

Table 1 G

**STRAIGHT GAS INDUSTRY
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,
(\$000)**

	2010	2009	2008	2007	2006
UTILITY PLANT					
1 Total Utility Plant	\$7,892,028	\$7,550,266	\$7,230,737	\$6,890,135	\$6,599,180
2 Less Acc. Prov. For Depreciation & Amortization	2,344,449	2,226,931	2,126,364	2,026,841	1,884,541
3 Net Total Utility Plant	5,547,580	5,323,335	5,104,373	4,863,294	4,714,639
OTHER PROPERTY AND INVESTMENTS					
4 Nonutility Property	2,248	1,333	1,401	1,401	1,763
5 Less Acc. Prov. For Depreciation & Amortization	(379)	(22)	(21)	(20)	(19)
6 Investment in Associated Companies	1,824	1,824	1,824	1,824	1,749
7 Investment in Subsidiary Companies	82,213	71,564	60,916	52,702	48,216
8 Other Investments	(97)	(26)	(150)	(58)	(1,181)
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds	2,501	2,370	23,075	46,723	2,918
12 Total Other Property and Investments	88,310	77,043	87,045	102,570	53,446
CURRENT AND ACCRUED ASSETS					
13 Cash	4,867	5,762	22,320	19,077	20,244
14 Special Deposits	3,090	0	2,302		911
15 Working Funds	165	198	166	167	360
16 Temporary Cash Investments	42,054	114,902	2,534	175,509	31,467
17 Notes Receivable	1,862	5,296	1,624	793	901
18 Accounts Receivable	547,880	547,951	638,942	532,535	442,006
19 Less Accum. Prov. For Uncollectible Accounts	(103,314)	(115,940)	(89,443)	(57,858)	(56,820)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies	10,276	40,139	14,265	705,438	109,422
22 Materials and Supplies	26,449	24,275	24,384	22,852	22,779
23 Gas Stored Underground - Current	253,569	401,442	701,440	532,766	580,447
24 Liquefied Natural Gas in Storage	10,523	12,052	15,842	13,146	13,487
25 Prepayments	134,879	136,136	140,693	103,586	106,089
26 Interest and Dividends Receivable	194	901	466	362	378
27 Rents Receivable	6,666	22,787	16,442	10,928	16,188
28 Accrued Utility Revenue	359,522	354,041	368,219	410,146	329,885
29 Misc. Current and Accrued Assets	12,105	30,064	307	1,187	2,614
30 Total Current and Accrued Assets	1,310,786	1,580,006	1,860,503	2,470,633	1,620,356
DEFERRED DEBITS					
31 Unamort. Debt Expense	14,911	16,774	18,908	20,949	23,224
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges	(54)	(157)	(161)	(182)	(366)
34 Clearing Accounts	(2,417)	(596)	(1,840)	(795)	(251)
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	2,415,968	2,328,537	1,745,313	1,475,658	1,045,119
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development	(802)	(547)	592	1,388	(434)
39 Accumulated Deferred Income Taxes	637,567	446,242	51,268	111,422	48,518
40 Total Deferred Debits	3,065,172	2,790,254	1,814,079	1,608,440	1,115,811
41 Total Assets and Other Debits	\$10,011,848	\$9,770,637	\$8,866,000	\$9,044,938	\$7,504,253

**STRAIGHT GAS INDUSTRY
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)**

	2010	2009	2008	2007	2006	
PROPRIETARY CAPITAL						
Common Stock Issued	\$71,590	\$70,912	\$69,952	\$69,895	\$68,382	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	1,063,715	1,061,944	1,059,860	1,059,715	1,056,517	5
Other Paid-in Capital	(74,230)	(75,369)	(75,821)	(5,912)	122,968	6
Installments Received on Capital Stock						7
Capital Stock Expense	(134)	(33)	(16)	(12)	(16)	8
Retained Earnings	1,959,527	1,899,063	1,785,647	1,649,847	1,400,199	9
Unapp. Undistributed Subsidiary Earnings	66,783	67,331	63,155	65,853	62,554	10
Reaquired Capital Stock	0	(324)	(324)	(324)	(60,664)	11
Accumulated Other Comprehensive Income	(277)	(394)	39	25	-	-
Total Proprietary Capital	3,086,976	3,023,130	2,902,491	2,839,087	2,649,939	12
LONG-TERM DEBT						
Bonds	1,150,343	1,148,174	1,548,631	1,547,754	1,672,948	13
Reaquired Bonds						14
Advances from Associated Companies	414,000	414,000	289,000	189,000	258,310	15
Other Long-Term Debt	7,184	4,896	7,815	7,982	8,362	16
Unamortized Premium on LT Debt						17
Unamortized Discount on LT Debt-Debit	-	-	-	-	-	18
Total Long-Term Debt	1,571,527	1,567,070	1,845,445	1,744,735	1,939,620	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable	13,189	416,840	15,539	138,195	17,706	20
Accounts Payable	231,461	311,947	276,170	217,925	292,711	21
Notes Payable to Associated Companies	625,654	332,097	581,388	410,809	339,108	22
Accounts Payable to Associated Companies	725,254	680,792	823,743	1,396,925	603,515	23
Customer Deposits	64,047	62,312	54,257	50,978	41,799	24
Taxes Accrued	(20,857)	9,104	44,546	13,078	(4,448)	25
Interest Accrued	31,279	64,137	62,024	27,660	28,862	26
Dividends Declared	29,600	30,470	9,100	10,079	25,767	27
Matured Long-Term Debt	-	-	-	-	-	28
Matured Interest	-	-	-	-	-	29
Tax Collections Payable	(1,739)	159	3,905	3,469	(254)	30
Misc. Current and Accrued Liabilities	83,102	96,386	120,292	110,085	97,022	31
Total Current and Accrued Liabilities	1,780,990	2,004,243	1,990,964	2,379,202	1,441,788	32
DEFERRED CREDITS						
Customer Advances for Construction	1,440	1,178	1,385	8,372	865	33
Other Deferred Credits	678,056	713,406	539,500	425,638	226,511	34
Accumulated Deferred Inv. Tax Credits	9,813	11,406	13,687	14,677	16,275	35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	2,027,084	1,596,970	911,890	948,659	921,213	37
Total Deferred Credits	2,716,393	2,322,961	1,466,461	1,397,347	1,164,863	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	9,671	6,914	5,313	5,410	4,788	40
Pension and Benefits Reserve	337,936	316,678	59,225	36,717	(23,565)	41
Miscellaneous Operating Reserves	508,355	529,640	596,101	642,440	326,819	42
Total Operating Reserves	855,962	853,233	660,639	684,567	308,042	43
Total Liabilities and Other Credits	\$10,011,848	\$9,770,637	\$8,866,000	\$9,044,939	\$7,504,253	44

Table 3 G

STRAIGHT GAS INDUSTRY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)

	2010	2009	2008	2007	2006
GAS OPERATING INCOME					
1 Operating Revenues	\$4,033,655	\$4,347,875	\$5,386,271	\$5,040,496	\$4,646,996
Operating Expenses:					
2 Operation Expense	2,764,337	3,073,319	4,098,376	3,830,153	3,586,699
3 Maintenance Expense	94,495	99,662	102,512	101,739	99,588
4 Depreciation Expense	171,281	166,242	158,664	156,403	140,671
5 Amort. and Depletion of Utility Plant	6,789	8,646	8,036	9,493	12,292
6 Amort. of Utility Plant Acq. Adj.	13,901	(2,943)	1,957	9,896	9,896
7 Amort. of Property Losses					
8 Amort. of Conversion Expenses	43	43	18,174	43,887	32,018
9 Other Expenses			343,719	50,381	115,718
10 Taxes Other than Income Taxes	353,492	346,453	192,397	241,272	189,588
11 Income Taxes	217,364	202,586	92,073	108,502	75,615
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	3,621,701	3,894,008	5,015,908	4,551,725	4,262,084
15 Net Operating Revenues	411,954	453,867	370,363	488,771	384,912
16 Other Gas Utility Operating Income					
17 Total Gas Utility Operating Income	411,954	453,867	370,363	488,771	384,912
18 Other Utility Operating Income					
19 Total Utility Operating Income	\$411,954	\$453,867	\$370,363	\$488,771	\$384,912

STRAIGHT GAS INDUSTRY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)

	2010	2009	2008	2007	2006	
OTHER INCOME						
Income - Merch. Jobbing & Contract Work	\$151	\$158	\$221	\$487	\$515	1
Income from Nonutility Operations	(1)	(1)	(8)	(61)	209	2
Nonoperating Rental Income	(353)	4	3	3	169	3
Equity in Earnings of Subsidiary Companies	10,531	11,081	6,906	9,679	5,766	4
Interest and Dividend Income	49,843	45,503	29,261	18,645	12,032	5
Allowance for Funds Used During Construction	2,758	3,184	2,874	2,930	841	6
Miscellaneous Nonoperating Income	75	(2,575)	(3,405)	(969)	593	7
Gain on Disposition of Property	76	14		65	61	8
Total Other Income	63,080	57,368	35,852	30,781	20,187	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization	21	11	8	(147)	160	11
Miscellaneous Income Deductions	3,242	57	944	1,202	3,143	12
Total Other Income Deductions	3,263	68	952	1,055	3,303	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	292	344	372	383	414	14
Income Taxes	(1,546)	(2,142)	(2,204)	(2,071)	(1,011)	15
Total Taxes-Other Inc. & Deductions	(1,254)	(1,798)	(1,832)	(1,688)	(597)	16
Net Other Income and Deductions	61,071	59,098	36,733	31,414	17,481	17
INTEREST CHARGES						
Interest on Long-term Debt	58,749	88,912	95,508	102,008	75,171	18
Amortization of Debt Discount and Expense	2,410	2,611	2,618	2,768	2,501	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company	55,142	48,648	38,662	37,924	54,625	21
Other Interest Expense	26,758	69,226	39,258	5,938	8,618	22
Total Interest Charges	143,059	209,397	176,046	148,638	140,915	23
Income Before Extraordinary Items	329,966	303,567	231,050	371,547	261,478	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$329,966	\$303,567	\$231,050	\$371,547	\$261,478	29
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP) *	\$1,899,063	\$1,785,647	\$1,649,847	\$1,400,199	\$1,254,749	30
Balance Transferred from Income	319,435	292,487	224,144	361,867	255,712	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock	270,703	184,215	189,336	57,926	111,022	34
Adjustments to Retained Earnings	11,732	5,144	8,920	6,807	7,215	35
Net Change	60,464	113,416	135,800	249,648	145,449	36
Unappropriated Retained Earnings (EOP)	1,959,527	1,899,063	1,785,647	1,649,847	1,400,199	37
Appropriated Retained Earnings (EOP)	-	-	-	-	-	38
Total Retained Earnings	1,959,527	1,899,063	1,785,647	\$1,649,847	\$1,400,199	39

Notes:

* The beginning balance in 2002 Retained Earnings does not equal the ending balance in 2001 because Valley Energy acquired the assets of NUI Waverly that year setting its Retained Earnings at \$0.

Table 5 G

**STRAIGHT GAS INDUSTRY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31
(\$000s)**

	2010	2009	2008	2007	2006
Cash Flows From Operating Activities					
1 Net Income	\$329,966	\$303,567	\$323,122	\$310,221	\$254,902
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	195,646	237,478	268,923	185,377	164,776
3 Deferred Taxes & ITCs	182,931	254,423	(145,948)	(75,927)	195,612
4 Receivables and Inventory	159,836	367,488	(138,459)	(55,686)	23,668
5 Payables and Accrued Expenses	(111,979)	(168,863)	(48,999)	(341,336)	(221,342)
6 Regulatory Assets (Net)	(25,616)	(263,014)	(97,103)	7,493	(240,850)
7 Capitalized AFUDC - Equity	(2,749)	(3,184)	(2,874)	(2,930)	(1,937)
8 Undistributed Earnings of Affiliates	(60)	(12,668)	(3,350)	(1)	614
9 Other Adjustments (See company detail for explanations of major items)	(109,510)	132,318	(5,634)	(3,895)	21,937
10	26,320	22,157	38,150	246,719	(20,967)
11	400,977	(72,923)	105,126	253,500	(26,838)
12 Net Cash From Operating Activities	<u>1,045,763</u>	<u>796,780</u>	<u>292,953</u>	<u>523,534</u>	<u>149,575</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(399,945)	(391,926)	(420,234)	(324,459)	(317,470)
14 Acquisition Of Other Non-Current Assets	(31)	(86)	(12)	17	(54)
15 Investments in & Advances to Affiliates	-	-	-	352,998	58,519
16 Contributions & Advances from Affiliates	-	-	-	216,084	(303,240)
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment	-	-	-	-	-
18 Investments In Affiliated Companies	(270)	(142)	65	(403,165)	4,794
19 Investment Securities	-	-	-	729	-
20 Other Current Assets & Liabilities	-	(1,585)	(1,871)	(2,347)	-
21 Other Cash Flows - Investing Activities	(709)	591	929	308	1,066
22	15	-	-	-	-
23	-	-	-	-	-
24 Net Cash From Investing Activities	<u>(400,941)</u>	<u>(393,148)</u>	<u>(421,123)</u>	<u>(159,834)</u>	<u>(556,386)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	(445,515)	33,215	219,319	(117,177)	477,032
26 Common Stock	2,272	2,790	150	4,711	-
27 Preferred Stock	-	-	-	-	-
28 Short-Term Debt	(122,051)	(180,700)	(70,756)	(4,305)	3,320
29 Dividends Paid	(153,173)	(162,845)	(190,315)	(73,614)	(94,355)
30 Other Cash Flows - Financing Activities	-	-	-	-	-
31	-	-	-	-	-
32	-	-	-	-	-
33 Net Cash From Financing Activities	<u>(718,467)</u>	<u>(307,539)</u>	<u>(41,602)</u>	<u>(190,385)</u>	<u>385,997</u>
34 Net Increase/(Decrease) In Cash Equivalents	(73,644)	96,093	(169,533)	173,316	(20,813)
35 Cash & Cash Equivalents Beginning Of Year *	123,231	27,139	196,672	23,356	44,170
36 Cash & Cash Equivalents End Of Year	\$49,587	\$123,231	\$27,139	\$196,672	\$23,356

**STRAIGHT GAS INDUSTRY
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
SALES AND CUSTOMER DATA						
REVENUES (\$000s)						
Residential	\$2,309,982	\$2,727,146	\$3,178,407	\$3,076,364	\$2,760,031	1
Commercial	415,038	560,362	762,087	745,412	697,629	2
Industrial	60,484	68,246	101,438	95,920	83,732	3
Other Ultimate Customers	87,016	89,532	173,008	130,218	153,367	4
Total Revenues-Ultimate Customer	2,872,520	3,445,286	4,214,941	4,047,913	3,694,759	5
Sales for Resale	528,566	375,725	724,751	611,993	620,690	6
Total Revenues from Gas Sales	3,401,086	3,821,011	4,939,691	4,659,906	4,315,450	7
Transportation Sales	564,762	453,776	372,232	321,432	275,532	8
Other Gas Operating Revenues	67,807	71,438	76,823	62,184	59,314	9
Total Gas Operating Revenues	\$4,033,655	\$4,346,225	\$5,388,746	\$5,043,521	\$4,650,296	10
SALES (MCF)						
Residential	177,714,350	189,208,639	189,944,736	195,227,676	171,201,247	11
Commercial	36,868,076	45,073,005	52,010,956	54,740,489	50,326,381	12
Industrial	6,102,356	6,036,016	7,039,716	7,227,489	6,592,507	13
Other Ultimate Customers	8,699,649	8,360,106	12,308,827	10,128,855	12,165,682	14
Total Sales-Ultimate Customer	229,384,431	248,677,766	261,304,234	267,324,510	240,285,817	15
Sales for Resale	83,773,062	50,215,021	66,685,530	69,570,540	75,435,767	16
Transportation Sales	240,988,084	209,797,750	209,053,714	217,486,822	209,229,586	17
Other Gas Sales						18
Total Sales	554,145,577	508,690,538	537,043,479	554,381,872	524,951,170	19
AVG NUMBERS OF CUSTOMERS						
Residential	2,029,836	2,055,641	2,100,139	2,134,807	2,168,203	20
Commercial	103,869	108,550	112,297	114,991	120,259	21
Industrial	7,013	7,835	8,542	8,689	8,575	22
Other Customers	3,883	2,985	2,872	2,626	2,968	23
Total Ultimate Customers	2,144,601	2,175,011	2,223,850	2,261,113	2,300,005	24
Resales	51	51	23	30	30	25
Total Customers	2,144,652	2,175,062	2,223,873	2,261,143	2,300,035	26
OPERATING REVENUES RELATIONSHIP						
RESIDENTIAL SALES						
Average Annual Bill Per Customer	\$1,138	\$1,327	\$1,513	\$1,441	\$1,273	27
Average MCF Consumption Per Customer	87.6	92.0	90.4	91.4	79.0	28
Average Revenue Per MCF Sold	\$13.00	\$14.41	\$16.73	\$15.76	\$16.12	29
COMMERCIAL SALES						
Average Annual Bill Per Customer	\$3,996	\$5,162	\$6,786	\$6,482	\$5,801	30
Average MCF Consumption Per Customer	354.9	415.2	463.2	476.0	418.5	31
Average Revenue Per MCF Sold	\$11.26	\$12.43	\$14.65	\$13.62	\$13.86	32
INDUSTRIAL SALES						
Average Annual Bill Per Customer	\$8,625	\$8,710	\$11,875	\$11,039	\$9,765	33
Average MCF Consumption Per Customer	870.1	770.4	824.1	831.8	768.8	34
Average Revenue Per MCF Sold	\$9.91	\$11.31	\$14.41	\$13.27	\$12.70	35
OPERATION AND MAINTENANCE EXPENSES						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering	\$93	\$28	\$18	\$17	\$17	38
Purchased Gas	1,994,891	2,335,838	3,328,582	3,138,209	2,917,199	39
Other	12,437	(18,440)	23,205	15,240	(12,432)	40
Total Production Expense	2,007,421	2,317,426	3,351,805	3,153,466	2,904,784	41
Natural Gas Storage Expense	36,235	36,634	38,786	43,018	41,206	42
Transmission Expense	92,516	98,241	104,498	136,823	103,145	43
Distribution Expense	179,806	178,681	184,699	171,123	175,153	44
Customer Account Expense	180,715	221,533	205,337	152,482	166,821	45
Sales Expense	5,430	7,692	14,824	68,449	22,414	46
Administrative and General	355,796	312,872	301,078	262,655	272,926	47
Total O & M Expense	\$2,857,919	\$3,173,079	\$4,201,029	\$3,988,016	\$3,686,447	48

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average MCF Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Table 7 G

**STRAIGHT GAS INDUSTRY
DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31,
(\$000s)**

	2010	2009	2008	2007	2006
1 Total Revenues	\$4,033,655	\$4,346,225	\$5,388,746	\$5,043,521	\$4,650,296
2 Sales of Gas (MCF) *	313,157,493	298,892,788	327,989,765	336,895,050	315,721,584
DOLLAR AMOUNTS					
3 Purchased Gas & Other Supply Exp.	\$2,097,923	\$2,441,078	\$3,474,586	\$3,276,726	\$3,049,105
4 Wages and Benefits	275,252	248,459	259,297	229,966	236,934
5 Other Operation & Maintenance Exp.	474,272	468,186	443,960	406,540	400,248
6 Depreciation & Amortization Expense	180,995	173,300	179,325	219,679	194,877
7 Income Taxes-Operating	217,364	202,586	192,397	205,190	148,743
8 Other Taxes-Operating	353,492	346,453	337,237	256,255	232,177
9 Capital Costs	434,357	466,163	501,944	449,164	388,212
10 Total	\$4,033,655	\$4,346,225	\$5,388,746	\$5,043,521	\$4,650,296
PERCENT OF REVENUES					
11 Purchased Gas & Other Supply Exp.	52.0	56.2	64.5	65.0	65.6
12 Wages and Benefits	6.8	5.7	4.8	4.6	5.1
13 Other Operation & Maintenance Exp.	11.8	10.8	8.2	8.1	8.6
14 Depreciation & Amortization Expense	4.5	4.0	3.3	4.4	4.2
15 Income Taxes-Operating	5.4	4.7	3.6	4.1	3.2
16 Other Taxes-Operating	8.8	8.0	6.3	5.1	5.0
17 Capital Costs	10.8	10.7	9.3	8.9	8.3
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER MCF					
19 Purchased Gas & Other Supply Exp.	6.70	8.17	10.59	9.73	9.66
20 Wages and Benefits	0.88	0.83	0.79	0.68	0.75
21 Other Operation & Maintenance Exp.	1.51	1.57	1.35	1.21	1.27
22 Depreciation & Amortization Expense	0.58	0.58	0.55	0.65	0.62
23 Income Taxes-Operating	0.69	0.68	0.59	0.61	0.47
24 Other Taxes-Operating	1.13	1.16	1.03	0.76	0.74
25 Capital Costs	1.39	1.56	1.53	1.33	1.23
26 Total	12.88	14.54	16.43	14.97	14.73

Notes:

* Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average MCF Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below

