

Table 1 G

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---------------------|---------------------|---------------------|--------------------|--------------------|
| UTILITY PLANT | | | | | |
| 1 Total Utility Plant | \$8,562,632 | \$8,214,037 | \$7,892,028 | \$7,550,266 | \$7,230,737 |
| 2 Less Acc. Prov. For Depreciation & Amortization | 2,585,815 | 2,460,381 | 2,344,449 | 2,226,931 | 2,126,364 |
| 3 Net Total Utility Plant | 5,976,817 | 5,753,655 | 5,547,580 | 5,323,335 | 5,104,373 |
| OTHER PROPERTY AND INVESTMENTS | | | | | |
| 4 Nonutility Property | 2,248 | 2,248 | 2,248 | 1,333 | 1,401 |
| 5 Less Acc. Prov. For Depreciation & Amortization | (941) | (693) | (379) | (22) | (21) |
| 6 Investment in Associated Companies | 1,824 | 1,824 | 1,824 | 1,824 | 1,824 |
| 7 Investment in Subsidiary Companies | 102,893 | 93,253 | 82,213 | 71,564 | 60,916 |
| 8 Other Investments | 64 | 6 | (97) | (26) | (150) |
| 9 Sinking Funds | | | | | |
| 10 Depreciation Fund | | | | | |
| 11 Other Special Funds | 2,329 | 2,430 | 2,501 | 2,370 | 23,075 |
| 12 Total Other Property and Investments | 108,417 | 99,069 | 88,310 | 77,043 | 87,045 |
| CURRENT AND ACCRUED ASSETS | | | | | |
| 13 Cash | 24,195 | 4,014 | 4,867 | 5,762 | 22,320 |
| 14 Special Deposits | 0 | 0 | 3,090 | 0 | 2,302 |
| 15 Working Funds | 177 | 176 | 165 | 198 | 166 |
| 16 Temporary Cash Investments | 33,920 | 4,503 | 42,054 | 114,902 | 2,534 |
| 17 Notes Receivable | 2,088 | 1,958 | 1,862 | 5,296 | 1,624 |
| 18 Accounts Receivable | 522,870 | 404,375 | 547,880 | 547,951 | 638,942 |
| 19 Less Accum. Prov. For Uncollectible Accounts | (99,255) | (95,250) | (103,314) | (115,940) | (89,443) |
| 20 Notes Receivable from Associated Companies | | | | | |
| 21 Accounts Receivable from Assoc. Companies | 642,204 | 13,483 | 10,276 | 40,139 | 14,265 |
| 22 Materials and Supplies | 31,110 | 29,108 | 26,449 | 24,275 | 24,384 |
| 23 Gas Stored Underground - Current | 211,911 | 283,528 | 253,569 | 401,442 | 701,440 |
| 24 Liquefied Natural Gas in Storage | 8,058 | 9,418 | 10,523 | 12,052 | 15,842 |
| 25 Prepayments | 128,038 | 137,621 | 134,879 | 136,136 | 140,693 |
| 26 Interest and Dividends Receivable | 240 | 183 | 194 | 901 | 466 |
| 27 Rents Receivable | 6,845 | 6,221 | 6,666 | 22,787 | 16,442 |
| 28 Accrued Utility Revenue | 277,332 | 275,255 | 359,522 | 354,041 | 368,219 |
| 29 Misc. Current and Accrued Assets | | 33,343 | 12,105 | 30,064 | 307 |
| 30 Total Current and Accrued Assets | 1,789,732 | 1,107,934 | 1,310,786 | 1,580,006 | 1,860,503 |
| DEFERRED DEBITS | | | | | |
| 31 Unamort. Debt Expense | 14,318 | 16,336 | 14,911 | 16,774 | 18,908 |
| 32 Extraordinary Property Losses | | | | | |
| 33 Prelim. Survey and Investigation Charges | 31 | 16 | (54) | (157) | (161) |
| 34 Clearing Accounts | (2,599) | (2,443) | (2,417) | (596) | (1,840) |
| 35 Temporary Facilities | | | | | |
| 36 Miscellaneous Deferred Debits | 2,456,715 | 2,499,651 | 2,415,968 | 2,328,537 | 1,745,313 |
| 37 Deferred Losses from Disp. of Utility Plant | | | | | |
| 38 Research and Development | (1,519) | (862) | (802) | (547) | 592 |
| 39 Accumulated Deferred Income Taxes | 824,896 | 767,532 | 637,567 | 446,242 | 51,268 |
| 40 Total Deferred Debits | 3,291,842 | 3,280,230 | 3,065,172 | 2,790,254 | 1,814,079 |
| 41 Total Assets and Other Debits | \$11,166,808 | \$10,240,888 | \$10,011,848 | \$9,770,637 | \$8,866,000 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|---------------------|---------------------|---------------------|--------------------|--------------------|-----------|
| PROPRIETARY CAPITAL | | | | | | |
| Common Stock Issued | \$77,014 | \$74,967 | \$71,590 | \$70,912 | \$69,952 | 1 |
| Preferred Stock Issued | | | | | | 2 |
| Capital Stock Subscribed | | | | | | 3 |
| Stock Liability for Conversion | | | | | | 4 |
| Premium on Capital Stock | 1,067,367 | 1,063,202 | 1,063,715 | 1,061,944 | 1,059,860 | 5 |
| Other Paid-in Capital | (67,153) | (72,729) | (74,230) | (75,369) | (75,821) | 6 |
| Installments Received on Capital Stock | | | | | | 7 |
| Capital Stock Expense | (209) | (136) | (134) | (33) | (16) | 8 |
| Retained Earnings | 1,404,601 | 1,623,357 | 1,959,527 | 1,899,063 | 1,785,647 | 9 |
| Unapp. Undistributed Subsidiary Earnings | 64,464 | 67,288 | 66,783 | 67,331 | 63,155 | 10 |
| Reaquired Capital Stock | | | | (324) | (324) | 11 |
| Accumulated Other Comprehensive Income | (477) | (270) | (277) | (394) | 39 | |
| Total Proprietary Capital | 2,546,084 | 2,755,679 | 3,086,976 | 3,023,130 | 2,902,491 | 12 |
| LONG-TERM DEBT | | | | | | |
| Bonds | 1,653,778 | 1,652,592 | 1,150,343 | 1,148,174 | 1,548,631 | 13 |
| Reaquired Bonds | | | | | | 14 |
| Advances from Associated Companies | 324,000 | 414,000 | 414,000 | 414,000 | 289,000 | 15 |
| Other Long-Term Debt | 7,660 | 7,159 | 7,184 | 4,896 | 7,815 | 16 |
| Unamortized Premium on LT Debt | | | | | | 17 |
| Unamortized Discount on LT Debt-Debit | | | | | | 18 |
| Total Long-Term Debt | 1,985,438 | 2,073,750 | 1,571,527 | 1,567,070 | 1,845,445 | 19 |
| CURRENT AND ACCRUED LIABILITIES | | | | | | |
| Notes Payable | 21,197 | 17,754 | 13,189 | 416,840 | 15,539 | 20 |
| Accounts Payable | 129,601 | 141,826 | 231,461 | 311,947 | 276,170 | 21 |
| Notes Payable to Associated Companies | 246,213 | 309,815 | 625,654 | 332,097 | 581,388 | 22 |
| Accounts Payable to Associated Companies | 1,811,860 | 652,202 | 725,254 | 680,792 | 823,743 | 23 |
| Customer Deposits | 57,892 | 65,197 | 64,047 | 62,312 | 54,257 | 24 |
| Taxes Accrued | 16,769 | 31,878 | (20,857) | 9,104 | 44,546 | 25 |
| Interest Accrued | 39,171 | 30,660 | 31,279 | 64,137 | 62,024 | 26 |
| Dividends Declared | | 9,600 | 29,600 | 30,470 | 9,100 | 27 |
| Matured Long-Term Debt | | | | | | 28 |
| Matured Interest | | | | | | 29 |
| Tax Collections Payable | 1,308 | (592) | (1,739) | 159 | 3,905 | 30 |
| Misc. Current and Accrued Liabilities | 118,983 | 109,431 | 83,102 | 96,386 | 120,292 | 31 |
| Total Current and Accrued Liabilities | 2,442,993 | 1,367,771 | 1,780,990 | 2,004,243 | 1,990,964 | 32 |
| DEFERRED CREDITS | | | | | | |
| Customer Advances for Construction | 1,102 | 1,288 | 1,440 | 1,178 | 1,385 | 33 |
| Other Deferred Credits | 612,850 | 721,673 | 678,056 | 713,406 | 539,500 | 34 |
| Accumulated Deferred Inv. Tax Credits | 6,820 | 8,253 | 9,813 | 11,406 | 13,687 | 35 |
| Deferred Gains-Disposition of Utility Plant | | | | | | 36 |
| Accumulated Deferred Income Taxes | 2,526,834 | 2,289,418 | 2,027,084 | 1,596,970 | 911,890 | 37 |
| Total Deferred Credits | 3,147,606 | 3,020,633 | 2,716,393 | 2,322,961 | 1,466,461 | 38 |
| OPERATING RESERVES | | | | | | |
| Property Insurance Reserve | | | | | | 39 |
| Injuries and Damage Reserve | 57,427 | 15,836 | 9,671 | 6,914 | 5,313 | 40 |
| Pension and Benefits Reserve | 394,547 | 373,987 | 337,936 | 316,678 | 59,225 | 41 |
| Miscellaneous Operating Reserves | 617,062 | 633,232 | 508,355 | 529,640 | 596,101 | 42 |
| Total Operating Reserves | 1,069,036 | 1,023,055 | 855,962 | 853,233 | 660,639 | 43 |
| Total Liabilities and Other Credits | \$11,191,157 | \$10,240,888 | \$10,011,848 | \$9,770,637 | \$8,866,000 | 44 |

Table 3 G

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|-------------|-------------|-------------|-------------|-------------|
| GAS OPERATING INCOME | | | | | |
| 1 Operating Revenues | \$3,026,186 | \$3,776,120 | \$4,033,655 | \$4,347,875 | \$5,386,271 |
| Operating Expenses: | | | | | |
| 2 Operation Expense | 1,860,757 | 2,531,294 | 2,764,337 | 3,073,319 | 4,098,376 |
| 3 Maintenance Expense | 83,529 | 90,693 | 94,495 | 99,662 | 102,512 |
| 4 Depreciation Expense | 181,250 | 178,540 | 171,281 | 166,242 | 158,664 |
| 5 Amort. and Depletion of Utility Plant | 4,196 | 5,725 | 6,789 | 8,646 | 8,036 |
| 6 Amort. of Utility Plant Acq. Adj. | 39,859 | 31,333 | 13,901 | (2,943) | 1,957 |
| 7 Amort. of Property Losses | | | | | |
| 8 Amort. of Conversion Expenses | 43 | 43 | 43 | 43 | 18,174 |
| 9 Other Expenses | 379,623 | | | | 343,719 |
| 10 Taxes Other than Income Taxes | 128,010 | 359,785 | 353,492 | 346,453 | 192,397 |
| 11 Income Taxes | 126,181 | 195,482 | 217,364 | 202,586 | 92,073 |
| 12 Gains from Disposition of Util. Plant | | | | | |
| 13 Losses from Disposition of Util. Plant | | | | | |
| 14 Total Operating Expenses | 2,803,450 | 3,392,896 | 3,621,701 | 3,894,008 | 5,015,908 |
| 15 Net Operating Revenues | 222,736 | 383,224 | 411,954 | 453,867 | 370,363 |
| 16 Other Gas Utility Operating Income | | | | | |
| 17 Total Gas Utility Operating Income | 222,736 | 383,224 | 411,954 | 453,867 | 370,363 |
| 18 Other Utility Operating Income | | | | | |
| 19 Total Utility Operating Income | \$222,736 | \$383,224 | \$411,954 | \$453,867 | \$370,363 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|--|------------------|------------------|------------------|------------------|------------------|-----------|
| OTHER INCOME | | | | | | |
| Income - Merch. Jobbing & Contract Work | \$182 | \$161 | \$151 | \$158 | \$221 | 1 |
| Income from Nonutility Operations | 111 | (3) | (1) | (1) | (8) | 2 |
| Nonoperating Rental Income | (246) | (309) | (353) | 4 | 3 | 3 |
| Equity in Earnings of Subsidiary Companies | 8,210 | 11,033 | 10,531 | 11,081 | 6,906 | 4 |
| Interest and Dividend Income | (20,881) | 43,820 | 49,843 | 45,503 | 29,261 | 5 |
| Allowance for Funds Used During Construction | 2,919 | 2,713 | 2,758 | 3,184 | 2,874 | 6 |
| Miscellaneous Nonoperating Income | 46 | (1,032) | 75 | (2,575) | (3,405) | 7 |
| Gain on Disposition of Property | 397 | | 76 | 14 | | 8 |
| Total Other Income | (9,261) | 56,385 | 63,080 | 57,368 | 35,852 | 9 |
| OTHER INCOME DEDUCTIONS | | | | | | |
| Loss on Disposition of Property | 292 | | | | | 10 |
| Miscellaneous Amortization | 58 | 46 | 21 | 11 | 8 | 11 |
| Miscellaneous Income Deductions | 7,426 | 4,802 | 3,242 | 57 | 944 | 12 |
| Total Other Income Deductions | 7,776 | 4,848 | 3,263 | 68 | 952 | 13 |
| TAXES-OTHER INCOME AND DEDUCTIONS | | | | | | |
| Taxes Other than Income Taxes | 310 | 296 | 292 | 344 | 372 | 14 |
| Income Taxes | (1,196) | (1,195) | (1,546) | (2,142) | (2,204) | 15 |
| Total Taxes-Other Inc. & Deductions | (886) | (899) | (1,254) | (1,798) | (1,832) | 16 |
| Net Other Income and Deductions | (16,151) | 52,437 | 61,071 | 59,098 | 36,733 | 17 |
| INTEREST CHARGES | | | | | | |
| Interest on Long-term Debt | 84,157 | 76,136 | 58,749 | 88,912 | 95,508 | 18 |
| Amortization of Debt Discount and Expense | 2,496 | 2,466 | 2,410 | 2,611 | 2,618 | 19 |
| Amortization of Premium on Debt-Credit | | | | | | 20 |
| Interest on Debt to Associated Company | 38,076 | 45,748 | 55,142 | 48,648 | 38,662 | 21 |
| Other Interest Expense | 4,470 | 25,765 | 26,758 | 69,226 | 39,258 | 22 |
| Total Interest Charges | 129,199 | 150,115 | 143,059 | 209,397 | 176,046 | 23 |
| Income Before Extraordinary Items | 77,385 | 285,546 | 329,966 | 303,567 | 231,050 | 24 |
| EXTRAORDINARY ITEMS | | | | | | |
| Extraordinary Income | | | | | | 25 |
| Extraordinary Deductions | | | | | | 26 |
| Income Taxes, Extraordinary Items | | | | | | 27 |
| Net Extraordinary Items | | | | | | 28 |
| Net Income | \$77,385 | \$285,546 | \$329,966 | \$303,567 | \$231,050 | 29 |
| RETAINED EARNINGS | | | | | | |
| Unappropriated Retained Earnings (BOP) * | \$1,623,357 | \$1,959,527 | \$1,899,063 | \$1,785,647 | \$1,649,847 | 30 |
| Balance Transferred from Income | 69,175 | 274,513 | 319,435 | 292,487 | 224,144 | 31 |
| Appropriated Retained Earnings | | | | | | 32 |
| Dividends Declared-Preferred Stock | | | | | | 33 |
| Dividends Declared-Common Stock | 424,406 | 620,796 | 270,703 | 184,215 | 189,336 | 34 |
| Adjustments to Retained Earnings | 10,379 | 10,112 | 11,732 | 5,144 | 8,920 | 35 |
| Net Change | (218,883) | (336,170) | 60,464 | 113,416 | 135,800 | 36 |
| Unappropriated Retained Earnings (EOP) | 1,404,473 | 1,623,357 | 1,959,527 | 1,899,063 | 1,785,647 | 37 |
| Appropriated Retained Earnings (EOP) | | | | | | 38 |
| Total Retained Earnings | 1,404,473 | 1,623,357 | 1,959,527 | 1,899,063 | 1,785,647 | 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)**

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|------------------|------------------|------------------|------------------|------------------|
| Cash Flows From Operating Activities | | | | | |
| 1 Net Income | \$203,354 | \$285,546 | \$329,966 | \$303,567 | \$323,122 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | | |
| 2 Depreciation, Depletion & Amortization | 229,879 | 221,029 | 195,646 | 237,478 | 268,923 |
| 3 Deferred Taxes & ITCs | 178,278 | 154,292 | 182,931 | 254,423 | (145,948) |
| 4 Receivables and Inventory | (60,896) | 105,632 | 159,836 | 367,488 | (138,459) |
| 5 Payables and Accrued Expenses | 62,819 | 48,018 | (111,979) | (168,863) | (48,999) |
| 6 Regulatory Assets (Net) | (177,628) | 18,286 | (25,616) | (263,014) | (97,103) |
| 7 Capitalized AFUDC - Equity | (2,763) | (2,631) | (2,749) | (3,184) | (2,874) |
| 8 Undistributed Earnings of Affiliates | (7,951) | 8,277 | (60) | (12,668) | (3,350) |
| 9 Other Adjustments (See company detail for explanations of major items) | 31,178 | 51,354 | (109,510) | 132,318 | (5,634) |
| 10 | 1,374 | 4,316 | 26,320 | 22,157 | 38,150 |
| 11 | (1,283) | 8,482 | 400,977 | (72,923) | 105,126 |
| 12 Net Cash From Operating Activities | <u>456,361</u> | <u>902,602</u> | <u>1,045,763</u> | <u>796,780</u> | <u>292,953</u> |
| Cash Flows From Investing Activities | | | | | |
| 13 Cash Outflows For Construction | (399,107) | (391,699) | (399,945) | (391,926) | (420,234) |
| 14 Acquisition Of Other Non-Current Assets | (390) | (48) | (31) | (86) | (12) |
| 15 Investments in & Advances to Affiliates | | | | | |
| 16 Contributions & Advances from Affiliates | (16) | (146) | | | |
| Net Proceeds - Sale Or Disposition Of: | | | | | |
| 17 Property, Plant & Equipment | | | | | |
| 18 Investments In Affiliated Companies | (260) | | (270) | (142) | 65 |
| 19 Investment Securities | 102 | | | | |
| 20 Other Current Assets & Liabilities | | | | (1,585) | (1,871) |
| 21 Other Cash Flows - Investing Activities | (1,411) | (485) | (709) | 591 | 929 |
| 22 | (130) | | 15 | | |
| 23 | | | | | |
| 24 Net Cash From Investing Activities | <u>(401,211)</u> | <u>(392,378)</u> | <u>(400,941)</u> | <u>(393,148)</u> | <u>(421,123)</u> |
| Cash Flows From Financing Activities | | | | | |
| Net Proceeds (Payments) - Issuing & Retiring: | | | | | |
| 25 Long-Term Debt | 381,295 | 84,866 | (445,515) | 33,215 | 219,319 |
| 26 Common Stock | 5,997 | 1,097 | 2,272 | 2,790 | 150 |
| 27 Preferred Stock | | | | | |
| 28 Short-Term Debt | 3,443.09 | 4,565 | (122,051) | (180,700) | (70,756) |
| 29 Dividends Paid | (434,006.44) | (639,216) | (153,173) | (162,845) | (190,315) |
| 30 Other Cash Flows - Financing Activities | | | | | |
| 31 | | | | | |
| 32 | | | | | |
| 33 Net Cash From Financing Activities | <u>(43,271)</u> | <u>(548,688)</u> | <u>(718,467)</u> | <u>(307,539)</u> | <u>(41,602)</u> |
| 34 Net Increase/(Decrease) In Cash Equivalents | 11,878 | (38,464) | (73,644) | 96,093 | (169,533) |
| 35 Cash & Cash Equivalents Beginning Of Year * | 11,123 | 49,587 | 123,231 | 27,139 | 196,672 |
| 36 Cash & Cash Equivalents End Of Year | \$23,001 | \$11,123 | \$49,587 | \$123,231 | \$27,139 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|-------------|-------------|-------------|-------------|-------------|----|
| SALES AND CUSTOMER DATA | | | | | | |
| REVENUES (\$000s) | | | | | | |
| Residential | \$1,894,884 | \$2,115,778 | \$2,309,982 | \$2,727,146 | \$3,178,407 | 1 |
| Commercial | 286,570 | 351,487 | 415,038 | 560,362 | 762,087 | 2 |
| Industrial | 35,428 | 44,089 | 60,484 | 68,246 | 101,438 | 3 |
| Other Ultimate Customers | 63,703 | 70,549 | 87,016 | 89,532 | 173,008 | 4 |
| Total Revenues-Ultimate Customer | 2,280,586 | 2,581,902 | 2,872,520 | 3,445,286 | 4,214,941 | 5 |
| Sales for Resale | 257,025 | 538,459 | 528,566 | 375,725 | 724,751 | 6 |
| Total Revenues from Gas Sales | 2,537,611 | 3,120,361 | 3,401,086 | 3,821,011 | 4,939,691 | 7 |
| Transportation Sales | 613,047 | 588,716 | 564,762 | 453,776 | 372,232 | 8 |
| Other Gas Operating Revenues | (124,472) | 67,042 | 67,807 | 71,438 | 76,823 | 9 |
| Total Gas Operating Revenues | \$3,026,186 | \$3,776,120 | \$4,033,655 | \$4,346,225 | \$5,388,746 | 10 |
| SALES (MCF) | | | | | | |
| Residential | 152,329,440 | 170,407,845 | 177,714,350 | 189,208,639 | 189,944,736 | 11 |
| Commercial | 27,177,091 | 32,200,532 | 36,868,076 | 45,073,005 | 52,010,956 | 12 |
| Industrial | 4,069,195 | 4,492,047 | 6,102,356 | 6,036,016 | 7,039,716 | 13 |
| Other Ultimate Customers | 7,495,792 | 7,830,152 | 8,699,649 | 8,360,106 | 12,308,827 | 14 |
| Total Sales-Ultimate Customer | 191,071,518 | 214,930,576 | 229,384,431 | 248,677,766 | 261,304,234 | 15 |
| Sales for Resale | 55,030,503 | 80,561,839 | 83,773,062 | 50,215,021 | 66,685,530 | 16 |
| Transportation Sales | 250,729,773 | 267,299,532 | 240,988,084 | 209,797,750 | 209,053,714 | 17 |
| Other Gas Sales | - | - | - | - | - | 18 |
| Total Sales | 496,831,794 | 562,791,947 | 554,145,577 | 508,690,538 | 537,043,479 | 19 |
| AVG NUMBERS OF CUSTOMERS | | | | | | |
| Residential | 1,964,040 | 1,999,522 | 2,029,836 | 2,055,641 | 2,100,139 | 20 |
| Commercial | 97,657 | 98,812 | 103,869 | 108,550 | 112,297 | 21 |
| Industrial | 6,375 | 7,179 | 7,013 | 7,835 | 8,542 | 22 |
| Other Customers | 4,313 | 4,324 | 3,883 | 2,985 | 2,872 | 23 |
| Total Ultimate Customers | 2,072,385 | 2,109,837 | 2,144,601 | 2,175,011 | 2,223,850 | 24 |
| Resales | 44 | 52 | 51 | 51 | 23 | 25 |
| Total Customers | 2,072,429 | 2,109,889 | 2,144,652 | 2,175,062 | 2,223,873 | 26 |
| OPERATING REVENUES RELATIONSHIP | | | | | | |
| RESIDENTIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$965 | \$1,058 | \$1,138 | \$1,327 | \$1,513 | 27 |
| Average MCF Consumption Per Customer | 77.6 | 85.2 | 87.6 | 92.0 | 90.4 | 28 |
| Average Revenue Per MCF Sold | \$12.44 | \$12.42 | \$13.00 | \$14.41 | \$16.73 | 29 |
| COMMERCIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$2,934 | \$3,557 | \$3,996 | \$5,162 | \$6,786 | 30 |
| Average MCF Consumption Per Customer | 278.3 | 325.9 | 354.9 | 415.2 | 463.2 | 31 |
| Average Revenue Per MCF Sold | \$10.54 | \$10.92 | \$11.26 | \$12.43 | \$14.65 | 32 |
| INDUSTRIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$5,557 | \$6,141 | \$8,625 | \$8,710 | \$11,875 | 33 |
| Average MCF Consumption Per Customer | 638.3 | 625.7 | 870.1 | 770.4 | 824.1 | 34 |
| Average Revenue Per MCF Sold | \$8.71 | \$9.81 | \$9.91 | \$11.31 | \$14.41 | 35 |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | |
| Steam | | | | | | 36 |
| Manufactured Gas | | | | | | 37 |
| Natural Gas - Production & Gathering | \$89 | \$104 | \$93 | \$28 | \$18 | 38 |
| Purchased Gas | 1,000,888 | 1,742,550 | 1,994,891 | 2,335,838 | 3,328,582 | 39 |
| Other | 29,740 | (21,455) | 12,437 | (18,440) | 23,205 | 40 |
| Total Production Expense | 1,030,718 | 1,721,198 | 2,007,421 | 2,317,426 | 3,351,805 | 41 |
| Natural Gas Storage Expense | 39,493 | 37,717 | 36,235 | 36,634 | 38,786 | 42 |
| Transmission Expense | 101,668 | 102,426 | 92,516 | 98,241 | 104,498 | 43 |
| Distribution Expense | 158,016 | 176,896 | 179,806 | 178,681 | 184,699 | 44 |
| Customer Account Expense | 155,147 | 195,715 | 180,715 | 221,533 | 205,337 | 45 |
| Sales Expense | 9,136 | 14,232 | 5,430 | 7,692 | 14,824 | 46 |
| Administrative and General | 450,218 | 373,888 | 355,796 | 312,872 | 301,078 | 47 |
| Total O & M Expense | \$1,944,395 | \$2,622,072 | \$2,857,919 | \$3,173,079 | \$4,201,029 | 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)**

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|-------------|-------------|-------------|-------------|-------------|
| 1 Total Revenues | \$3,026,186 | \$3,776,120 | \$4,033,655 | \$4,346,225 | \$5,388,746 |
| 2 Sales of Gas (MCF) * | 246,102,021 | 295,492,415 | 313,157,493 | 298,892,788 | 327,989,765 |
| DOLLAR AMOUNTS | | | | | |
| 3 Purchased Gas & Other Supply Exp. | \$1,127,792 | \$1,822,127 | \$2,097,923 | \$2,441,078 | \$3,474,586 |
| 4 Wages and Benefits | 341,395 | 272,434 | 275,252 | 248,459 | 259,297 |
| 5 Other Operation & Maintenance Exp. | 460,107 | 516,667 | 474,272 | 468,186 | 443,960 |
| 6 Depreciation & Amortization Expense | 194,847 | 194,248 | 180,995 | 173,300 | 179,325 |
| 7 Income Taxes-Operating | 126,181 | 195,482 | 217,364 | 202,586 | 192,397 |
| 8 Other Taxes-Operating | 140,598 | 359,785 | 353,492 | 346,453 | 337,237 |
| 9 Capital Costs | 635,266 | 415,377 | 434,357 | 466,163 | 501,944 |
| 10 Total | \$3,026,186 | \$3,776,120 | \$4,033,655 | \$4,346,225 | \$5,388,746 |
| PERCENT OF REVENUES | | | | | |
| 11 Purchased Gas & Other Supply Exp. | 37.3 | 48.3 | 52.0 | 56.2 | 64.5 |
| 12 Wages and Benefits | 11.3 | 7.2 | 6.8 | 5.7 | 4.8 |
| 13 Other Operation & Maintenance Exp. | 15.2 | 13.7 | 11.8 | 10.8 | 8.2 |
| 14 Depreciation & Amortization Expense | 6.4 | 5.1 | 4.5 | 4.0 | 3.3 |
| 15 Income Taxes-Operating | 4.2 | 5.2 | 5.4 | 4.7 | 3.6 |
| 16 Other Taxes-Operating | 4.6 | 9.5 | 8.8 | 8.0 | 6.3 |
| 17 Capital Costs | 21.0 | 11.0 | 10.8 | 10.7 | 9.3 |
| 18 Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| DOLLARS PER MCF | | | | | |
| 19 Purchased Gas & Other Supply Exp. | 4.58 | 6.17 | 6.70 | 8.17 | 10.59 |
| 20 Wages and Benefits | 1.39 | 0.92 | 0.88 | 0.83 | 0.79 |
| 21 Other Operation & Maintenance Exp. | 1.87 | 1.75 | 1.51 | 1.57 | 1.35 |
| 22 Depreciation & Amortization Expense | 0.79 | 0.66 | 0.58 | 0.58 | 0.55 |
| 23 Income Taxes-Operating | 0.51 | 0.66 | 0.69 | 0.68 | 0.59 |
| 24 Other Taxes-Operating | 0.57 | 1.22 | 1.13 | 1.16 | 1.03 |
| 25 Capital Costs | 2.58 | 1.41 | 1.39 | 1.56 | 1.53 |
| 26 Total | 12.30 | 12.78 | 12.88 | 14.54 | 16.43 |

