
| | ----- | ----- |
| Net (decrease)/increase in cash for the period | (603) | (1,469) |
| Cash - beginning of period | 1,018 | 1,684 |
| | ----- | ----- |
| Cash - end of period | \$ 415 | \$ 215 |
| | ===== | ===== |
| Supplemental Cash Flow Information: | | |
| Cash (refunded)/paid during the year for: | | |
| Interest, net of amounts capitalized | \$ -- | \$ -- |
| | ===== | ===== |
| Income taxes | \$ 1,165 | \$ 45 |
| | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

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SELECT ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidating Statement of Cash Flows (a)
Year Ended December 31, 2001
(Thousands of Dollars)

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| | Reeds Ferry Supply Co., Inc. | HEC/ Tobyhanna Energy Project, Inc. | HEC/CJT Energy Center LLC |
|---|---------------------------------------|---|------------------------------------|
| Operating Activities: | | | |
| Income/(loss) after interest charges | \$ (21) | \$ 43 | \$ (|
| Adjustments to reconcile to net cash used in by operating activities: | | | |
| Depreciation | 20 | -- | -- |
| Deferred income taxes and investment tax credits, net | -- | -- | -- |
| Allocation of ESOP benefits | -- | -- | -- |
| Other sources/(uses) of cash | -- | (3,198) | -- |
| Changes in working capital: | | | |
| Receivables and accrued utility revenues | (50) | (664) | -- |
| Fuel, materials and supplies | -- | -- | -- |
| Accounts payable | 49 | 3,403 | -- |
| Accrued taxes | -- | -- | -- |
| Other working capital (excludes cash) | -- | 337 | -- |
| Net cash flows provided by/(used in) operating activities | (2) | (79) | (|
| Investing Activities: | | | |
| Investment in plant: | | | |
| Electric utility plant | -- | -- | -- |
| Net cash flows used for investments in plant | -- | -- | -- |
| Other investments | -- | -- | -- |
| Net cash flows used in investing activities | -- | -- | -- |
| Financing Activities: | | | |
| Dissolution of HEC Energy Consulting Canada, Inc. | -- | -- | -- |
| Retirement of long-term debt | -- | (498) | -- |
| Net decrease in short-term debt | -- | -- | -- |
| Capital contributions | -- | -- | 1 |
| Net cash flows (used in)/provided by financing activities | -- | (498) | 1 |
| Net (decrease)/increase in cash for the period | (2) | (577) | -- |
| Cash - beginning of period | 7 | 3,102 | -- |
| Cash - end of period | \$ 5 | \$ 2,525 | \$ |
| Supplemental Cash Flow Information: | | | |
| Cash (refunded)/paid during the year for: | | | |
| Interest, net of amounts capitalized | \$ -- | \$ -- | \$ -- |
| Income taxes | \$ -- | \$ 27 | \$ -- |

Note: Individual columns may not add to Consolidated due to rounding.

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

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(a) Not covered by auditors' report.

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NU ENTERPRISES, INC.
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Assets
December 31, 2001
(Thousands of Dollars)

| | NU Enterprises, Inc. | Northeast Generation Company | Northeast Generation Services Company (consolidated (b)) |
|---|----------------------------|------------------------------------|---|
| Utility Plant, at cost: | | | |
| Electric | \$ -- | \$ 265,309 | \$ -- |
| Other | -- | -- | 2,062 |
| | | 265,309 | 2,062 |
| Less: Accumulated provision for depreciation | -- | 150,294 | 792 |
| | | 115,015 | 1,270 |
| Construction work in progress | -- | 21,055 | 1,116 |
| Total net utility plant | -- | 136,070 | 2,386 |
| Other Property and Investments: | | | |
| Investments in subsidiary companies, at equity | 546,757 | -- | -- |
| Other, at cost | 10,000 | -- | 26 |
| | 556,757 | -- | 26 |
| Current Assets: | | | |
| Cash | 76 | 6,095 | 480 |
| Special deposits | -- | -- | -- |
| Notes receivable from affiliated companies | 4,600 | 9,900 | -- |
| Receivables, net | -- | -- | 21,479 |
| Accounts receivable from affiliated companies | -- | 10,642 | 1,260 |
| Taxes receivable | 65 | 4,217 | -- |
| Unbilled revenues | -- | -- | -- |
| Fuel, materials, and supplies, at average cost | -- | 1,793 | 558 |
| Unrealized gains on mark-to-market | -- | -- | -- |
| Prepayments and other | -- | 392 | 3,255 |
| | 4,741 | 33,039 | 27,032 |
| Deferred Charges: | | | |
| Accumulated deferred income taxes | -- | 256,049 | 200 |
| Unamortized debt expense | -- | 10,662 | -- |
| Goodwill and other purchased intangible assets, net | -- | -- | 6,963 |

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| | | | |
|-----------------|------------|------------|-----------|
| Prepaid pension | -- | -- | -- |
| Other | 67 | 29,148 | 931 |
| | ----- | ----- | ----- |
| | 67 | 295,859 | 8,094 |
| | ----- | ----- | ----- |
| Total Assets | \$ 561,565 | \$ 464,968 | \$ 37,538 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
(b) See supporting statements.

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NU ENTERPRISES, INC.
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Assets
December 31, 2001
(Thousands of Dollars)

| | Mode 1 Communications, Inc. | Select Energy Services, Inc. (consolidated) (b) | Elimin |
|--|-----------------------------------|---|--------|
| | ----- | ----- | ----- |
| Utility Plant, at cost: | | | |
| Electric | \$ 906 | \$ -- | \$ |
| Other | -- | 24,844 | |
| | ----- | ----- | ----- |
| | 906 | 24,844 | |
| Less: Accumulated provision for depreciation | 61 | 8,827 | |
| | ----- | ----- | ----- |
| | 845 | 16,017 | |
| Construction work in progress | 93 | -- | |
| | ----- | ----- | ----- |
| Total net utility plant | 938 | 16,017 | |
| | ----- | ----- | ----- |
| Other Property and Investments: | | | |
| Investments in subsidiary companies, at equity | -- | -- | 54 |
| Other, at cost | 26,176 | 6 | |
| | ----- | ----- | ----- |
| | 26,176 | 6 | 54 |
| | ----- | ----- | ----- |
| Current Assets: | | | |
| Cash | 10 | 3,162 | |
| Special deposits | -- | -- | |
| Notes receivable from affiliated companies | 1,800 | -- | |
| Receivables, net | 1,546 | 22,179 | |
| Accounts receivable from affiliated companies | -- | 94 | 1 |
| Taxes receivable | -- | -- | |

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| | | | |
|---|-----------|-----------|-------|
| Unbilled revenues | -- | -- | |
| Fuel, materials, and supplies, at average cost | -- | 267 | |
| Unrealized gains on mark-to-market | -- | -- | |
| Prepayments and other | -- | 731 | |
| | ----- | ----- | ----- |
| | 3,356 | 26,433 | 1 |
| | ----- | ----- | ----- |
| Deferred Charges: | | | |
| Accumulated deferred income taxes | -- | -- | |
| Unamortized debt expense | -- | -- | |
| Goodwill and other purchased intangible assets, net | -- | 5,943 | (|
| Prepaid pension | -- | -- | |
| Other | -- | 45,109 | |
| | ----- | ----- | ----- |
| | -- | 51,052 | |
| | ----- | ----- | ----- |
| Total Assets | \$ 30,470 | \$ 93,508 | \$ 56 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

(b) See supporting statements.

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NU ENTERPRISES, INC.
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

| | NU Enterprises, Inc. | Northeast Generation Company | Northeast Generation Services Company (consolidated (b)) |
|--|----------------------------|------------------------------------|---|
| | ----- | ----- | ----- |
| Capitalization: | | | |
| Common stockholder's equity: | | | |
| Common stock | \$ -- | \$ -- | \$ -- |
| Capital surplus, paid in | 657,870 | 3,039 | 10,435 |
| Retained earnings | (64,925) | 11,853 | 3,170 |
| Accumulated other comprehensive income | (31,416) | (1,941) | -- |
| | ----- | ----- | ----- |
| Total common stockholder's equity | 561,529 | 12,951 | 13,605 |
| Advances from Northeast Utilities | -- | -- | -- |
| Long-term debt | -- | 416,000 | -- |
| | ----- | ----- | ----- |
| Total capitalization | 561,529 | 428,951 | 13,605 |
| | ----- | ----- | ----- |

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| | | | |
|---|------------|------------|-----------|
| Current Liabilities: | | | |
| Notes payable to banks | -- | -- | -- |
| Notes payable to affiliated companies | -- | -- | 12,500 |
| Long-term debt - current portion | -- | 24,000 | -- |
| Accounts payable | 1 | 1,759 | 3,735 |
| Accounts payable to affiliated companies | 35 | 1,297 | 3,205 |
| Accrued taxes | -- | 794 | 2,638 |
| Accrued interest | -- | 7,029 | -- |
| Other | -- | 1,138 | 679 |
| | ----- | ----- | ----- |
| | 36 | 36,017 | 22,757 |
| | ----- | ----- | ----- |
| Deferred Credits and Other Long-term Liabilities: | | | |
| Accumulated deferred income taxes | -- | -- | -- |
| Other | -- | -- | 1,176 |
| | ----- | ----- | ----- |
| | -- | -- | 1,176 |
| | ----- | ----- | ----- |
| Total Capitalization and Liabilities | \$ 561,565 | \$ 464,968 | \$ 37,538 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

(b) See supporting statements.

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NU ENTERPRISES, INC.
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

| | Mode 1 Communications, Inc. | Select Energy Services, Inc. (consolidated) (b) | Elimin |
|--|-----------------------------------|---|--------|
| | ----- | ----- | ----- |
| Capitalization: | | | |
| Common stockholder's equity: | | | |
| Common stock | \$ -- | \$ -- | \$ -- |
| Capital surplus, paid in | 29,357 | 24,900 | 7 |
| Retained earnings | (8,619) | 2,931 | (1) |
| Accumulated other comprehensive income | 3,982 | -- | (|
| | ----- | ----- | ----- |
| Total common stockholder's equity | 24,720 | 27,831 | 5 |
| Advances from Northeast Utilities | -- | -- | |
| Long-term debt | -- | 25,979 | |
| | ----- | ----- | ----- |
| Total capitalization | 24,720 | 53,810 | 5 |
| | ----- | ----- | ----- |

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| | | | |
|---|-----------|-----------|-------|
| Current Liabilities: | | | |
| Notes payable to banks | -- | -- | |
| Notes payable to affiliated companies | -- | 14,500 | |
| Long-term debt - current portion | -- | -- | |
| Accounts payable | 1 | 8,136 | |
| Accounts payable to affiliated companies | 129 | 205 | |
| Accrued taxes | 188 | 298 | |
| Accrued interest | -- | 744 | |
| Other | 10 | 15,535 | |
| | ----- | ----- | ----- |
| | 328 | 39,418 | |
| | ----- | ----- | ----- |
| Deferred Credits and Other Long-term Liabilities: | | | |
| Accumulated deferred income taxes | 2,036 | 280 | |
| Other | 3,386 | -- | |
| | ----- | ----- | ----- |
| | 5,422 | 280 | |
| | ----- | ----- | ----- |
| Total Capitalization and Liabilities | \$ 30,470 | \$ 93,508 | \$ 5 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

- (a) Not covered by auditors' report.
(b) See supporting statements.

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NU ENTERPRISES, INC. AND SUBSIDIARIES
Consolidating Statement of Income (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | NU Enterprises, Inc. | Northeast Generation Company | Northeast Generation Service Company (consolidated (b)) |
|---|----------------------------|------------------------------------|--|
| | ----- | ----- | ----- |
| Operating Revenues | \$ -- | \$ 129,681 | \$ 112,012 |
| | ----- | ----- | ----- |
| Operating Expenses: | | | |
| Operation- | | | |
| Fuel, purchased and net interchange power | -- | -- | 2,449 |
| Other | 300 | 15,426 | 47,646 |
| Maintenance | -- | 6,902 | 55,245 |
| Depreciation | -- | 3,040 | 393 |
| Amortization of regulatory assets | -- | -- | -- |
| Federal and state income taxes | (110) | 28,432 | 2,344 |

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| | | | |
|--|-------------|-----------|----------|
| Taxes other than income taxes | 11 | 7,375 | 256 |
| | ----- | ----- | ----- |
| Total operating expenses | 201 | 61,175 | 108,333 |
| | ----- | ----- | ----- |
| Operating (Loss)/Income | (201) | 68,506 | 3,679 |
| | ----- | ----- | ----- |
| Other (Loss)/Income: | | | |
| Equity in loss of subsidiaries | (24,451) | -- | -- |
| Other, net | 49 | 1,113 | 1,644 |
| Income Taxes | -- | -- | (133) |
| | ----- | ----- | ----- |
| Other (loss)/Income, net | (24,402) | 1,113 | 1,511 |
| | ----- | ----- | ----- |
| (Loss)/Income before interest charges | (24,603) | 69,619 | 5,190 |
| | ----- | ----- | ----- |
| Interest Charges: | | | |
| Interest on long-term debt | -- | 7,396 | -- |
| Other interest | 5 | 19,966 | 611 |
| | ----- | ----- | ----- |
| Interest charges, net | 5 | 27,362 | 611 |
| | ----- | ----- | ----- |
| (Loss)/Income before cumulative effect of accounting change, net of tax benefit | (24,608) | 42,257 | 4,579 |
| Cumulative effect of accounting change, net of tax benefit | -- | -- | -- |
| | ----- | ----- | ----- |
| Net (Loss)/Income | \$ (24,608) | \$ 42,257 | \$ 4,579 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

(b) See supporting statements.