Purchased Gas and Other Supply Exp.	1,644,328	1,819,419	2,630,309	2,503,203	2,258,842
Liquidified Petro Gas			249	332	396
Other Gas Supply	337,012	527,205	760,325	685,339	679,701
Gas Storage	6,853	36,618	38,769	39,237	41,180
Transmission Expense	90,692	98,241	104,498	100,786	103,145
Total Purchased Gas	434,557	662,064	903,841	825,694	824,422
-Total PG related to Sales for Resale PG - Ultimate Customers	434,557	662,064	903,841	825,694	824,422
<u>Wages and Benefits</u>					
Salaries	201,716	173,809	172,183	174,075	173,798
Pensions and Benefits	75,918	77,249	89,674	58,403	61,493
Total Wages and Benefits	277,634	251,058	261,856	232,478	235,290
<u>Other Expenses</u>					
Total O&M Expenses	2,857,832	3,172,981	4,200,888	3,931,892	3,686,287
-Total Purchased Gas	2,079,095	2,451,971	3,495,059	3,293,503	3,049,105
-Wages and Benefits	275,921	251,882	262,676	233,214	236,934
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	502,816	469,128	443,152	405,175	400,248
<u>Depreciation and Amortization</u>					
Depreciation Exp	171,281	167,176	158,664	156,403	140,711
Amort & Depl of Utility Plant	5,319	6,397	5,319	6,640	9,523
Amort of Other Utility Plant	4,394	662	(2,789)	12,749	12,665
Amort of Property Losses					
Amort of Conversion Expenses		43	18,174	43,887	32,018
Total Depre and Amort	180,995	174,278	179,368	219,679	194,917
<u>Fuel and PP related to Sales for Resale</u>					
Total PG	2,079,095	2,451,971	3,495,059	3,293,503	3,049,105
divided by Total MCFs	313,157	298,893	327,990	336,895	315,722
Fuel Cost per MCF	6.639	8.204	10.656	9.776	9.658
times Sales for Resale MCFs	34,306.071	22,097.851	29,095.859	29,059.539	30,011.622
Sales for Resale PG	232,825.375	179,623.661	295,150.862	278,072.440	281,776.990
<u>Transportation Volumes</u>					
	96,564	85,576	78,940	86,169	73,336

Table 8 G

STRAIGHT GAS INDUSTRY
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)

	2010	2009	2008	2007	2006	
Intangible	\$160,416	\$155,283	\$150,269	\$141,712	\$138,631	1
Production						
Manufactured Gas	2,388	2,380	2,380	2,380	2,380	2
Natural Gas	19,105	18,703	18,672	18,094	20,384	3
Natural Gas Storage						
Underground Storage					48	4
Other Storage	185,077	182,598	181,307	174,933	123,571	5
Transmission	465,096	429,001	408,896	369,866	366,809	6
Distribution	6,683,623	6,387,486	6,125,279	5,790,361	5,582,073	7
General	293,438	278,689	278,321	284,045	262,609	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Stored Underground, Non-current	858	858	858	858	858	11
Total Plant In Service	7,810,001	7,454,997	7,165,983	6,782,249	6,497,363	12
Plant Leased To Others						13
Plant Held For Future Use	460	460	460	460	460	14
Construction Work In Progress	80,307	93,549	63,033	106,165	100,097	15
Aquisition Adjustments	1,260	1,260	1,260	1,260	1,260	16
Total Plant	7,892,028	7,550,266	7,230,737	6,890,135	6,599,180	17
Accum. Prov. - Depr. & Amort.	2,344,449	2,226,931	2,126,364	2,026,841	1,884,541	18
Total Net Plant	\$5,547,580	\$5,323,335	\$5,104,373	\$4,863,294	\$4,714,639	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.74	0.79	0.93	1.04	1.12	20
Total Capitalization (\$000s)	\$5,297,621	\$5,339,138	\$5,344,863	\$5,132,827	\$4,946,374	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	29.7%	29.4%	34.5%	34.0%	39.2%	22
Preferred Stock						23
Common Stock & Retained Earnings	58.3%	56.6%	54.3%	55.3%	53.6%	24
Short-Term Debt	12.1%	14.0%	11.2%	10.7%	7.2%	25
Pretax Coverage of Interest Expense	4.80	3.24	3.90	4.46	3.84	26
Com. Stock Dividends as a % of Earnings	69.4%	-17.3%	-28.0%	13.3%	28.6%	27
Return on Common Equity	12.8%	12.8%	13.8%	13.8%	12.9%	28
Internal Cash Generated as a % of Cash Outflows for Construction	264.6%	133.4%	52.3%	161.2%	51.5%	29
Earnings per Share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	30
Book Value per Share	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	31
Dividends per Share	\$0.00	(\$0.00)	(\$0.00)	\$0.00	\$0.00	32
Number of Employees	1,993	3,388	3,375	3,017	3,453	33

Data Field Below

Current Assets	1,310,785,900	1,580,005,825	1,860,502,786	2,470,633,536	1,620,356,111
Current Liabilities	1,780,990,143	2,004,243,034	1,990,963,998	2,379,202,336	1,441,788,451
Total Capitalization	5,297,621,463	5,339,137,711	5,344,863,445	5,132,826,564	4,946,374,235
Long-Term Debt	1,571,526,510	1,567,070,338	1,845,445,314	1,744,735,459	1,939,619,851
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	3,087,252,509	3,023,130,452	2,902,490,676	2,839,087,104	2,649,939,478
Short-Term Debt	638,842,445	748,936,921	596,927,455	549,004,001	356,814,906
Pretax Income	686,509,211	678,773,198	686,408,228	663,370,796	541,663,205
Interest Expense	143,052,637	209,373,415	176,011,415	148,611,338	140,889,467
Dividends Paid	270,702,554	(65,785,001)	(110,663,750)	50,165,750	95,114,000
Net Income (Excl. Preferred Stock Dividends)	390,140,229	380,526,649	395,503,322	377,398,816	332,848,937
Internal Cash	1,058,068,789	522,673,338	219,695,283	526,689,829	163,423,626
Cash Outflows for Construction	399,944,583	391,925,831	420,233,771	326,805,308	317,470,248
Shares Outstanding (Millions)*** Check (SOME COMPANIES IN HOLD AMTS VS. .004)	437,201.1486	437,201.0129	437,200.8209	435,200.8116	435,200.5089
Misc Deferred Debits	1,737,912,117	1,615,130,613	1,205,812,650	1,050,020,102	818,608,222
Number of Employees	1,993	3,388	3,375	3,017	3,453

**THE BROOKLYN UNION GAS COMPANY
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
UTILITY PLANT					
1 Total Utility Plant	\$3,411,207,477	\$3,247,951,416	\$3,104,257,003	\$2,949,883,926	\$2,809,549,036
2 Less Acc. Prov. For Depreciation & Amortization	1,121,726,881	1,066,862,230	1,025,243,063	985,108,913	920,414,979
3 Net Total Utility Plant	2,289,480,596	2,181,089,185	2,079,013,940	1,964,775,012	1,889,134,057
OTHER PROPERTY AND INVESTMENTS					
4 Nonutility Property					
5 Less Acc. Prov. For Depreciation & Amortization					
6 Investment in Associated Companies					
7 Investment in Subsidiary Companies	82,176,402	71,530,907	60,883,832	52,670,953	48,185,948
8 Other Investments	110,347	110,347	110,347	110,347	110,347
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds					
12 Total Other Property and Investments	82,286,749	71,641,254	60,994,179	52,781,300	48,296,295
CURRENT AND ACCRUED ASSETS					
13 Cash	1,672,246	2,731,111	6,903,493	2,753,926	7,783,746
14 Special Deposits	2,200,000		1,801,321		2,813
15 Working Funds					189,948
16 Temporary Cash Investments	1,333		127,541	13,607,181	
17 Notes Receivable					
18 Accounts Receivable	263,257,478	256,874,032	287,851,979	203,299,130	157,459,579
19 Less Accum. Prov. For Uncollectible Accounts	(48,177,979)	(55,675,990)	(36,970,923)	(19,389,181)	(17,573,587)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies	4,680,064	5,869,927	4,396,453	422,693,265	19,332,650
22 Materials and Supplies	10,800,848	9,871,278	10,442,406	8,845,351	8,821,255
23 Gas Stored Underground - Current	119,523,680	235,207,204	413,954,295	317,648,128	366,619,206
24 Liquefied Natural Gas in Storage	7,758,944	8,531,468	11,378,445	8,785,868	9,549,454
25 Prepayments	92,716,882	97,841,789	78,470,870	68,465,755	61,129,472
26 Interest and Dividends Receivable					
27 Rents Receivable	2,612,959	8,422,943	6,002,441	3,974,298	5,628,834
28 Accrued Utility Revenue	194,941,276	183,189,184	185,641,970	231,854,468	175,634,320
29 Misc. Current and Accrued Assets	2,524,301	9,740,688	104,720	619,091	1,441,205
30 Total Current and Accrued Assets	654,512,032	762,603,635	970,105,011	1,263,157,277	796,018,895
DEFERRED DEBITS					
31 Unamort. Debt Expense	14,290,847	16,101,669	17,912,491	19,723,313	21,532,376
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges					
34 Clearing Accounts					
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	1,041,982,804	1,032,586,258	843,136,820	749,256,825	459,445,637
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development	224,749	1,356			
39 Accumulated Deferred Income Taxes	312,665,388	244,019,342	(9,552,049)	152,360,438	123,615,227
40 Total Deferred Debits	1,369,163,788	1,292,708,625	851,497,262	921,340,576	604,593,240
41 Total Assets and Other Debits	\$4,395,443,165	\$4,308,042,699	\$3,961,610,392	\$4,202,054,165	\$3,338,042,487

**THE BROOKLYN UNION GAS COMPANY
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
PROPRIETARY CAPITAL						
Common Stock Issued	\$1	\$1	\$1	\$1	\$1	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	472,627,082	472,627,082	472,627,082	472,627,082	472,627,082	5
Other Paid-in Capital	(134,903,461)	(134,903,461)	(134,903,461)	(91,849,478)		6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	843,765,845	820,183,108	811,140,141	808,645,472	645,597,853	9
Unapp. Undistributed Subsidiary Earnings	63,959,778	64,511,908	60,336,347	63,035,976	59,812,050	10
Required Capital Stock					(59,801,996)	11
Accumulated Other Comprehensive Income	(276,510)	(394,160)	38,740	25,090		
Total Proprietary Capital	1,245,172,735	1,222,024,478	1,209,238,850	1,252,484,142	1,118,234,990	12
LONG-TERM DEBT						
Bonds	1,039,183,459	1,039,113,392	1,039,043,325	1,038,973,257	1,038,903,190	13
Required Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt						16
Unamortized Premium on LT Debt						17
Unamortized Discount on LT Debt-Debit						18
Total Long-Term Debt	1,039,183,459	1,039,113,392	1,039,043,325	1,038,973,257	1,038,903,190	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable						20
Accounts Payable	59,043,954	97,792,303	98,476,605	70,543,125	123,907,538	21
Notes Payable to Associated Companies	100,783,918	160,145,237	129,631,529	(10,203,260)	19,390,573	22
Accounts Payable to Associated Companies	342,759,296	334,488,969	354,064,475	741,737,092	307,820,877	23
Customer Deposits	40,671,190	37,328,809	32,579,901	29,033,002	22,670,130	24
Taxes Accrued	14,962,266	35,167,873	15,140,376	4,230,772	6,610,943	25
Interest Accrued	19,119,954	31,674,101	33,118,274	9,106,520	10,745,641	26
Dividends Declared						27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	(780,138)	(733,807)	1,256,651	1,442,474	(1,035,204)	30
Misc. Current and Accrued Liabilities	41,157,431	43,678,115	86,082,597	21,312,871	6,822,844	31
Total Current and Accrued Liabilities	617,717,871	739,541,599	750,350,408	867,202,597	496,933,340	32
DEFERRED CREDITS						
Customer Advances for Construction						33
Other Deferred Credits	232,773,828	237,668,712	197,349,091	202,720,128	98,486,286	34
Accumulated Deferred Inv. Tax Credits	6,773,829	7,684,374	9,278,624	9,582,203	10,492,940	35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	884,917,820	690,112,091	376,098,404	444,103,728	399,571,965	37
Total Deferred Credits	1,124,465,477	935,465,177	582,726,119	656,406,058	508,551,191	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	4,216,513	954,695				40
Pension and Benefits Reserve				(144,893)		41
Miscellaneous Operating Reserves	364,687,110	370,943,359	380,251,690	387,133,004	175,419,775	42
Total Operating Reserves	368,903,623	371,898,054	380,251,690	386,988,111	175,419,775	43
Total Liabilities and Other Credits	\$4,395,443,165	\$4,308,042,699	\$3,961,610,392	\$4,202,054,165	\$3,338,042,487	44

THE BROOKLYN UNION GAS COMPANY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
GAS OPERATING INCOME					
1 Operating Revenues	\$1,942,392,800	\$1,942,076,919	\$2,552,097,710	\$2,368,618,486	\$2,116,022,579
Operating Expense:					
2 Operation Expense	1,320,114,257	1,344,381,230	1,943,249,188	1,767,522,575	1,598,721,505
3 Maintenance Expense	53,915,516	59,710,004	60,311,948	61,577,601	60,594,685
4 Depreciation Expense	76,823,477	75,075,494	72,076,677	69,817,375	56,103,005
5 Amort. and Depletion of Utility Plant	5,305,326	6,382,932	5,304,931	6,626,162	9,508,676
6 Amort. of Utility Plant Acq. Adj.	2,924,359	(1,587,087)	(5,506,075)	9,895,992	9,895,992
7 Amort. of Property Losses					
8 Amort. of Conversion Expenses					
9 Other Expenses					
10 Taxes Other than Income Taxes	188,055,626	180,902,420	184,994,725	136,284,887	116,458,916
11 Income Taxes	96,946,780	95,638,978	92,072,866	108,501,604	75,614,537
12 Gains from Disposition of Util. Plant				22,135	
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	1,744,085,341	1,760,503,970	2,352,504,260	2,160,204,062	1,926,897,316
15 Net Operating Revenues	198,307,459	181,572,949	199,593,450	208,414,425	189,125,263
16 Other Utility Operating Income					
17 Total Gas Utility Operating Income	198,307,459	181,572,949	199,593,450	208,414,425	189,125,263
18 Other Utility Operating Income					
19 Total Utility Operating Income	\$198,307,459	\$181,572,949	\$199,593,450	\$208,414,425	\$189,125,263

THE BROOKLYN UNION GAS COMPANY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
OTHER INCOME						
Income - Merch. Jobbing & Contract Work					\$15,000	1
Income from Nonutility Operations	(1,442)	(\$715)	(\$3,689)	(\$21,619)	165,960	2
Nonoperating Rental Income						3
Equity in Earnings of Subsidiary Companies	10,527,845	11,079,975	6,904,414	9,604,043	6,380,118	4
Interest and Dividend Income	22,748,216	18,627,677	12,068,236	10,602,409	411,317	5
Allowance for Funds Used During Construction	1,442,131	1,585,217	1,870,716	2,346,780	1,506,745	6
Miscellaneous Nonoperating Income						7
Gain on Disposition of Property						8
Total Other Income	34,716,750	31,292,155	20,839,677	22,531,613	8,479,140	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	1,857,406	(603,767)	284,272	522,734	806,266	12
Total Other Income Deductions	1,857,406	(603,767)	284,272	522,734	806,266	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes		88	189	375	712	14
Income Taxes	(910,740)	(1,594,055)	(303,579)	(910,737)	(910,737)	15
Total Taxes-Other Inc. & Deductions	(910,740)	(1,593,967)	(303,390)	(910,362)	(910,025)	16
Net Other Income and Deductions	33,770,084	33,489,889	20,858,795	22,919,241	8,552,898	17
INTEREST CHARGES						
Interest on Long-term Debt	49,716,871	51,468,997	56,967,729	55,381,872	33,609,738	18
Amortization of Debt Discount and Expense	1,810,822	1,810,822	1,810,822	1,840,757	1,668,833	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company	7,323,858	7,057,684	3,906,224	2,781,166	22,623,302	21
Other Interest Expense	195,385	16,506,807	6,820,371	1,134,058	1,339,239	22
Total Interest Charges	59,046,936	76,844,310	69,505,146	61,137,853	59,241,112	23
Income Before Extraordinary Items	173,030,607	138,218,529	150,947,099	170,195,813	138,437,049	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$173,030,607	\$138,218,529	\$150,947,099	\$170,195,813	\$138,437,049	29
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RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$820,183,108	\$811,140,141	\$808,645,472	\$645,597,854	\$514,685,122	30
Balance Transferred from Income	162,502,762	127,138,553	144,042,685	160,547,500	132,056,932	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock	150,000,000	125,000,000	150,000,000	3,880,000	7,954,000	34
Adjustments to Retained Earnings	11,079,975	6,904,414	8,451,984	6,380,118	6,809,800	35
Net Change	23,582,737	9,042,967	2,494,669	163,047,618	130,912,732	36
Unappropriated Retained Earnings (EOP)	843,765,845	820,183,108	811,140,141	808,645,472	645,597,854	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	\$843,765,845	\$820,183,108	\$811,140,141	\$808,645,472	\$645,597,854	39

THE BROOKLYN UNION GAS COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
Cash Flows From Operating Activities					
1 Net Income	\$173,030,607	\$138,218,529	\$150,947,099	\$170,151,543	\$138,437,049
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	86,934,051	143,704,381	178,675,737	94,039,154	76,098,903
3 Deferred Taxes & ITCs	128,886,825	28,557,444	(86,580,992)	(44,185,015)	100,665,196
4 Receivables and Inventory	107,455,005	201,508,390	(61,652,715)	(6,034,016)	(90,124,543)
5 Payables and Accrued Expenses	(41,269,033)	(180,843,620)	(114,013,761)	(301,110,293)	(118,474,088)
6 Regulatory Assets (Net)	(28,197,954)	40,878,913	5,622,887	85,917,459	(25,323,758)
7 Capitalized AFUDC - Equity	(1,442,131)	(1,585,217)	(1,870,716)	(2,346,780)	(1,506,745)
8 Undistributed Earnings of Affiliates	(10,527,845)				
9 Other Adjustments	(44,558,177)	18,705,067	17,581,741	1,815,595	(7,826,997)
10	29,531,509	(10,192,905)	30,536,009	256,589,783	(45,867,893)
11	(12,034,545)	(84,871,539)	84,895,856	189,948	
12 Net Cash From Operating Activities	<u>387,808,312</u>	<u>294,079,443</u>	<u>204,141,144</u>	<u>255,027,378</u>	<u>26,077,124</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(188,964,711)	(181,258,877)	(201,435,288)	(155,768,467)	(163,221,456)
14 Acquisition Of Other Non-Current Assets					
15 Investments in & Advances to Affiliates					
16 Contributions & Advances from Affiliates				404,322,382	(267,001,471)
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies				(403,360,615)	4,226,305
19 Investment Securities					
20 Other Current Assets & Liabilities		(1,585,217)	(1,870,716)	(2,346,780)	
21 Other Cash Flows - Investing Activities					
22					
23					
24 Net Cash From Investing Activities	<u>(188,964,711)</u>	<u>(182,844,094)</u>	<u>(203,306,004)</u>	<u>(157,153,480)</u>	<u>(425,996,622)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	(49,901,133)	9,464,729	139,834,789	(85,416,539)	394,567,190
26 Common Stock					
27 Preferred Stock					
28 Short-Term Debt					
29 Dividends Paid	(150,000,000)	(125,000,000)	(150,000,000)	(3,880,000)	(7,954,000)
30 Other Cash Flows - Financing Activities					
31					
32					
33 Net Cash From Financing Activities	<u>(199,901,133)</u>	<u>(115,535,271)</u>	<u>(10,165,211)</u>	<u>(89,296,539)</u>	<u>386,613,190</u>
34 Net Increase/(Decrease) In Cash Equivalents	(1,057,532)	(4,299,923)	(9,330,071)	8,577,359	(13,306,308)
35 Cash & Cash Equivalents Beginning Of Year	2,731,112	7,031,034	16,361,105	7,783,746	21,090,054
36 Cash & Cash Equivalents End Of Year	\$1,673,580	\$2,731,112	\$7,031,034	\$16,361,105	\$7,783,746

THE BROOKLYN UNION GAS COMPANY
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
SALES AND CUSTOMER DATA						
REVENUES						
Residential	\$1,091,968,117	\$1,207,948,993	\$1,499,466,327	\$1,440,622,857	\$1,220,972,979	1
Commercial	123,260,339	156,702,572	247,911,069	235,050,669	210,112,393	2
Industrial	26,281,780	26,234,593	47,886,057	45,092,683	31,717,438	3
Other Ultimate Customers	86,845,526	89,354,875	172,760,631	130,028,587	153,102,196	4
Total Revenues-Ultimate Customer	1,328,355,762	1,480,241,033	1,968,024,084	1,850,794,796	1,615,905,006	5
Sales for Resale	318,290,623	225,770,809	414,201,549	377,410,107	385,775,298	6
Total Revenues from Gas Sales	1,646,646,385	1,706,011,842	2,382,225,633	2,228,204,903	2,001,680,304	7
Transportation Sales	267,374,379	207,906,642	147,822,285	121,921,224	98,601,301	8
Other Gas Operating Revenues	28,372,036	26,508,435	24,524,792	21,517,359	19,040,973	9
Total Gas Operating Revenues	\$1,942,392,800	\$1,940,426,919	\$2,554,572,710	\$2,371,643,486	\$2,119,322,579	10
SALES (MCF)						
Residential	77,779,142	82,225,136	85,320,542	87,564,922	74,679,943	11
Commercial	10,617,964	13,324,910	16,331,826	17,213,903	15,245,117	12
Industrial	2,739,752	2,461,136	3,227,815	3,411,806	2,764,405	13
Other Ultimate Customers	8,683,167	8,343,175	12,290,342	10,112,299	12,149,187	14
Total Sales-Ultimate Customer	99,820,025	106,354,356	117,170,525	118,302,931	104,838,652	15
Sales for Resale	49,466,991	28,117,171	37,589,672	40,511,002	45,424,145	16
Transportation Sales	84,940,908	75,152,032	66,802,558	71,784,016	60,540,883	17
Other Gas Sales						18
Total Sales	234,227,924	209,623,559	221,562,755	230,597,948	210,803,680	19
AVG NUMBER OF CUSTOMERS						
Residential	963,936	976,620	1,020,895	1,050,878	1,064,525	20
Commercial	31,046	31,852	32,756	32,901	34,099	21
Industrial	2,623	3,087	3,621	3,658	3,292	22
Other Customers	3,825	2,930	2,817	2,566	2,911	23
Total Ultimate Customers	1,001,430	1,014,489	1,060,089	1,090,003	1,104,827	24
Resales	20	21			11	25
Total Customers	1,001,450	1,014,510	1,060,089	1,090,003	1,104,838	26
OPERATING REVENUES RELATIONSHIP						
RESIDENTIAL SALES						
Average Annual Bill Per Customer	\$1,133	\$1,237	\$1,469	\$1,371	\$1,147	27
Average MCF Consumption Per Customer	80.7	84.2	83.6	83.3	70.2	28
Average Revenue Per MCF Sold	\$14.04	\$14.69	\$17.57	\$16.45	\$16.35	29
COMMERCIAL SALES						
Average Annual Bill Per Customer	\$3,970	\$4,920	\$7,568	\$7,144	\$6,162	30
Average MCF Consumption Per Customer	342.0	418.3	498.6	523.2	447.1	31
Average Revenue Per MCF Sold	\$11.61	\$11.76	\$15.18	\$13.65	\$13.78	32
INDUSTRIAL SALES						
Average Annual Bill Per Customer	\$10,020	\$8,498	\$13,225	\$12,327	\$9,635	33
Average MCF Consumption Per Customer	1,044.5	797.3	891.4	932.7	839.7	34
Average Revenue Per MCF Sold	\$9.59	\$10.66	\$14.84	\$13.22	\$11.47	35
OPERATION AND MAINTENANCE EXPENSES						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	\$1,025,829,631	\$1,049,573,528	\$1,668,211,351	\$1,535,808,360	\$1,358,424,771	39
Other	974,795	2,280,491	(2,120,919)	(414,929)	(10,578)	40
Total Production Expense	1,026,804,426	1,051,854,019	1,666,090,432	1,535,393,431	1,358,414,193	41
Natural Gas Storage Expense	4,513,630	4,344,018	3,649,843	3,323,844	3,311,143	42
Transmission Expense	4,224,314	5,922,408	6,673,734	6,378,534	6,461,269	43
Distribution Expense	88,429,026	91,757,039	92,217,071	90,608,841	86,220,627	44
Customer Account Expense	75,669,558	98,859,602	88,762,932	75,721,640	70,479,042	45
Sales Expense	7,725,005	8,628,956	13,542,092	8,895,620	10,760,078	46
Administrative and General	166,663,814	142,725,192	132,625,032	108,778,266	123,669,838	47
Total O & M Expense	\$1,374,029,773	\$1,404,091,234	\$2,003,561,136	\$1,829,100,176	\$1,659,316,190	48

