

Table 1 G

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

	2014	2013	2012	2011	2010
<b>UTILITY PLANT</b>					
1 Total Utility Plant	\$9,593,064	\$9,059,210	\$8,562,632	\$8,214,037	\$7,892,028
2 Less Acc. Prov. For Depreciation & Amortization	2,819,125	2,731,768	2,585,815	2,460,381	2,344,449
3 Net Total Utility Plant	6,773,939	6,327,442	5,976,817	5,753,655	5,547,580
<b>OTHER PROPERTY AND INVESTMENTS</b>					
4 Nonutility Property	1,371	2,286	2,248	2,248	2,248
5 Less Acc. Prov. For Depreciation & Amortization	(38)	(952)	(941)	(693)	(379)
6 Investment in Associated Companies			1,824	1,824	1,824
7 Investment in Subsidiary Companies	131,983	113,995	102,893	93,253	82,213
8 Other Investments	50	67	64	6	(97)
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds	26,820	15,703	2,329	2,430	2,501
12 Total Other Property and Investments	160,186	131,100	108,417	99,069	88,310
<b>CURRENT AND ACCRUED ASSETS</b>					
13 Cash	13,763	15,789	24,195	4,014	4,867
14 Special Deposits					3,090
15 Working Funds	174	177	177	176	165
16 Temporary Cash Investments	16	10	33,920	4,503	42,054
17 Notes Receivable	1,974	2,226	2,088	1,958	1,862
18 Accounts Receivable	461,808	642,943	522,870	404,375	547,880
19 Less Accum. Prov. For Uncollectible Accounts	(74,581)	(99,233)	(99,255)	(95,250)	(103,314)
20 Notes Receivable from Associated Companies		500			
21 Accounts Receivable from Assoc. Companies	178,751	838,036	642,204	13,483	10,276
22 Materials and Supplies	27,263	32,468	31,110	29,108	26,449
23 Gas Stored Underground - Current	223,186	257,879	211,911	283,528	253,569
24 Liquefied Natural Gas in Storage	6,141	7,175	8,058	9,418	10,523
25 Prepayments	117,261	134,272	128,038	137,621	134,879
26 Interest and Dividends Receivable	(2)	145	240	183	194
27 Rents Receivable	13,594	13,608	6,845	6,221	6,666
28 Accrued Utility Revenue	189,354	256,108	277,332	275,255	359,522
29 Misc. Current and Accrued Assets	15,364	25,462	23,872	33,343	12,105
30 Total Current and Accrued Assets	1,174,066	2,127,563	1,813,604	1,107,934	1,310,786
<b>DEFERRED DEBITS</b>					
31 Unamort. Debt Expense	10,849	12,616	14,318	16,336	14,911
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges	223	24	31	16	(54)
34 Clearing Accounts	(2,925)	(2,376)	(2,599)	(2,443)	(2,417)
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	2,101,574	2,109,867	2,456,715	2,499,651	2,415,968
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development	(2,229)	(2,590)	(1,519)	(862)	(802)
39 Accumulated Deferred Income Taxes	908,190	711,371	824,896	767,532	637,567
40 Total Deferred Debits	3,015,681	2,828,911	3,291,842	3,280,230	3,065,172
41 <b>Total Assets and Other Debits</b>	<b>\$11,123,872</b>	<b>\$11,415,015</b>	<b>\$11,190,680</b>	<b>\$10,240,888</b>	<b>\$10,011,848</b>

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

	2014	2013	2012	2011	2010	
<b>PROPRIETARY CAPITAL</b>						
Common Stock Issued	\$77,171	\$77,171	\$77,014	\$74,967	\$71,590	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	1,067,601	1,067,601	1,067,367	1,063,202	1,063,715	5
Other Paid-in Capital	(27,465)	(49,517)	(67,153)	(72,729)	(74,230)	6
Installments Received on Capital Stock						7
Capital Stock Expense	(123)	(178)	(209)	(136)	(134)	8
Retained Earnings	1,708,013	1,595,719	1,404,601	1,623,357	1,959,527	9
Unapp. Undistributed Subsidiary Earnings	82,244	72,212	64,464	67,288	66,783	10
Reacquired Capital Stock						11
Accumulated Other Comprehensive Income	(112)	(412)	(477)	(270)	(277)	12
Total Proprietary Capital	2,907,329	2,762,596	2,545,607	2,755,679	3,086,976	
<b>LONG-TERM DEBT</b>						
Bonds	1,656,918	1,654,650	1,653,778	1,652,592	1,150,343	13
Reacquired Bonds						14
Advances from Associated Companies	324,000	324,000	324,000	414,000	414,000	15
Other Long-Term Debt	8,197	8,333	7,660	7,159	7,184	16
Unamortized Premium on LT Debt						17
Unamortized Discount on LT Debt-Debit						18
Total Long-Term Debt	1,989,115	1,986,983	1,985,438	2,073,750	1,571,527	19
<b>CURRENT AND ACCRUED LIABILITIES</b>						
Notes Payable	35,267	24,906	21,197	17,754	13,189	20
Accounts Payable	168,599	115,585	129,601	141,826	231,461	21
Notes Payable to Associated Companies	852,234	663,975	246,213	309,815	625,654	22
Accounts Payable to Associated Companies	788,918	1,660,265	1,811,860	652,202	725,254	23
Customer Deposits	51,665	52,110	57,892	65,197	64,047	24
Taxes Accrued	24,201	(52,103)	16,769	31,878	(20,857)	25
Interest Accrued	16,470	17,360	39,171	30,660	31,279	26
Dividends Declared	9,600	12,100		9,600	29,600	27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	2,158	1,681	1,308	(592)	(1,739)	30
Misc. Current and Accrued Liabilities	40,884	95,996	118,983	109,431	83,102	31
Total Current and Accrued Liabilities	1,989,997	2,591,874	2,442,993	1,367,771	1,780,990	32
<b>DEFERRED CREDITS</b>						
Customer Advances for Construction	755	1,354	1,102	1,288	1,440	33
Other Deferred Credits	872,354	747,364	612,850	721,673	678,056	34
Accumulated Deferred Inv. Tax Credits	4,168	5,498	6,820	8,253	9,813	35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	2,658,977	2,521,519	2,526,834	2,289,418	2,027,084	37
Total Deferred Credits	3,536,255	3,275,734	3,147,606	3,020,633	2,716,393	38
<b>OPERATING RESERVES</b>						
Property Insurance Reserve						39
Injuries and Damage Reserve	63,588	66,271	57,427	15,836	9,671	40
Pension and Benefits Reserve	106,283	120,495	394,547	373,987	337,936	41
Miscellaneous Operating Reserves	531,306	611,061	617,062	633,232	508,355	42
Total Operating Reserves	701,176	797,828	1,069,036	1,023,055	855,962	43
<b>Total Liabilities and Other Credits</b>	<b>\$11,123,872</b>	<b>\$11,415,015</b>	<b>\$11,190,680</b>	<b>\$10,240,888</b>	<b>\$10,011,848</b>	<b>44</b>

Table 3 G

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

	2014	2013	2012	2011	2010
<b>GAS OPERATING INCOME</b>					
1 Operating Revenues	\$3,536,429	\$3,368,587	\$3,026,186	\$3,776,120	\$4,033,655
Operating Expenses:					
2 Operation Expense	2,278,338	2,129,132	1,860,757	2,531,294	2,764,337
3 Maintenance Expense	132,490	79,385	83,529	90,693	94,495
4 Depreciation Expense	196,636	186,909	181,250	178,540	171,281
5 Amort. and Depletion of Utility Plant	6,597	2,475	4,196	5,725	6,789
6 Amort. of Utility Plant Acq. Adj.	82,437	74,122	39,859	31,333	13,901
7 Amort. of Property Losses					
8 Amort. of Conversion Expenses	43	43	43	43	43
9 Other Expenses	394,147				
10 Taxes Other than Income Taxes	394,147	378,334	381,665	359,785	353,492
11 Income Taxes	115,980	147,493	126,181	195,482	217,364
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	3,600,815	2,997,894	2,677,482	3,392,896	3,621,701
15 Net Operating Revenues	(64,386)	370,693	348,704	383,224	411,954
16 Other Gas Utility Operating Income					
17 <b>Total Gas Utility Operating Income</b>	(64,386)	370,693	348,704	383,224	411,954
18 Other Utility Operating Income					
19 <b>Total Utility Operating Income</b>	(\$64,386)	\$370,693	\$348,704	\$383,224	\$411,954

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

	2014	2013	2012	2011	2010	
<b>OTHER INCOME</b>						
Income - Merch. Jobbing & Contract Work	\$221	\$233	\$182	\$161	\$151	1
Income from Nonutility Operations	(3,473)	(2,421)	111	(3)	(1)	2
Nonoperating Rental Income	4	2	(246)	(309)	(353)	3
Equity in Earnings of Subsidiary Companies	10,035	10,796	8,210	11,033	10,531	4
Interest and Dividend Income	534	10,236	(20,881)	43,820	49,843	5
Allowance for Funds Used During Construction	(808)	3,410	2,919	2,713	2,758	6
Miscellaneous Nonoperating Income	2,042	(47)	46	(1,032)	75	7
Gain on Disposition of Property	441	198	397		76	8
Total Other Income	8,996	22,407	(9,261)	56,385	63,080	9
<b>OTHER INCOME DEDUCTIONS</b>						
Loss on Disposition of Property	1	383	292			10
Miscellaneous Amortization	57	71	58	46	21	11
Miscellaneous Income Deductions	17,788	10,610	7,426	4,802	3,242	12
Total Other Income Deductions	17,847	11,064	7,776	4,848	3,263	13
<b>TAXES-OTHER INCOME AND DEDUCTIONS</b>						
Taxes Other than Income Taxes	465	584	310	296	292	14
Income Taxes	(1,081)	(1,297)	(1,196)	(1,195)	(1,546)	15
Total Taxes-Other Inc. & Deductions	(616)	(713)	(886)	(899)	(1,254)	16
Net Other Income and Deductions	(8,235)	12,056	(16,151)	52,437	61,071	17
<b>INTEREST CHARGES</b>						
Interest on Long-term Debt	82,137	82,383	84,157	76,136	58,749	18
Amortization of Debt Discount and Expense	2,820	2,938	2,496	2,466	2,410	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company	27,190	31,029	38,076	45,748	55,142	21
Other Interest Expense	22,749	13,232	4,470	25,765	26,758	22
Total Interest Charges	134,897	129,582	129,199	150,115	143,059	23
Income Before Extraordinary Items	(207,519)	253,167	203,354	285,546	329,966	24
<b>EXTRAORDINARY ITEMS</b>						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
<b>Net Income</b>	(\$207,519)	\$253,167	\$203,354	\$285,546	\$329,966	29
<b>RETAINED EARNINGS</b>						
Unappropriated Retained Earnings (BOP) *	\$1,594,204	\$1,397,422	\$1,623,357	\$1,959,527	\$1,899,063	30
Balance Transferred from Income	(217,554)	242,371	195,144	274,513	319,435	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock	43,400	43,242	424,406	620,796	270,703	34
Adjustments to Retained Earnings	(18,687)	(833)	10,507	10,112	11,732	35
Net Change	113,809	198,297	(218,755)	(336,170)	60,464	36
Unappropriated Retained Earnings (EOP)	1,708,013	1,595,719	1,404,601	1,623,357	1,959,527	37
Appropriated Retained Earnings (EOP)						38
<b>Total Retained Earnings</b>	1,708,013	1,595,719	1,404,601	1,623,357	1,959,527	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)**

	2014	2013	2012	2011	2010
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$185,927	\$253,167	\$203,354	\$285,546	\$329,966
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	290,998	315,450	229,879	221,029	195,646
3 Deferred Taxes & ITCs	(1,513)	105,102	178,278	154,292	182,931
4 Receivables and Inventory	200,270	(155,470)	(60,896)	105,632	159,836
5 Payables and Accrued Expenses	45,845	(63,950)	62,819	48,018	(111,979)
6 Regulatory Assets (Net)	20,868	334,955	(177,628)	18,286	(25,616)
7 Capitalized AFUDC - Equity	(2,897)	(3,248)	(2,763)	(2,631)	(2,749)
8 Undistributed Earnings of Affiliates	(10,025)	(507)	(7,951)	8,277	(60)
9 Other Adjustments (See company detail for explanations of major items)	(78,019)	(67,449)	31,178	51,354	(109,510)
10	66,187	(16,708)	1,374	4,316	26,320
11	(28,537)	(246,141)	36,438	8,482	400,977
12 Net Cash From Operating Activities	<u>689,105</u>	<u>455,201</u>	<u>494,083</u>	<u>902,602</u>	<u>1,045,763</u>
<b>Cash Flows From Investing Activities</b>					
13 Cash Outflows For Construction	(646,198)	(542,886)	(399,107)	(391,699)	(399,945)
14 Acquisition Of Other Non-Current Assets	(58)	(28)	(390)	(48)	(31)
15 Investments in & Advances to Affiliates					
16 Contributions & Advances from Affiliates	(83)	(99)	(16)	(146)	
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies	3,195	2,083	(260)		(270)
19 Investment Securities	(4)	(64)	102		
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities	(2,380)	4,416	(1,411)	(485)	(709)
22	52	(64)	(130)		15
23					
24 Net Cash From Investing Activities	<u>(645,475)</u>	<u>(536,642)</u>	<u>(401,211)</u>	<u>(392,378)</u>	<u>(400,941)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	2,132	98,986	381,295	84,866	(445,515)
26 Common Stock		12	5,997	1,097	2,272
27 Preferred Stock					
28 Short-Term Debt	10,362	3,709	3,443.09	4,565	(122,051)
29 Dividends Paid	(45,900)	(31,142)	(434,006.44)	(639,216)	(153,173)
30 Other Cash Flows - Financing Activities	(12,246)	(32,658)			
31					
32					
33 Net Cash From Financing Activities	<u>(45,652)</u>	<u>38,908</u>	<u>(43,271)</u>	<u>(548,688)</u>	<u>(718,467)</u>
34 Net Increase/(Decrease) In Cash Equivalents	(2,022)	(42,534)	49,600	(38,464)	(73,644)
35 Cash & Cash Equivalents Beginning Of Year *	18,189	60,723	11,123	49,587	123,231
36 Cash & Cash Equivalents End Of Year	\$16,167	\$18,189	\$60,723	\$11,123	\$49,587

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

	2014	2013	2012	2011	2010	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES (\$000s)</b>						
Residential	\$2,199,217	\$2,075,826	\$1,894,884	\$2,115,778	\$2,309,982	1
Commercial	377,242	320,587	286,570	351,487	415,038	2
Industrial	39,963	36,994	35,428	44,089	60,484	3
Other Ultimate Customers	74,071	41,524	63,703	70,549	87,016	4
Total Revenues-Ultimate Customer	2,690,492	2,474,931	2,280,586	2,581,902	2,872,520	5
Sales for Resale	380,753	435,579	257,025	538,459	528,566	6
Total Revenues from Gas Sales	3,071,246	2,910,511	2,537,611	3,120,361	3,401,086	7
Transportation Sales	594,954	702,498	613,047	588,716	564,762	8
Other Gas Operating Revenues	(129,771)	(247,622)	(124,472)	67,042	67,807	9
Total Gas Operating Revenues	\$3,536,429	\$3,365,387	\$3,026,186	\$3,776,120	\$4,033,655	10
<b>SALES (MCF)</b>						
Residential	190,009,340	176,712,795	152,329,440	170,407,845	177,714,350	11
Commercial	37,489,475	30,900,857	27,177,091	32,200,532	36,868,076	12
Industrial	3,982,559	3,865,485	4,069,195	4,492,047	6,102,356	13
Other Ultimate Customers	8,472,549	8,872,314	7,495,792	7,830,152	8,699,649	14
Total Sales-Ultimate Customer	239,953,924	220,351,451	191,071,518	214,930,576	229,384,431	15
Sales for Resale	42,952,095	59,436,825	55,030,503	80,561,839	83,773,062	16
Transportation Sales	222,656,018	242,879,281	250,729,773	267,299,532	240,988,084	17
Other Gas Sales			-			18
Total Sales	505,562,037	522,667,557	496,831,794	562,791,947	554,145,577	19
<b>AVG NUMBERS OF CUSTOMERS</b>						
Residential	1,961,523	1,946,894	1,964,040	1,999,522	2,029,836	20
Commercial	98,646	96,481	97,657	98,812	103,869	21
Industrial	7,040	6,793	6,375	7,179	7,013	22
Other Customers	4,235	4,399	4,313	4,324	3,883	23
Total Ultimate Customers	2,071,444	2,054,567	2,072,385	2,109,837	2,144,601	24
Resales	43	54	44	52	51	25
Total Customers	2,071,487	2,054,621	2,072,429	2,109,889	2,144,652	26
<b>OPERATING REVENUES RELATIONSHIP</b>						
<b>RESIDENTIAL SALES</b>						
Average Annual Bill Per Customer	\$1,121	\$1,066	\$965	\$1,058	\$1,138	27
Average MCF Consumption Per Customer	96.9	90.8	77.6	85.2	87.6	28
Average Revenue Per MCF Sold	\$11.57	\$11.75	\$12.44	\$12.42	\$13.00	29
<b>COMMERCIAL SALES</b>						
Average Annual Bill Per Customer	\$3,824	\$3,323	\$2,934	\$3,557	\$3,996	30
Average MCF Consumption Per Customer	380.0	320.3	278.3	325.9	354.9	31
Average Revenue Per MCF Sold	\$10.06	\$10.37	\$10.54	\$10.92	\$11.26	32
<b>INDUSTRIAL SALES</b>						
Average Annual Bill Per Customer	\$5,676	\$5,446	\$5,557	\$6,141	\$8,625	33
Average MCF Consumption Per Customer	565.7	569.1	638.3	625.7	870.1	34
Average Revenue Per MCF Sold	\$10.03	\$9.57	\$8.71	\$9.81	\$9.91	35
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering	15	44	\$89	\$104	\$93	38
Purchased Gas	1,356,376	1,343,206	1,000,888	1,742,550	1,994,891	39
Other	17,430	(33,752)	29,740	(21,455)	12,437	40
Total Production Expense	1,373,820	1,309,499	1,030,718	1,721,198	2,007,421	41
Natural Gas Storage Expense	45,943	46,332	39,493	37,717	36,235	42
Transmission Expense	108,862	105,472	101,668	102,426	92,516	43
Distribution Expense	237,468	182,725	158,016	176,896	179,806	44
Customer Account Expense	186,164	169,451	155,147	195,715	180,715	45
Sales Expense	6,377	8,243	9,136	14,232	5,430	46
Administrative and General	431,830	386,941	450,218	373,888	355,796	47
Total O & M Expense	\$2,390,464	\$2,208,662	\$1,944,395	\$2,622,072	\$2,857,919	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)**