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NU ENTERPRISES, INC. AND SUBSIDIARIES
Consolidating Statement of Income (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | MODE 1 Communications, Inc. | Select Energy Services Inc. (consolidated) (b) | Eliminatio |
|--------------------|-----------------------------------|---|------------|
| | ----- | ----- | ----- |
| Operating Revenues | \$ 194 | \$ 101,984 | \$ 148,1 |
| | ----- | ----- | ----- |

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| | | | |
|--|------------|----------|----------|
| Operating Expenses: | | | |
| Operation- | | | |
| Fuel, purchased and net interchange power | -- | -- | 129,3 |
| Other | 390 | 94,881 | 11,8 |
| Maintenance | -- | 475 | 6,8 |
| Depreciation | 36 | 1,825 | 1,9 |
| Amortization of regulatory assets | -- | 76 | |
| Federal and state income taxes | (4,211) | 1,729 | |
| Taxes other than income taxes | -- | 954 | |
| | ----- | ----- | ----- |
| Total operating expenses | (3,785) | 99,940 | 150,1 |
| | ----- | ----- | ----- |
| Operating (Loss)/Income | 3,979 | 2,044 | (1,9 |
| | ----- | ----- | ----- |
| Other (Loss)/Income: | | | |
| Equity in loss of subsidiaries | -- | -- | (24,4 |
| Other, net | (8,317) | 4,281 | 1,9 |
| Income Taxes | -- | -- | |
| | ----- | ----- | ----- |
| Other (loss)/Income, net | (8,317) | 4,281 | (22,4 |
| | ----- | ----- | ----- |
| (Loss)/Income before interest charges | (4,338) | 6,325 | (24,4 |
| | ----- | ----- | ----- |
| Interest Charges: | | | |
| Interest on long-term debt | -- | -- | |
| Other interest | 3 | 3,936 | |
| | ----- | ----- | ----- |
| Interest charges, net | 3 | 3,936 | |
| | ----- | ----- | ----- |
| (Loss)/Income before cumulative effect of accounting change, net of tax benefit | (4,341) | 2,389 | (24,4 |
| Cumulative effect of accounting change, net of tax benefit | -- | -- | |
| | ----- | ----- | ----- |
| Net (Loss)/Income | \$ (4,341) | \$ 2,389 | \$ (24,4 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

(b) See supporting statements.

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NU ENTERPRISES, INC. AND SUBSIDIARIES
 Consolidating Statement of Retained Earnings (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

Northeast

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| | NU Enterprises, Inc. | Northeast Generation Company | Generation Service Company (consolidated) (b) | Selected Port Pip |
|-------------------------------------|----------------------------|------------------------------------|---|-------------------------|
| Balance at beginning of period | \$ (40,183) | \$ 23,260 | \$ (1,360) | \$ |
| Additions: | | | | |
| Net (Loss)/Income | (24,608) | 42,257 | 4,579 | |
| | (64,791) | 65,517 | 3,219 | |
| Deductions: | | | | |
| Dividends declared: | | | | |
| Common stock \$570,893.25 per share | -- | 53,664 | -- | |
| Allocation of benefits-ESOP | 134 | -- | 49 | |
| Total deductions | 134 | 53,664 | 49 | |
| Balance at end of period | \$ (64,925) | \$ 11,853 | \$ 3,170 | \$ |

NU ENTERPRISES, INC. AND SUBSIDIARIES
Consolidating Statement of Capital Surplus, Paid In (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | NU Enterprises, Inc. | Northeast Generation Company | Northeast Generation Service Company (consolidated) (b) | Selected Port Pip |
|---|----------------------------|------------------------------------|--|-------------------------|
| Balance at beginning of period | \$ 600,645 | \$ 24,375 | \$ 2,010 | \$ |
| Repurchase of common stock | (75,000) | (21,336) | -- | |
| Capital contributions from: | | | | |
| NU Enterprises, Inc. | -- | -- | 8,425 | |
| Northeast Utilities | 103,425 | -- | -- | |
| Convert advance from NU Enterprises, Inc to capital contribution | -- | -- | -- | |
| Convert advance from Northeast Utilities to capital contribution | 28,800 | -- | -- | |
| Dividends paid on common shares: | | | | |
| \$32,680.00 per share | -- | -- | -- | |
| \$16,300.00 per share | -- | -- | -- | |
| Balance at end of period | \$ 657,870 | \$ 3,039 | \$ 10,435 | \$ |

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Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

(b) See supporting statements.

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NU ENTERPRISES, INC. AND SUBSIDIARIES
 Consolidating Statement of Retained Earnings (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | MODE 1 Communications, Inc. | Select Energy Services Inc. (consolidated) (b) | Eliminations |
|-------------------------------------|-----------------------------------|---|--------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ (4,278) | \$ 574 | \$ (60,353) |
| Additions: | | | |
| Net (Loss)/Income | (4,341) | 2,389 | (24,451) |
| | ----- | ----- | ----- |
| | (8,619) | 2,963 | (84,804) |
| | ----- | ----- | ----- |
| Deductions: | | | |
| Dividends declared: | | | |
| Common stock \$570,893.25 per share | -- | -- | 53,664 |
| Allocation of benefits-ESOP | -- | 32 | 134 |
| | ----- | ----- | ----- |
| Total deductions | -- | 32 | 53,798 |
| | ----- | ----- | ----- |
| Balance at end of period | \$ (8,619) | \$ 2,931 | \$ (138,602) |
| | ===== | ===== | ===== |

NU ENTERPRISES, INC. AND SUBSIDIARIES
 Consolidating Statement of Capital Surplus, Paid In (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | MODE 1 Communications, Inc. | Select Energy Services Inc. (consolidated) (b) | Eliminations |
|--------------------------------|-----------------------------------|---|--------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 14,357 | \$ 24,900 | \$ 610,184 |
| Repurchase of common stock | -- | -- | (21,336) |

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| | | | |
|---|-----------|-----------|------------|
| Capital contributions from: | | | |
| NU Enterprises, Inc. | 15,000 | -- | 103,425 |
| Northeast Utilities | -- | -- | -- |
| Convert advance from NU Enterprises, Inc to capital contribution | -- | -- | 29,400 |
| Convert advance from Northeast Utilities to capital contribution | -- | -- | -- |
| Dividends paid on common shares: | | | |
| \$32,680.00 per share | -- | -- | (3,268) |
| \$16,300.00 per share | -- | -- | (1,630) |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 29,357 | \$ 24,900 | \$ 716,775 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

(b) See supporting statements.

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NU ENTERPRISES, INC. AND SUBSIDIARIES
Consolidating Statement of Cash Flows (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | NU Enterprises, Inc. | Northeast Generation Company | Northeast Generatio Service Company (consolidat (b) |
|---|----------------------------|------------------------------------|--|
| | ----- | ----- | ----- |
| Operating Activities: | | | |
| (Loss)/income before cumulative effect of accounting change | \$ (24,608) | \$ 42,257 | \$ 4,57 |
| Adjustments to reconcile to net cash provided by/(used in) operating activities: | | | |
| Depreciation | -- | 3,040 | 39 |
| Deferred income taxes and investment tax credits, net | 66 | 23,565 | (19 |
| Amortization of regulatory assets | -- | -- | -- |
| Cumulative effect of accounting change | -- | -- | -- |
| Allocation of ESOP benefits | (134) | -- | (4 |
| Accumulated comprehensive (loss)/income | (31,416) | (1,941) | -- |
| Net other (uses)/sources of cash | (67) | (36,216) | (8,62 |
| Changes in working capital: | | | |
| Accounts receivable | -- | 777 | (11,27 |
| Fuel, materials and supplies | -- | 142 | (34 |
| Accounts payable | (41) | 553 | (79 |
| Accrued taxes | -- | (5,046) | 84 |
| Unrealized gains on mark-to-market transactions | -- | -- | -- |

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| | | | |
|---|----------|-----------|---------|
| Other working capital (excludes cash) | (24) | 2,478 | (1,97 |
| Net cash flows (used in)/provided by operating activities | (56,224) | 29,609 | (17,44 |
| Investing Activities: | | | |
| Investments in regulated plant | -- | -- | -- |
| Investments in competitive energy assets | -- | (13,414) | -- |
| Investment in NU system Money Pool | (4,600) | (9,900) | -- |
| Other investments | 32,475 | -- | (2 |
| Payment for the purchase of SENY, net of cash acquired | -- | -- | -- |
| Net cash flows provided by/(used in) investing activities | 27,875 | (23,314) | (2 |
| Financing Activities: | | | |
| Repurchase common stock | (75,000) | (21,336) | -- |
| Net (decrease)/increase in short-term debt | -- | (402,377) | 9,40 |
| Issuance of long-term debt | -- | 440,000 | -- |
| Reacquisitions and retirements of long-term debt | -- | -- | -- |
| Advances from parent, net | (28,800) | -- | -- |
| Cash dividends on preferred stock | -- | -- | -- |
| Cash dividends on common shares | -- | (53,664) | -- |
| Capital contributions | 132,225 | -- | 8,42 |
| Net cash flows provided by/(used in) financing activities | 28,425 | (37,377) | 17,82 |
| Net increase/(decrease) in cash for the period | 76 | (31,082) | 35 |
| Cash - beginning of period | -- | 37,177 | 12 |
| Cash - end of period | \$ 76 | \$ 6,095 | \$ 48 |
| Supplemental Cash Flow Information: | | | |
| Cash paid/(refunded) during the year for: | | | |
| Interest, net of amounts capitalized | \$ 2 | \$ 22,726 | \$ 34 |
| Income taxes | \$ (150) | \$ 12,901 | \$ 2,43 |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

(b) See supporting statements.

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NU ENTERPRISES, INC. AND SUBSIDIARIES
 Consolidating Statement of Cash Flows (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

Select
 Energy, Inc. MODE 1
 (consolidated) Communications,
 (b) Inc.

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| | | |
|--|-------------|------------|
| Operating Activities: | | |
| (Loss)/income before cumulative effect of accounting change | \$ (47,309) | \$ (4,341) |
| Adjustments to reconcile to net cash provided by/(used in) operating activities: | | |
| Depreciation | 3,596 | 36 |
| Deferred income taxes and investment tax credits, net | 10,573 | (3,517) |
| Amortization of regulatory assets | 1,191 | -- |
| Cumulative effect of accounting change | (21,985) | -- |
| Allocation of ESOP benefits | (53) | -- |
| Accumulated comprehensive (loss)/income | (33,459) | 3,982 |
| Net other (uses)/sources of cash | (10,705) | 3,787 |
| Changes in working capital: | | |
| Accounts receivable | (130,467) | (939) |
| Fuel, materials and supplies | -- | -- |
| Accounts payable | 105,043 | 28 |
| Accrued taxes | (1,706) | 171 |
| Unrealized gains on mark-to-market transactions | (45,989) | -- |
| Other working capital (excludes cash) | 19,500 | 9 |
| | ----- | ----- |
| Net cash flows (used in)/provided by operating activities | (151,770) | (784) |
| | ----- | ----- |
| Investing Activities: | | |
| Investments in regulated plant | -- | (40) |
| Investments in competitive energy assets | (1,457) | -- |
| Investment in NU system Money Pool | -- | (1,000) |
| Other investments | -- | (13,227) |
| Payment for the purchase of SENY, net of cash acquired | (31,699) | -- |
| | ----- | ----- |
| Net cash flows provided by/(used in) investing activities | (33,156) | (14,267) |
| | ----- | ----- |
| Financing Activities: | | |
| Repurchase common stock | -- | -- |
| Net (decrease)/increase in short-term debt | 77,300 | -- |
| Issuance of long-term debt | -- | -- |
| Reacquisitions and retirements of long-term debt | -- | -- |
| Advances from parent, net | 4,102 | -- |
| Cash dividends on preferred stock | -- | -- |
| Cash dividends on common shares | -- | -- |
| Capital contributions | 109,400 | 15,000 |
| | ----- | ----- |
| Net cash flows provided by/(used in) financing activities | 190,802 | 15,000 |
| | ----- | ----- |
| Net increase/(decrease) in cash for the period | 5,876 | (51) |
| Cash - beginning of period | -- | 61 |
| | ----- | ----- |
| Cash - end of period | \$ 5,876 | \$ 10 |
| | ===== | ===== |
| Supplemental Cash Flow Information: | | |
| Cash paid/(refunded) during the year for: | | |
| Interest, net of amounts capitalized | \$ 6,184 | \$ -- |
| | ===== | ===== |
| Income taxes | \$ (44,850) | \$ (866) |
| | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

- (a) Not covered by auditors' report.
 (b) See supporting statements.