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average MCF Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

	2010	2009	2008	2007	2006
1	\$1,942,392,800	\$1,940,426,919	\$2,554,572,710	\$2,371,643,486	\$2,119,322,579
2 Sales of Gas (MCF) *	149,287,016	134,471,527	154,760,196	158,813,933	150,262,797
DOLLAR AMOUNTS					
3 Purchased Gas & Other Supply Exp.	\$1,035,542,370	\$1,062,120,445	\$1,676,414,009	\$1,545,455,809	\$1,368,186,605
4 Wages and Benefits	107,303,140	112,439,182	115,798,128	98,426,804	108,118,903
5 Other Operation & Maintenance Exp.	231,184,263	229,531,607	211,348,999	185,217,563	183,010,683
6 Depreciation & Amortization Expense	85,053,162	79,871,339	71,875,533	86,339,530	75,507,673
7 Income Taxes-Operating	96,946,780	95,638,978	92,072,866	108,501,604	75,614,537
8 Other Taxes-Operating	188,055,626	180,902,420	184,994,725	136,284,887	116,458,916
9 Capital Costs	198,307,459	179,922,949	202,068,450	211,417,289	192,425,263
10 Total	\$1,942,392,800	\$1,940,426,919	\$2,554,572,710	\$2,371,643,486	\$2,119,322,579
PERCENT OF REVENUES					
11 Purchased Gas & Other Supply Exp.	53.3	54.7	65.6	65.2	64.6
12 Wages and Benefits	5.5	5.8	4.5	4.2	5.1
13 Other Operation & Maintenance Exp.	11.9	11.8	8.3	7.8	8.6
14 Depreciation & Amortization Expense	4.4	4.1	2.8	3.6	3.6
15 Income Taxes-Operating	5.0	4.9	3.6	4.6	3.6
16 Other Taxes-Operating	9.7	9.3	7.2	5.7	5.5
17 Capital Costs	10.2	9.3	7.9	8.9	9.1
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER MCF					
19 Purchased Gas & Other Supply Exp.	6.94	7.90	10.83	9.73	9.11
20 Wages and Benefits	0.72	0.84	0.75	0.62	0.72
21 Other Operation & Maintenance Exp.	1.55	1.71	1.37	1.17	1.22
22 Depreciation & Amortization Expense	0.57	0.59	0.46	0.54	0.50
23 Income Taxes-Operating	0.65	0.71	0.59	0.68	0.50
24 Other Taxes-Operating	1.26	1.35	1.20	0.86	0.78
25 Capital Costs	1.33	1.34	1.31	1.33	1.28
26 Total	13.01	14.43	16.51	14.93	14.10

Notes:

* Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average MCF Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below

Purchased Gas and Other Supply Exp.	1,026,804,426	1,051,854,019	1,666,090,432	1,535,393,431	1,358,414,193
Liquidified Petro Gas					
Other Gas Supply					
Gas Storage	4,513,630	4,344,018	3,649,843	3,323,844	3,311,143
Transmission Expense	4,224,314	5,922,408	6,673,734	6,738,534	6,461,269
Total Purchased Gas	1,035,542,370	1,062,120,445	1,676,414,009	1,545,455,809	1,368,186,605
-Total PG related to Sales for Resale PG - Ultimate Customers	1,035,542,370	1,062,120,445	1,676,414,009	1,545,455,809	1,368,186,605

Wages and Benefits

Salaries	84,110,922	89,589,319	85,766,175	89,589,319	89,589,319
Pensions and Benefits	23,192,218	22,849,863	30,031,953	8,837,485	18,529,584
Total Wages and Benefits	107,303,140	112,439,182	115,798,128	98,426,804	108,118,903

Other Expenses

Total O&M Expenses	1,374,029,773	1,404,091,234	2,003,561,136	1,829,100,176	1,659,316,190
-Total Purchased Gas	1,035,542,370	1,062,120,445	1,676,414,009	1,545,455,809	1,368,186,605
-Wages and Benefits	107,303,140	112,439,182	115,798,128	98,426,804	108,118,903
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	231,184,263	229,531,607	211,348,999	185,217,563	183,010,683

Depreciation and Amortization

Depreciation Exp	76,823,477	75,075,494	72,076,677	69,817,375	56,103,005
Amort & Depl of Utility Plant	5,305,326	6,382,932	5,304,931	6,626,162	9,508,676
Amort of Other Utility Plant	2,924,359	(1,587,087)	(5,506,075)	9,895,992	9,895,992
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	85,053,162	79,871,339	71,875,533	86,339,530	75,507,673

Fuel and PP related to Sales for Resale

Total PG	1,035,542,370	1,062,120,445	1,676,414,009	1,545,455,809	1,368,186,605
divided by Total MCFs	149,287,016	134,471,527	154,760,196	158,813,933	150,262,797
Fuel Cost per MCF	7	8	11	10	9
times Sales for Resale MCFs					
Sales for Resale PG					

Transportation Volumes

	84,940,908	75,152,032	66,802,558	71,784,016	60,540,883
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THE BROOKLYN UNION GAS COMPANY
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
Intangible	\$124,405,565	\$123,252,597	\$119,793,993	\$112,674,697	\$110,873,564	1
Production						
Manufactured Gas						2
Natural Gas						3
Natural Gas Storage						
Underground Storage					47,970	4
Other Storage	\$136,263,814	136,024,813	134,753,874	129,499,350	82,105,475	5
Transmission	\$117,575,332	102,854,230	91,224,614	91,269,374	91,279,906	6
Distribution	\$2,849,687,960	2,702,144,922	2,588,366,159	2,416,774,106	2,314,850,021	7
General	\$134,149,865	128,026,229	133,394,349	145,116,177	149,144,051	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Underground, Non-current	\$857,650	857,650	857,650	857,650	857,650	11
Total Plant In Service	3,362,940,186	3,193,160,441	3,068,390,639	2,896,191,354	2,749,158,637	12
Plant Leased To Others						13
Plant Held For Future Use	366,554	366,554	366,554	366,554	366,554	14
Construction Work In Progress	47,900,737	54,424,421	35,499,810	53,326,018	60,023,845	15
Acquisition Adjustments						16
Total Plant	3,411,207,477	3,247,951,415	3,104,257,003	2,949,883,926	2,809,549,036	17
Accum. Prov. - Depr. & Amort.	1,121,726,881	1,066,862,230	1,025,243,063	985,108,913	920,414,979	18
Total Net Plant	\$2,289,480,596	\$2,181,089,185	\$2,079,013,940	\$1,964,775,013	\$1,889,134,057	19
Current Assets / Current Liabilities	1.06	1.03	1.29	1.46	1.60	20
Total Capitalization	\$2,385,416,622	\$2,421,283,106	\$2,377,913,704	\$2,281,254,139	\$2,176,528,753	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	43.6%	42.9%	43.7%	45.5%	47.7%	22
Preferred Stock						23
Common Stock & Retained Earnings	52.2%	50.5%	50.9%	54.9%	51.4%	24
Short-Term Debt	4.2%	6.6%	5.5%	-0.4%	0.9%	25
Pretax Coverage of Interest Expense	5.56	3.61	4.49	5.54	4.60	26
Com. Stock Dividends as a % of Earnings	75.6%	-68.8%	-75.2%	-1.9%	-4.2%	27
Return on Common Equity	16.1%	14.9%	16.2%	17.6%	17.0%	28
Internal Cash Generated as a % of Cash Outflows for Construction	228.8%	140.6%	85.8%	162.7%	16.9%	29
Earnings per Share	\$1.98	\$1.82	\$2.00	\$2.08	\$1.89	30
Book Value per Share	\$12.45	\$12.22	\$12.09	\$12.52	\$11.18	31
Dividends per Share	\$1.50	(\$1.25)	(\$1.50)	(\$0.04)	(\$0.08)	32
Number of Employees	1,326	1,318	1,314	1,266	1,284	33

Data Field Below

Current Assets	654,512,032	762,603,635	970,105,011	1,263,157,277	796,018,895
Current Liabilities	617,717,871	739,541,599	750,350,408	867,202,597	496,933,340
Total Capitalization	2,385,416,622	2,421,283,106	2,377,913,704	2,281,254,139	2,176,528,753
Long-Term Debt	1,039,183,459	1,039,113,392	1,039,043,325	1,038,973,257	1,038,903,190
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,245,449,245	1,222,024,478	1,209,238,850	1,252,484,142	1,118,234,990
Short-Term Debt	100,783,918	160,145,237	129,631,529	(10,203,260)	19,390,573
Pretax Income	328,113,583	277,211,927	312,221,532	338,924,533	272,411,961
Interest Expense	59,046,936	76,844,310	69,505,146	61,137,853	59,241,112
Common Dividends Paid	150,000,000	(125,000,000)	(150,000,000)	(3,880,000)	(7,954,000)
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	198,307,459	181,572,949	199,593,450	208,370,154	189,125,022
Internal Cash	432,366,489	254,867,990	172,760,044	257,184,210	27,583,869
Cash Outflows for Construction	188,964,711	181,258,877	201,435,288	158,115,247	163,221,456
Shares Outstanding (Millions) Sch250251	100	100	100	100	100
Misc Deferred Debits	809,208,976	794,917,546	645,787,729	546,536,697	360,959,351
Number of Employees	1,326	1,318	1,314	1,257	1,284
Pre-Tax Income					
Total Utility Operating Income	198,307,459	181,572,949	199,593,450	208,414,425	189,125,263
+Income Taxes - Electric					
+Income Taxes - Gas	96,946,780	95,638,978	92,072,866	108,501,604	75,614,537
+Other Income	34,716,750	31,292,155	20,839,677	22,531,613	8,479,140
- Other Income Deductions	1,857,406	(603,767)	284,272	522,734	806,266
- Other Taxes		88	189	375	712
Pre-Tax Income	328,113,583	309,107,761	312,221,532	338,924,533	272,411,961

**CORNING NATURAL GAS CORPORATION
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
UTILITY PLANT					
1 Total Utility Plant	\$44,783,483	\$39,724,571	\$35,549,590	\$31,153,051	\$28,755,768
2 Less Acc. Prov. For Depreciation & Amortization	13,293,584	12,653,138	12,121,401	11,524,350	10,946,400
3 Net Total Utility Plant	31,489,899	27,071,433	23,428,189	19,628,701	17,809,368
OTHER PROPERTY AND INVESTMENTS					
4 Nonutility Property					
5 Less Acc. Prov. For Depreciation & Amortization					
6 Investment in Associated Companies	1,823,569	1,823,569	1,823,569	1,823,569	1,749,377
7 Investment in Subsidiary Companies					
8 Other Investments					
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds	2,501,421	2,370,227	2,118,350	1,918,934	2,917,604
12 Total Other Property and Investments	4,324,990	4,193,796	3,941,919	3,742,503	4,666,981
CURRENT AND ACCRUED ASSETS					
13 Cash	190,497	100,835		189,326	563,887
14 Special Deposits					
15 Working Funds	1,250	1,250	8,250	8,250	8,250
16 Temporary Cash Investments					
17 Notes Receivable					
18 Accounts Receivable	1,834,787	1,317,328	1,446,018	1,524,692	1,764,251
19 Less Accum. Prov. For Uncollectible Accounts	(35,584)	(45,457)	(71,459)	(21,877)	(34,837)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies					
22 Materials and Supplies	738,234	650,488	522,456	424,026	330,027
23 Gas Stored Underground - Current	1,938,923	1,519,402	4,058,416	3,048,826	1,152,294
24 Liquefied Natural Gas in Storage					
25 Prepayments	346,289	1,102,414	507,678	500,959	568,774
26 Interest and Dividends Receivable					
27 Rents Receivable					
28 Accrued Utility Revenue					
29 Misc. Current and Accrued Assets					
30 Total Current and Accrued Assets	5,014,396	4,646,260	6,471,359	5,674,202	4,352,646
DEFERRED DEBITS					
31 Unamort. Debt Expense	304,932	266,723	287,837	206,135	230,141
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges					
34 Clearing Accounts					
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	3,424,558	4,529,448	3,964,497	5,085,190	5,565,531
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development					
39 Accumulated Deferred Income Taxes					
40 Total Deferred Debits	3,729,490	4,796,171	4,252,334	5,291,325	5,795,672
41 Total Assets and Other Debits	\$44,558,775	\$40,707,660	\$38,093,801	\$34,336,731	\$32,624,667

CORNING NATURAL GAS CORPORATION
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
PROPRIETARY CAPITAL						
Common Stock Issued	\$5,743,140	\$5,064,585	\$4,104,500	\$4,047,750	\$2,534,590	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	8,158,076	6,386,839	4,302,301	4,157,754	959,512	5
Other Paid-in Capital						6
Installments Received on Capital Stock						7
Capital Stock Expense	(133,640)	(33,144)	(16,149)	(11,651)	(16,481)	8
Retained Earnings	(1,382,961)	(2,915,021)	(1,697,169)	(3,701,734)	(3,455,656)	9
Unapp. Undistributed Subsidiary Earnings	2,788,273	2,788,273	2,788,273	2,788,273	2,714,081	10
Reaquired Capital Stock						11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	15,172,888	11,291,532	9,481,756	7,280,392	2,736,046	12
LONG-TERM DEBT						
Bonds	11,159,198	9,060,654	9,587,454	8,780,545	9,045,000	13
Reaquired Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	183,853	396,292	814,535	981,657	1,361,661	16
Unamortized Premium on LT Debt						17
Unamortized Discount on LT Debt-Debit						18
Total Long-Term Debt	11,343,051	9,456,946	10,401,989	9,762,202	10,406,661	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable	5,898,635	7,739,760	7,709,407	7,075,321	8,121,460	20
Accounts Payable	2,031,113	1,973,696	2,635,035	2,567,733	3,589,965	21
Notes Payable to Associated Companies						22
Accounts Payable to Associated Companies						23
Customer Deposits	234,732	231,801	236,295	230,345	237,087	24
Taxes Accrued	(2,239,866)	(2,902,250)	(1,058,296)	(1,557,371)	(1,214,686)	25
Interest Accrued	1,830	111	8,313	195,803	139,206	26
Dividends Declared						27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	24,272	23,964	29,375	22,134	72,034	30
Misc. Current and Accrued Liabilities	8,827,434	9,194,864	5,557,022	4,797,619	4,427,026	31
Total Current and Accrued Liabilities	14,778,150	16,261,946	15,117,151	13,331,584	15,372,092	32
DEFERRED CREDITS						
Customer Advances for Construction			78,360	78,360	78,360	33
Other Deferred Credits	1,117,548	1,820,949	1,794,569	1,454,239	1,892,226	34
Accumulated Deferred Inv. Tax Credits						35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	2,147,138	1,876,287	1,219,976	2,429,954	2,139,282	37
Total Deferred Credits	3,264,686	3,697,236	3,092,905	3,962,553	4,109,868	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve						40
Pension and Benefits Reserve						41
Miscellaneous Operating Reserves						42
Total Operating Reserves						43
Total Liabilities and Other Credits	\$44,558,775	\$40,707,660	\$38,093,801	\$34,336,731	\$32,624,667	44

CORNING NATURAL GAS CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
GAS OPERATING INCOME					
1 Operating Revenues	\$22,179,922	\$22,566,374	\$26,033,130	\$23,925,687	\$25,649,592
Operating Expense:					
2 Operation Expense	16,251,204	17,540,442	21,933,826	21,022,373	23,563,699
3 Maintenance Expense	335,759	366,090	318,740	454,160	356,833
4 Depreciation Expense	824,232	736,707	702,290	643,849	559,340
5 Amort. and Depletion of Utility Plant					
6 Amort. of Utility Plant Acq. Adj.					
7 Amort. of Property Losses					
8 Amort. of Conversion Expenses					
9 Other Expenses					
10 Taxes Other than Income Taxes	1,725,359	1,549,870	1,539,929	1,448,603	1,855,619
11 Income Taxes	786,059	515,516	(208,577)	(33,378)	(1,547,591)
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	19,922,613	20,708,625	24,286,208	23,535,607	24,787,900
15 Net Operating Revenues	2,257,309	1,857,749	1,746,922	390,080	861,692
16 Other Utility Operating Income					
17 Total Gas Utility Operating Income	2,257,309	1,857,749	1,746,922	390,080	861,692
18 Other Utility Operating Income					
19 Total Utility Operating Income	\$2,257,309	\$1,857,749	\$1,746,922	\$390,080	\$861,692

CORNING NATURAL GAS CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
OTHER INCOME						
Income - Merch. Jobbing & Contract Work						1
Income from Nonutility Operations						2
Nonoperating Rental Income						3
Equity in Earnings of Subsidiary Companies				\$74,192	(\$616,130)	4
Interest and Dividend Income	\$248,147	\$102,316	\$358,917	639,938	153,424	5
Allowance for Funds Used During Construction						6
Miscellaneous Nonoperating Income	54,585	157,688	352,006	35,456	(559,566)	7
Gain on Disposition of Property						8
Total Other Income	302,732	260,004	710,923	749,586	(1,022,272)	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization	21,040	10,576	7,924	(146,813)	160,214	11
Miscellaneous Income Deductions	117,430	92,987	73,026	72,860	1,620,062	12
Total Other Income Deductions	138,470	103,563	80,950	(73,953)	1,780,276	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes						14
Income Taxes						15
Total Taxes-Other Inc. & Deductions						16
Net Other Income and Deductions	164,262	156,441	629,973	823,539	(2,802,548)	17
INTEREST CHARGES						
Interest on Long-term Debt	689,625	664,255	571,563	746,816	777,319	18
Amortization of Debt Discount and Expense	38,304	28,613	25,798	24,006	24,006	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company						21
Other Interest Expense	195,777	243,242	887,187	76,161	722,825	22
Total Interest Charges	923,706	936,110	1,484,548	846,983	1,524,150	23
Income Before Extraordinary Items	1,497,865	1,078,080	892,347	366,636	(3,465,006)	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$1,497,865	\$1,078,080	\$892,347	\$366,636	(\$3,465,006)	29
<hr/>						
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	(\$2,915,021)	(\$1,697,169)	(\$3,701,734)	(\$3,455,656)	(\$1,914,035)	30
Balance Transferred from Income	1,497,865	1,078,080	892,347	292,444	(2,848,876)	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock	671,304	444,999				34
Adjustments to Retained Earnings	705,499	(1,850,933)	1,112,218	(538,522)	1,307,255	35
Net Change	1,532,060	(1,217,852)	2,004,565	(246,078)	(1,541,621)	36
Unappropriated Retained Earnings (EOP)	(1,382,961)	(2,915,021)	(1,697,169)	(3,701,734)	(3,455,656)	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	(\$1,382,961)	(\$2,915,021)	(\$1,697,169)	(\$3,701,734)	(\$3,455,656)	39