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. | 777,229 | 1,372,604 | 1,644,328 | 1,819,419 | 2,630,309 |
| Liquidified Petro Gas | | | | | 249 |
| Other Gas Supply | 228,988 | 321,608 | 337,012 | 527,205 | 760,325 |
| Gas Storage | 8,031 | 7,659 | 6,853 | 36,618 | 38,769 |
| Transmission Expense | 100,060 | 100,813 | 90,692 | 98,241 | 104,498 |
| Total Purchased Gas | 337,080 | 430,079 | 434,557 | 662,064 | 903,841 |
| -Total PG related to Sales for Resale PG - Ultimate Customers | 337,080 | 430,079 | 434,557 | 662,064 | 903,841 |
| <u>Wages and Benefits</u> | | | | | |
| Salaries | 202,708 | 192,103 | 201,716 | 173,809 | 172,183 |
| Pensions and Benefits | 141,094 | 82,673 | 75,918 | 77,249 | 89,674 |
| Total Wages and Benefits | 343,802 | 274,777 | 277,634 | 251,058 | 261,856 |
| <u>Other Expenses</u> | | | | | |
| Total O&M Expenses | 1,944,287 | 2,621,987 | 2,857,832 | 3,172,981 | 4,200,888 |
| -Total Purchased Gas | 1,111,741 | 1,803,096 | 2,079,095 | 2,451,971 | 3,495,059 |
| -Wages and Benefits | 345,138 | 276,092 | 275,921 | 251,882 | 262,676 |
| -Other Gains | | | | | |
| +Other Losses | | | | | |
| -Other Revenues | | | | | |
| Other Expenses | 487,408 | 542,799 | 502,816 | 469,128 | 443,152 |
| <u>Depreciation and Amortization</u> | | | | | |
| Depreciation Exp | 181,250 | 178,540 | 171,281 | 167,176 | 158,664 |
| Amort & Depl of Utility Plant | 3,224 | 4,613 | 5,319 | 6,397 | 5,319 |
| Amort of Other Utility Plant | 10,372 | 11,095 | 4,394 | 662 | (2,789) |
| Amort of Property Losses | | | | | |
| Amort of Conversion Expenses | | | | 43 | 18,174 |
| Total Depre and Amort | 194,847 | 194,248 | 180,995 | 174,278 | 179,368 |
| <u>Fuel and PP related to Sales for Resale</u> | | | | | |
| Total PG | 1,111,741 | 1,803,096 | 2,079,095 | 2,451,971 | 3,495,059 |
| divided by Total MCFs | 246,102 | 295,492 | 313,157 | 298,893 | 327,990 |
| Fuel Cost per MCF | 4.517 | 6.102 | 6.639 | 8.204 | 10.656 |
| times Sales for Resale MCFs | 30,399.099 | 38,039.876 | 34,306.071 | 22,097.851 | 29,095.859 |
| Sales for Resale PG | 139,633.132 | 237,177.256 | 232,825.375 | 179,623.661 | 295,150.862 |
| <u>Transportation Volumes</u> | | | | | |
| | 105,437 | 112,309 | 96,564 | 85,576 | 78,940 |

Table 8 G

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|-----------|
| Intangible | \$161,946 | \$161,700 | \$160,416 | \$155,283 | \$150,269 | 1 |
| Production | | | | | | |
| Manufactured Gas | 2,369.84 | 2,370 | 2,388 | 2,380 | 2,380 | 2 |
| Natural Gas | 20,026 | 20,030 | 19,105 | 18,703 | 18,672 | 3 |
| Natural Gas Storage | | | | | | |
| Underground Storage | | | | | | 4 |
| Other Storage | 184,788 | 184,687 | 185,077 | 182,598 | 181,307 | 5 |
| Transmission | 487,777 | 473,809 | 465,096 | 429,001 | 408,896 | 6 |
| Distribution | 7,236,245 | 6,990,797 | 6,683,623 | 6,387,486 | 6,125,279 | 7 |
| General | 290,957 | 290,100 | 293,438 | 278,689 | 278,321 | 8 |
| Gas - Purchased or Sold | | | | | | 9 |
| Experimental - Unclassified | | | | | | 10 |
| Gas - Stored Underground, Non-current | 858 | 858 | 858 | 858 | 858 | 11 |
| Total Plant In Service | 8,384,966 | 8,124,350 | 7,810,001 | 7,454,997 | 7,165,983 | 12 |
| Plant Leased To Others | | | | | | 13 |
| Plant Held For Future Use | 336 | 95 | 460 | 460 | 460 | 14 |
| Construction Work In Progress | 176,077 | 88,331 | 80,307 | 93,549 | 63,033 | 15 |
| Aquisition Adjustments | 1,260 | 1,260 | 1,260 | 1,260 | 1,260 | 16 |
| Total Plant | 8,562,639 | 8,214,037 | 7,892,028 | 7,550,266 | 7,230,737 | 17 |
| Accum. Prov. - Depr. & Amort. | 2,585,815 | 2,460,381 | 2,344,449 | 2,226,931 | 2,126,364 | 18 |
| Total Net Plant | \$5,976,824 | \$5,753,655 | \$5,547,580 | \$5,323,335 | \$5,104,373 | 19 |
| SELECTED RATIOS AND STATISTICS | | | | | | |
| Current Assets / Current Liabilities | 0.74 | 0.81 | 0.74 | 0.79 | 0.93 | 20 |
| Total Capitalization (\$000s) | \$4,798,932 | \$5,157,268 | \$5,297,621 | \$5,339,138 | \$5,344,863 | 21 |
| <u>Percent Of Capitalization (incl. S-T Debt)</u> | | | | | | |
| Long-Term Debt | 41.4% | 40.2% | 29.7% | 29.4% | 34.5% | 22 |
| Preferred Stock | | | | | | 23 |
| Common Stock & Retained Earnings | 53.1% | 53.4% | 58.3% | 56.6% | 54.3% | 24 |
| Short-Term Debt | 5.6% | 6.4% | 12.1% | 14.0% | 11.2% | 25 |
| Pretax Coverage of Interest Expense | 3.52 | 3.85 | 4.80 | 3.24 | 3.90 | 26 |
| Com. Stock Dividends as a % of Earnings | 144.8% | 175.0% | 69.4% | -17.3% | -28.0% | 27 |
| Return on Common Equity | 11.1% | 12.1% | 12.8% | 12.8% | 13.8% | 28 |
| Internal Cash Generated as a % of | | | | | | |
| Cash Outflows for Construction | 114.3% | 112.0% | 264.6% | 133.4% | 52.3% | 29 |
| Earnings per Share | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 30 |
| Book Value per Share | \$0.00 | \$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 | 3,218 | 3,202 | 1,993 | 3,388 | 3,375 | 33 |

Data Field Below

| | | | | | |
|--|----------------|---------------|---------------|---------------|---------------|
| Current Assets | 1,813,604,197 | 1,107,934,259 | 1,310,785,900 | 1,580,005,825 | 1,860,502,786 |
| Current Liabilities | 2,442,993,173 | 1,367,770,783 | 1,780,990,143 | 2,004,243,034 | 1,990,963,998 |
| Total Capitalization | 4,798,932,119 | 5,157,267,913 | 5,297,621,463 | 5,339,137,711 | 5,344,863,445 |
| Long-Term Debt | 1,985,438,130 | 2,073,750,488 | 1,571,526,510 | 1,567,070,338 | 1,845,445,314 |
| Preferred Stock | | | | | |
| Common Stock and Retained Earnings (Excl. Preferred Stock) | 2,546,084,211 | 2,755,948,768 | 3,087,252,509 | 3,023,130,452 | 2,902,490,676 |
| Short-Term Debt | 267,409,776 | 327,568,655 | 638,842,445 | 748,936,921 | 596,927,455 |
| Pretax Income | 454,212,034 | 578,401,727 | 686,509,211 | 678,773,198 | 686,408,228 |
| Interest Expense | 129,195,269 | 150,108,285 | 143,052,637 | 209,373,415 | 176,011,415 |
| Dividends Paid | 424,406,441 | 620,795,902 | 270,702,554 | (65,785,001) | (110,663,750) |
| Net Income (Excl. Preferred Stock Dividends) | 293,018,199 | 354,720,254 | 390,140,229 | 380,526,649 | 395,503,322 |
| Internal Cash | 456,361,154 | 438,894,536 | 1,058,068,789 | 522,673,338 | 219,695,283 |
| Cash Outflows for Construction | 399,107,211 | 391,699,224 | 399,944,583 | 391,925,831 | 420,233,771 |
| Shares Outstanding (Millions)*** Check (SOME COMPANIES IN HOLD AMTS VS. .004) | 2,670,467.0000 | 437,201.8240 | 437,201.1486 | 437,201.0129 | 437,200.8209 |
| Misc Deferred Debits | 1,843,864,230 | 1,777,977,773 | 1,737,912,117 | 1,615,130,613 | 1,205,812,650 |
| Number of Employees | 3,218 | 3,202 | 1,993 | 3,388 | 3,375 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| UTILITY PLANT | | | | | |
| 1 Total Utility Plant | \$3,723,335,500 | \$3,569,530,078 | \$3,411,207,477 | \$3,247,951,416 | \$3,104,257,003 |
| 2 Less Acc. Prov. For Depreciation & Amortization | 1,231,482,685 | 1,175,715,883 | 1,121,726,881 | 1,066,862,230 | 1,025,243,063 |
| 3 Net Total Utility Plant | 2,491,852,815 | 2,393,814,195 | 2,289,480,596 | 2,181,089,185 | 2,079,013,940 |
| OTHER PROPERTY AND INVESTMENTS | | | | | |
| 4 Nonutility Property | | | | | |
| 5 Less Acc. Prov. For Depreciation & Amortization | | | | | |
| 6 Investment in Associated Companies | | | | | |
| 7 Investment in Subsidiary Companies | 102,594,611 | 93,217,589 | 82,176,402 | 71,530,907 | 60,883,832 |
| 8 Other Investments | 49,875 | 110,347 | 110,347 | 110,347 | 110,347 |
| 9 Sinking Funds | | | | | |
| 10 Depreciation Fund | | | | | |
| 11 Other Special Funds | | | | | |
| 12 Total Other Property and Investments | 102,644,486 | 93,327,936 | 82,286,749 | 71,641,254 | 60,994,179 |
| CURRENT AND ACCRUED ASSETS | | | | | |
| 13 Cash | 18,513,330 | | 1,672,246 | 2,731,111 | 6,903,493 |
| 14 Special Deposits | | | 2,200,000 | | 1,801,321 |
| 15 Working Funds | | | | | |
| 16 Temporary Cash Investments | | | 1,333 | | 127,541 |
| 17 Notes Receivable | | | | | |
| 18 Accounts Receivable | 201,871,934 | 181,666,335 | 263,257,478 | 256,874,032 | 287,851,979 |
| 19 Less Accum. Prov. For Uncollectible Accounts | (44,435,871) | (42,800,342) | (48,177,979) | (55,675,990) | (36,970,923) |
| 20 Notes Receivable from Associated Companies | | | | | |
| 21 Accounts Receivable from Assoc. Companies | 365,741,644 | 5,643,985 | 4,680,064 | 5,869,927 | 4,396,453 |
| 22 Materials and Supplies | 12,680,570 | 10,798,020 | 10,800,848 | 9,871,278 | 10,442,406 |
| 23 Gas Stored Underground - Current | 105,821,035 | 129,551,477 | 119,523,680 | 235,207,204 | 413,954,295 |
| 24 Liquefied Natural Gas in Storage | 5,457,799 | 6,760,703 | 7,758,944 | 8,531,468 | 11,378,445 |
| 25 Prepayments | 96,766,520 | 93,870,045 | 92,716,882 | 97,841,789 | 78,470,870 |
| 26 Interest and Dividends Receivable | | | | | |
| 27 Rents Receivable | 2,444,230 | 2,241,094 | 2,612,959 | 8,422,943 | 6,002,441 |
| 28 Accrued Utility Revenue | 145,354,335 | 141,873,403 | 194,941,276 | 183,189,184 | 185,641,970 |
| 29 Misc. Current and Accrued Assets | 5,252,502 | 19,542,819 | 2,524,301 | 9,740,688 | 104,720 |
| 30 Total Current and Accrued Assets | 915,468,028 | 549,147,539 | 654,512,032 | 762,603,635 | 970,105,011 |
| DEFERRED DEBITS | | | | | |
| 31 Unamort. Debt Expense | 10,665,249 | 12,480,025 | 14,290,847 | 16,101,669 | 17,912,491 |
| 32 Extraordinary Property Losses | | | | | |
| 33 Prelim. Survey and Investigation Charges | | | | | |
| 34 Clearing Accounts | 4,036 | | | | |
| 35 Temporary Facilities | | | | | |
| 36 Miscellaneous Deferred Debits | 1,113,989,276 | 1,109,326,327 | 1,041,982,804 | 1,032,586,258 | 843,136,820 |
| 37 Deferred Losses from Disp. of Utility Plant | | | | | |
| 38 Research and Development | 1,656 | 219,080 | 224,749 | 1,356 | |
| 39 Accumulated Deferred Income Taxes | 488,252,503 | 418,795,732 | 312,665,388 | 244,019,342 | (9,552,049) |
| 40 Total Deferred Debits | 1,612,912,720 | 1,540,821,164 | 1,369,163,788 | 1,292,708,625 | 851,497,262 |
| 41 Total Assets and Other Debits | \$5,122,878,049 | \$4,577,110,834 | \$4,395,443,165 | \$4,308,042,699 | \$3,961,610,392 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|-----------|
| PROPRIETARY CAPITAL | | | | | | |
| Common Stock Issued | \$1 | \$1 | \$1 | \$1 | \$1 | 1 |
| Preferred Stock Issued | 1 | 1 | | | | 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 | (130,975,027) | (134,903,461) | (134,903,461) | (134,903,461) | (134,903,461) | 6 |
| Installments Received on Capital Stock | | | | | | 7 |
| Capital Stock Expense | | | | | | 8 |
| Retained Earnings | 734,348,974 | 759,027,730 | 843,765,845 | 820,183,108 | 811,140,141 | 9 |
| Unapp. Undistributed Subsidiary Earnings | 61,379,736 | 64,466,118 | 63,959,778 | 64,511,908 | 60,336,347 | 10 |
| Required Capital Stock | | | | | | 11 |
| Accumulated Other Comprehensive Income | (477,172) | (269,508) | (276,510) | (394,160) | 38,740 | |
| Total Proprietary Capital | 1,136,903,595 | 1,160,947,963 | 1,245,172,735 | 1,222,024,478 | 1,209,238,850 | 12 |
| LONG-TERM DEBT | | | | | | |
| Bonds | 1,040,500,000 | 1,040,500,000 | 1,039,183,459 | 1,039,113,392 | 1,039,043,325 | 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 | 1,040,500,000 | 1,040,500,000 | 1,039,183,459 | 1,039,113,392 | 1,039,043,325 | 19 |
| CURRENT AND ACCRUED LIABILITIES | | | | | | |
| Notes Payable | | | | | | 20 |
| Accounts Payable | 35,197,594 | 52,141,857 | 59,043,954 | 97,792,303 | 98,476,605 | 21 |
| Notes Payable to Associated Companies | (115,493,433) | 141,197,572 | 100,783,918 | 160,145,237 | 129,631,529 | 22 |
| Accounts Payable to Associated Companies | 994,794,353 | 273,746,525 | 342,759,296 | 334,488,969 | 354,064,475 | 23 |
| Customer Deposits | 36,738,418 | 41,270,483 | 40,671,190 | 37,328,809 | 32,579,901 | 24 |
| Taxes Accrued | (5,892,132) | 11,043,196 | 14,962,266 | 35,167,873 | 15,140,376 | 25 |
| Interest Accrued | 20,999,272 | 14,002,078 | 19,119,954 | 31,674,101 | 33,118,274 | 26 |
| Dividends Declared | | | | | | 27 |
| Matured Long-Term Debt | | | | | | 28 |
| Matured Interest | | | | | | 29 |
| Tax Collections Payable | 1,136,954 | (1,326,739) | (780,138) | (733,807) | 1,256,651 | 30 |
| Misc. Current and Accrued Liabilities | 52,098,081 | 56,778,077 | 41,157,431 | 43,678,115 | 86,082,597 | 31 |
| Total Current and Accrued Liabilities | 1,019,579,107 | 588,853,049 | 617,717,871 | 739,541,599 | 750,350,408 | 32 |
| DEFERRED CREDITS | | | | | | |
| Customer Advances for Construction | (8,219) | | | | | 33 |
| Other Deferred Credits | 199,295,148 | 231,744,795 | 232,773,828 | 237,668,712 | 197,349,091 | 34 |
| Accumulated Deferred Inv. Tax Credits | 4,952,349 | 5,863,089 | 6,773,829 | 7,684,374 | 9,278,624 | 35 |
| Deferred Gains-Disposition of Utility Plant | | | | | | 36 |
| Accumulated Deferred Income Taxes | 1,192,127,325 | 1,050,255,191 | 884,917,820 | 690,112,091 | 376,098,404 | 37 |
| Total Deferred Credits | 1,396,366,603 | 1,287,863,075 | 1,124,465,477 | 935,465,177 | 582,726,119 | 38 |
| OPERATING RESERVES | | | | | | |
| Property Insurance Reserve | | | | | | 39 |
| Injuries and Damage Reserve | 36,200,121 | 11,324,062 | 4,216,513 | 954,695 | | 40 |
| Pension and Benefits Reserve | | | | | | 41 |
| Miscellaneous Operating Reserves | 493,328,623 | 487,622,685 | 364,687,110 | 370,943,359 | 380,251,690 | 42 |
| Total Operating Reserves | 529,528,744 | 498,946,747 | 368,903,623 | 371,898,054 | 380,251,690 | 43 |
| Total Liabilities and Other Credits | \$5,122,878,049 | \$4,577,110,834 | \$4,395,443,165 | \$4,308,042,699 | \$3,961,610,392 | 44 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| GAS OPERATING INCOME | | | | | |
| 1 Operating Revenues | \$1,338,671,878 | \$1,747,066,876 | \$1,942,392,800 | \$1,942,076,919 | \$2,552,097,710 |
| Operating Expense: | | | | | |
| 2 Operation Expense | 798,407,282 | 1,152,237,068 | 1,320,114,257 | 1,344,381,230 | 1,943,249,188 |
| 3 Maintenance Expense | 49,106,259 | 52,500,974 | 53,915,516 | 59,710,004 | 60,311,948 |
| 4 Depreciation Expense | 79,572,680 | 80,538,838 | 76,823,477 | 75,075,494 | 72,076,677 |
| 5 Amort. and Depletion of Utility Plant | 3,210,113 | 4,599,177 | 5,305,326 | 6,382,932 | 5,304,931 |
| 6 Amort. of Utility Plant Acq. Adj. | 9,400,768 | 9,982,938 | 2,924,359 | (1,587,087) | (5,506,075) |
| 7 Amort. of Property Losses | | | | | |
| 8 Amort. of Conversion Expenses | | | | | |
| 9 Other Expenses | | | | | |
| 10 Taxes Other than Income Taxes | 202,125,603 | 184,706,177 | 188,055,626 | 180,902,420 | 184,994,725 |
| 11 Income Taxes | 56,352,240 | 90,074,307 | 96,946,780 | 95,638,978 | 92,072,866 |
| 12 Gains from Disposition of Util. Plant | | | | | |
| 13 Losses from Disposition of Util. Plant | | | | | |
| 14 Total Operating Expenses | 1,198,174,945 | 1,574,639,479 | 1,744,085,341 | 1,760,503,970 | 2,352,504,260 |
| 15 Net Operating Revenues | 140,496,933 | 172,427,397 | 198,307,459 | 181,572,949 | 199,593,450 |
| 16 Other Utility Operating Income | | | | | |
| 17 Total Gas Utility Operating Income | 140,496,933 | 172,427,397 | 198,307,459 | 181,572,949 | 199,593,450 |
| 18 Other Utility Operating Income | | | | | |
| 19 Total Utility Operating Income | \$140,496,933 | \$172,427,397 | \$198,307,459 | \$181,572,949 | \$199,593,450 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|-----------|
| OTHER INCOME | | | | | | |
| Income - Merch. Jobbing & Contract Work | | | | | | 1 |
| Income from Nonutility Operations | \$54,333 | (\$2,560) | (\$1,442) | (\$715) | (\$3,689) | 2 |
| Nonoperating Rental Income | | | | | | 3 |
| Equity in Earnings of Subsidiary Companies | 7,947,803 | 11,034,185 | 10,527,845 | 11,079,975 | 6,904,414 | 4 |
| Interest and Dividend Income | (14,824,230) | 17,537,017 | 22,748,216 | 18,627,677 | 12,068,236 | 5 |
| Allowance for Funds Used During Construction | 1,311,007 | 1,094,982 | 1,442,131 | 1,585,217 | 1,870,716 | 6 |
| Miscellaneous Nonoperating Income | (48,113) | (1,379,420) | | | | 7 |
| Gain on Disposition of Property | | | | | | 8 |
| Total Other Income | (5,559,200) | 28,284,204 | 34,716,750 | 31,292,155 | 20,839,677 | 9 |
| OTHER INCOME DEDUCTIONS | | | | | | |
| Loss on Disposition of Property | | | | | | 10 |
| Miscellaneous Amortization | | | | | | 11 |
| Miscellaneous Income Deductions | 4,746,685 | 2,959,667 | 1,857,406 | (603,767) | 284,272 | 12 |
| Total Other Income Deductions | 4,746,685 | 2,959,667 | 1,857,406 | (603,767) | 284,272 | 13 |
| TAXES-OTHER INCOME AND DEDUCTIONS | | | | | | |
| Taxes Other than Income Taxes | | | | 88 | 189 | 14 |
| Income Taxes | (910,739) | (910,740) | (910,740) | (1,594,055) | (303,579) | 15 |
| Total Taxes-Other Inc. & Deductions | (910,739) | (910,740) | (910,740) | (1,593,967) | (303,390) | 16 |
| Net Other Income and Deductions | (9,395,146) | 26,235,277 | 33,770,084 | 33,489,889 | 20,858,795 | 17 |
| INTEREST CHARGES | | | | | | |
| Interest on Long-term Debt | 48,579,017 | 47,753,171 | 49,716,871 | 51,468,997 | 56,967,729 | 18 |
| Amortization of Debt Discount and Expense | 1,814,776 | 1,810,822 | 1,810,822 | 1,810,822 | 1,810,822 | 19 |
| Amortization of Premium on Debt-Credit | | | | | | 20 |
| Interest on Debt to Associated Company | 3,328,022 | 5,565,825 | 7,323,858 | 7,057,684 | 3,906,224 | 21 |
| Other Interest Expense | (4,854,890) | 7,764,631 | 195,385 | 16,506,807 | 6,820,371 | 22 |
| Total Interest Charges | 48,866,925 | 62,894,449 | 59,046,936 | 76,844,310 | 69,505,146 | 23 |
| Income Before Extraordinary Items | 82,234,862 | 135,768,225 | 173,030,607 | 138,218,529 | 150,947,099 | 24 |
| EXTRAORDINARY ITEMS | | | | | | |
| Extraordinary Income | | | | | | 25 |
| Extraordinary Deductions | | | | | | 26 |
| Income Taxes, Extraordinary Items | | | | | | 27 |
| Net Extraordinary Items | | | | | | 28 |
| Net Income | \$82,234,862 | \$135,768,225 | \$173,030,607 | \$138,218,529 | \$150,947,099 | 29 |
| <hr/> | | | | | | |
| RETAINED EARNINGS | | | | | | |
| Unappropriated Retained Earnings (BOP) | \$759,027,730 | \$843,765,845 | \$820,183,108 | \$811,140,141 | \$808,645,472 | 30 |
| Balance Transferred from Income | 74,287,059 | 124,734,040 | 162,502,762 | 127,138,553 | 144,042,685 | 31 |
| Appropriated Retained Earnings | | | | | | 32 |
| Dividends Declared-Preferred Stock | | | | | | 33 |
| Dividends Declared-Common Stock | 110,000,000 | 220,000,000 | 150,000,000 | 125,000,000 | 150,000,000 | 34 |
| Adjustments to Retained Earnings | 11,034,185 | 10,527,845 | 11,079,975 | 6,904,414 | 8,451,984 | 35 |
| Net Change | (24,678,756) | (84,738,115) | 23,582,737 | 9,042,967 | 2,494,669 | 36 |
| Unappropriated Retained Earnings (EOP) | 734,348,974 | 759,027,730 | 843,765,845 | 820,183,108 | 811,140,141 | 37 |
| Appropriated Retained Earnings (EOP) | | | | | | 38 |
| Total Retained Earnings | \$734,348,974 | \$759,027,730 | \$843,765,845 | \$820,183,108 | \$811,140,141 | 39 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Cash Flows From Operating Activities | | | | | |
| 1 Net Income | \$82,234,862 | \$135,768,225 | \$173,030,607 | \$138,218,529 | \$150,947,099 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | | |
| 2 Depreciation, Depletion & Amortization | 93,998,337 | 98,248,316 | 86,934,051 | 143,704,381 | 178,675,737 |
| 3 Deferred Taxes & ITCs | 75,991,141 | 71,542,228 | 128,886,825 | 28,557,444 | (86,580,992) |
| 4 Receivables and Inventory | (6,825,384) | 67,558,643 | 107,455,005 | 201,508,390 | (61,652,715) |
| 5 Payables and Accrued Expenses | 204,955 | 17,432,513 | (41,269,033) | (180,843,620) | (114,013,761) |
| 6 Regulatory Assets (Net) | (79,434,952) | 25,701,920 | (28,197,954) | 40,878,913 | 5,622,887 |
| 7 Capitalized AFUDC - Equity | (1,311,007) | (1,094,982) | (1,442,131) | (1,585,217) | (1,870,716) |
| 8 Undistributed Earnings of Affiliates | (7,947,803) | (11,034,185) | (10,527,845) | | |
| 9 Other Adjustments | 42,669,802 | 43,484,326 | (44,558,177) | 18,705,067 | 17,581,741 |
| 10 | | (16,164,231) | 29,531,509 | (10,192,905) | 30,536,009 |
| 11 | | 13,331,507 | (12,034,545) | (84,871,539) | 84,895,856 |
| 12 Net Cash From Operating Activities | <u>199,579,951</u> | <u>444,774,280</u> | <u>387,808,312</u> | <u>294,079,443</u> | <u>204,141,144</u> |
| Cash Flows From Investing Activities | | | | | |
| 13 Cash Outflows For Construction | (177,617,336) | (188,211,768) | (188,964,711) | (181,258,877) | (201,435,288) |
| 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 | | | | (1,585,217) | (1,870,716) |
| 21 Other Cash Flows - Investing Activities | | | | | |
| 22 | | | | | |
| 23 | | | | | |
| 24 Net Cash From Investing Activities | <u>(177,617,336)</u> | <u>(188,211,768)</u> | <u>(188,964,711)</u> | <u>(182,844,094)</u> | <u>(203,306,004)</u> |
| Cash Flows From Financing Activities | | | | | |
| Net Proceeds (Payments) - Issuing & Retiring: | | | | | |
| 25 Long-Term Debt | 106,550,715 | (38,236,092) | (49,901,133) | 9,464,729 | 139,834,789 |
| 26 Common Stock | | | | | |
| 27 Preferred Stock | | | | | |
| 28 Short-Term Debt | | | | | |
| 29 Dividends Paid | (110,000,000) | (220,000,000) | (150,000,000) | (125,000,000) | (150,000,000) |
| 30 Other Cash Flows - Financing Activities | | | | | |
| 31 | | | | | |
| 32 | | | | | |
| 33 Net Cash From Financing Activities | <u>(3,449,285)</u> | <u>(258,236,092)</u> | <u>(199,901,133)</u> | <u>(115,535,271)</u> | <u>(10,165,211)</u> |
| 34 Net Increase/(Decrease) In Cash Equivalents | 18,513,330 | (1,673,580) | (1,057,532) | (4,299,923) | (9,330,071) |
| 35 Cash & Cash Equivalents Beginning Of Year | (0) | 1,673,580 | 2,731,112 | 7,031,034 | 16,361,105 |
| 36 Cash & Cash Equivalents End Of Year | \$18,513,330 | (\$0) | \$1,673,580 | \$2,731,112 | \$7,031,034 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|----|
| SALES AND CUSTOMER DATA | | | | | | |
| REVENUES | | | | | | |
| Residential | \$861,924,286 | \$950,025,717 | \$1,091,968,117 | \$1,207,948,993 | \$1,499,466,327 | 1 |
| Commercial | 87,157,725 | 100,122,861 | 123,260,339 | 156,702,572 | 247,911,069 | 2 |
| Industrial | 14,419,741 | 17,742,744 | 26,281,780 | 26,234,593 | 47,886,057 | 3 |
| Other Ultimate Customers | 63,542,967 | 70,398,335 | 86,845,526 | 89,354,875 | 172,760,631 | 4 |
| Total Revenues-Ultimate Customer | 1,027,044,719 | 1,138,289,657 | 1,328,355,762 | 1,480,241,033 | 1,968,024,084 | 5 |
| Sales for Resale | 128,971,543 | 305,976,396 | 318,290,623 | 225,770,809 | 414,201,549 | 6 |
| Total Revenues from Gas Sales | 1,156,016,262 | 1,444,266,053 | 1,646,646,385 | 1,706,011,842 | 2,382,225,633 | 7 |
| Transportation Sales | 282,307,861 | 273,643,667 | 267,374,379 | 207,906,642 | 147,822,285 | 8 |
| Other Gas Operating Revenues | (99,652,245) | 29,157,156 | 28,372,036 | 26,508,435 | 24,524,792 | 9 |
| Total Gas Operating Revenues | \$1,338,671,878 | \$1,747,066,876 | \$1,942,392,800 | \$1,940,426,919 | \$2,554,572,710 | 10 |
| SALES (MCF) | | | | | | |
| Residential | 65,566,150 | 72,558,924 | 77,779,142 | 82,225,136 | 85,320,542 | 11 |
| Commercial | 8,470,857 | 9,393,188 | 10,617,964 | 13,324,910 | 16,331,826 | 12 |
| Industrial | 1,695,641 | 1,965,172 | 2,739,752 | 2,461,136 | 3,227,815 | 13 |
| Other Ultimate Customers | 7,478,701 | 7,814,419 | 8,683,167 | 8,343,175 | 12,290,342 | 14 |
| Total Sales-Ultimate Customer | 83,211,349 | 91,731,703 | 99,820,025 | 106,354,356 | 117,170,525 | 15 |
| Sales for Resale | 24,631,404 | 42,521,963 | 49,466,991 | 28,117,171 | 37,589,672 | 16 |
| Transportation Sales | 94,454,001 | 100,126,636 | 84,940,908 | 75,152,032 | 66,802,558 | 17 |
| Other Gas Sales | | | | | | 18 |
| Total Sales | 202,296,755 | 234,380,302 | 234,227,924 | 209,623,559 | 221,562,755 | 19 |
| AVG NUMBER OF CUSTOMERS | | | | | | |
| Residential | 921,790 | 949,890 | 963,936 | 976,620 | 1,020,895 | 20 |
| Commercial | 29,346 | 29,548 | 31,046 | 31,852 | 32,756 | 21 |
| Industrial | 2,283 | 2,956 | 2,623 | 3,087 | 3,621 | 22 |
| Other Customers | 4,246 | 4,262 | 3,825 | 2,930 | 2,817 | 23 |
| Total Ultimate Customers | 957,665 | 986,656 | 1,001,430 | 1,014,489 | 1,060,089 | 24 |
| Resales | 19 | 21 | 20 | 21 | | 25 |
| Total Customers | 957,684 | 986,677 | 1,001,450 | 1,014,510 | 1,060,089 | 26 |
| OPERATING REVENUES RELATIONSHIP | | | | | | |
| RESIDENTIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$935 | \$1,000 | \$1,133 | \$1,237 | \$1,469 | 27 |
| Average MCF Consumption Per Customer | 71.1 | 76.4 | 80.7 | 84.2 | 83.6 | 28 |
| Average Revenue Per MCF Sold | \$13.15 | \$13.09 | \$14.04 | \$14.69 | \$17.57 | 29 |
| COMMERCIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$2,970 | \$3,388 | \$3,970 | \$4,920 | \$7,568 | 30 |
| Average MCF Consumption Per Customer | 288.7 | 317.9 | 342.0 | 418.3 | 498.6 | 31 |
| Average Revenue Per MCF Sold | \$10.29 | \$10.66 | \$11.61 | \$11.76 | \$15.18 | 32 |
| INDUSTRIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$6,316 | \$6,002 | \$10,020 | \$8,498 | \$13,225 | 33 |
| Average MCF Consumption Per Customer | 742.7 | 664.8 | 1,044.5 | 797.3 | 891.4 | 34 |
| Average Revenue Per MCF Sold | \$8.50 | \$9.03 | \$9.59 | \$10.66 | \$14.84 | 35 |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | |
| Steam | | | | | | 36 |
| Manufactured Gas | | | | | | 37 |
| Natural Gas - Production & Gathering | | | | | | 38 |
| Purchased Gas | \$452,352,180 | \$835,934,454 | \$1,025,829,631 | \$1,049,573,528 | \$1,668,211,351 | 39 |
| Other | 15,568,449 | 555,838 | 974,795 | 2,280,491 | (2,120,919) | 40 |
| Total Production Expense | 467,920,629 | 836,490,292 | 1,026,804,426 | 1,051,854,019 | 1,666,090,432 | 41 |
| Natural Gas Storage Expense | 4,282,664 | 4,639,614 | 4,513,630 | 4,344,018 | 3,649,843 | 42 |
| Transmission Expense | 6,723,580 | 4,432,577 | 4,224,314 | 5,922,408 | 6,673,734 | 43 |
| Distribution Expense | 76,036,185 | 86,859,231 | 88,429,026 | 91,757,039 | 92,217,071 | 44 |
| Customer Account Expense | 71,383,076 | 91,428,181 | 75,669,558 | 98,859,602 | 88,762,932 | 45 |
| Sales Expense | 5,185,186 | 7,136,931 | 7,725,005 | 8,628,956 | 13,542,092 | 46 |
| Administrative and General | 215,982,221 | 173,751,216 | 166,663,814 | 142,725,192 | 132,625,032 | 47 |
| Total O & M Expense | \$847,513,541 | \$1,204,738,042 | \$1,374,029,773 | \$1,404,091,234 | \$2,003,561,136 | 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.