NU ENTERPRISES, INC. AND SUBSIDIARIES
 Consolidating Statement of Cash Flows (a)
 Year Ended December 31, 2001
 (Thousands of Dollars)

| | Consolidated ----- |
|--|-----------------------|
| Operating Activities: | |
| (Loss)/income before cumulative effect of accounting change | \$ (2,623) |
| Adjustments to reconcile to net cash provided by/(used in) operating activities: | |
| Depreciation | 6,917 |
| Deferred income taxes and investment tax credits, net | 31,599 |
| Amortization of regulatory assets | 1,267 |
| Cumulative effect of accounting change | (21,985) |
| Allocation of ESOP benefits | (134) |
| Accumulated comprehensive (loss)/income | (31,416) |
| Net other (uses)/sources of cash | (48,308) |
| Changes in working capital: | |
| Accounts receivable | (153,098) |
| Fuel, materials and supplies | 685 |
| Accounts payable | 110,812 |
| Accrued taxes | (2,894) |
| Unrealized gains on mark-to-market transactions | (45,989) |
| Other working capital (excludes cash) | 8,908 |
| | ----- |
| Net cash flows (used in)/provided by operating activities | (146,259) ----- |
| Investing Activities: | |
| Investments in regulated plant | (40) |
| Investments in competitive energy assets | (14,818) |
| Investment in NU system Money Pool | (15,500) |
| Other investments | (9,990) |
| Payment for the purchase of SENY, net of cash acquired | (25,823) |
| | ----- |
| Net cash flows provided by/(used in) investing activities | (66,171) ----- |
| Financing Activities: | |
| Repurchase common stock | (75,000) |
| Net (decrease)/increase in short-term debt | (316,477) |
| Issuance of long-term debt | 440,000 |
| Reacquisitions and retirements of long-term debt | (498) |
| Advances from parent, net | 4,702 |
| Cash dividends on preferred stock | -- |
| Cash dividends on common shares | -- |
| Capital contributions | 132,825 |
| | ----- |
| Net cash flows provided by/(used in) financing activities | 184,952 ----- |
| Net increase/(decrease) in cash for the period | (27,478) |

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| | |
|----------------------------|-----------|
| Cash - beginning of period | 43,555 |
| | ----- |
| Cash - end of period | \$ 16,077 |
| | ===== |

Supplemental Cash Flow Information:

| | |
|---|-------------|
| Cash paid/(refunded) during the year for: | |
| Interest, net of amounts capitalized | \$ 29,735 |
| | ===== |
| Income taxes | \$ (30,960) |
| | ===== |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

(b) See supporting statements.

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SELECT ENERGY, INC
AND SUBSIDIARY
Consolidating Balance Sheet (a)
Assets
December 31, 2001
(Thousands of Dollars)

| | Select Energy, Inc. | Select Energy New York, Inc. | Eliminat |
|---|------------------------|---------------------------------|----------|
| | ----- | ----- | ----- |
| Utility Plant, at cost: | | | |
| Other | \$ 12,051 | \$ 2,193 | \$ |
| Less: Accumulated provision for depreciation | 3,736 | 1,955 | |
| | ----- | ----- | ----- |
| | 8,315 | 238 | |
| Construction work in progress | 289 | -- | |
| | ----- | ----- | ----- |
| Total net utility plant | 8,604 | 238 | |
| | ----- | ----- | ----- |
| Other Property and Investments: | | | |
| Investments in subsidiary companies, at equity | 5,892 | -- | 5, |
| | ----- | ----- | ----- |
| | 5,892 | -- | 5, |
| | ----- | ----- | ----- |
| Current Assets: | | | |
| Cash | -- | 5,876 | |
| Special deposits | 13,036 | -- | |
| Receivables, net | 242,735 | 44,873 | |
| Accounts receivable from affiliated companies | 107,567 | -- | |
| Taxes receivable | 2,282 | -- | 1, |
| Unbilled revenues | 34,397 | -- | |
| Unrealized gains on mark-to-market transactions | 60,836 | 12,030 | |
| Prepayments and other | 11,133 | 5,662 | |
| | ----- | ----- | ----- |
| | 471,986 | 68,441 | 1, |

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| | | | |
|---|------------|-----------|-------|
| Deferred Charges: | | | |
| Accumulated deferred income taxes | 32,585 | 96 | |
| Goodwill and other purchased intangible assets, net | 20,151 | -- | |
| Prepaid pension | 2,716 | -- | |
| Other | 17,805 | -- | |
| | 73,257 | 96 | |
| Total Assets | \$ 559,739 | \$ 68,775 | \$ 7, |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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SELECT ENERGY, INC
AND SUBSIDIARY
Consolidating Balance Sheet (a)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

| | Select Energy, Inc. | Select Energy New York, Inc. | Eliminatio |
|--|------------------------|---------------------------------|------------|
| Capitalization: | | | |
| Common stockholder's equity: | | | |
| Common stock | \$ -- | \$ 10 | \$ 1 |
| Capital surplus, paid in | 199,551 | 3,187 | 3,18 |
| Retained earnings | (144,025) | 2,695 | 2,69 |
| Accumulated other comprehensive loss | (33,459) | -- | -- |
| Total common stockholder's equity | 22,067 | 5,892 | 5,89 |
| Long-term debt: | | | |
| Advances from Northeast Utilities | -- | 33,502 | -- |
| Total capitalization | 22,067 | 39,394 | 5,89 |
| Current Liabilities: | | | |
| Notes payable to affiliated companies | 162,000 | -- | -- |
| Accounts payable | 273,166 | 24,913 | -- |
| Accounts payable to affiliated companies | 15,018 | 37 | -- |
| Accrued taxes | -- | 1,356 | 1,35 |
| Accrued interest | 28 | -- | -- |
| Other | 24,966 | 3,075 | 6 |
| | 475,178 | 29,381 | 1,42 |

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Deferred Credits and Other Long-term Liabilities:

| | | | |
|--------------------------------------|------------|-----------|----------|
| Other | 62,494 | -- | -- |
| | ----- | ----- | ----- |
| | 62,494 | -- | -- |
| | ----- | ----- | ----- |
| Total Capitalization and Liabilities | \$ 559,739 | \$ 68,775 | \$ 7,311 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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SELECT ENERGY, INC
AND SUBSIDIARY
Consolidating Statement of Income (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Select Energy, Inc. | Select Energy New York, Inc. | Eliminatio |
|---|------------------------|---------------------------------|------------|
| | ----- | ----- | ----- |
| Operating Revenues | \$ 2,749,628 | \$ 30,651 | \$ |
| | ----- | ----- | ----- |
| Operating Expenses: | | | |
| Operation- | | | |
| Fuel, purchased and net interchange power | 2,774,370 | 25,947 | |
| Other | 39,977 | 645 | |
| Maintenance | 50 | 1 | |
| Depreciation | 3,596 | -- | |
| Amortization of regulatory assets | 1,191 | -- | |
| Federal and state income taxes | (32,296) | 1,451 | |
| Taxes other than income taxes | 4,346 | (88) | |
| | ----- | ----- | ----- |
| Total operating expenses | 2,791,234 | 27,956 | |
| | ----- | ----- | ----- |
| Operating (Loss)/Income | (41,606) | 2,695 | |
| | ----- | ----- | ----- |
| Other Income/(Loss): | | | |
| Equity in earnings of subsidiary | 2,695 | -- | 2,695 |
| Other, net | 316 | 11 | |
| Income taxes | (136) | -- | |
| | ----- | ----- | ----- |
| Other income/(loss), net | 2,875 | 11 | 2,875 |
| | ----- | ----- | ----- |
| (Loss)/Income before interest charges | (38,731) | 2,706 | 2,695 |
| | ----- | ----- | ----- |

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| | | | |
|--|-------------|----------|--------|
| Interest Charges | 8,578 | 11 | |
| | ----- | ----- | ----- |
| (Loss)/Income before cumulative effect of accounting change, net of tax benefit | (47,309) | 2,695 | 2,6 |
| Cumulative effect of accounting change, net of tax benefit | (21,985) | -- | |
| | ----- | ----- | ----- |
| Net (Loss)/Income | \$ (69,294) | \$ 2,695 | \$ 2,6 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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SELECT ENERGY, INC
AND SUBSIDIARY
Consolidating Statement of Retained Earnings (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Select Energy, Inc. | Select Energy New York, Inc. | Eliminations |
|--------------------------------|------------------------|---------------------------------|--------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ (74,678) | \$ -- | \$ -- |
| Additions: | | | |
| Net (Loss)/Income | (69,294) | 2,695 | 2,695 |
| Deductions: | | | |
| Allocation of benefits-ESOP | 53 | -- | -- |
| | ----- | ----- | ----- |
| Balance at end of period | \$ (144,025) | \$ 2,695 | \$ 2,695 |
| | ===== | ===== | ===== |

SELECT ENERGY, INC
AND SUBSIDIARY
Consolidating Statement of Capital Surplus, Paid In (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Select Energy, Inc. | Select Energy New York, Inc. | Eliminations |
|--------------------------------|------------------------|---------------------------------|--------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 90,151 | \$ -- | \$ -- |
| Additions: | | | |

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| | | | |
|---|------------|----------|----------|
| Capital contributions from: | | | |
| NU Enterprises, Inc. | 80,000 | -- | -- |
| Select Energy, Inc. | -- | 5,000 | 5,000 |
| Convert advance from NU Enterprises, Inc to capital contribution | 29,400 | -- | -- |
| Acquisition of Select Energy New York, Inc. | -- | 31,689 | 31,689 |
| Deductions: | | | |
| Repurchase of common equity | -- | (33,502) | (33,502) |
| Balance at end of period | \$ 199,551 | \$ 3,187 | \$ 3,187 |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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SELECT ENERGY INC. AND SUBSIDIARY
Consolidating Statement of Cash Flows (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Select Energy, Inc. | Select Energy of New York Inc. | E |
|---|------------------------|--------------------------------------|-------|
| | ----- | ----- | ----- |
| Operating Activities: | | | |
| (Loss)/income before | | | |
| cumulative effect of accounting change | \$ (47,309) | \$ 2,695 | |
| Adjustments to reconcile to net cash (used in)/provided by operating activities: | | | |
| Depreciation | 3,596 | -- | |
| Deferred income taxes and investment tax credits, net | 10,223 | 350 | |
| Amortization of regulatory assets | 1,191 | -- | |
| Cumulative effect of accounting change | (21,985) | -- | |
| Allocation of ESOP benefits | (53) | -- | |
| Accumulated comprehensive loss | (33,459) | -- | |
| Net other (uses)/sources of cash | (10,804) | 34 | |
| Changes in working capital: | | | |
| Receivables, including unbilled revenues | (141,391) | 10,922 | |
| Accounts payable | 110,381 | (5,335) | |
| Accrued taxes | (1,706) | 1,356 | |
| Unrealized gains on mark-to-market transactions | (33,960) | (12,030) | |
| Other working capital (excludes cash) | 15,325 | 2,884 | |
| Net cash flows (used in)/provided by operating activities | (149,951) | 876 | |
| Investing Activities: | | | |
| Investments in competitive energy assets | (1,457) | -- | |
| Investment in subsidiary company | 25,807 | -- | |
| Payment for the purchase of SENY, net of cash acquired | (31,699) | -- | |

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| | | |
|---|-------------|----------|
| Net cash flows (used in)/provided by investing activities | (7,349) | -- |
| Financing Activities: | | |
| Net increase in short-term debt | 77,300 | -- |
| Capital contributions | 109,400 | 5,000 |
| Advances from parent, net | (29,400) | 33,502 |
| Repurchase of common equity | -- | (33,502) |
| Net cash flows provided by/(used in) financing activities | 157,300 | 5,000 |
| Net increase in cash for the period | -- | 5,876 |
| Cash - beginning of period | -- | -- |
| Cash - end of period | \$ -- | \$ 5,876 |
| Supplemental Cash Flow Information: | | |
| Cash paid/(refunded) during the year for: | | |
| Interest, net of amounts capitalized | \$ 6,173 | \$ 11 |
| Income taxes | \$ (44,850) | \$ -- |

Note: Individual columns may not add to Consolidated due to rounding.

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

(a) Not covered by auditors' report.