CORNING NATURAL GAS CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
Cash Flows From Operating Activities					
1 Net Income	\$1,497,865	\$1,078,080	\$892,347	\$366,636	(\$3,465,006)
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	854,238	1,064,107	454,070	633,355	528,994
3 Deferred Taxes & ITCs	270,851	656,311	(1,209,978)	(12,708)	418,918
4 Receivables and Inventory	(1,014,853)	2,513,670	(979,764)	(1,763,933)	724,929
5 Payables and Accrued Expenses	357,329	1,114,442	1,151,481	(961,158)	(373,927)
6 Regulatory Assets (Net)	1,018,909	(1,129,188)	1,368,104	68,386	440,970
7 Capitalized AFUDC - Equity					
8 Undistributed Earnings of Affiliates					616,129
9 Other Adjustments		(2,077,348)	(238,239)	(998,670)	
10	738,723	75,133	1,649,974		
11	95,023				
12 Net Cash From Operating Activities	<u>3,818,085</u>	<u>3,295,207</u>	<u>3,087,995</u>	<u>(2,668,092)</u>	<u>(1,108,993)</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(5,242,698)	(4,379,951)	(4,501,778)	(2,454,566)	(1,220,252)
14 Acquisition Of Other Non-Current Assets					
15 Investments in & Advances to Affiliates					
16 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					908,113
19 Investment Securities				728,622	
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities					
22					
23					
24 Net Cash From Investing Activities	<u>(5,242,698)</u>	<u>(4,379,951)</u>	<u>(4,501,778)</u>	<u>(1,725,944)</u>	<u>(312,139)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	1,886,105	(945,043)	639,787	(850,709)	(735,004)
26 Common Stock	2,271,793	2,790,145	150,000	4,711,402	
27 Preferred Stock					
28 Short-Term Debt	(1,841,125)	30,353	634,086	(839,888)	2,000,001
29 Dividends Paid	(671,304)	(444,999)			
30 Other Cash Flows - Financing Activities					
31					
32					
33 Net Cash From Financing Activities	<u>1,645,469</u>	<u>1,430,456</u>	<u>1,423,873</u>	<u>3,020,805</u>	<u>1,264,997</u>
34 Net Increase/(Decrease) In Cash Equivalents	220,856	345,712	10,090	(1,373,231)	(156,135)
35 Cash & Cash Equivalents Beginning Of Year	2,472,312	2,126,600	2,116,510	3,489,741	3,645,876
36 Cash & Cash Equivalents End Of Year	\$2,693,168	\$2,472,312	\$2,126,600	\$2,116,510	\$3,489,741
(Totals include the SPECIAL FUNDS amount)					

CORNING NATURAL GAS CORPORATION
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,

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	2010	2009	2008	2007	2006	
SALES AND CUSTOMER DATA						
REVENUES						
Residential	\$12,397,096	\$12,409,931	\$15,226,128	\$13,649,230	\$14,874,083	1
Commercial	1,775,291	2,040,740	2,662,283	2,422,077	3,072,266	2
Industrial	57,550	72,645	66,440	76,691	265,698	3
Other Ultimate Customers	170,375	177,058	247,584	188,998	264,477	4
Total Revenues-Ultimate Customer	14,400,312	14,700,374	18,202,435	16,336,996	18,476,524	5
Sales for Resale	1,987,495	2,356,711	3,160,870	2,803,516	3,024,256	6
Total Revenues from Gas Sales	16,387,807	17,057,085	21,363,305	19,140,512	21,500,780	7
Transportation Sales	5,543,649	4,995,005	4,508,727	4,448,487	3,740,172	8
Other Gas Operating Revenues	248,466	514,284	161,098	336,688	408,640	9
Total Gas Operating Revenues	\$22,179,922	\$22,566,374	\$26,033,130	\$23,925,687	\$25,649,592	10

SALES (MCF)						
Residential	987,724	1,005,386	993,738	993,834	908,784	11
Commercial	163,884	190,001	189,209	189,569	198,930	12
Industrial	20,488	20,488	20,488	20,488	20,244	13
Other Ultimate Customers	16,482	16,931	18,485	16,556	16,495	14
Total Sales-Ultimate Customer	1,188,578	1,232,806	1,221,919	1,220,447	1,144,453	15
Sales for Resale	284,772	301,878	306,260	290,061	262,523	16
Transportation Sales	7,693,594	6,440,744	6,498,416	7,515,621	6,376,737	17
Other Gas Sales						18
Total Sales	9,166,944	7,975,429	8,026,595	9,026,130	7,783,713	19

AVG NUMBERS OF CUSTOMERS						
Residential	11,031	10,791	10,633	10,411	10,101	20
Commercial	791	768	773	768	771	21
Industrial	7	7	7	7	7	22
Other Customers	58	55	55	60	57	23
Total Ultimate Customers	11,887	11,621	11,468	11,246	10,936	24
Resales	1	1	1	1	1	25
Total Customers	11,888	11,622	11,469	11,247	10,937	26

OPERATING REVENUES RELATIONSHIP

RESIDENTIAL SALES						
Average Annual Bill Per Customer	\$1,124	\$1,150	\$1,432	\$1,311	\$1,473	27
Average MCF Consumption Per Customer	89.5	93.2	93.5	95.5	90.0	28
Average Revenue Per MCF Sold	\$12.55	\$12.34	\$15.32	\$13.73	\$16.37	29

COMMERCIAL SALES						
Average Annual Bill Per Customer	\$2,244	\$2,657	\$3,444	\$3,154	\$3,985	30
Average MCF Consumption Per Customer	207.2	247.4	244.8	246.8	258.0	31
Average Revenue Per MCF Sold	\$10.83	\$10.74	\$14.07	\$12.78	\$15.44	32

INDUSTRIAL						
Average Annual Bill Per Customer	\$8,221	\$10,378	\$9,491	\$10,956	\$37,957	33
Average MCF Consumption Per Customer	2,926.9	2,926.8	2,926.8	2,926.8	2,892.0	34
Average Revenue Per MCF Sold	\$2.81	\$3.55	\$3.24	\$3.74	\$13.12	35

OPERATION AND MAINTENANCE EXPENSES

Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	\$9,657,513	\$11,166,697	\$15,797,684	\$14,702,610	\$17,513,361	39
Other	191,030	216,329	122,000	171,225	239,416	40
Total Production Expense	9,848,543	11,383,026	15,919,684	14,873,835	17,752,777	41
Natural Gas Storage Expense						42
Transmission Expense	121,613	98,790	185,749	297,302	307,880	43
Distribution Expense	1,730,423	1,570,011	1,486,213	987,532	1,024,391	44
Customer Account Expense	909,252	821,251	966,996	813,805	534,049	45
Sales Expense	3,334	3,083	7,213	6,562	9,246	46
Administrative and General	3,973,798	4,030,371	3,686,711	4,497,496	4,292,190	47
Total O & M Expense	\$16,586,963	\$17,906,532	\$22,252,566	\$21,476,532	\$23,920,533	48

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average MCF Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

**CORNING NATURAL GAS CORPORATION
DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
1 Total Revenues	\$22,179,922	\$22,566,374	\$26,033,130	\$23,925,687	\$25,649,592
2 Sales of Gas (MCF) *	1,473,350	1,534,684	1,528,180	1,510,508	1,406,976
DOLLAR AMOUNTS					
3 Purchased Gas & Other Supply Exp.	\$9,779,126	\$11,265,487	\$15,983,433	\$14,999,912	\$17,821,241
4 Wages and Benefits	4,394,891	3,451,505	3,598,805	4,100,066	3,155,433
5 Other Operation & Maintenance Exp.	2,412,946	3,189,540	2,670,328	2,376,555	2,943,858
6 Depreciation & Amortization Expense	824,232	736,707	702,290	643,849	559,340
7 Income Taxes-Operating	786,059	515,516	(208,577)	(33,378)	(1,547,591)
8 Other Taxes-Operating	1,725,359	1,549,870	1,539,929	1,448,603	1,855,619
9 Capital Costs	2,257,309	1,857,749	1,746,922	390,080	861,692
10 Total	\$22,179,922	\$22,566,374	\$26,033,130	\$23,925,687	\$25,649,592
PERCENT OF REVENUES					
11 Purchased Gas & Other Supply Exp.	44.1	49.9	61.4	62.7	69.5
12 Wages and Benefits	19.8	15.3	13.8	17.1	12.3
13 Other Operation & Maintenance Exp.	10.9	14.1	10.3	9.9	11.5
14 Depreciation & Amortization Expense	3.7	3.3	2.7	2.7	2.2
15 Income Taxes-Operating	3.5	2.3	-0.8	-0.1	-6.0
16 Other Taxes-Operating	7.8	6.9	5.9	6.1	7.2
17 Capital Costs	10.2	8.2	6.7	1.6	3.4
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER MCF					
19 Purchased Gas & Other Supply Exp.	6.64	7.34	10.46	9.93	12.67
20 Wages and Benefits	2.98	2.25	2.35	2.71	2.24
21 Other Operation & Maintenance Exp.	1.64	2.08	1.75	1.57	2.09
22 Depreciation & Amortization Expense	0.56	0.48	0.46	0.43	0.40
23 Income Taxes-Operating	0.53	0.34	-0.14	-0.02	-1.10
24 Other Taxes-Operating	1.17	1.01	1.01	0.96	1.32
25 Capital Costs	1.53	1.21	1.14	0.26	0.61
26 Total	15.05	14.70	17.04	15.84	18.23

Notes:

* Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average MCF Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below

Purchased Gas and Other Supply Exp.

Liquidified Petro Gas					
Other Gas Supply	9,657,513	11,166,697	15,797,684	14,702,610	17,513,361
Gas Storage					
Transmission Expense	121,613	98,790	185,749	297,302	307,880
Total Purchased Gas	9,779,126	11,265,487	15,983,433	14,999,912	17,821,241
-Total PG related to Sales for Resale					
PG - Ultimate Customers	9,779,126	11,265,487	15,983,433	14,999,912	17,821,241

Wages and Benefits

Salaries	2,378,758	1,879,698	2,282,799	2,196,222	2,056,637
Pensions and Benefits	2,016,133	1,571,807	1,316,006	1,903,844	1,098,796
Total Wages and Benefits	4,394,891	3,451,505	3,598,805	4,100,066	3,155,433

Other Expenses

Total O&M Expenses	16,586,963	17,906,532	22,252,566	21,476,533	23,920,532
-Total Purchased Gas	9,779,126	11,265,487	15,983,433	14,999,912	17,821,241
-Wages and Benefits	4,394,891	3,451,505	3,598,805	4,100,066	3,155,433
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	2,412,946	3,189,540	2,670,328	2,376,555	2,943,858

Depreciation and Amortization

Depreciation Exp	824,232	736,707	702,290	643,849	559,340
Amort & Depl of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	824,232	736,707	702,290	643,849	559,340

Fuel and PP related to Sales for Resale

Total PG	9,779,126	11,265,487	15,983,433	14,999,912	17,821,241
divided by Total MCFs	1,473,350	1,534,684	1,528,180	1,510,508	1,406,976
Fuel Cost per MCF	7	7	10	10	13
times Sales for Resale MCFs	284,772	301,878	306,260	290,061	262,523
Sales for Resale PG	1,890,129	2,215,963	3,203,219	2,880,419	3,325,206

Transportation Volumes

	7,693,594	6,440,744	6,498,416	7,515,621	6,376,737
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CORNING NATURAL GAS CORPORATION
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
Intangible	\$28,742	\$28,742	\$28,742	\$28,742	\$28,742	1
Production						
Manufactured Gas						2
Natural Gas						3
Natural Gas Storage						
Underground Storage						4
Other Storage						5
Transmission	4,652,165	4,529,824	4,529,824	4,529,824	4,529,824	6
Distribution	32,259,841	27,493,336	23,355,895	18,286,964	16,909,367	7
General	7,842,735	7,672,669	7,635,129	7,497,431	7,233,073	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Underground, Non-current						11
Total Plant In Service	44,783,483	39,724,571	35,549,590	30,342,961	28,701,006	12
Plant Leased To Others						13
Plant Held For Future Use						14
Construction Work In Progress				810,090	54,762	15
Acquisition Adjustments						16
Total Plant	44,783,483	39,724,571	35,549,590	31,153,051	28,755,768	17
Accum. Prov. - Depr. & Amort.	13,293,584	12,653,138	12,121,401	11,524,350	10,946,400	18
Total Net Plant	\$31,489,899	\$27,071,433	\$23,428,189	\$19,628,701	\$17,809,368	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.34	0.29	0.43	0.43	0.28	20
Total Capitalization	\$32,414,574	\$28,488,238	\$27,593,152	\$24,117,915	\$21,264,167	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	35.0%	33.2%	37.7%	40.5%	48.9%	22
Preferred Stock						23
Common Stock & Retained Earnings	46.8%	39.6%	34.4%	30.2%	12.9%	24
Short-Term Debt	18.2%	27.2%	27.9%	29.3%	38.2%	25
Pretax Coverage of Interest Expense	3.29	2.54	1.04	0.42	-0.45	26
Com. Stock Dividends as a % of Earnings	29.7%	24.0%				27
Return on Common Equity	17.1%	17.9%	20.8%	7.8%	38.8%	28
Internal Cash Generated as a % of Cash Outflows for Construction	72.8%	75.2%	68.6%	-68.0%	-95.2%	29
Earnings per Share	\$1.97	\$1.83	\$2.13	\$0.48	\$1.70	30
Book Value per Share	\$13.21	\$11.15	\$11.55	\$8.99	\$5.40	31
Dividends per Share	\$0.58	\$0.44				32
Number of Employees	65	66	67	51	51	33

<u>Data Field Below</u>	2010	2009	2008	2007	2006
Current Assets	5,014,396	4,646,260	6,471,359	5,674,202	4,352,646
Current Liabilities	14,778,150	16,261,946	15,117,151	13,331,584	15,372,092
Total Capitalization	32,414,574	28,488,238	27,593,152	24,117,915	21,264,167
Long-Term Debt	11,343,051	9,456,946	10,401,989	9,762,202	10,406,661
Preferred Stock	-	-	-	-	-
Common Stock and Retained Earnings (Excl. Preferred Stock)	15,172,888	11,291,532	9,481,756	7,280,392	2,736,046
Short-Term Debt	5,898,635	7,739,760	7,709,407	7,075,321	8,121,460
Pretax Income	3,043,368	2,373,265	1,538,345	356,702	(685,899)
Interest Expense	923,706	936,110	1,484,548	846,983	1,524,150
Common Dividends Paid	671,304	444,999	-	-	-
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	2,257,309	1,857,749	1,746,922	390,080	861,692
Internal Cash	3,818,085	3,295,207	3,087,995	(1,669,422)	(1,161,996)
Cash Outflows for Construction	5,242,698	4,379,951	4,501,778	2,454,566	1,220,252
Shares Outstanding (Millions) Sch250251	1.1486	1.0129	0.8209	0.8096	0.5069
Misc Deferred Debits Sch233	2,307,010	2,708,499	2,169,928	3,630,951	3,673,305
Number of Employees	54	51	54	51	51
<u>Pre-Tax Income</u>					
Total Utility Operating Income	2,257,309	1,857,749	1,746,922	390,080	861,692
+Income Taxes - Electric	-	-	(1)	-	-
+Income Taxes - Gas	786,059	515,516	(208,577)	(33,378)	(1,547,591)
+Other Income	\$302,732	\$260,004	\$710,923	\$749,586	(\$1,022,272)
- Other Income Deductions	\$138,470	\$103,563	\$80,950	(\$73,953)	\$1,780,276
- Other Taxes	-	-	-	-	-
Pre-Tax Income	3,207,630	2,529,706	2,168,317	1,180,241	(3,488,447)

KEYSPAN GAS EAST CORPORATION
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
UTILITY PLANT					
1 Total Utility Plant	\$2,694,831,418	\$2,566,621,604	\$2,434,186,235	\$2,298,504,947	\$2,195,043,972
2 Less Acc. Prov. For Depreciation & Amortization	577,002,370	542,295,065	509,765,424	478,458,625	434,747,362
3 Net Total Utility Plant	2,117,829,048	2,024,326,540	1,924,420,811	1,820,046,322	1,760,296,610
OTHER PROPERTY AND INVESTMENTS					
4 Nonutility Property	2,167,674	1,252,521	1,320,034	1,320,034	1,682,680
5 Less Acc. Prov. For Depreciation & Amortization	(369,678)	(12,677)	(11,569)	(10,461)	(9,353)
6 Investment in Associated Companies					
7 Investment in Subsidiary Companies					
8 Other Investments					
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds					
12 Total Other Property and Investments	1,797,996	1,239,844	1,308,465	1,309,573	1,673,327
CURRENT AND ACCRUED ASSETS					
13 Cash	25,000	25,000	7,177,458	6,141,996	3,279,752
14 Special Deposits	890,000		500,483	295	907,776
15 Working Funds					
16 Temporary Cash Investments		994		161,877,070	31,442,593
17 Notes Receivable					
18 Accounts Receivable	182,079,029	169,565,729	176,794,467	160,012,527	130,433,524
19 Less Accum. Prov. For Uncollectible Accounts	(22,214,661)	(22,438,236)	(14,377,171)	(5,308,434)	(4,770,455)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies	(3,103,211)	20,428,179	804,617	269,027,830	80,789,398
22 Materials and Supplies	7,346,323	6,857,648	6,758,545	6,731,599	7,038,087
23 Gas Stored Underground - Current	112,723,453	142,883,014	256,580,474	185,684,386	182,190,696
24 Liquefied Natural Gas in Storage	2,763,757	3,520,370	4,463,243	4,360,625	3,937,174
25 Prepayments	29,965,111	25,781,866	50,208,938	23,239,813	32,431,583
26 Interest and Dividends Receivable					
27 Rents Receivable	4,053,125	14,364,190	10,439,877	6,953,290	10,559,080
28 Accrued Utility Revenue	105,343,330	115,814,550	103,147,159	99,798,054	86,370,761
29 Misc. Current and Accrued Assets	9,545,418	20,323,355	68,361	567,570	1,172,729
30 Total Current and Accrued Assets	429,416,674	497,126,660	602,566,451	919,086,621	565,782,697
DEFERRED DEBITS					
31 Unamort. Debt Expense	314,958	405,993	708,048	1,020,038	1,461,380
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges					
34 Clearing Accounts					
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	803,702,688	824,381,342	681,474,489	565,581,769	466,306,768
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development					
39 Accumulated Deferred Income Taxes	320,945,876	198,004,110	57,441,198	(44,521,712)	(78,752,205)
40 Total Deferred Debits	1,124,963,522	1,022,791,445	739,623,735	522,080,095	389,015,943
41 Total Assets and Other Debits	\$3,674,007,240	\$3,545,484,488	\$3,267,919,462	\$3,262,522,610	\$2,716,768,577

KEYSPAN GAS EAST CORPORATION
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
PROPRIETARY CAPITAL						
Common Stock Issued	\$1	\$1	\$1	\$1	\$1	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	582,861,727	582,861,727	582,861,727	582,861,727	582,861,727	5
Other Paid-in Capital	(65,012,453)	(65,012,453)	(65,012,453)	(37,900,600)		6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	800,755,995	709,091,933	604,833,848	498,487,399	414,797,813	9
Unapp. Undistributed Subsidiary Earnings						10
Reaquired Capital Stock		(323,997)	(323,997)	(323,997)	(861,647)	11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	1,318,605,270	1,226,617,210	1,122,359,126	1,043,124,529	996,797,894	12
LONG-TERM DEBT						
Bonds	100,000,000	100,000,000	500,000,000	500,000,000	625,000,000	13
Reaquired Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt						16
Unamortized Premium on LT Debt						17
Unamortized Discount on LT Debt-Debit						18
Total Long-Term Debt	100,000,000	100,000,000	500,000,000	500,000,000	625,000,000	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable		400,000,000		125,000,000		20
Accounts Payable	106,668,133	150,781,796	93,430,756	45,996,800	86,470,561	21
Notes Payable to Associated Companies	524,869,892	171,951,924	269,756,519	125,911,939	125,017,873	22
Accounts Payable to Associated Companies	349,136,954	302,932,444	440,724,183	623,907,091	271,802,710	23
Customer Deposits	9,028,490	9,090,112	9,615,107	9,576,368	8,451,028	24
Taxes Accrued	(8,794,115)	15,923,480	35,696,913	18,081,948	(2,303,074)	25
Interest Accrued	12,049,360	32,295,864	28,753,988	18,173,925	17,808,730	26
Dividends Declared						27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	(1,804,053)	(246,855)	566,976	334,700	(217,573)	30
Misc. Current and Accrued Liabilities	19,106,574	24,686,884	19,929,152	67,408,214	64,849,929	31
Total Current and Accrued Liabilities	1,010,261,235	1,107,415,649	898,473,594	1,034,390,985	571,880,184	32
DEFERRED CREDITS						
Customer Advances for Construction	294,128			6,843,462		33
Other Deferred Credits	298,510,340	320,989,547	218,512,691	133,994,347	53,437,942	34
Accumulated Deferred Inv. Tax Credits						35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	801,253,489	631,557,936	312,790,641	288,923,698	318,307,785	37
Total Deferred Credits	1,100,057,957	952,547,483	531,303,332	429,761,507	371,745,727	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve		276,678				40
Pension and Benefits Reserve	1,469,383					41
Miscellaneous Operating Reserves	143,613,396	158,627,467	215,783,410	255,245,588	151,344,772	42
Total Operating Reserves	145,082,779	158,904,146	215,783,410	255,245,588	151,344,772	43
Total Liabilities and Other Credits	\$3,674,007,241	\$3,545,484,488	\$3,267,919,462	\$3,262,522,610	\$2,716,768,577	44

KEYSPAN GAS EAST CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)

	2010	2009	2008	2007	2006
GAS OPERATING INCOME					
1 Operating Revenues	\$1,195,903,471	\$1,342,345,938	\$1,520,339,251	\$1,438,200,152	\$1,319,434,841
Operating Expense:					
2 Operation Expense	784,683,952	898,285,923	1,073,293,949	1,056,825,878	983,229,607
3 Maintenance Expense	28,284,794	27,147,812	28,549,387	26,134,753	25,342,031
4 Depreciation Expense	51,787,391	49,454,193	46,003,763	44,093,927	42,771,350
5 Amort. and Depletion of Utility Plant	1,469,845	2,248,648	2,716,983	2,852,911	2,769,251
6 Amort. of Utility Plant Acq. Adj.	10,976,347	(1,355,717)	7,463,389		
7 Amort. of Property Losses					
8 Amort. of Conversion Expenses			18,130,770	43,846,159	31,978,397
9 Other Expenses					
10 Taxes Other than Income Taxes	118,499,933	118,191,821	109,650,015	69,589,079	65,134,895
11 Income Taxes	86,723,645	70,919,408	60,871,549	61,290,242	42,187,913
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant				13,260	
14 Total Operating Expenses	1,082,425,907	1,164,892,088	1,346,679,805	1,304,646,210	1,193,413,445
15 Net Operating Revenues	113,477,564	177,453,850	173,659,446	133,553,942	126,021,396
16 Other Utility Operating Income					
17 Total Gas Utility Operating Income	113,477,564	177,453,850	173,659,446	133,553,942	126,021,396
18 Other Utility Operating Income					
19 Total Utility Operating Income	\$113,477,564	\$177,453,850	\$173,659,446	\$133,553,942	\$126,021,396