	2014	2013	2012	2011	2010
1 Total Revenues	\$3,536,429	\$3,365,387	\$3,026,186	\$3,776,120	\$4,033,655
2 Sales of Gas (MCF) *	282,906,019	279,788,276	246,102,021	295,492,415	313,157,493
<b>DOLLAR AMOUNTS</b>					
3 Purchased Gas & Other Supply Exp.	\$1,526,690	\$1,452,615	\$1,170,059	\$1,859,453	\$2,134,064
4 Wages and Benefits	401,021	308,386	355,741	276,092	278,948
5 Other Operation & Maintenance Exp.	483,117	447,516	418,487	486,442	444,819
6 Depreciation & Amortization Expense	246,835	229,885	194,847	194,248	180,995
7 Income Taxes-Operating	115,980	147,493	126,181	195,482	217,364
8 Other Taxes-Operating	394,147	378,334	381,665	359,785	353,492
9 Capital Costs	368,639	401,158	379,206	404,618	423,974
10 Total	\$3,536,429	\$3,365,387	\$3,026,186	\$3,776,120	\$4,033,655
<b>PERCENT OF REVENUES</b>					
11 Purchased Gas & Other Supply Exp.	43.2	43.2	38.7	49.2	52.9
12 Wages and Benefits	11.3	9.2	11.8	7.3	6.9
13 Other Operation & Maintenance Exp.	13.7	13.3	13.8	12.9	11.0
14 Depreciation & Amortization Expense	7.0	6.8	6.4	5.1	4.5
15 Income Taxes-Operating	3.3	4.4	4.2	5.2	5.4
16 Other Taxes-Operating	11.1	11.2	12.6	9.5	8.8
17 Capital Costs	10.4	11.9	12.5	10.7	10.5
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER MCF</b>					
19 Purchased Gas & Other Supply Exp.	5.40	5.19	4.75	6.29	6.81
20 Wages and Benefits	1.42	1.10	1.45	0.93	0.89
21 Other Operation & Maintenance Exp.	1.71	1.60	1.70	1.65	1.42
22 Depreciation & Amortization Expense	0.87	0.82	0.79	0.66	0.58
23 Income Taxes-Operating	0.41	0.53	0.51	0.66	0.69
24 Other Taxes-Operating	1.39	1.35	1.55	1.22	1.13
25 Capital Costs	1.30	1.43	1.54	1.37	1.35
26 Total	12.50	12.03	12.30	12.78	12.88

**Notes:**

\* Includes Sales for Resale

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

**Data Field Below**

Purchased Gas and Other Supply Exp.	1,049,487	1,032,738	804,099	1,398,909	1,669,920
Liquidified Petro Gas					
Other Gas Supply	353,713	298,781	255,858	347,914	362,605
Gas Storage	45,933	46,321	39,480	37,710	36,230
Transmission Expense	108,852	103,519	100,060	100,813	90,692
Total Purchased Gas	508,498	448,620	395,398	486,436	489,526
-Total PG related to Sales for Resale					
PG - Ultimate Customers	508,498	448,620	395,398	486,436	489,526
<b><u>Wages and Benefits</u></b>					
Salaries	256,894	164,752	213,311	192,103	201,716
Pensions and Benefits	142,945	142,292	141,094	82,673	75,918
Total Wages and Benefits	399,840	307,044	354,405	274,777	277,634
<b><u>Other Expenses</u></b>					
Total O&M Expenses	2,410,828	2,208,517	1,944,287	2,621,987	2,857,832
-Total Purchased Gas	1,526,690	1,452,615	1,170,059	1,859,453	2,134,064
-Wages and Benefits	401,021	308,386	355,741	276,092	278,948
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	483,117	447,516	418,487	486,442	444,819
<b><u>Depreciation and Amortization</u></b>					
Depreciation Exp	195,534	186,909	181,250	178,540	171,281
Amort & Depl of Utility Plant	1,604	1,666	3,224	4,613	5,319
Amort of Other Utility Plant	48,595	41,310	10,372	11,095	4,394
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	245,733	229,885	194,847	194,248	180,995
<b><u>Fuel and PP related to Sales for Resale</u></b>					
Total PG	1,526,690	1,452,615	1,170,059	1,859,453	2,134,064
divided by Total MCFs	282,906	279,788	246,102	295,492	313,157
Fuel Cost per MCF	5.396	5.192	4.754	6.293	6.815
times Sales for Resale MCFs	20,115.662	27,324.203	30,399.099	38,039.876	34,306.071
Sales for Resale PG	108,956.877	139,751.091	144,128.077	240,548.221	235,908.214
<b><u>Transportation Volumes</u></b>	110,758	122,978	105,437	112,309	96,564

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

	2014	2013	2012	2011	2010	
Intangible	\$190,282	\$182,477	\$161,946	\$161,700	\$160,416	1
Production						
Manufactured Gas	2,370	2,370	2,369.84	2,370	2,388	2
Natural Gas	18,219	17,992	20,026	20,030	19,105	3
Natural Gas Storage						
Underground Storage						4
Other Storage	188,293	185,240	184,788	184,687	185,077	5
Transmission	553,978	493,843	487,777	473,809	465,096	6
Distribution	7,934,509	7,448,831	7,236,245	6,990,797	6,683,623	7
General	358,981	308,834	290,957	290,100	293,438	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Stored Underground, Non-current	858	858	858	858	858	11
<b>Total Plant In Service</b>	<b>9,247,489</b>	<b>8,640,444</b>	<b>8,384,966</b>	<b>8,124,350</b>	<b>7,810,001</b>	<b>12</b>
Plant Leased To Others						13
Plant Held For Future Use	336	336	336	95	460	14
Construction Work In Progress	343,837	417,170	176,077	88,331	80,307	15
Aquisition Adjustments	1,402	1,260	1,260	1,260	1,260	16
<b>Total Plant</b>	<b>9,593,064</b>	<b>9,059,210</b>	<b>8,562,639</b>	<b>8,214,037</b>	<b>7,892,028</b>	<b>17</b>
Accum. Prov. - Depr. & Amort.	2,819,125	2,731,768	2,585,815	2,460,381	2,344,449	18
<b>Total Net Plant</b>	<b>\$6,773,939</b>	<b>\$6,327,442</b>	<b>\$5,976,824</b>	<b>\$5,753,655</b>	<b>\$5,547,580</b>	<b>19</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.59	0.82	0.74	0.81	0.74	20
Total Capitalization (\$000s)	\$5,783,945	\$5,438,459	\$4,798,932	\$5,157,268	\$5,297,621	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	34.4%	36.5%	41.4%	40.2%	29.7%	22
Preferred Stock						23
Common Stock & Retained Earnings	50.3%	50.8%	53.1%	53.4%	58.3%	24
Short-Term Debt	15.3%	12.7%	5.6%	6.4%	12.1%	25
Pretax Coverage of Interest Expense	3.22	4.08	3.54	4.20	4.82	26
Com. Stock Dividends as a % of Earnings	23.3%	17.1%	144.8%	175.0%	69.4%	27
Return on Common Equity	6.6%	9.5%	11.1%	12.1%	12.8%	28
Internal Cash Generated as a % of Cash Outflows for Construction	106.6%	136.8%	114.3%	112.0%	264.6%	29
Earnings per Share	\$0.92	\$1.25	\$1.45	\$1.75	\$1.94	30
Book Value per Share	\$14.34	\$13.63	\$12.56	\$13.63	\$15.31	31
Dividends per Share	\$0.21	\$0.21	\$2.09	\$3.07	\$1.34	32
Number of Employees	3,374	3,222	3,218	3,202	3,362	33

**Data Field Below**

Current Assets	1,174,065,866	2,127,562,525	1,813,604,197	1,107,934,259	1,310,785,900
Current Liabilities	1,989,997,029	2,591,873,746	2,442,993,173	1,367,770,783	1,780,990,143
Total Capitalization	5,783,944,942	5,438,459,482	4,798,932,119	5,157,267,913	5,297,621,463
Long-Term Debt	1,989,115,057	1,986,982,862	1,985,438,130	2,073,750,488	1,571,526,510
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,907,328,644	2,762,595,807	2,546,084,211	2,755,948,768	3,087,252,509
Short-Term Debt	887,501,239	688,880,811	267,409,776	327,568,655	638,842,445
Pretax Income	436,590,933	529,331,720	457,555,207	629,957,005	689,285,174
Interest Expense	135,594,755	129,581,815	129,195,269	150,108,285	143,052,637
Dividends Paid	43,400,000	43,241,683	424,406,441	620,795,902	270,702,554
Net Income (Excl. Preferred Stock Dividends)	185,927,183	253,167,361	293,018,199	354,720,254	390,140,229
Internal Cash	689,104,622	742,812,266	456,361,154	438,894,536	1,058,068,789
Cash Outflows for Construction	646,197,587	542,885,770	399,107,211	391,699,224	399,944,583
Shares Outstanding (Millions)*** Check (SOME COMPANIES IN HOLD AMTS VS. .004)	202.7018	202.7018	202.6703	202.2610	201.5856
Misc Deferred Debits	1,229,219,599	1,362,502,941	1,843,864,230	1,777,977,773	1,737,912,117
Number of Employees	3,374	3,222	3,218	3,202	3,362

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

	2014	2013	2012	2011	2010
<b>UTILITY PLANT</b>					
1 Total Utility Plant	\$4,198,404,877	\$3,959,296,505	\$3,723,335,500	\$3,569,530,078	\$3,411,207,477
2 Less Acc. Prov. For Depreciation & Amortization	1,303,672,865	1,284,439,948	1,231,482,685	1,175,715,883	1,121,726,881
3 Net Total Utility Plant	2,894,732,012	2,674,856,557	2,491,852,815	2,393,814,195	2,289,480,596
<b>OTHER PROPERTY AND INVESTMENTS</b>					
4 Nonutility Property					
5 Less Acc. Prov. For Depreciation & Amortization					
6 Investment in Associated Companies					
7 Investment in Subsidiary Companies	131,932,290	113,950,171	102,594,611	93,217,589	82,176,402
8 Other Investments	49,875	49,875	49,875	110,347	110,347
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds					
12 Total Other Property and Investments	131,982,165	114,000,046	102,644,486	93,327,936	82,286,749
<b>CURRENT AND ACCRUED ASSETS</b>					
13 Cash	3,856,341	7,696,123	18,513,330		1,672,246
14 Special Deposits					2,200,000
15 Working Funds					
16 Temporary Cash Investments					1,333
17 Notes Receivable					
18 Accounts Receivable	226,943,591	272,656,912	201,871,934	181,666,335	263,257,478
19 Less Accum. Prov. For Uncollectible Accounts	(25,269,817)	(48,662,547)	(44,435,871)	(42,800,342)	(48,177,979)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies	36,903,250	456,088,096	365,741,644	5,643,985	4,680,064
22 Materials and Supplies	11,287,092	11,478,266	12,680,570	10,798,020	10,800,848
23 Gas Stored Underground - Current	121,498,338	150,361,412	105,821,035	129,551,477	119,523,680
24 Liquefied Natural Gas in Storage	4,081,633	4,715,026	5,457,799	6,760,703	7,758,944
25 Prepayments	86,050,974	100,416,871	96,766,520	93,870,045	92,716,882
26 Interest and Dividends Receivable					
27 Rents Receivable	4,643,719	4,766,059	2,444,230	2,241,094	2,612,959
28 Accrued Utility Revenue	84,449,614	122,068,765	145,354,335	141,873,403	194,941,276
29 Misc. Current and Accrued Assets	10,023,413	7,680,298	5,252,502	19,542,819	2,524,301
30 Total Current and Accrued Assets	564,468,148	1,089,265,281	915,468,028	549,147,539	654,512,032
<b>DEFERRED DEBITS</b>					
31 Unamort. Debt Expense	7,472,733	9,013,165	10,665,249	12,480,025	14,290,847
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges		6			
34 Clearing Accounts	112,169	660,797	4,036		
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	1,197,629,491	1,179,430,083	1,113,989,276	1,109,326,327	1,041,982,804
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development		1,656	1,656	219,080	224,749
39 Accumulated Deferred Income Taxes	559,572,592	432,287,131	488,252,503	418,795,732	312,665,388
40 Total Deferred Debits	1,764,786,985	1,621,392,838	1,612,912,720	1,540,821,164	1,369,163,788
41 <b>Total Assets and Other Debits</b>	<b>\$5,355,969,310</b>	<b>\$5,499,514,722</b>	<b>\$5,122,878,049</b>	<b>\$4,577,110,834</b>	<b>\$4,395,443,165</b>

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

	2014	2013	2012	2011	2010	
<b>PROPRIETARY CAPITAL</b>						
Common Stock Issued	\$1	\$1	\$1	\$1	\$1	1
Preferred Stock Issued	1	1	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	(108,480,122)	(128,267,589)	(130,975,027)	(134,903,461)	(134,903,461)	6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	884,899,499	832,092,152	734,348,974	759,027,730	843,765,845	9
Unapp. Undistributed Subsidiary Earnings	82,195,061	72,169,278	61,379,736	64,466,118	63,959,778	10
Required Capital Stock						11
Accumulated Other Comprehensive Income	(111,597)	(412,102)	(477,172)	(269,508)	(276,510)	
Total Proprietary Capital	1,331,129,925	1,248,208,823	1,136,903,595	1,160,947,963	1,245,172,735	12
<b>LONG-TERM DEBT</b>						
Bonds	1,040,500,000	1,040,500,000	1,040,500,000	1,040,500,000	1,039,183,459	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	1,040,500,000	1,040,500,000	1,039,183,459	19
<b>CURRENT AND ACCRUED LIABILITIES</b>						
Notes Payable						20
Accounts Payable	88,399,208	39,219,738	35,197,594	52,141,857	59,043,954	21
Notes Payable to Associated Companies	316,911,624	151,398,559	(115,493,433)	141,197,572	100,783,918	22
Accounts Payable to Associated Companies	295,982,091	907,779,021	994,794,353	273,746,525	342,759,296	23
Customer Deposits	29,162,581	32,494,169	36,738,418	41,270,483	40,671,190	24
Taxes Accrued	(5,094,325)	(69,849,076)	(5,892,132)	11,043,196	14,962,266	25
Interest Accrued	8,373,818	9,231,648	20,999,272	14,002,078	19,119,954	26
Dividends Declared						27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	3,233,798	743,753	1,136,954	(1,326,739)	(780,138)	30
Misc. Current and Accrued Liabilities	12,727,704	55,456,664	52,098,081	56,778,077	41,157,431	31
Total Current and Accrued Liabilities	749,696,499	1,126,474,476	1,019,579,107	588,853,049	617,717,871	32
<b>DEFERRED CREDITS</b>						
Customer Advances for Construction			(8,219)			33
Other Deferred Credits	381,753,314	314,361,653	199,295,148	231,744,795	232,773,828	34
Accumulated Deferred Inv. Tax Credits	3,130,868	4,041,609	4,952,349	5,863,089	6,773,829	35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	1,286,853,292	1,200,661,185	1,192,127,325	1,050,255,191	884,917,820	37
Total Deferred Credits	1,671,737,474	1,519,064,447	1,396,366,603	1,287,863,075	1,124,465,477	38
<b>OPERATING RESERVES</b>						
Property Insurance Reserve						39
Injuries and Damage Reserve	39,867,494	35,424,360	36,200,121	11,324,062	4,216,513	40
Pension and Benefits Reserve						41
Miscellaneous Operating Reserves	523,037,918	529,842,616	493,328,623	487,622,685	364,687,110	42
Total Operating Reserves	562,905,412	565,266,976	529,528,744	498,946,747	368,903,623	43
<b>Total Liabilities and Other Credits</b>	<b>\$5,355,969,310</b>	<b>\$5,499,514,722</b>	<b>\$5,122,878,049</b>	<b>\$4,577,110,834</b>	<b>\$4,395,443,165</b>	<b>44</b>

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

	2014	2013	2012	2011	2010
<b>GAS OPERATING INCOME</b>					
1 Operating Revenues	\$1,552,335,245	\$1,530,623,639	\$1,338,671,878	\$1,747,066,876	\$1,942,392,800
Operating Expense:					
2 Operation Expense	947,684,748	933,554,468	798,407,282	1,152,237,068	1,320,114,257
3 Maintenance Expense	74,986,665	50,749,920	49,106,259	52,500,974	53,915,516
4 Depreciation Expense	87,556,845	82,983,003	79,572,680	80,538,838	76,823,477
5 Amort. and Depletion of Utility Plant	1,589,883	1,652,078	3,210,113	4,599,177	5,305,326
6 Amort. of Utility Plant Acq. Adj.	43,602,210	40,500,851	9,400,768	9,982,938	2,924,359
7 Amort. of Property Losses					
8 Amort. of Conversion Expenses					
9 Other Expenses					
10 Taxes Other than Income Taxes	208,096,392	197,951,061	202,125,603	184,706,177	188,055,626
11 Income Taxes	55,281,133	65,923,553	56,352,240	90,074,307	96,946,780
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	1,418,797,876	1,373,314,934	1,198,174,945	1,574,639,479	1,744,085,341
15 Net Operating Revenues	133,537,369	157,308,705	140,496,933	172,427,397	198,307,459
16 Other Utility Operating Income					
17 <b>Total Gas Utility Operating Income</b>	133,537,369	157,308,705	140,496,933	172,427,397	198,307,459
18 Other Utility Operating Income					
19 <b>Total Utility Operating Income</b>	\$133,537,369	\$157,308,705	\$140,496,933	\$172,427,397	\$198,307,459

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

	2014	2013	2012	2011	2010	
<b>OTHER INCOME</b>						
Income - Merch. Jobbing & Contract Work						1
Income from Nonutility Operations	(663,241)	(1,828,100)	\$54,333	(\$2,560)	(\$1,442)	2
Nonoperating Rental Income						3
Equity in Earnings of Subsidiary Companies	10,025,783	10,789,542	7,947,803	11,034,185	10,527,845	4
Interest and Dividend Income	(2,271,956)	7,378,712	(14,824,230)	17,537,017	22,748,216	5
Allowance for Funds Used During Construction	(1,986,318)	2,792,569	1,311,007	1,094,982	1,442,131	6
Miscellaneous Nonoperating Income	1,101,022	(27,272)	(48,113)	(1,379,420)		7
Gain on Disposition of Property		(18,396)				8
Total Other Income	6,205,290	19,087,055	(5,559,200)	28,284,204	34,716,750	9
<b>OTHER INCOME DEDUCTIONS</b>						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	6,571,463	5,595,234	4,746,685	2,959,667	1,857,406	12
Total Other Income Deductions	6,571,463	5,595,234	4,746,685	2,959,667	1,857,406	13
<b>TAXES-OTHER INCOME AND DEDUCTIONS</b>						
Taxes Other than Income Taxes		272,719				14
Income Taxes	(910,740)	(910,740)	(910,739)	(910,740)	(910,740)	15
Total Taxes-Other Inc. & Deductions	(910,740)	(638,021)	(910,739)	(910,740)	(910,740)	16
Net Other Income and Deductions	544,567	14,129,842	(9,395,146)	26,235,277	33,770,084	17
<b>INTEREST CHARGES</b>						
Interest on Long-term Debt	46,650,653	46,809,648	48,579,017	47,753,171	49,716,871	18
Amortization of Debt Discount and Expense	2,244,843	2,347,877	1,814,776	1,810,822	1,810,822	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company	535,686	593,821	3,328,022	5,565,825	7,323,858	21
Other Interest Expense	2,989,468	9,846,733	(4,854,890)	7,764,631	195,385	22
Total Interest Charges	53,118,340	59,598,079	48,866,925	62,894,449	59,046,936	23
Income Before Extraordinary Items	80,963,596	111,840,468	82,234,862	135,768,225	173,030,607	24
<b>EXTRAORDINARY ITEMS</b>						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
<b>Net Income</b>	<b>\$80,963,596</b>	<b>\$111,840,468</b>	<b>\$82,234,862</b>	<b>\$135,768,225</b>	<b>\$173,030,607</b>	<b>29</b>
<hr/>						
<b>RETAINED EARNINGS</b>						
Unappropriated Retained Earnings (BOP)	\$832,092,152	\$734,348,974	\$759,027,730	\$843,765,845	\$820,183,108	30
Balance Transferred from Income	70,937,813	101,050,926	74,287,059	124,734,040	162,502,762	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock			110,000,000	220,000,000	150,000,000	34
Adjustments to Retained Earnings	(18,130,466)	(3,307,748)	11,034,185	10,527,845	11,079,975	35
Net Change	52,807,347	97,743,178	(24,678,756)	(84,738,115)	23,582,737	36
Unappropriated Retained Earnings (EOP)	884,899,499	832,092,152	734,348,974	759,027,730	843,765,845	37
Appropriated Retained Earnings (EOP)						38
<b>Total Retained Earnings</b>	<b>\$884,899,499</b>	<b>\$832,092,152</b>	<b>\$734,348,974</b>	<b>\$759,027,730</b>	<b>\$843,765,845</b>	<b>39</b>