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1 | \$1,338,671,878 | \$1,747,066,876 | \$1,942,392,800 | \$1,940,426,919 | \$2,554,572,710 |
| 2 Sales of Gas (MCF) * | 107,842,753 | 134,253,666 | 149,287,016 | 134,471,527 | 154,760,196 |
| DOLLAR AMOUNTS | | | | | |
| 3 Purchased Gas & Other Supply Exp. | \$478,926,873 | \$845,562,483 | \$1,035,542,370 | \$1,062,120,445 | \$1,676,414,009 |
| 4 Wages and Benefits | 142,806,704 | 97,613,587 | 107,303,140 | 112,439,182 | 115,798,128 |
| 5 Other Operation & Maintenance Exp. | 225,779,964 | 261,561,972 | 231,184,263 | 229,531,607 | 211,348,999 |
| 6 Depreciation & Amortization Expense | 92,183,561 | 95,120,953 | 85,053,162 | 79,871,339 | 71,875,533 |
| 7 Income Taxes-Operating | 56,352,240 | 90,074,307 | 96,946,780 | 95,638,978 | 92,072,866 |
| 8 Other Taxes-Operating | 56,352,240 | 184,706,177 | 188,055,626 | 180,902,420 | 184,994,725 |
| 9 Capital Costs | 286,270,296 | 172,427,397 | 198,307,459 | 179,922,949 | 202,068,450 |
| 10 Total | \$1,338,671,878 | \$1,747,066,876 | \$1,942,392,800 | \$1,940,426,919 | \$2,554,572,710 |
| PERCENT OF REVENUES | | | | | |
| 11 Purchased Gas & Other Supply Exp. | 35.8 | 48.4 | 53.3 | 54.7 | 65.6 |
| 12 Wages and Benefits | 10.7 | 5.6 | 5.5 | 5.8 | 4.5 |
| 13 Other Operation & Maintenance Exp. | 16.9 | 15.0 | 11.9 | 11.8 | 8.3 |
| 14 Depreciation & Amortization Expense | 6.9 | 5.4 | 4.4 | 4.1 | 2.8 |
| 15 Income Taxes-Operating | 4.2 | 5.2 | 5.0 | 4.9 | 3.6 |
| 16 Other Taxes-Operating | 4.2 | 10.6 | 9.7 | 9.3 | 7.2 |
| 17 Capital Costs | 21.4 | 9.9 | 10.2 | 9.3 | 7.9 |
| 18 Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| DOLLARS PER MCF | | | | | |
| 19 Purchased Gas & Other Supply Exp. | 4.44 | 6.30 | 6.94 | 7.90 | 10.83 |
| 20 Wages and Benefits | 1.32 | 0.73 | 0.72 | 0.84 | 0.75 |
| 21 Other Operation & Maintenance Exp. | 2.09 | 1.95 | 1.55 | 1.71 | 1.37 |
| 22 Depreciation & Amortization Expense | 0.85 | 0.71 | 0.57 | 0.59 | 0.46 |
| 23 Income Taxes-Operating | 0.52 | 0.67 | 0.65 | 0.71 | 0.59 |
| 24 Other Taxes-Operating | 0.52 | 1.38 | 1.26 | 1.35 | 1.20 |
| 25 Capital Costs | 2.65 | 1.28 | 1.33 | 1.34 | 1.31 |
| 26 Total | 12.41 | 13.01 | 13.01 | 14.43 | 16.51 |

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. | 467,920,629 | 836,490,292 | 1,026,804,426 | 1,051,854,019 | 1,666,090,432 |
| Liquidified Petro Gas | | | | | |
| Other Gas Supply | | | | | |
| Gas Storage | 4,282,664 | 4,639,614 | 4,513,630 | 4,344,018 | 3,649,843 |
| Transmission Expense | 6,723,580 | 4,432,577 | 4,224,314 | 5,922,408 | 6,673,734 |
| Total Purchased Gas | 478,926,873 | 845,562,483 | 1,035,542,370 | 1,062,120,445 | 1,676,414,009 |
| -Total PG related to Sales for Resale | | | | | |
| PG - Ultimate Customers | 478,926,873 | 845,562,483 | 1,035,542,370 | 1,062,120,445 | 1,676,414,009 |

Wages and Benefits

| | | | | | |
|--------------------------|-------------|------------|-------------|-------------|-------------|
| Salaries | 85,871,839 | 74,697,512 | 84,110,922 | 89,589,319 | 85,766,175 |
| Pensions and Benefits | 56,934,865 | 22,916,075 | 23,192,218 | 22,849,863 | 30,031,953 |
| Total Wages and Benefits | 142,806,704 | 97,613,587 | 107,303,140 | 112,439,182 | 115,798,128 |

Other Expenses

| | | | | | |
|----------------------|-------------|---------------|---------------|---------------|---------------|
| Total O&M Expenses | 847,513,541 | 1,204,738,042 | 1,374,029,773 | 1,404,091,234 | 2,003,561,136 |
| -Total Purchased Gas | 478,926,873 | 845,562,483 | 1,035,542,370 | 1,062,120,445 | 1,676,414,009 |
| -Wages and Benefits | 142,806,704 | 97,613,587 | 107,303,140 | 112,439,182 | 115,798,128 |
| -Other Gains | | | | | |
| +Other Losses | | | | | |
| -Other Revenues | | | | | |
| Other Expenses | 225,779,964 | 261,561,972 | 231,184,263 | 229,531,607 | 211,348,999 |

Depreciation and Amortization

| | | | | | |
|-------------------------------|------------|------------|------------|-------------|-------------|
| Depreciation Exp | 79,572,680 | 80,538,838 | 76,823,477 | 75,075,494 | 72,076,677 |
| Amort & Depl of Utility Plant | 3,210,113 | 4,599,177 | 5,305,326 | 6,382,932 | 5,304,931 |
| Amort of Other Utility Plant | 9,400,768 | 9,982,938 | 2,924,359 | (1,587,087) | (5,506,075) |
| Amort of Property Losses | | | | | |
| Amort of Conversion Expenses | | | | | |
| Total Depre and Amort | 92,183,561 | 95,120,953 | 85,053,162 | 79,871,339 | 71,875,533 |

Fuel and PP related to Sales for Resale

| | | | | | |
|-----------------------------|-------------|-------------|---------------|---------------|---------------|
| Total PG | 478,926,873 | 845,562,483 | 1,035,542,370 | 1,062,120,445 | 1,676,414,009 |
| divided by Total MCFs | 107,842,753 | 134,253,666 | 149,287,016 | 134,471,527 | 154,760,196 |
| Fuel Cost per MCF | 4 | 6 | 7 | 8 | 11 |
| times Sales for Resale MCFs | | | | | |
| Sales for Resale PG | | | | | |

Transportation Volumes

| | | | | |
|------------|-------------|------------|------------|------------|
| 94,454,001 | 100,126,636 | 84,940,908 | 75,152,032 | 66,802,558 |
|------------|-------------|------------|------------|------------|

THE BROOKLYN UNION GAS COMPANY
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|-----------|
| Intangible | \$124,398,746.96 | \$124,418,300 | \$124,405,565 | \$123,252,597 | \$119,793,993 | 1 |
| Production | | | | | | |
| Manufactured Gas | | | | | | 2 |
| Natural Gas | | | | | | 3 |
| Natural Gas Storage | | | | | | |
| Underground Storage | | | | | | 4 |
| Other Storage | 136,295,223 | 136,265,664 | \$136,263,814 | 136,024,813 | 134,753,874 | 5 |
| Transmission | 131,026,215 | 121,333,132 | \$117,575,332 | 102,854,230 | 91,224,614 | 6 |
| Distribution | 3,112,219,104 | 3,006,224,169 | \$2,849,687,960 | 2,702,144,922 | 2,588,366,159 | 7 |
| General | 124,248,311 | 126,610,320 | \$134,149,865 | 128,026,229 | 133,394,349 | 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 | 3,629,045,250 | 3,515,709,235 | 3,362,940,186 | 3,193,160,441 | 3,068,390,639 | 12 |
| Plant Leased To Others | | | | | | 13 |
| Plant Held For Future Use | 242,470 | 1,698 | 366,554 | 366,554 | 366,554 | 14 |
| Construction Work In Progress | 94,047,780 | 53,819,145 | 47,900,737 | 54,424,421 | 35,499,810 | 15 |
| Acquisition Adjustments | | | | | | 16 |
| Total Plant | 3,723,335,500 | 3,569,530,078 | 3,411,207,477 | 3,247,951,415 | 3,104,257,003 | 17 |
| Accum. Prov. - Depr. & Amort. | 1,231,482,685 | 1,175,715,883 | 1,121,726,881 | 1,066,862,230 | 1,025,243,063 | 18 |
| Total Net Plant | \$2,491,852,815 | \$2,393,814,195 | \$2,289,480,596 | \$2,181,089,185 | \$2,079,013,940 | 19 |
| Current Assets / Current Liabilities | 0.90 | 0.93 | 1.06 | 1.03 | 1.29 | 20 |
| Total Capitalization | \$2,062,387,334 | \$2,342,915,043 | \$2,385,416,622 | \$2,421,283,106 | \$2,377,913,704 | 21 |
| <u>Percent Of Capitalization (incl. S-T Debt)</u> | | | | | | |
| Long-Term Debt | 50.5% | 44.4% | 43.6% | 42.9% | 43.7% | 22 |
| Preferred Stock | 0.0% | 0.0% | | | | 23 |
| Common Stock & Retained Earnings | 55.1% | 49.6% | 52.2% | 50.5% | 50.9% | 24 |
| Short-Term Debt | -5.6% | 6.0% | 4.2% | 6.6% | 5.5% | 25 |
| Pretax Coverage of Interest Expense | 3.82 | 4.17 | 5.56 | 3.61 | 4.49 | 26 |
| Com. Stock Dividends as a % of Earnings | 78.3% | 127.6% | 75.6% | -68.8% | -75.2% | 27 |
| Return on Common Equity | 12.2% | 14.3% | 16.1% | 14.9% | 16.2% | 28 |
| Internal Cash Generated as a % of Cash Outflows for Construction | 112.4% | | 228.8% | 140.6% | 85.8% | 29 |
| Earnings per Share | \$1.40 | \$1.72 | \$1.98 | \$1.82 | \$2.00 | 30 |
| Book Value per Share | \$11.37 | \$11.61 | \$12.45 | \$12.22 | \$12.09 | 31 |
| Dividends per Share | \$1.10 | \$2.20 | \$1.50 | (\$1.25) | (\$1.50) | 32 |
| Number of Employees | 1,254 | 1,221 | 1,326 | 1,318 | 1,314 | 33 |

Data Field Below

| | | | | | |
|--|------------------|---------------|---------------|---------------|---------------|
| Current Assets | 915,468,028 | 549,147,539 | 654,512,032 | 762,603,635 | 970,105,011 |
| Current Liabilities | 1,019,579,107 | 588,853,049 | 617,717,871 | 739,541,599 | 750,350,408 |
| Total Capitalization | 2,062,387,334 | 2,342,915,043 | 2,385,416,622 | 2,421,283,106 | 2,377,913,704 |
| Long-Term Debt | 1,040,500,000 | 1,040,500,000 | 1,039,183,459 | 1,039,113,392 | 1,039,043,325 |
| Preferred Stock | 1 | 1 | | | |
| Common Stock and Retained Earnings (Excl. Preferred Stock) | 1,137,380,766 | 1,161,217,470 | 1,245,449,245 | 1,222,024,478 | 1,209,238,850 |
| Short-Term Debt | (115,493,433) | 141,197,572 | 100,783,918 | 160,145,237 | 129,631,529 |
| Pretax Income | 186,543,288 | 262,501,704 | 328,113,583 | 277,211,927 | 312,221,532 |
| Interest Expense | 48,866,925 | 62,894,449 | 59,046,936 | 76,844,310 | 69,505,146 |
| Common Dividends Paid | 110,000,000 | 220,000,000 | 150,000,000 | (125,000,000) | (150,000,000) |
| Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends) | 140,496,933 | 172,427,397 | 198,307,459 | 181,572,949 | 199,593,450 |
| Internal Cash | 199,579,951 | | 432,366,489 | 254,867,990 | 172,760,044 |
| Cash Outflows for Construction | 177,617,336 | 188,211,768 | 188,964,711 | 181,258,877 | 201,435,288 |
| Shares Outstanding (Millions) Sch250251 | 100 | 100 | 100 | 100 | 100 |
| Misc Deferred Debits | 914,694,128 | 877,581,532 | 809,208,976 | 794,917,546 | 645,787,729 |
| Number of Employees | 1,254 | 1,221 | 1,326 | 1,318 | 1,314 |
| Pre-Tax Income | | | | | |
| Total Utility Operating Income | \$140,496,933.00 | 172,427,397 | 198,307,459 | 181,572,949 | 199,593,450 |
| +Income Taxes - Electric | | | | | |
| +Income Taxes - Gas | 56,352,240 | 90,074,307 | 96,946,780 | 95,638,978 | 92,072,866 |
| +Other Income | (5,559,200) | 28,284,204 | 34,716,750 | 31,292,155 | 20,839,677 |
| - Other Income Deductions | 4,746,685 | 2,959,667 | 1,857,406 | (603,767) | 284,272 |
| - Other Taxes | | | | 88 | 189 |
| Pre-Tax Income | 186,543,288 | 287,826,241 | 328,113,583 | 309,107,761 | 312,221,532 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| UTILITY PLANT | | | | | |
| 1 Total Utility Plant | \$55,640,495 | \$49,349,393 | \$44,783,483 | \$39,724,571 | \$35,549,590 |
| 2 Less Acc. Prov. For Depreciation & Amortization | 16,337,855 | 14,761,978 | 13,293,584 | 12,653,138 | 12,121,401 |
| 3 Net Total Utility Plant | 39,302,640 | 34,587,415 | 31,489,899 | 27,071,433 | 23,428,189 |
| 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 | 1,823,569 |
| 7 Investment in Subsidiary Companies | 259,790 | | | | |
| 8 Other Investments | | | | | |
| 9 Sinking Funds | | | | | |
| 10 Depreciation Fund | | | | | |
| 11 Other Special Funds | 2,328,545 | 2,430,394 | 2,501,421 | 2,370,227 | 2,118,350 |
| 12 Total Other Property and Investments | 4,411,904 | 4,253,963 | 4,324,990 | 4,193,796 | 3,941,919 |
| CURRENT AND ACCRUED ASSETS | | | | | |
| 13 Cash | 371,467 | 147,469 | 190,497 | 100,835 | |
| 14 Special Deposits | | | | | |
| 15 Working Funds | 1,250 | 1,250 | 1,250 | 1,250 | 8,250 |
| 16 Temporary Cash Investments | | | | | |
| 17 Notes Receivable | | | | | |
| 18 Accounts Receivable | 2,258,431 | 1,478,614 | 1,834,787 | 1,317,328 | 1,446,018 |
| 19 Less Accum. Prov. For Uncollectible Accounts | (251,789) | (32,131) | (35,584) | (45,457) | (71,459) |
| 20 Notes Receivable from Associated Companies | | | | | |
| 21 Accounts Receivable from Assoc. Companies | | | | | |
| 22 Materials and Supplies | 1,162,996 | 928,015 | 738,234 | 650,488 | 522,456 |
| 23 Gas Stored Underground - Current | 1,333,114 | 2,279,703 | 1,938,923 | 1,519,402 | 4,058,416 |
| 24 Liquefied Natural Gas in Storage | | | | | |
| 25 Prepayments | 539,531 | 482,915 | 346,289 | 1,102,414 | 507,678 |
| 26 Interest and Dividends Receivable | | | | | |
| 27 Rents Receivable | | | | | |
| 28 Accrued Utility Revenue | | | | | |
| 29 Misc. Current and Accrued Assets | | | | | |
| 30 Total Current and Accrued Assets | 5,415,000 | 5,285,835 | 5,014,396 | 4,646,260 | 6,471,359 |
| DEFERRED DEBITS | | | | | |
| 31 Unamort. Debt Expense | 237,484 | 274,808 | 304,932 | 266,723 | 287,837 |
| 32 Extraordinary Property Losses | | | | | |
| 33 Prelim. Survey and Investigation Charges | | | | | |
| 34 Clearing Accounts | | | | | |
| 35 Temporary Facilities | | | | | |
| 36 Miscellaneous Deferred Debits | 4,347,888 | 3,240,586 | 3,424,558 | 4,529,448 | 3,964,497 |
| 37 Deferred Losses from Disp. of Utility Plant | | | | | |
| 38 Research and Development | | | | | |
| 39 Accumulated Deferred Income Taxes | 5,127,628 | 5,098,812 | | | |
| 40 Total Deferred Debits | 9,713,000 | 8,614,206 | 3,729,490 | 4,796,171 | 4,252,334 |
| 41 Total Assets and Other Debits | \$58,842,544 | \$52,741,419 | \$44,558,775 | \$40,707,660 | \$38,093,801 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|-----------|
| PROPRIETARY CAPITAL | | | | | | |
| Common Stock Issued | \$11,166,335 | \$9,119,835 | \$5,743,140 | \$5,064,585 | \$4,104,500 | 1 |
| Preferred Stock Issued | | | | | | 2 |
| Capital Stock Subscribed | | | | | | 3 |
| Stock Liability for Conversion | | | | | | 4 |
| Premium on Capital Stock | 11,809,321 | 7,644,375 | 8,158,076 | 6,386,839 | 4,302,301 | 5 |
| Other Paid-in Capital | | | | | | 6 |
| Installments Received on Capital Stock | | | | | | 7 |
| Capital Stock Expense | (209,087) | (136,030) | (133,640) | (33,144) | (16,149) | 8 |
| Retained Earnings | (3,428,558) | (2,949,936) | (1,382,961) | (2,915,021) | (1,697,169) | 9 |
| Unapp. Undistributed Subsidiary Earnings | 3,048,063 | 2,788,273 | 2,788,273 | 2,788,273 | 2,788,273 | 10 |
| Reaquired Capital Stock | | | | | | 11 |
| Accumulated Other Comprehensive Income | | | | | | |
| Total Proprietary Capital | 22,386,074 | 16,466,517 | 15,172,888 | 11,291,532 | 9,481,756 | 12 |
| LONG-TERM DEBT | | | | | | |
| Bonds | 13,277,958 | 12,091,748 | 11,159,198 | 9,060,654 | 9,587,454 | 13 |
| Reaquired Bonds | | | | | | 14 |
| Advances from Associated Companies | | | | | | 15 |
| Other Long-Term Debt | 660,172 | 158,740 | 183,853 | 396,292 | 814,535 | 16 |
| Unamortized Premium on LT Debt | | | | | | 17 |
| Unamortized Discount on LT Debt-Debit | | | | | | 18 |
| Total Long-Term Debt | 13,938,130 | 12,250,488 | 11,343,051 | 9,456,946 | 10,401,989 | 19 |
| CURRENT AND ACCRUED LIABILITIES | | | | | | |
| Notes Payable | 5,201,596 | 6,770,507 | 5,898,635 | 7,739,760 | 7,709,407 | 20 |
| Accounts Payable | 2,149,836 | 2,422,854 | 2,031,113 | 1,973,696 | 2,635,035 | 21 |
| Notes Payable to Associated Companies | | | | | | 22 |
| Accounts Payable to Associated Companies | | | | | | 23 |
| Customer Deposits | 234,743 | 229,572 | 234,732 | 231,801 | 236,295 | 24 |
| Taxes Accrued | (4,971,985) | (3,699,571) | (2,239,866) | (2,902,250) | (1,058,296) | 25 |
| Interest Accrued | 1,502 | 1,449 | 1,830 | 111 | 8,313 | 26 |
| Dividends Declared | | | | | | 27 |
| Matured Long-Term Debt | | | | | | 28 |
| Matured Interest | | | | | | 29 |
| Tax Collections Payable | 18,945 | 18,144 | 24,272 | 23,964 | 29,375 | 30 |
| Misc. Current and Accrued Liabilities | 9,302,696 | 9,081,028 | 8,827,434 | 9,194,864 | 5,557,022 | 31 |
| Total Current and Accrued Liabilities | 11,937,333 | 14,823,983 | 14,778,150 | 16,261,946 | 15,117,151 | 32 |
| DEFERRED CREDITS | | | | | | |
| Customer Advances for Construction | | | | | 78,360 | 33 |
| Other Deferred Credits | 1,868,929 | 1,611,961 | 1,117,548 | 1,820,949 | 1,794,569 | 34 |
| Accumulated Deferred Inv. Tax Credits | | | | | | 35 |
| Deferred Gains-Disposition of Utility Plant | | | | | | 36 |
| Accumulated Deferred Income Taxes | 8,712,078 | 7,588,470 | 2,147,138 | 1,876,287 | 1,219,976 | 37 |
| Total Deferred Credits | 10,581,007 | 9,200,431 | 3,264,686 | 3,697,236 | 3,092,905 | 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 | \$58,842,544 | \$52,741,419 | \$44,558,775 | \$40,707,660 | \$38,093,801 | 44 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|--------------|--------------|--------------|--------------|--------------|
| GAS OPERATING INCOME | | | | | |
| 1 Operating Revenues | \$20,112,823 | \$21,889,372 | \$22,179,922 | \$22,566,374 | \$26,033,130 |
| Operating Expense: | | | | | |
| 2 Operation Expense | 13,685,366 | 15,429,660 | 16,251,204 | 17,540,442 | 21,933,826 |
| 3 Maintenance Expense | 338,207 | 389,657 | 335,759 | 366,090 | 318,740 |
| 4 Depreciation Expense | 1,744,099 | 1,593,313 | 824,232 | 736,707 | 702,290 |
| 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 | 1,920,223 | 1,963,392 | 1,725,359 | 1,549,870 | 1,539,929 |
| 11 Income Taxes | 205,506 | 304,275 | 786,059 | 515,516 | (208,577) |
| 12 Gains from Disposition of Util. Plant | | | | | |
| 13 Losses from Disposition of Util. Plant | | | | | |
| 14 Total Operating Expenses | 17,893,401 | 19,680,297 | 19,922,613 | 20,708,625 | 24,286,208 |
| 15 Net Operating Revenues | 2,219,422 | 2,209,075 | 2,257,309 | 1,857,749 | 1,746,922 |
| 16 Other Utility Operating Income | | | | | |
| 17 Total Gas Utility Operating Income | 2,219,422 | 2,209,075 | 2,257,309 | 1,857,749 | 1,746,922 |
| 18 Other Utility Operating Income | | | | | |
| 19 Total Utility Operating Income | \$2,219,422 | \$2,209,075 | \$2,257,309 | \$1,857,749 | \$1,746,922 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|-----------|
| OTHER INCOME | | | | | | |
| Income - Merch. Jobbing & Contract Work | | | | | | 1 |
| Income from Nonutility Operations | | | | | | 2 |
| Nonoperating Rental Income | | | | | | 3 |
| Equity in Earnings of Subsidiary Companies | \$259,790 | | | | | 4 |
| Interest and Dividend Income | 126,507 | \$61,901 | \$248,147 | \$102,316 | \$358,917 | 5 |
| Allowance for Funds Used During Construction | | | | | | 6 |
| Miscellaneous Nonoperating Income | 81,131 | 328,279 | 54,585 | 157,688 | 352,006 | 7 |
| Gain on Disposition of Property | | | | | | 8 |
| Total Other Income | 467,428 | 390,180 | 302,732 | 260,004 | 710,923 | 9 |
| OTHER INCOME DEDUCTIONS | | | | | | |
| Loss on Disposition of Property | | | | | | 10 |
| Miscellaneous Amortization | 58,148 | 45,711 | 21,040 | 10,576 | 7,924 | 11 |
| Miscellaneous Income Deductions | 301,016 | 312,168 | 117,430 | 92,987 | 73,026 | 12 |
| Total Other Income Deductions | 359,164 | 357,879 | 138,470 | 103,563 | 80,950 | 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 | 108,264 | 32,301 | 164,262 | 156,441 | 629,973 | 17 |
| INTEREST CHARGES | | | | | | |
| Interest on Long-term Debt | 772,357 | 759,710 | 689,625 | 664,255 | 571,563 | 18 |
| Amortization of Debt Discount and Expense | 46,110 | 46,478 | 38,304 | 28,613 | 25,798 | 19 |
| Amortization of Premium on Debt-Credit | | | | | | 20 |
| Interest on Debt to Associated Company | | | | | | 21 |
| Other Interest Expense | 194,144 | 180,445 | 195,777 | 243,242 | 887,187 | 22 |
| Total Interest Charges | 1,012,611 | 986,633 | 923,706 | 936,110 | 1,484,548 | 23 |
| Income Before Extraordinary Items | 1,315,075 | 1,254,743 | 1,497,865 | 1,078,080 | 892,347 | 24 |
| EXTRAORDINARY ITEMS | | | | | | |
| Extraordinary Income | | | | | | 25 |
| Extraordinary Deductions | | | | | | 26 |
| Income Taxes, Extraordinary Items | | | | | | 27 |
| Net Extraordinary Items | | | | | | 28 |
| Net Income | \$1,315,075 | \$1,254,743 | \$1,497,865 | \$1,078,080 | \$892,347 | 29 |
| <hr/> | | | | | | |
| RETAINED EARNINGS | | | | | | |
| Unappropriated Retained Earnings (BOP) | (\$2,949,936) | (\$1,382,961) | (\$2,915,021) | (\$1,697,169) | (\$3,701,734) | 30 |
| Balance Transferred from Income | 1,055,285 | 1,254,743 | 1,497,865 | 1,078,080 | 892,347 | 31 |
| Appropriated Retained Earnings | | | | | | 32 |
| Dividends Declared-Preferred Stock | | | | | | 33 |
| Dividends Declared-Common Stock | 1,006,441 | 2,395,902 | 671,304 | 444,999 | | 34 |
| Adjustments to Retained Earnings | (655,666) | (425,816) | 705,499 | (1,850,933) | 1,112,218 | 35 |
| Net Change | (606,822) | (1,566,975) | 1,532,060 | (1,217,852) | 2,004,565 | 36 |
| Unappropriated Retained Earnings (EOP) | (3,556,758) | (2,949,936) | (1,382,961) | (2,915,021) | (1,697,169) | 37 |
| Appropriated Retained Earnings (EOP) | | | | | | 38 |
| Total Retained Earnings | (\$3,556,758) | (\$2,949,936) | (\$1,382,961) | (\$2,915,021) | (\$1,697,169) | 39 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Cash Flows From Operating Activities | | | | | |
| 1 Net Income | \$1,315,075 | \$1,254,743 | \$1,497,865 | \$1,078,080 | \$892,347 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | | |
| 2 Depreciation, Depletion & Amortization | 2,022,755 | 1,615,035 | 854,238 | 1,064,107 | 454,070 |
| 3 Deferred Taxes & ITCs | 1,094,792 | 342,520 | 270,851 | 656,311 | (1,209,978) |
| 4 Receivables and Inventory | 151,449 | (177,841) | (1,014,853) | 2,513,670 | (979,764) |
| 5 Payables and Accrued Expenses | (1,317,739) | (826,039) | 357,329 | 1,114,442 | 1,151,481 |
| 6 Regulatory Assets (Net) | (942,683) | 569,493 | 1,018,909 | (1,129,188) | 1,368,104 |
| 7 Capitalized AFUDC - Equity | | | | | |
| 8 Undistributed Earnings of Affiliates | | | | | |
| 9 Other Adjustments | | | | (2,077,348) | (238,239) |
| 10 | (591,566) | (395,059) | 738,723 | 75,133 | 1,649,974 |
| 11 | | 133,579 | 95,023 | | |
| 12 Net Cash From Operating Activities | <u>1,732,083</u> | <u>2,516,431</u> | <u>3,818,085</u> | <u>3,295,207</u> | <u>3,087,995</u> |
| Cash Flows From Investing Activities | | | | | |
| 13 Cash Outflows For Construction | (6,459,324) | (4,690,829) | (5,242,698) | (4,379,951) | (4,501,778) |
| 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 | (259,790) | | | | |
| 19 Investment Securities | 101,849 | | | | |
| 20 Other Current Assets & Liabilities | | | | | |
| 21 Other Cash Flows - Investing Activities | | | | | |
| 22 | | | | | |
| 23 | | | | | |
| 24 Net Cash From Investing Activities | <u>(6,617,265)</u> | <u>(4,690,829)</u> | <u>(5,242,698)</u> | <u>(4,379,951)</u> | <u>(4,501,778)</u> |
| Cash Flows From Financing Activities | | | | | |
| Net Proceeds (Payments) - Issuing & Retiring: | | | | | |
| 25 Long-Term Debt | 1,687,642 | 907,437 | 1,886,105 | (945,043) | 639,787 |
| 26 Common Stock | 5,996,890 | 1,096,769 | 2,271,793 | 2,790,145 | 150,000 |
| 27 Preferred Stock | | | | | |
| 28 Short-Term Debt | (1,568,911) | 871,872 | (1,841,125) | 30,353 | 634,086 |
| 29 Dividends Paid | (1,006,441) | (815,735) | (671,304) | (444,999) | |
| 30 Other Cash Flows - Financing Activities | | | | | |
| 31 | | | | | |
| 32 | | | | | |
| 33 Net Cash From Financing Activities | <u>5,109,180</u> | <u>2,060,343</u> | <u>1,645,469</u> | <u>1,430,456</u> | <u>1,423,873</u> |
| 34 Net Increase/(Decrease) In Cash Equivalents | 223,998 | (114,055) | 220,856 | 345,712 | 10,090 |
| 35 Cash & Cash Equivalents Beginning Of Year | 2,579,113 | 2,693,168 | 2,472,312 | 2,126,600 | 2,116,510 |
| 36 Cash & Cash Equivalents End Of Year | \$2,803,111 | \$2,579,113 | \$2,693,168 | \$2,472,312 | \$2,126,600 |
| (Totals include the SPECIAL FUNDS amount) | | | | | |