KEYSPAN GAS EAST CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
OTHER INCOME						
Income - Merch. Jobbing & Contract Work				\$89,840	\$521,260	1
Income from Nonutility Operations			(\$4,429)	(39,024)	43,535	2
Nonoperating Rental Income	(\$356,882)	(\$1,237)	(1,108)	(1,108)	(1,108)	3
Equity in Earnings of Subsidiary Companies						4
Interest and Dividend Income	24,779,448	24,093,456	14,068,154	8,645,471	154,083	5
Allowance for Funds Used During Construction	1,049,841	1,537,151	832,544	380,860	212,321	6
Miscellaneous Nonoperating Income	(144)	(2,752,389)	(3,779,352)	(1,030,099)	(383,917)	7
Gain on Disposition of Property	76,264	13,789		65,417	61,400	8
Total Other Income	25,548,527	22,890,770	11,115,809	8,111,358	607,574	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	924,320	225,926	40,004	207,909	224,208	12
Total Other Income Deductions	924,320	225,926	40,004	207,909	224,208	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	291,803	344,384	372,015	383,089	413,163	14
Income Taxes						15
Total Taxes-Other Inc. & Deductions	291,803	344,384	372,015	383,089	413,163	16
Net Other Income and Deductions	24,332,404	22,320,460	10,703,790	7,520,359	(29,797)	17
INTEREST CHARGES						
Interest on Long-term Debt	8,217,808	36,644,792	37,818,750	45,725,000	40,622,352	18
Amortization of Debt Discount and Expense	91,035	302,055	311,989	449,265	386,261	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company	17,744,926	14,219,705	12,817,032	11,097,501	9,845,657	21
Other Interest Expense	20,092,139	44,349,674	26,507,903	112,949	1,178,290	22
Total Interest Charges	46,145,908	95,516,226	77,455,675	57,384,716	52,032,560	23
Income Before Extraordinary Items	91,664,060	104,258,085	106,907,561	83,689,585	73,959,039	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$91,664,060	\$104,258,085	\$106,907,561	\$83,689,585	\$73,959,039	29
<hr/>						
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$709,091,933	\$604,833,848	\$498,487,399	\$414,797,813	\$340,838,774	30
Balance Transferred from Income	91,664,060	104,258,085	106,907,561	83,689,585	73,959,039	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock						34
Adjustments to Retained Earnings			(561,112)			35
Net Change	91,664,060	104,258,085	106,346,449	83,689,585	73,959,039	36
Unappropriated Retained Earnings (EOP)	800,755,993	709,091,933	604,833,848	498,487,399	414,797,813	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	\$800,755,993	\$709,091,933	\$604,833,848	\$498,487,399	\$414,797,813	39

KEYSPAN GAS EAST CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
Cash Flows From Operating Activities					
1 Net Income	\$91,664,062	\$104,258,085	\$106,907,561	\$83,689,585	\$73,959,039
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	64,233,583	50,649,178	49,032,735	47,388,180	45,395,513
3 Deferred Taxes & ITCs	20,551,578	177,390,552	(77,863,690)	(39,515,180)	98,623,992
4 Receivables and Inventory	28,225,264	121,387,533	(80,714,116)	(29,583,866)	48,315,784
5 Payables and Accrued Expenses	(71,559,296)	37,577,607	65,048,921	(20,088,739)	(81,524,778)
6 Regulatory Assets (Net)	20,832,108	(18,946,048)	(64,628,634)	(53,154,623)	(196,165,353)
7 Capitalized AFUDC - Equity	(1,049,841)	(1,537,151)	(832,544)	(380,860)	(212,321)
8 Undistributed Earnings of Affiliates	10,471,219	(12,667,391)	(3,349,105)		
9 Other Adjustments					
10	(223,575)	8,061,065	9,068,737	537,979	(4,948,644)
11	383,221,863	(225,922,150)	(27,774,476)	184,021,214	(9,621,985)
12 Net Cash From Operating Activities	<u>546,366,965</u>	<u>240,251,280</u>	<u>(25,104,611)</u>	<u>172,913,690</u>	<u>(26,178,752)</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(146,367,960)	(149,598,149)	(154,581,578)	(110,934,391)	(96,347,491)
14 Acquisition Of Other Non-Current Assets					
15 Investments in & Advances to Affiliates				352,998,447	58,518,750
16 Contributions & Advances from Affiliates				(188,238,432)	(36,238,584)
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					
19 Investment Securities					
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities					
22					
23					
24 Net Cash From Investing Activities	<u>(146,367,960)</u>	<u>(149,598,149)</u>	<u>(154,581,578)</u>	<u>53,825,624</u>	<u>(74,067,325)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	(400,000,000)	(97,804,595)	18,844,579	(62,000,000)	100,000,000
26 Common Stock					
27 Preferred Stock					
28 Short-Term Debt					
29 Dividends Paid					
30 Other Cash Flows - Financing Activities					
31					
32					
33 Net Cash From Financing Activities	<u>(400,000,000)</u>	<u>(97,804,595)</u>	<u>18,844,579</u>	<u>(62,000,000)</u>	<u>100,000,000</u>
34 Net Increase/(Decrease) In Cash Equivalents	(995)	(7,151,464)	(160,841,610)	164,739,314	(246,077)
35 Cash & Cash Equivalents Beginning Of Year	25,994	7,177,457	168,019,067	3,279,753	3,525,831
36 Cash & Cash Equivalents End Of Year	<u>\$24,999</u>	<u>\$25,994</u>	<u>\$7,177,457</u>	<u>\$168,019,067</u>	<u>\$3,279,753</u>

KEYSPAN GAS EAST CORPORATION
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
SALES AND CUSTOMER DATA						
REVENUES						
Residential	\$603,480,001	\$732,471,070	\$738,819,387	\$728,847,596	\$629,322,559	1
Commercial	200,746,602	278,788,456	359,208,674	356,262,306	327,950,588	2
Industrial	21,318,222	29,605,853	38,146,054	37,833,165	34,826,611	3
Other Ultimate Customers						4
Total Revenues-Ultimate Customer	825,544,825	1,040,865,379	1,136,174,114	1,122,943,067	992,099,757	5
Sales for Resale	171,955,227	145,898,036	253,644,774	213,815,617	231,890,782	6
Total Revenues from Gas Sales	997,500,052	1,186,763,415	1,389,818,888	1,336,758,684	1,223,990,539	7
Transportation Sales	172,088,259	125,912,547	100,854,655	79,000,622	73,307,493	8
Other Gas Operating Revenues	26,315,160	29,669,976	29,665,708	22,440,846	22,136,809	9
Total Gas Operating Revenues	\$1,195,903,471	\$1,342,345,938	\$1,520,339,251	\$1,438,200,152	\$1,319,434,841	10
SALES (MCF)						
Residential	43,042,445	46,796,641	43,477,797	44,220,552	37,357,037	11
Commercial	16,848,925	21,313,083	24,584,286	25,545,118	23,805,829	12
Industrial	1,789,266	2,263,338	2,610,721	2,712,757	2,528,054	13
Other Ultimate Customers						14
Total Sales-Ultimate Customer	61,680,636	70,373,062	70,672,803	72,478,426	63,690,920	15
Sales for Resale	26,615,536	21,438,763	23,623,103	26,383,469	29,749,099	16
Transportation Sales	83,271,388	64,881,974	66,199,607	67,103,760	76,433,257	17
Other Gas Sales						18
Total Sales	171,567,560	156,693,798	160,495,513	165,965,655	169,873,276	19
AVG NUMBER OF CUSTOMERS						
Residential	453,225	464,299	460,917	456,779	451,575	20
Commercial	37,745	40,988	42,390	43,241	45,227	21
Industrial	4,008	4,353	4,502	4,593	4,803	22
Other Customers						23
Total Ultimate Customers	494,978	509,640	507,809	504,613	501,605	24
Resales	23	25	22	24	18	25
Total Customers	495,001	509,665	507,831	504,637	501,623	26
OPERATING REVENUES RELATIONSHIP						
RESIDENTIAL SALES						
Average Annual Bill Per Customer	\$1,332	\$1,578	\$1,603	\$1,596	\$1,394	27
Average MCF Consumption Per Customer	95.0	100.8	94.3	96.8	82.7	28
Average Revenue Per MCF Sold	\$14.02	\$15.65	\$16.99	\$16.48	\$16.85	29
COMMERCIAL SALES						
Average Annual Bill Per Customer	\$5,318	\$6,802	\$8,474	\$8,239	\$7,251	30
Average MCF Consumption Per Customer	446.4	520.0	580.0	590.8	526.4	31
Average Revenue Per MCF Sold	\$11.91	\$13.08	\$14.61	\$13.95	\$13.78	32
INDUSTRIAL SALES						
Average Annual Bill Per Customer	\$5,319	\$6,801	\$8,473	\$8,237	\$7,251	33
Average MCF Consumption Per Customer	446.4	519.9	579.9	590.6	526.3	34
Average Revenue Per MCF Sold	\$11.91	\$13.08	\$14.61	\$13.95	\$13.78	35
OPERATION AND MAINTENANCE EXPENSES						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	\$616,604,343	\$735,589,253	\$924,793,158	\$930,982,388	\$864,943,894	39
Other	(35,826)	790,658	(2,052,593)	(558,826)	(567,411)	40
Total Production Expense	616,568,517	736,379,911	922,740,564	930,423,562	864,376,483	41
Natural Gas Storage Expense	1,636,324	1,568,249	2,712,976	2,985,926	2,675,990	42
Transmission Expense	5,479,834	8,178,304	9,641,404	6,748,324	7,150,489	43
Distribution Expense	46,090,922	42,561,423	44,656,441	43,144,865	42,493,702	44
Customer Account Expense	50,629,690	57,650,304	47,514,724	31,543,647	25,521,469	45
Sales Expense	(2,881,043)	(1,495,094)	513,380	9,150,898	11,132,373	46
Administrative and General	95,444,501	80,590,638	74,063,846	58,963,409	55,221,132	47
Total O & M Expense	\$812,968,745	\$925,433,735	\$1,101,843,336	\$1,082,960,631	\$1,008,571,638	48

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average MCF Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

**KEYSPAN GAS EAST CORPORATION
DISTRIBUTION OF GAS REVENUES
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
1 Total Revenues	\$1,195,903,471	\$1,342,345,938	\$1,520,339,251	\$1,438,200,152	\$1,319,434,841
2 Sales of Gas (MCF) *	88,296,172	91,811,824	94,295,906	98,861,895	93,440,019
DOLLAR AMOUNTS					
3 Purchased Gas & Other Supply Exp.	\$623,684,675	\$746,126,464	\$935,344,040	\$940,489,855	\$874,599,254
4 Wages and Benefits	59,978,056	32,451,231	31,254,942	16,755,222	10,734,416
5 Other Operation & Maintenance Exp.	129,306,015	146,856,040	135,244,354	125,715,554	123,237,968
6 Depreciation & Amortization Expense	53,257,236	51,702,840	66,851,516	90,792,998	77,518,998
7 Income Taxes-Operating	86,723,645	70,919,408	60,871,549	61,290,242	42,187,913
8 Other Taxes-Operating	118,499,933	118,191,821	109,650,015	69,589,079	65,134,895
9 Capital Costs	124,453,911	176,098,133	181,122,835	133,567,202	126,021,396
10 Total	\$1,195,903,471	\$1,342,345,938	\$1,520,339,251	\$1,438,200,152	\$1,319,434,841
PERCENT OF REVENUES					
11 Purchased Gas & Other Supply Exp.	52.2	55.6	61.5	65.4	66.3
12 Wages and Benefits	5.0	2.4	2.1	1.2	0.8
13 Other Operation & Maintenance Exp.	10.8	10.9	8.9	8.7	9.3
14 Depreciation & Amortization Expense	4.5	3.9	4.4	6.3	5.9
15 Income Taxes-Operating	7.3	5.3	4.0	4.3	3.2
16 Other Taxes-Operating	9.9	8.8	7.2	4.8	4.9
17 Capital Costs	10.4	13.1	11.9	9.3	9.6
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER MCF					
19 Purchased Gas & Other Supply Exp.	7.06	8.13	9.92	9.51	9.36
20 Wages and Benefits	0.68	0.35	0.33	0.17	0.11
21 Other Operation & Maintenance Exp.	1.46	1.60	1.43	1.27	1.32
22 Depreciation & Amortization Expense	0.60	0.56	0.71	0.92	0.83
23 Income Taxes-Operating	0.98	0.77	0.65	0.62	0.45
24 Other Taxes-Operating	1.34	1.29	1.16	0.70	0.70
25 Capital Costs	1.41	1.92	1.92	1.35	1.35
26 Total	13.54	14.62	16.12	14.55	14.12

Notes:

* Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average MCF Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below

Purchased Gas and Other Supply Exp.	616,568,517	736,379,911	922,740,564	930,423,562	864,376,483
Liquidified Petro Gas			249,095	332,043	396,292
Other Gas Supply					
Gas Storage	1,636,324	1,568,249	2,712,976	2,985,926	2,675,990
Transmission Expense	5,479,834	8,178,304	9,641,404	6,748,324	7,150,489
Total Purchased Gas	623,684,675	746,126,464	935,344,040	940,489,855	874,599,254
-Total PG related to Sales for Resale PG - Ultimate Customers	623,684,675	746,126,464	935,344,040	940,489,855	874,599,254
<u>Wages and Benefits</u>					
Salaries	49,296,790	16,932,052	16,932,052	16,932,052	16,932,052
Pensions and Benefits	10,681,266	15,519,179	14,322,890	(176,830)	(6,197,636)
Total Wages and Benefits	59,978,056	32,451,231	31,254,942	16,755,222	10,734,416
<u>Other Expenses</u>					
Total O&M Expenses	812,968,746	925,433,735	1,101,843,336	1,082,960,631	1,008,571,639
-Total Purchased Gas	623,684,675	746,126,464	935,344,040	940,489,855	874,599,254
-Wages and Benefits	59,978,056	32,451,231	31,254,942	16,755,222	10,734,416
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	129,306,015	146,856,040	135,244,354	125,715,554	123,237,968
<u>Depreciation and Amortization</u>					
Depreciation Exp	51,787,391	49,454,193	46,003,763	44,093,927	42,771,350
Amort & Depl of Utility Plant					
Amort of Other Utility Plant	1,469,845	2,248,648	2,716,983	2,852,911	2,769,251
Amort of Property Losses					
Amort of Conversion Expenses			18,130,770	43,846,159	31,978,397
Total Depre and Amort	53,257,236	51,702,840	66,851,516	90,792,998	77,518,998
<u>Fuel and PP related to Sales for Resale</u>					
Total PG	623,684,675	746,126,464	935,344,040	940,489,855	874,599,254
divided by Total MCFs	88,296,172	91,811,824	94,295,906	98,861,895	93,440,019
Fuel Cost per MCF	7	8	10	10	9
times Sales for Resale MCFs	26,615,536	21,438,763	23,623,103	26,383,469	29,749,099
Sales for Resale PG	188,000,244	174,226,232	234,323,308	250,990,384	278,451,784

Transportation Volumes

KEYSPAN GAS EAST CORPORATION
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
Intangible	\$24,148,816	\$23,391,900	\$21,837,310	\$20,404,153	\$19,204,835	1
Production						
Manufactured Gas	2,387,608	2,380,251	2,380,251	\$2,380,251	2,380,251	2
Natural Gas						3
Natural Gas Storage						
Underground Storage						4
Other Storage	48,812,843	46,573,103	46,553,170	45,433,872	41,465,558	5
Transmission	291,848,111	271,617,425	263,696,875	225,830,700	223,099,346	6
Distribution	2,226,578,420	2,122,852,910	2,011,994,742	1,895,588,350	1,827,891,486	7
General	77,683,151	71,932,766	67,248,254	64,248,222	50,266,427	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Underground, Non-current						11
Total Plant In Service	2,671,458,949	2,538,748,355	2,413,710,602	2,253,885,548	2,164,307,903	12
Plant Leased To Others						13
Plant Held For Future Use	93,519	93,519	93,519	93,519	93,519	14
Construction Work In Progress	23,278,950	27,779,731	20,382,114	44,525,881	30,642,550	15
Acquisition Adjustments						16
Total Plant	2,694,831,418	2,566,621,605	2,434,186,235	2,298,504,948	2,195,043,972	17
Accum. Prov. - Depr. & Amort.	577,002,370	542,295,065	509,765,424	478,458,625	434,747,362	18
Total Net Plant	\$2,117,829,048	\$2,024,326,540	\$1,924,420,811	\$1,820,046,323	\$1,760,296,610	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.43	0.45	0.67	0.89	0.99	20
Total Capitalization	\$1,943,475,161	\$1,898,569,134	\$1,892,115,645	\$1,794,036,469	\$1,746,815,767	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	5.1%	5.3%	26.4%	27.9%	35.8%	22
Preferred Stock						23
Common Stock & Retained Earnings	67.8%	64.6%	59.3%	58.1%	57.1%	24
Short-Term Debt	27.0%	30.1%	14.3%	14.0%	7.2%	25
Pretax Coverage of Interest Expense	4.87	2.83	3.17	3.53	3.23	26
Com. Stock Dividends as a % of Earnings						27
Return on Common Equity	7.2%	8.9%	9.9%	8.2%	7.8%	28
Internal Cash Generated as a % of Cash Outflows for Construction	26.8%	62.3%	-615.7%	64.2%	-368.0%	29
Earnings per Share	\$0.92	\$1.04	\$1.07	\$0.84	\$0.74	30
Book Value per Share	\$13.19	\$12.27	\$11.22	\$10.43	\$9.97	31
Dividends per Share						32
Number of Employees	609	605	597	637	636	33

Data Field Below

Current Assets	\$429,416,674	\$497,126,660	\$602,566,451	\$919,086,621	\$565,782,697
Current Liabilities	1,010,261,235	1,107,415,649	898,473,594	1,034,390,985	571,880,184
Total Capitalization	1,943,475,161	1,898,569,134	1,892,115,645	1,794,036,469	1,746,815,767
Long-Term Debt	100,000,000	100,000,000	500,000,000	500,000,000	625,000,000
Preferred Stock	-	-	-	-	-
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,318,605,270	1,226,617,210	1,122,359,126	1,043,124,529	996,797,894
Short-Term Debt	524,869,892	571,951,924	269,756,519	250,911,939	125,017,873
Pretax Income	224,533,615	270,693,719	245,234,785	202,364,543	168,179,513
Interest Expense	46,145,908	95,516,226	77,455,675	57,384,716	52,032,560
Common Dividends Paid	-	-	-	-	-
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	91,664,060	104,258,085	106,907,561	83,689,585	73,959,039
Internal Cash	546,366,965	240,251,280	(25,104,611)	172,913,690	(26,178,752)
Cash Outflows for Construction	146,367,960	149,598,149	154,581,578	110,934,391	96,347,491
Shares Outstanding (Millions) Sch250251	100	100	100	100	100
Misc Deferred Debits	505,192,348	503,391,794	462,961,798	431,587,422	412,868,826
Number of Employees Sch 7277	609	605	597	637	636
Pre-Tax Income					
Total Utility Operating Income	\$113,477,565	\$177,453,850.37	173,659,446	133,553,942	\$126,021,396.42
+Income Taxes - Electric					
+Income Taxes - Gas	\$86,723,645	\$70,919,408.30	60,871,549	61,290,242	42,187,913
+Other Income	\$25,548,528	\$22,890,769.92	11,115,809	8,111,358	607,574
- Other Income Deductions	\$924,320	\$225,925.73	40,004	207,909	224,208
- Other Taxes	\$291,803	\$344,383.84	372,015	383,089	413,163
Pre-Tax Income	\$224,533,615	\$270,693,719	\$245,234,785	\$202,364,543	\$168,179,513

NATIONAL FUEL GAS DISTRIBUTION CORPORATION *
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
UTILITY PLANT					
1 Total Utility Plant	\$1,687,479,788	\$1,644,336,020	1,607,055,964	\$ 1,561,808,716	\$1,518,057,014
2 Less Acc. Prov. For Depreciation & Amortization	606,970,746	580,697,777	555,789,456	529,057,094	496,679,119
3 Net Total Utility Plant	1,080,509,042	1,063,638,243	1,051,266,508	1,032,751,622	1,021,377,895
OTHER PROPERTY AND INVESTMENTS					
4 Nonutility Property	80,802	80,802	80,802	80,802	80,802
5 Less Acc. Prov. For Depreciation & Amortization	(9,744)	(9,744)	(9,744)	(9,744)	(9,744)
6 Investment in Associated Companies					
7 Investment in Subsidiary Companies					
8 Other Investments	20,675	20,977	8,564	21,941	36,105
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds			20,956,579	44,803,756	
12 Total Other Property and Investments	91,733	92,035	21,036,201	44,896,755	107,163
CURRENT AND ACCRUED ASSETS					
13 Cash	3,026,583	2,807,104	7,997,337	9,307,671	8,530,139
14 Special Deposits					
15 Working Funds	159,200	194,350	156,850	156,850	157,250
16 Temporary Cash Investments	42,052,998	114,900,612	2,406,889	25,036	24,675
17 Notes Receivable		14,549	87,501	226,333	430,633
18 Accounts Receivable	96,542,613	116,782,529	167,263,384	161,403,470	147,954,357
19 Less Accum. Prov. For Uncollectible Accounts	(32,346,490)	(36,649,020)	(37,471,596)	(32,700,173)	(34,183,644)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies	8,695,437	13,839,378	9,050,381	12,888,312	9,267,843
22 Materials and Supplies	7,372,828	6,697,157	6,450,148	6,648,932	6,294,749
23 Gas Stored Underground - Current	17,351,383	18,662,779	17,703,664	20,156,433	23,740,076
24 Liquefied Natural Gas in Storage					
25 Prepayments	11,350,452	10,404,056	10,637,490	10,823,010	11,211,688
26 Interest and Dividends Receivable	194,070	901,077	466,158	361,538	378,217
27 Rents Receivable					
28 Accrued Utility Revenue	59,210,848	55,012,083	79,403,822	78,479,720	67,866,028
29 Misc. Current and Accrued Assets	35,657		133,436		
30 Total Current and Accrued Assets	213,645,579	303,566,654	264,285,464	267,777,132	241,672,011
DEFERRED DEBITS					
31 Unamort. Debt Expense					
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges	(54,166)	(156,967)	(161,278)	(181,911)	(365,611)
34 Clearing Accounts	(2,425,591)	(594,521)	(1,836,926)	(828,641)	(263,926)
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	561,171,758	460,981,174	212,191,589	147,628,433	104,154,761
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development	(1,026,651)	(548,700)	591,626	1,387,770	(433,728)
39 Accumulated Deferred Income Taxes	31,005	31,005	31,005	31,005	31,005
40 Total Deferred Debits	557,696,355	459,711,991	210,816,016	148,036,656	103,122,501
41 Total Assets and Other Debits	\$1,851,942,709	\$1,827,008,923	\$1,547,404,189	\$1,493,462,165	\$1,366,279,570