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

	2014	2013	2012	2011	2010
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$80,963,596	\$111,840,468	\$82,234,862	\$135,768,225	\$173,030,607
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	134,993,781	173,973,884	93,998,337	98,248,316	86,934,051
3 Deferred Taxes & ITCs	(21,180,384)	56,885,270	75,991,141	71,542,228	128,886,825
4 Receivables and Inventory	52,201,147	(93,805,886)	(6,825,384)	67,558,643	107,455,005
5 Payables and Accrued Expenses	56,859,028	(19,334,355)	204,955	17,432,513	(41,269,033)
6 Regulatory Assets (Net)	(2,347,995)	(56,567,516)	(79,434,952)	25,701,920	(28,197,954)
7 Capitalized AFUDC - Equity	(1,986,318)	(2,792,569)	(1,311,007)	(1,094,982)	(1,442,131)
8 Undistributed Earnings of Affiliates	(10,025,783)	(500,948)	(7,947,803)	(11,034,185)	(10,527,845)
9 Other Adjustments	(2,188,302)	(12,254,048)	42,669,802	43,484,326	(44,558,177)
10	37,619,151			(16,164,231)	29,531,509
11				13,331,507	(12,034,545)
12 Net Cash From Operating Activities	<u>324,907,921</u>	<u>157,444,300</u>	<u>199,579,951</u>	<u>444,774,280</u>	<u>387,808,312</u>
<b>Cash Flows From Investing Activities</b>					
13 Cash Outflows For Construction	(312,447,426)	(252,920,772)	(177,617,336)	(188,211,768)	(188,964,711)
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	(8,554,683)				
22					
23					
24 Net Cash From Investing Activities	<u>(321,002,109)</u>	<u>(252,920,772)</u>	<u>(177,617,336)</u>	<u>(188,211,768)</u>	<u>(188,964,711)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt		84,441,680	106,550,715	(38,236,092)	(49,901,133)
26 Common Stock					
27 Preferred Stock					
28 Short-Term Debt					
29 Dividends Paid			(110,000,000)	(220,000,000)	(150,000,000)
30 Other Cash Flows - Financing Activities	(7,745,595)				
31					
32					
33 Net Cash From Financing Activities	<u>(7,745,595)</u>	<u>84,441,680</u>	<u>(3,449,285)</u>	<u>(258,236,092)</u>	<u>(199,901,133)</u>
34 Net Increase/(Decrease) In Cash Equivalents	(3,839,783)	(11,034,791)	18,513,330	(1,673,580)	(1,057,532)
35 Cash & Cash Equivalents Beginning Of Year	7,696,124	18,730,915	(0)	1,673,580	2,731,112
36 <b>Cash &amp; Cash Equivalents End Of Year</b>	<b>\$3,856,341</b>	<b>\$7,696,124</b>	<b>\$18,513,330</b>	<b>(\$0)</b>	<b>\$1,673,580</b>

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

	2014	2013	2012	2011	2010	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Residential	\$986,323,950	\$939,913,932	\$861,924,286	\$950,025,717	\$1,091,968,117	1
Commercial	109,100,602	96,584,942	87,157,725	100,122,861	123,260,339	2
Industrial	15,381,281	15,280,954	14,419,741	17,742,744	26,281,780	3
Other Ultimate Customers	73,895,087	41,336,235	63,542,967	70,398,335	86,845,526	4
Total Revenues-Ultimate Customer	1,184,700,921	1,093,116,062	1,027,044,719	1,138,289,657	1,328,355,762	5
Sales for Resale	246,541,081	275,311,113	128,971,543	305,976,396	318,290,623	6
Total Revenues from Gas Sales	1,431,242,002	1,368,427,176	1,156,016,262	1,444,266,053	1,646,646,385	7
Transportation Sales	276,045,736	386,079,386	282,307,861	273,643,667	267,374,379	8
Other Gas Operating Revenues	(154,952,492)	(227,082,773)	(99,652,245)	29,157,156	28,372,036	9
Total Gas Operating Revenues	\$1,552,335,245	\$1,527,423,789	\$1,338,671,878	\$1,747,066,876	\$1,942,392,800	10
<b>SALES (MCF)</b>						
Residential	80,218,568	76,313,054	65,566,150	72,558,924	77,779,142	11
Commercial	10,661,164	9,534,580	8,470,857	9,393,188	10,617,964	12
Industrial	1,654,029	1,676,462	1,695,641	1,965,172	2,739,752	13
Other Ultimate Customers	8,452,489	8,853,341	7,478,701	7,814,419	8,683,167	14
Total Sales-Ultimate Customer	100,986,249	96,377,437	83,211,349	91,731,703	99,820,025	15
Sales for Resale	22,836,434	32,112,622	24,631,404	42,521,963	49,466,991	16
Transportation Sales	99,747,626	111,572,413	94,454,001	100,126,636	84,940,908	17
Other Gas Sales						18
Total Sales	223,570,309	240,062,473	202,296,755	234,380,302	234,227,924	19
<b>AVG NUMBER OF CUSTOMERS</b>						
Residential	917,815	914,106	921,790	949,890	963,936	20
Commercial	29,098	28,879	29,346	29,548	31,046	21
Industrial	2,777	2,734	2,283	2,956	2,623	22
Other Customers	4,188	4,336	4,246	4,262	3,825	23
Total Ultimate Customers	953,878	950,055	957,665	986,656	1,001,430	24
Resales	19	22	19	21	20	25
Total Customers	953,897	950,077	957,684	986,677	1,001,450	26
<b>OPERATING REVENUES RELATIONSHIP</b>						
<b>RESIDENTIAL SALES</b>						
Average Annual Bill Per Customer	\$1,075	\$1,028	\$935	\$1,000	\$1,133	27
Average MCF Consumption Per Customer	87.4	83.5	71.1	76.4	80.7	28
Average Revenue Per MCF Sold	\$12.30	\$12.32	\$13.15	\$13.09	\$14.04	29
<b>COMMERCIAL SALES</b>						
Average Annual Bill Per Customer	\$3,749	\$3,344	\$2,970	\$3,388	\$3,970	30
Average MCF Consumption Per Customer	366.4	330.2	288.7	317.9	342.0	31
Average Revenue Per MCF Sold	\$10.23	\$10.13	\$10.29	\$10.66	\$11.61	32
<b>INDUSTRIAL SALES</b>						
Average Annual Bill Per Customer	\$5,539	\$5,589	\$6,316	\$6,002	\$10,020	33
Average MCF Consumption Per Customer	595.6	613.2	742.7	664.8	1,044.5	34
Average Revenue Per MCF Sold	\$9.30	\$9.12	\$8.50	\$9.03	\$9.59	35
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	\$581,926,457	\$685,322,667	\$452,352,180	\$835,934,454	\$1,025,829,631	39
Other	(446,186)	(57,377,623)	15,568,449	555,838	974,795	40
Total Production Expense	581,480,271	627,945,044	467,920,629	836,490,292	1,026,804,426	41
Natural Gas Storage Expense	7,844,014	7,555,039	4,282,664	4,639,614	4,513,630	42
Transmission Expense	15,032,642	11,682,194	6,723,580	4,432,577	4,224,314	43
Distribution Expense	126,788,063	92,153,721	76,036,185	86,859,231	88,429,026	44
Customer Account Expense	68,497,669	83,637,061	71,383,076	91,428,181	75,669,558	45
Sales Expense	3,388,970	3,762,143	5,185,186	7,136,931	7,725,005	46
Administrative and General	199,092,753	157,569,186	215,982,221	173,751,216	166,663,814	47
Total O & M Expense	\$1,002,124,382	\$984,304,388	\$847,513,541	\$1,204,738,042	\$1,374,029,773	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.

	2014	2013	2012	2011	2010
1 Total Revenues	\$1,552,335,245	\$1,527,423,789	\$1,338,671,878	\$1,747,066,876	\$1,942,392,800
2 Sales of Gas (MCF) *	123,822,683	128,490,060	107,842,753	134,253,666	149,287,016
<b>DOLLAR AMOUNTS</b>					
3 Purchased Gas & Other Supply Exp.	\$624,903,960	\$647,182,277	\$478,926,873	\$845,562,483	\$1,035,542,370
4 Wages and Benefits	177,766,176	99,547,799	142,806,704	97,613,587	107,303,140
5 Other Operation & Maintenance Exp.	220,001,277	237,574,311	225,779,964	261,561,972	231,184,263
6 Depreciation & Amortization Expense	132,748,938	125,135,932	92,183,561	95,120,953	85,053,162
7 Income Taxes-Operating	55,281,133	65,923,553	56,352,240	90,074,307	96,946,780
8 Other Taxes-Operating	208,096,392	197,951,061	202,125,603	184,706,177	188,055,626
9 Capital Costs	133,537,369	154,108,855	140,496,933	172,427,397	198,307,459
10 Total	\$1,552,335,245	\$1,527,423,789	\$1,338,671,878	\$1,747,066,876	\$1,942,392,800
<b>PERCENT OF REVENUES</b>					
11 Purchased Gas & Other Supply Exp.	40.3	42.4	35.8	48.4	53.3
12 Wages and Benefits	11.5	6.5	10.7	5.6	5.5
13 Other Operation & Maintenance Exp.	14.2	15.6	16.9	15.0	11.9
14 Depreciation & Amortization Expense	8.6	8.2	6.9	5.4	4.4
15 Income Taxes-Operating	3.6	4.3	4.2	5.2	5.0
16 Other Taxes-Operating	13.4	13.0	15.1	10.6	9.7
17 Capital Costs	8.6	10.1	10.5	9.9	10.2
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER MCF</b>					
19 Purchased Gas & Other Supply Exp.	5.05	5.04	4.44	6.30	6.94
20 Wages and Benefits	1.44	0.77	1.32	0.73	0.72
21 Other Operation & Maintenance Exp.	1.78	1.85	2.09	1.95	1.55
22 Depreciation & Amortization Expense	1.07	0.97	0.85	0.71	0.57
23 Income Taxes-Operating	0.45	0.51	0.52	0.67	0.65
24 Other Taxes-Operating	1.68	1.54	1.87	1.38	1.26
25 Capital Costs	1.08	1.20	1.30	1.28	1.33
26 Total	12.54	11.89	12.41	13.01	13.01

**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.	602,027,302	627,945,044	467,920,629	836,490,292	1,026,804,426
Liquidified Petro Gas					
Other Gas Supply					
Gas Storage	7,844,016	7,555,039	4,282,664	4,639,614	4,513,630
Transmission Expense	15,032,642	11,682,194	6,723,580	4,432,577	4,224,314
Total Purchased Gas	624,903,960	647,182,277	478,926,873	845,562,483	1,035,542,370
-Total PG related to Sales for Resale					
PG - Ultimate Customers	624,903,960	647,182,277	478,926,873	845,562,483	1,035,542,370
<b><u>Wages and Benefits</u></b>					
Salaries	125,324,649	49,054,288	85,871,839	74,697,512	84,110,922
Pensions and Benefits	52,441,527	50,493,512	56,934,865	22,916,075	23,192,218
Total Wages and Benefits	177,766,176	99,547,799	142,806,704	97,613,587	107,303,140
<b><u>Other Expenses</u></b>					
Total O&M Expenses	1,022,671,413	984,304,388	847,513,541	1,204,738,042	1,374,029,773
-Total Purchased Gas	624,903,960	647,182,277	478,926,873	845,562,483	1,035,542,370
-Wages and Benefits	177,766,176	99,547,799	142,806,704	97,613,587	107,303,140
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	220,001,277	237,574,311	225,779,964	261,561,972	231,184,263
<b><u>Depreciation and Amortization</u></b>					
Depreciation Exp	87,556,845	82,983,003	79,572,680	80,538,838	76,823,477
Amort & Depl of Utility Plant	1,589,883	1,652,078	3,210,113	4,599,177	5,305,326
Amort of Other Utility Plant	43,602,210	40,500,851	9,400,768	9,982,938	2,924,359
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	132,748,938	125,135,932	92,183,561	95,120,953	85,053,162
<b><u>Fuel and PP related to Sales for Resale</u></b>					
Total PG	624,903,960	647,182,277	478,926,873	845,562,483	1,035,542,370
divided by Total MCFs	123,822,683	128,490,060	107,842,753	134,253,666	149,287,016
Fuel Cost per MCF	5	5	4	6	7
times Sales for Resale MCFs					
Sales for Resale PG					
<b><u>Transportation Volumes</u></b>					
	99,747,626	111,572,413	94,454,001	100,126,636	84,940,908

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

	2014	2013	2012	2011	2010	
Intangible	\$124,398,747.18	\$124,398,747	\$124,398,747	\$124,418,300	\$124,405,565	1
Production						2
Manufactured Gas						3
Natural Gas						4
Natural Gas Storage						5
Underground Storage						6
Other Storage	138,779,320	136,745,816	136,295,223	136,265,664	\$136,263,814	7
Transmission	169,397,597	134,320,410	131,026,215	121,333,132	\$117,575,332	8
Distribution	3,446,169,413	3,196,294,099	3,112,219,104	3,006,224,169	\$2,849,687,960	9
General	138,522,448	129,730,681	124,248,311	126,610,320	\$134,149,865	10
Gas - Purchased or Sold						11
Experimental - Unclassified						12
Gas - Underground, Non-current	857,650	857,650	857,650	857,650	\$857,650	13
<b>Total Plant In Service</b>	<b>4,018,125,176</b>	<b>3,722,347,404</b>	<b>3,629,045,250</b>	<b>3,515,709,235</b>	<b>3,362,940,186</b>	<b>14</b>
Plant Leased To Others						15
Plant Held For Future Use	242,470	242,470	242,470	1,698	366,554	16
Construction Work In Progress	180,037,231	236,706,631	94,047,780	53,819,145	47,900,737	17
Acquisition Adjustments						18
<b>Total Plant</b>	<b>4,198,404,877</b>	<b>3,959,296,504</b>	<b>3,723,335,500</b>	<b>3,569,530,078</b>	<b>3,411,207,477</b>	<b>19</b>
Accum. Prov. - Depr. & Amort.	1,303,672,865	1,284,439,948	1,231,482,685	1,175,715,883	1,121,726,881	20
<b>Total Net Plant</b>	<b>\$2,894,732,012</b>	<b>\$2,674,856,557</b>	<b>\$2,491,852,815</b>	<b>\$2,393,814,195</b>	<b>\$2,289,480,596</b>	<b>21</b>
Current Assets / Current Liabilities	0.75	0.97	0.90	0.93	1.06	22
Total Capitalization	\$2,688,541,549	\$2,440,107,382	\$2,062,387,334	\$2,342,915,043	\$2,385,416,622	23
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	38.7%	42.6%	50.5%	44.4%	43.6%	24
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	25
Common Stock & Retained Earnings	49.5%	51.2%	55.1%	49.6%	52.2%	26
Short-Term Debt	11.8%	6.2%	-5.6%	6.0%	4.2%	27
Pretax Coverage of Interest Expense	3.55	3.97	3.82	4.58	5.56	28
Com. Stock Dividends as a % of Earnings			78.3%	127.6%	75.6%	29
Return on Common Equity	6.3%	9.4%	12.2%	14.3%	16.1%	30
Internal Cash Generated as a % of Cash Outflows for Construction	104.0%	62.3%	112.4%		228.8%	31
Earnings per Share	\$0.81	\$1.12	\$1.40	\$1.72	\$1.98	32
Book Value per Share	\$13.31	\$12.48	\$11.37	\$11.61	\$12.45	33
Dividends per Share			\$1.10	\$2.20	\$1.50	34
Number of Employees	1,223	1,221	1,254	1,221	1,326	35

**Data Field Below**

Current Assets	564,468,148	1,089,265,281	915,468,028	549,147,539	654,512,032
Current Liabilities	749,696,499	1,126,474,476	1,019,579,107	588,853,049	617,717,871
Total Capitalization	2,688,541,549	2,440,107,382	2,062,387,334	2,342,915,043	2,385,416,622
Long-Term Debt	1,040,500,000	1,040,500,000	1,040,500,000	1,040,500,000	1,039,183,459
Preferred Stock	1	1	1	1	
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,331,129,924	1,248,208,822	1,137,380,766	1,161,217,470	1,245,449,245
Short-Term Debt	316,911,624	151,398,559	(115,493,433)	141,197,572	100,783,918
Pretax Income	188,452,329	236,451,360	186,543,288	287,826,241	328,113,583
Interest Expense	53,118,340	59,598,079	48,866,925	62,894,449	59,046,936
Common Dividends Paid			110,000,000	220,000,000	150,000,000
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	80,963,596	111,840,468	140,496,933	172,427,397	198,307,459
Internal Cash	324,907,922	157,444,300	199,579,951		432,366,489
Cash Outflows for Construction	312,447,426	252,920,772	177,617,336	188,211,768	188,964,711
Shares Outstanding (Millions) Sch250251	100	100	100	100	100
Misc Deferred Debits	815,876,177	865,068,430	914,694,128	877,581,532	809,208,976
Number of Employees	1,223	1,221	1,254	1,221	1,326
Pre-Tax Income					
Total Utility Operating Income	133,537,369	157,308,705	140,496,933	172,427,397	198,307,459
+Income Taxes - Electric					
+Income Taxes - Gas	55,281,133	65,923,553	56,352,240	90,074,307	96,946,780
+Other Income	6,205,290	19,087,055	(5,559,200)	28,284,204	34,716,750
- Other Income Deductions	6,571,463	5,595,234	4,746,685	2,959,667	1,857,406
- Other Taxes		272,719			
Pre-Tax Income	188,452,329	236,451,360	186,543,288	287,826,241	328,113,583