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

202 F

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|--------------|--------------|--------------|--------------|--------------|----|
| SALES AND CUSTOMER DATA | | | | | | |
| REVENUES | | | | | | |
| Residential | \$10,669,425 | \$12,015,361 | \$12,397,096 | \$12,409,931 | \$15,226,128 | 1 |
| Commercial | 1,546,980 | 1,820,785 | 1,775,291 | 2,040,740 | 2,662,283 | 2 |
| Industrial | 75,635 | 62,037 | 57,550 | 72,645 | 66,440 | 3 |
| Other Ultimate Customers | 159,901 | 150,964 | 170,375 | 177,058 | 247,584 | 4 |
| Total Revenues-Ultimate Customer | 12,451,941 | 14,049,147 | 14,400,312 | 14,700,374 | 18,202,435 | 5 |
| Sales for Resale | 1,447,503 | 1,645,311 | 1,987,495 | 2,356,711 | 3,160,870 | 6 |
| Total Revenues from Gas Sales | 13,899,444 | 15,694,458 | 16,387,807 | 17,057,085 | 21,363,305 | 7 |
| Transportation Sales | 5,537,129 | 6,174,877 | 5,543,649 | 4,995,005 | 4,508,727 | 8 |
| Other Gas Operating Revenues | 676,250 | 20,038 | 248,466 | 514,284 | 161,098 | 9 |
| Total Gas Operating Revenues | \$20,112,823 | \$21,889,373 | \$22,179,922 | \$22,566,374 | \$26,033,130 | 10 |
| SALES (MCF) | | | | | | |
| Residential | 918,330 | 1,034,711 | 987,724 | 1,005,386 | 993,738 | 11 |
| Commercial | 162,522 | 183,352 | 163,884 | 190,001 | 189,209 | 12 |
| Industrial | 20,488 | 20,488 | 20,488 | 20,488 | 20,488 | 13 |
| Other Ultimate Customers | 17,091 | 15,733 | 16,482 | 16,931 | 18,485 | 14 |
| Total Sales-Ultimate Customer | 1,118,431 | 1,254,284 | 1,188,578 | 1,232,806 | 1,221,919 | 15 |
| Sales for Resale | 235,552 | 270,144 | 284,772 | 301,878 | 306,260 | 16 |
| Transportation Sales | 6,574,253 | 7,605,102 | 7,693,594 | 6,440,744 | 6,498,416 | 17 |
| Other Gas Sales | | | | | | 18 |
| Total Sales | 7,928,236 | 9,129,530 | 9,166,944 | 7,975,429 | 8,026,595 | 19 |
| AVG NUMBERS OF CUSTOMERS | | | | | | |
| Residential | 11,556 | 11,260 | 11,031 | 10,791 | 10,633 | 20 |
| Commercial | 789 | 787 | 791 | 768 | 773 | 21 |
| Industrial | 7 | 7 | 7 | 7 | 7 | 22 |
| Other Customers | 67 | 62 | 58 | 55 | 55 | 23 |
| Total Ultimate Customers | 12,419 | 12,116 | 11,887 | 11,621 | 11,468 | 24 |
| Resales | 1 | 1 | 1 | 1 | 1 | 25 |
| Total Customers | 12,420 | 12,117 | 11,888 | 11,622 | 11,469 | 26 |
| OPERATING REVENUES RELATIONSHIP | | | | | | |
| RESIDENTIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$923 | \$1,067 | \$1,124 | \$1,150 | \$1,432 | 27 |
| Average MCF Consumption Per Customer | 79.5 | 91.9 | 89.5 | 93.2 | 93.5 | 28 |
| Average Revenue Per MCF Sold | \$11.62 | \$11.61 | \$12.55 | \$12.34 | \$15.32 | 29 |
| COMMERCIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$1,961 | \$2,314 | \$2,244 | \$2,657 | \$3,444 | 30 |
| Average MCF Consumption Per Customer | 206.0 | 233.0 | 207.2 | 247.4 | 244.8 | 31 |
| Average Revenue Per MCF Sold | \$9.52 | \$9.93 | \$10.83 | \$10.74 | \$14.07 | 32 |
| INDUSTRIAL | | | | | | |
| Average Annual Bill Per Customer | \$10,805 | \$8,862 | \$8,221 | \$10,378 | \$9,491 | 33 |
| Average MCF Consumption Per Customer | 2,926.8 | 2,926.9 | 2,926.9 | 2,926.8 | 2,926.8 | 34 |
| Average Revenue Per MCF Sold | \$3.69 | \$3.03 | \$2.81 | \$3.55 | \$3.24 | 35 |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | |
| Steam | | | | | | 36 |
| Manufactured Gas | | | | | | 37 |
| Natural Gas - Production & Gathering | | | | | | 38 |
| Purchased Gas | \$6,818,631 | \$9,215,006 | \$9,657,513 | \$11,166,697 | \$15,797,684 | 39 |
| Other | 90,619 | 167,310 | 191,030 | 216,329 | 122,000 | 40 |
| Total Production Expense | 6,909,250 | 9,382,316 | 9,848,543 | 11,383,026 | 15,919,684 | 41 |
| Natural Gas Storage Expense | | | | | | 42 |
| Transmission Expense | 118,413 | 100,381 | 121,613 | 98,790 | 185,749 | 43 |
| Distribution Expense | 1,798,795 | 1,988,308 | 1,730,423 | 1,570,011 | 1,486,213 | 44 |
| Customer Account Expense | 1,032,227 | 877,604 | 909,252 | 821,251 | 966,996 | 45 |
| Sales Expense | 3,523 | 2,866 | 3,334 | 3,083 | 7,213 | 46 |
| Administrative and General | 4,161,365 | 3,467,842 | 3,973,798 | 4,030,371 | 3,686,711 | 47 |
| Total O & M Expense | \$14,023,573 | \$15,819,317 | \$16,586,963 | \$17,906,532 | \$22,252,566 | 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,**

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|--------------|--------------|--------------|--------------|--------------|
| 1 Total Revenues | \$20,112,823 | \$21,889,373 | \$22,179,922 | \$22,566,374 | \$26,033,130 |
| 2 Sales of Gas (MCF) * | 1,353,983 | 1,524,428 | 1,473,350 | 1,534,684 | 1,528,180 |
| DOLLAR AMOUNTS | | | | | |
| 3 Purchased Gas & Other Supply Exp. | \$6,937,044 | \$9,315,387 | \$9,779,126 | \$11,265,487 | \$15,983,433 |
| 4 Wages and Benefits | 4,661,188 | 4,056,988 | 4,394,891 | 3,451,505 | 3,598,805 |
| 5 Other Operation & Maintenance Exp. | 2,425,341 | 2,446,942 | 2,412,946 | 3,189,540 | 2,670,328 |
| 6 Depreciation & Amortization Expense | 1,744,099 | 1,593,313 | 824,232 | 736,707 | 702,290 |
| 7 Income Taxes-Operating | 205,506 | 304,275 | 786,059 | 515,516 | (208,577) |
| 8 Other Taxes-Operating | 1,920,223 | 1,963,392 | 1,725,359 | 1,549,870 | 1,539,929 |
| 9 Capital Costs | 2,219,422 | 2,209,076 | 2,257,309 | 1,857,749 | 1,746,922 |
| 10 Total | \$20,112,823 | \$21,889,373 | \$22,179,922 | \$22,566,374 | \$26,033,130 |
| PERCENT OF REVENUES | | | | | |
| 11 Purchased Gas & Other Supply Exp. | 34.5 | 42.6 | 44.1 | 49.9 | 61.4 |
| 12 Wages and Benefits | 23.2 | 18.5 | 19.8 | 15.3 | 13.8 |
| 13 Other Operation & Maintenance Exp. | 12.1 | 11.2 | 10.9 | 14.1 | 10.3 |
| 14 Depreciation & Amortization Expense | 8.7 | 7.3 | 3.7 | 3.3 | 2.7 |
| 15 Income Taxes-Operating | 1.0 | 1.4 | 3.5 | 2.3 | -0.8 |
| 16 Other Taxes-Operating | 9.5 | 9.0 | 7.8 | 6.9 | 5.9 |
| 17 Capital Costs | 11.0 | 10.1 | 10.2 | 8.2 | 6.7 |
| 18 Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| DOLLARS PER MCF | | | | | |
| 19 Purchased Gas & Other Supply Exp. | 5.12 | 6.11 | 6.64 | 7.34 | 10.46 |
| 20 Wages and Benefits | 3.44 | 2.66 | 2.98 | 2.25 | 2.35 |
| 21 Other Operation & Maintenance Exp. | 1.79 | 1.61 | 1.64 | 2.08 | 1.75 |
| 22 Depreciation & Amortization Expense | 1.29 | 1.05 | 0.56 | 0.48 | 0.46 |
| 23 Income Taxes-Operating | 0.15 | 0.20 | 0.53 | 0.34 | -0.14 |
| 24 Other Taxes-Operating | 1.42 | 1.29 | 1.17 | 1.01 | 1.01 |
| 25 Capital Costs | 1.64 | 1.45 | 1.53 | 1.21 | 1.14 |
| 26 Total | 14.85 | 14.36 | 15.05 | 14.70 | 17.04 |

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 | 6,818,631 | 9,215,006 | 9,657,513 | 11,166,697 | 15,797,684 |
| Gas Storage | | | | | |
| Transmission Expense | 118,413 | 100,381 | 121,613 | 98,790 | 185,749 |
| Total Purchased Gas | 6,937,044 | 9,315,387 | 9,779,126 | 11,265,487 | 15,983,433 |
| -Total PG related to Sales for Resale | | | | | |
| PG - Ultimate Customers | 6,937,044 | 9,315,387 | 9,779,126 | 11,265,487 | 15,983,433 |

Wages and Benefits

| | | | | | |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| Salaries | 2,451,480 | 2,574,435 | 2,378,758 | 1,879,698 | 2,282,799 |
| Pensions and Benefits | 2,209,708 | 1,482,553 | 2,016,133 | 1,571,807 | 1,316,006 |
| Total Wages and Benefits | 4,661,188 | 4,056,988 | 4,394,891 | 3,451,505 | 3,598,805 |

Other Expenses

| | | | | | |
|----------------------|------------|------------|------------|------------|------------|
| Total O&M Expenses | 14,023,573 | 15,819,317 | 16,586,963 | 17,906,532 | 22,252,566 |
| -Total Purchased Gas | 6,937,044 | 9,315,387 | 9,779,126 | 11,265,487 | 15,983,433 |
| -Wages and Benefits | 4,661,188 | 4,056,988 | 4,394,891 | 3,451,505 | 3,598,805 |
| -Other Gains | | | | | |
| +Other Losses | | | | | |
| -Other Revenues | | | | | |
| Other Expenses | 2,425,341 | 2,446,942 | 2,412,946 | 3,189,540 | 2,670,328 |

Depreciation and Amortization

| | | | | | |
|-------------------------------|-----------|-----------|---------|---------|---------|
| Depreciation Exp | 1,744,099 | 1,593,313 | 824,232 | 736,707 | 702,290 |
| Amort & Depl of Utility Plant | | | | | |
| Amort of Other Utility Plant | | | | | |
| Amort of Property Losses | | | | | |
| Amort of Conversion Expenses | | | | | |
| Total Depre and Amort | 1,744,099 | 1,593,313 | 824,232 | 736,707 | 702,290 |

Fuel and PP related to Sales for Resale

| | | | | | |
|-----------------------------|-----------|-----------|-----------|------------|------------|
| Total PG | 6,937,044 | 9,315,387 | 9,779,126 | 11,265,487 | 15,983,433 |
| divided by Total MCFs | 1,353,983 | 1,524,428 | 1,473,350 | 1,534,684 | 1,528,180 |
| Fuel Cost per MCF | 5 | 6 | 7 | 7 | 10 |
| times Sales for Resale MCFs | 235,552 | 270,144 | 284,772 | 301,878 | 306,260 |
| Sales for Resale PG | 1,206,836 | 1,650,780 | 1,890,129 | 2,215,963 | 3,203,219 |

Transportation Volumes

| | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| | 6,574,253 | 7,605,102 | 7,693,594 | 6,440,744 | 6,498,416 |
|--|-----------|-----------|-----------|-----------|-----------|

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|-----------|
| Intangible | \$28,741 | \$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 | 4,652,111 | 4,652,111 | 4,652,165 | 4,529,824 | 4,529,824 | 6 |
| Distribution | 42,167,963 | 36,568,418 | 32,259,841 | 27,493,336 | 23,355,895 | 7 |
| General | 8,791,679 | 8,100,122 | 7,842,735 | 7,672,669 | 7,635,129 | 8 |
| Gas - Purchased or Sold | | | | | | 9 |
| Experimental - Unclassified | | | | | | 10 |
| Gas - Underground, Non-current | | | | | | 11 |
| Total Plant In Service | 55,640,494 | 49,349,393 | 44,783,483 | 39,724,571 | 35,549,590 | 12 |
| Plant Leased To Others | | | | | | 13 |
| Plant Held For Future Use | | | | | | 14 |
| Construction Work In Progress | | | | | | 15 |
| Acquisition Adjustments | | | | | | 16 |
| Total Plant | 55,640,494 | 49,349,393 | 44,783,483 | 39,724,571 | 35,549,590 | 17 |
| Accum. Prov. - Depr. & Amort. | 16,337,855 | 14,761,978 | 13,293,584 | 12,653,138 | 12,121,401 | 18 |
| Total Net Plant | \$39,302,639 | \$34,587,415 | \$31,489,899 | \$27,071,433 | \$23,428,189 | 19 |
| SELECTED RATIOS AND STATISTICS | | | | | | |
| Current Assets / Current Liabilities | 0.45 | 0.36 | 0.34 | 0.29 | 0.43 | 20 |
| Total Capitalization | \$41,525,800 | \$35,487,512 | \$32,414,574 | \$28,488,238 | \$27,593,152 | 21 |
| <u>Percent Of Capitalization (incl. S-T Debt)</u> | | | | | | |
| Long-Term Debt | 33.6% | 34.5% | 35.0% | 33.2% | 37.7% | 22 |
| Preferred Stock | | | | | | 23 |
| Common Stock & Retained Earnings | 53.9% | 46.4% | 46.8% | 39.6% | 34.4% | 24 |
| Short-Term Debt | 12.5% | 19.1% | 18.2% | 27.2% | 27.9% | 25 |
| Pretax Coverage of Interest Expense | 2.39 | 2.24 | 3.29 | 2.54 | 1.04 | 26 |
| Com. Stock Dividends as a % of Earnings | 45.3% | 108.5% | 29.7% | 24.0% | | 27 |
| Return on Common Equity | 11.4% | 14.0% | 17.1% | 17.9% | 20.8% | 28 |
| Internal Cash Generated as a % of Cash Outflows for Construction | 26.8% | 53.6% | 72.8% | 75.2% | 68.6% | 29 |
| Earnings per Share | \$0.00 | \$1.21 | \$1.97 | \$1.83 | \$2.13 | 30 |
| Book Value per Share | \$0.00 | \$9.03 | \$13.21 | \$11.15 | \$11.55 | 31 |
| Dividends per Share | \$0.00 | \$1.31 | \$0.58 | \$0.44 | | 32 |
| Number of Employees | 63 | 64 | 65 | 66 | 67 | 33 |