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NORTHEAST GENERATION SERVICES COMPANY
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Assets
December 31, 2001
(Thousands of Dollars)

| | Northeast Generation Services Company | NGS Mechanical Inc. | E. S. B Comp |
|--|---|------------------------|-----------------|
| | ----- | ----- | ----- |
| Utility Plant, at cost: | | | |
| Other | \$ 1,514 | \$ -- | \$ |
| Less: Accumulated provision for depreciation | 711 | -- | -- |
| | ----- | ----- | ----- |
| | 803 | -- | -- |

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| | | | |
|---|-----------|-------|-------|
| Construction work in progress | 1,116 | -- | |
| | ----- | ----- | ----- |
| Total net utility plant | 1,919 | -- | |
| | ----- | ----- | ----- |
| Other Property and Investments: | | | |
| Investments in subsidiary companies, at equity | 13,902 | -- | |
| Other, at cost | -- | -- | |
| | ----- | ----- | ----- |
| | 13,902 | -- | |
| | ----- | ----- | ----- |
| Current Assets: | | | |
| Cash | 184 | 10 | |
| Receivables, net | 11,766 | -- | 9 |
| Accounts receivable from affiliated companies | 1,274 | -- | |
| Fuel, materials, and supplies, at average cost | 455 | -- | |
| Prepayments and other | 1,572 | -- | 1 |
| | ----- | ----- | ----- |
| | 15,251 | 10 | 12 |
| | ----- | ----- | ----- |
| Deferred Charges: | | | |
| Accumulated deferred income taxes | 200 | -- | |
| Goodwill and other purchased intangible assets, net | -- | -- | 6 |
| Other | 930 | -- | |
| | ----- | ----- | ----- |
| | 1,130 | -- | 6 |
| | ----- | ----- | ----- |
| Total Assets | \$ 32,202 | \$ 10 | \$ 20 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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NORTHEAST GENERATION SERVICES COMPANY
AND SUBSIDIARIES
Consolidating Balance Sheet (a)
Capitalization and Liabilities
December 31, 2001
(Thousands of Dollars)

| | Northeast Generation Services Company | NGS Mechanical Inc. | E. S. Bou Compan |
|-----------------------------------|---|------------------------|---------------------|
| | ----- | ----- | ----- |
| Capitalization: | | | |
| Common stockholder's equity: | | | |
| Common stock | \$ -- | \$ -- | \$ -- |
| Capital surplus, paid in | 10,435 | 10 | 7,5 |
| Retained earnings | 3,170 | (1) | 3,4 |
| | ----- | ----- | ----- |
| Total common stockholder's equity | 13,605 | 9 | 10,9 |

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| | | | |
|---|-----------|-------|---------|
| Total capitalization | 13,605 | 9 | 10,9 |
| Current Liabilities: | | | |
| Notes payable to affiliated companies | 12,500 | -- | 2,9 |
| Advance from parent, non-interest bearing | -- | -- | 3,2 |
| Accounts payable | 498 | -- | 2 |
| Accounts payable to affiliated companies | 3,833 | 1 | 1,0 |
| Accrued taxes | 1,590 | -- | 5 |
| Other | 139 | -- | 8,0 |
| | 18,560 | 1 | |
| Deferred Credits and Other Long-term Liabilities: | | | |
| Other | 37 | -- | 1,1 |
| | 37 | -- | 1,1 |
| Total Capitalization and Liabilities | \$ 32,202 | \$ 10 | \$ 20,1 |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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NORTHEAST GENERATION SERVICES COMPANY
AND SUBSIDIARIES
Consolidating Statement of Income (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Northeast Generation Services Company | NGS Mechanical Inc. | E. S. Bou Compan |
|---|---|------------------------|---------------------|
| Operating Revenues | \$ 67,588 | \$ -- | \$ 45,9 |
| Operating Expenses: | | | |
| Operation- | | | |
| Fuel, purchased and net interchange power | 2,449 | -- | 1,2 |
| Other | 47,949 | 1 | 40,4 |
| Maintenance | 14,761 | -- | 3 |
| Depreciation | 36 | -- | 2,2 |
| Federal and state income taxes | 95 | -- | |
| Taxes other than income taxes | 256 | -- | |

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| | | | |
|---------------------------------------|----------|--------|--------|
| Total operating expenses | 65,546 | 1 | 44,3 |
| Operating Income/(Loss) | 2,042 | (1) | 1,6 |
| Other Income: | | | |
| Equity in earnings of subsidiaries | 3,405 | -- | |
| Other, net | (124) | -- | 1,7 |
| Income taxes | (133) | -- | |
| Other income, net | 3,148 | -- | 1,7 |
| Income/(loss) before interest charges | 5,190 | (1) | 3,4 |
| Interest Charges: | | | |
| Other interest | 611 | -- | |
| Interest charges, net | 611 | -- | |
| Net Income/(Loss) | \$ 4,579 | \$ (1) | \$ 3,4 |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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NORTHEAST GENERATION SERVICES COMPANY
AND SUBSIDIARIES
Consolidating Statement of Retained Earnings (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Northeast Generation Services Company | NGS Mechanical Inc. | E. S. Bou Compan |
|--------------------------------|---|------------------------|---------------------|
| Balance at beginning of period | \$ (1,360) | \$ -- | \$ |
| Additions: | | | |
| Net Income/(Loss) | 4,579 | (1) | 3,4 |
| Deductions: | | | |
| Allocation of benefits-ESOP | 49 | -- | |
| Balance at end of period | \$ 3,170 | \$ (1) | \$ 3,4 |

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NORTHEAST GENERATION SERVICES COMPANY
AND SUBSIDIARIES
Consolidating Statement of Capital Surplus, Paid In (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Northeast Generation Services Company | NGS Mechanical Inc. | E. S. Boul Compan |
|--|---|------------------------|----------------------|
| | ----- | ----- | ----- |
| Balance at beginning of period | \$ 2,010 | \$ -- | \$ |
| Premium on common stock | -- | 10 | |
| Capital contribution from NU Enterprises, Inc. | 8,425 | -- | |
| Capital contribution from Northeast Generation Services Company | -- | -- | 7,5 |
| | ----- | ----- | ----- |
| Balance at end of period | \$ 10,435 | \$ 10 | \$ 7,5 |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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NORTHEAST GENERATION SERVICES COMPANY
AND SUBSIDIARIES
Consolidating Statement of Cash Flows (a)
Year Ended December 31, 2001
(Thousands of Dollars)

| | Northeast Generation Services Company | NGS Mechanical Inc. | E.S. Boul Compan |
|---|---|---------------------------|---------------------|
| | ----- | ----- | ----- |
| Operating Activities: | | | |
| Income/(loss) after interest charges | \$ 4,579 | \$ (1) | \$ 3, |
| Adjustments to reconcile to net cash (used in)/provided by operating activities: | -- | | |
| Depreciation | 36 | -- | |
| Deferred income taxes and investment tax credits, net | (199) | -- | |
| Allocation of ESOP benefits | (49) | -- | |
| Net other uses of cash | (1,976) | -- | (6, |
| Changes in working capital: | -- | | |
| Receivables | (1,578) | -- | (10, |
| Fuel, materials and supplies | (240) | -- | (|

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| | | | |
|---|----------|-------|-------|
| Accounts payable | (3,408) | 1 | 3, |
| Accrued taxes | (205) | -- | 1, |
| Other working capital (excludes cash) | (827) | -- | (1, |
| | ----- | ----- | ----- |
| Net cash flows (used in)/provided by operating activities | (3,867) | -- | (10, |
| | ----- | ----- | ----- |
| Investing Activities: | | | |
| Other investments | (13,902) | -- | |
| | ----- | ----- | ----- |
| Net cash flows used in investing activities | (13,902) | -- | |
| | ----- | ----- | ----- |
| Financing Activities: | | | |
| Net increase in short-term debt | 9,400 | -- | |
| Advance from parent | -- | -- | 2, |
| Premium on capital stock | -- | 10 | |
| Capital contributions | 8,425 | -- | 7, |
| | ----- | ----- | ----- |
| Net cash flows provided by financing activities | 17,825 | 10 | 10, |
| | ----- | ----- | ----- |
| Net increase in cash for the period | 56 | 10 | |
| Cash - beginning of period | 128 | -- | |
| | ----- | ----- | ----- |
| Cash - end of period | \$ 184 | \$ 10 | \$ |
| | ===== | ===== | ===== |
| Supplemental Cash Flow Information: | | | |
| Cash paid during the year for: | | | |
| Interest, net of amounts capitalized | \$ 348 | \$ -- | \$ |
| | ===== | ===== | ===== |
| Income taxes | \$ 624 | \$ -- | \$ 1, |
| | ===== | ===== | ===== |

Note: Individual columns may not add to Consolidated due to rounding. The accompanying notes are an integral part of these financial statements.

(a) Not covered by auditors' report.

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NOTES TO FINANCIAL STATEMENTS

| | |
|-------|---|
| NU | Reference is made to "Notes to Consolidated Financial Statements" contained on pages 35 through 49 in NU's 2001 Annual Report to Shareholders, which information is incorporated herein by reference. |
| CL&P | Reference is made to "Notes to Consolidated Financial Statements" contained on pages 20 through 42 in CL&P's 2001 Annual Report, which information is incorporated herein by reference. |
| PSNH | Reference is made to "Notes to Financial Statements" contained on pages 18 through 37 in PSNH's 2001 Annual Report, which information is incorporated herein by reference. |
| WMECO | Reference is made to "Notes to Consolidated Financial Statements" contained on pages 18 through 37 in WMECO's 2001 Annual Report, which information is incorporated herein by reference. |

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NGC Reference is made to "Notes to Financial Statements" contained on pages 12 through 22 in NGC's 2001 Annual Report, which information is incorporated herein by reference.

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EXHIBITS

The following exhibits are incorporated by reference to the indicated SEC file number, unless a single asterisk appears next to the exhibit reference. A single asterisk indicates exhibits which are filed herewith. A # further indicates that the exhibit is filed under cover of Form SE.

| EXHIBIT NUMBER | DESCRIPTION |
|----------------|--|
| A. | ANNUAL REPORTS |
| | Annual Reports filed under the Securities Exchange Act of 1934 |
| A.1 | 2001 Annual Report on Form 10-K for NU. (File No. 1-5324) |
| A.2 | 2001 Annual Report on Form 10-K for CL&P. (File No. 0-11419) |
| A.3 | 2001 Annual Report on Form 10-K for PSNH. (File No. 1-6392) |
| A.4 | 2001 Annual Report on Form 10-K for WMECO. (File No. 0-7624) |
| A.5 | 2001 Annual Report on Form 10-K for NGC. (File No. 333-74636) |
| B. | CHARTERS, ARTICLES OF INCORPORATION, TRUST AGREEMENTS, BY-LAWS, AND OTHER FUNDAMENTAL DOCUMENTS OF ORGANIZATION |
| B.1 | Northeast Utilities |
| B.1.1 | Declaration of Trust of NU, as amended through May 24, 1988. (Exhibit 3.1.1, 1988 NU Form 10-K, File No. 1-5324) |
| B.2 | The Connecticut Light and Power Company |
| B.2.1 | Certificate of Incorporation of CL&P, restated to March 22, 1994. (Exhibit 3.2.1, 1993 NU Form 10-K, File No. 1-5324) |
| B.2.2 | Certificate of Amendment to Certificate of Incorporation of CL&P, dated December 26, 1996. (Exhibit 3.2.2, 1996 NU Form 10-K, File No. 1-5324) |
| B.2.3 | Certificate of Amendment to Certificate of Incorporation of CL&P, dated April 27, 1998. (Exhibit 3.2.3, 1998 NU Form 10-K, File No. 1-5324) |
| B.2.4 | By-Laws of CL&P, as amended to January 1, 1997. (Exhibit 3.2.3, 1996 NU Form 10-K, File No. 1-5324) |

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- B.3 Public Service Company of New Hampshire
 - B.3.1 Articles of Incorporation, as amended to May 16, 1991. (Exhibit B.3.1, 1997 NU Form U53, File No. 30-246)
 - B.3.2 By-Laws of PSNH, as amended to November 1, 1993. (Exhibit 3.3.2, 1993 NU Form 10-K, File No. 1-5324)
- B.4 Western Massachusetts Electric Company
 - B.4.1 Articles of Organization of WMECO, restated to February 23, 1995. (Exhibit 3.4.1, 1994 NU Form 10-K, File No. 1-5324)
 - B.4.2 By-Laws of WMECO, as amended to April 1, 1999. (Exhibit 3.1, 1999 NU Form 10-Q, File No. 1-5324)
 - B.4.3 By-Laws of WMECO, as further amended to May 1, 2000. (Exhibit 3.1, 2000 NU Form 10-Q for the Quarter Ended June 30, 2000, File No. 1-5324)
- B.5 North Atlantic Energy Corporation
 - B.5.1 Articles of Incorporation of NAEC dated September 20, 1991. (Exhibit 3.5.1, 1993 NU Form 10-K, File No. 1-5324)
 - B.5.2 Articles of Amendment dated October 16, 1991, and June 2, 1992, to Articles of Incorporation of NAEC. (Exhibit 3.5.2, 1993 NU Form 10-K, File No. 1-5324)
 - B.5.3 By-Laws of NAEC, as amended to November 8, 1993. (Exhibit 3.5.3, 1993 NU Form 10-K, File No. 1-5324)
 - B.5.4 By-Laws of NAEC, as amended to June 1, 2000. (Exhibit 3.1, 2000 NU Form 10-Q for the Quarter Ended September 30, 2000, File No. 1-5324)
- B.6 The Quinnehtuk Company
 - B.6.1 Articles of Organization of The Quinnehtuk Company dated December 14, 1928, and Articles of Amendment dated December 18, 1930. (Exhibit B.6.1, 1997 NU Form U5S, File No. 30-246)
 - B.6.2 Amendment to Certificate of Incorporation of The Quinnehtuk Company dated June 10, 1975. (Exhibit B.6.2, 1993 NU Form U5S, File No. 30-246)
 - B.6.3 By-Laws of The Quinnehtuk Company as amended to February 11, 1998. (Exhibit B.6.3, 1997 NU Form U5S, File No. 30-246)