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

	2014	2013	2012	2011	2010	94
<b>UTILITY PLANT</b>						
1 Total Utility Plant	\$70,108,180	\$62,551,176	\$55,640,495	\$49,349,393	\$44,783,483	
2 Less Acc. Prov. For Depreciation & Amortization	19,929,282	18,451,513	16,337,855	14,761,978	13,293,584	
3 Net Total Utility Plant	50,178,898	44,099,663	39,302,640	34,587,415	31,489,899	
<b>OTHER PROPERTY AND INVESTMENTS</b>						
4 Nonutility Property						
5 Less Acc. Prov. For Depreciation & Amortization						
6 Investment in Associated Companies			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	2,414,803	2,392,392	2,328,545	2,430,394	2,501,421	
12 Total Other Property and Investments	2,414,803	2,392,392	4,411,904	4,253,963	4,324,990	
<b>CURRENT AND ACCRUED ASSETS</b>						
13 Cash	52,645	320,463	371,467	147,469	190,497	
14 Special Deposits						
15 Working Funds	600	1,250	1,250	1,250	1,250	
16 Temporary Cash Investments						
17 Notes Receivable						
18 Accounts Receivable	2,237,947	2,530,779	2,258,431	1,478,614	1,834,787	
19 Less Accum. Prov. For Uncollectible Accounts	(61,638)	(287,775)	(251,789)	(32,131)	(35,584)	
20 Notes Receivable from Associated Companies		500,000				
21 Accounts Receivable from Assoc. Companies	82,769	752,272				
22 Materials and Supplies	935,880	941,293	1,162,996	928,015	738,234	
23 Gas Stored Underground - Current	1,733,651	1,352,302	1,333,114	2,279,703	1,938,923	
24 Liquefied Natural Gas in Storage						
25 Prepayments	769,267	696,318	539,531	482,915	346,289	
26 Interest and Dividends Receivable						
27 Rents Receivable						
28 Accrued Utility Revenue						
29 Misc. Current and Accrued Assets						
30 Total Current and Accrued Assets	5,751,121	6,806,902	5,415,000	5,285,835	5,014,396	
<b>DEFERRED DEBITS</b>						
31 Unamort. Debt Expense	293,804	353,915	237,484	274,808	304,932	
32 Extraordinary Property Losses						
33 Prelim. Survey and Investigation Charges						
34 Clearing Accounts						
35 Temporary Facilities						
36 Miscellaneous Deferred Debits	2,733,537	3,580,921	4,347,888	3,240,586	3,424,558	
37 Deferred Losses from Disp. of Utility Plant						
38 Research and Development						
39 Accumulated Deferred Income Taxes	4,909,527	5,018,578	5,127,628	5,098,812		
40 Total Deferred Debits	7,936,867	8,953,414	9,713,000	8,614,206	3,729,490	
41 <b>Total Assets and Other Debits</b>	<b>\$66,281,689</b>	<b>\$62,252,371</b>	<b>\$58,842,544</b>	<b>\$52,741,419</b>	<b>\$44,558,775</b>	

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

	2014	2013	2012	2011	2010	94
<b>PROPRIETARY CAPITAL</b>						
Common Stock Issued	\$11,323,855	\$11,323,855	\$11,166,335	\$9,119,835	\$5,743,140	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	12,043,722	12,043,722	11,809,321	7,644,375	8,158,076	5
Other Paid-in Capital						6
Installments Received on Capital Stock						7
Capital Stock Expense	(122,818)	(178,306)	(209,087)	(136,030)	(133,640)	8
Retained Earnings	467,927	(1,240,687)	(3,428,558)	(2,949,936)	(1,382,961)	9
Unapp. Undistributed Subsidiary Earnings			3,048,063	2,788,273	2,788,273	10
Reacquired Capital Stock						11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	23,712,686	21,948,584	22,386,074	16,466,517	15,172,888	12
<b>LONG-TERM DEBT</b>						
Bonds	16,417,674	14,149,694	13,277,958	12,091,748	11,159,198	13
Reacquired Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	1,197,383	1,333,168	660,172	158,740	183,853	16
Unamortized Premium on LT Debt						17
Unamortized Discount on LT Debt-Debit						18
Total Long-Term Debt	17,615,057	15,482,862	13,938,130	12,250,488	11,343,051	19
<b>CURRENT AND ACCRUED LIABILITIES</b>						
Notes Payable	6,887,282	6,638,778	5,201,596	6,770,507	5,898,635	20
Accounts Payable	1,952,645	2,303,631	2,149,836	2,422,854	2,031,113	21
Notes Payable to Associated Companies						22
Accounts Payable to Associated Companies		1,500,000				23
Customer Deposits	244,100	233,277	234,743	229,572	234,732	24
Taxes Accrued	(3,078,594)	(5,182,007)	(4,971,985)	(3,699,571)	(2,239,866)	25
Interest Accrued	2,992	880	1,502	1,449	1,830	26
Dividends Declared						27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	37,340	27,156	18,945	18,144	24,272	30
Misc. Current and Accrued Liabilities	7,144,179	6,983,579	9,302,696	9,081,028	8,827,434	31
Total Current and Accrued Liabilities	13,189,944	12,505,294	11,937,333	14,823,983	14,778,150	32
<b>DEFERRED CREDITS</b>						
Customer Advances for Construction						33
Other Deferred Credits	2,197,220	1,409,445	1,868,929	1,611,961	1,117,548	34
Accumulated Deferred Inv. Tax Credits						35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	9,566,781	10,906,186	8,712,078	7,588,470	2,147,138	37
Total Deferred Credits	11,764,001	12,315,631	10,581,007	9,200,431	3,264,686	38
<b>OPERATING RESERVES</b>						
Property Insurance Reserve						39
Injuries and Damage Reserve						40
Pension and Benefits Reserve						41
Miscellaneous Operating Reserves						42
Total Operating Reserves						43
<b>Total Liabilities and Other Credits</b>	<b>\$66,281,689</b>	<b>\$62,252,371</b>	<b>\$58,842,544</b>	<b>\$52,741,419</b>	<b>\$44,558,775</b>	<b>44</b>

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

	2014	2013	2012	2011	2010	94
<b>GAS OPERATING INCOME</b>						
1	Operating Revenues	\$25,098,911	\$24,116,590	\$20,112,823	\$21,889,372	\$22,179,922
	Operating Expense:					
2	Operation Expense	16,603,278	15,034,634	13,685,366	15,429,660	16,251,204
3	Maintenance Expense	654,770	490,496	338,207	389,657	335,759
4	Depreciation Expense	1,453,905	2,176,541	1,744,099	1,593,313	824,232
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	1,973,591	1,899,190	1,920,223	1,963,392	1,725,359
11	Income Taxes	1,348,675	1,231,722	205,506	304,275	786,059
12	Gains from Disposition of Util. Plant					
13	Losses from Disposition of Util. Plant					
14	Total Operating Expenses	22,034,219	20,832,583	17,893,401	19,680,297	19,922,613
15	Net Operating Revenues	3,064,692	3,284,007	2,219,422	2,209,075	2,257,309
16	Other Utility Operating Income					
17	<b>Total Gas Utility Operating Income</b>	3,064,692	3,284,007	2,219,422	2,209,075	2,257,309
18	Other Utility Operating Income					
19	<b>Total Utility Operating Income</b>	\$3,064,692	\$3,284,007	\$2,219,422	\$2,209,075	\$2,257,309

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

	2014	2013	2012	2011	2010	94
<b>OTHER INCOME</b>						
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	92,737	101,556	126,507	61,901	248,147	5
Allowance for Funds Used During Construction						6
Miscellaneous Nonoperating Income	79,998	(36,279)	81,131	328,279	54,585	7
Gain on Disposition of Property						8
Total Other Income	172,735	65,277	467,428	390,180	302,732	9
<b>OTHER INCOME DEDUCTIONS</b>						
Loss on Disposition of Property						10
Miscellaneous Amortization	57,365	70,689	58,148	45,711	21,040	11
Miscellaneous Income Deductions	114,982	136,397	301,016	312,168	117,430	12
Total Other Income Deductions	172,347	207,086	359,164	357,879	138,470	13
<b>TAXES-OTHER INCOME AND DEDUCTIONS</b>						
Taxes Other than Income Taxes						14
Income Taxes						15
Total Taxes-Other Inc. & Deductions						16
Net Other Income and Deductions	388	(141,809)	108,264	32,301	164,262	17
<b>INTEREST CHARGES</b>						
Interest on Long-term Debt	690,945	771,173	772,357	759,710	689,625	18
Amortization of Debt Discount and Expense	81,033	54,301	46,110	46,478	38,304	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company						21
Other Interest Expense	171,755	151,887	194,144	180,445	195,777	22
Total Interest Charges	943,733	977,361	1,012,611	986,633	923,706	23
Income Before Extraordinary Items	2,121,347	2,164,837	1,315,075	1,254,743	1,497,865	24
<b>EXTRAORDINARY ITEMS</b>						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
<b>Net Income</b>	<b>\$2,121,347</b>	<b>\$2,164,837</b>	<b>\$1,315,075</b>	<b>\$1,254,743</b>	<b>\$1,497,865</b>	<b>29</b>
<b>RETAINED EARNINGS</b>						
Unappropriated Retained Earnings (BOP)	(\$1,240,687)	(\$3,428,558)	(\$2,949,936)	(\$1,382,961)	(\$2,915,021)	30
Balance Transferred from Income	2,121,347	2,164,837	1,055,285	1,254,743	1,497,865	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock		2,341,683	1,006,441	2,395,902	671,304	34
Adjustments to Retained Earnings	(412,733)	2,364,717	(527,466)	(425,816)	705,499	35
Net Change	1,708,614	2,187,871	(478,622)	(1,566,975)	1,532,060	36
Unappropriated Retained Earnings (EOP)	467,927	(1,240,687)	(3,428,558)	(2,949,936)	(1,382,961)	37
Appropriated Retained Earnings (EOP)						38
<b>Total Retained Earnings</b>	<b>\$467,927</b>	<b>(\$1,240,687)</b>	<b>(\$3,428,558)</b>	<b>(\$2,949,936)</b>	<b>(\$1,382,961)</b>	<b>39</b>

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

	2014	2013	2012	2011	2010	94
<b>Cash Flows From Operating Activities</b>						
1 Net Income	\$2,121,347	\$2,164,837	\$1,315,075	\$1,254,743	\$1,497,865	
Adjustments to reconcile net income to net cash provided by operating activities:						
2 Depreciation, Depletion & Amortization	1,517,460	2,616,173	2,022,755	1,615,035	854,238	
3 Deferred Taxes & ITCs	(1,230,354)	2,303,158	1,094,792	342,520	270,851	
4 Receivables and Inventory	860,912	(1,286,119)	151,449	(177,841)	(1,014,853)	
5 Payables and Accrued Expenses	436,146	(869,221)	(1,317,739)	(826,039)	357,329	
6 Regulatory Assets (Net)	1,677,809	65,046	(942,683)	569,493	1,018,909	
7 Capitalized AFUDC - Equity						
8 Undistributed Earnings of Affiliates	6,366					
9 Other Adjustments						
10	(458,790)	1,252,320	(591,566)	(395,059)	738,723	
11	(3,195,345)	(1,995,345)	(591,566)	133,579	95,023	
12 Net Cash From Operating Activities	<u>1,735,552</u>	<u>4,250,849</u>	<u>1,732,083</u>	<u>2,516,431</u>	<u>3,818,085</u>	
<b>Cash Flows From Investing Activities</b>						
13 Cash Outflows For Construction	(7,557,004)	(6,973,564)	(6,459,324)	(4,690,829)	(5,242,698)	
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	3,195,345	2,083,359	(259,790)			
19 Investment Securities	(22,411)	(63,847)	101,849			
20 Other Current Assets & Liabilities						
21 Other Cash Flows - Investing Activities						
22						
23						
24 Net Cash From Investing Activities	<u>(4,384,070)</u>	<u>(4,954,052)</u>	<u>(6,617,265)</u>	<u>(4,690,829)</u>	<u>(5,242,698)</u>	
<b>Cash Flows From Financing Activities</b>						
Net Proceeds (Payments) - Issuing & Retiring:						
25 Long-Term Debt	2,132,195	1,544,732	1,687,642	907,437	1,886,105	
26 Common Stock		11,968	5,996,890	1,096,769	2,271,793	
27 Preferred Stock						
28 Short-Term Debt	248,504	1,437,182	(1,568,911)	871,872	(1,841,125)	
29 Dividends Paid		(2,341,683)	(1,006,441)	(815,735)	(671,304)	
30 Other Cash Flows - Financing Activities						
31						
32						
33 Net Cash From Financing Activities	<u>2,380,699</u>	<u>652,199</u>	<u>5,109,180</u>	<u>2,060,343</u>	<u>1,645,469</u>	
34 Net Increase/(Decrease) In Cash Equivalents	(267,820)	(51,004)	223,998	(114,055)	220,856	
35 Cash & Cash Equivalents Beginning Of Year	2,752,107	2,803,111	2,579,113	2,693,168	2,472,312	
36 <b>Cash &amp; Cash Equivalents End Of Year</b>	<b>\$2,484,287</b>	<b>\$2,752,107</b>	<b>\$2,803,111</b>	<b>\$2,579,113</b>	<b>\$2,693,168</b>	
(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

	2014	2013	2012	2011	2010	94
<b>REVENUES</b>						
<b>SALES AND CUSTOMER DATA</b>						
Residential	\$14,591,856	\$13,108,786	\$10,669,425	\$12,015,361	\$12,397,096	1
Commercial	2,230,659	1,947,463	1,546,980	1,820,785	1,775,291	2
Industrial		93,162	75,635	62,037	57,550	3
Other Ultimate Customers	175,464	187,903	159,901	150,964	170,375	4
Total Revenues-Ultimate Customer	16,997,979	15,337,314	12,451,941	14,049,147	14,400,312	5
Sales for Resale	2,109,585	1,949,064	1,447,503	1,645,311	1,987,495	6
Total Revenues from Gas Sales	19,107,564	17,286,378	13,899,444	15,694,458	16,387,807	7
Transportation Sales	5,371,435	6,038,378	5,537,129	6,174,877	5,543,649	8
Other Gas Operating Revenues	619,912	791,834	676,250	20,038	248,466	9
Total Gas Operating Revenues	\$25,098,911	\$24,116,590	\$20,112,823	\$21,889,373	\$22,179,922	10

<b>SALES (MCF)</b>						
Residential	1,248,923	1,092,637	918,330	1,034,711	987,724	11
Commercial	225,909	190,379	162,522	183,352	163,884	12
Industrial		20,488	20,488	20,488	20,488	13
Other Ultimate Customers	20,061	18,973	17,091	15,733	16,482	14
Total Sales-Ultimate Customer	1,494,892	1,322,476	1,118,431	1,254,284	1,188,578	15
Sales for Resale	531,729	266,819	235,552	270,144	284,772	16
Transportation Sales	6,346,295	6,855,310	6,574,253	7,605,102	7,693,594	17
Other Gas Sales						18
Total Sales	8,372,916	8,444,605	7,928,236	9,129,530	9,166,944	19

<b>AVG NUMBERS OF CUSTOMERS</b>						
Residential	12,268	11,978	11,556	11,260	11,031	20
Commercial	799	796	789	787	791	21
Industrial		7	7	7	7	22
Other Customers	47	63	67	62	58	23
Total Ultimate Customers	13,114	12,844	12,419	12,116	11,887	24
Resales	1	1	1	1	1	25
Total Customers	13,115	12,845	12,420	12,117	11,888	26

**OPERATING REVENUES RELATIONSHIP**

<b>RESIDENTIAL SALES</b>						
Average Annual Bill Per Customer	\$1,189	\$1,094	\$923	\$1,067	\$1,124	27
Average MCF Consumption Per Customer	101.8	91.2	79.5	91.9	89.5	28
Average Revenue Per MCF Sold	\$11.68	\$12.00	\$11.62	\$11.61	\$12.55	29

<b>COMMERCIAL SALES</b>						
Average Annual Bill Per Customer	\$2,792	\$2,447	\$1,961	\$2,314	\$2,244	30
Average MCF Consumption Per Customer	282.7	239.2	206.0	233.0	207.2	31
Average Revenue Per MCF Sold	\$9.87	\$10.23	\$9.52	\$9.93	\$10.83	32

<b>INDUSTRIAL</b>						
Average Annual Bill Per Customer	#DIV/0!	\$13,309	\$10,805	\$8,862	\$8,221	33
Average MCF Consumption Per Customer	#DIV/0!	2,926.8	2,926.8	2,926.9	2,926.9	34
Average Revenue Per MCF Sold	#DIV/0!	\$4.55	\$3.69	\$3.03	\$2.81	35

**OPERATION AND MAINTENANCE EXPENSES**

Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	\$9,447,971	\$8,782,382	\$6,818,631	\$9,215,006	\$9,657,513	39
Other	54,781	12,685	90,619	167,310	191,030	40
Total Production Expense	9,502,752	8,795,067	6,909,250	9,382,316	9,848,543	41
Natural Gas Storage Expense						42
Transmission Expense	58,779	100,795	118,413	100,381	121,613	43
Distribution Expense	1,940,050	1,794,394	1,798,795	1,988,308	1,730,423	44
Customer Account Expense	1,050,793	927,657	1,032,227	877,604	909,252	45
Sales Expense	3,917	4,995	3,523	2,866	3,334	46
Administrative and General	4,701,757	3,902,223	4,161,365	3,467,842	3,973,798	47
Total O & M Expense	\$17,258,048	\$15,525,131	\$14,023,573	\$15,819,317	\$16,586,963	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,**