| <u>Data Field Below</u> | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|-------------|-------------|-------------|-------------|-------------|
| Current Assets | 5,415,000 | 5,285,835 | 5,014,396 | 4,646,260 | 6,471,359 |
| Current Liabilities | 11,937,333 | 14,823,983 | 14,778,150 | 16,261,946 | 15,117,151 |
| Total Capitalization | 41,525,800 | 35,487,512 | 32,414,574 | 28,488,238 | 27,593,152 |
| Long-Term Debt | 13,938,130 | 12,250,488 | 11,343,051 | 9,456,946 | 10,401,989 |
| Preferred Stock | - | - | - | - | - |
| Common Stock and Retained Earnings (Excl. Preferred Stock) | 22,386,074 | 16,466,517 | 15,172,888 | 11,291,532 | 9,481,756 |
| Short-Term Debt | 5,201,596 | 6,770,507 | 5,898,635 | 7,739,760 | 7,709,407 |
| Pretax Income | 2,424,928 | 2,209,075 | 3,043,368 | 2,373,265 | 1,538,345 |
| Interest Expense | 1,012,611 | 986,633 | 923,706 | 936,110 | 1,484,548 |
| Common Dividends Paid | 1,006,441 | 2,395,902 | 671,304 | 444,999 | - |
| Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends) | 2,219,422 | 2,209,075 | 2,257,309 | 1,857,749 | 1,746,922 |
| Internal Cash | 1,732,083 | 2,516,431 | 3,818,085 | 3,295,207 | 3,087,995 |
| Cash Outflows for Construction | 6,459,324 | 4,690,829 | 5,242,698 | 4,379,951 | 4,501,778 |
| Shares Outstanding (Millions) Sch250251 | 2,233,267 | 1.8240 | 1.1486 | 1.0129 | 0.8209 |
| Misc Deferred Debits Sch233 | 2,478,959 | 1,628,625 | 2,307,010 | 2,708,499 | 2,169,928 |
| Number of Employees | \$57.00 | 52 | 54 | 51 | 54 |
| <u>Pre-Tax Income</u> | | | | | |
| Total Utility Operating Income | 2,219,422 | 2,209,075 | 2,257,309 | 1,857,749 | 1,746,922 |
| +Income Taxes - Electric | | | | | (1) |
| +Income Taxes - Gas | 205,506 | 304,275 | 786,059 | 515,516 | (208,577) |
| +Other Income | \$467,428 | \$390,180 | \$302,732 | \$260,004 | \$710,923 |
| - Other Income Deductions | \$359,164 | \$357,879 | \$138,470 | \$103,563 | \$80,950 |
| - Other Taxes | | | | | |
| Pre-Tax Income | 2,533,192 | 2,545,651 | 3,207,630 | 2,529,706 | 2,168,317 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| UTILITY PLANT | | | | | |
| 1 Total Utility Plant | \$2,948,168,715 | \$2,807,676,403 | \$2,694,831,418 | \$2,566,621,604 | \$2,434,186,235 |
| 2 Less Acc. Prov. For Depreciation & Amortization | 658,018,622 | 607,918,837 | 577,002,370 | 542,295,065 | 509,765,424 |
| 3 Net Total Utility Plant | 2,290,150,093 | 2,199,757,566 | 2,117,829,048 | 2,024,326,540 | 1,924,420,811 |
| OTHER PROPERTY AND INVESTMENTS | | | | | |
| 4 Nonutility Property | 2,167,674 | 2,167,674 | 2,167,674 | 1,252,521 | 1,320,034 |
| 5 Less Acc. Prov. For Depreciation & Amortization | (931,155) | (682,932) | (369,678) | (12,677) | (11,569) |
| 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 | 1,236,519 | 1,484,742 | 1,797,996 | 1,239,844 | 1,308,465 |
| CURRENT AND ACCRUED ASSETS | | | | | |
| 13 Cash | 1,258,622 | 25,000 | 25,000 | 25,000 | 7,177,458 |
| 14 Special Deposits | | | 890,000 | | 500,483 |
| 15 Working Funds | | | | | |
| 16 Temporary Cash Investments | | | | 994 | |
| 17 Notes Receivable | | | | | |
| 18 Accounts Receivable | 239,875,426 | 124,099,312 | 182,079,029 | 169,565,729 | 176,794,467 |
| 19 Less Accum. Prov. For Uncollectible Accounts | (23,689,747) | (19,809,143) | (22,214,661) | (22,438,236) | (14,377,171) |
| 20 Notes Receivable from Associated Companies | | | | | |
| 21 Accounts Receivable from Assoc. Companies | 266,459,263 | (1,209,421) | (3,103,211) | 20,428,179 | 804,617 |
| 22 Materials and Supplies | 5,010,360 | 6,028,450 | 7,346,323 | 6,857,648 | 6,758,545 |
| 23 Gas Stored Underground - Current | 74,870,686 | 118,931,808 | 112,723,453 | 142,883,014 | 256,580,474 |
| 24 Liquefied Natural Gas in Storage | 2,600,214 | 2,656,950 | 2,763,757 | 3,520,370 | 4,463,243 |
| 25 Prepayments | 19,031,361 | 31,984,533 | 29,965,111 | 25,781,866 | 50,208,938 |
| 26 Interest and Dividends Receivable | | | | | |
| 27 Rents Receivable | 4,400,895 | 3,980,180 | 4,053,125 | 14,364,190 | 10,439,877 |
| 28 Accrued Utility Revenue | 84,832,195 | 86,033,252 | 105,343,330 | 115,814,550 | 103,147,159 |
| 29 Misc. Current and Accrued Assets | 18,619,717 | 13,800,094 | 9,545,418 | 20,323,355 | 68,361 |
| 30 Total Current and Accrued Assets | 693,268,992 | 366,521,015 | 429,416,674 | 497,126,660 | 602,566,451 |
| DEFERRED DEBITS | | | | | |
| 31 Unamort. Debt Expense | 3,415,418 | 3,581,122 | 314,958 | 405,993 | 708,048 |
| 32 Extraordinary Property Losses | | | | | |
| 33 Prelim. Survey and Investigation Charges | | | | | |
| 34 Clearing Accounts | (7,464) | | | | |
| 35 Temporary Facilities | | | | | |
| 36 Miscellaneous Deferred Debits | 700,881,385 | 782,784,989 | 803,702,688 | 824,381,342 | 681,474,489 |
| 37 Deferred Losses from Disp. of Utility Plant | | | | | |
| 38 Research and Development | | | | | |
| 39 Accumulated Deferred Income Taxes | 327,158,598 | 339,557,777 | 320,945,876 | 198,004,110 | 57,441,198 |
| 40 Total Deferred Debits | 1,031,447,937 | 1,125,923,888 | 1,124,963,522 | 1,022,791,445 | 739,623,735 |
| 41 Total Assets and Other Debits | \$4,016,103,541 | \$3,693,687,211 | \$3,674,007,240 | \$3,545,484,488 | \$3,267,919,462 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|-----------|
| PROPRIETARY CAPITAL | | | | | | |
| Common Stock Issued | \$1 | \$1 | \$1 | \$1 | \$1 | 1 |
| Preferred Stock Issued | 1 | | | | | 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) | (65,012,453) | (65,012,453) | 6 |
| Installments Received on Capital Stock | | | | | | 7 |
| Capital Stock Expense | | | | | | 8 |
| Retained Earnings | 373,285,674 | 565,542,940 | 800,755,995 | 709,091,933 | 604,833,848 | 9 |
| Unapp. Undistributed Subsidiary Earnings | | | | | | 10 |
| Required Capital Stock | | | | (323,997) | (323,997) | 11 |
| Accumulated Other Comprehensive Income | | | | | | |
| Total Proprietary Capital | 891,134,950 | 1,083,392,215 | 1,318,605,270 | 1,226,617,210 | 1,122,359,126 | 12 |
| LONG-TERM DEBT | | | | | | |
| Bonds | 600,000,000 | 600,000,000 | 100,000,000 | 100,000,000 | 500,000,000 | 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 | 600,000,000 | 600,000,000 | 100,000,000 | 100,000,000 | 500,000,000 | 19 |
| CURRENT AND ACCRUED LIABILITIES | | | | | | |
| Notes Payable | | | | 400,000,000 | | 20 |
| Accounts Payable | 45,328,974 | 42,283,755 | 106,668,133 | 150,781,796 | 93,430,756 | 21 |
| Notes Payable to Associated Companies | 271,706,613 | 168,617,576 | 524,869,892 | 171,951,924 | 269,756,519 | 22 |
| Accounts Payable to Associated Companies | 780,153,193 | 342,516,753 | 349,136,954 | 302,932,444 | 440,724,183 | 23 |
| Customer Deposits | 8,663,170 | 10,089,962 | 9,028,490 | 9,090,112 | 9,615,107 | 24 |
| Taxes Accrued | (5,361,341) | 14,784,503 | (8,794,115) | 15,923,480 | 35,696,913 | 25 |
| Interest Accrued | 18,082,974 | 16,566,975 | 12,049,360 | 32,295,864 | 28,753,988 | 26 |
| Dividends Declared | | | | | | 27 |
| Matured Long-Term Debt | | | | | | 28 |
| Matured Interest | | | | | | 29 |
| Tax Collections Payable | (234,749) | (654,172) | (1,804,053) | (246,855) | 566,976 | 30 |
| Misc. Current and Accrued Liabilities | 45,487,270 | 31,444,047 | 19,106,574 | 24,686,884 | 19,929,152 | 31 |
| Total Current and Accrued Liabilities | 1,163,826,104 | 625,649,399 | 1,010,261,235 | 1,107,415,649 | 898,473,594 | 32 |
| DEFERRED CREDITS | | | | | | |
| Customer Advances for Construction | 326,164 | 326,164 | 294,128 | | | 33 |
| Other Deferred Credits | 267,625,024 | 360,815,372 | 298,510,340 | 320,989,547 | 218,512,691 | 34 |
| Accumulated Deferred Inv. Tax Credits | | | | | | 35 |
| Deferred Gains-Disposition of Utility Plant | | | | | | 36 |
| Accumulated Deferred Income Taxes | 952,292,362 | 873,361,404 | 801,253,489 | 631,557,936 | 312,790,641 | 37 |
| Total Deferred Credits | 1,220,243,550 | 1,234,502,940 | 1,100,057,957 | 952,547,483 | 531,303,332 | 38 |
| OPERATING RESERVES | | | | | | |
| Property Insurance Reserve | | | | | | 39 |
| Injuries and Damage Reserve | 17,238,085 | | | 276,678 | | 40 |
| Pension and Benefits Reserve | | 4,584,014 | 1,469,383 | | | 41 |
| Miscellaneous Operating Reserves | 123,660,852 | 145,558,643 | 143,613,396 | 158,627,467 | 215,783,410 | 42 |
| Total Operating Reserves | 140,898,937 | 150,142,657 | 145,082,779 | 158,904,146 | 215,783,410 | 43 |
| Total Liabilities and Other Credits | \$4,016,103,541 | \$3,693,687,211 | \$3,674,007,241 | \$3,545,484,488 | \$3,267,919,462 | 44 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|---------------|-----------------|-----------------|-----------------|-----------------|
| GAS OPERATING INCOME | | | | | |
| 1 Operating Revenues | \$905,225,102 | \$1,142,500,996 | \$1,195,903,471 | \$1,342,345,938 | \$1,520,339,251 |
| Operating Expense: | | | | | |
| 2 Operation Expense | 508,739,603 | 730,103,751 | 784,683,952 | 898,285,923 | 1,073,293,949 |
| 3 Maintenance Expense | 22,138,725 | 24,984,297 | 28,284,794 | 27,147,812 | 28,549,387 |
| 4 Depreciation Expense | 56,027,682 | 54,092,360 | 51,787,391 | 49,454,193 | 46,003,763 |
| 5 Amort. and Depletion of Utility Plant | 971,584 | 1,111,583 | 1,469,845 | 2,248,648 | 2,716,983 |
| 6 Amort. of Utility Plant Acq. Adj. | 30,458,206 | 21,350,249 | 10,976,347 | (1,355,717) | 7,463,389 |
| 7 Amort. of Property Losses | | | | | |
| 8 Amort. of Conversion Expenses | | | | | 18,130,770 |
| 9 Other Expenses | | | | | |
| 10 Taxes Other than Income Taxes | 133,539,171 | 126,591,512 | 118,499,933 | 118,191,821 | 109,650,015 |
| 11 Income Taxes | 39,921,256 | 71,105,579 | 86,723,645 | 70,919,408 | 60,871,549 |
| 12 Gains from Disposition of Util. Plant | | | | | |
| 13 Losses from Disposition of Util. Plant | | | | | |
| 14 Total Operating Expenses | 791,796,227 | 1,029,339,331 | 1,082,425,907 | 1,164,892,088 | 1,346,679,805 |
| 15 Net Operating Revenues | 113,428,875 | 113,161,665 | 113,477,564 | 177,453,850 | 173,659,446 |
| 16 Other Utility Operating Income | | | | | |
| 17 Total Gas Utility Operating Income | 113,428,875 | 113,161,665 | 113,477,564 | 177,453,850 | 173,659,446 |
| 18 Other Utility Operating Income | | | | | |
| 19 Total Utility Operating Income | \$113,428,875 | \$113,161,665 | \$113,477,564 | \$177,453,850 | \$173,659,446 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|-----------|
| OTHER INCOME | | | | | | |
| Income - Merch. Jobbing & Contract Work | | | | | | 1 |
| Income from Nonutility Operations | \$57,023 | | | | (\$4,429) | 2 |
| Nonoperating Rental Income | (248,038) | (\$313,254) | (\$356,882) | (\$1,237) | (1,108) | 3 |
| Equity in Earnings of Subsidiary Companies | | | | | | 4 |
| Interest and Dividend Income | (9,360,548) | 23,758,589 | 24,779,448 | 24,093,456 | 14,068,154 | 5 |
| Allowance for Funds Used During Construction | 1,307,668 | 1,230,169 | 1,049,841 | 1,537,151 | 832,544 | 6 |
| Miscellaneous Nonoperating Income | (328) | (144) | (144) | (2,752,389) | (3,779,352) | 7 |
| Gain on Disposition of Property | | | 76,264 | 13,789 | | 8 |
| Total Other Income | (8,244,223) | 24,675,360 | 25,548,527 | 22,890,770 | 11,115,809 | 9 |
| OTHER INCOME DEDUCTIONS | | | | | | |
| Loss on Disposition of Property | | | | | | 10 |
| Miscellaneous Amortization | | | | | | 11 |
| Miscellaneous Income Deductions | 1,813,884 | 1,141,063 | 924,320 | 225,926 | 40,004 | 12 |
| Total Other Income Deductions | 1,813,884 | 1,141,063 | 924,320 | 225,926 | 40,004 | 13 |
| TAXES-OTHER INCOME AND DEDUCTIONS | | | | | | |
| Taxes Other than Income Taxes | 309,626 | 296,153 | 291,803 | 344,384 | 372,015 | 14 |
| Income Taxes | | | | | | 15 |
| Total Taxes-Other Inc. & Deductions | 309,626 | 296,153 | 291,803 | 344,384 | 372,015 | 16 |
| Net Other Income and Deductions | (10,367,733) | 23,238,144 | 24,332,404 | 22,320,460 | 10,703,790 | 17 |
| INTEREST CHARGES | | | | | | |
| Interest on Long-term Debt | 34,695,426 | 27,502,069 | 8,217,808 | 36,644,792 | 37,818,750 | 18 |
| Amortization of Debt Discount and Expense | 165,634 | 139,111 | 91,035 | 302,055 | 311,989 | 19 |
| Amortization of Premium on Debt-Credit | | | | | | 20 |
| Interest on Debt to Associated Company | 4,675,376 | 10,098,083 | 17,744,926 | 14,219,705 | 12,817,032 | 21 |
| Other Interest Expense | 5,781,972 | 13,873,601 | 20,092,139 | 44,349,674 | 26,507,903 | 22 |
| Total Interest Charges | 45,318,408 | 51,612,864 | 46,145,908 | 95,516,226 | 77,455,675 | 23 |
| Income Before Extraordinary Items | 57,742,734 | 84,786,945 | 91,664,060 | 104,258,085 | 106,907,561 | 24 |
| EXTRAORDINARY ITEMS | | | | | | |
| Extraordinary Income | | | | | | 25 |
| Extraordinary Deductions | | | | | | 26 |
| Income Taxes, Extraordinary Items | | | | | | 27 |
| Net Extraordinary Items | | | | | | 28 |
| Net Income | \$57,742,734 | \$84,786,945 | \$91,664,060 | \$104,258,085 | \$106,907,561 | 29 |
| <hr/> | | | | | | |
| RETAINED EARNINGS | | | | | | |
| Unappropriated Retained Earnings (BOP) | \$565,542,938 | \$800,755,993 | \$709,091,933 | \$604,833,848 | \$498,487,399 | 30 |
| Balance Transferred from Income | 57,742,734 | 84,786,945 | 91,664,060 | 104,258,085 | 106,907,561 | 31 |
| Appropriated Retained Earnings | | | | | | 32 |
| Dividends Declared-Preferred Stock | | | | | | 33 |
| Dividends Declared-Common Stock | 250,000,000 | 320,000,000 | | | | 34 |
| Adjustments to Retained Earnings | | | | | (561,112) | 35 |
| Net Change | (192,257,266) | (235,213,055) | 91,664,060 | 104,258,085 | 106,346,449 | 36 |
| Unappropriated Retained Earnings (EOP) | 373,285,672 | 565,542,938 | 800,755,993 | 709,091,933 | 604,833,848 | 37 |
| Appropriated Retained Earnings (EOP) | | | | | | 38 |
| Total Retained Earnings | \$373,285,672 | \$565,542,938 | \$800,755,993 | \$709,091,933 | \$604,833,848 | 39 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Cash Flows From Operating Activities | | | | | |
| 1 Net Income | \$57,742,734 | \$84,786,945 | \$91,664,062 | \$104,258,085 | \$106,907,561 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | | |
| 2 Depreciation, Depletion & Amortization | 87,623,106 | 76,693,303 | 64,233,583 | 50,649,178 | 49,032,735 |
| 3 Deferred Taxes & ITCs | 90,561,856 | 62,359,627 | 20,551,578 | 177,390,552 | (77,863,690) |
| 4 Receivables and Inventory | (71,532,232) | 50,863,469 | 28,225,264 | 121,387,533 | (80,714,116) |
| 5 Payables and Accrued Expenses | 39,783,397 | 14,749,079 | (71,559,296) | 37,577,607 | 65,048,921 |
| 6 Regulatory Assets (Net) | (65,731,050) | 25,435,815 | 20,832,108 | (18,946,048) | (64,628,634) |
| 7 Capitalized AFUDC - Equity | (1,307,668) | (1,230,169) | (1,049,841) | (1,537,151) | (832,544) |
| 8 Undistributed Earnings of Affiliates | | 19,310,078 | 10,471,219 | (12,667,391) | (3,349,105) |
| 9 Other Adjustments | (19,726,421) | 24,728,499 | | | |
| 10 | 1,760,679 | 9,036,210 | (223,575) | 8,061,065 | 9,068,737 |
| 11 | 3,734,371 | (31,867,805) | 383,221,863 | (225,922,150) | (27,774,476) |
| 12 Net Cash From Operating Activities | <u>122,908,772</u> | <u>334,865,051</u> | <u>546,366,965</u> | <u>240,251,280</u> | <u>(25,104,611)</u> |
| Cash Flows From Investing Activities | | | | | |
| 13 Cash Outflows For Construction | (144,731,943) | (137,059,692) | (146,367,960) | (149,598,149) | (154,581,578) |
| 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 | | | | | |
| 22 | | | | | |
| 23 | | | | | |
| 24 Net Cash From Investing Activities | <u>(144,731,943)</u> | <u>(137,059,692)</u> | <u>(146,367,960)</u> | <u>(149,598,149)</u> | <u>(154,581,578)</u> |
| Cash Flows From Financing Activities | | | | | |
| Net Proceeds (Payments) - Issuing & Retiring: | | | | | |
| 25 Long-Term Debt | 273,056,793 | 122,194,641 | (400,000,000) | (97,804,595) | 18,844,579 |
| 26 Common Stock | | | | | |
| 27 Preferred Stock | | | | | |
| 28 Short-Term Debt | | | | | |
| 29 Dividends Paid | (250,000,000) | (320,000,000) | | | |
| 30 Other Cash Flows - Financing Activities | | | | | |
| 31 | | | | | |
| 32 | | | | | |
| 33 Net Cash From Financing Activities | <u>23,056,793</u> | <u>(197,805,359)</u> | <u>(400,000,000)</u> | <u>(97,804,595)</u> | <u>18,844,579</u> |
| 34 Net Increase/(Decrease) In Cash Equivalents | 1,233,622 | | (995) | (7,151,464) | (160,841,610) |
| 35 Cash & Cash Equivalents Beginning Of Year | 24,999 | 24,999 | 25,994 | 7,177,457 | 168,019,067 |
| 36 Cash & Cash Equivalents End Of Year | \$1,258,621 | \$24,999 | \$24,999 | \$25,994 | \$7,177,457 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|---------------|-----------------|-----------------|-----------------|-----------------|----|
| SALES AND CUSTOMER DATA | | | | | | |
| REVENUES | | | | | | |
| Residential | \$512,895,973 | \$559,073,549 | \$603,480,001 | \$732,471,070 | \$738,819,387 | 1 |
| Commercial | 127,405,874 | 163,465,073 | 200,746,602 | 278,788,456 | 359,208,674 | 2 |
| Industrial | 13,529,828 | 17,359,121 | 21,318,222 | 29,605,853 | 38,146,054 | 3 |
| Other Ultimate Customers | | | | | | 4 |
| Total Revenues-Ultimate Customer | 653,831,675 | 739,897,743 | 825,544,825 | 1,040,865,379 | 1,136,174,114 | 5 |
| Sales for Resale | 100,020,020 | 196,613,435 | 171,955,227 | 145,898,036 | 253,644,774 | 6 |
| Total Revenues from Gas Sales | 753,851,695 | 936,511,178 | 997,500,052 | 1,186,763,415 | 1,389,818,888 | 7 |
| Transportation Sales | 191,465,899 | 178,505,327 | 172,088,259 | 125,912,547 | 100,854,655 | 8 |
| Other Gas Operating Revenues | (40,092,492) | 27,484,491 | 26,315,160 | 29,669,976 | 29,665,708 | 9 |
| Total Gas Operating Revenues | \$905,225,102 | \$1,142,500,996 | \$1,195,903,471 | \$1,342,345,938 | \$1,520,339,251 | 10 |
| SALES (MCF) | | | | | | |
| Residential | 36,753,354 | 40,365,851 | 43,042,445 | 46,796,641 | 43,477,797 | 11 |
| Commercial | 10,975,258 | 13,583,871 | 16,848,925 | 21,313,083 | 24,584,286 | 12 |
| Industrial | 1,165,514 | 1,442,534 | 1,789,266 | 2,263,338 | 2,610,721 | 13 |
| Other Ultimate Customers | | | | | | 14 |
| Total Sales-Ultimate Customer | 48,894,125 | 55,392,256 | 61,680,636 | 70,373,062 | 70,672,803 | 15 |
| Sales for Resale | 20,935,918 | 29,737,056 | 26,615,536 | 21,438,763 | 23,623,103 | 16 |
| Transportation Sales | 82,555,902 | 89,899,818 | 83,271,388 | 64,881,974 | 66,199,607 | 17 |
| Other Gas Sales | | | | | | 18 |
| Total Sales | 152,385,945 | 175,029,130 | 171,567,560 | 156,693,798 | 160,495,513 | 19 |
| AVG NUMBER OF CUSTOMERS | | | | | | |
| Residential | 447,858 | 447,538 | 453,225 | 464,299 | 460,917 | 20 |
| Commercial | 35,517 | 36,048 | 37,745 | 40,988 | 42,390 | 21 |
| Industrial | 3,772 | 3,828 | 4,008 | 4,353 | 4,502 | 22 |
| Other Customers | | | | | | 23 |
| Total Ultimate Customers | 487,147 | 487,414 | 494,978 | 509,640 | 507,809 | 24 |
| Resales | 22 | 25 | 23 | 25 | 22 | 25 |
| Total Customers | 487,169 | 487,439 | 495,001 | 509,665 | 507,831 | 26 |
| OPERATING REVENUES RELATIONSHIP | | | | | | |
| RESIDENTIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$1,145 | \$1,249 | \$1,332 | \$1,578 | \$1,603 | 27 |
| Average MCF Consumption Per Customer | 82.1 | 90.2 | 95.0 | 100.8 | 94.3 | 28 |
| Average Revenue Per MCF Sold | \$13.96 | \$13.85 | \$14.02 | \$15.65 | \$16.99 | 29 |
| COMMERCIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$3,587 | \$4,535 | \$5,318 | \$6,802 | \$8,474 | 30 |
| Average MCF Consumption Per Customer | 309.0 | 376.8 | 446.4 | 520.0 | 580.0 | 31 |
| Average Revenue Per MCF Sold | \$11.61 | \$12.03 | \$11.91 | \$13.08 | \$14.61 | 32 |
| INDUSTRIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$3,587 | \$4,535 | \$5,319 | \$6,801 | \$8,473 | 33 |
| Average MCF Consumption Per Customer | 309.0 | 376.8 | 446.4 | 519.9 | 579.9 | 34 |
| Average Revenue Per MCF Sold | \$11.61 | \$12.03 | \$11.91 | \$13.08 | \$14.61 | 35 |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | |
| Steam | | | | | | 36 |
| Manufactured Gas | | | | | | 37 |
| Natural Gas - Production & Gathering | | | | | | 38 |
| Purchased Gas | \$298,118,874 | \$535,412,760 | \$616,604,343 | \$735,589,253 | \$924,793,158 | 39 |
| Other | 7,795,689 | 16,250 | (35,826) | 790,658 | (2,052,593) | 40 |
| Total Production Expense | 305,914,563 | 535,429,010 | 616,568,517 | 736,379,911 | 922,740,564 | 41 |
| Natural Gas Storage Expense | 2,945,469 | 2,242,797 | 1,636,324 | 1,568,249 | 2,712,976 | 42 |
| Transmission Expense | 6,369,513 | 7,330,401 | 5,479,834 | 8,178,304 | 9,641,404 | 43 |
| Distribution Expense | 36,310,852 | 44,351,683 | 46,090,922 | 42,561,423 | 44,656,441 | 44 |
| Customer Account Expense | 36,293,457 | 54,338,900 | 50,629,690 | 57,650,304 | 47,514,724 | 45 |
| Sales Expense | 3,393,524 | 6,334,562 | (2,881,043) | (1,495,094) | 513,380 | 46 |
| Administrative and General | 139,650,950 | 105,060,695 | 95,444,501 | 80,590,638 | 74,063,846 | 47 |
| Total O & M Expense | \$530,878,328 | \$755,088,048 | \$812,968,745 | \$925,433,735 | \$1,101,843,336 | 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,**

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|---------------|-----------------|-----------------|-----------------|-----------------|
| 1 Total Revenues | \$905,225,102 | \$1,142,500,996 | \$1,195,903,471 | \$1,342,345,938 | \$1,520,339,251 |
| 2 Sales of Gas (MCF) * | 69,830,043 | 85,129,312 | 88,296,172 | 91,811,824 | 94,295,906 |
| DOLLAR AMOUNTS | | | | | |
| 3 Purchased Gas & Other Supply Exp. | \$315,229,545 | \$544,985,958 | \$623,684,675 | \$746,126,464 | \$935,344,040 |
| 4 Wages and Benefits | 88,556,864 | 64,880,629 | 59,978,056 | 32,451,231 | 31,254,942 |
| 5 Other Operation & Maintenance Exp. | 127,091,919 | 145,221,461 | 129,306,015 | 146,856,040 | 135,244,354 |
| 6 Depreciation & Amortization Expense | 56,999,266 | 55,203,943 | 53,257,236 | 51,702,840 | 66,851,516 |
| 7 Income Taxes-Operating | 39,921,256 | 71,105,579 | 86,723,645 | 70,919,408 | 60,871,549 |
| 8 Other Taxes-Operating | 39,921,256 | 126,591,512 | 118,499,933 | 118,191,821 | 109,650,015 |
| 9 Capital Costs | 237,504,996 | 134,511,914 | 124,453,911 | 176,098,133 | 181,122,835 |
| 10 Total | \$905,225,102 | \$1,142,500,996 | \$1,195,903,471 | \$1,342,345,938 | \$1,520,339,251 |
| PERCENT OF REVENUES | | | | | |
| 11 Purchased Gas & Other Supply Exp. | 34.8 | 47.7 | 52.2 | 55.6 | 61.5 |
| 12 Wages and Benefits | 9.8 | 5.7 | 5.0 | 2.4 | 2.1 |
| 13 Other Operation & Maintenance Exp. | 14.0 | 12.7 | 10.8 | 10.9 | 8.9 |
| 14 Depreciation & Amortization Expense | 6.3 | 4.8 | 4.5 | 3.9 | 4.4 |
| 15 Income Taxes-Operating | 4.4 | 6.2 | 7.3 | 5.3 | 4.0 |
| 16 Other Taxes-Operating | 4.4 | 11.1 | 9.9 | 8.8 | 7.2 |
| 17 Capital Costs | 26.2 | 11.8 | 10.4 | 13.1 | 11.9 |
| 18 Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| DOLLARS PER MCF | | | | | |
| 19 Purchased Gas & Other Supply Exp. | 4.51 | 6.40 | 7.06 | 8.13 | 9.92 |
| 20 Wages and Benefits | 1.27 | 0.76 | 0.68 | 0.35 | 0.33 |
| 21 Other Operation & Maintenance Exp. | 1.82 | 1.71 | 1.46 | 1.60 | 1.43 |
| 22 Depreciation & Amortization Expense | 0.82 | 0.65 | 0.60 | 0.56 | 0.71 |
| 23 Income Taxes-Operating | 0.57 | 0.84 | 0.98 | 0.77 | 0.65 |
| 24 Other Taxes-Operating | 0.57 | 1.49 | 1.34 | 1.29 | 1.16 |
| 25 Capital Costs | 3.40 | 1.58 | 1.41 | 1.92 | 1.92 |
| 26 Total | 12.96 | 13.42 | 13.54 | 14.62 | 16.12 |

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. | 305,914,563 | 535,412,760 | 616,568,517 | 736,379,911 | 922,740,564 |
| Liquidified Petro Gas | | | | | 249,095 |
| Other Gas Supply | | | | | |
| Gas Storage | 2,945,469 | 2,242,797 | 1,636,324 | 1,568,249 | 2,712,976 |
| Transmission Expense | 6,369,513 | 7,330,401 | 5,479,834 | 8,178,304 | 9,641,404 |
| Total Purchased Gas | 315,229,545 | 544,985,958 | 623,684,675 | 746,126,464 | 935,344,040 |
| -Total PG related to Sales for Resale PG - Ultimate Customers | 315,229,545 | 544,985,958 | 623,684,675 | 746,126,464 | 935,344,040 |

Wages and Benefits

| | | | | | |
|--------------------------|------------|------------|------------|------------|------------|
| Salaries | 48,384,592 | 48,384,592 | 49,296,790 | 16,932,052 | 16,932,052 |
| Pensions and Benefits | 40,172,272 | 16,496,037 | 10,681,266 | 15,519,179 | 14,322,890 |
| Total Wages and Benefits | 88,556,864 | 64,880,629 | 59,978,056 | 32,451,231 | 31,254,942 |

Other Expenses

| | | | | | |
|----------------------|-------------|-------------|-------------|-------------|---------------|
| Total O&M Expenses | 530,878,328 | 755,088,048 | 812,968,746 | 925,433,735 | 1,101,843,336 |
| -Total Purchased Gas | 315,229,545 | 544,985,958 | 623,684,675 | 746,126,464 | 935,344,040 |
| -Wages and Benefits | 88,556,864 | 64,880,629 | 59,978,056 | 32,451,231 | 31,254,942 |
| -Other Gains | | | | | |
| +Other Losses | | | | | |
| -Other Revenues | | | | | |
| Other Expenses | 127,091,919 | 145,221,461 | 129,306,015 | 146,856,040 | 135,244,354 |

Depreciation and Amortization

| | | | | | |
|-------------------------------|------------|------------|------------|------------|------------|
| Depreciation Exp | 56,027,682 | 54,092,360 | 51,787,391 | 49,454,193 | 46,003,763 |
| Amort & Depl of Utility Plant | | | | | |
| Amort of Other Utility Plant | 971,584 | 1,111,583 | 1,469,845 | 2,248,648 | 2,716,983 |
| Amort of Property Losses | | | | | |
| Amort of Conversion Expenses | | | | | 18,130,770 |
| Total Depre and Amort | 56,999,266 | 55,203,943 | 53,257,236 | 51,702,840 | 66,851,516 |

Fuel and PP related to Sales for Resale

| | | | | | |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| Total PG | 315,229,545 | 544,985,958 | 623,684,675 | 746,126,464 | 935,344,040 |
| divided by Total MCFs | 69,830,043 | 85,129,312 | 88,296,172 | 91,811,824 | 94,295,906 |
| Fuel Cost per MCF | 5 | 6 | 7 | 8 | 10 |
| times Sales for Resale MCFs | 20,935,918 | 29,737,056 | 26,615,536 | 21,438,763 | 23,623,103 |
| Sales for Resale PG | 94,509,749 | 190,372,477 | 188,000,244 | 174,226,232 | 234,323,308 |

Transportation Volumes

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|-----------|
| Intangible | \$24,148,816 | \$24,148,816 | \$24,148,816 | \$23,391,900 | \$21,837,310 | 1 |
| Production | | | | | | |
| Manufactured Gas | 2,369,843 | 2,369,843 | 2,387,608 | 2,380,251 | 2,380,251 | 2 |
| Natural Gas | | | | | | 3 |
| Natural Gas Storage | | | | | | |
| Underground Storage | | | | | | 4 |
| Other Storage | 48,492,725 | 48,421,023 | 48,812,843 | 46,573,103 | 46,553,170 | 5 |
| Transmission | 299,030,771 | 295,576,419 | 291,848,111 | 271,617,425 | 263,696,875 | 6 |
| Distribution | 2,432,452,006 | 2,335,450,205 | 2,226,578,420 | 2,122,852,910 | 2,011,994,742 | 7 |
| General | 76,881,454 | 76,196,144 | 77,683,151 | 71,932,766 | 67,248,254 | 8 |
| Gas - Purchased or Sold | | | | | | 9 |
| Experimental - Unclassified | | | | | | 10 |
| Gas - Underground, Non-current | | | | | | 11 |
| Total Plant In Service | 2,883,375,615 | 2,782,162,450 | 2,671,458,949 | 2,538,748,355 | 2,413,710,602 | 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 | 64,699,581 | 25,420,434 | 23,278,950 | 27,779,731 | 20,382,114 | 15 |
| Acquisition Adjustments | | | | | | 16 |
| Total Plant | 2,948,168,715 | 2,807,676,403 | 2,694,831,418 | 2,566,621,605 | 2,434,186,235 | 17 |
| Accum. Prov. - Depr. & Amort. | 658,018,622 | 607,918,837 | 577,002,370 | 542,295,065 | 509,765,424 | 18 |
| Total Net Plant | \$2,290,150,093 | \$2,199,757,566 | \$2,117,829,048 | \$2,024,326,540 | \$1,924,420,811 | 19 |
| SELECTED RATIOS AND STATISTICS | | | | | | |
| Current Assets / Current Liabilities | 0.66 | 0.34 | 0.43 | 0.45 | 0.67 | 20 |
| Total Capitalization | \$600,000,000 | \$1,852,009,792 | \$1,943,475,161 | \$1,898,569,134 | \$1,892,115,645 | 21 |
| <u>Percent Of Capitalization (incl. S-T Debt)</u> | | | | | | |
| Long-Term Debt | 34.0% | 32.4% | 5.1% | 5.3% | 26.4% | 22 |
| Preferred Stock | | | | | | 23 |
| Common Stock & Retained Earnings | 50.6% | 58.5% | 67.8% | 64.6% | 59.3% | 24 |
| Short-Term Debt | 15.4% | 9.1% | 27.0% | 30.1% | 14.3% | 25 |
| Pretax Coverage of Interest Expense | 3.16 | 3.57 | 4.87 | 2.83 | 3.17 | 26 |
| Com. Stock Dividends as a % of Earnings | 433.0% | 377.4% | | | | 27 |
| Return on Common Equity | 5.8% | 7.1% | 7.2% | 8.9% | 9.9% | 28 |
| Internal Cash Generated as a % of Cash Outflows for Construction | 117.8% | 40.9% | 26.8% | 62.3% | -615.7% | 29 |
| Earnings per Share | \$0.58 | \$0.85 | \$0.92 | \$1.04 | \$1.07 | 30 |
| Book Value per Share | \$8.91 | \$10.83 | \$13.19 | \$12.27 | \$11.22 | 31 |
| Dividends per Share | \$2.50 | \$3.20 | | | | 32 |
| Number of Employees | 580 | 593 | 609 | 605 | 597 | 33 |

Data Field Below

| | | | | | |
|--|---------------|------------------|---------------|------------------|---------------|
| Current Assets | \$693,268,992 | \$366,521,015 | \$429,416,674 | \$497,126,660 | \$602,566,451 |
| Current Liabilities | 1,163,826,104 | 625,649,398 | 1,010,261,235 | 1,107,415,649 | 898,473,594 |
| Total Capitalization | 1,762,841,564 | 1,852,009,792 | 1,943,475,161 | 1,898,569,134 | 1,892,115,645 |
| Long-Term Debt | 600,000,000 | 600,000,000 | 100,000,000 | 100,000,000 | 500,000,000 |
| Preferred Stock | 1 | 1 | | | - |
| Common Stock and Retained Earnings (Excl. Preferred Stock) | 891,134,950 | 1,083,392,215 | 1,318,605,270 | 1,226,617,210 | 1,122,359,126 |
| Short-Term Debt | 271,706,613 | 168,617,576 | 524,869,892 | 571,951,924 | 269,756,519 |
| Pretax Income | 142,982,398 | 184,267,244 | 224,533,615 | 270,693,719 | 245,234,785 |
| Interest Expense | 45,318,408 | 51,612,864 | 46,145,908 | 95,516,226 | 77,455,675 |
| Common Dividends Paid | 250,000,000 | 320,000,000 | | | |
| Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends) | 57,742,734 | 84,786,945 | 91,664,060 | 104,258,085 | 106,907,561 |
| Internal Cash | 122,908,772 | 334,865,051 | 546,366,965 | 240,251,280 | (25,104,611) |
| Cash Outflows for Construction | 144,731,943 | 137,059,692 | 146,367,960 | 149,598,149 | 154,581,578 |
| Shares Outstanding (Millions) Sch250251 | 100 | 100 | 100 | 100 | 100 |
| Misc Deferred Debits | 433,256,361 | 421,969,617 | 505,192,348 | 503,391,794 | 462,961,798 |
| Number of Employees Sch 7277 | 580 | 593 | 609 | 605 | 597 |
| Pre-Tax Income | | | | | |
| Total Utility Operating Income | 113,428,875 | \$113,161,665.00 | \$113,477,565 | \$177,453,850.37 | 173,659,446 |
| +Income Taxes - Electric | | | | | |
| +Income Taxes - Gas | 39,921,256 | \$71,105,579.00 | \$86,723,645 | \$70,919,408.30 | 60,871,549 |
| +Other Income | (8,244,223) | \$24,675,360.00 | \$25,548,528 | \$22,890,769.92 | 11,115,809 |
| - Other Income Deductions | 1,813,884 | \$1,141,063.00 | \$924,320 | \$225,925.73 | 40,004 |
| - Other Taxes | 309,626 | \$296,153.00 | \$291,803 | \$344,383.84 | 372,015 |
| Pre-Tax Income | \$142,982,398 | \$207,505,388 | \$224,533,615 | \$270,693,719 | \$245,234,785 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| UTILITY PLANT | | | | | |
| 1 Total Utility Plant | \$1,770,478,501 | \$1,731,072,698 | \$1,687,479,788 | \$1,644,336,020 | 1,607,055,964 |
| 2 Less Acc. Prov. For Depreciation & Amortization | 652,799,318 | 635,516,555 | 606,970,746 | 580,697,777 | 555,789,456 |
| 3 Net Total Utility Plant | 1,117,679,183 | 1,095,556,143 | 1,080,509,042 | 1,063,638,243 | 1,051,266,508 |
| 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 | 14,276 | 10,234 | 20,675 | 20,977 | 8,564 |
| 9 Sinking Funds | | | | | |
| 10 Depreciation Fund | | | | | |
| 11 Other Special Funds | | | | | 20,956,579 |
| 12 Total Other Property and Investments | 85,334 | 81,292 | 91,733 | 92,035 | 21,036,201 |
| CURRENT AND ACCRUED ASSETS | | | | | |
| 13 Cash | 3,853,367 | 3,744,601 | 3,026,583 | 2,807,104 | 7,997,337 |
| 14 Special Deposits | | | | | |
| 15 Working Funds | 173,000 | 172,200 | 159,200 | 194,350 | 156,850 |
| 16 Temporary Cash Investments | 33,919,876 | 4,502,703 | 42,052,998 | 114,900,612 | 2,406,889 |
| 17 Notes Receivable | 129,985 | | | 14,549 | 87,501 |
| 18 Accounts Receivable | 75,425,774 | 94,076,845 | 96,542,613 | 116,782,529 | 167,263,384 |
| 19 Less Accum. Prov. For Uncollectible Accounts | (30,607,192) | (32,252,265) | (32,346,490) | (36,649,020) | (37,471,596) |
| 20 Notes Receivable from Associated Companies | | | | | |
| 21 Accounts Receivable from Assoc. Companies | 9,998,625 | 9,044,223 | 8,695,437 | 13,839,378 | 9,050,381 |
| 22 Materials and Supplies | 8,833,404 | 7,467,498 | 7,372,828 | 6,697,157 | 6,450,148 |
| 23 Gas Stored Underground - Current | 27,911,176 | 29,541,865 | 17,351,383 | 18,662,779 | 17,703,664 |
| 24 Liquefied Natural Gas in Storage | | | | | |
| 25 Prepayments | 11,159,504 | 10,760,963 | 11,350,452 | 10,404,056 | 10,637,490 |
| 26 Interest and Dividends Receivable | 240,052 | 182,926 | 194,070 | 901,077 | 466,158 |
| 27 Rents Receivable | | | | | |
| 28 Accrued Utility Revenue | 47,134,020 | 47,335,098 | 59,210,848 | 55,012,083 | 79,403,822 |
| 29 Misc. Current and Accrued Assets | | | 35,657 | | 133,436 |
| 30 Total Current and Accrued Assets | 188,171,591 | 174,576,657 | 213,645,579 | 303,566,654 | 264,285,464 |
| DEFERRED DEBITS | | | | | |
| 31 Unamort. Debt Expense | | | | | |
| 32 Extraordinary Property Losses | | | | | |
| 33 Prelim. Survey and Investigation Charges | 30,917 | 15,604 | (54,166) | (156,967) | (161,278) |
| 34 Clearing Accounts | (2,605,342) | (2,451,844) | (2,425,591) | (594,521) | (1,836,926) |
| 35 Temporary Facilities | | | | | |
| 36 Miscellaneous Deferred Debits | 629,352,996 | 597,279,096 | 561,171,758 | 460,981,174 | 212,191,589 |
| 37 Deferred Losses from Disp. of Utility Plant | | | | | |
| 38 Research and Development | (1,520,549) | (1,080,688) | (1,026,651) | (548,700) | 591,626 |
| 39 Accumulated Deferred Income Taxes | 31,005 | 31,005 | 31,005 | 31,005 | 31,005 |
| 40 Total Deferred Debits | 625,289,027 | 593,793,173 | 557,696,355 | 459,711,991 | 210,816,016 |
| 41 Total Assets and Other Debits | \$1,931,225,135 | \$1,864,007,265 | \$1,851,942,709 | \$1,827,008,923 | \$1,547,404,189 |

Notes:

* Includes Pennsylvania operations.