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- B.7 The Rocky River Realty Company
 - B.7.1 Certificate of Incorporation, as amended, of The Rocky River Realty Company. (Exhibit 1.9, 1977 NU Form U5S, File No. 30-246)
 - B.7.2 Certificate of Amendment to Certificate of Incorporation of The Rocky River Realty Company, dated December 26, 1996. (Exhibit B.7.2, 1996 NU Form U5S, File No. 30-246)
 - B.7.3 Certificate of Amendment to Certificate of Incorporation of the Rocky River Realty Company, dated April 27, 1998. (Exhibit B.7.3, 1997 NU Form U5S, File No. 30-246)
 - B.7.4 By-Laws of The Rocky River Realty Company, as amended to February 11, 1998. (Exhibit B.7.4, 1997 NU Form U5S, File No. 30-246)

- B.8 Electric Power, Incorporated
 - B.8.1 Charter of Electric Power, Incorporated dated January 1, 1955. (Exhibit B.9, 1983 NU Form U5S, File No. 30-246)
 - B.8.2 Amendment to Charter of Electric Power, Incorporated (Special Act No. 133, Volume XXXI, page 103, approved June 11, 1963). (Exhibit B.9.1, 1983 NU Form U5S, File No. 30-246)
 - B.8.3 Certificate of Amendment to Certificate of Incorporation of Electric Power, Incorporated, dated December 26, 1996. (Exhibit B.10.3, 1996 NU Form U5S, File No. 30-246)
 - B.8.4 By-Laws of Electric Power, Incorporated as amended to February 15, 1952. (Exhibit B.9.2, 1983 NU Form U5S, File No. 30-246)

- B.9 The Nutmeg Power Company
 - B.9.1 Certificate of Organization of The Nutmeg Power Company dated July 19, 1954. (Exhibit B.11, 1983 NU Form U5S, File No. 30-246)
 - B.9.2 Certificate of Amendment to the Certificate of Incorporation of The Nutmeg Power Company, dated December 26, 1996. (Exhibit B.11.2, 1996 NU Form U5S, File No. 30-246)
 - B.9.3 By-Laws of The Nutmeg Power Company as amended to January 1, 1997. (Exhibit B.11.3, 1996 NU Form U5S, File No. 30-246)

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- B.10 The Connecticut Steam Company
- B.10.1 Certificate of Incorporation of The Connecticut Steam Company dated May 13, 1965, including Special Act No. 325, an Act Incorporating The Connecticut Steam Company (Special Acts 1963, Senate Bill No. 704, approved June 24, 1963). (Exhibit B.12, 1983 NU Form U5S, File No. 30-246)
- B.10.2 Certificate of Amendment to Certificate of Incorporation of The Connecticut Steam Company, dated December 26, 1996. (Exhibit B.12.2, 1996 NU Form U5S, File No. 30-246)
- B.10.3 By-Laws of The Connecticut Steam Company, as amended to January 1, 1997. (Exhibit B.12.3, 1996 NU Form U5S, File No. 30-246)
- B.11 Holyoke Water Power Company
- B.11.1 Charter of Holyoke Water Power Company, as amended. (Exhibit 1.8, 1977 NU Form U5S, File No. 30-246)
- B.11.2 By-Laws of Holyoke Water Power Company, as amended to February 11, 1998. (Exhibit B.14.2, NU Form U5S, File No. 30-246)
- B.12 Holyoke Power and Electric Company
- B.12.1 Charter of Holyoke Power and Electric Company dated December 5, 1925. (Exhibit B.15, 1983 NU Form U5S, File No. 30-246)
- B.12.2 Chapter 147 of the Massachusetts Acts of 1926 amending the Charter of Holyoke Power and Electric Company, as recorded with the Office of the Secretary of the Commonwealth on March 29, 1926. (Exhibit B.15.1, 1983 NU Form U5S, File No. 30-246)
- B.12.3 By-Laws of Holyoke Power and Electric Company, as amended to February 11, 1998. (Exhibit B.15.3, 1997 NU U5S, File No. 30-246)
- B.13 Northeast Utilities Service Company
- B.13.1 Charter of Northeast Utilities Service Company, as amended to February 20, 1974. (Exhibit B.16, 1983 NU Form U5S, File No. 30-246)
- B.13.2 Certificate of Amendment to Certificate of Incorporation of Northeast Utilities Service Company, dated December 26, 1996. (Exhibit B.16.2, 1996 NU Form U5S, File No. 30-246)
- B.13.3 Certificate of Amendment to Certificate of Incorporation of Northeast Utilities Service

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- Company, dated April 27, 1998. (Exhibit B.16.3, 1997 NU Form U5S, File No. 30-246)
- B.13.4 By-Laws of Northeast Utilities Service Company as amended to January 1, 1997. (Exhibit B.16.3, 1996 NU Form U5S, File No. 30-246)
- B.14 Northeast Nuclear Energy Company
- B.14.1 Charter of Northeast Nuclear Energy Company as amended to April 24, 1974. (Exhibit B.17, 1983 NU Form U5S, File No. 30-246)
- B.14.2 Certificate of Amendment to Certificate of Incorporation of Northeast Nuclear Energy Company, dated December 26, 1996. (Exhibit B.17.2, 1996 NU Form U5S, File No. 30-246)
- B.14.3 Certificate of Amendment to Certificate of Incorporation of Northeast Nuclear Energy Company, dated April 27, 1998. (Exhibit B.17.3, 1997 NU Form U5S, File No. 30-246)
- B.14.4 By-Laws of Northeast Nuclear Energy Company, as amended to February 11, 1998. (Exhibit B.17.4, 1997 NU Form U5S, File No. 30-246)
- B.14.5 By-Laws of Northeast Nuclear Energy Company, as amended to June 1, 2000. (Exhibit B.14.5, 2000 NU Form U5S, File No. 30-246)
- B.15 NU Enterprises, Inc.
- B.15.1 Certificate of Incorporation of NU Enterprises, Inc. dated December 28, 1998. (Exhibit B.15.1, 1999 NU Form U5S, File No. 30-246)
- B.15.2 By-Laws of NU Enterprises, Inc. dated January 4, 1999. (Exhibit B.15.2, 1999 NU Form U5S, File No. 30-246)
- B.16.3 By-Laws of NU Enterprises, Inc., as amended to June 1, 2000. (Exhibit B.16.3, 2000 NU Form U5S, File No. 30-246)
- B.16 Select Energy Services, Inc.
- B.16.1 Articles of Organization of HEC Inc. dated June 19, 1990. (Exhibit B.19, 1990 NU Form U5S, File No. 30-246)
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- B.16.2 By-Laws of HEC Inc., as amended, June 30, 1999. (Exhibit B.16.2, 1999 NU Form U5S, File No. 30-246)
- B.17 Select Energy Contracting, Inc. F/K/A HEC International Corporation

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- B.17.1 Articles of Organization of Select Energy Contracting, Inc. F/K/A HEC International Corporation dated October 12, 1994. (Exhibit B.19.1, 1994 NU Form U5S, File No. 30-246)
- B.17.2 Amendment to Articles of Organization of Select Energy Contracting, Inc. F/K/A HEC International Corporation, dated July 8, 1999 (Exhibit B.17.2, 1999 NU Form U5S, File No. 30-246)
- B.17.3 By-Laws of Select Energy Contracting, Inc. F/K/A HEC International Corporation dated June 30, 1999. (Exhibit B.17.3, 1999 NU Form U5S, File No. 30-246)
- B.18 HEC Energy Consulting Canada Inc.
 - B.18.1 Articles of Incorporation of HEC Energy Consulting Canada Inc. dated October 24, 1994. (Exhibit B.20.1, 1994 NU Form U5S, File No. 30-246)
 - B.18.2 By-Laws of HEC Energy Consulting Canada Inc. dated October 24, 1994. (Exhibit B.20.2, 1994 NU Form U5S, File No. 30-246)
- B.19 HEC/Tobyhanna Energy Project, Inc.
 - B.19.1 Articles of Organization of HEC/Tobyhanna Energy Project, Inc. dated September 28, 1999. (Exhibit B.19.1, 1999 NU Form U5S, File No. 30-246)
 - B.19.2 By-Laws of HEC/Tobyhanna Energy Project, Inc., dated September 28, 1999. (Exhibit B.19.2, 1999 NU Form U5S, File No. 30-246)
- B.20 Reeds Ferry Supply Co., Inc.
 - B.20.1 Articles of Agreement of Reeds Ferry Supply Co., Inc., dated June 25, 1964. (Exhibit B.20.1, 1999 NU Form U5S, File No. 30-246)
 - B.20.2 By-Laws of Reeds Ferry Supply Co., Inc., as Amended and Restated August 4, 1999. (Exhibit B.20.2, 1999 NU Form U5S, File No. 30-246)
- E-6
- B.21 North Atlantic Energy Service Corporation
 - B.21.1 Articles of Incorporation; and Certificate of Amendment of North Atlantic Energy Service Corporation dated June 1, 1992. (Exhibit B.21, 1992 NU Form U5S, File No. 30-246)
 - B.21.2 By-Laws of North Atlantic Energy Service Corporation, as amended to November 8, 1993. (Exhibit B.19.2, 1993 NU Form U5S, File No. 30-246)
 - B.21.3 By-Laws of North Atlantic Energy Service

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Corporation, as amended to June 1, 2000. (Exhibit B.21.3, 2000 NU Form U5S, File No. 30-246)

- B.22 Connecticut Yankee Atomic Power Company
 - B.22.1 Certificate of Incorporation of Connecticut Yankee Atomic Power Company and amendments dated to November 20, 1964. (Exhibit B.20.1, 1993 NU Form U5S, File No. 30-246)
 - B.22.2 Certificate of Amendment to Certificate of Incorporation of Connecticut Yankee Atomic Power Company, dated December 26, 1996. (Exhibit B.22.2, 1996 NU Form U5S, File No. 30-246)
 - B.22.3 Certificate of Amendment to Certificate of Incorporation of Connecticut Yankee Atomic Power Company, dated October 15, 1998. (Exhibit B.22.3, 1998 NU U5S, File No. 30-246)
 - B.22.4 By-Laws of Connecticut Yankee Atomic Power Company, as amended to March 31, 1999. (Exhibit B.22.4, 1998 NU U5S, File No. 30-246)
- B.23 Properties, Inc.
 - B.23.1 Articles of Agreement of Properties, Inc. as amended to June 1, 1983. (Exhibit B.21.1, 1993 NU Form U5S, File No. 30-246)
 - B.23.2 By-Laws of Properties, Inc., amended and restated as of February 7, 1996. (Exhibit B.23.2, 1995 NU Form U5S, File No. 30-246)
- B.24 Charter Oak Energy, Inc.
 - B.24.1 Certificate of Incorporation of Charter Oak Energy, Inc., dated September 28, 1988. (Exhibit B.16, 1989 NU Form U5S, File No. 30-246)
 - B.24.2 Certificate of Amendment to Certificate of Incorporation of Charter Oak Energy, Inc., dated December 26, 1996. (Exhibit B.25.2, 1996 NU Form U5S, File No. 30-246)
 - B.24.3 Certificate of Amendment to Certificate of Incorporation of Charter Oak Energy Inc., dated April 27, 1998. (Exhibit B.25.3, 1997 NU Form U5S, File No. 30-246)
 - B.24.4 By-Laws of Charter Oak Energy, Inc., as amended to January 1, 1997. (Exhibit B.25.3, 1996 NU Form U5S, File No. 30-246)
 - B.24.5 By-Laws of Charter Oak Energy, Inc., as amended to June 1, 2000. (Exhibit B.24.5, 2000 NU Form U5S, File No. 30-246)

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- B.25 COE Development Corporation
- B.25.1 Certificate of Incorporation of COE Development Corporation dated November 6, 1992. (Exhibit B.26.1, 1993 NU Form U5S, File No. 30-246)
 - B.25.2 Certificate of Amendment to Certificate of Incorporation of COE Development Corporation, dated December 26, 1996. (Exhibit B.26.2, 1996 NU Form U5S, File No. 30-246)
 - B.25.3 Certificate of Amendment to Certificate of Incorporation of COE Development Corporation, dated April 27, 1998. (Exhibit B.27.3, 1997 NU Form U5S File No. 30-246)
 - B.25.4 By-Laws of COE Development Corporation, as amended to January 1, 1997. (Exhibit B.26.4, 1996 NU Form U5S, File No. 30-246)
 - B.25.5 By-Laws of COE Development Corporation, as amended to June 1, 2000. (Exhibit B.25.5, 2000 NU Form U5S, File No. 30-246)
- B.26 COE Argentina II Corp.
- B.26.1 Certificate of Incorporation of COE Argentina II Corp. dated March 14, 1994. (Exhibit B.27.1, 1994 NU Form U5S, File No. 30-246)
 - B.26.2 Certificate of Amendment to Certificate of Incorporation of COE Argentina II Corp., dated December 26, 1996. (Exhibit B.27.2, 1996 NU Form U5S, File No. 30-246)
 - B.26.3 Certificate of Amendment to Certificate of Incorporation of COE Argentina II Corp., dated April 27, 1998. (Exhibit B.27.3, 1997 NU Form U5S, File No. 30-246)
 - B.26.4 By-Laws of COE Argentina II Corp., as amended to January 1, 1997. (Exhibit B.27.4, 1996 NU Form U5S, File No. 30-246)
 - B.26.5 By-Laws of COE Argentina II Corp., as amended to June 1, 2000. (Exhibit B.26.5, 2000 NU Form U5S, File No. 30-246)
- B.27 COE Ave Fenix Corporation
- B.27.1 Certificate of Incorporation of COE Ave Fenix Corporation dated May 19, 1995. (Exhibit B.28.1, 1995 NU Form U5S, File No. 30-246)
 - B.27.2 Certificate of Amendment to Certificate of Incorporation of COE Ave Fenix Corporation, dated December 26, 1996. (Exhibit B.28.2, 1996 NU Form U5S, File No. 30-246)