	2014	2013	2012	2011	2010	94
1 Total Revenues	\$25,098,911	\$24,116,590	\$20,112,823	\$21,889,373	\$22,179,922	
2 Sales of Gas (MCF) *	2,026,621	1,589,295	1,353,983	1,524,428	1,473,350	
<b>DOLLAR AMOUNTS</b>						
3 Purchased Gas & Other Supply Exp.	\$9,506,750	\$8,883,177	\$6,937,044	\$9,315,387	\$9,779,126	
4 Wages and Benefits	4,410,529	4,469,736	4,661,188	4,056,988	4,394,891	
5 Other Operation & Maintenance Exp.	3,340,769	2,172,217	2,425,341	2,446,942	2,412,946	
6 Depreciation & Amortization Expense	1,453,905	2,176,541	1,744,099	1,593,313	824,232	
7 Income Taxes-Operating	1,348,675	1,231,722	205,506	304,275	786,059	
8 Other Taxes-Operating	1,973,591	1,899,190	1,920,223	1,963,392	1,725,359	
9 Capital Costs	3,064,693	3,284,007	2,219,422	2,209,076	2,257,309	
10 Total	\$25,098,911	\$24,116,590	\$20,112,823	\$21,889,373	\$22,179,922	
<b>PERCENT OF REVENUES</b>						
11 Purchased Gas & Other Supply Exp.	37.9	36.8	34.5	42.6	44.1	
12 Wages and Benefits	17.6	18.5	23.2	18.5	19.8	
13 Other Operation & Maintenance Exp.	13.3	9.0	12.1	11.2	10.9	
14 Depreciation & Amortization Expense	5.8	9.0	8.7	7.3	3.7	
15 Income Taxes-Operating	5.4	5.1	1.0	1.4	3.5	
16 Other Taxes-Operating	7.9	7.9	9.5	9.0	7.8	
17 Capital Costs	12.2	13.6	11.0	10.1	10.2	
18 Total	100.0	100.0	100.0	100.0	100.0	
<b>DOLLARS PER MCF</b>						
19 Purchased Gas & Other Supply Exp.	4.69	5.59	5.12	6.11	6.64	
20 Wages and Benefits	2.18	2.81	3.44	2.66	2.98	
21 Other Operation & Maintenance Exp.	1.65	1.37	1.79	1.61	1.64	
22 Depreciation & Amortization Expense	0.72	1.37	1.29	1.05	0.56	
23 Income Taxes-Operating	0.67	0.78	0.15	0.20	0.53	
24 Other Taxes-Operating	0.97	1.19	1.42	1.29	1.17	
25 Capital Costs	1.51	2.07	1.64	1.45	1.53	
26 Total	12.38	15.17	14.85	14.36	15.05	

**Notes:**

\* Includes Sales for Resale

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

**Data Field Below**

## Purchased Gas and Other Supply Exp.

Liquidified Petro Gas					
Other Gas Supply	9,447,971	8,782,382	6,818,631	9,215,006	9,657,513
Gas Storage					
Transmission Expense	58,779	100,795	118,413	100,381	121,613
Total Purchased Gas	9,506,750	8,883,177	6,937,044	9,315,387	9,779,126
-Total PG related to Sales for Resale					
PG - Ultimate Customers	9,506,750	8,883,177	6,937,044	9,315,387	9,779,126

**Wages and Benefits**

Salaries	2,362,059	2,598,440	2,451,480	2,574,435	2,378,758
Pensions and Benefits	2,048,470	1,871,296	2,209,708	1,482,553	2,016,133
Total Wages and Benefits	4,410,529	4,469,736	4,661,188	4,056,988	4,394,891

**Other Expenses**

Total O&M Expenses	17,258,048	15,525,130	14,023,573	15,819,317	16,586,963
-Total Purchased Gas	9,506,750	8,883,177	6,937,044	9,315,387	9,779,126
-Wages and Benefits	4,410,529	4,469,736	4,661,188	4,056,988	4,394,891
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	3,340,769	2,172,217	2,425,341	2,446,942	2,412,946

**Depreciation and Amortization**

Depreciation Exp	1,453,905	2,176,541	1,744,099	1,593,313	824,232
Amort & Depl of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	1,453,905	2,176,541	1,744,099	1,593,313	824,232

**Fuel and PP related to Sales for Resale**

Total PG	9,506,750	8,883,177	6,937,044	9,315,387	9,779,126
divided by Total MCFs	2,026,621	1,589,295	1,353,983	1,524,428	1,473,350
Fuel Cost per MCF	5	6	5	6	7
times Sales for Resale MCFs	531,729	266,819	235,552	270,144	284,772
Sales for Resale PG	2,494,306	1,491,353	1,206,836	1,650,780	1,890,129

**Transportation Volumes**

	6,346,295	6,855,310	6,574,253	7,605,102	7,693,594
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**CORNING NATURAL GAS CORPORATION**  
**COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2014	2013	2012	2011	2010	94
Intangible	\$28,742	\$28,742	\$28,741	\$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	4,652,111	4,652,111	4,652,165	6
Distribution	54,825,225	48,280,847	42,167,963	36,568,418	32,259,841	7
General	10,459,700	9,589,476	8,791,679	8,100,122	7,842,735	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Underground, Non-current						11
<b>Total Plant In Service</b>	<b>69,965,778</b>	<b>62,551,176</b>	<b>55,640,494</b>	<b>49,349,393</b>	<b>44,783,483</b>	<b>12</b>
Plant Leased To Others						13
Plant Held For Future Use						14
Construction Work In Progress						15
Acquisition Adjustments	142,402					16
<b>Total Plant</b>	<b>70,108,180</b>	<b>62,551,176</b>	<b>55,640,494</b>	<b>49,349,393</b>	<b>44,783,483</b>	<b>17</b>
Accum. Prov. - Depr. & Amort.	19,929,282	18,451,513	16,337,855	14,761,978	13,293,584	18
<b>Total Net Plant</b>	<b>\$50,178,898</b>	<b>\$44,099,663</b>	<b>\$39,302,639</b>	<b>\$34,587,415</b>	<b>\$31,489,899</b>	<b>19</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.44	0.54	0.45	0.36	0.34	20
Total Capitalization	\$48,215,025	\$44,070,224	\$41,525,800	\$35,487,512	\$32,414,574	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	36.5%	35.1%	33.6%	34.5%	35.0%	22
Preferred Stock						23
Common Stock & Retained Earnings	49.2%	49.8%	53.9%	46.4%	46.8%	24
Short-Term Debt	14.3%	15.1%	12.5%	19.1%	18.2%	25
Pretax Coverage of Interest Expense	4.68	4.48	2.50	2.58	3.47	26
Com. Stock Dividends as a % of Earnings		108.2%	45.3%	108.5%	29.7%	27
Return on Common Equity	9.3%	9.8%	11.4%	14.0%	17.1%	28
Internal Cash Generated as a % of						
Cash Outflows for Construction	23.0%	61.0%	26.8%	53.6%	72.8%	29
Earnings per Share	\$0.94	\$0.96	\$0.99	\$1.21	\$1.97	30
Book Value per Share	\$10.47	\$9.69	\$10.02	\$9.03	\$13.21	31
Dividends per Share		\$1.03	\$0.45	\$1.31	\$0.58	32
Number of Employees	61	63	57	52	54	33

<u>Data Field Below</u>	2014	2013	2012	2011	2010	94
Current Assets	5,751,121	6,806,902	5,415,000	5,285,835	5,014,396	
Current Liabilities	13,189,944	12,505,294	11,937,333	14,823,983	14,778,150	
Total Capitalization	48,215,025	44,070,224	41,525,800	35,487,512	32,414,574	
Long-Term Debt	17,615,057	15,482,862	13,938,130	12,250,488	11,343,051	
Preferred Stock		-	-			
Common Stock and Retained Earnings (Excl. Preferred Stock)	23,712,686	21,948,584	22,386,074	16,466,517	15,172,888	
Short-Term Debt	6,887,282	6,638,778	5,201,596	6,770,507	5,898,635	
Pretax Income	4,413,755	4,373,920	2,533,192	2,545,651	3,207,630	
Interest Expense	943,733	977,361	1,012,611	986,633	923,706	
Common Dividends Paid		2,341,683	1,006,441	2,395,902	671,304	
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	2,121,347	2,164,837	2,219,422	2,209,075	2,257,309	
Internal Cash	1,735,551	4,250,849	1,732,083	2,516,431	3,818,085	
Cash Outflows for Construction	7,557,004	6,973,564	6,459,324	4,690,829	5,242,698	
Shares Outstanding (Millions) Sch250251	2.2648	2.2648	2.2333	1.8240	1.1486	
Misc Deferred Debits Sch233	536,317	2,171,476	2,478,959	1,628,625	2,307,010	
Number of Employees	63	63	57	52	54	
<u>Pre-Tax Income</u>						
Total Utility Operating Income	3,064,692	3,284,007	2,219,422	2,209,075	2,257,309	
+Income Taxes - Electric						
+Income Taxes - Gas	1,348,675	1,231,722	205,506	304,275	786,059	
+Other Income	\$172,735	\$65,277	\$467,428	\$390,180	\$302,732	
- Other Income Deductions	\$172,347	\$207,086	\$359,164	\$357,879	\$138,470	
- Other Taxes						
Pre-Tax Income	4,413,755	4,373,920	2,533,192	2,545,651	3,207,630	

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

	2014	2013	2012	2011	2010
<b>UTILITY PLANT</b>					
1 Total Utility Plant	\$3,330,803,081	\$3,123,729,961	\$2,948,168,715	\$2,807,676,403	\$2,694,831,418
2 Less Acc. Prov. For Depreciation & Amortization	751,142,408	715,359,157	658,018,622	607,918,837	577,002,370
3 Net Total Utility Plant	2,579,660,673	2,408,370,805	2,290,150,093	2,199,757,566	2,117,829,048
<b>OTHER PROPERTY AND INVESTMENTS</b>					
4 Nonutility Property	1,252,521	2,167,674	2,167,674	2,167,674	2,167,674
5 Less Acc. Prov. For Depreciation & Amortization	(18,218)	(932,264)	(931,155)	(682,932)	(369,678)
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	1,234,303	1,235,410	1,236,519	1,484,742	1,797,996
<b>CURRENT AND ACCRUED ASSETS</b>					
13 Cash	6,908,452	4,648,170	1,258,622	25,000	25,000
14 Special Deposits					890,000
15 Working Funds					
16 Temporary Cash Investments					
17 Notes Receivable					
18 Accounts Receivable	126,091,926	267,153,638	239,875,426	124,099,312	182,079,029
19 Less Accum. Prov. For Uncollectible Accounts	(15,030,996)	(20,021,680)	(23,689,747)	(19,809,143)	(22,214,661)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies	130,913,731	371,797,977	266,459,263	(1,209,421)	(3,103,211)
22 Materials and Supplies	4,789,932	9,721,403	5,010,360	6,028,450	7,346,323
23 Gas Stored Underground - Current	78,131,724	87,803,723	74,870,686	118,931,808	112,723,453
24 Liquefied Natural Gas in Storage	2,059,311	2,459,566	2,600,214	2,656,950	2,763,757
25 Prepayments	18,847,726	21,336,406	19,031,361	31,984,533	29,965,111
26 Interest and Dividends Receivable					
27 Rents Receivable	8,950,416	8,841,858	4,400,895	3,980,180	4,053,125
28 Accrued Utility Revenue	58,303,264	78,936,853	84,832,195	86,033,252	105,343,330
29 Misc. Current and Accrued Assets	5,340,714	17,781,445	18,619,717	13,800,094	9,545,418
30 Total Current and Accrued Assets	425,306,200	850,459,359	693,268,992	366,521,015	429,416,674
<b>DEFERRED DEBITS</b>					
31 Unamort. Debt Expense	3,082,075	3,248,747	3,415,418	3,581,122	314,958
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges					
34 Clearing Accounts	75,390	56,004	(7,464)		
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	640,897,435	567,790,262	700,881,385	782,784,989	803,702,688
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development					
39 Accumulated Deferred Income Taxes	335,704,351	271,819,157	327,158,598	339,557,777	320,945,876
40 Total Deferred Debits	979,759,251	842,914,170	1,031,447,937	1,125,923,888	1,124,963,522
41 <b>Total Assets and Other Debits</b>	<b>\$3,985,960,427</b>	<b>\$4,102,979,744</b>	<b>\$4,016,103,541</b>	<b>\$3,693,687,211</b>	<b>\$3,674,007,240</b>

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

	2014	2013	2012	2011	2010	
<b>PROPRIETARY CAPITAL</b>						
Common Stock Issued	\$1	\$1	\$1	\$1	\$1	1
Preferred Stock Issued	1	1	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	(64,996,421)	(64,996,421)	(65,012,453)	(65,012,453)	(65,012,453)	6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	475,631,198	438,695,663	373,285,674	565,542,940	800,755,995	9
Unapp. Undistributed Subsidiary Earnings						10
Reaquired Capital Stock						11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	993,496,506	956,560,971	891,134,950	1,083,392,215	1,318,605,270	12
<b>LONG-TERM DEBT</b>						
Bonds	600,000,000	600,000,000	600,000,000	600,000,000	100,000,000	13
Reaquired Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt						16
Unamortized Premium on LT Debt						17
Unamortized Discount on LT Debt-Debit						18
Total Long-Term Debt	600,000,000	600,000,000	600,000,000	600,000,000	100,000,000	19
<b>CURRENT AND ACCRUED LIABILITIES</b>						
Notes Payable						20
Accounts Payable	31,413,978	18,555,517	45,328,974	42,283,755	106,668,133	21
Notes Payable to Associated Companies	494,922,333	467,676,474	271,706,613	168,617,576	524,869,892	22
Accounts Payable to Associated Companies	459,346,593	718,856,913	780,153,193	342,516,753	349,136,954	23
Customer Deposits	11,789,035	9,002,906	8,663,170	10,089,962	9,028,490	24
Taxes Accrued	2,237,447	(25,603,722)	(5,361,341)	14,784,503	(8,794,115)	25
Interest Accrued	8,010,920	8,061,507	18,082,974	16,566,975	12,049,360	26
Dividends Declared						27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	(858,895)	(181,117)	(234,749)	(654,172)	(1,804,053)	30
Misc. Current and Accrued Liabilities	8,276,682	20,047,579	45,487,270	31,444,047	19,106,574	31
Total Current and Accrued Liabilities	1,015,138,093	1,216,416,057	1,163,826,104	625,649,399	1,010,261,235	32
<b>DEFERRED CREDITS</b>						
Customer Advances for Construction		674,253	326,164	326,164	294,128	33
Other Deferred Credits	357,240,756	303,534,023	267,625,024	360,815,372	298,510,340	34
Accumulated Deferred Inv. Tax Credits						35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	994,646,731	925,111,524	952,292,362	873,361,404	801,253,489	37
Total Deferred Credits	1,351,887,487	1,229,319,800	1,220,243,550	1,234,502,940	1,100,057,957	38
<b>OPERATING RESERVES</b>						
Property Insurance Reserve						39
Injuries and Damage Reserve	19,582,670	27,307,042	17,238,085			40
Pension and Benefits Reserve				4,584,014	1,469,383	41
Miscellaneous Operating Reserves	5,855,671	73,375,874	123,660,852	145,558,643	143,613,396	42
Total Operating Reserves	25,438,341	100,682,916	140,898,937	150,142,657	145,082,779	43
<b>Total Liabilities and Other Credits</b>	<b>\$3,985,960,427</b>	<b>\$4,102,979,744</b>	<b>\$4,016,103,541</b>	<b>\$3,693,687,211</b>	<b>\$3,674,007,241</b>	<b>44</b>

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

	2014	2013	2012	2011	2010
<b>GAS OPERATING INCOME</b>					
1 Operating Revenues	\$1,081,514,275	\$1,002,781,032	\$905,225,102	\$1,142,500,996	\$1,195,903,471
Operating Expense:					
2 Operation Expense	665,851,242	594,914,560	508,739,603	730,103,751	784,683,952
3 Maintenance Expense	41,715,353	15,503,615	22,138,725	24,984,297	28,284,794
4 Depreciation Expense	62,133,726	57,580,437	56,027,682	54,092,360	51,787,391
5 Amort. and Depletion of Utility Plant	4,992,711	808,969	971,584	1,111,583	1,469,845
6 Amort. of Utility Plant Acq. Adj.	38,835,049	33,621,441	30,458,206	21,350,249	10,976,347
7 Amort. of Property Losses					
8 Amort. of Conversion Expenses					
9 Other Expenses					
10 Taxes Other than Income Taxes	137,006,366	133,445,869	133,539,171	126,591,512	118,499,933
11 Income Taxes	25,811,236	48,281,090	39,921,256	71,105,579	86,723,645
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	976,345,683	884,155,981	791,796,227	1,029,339,331	1,082,425,907
15 Net Operating Revenues	105,168,592	118,625,051	113,428,875	113,161,665	113,477,564
16 Other Utility Operating Income					
17 <b>Total Gas Utility Operating Income</b>	105,168,592	118,625,051	113,428,875	113,161,665	113,477,564
18 Other Utility Operating Income					
19 <b>Total Utility Operating Income</b>	\$105,168,592	\$118,625,051	\$113,428,875	\$113,161,665	\$113,477,564

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

	2014	2013	2012	2011	2010	
<b>OTHER INCOME</b>						
Income - Merch. Jobbing & Contract Work						1
Income from Nonutility Operations	(2,809,480)	(593,126)	\$57,023			2
Nonoperating Rental Income		(369)	(248,038)	(\$313,254)	(\$356,882)	3
Equity in Earnings of Subsidiary Companies						4
Interest and Dividend Income	(465,161)	(14,976)	(9,360,548)	23,758,589	24,779,448	5
Allowance for Funds Used During Construction	(161,555)	(1,144)	1,307,668	1,230,169	1,049,841	6
Miscellaneous Nonoperating Income	837,696	(2,698)	(328)	(144)	(144)	7
Gain on Disposition of Property	104,795	12,154			76,264	8
Total Other Income	(2,493,705)	(600,159)	(8,244,223)	24,675,360	25,548,527	9
<b>OTHER INCOME DEDUCTIONS</b>						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	10,727,865	4,450,952	1,813,884	1,141,063	924,320	12
Total Other Income Deductions	10,727,865	4,450,952	1,813,884	1,141,063	924,320	13
<b>TAXES-OTHER INCOME AND DEDUCTIONS</b>						
Taxes Other than Income Taxes	465,476	310,817	309,626	296,153	291,803	14
Income Taxes						15
Total Taxes-Other Inc. & Deductions	465,476	310,817	309,626	296,153	291,803	16
Net Other Income and Deductions	(13,687,046)	(5,361,928)	(10,367,733)	23,238,144	24,332,404	17
<b>INTEREST CHARGES</b>						
Interest on Long-term Debt	34,695,000	34,695,000	34,695,426	27,502,069	8,217,808	18
Amortization of Debt Discount and Expense	142,484	154,108	165,634	139,111	91,035	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company	1,317,512	4,312,716	4,675,376	10,098,083	17,744,926	21
Other Interest Expense	16,876,284	1,511,539	5,781,972	13,873,601	20,092,139	22
Total Interest Charges	53,031,280	40,673,363	45,318,408	51,612,864	46,145,908	23
Income Before Extraordinary Items	38,450,266	72,589,760	57,742,734	84,786,945	91,664,060	24
<b>EXTRAORDINARY ITEMS</b>						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
<b>Net Income</b>	<b>\$38,450,266</b>	<b>\$72,589,760</b>	<b>\$57,742,734</b>	<b>\$84,786,945</b>	<b>\$91,664,060</b>	<b>29</b>
<b>RETAINED EARNINGS</b>						
Unappropriated Retained Earnings (BOP)	\$437,180,932	\$366,105,903	\$565,542,938	\$800,755,993	\$709,091,933	30
Balance Transferred from Income	38,450,266	72,589,760	57,742,734	84,786,945	91,664,060	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						35
Net Change	38,450,266	72,589,760	(192,257,266)	(235,213,055)	91,664,060	36
Unappropriated Retained Earnings (EOP)	475,631,198	438,695,663	373,285,672	565,542,938	800,755,993	37
Appropriated Retained Earnings (EOP)						38
<b>Total Retained Earnings</b>	<b>\$475,631,198</b>	<b>\$438,695,663</b>	<b>\$373,285,672</b>	<b>\$565,542,938</b>	<b>\$800,755,993</b>	<b>39</b>