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|-----------|
| 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 | 128,834,807 | 127,187,148 | 125,686,410 | 124,547,306 | 124,094,593 | 6 |
| Installments Received on Capital Stock | | | | | | 7 |
| Capital Stock Expense | | | | | | 8 |
| Retained Earnings | 290,513,829 | 292,853,801 | 308,943,437 | 364,893,594 | 363,197,842 | 9 |
| Unapp. Undistributed Subsidiary Earnings | | | | | | 10 |
| Reaquired Capital Stock | | | | | | 11 |
| Accumulated Other Comprehensive Income | | | | | | |
| Total Proprietary Capital | 478,587,736 | 479,280,049 | 493,868,947 | 548,680,000 | 546,531,535 | 12 |
| LONG-TERM DEBT | | | | | | |
| Bonds | | | | | | 13 |
| Reaquired Bonds | | | | | | 14 |
| Advances from Associated Companies | 324,000,000 | 414,000,000 | 414,000,000 | 414,000,000 | 289,000,000 | 15 |
| Other Long-Term Debt | | | | | | 16 |
| Unamortized Premium on LT Debt | | | | | | 17 |
| Unamortized Discount on LT Debt-Debit | | | | | | 18 |
| Total Long-Term Debt | 324,000,000 | 414,000,000 | 414,000,000 | 414,000,000 | 289,000,000 | 19 |
| CURRENT AND ACCRUED LIABILITIES | | | | | | |
| Notes Payable | | | | | | 20 |
| Accounts Payable | 43,477,173 | 40,958,468 | 60,254,708 | 58,647,045 | 77,166,243 | 21 |
| Notes Payable to Associated Companies | 90,000,000 | | | | 182,000,000 | 22 |
| Accounts Payable to Associated Companies | 36,410,556 | 35,411,025 | 32,597,538 | 42,460,018 | 27,901,302 | 23 |
| Customer Deposits | 11,880,205 | 13,185,408 | 13,653,024 | 15,290,501 | 11,484,611 | 24 |
| Taxes Accrued | 32,631,689 | 9,082,599 | (24,488,126) | (38,809,990) | (5,598,606) | 25 |
| Interest Accrued | 75,917 | 80,919 | 100,133 | 164,178 | 118,410 | 26 |
| Dividends Declared | | 9,600,000 | 29,600,000 | 29,600,000 | 9,100,000 | 27 |
| Matured Long-Term Debt | | | | | | 28 |
| Matured Interest | | | | | | 29 |
| Tax Collections Payable | 386,467 | 1,370,696 | 820,739 | 1,115,951 | 2,051,947 | 30 |
| Misc. Current and Accrued Liabilities | 11,458,312 | 11,854,025 | 13,861,563 | 18,704,029 | 8,496,681 | 31 |
| Total Current and Accrued Liabilities | 226,320,319 | 121,543,140 | 126,399,579 | 127,171,732 | 312,720,588 | 32 |
| DEFERRED CREDITS | | | | | | |
| Customer Advances for Construction | 496,664 | 661,576 | 813,491 | 798,889 | 886,934 | 33 |
| Other Deferred Credits | 137,865,495 | 123,727,591 | 143,140,103 | 147,780,831 | 116,263,665 | 34 |
| Accumulated Deferred Inv. Tax Credits | 1,867,342 | 2,390,296 | 3,039,509 | 3,717,953 | 4,396,397 | 35 |
| Deferred Gains-Disposition of Utility Plant | | | | | | 36 |
| Accumulated Deferred Income Taxes | 366,433,783 | 351,243,667 | 332,796,227 | 267,630,551 | 216,939,947 | 37 |
| Total Deferred Credits | 506,663,284 | 478,023,130 | 479,789,330 | 419,928,224 | 338,486,943 | 38 |
| OPERATING RESERVES | | | | | | |
| Property Insurance Reserve | | | | | | 39 |
| Injuries and Damage Reserve | 3,863,331 | 4,389,421 | 5,362,725 | 5,629,815 | 5,298,973 | 40 |
| Pension and Benefits Reserve | 391,790,465 | 366,771,525 | 332,522,128 | 311,599,152 | 55,366,150 | 41 |
| Miscellaneous Operating Reserves | | | | | | 42 |
| Total Operating Reserves | 395,653,796 | 371,160,946 | 337,884,853 | 317,228,967 | 60,665,123 | 43 |
| Total Liabilities and Other Credits | \$1,931,225,135 | \$1,864,007,265 | \$1,851,942,709 | \$1,827,008,923 | \$1,547,404,189 | 44 |

* Includes Pennsylvania operations.

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|---------------|---------------|---------------|---------------|-----------------|
| GAS OPERATING INCOME | | | | | |
| 1 Operating Revenues | \$716,884,330 | \$822,654,089 | \$830,284,085 | \$995,752,326 | \$1,233,033,653 |
| Operating Expense: | | | | | |
| 2 Operation Expense | 500,784,917 | 598,352,412 | 607,456,017 | 772,791,238 | 1,011,055,011 |
| 3 Maintenance Expense | 11,546,325 | 12,396,085 | 11,518,119 | 12,119,834 | 13,038,727 |
| 4 Depreciation Expense | 42,704,443 | 41,128,388 | 40,692,173 | 39,870,614 | 38,795,186 |
| 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 | 41,680,916 | 44,188,528 | 42,977,908 | 43,823,728 | 45,504,362 |
| 11 Income Taxes | 29,092,975 | 33,061,276 | 31,957,177 | 35,361,324 | 39,022,621 |
| 12 Gains from Disposition of Util. Plant | | | | | |
| 13 Losses from Disposition of Util. Plant | | | | | |
| 14 Total Operating Expenses | 625,809,576 | 729,126,689 | 734,601,394 | 903,966,738 | 1,147,415,907 |
| 15 Net Operating Revenues | 91,074,754 | 93,527,400 | 95,682,691 | 91,785,588 | 85,617,746 |
| 16 Other Utility Operating Income | | | | | |
| 17 Total Gas Utility Operating Income | 91,074,754 | 93,527,400 | 95,682,691 | 91,785,588 | 85,617,746 |
| 18 Other Utility Operating Income | | | | | |
| 19 Total Utility Operating Income | \$91,074,754 | \$93,527,400 | \$95,682,691 | \$91,785,588 | \$85,617,746 |

* Includes Pennsylvania operations.

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|-----------|
| OTHER INCOME | | | | | | |
| Income - Merch. Jobbing & Contract Work | \$181,639 | \$161,474 | \$150,630 | \$158,355 | \$221,398 | 1 |
| Income from Nonutility Operations | | | | | | 2 |
| Nonoperating Rental Income | 2,400 | 4,400 | 4,000 | 4,800 | 4,400 | 3 |
| Equity in Earnings of Subsidiary Companies | | | | | | 4 |
| Interest and Dividend Income | 3,004,724 | 2,250,121 | 1,871,084 | 2,408,249 | 2,434,922 | 5 |
| Allowance for Funds Used During Construction | 144,266 | 305,575 | 256,816 | 61,739 | 170,319 | 6 |
| Miscellaneous Nonoperating Income | 13,368 | 19,568 | 20,797 | 19,764 | 21,422 | 7 |
| Gain on Disposition of Property | 396,660 | | | | | 8 |
| Total Other Income | 3,743,057 | 2,741,138 | 2,303,327 | 2,652,907 | 2,852,461 | 9 |
| OTHER INCOME DEDUCTIONS | | | | | | |
| Loss on Disposition of Property | 291,985 | | | | | 10 |
| Miscellaneous Amortization | | | | | | 11 |
| Miscellaneous Income Deductions | 501,434 | \$369,429 | 327,120 | 324,369 | 529,811 | 12 |
| Total Other Income Deductions | 793,419 | 369,429 | 327,120 | 324,369 | 529,811 | 13 |
| TAXES-OTHER INCOME AND DEDUCTIONS | | | | | | |
| Taxes Other than Income Taxes | | | | | | 14 |
| Income Taxes | (285,271) | (284,312) | (635,494) | (548,285) | (1,900,717) | 15 |
| Total Taxes-Other Inc. & Deductions | (285,271) | (284,312) | (635,494) | (548,285) | (1,900,717) | 16 |
| Net Other Income and Deductions | 3,234,909 | 2,656,021 | 2,611,701 | 2,876,823 | 4,223,367 | 17 |
| INTEREST CHARGES | | | | | | |
| Interest on Long-term Debt | | | | | | 18 |
| Amortization of Debt Discount and Expense | 469,685 | 469,685 | 469,686 | 469,686 | 469,685 | 19 |
| Amortization of Premium on Debt-Credit | | | | | | 20 |
| Interest on Debt to Associated Company | 30,072,900 | 30,083,739 | 30,072,900 | 27,370,370 | 21,938,704 | 21 |
| Other Interest Expense | 2,711,343 | 3,311,109 | 5,301,887 | 7,234,350 | 4,088,965 | 22 |
| Total Interest Charges | 33,253,928 | 33,864,533 | 35,844,473 | 35,074,406 | 26,497,354 | 23 |
| Income Before Extraordinary Items | 61,055,735 | 62,318,888 | 62,449,919 | 59,588,005 | 63,343,759 | 24 |
| EXTRAORDINARY ITEMS | | | | | | |
| Extraordinary Income | | | | | | 25 |
| Extraordinary Deductions | | | | | | 26 |
| Income Taxes, Extraordinary Items | | | | | | 27 |
| Net Extraordinary Items | | | | | | 28 |
| Net Income | \$61,055,735 | \$62,318,888 | \$62,449,919 | \$59,588,005 | \$63,343,759 | 29 |
| RETAINED EARNINGS | | | | | | |
| Unappropriated Retained Earnings (BOP) | \$292,853,801 | \$308,943,437 | \$364,893,594 | \$363,197,842 | \$336,264,759 | 30 |
| Balance Transferred from Income | 61,055,735 | 62,318,888 | 62,449,919 | 59,588,005 | 63,343,759 | 31 |
| Appropriated Retained Earnings | | | | | | 32 |
| Dividends Declared-Preferred Stock | | | | | | 33 |
| Dividends Declared-Common Stock | 63,400,000 | 78,400,000 | 118,400,000 | 57,900,000 | 36,400,000 | 34 |
| Adjustments to Retained Earnings | 4,293 | (8,524) | (76) | 7,747 | (10,676) | 35 |
| Net Change | (2,339,972) | (16,089,636) | (55,950,157) | 1,695,752 | 26,933,083 | 36 |
| Unappropriated Retained Earnings (EOP) | 290,513,829 | 292,853,801 | 308,943,437 | 364,893,594 | 363,197,842 | 37 |
| Appropriated Retained Earnings (EOP) | | | | | | 38 |
| Total Retained Earnings | \$290,513,829 | \$292,853,801 | \$308,943,437 | \$364,893,594 | \$363,197,842 | 39 |

* Includes Pennsylvania operations.

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---------------------|---------------------|----------------------|----------------------|---------------------|
| Cash Flows From Operating Activities | | | | | |
| 1 Net Income | \$61,055,735 | \$62,318,888 | \$62,449,920 | \$59,588,005 | \$63,343,759 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | | |
| 2 Depreciation, Depletion & Amortization | 44,821,787 | 43,098,811 | 42,300,962 | 40,793,013 | 39,521,830 |
| 3 Deferred Taxes & ITCs | 8,306,076 | 18,005,950 | 35,398,543 | 48,151,708 | 15,950,947 |
| 4 Receivables and Inventory | 17,314,321 | (9,775,766) | 23,092,392 | 43,045,382 | 4,253,406 |
| 5 Payables and Accrued Expenses | 24,732,642 | 15,188,696 | (767,461) | (24,250,536) | 6,751,704 |
| 6 Regulatory Assets (Net) | (31,511,661) | (33,347,369) | (19,267,508) | (283,804,229) | (39,451,647) |
| 7 Capitalized AFUDC - Equity | (144,266) | (305,575) | (256,816) | (61,739) | (170,319) |
| 8 Undistributed Earnings of Affiliates | | | | | |
| 9 Other: Unrecovered Purchased Gas | 6,986,711 | (15,715,692) | (66,089,435) | 109,716,111 | (20,061,984) |
| 10 Other: Unbilled Revenues | 201,078 | 11,875,750 | (4,198,765) | 24,391,739 | (924,102) |
| 11 Other: Other Assets and Liabilities (Net) | (4,033,929) | 29,463,632 | 30,784,835 | 238,121,672 | 38,766,574 |
| 12 Net Cash From Operating Activities | <u>127,728,494</u> | <u>120,807,325</u> | <u>103,446,667</u> | <u>255,691,126</u> | <u>107,980,168</u> |
| Cash Flows From Investing Activities | | | | | |
| 13 Cash Outflows For Construction | (61,382,753) | (58,741,639) | (57,015,819) | (54,541,061) | (58,338,064) |
| 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 | (1,410,531) | (484,963) | (708,682) | 590,925 | 929,415 |
| 22 | (129,985) | | 14,549 | | |
| 23 | | | | | |
| 24 Net Cash From Investing Activities | <u>(62,923,269)</u> | <u>(59,226,602)</u> | <u>(57,709,952)</u> | <u>(53,950,136)</u> | <u>(57,408,649)</u> |
| Cash Flows From Financing Activities | | | | | |
| Net Proceeds (Payments) - Issuing & Retiring: | | | | | |
| 25 Long-Term Debt | | | | 125,000,000 | 60,000,000 |
| 26 Common Stock | | | | | |
| 27 Preferred Stock | | | | | |
| 28 Short-Term Debt | | | (118,400,000) | (182,000,000) | (73,100,000) |
| 29 Dividends Paid | (73,000,000) | (98,400,000) | | (37,400,000) | (36,400,000) |
| 30 Other Cash Flows - Financing Activities | | | | | |
| 31 | | | | | |
| 32 | | | | | |
| 33 Net Cash From Financing Activities | <u>(73,000,000)</u> | <u>(98,400,000)</u> | <u>(118,400,000)</u> | <u>(94,400,000)</u> | <u>(49,500,000)</u> |
| 34 Net Increase/(Decrease) In Cash Equivalents | (8,194,775) | (36,819,277) | (72,663,285) | 107,340,990 | 1,071,519 |
| 35 Cash & Cash Equivalents Beginning Of Year | 8,419,504 | 45,238,781 | 117,902,066 | 10,561,076 | 9,489,557 |
| 36 Cash & Cash Equivalents End Of Year | <u>\$224,729</u> | <u>\$8,419,504</u> | <u>\$45,238,781</u> | <u>\$117,902,066</u> | <u>\$10,561,076</u> |

Notes:

* Includes Pennsylvania operations.

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|---------------|---------------|---------------|---------------|-----------------|----|
| SALES AND CUSTOMER DATA | | | | | | |
| REVENUES | | | | | | |
| Residential | \$490,895,487 | \$574,912,356 | \$584,034,707 | \$754,266,819 | \$902,297,716 | 1 |
| Commercial | 61,260,810 | 75,909,609 | 79,249,069 | 111,593,464 | 138,660,864 | 2 |
| Industrial | 6,110,875 | 5,627,718 | 5,652,680 | 6,395,271 | 7,874,870 | 3 |
| Other Ultimate Customers | | | | | | 4 |
| Total Revenues-Ultimate Customer | 558,267,172 | 656,449,683 | 668,936,456 | 872,255,554 | 1,048,833,450 | 5 |
| Sales for Resale | 26,585,454 | 34,223,907 | 36,333,114 | 1,699,270 | 53,743,375 | 6 |
| Total Revenues from Gas Sales | 584,852,626 | 690,673,590 | 705,269,570 | 873,954,824 | 1,102,576,825 | 7 |
| Transportation Sales | 124,604,646 | 123,281,367 | 114,392,642 | 110,167,239 | 112,487,074 | 8 |
| Other Gas Operating Revenues | 7,427,058 | 8,699,132 | 10,621,873 | 11,630,263 | 17,969,754 | 9 |
| Total Gas Operating Revenues | \$716,884,330 | \$822,654,089 | \$830,284,085 | \$995,752,326 | \$1,233,033,653 | 10 |
| SALES (MCF) | | | | | | |
| Residential | 47,639,497 | 54,855,833 | 54,347,772 | 57,493,104 | 58,502,429 | 11 |
| Commercial | 6,655,322 | 8,041,598 | 8,182,471 | 9,130,109 | 9,802,548 | 12 |
| Industrial | 1,036,940 | 678,285 | 634,600 | 529,673 | 571,817 | 13 |
| Other Ultimate Customers | | | | | | 14 |
| Total Sales-Ultimate Customer | 55,331,759 | 63,575,716 | 63,164,843 | 67,152,886 | 68,876,794 | 15 |
| Sales for Resale | 9,227,629 | 8,032,676 | 7,405,763 | 357,210 | 5,166,495 | 16 |
| Transportation Sales | 62,736,760 | 65,090,698 | 61,152,311 | 59,339,442 | 63,913,840 | 17 |
| Other Gas Sales | | | | | | 18 |
| Total Sales | 127,296,148 | 136,699,090 | 131,722,917 | 126,849,538 | 137,957,129 | 19 |
| AVG NUMBERS OF CUSTOMERS | | | | | | |
| Residential | 567,404 | 575,503 | 586,324 | 588,690 | 592,662 | 20 |
| Commercial | 30,234 | 30,657 | 32,520 | 33,177 | 34,623 | 21 |
| Industrial | 310 | 383 | 366 | 379 | 404 | 22 |
| Other Customers | | | | | | 23 |
| Total Ultimate Customers | 597,948 | 606,543 | 619,210 | 622,246 | 627,689 | 24 |
| Resales | 2 | 5 | 7 | 4 | | 25 |
| Total Customers | 597,950 | 606,548 | 619,217 | 622,250 | 627,689 | 26 |
| OPERATING REVENUES RELATIONSHIP | | | | | | |
| RESIDENTIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$865 | \$999 | \$996 | \$1,281 | \$1,522 | 27 |
| Average MCF Consumption Per Customer | 84.0 | 95.3 | 92.7 | 97.7 | 98.7 | 28 |
| Average Revenue Per MCF Sold | \$10.30 | \$10.48 | \$10.75 | \$13.12 | \$15.42 | 29 |
| COMMERCIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$2,026 | \$2,476 | \$2,437 | \$3,364 | \$4,005 | 30 |
| Average MCF Consumption Per Customer | 220.1 | 262.3 | 251.6 | 275.2 | 283.1 | 31 |
| Average Revenue Per MCF Sold | \$9.20 | \$9.44 | \$9.69 | \$12.22 | \$14.15 | 32 |
| INDUSTRIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$19,713 | \$14,694 | \$15,444 | \$16,874 | \$19,492 | 33 |
| Average MCF Consumption Per Customer | 3,345.0 | 1,771.0 | 1,733.9 | 1,397.6 | 1,415.4 | 34 |
| Average Revenue Per MCF Sold | \$5.89 | \$8.30 | \$8.91 | \$12.07 | \$13.77 | 35 |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | |
| Steam | | | | | | 36 |
| Manufactured Gas | | | | | | 37 |
| Natural Gas - Production & Gathering | \$89,257 | \$103,854 | \$93,309 | \$28,162 | \$18,125 | 38 |
| Purchased Gas | 217,598,511 | 333,901,378 | 317,620,797 | 513,877,807 | 679,954,318 | 39 |
| Other | 2,022,299 | (21,115,014) | 9,938,252 | (27,281,617) | 25,603,903 | 40 |
| Total Production Expense | 219,710,067 | 312,890,218 | 327,652,358 | 486,624,352 | 705,576,346 | 41 |
| Natural Gas Storage Expense | 32,251,403 | 30,827,203 | 30,079,548 | 30,705,617 | 32,406,668 | 42 |
| Transmission Expense | 88,456,262 | 90,562,296 | 82,689,770 | 84,041,566 | 87,997,123 | 43 |
| Distribution Expense | 41,182,729 | 41,395,671 | 41,199,277 | 40,709,984 | 44,336,951 | 44 |
| Customer Account Expense | 45,263,187 | 48,111,708 | 52,670,609 | 62,192,815 | 66,520,372 | 45 |
| Sales Expense | 433,730 | 667,335 | 490,076 | 468,697 | 680,804 | 46 |
| Administrative and General | 85,142,210 | 86,378,368 | 84,279,792 | 80,265,577 | 86,716,178 | 47 |
| Total O & M Expense | \$512,439,588 | \$610,832,799 | \$619,061,430 | \$785,008,608 | \$1,024,234,442 | 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 | \$716,884,330 | \$822,654,089 | \$830,284,085 | \$995,752,326 | \$1,233,033,653 |
| 2 | Sales of Gas (MCF) ** | 64,559,388 | 71,608,392 | 70,570,606 | 67,510,096 | 74,043,289 |

DOLLAR AMOUNTS

| | | | | | | |
|----|-------------------------------------|---------------|---------------|---------------|---------------|-----------------|
| 3 | Purchased Gas & Other Supply Exp. | \$307,253,942 | \$402,531,516 | \$409,133,949 | \$601,273,999 | \$825,839,433 |
| 4 | Wages and Benefits | 104,211,050 | 104,722,785 | 102,422,554 | 98,962,439 | 107,495,791 |
| 5 | Other Operation & Maintenance Exp. | 100,866,250 | 103,494,196 | 107,417,633 | 84,674,634 | 90,758,514 |
| 6 | Depreciation & Amortization Expense | 42,704,443 | 41,128,388 | 40,692,173 | 39,870,614 | 38,795,186 |
| 7 | Income Taxes-Operating | 29,092,975 | 33,061,276 | 31,957,177 | 35,361,324 | 39,022,621 |
| 8 | Other Taxes-Operating | 41,680,916 | 44,188,528 | 42,977,908 | 43,823,728 | 39,022,621 |
| 9 | Capital Costs | 91,074,754 | 93,527,400 | 95,682,691 | 91,785,588 | 92,099,487 |
| 10 | Total | \$716,884,330 | \$822,654,089 | \$830,284,085 | \$995,752,326 | \$1,233,033,653 |

PERCENT OF REVENUES

| | | | | | | |
|----|-------------------------------------|-------|-------|-------|-------|-------|
| 11 | Purchased Gas & Other Supply Exp. | 42.9 | 48.9 | 49.3 | 60.4 | 67.0 |
| 12 | Wages and Benefits | 14.5 | 12.7 | 12.3 | 9.9 | 8.7 |
| 13 | Other Operation & Maintenance Exp. | 14.1 | 12.6 | 12.9 | 8.5 | 7.4 |
| 14 | Depreciation & Amortization Expense | 6.0 | 5.0 | 4.9 | 4.0 | 3.1 |
| 15 | Income Taxes-Operating | 4.1 | 4.0 | 3.8 | 3.6 | 3.2 |
| 16 | Other Taxes-Operating | 5.8 | 5.4 | 5.2 | 4.4 | 3.2 |
| 17 | Capital Costs | 12.7 | 11.4 | 11.5 | 9.2 | 7.5 |
| 18 | Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

DOLLARS PER MCF

| | | | | | | |
|----|-------------------------------------|-------|-------|-------|-------|-------|
| 19 | Purchased Gas & Other Supply Exp. | 4.76 | 5.62 | 5.80 | 8.91 | 11.15 |
| 20 | Wages and Benefits | 1.61 | 1.46 | 1.45 | 1.47 | 1.45 |
| 21 | Other Operation & Maintenance Exp. | 1.56 | 1.45 | 1.52 | 1.25 | 1.23 |
| 22 | Depreciation & Amortization Expense | 0.66 | 0.57 | 0.58 | 0.59 | 0.52 |
| 23 | Income Taxes-Operating | 0.45 | 0.46 | 0.45 | 0.52 | 0.53 |
| 24 | Other Taxes-Operating | 0.65 | 0.62 | 0.61 | 0.65 | 0.53 |
| 25 | Capital Costs | 1.41 | 1.31 | 1.36 | 1.36 | 1.24 |
| 26 | Total | 11.10 | 11.49 | 11.77 | 14.75 | 16.65 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|-------------|-------------|-------------|-------------|---------------|
| Purchased Gas and Other Supply Exp. | | | | | |
| Other Gas Supply | 219,601,721 | 312,805,916 | 327,565,064 | 486,526,816 | 705,435,642 |
| Natural Gas Storage | 803,355 | 776,267 | 702,721 | 30,705,617 | 32,406,668 |
| Transmission Expense | 86,848,866 | 88,949,333 | 80,866,164 | 84,041,566 | 87,997,123 |
| Total Purchased Gas | 307,253,942 | 402,531,516 | 409,133,949 | 601,273,999 | 825,839,433 |
| -Total PG related to Sales for Resale PG - Ultimate Customers | 307,253,942 | 402,531,516 | 409,133,949 | 601,273,999 | 825,839,433 |
| Wages and Benefits | | | | | |
| Salaries | 64,159,751 | 64,638,501 | 64,108,590 | 63,477,623 | 65,295,315 |
| Pensions and Benefits | 40,051,299 | 40,084,284 | 38,313,964 | 35,484,816 | 42,200,476 |
| Total Wages and Benefits | 104,211,050 | 104,722,785 | 102,422,554 | 98,962,439 | 107,495,791 |
| Other Expenses | | | | | |
| Total O&M Expenses | 512,331,242 | 610,748,497 | 618,974,136 | 784,911,072 | 1,024,093,738 |
| -Total Purchased Gas | 307,253,942 | 402,531,516 | 409,133,949 | 601,273,999 | 825,839,433 |
| -Wages and Benefits | 104,211,050 | 104,722,785 | 102,422,554 | 98,962,439 | 107,495,791 |
| -Other Gains | | | | | |
| +Other Losses | | | | | |
| -Other Revenues | | | | | |
| Other Expenses | 100,866,250 | 103,494,196 | 107,417,633 | 84,674,634 | 90,758,514 |
| Depreciation and Amortization | | | | | |
| Depreciation Exp | 42,704,443 | 41,128,388 | 40,692,173 | 40,804,655 | 38,795,186 |
| Amort & Depl of Utility Plant | | | | | |
| Amort of Other Utility Plant | | | | | |
| Amort of Property Losses | | | | | |
| Amort of Conversion Expenses | | | | | |
| Total Depre and Amort | 42,704,443 | 41,128,388 | 40,692,173 | 40,804,655 | 38,795,186 |
| Fuel and PP related to Sales for Resale | | | | | |
| Total PG | 307,253,942 | 402,531,516 | 409,133,949 | 601,273,999 | 825,839,433 |
| divided by Total MCFs | 64,559,388 | 71,608,392 | 70,570,606 | 67,510,096 | 74,043,289 |
| Fuel Cost per MCF | 5 | 6 | 6 | 9 | 11 |
| times Sales for Resale MCFs | 9,227,629 | 8,032,676 | 7,405,763 | 357,210 | 5,166,495 |
| Sales for Resale PG | 43,916,547 | 45,153,999 | 42,935,001 | 3,181,466 | 57,624,335 |
| 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,