Notes:

* Includes Pennsylvania operations.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION *
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
PROPRIETARY CAPITAL						
Common Stock Issued	\$59,170,600	\$59,170,600	\$59,170,600	\$59,170,600	\$59,170,600	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	68,500	68,500	68,500	68,500	68,500	5
Other Paid-in Capital	125,686,410	124,547,306	124,094,593	123,837,634	122,968,176	6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	308,943,437	364,893,594	363,197,842	336,264,759	335,411,159	9
Unapp. Undistributed Subsidiary Earnings						10
Required Capital Stock						11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	493,868,947	548,680,000	546,531,535	519,341,493	517,618,435	12
LONG-TERM DEBT						
Bonds						13
Required Bonds						14
Advances from Associated Companies	414,000,000	414,000,000	289,000,000	189,000,000	258,310,000	15
Other Long-Term Debt						16
Unamortized Premium on LT Debt						17
Unamortized Discount on LT Debt-Debit						18
Total Long-Term Debt	414,000,000	414,000,000	289,000,000	189,000,000	258,310,000	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable						20
Accounts Payable	60,254,708	58,647,045	77,166,243	94,160,637	75,003,798	21
Notes Payable to Associated Companies			182,000,000	295,100,000	194,700,000	22
Accounts Payable to Associated Companies	32,597,538	42,460,018	27,901,302	30,249,349	23,066,670	23
Customer Deposits	13,653,024	15,290,501	11,484,611	11,824,153	10,171,900	24
Taxes Accrued	(24,488,126)	(38,809,990)	(5,598,606)	(8,146,901)	(7,082,000)	25
Interest Accrued	100,133	164,178	118,410	124,779	93,510	26
Dividends Declared	29,600,000	29,600,000	9,100,000	9,100,000	25,767,000	27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	820,739	1,115,951	2,051,947	1,669,307	926,464	30
Misc. Current and Accrued Liabilities	13,861,563	18,704,029	8,496,681	8,950,115	13,243,205	31
Total Current and Accrued Liabilities	126,399,579	127,171,732	312,720,588	443,031,439	335,890,547	32
DEFERRED CREDITS						
Customer Advances for Construction	813,491	798,889	886,934	962,717	739,401	33
Other Deferred Credits	143,140,103	147,780,831	116,263,665	85,604,369	70,339,792	34
Accumulated Deferred Inv. Tax Credits	3,039,509	3,717,953	4,396,397	5,074,842	5,753,286	35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	332,796,227	267,630,551	216,939,947	208,174,571	196,350,731	37
Total Deferred Credits	479,789,330	419,928,224	338,486,943	299,816,499	273,183,210	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	5,362,725	5,629,815	5,298,973	5,435,297	4,849,515	40
Pension and Benefits Reserve	332,522,128	311,599,152	55,366,150	36,837,437	(23,572,137)	41
Miscellaneous Operating Reserves						42
Total Operating Reserves	337,884,853	317,228,967	60,665,123	42,272,734	(18,722,622)	43
Total Liabilities and Other Credits	\$1,851,942,709	\$1,827,008,923	\$1,547,404,189	\$1,493,462,165	\$1,366,279,570	44

* Includes Pennsylvania operations.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION *
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
GAS OPERATING INCOME					
1 Operating Revenues	\$830,284,085	\$995,752,326	\$1,233,033,653	\$1,159,337,106	\$1,139,168,552
Operating Expense:					
2 Operation Expense	607,456,017	772,791,238	1,011,055,011	940,649,037	939,925,561
3 Maintenance Expense	11,518,119	12,119,834	13,038,727	13,297,811	12,964,734
4 Depreciation Expense	40,692,173	39,870,614	38,795,186	40,804,655	39,972,529
5 Amort. and Depletion of Utility Plant					
6 Amort. of Utility Plant Acq. Adj.					
7 Amort. of Property Losses					
8 Amort. of Conversion Expenses					
9 Other Expenses					
10 Taxes Other than Income Taxes	42,977,908	43,823,728	45,504,362	46,929,727	46,706,321
11 Income Taxes	31,957,177	35,361,324	39,022,621	34,649,835	32,177,856
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	734,601,394	903,966,738	1,147,415,907	1,076,331,065	1,071,747,001
15 Net Operating Revenues	95,682,691	91,785,588	85,617,746	83,006,041	67,421,551
16 Other Utility Operating Income					
17 Total Gas Utility Operating Income	95,682,691	91,785,588	85,617,746	83,006,041	67,421,551
18 Other Utility Operating Income					
19 Total Utility Operating Income	\$95,682,691	\$91,785,588	\$85,617,746	\$83,006,041	\$67,421,551

* Includes Pennsylvania operations.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION *
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
OTHER INCOME						
Income - Merch. Jobbing & Contract Work	\$150,630	\$158,355	\$221,398	\$397,244	(\$21,222)	1
Income from Nonutility Operations						2
Nonoperating Rental Income	4,000	4,800	4,400	4,550	4,250	3
Equity in Earnings of Subsidiary Companies						4
Interest and Dividend Income	1,871,084	2,408,249	2,434,922	(2,431,723)	4,971,705	5
Allowance for Funds Used During Construction	256,816	61,739	170,319	202,722	217,813	6
Miscellaneous Nonoperating Income	20,797	19,764	21,422	24,993	29,454	7
Gain on Disposition of Property						8
Total Other Income	2,303,327	2,652,907	2,852,461	(1,802,214)	5,202,000	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	327,120	324,369	529,811	370,310	483,372	12
Total Other Income Deductions	327,120	324,369	529,811	370,310	483,372	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes						14
Income Taxes	(635,494)	(548,285)	(1,900,717)	(1,160,632)	(100,254)	15
Total Taxes-Other Inc. & Deductions	(635,494)	(548,285)	(1,900,717)	(1,160,632)	(100,254)	16
Net Other Income and Deductions	2,611,701	2,876,823	4,223,367	(1,011,892)	4,818,882	17
INTEREST CHARGES						
Interest on Long-term Debt						18
Amortization of Debt Discount and Expense	469,686	469,686	469,685	453,775	421,955	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company	30,072,900	27,370,370	21,938,704	24,045,346	22,155,820	21
Other Interest Expense	5,301,887	7,234,350	4,088,965	3,565,725	4,249,076	22
Total Interest Charges	35,844,473	35,074,406	26,497,354	28,064,846	26,826,851	23
Income Before Extraordinary Items	62,449,919	59,588,005	63,343,759	53,929,303	45,413,582	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$62,449,919	\$59,588,005	\$63,343,759	\$53,929,303	\$45,413,582	29
<hr/>						
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$364,893,594	\$363,197,842	\$336,264,759	\$335,411,159	\$393,063,356	30
Balance Transferred from Income	62,449,919	59,588,005	63,343,759	53,929,303	45,413,582	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock	118,400,000	57,900,000	36,400,000	53,067,000	103,068,000	34
Adjustments to Retained Earnings	(76)	7,747	(10,676)	(8,703)	2,221	35
Net Change	(55,950,157)	1,695,752	26,933,083	853,600	(57,652,197)	36
Unappropriated Retained Earnings (EOP)	308,943,437	364,893,594	363,197,842	336,264,759	335,411,159	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	\$308,943,437	\$364,893,594	\$363,197,842	\$336,264,759	\$335,411,159	39

* Includes Pennsylvania operations.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION *
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
Cash Flows From Operating Activities					
1 Net Income	\$62,449,920	\$59,588,005	\$63,343,759	\$53,929,303	\$45,413,582
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	42,300,962	40,793,013	39,521,830	42,127,888	41,347,533
3 Deferred Taxes & ITCs	35,398,543	48,151,708	15,950,947	7,941,161	(3,303,719)
4 Receivables and Inventory	23,092,392	43,045,382	4,253,406	(15,785,271)	63,811,755
5 Payables and Accrued Expenses	(767,461)	(24,250,536)	6,751,704	(21,021,269)	(21,620,149)
6 Regulatory Assets (Net)	(19,267,508)	(283,804,229)	(39,451,647)	(25,324,516)	(19,788,261)
7 Capitalized AFUDC - Equity	(256,816)	(61,739)	(170,319)	(202,722)	(217,813)
8 Undistributed Earnings of Affiliates					
9 Other: Unrecovered Purchased Gas	(66,089,435)	109,716,111	(20,061,984)	(5,228,481)	29,497,971
10 Other: Unbilled Revenues	(4,198,765)	24,391,739	(924,102)	(10,613,692)	30,066,057
11 Other: Other Assets and Liabilities (Net)	30,784,835	238,121,672	38,766,574	67,315,547	(15,305,128)
12 Net Cash From Operating Activities	<u>103,446,667</u>	<u>255,691,126</u>	<u>107,980,168</u>	<u>93,137,948</u>	<u>149,901,828</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(57,015,819)	(54,541,061)	(58,338,064)	(54,024,519)	(54,939,092)
14 Acquisition Of Other Non-Current Assets					
15 Investments in & Advances to Affiliates					
16 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					
19 Investment Securities					
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities	(708,682)	590,925	929,415	308,064	1,065,611
22	14,549				
23					
24 Net Cash From Investing Activities	<u>(57,709,952)</u>	<u>(53,950,136)</u>	<u>(57,408,649)</u>	<u>(53,716,455)</u>	<u>(53,873,481)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt		125,000,000	60,000,000	31,090,000	(16,800,000)
26 Common Stock					
27 Preferred Stock					
28 Short-Term Debt	(118,400,000)	(182,000,000)	(73,100,000)		
29 Dividends Paid		(37,400,000)	(36,400,000)	(69,734,000)	(86,401,000)
30 Other Cash Flows - Financing Activities					
31					
32					
33 Net Cash From Financing Activities	<u>(118,400,000)</u>	<u>(94,400,000)</u>	<u>(49,500,000)</u>	<u>(38,644,000)</u>	<u>(103,201,000)</u>
34 Net Increase/(Decrease) In Cash Equivalents	(72,663,285)	107,340,990	1,071,519	777,493	(7,172,653)
35 Cash & Cash Equivalents Beginning Of Year	117,902,066	10,561,076	9,489,557	8,712,064	15,884,717
36 Cash & Cash Equivalents End Of Year	\$45,238,781	\$117,902,066	\$10,561,076	\$9,489,557	\$8,712,064

Notes:

* Includes Pennsylvania operations.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION *
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
SALES AND CUSTOMER DATA						
REVENUES						
Residential	\$584,034,707	\$754,266,819	\$902,297,716	\$870,057,833	\$874,486,623	1
Commercial	79,249,069	111,593,464	138,660,864	139,260,889	145,524,961	2
Industrial	5,652,680	6,395,271	7,874,870	8,021,391	10,932,832	3
Other Ultimate Customers						4
Total Revenues-Ultimate Customer	668,936,456	872,255,554	1,048,833,450	1,017,340,113	1,030,944,416	5
Sales for Resale	36,333,114	1,699,270	53,743,375	17,963,808		6
Total Revenues from Gas Sales	705,269,570	873,954,824	1,102,576,825	1,035,303,921	1,030,944,416	7
Transportation Sales	114,392,642	110,167,239	112,487,074	109,082,324	93,723,278	8
Other Gas Operating Revenues	10,621,873	11,630,263	17,969,754	14,950,861	14,500,858	9
Total Gas Operating Revenues	\$830,284,085	\$995,752,326	\$1,233,033,653	\$1,159,337,106	\$1,139,168,552	10
SALES (MCF)						
Residential	54,347,772	57,493,104	58,502,429	60,684,526	56,596,827	11
Commercial	8,182,471	9,130,109	9,802,548	10,721,412	10,106,421	12
Industrial	634,600	529,673	571,817	659,380	850,052	13
Other Ultimate Customers						14
Total Sales-Ultimate Customer	63,164,843	67,152,886	68,876,794	72,065,318	67,553,300	15
Sales for Resale	7,405,763	357,210	5,166,495	2,386,008		16
Transportation Sales	61,152,311	59,339,442	63,913,840	64,214,388	59,460,770	17
Other Gas Sales						18
Total Sales	131,722,917	126,849,538	137,957,129	138,665,714	127,014,070	19
AVG NUMBERS OF CUSTOMERS						
Residential	586,324	588,690	592,662	601,616	626,896	20
Commercial	32,520	33,177	34,623	36,338	38,358	21
Industrial	366	379	404	424	465	22
Other Customers						23
Total Ultimate Customers	619,210	622,246	627,689	638,378	665,719	24
Resales	7	4		5		25
Total Customers	619,217	622,250	627,689	638,383	665,719	26
OPERATING REVENUES RELATIONSHIP						
RESIDENTIAL SALES						
Average Annual Bill Per Customer	\$996	\$1,281	\$1,522	\$1,446	\$1,395	27
Average MCF Consumption Per Customer	92.7	97.7	98.7	100.9	90.3	28
Average Revenue Per MCF Sold	\$10.75	\$13.12	\$15.42	\$14.34	\$15.45	29
COMMERCIAL SALES						
Average Annual Bill Per Customer	\$2,437	\$3,364	\$4,005	\$3,832	\$3,794	30
Average MCF Consumption Per Customer	251.6	275.2	283.1	295.0	263.5	31
Average Revenue Per MCF Sold	\$9.69	\$12.22	\$14.15	\$12.99	\$14.40	32
INDUSTRIAL SALES						
Average Annual Bill Per Customer	\$15,444	\$16,874	\$19,492	\$18,918	\$23,511	33
Average MCF Consumption Per Customer	1,733.9	1,397.6	1,415.4	1,555.1	1,828.1	34
Average Revenue Per MCF Sold	\$8.91	\$12.07	\$13.77	\$12.17	\$12.86	35
OPERATION AND MAINTENANCE EXPENSES						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering	\$93,309	\$28,162	\$18,125	\$17,241	\$16,992	38
Purchased Gas	317,620,797	513,877,807	679,954,318	624,232,094	640,201,598	39
Other	9,938,252	(27,281,617)	25,603,903	11,138,923	(12,029,581)	40
Total Production Expense	327,652,358	486,624,352	705,576,346	635,388,258	628,189,009	41
Natural Gas Storage Expense	30,079,548	30,705,617	32,406,668	32,927,843	35,192,970	42
Transmission Expense	82,689,770	84,041,566	87,997,123	87,002,094	89,225,168	43
Distribution Expense	41,199,277	40,709,984	44,336,951	46,042,382	43,557,694	44
Customer Account Expense	52,670,609	62,192,815	66,520,372	65,610,497	69,680,451	45
Sales Expense	490,076	468,697	680,804	500,237	439,081	46
Administrative and General	84,279,792	80,265,577	86,716,178	86,622,055	86,766,394	47
Total O & M Expense	\$619,061,430	\$785,008,608	\$1,024,234,442	\$954,093,366	\$953,050,767	48

Notes:

* Includes Pennsylvania operations.

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average MCF Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION *
DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31,

1	Total Revenues	\$830,284,085	\$995,752,326	\$1,233,033,653	\$1,159,337,106	\$1,139,168,552
2	Sales of Gas (MCF) **	70,570,606	67,510,096	74,043,289	74,451,326	67,553,300

DOLLAR AMOUNTS

3	Purchased Gas & Other Supply Exp.	\$409,133,949	\$601,273,999	\$825,839,433	\$755,170,966	\$752,446,675
4	Wages and Benefits	102,422,554	98,962,439	107,495,791	109,537,359	110,934,398
5	Other Operation & Maintenance Exp.	107,417,633	84,674,634	90,758,514	89,238,523	89,509,222
6	Depreciation & Amortization Expense	40,692,173	39,870,614	38,795,186	40,804,655	39,972,529
7	Income Taxes-Operating	31,957,177	35,361,324	39,022,621	34,649,835	32,177,856
8	Other Taxes-Operating	42,977,908	43,823,728	39,022,621	46,929,727	46,706,321
9	Capital Costs	95,682,691	91,785,588	92,099,487	83,006,041	67,421,551
10	Total	\$830,284,085	\$995,752,326	\$1,233,033,653	\$1,159,337,106	\$1,139,168,552

PERCENT OF REVENUES

11	Purchased Gas & Other Supply Exp.	49.3	60.4	67.0	65.1	66.1
12	Wages and Benefits	12.3	9.9	8.7	9.4	9.7
13	Other Operation & Maintenance Exp.	12.9	8.5	7.4	7.7	7.9
14	Depreciation & Amortization Expense	4.9	4.0	3.1	3.5	3.5
15	Income Taxes-Operating	3.8	3.6	3.2	3.0	2.8
16	Other Taxes-Operating	5.2	4.4	3.2	4.0	4.1
17	Capital Costs	11.5	9.2	7.5	7.2	5.9
18	Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER MCF

19	Purchased Gas & Other Supply Exp.	5.80	8.91	11.15	10.14	11.14
20	Wages and Benefits	1.45	1.47	1.45	1.47	1.64
21	Other Operation & Maintenance Exp.	1.52	1.25	1.23	1.20	1.33
22	Depreciation & Amortization Expense	0.58	0.59	0.52	0.55	0.59
23	Income Taxes-Operating	0.45	0.52	0.53	0.47	0.48
24	Other Taxes-Operating	0.61	0.65	0.53	0.63	0.69
25	Capital Costs	1.36	1.36	1.24	1.11	1.00
26	Total	11.77	14.75	16.65	15.57	16.86

Notes:

* Includes Pennsylvania Operations

** Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average MCF Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below

	2010	2009	2008	2007	2006
Purchased Gas and Other Supply Exp.					
Other Gas Supply	327,565,064	486,526,816	705,435,642	635,241,740	628,028,537
Natural Gas Storage	702,721	30,705,617	32,406,668	32,927,132	35,192,970
Transmission Expense	80,866,164	84,041,566	87,997,123	87,002,094	89,225,168
Total Purchased Gas	409,133,949	601,273,999	825,839,433	755,170,966	752,446,675
-Total PG related to Sales for Resale PG - Ultimate Customers	409,133,949	601,273,999	825,839,433	755,170,966	752,446,675
Wages and Benefits					
Salaries	64,108,590	63,477,623	65,295,315	63,477,623	63,998,858
Pensions and Benefits	38,313,964	35,484,816	42,200,476	46,059,736	46,935,540
Total Wages and Benefits	102,422,554	98,962,439	107,495,791	109,537,359	110,934,398
Other Expenses					
Total O&M Expenses	618,974,136	784,911,072	1,024,093,738	953,946,848	952,890,295
-Total Purchased Gas	409,133,949	601,273,999	825,839,433	755,170,966	752,446,675
-Wages and Benefits	102,422,554	98,962,439	107,495,791	109,537,359	110,934,398
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	107,417,633	84,674,634	90,758,514	89,238,523	89,509,222
Depreciation and Amortization					
Depreciation Exp	40,692,173	40,804,655	38,795,186	40,804,655	39,972,529
Amort & Depl of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	40,692,173	40,804,655	38,795,186	40,804,655	39,972,529
Fuel and PP related to Sales for Resale					
Total PG	409,133,949	601,273,999	825,839,433	755,170,966	752,446,675
divided by Total MCFs	70,570,606	67,510,096	74,043,289	74,451,326	67,553,300
Fuel Cost per MCF	6	9	11	10	11
times Sales for Resale MCFs	7,405,763	357,210	5,166,495	2,386,008	
Sales for Resale PG	42,935,001	3,181,466	57,624,335	24,201,637	
Transportation Volumes	N/A	N/A	N/A	N/A	N/A

NATIONAL FUEL GAS DISTRIBUTION CORPORATION *
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
Intangible	\$11,380,551	\$8,160,735	\$8,160,735	\$8,160,548	\$8,080,013	1
Production						
Manufactured Gas						2
Natural Gas	19,105,303	18,702,930	18,672,389	18,094,449	20,383,613	3
Natural Gas Storage						
Underground Storage						4
Other Storage						5
Transmission	51,020,643	49,999,719	49,444,595	48,235,973	47,900,067	6
Distribution	1,531,841,130	1,492,815,465	1,460,827,160	1,419,718,690	1,383,509,858	7
General	66,185,646	63,871,882	63,132,933	60,226,251	49,220,815	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Underground, Non-current						11
Total Plant In Service	1,679,533,273	1,633,550,731	1,600,237,812	1,554,435,911	1,509,094,365	12
Plant Leased To Others						13
Plant Held For Future Use						14
Construction Work In Progress	7,946,515	10,785,289	6,818,152	7,372,805	8,962,648	15
Acquisition Adjustments						16
Total Plant	1,687,479,788	1,644,336,020	1,607,055,964	1,561,808,716	1,518,057,013	17
Accum. Prov. - Depr. & Amort.	606,970,746	580,697,777	555,789,456	529,057,094	496,679,119	18
Total Net Plant	\$1,080,509,042	\$1,063,638,243	\$1,051,266,508	\$1,032,751,622	\$1,021,377,894	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.69	2.39	0.85	0.60	0.72	20
Total Capitalization	\$907,868,947	\$962,680,000	\$1,017,531,535	\$1,003,441,493	\$970,628,435	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	45.6%	43.0%	28.4%	18.8%	26.6%	22
Preferred Stock						23
Common Stock & Retained Earnings	54.4%	57.0%	53.7%	51.8%	53.3%	24
Short-Term Debt			17.9%	29.4%	20.1%	25
Pretax Coverage of Interest Expense	3.56	3.63	4.70	4.19	3.71	26
Com. Stock Dividends as a % of Earnings	123.7%	63.1%	42.5%	63.9%	152.9%	27
Return on Common Equity	18.4%	16.8%	16.1%	16.0%	12.3%	28
Internal Cash Generated as a % of Cash Outflows for Construction	124.9%	38.1%	112.9%	172.4%	295.4%	29
Earnings per Share	\$0.05	\$0.05	\$0.04	\$41,503.02	\$33,710.78	30
Book Value per Share	\$0.25	\$0.27	\$0.27	\$259,670.75	\$258,809.22	31
Dividends per Share	\$0.06	\$0.03	\$0.02	\$26,533.50	\$51,534.00	32
Number of Employees		1,367	1,364	1,028	1,437	33

Notes:

* Includes Pennsylvania operations.