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

	2014	2013	2012	2011	2010
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$38,450,266	\$72,589,760	\$57,742,734	\$84,786,945	\$91,664,062
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	106,128,158	92,164,955	87,623,106	76,693,303	64,233,583
3 Deferred Taxes & ITCs	34,552,516	33,049,168	90,561,856	62,359,627	20,551,578
4 Receivables and Inventory	150,966,195	(52,115,214)	(71,532,232)	50,863,469	28,225,264
5 Payables and Accrued Expenses	27,622,991	(45,192,539)	39,783,397	14,749,079	(71,559,296)
6 Regulatory Assets (Net)	(43,598,917)	115,458,207	(65,731,050)	25,435,815	20,832,108
7 Capitalized AFUDC - Equity	161,555	1,144	(1,307,668)	(1,230,169)	(1,049,841)
8 Undistributed Earnings of Affiliates				19,310,078	10,471,219
9 Other Adjustments	(109,442,931)	(44,108,420)	(19,726,421)	24,728,499	
10	20,633,589	(10,021,467)	1,760,679	9,036,210	(223,575)
11		5,895,342	3,734,371	(31,867,805)	383,221,863
12 Net Cash From Operating Activities	<u>225,473,422</u>	<u>167,720,936</u>	<u>122,908,772</u>	<u>334,865,051</u>	<u>546,366,965</u>
<b>Cash Flows From Investing Activities</b>					
13 Cash Outflows For Construction	(229,282,464)	(176,773,068)	(144,731,943)	(137,059,692)	(146,367,960)
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	6,069,324				
22					
23					
24 Net Cash From Investing Activities	<u>(223,213,140)</u>	<u>(176,773,068)</u>	<u>(144,731,943)</u>	<u>(137,059,692)</u>	<u>(146,367,960)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt			273,056,793	122,194,641	(400,000,000)
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		12,441,680			
31					
32					
33 Net Cash From Financing Activities		<u>12,441,680</u>	<u>23,056,793</u>	<u>(197,805,359)</u>	<u>(400,000,000)</u>
34 Net Increase/(Decrease) In Cash Equivalents	2,260,282	3,389,548	1,233,622		(995)
35 Cash & Cash Equivalents Beginning Of Year	4,648,170	1,258,622	25,000	25,000	25,995
36 <b>Cash &amp; Cash Equivalents End Of Year</b>	<b>\$6,908,452</b>	<b>\$4,648,170</b>	<b>\$1,258,622</b>	<b>\$25,000</b>	<b>\$25,000</b>

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

	2014	2013	2012	2011	2010	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Residential	\$602,372,458	\$573,066,671	\$512,895,973	\$559,073,549	\$603,480,001	1
Commercial	179,547,453	142,879,574	127,405,874	163,465,073	200,746,602	2
Industrial	19,066,986	15,067,815	13,529,828	17,359,121	21,318,222	3
Other Ultimate Customers						4
Total Revenues-Ultimate Customer	800,986,897	731,014,060	653,831,675	739,897,743	825,544,825	5
Sales for Resale	114,388,214	134,098,328	100,020,020	196,613,435	171,955,227	6
Total Revenues from Gas Sales	915,375,111	865,112,388	753,851,695	936,511,178	997,500,052	7
Transportation Sales	154,994,100	162,175,859	191,465,899	178,505,327	172,088,259	8
Other Gas Operating Revenues	11,145,064	(24,507,215)	(40,092,492)	27,484,491	26,315,160	9
Total Gas Operating Revenues	\$1,081,514,275	\$1,002,781,032	\$905,225,102	\$1,142,500,996	\$1,195,903,471	10
<b>SALES (MCF)</b>						
Residential	47,192,079	43,080,413	36,753,354	40,365,851	43,042,445	11
Commercial	16,776,525	12,308,368	10,975,258	13,583,871	16,848,925	12
Industrial	1,781,578	1,307,083	1,165,514	1,442,534	1,789,266	13
Other Ultimate Customers						14
Total Sales-Ultimate Customer	65,750,182	56,695,865	48,894,125	55,392,256	61,680,636	15
Sales for Resale	15,328,644	20,791,559	20,935,918	29,737,056	26,615,536	16
Transportation Sales	31,189,492	48,199,662	82,555,902	89,899,818	83,271,388	17
Other Gas Sales						18
Total Sales	112,268,317	125,687,085	152,385,945	175,029,130	171,567,560	19
<b>AVG NUMBER OF CUSTOMERS</b>						
Residential	459,653	450,117	447,858	447,538	453,225	20
Commercial	37,603	35,405	35,517	36,048	37,745	21
Industrial	3,993	3,760	3,772	3,828	4,008	22
Other Customers						23
Total Ultimate Customers	501,249	489,282	487,147	487,414	494,978	24
Resales	21	29	22	25	23	25
Total Customers	501,270	489,311	487,169	487,439	495,001	26
<b>OPERATING REVENUES RELATIONSHIP</b>						
<b>RESIDENTIAL SALES</b>						
Average Annual Bill Per Customer	\$1,310	\$1,273	\$1,145	\$1,249	\$1,332	27
Average MCF Consumption Per Customer	102.7	95.7	82.1	90.2	95.0	28
Average Revenue Per MCF Sold	\$12.76	\$13.30	\$13.96	\$13.85	\$14.02	29
<b>COMMERCIAL SALES</b>						
Average Annual Bill Per Customer	\$4,775	\$4,036	\$3,587	\$4,535	\$5,318	30
Average MCF Consumption Per Customer	446.1	347.6	309.0	376.8	446.4	31
Average Revenue Per MCF Sold	\$10.70	\$11.61	\$11.61	\$12.03	\$11.91	32
<b>INDUSTRIAL SALES</b>						
Average Annual Bill Per Customer	\$4,775	\$4,008	\$3,587	\$4,535	\$5,319	33
Average MCF Consumption Per Customer	446.1	347.6	309.0	376.8	446.4	34
Average Revenue Per MCF Sold	\$10.70	\$11.53	\$11.61	\$12.03	\$11.91	35
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	415,049,131	375,150,323	\$298,118,874	\$535,412,760	\$616,604,343	39
Other	22,233,994	6,565,407	7,795,689	16,250	(35,826)	40
Total Production Expense	437,283,125	381,715,730	305,914,563	535,429,010	616,568,517	41
Natural Gas Storage Expense	5,773,863	5,736,759	2,945,469	2,242,797	1,636,324	42
Transmission Expense	9,918,395	7,031,953	6,369,513	7,330,401	5,479,834	43
Distribution Expense	58,836,828	43,339,003	36,310,852	44,351,683	46,090,922	44
Customer Account Expense	65,863,687	41,470,543	36,293,457	54,338,900	50,629,690	45
Sales Expense	2,280,544	3,764,612	3,393,524	6,334,562	(2,881,043)	46
Administrative and General	127,610,153	127,359,574	139,650,950	105,060,695	95,444,501	47
Total O & M Expense	\$707,566,595	\$610,418,175	\$530,878,328	\$755,088,048	\$812,968,745	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,**

	2014	2013	2012	2011	2010
1 Total Revenues	\$1,081,514,275	\$1,002,781,032	\$905,225,102	\$1,142,500,996	\$1,195,903,471
2 Sales of Gas (MCF) *	81,078,825	77,487,424	69,830,043	85,129,312	88,296,172
<b>DOLLAR AMOUNTS</b>					
3 Purchased Gas & Other Supply Exp.	\$430,741,389	\$387,919,036	\$315,229,545	\$544,985,958	\$623,684,675
4 Wages and Benefits	94,471,716	86,015,174	99,159,731	64,880,629	59,978,056
5 Other Operation & Maintenance Exp.	182,353,490	136,483,965	116,489,052	145,221,461	129,306,015
6 Depreciation & Amortization Expense	67,126,437	58,389,406	56,999,266	55,203,943	53,257,236
7 Income Taxes-Operating	25,811,236	48,281,090	39,921,256	71,105,579	86,723,645
8 Other Taxes-Operating	137,006,366	133,445,869	133,539,171	126,591,512	118,499,933
9 Capital Costs	144,003,641	152,246,492	143,887,081	134,511,914	124,453,911
10 Total	\$1,081,514,275	\$1,002,781,032	\$905,225,102	\$1,142,500,996	\$1,195,903,471
<b>PERCENT OF REVENUES</b>					
11 Purchased Gas & Other Supply Exp.	39.8	38.7	34.8	47.7	52.2
12 Wages and Benefits	8.7	8.6	11.0	5.7	5.0
13 Other Operation & Maintenance Exp.	16.9	13.6	12.9	12.7	10.8
14 Depreciation & Amortization Expense	6.2	5.8	6.3	4.8	4.5
15 Income Taxes-Operating	2.4	4.8	4.4	6.2	7.3
16 Other Taxes-Operating	12.7	13.3	14.8	11.1	9.9
17 Capital Costs	13.3	15.2	15.9	11.8	10.4
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER MCF</b>					
19 Purchased Gas & Other Supply Exp.	5.31	5.01	4.51	6.40	7.06
20 Wages and Benefits	1.17	1.11	1.42	0.76	0.68
21 Other Operation & Maintenance Exp.	2.25	1.76	1.67	1.71	1.46
22 Depreciation & Amortization Expense	0.83	0.75	0.82	0.65	0.60
23 Income Taxes-Operating	0.32	0.62	0.57	0.84	0.98
24 Other Taxes-Operating	1.69	1.72	1.91	1.49	1.34
25 Capital Costs	1.78	1.96	2.06	1.58	1.41
26 Total	13.34	12.94	12.96	13.42	13.54

**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.	415,049,131	375,150,323	305,914,563	535,412,760	616,568,517
Liquidified Petro Gas					
Other Gas Supply					
Gas Storage	5,773,863	5,736,759	2,945,469	2,242,797	1,636,324
Transmission Expense	9,918,395	7,031,953	6,369,513	7,330,401	5,479,834
Total Purchased Gas	430,741,389	387,919,036	315,229,545	544,985,958	623,684,675
-Total PG related to Sales for Resale					
PG - Ultimate Customers	430,741,389	387,919,036	315,229,545	544,985,958	623,684,675

**Wages and Benefits**

Salaries	60,758,051	44,745,032	58,987,459	48,384,592	49,296,790
Pensions and Benefits	33,713,665	41,270,142	40,172,272	16,496,037	10,681,266
Total Wages and Benefits	94,471,716	86,015,174	99,159,731	64,880,629	59,978,056

**Other Expenses**

Total O&M Expenses	707,566,595	610,418,175	530,878,328	755,088,048	812,968,746
-Total Purchased Gas	430,741,389	387,919,036	315,229,545	544,985,958	623,684,675
-Wages and Benefits	94,471,716	86,015,174	99,159,731	64,880,629	59,978,056
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	182,353,490	136,483,965	116,489,052	145,221,461	129,306,015

**Depreciation and Amortization**

Depreciation Exp	62,133,726	57,580,437	56,027,682	54,092,360	51,787,391
Amort & Depl of Utility Plant					
Amort of Other Utility Plant	4,992,711	808,969	971,584	1,111,583	1,469,845
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	67,126,437	58,389,406	56,999,266	55,203,943	53,257,236

**Fuel and PP related to Sales for Resale**

Total PG	430,741,389	387,919,036	315,229,545	544,985,958	623,684,675
divided by Total MCFs	81,078,825	77,487,424	69,830,043	85,129,312	88,296,172
Fuel Cost per MCF	5	5	5	6	7
times Sales for Resale MCFs	15,328,644	20,791,559	20,935,918	29,737,056	26,615,536
Sales for Resale PG	81,435,336	104,087,104	94,509,749	190,372,477	188,000,244

**Transportation Volumes**

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

	2014	2013	2012	2011	2010	
Intangible	\$51,957,563	\$44,224,108	\$24,148,816	\$24,148,816	\$24,148,816	1
Production						
Manufactured Gas	2,369,841	2,369,841	2,369,843	2,369,843	2,387,608	2
Natural Gas						3
Natural Gas Storage						
Underground Storage						4
Other Storage	49,514,161	48,494,234	48,492,725	48,421,023	48,812,843	5
Transmission	321,977,055	300,717,832	299,030,771	295,576,419	291,848,111	6
Distribution	2,690,684,266	2,509,184,753	2,432,452,006	2,335,450,205	2,226,578,420	7
General	117,191,206	86,648,492	76,881,454	76,196,144	77,683,151	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Underground, Non-current						11
<b>Total Plant In Service</b>	<b>3,233,694,092</b>	<b>2,991,639,260</b>	<b>2,883,375,615</b>	<b>2,782,162,450</b>	<b>2,671,458,949</b>	<b>12</b>
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	97,015,470	131,997,182	64,699,581	25,420,434	23,278,950	15
Acquisition Adjustments						16
<b>Total Plant</b>	<b>3,330,803,081</b>	<b>3,123,729,961</b>	<b>2,948,168,715</b>	<b>2,807,676,403</b>	<b>2,694,831,418</b>	<b>17</b>
Accum. Prov. - Depr. & Amort.	751,142,408	715,359,157	658,018,622	607,918,837	577,002,370	18
<b>Total Net Plant</b>	<b>\$2,579,660,673</b>	<b>\$2,408,370,805</b>	<b>\$2,290,150,093</b>	<b>\$2,199,757,566</b>	<b>\$2,117,829,048</b>	<b>19</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.49	0.60	0.66	0.34	0.43	20
Total Capitalization	2,088,418,840	2,024,237,445	1,762,841,564	1,852,009,792	\$1,943,475,161	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	28.7%	29.6%	34.0%	32.4%	5.1%	22
Preferred Stock	0.0%	0.0%				23
Common Stock & Retained Earnings	47.6%	47.3%	50.6%	58.5%	67.8%	24
Short-Term Debt	23.7%	23.1%	15.4%	9.1%	27.0%	25
Pretax Coverage of Interest Expense	2.21	3.97	3.16	4.02	4.87	26
Com. Stock Dividends as a % of Earnings			433.0%	377.4%		27
Return on Common Equity	3.9%	7.9%	5.8%	7.1%	7.2%	28
Internal Cash Generated as a % of Cash Outflows for Construction	101.7%	105.4%	117.8%	40.9%	26.8%	29
Earnings per Share	\$0.38	\$0.73	\$0.58	\$0.85	\$0.92	30
Book Value per Share	\$9.93	\$9.57	\$8.91	\$10.83	\$13.19	31
Dividends per Share			\$2.50	\$3.20		32
Number of Employees	646	596	580	593	609	33

**Data Field Below**

Current Assets	\$425,306,200	\$850,459,359.00	\$693,268,992	\$366,521,015	\$429,416,674
Current Liabilities	1,015,138,093	1,216,416,057	1,163,826,104	625,649,398	1,010,261,235
Total Capitalization	2,088,418,840	2,024,237,445	1,762,841,564	1,852,009,792	1,943,475,161
Long-Term Debt	600,000,000	600,000,000	600,000,000	600,000,000	100,000,000
Preferred Stock	1	1	1	1	
Common Stock and Retained Earnings (Excl. Preferred Stock)	993,496,506	956,560,970	891,134,950	1,083,392,215	1,318,605,270
Short-Term Debt	494,922,333	467,676,474	271,706,613	168,617,576	524,869,892
Pretax Income	117,292,782	161,544,213	142,982,398	207,505,388	224,533,615
Interest Expense	53,031,280	40,673,363	45,318,408	51,612,864	46,145,908
Common Dividends Paid			250,000,000	320,000,000	
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	38,450,266	72,589,760	57,742,734	84,786,945	91,664,060
Internal Cash	225,473,422	167,720,936	122,908,772	334,865,051	546,366,965
Cash Outflows for Construction	229,282,464	176,773,068	144,731,943	137,059,692	146,367,960
Shares Outstanding (Millions) Sch250251	100	100	100	100	100
Misc Deferred Debits	283,656,679	264,256,239	433,256,361	421,969,617	505,192,348
Number of Employees Sch 7277	646	596	580	593	609
Pre-Tax Income					
Total Utility Operating Income	105,168,592	118,625,051	113,428,875	\$113,161,665.00	\$113,477,565
+Income Taxes - Electric					
+Income Taxes - Gas	25,811,236	48,281,090	39,921,256	\$71,105,579.00	\$86,723,645
+Other Income	(2,493,705)	(600,159)	(8,244,223)	\$24,675,360.00	\$25,548,528
- Other Income Deductions	10,727,865	4,450,952	1,813,884	\$1,141,063.00	\$924,320
- Other Taxes	465,476	310,817	309,626	\$296,153.00	\$291,803
Pre-Tax Income	\$117,292,782	\$161,544,213	\$142,982,398	\$207,505,388	\$224,533,615

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

	2014	2013	2012	2011	2010
<b>UTILITY PLANT</b>					
1 Total Utility Plant	\$1,893,620,696	\$1,821,996,215	\$1,770,478,501	\$1,731,072,698	\$1,687,479,788
2 Less Acc. Prov. For Depreciation & Amortization	714,535,492	685,228,590	652,799,318	635,516,555	606,970,746
3 Net Total Utility Plant	1,179,085,204	1,136,767,625	1,117,679,183	1,095,556,143	1,080,509,042
<b>OTHER PROPERTY AND INVESTMENTS</b>					
4 Nonutility Property	118,613	118,613	80,802	80,802	80,802
5 Less Acc. Prov. For Depreciation & Amortization	(19,397)	(19,397)	(9,744)	(9,744)	(9,744)
6 Investment in Associated Companies					
7 Investment in Subsidiary Companies					
8 Other Investments		17,179	14,276	10,234	20,675
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds	24,405,047	13,310,305			
12 Total Other Property and Investments	24,504,263	13,426,700	85,334	81,292	91,733
<b>CURRENT AND ACCRUED ASSETS</b>					
13 Cash	3,046,962	3,443,871	3,853,367	3,744,601	3,026,583
14 Special Deposits					
15 Working Funds	170,500	172,500	173,000	172,200	159,200
16 Temporary Cash Investments	16,130	10,219	33,919,876	4,502,703	42,052,998
17 Notes Receivable	142,115	194,205	129,985		
18 Accounts Receivable	100,533,446	93,623,023	75,425,774	94,076,845	96,542,613
19 Less Accum. Prov. For Uncollectible Accounts	(33,966,238)	(30,013,670)	(30,607,192)	(32,252,265)	(32,346,490)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies	10,850,800	9,397,205	9,998,625	9,044,223	8,695,437
22 Materials and Supplies	9,169,675	9,058,653	8,833,404	7,467,498	7,372,828
23 Gas Stored Underground - Current	17,946,500	16,827,953	27,911,176	29,541,865	17,351,383
24 Liquefied Natural Gas in Storage					
25 Prepayments	10,959,940	11,268,091	11,159,504	10,760,963	11,350,452
26 Interest and Dividends Receivable	(1,940)	144,532	240,052	182,926	194,070
27 Rents Receivable					
28 Accrued Utility Revenue	46,592,908	55,070,987	47,134,020	47,335,098	59,210,848
29 Misc. Current and Accrued Assets					35,657
30 Total Current and Accrued Assets	165,460,797	169,197,569	188,171,591	174,576,657	213,645,579
<b>DEFERRED DEBITS</b>					
31 Unamort. Debt Expense					
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges	222,683	23,843	30,917	15,604	(54,166)
34 Clearing Accounts	(3,123,432)	(3,104,443)	(2,605,342)	(2,451,844)	(2,425,591)
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	253,139,137	357,653,829	629,352,996	597,279,096	561,171,758
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development	(2,229,125)	(2,591,763)	(1,520,549)	(1,080,688)	(1,026,651)
39 Accumulated Deferred Income Taxes	141,505	31,005	31,005	31,005	31,005
40 Total Deferred Debits	248,150,768	352,012,471	625,289,027	593,793,173	557,696,355
41 <b>Total Assets and Other Debits</b>	<b>\$1,617,201,031</b>	<b>\$1,671,404,365</b>	<b>\$1,931,225,135</b>	<b>\$1,864,007,265</b>	<b>\$1,851,942,709</b>

**Notes:**

\* Includes Pennsylvania operations.