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|----|
| Intangible | \$12,917,377 | \$12,652,015 | \$11,380,551 | \$8,160,735 | \$8,160,735 | 1 |
| Production | | | | | | |
| Manufactured Gas | | | | | | 2 |
| Natural Gas | 20,026,266 | 20,029,954 | 19,105,303 | 18,702,930 | 18,672,389 | 3 |
| Natural Gas Storage | | | | | | |
| Underground Storage | | | | | | 4 |
| Other Storage | | | | | | 5 |
| Transmission | 53,068,021 | 52,246,933 | 51,020,643 | 49,999,719 | 49,444,595 | 6 |
| Distribution | 1,603,993,155 | 1,568,635,473 | 1,531,841,130 | 1,492,815,465 | 1,460,827,160 | 7 |
| General | 72,463,836 | 71,184,878 | 66,185,646 | 63,871,882 | 63,132,933 | 8 |
| Gas - Purchased or Sold | | | | | | 9 |
| Experimental - Unclassified | | | | | | 10 |
| Gas - Underground, Non-current | | | | | | 11 |
| Total Plant In Service | 1,762,468,655 | 1,724,749,253 | 1,679,533,273 | 1,633,550,731 | 1,600,237,812 | 12 |
| Plant Leased To Others | | | | | | 13 |
| Plant Held For Future Use | | | | | | 14 |
| Construction Work In Progress | 8,009,846 | 6,323,445 | 7,946,515 | 10,785,289 | 6,818,152 | 15 |
| Acquisition Adjustments | | | | | | 16 |
| Total Plant | 1,770,478,501 | 1,731,072,698 | 1,687,479,788 | 1,644,336,020 | 1,607,055,964 | 17 |
| Accum. Prov. - Depr. & Amort. | 652,799,318 | 635,516,555 | 606,970,746 | 580,697,777 | 555,789,456 | 18 |
| Total Net Plant | \$1,117,679,183 | \$1,095,556,143 | \$1,080,509,042 | \$1,063,638,243 | \$1,051,266,508 | 19 |
| SELECTED RATIOS AND STATISTICS | | | | | | |
| Current Assets / Current Liabilities | 0.83 | 1.44 | 1.69 | 2.39 | 0.85 | 20 |
| Total Capitalization | \$892,587,736 | \$893,280,049 | \$907,868,947 | \$962,680,000 | \$1,017,531,535 | 21 |
| <u>Percent Of Capitalization (incl. S-T Debt)</u> | | | | | | |
| Long-Term Debt | 36.3% | 46.3% | 45.6% | 43.0% | 28.4% | 22 |
| Preferred Stock | | | | | | 23 |
| Common Stock & Retained Earnings | 53.6% | 53.7% | 54.4% | 57.0% | 53.7% | 24 |
| Short-Term Debt | 10.1% | | | | 17.9% | 25 |
| Pretax Coverage of Interest Expense | 3.61 | 3.74 | 3.56 | 3.63 | 4.70 | 26 |
| Com. Stock Dividends as a % of Earnings | 69.6% | 83.8% | 123.7% | 63.1% | 42.5% | 27 |
| Return on Common Equity | 19.0% | 19.2% | 18.4% | 16.8% | 16.1% | 28 |
| Internal Cash Generated as a % of Cash Outflows for Construction | 208.1% | 173.4% | 124.9% | 38.1% | 112.9% | 29 |
| Earnings per Share | \$0.05 | \$0.05 | \$0.05 | \$0.05 | \$0.04 | 30 |
| Book Value per Share | \$0.24 | \$0.24 | \$0.25 | \$0.27 | \$0.27 | 31 |
| Dividends per Share | \$0.03 | \$0.04 | \$0.06 | \$0.03 | \$0.02 | 32 |
| Number of Employees | 1,278 | 1,286 | | 1,367 | 1,364 | 33 |

Notes:

* Includes Pennsylvania operations.

| <u>Data Field Below</u> | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|------------------|------------------|---------------|---------------|---------------|
| Current Assets | \$188,171,591.00 | \$174,576,657.00 | \$213,645,579 | \$303,566,654 | \$264,285,464 |
| Current Liabilities | 226,320,319 | 121,543,140 | 126,399,579 | 127,171,732 | 312,720,588 |
| Total Capitalization | 892,587,736 | 893,280,049 | 907,868,947 | 962,680,000 | 1,017,531,535 |
| Long-Term Debt | 324,000,000 | 414,000,000 | 414,000,000 | 414,000,000 | 289,000,000 |
| Preferred Stock | | | | | - |
| Common Stock and Retained Earnings (Excl. Preferred Stock) | 478,587,736 | 479,280,049 | 493,868,947 | 548,680,000 | 546,531,535 |
| Short-Term Debt | 90,000,000 | | | | 182,000,000 |
| Pretax Income | 120,167,729 | 126,588,676 | 127,639,868 | 127,146,912 | 124,640,367 |
| Interest Expense | 33,253,928 | 33,864,533 | 35,844,473 | 35,074,406 | 26,497,354 |
| Dividends Paid | 63,400,000 | 78,400,000 | 118,400,000 | 57,900,000 | 36,400,000 |
| Net Income (Excl. Preferred Stock Dividends) | 91,074,754 | 93,527,400 | 95,682,691 | 91,785,588 | 85,617,746 |
| Internal Cash | 127,728,494 | 101,874,384 | 71,194,124 | 20,795,484 | 65,865,083 |
| Cash Outflows for Construction | 61,382,753 | 58,741,639 | 57,015,819 | 54,541,061 | 58,338,064 |
| Shares Outstanding (Millions) Sch250251 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000.0000 |
| Misc Deferred Debits | 491,487,501 | 473,551,505 | 418,031,655 | 313,200,343 | 95,927,924 |
| Number of Employees | 1,278 | 1,286 | | 1,367 | 1,364 |
| Pre-Tax Income | | | | | |
| Total Utility Operating Income | \$91,074,754 | \$93,527,400 | \$95,682,691 | \$91,785,588 | \$85,617,746 |
| +Income Taxes - Electric | | | | | |
| +Income Taxes - Gas | 29,092,975 | 33,061,276 | 31,957,177 | 35,361,324 | 39,022,621 |
| +Other Income | 3,743,057 | 2,741,138 | 2,303,327 | 2,652,907 | 2,852,461 |
| - Other Income Deductions | 793,419 | 369,429 | 327,120 | 324,369 | 529,811 |
| - Other Taxes | (285,271) | (284,312) | (635,494) | (548,285) | (1,900,717) |
| Pre-Tax Income | \$123,402,638 | \$129,244,697 | \$130,251,569 | \$130,023,735 | \$128,863,734 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| UTILITY PLANT | | | | | |
| 1 Total Utility Plant | \$4,662,097 | \$4,543,521 | \$4,417,344 | \$4,383,891 | \$4,256,694 |
| 2 Less Acc. Prov. For Depreciation & Amortization | 2,336,847 | 2,200,651 | 2,069,859 | 1,938,146 | 1,810,985 |
| 3 Net Total Utility Plant | 2,325,250 | 2,342,870 | 2,347,485 | 2,445,745 | 2,445,709 |
| 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 | 131,340 | 111,916 | 225,619 | 127,647 | 365,190 |
| 19 Less Accum. Prov. For Uncollectible Accounts | (20,240) | (31,348) | (31,386) | (19,495) | (26,608) |
| 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 | 10,962 | 13,152 | 26,602 | 25,278 | 25,617 |
| 29 Misc. Current and Accrued Assets | | | | | |
| 30 Total Current and Accrued Assets | 122,062 | 93,720 | 220,835 | 133,430 | 364,199 |
| 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 | 97,957 | 90,116 | 16,043 | 306,850 | 271,904 |
| 37 Deferred Losses from Disp. of Utility Plant | | | | | |
| 38 Research and Development | | | | | |
| 39 Accumulated Deferred Income Taxes | (260,800) | (253,800) | (230,100) | (227,200) | (225,892) |
| 40 Total Deferred Debits | (162,843) | (163,684) | (214,057) | 79,650 | 46,012 |
| 41 Total Assets and Other Debits | \$2,284,469 | \$2,272,906 | \$2,354,263 | \$2,658,825 | \$2,855,920 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|-----------|
| 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 | (498,891) | (508,702) | (526,612) | (532,196) | (535,485) | 9 |
| Unapp. Undistributed Subsidiary Earnings | | | | | | 10 |
| Requaired Capital Stock | | | | | | 11 |
| Accumulated Other Comprehensive Income | | | | | | |
| Total Proprietary Capital | 1,827,701 | 1,817,890 | 1,799,980 | 1,794,396 | 1,791,107 | 12 |
| LONG-TERM DEBT | | | | | | |
| Bonds | | | | | | 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 | | | | | | 19 |
| CURRENT AND ACCRUED LIABILITIES | | | | | | |
| Notes Payable | | | | | | 20 |
| Accounts Payable | | | | | | 21 |
| Notes Payable to Associated Companies | | | | | | 22 |
| Accounts Payable to Associated Companies | 439,629 | 455,638 | 601,923 | 872,393 | 1,014,656 | 23 |
| Customer Deposits | 28,735 | 33,406 | 35,060 | 39,578 | 33,162 | 24 |
| Taxes Accrued | (11,596) | (34,028) | (82,700) | (49,616) | (9,997) | 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 | 456,768 | 455,016 | 554,283 | 862,355 | 1,037,821 | 32 |
| DEFERRED CREDITS | | | | | | |
| Customer Advances for Construction | | | | | | 33 |
| Other Deferred Credits | | | | 2,074 | 26,992 | 34 |
| Accumulated Deferred Inv. Tax Credits | | | | | | 35 |
| Deferred Gains-Disposition of Utility Plant | | | | | | 36 |
| Accumulated Deferred Income Taxes | | | | | | 37 |
| Total Deferred Credits | | | | 2,074 | 26,992 | 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 | \$2,284,469 | \$2,272,906 | \$2,354,263 | \$2,658,825 | \$2,855,920 | 44 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|-------------|-------------|-------------|-------------|-------------|
| GAS OPERATING INCOME | | | | | |
| 1 Operating Revenues | \$1,667,336 | \$1,993,638 | \$2,005,164 | \$2,515,754 | \$3,267,587 |
| Operating Expense: | | | | | |
| 2 Operation Expense | 1,197,057 | 1,505,243 | 1,564,205 | 2,046,982 | 2,750,288 |
| 3 Maintenance Expense | 67,812 | 46,633 | 41,544 | 50,957 | 60,002 |
| 4 Depreciation Expense | 109,271 | 108,319 | 104,303 | 102,069 | 98,923 |
| 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 | 43,466 | 43,466 |
| 9 Other Expenses | | | | | |
| 10 Taxes Other than Income Taxes | 121,036 | 119,795 | 111,658 | 123,625 | 117,340 |
| 11 Income Taxes | 7,000 | 23,700 | 2,900 | 1,000 | 13,536 |
| 12 Gains from Disposition of Util. Plant | | | | | |
| 13 Losses from Disposition of Util. Plant | | | | | |
| 14 Total Operating Expenses | 1,545,642 | 1,847,156 | 1,868,076 | 2,368,099 | 3,083,555 |
| 15 Net Operating Revenues | 121,694 | 146,482 | 137,088 | 147,655 | 184,032 |
| 16 Other Utility Operating Income | | | | | |
| 17 Total Gas Utility Operating Income | 121,694 | 146,482 | 137,088 | 147,655 | 184,032 |
| 18 Other Utility Operating Income | | | | | |
| 19 Total Utility Operating Income | \$121,694 | \$146,482 | \$137,088 | \$147,655 | \$184,032 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|-----------|
| 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 | \$2,823 | | | \$14,548 | \$3,873 | 5 |
| Allowance for Funds Used During Construction | | | | | | 6 |
| Miscellaneous Nonoperating Income | | | (\$67) | (148) | 656 | 7 |
| Gain on Disposition of Property | | | | | | 8 |
| Total Other Income | 2,823 | | (67) | 14,400 | 4,529 | 9 |
| OTHER INCOME DEDUCTIONS | | | | | | |
| Loss on Disposition of Property | | | | | | 10 |
| Miscellaneous Amortization | | | | | | 11 |
| Miscellaneous Income Deductions | \$693 | \$1,519 | 954 | 760 | 1,109 | 12 |
| Total Other Income Deductions | 693 | 1,519 | 954 | 760 | 1,109 | 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 | 2,130 | (1,519) | (1,021) | 13,640 | 3,420 | 17 |
| INTEREST CHARGES | | | | | | |
| Interest on Long-term Debt | \$109,833 | \$120,666 | 124,413 | 134,423 | 149,527 | 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 | \$4,180.00 | 6,387 | 6,070 | 23,582 | 34,546 | 22 |
| Total Interest Charges | 114,013 | 127,053 | 130,483 | 158,005 | 184,073 | 23 |
| Income Before Extraordinary Items | 9,811 | 17,910 | 5,584 | 3,290 | 3,379 | 24 |
| EXTRAORDINARY ITEMS | | | | | | |
| Extraordinary Income | | | | | | 25 |
| Extraordinary Deductions | | | | | | 26 |
| Income Taxes, Extraordinary Items | | | | | | 27 |
| Net Extraordinary Items | | | | | | 28 |
| Net Income | \$9,811 | \$17,910 | \$5,584 | \$3,290 | \$3,379 | 29 |
| <hr/> | | | | | | |
| RETAINED EARNINGS | | | | | | |
| Unappropriated Retained Earnings (BOP) | (\$508,702) | (\$526,612) | (\$532,196) | (\$535,486) | (\$538,865) | 30 |
| Balance Transferred from Income | 9,811 | 17,910 | 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 | | | | | | 35 |
| Net Change | 9,811 | 17,910 | 5,584 | 3,290 | 3,379 | 36 |
| Unappropriated Retained Earnings (EOP) | (498,891) | (508,702) | (526,612) | (532,196) | (535,486) | 37 |
| Appropriated Retained Earnings (EOP) | | | | | | 38 |
| Total Retained Earnings | (\$498,891) | (\$508,702) | (\$526,612) | (\$532,196) | (\$535,486) | 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,

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|-------------|-------------|-------------|-------------|-------------|----|
| SALES AND CUSTOMER DATA | | | | | | |
| REVENUES | | | | | | |
| Residential | \$951,818 | \$1,127,103 | \$1,182,672 | \$1,414,632 | \$1,542,662 | 1 |
| Commercial | 481,743 | 621,295 | 628,399 | 867,522 | 1,362,298 | 2 |
| Industrial | | | | | | 3 |
| Other Ultimate Customers | | | | | | 4 |
| Total Revenues-Ultimate Customer | 1,433,561 | 1,748,398 | 1,811,071 | 2,282,154 | 2,904,960 | 5 |
| Sales for Resale | | | | | | 6 |
| Total Revenues from Gas Sales | 1,433,561 | 1,748,398 | 1,811,071 | 2,282,154 | 2,904,960 | 7 |
| Transportation Sales | 173,431 | 171,908 | 165,096 | 134,156 | 113,586 | 8 |
| Other Gas Operating Revenues | 60,344 | 73,332 | 28,997 | 99,444 | 249,041 | 9 |
| Total Gas Operating Revenues | \$1,667,336 | \$1,993,638 | \$2,005,164 | \$2,515,754 | \$3,267,587 | 10 |
| SALES (MCF) | | | | | | |
| Residential | 125,870 | 140,645 | 138,716 | 134,241 | 126,596 | 11 |
| Commercial | 81,148 | 94,561 | 88,076 | 93,328 | 121,400 | 12 |
| Industrial | | | | | | 13 |
| Other Ultimate Customers | | | | | | 14 |
| Total Sales-Ultimate Customer | 207,018 | 235,206 | 226,792 | 227,569 | 247,995 | 15 |
| Sales for Resale | | | | | | 16 |
| Transportation Sales | 94,284 | 94,051 | 91,174 | 73,855 | 60,699 | 17 |
| Other Gas Sales | | | | | | 18 |
| Total Sales | 301,302 | 329,257 | 317,966 | 301,424 | 308,695 | 19 |
| AVG NUMBERS OF CUSTOMERS | | | | | | |
| Residential | 1,550 | 1,511 | 1,495 | 1,467 | 1,388 | 20 |
| Commercial | 191 | 188 | 179 | 173 | 172 | 21 |
| Industrial | | | | | | 22 |
| Other Customers | | | | | | 23 |
| Total Ultimate Customers | 1,741 | 1,699 | 1,674 | 1,640 | 1,560 | 24 |
| Resales | | | | | | 25 |
| Total Customers | 1,741 | 1,699 | 1,674 | 1,640 | 1,560 | 26 |
| OPERATING REVENUES RELATIONSHIP | | | | | | |
| RESIDENTIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$614 | \$746 | \$791 | \$964 | \$1,111 | 27 |
| Average MCF Consumption Per Customer | 81.2 | 93.1 | 92.8 | 91.5 | 91.2 | 28 |
| Average Revenue Per MCF Sold | \$7.56 | \$8.01 | \$8.53 | \$10.54 | \$12.19 | 29 |
| COMMERCIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$2,522 | \$3,305 | \$3,511 | \$5,015 | \$7,920 | 30 |
| Average MCF Consumption Per Customer | 424.9 | 503.0 | 492.0 | 539.5 | 705.8 | 31 |
| Average Revenue Per MCF Sold | \$5.94 | \$6.57 | \$7.13 | \$9.30 | \$11.22 | 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 | \$378,274 | \$588,281 | \$724,291 | \$677,733 | 1,379,605 | 39 |
| Other | 447,972 | 525,176 | 440,902 | 995,359 | 1,007,591 | 40 |
| Total Production Expense | 826,246 | 1,113,457 | 1,165,193 | 1,673,092 | 2,387,196 | 41 |
| Natural Gas Storage Expense | 13,733 | 7,510 | 5,828 | 15,791 | 16,674 | 42 |
| Transmission Expense | | | | | | 43 |
| Distribution Expense | 229,693 | 217,285 | 211,061 | 207,118 | 212,994 | 44 |
| Customer Account Expense | 85,319 | 101,530 | 117,303 | 102,225 | 98,685 | 45 |
| Sales Expense | 206 | 517 | 452 | 206 | | 46 |
| Administrative and General | 109,672 | 111,577 | 105,902 | 99,509 | 94,741 | 47 |
| Total O & M Expense | \$1,264,869 | \$1,551,876 | \$1,605,739 | \$2,097,941 | \$2,810,290 | 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,

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|-------------|-------------|-------------|-------------|-------------|
| 1 Total Revenues | \$1,667,336 | \$1,993,638 | \$2,005,164 | \$2,515,754 | \$3,267,587 |
| 2 Sales of Gas (MCF) * | 207,018 | 235,206 | 226,792 | 227,569 | 247,995 |
| DOLLAR AMOUNTS | | | | | |
| 3 Purchased Gas & Other Supply Exp. | \$826,246 | \$1,113,457 | \$1,165,193 | \$1,673,092 | \$2,387,196 |
| 4 Wages and Benefits | 114,548 | 114,893 | 108,862 | 110,062 | 104,303 |
| 5 Other Operation & Maintenance Exp. | 324,075 | 323,526 | 331,684 | 314,787 | 318,791 |
| 6 Depreciation & Amortization Expense | 109,271 | 108,319 | 104,303 | 102,069 | 98,923 |
| 7 Income Taxes-Operating | 7,000 | 23,700 | 2,900 | 1,000 | 13,536 |
| 8 Other Taxes-Operating | 121,036 | 119,795 | 111,658 | 123,625 | 117,340 |
| 9 Capital Costs | 165,160 | 189,948 | 180,564 | 191,119 | 227,498 |
| 10 Total | \$1,667,336 | \$1,993,638 | \$2,005,164 | \$2,515,754 | \$3,267,587 |
| PERCENT OF REVENUES | | | | | |
| 11 Purchased Gas & Other Supply Exp. | 49.6 | 55.9 | 58.1 | 66.5 | 73.1 |
| 12 Wages and Benefits | 6.9 | 5.8 | 5.4 | 4.4 | 3.2 |
| 13 Other Operation & Maintenance Exp. | 19.4 | 16.2 | 16.5 | 12.5 | 9.8 |
| 14 Depreciation & Amortization Expense | 6.6 | 5.4 | 5.2 | 4.1 | 3.0 |
| 15 Income Taxes-Operating | 0.4 | 1.2 | 0.1 | 0.0 | 0.4 |
| 16 Other Taxes-Operating | 7.3 | 6.0 | 5.6 | 4.9 | 3.6 |
| 17 Capital Costs | 9.9 | 9.5 | 9.0 | 7.6 | 7.0 |
| 18 Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| DOLLARS PER MCF | | | | | |
| 19 Purchased Gas & Other Supply Exp. | 3.99 | 4.73 | 5.14 | 7.35 | 9.63 |
| 20 Wages and Benefits | 0.55 | 0.49 | 0.48 | 0.48 | 0.42 |
| 21 Other Operation & Maintenance Exp. | 1.57 | 1.38 | 1.46 | 1.38 | 1.29 |
| 22 Depreciation & Amortization Expense | 0.53 | 0.46 | 0.46 | 0.45 | 0.40 |
| 23 Income Taxes-Operating | 0.03 | 0.10 | 0.01 | 0.00 | 0.05 |
| 24 Other Taxes-Operating | 0.58 | 0.51 | 0.49 | 0.54 | 0.47 |
| 25 Capital Costs | 0.80 | 0.81 | 0.80 | 0.84 | 0.92 |
| 26 Total | 8.05 | 8.48 | 8.84 | 11.05 | 13.18 |

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. | 826,246 | 1,113,457 | 1,165,193 | 1,673,092 | 2,387,196 |
| Liquidified Petro Gas | | | | | |
| Other Gas Supply | | | | | |

| | | | | | |
|---------------------------------------|---------|-----------|-----------|-----------|-----------|
| Total Purchased Gas | 826,246 | 1,113,457 | 1,165,193 | 1,673,092 | 2,387,196 |
| -Total PG related to Sales for Resale | | | | | |
| PG - Ultimate Customers | 826,246 | 1,113,457 | 1,165,193 | 1,673,092 | 2,387,196 |

Wages and Benefits

| | | | | | |
|--------------------------|---------|---------|---------|---------|---------|
| Salaries | 114,405 | 114,405 | 107,909 | 108,616 | 103,950 |
| Pensions and Benefits | 143 | 488 | 953 | 1,446 | 353 |
| Total Wages and Benefits | 114,548 | 114,893 | 108,862 | 110,062 | 104,303 |

Other Expenses

| | | | | | |
|----------------------|-----------|-----------|-----------|-----------|-----------|
| Total O&M Expenses | 1,264,869 | 1,551,876 | 1,605,739 | 2,097,941 | 2,810,290 |
| -Total Purchased Gas | 826,246 | 1,113,457 | 1,165,193 | 1,673,092 | 2,387,196 |
| -Wages and Benefits | 114,548 | 114,893 | 108,862 | 110,062 | 104,303 |
| -Other Gains | | | | | |
| +Other Losses | | | | | |
| -Other Revenues | | | | | |
| Other Expenses | 324,075 | 323,526 | 331,684 | 314,787 | 318,791 |

Depreciation and Amortization

| | | | | | |
|-------------------------------|---------|---------|---------|---------|---------|
| Depreciation Exp | 109,271 | 108,319 | 104,303 | 102,069 | 98,923 |
| Amort & Depl of Utility Plant | | | | | |
| Amort of Other Utility Plant | | | | | |
| Amort of Property Losses | | | | | |
| Amort of Conversion Expenses | | | | 43,466 | 43,466 |
| Total Depre and Amort | 109,271 | 108,319 | 104,303 | 145,535 | 142,389 |

Fuel and PP related to Sales for Resale

| | | | | | |
|-------------------------------|---------|-----------|-----------|-----------|-----------|
| Total PG | 826,246 | 1,113,457 | 1,165,193 | 1,673,092 | 2,387,196 |
| divided by Total MCFs | 207,018 | 235,206 | 226,792 | 227,569 | 247,995 |
| Fuel Cost per MCF | 3.991 | 4.734 | 5.138 | 7.352 | 9.626 |
| times Sales for Resale MCFs | | | | | |
| Sales for Resale PG | | | | | |
| <u>Transportation Volumes</u> | 94,284 | 94,051 | 91,174 | 73,855 | 60,699 |