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- B.27.3 Certificate of Amendment to Certificate of Incorporation of COE Ave Fenix Corporation, dated April 27, 1998. (Exhibit B.28.3, 1997 NU Form U5S, File No. 30-246)
- B.27.4 By-Laws of COE Ave Fenix Corporation, as amended to January 1, 1997. (Exhibit B.28.4, 1996 NU Form U5S, File No. 30-246)
- B.27.5 By-Laws of COE Ave Fenix Corporation, as amended to June 1, 2000. (Exhibit B.27.5, 2000 NU Form U5S, File No. 30-246)
- B.28 New England Hydro-Transmission Corporation
 - B.28.1 Articles of Incorporation, (Exhibit B.8a, 1986 NEES U5S, File No. 30-33); Articles of Amendment of New England Hydro-Transmission Corporation dated January 18, 1989, (Exhibit B.10a, 1988 NEES U5S, File No. 30-33).
 - B.28.2 By-Laws of New England Hydro-Transmission Corporation dated March 17, 1998. (Exhibit B.16.b, 1998 NEES U5S, File No. 30-33)
- E-9
- B.29 New England Hydro-Transmission Electric Company
 - B.29.1 Restated Articles of Organization of New England Hydro-Transmission Electric Company dated January 13, 1989. (Exhibit B.11a, 1988 NEES U5S, File No. 30-33)
 - B.29.2 By-Laws of New England Hydro-Transmission Electric Company dated March 17, 1998. (Exhibit B.17.b, 1998 NEES U5S File No. 30-33)
- B.30 Amended and Restated Limited Partnership Agreement (CL&P Capital, L.P.) among CL&P, NUSCO, and the persons who became limited partners of CL&P Capital, L.P. in accordance with the provisions thereof dated as of January 23, 1995 (MIPS). (Exhibit A.1, File No. 70-8451)
- B.31 ERI/HEC EFA-Med, LLC
 - B.31.1 Certificate of Formation of ERI/HEC EFA-Med, LLC, dated September 15, 2000. (Exhibit B.31.1, 2000 NU Form U5S, File No. 30-246)
 - B.31.2 Operating Agreement of ERI/HEC EFA-Med, LLC, dated September 22, 2000. (Exhibit B.31.2, 2000 NU Form U5S, File No. 30-246)
- B.32 Mode 1 Communications, Inc.
 - B.32.1 Certificate of Incorporation of Mode 1 Communications, Inc. dated March 26, 1996. (Exhibit B.34.1, 1996 NU Form U5S, File No. 30-

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- B.32.2 Certificates of Amendment to Certificate of Incorporation of Mode 1 Communications, Inc., dated December 26, 1996 and February 4, 1997. (Exhibit B.34.2, 1996 NU Form U5S, File No. 30-246)
 - B.32.3 Certificate of Amendment to Certificate of Incorporation of Mode 1 Communications, Inc., dated April 27, 1998. (Exhibit B.34.3, 1997 NU Form U5S, File No. 30-246)
 - B.32.4 By-Laws of Mode 1 Communications, Inc., as amended to January 1, 1997. (Exhibit B.34.4, 1996 NU Form U5S, File No. 30-246)
- B.33 Select Energy, Inc.
- B.33.1 Certificate of Incorporation of Select Energy, Inc. dated September 26, 1996. (Exhibit B.40.1, 1996 NU Form U5S, File No. 30-246)
- E-10
- B.33.2 Certificates of Amendment to Certificate of Incorporation of Select Energy, Inc., dated December 26, 1996 and April 25, 1997. (Exhibit B.40.2, 1996 NU Form U5S, File No. 30-246)
 - B.33.3 Certificate of Amendment to Certificate of Incorporation of Select Energy, Inc., dated April 27, 1998. (Exhibit B.40.3, 1997 NU Form U5S, File No. 30-246)
 - B.33.4 By-Laws of Select Energy, Inc., as amended to May 12, 1997. (Exhibit B.40.4, 1997 NU Form U5S, File No. 30-246)
 - B.33.5 By-Laws of Select Energy, Inc., as amended to June 1, 2000. (Exhibit B.33.5, 2000 NU Form U5S, File No. 30-246)
- B.34 Northeast Generation Company
- B.34.1 Certificate of Incorporation of Northeast Generation Company, dated December 28, 1998. (Exhibit B.34.1, 1999 NU Form U5S, File No. 30-246)
 - B.34.2 By-Laws of Northeast Generation Company, dated January 4, 1999. (Exhibit B.34.2, 1999 NU Form U5S, File No. 30-246)
 - B.34.3 By-Laws of Northeast Generation Company, as amended to June 1, 2000. (Exhibit B.34.3, 2000 NU Form U5S, File No. 30-246)
- B.35 Northeast Generation Services Company

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- B.35.1 Certificate of Incorporation of Northeast Generation Services Company, dated December 28, 1998. (Exhibit B.35.1, 1999 NU Form U5S, File No. 30-246)
- B.35.2 By-Laws of Northeast Generation Service Company, dated January 4, 1999. (Exhibit B.35.2, 1999 NU Form U5S, File No. 30-246)
- B.35.3 By-Laws of Northeast Generation Services Company, as amended to June 1, 2000. (Exhibit B.35.3, 2000 NU Form U5S, File No. 30-246)
- B.36 Select Energy Portland Pipeline, Inc.
 - B.36.1 Certificate of Incorporation of Select Energy Portland Pipeline, Inc., dated March 15, 1999. (Exhibit B.36.1, 1999 NU Form U5S, File No. 30-246)
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- B.36.2 By-Laws of Select Energy Portland Pipeline, Inc., dated March 17, 1999. (Exhibit B.36.1, 1999 NU Form U5S, File No. 30-246)
- B.36.3 By-Laws of Select Energy Portland Pipeline, Inc., as amended to June 1, 2000. (Exhibit B.36.3, 2000 NU Form U5S, File No. 30-246)
- B.37 CL&P Receivables Corporation
 - B.37.1 Certificate of Incorporation of CL&P Receivables Corporation, dated September 5, 1997. (Exhibit B.41.1, 1997 NU Form U5S, File No. 30-246)
 - B.37.2 Bylaws of CL&P Receivables Corporation, dated September 12, 1997. (Exhibit B.41.2, 1997 NU Form U5S, File No. 30-246)
- B.38 Yankee Energy System, Inc.
 - B.38.1 Certificate of Incorporation of Yankee Energy System, Inc., F/K/A NU Acquisition Corp., dated February 15, 2000. (Exhibit B.38.1, 2000 NU Form U5S, File No. 30-246)
 - B.38.2 Certificate of Merger of Yankee Energy System, Inc. with and Into NU Acquisition Corp., dated March 1, 2000. (Exhibit B.38.2, 2000 NU Form U5S, File No. 30-246)
 - B.38.2.1 Agreement and Plan of Merger between Yankee Energy System, Inc. and Northeast Utilities, dated as of June 14, 1999. (Exhibit 1, NU Form 8-K dated June 14, 1999, File No. 1-5324)
 - B.38.3 By-Laws of Yankee Energy System, Inc., as amended to March 1, 2000. (Exhibit B.38.3, 2000 NU Form

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U5S, File No. 30-246)

- B.39 NorConn Properties, Inc.
 - B.39.1 Certificate of Incorporation of NorConn Properties, Inc., dated May 10, 1988. (Exhibit B.39.1, 2000 NU Form U5S, File No. 30-246)
 - B.39.2 By-Laws of NorConn Properties, Inc., as in effect on March, 1, 2000. (Exhibit B.39.2, 2000 NU Form U5S, File No. 30-246)

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- B.40 R. M. Services, Inc.
 - B.40.1 Certificate of Incorporation of R. M. Services, Inc. dated November 17, 1994. (Exhibit B.40.1, 2000 NU Form U5S, File No. 30-246)
 - * B.40.2 Certificate of Amendment of Certificate of Incorporation of R. M. Services, Inc., dated June 28, 2001.
 - B.40.3 By-Laws of R. M. Services, Inc., as in effect on March 1, 2000. (Exhibit B.40.2, 2000 NU Form U5S, File No. 30-246)
- B.41 Yankee Energy Financial Services Company
 - B.41.1 Certificate of Incorporation of Yankee Energy Financial Services Company, dated September 1, 1992. (Exhibit B.41.1, 2000 NU Form U5S, File No. 30-246)
 - B.41.2 By-Laws of Yankee Energy Financial Services Company, as in effect on March 1, 2000. (Exhibit B.41.2, 2000 NU Form U5S, File No. 30-246)
- B.42 Yankee Energy Services Company
 - B.42.1 Certificate of Incorporation of Yankee Energy Services Company, dated June 30, 1993. (Exhibit B.42.1, 2000 NU Form U5S, File No. 30-246)
 - B.42.2 Certificate of Amendment to Certificate of Incorporation of Yankee Energy Services Company, dated January 20, 1995. (Exhibit B.42.2, 2000 NU Form U5S, File No. 30-246)
 - B.42.3 By-Laws of Yankee Energy Services Company, as in effect on March 1, 2000. (Exhibit B.42.3, 2000 NU Form U5S, File No. 30-246)
- B.43 Yankee Gas Services Company
 - B.43.1 Certificate of Incorporation of Yankee Gas Services Company, F/K/A Mohawk Gas Company, (Special Act No. 218, January 1955 session, approved May 26, 1955). (Exhibit B.43.1, 2000 NU

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Form U5S, File No. 30-246)

B.43.2 Certificate of Amendment to the Certificate of Incorporation of Yankee Gas Services Company, dated May 26, 1989. (Exhibit B.43.2, 2000 NU Form U5S, File No. 30-246)

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B.43.3 Certificate of Amendment to the Certificate of Incorporation of Yankee Gas Services Company, dated June 27, 1989. (Exhibit B.43.3, 2000 NU Form U5S, File No. 30-246)

B.43.4 By-Laws of Yankee Gas Services Company, as in effect on March 1, 2000. (Exhibit B.43.4, 2000 NU Form U5S, File No. 30-246)

B.44 Housatonic Corporation

B.44.1 Certificate of Incorporation of Housatonic Corporation, dated October 16, 1987. (Exhibit B.44.1, 2000 NU Form U5S, File No. 30-246)

B.44.2 Certificate of Amendment to the Certificate of Incorporation of Housatonic Corporation, dated January 10, 1989. (Exhibit B.44.2, 2000 NU Form U5S, File No. 30-246)

B.44.3 By-Laws of Housatonic Corporation, as in effect on March 1, 2000. (Exhibit B.44.3, 2000 NU Form U5S, File No. 30-246)

B.45 Yankee Energy Marketing Company

B.45.1 Certificate of Incorporation of Yankee Energy Marketing Company, dated October 10, 1995. (Exhibit B.45.1, 2000 NU Form U5S, File No. 30-246)

B.45.2 By-Laws of Yankee Energy Marketing Company, as in effect on March 1, 2000. (Exhibit B.45.2, 2000 NU Form U5S, File No. 30-246)

B.46 E. S. Boulos Company

* B.46.1 Certificate of Incorporation of E. S. Boulos Company, F/K/A NGS Acquisition Sub, Inc., dated January 10, 2001.

* B.46.2 Certificate of Amendment of Incorporation of E. S. Boulos Company dated January 22, 2001.

* B.46.3 By-Laws of E. S. Boulos Company, as amended to January 22, 2001.

B.47 NGS Mechanical, Inc.

* B.47.1 Certificate of Incorporation of NGS Mechanical, Inc., dated January 24, 2001.