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

	2014	2013	2012	2011	2010	
<b>PROPRIETARY CAPITAL</b>						
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	133,011,306	130,747,349	128,834,807	127,187,148	125,686,410	6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	334,470,522	315,012,068	290,513,829	292,853,801	308,943,437	9
Unapp. Undistributed Subsidiary Earnings						10
Requaired Capital Stock						11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	526,720,927	504,998,517	478,587,736	479,280,049	493,868,947	12
<b>LONG-TERM DEBT</b>						
Bonds						13
Requaired Bonds						14
Advances from Associated Companies	324,000,000	324,000,000	324,000,000	414,000,000	414,000,000	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	324,000,000	324,000,000	414,000,000	414,000,000	19
<b>CURRENT AND ACCRUED LIABILITIES</b>						
Notes Payable						20
Accounts Payable	39,440,294	47,330,428	43,477,173	40,958,468	60,254,708	21
Notes Payable to Associated Companies	40,400,000	44,900,000	90,000,000			22
Accounts Payable to Associated Companies	33,224,054	31,662,811	36,410,556	35,411,025	32,597,538	23
Customer Deposits	10,014,342	9,978,104	11,880,205	13,185,408	13,653,024	24
Taxes Accrued	30,499,752	47,759,427	32,631,689	9,082,599	(24,488,126)	25
Interest Accrued	65,720	50,211	75,917	80,919	100,133	26
Dividends Declared	9,600,000	12,100,000		9,600,000	29,600,000	27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	(254,550)	1,090,986	386,467	1,370,696	820,739	30
Misc. Current and Accrued Liabilities	11,206,402	11,157,737	11,458,312	11,854,025	13,861,563	31
Total Current and Accrued Liabilities	174,196,015	206,029,704	226,320,319	121,543,140	126,399,579	32
<b>DEFERRED CREDITS</b>						
Customer Advances for Construction	536,880	437,916	496,664	661,576	813,491	33
Other Deferred Credits	123,900,620	126,337,747	137,865,495	123,727,591	143,140,103	34
Accumulated Deferred Inv. Tax Credits	1,037,348	1,456,327	1,867,342	2,390,296	3,039,509	35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	356,806,115	379,283,585	366,433,783	351,243,667	332,796,227	37
Total Deferred Credits	482,280,963	507,515,575	506,663,284	478,023,130	479,789,330	38
<b>OPERATING RESERVES</b>						
Property Insurance Reserve						39
Injuries and Damage Reserve	4,013,065	3,414,882	3,863,331	4,389,421	5,362,725	40
Pension and Benefits Reserve	103,685,553	117,695,517	391,790,465	366,771,525	332,522,128	41
Miscellaneous Operating Reserves	2,304,509	7,750,170				42
Total Operating Reserves	110,003,127	128,860,569	395,653,796	371,160,946	337,884,853	43
<b>Total Liabilities and Other Credits</b>	<b>\$1,617,201,032</b>	<b>\$1,671,404,365</b>	<b>\$1,931,225,135</b>	<b>\$1,864,007,265</b>	<b>\$1,851,942,709</b>	<b>44</b>

\* Includes Pennsylvania operations.

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

	2014	2013	2012	2011	2010
<b>GAS OPERATING INCOME</b>					
1 Operating Revenues	\$829,065,622	\$766,164,704	\$716,884,330	\$822,654,089	\$830,284,085
Operating Expense:					
2 Operation Expense	606,922,856	546,983,377	500,784,917	598,352,412	607,456,017
3 Maintenance Expense	14,698,416	12,272,302	11,546,325	12,396,085	11,518,119
4 Depreciation Expense	44,033,469	42,931,736	42,704,443	41,128,388	40,692,173
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	44,628,603	42,636,244	41,680,916	44,188,528	42,977,908
11 Income Taxes	32,519,488	31,405,954	29,092,975	33,061,276	31,957,177
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	742,802,832	676,229,613	625,809,576	729,126,689	734,601,394
15 Net Operating Revenues	86,262,790	89,935,091	91,074,754	93,527,400	95,682,691
16 Other Utility Operating Income					
17 <b>Total Gas Utility Operating Income</b>	86,262,790	89,935,091	91,074,754	93,527,400	95,682,691
18 Other Utility Operating Income					
19 <b>Total Utility Operating Income</b>	\$86,262,790	\$89,935,091	\$91,074,754	\$93,527,400	\$95,682,691

\* Includes Pennsylvania operations.

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

	2014	2013	2012	2011	2010	
<b>OTHER INCOME</b>						
Income - Merch. Jobbing & Contract Work	\$220,500.42	\$233,289	\$181,639	\$161,474	\$150,630	1
Income from Nonutility Operations						2
Nonoperating Rental Income	3,604	2,400	2,400	4,400	4,000	3
Equity in Earnings of Subsidiary Companies						4
Interest and Dividend Income	2,952,149	2,607,334	3,004,724	2,250,121	1,871,084	5
Allowance for Funds Used During Construction	1,071,950	456,222	144,266	305,575	256,816	6
Miscellaneous Nonoperating Income	23,601	19,241	13,368	19,568	20,797	7
Gain on Disposition of Property	336,388	204,404	396,660			8
Total Other Income	4,608,194	3,522,890	3,743,057	2,741,138	2,303,327	9
<b>OTHER INCOME DEDUCTIONS</b>						
Loss on Disposition of Property	880	383,011	291,985			10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	372,048	406,788	501,434	\$369,429	327,120	12
Total Other Income Deductions	372,929	789,799	793,419	369,429	327,120	13
<b>TAXES-OTHER INCOME AND DEDUCTIONS</b>						
Taxes Other than Income Taxes						14
Income Taxes	(170,372)	(385,920)	(285,271)	(284,312)	(635,494)	15
Total Taxes-Other Inc. & Deductions	(170,372)	(385,920)	(285,271)	(284,312)	(635,494)	16
Net Other Income and Deductions	4,405,637	3,119,011	3,234,909	2,656,021	2,611,701	17
<b>INTEREST CHARGES</b>						
Interest on Long-term Debt						18
Amortization of Debt Discount and Expense	352,087	381,486	469,685	469,685	469,686	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company	25,336,870	26,122,962	30,072,900	30,083,739	30,072,900	21
Other Interest Expense	2,133,773	1,152,378	2,711,343	3,311,109	5,301,887	22
Total Interest Charges	27,822,729	27,656,826	33,253,928	33,864,533	35,844,473	23
Income Before Extraordinary Items	62,845,698	65,397,276	61,055,735	62,318,888	62,449,919	24
<b>EXTRAORDINARY ITEMS</b>						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
<b>Net Income</b>	<b>\$62,845,698</b>	<b>\$65,397,276</b>	<b>\$61,055,735</b>	<b>\$62,318,888</b>	<b>\$62,449,919</b>	<b>29</b>
<hr/>						
<b>RETAINED EARNINGS</b>						
Unappropriated Retained Earnings (BOP)	\$315,012,068	\$290,513,829	\$292,853,801	\$308,943,437	\$364,893,594	30
Balance Transferred from Income	62,845,698	65,397,276	61,055,735	62,318,888	62,449,919	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock	43,400,000	40,900,000	63,400,000	78,400,000	118,400,000	34
Adjustments to Retained Earnings	12,756	963	4,293	(8,524)	(76)	35
Net Change	19,458,454	24,498,239	(2,339,972)	(16,089,636)	(55,950,157)	36
Unappropriated Retained Earnings (EOP)	334,470,522	315,012,068	290,513,829	292,853,801	308,943,437	37
Appropriated Retained Earnings (EOP)						38
<b>Total Retained Earnings</b>	<b>\$334,470,522</b>	<b>\$315,012,068</b>	<b>\$290,513,829</b>	<b>\$292,853,801</b>	<b>\$308,943,437</b>	<b>39</b>

\* Includes Pennsylvania operations.

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

	2014	2013	2012	2011	2010
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$62,845,698	\$65,397,276	\$61,055,735	\$62,318,888	\$62,449,920
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	46,649,514	45,225,764	44,821,787	43,098,811	42,300,962
3 Deferred Taxes & ITCs	(18,940,572)	15,122,138	8,306,076	18,005,950	35,398,543
4 Receivables and Inventory	(5,150,592)	(6,764,054)	17,314,321	(9,775,766)	23,092,392
5 Payables and Accrued Expenses	(36,378,207)	(5,488,591)	24,732,642	15,188,696	(767,461)
6 Regulatory Assets (Net)	65,177,026	275,912,215	(31,511,661)	(33,347,369)	(19,267,508)
7 Capitalized AFUDC - Equity	(1,071,950)	(456,222)	(144,266)	(305,575)	(256,816)
8 Undistributed Earnings of Affiliates					
9 Other: Unrecovered Purchased Gas	35,954,270	(11,528,546)	6,986,711	(15,715,692)	(66,089,435)
10 Other: Unbilled Revenues	8,478,079	(7,936,967)	201,078	11,875,750	(4,198,765)
11 Other: Other Assets and Liabilities (Net)	(19,407,564)	(254,988,135)	33,687,585	29,463,632	30,784,835
12 Net Cash From Operating Activities	<u>138,155,702</u>	<u>114,494,878</u>	<u>165,450,008</u>	<u>120,807,325</u>	<u>103,446,667</u>
<b>Cash Flows From Investing Activities</b>					
13 Cash Outflows For Construction	(88,324,876)	(79,266,178)	(61,382,753)	(58,741,639)	(57,015,819)
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	18,266				
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities	105,820	4,415,867	(1,410,531)	(484,963)	(708,682)
22	52,090	(64,220)	(129,985)		14,549
23					
24 Net Cash From Investing Activities	<u>(88,148,700)</u>	<u>(74,914,531)</u>	<u>(62,923,269)</u>	<u>(59,226,602)</u>	<u>(57,709,952)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt					
26 Common Stock					
27 Preferred Stock					
28 Short-Term Debt					(118,400,000)
29 Dividends Paid	(45,900,000)	(28,800,000)	(73,000,000)	(98,400,000)	
30 Other Cash Flows - Financing Activities	(4,500,000)	(45,100,000)			
31					
32					
33 Net Cash From Financing Activities	<u>(50,400,000)</u>	<u>(73,900,000)</u>	<u>(73,000,000)</u>	<u>(98,400,000)</u>	<u>(118,400,000)</u>
34 Net Increase/(Decrease) In Cash Equivalents	(392,998)	(34,319,653)	29,526,739	(36,819,277)	(72,663,285)
35 Cash & Cash Equivalents Beginning Of Year	3,626,590	37,946,243	8,419,504	45,238,781	117,902,066
36 <b>Cash &amp; Cash Equivalents End Of Year</b>	<b>\$3,233,592</b>	<b>\$3,626,590</b>	<b>\$37,946,243</b>	<b>\$8,419,504</b>	<b>\$45,238,781</b>

**Notes:**

\* Includes Pennsylvania operations.

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

	2014	2013	2012	2011	2010	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Residential	\$574,690,992	\$529,923,786	\$490,895,487	\$574,912,356	\$584,034,707	1
Commercial	75,784,595	69,557,892	61,260,810	75,909,609	79,249,069	2
Industrial	3,580,349	5,186,544	6,110,875	5,627,718	5,652,680	3
Other Ultimate Customers						4
Total Revenues-Ultimate Customer	654,055,936	604,668,222	558,267,172	656,449,683	668,936,456	5
Sales for Resale	17,714,610	24,220,953	26,585,454	34,223,907	36,333,114	6
Total Revenues from Gas Sales	671,770,546	628,889,175	584,852,626	690,673,590	705,269,570	7
Transportation Sales	149,688,897	138,376,678	124,604,646	123,281,367	114,392,642	8
Other Gas Operating Revenues	7,606,179	(1,101,149)	7,427,058	8,699,132	10,621,873	9
Total Gas Operating Revenues	\$829,065,622	\$766,164,704	\$716,884,330	\$822,654,089	\$830,284,085	10
<b>SALES (MCF)</b>						
Residential	59,560,064	54,608,348	47,639,497	54,855,833	54,347,772	11
Commercial	8,757,511	7,879,359	6,655,322	8,041,598	8,182,471	12
Industrial	390,205	737,007	1,036,940	678,285	634,600	13
Other Ultimate Customers						14
Total Sales-Ultimate Customer	68,707,780	63,224,714	55,331,759	63,575,716	63,164,843	15
Sales for Resale	4,255,289	6,265,825	9,227,629	8,032,676	7,405,763	16
Transportation Sales	80,708,453	71,701,307	62,736,760	65,090,698	61,152,311	17
Other Gas Sales						18
Total Sales	153,671,522	141,191,846	127,296,148	136,699,090	131,722,917	19
<b>AVG NUMBERS OF CUSTOMERS</b>						
Residential	556,095	555,174	567,404	575,503	586,324	20
Commercial	29,362	29,628	30,234	30,657	32,520	21
Industrial	267	289	310	383	366	22
Other Customers						23
Total Ultimate Customers	585,724	585,091	597,948	606,543	619,210	24
Resales	2	2	2	5	7	25
Total Customers	585,726	585,093	597,950	606,548	619,217	26
<b>OPERATING REVENUES RELATIONSHIP</b>						
<b>RESIDENTIAL SALES</b>						
Average Annual Bill Per Customer	\$1,033	\$955	\$865	\$999	\$996	27
Average MCF Consumption Per Customer	107.1	98.4	84.0	95.3	92.7	28
Average Revenue Per MCF Sold	\$9.65	\$9.70	\$10.30	\$10.48	\$10.75	29
<b>COMMERCIAL SALES</b>						
Average Annual Bill Per Customer	\$2,581	\$2,348	\$2,026	\$2,476	\$2,437	30
Average MCF Consumption Per Customer	298.3	265.9	220.1	262.3	251.6	31
Average Revenue Per MCF Sold	\$8.65	\$8.83	\$9.20	\$9.44	\$9.69	32
<b>INDUSTRIAL SALES</b>						
Average Annual Bill Per Customer	\$13,410	\$17,947	\$19,713	\$14,694	\$15,444	33
Average MCF Consumption Per Customer	1,461.4	2,550.2	3,345.0	1,771.0	1,733.9	34
Average Revenue Per MCF Sold	\$9.18	\$7.04	\$5.89	\$8.30	\$8.91	35
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering	14,892	\$44,394	\$89,257	\$103,854	\$93,309	38
Purchased Gas	316,703,841	249,203,504	217,598,511	333,901,378	317,620,797	39
Other	(3,574,903)	12,152,411	2,022,299	(21,115,014)	9,938,252	40
Total Production Expense	313,143,830	261,400,309	219,710,067	312,890,218	327,652,358	41
Natural Gas Storage Expense	32,314,815	33,029,009	32,251,403	30,827,203	30,079,548	42
Transmission Expense	83,842,271	86,656,645	88,456,262	90,562,296	82,689,770	43
Distribution Expense	47,121,351	42,717,184	41,182,729	41,395,671	41,199,277	44
Customer Account Expense	49,566,829	42,279,113	45,263,187	48,111,708	52,670,609	45
Sales Expense	583,172	599,962	433,730	667,335	490,076	46
Administrative and General	95,221,862	92,717,990	85,142,210	86,378,368	84,279,792	47
Total O & M Expense	\$621,794,130	\$559,400,213	\$512,439,588	\$610,832,799	\$619,061,430	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	\$829,065,622	\$766,164,704	\$716,884,330	\$822,654,089	\$830,284,085
2	Sales of Gas (MCF) **	72,963,069	69,490,539	64,559,388	71,608,392	70,570,606

**DOLLAR AMOUNTS**

3	Purchased Gas & Other Supply Exp.	\$429,128,058	\$378,988,359	\$338,701,990	\$432,582,452	\$438,510,776
4	Wages and Benefits	119,356,245	113,363,924	104,211,050	104,722,785	102,422,554
5	Other Operation & Maintenance Exp.	73,136,969	66,903,397	69,418,202	73,443,260	78,040,806
6	Depreciation & Amortization Expense	44,033,469	42,931,736	42,704,443	41,128,388	40,692,173
7	Income Taxes-Operating	32,519,488	31,405,954	29,092,975	33,061,276	31,957,177
8	Other Taxes-Operating	44,628,603	42,636,244	41,680,916	44,188,528	42,977,908
9	Capital Costs	86,262,790	89,935,091	91,074,754	93,527,400	95,682,691
10	Total	\$829,065,622	\$766,164,704	\$716,884,330	\$822,654,089	\$830,284,085

**PERCENT OF REVENUES**

11	Purchased Gas & Other Supply Exp.	51.8	49.5	47.2	52.6	52.8
12	Wages and Benefits	14.4	14.8	14.5	12.7	12.3
13	Other Operation & Maintenance Exp.	8.8	8.7	9.7	8.9	9.4
14	Depreciation & Amortization Expense	5.3	5.6	6.0	5.0	4.9
15	Income Taxes-Operating	3.9	4.1	4.1	4.0	3.8
16	Other Taxes-Operating	5.4	5.6	5.8	5.4	5.2
17	Capital Costs	10.4	11.7	12.7	11.4	11.5
18	Total	100.0	100.0	100.0	100.0	100.0

**DOLLARS PER MCF**

19	Purchased Gas & Other Supply Exp.	5.88	5.45	5.25	6.04	6.21
20	Wages and Benefits	1.64	1.63	1.61	1.46	1.45
21	Other Operation & Maintenance Exp.	1.00	0.96	1.08	1.03	1.11
22	Depreciation & Amortization Expense	0.60	0.62	0.66	0.57	0.58
23	Income Taxes-Operating	0.45	0.45	0.45	0.46	0.45
24	Other Taxes-Operating	0.61	0.61	0.65	0.62	0.61
25	Capital Costs	1.18	1.29	1.41	1.31	1.36
26	Total	11.36	11.03	11.10	11.49	11.77