<u>Data Field Below</u>	2010	2009	2008	2007	2006
Current Assets	\$213,645,579	\$303,566,654	\$264,285,464	\$267,777,132	\$241,672,011
Current Liabilities	126,399,579	127,171,732	312,720,588	443,031,439	335,890,547
Total Capitalization	907,868,947	962,680,000	1,017,531,535	1,003,441,493	970,628,435
Long-Term Debt	414,000,000	414,000,000	289,000,000	189,000,000	258,310,000
Preferred Stock			-	-	
Common Stock and Retained Earnings (Excl. Preferred Stock)	493,868,947	548,680,000	546,531,535	519,341,493	517,618,435
Short-Term Debt			182,000,000	295,100,000	194,700,000
Pretax Income	127,639,868	127,146,912	124,640,367	117,655,876	99,599,407
Interest Expense	35,844,473	35,074,406	26,497,354	28,064,846	26,826,851
Dividends Paid	118,400,000	57,900,000	36,400,000	53,067,000	103,068,000
Net Income (Excl. Preferred Stock Dividends)	95,682,691	91,785,588	85,617,746	83,006,041	67,421,551
Internal Cash	71,194,124	20,795,484	65,865,083	93,137,948	162,296,320
Cash Outflows for Construction	57,015,819	54,541,061	58,338,064	54,024,519	54,939,092
Shares Outstanding (Millions) Sch250251	2,000	2,000	2,000.0000	0.0020	0.0020
Misc Deferred Debits	418,031,655	313,200,343	95,927,924	62,024,064	33,814,969
Number of Employees		1,367	1,364	1,028	1,437
Pre-Tax Income					
Total Utility Operating Income	\$95,682,691	\$91,785,588	\$85,617,746	\$83,006,041	\$67,421,551
+Income Taxes - Electric					
+Income Taxes - Gas	31,957,177	35,361,324	39,022,621	34,649,835	32,177,856
+Other Income	2,303,327	2,652,907	2,852,461	(1,802,214)	5,202,000
- Other Income Deductions	327,120	324,369	529,811	370,310	483,372
- Other Taxes	(635,494)	(548,285)	(1,900,717)	(1,160,632)	(100,254)
Pre-Tax Income	\$130,251,569	\$130,023,735	\$128,863,734	\$116,643,984	\$99,599,407

VALLEY ENERGY
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
UTILITY PLANT					
1 Total Utility Plant	\$4,417,344	\$4,383,891	\$4,256,694	\$4,167,600	\$4,121,065
2 Less Acc. Prov. For Depreciation & Amortization	2,069,859	1,938,146	1,810,985	1,686,217	1,565,911
3 Net Total Utility Plant	2,347,485	2,445,745	2,445,709	2,481,383	2,555,154
OTHER PROPERTY AND INVESTMENTS					
4 Nonutility Property					
5 Less Acc. Prov. For Depreciation & Amortization					
6 Investment in Associated Companies					
7 Investment in Subsidiary Companies					
8 Other Investments					
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds					
12 Total Other Property and Investments					
CURRENT AND ACCRUED ASSETS					
13 Cash					
14 Special Deposits					
15 Working Funds					
16 Temporary Cash Investments					
17 Notes Receivable					
18 Accounts Receivable	225,619	127,647	365,190	386,309	292,230
19 Less Accum. Prov. For Uncollectible Accounts	(31,386)	(19,495)	(26,608)	(38,631)	(22,936)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies					
22 Materials and Supplies					
23 Gas Stored Underground - Current					
24 Liquefied Natural Gas in Storage					
25 Prepayments					
26 Interest and Dividends Receivable					
27 Rents Receivable					
28 Accrued Utility Revenue	26,602	25,278	25,617	13,556	14,026
29 Misc. Current and Accrued Assets					
30 Total Current and Accrued Assets	220,835	133,430	364,199	361,234	283,320
DEFERRED DEBITS					
31 Unamort. Debt Expense					
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges					
34 Clearing Accounts					
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	16,043	306,850	271,904	125,359	166,215
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development					
39 Accumulated Deferred Income Taxes	(230,100)	(227,200)	(225,892)	(195,755)	(103,061)
40 Total Deferred Debits	(214,057)	79,650	46,012	(70,396)	63,154
41 Total Assets and Other Debits	\$2,354,263	\$2,658,825	\$2,855,920	\$2,772,221	\$2,901,628

VALLEY ENERGY
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
PROPRIETARY CAPITAL						
Common Stock Issued	\$2,326,592	\$2,326,592	\$2,326,592	\$2,326,592	\$2,326,592	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock						5
Other Paid-in Capital						6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	(526,612)	(532,196)	(535,485)	(538,865)	(313,989)	9
Unapp. Undistributed Subsidiary Earnings						10
Reacquired Capital Stock						11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	1,799,980	1,794,396	1,791,107	1,787,727	2,012,603	12
LONG-TERM DEBT						
Bonds						13
Reacquired Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt						16
Unamortized Premium on LT Debt						17
Unamortized Discount on LT Debt-Debit						18
Total Long-Term Debt						19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable						20
Accounts Payable						21
Notes Payable to Associated Companies						22
Accounts Payable to Associated Companies	601,923	872,393	1,014,656	950,063	754,499	23
Customer Deposits	35,060	39,578	33,162	11,629	17,684	24
Taxes Accrued	(82,700)	(49,616)	(9,997)	(29,107)	(43,496)	25
Interest Accrued						26
Dividends Declared						27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable						30
Misc. Current and Accrued Liabilities						31
Total Current and Accrued Liabilities	554,283	862,355	1,037,821	932,585	728,687	32
DEFERRED CREDITS						
Customer Advances for Construction						33
Other Deferred Credits		2,074	26,992	51,909	76,826	34
Accumulated Deferred Inv. Tax Credits						35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes					83,512	37
Total Deferred Credits		2,074	26,992	51,909	160,338	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve						40
Pension and Benefits Reserve						41
Miscellaneous Operating Reserves						42
Total Operating Reserves						43
Total Liabilities and Other Credits	\$2,354,263	\$2,658,825	\$2,855,920	\$2,772,221	\$2,901,628	44

VALLEY ENERGY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
GAS OPERATING INCOME					
1 Operating Revenues	\$2,005,164	\$2,515,754	\$3,267,587	\$2,583,745	\$2,484,805
Operating Expense:					
2 Operation Expense	1,564,205	2,046,982	2,750,288	2,411,615	2,233,765
3 Maintenance Expense	41,544	50,957	60,002	54,597	55,887
4 Depreciation Expense	104,303	102,069	98,923	96,841	92,359
5 Amort. and Depletion of Utility Plant					
6 Amort. of Utility Plant Acq. Adj.					
7 Amort. of Property Losses					
8 Amort. of Conversion Expenses	43,466	43,466	43,466	41,119	40,056
9 Other Expenses					
10 Taxes Other than Income Taxes	111,658	123,625	117,340	120,561	111,424
11 Income Taxes	2,900	1,000	13,536	(98,158)	(116,031)
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	1,868,076	2,368,099	3,083,555	2,626,575	2,417,460
15 Net Operating Revenues	137,088	147,655	184,032	(42,830)	67,345
16 Other Utility Operating Income					
17 Total Gas Utility Operating Income	137,088	147,655	184,032	(42,830)	67,345
18 Other Utility Operating Income					
19 Total Utility Operating Income	\$137,088	\$147,655	\$184,032	(\$42,830)	\$67,345

VALLEY ENERGY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
OTHER INCOME						
Income - Merch. Jobbing & Contract Work						1
Income from Nonutility Operations						2
Nonoperating Rental Income						3
Equity in Earnings of Subsidiary Companies						4
Interest and Dividend Income		\$14,548	\$3,873		\$397	5
Allowance for Funds Used During Construction						6
Miscellaneous Nonoperating Income	(\$67)	(148)	656	\$166	286	7
Gain on Disposition of Property						8
Total Other Income	(67)	14,400	4,529	166	683	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	954	760	1,109	965	757	12
Total Other Income Deductions	954	760	1,109	965	757	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes						14
Income Taxes						15
Total Taxes-Other Inc. & Deductions						16
Net Other Income and Deductions	(1,021)	13,640	3,420	(799)	(74)	17
INTEREST CHARGES						
Interest on Long-term Debt	124,413	134,423	149,527	154,789	161,982	18
Amortization of Debt Discount and Expense						19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company						21
Other Interest Expense	6,070	23,582	34,546	26,457	25,356	22
Total Interest Charges	130,483	158,005	184,073	181,246	187,338	23
Income Before Extraordinary Items	5,584	3,290	3,379	(224,875)	(120,067)	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$5,584	\$3,290	\$3,379	(\$224,875)	(\$120,067)	29
<hr/>						
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	(\$532,196)	(\$535,486)	(\$538,865)	(\$313,990)	(\$193,923)	30
Balance Transferred from Income	5,584	3,290	3,379			31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock						34
Adjustments to Retained Earnings 1				(224,875)	(120,067)	35
Net Change	5,584	3,290	3,379	(224,875)	(120,067)	36
Unappropriated Retained Earnings (EOP)	(526,612)	(532,196)	(535,486)	(538,865)	(313,990)	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	(\$526,612)	(\$532,196)	(\$535,486)	(\$538,865)	(\$313,990)	39

1. NUI Waverly Assets Were Acquired by Valley Energy in 2002, setting Retained Earnings at \$0.

VALLEY ENERGY
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
SALES AND CUSTOMER DATA						
REVENUES						
Residential	\$1,182,672	\$1,414,632	\$1,542,662	\$1,420,330	\$1,414,858	1
Commercial	628,399	867,522	1,362,298	1,044,029	1,254,502	2
Industrial						3
Other Ultimate Customers						4
Total Revenues-Ultimate Customer	1,811,071	2,282,154	2,904,960	2,464,359	2,669,360	5
Sales for Resale						6
Total Revenues from Gas Sales	1,811,071	2,282,154	2,904,960	2,464,359	2,669,360	7
Transportation Sales	165,096	134,156	113,586	125,950	121,455	8
Other Gas Operating Revenues	28,997	99,444	249,041	(6,564)	(306,010)	9
Total Gas Operating Revenues	\$2,005,164	\$2,515,754	\$3,267,587	\$2,583,745	\$2,484,805	10
SALES (MCF)						
Residential	138,716	134,241	126,596	131,755	116,187	11
Commercial	88,076	93,328	121,400	124,497	120,740	12
Industrial						13
Other Ultimate Customers						14
Total Sales-Ultimate Customer	226,792	227,569	247,995	256,252	236,927	15
Sales for Resale						16
Transportation Sales	91,174	73,855	60,699	69,508	64,226	17
Other Gas Sales						18
Total Sales	317,966	301,424	308,695	325,759	301,153	19
AVG NUMBERS OF CUSTOMERS						
Residential	1,495	1,467	1,388	1,416	1,363	20
Commercial	179	173	172	178	179	21
Industrial						22
Other Customers						23
Total Ultimate Customers	1,674	1,640	1,560	1,594	1,542	24
Resales						25
Total Customers	1,674	1,640	1,560	1,594	1,542	26
OPERATING REVENUES RELATIONSHIP						
RESIDENTIAL SALES						
Average Annual Bill Per Customer	\$791	\$964	\$1,111	\$1,003	\$1,038	27
Average MCF Consumption Per Customer	92.8	91.5	91.2	93.0	85.2	28
Average Revenue Per MCF Sold	\$8.53	\$10.54	\$12.19	\$10.78	\$12.18	29
COMMERCIAL SALES						
Average Annual Bill Per Customer	\$3,511	\$5,015	\$7,920	\$5,865	\$7,008	30
Average MCF Consumption Per Customer	492.0	539.5	705.8	699.4	674.5	31
Average Revenue Per MCF Sold	\$7.13	\$9.30	\$11.22	\$8.39	\$10.39	32
INDUSTRIAL SALES						
Average Annual Bill Per Customer	N/A	N/A	N/A	N/A	N/A	33
Average MCF Consumption Per Customer	N/A	N/A	N/A	N/A	N/A	34
Average Revenue Per MCF Sold	N/A	N/A	N/A	N/A	N/A	35
OPERATION AND MAINTENANCE EXPENSES						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	\$724,291	\$677,733	1,379,605	\$1,141,886	\$1,005,651	39
Other	440,902	995,359	1,007,591	849,776	886,370	40
Total Production Expense	1,165,193	1,673,092	2,387,196	1,991,662	1,892,021	41
Natural Gas Storage Expense	5,828	15,791	16,674	17,745	25,946	42
Transmission Expense						43
Distribution Expense	211,061	207,118	212,994	219,814	199,833	44
Customer Account Expense	117,303	102,225	98,685	126,848	75,346	45
Sales Expense	452	206				46
Administrative and General	105,902	99,509	94,741	110,143	96,506	47
Total O & M Expense	\$1,605,739	\$2,097,941	\$2,810,290	\$2,466,212	\$2,289,652	48

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average MCF Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

VALLEY ENERGY
DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
1 Total Revenues	\$2,005,164	\$2,515,754	\$3,267,587	\$2,583,745	\$2,484,805
2 Sales of Gas (MCF) *	226,792	227,569	247,995	256,252	236,927
DOLLAR AMOUNTS					
3 Purchased Gas & Other Supply Exp.	\$1,165,193	\$1,673,092	\$2,387,196	\$1,991,662	\$1,892,021
4 Wages and Benefits	108,862	110,062	104,303	101,969	95,783
5 Other Operation & Maintenance Exp.	331,684	314,787	318,791	372,581	301,848
6 Depreciation & Amortization Expense	104,303	102,069	98,923	137,960	132,415
7 Income Taxes-Operating	2,900	1,000	13,536	(98,158)	(116,031)
8 Other Taxes-Operating	111,658	123,625	117,340	120,561	111,424
9 Capital Costs	180,564	191,119	227,498	(42,830)	67,345
10 Total	\$2,005,164	\$2,515,754	\$3,267,587	\$2,583,745	\$2,484,805
PERCENT OF REVENUES					
11 Purchased Gas & Other Supply Exp.	58.1	66.5	73.1	77.1	76.1
12 Wages and Benefits	5.4	4.4	3.2	3.9	3.9
13 Other Operation & Maintenance Exp.	16.5	12.5	9.8	14.4	12.1
14 Depreciation & Amortization Expense	5.2	4.1	3.0	5.3	5.3
15 Income Taxes-Operating	0.1	0.0	0.4	-3.8	-4.7
16 Other Taxes-Operating	5.6	4.9	3.6	4.7	4.5
17 Capital Costs	9.0	7.6	7.0	-1.7	2.7
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER MCF					
19 Purchased Gas & Other Supply Exp.	5.14	7.35	9.63	7.77	7.99
20 Wages and Benefits	0.48	0.48	0.42	0.40	0.40
21 Other Operation & Maintenance Exp.	1.46	1.38	1.29	1.45	1.27
22 Depreciation & Amortization Expense	0.46	0.45	0.40	0.54	0.56
23 Income Taxes-Operating	0.01	0.00	0.05	-0.38	-0.49
24 Other Taxes-Operating	0.49	0.54	0.47	0.47	0.47
25 Capital Costs	0.80	0.84	0.92	-0.17	0.28
26 Total	8.84	11.05	13.18	10.08	10.49

Notes:

* Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average MCF Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below

Purchased Gas and Other Supply Exp.	1,165,193	1,673,092	2,387,196	1,991,662	1,892,021
Liquidified Petro Gas					
Other Gas Supply					

Total Purchased Gas	1,165,193	1,673,092	2,387,196	1,991,662	1,892,021
-Total PG related to Sales for Resale					
PG - Ultimate Customers	1,165,193	1,673,092	2,387,196	1,991,662	1,892,021

Wages and Benefits

Salaries	107,909	108,616	103,950	101,800	95,166
Pensions and Benefits	953	1,446	353	169	617
Total Wages and Benefits	108,862	110,062	104,303	101,969	95,783

Other Expenses

Total O&M Expenses	1,605,739	2,097,941	2,810,290	2,466,212	2,289,652
-Total Purchased Gas	1,165,193	1,673,092	2,387,196	1,991,662	1,892,021
-Wages and Benefits	108,862	110,062	104,303	101,969	95,783
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	331,684	314,787	318,791	372,581	301,848

Depreciation and Amortization

Depreciation Exp	104,303	102,069	98,923	96,841	132,415
Amort & Depl of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses		43,466	43,466	41,119	40,056
Total Depre and Amort	104,303	145,535	142,389	137,960	172,471

Fuel and PP related to Sales for Resale

Total PG	1,165,193	1,673,092	2,387,196	1,991,662	1,892,021
divided by Total MCFs	226,792	227,569	247,995	256,252	236,927
Fuel Cost per MCF	5.138	7.352	9.626	7.772	7.986
times Sales for Resale MCFs					
Sales for Resale PG					
Transportation Volumes	91,174	73,855	60,699	69,508	64,226

Data Field Below

Current Assets	220,835	133,430	364,199	361,234	283,320
Current Liabilities	554,283	862,355	1,037,821	932,585	728,687
Total Capitalization	1,799,980	1,794,396	1,791,107	1,787,727	2,012,603
Long-Term Debt			-		
Preferred Stock			-		
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,799,980	1,794,396	1,791,107	1,787,727	2,012,603
Short-Term Debt			-		
Pretax Income	139,988	148,655	200,988	(141,787)	(48,686)
Interest Expense	124,413	134,423	149,527	154,789	161,982
Dividends Paid			-		
Net Income (Excl. Preferred Stock Dividends)	137,088	3,290	3,379	(224,875)	67,345
Internal Cash	303,922	274,924	29,532	(143,786)	424,329
Cash Outflows for Construction	33,452	132,661	94,125	51,777	83,428
Shares Outstanding (Millions) Sch250251			-		
Misc Deferred Debits	16,043	304,776	244,912	73,450	89,389
Number of Employees	4	4	4	4	4
<u>Pre-Tax Income</u>					
Total Utility Operating Income	\$137,088	\$147,656	\$184,032	(\$42,830)	\$67,345
+Income Taxes - Electric					
+Income Taxes - Gas	2,900	999	13,536	(98,158)	(116,031)
+Other Income			4,529	166	683
- Other Income Deductions			1,109	965	757
- Other Taxes					
Pre-Tax Income	\$139,988	\$148,655	\$200,988	(\$141,787)	(\$48,760)

ST. LAWRENCE GAS COMPANY, INC.
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
UTILITY PLANT					
1 Total Utility Plant	\$49,308,885	\$47,248,701	\$45,431,362	\$44,616,414	\$43,653,497
2 Less Acc. Prov. For Depreciation & Amortization	23,385,303	22,484,874	21,633,544	21,005,301	20,187,428
3 Net Total Utility Plant	25,923,582	24,763,827	23,797,818	23,611,113	23,466,069
OTHER PROPERTY AND INVESTMENTS					
4 Nonutility Property					
5 Less Acc. Prov. For Depreciation & Amortization					
6 Investment in Associated Companies					
7 Investment in Subsidiary Companies	36,741	33,114	32,421	31,037	29,884
8 Other Investments	(227,876)	(157,108)	(268,620)	(190,688)	(1,327,616)
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds					
12 Total Other Property and Investments	(191,135)	(123,994)	(236,199)	(159,651)	(1,297,732)
CURRENT AND ACCRUED ASSETS					
13 Cash	(47,601)	97,559	241,416	683,748	86,507
14 Special Deposits					
15 Working Funds	4,287	2,443	1,081	1,938	4,501
16 Temporary Cash Investments					
17 Notes Receivable	1,861,946	5,281,946	1,536,946	566,946	470,000
18 Accounts Receivable	3,940,039	3,284,059	5,220,543	5,909,132	4,101,766
19 Less Accum. Prov. For Uncollectible Accounts	(507,774)	(1,111,690)	(525,000)	(400,000)	(235,000)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies	3,335	1,373	13,148	828,892	32,365
22 Materials and Supplies	190,322	197,979	210,548	202,156	294,916
23 Gas Stored Underground - Current	2,031,104	3,169,163	9,143,229	6,227,827	6,744,472
24 Liquefied Natural Gas in Storage					
25 Prepayments	500,726	1,006,355	868,391	556,431	747,015
26 Interest and Dividends Receivable					
27 Rents Receivable					
28 Accrued Utility Revenue					
29 Misc. Current and Accrued Assets					
30 Total Current and Accrued Assets	7,976,384	11,929,187	16,710,302	14,577,070	12,246,542
DEFERRED DEBITS					
31 Unamort. Debt Expense					
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges					
34 Clearing Accounts	8,215	(1,523)	(3,148)	33,264	13,358
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	5,669,977	5,751,943	4,273,373	7,980,483	9,479,999
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development					
39 Accumulated Deferred Income Taxes	4,154,495	4,415,239	3,573,829	3,748,472	3,727,449
40 Total Deferred Debits	9,832,687	10,165,659	7,844,054	11,762,219	13,220,806
41 Total Assets and Other Debits	\$43,541,518	\$46,734,679	\$48,115,975	\$49,790,751	\$47,635,685