Data Field Below

| | | | | | |
|---|--------------|-----------|-----------|-----------|-----------|
| Current Assets | 122,062 | 93,720 | 220,835 | 133,430 | 364,199 |
| Current Liabilities | 456,768 | 455,016 | 554,283 | 862,355 | 1,037,821 |
| Total Capitalization | 1,827,701 | 1,817,890 | 1,799,980 | 1,794,396 | 1,791,107 |
| Long-Term Debt | | | | | - |
| Preferred Stock | | | | | - |
| Common Stock and Retained Earnings (Excl. Preferred Stock) | 1,827,701 | 1,817,890 | 1,799,980 | 1,794,396 | 1,791,107 |
| Short-Term Debt | | | | | - |
| Pretax Income | 128,694 | 170,182 | 139,988 | 148,655 | 200,988 |
| Interest Expense | 109,833 | 120,666 | 124,413 | 134,423 | 149,527 |
| Dividends Paid | | | | | - |
| Net Income (Excl. Preferred Stock Dividends) | 121,694 | 17,190 | 137,088 | 3,290 | 3,379 |
| Internal Cash | 139,684 | 279,455 | 303,922 | 274,924 | 29,532 |
| Cash Outflows for Construction | 123,675 | 133,170 | 33,452 | 132,661 | 94,125 |
| Shares Outstanding (Millions) Sch250251 | | | | | - |
| Misc Deferred Debits | 97,957 | 90,116 | 16,043 | 304,776 | 244,912 |
| Number of Employees | 4 | 4 | 4 | 4 | 4 |
| <u>Pre-Tax Income</u> | | | | | |
| Total Utility Operating Income | \$121,694.00 | \$146,482 | \$137,088 | \$147,656 | \$184,032 |
| +Income Taxes - Electric | | | | | |
| +Income Taxes - Gas | \$7,000.00 | 23,700 | 2,900 | 999 | 13,536 |
| +Other Income | | | | | 4,529 |
| - Other Income Deductions | | | | | 1,109 |
| - Other Taxes | | | | | |
| Pre-Tax Income | \$128,694 | \$170,182 | \$139,988 | \$148,655 | \$200,988 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|--------------|--------------|--------------|--------------|--------------|
| UTILITY PLANT | | | | | |
| 1 Total Utility Plant | \$60,347,069 | \$51,864,443 | \$49,308,885 | \$47,248,701 | \$45,431,362 |
| 2 Less Acc. Prov. For Depreciation & Amortization | 24,839,853 | 24,267,325 | 23,385,303 | 22,484,874 | 21,633,544 |
| 3 Net Total Utility Plant | 35,507,216 | 27,597,118 | 25,923,582 | 24,763,827 | 23,797,818 |
| OTHER PROPERTY AND INVESTMENTS | | | | | |
| 4 Nonutility Property | | | | | |
| 5 Less Acc. Prov. For Depreciation & Amortization | | | | | |
| 6 Investment in Associated Companies | | | | | |
| 7 Investment in Subsidiary Companies | 38,526 | 35,765 | 36,741 | 33,114 | 32,421 |
| 8 Other Investments | | (114,817) | (227,876) | (157,108) | (268,620) |
| 9 Sinking Funds | | | | | |
| 10 Depreciation Fund | | | | | |
| 11 Other Special Funds | | | | | |
| 12 Total Other Property and Investments | 38,526 | (79,052) | (191,135) | (123,994) | (236,199) |
| CURRENT AND ACCRUED ASSETS | | | | | |
| 13 Cash | 198,563 | 96,745 | (47,601) | 97,559 | 241,416 |
| 14 Special Deposits | | | | | |
| 15 Working Funds | 2,750 | 2,388 | 4,287 | 2,443 | 1,081 |
| 16 Temporary Cash Investments | | | | | |
| 17 Notes Receivable | 1,957,848 | 1,957,760 | 1,861,946 | 5,281,946 | 1,536,946 |
| 18 Accounts Receivable | 3,306,844 | 2,941,774 | 3,940,039 | 3,284,059 | 5,220,543 |
| 19 Less Accum. Prov. For Uncollectible Accounts | (250,000) | (325,000) | (507,774) | (1,111,690) | (525,000) |
| 20 Notes Receivable from Associated Companies | | | | | |
| 21 Accounts Receivable from Assoc. Companies | 4,098 | 4,186 | 3,335 | 1,373 | 13,148 |
| 22 Materials and Supplies | 3,422,296 | 3,886,379 | 190,322 | 197,979 | 210,548 |
| 23 Gas Stored Underground - Current | 1,975,330 | 3,223,177 | 2,031,104 | 3,169,163 | 9,143,229 |
| 24 Liquefied Natural Gas in Storage | | | | | |
| 25 Prepayments | 540,795 | 522,084 | 500,726 | 1,006,355 | 868,391 |
| 26 Interest and Dividends Receivable | | | | | |
| 27 Rents Receivable | | | | | |
| 28 Accrued Utility Revenue | | | | | |
| 29 Misc. Current and Accrued Assets | | | | | |
| 30 Total Current and Accrued Assets | 11,158,524 | 12,309,493 | 7,976,384 | 11,929,187 | 16,710,302 |
| DEFERRED DEBITS | | | | | |
| 31 Unamort. Debt Expense | | | | | |
| 32 Extraordinary Property Losses | | | | | |
| 33 Prelim. Survey and Investigation Charges | | | | | |
| 34 Clearing Accounts | 9,862 | 8,795 | 8,215 | (1,523) | (3,148) |
| 35 Temporary Facilities | | | | | |
| 36 Miscellaneous Deferred Debits | 8,045,084 | 6,929,976 | 5,669,977 | 5,751,943 | 4,273,373 |
| 37 Deferred Losses from Disp. of Utility Plant | | | | | |
| 38 Research and Development | | | | | |
| 39 Accumulated Deferred Income Taxes | 4,587,237 | 4,302,037 | 4,154,495 | 4,415,239 | 3,573,829 |
| 40 Total Deferred Debits | 12,642,183 | 11,240,808 | 9,832,687 | 10,165,659 | 7,844,054 |
| 41 Total Assets and Other Debits | \$59,346,449 | \$51,068,367 | \$43,541,518 | \$46,734,679 | \$48,115,975 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|-----------|
| 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 | 10,380,458 | 9,390,862 | 7,971,438 | 8,341,722 | 8,707,881 | 9 |
| Unapp. Undistributed Subsidiary Earnings | 36,526 | 33,765 | 34,741 | 31,114 | 30,421 | 10 |
| Reaquired Capital Stock | | | | | | 11 |
| Accumulated Other Comprehensive Income | | | | | | |
| Total Proprietary Capital | 14,766,984 | 13,774,627 | 12,356,179 | 12,722,836 | 13,088,302 | 12 |
| LONG-TERM DEBT | | | | | | |
| Bonds | | | | | | 13 |
| Reaquired Bonds | | | | | | 14 |
| Advances from Associated Companies | | | | | | 15 |
| Other Long-Term Debt | 7,000,000 | 7,000,000 | 7,000,000 | 4,500,000 | 7,000,000 | 16 |
| Unamortized Premium on LT Debt | | | | | | 17 |
| Unamortized Discount on LT Debt-Debit | | | | | | 18 |
| Total Long-Term Debt | 7,000,000 | 7,000,000 | 7,000,000 | 4,500,000 | 7,000,000 | 19 |
| CURRENT AND ACCRUED LIABILITIES | | | | | | |
| Notes Payable | 15,995,000 | 10,983,000 | 7,290,000 | 9,100,000 | 7,830,000 | 20 |
| Accounts Payable | 3,447,524 | 4,019,301 | 3,463,277 | 2,752,498 | 4,461,333 | 21 |
| Notes Payable to Associated Companies | | | | | | 22 |
| Accounts Payable to Associated Companies | 62,072 | 72,118 | 158,659 | 37,942 | 38,617 | 23 |
| Customer Deposits | 346,647 | 388,387 | 424,993 | 330,934 | 307,470 | 24 |
| Taxes Accrued | 374,437 | 701,539 | (214,228) | (225,882) | 375,975 | 25 |
| Interest Accrued | 11,205 | 8,096 | 7,724 | 2,565 | 24,814 | 26 |
| Dividends Declared | | | | 870,000 | | 27 |
| Matured Long-Term Debt | | | | | | 28 |
| Matured Interest | | | | | | 29 |
| Tax Collections Payable | | | | | | 30 |
| Misc. Current and Accrued Liabilities | 636,657 | 273,756 | 148,600 | 121,697 | 226,227 | 31 |
| Total Current and Accrued Liabilities | 20,873,542 | 16,446,197 | 11,279,025 | 12,989,754 | 13,264,436 | 32 |
| DEFERRED CREDITS | | | | | | |
| Customer Advances for Construction | 287,103 | 299,912 | 332,271 | 379,423 | 419,292 | 33 |
| Other Deferred Credits | 6,195,760 | 3,773,598 | 2,513,892 | 5,144,289 | 5,553,014 | 34 |
| Accumulated Deferred Inv. Tax Credits | | | | 3,609 | 11,865 | 35 |
| Deferred Gains-Disposition of Utility Plant | | | | | | 36 |
| Accumulated Deferred Income Taxes | 7,268,562 | 6,969,597 | 5,969,818 | 5,793,368 | 4,840,535 | 37 |
| Total Deferred Credits | 13,751,425 | 11,043,107 | 8,815,981 | 11,320,689 | 10,824,706 | 38 |
| OPERATING RESERVES | | | | | | |
| Property Insurance Reserve | | | | | | 39 |
| Injuries and Damage Reserve | 125,000 | 122,705 | 91,958 | 52,958 | 13,921 | 40 |
| Pension and Benefits Reserve | 2,756,841 | 2,631,466 | 3,944,047 | 5,079,211 | 3,858,465 | 41 |
| Miscellaneous Operating Reserves | 72,657 | 50,262 | 54,328 | 69,231 | 66,145 | 42 |
| Total Operating Reserves | 2,954,498 | 2,804,433 | 4,090,333 | 5,201,400 | 3,938,531 | 43 |
| Total Liabilities and Other Credits | \$59,346,449 | \$51,068,364 | \$43,541,518 | \$46,734,679 | \$48,115,975 | 44 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|--------------|--------------|--------------|--------------|--------------|
| GAS OPERATING INCOME | | | | | |
| 1 Operating Revenues | \$43,624,485 | \$40,015,060 | \$40,889,508 | \$42,617,338 | \$51,499,856 |
| Operating Expense: | | | | | |
| 2 Operation Expense | 37,943,274 | 33,666,068 | 34,267,098 | 38,273,165 | 46,093,460 |
| 3 Maintenance Expense | 332,152 | 375,356 | 399,157 | 267,541 | 233,405 |
| 4 Depreciation Expense | 1,092,208 | 1,079,095 | 1,049,330 | 1,002,706 | 987,394 |
| 5 Amort. and Depletion of Utility Plant | 14,071 | 14,071 | 14,069 | 14,067 | 14,003 |
| 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 | 2,277,783 | 2,215,624 | 2,121,065 | 1,861,139 | 1,912,591 |
| 11 Income Taxes | 602,335 | 912,599 | 947,167 | 149,732 | 624,739 |
| 12 Gains from Disposition of Util. Plant | | | | | |
| 13 Losses from Disposition of Util. Plant | | | | | |
| 14 Total Operating Expenses | 42,261,823 | 38,262,813 | 38,797,886 | 41,568,350 | 49,865,592 |
| 15 Net Operating Revenues | 1,362,662 | 1,752,247 | 2,091,622 | 1,048,988 | 1,634,264 |
| 16 Other Utility Operating Income | | | | | |
| 17 Total Gas Utility Operating Income | 1,362,662 | 1,752,247 | 2,091,622 | 1,048,988 | 1,634,264 |
| 18 Other Utility Operating Income | | | | | |
| 19 Total Utility Operating Income | \$1,362,662 | \$1,752,247 | \$2,091,622 | \$1,048,988 | \$1,634,264 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|--|---------------------|--------------------|--------------------|--------------------|--------------------|-----------|
| OTHER INCOME | | | | | | |
| Income - Merch. Jobbing & Contract Work | | | | | | 1 |
| Income from Nonutility Operations | | | | | | 2 |
| Nonoperating Rental Income | | | | | | 3 |
| Equity in Earnings of Subsidiary Companies | \$2,761 | (\$976) | \$3,627 | \$693 | \$1,384 | 4 |
| Interest and Dividend Income | 170,052 | 212,826 | 195,719 | 256,789 | 327,317 | 5 |
| Allowance for Funds Used During Construction | 155,870 | 82,661 | 9,309 | | | 6 |
| Miscellaneous Nonoperating Income | | | | | 2 | 7 |
| Gain on Disposition of Property | | | | | | 8 |
| Total Other Income | 328,683 | 294,511 | 208,655 | 257,482 | 328,703 | 9 |
| OTHER INCOME DEDUCTIONS | | | | | | |
| Loss on Disposition of Property | | | | | | 10 |
| Miscellaneous Amortization | | | | | | 11 |
| Miscellaneous Income Deductions | 61,850 | 18,000 | 15,000 | 17,020 | 15,495 | 12 |
| Total Other Income Deductions | 61,850 | 18,000 | 15,000 | 17,020 | 15,495 | 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 | 266,833 | 276,511 | 193,655 | 240,462 | 313,208 | 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 | 633,564 | 629,140 | 967,201 | 867,940 | 919,165 | 22 |
| Total Interest Charges | 633,564 | 629,140 | 967,201 | 867,940 | 919,165 | 23 |
| Income Before Extraordinary Items | 995,931 | 1,399,618 | 1,318,076 | 421,510 | 1,028,307 | 24 |
| EXTRAORDINARY ITEMS | | | | | | |
| Extraordinary Income | | | | | | 25 |
| Extraordinary Deductions | | | | | | 26 |
| Income Taxes, Extraordinary Items | | | | | | 27 |
| Net Extraordinary Items | | | | | | 28 |
| Net Income | \$995,931 | \$1,399,618 | \$1,318,076 | \$421,510 | \$1,028,307 | 29 |
| <hr/> | | | | | | |
| RETAINED EARNINGS | | | | | | |
| Unappropriated Retained Earnings (BOP) | \$9,390,862 | \$7,971,438 | \$8,341,722 | \$8,707,881 | \$10,689,784 | 30 |
| Balance Transferred from Income | 993,170 | 1,400,594 | 1,314,449 | 420,817 | 1,026,923 | 31 |
| Appropriated Retained Earnings | | | | | | 32 |
| Dividends Declared-Preferred Stock | | | | | | 33 |
| Dividends Declared-Common Stock | | | 1,631,250 | 870,000 | 2,936,250 | 34 |
| Adjustments to Retained Earnings | (3,574) | 18,830 | (53,483) | 83,024 | (72,576) | 35 |
| Net Change | 989,596 | 1,419,424 | (370,284) | (366,159) | (1,981,903) | 36 |
| Unappropriated Retained Earnings (EOP) | 10,380,458 | 9,390,862 | 7,971,438 | 8,341,722 | 8,707,881 | 37 |
| Appropriated Retained Earnings (EOP) | | | | | | 38 |
| Total Retained Earnings | \$10,380,458 | \$9,390,862 | \$7,971,438 | \$8,341,722 | \$8,707,881 | 39 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Cash Flows From Operating Activities | | | | | |
| 1 Net Income | \$995,931 | \$1,399,618 | \$1,318,076 | \$421,510 | \$1,028,307 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | | |
| 2 Depreciation, Depletion & Amortization | 1,271,892 | 1,236,232 | 1,191,515 | 1,134,939 | 1,108,724 |
| 3 Deferred Taxes & ITCs | 2,317,536 | 2,017,714 | (2,179,527) | (334,046) | 3,725,198 |
| 4 Receivables and Inventory | 24,013 | (2,977,231) | 2,165,799 | (1,197,482) | 650,941 |
| 5 Payables and Accrued Expenses | (584,655) | 1,474,172 | 969,271 | (2,414,682) | (7,779,960) |
| 6 Regulatory Assets (Net) | | | | | |
| 7 Capitalized AFUDC - Equity | | | | | |
| 8 Undistributed Earnings of Affiliates | (2,761) | 976 | (3,627) | (693) | (1,384) |
| 9 Other Adjustments | 1,247,847 | (1,192,073) | 1,138,059 | 5,974,066 | (2,915,402) |
| 10 | (18,711) | (21,358) | 505,629 | (137,964) | (311,960) |
| 11 | (978,922) | (2,578,835) | (1,085,991) | (257,195) | 7,552,776 |
| 12 Net Cash From Operating Activities | <u>4,272,170</u> | <u>(640,785)</u> | <u>4,019,204</u> | <u>3,188,453</u> | <u>3,057,240</u> |
| Cash Flows From Investing Activities | | | | | |
| 13 Cash Outflows For Construction | (8,792,180) | (2,862,126) | (2,319,943) | (2,015,132) | (1,282,938) |
| 14 Acquisition Of Other Non-Current Assets | (389,810) | (47,642) | (31,327) | (85,816) | (12,491) |
| 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>(9,181,990)</u> | <u>(2,909,768)</u> | <u>(2,351,270)</u> | <u>(2,100,948)</u> | <u>(1,295,429)</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 | 5,012,000 | 3,693,000 | (1,810,000) | 1,270,000 | 1,710,000 |
| 29 Dividends Paid | | | (2,501,250) | | (3,915,000) |
| 30 Other Cash Flows - Financing Activities | | | | | |
| 31 | | | | | |
| 32 | | | | | |
| 33 Net Cash From Financing Activities | <u>5,012,000</u> | <u>3,693,000</u> | <u>(1,811,250)</u> | <u>(1,230,000)</u> | <u>(2,205,000)</u> |
| 34 Net Increase/(Decrease) In Cash Equivalents | 102,180 | 142,447 | (143,316) | (142,495) | (443,189) |
| 35 Cash & Cash Equivalents Beginning Of Year | 99,133 | (43,314) | 100,002 | 242,497 | 685,686 |
| 36 Cash & Cash Equivalents End Of Year | \$201,313 | \$99,133 | (\$43,314) | \$100,002 | \$242,497 |

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

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|--------------|--------------|--------------|--------------|--------------|----|
| SALES AND CUSTOMER DATA | | | | | | |
| REVENUES | | | | | | |
| Residential | \$17,547,504 | \$18,623,447 | \$16,919,444 | \$18,634,633 | \$21,054,330 | 1 |
| Commercial | 8,717,247 | 9,547,374 | 9,378,049 | 10,369,509 | 12,282,258 | 2 |
| Industrial | 1,292,176 | 3,296,981 | 7,173,968 | 5,937,522 | 7,465,016 | 3 |
| Other Ultimate Customers | | | | | | 4 |
| Total Revenues-Ultimate Customer | 27,556,927 | 31,467,802 | 33,471,461 | 34,941,664 | 40,801,604 | 5 |
| Sales for Resale | | | | | | 6 |
| Total Revenues from Gas Sales | 27,556,927 | 31,467,802 | 33,471,461 | 34,941,664 | 40,801,604 | 7 |
| Transportation Sales | 8,958,040 | 6,939,117 | 5,197,945 | 4,660,483 | 6,446,069 | 8 |
| Other Gas Operating Revenues | 7,109,518 | 1,608,141 | 2,220,102 | 3,015,189 | 4,252,182 | 9 |
| Total Gas Operating Revenues | \$43,624,485 | \$40,015,060 | \$40,889,508 | \$42,617,336 | \$51,499,855 | 10 |
| SALES (MCF) | | | | | | |
| Residential | 1,326,239 | 1,451,881 | 1,418,551 | 1,554,131 | 1,523,635 | 11 |
| Commercial | 831,985 | 903,962 | 966,756 | 1,021,573 | 981,688 | 12 |
| Industrial | 150,612 | 385,568 | 918,250 | 761,382 | 608,876 | 13 |
| Other Ultimate Customers | | | | | | 14 |
| Total Sales-Ultimate Customer | 2,308,836 | 2,741,411 | 3,303,557 | 3,337,087 | 3,114,198 | 15 |
| Sales for Resale | | | | | | 16 |
| Transportation Sales | 4,314,572 | 4,483,227 | 3,838,709 | 3,909,703 | 5,578,594 | 17 |
| Other Gas Sales | | | | | | 18 |
| Total Sales | 6,623,409 | 7,224,638 | 7,142,266 | 7,246,790 | 8,692,792 | 19 |
| AVG NUMBERS OF CUSTOMERS | | | | | | |
| Residential | 13,882 | 13,820 | 13,825 | 13,774 | 13,644 | 20 |
| Commercial | 1,580 | 1,584 | 1,588 | 1,592 | 1,583 | 21 |
| Industrial | 3 | 5 | 9 | 9 | 8 | 22 |
| Other Customers | | | | | | 23 |
| Total Ultimate Customers | 15,465 | 15,409 | 15,422 | 15,375 | 15,235 | 24 |
| Resales | | | | | | 25 |
| Total Customers | 15,465 | 15,409 | 15,422 | 15,375 | 15,235 | 26 |
| OPERATING REVENUES RELATIONSHIP | | | | | | |
| RESIDENTIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$1,264 | \$1,348 | \$1,224 | \$1,353 | \$1,543 | 27 |
| Average MCF Consumption Per Customer | 95.5 | 105.1 | 102.6 | 112.8 | 111.7 | 28 |
| Average Revenue Per MCF Sold | \$13.23 | \$12.83 | \$11.93 | \$11.99 | \$13.82 | 29 |
| COMMERCIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$5,517 | \$6,027 | \$5,906 | \$6,514 | \$7,759 | 30 |
| Average MCF Consumption Per Customer | 526.6 | 570.7 | 608.8 | 641.7 | 620.1 | 31 |
| Average Revenue Per MCF Sold | \$10.48 | \$10.56 | \$9.70 | \$10.15 | \$12.51 | 32 |
| INDUSTRIAL SALES | | | | | | |
| Average Annual Bill Per Customer | \$430,725 | \$659,396 | \$797,108 | \$659,725 | \$933,127 | 33 |
| Average MCF Consumption Per Customer | 50,204.1 | 77,113.6 | 102,027.8 | 84,598.0 | 76,109.5 | 34 |
| Average Revenue Per MCF Sold | \$8.58 | \$8.55 | \$7.81 | \$7.80 | \$12.26 | 35 |
| OPERATION AND MAINTENANCE EXPENSES | | | | | | |
| Steam | | | | | | 36 |
| Manufactured Gas | | | | | | 37 |
| Natural Gas - Production & Gathering | | | | | | 38 |
| Purchased Gas | \$25,622,002 | \$27,497,910 | \$24,454,247 | \$24,952,680 | \$38,446,314 | 39 |
| Other | 3,815,392 | (1,604,920) | 927,871 | 4,559,250 | 644,878 | 40 |
| Total Production Expense | 29,437,394 | 25,892,990 | 25,382,118 | 29,511,930 | 39,091,193 | 41 |
| Natural Gas Storage Expense | | | | | | 42 |
| Transmission Expense | | | | | | 43 |
| Distribution Expense | 2,457,279 | 2,084,262 | 2,145,556 | 1,874,999 | 1,789,538 | 44 |
| Customer Account Expense | 1,089,342 | 856,623 | 718,464 | 1,907,111 | 1,473,423 | 45 |
| Sales Expense | 119,691 | 89,323 | 92,413 | 86,371 | 80,861 | 46 |
| Administrative and General | 5,171,720 | 5,118,226 | 5,327,704 | 5,160,295 | 3,891,849 | 47 |
| Total O & M Expense | \$38,275,426 | \$34,041,424 | \$33,666,255 | \$38,540,706 | \$46,326,865 | 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,**

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|--------------|--------------|--------------|--------------|--------------|
| 1 Total Revenues | \$43,624,485 | \$40,015,060 | \$40,889,508 | \$42,617,336 | \$51,499,855 |
| 2 Sales of Gas (MCF) * | 2,308,836 | 2,741,411 | 3,303,557 | 3,337,087 | 3,114,198 |
| DOLLAR AMOUNTS | | | | | |
| 3 Purchased Gas & Other Supply Exp. | \$18,618,048 | \$18,618,049 | \$18,618,050 | \$18,618,051 | \$18,618,052 |
| 4 Wages and Benefits | 1,044,965 | 1,044,965 | 1,044,965 | 1,044,965 | 1,044,965 |
| 5 Other Operation & Maintenance Exp. | 3,619,376 | 3,619,376 | 3,619,376 | 3,619,376 | 3,619,376 |
| 6 Depreciation & Amortization Expense | 1,106,279 | 1,093,166 | 1,063,399 | 1,016,773 | 1,001,397 |
| 7 Income Taxes-Operating | 602,335 | 912,599 | 947,167 | 149,732 | 624,739 |
| 8 Other Taxes-Operating | 602,335 | 2,215,624 | 2,121,065 | 1,861,139 | 1,912,591 |
| 9 Capital Costs | 18,031,147 | 12,511,281 | 13,475,486 | 16,307,300 | 24,678,735 |
| 10 Total | \$43,624,485 | \$40,015,060 | \$40,889,508 | \$42,617,336 | \$51,499,855 |
| PERCENT OF REVENUES | | | | | |
| 11 Purchased Gas & Other Supply Exp. | 42.7 | 46.5 | 45.5 | 43.7 | 36.2 |
| 12 Wages and Benefits | 2.4 | 2.6 | 2.6 | 2.5 | 2.0 |
| 13 Other Operation & Maintenance Exp. | 8.3 | 9.0 | 8.9 | 8.5 | 7.0 |
| 14 Depreciation & Amortization Expense | 2.5 | 2.7 | 2.6 | 2.4 | 1.9 |
| 15 Income Taxes-Operating | 1.4 | 2.3 | 2.3 | 0.4 | 1.2 |
| 16 Other Taxes-Operating | 1.4 | 5.5 | 5.2 | 4.4 | 3.7 |
| 17 Capital Costs | 41.3 | 31.3 | 33.0 | 38.3 | 47.9 |
| 18 Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| DOLLARS PER MCF | | | | | |
| 19 Purchased Gas & Other Supply Exp. | 8.06 | 6.79 | 5.64 | 5.58 | 5.98 |
| 20 Wages and Benefits | 0.45 | 0.38 | 0.32 | 0.31 | 0.34 |
| 21 Other Operation & Maintenance Exp. | 1.57 | 1.32 | 1.10 | 1.08 | 1.16 |
| 22 Depreciation & Amortization Expense | 0.48 | 0.40 | 0.32 | 0.30 | 0.32 |
| 23 Income Taxes-Operating | 0.26 | 0.33 | 0.29 | 0.04 | 0.20 |
| 24 Other Taxes-Operating | 0.26 | 0.81 | 0.64 | 0.56 | 0.61 |
| 25 Capital Costs | 7.81 | 4.56 | 4.08 | 4.89 | 7.92 |
| 26 Total | 18.89 | 14.60 | 12.38 | 12.77 | 16.54 |

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 | \$2,567,545 | (\$412,848) | (\$210,187) | \$29,511,930 | \$39,091,193 |

| | | | | | |
|--|-----------|-----------|-----------|------------|------------|
| Total Purchased Gas | 2,567,545 | (412,848) | (210,187) | 29,511,930 | 39,091,193 |
| -Total PG related to Sales for Resale PG - Ultimate Customers | 2,567,545 | (412,848) | (210,187) | 29,511,930 | 39,091,193 |

Wages and Benefits

| | | | | | |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| Salaries | 3,061,831 | 3,009,287 | | 2,645,750 | 2,622,085 |
| Pensions and Benefits | 1,725,811 | 1,693,987 | 1,713,162 | 1,821,768 | 1,802,250 |
| Total Wages and Benefits | 4,787,642 | 4,703,274 | 1,713,162 | 4,467,518 | 4,424,335 |

Other Expenses

| | | | | | |
|----------------------|------------|------------|------------|------------|------------|
| Total O&M Expenses | 38,275,426 | 34,041,424 | 33,666,255 | 38,540,706 | 46,326,865 |
| -Total Purchased Gas | 2,567,545 | (412,848) | (210,187) | 29,511,930 | 39,091,193 |
| -Wages and Benefits | 4,787,642 | 4,703,274 | 1,713,162 | 4,467,518 | 4,424,335 |
| -Other Gains | | | | | |
| +Other Losses | | | | | |
| -Other Revenues | | | | | |
| Other Expenses | 30,920,239 | 29,750,998 | 32,163,280 | 4,561,258 | 2,811,338 |

Depreciation and Amortization

| | | | | | |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|
| Depreciation Exp | 1,092,208 | 1,079,095 | 1,049,330 | 1,002,706 | 987,394 |
| Amort & Depl of Utility Plant | 14,071 | 14,071 | 14,069 | 14,067 | 14,003 |
| Amort of Other Utility Plant | | | | | |
| Amort of Property Losses | | | | | |
| Amort of Conversion Expenses | | | | | |
| Total Depre and Amort | 1,106,279 | 1,093,166 | 1,063,399 | 1,016,773 | 1,001,397 |

Fuel and PP related to Sales for Resale

| | | | | | |
|-----------------------------|-----------|-----------|-----------|------------|------------|
| Total PG | 2,567,545 | (412,848) | (210,187) | 29,511,930 | 39,091,193 |
| divided by Total MCFs | 2,308,836 | 2,741,411 | 3,303,557 | 3,337,087 | 3,114,198 |
| Fuel Cost per MCF | 1.112 | (0.151) | (0.064) | 8.844 | 12.553 |
| times Sales for Resale MCFs | | | | | |
| Sales for Resale PG | | | | | |

Transportation Volumes

| | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| | 4,314,572 | 4,483,227 | 3,838,709 | 3,909,703 | 5,578,594 |
|--|-----------|-----------|-----------|-----------|-----------|

ST. LAWRENCE GAS COMPANY, INC.
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

| | 2012 | 2011 | 2010 | 2009 | 2008 | |
|---|--------------|--------------|--------------|--------------|--------------|----|
| Intangible | \$415,012 | \$415,012 | \$415,012 | \$414,922 | \$414,759 | 1 |
| Production | | | | | | |
| Manufactured Gas | | | | | | 2 |
| Natural Gas | | | | | | 3 |
| Natural Gas Storage | | | | | | |
| Underground Storage | | | | | | 4 |
| Other Storage | | | | | | 5 |
| Transmission | | | | | | 6 |
| Distribution | 42,049,819 | 40,681,353 | 40,139,825 | 39,128,031 | 37,777,422 | 7 |
| General | 8,571,418 | 8,009,014 | 7,577,024 | 7,185,265 | 6,910,758 | 8 |
| Gas - Purchased or Sold | | | | | | 9 |
| Experimental - Unclassified | | | | | | 10 |
| Gas - Underground, Non-current | | | | | | 11 |
| Total Plant In Service | 51,036,249 | 49,105,379 | 48,131,861 | 46,728,218 | 45,102,939 | 12 |
| Plant Leased To Others | | | | | | 13 |
| Plant Held For Future Use | | | | | | 14 |
| Construction Work In Progress | 9,310,821 | 2,759,065 | 1,177,024 | 520,483 | 328,423 | 15 |
| Acquisition Adjustments | | | | | | 16 |
| Total Plant | 60,347,070 | 51,864,444 | 49,308,885 | 47,248,701 | 45,431,362 | 17 |
| Accum. Prov. - Depr. & Amort. | 24,839,853 | 24,267,325 | 23,385,303 | 22,484,874 | 21,633,544 | 18 |
| Total Net Plant | \$35,507,217 | \$27,597,119 | \$25,923,582 | \$24,763,827 | \$23,797,818 | 19 |
| SELECTED RATIOS AND STATISTICS | | | | | | |
| Current Assets / Current Liabilities | 0.53 | 0.75 | 0.71 | 0.92 | 1.26 | 20 |
| Total Capitalization | \$37,761,984 | \$31,757,627 | \$26,646,179 | \$26,322,836 | \$27,918,302 | 21 |
| <u>Percent Of Capitalization (incl. S-T Debt)</u> | | | | | | |
| Long-Term Debt | 18.5% | 22.0% | 26.3% | 17.1% | 25.1% | 22 |
| Preferred Stock | | | | | | 23 |
| Common Stock & Retained Earnings | 39.1% | 43.4% | 46.4% | 48.3% | 46.9% | 24 |
| Short-Term Debt | 42.4% | 34.6% | 27.4% | 34.6% | 28.0% | 25 |
| Pretax Coverage of Interest Expense | 3.10 | 4.24 | 3.14 | 1.38 | 2.80 | 26 |
| Com. Stock Dividends as a % of Earnings | | | 78.0% | 82.9% | 179.7% | 27 |
| Return on Common Equity | 9.5% | 13.4% | 16.7% | 8.1% | 11.6% | 28 |
| Internal Cash Generated as a % of Cash Outflows for Construction | 48.6% | -22.4% | 173.2% | 158.2% | 238.3% | 29 |
| Earnings per Share | | | | | | 30 |
| Book Value per Share | | | | | | 31 |
| Dividends per Share | | | | | | 32 |
| Number of Employees | 45 | 46 | 44 | 43 | 42 | 33 |

Data Field Below

| | | | | | |
|--|-----------------|----------------|----------------|-----------------|--------------|
| Current Assets | \$11,158,524.00 | \$12,309,493 | \$7,976,384.00 | \$11,929,187.00 | \$16,710,302 |
| Current Liabilities | \$20,873,542.00 | 16,446,197 | 11,279,025 | 12,989,754 | 13,264,436 |
| Total Capitalization | \$37,761,984.00 | 31,757,627 | 26,646,179 | 26,322,836 | 27,918,302 |
| Long-Term Debt | \$7,000,000.00 | 7,000,000 | 7,000,000 | 4,500,000 | 7,000,000 |
| Preferred Stock | | | | - | |
| Common Stock and Retained Earnings (Excl. Preferred Stock) | \$14,766,984.00 | 13,774,627 | 12,356,179 | 12,722,836 | 13,088,302 |
| Short-Term Debt | \$15,995,000.00 | 10,983,000 | 7,290,000 | 9,100,000 | 7,830,000 |
| Pretax Income | \$1,964,997.00 | 2,664,846 | 3,038,789 | 1,198,720 | 2,572,211 |
| Interest Expense | 633,564 | 629,140 | 967,201 | 867,940 | 919,165 |
| Dividends Paid | | | 1,631,250 | 870,000 | 2,936,250 |
| Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends) | \$1,362,662.00 | 1,752,247 | 2,091,622 | 1,048,988 | 1,634,264 |
| Internal Cash | \$4,272,170.00 | (640,785) | 4,019,204 | 3,188,453 | 3,057,240 |
| Cash Outflows for Construction | \$8,792,180.00 | 2,862,126 | 2,319,943 | 2,015,132 | 1,282,938 |
| Shares Outstanding (Millions) Sch250251 | \$435,000.00 | 435,000 | 435,000 | 435,000 | 435,000 |
| Misc Deferred Debits | \$1,849,324.00 | 3,156,378 | 3,156,085 | 607,654 | (1,279,641) |
| Number of Employees | 45 | 46 | | 43 | 42 |
| <u>Pre-Tax Income</u> | | | | | |
| Total Utility Operating Income | \$1,362,662.00 | \$1,752,247 | \$2,091,622 | \$1,048,988 | \$1,634,264 |
| +Income Taxes - Electric | | | | | |
| +Income Taxes - Gas | \$602,335.00 | \$912,599.00 | 947,167 | 149,732 | 624,739 |
| +Other Income | | | | 257,482 | 328,703 |
| - Other Income Deductions | | | | 17,020 | 15,495 |
| - Other Taxes | | | | | |
| Pre-Tax Income | \$1,964,997.00 | \$2,664,846.00 | \$3,038,789 | \$1,439,182 | \$2,572,211 |