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- * B.47.2 By-Laws of NGS Mechanical, Inc. dated as of January 25, 2001.
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- B.48 Select Energy New York, Inc.
 - * B.48.1 Certificate of Incorporation of Select Energy New York, Inc., F/K/A Plum Street Energy Marketing, Inc. and Niagara Mohawk Energy Marketing, Inc., dated February 13, 1996.
 - * B.48.2 Certificate of Amendment of Incorporation of Select Energy New York, Inc., dated August 21, 1998.
 - * B.48.3 Certificate of Amendment of Incorporation of Select Energy New York, Inc., dated November 21, 2001.
 - * B.48.4 By-Laws of Select Energy New York, Inc., as in effect on November 30, 2001.
 - B.49 CL&P Funding LLC
 - B.49.1 Certificate of Formation of CL&P Funding LLC dated January 3, 2001. (Exhibit 3.1, CL&P Funding LLC Form S-3, dated January 18, 2001, File No. 333-53866)
 - B.49.2 Limited Liability Company Agreement of CL&P Funding LLC made and effective as of January 3, 2001 and amended and restated as of March 30, 2001. (Exhibit 3.1, CL&P Funding LLC Form S-3, Amendment No. 2, dated March 26, 2001, File No. 333-53866)
 - B.50 PSNH Funding LLC
 - B.50.1 Certificate of Formation of PSNH Funding LLC dated January 24, 2001. (Exhibit 3.1, PSNH Funding LLC Form S-3 (Amendment No. 2), dated April 18, 2001, File No. 333-55830)
 - B.50.2 Limited Liability Company Agreement of PSNH Funding LLC made and effective as of January 24, 2001 and as amended and restated as of April 25, 2001. (Exhibit 3.2, PSNH Funding LLC Form 8-K, dated April 25, 2001, File No. 333-55830)
 - B.51 PSNH Funding LLC 2
 - B.51.1 Certificate of Formation of PSNH Funding LLC 2 dated December 10, 2001. (Exhibit 3.1, PSNH Funding LLC 2 Form S-3, dated December 28, 2001, File No. 333-76040)

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- B.51.2 Limited Liability Company Agreement of PSNH Funding LLC 2 dated as of December 10, 2001. (Exhibit 3.2, PSNH Funding LLC 2 Form S-3 (Amendment No. 2), dated January 14, 2002, File No. 333-76040)

- B.52 WMECO Funding LLC
 - B.52.1 Certificate of Formation of WMECO Funding LLC dated March 28, 2001. (Exhibit 3.1, WMECO Funding LLC Form S-3, dated April 18, 2001, File No. 333-59118)

 - B.52.2 Limited Liability Company Agreement of WMECO Funding LLC made and effective as of March 28, 2001 and as amended and restated as of May 17, 2001. (Exhibit 3.2, WMECO Funding LLC Form S-3, Amendment No. 2, dated May 7, 2001, File No. 333-59118)

- C. (a) INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES
 - C.1 Northeast Utilities
 - C.1.1 Indenture dated as of December 1, 1991, between Northeast Utilities and IBJ Schroder Bank & Trust Company, with respect to the issuance of Debt Securities. (Exhibit 4.1.1, 1991 NU Form 10-K, File No. 1-5324)

 - C.1.2 First Supplemental Indenture, dated as of December 1, 1991, between Northeast Utilities and IBJ Schroder Bank & Trust Company, with respect to the issuance of Series A Notes. (Exhibit 4.1.2, 1991 NU Form 10-K, File No. 1-5324)

 - C.1.3 Second Supplemental Indenture, dated as of March 1, 1992, between Northeast Utilities and IBJ Schroder Bank & Trust Company, with respect to the issuance of Series B Notes. (Exhibit C.1.3, 1991 NU Form U5S, File No. 30-246)

 - C.1.4 Revolving Credit Agreement among NU and the Banks named therein, dated November 16, 2001 (Exhibit to 35-CERT filed November 28, 2001, File No. 70-9755)

 - C.1.5 Indenture between NU and The Bank of New York, as Trustee, dated as of April 1, 2002 (Exhibit A-3 to 35 CERT filed April 10, 2002, File No. 70-9755)

 - C.1.6 First Supplemental Indenture between NU and The Bank of New York, as Trustee, dated as of April 1, 2002 (Exhibit A-4 to 35 CERT filed April 10, 2002, File No. 70-9755)

 - C.2 The Connecticut Light and Power Company

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C.2.1 Indenture of Mortgage and Deed of Trust between CL&P and Bankers Trust Company, Trustee, dated as of May 1, 1921. (Composite including all twenty-four amendments to May 1, 1967.) (Exhibit 4.1.1, 1989 NU Form 10-K, File No. 1-5324)

Supplemental Indentures to the Composite May 1, 1921 Indenture of Mortgage and Deed of Trust between CL&P and Bankers Trust Company, dated as of:

C.2.2 June 1, 1994. (Exhibit 4.2.15, 1994 NU Form 10-K, File No. 1-5324)

C.2.3 October 1, 1994. (Exhibit 4.2.16, 1994 NU Form 10-K, File No. 1-5324)

C.2.4 Financing Agreement between Industrial Development Authority of the State of New Hampshire and CL&P (Pollution Control Bonds, 1986 Series) dated as of December 1, 1986. (Exhibit C.1.47, 1986 NU Form U5S, File No. 30-246)

C.2.5 Financing Agreement between Industrial Development Authority of the State of New Hampshire and CL&P (Pollution Control Bonds, 1988 Series) dated as of October 1, 1988. (Exhibit C.1.55, 1988 NU Form U5S, File No. 30-246)

C.2.6 Loan and Trust Agreement among Business Finance Authority of the State of New Hampshire and CL&P (Pollution Control Bonds, 1992 Series A) dated as of December 1, 1992. (Exhibit C.2.33, 1992 NU Form U5S, File No. 30-246)

C.2.7 Loan Agreement between Connecticut Development Authority and CL&P (Pollution Control Bonds - Series A, Tax Exempt Refunding) dated as of September 1, 1993. (Exhibit 4.2.21, 1993 NU Form 10-K, File No. 1-5324)

C.2.8 Loan Agreement between Connecticut Development Authority and CL&P (Pollution Control Bonds - Series B, Tax Exempt Refunding) dated as of September 1, 1993. (Exhibit 4.2.22, 1993 NU Form 10-K, File No. 1-5324)

C.2.9 Amended and Restated Loan Agreement between Connecticut Development Authority and CL&P (Pollution Control Revenue Bond - 1996A Series) dated as of May 1, 1996 and Amended and Restated as of January 1, 1997. (Exhibit 4.2.24, 1996 NU Form 10-K, File No. 1-5324)

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C.2.9.1 Amended and Restated Indenture of Trust between Connecticut Development Authority and the Trustee (CL&P Pollution Control Revenue Bond-1996A)

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Series), dated as of May 1, 1996, and Amended and Restated as of January 1, 1997. (Exhibit 4.2.24.1, 1996 NU Form 10-K, File No. 1-5324)

- C.2.9.2 Standby Bond Purchase Agreement among CL&P, Bank of New York as Purchasing Agent and the Banks named therein, dated October 24, 2000. (Exhibit 4.2.24.2, 2000 NU Form 10-K, File No. 1-5324)
- C.2.9.3 AMBAC Municipal Bond Insurance Policy issued by the Connecticut Development Authority (CL&P Pollution Control Revenue Bond-1996A Series), effective January 23, 1997. (Exhibit 4.2.24.3, 1996 NU Form 10-K, File No. 1-5324)
- C.2.10 Revolving Credit Agreement among WMECO, CL&P, PSNH and Yankee and the Banks named therein, dated November 16, 2001 (Exhibit (ii), 35 CERT filed November 28, 2001, File No. 70-9755)
- C.2.11 Amended and Restated Receivables Purchase and Sale Agreement dated as of March 30, 2001 (CL&P and CL&P Receivables Corporation (CRC)) (Exhibit 10.1, 2001 NU 10-Q for the Quarter Ended September 30, 2001 (File No. 1-5324)
- C.2.12 Amendment No. 1 to the Purchase and Contribution Agreement between CL&P and CRC dated as of March 30, 2001 (Exhibit 10.1.1 2001 NU 10-Q for the Quarter Ended September 30, 2001 (File No. 1-5324)
- C.3 Public Service Company of New Hampshire
 - C.3.1 First Mortgage Indenture dated as of August 15, 1978, between PSNH and First Fidelity Bank, National Association, New Jersey, Trustee. (Composite including all amendments to May 16, 1991) (Exhibit 4.4.1, 1992 NU Form 10-K, File No. 1-5324)
 - C.3.1.1 Tenth Supplemental Indenture dated as of May 1, 1991 between PSNH and First Fidelity Bank, National Association. (Exhibit 4.1, PSNH Current Report on Form 8-K dated February 10, 1992, File No. 1-6392)
 - C.3.1.2 Twelfth Supplemental Indenture dated as of December 1, 2001 between PSNH and First Union National Bank (Exhibit 4.3.1.2, 2001 NU Form 10-K, File No. 1-5324)
 - C.3.2 Series D (Taxable New Issue) Amended and Restated

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- PCRB Loan and Trust Agreement dated as of April 1, 1999. (Exhibit 4.3.6, 1999 NU Form 10-K, File No. 1-5324)
- C.3.3 Series E (Taxable New Issue) Amended and Restated PCRB Loan and Trust Agreement dated as of April 1, 1999. (Exhibit 4.3.7, 1999 NU Form 10-K, File No. 1-5324)
- C.3.4 Series A Loan and Trust Agreement among Business Finance Authority of the State of New Hampshire and PSNH and State Street Bank and Trust Company, as Trustee (Tax Exempt Pollution Control Bonds) dated as of October 1, 2001. (Exhibit 4.3.4, 2001 NU Form 10-K, File No. 1-5324)
- C.3.5 Series B Loan and Trust Agreement among Business Finance Authority of the State of New Hampshire and PSNH and State Street Bank and Trust Company, as Trustee (Tax Exempt Pollution Control Bonds) dated as of October 1, 2001. (Exhibit 4.3.5, 2001 NU Form 10-K, File No. 1-5324)
- C.3.6 Series C Loan and Trust Agreement among Business Finance Authority of the State of New Hampshire and PSNH and State Street Bank and Trust Company, as Trustee (Tax Exempt Pollution Control Bonds) dated as of October 1, 2001. (Exhibit 4.3.6, 2001 NU Form 10-K, File No. 1-5324)
- C.3.7 Revolving Credit Agreement among WMECO, CL&P, PSNH and Yankee and the Banks named therein, dated November 16, 2001 (Exhibit (ii), 35 CERT filed November 28, 2001, File No. 70-9755)
- C.4 Western Massachusetts Electric Company
- C.4.1 Loan Agreement between Connecticut Development Authority and WMECO (Pollution Control Bonds - Series A, Tax Exempt Refunding) dated as of September 1, 1993. (Exhibit 4.4.13, 1993 NU Form 10-K, File No. 1-5324)
- C.4.2 Revolving Credit Agreement among WMECO, CL&P, PSNH and Yankee and the Banks named therein, dated November 16, 2001 (Exhibit (ii), 35 CERT filed November 28, 2001, File No. 1 70-9755)
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- C.5 North Atlantic Energy Corporation
- C.5.1 Term Credit Agreement dated as of November 8, 2001. (Exhibit to 35 CERT filed November 21, 2001, File No. 70-9755)
- C.6 Northeast Generation Company
- C.6.1 Indenture Mortgage, dated as of October 18, 2001 between NGC and The Bank of New York, as trustee

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(Exhibit 4.1 to NGC Registration Statement on Form S-4 dated December 6, 2001, File No. 333-74636)

C.6.1.1 First Supplemental Indenture Mortgage, dated as of October 18, 2001 between NGC and The Bank of New York, as trustee (Exhibit 4.2 to NGC Registration Statement S-4 dated December 6, 2001, File No. 333- 74636)

C.7 The Rocky River Realty Company

C.7.1 Note Agreement dated April 14, 1992, by and between The Rocky River Realty Company (RRR) and Purchasers named therein (Connecticut General Life Insurance Company, Life Insurance Company of North America, INA Life Insurance Company of New York, Life Insurance Company of Georgia), with respect to RRR's sale of \$15 million of guaranteed senior secured notes due 2007 and \$28 million of guaranteed senior secured notes due 2017. (Exhibit 10.52, 1992 NU Form 10-K, File No. 1-5324)

C.7.2 Amendment to Note Agreement, dated September 26, 1997. (Exhibit 10.3.1, 1997 NU Form 10-K, File No. 1-5324)

C.7.3 Note Guaranty dated April 14, 1992 by Northeast Utilities pursuant to Note Agreement dated April 14, 1992, between RRR and Note Purchasers, for the benefit of The Connecticut National Bank as Trustee, the Purchasers and the owners of the notes. (Exhibit 10.52.1, 1992 NU Form 10-K, File No. 1-5324)

C.7.4 Extension of Note Guaranty, dated September 26, 1997. (Exhibit 10.31.2.1, 1997 NU Form 10-K, File No. 1-5324)

C.7.5 Assignment of Leases, Rents and Profits, Security Agreement and Negative Pledge, dated as of April 14, 1992, among RRR, NUSCO and The Connecticut National Bank as Trustee, securing notes sold by RRR pursuant

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to April 14, 1992, Note Agreement. (Exhibit 10.52.2, 1992 NU Form 10-K, File No. 1-5324)

C.7.6 Modification of and Confirmation of Assignment of Leases, Rents and Profits, Security Agreement and Negative Pledge, dated as of September 26, 1997. (Exhibit 10.31.3.1, 1997 NU Form 10-K, File No. 1-5324)

C.7.7 Purchase and Sale Agreement, dated July 28, 1997, by and between RRR and the Sellers and Purchasers named therein. (Exhibit 10.31.4, 1997 NU Form 10-K, File No. 1-5324)