ST. LAWRENCE GAS COMPANY, INC.
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
PROPRIETARY CAPITAL						
Common Stock Issued	\$4,350,000	\$4,350,000	\$4,350,000	\$4,350,000	\$4,350,000	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock						5
Other Paid-in Capital						6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	7,971,438	8,341,722	8,707,881	10,689,784	8,161,626	9
Unapp. Undistributed Subsidiary Earnings	34,741	31,114	30,421	29,037	27,884	10
Required Capital Stock						11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	12,356,179	12,722,836	13,088,302	15,068,821	12,539,510	12
LONG-TERM DEBT						
Bonds						13
Required Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	7,000,000	4,500,000	7,000,000	7,000,000	7,000,000	16
Unamortized Premium on LT Debt						17
Unamortized Discount on LT Debt-Debit						18
Total Long-Term Debt	7,000,000	4,500,000	7,000,000	7,000,000	7,000,000	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable	7,290,000	9,100,000	7,830,000	6,120,000	9,585,000	20
Accounts Payable	3,463,277	2,752,498	4,461,333	4,656,589	3,739,424	21
Notes Payable to Associated Companies						22
Accounts Payable to Associated Companies	158,659	37,942	38,617	81,591	70,711	23
Customer Deposits	424,993	330,934	307,470	302,453	250,901	24
Taxes Accrued	(214,228)	(225,882)	375,975	498,582	(415,882)	25
Interest Accrued	7,724	2,565	24,814	59,213	74,592	26
Dividends Declared		870,000		978,750		27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable						30
Misc. Current and Accrued Liabilities	148,600	121,697	226,227	7,615,968	7,678,854	31
Total Current and Accrued Liabilities	11,279,025	12,989,754	13,264,436	20,313,146	20,983,600	32
DEFERRED CREDITS						
Customer Advances for Construction	332,271	379,423	419,292	487,876	46,851	33
Other Deferred Credits	2,513,892	5,144,289	5,553,014	1,812,965	2,277,617	34
Accumulated Deferred Inv. Tax Credits		3,609	11,865	20,121	28,377	35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	5,969,818	5,793,368	4,840,535	5,027,129	4,759,953	37
Total Deferred Credits	8,815,981	11,320,689	10,824,706	7,348,091	7,112,798	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	91,958	52,958	13,921	(25,079)	(61,750)	40
Pension and Benefits Reserve	3,944,047	5,079,211	3,858,465	24,332	7,032	41
Miscellaneous Operating Reserves	54,328	69,231	66,145	61,440	54,495	42
Total Operating Reserves	4,090,333	5,201,400	3,938,531	60,693	(223)	43
Total Liabilities and Other Credits	\$43,541,518	\$46,734,679	\$48,115,975	\$49,790,751	\$47,635,685	44

ST. LAWRENCE GAS COMPANY, INC.
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
GAS OPERATING INCOME					
1 Operating Revenues	\$40,889,508	\$42,617,338	\$51,499,856	\$47,830,988	\$44,235,539
Operating Expense:					
2 Operation Expense	34,267,098	38,273,165	46,093,460	41,721,057	39,025,346
3 Maintenance Expense	399,157	267,541	233,405	220,156	273,354
4 Depreciation Expense	1,049,330	1,002,706	987,394	946,079	1,172,336
5 Amort. and Depletion of Utility Plant	14,069	14,067	14,003	13,997	13,996
6 Amort. of Utility Plant Acq. Adj.					
7 Amort. of Property Losses					
8 Amort. of Conversion Expenses					
9 Other Expenses					
10 Taxes Other than Income Taxes	2,121,065	1,861,139	1,912,591	1,881,941	1,909,633
11 Income Taxes	947,167	149,732	624,739	879,927	426,586
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	38,797,886	41,568,350	49,865,592	45,663,157	42,821,251
15 Net Operating Revenues	2,091,622	1,048,988	1,634,264	2,167,831	1,414,288
16 Other Utility Operating Income					
17 Total Gas Utility Operating Income	2,091,622	1,048,988	1,634,264	2,167,831	1,414,288
18 Other Utility Operating Income					
19 Total Utility Operating Income	\$2,091,622	\$1,048,988	\$1,634,264	\$2,167,831	\$1,414,288

ST. LAWRENCE GAS COMPANY, INC.
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
OTHER INCOME						
Income - Merch. Jobbing & Contract Work						1
Income from Nonutility Operations						2
Nonoperating Rental Income						3
Equity in Earnings of Subsidiary Companies	\$3,627	\$693	\$1,384	\$1,153	\$2,004	4
Interest and Dividend Income	195,719	256,789	327,317	1,189,018	372,031	5
Allowance for Funds Used During Construction	9,309					6
Miscellaneous Nonoperating Income			2			7
Gain on Disposition of Property						8
Total Other Income	208,655	257,482	328,703	1,190,171	374,035	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	15,000	17,020	15,495	27,000	8,000	12
Total Other Income Deductions	15,000	17,020	15,495	27,000	8,000	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes						14
Income Taxes						15
Total Taxes-Other Inc. & Deductions						16
Net Other Income and Deductions	193,655	240,462	313,208	1,163,171	366,035	17
INTEREST CHARGES						
Interest on Long-term Debt						18
Amortization of Debt Discount and Expense						19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company						21
Other Interest Expense	967,201	867,940	919,165	1,022,151	1,102,812	22
Total Interest Charges	967,201	867,940	919,165	1,022,151	1,102,812	23
Income Before Extraordinary Items	1,318,076	421,510	1,028,307	2,308,851	677,511	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$1,318,076	\$421,510	\$1,028,307	\$2,308,851	\$677,511	29
<hr/>						
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$8,341,722	\$8,707,881	\$10,689,784	\$8,161,626	\$8,270,080	30
Balance Transferred from Income	1,314,449	420,817	1,026,923	2,307,698	675,507	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock	1,631,250	870,000	2,936,250	978,750		34
Adjustments to Retained Earnings	(53,483)	83,024	(72,576)	1,199,210	(783,961)	35
Net Change	(370,284)	(366,159)	(1,981,903)	2,528,158	(108,454)	36
Unappropriated Retained Earnings (EOP)	7,971,438	8,341,722	8,707,881	10,689,784	8,161,626	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	\$7,971,438	\$8,341,722	\$8,707,881	\$10,689,784	\$8,161,626	39

ST. LAWRENCE GAS COMPANY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006
Cash Flows From Operating Activities					
1 Net Income	\$1,318,076	\$421,510	\$1,028,307	\$2,308,851	\$677,511.00
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	1,191,515	1,134,939	1,108,724	1,062,467	1,281,951
3 Deferred Taxes & ITCs	(2,179,527)	(334,046)	3,725,198	(164,473)	(817,708)
4 Receivables and Inventory	2,165,799	(1,197,482)	650,941	(2,443,079)	805,628
5 Payables and Accrued Expenses	969,271	(2,414,682)	(7,779,960)	1,815,796	412,977
6 Regulatory Assets (Net)					
7 Capitalized AFUDC - Equity					
8 Undistributed Earnings of Affiliates	(3,627)	(693)	(1,384)	(1,153)	(2,004)
9 Other Adjustments	1,138,059	5,974,066	(2,915,402)	516,645	265,606
10	505,629	(137,964)	(311,960)	190,584	(195,698)
11	(1,085,991)	(257,195)	7,552,776	1,981,551	(1,968,407)
12 Net Cash From Operating Activities	<u>4,019,204</u>	<u>3,188,453</u>	<u>3,057,240</u>	<u>5,267,189</u>	<u>459,856</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(2,319,943)	(2,015,132)	(1,282,938)	(1,224,808)	(1,658,529)
14 Acquisition Of Other Non-Current Assets	(31,327)	(85,816)	(12,491)	17,297	(53,604)
15 Investments in & Advances to Affiliates					
16 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					
19 Investment Securities					
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities					
22					
23					
24 Net Cash From Investing Activities	<u>(2,351,270)</u>	<u>(2,100,948)</u>	<u>(1,295,429)</u>	<u>(1,207,511)</u>	<u>(1,712,133)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	2,500,000	(2,500,000)			
26 Common Stock					
27 Preferred Stock					
28 Short-Term Debt	(1,810,000)	1,270,000	1,710,000	(3,465,000)	1,320,000
29 Dividends Paid	(2,501,250)		(3,915,000)		
30 Other Cash Flows - Financing Activities					
31					
32					
33 Net Cash From Financing Activities	<u>(1,811,250)</u>	<u>(1,230,000)</u>	<u>(2,205,000)</u>	<u>(3,465,000)</u>	<u>1,320,000</u>
34 Net Increase/(Decrease) In Cash Equivalents	(143,316)	(142,495)	(443,189)	594,678	67,723
35 Cash & Cash Equivalents Beginning Of Year	100,002	242,497	685,686	91,008	23,285
36 Cash & Cash Equivalents End Of Year	(\$43,314)	\$100,002	\$242,497	\$685,686	\$91,008

ST. LAWRENCE GAS COMPANY, INC.
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
SALES AND CUSTOMER DATA						
REVENUES						
Residential	\$16,919,444	\$18,634,633	\$21,054,330	\$21,765,705	\$18,960,336	1
Commercial	9,378,049	10,369,509	12,282,258	11,371,695	9,714,193	2
Industrial	7,173,968	5,937,522	7,465,016	4,896,152	5,989,842	3
Other Ultimate Customers						4
Total Revenues-Ultimate Customer	33,471,461	34,941,664	40,801,604	38,033,552	34,664,371	5
Sales for Resale						6
Total Revenues from Gas Sales	33,471,461	34,941,664	40,801,604	38,033,552	34,664,371	7
Transportation Sales	5,197,945	4,660,483	6,446,069	6,853,093	6,037,951	8
Other Gas Operating Revenues	2,220,102	3,015,189	4,252,182	2,944,343	3,533,218	9
Total Gas Operating Revenues	\$40,889,508	\$42,617,336	\$51,499,855	\$47,830,988	\$44,235,540	10
SALES (MCF)						
Residential	1,418,551	1,554,131	1,523,635	1,632,087	1,542,468	11
Commercial	966,756	1,021,573	981,688	945,991	849,344	12
Industrial	918,250	761,382	608,876	423,059	429,753	13
Other Ultimate Customers						14
Total Sales-Ultimate Customer	3,303,557	3,337,087	3,114,198	3,001,137	2,821,565	15
Sales for Resale						16
Transportation Sales	3,838,709	3,909,703	5,578,594	6,799,529	6,353,713	17
Other Gas Sales						18
Total Sales	7,142,266	7,246,790	8,692,792	9,800,666	9,175,278	19
AVG NUMBERS OF CUSTOMERS						
Residential	13,825	13,774	13,644	13,707	13,743	20
Commercial	1,588	1,592	1,583	1,565	1,625	21
Industrial	9	9	8	7	8	22
Other Customers						23
Total Ultimate Customers	15,422	15,375	15,235	15,279	15,376	24
Resales						25
Total Customers	15,422	15,375	15,235	15,279	15,376	26
OPERATING REVENUES RELATIONSHIP						
RESIDENTIAL SALES						
Average Annual Bill Per Customer	\$1,224	\$1,353	\$1,543	\$1,588	\$1,380	27
Average MCF Consumption Per Customer	102.6	112.8	111.7	119.1	112.2	28
Average Revenue Per MCF Sold	\$11.93	\$11.99	\$13.82	\$13.34	\$12.29	29
COMMERCIAL SALES						
Average Annual Bill Per Customer	\$5,906	\$6,514	\$7,759	\$7,266	\$5,978	30
Average MCF Consumption Per Customer	608.8	641.7	620.1	604.5	522.7	31
Average Revenue Per MCF Sold	\$9.70	\$10.15	\$12.51	\$12.02	\$11.44	32
INDUSTRIAL SALES						
Average Annual Bill Per Customer	\$797,108	\$659,725	\$933,127	\$699,450	\$748,730	33
Average MCF Consumption Per Customer	102,027.8	84,598.0	76,109.5	60,437.0	53,719.1	34
Average Revenue Per MCF Sold	\$7.81	\$7.80	\$12.26	\$11.57	\$13.94	35
OPERATION AND MAINTENANCE EXPENSES						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	\$24,454,247	\$24,952,680	\$38,446,314	\$31,341,230	\$35,109,458	39
Other	927,871	4,559,250	644,878	4,053,549	(950,112)	40
Total Production Expense	25,382,118	29,511,930	39,091,193	35,394,779	34,159,346	41
Natural Gas Storage Expense						42
Transmission Expense						43
Distribution Expense	2,145,556	1,874,999	1,789,538	1,720,925	1,656,269	44
Customer Account Expense	718,464	1,907,111	1,473,423	1,058,451	530,358	45
Sales Expense	92,413	86,371	80,861	83,223	72,988	46
Administrative and General	5,327,704	5,160,295	3,891,849	3,683,835	2,879,738	47
Total O & M Expense	\$33,666,255	\$38,540,706	\$46,326,865	\$41,941,213	\$39,298,700	48
Notes:						

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average MCF Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

**ST. LAWRENCE GAS COMPANY, INC.
DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
1 Total Revenues	\$40,889,508	\$42,617,336	\$51,499,855	\$47,830,988	\$44,235,540
2 Sales of Gas (MCF) *	3,303,557	3,337,087	3,114,198	3,001,137	2,821,565
DOLLAR AMOUNTS					
3 Purchased Gas & Other Supply Exp.	\$18,618,050	\$18,618,051	\$18,618,052	\$18,618,053	\$34,159,346
4 Wages and Benefits	1,044,965	1,044,965	1,044,965	1,044,965	3,894,958
5 Other Operation & Maintenance Exp.	3,619,376	3,619,376	3,619,376	3,619,376	1,244,396
6 Depreciation & Amortization Expense	1,063,399	1,016,773	1,001,397	960,076	1,186,332
7 Income Taxes-Operating	947,167	149,732	624,739	879,927	426,586
8 Other Taxes-Operating	2,121,065	1,861,139	1,912,591	1,881,941	1,909,633
9 Capital Costs	13,475,486	16,307,300	24,678,735	20,826,650	1,414,289
10 Total	\$40,889,508	\$42,617,336	\$51,499,855	\$47,830,988	\$44,235,540
PERCENT OF REVENUES					
11 Purchased Gas & Other Supply Exp.	45.5	43.7	36.2	38.9	77.2
12 Wages and Benefits	2.6	2.5	2.0	2.2	8.8
13 Other Operation & Maintenance Exp.	8.9	8.5	7.0	7.6	2.8
14 Depreciation & Amortization Expense	2.6	2.4	1.9	2.0	2.7
15 Income Taxes-Operating	2.3	0.4	1.2	1.8	1.0
16 Other Taxes-Operating	5.2	4.4	3.7	3.9	4.3
17 Capital Costs	33.0	38.3	47.9	43.5	3.2
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER MCF					
19 Purchased Gas & Other Supply Exp.	5.64	5.58	5.98	6.20	12.11
20 Wages and Benefits	0.32	0.31	0.34	0.35	1.38
21 Other Operation & Maintenance Exp.	1.10	1.08	1.16	1.21	0.44
22 Depreciation & Amortization Expense	0.32	0.30	0.32	0.32	0.42
23 Income Taxes-Operating	0.29	0.04	0.20	0.29	0.15
24 Other Taxes-Operating	0.64	0.56	0.61	0.63	0.68
25 Capital Costs	4.08	4.89	7.92	6.94	0.50
26 Total	12.38	12.77	16.54	15.94	15.68

Notes:

* Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average MCF Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below

Purchased Gas and Other Supply Exp.

Liquidfied Petro Gas					
Other Gas Supply	(\$210,187)	\$29,511,930	\$39,091,193	\$35,394,779	\$34,159,346
Total Purchased Gas	(210,187)	29,511,930	39,091,193	35,394,779	34,159,346
-Total PG related to Sales for Resale					
PG - Ultimate Customers	(210,187)	29,511,930	39,091,193	35,394,779	34,159,346

Wages and Benefits

Salaries		2,645,750	2,622,085	2,513,913	2,769,308
Pensions and Benefits	1,713,162	1,821,768	1,802,250	1,778,228	1,125,650
Total Wages and Benefits	1,713,162	4,467,518	4,424,335	4,292,141	3,894,958

Other Expenses

Total O&M Expenses	33,666,255	38,540,706	46,326,865	41,941,213	39,298,700
-Total Purchased Gas	(210,187)	29,511,930	39,091,193	35,394,779	34,159,346
-Wages and Benefits	1,713,162	4,467,518	4,424,335	4,292,141	3,894,958
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	32,163,280	4,561,258	2,811,338	2,254,293	1,244,396

Depreciation and Amortization

Depreciation Exp	1,049,330	1,002,706	987,394	946,079	1,172,336
Amort & Depl of Utility Plant	14,069	14,067	14,003	13,997	13,996
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	1,063,399	1,016,773	1,001,397	960,076	1,186,332

Fuel and PP related to Sales for Resale

Total PG	(210,187)	29,511,930	39,091,193	35,394,779	34,159,346
divided by Total MCFs	3,303,557	3,337,087	3,114,198	3,001,137	2,821,565
Fuel Cost per MCF	(0.064)	8.844	12.553	11.794	12.107
times Sales for Resale MCFs					
Sales for Resale PG					

Transportation Volumes

	3,838,709	3,909,703	5,578,594	6,799,529	6,353,713
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ST. LAWRENCE GAS COMPANY, INC.
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009	2008	2007	2006	
Intangible	\$415,012	\$414,922	\$414,759	\$411,552	\$411,297	1
Production						
Manufactured Gas						2
Natural Gas						3
Natural Gas Storage						
Underground Storage						4
Other Storage						5
Transmission						6
Distribution	40,139,825	39,128,031	37,777,422	37,122,494	36,087,909	7
General	7,577,024	7,185,265	6,910,758	6,956,550	6,744,579	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Underground, Non-current						11
Total Plant In Service	48,131,861	46,728,218	45,102,939	44,490,596	43,243,785	12
Plant Leased To Others						13
Plant Held For Future Use						14
Construction Work In Progress	1,177,024	520,483	328,423	125,818	409,713	15
Acquisition Adjustments						16
Total Plant	49,308,885	47,248,701	45,431,362	44,616,414	43,653,498	17
Accum. Prov. - Depr. & Amort.	23,385,303	22,484,874	21,633,544	21,005,301	20,187,428	18
Total Net Plant	\$25,923,582	\$24,763,827	\$23,797,818	\$23,611,113	\$23,466,070	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.71	0.92	1.26	0.72	0.58	20
Total Capitalization	\$26,646,179	\$26,322,836	\$27,918,302	\$28,188,821	\$29,124,510	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	26.3%	17.1%	25.1%	24.8%	24.0%	22
Preferred Stock						23
Common Stock & Retained Earnings	46.4%	48.3%	46.9%	53.5%	43.1%	24
Short-Term Debt	27.4%	34.6%	28.0%	21.7%	32.9%	25
Pretax Coverage of Interest Expense	3.14	1.38	2.80	4.12	2.00	26
Com. Stock Dividends as a % of Earnings	78.0%	82.9%	179.7%	45.1%		27
Return on Common Equity	16.7%	8.1%	11.6%	15.7%	11.3%	28
Internal Cash Generated as a % of Cash Outflows for Construction	173.2%	158.2%	238.3%	430.0%	27.7%	29
Earnings per Share						30
Book Value per Share						31
Dividends per Share						32
Number of Employees	44	43	42	40	41	33

Data Field Below

Current Assets	\$7,976,384.00	\$11,929,187.00	\$16,710,302	\$14,577,070	\$12,246,542
Current Liabilities	11,279,025	12,989,754	13,264,436	20,313,146	20,983,600
Total Capitalization	26,646,179	26,322,836	27,918,302	28,188,821	29,124,510
Long-Term Debt	7,000,000	4,500,000	7,000,000	7,000,000	7,000,000
Preferred Stock		-			
Common Stock and Retained Earnings (Excl. Preferred Stock)	12,356,179	12,722,836	13,088,302	15,068,821	12,539,510
Short-Term Debt	7,290,000	9,100,000	7,830,000	6,120,000	9,585,000
Pretax Income	3,038,789	1,198,720	2,572,211	4,210,929	2,206,909
Interest Expense	967,201	867,940	919,165	1,022,151	1,102,812
Dividends Paid	1,631,250	870,000	2,936,250	978,750	-
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	2,091,622	1,048,988	1,634,264	2,167,831	1,414,288
Internal Cash	4,019,204	3,188,453	3,057,240	5,267,189	459,856
Cash Outflows for Construction	2,319,943	2,015,132	1,282,938	1,224,808	1,658,529
Shares Outstanding (Millions) Sch250251	435,000	435,000	435,000	435,000	435,000
Misc Deferred Debits	3,156,085	607,654	(1,279,641)	6,167,518	7,202,382
Number of Employees		43	42	40	41
<u>Pre-Tax Income</u>					
Total Utility Operating Income	\$2,091,622	\$1,048,988	\$1,634,264	\$2,167,831	\$1,414,288
+Income Taxes - Electric					
+Income Taxes - Gas	947,167	149,732	624,739	879,927	426,586
+Other Income		257,482	328,703	1,190,171	374,035
- Other Income Deductions		17,020	15,495	27,000	8,000
- Other Taxes					
Pre-Tax Income	\$3,038,789	\$1,439,182	\$2,572,211	\$4,210,929	\$2,206,909