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- C.7.8 Purchase and Sale Agreement, dated September 26, 1997, by and between RRR and the Purchaser named therein. (Exhibit 10.31.5, 1997 NU Form 10-K, File No. 1-5324)
- C.8 CL&P Receivables Corporation
 - C.8.1 Amended and Restated Receivables Purchase and Sale Agreement dated as of March 30, 2001 (CL&P and CL&P Receivables Corporation (CRC)) (Exhibit 10.1, 2001 NU 10-Q for the Quarter Ended September 30, 2001 (File No. 1-5324))
 - C.8.1.1 Amendment No. 1 to the Purchase and Contribution Agreement between CL&P and CRC dated as of March 30, 2001 (Exhibit 10.1.1 2001 NU 10-Q for the Quarter Ended September 30, 2001 (File No. 1-5324))
- C.9 HEC/Tobyhanna Energy Project, Inc.
 - C.9.1 Trust Indenture & Security Agreement Relating to an Energy Savings Performance Contract Project dated as of September 30, 1999 (Exhibit C.11.1, 2000 NU Form U5S, File No. 1-5324)
- C.10 Select Energy Services, Inc.
 - C.10.1 Assignment and Security Agreement with ABB Energy Capital, LLC dated as of November 30, 1999 (Exhibit C.12.1, 2000 NU Form U5S, File No. 1-5324)
- C.11 Yankee Gas Services Company
 - C.11.1 Indenture of Mortgage and Deed of Trust dated as of July 1, 1989 between Yankee Gas Services Company (Yankee Gas) and The Connecticut National Bank (Mortgage) (Exhibit No. 4.2, Yankee Gas Form 10 dated April 14, 1989, File No. 0-17605)
 - C.11.2 First Supplemental Indenture, dated as of April 1, 1992, to Mortgage (Exhibit No. 4.11, Yankee Energy Form S-3 filed October 2, 1992, Reg. No. 33-52750)
 - C.11.3 Second Supplemental Indenture, dated as of December 1, 1992, to Mortgage (Exhibit No. 10.2, 1992 Yankee Energy System, Inc. (Yankee Energy) Form 10-K, File No. 0-17605)
 - C.11.4 Third Supplemental Indenture, dated as of June 1, 1995, to Mortgage (Exhibit No. 4.14, 1995 Yankee Energy Form 10-K, File No. 0-10721)
 - C.11.5 Fourth Supplemental Indenture, dated as of April 1, 1997, to Mortgage (Exhibit No. 15, 1997 Yankee

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Energy Form 10-K, File No. 0-10721)

- C.11.6 Fifth Supplemental Indenture, dated as of January 1, 1999, to Mortgage (Exhibit C.13.6, 2000 NU Form U5S, File No. 1-5324)
- C.11.7 Bond Purchase Agreement dated as of July 1, 1989, relating to \$119 million aggregate principal amount of First Mortgage Bonds, Series A (Exhibit 4.3, Yankee Gas Form 10 dated April 14, 1989, File No. 0- 17605)
 - C.11.7.1 First Amendment, dated as of April 10, 1990, to Bond Purchase Agreement (Exhibit C.13.7.1, 2000 NU Form U5S, File No. 1-5324)
- C.11.8 Bond Purchase Agreement, dated as of April 1, 1992, relating to \$20 million aggregate principal amount of First Mortgage Bonds, Series B (Exhibit No. 4.12, Yankee Energy Form S-3 filed October 2, 1992, Reg. No. 33-52750)
- C.11.9 Bond Purchase Agreement, dated as of December 1, 1992, relating to \$20 million aggregate principal amount of First Mortgage Bonds, Series C (Exhibit No. 10.4, 1992 Yankee Energy Form 10-K, File No. 0- 17605)
- C.11.10 Bond Purchase Agreement, dated as of April 1, 1997, relating to \$30 million aggregate principal amount of First Mortgage Bonds, Series E (Exhibit No. 4.16, 1997 Yankee Energy Form 10-K, File No. 0- 10721)

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- C.11.11 Bond Purchase Agreement, dated as of January 1, 1999, relating to \$50 million aggregate principal amount of First Mortgage Bonds (Exhibit No. C.13.11, NU Form U5S, File No. 1-5324)
- C.11.12 Revolving Credit Agreement among WMECO, CL&P, PSNH and Yankee and the Banks named therein, dated November 16, 2001 (Exhibit (ii), 35 CERT filed November 28, 2001, File No. 70-9755)
- C.13 NorConn Properties, Inc.
 - * C.13.1 Term Loan Agreement between NorConn Properties, Inc. and Fleet National Bank of Connecticut dated as of February 1, 1996

D. Tax Allocation Agreements

- D.1 Amended and Restated Tax Allocation Agreement, dated as of January 1, 1990. (Exhibit D, 1994 NU Form U5S, File No. 30-246)
- D.2 First Amendment, dated as of October 26, 1998, to the Amended and Restated Tax Allocation Agreement, dated as of January 1, 1990.

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(Exhibit D, Amendment No. 2 to 1997 NU Form U5S, File No. 30-246)

D.3 Second Amendment, dated as of March 1, 2000, to the Amended and Restated Tax Allocation Agreement, dated as of January 1, 1990 (Exhibit D.3, 2000 NU Form U5S, File No. 30-246)

G. Organizational Chart - EWG

Northeast Utilities (Parent Company)

- NU Enterprises, Inc. (100% owned by NU)
- Northeast Generation Company (EWG, 100% owned by NU Enterprises, Inc.)

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ITEM 10. EXHIBIT H

NORTHEAST GENERATION COMPANY

BALANCE SHEETS

| At December 31, | 2001 ----- | 2000 ----- |
|---|------------------------|------------------|
| | (Thousands of Dollars) | |
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 35,217 | \$ 37,177 |
| Notes receivable from affiliated companies | 9,900 | -- |
| Accounts receivable from affiliated companies | 10,642 | 11,419 |
| Taxes receivable | 4,217 | -- |
| Materials and supplies, at average cost | 1,793 | 1,935 |
| Prepayments and other | 392 | 1,626 |
| | ----- | ----- |
| | 62,161 | 52,157 |
| | ----- | ----- |
| Property, Plant and Equipment: | | |
| Competitive energy | 265,309 | 264,855 |
| Less: Accumulated provision for depreciation | 150,294 | 147,216 |
| | ----- | ----- |
| | 115,015 | 117,639 |
| Construction work in progress | 21,055 | 8,094 |
| | ----- | ----- |
| | 136,070 | 125,733 |
| | ----- | ----- |
| Deferred Debits and Other Assets: | | |
| Accumulated deferred income taxes | 256,049 | 278,320 |
| Other | 10,688 | 4,851 |
| | ----- | ----- |
| | 266,737 | 283,171 |
| | ----- | ----- |
| Total Assets | \$464,968 | \$461,061 |
| | ===== | ===== |

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

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ITEM 10. EXHIBIT H

NORTHEAST GENERATION COMPANY

BALANCE SHEETS

| At December 31, | 2001 | 2000 |
|---|------------------------|-----------|
| | ----- | ----- |
| | (Thousands of Dollars) | |
| | | |
| LIABILITIES AND CAPITALIZATION | | |
| | | |
| Current Liabilities: | | |
| Notes payable to banks | \$ -- | \$402,377 |
| Long-term debt - current portion | 24,000 | -- |
| Accounts payable | 1,759 | 1,771 |
| Accounts payable to affiliated companies | 1,297 | 732 |
| Accrued taxes | 794 | 5,840 |
| Accrued interest | 7,029 | 1,893 |
| Other | 1,138 | 813 |
| | ----- | ----- |
| | 36,017 | 413,426 |
| | ----- | ----- |
| Capitalization: | | |
| Long-Term Debt | 416,000 | -- |
| | ----- | ----- |
| | | |
| Common Stockholder's Equity: | | |
| Common stock, \$1 par value - authorized 20,000 shares; 6 shares outstanding in 2001 and 100 shares outstanding in 2000 | -- | -- |
| Capital surplus, paid in | 3,039 | 24,375 |
| Retained earnings | 11,853 | 23,260 |
| Accumulated other comprehensive loss | (1,941) | -- |
| | ----- | ----- |
| Common Stockholder's Equity | 12,951 | 47,635 |
| | ----- | ----- |
| Total Capitalization | 428,951 | 47,635 |
| | ----- | ----- |
| | | |
| Commitments and Contingencies (Note 6) | | |
| | | |
| Total Liabilities and Capitalization | \$ 464,968 | \$461,061 |
| | ===== | ===== |

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

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ITEM 10. EXHIBIT H

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NORTHEAST GENERATION COMPANY

STATEMENTS OF INCOME

| For the Years Ended December 31, | 2001 ---- | 2000 ---- |
|---|------------------------|--------------|
| | (Thousands of Dollars) | |
| Operating Revenues | \$ 129,681 | \$ 108,473 |
| Operating Expenses: | | |
| Operation - | | |
| Other | 15,426 | 11,855 |
| Maintenance | 6,902 | 9,092 |
| Depreciation | 3,040 | 2,417 |
| Taxes other than income taxes | 7,375 | 5,690 |
| Total operating expenses | 32,743 | 29,054 |
| Operating Income/(Loss) | 96,938 | 79,419 |
| Other Income, Net | 1,113 | 1,061 |
| Income/(Loss) Before Interest and Income Tax Expense/(Benefit) | 98,051 | 80,480 |
| Interest Expense: | | |
| Interest on long-term debt | 7,396 | -- |
| Other interest | 19,966 | 36,542 |
| Interest expense, net | 27,362 | 36,542 |
| Income/(Loss) Before Income Tax Expense/(Benefit) | 70,689 | 43,938 |
| Income Tax Expense/(Benefit) | 28,432 | 17,522 |
| Net Income/(Loss) | \$ 42,257 | \$ 26,416 |

STATEMENTS OF COMPREHENSIVE INCOME

| | | |
|---|-----------|-----------|
| Net Income/(Loss) | \$ 42,257 | \$ 26,416 |
| Other comprehensive loss, net of tax: | | |
| Qualified cash flow hedging investments | (1,941) | -- |
| Comprehensive Income/(Loss) | \$ 40,316 | \$ 26,416 |

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

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ITEM 10. EXHIBIT H

NORTHEAST GENERATION COMPANY

STATEMENTS OF COMMON STOCKHOLDER'S EQUITY

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| | Common Stock | Capital Surplus, Paid In | Retained Earnings | Accumulat Other Comprehens Loss |
|---|-----------------|--------------------------------|----------------------|--|
| | ----- | ----- | ----- | ----- |
| (Thousands of Dollars) | | | | |
| Balance at January 1, 1999 | \$ -- | \$ -- | \$ -- | \$ |
| Net loss for 1999 | | | (3,156) | |
| Capital contribution from Northeast Utilities | | 6,500 | | |
| Other | | 10 | | |
| Balance at December 31, 1999 | -- | 6,510 | (3,156) | |
| Net income for 2000 | | | 26,416 | |
| Capital contribution from Northeast Utilities | | 463,000 | | |
| Excess paid over carrying value of assets transferred (Note 5) | | (445,135) | | |
| Balance at December 31, 2000 | -- | 24,375 | 23,260 | |
| Net income for 2001 | | | 42,257 | |
| Cash dividends on common stock | | | (53,664) | |
| Repurchase of common stock | -- | (21,336) | | |
| Other comprehensive loss | | | | (1,9 |
| Balance at December 31, 2001 | \$ -- | \$ 3,039 | \$ 11,853 | \$ (1,9 |

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

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ITEM 10. EXHIBIT H

NORTHEAST GENERATION COMPANY
STATEMENTS OF CASH FLOWS
(Thousands of Dollars)

| For the Years Ended December 31, | 2001 ----- | 2000 ----- |
|---|---------------|---------------|
| Operating Activities: | | |
| Net income..... | \$ 42,257 | \$ 26,416 |
| Adjustments to reconcile to net cash flows provided by/(used in) operating activities: | | |
| Depreciation | 3,040 | 2,417 |
| Deferred income taxes | 23,565 | 19,245 |
| Net other (uses)/sources of cash | (9,035) | 1,533 |
| Changes in working capital: | | |

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| | | |
|--|-----------|------------|
| Accounts receivable from affiliated companies | 777 | (11,419) |
| Materials and supplies | 142 | (62) |
| Accounts payable | 553 | (780) |
| Accrued taxes | (5,046) | 5,840 |
| Other working capital (excludes cash) | 2,478 | (202) |
| | ----- | ----- |
| Net cash flows provided by operating activities | 58,731 | 42,988 |
| | ----- | ----- |
| Investing Activities: | | |
| Investments in competitive energy assets | (13,414) | (1,394) |
| Investment in NU system Money Pool | (9,900) | -- |
| Net cash payment for the transfer of assets | -- | (869,794) |
| | ----- | ----- |
| Net cash flows used in investing activities | (23,314) | (871,188) |
| | ----- | ----- |
| Financing Activities: | | |
| Repurchase of common stock | (21,336) | -- |
| Issuance of long-term debt | 440,000 | -- |
| Net (decrease)/increase in short-term debt | (402,377) | 402,377 |
| Cash dividends on common shares | (53,664) | -- |
| Capital contributions from Northeast Utilities | -- | 463,000 |
| | ----- | ----- |
| Net cash flows (used in)/provided by financing activities | (37,377) | 865,377 |
| | ----- | ----- |
| Net (decrease)/increase in cash and cash equivalents | (1,960) | 37,177 |
| Cash and cash equivalents - beginning of year | 37,177 | -- |
| | ----- | ----- |
| Cash and cash equivalents - end of year | \$ 35,217 | \$ 37,177 |
| | ===== | ===== |
| Supplemental Cash Flow Information: | | |
| Cash paid/(refunded) during the year for: | | |
| Interest, net of amounts capitalized | \$ 22,726 | \$ 29,286 |
| | ===== | ===== |
| Income taxes | \$ 12,901 | \$ (7,725) |
| | ===== | ===== |

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