**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**

	2014	2013	2012	2011	2010
Purchased Gas and Other Supply Exp.					
Other Gas Supply	312,970,972	261,255,775	219,601,721	312,805,916	327,565,064
Natural Gas Storage	32,314,815	33,029,009	32,251,403	30,827,203	30,079,548
Transmission Expense	83,842,271	84,703,575	86,848,866	88,949,333	80,866,164
Total Purchased Gas	429,128,058	378,988,359	338,701,990	432,582,452	438,510,776
-Total PG related to Sales for Resale					
PG - Ultimate Customers	429,128,058	378,988,359	338,701,990	432,582,452	438,510,776
<b><u>Wages and Benefits</u></b>					
Salaries	66,470,859	66,470,859	64,159,751	64,638,501	64,108,590
Pensions and Benefits	52,885,386	46,893,065	40,051,299	40,084,284	38,313,964
Total Wages and Benefits	119,356,245	113,363,924	104,211,050	104,722,785	102,422,554
<b><u>Other Expenses</u></b>					
Total O&M Expenses	621,621,272	559,255,679	512,331,242	610,748,497	618,974,136
-Total Purchased Gas	429,128,058	378,988,359	338,701,990	432,582,452	438,510,776
-Wages and Benefits	119,356,245	113,363,924	104,211,050	104,722,785	102,422,554
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	73,136,969	66,903,397	69,418,202	73,443,260	78,040,806
<b><u>Depreciation and Amortization</u></b>					
Depreciation Exp	42,931,736	42,931,736	42,704,443	41,128,388	40,692,173
Amort & Depl of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	42,931,736	42,931,736	42,704,443	41,128,388	40,692,173
<b><u>Fuel and PP related to Sales for Resale</u></b>					
Total PG	429,128,058	378,988,359	338,701,990	432,582,452	438,510,776
divided by Total MCFs	72,963,069	69,490,539	64,559,388	71,608,392	70,570,606
Fuel Cost per MCF	6	5	5	6	6
times Sales for Resale MCFs	4,255,289	6,265,825	9,227,629	8,032,676	7,405,763
Sales for Resale PG	25,027,235	34,172,634	48,411,492	48,524,965	46,017,840
<b><u>Transportation Volumes</u></b>	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,**

	2014	2013	2012	2011	2010	
Intangible	\$13,444,649	\$13,373,445	\$12,917,377	\$12,652,015	\$11,380,551	1
Production						
Manufactured Gas						2
Natural Gas	18,219,018	17,991,675	20,026,266	20,029,954	19,105,303	3
Natural Gas Storage						
Underground Storage						4
Other Storage						5
Transmission	57,950,902	54,152,626	53,068,021	52,246,933	51,020,643	6
Distribution	1,681,268,952	1,636,439,920	1,603,993,155	1,568,635,473	1,531,841,130	7
General	82,922,488	73,356,700	72,463,836	71,184,878	66,185,646	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Underground, Non-current						11
<b>Total Plant In Service</b>	<b>1,853,806,009</b>	<b>1,795,314,367</b>	<b>1,762,468,655</b>	<b>1,724,749,253</b>	<b>1,679,533,273</b>	<b>12</b>
Plant Leased To Others						13
Plant Held For Future Use						14
Construction Work In Progress	39,814,687	26,681,848	8,009,846	6,323,445	7,946,515	15
Acquisition Adjustments						16
<b>Total Plant</b>	<b>1,893,620,696</b>	<b>1,821,996,215</b>	<b>1,770,478,501</b>	<b>1,731,072,698</b>	<b>1,687,479,788</b>	<b>17</b>
Accum. Prov. - Depr. & Amort.	714,535,492	685,228,590	652,799,318	635,516,555	606,970,746	18
<b>Total Net Plant</b>	<b>\$1,179,085,204</b>	<b>\$1,136,767,625</b>	<b>\$1,117,679,183</b>	<b>\$1,095,556,143</b>	<b>\$1,080,509,042</b>	<b>19</b>

**SELECTED RATIOS AND STATISTICS**

Current Assets / Current Liabilities	0.95	0.82	0.83	1.44	1.69	20
Total Capitalization	\$891,120,927	\$873,898,517	\$892,587,736	\$893,280,049	\$907,868,947	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	36.4%	37.1%	36.3%	46.3%	45.6%	22
Preferred Stock						23
Common Stock & Retained Earnings	59.1%	57.8%	53.6%	53.7%	54.4%	24
Short-Term Debt	4.5%	5.1%	10.1%			25
Pretax Coverage of Interest Expense	4.43	4.50	3.71	3.82	3.63	26
Com. Stock Dividends as a % of Earnings	69.1%	62.5%	69.6%	83.8%	123.7%	27
Return on Common Equity	12.2%	13.3%	19.0%	19.2%	18.4%	28
Internal Cash Generated as a % of Cash Outflows for Construction	156.4%	507.3%	208.1%	173.4%	124.9%	29
Earnings per Share	\$31,422.85	\$32,698.64	\$45,537.38	\$46,763.70	\$47,841.35	30
Book Value per Share	\$263,360.46	\$252,499.26	\$239,293.87	\$239,640.02	\$246,934.47	31
Dividends per Share	\$21,700.00	\$20,450.00	\$31,700.00	\$39,200.00	\$59,200.00	32
Number of Employees	1,391	1,289	1,278	1,286	1,325	33

**Notes:**

\* Includes Pennsylvania operations.

<b><u>Data Field Below</u></b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Current Assets	\$165,460,797	\$169,197,569	\$188,171,591	\$174,576,657	\$213,645,579
Current Liabilities	174,196,015	206,029,704	226,320,319	121,543,140	126,399,579
Total Capitalization	891,120,927	873,898,517	892,587,736	893,280,049	907,868,947
Long-Term Debt	324,000,000	324,000,000	324,000,000	414,000,000	414,000,000
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	526,720,927	504,998,517	478,587,736	479,280,049	493,868,947
Short-Term Debt	40,400,000	44,900,000	90,000,000		
Pretax Income	123,187,915	124,460,056	123,402,638	129,244,697	130,251,569
Interest Expense	27,822,729	27,656,826	33,253,928	33,864,533	35,844,473
Dividends Paid	43,400,000	40,900,000	63,400,000	78,400,000	118,400,000
Net Income (Excl. Preferred Stock Dividends)	62,845,698	65,397,276	91,074,754	93,527,400	95,682,691
Internal Cash	138,155,702	402,106,424	127,728,494	101,874,384	71,194,124
Cash Outflows for Construction	88,324,876	79,266,178	61,382,753	58,741,639	57,015,819
Shares Outstanding (Millions) Sch250251	0.0020	0.0020	0.0020	0.0020	0.0020
Misc Deferred Debits	129,238,518	231,316,082	491,487,501	473,551,505	418,031,655
Number of Employees	1,391	1,289	1,278	1,286	1,325
Pre-Tax Income					
Total Utility Operating Income	\$86,262,790	\$89,935,091	\$91,074,754	\$93,527,400	\$95,682,691
+Income Taxes - Electric					
+Income Taxes - Gas	32,519,488	31,405,954	29,092,975	33,061,276	31,957,177
+Other Income	4,608,194	3,522,890	3,743,057	2,741,138	2,303,327
- Other Income Deductions	372,929	789,799	793,419	369,429	327,120
- Other Taxes	(170,372)	(385,920)	(285,271)	(284,312)	(635,494)
Pre-Tax Income	\$123,187,915	\$124,460,056	\$123,402,638	\$129,244,697	\$130,251,569

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

	2014	2013	2012	2011	2010
<b>UTILITY PLANT</b>					
1 Total Utility Plant	\$4,928,587	\$4,778,007	\$4,662,097	\$4,543,521	\$4,417,344
2 Less Acc. Prov. For Depreciation & Amortization	2,629,216	2,480,824	2,336,847	2,200,651	2,069,859
3 Net Total Utility Plant	2,299,371	2,297,183	2,325,250	2,342,870	2,347,485
<b>OTHER PROPERTY AND INVESTMENTS</b>					
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					
<b>CURRENT AND ACCRUED ASSETS</b>					
13 Cash					
14 Special Deposits					
15 Working Funds					
16 Temporary Cash Investments					
17 Notes Receivable					
18 Accounts Receivable	159,010	199,007	131,340	111,916	225,619
19 Less Accum. Prov. For Uncollectible Accounts	(27,115)	(22,743)	(20,240)	(31,348)	(31,386)
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	8,688	31,401	10,962	13,152	26,602
29 Misc. Current and Accrued Assets					
30 Total Current and Accrued Assets	140,583	207,665	122,062	93,720	220,835
<b>DEFERRED DEBITS</b>					
31 Unamort. Debt Expense					
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges					
34 Clearing Accounts					
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	51,448	11,175	97,957	90,116	16,043
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development					
39 Accumulated Deferred Income Taxes	(304,600)	(274,300)	(260,800)	(253,800)	(230,100)
40 Total Deferred Debits	(253,152)	(263,125)	(162,843)	(163,684)	(214,057)
41 <b>Total Assets and Other Debits</b>	<b>\$2,186,802</b>	<b>\$2,241,723</b>	<b>\$2,284,469</b>	<b>\$2,272,906</b>	<b>\$2,354,263</b>

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

	2014	2013	2012	2011	2010	
<b>PROPRIETARY CAPITAL</b>						
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	(436,703)	(473,657)	(498,891)	(508,702)	(526,612)	9
Unapp. Undistributed Subsidiary Earnings						10
Reaquired Capital Stock						11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	1,889,889	1,852,935	1,827,701	1,817,890	1,799,980	12
<b>LONG-TERM DEBT</b>						
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
<b>CURRENT AND ACCRUED LIABILITIES</b>						
Notes Payable						20
Accounts Payable		1,598				21
Notes Payable to Associated Companies						22
Accounts Payable to Associated Companies	257,673	340,275	439,629	455,638	601,923	23
Customer Deposits	27,364	27,933	28,735	33,406	35,060	24
Taxes Accrued	11,876	18,982	(11,596)	(34,028)	(82,700)	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	296,913	388,788	456,768	455,016	554,283	32
<b>DEFERRED CREDITS</b>						
Customer Advances for Construction						33
Other Deferred Credits						34
Accumulated Deferred Inv. Tax Credits						35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes						37
Total Deferred Credits						38
<b>OPERATING RESERVES</b>						
Property Insurance Reserve						39
Injuries and Damage Reserve						40
Pension and Benefits Reserve						41
Miscellaneous Operating Reserves						42
Total Operating Reserves						43
<b>Total Liabilities and Other Credits</b>	<b>\$2,186,802</b>	<b>\$2,241,723</b>	<b>\$2,284,469</b>	<b>\$2,272,906</b>	<b>\$2,354,263</b>	<b>44</b>

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

	2014	2013	2012	2011	2010
<b>GAS OPERATING INCOME</b>					
1 Operating Revenues	\$2,047,853	\$1,787,277	\$1,667,336	\$1,993,638	\$2,005,164
Operating Expense:					
2 Operation Expense	1,523,885	1,312,584	1,197,057	1,505,243	1,564,205
3 Maintenance Expense	50,887	41,091	67,812	46,633	41,544
4 Depreciation Expense	122,162	115,174	109,271	108,319	104,303
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	115,584	128,040	121,036	119,795	111,658
11 Income Taxes	49,300	13,000	7,000	23,700	2,900
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	1,905,284	1,653,355	1,545,642	1,847,156	1,868,076
15 Net Operating Revenues	142,569	133,922	121,694	146,482	137,088
16 Other Utility Operating Income					
17 <b>Total Gas Utility Operating Income</b>	142,569	133,922	121,694	146,482	137,088
18 Other Utility Operating Income					
19 <b>Total Utility Operating Income</b>	\$142,569	\$133,922	\$121,694	\$146,482	\$137,088

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

	2014	2013	2012	2011	2010	
<b>OTHER INCOME</b>						
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		\$918	\$2,823			5
Allowance for Funds Used During Construction						6
Miscellaneous Nonoperating Income					(\$67)	7
Gain on Disposition of Property						8
Total Other Income		918	2,823		(67)	9
<b>OTHER INCOME DEDUCTIONS</b>						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	\$930.00	676	693	1,519	954	12
Total Other Income Deductions	930	676	693	1,519	954	13
<b>TAXES-OTHER INCOME AND DEDUCTIONS</b>						
Taxes Other than Income Taxes						14
Income Taxes						15
Total Taxes-Other Inc. & Deductions						16
Net Other Income and Deductions	(930)	242	2,130	(1,519)	(1,021)	17
<b>INTEREST CHARGES</b>						
Interest on Long-term Debt	\$100,747.00	\$106,958	\$109,833	\$120,666	124,413	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	\$3,937.00	1,972	4,180	6,387	6,070	22
Total Interest Charges	104,684	108,930	114,013	127,053	130,483	23
Income Before Extraordinary Items	36,955	25,234	9,811	17,910	5,584	24
<b>EXTRAORDINARY ITEMS</b>						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
<b>Net Income</b>	<b>\$36,955</b>	<b>\$25,234</b>	<b>\$9,811</b>	<b>\$17,910</b>	<b>\$5,584</b>	<b>29</b>
<hr/>						
<b>RETAINED EARNINGS</b>						
Unappropriated Retained Earnings (BOP)	(\$473,657)	(\$498,891)	(\$508,702)	(\$526,612)	(\$532,196)	30
Balance Transferred from Income	36,954	25,234	9,811	17,910	5,584	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock						34
Adjustments to Retained Earnings 1						35
Net Change	36,954	25,234	9,811	17,910	5,584	36
Unappropriated Retained Earnings (EOP)	(436,703)	(473,657)	(498,891)	(508,702)	(526,612)	37
Appropriated Retained Earnings (EOP)						38
<b>Total Retained Earnings</b>	<b>(\$436,703)</b>	<b>(\$473,657)</b>	<b>(\$498,891)</b>	<b>(\$508,702)</b>	<b>(\$526,612)</b>	<b>39</b>

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

**VALLEY ENERGY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2014	2013	2012	2011	2010
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$36,955	\$25,234	\$9,811	\$17,910	\$5,584
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	148,392	145,611	141,294	137,785	131,713
3 Deferred Taxes & ITCs	30,300	9,900	7,000	23,700	2,900
4 Receivables and Inventory	67,082	(85,604)	(28,342)	140,403	(87,405)
5 Payables and Accrued Expenses	(1,599)	20,581			289,890
6 Regulatory Assets (Net)	(40,273)	86,782	(7,841)	(74,073)	(1,158)
7 Capitalized AFUDC - Equity					
8 Undistributed Earnings of Affiliates					
9 Other Adjustments				48,672	
10	(7,106)	11,595	22,433	(14,942)	(33,084)
11	(569)	(803)	(4,671)		(4,518)
12 Net Cash From Operating Activities	<u>233,182</u>	<u>213,296</u>	<u>139,684</u>	<u>279,455</u>	<u>303,922</u>
<b>Cash Flows From Investing Activities</b>					
13 Cash Outflows For Construction	(150,580)	(113,945)	(123,675)	(133,170)	(33,452)
14 Acquisition Of Other Non-Current Assets					
15 Investments in & Advances to Affiliates					
16 Contributions & Advances from Affiliates	(82,599)	(99,354)	(16,009)	(146,285)	
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					(270,470)
19 Investment Securities					
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities					
22					
23					
24 Net Cash From Investing Activities	<u>(233,179)</u>	<u>(213,299)</u>	<u>(139,684)</u>	<u>(279,455)</u>	<u>(303,922)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt					
26 Common Stock					
27 Preferred Stock					
28 Short-Term Debt					
29 Dividends Paid					
30 Other Cash Flows - Financing Activities					
31					
32					
33 Net Cash From Financing Activities	<u>3</u>	<u>(3)</u>	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>
34 Net Increase/(Decrease) In Cash Equivalents	3	(3)	(0)	(0)	(0)
35 Cash & Cash Equivalents Beginning Of Year	(3)	(0)	(0)	(0)	(0)
36 <b>Cash &amp; Cash Equivalents End Of Year</b>	<b>(\$0)</b>	<b>(\$3)</b>	<b>(\$0)</b>	<b>(\$0)</b>	<b>(\$0)</b>

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

	2014	2013	2012	2011	2010	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Residential	\$1,234,413	\$1,102,010	\$951,818	\$1,127,103	\$1,182,672	1
Commercial	601,776	524,632	481,743	621,295	628,399	2
Industrial						3
Other Ultimate Customers						4
Total Revenues-Ultimate Customer	1,836,189	1,626,642	1,433,561	1,748,398	1,811,071	5
Sales for Resale						6
Total Revenues from Gas Sales	1,836,189	1,626,642	1,433,561	1,748,398	1,811,071	7
Transportation Sales	190,583	173,259	173,431	171,908	165,096	8
Other Gas Operating Revenues	21,081	(12,624)	60,344	73,332	28,997	9
Total Gas Operating Revenues	\$2,047,853	\$1,787,277	\$1,667,336	\$1,993,638	\$2,005,164	10
<b>SALES (MCF)</b>						
Residential	165,061	147,830	125,870	140,645	138,716	11
Commercial	99,788	87,297	81,148	94,561	88,076	12
Industrial						13
Other Ultimate Customers						14
Total Sales-Ultimate Customer	264,848	235,127	207,018	235,206	226,792	15
Sales for Resale						16
Transportation Sales	102,311	92,196	94,284	94,051	91,174	17
Other Gas Sales						18
Total Sales	367,160	327,323	301,302	329,257	317,966	19
<b>AVG NUMBERS OF CUSTOMERS</b>						
Residential	1,610	1,573	1,550	1,511	1,495	20
Commercial	197	197	191	188	179	21
Industrial						22
Other Customers						23
Total Ultimate Customers	1,807	1,770	1,741	1,699	1,674	24
Resales						25
Total Customers	1,807	1,770	1,741	1,699	1,674	26
<b>OPERATING REVENUES RELATIONSHIP</b>						
<b>RESIDENTIAL SALES</b>						
Average Annual Bill Per Customer	\$767	\$701	\$614	\$746	\$791	27
Average MCF Consumption Per Customer	102.5	94.0	81.2	93.1	92.8	28
Average Revenue Per MCF Sold	\$7.48	\$7.45	\$7.56	\$8.01	\$8.53	29
<b>COMMERCIAL SALES</b>						
Average Annual Bill Per Customer	\$3,055	\$2,663	\$2,522	\$3,305	\$3,511	30
Average MCF Consumption Per Customer	506.5	443.1	424.9	503.0	492.0	31
Average Revenue Per MCF Sold	\$6.03	\$6.01	\$5.94	\$6.57	\$7.13	32
<b>INDUSTRIAL SALES</b>						
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
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	\$465,369	\$350,247	\$378,274	\$588,281	\$724,291	39
Other	651,086	549,380	447,972	525,176	440,902	40
Total Production Expense	1,116,455	899,627	826,246	1,113,457	1,165,193	41
Natural Gas Storage Expense	10,182	11,541	13,733	7,510	5,828	42
Transmission Expense						43
Distribution Expense	225,822	221,239	229,693	217,285	211,061	44
Customer Account Expense	104,748	102,864	85,319	101,530	117,303	45
Sales Expense	429	440	206	517	452	46
Administrative and General	117,136	117,964	109,672	111,577	105,902	47
Total O & M Expense	\$1,574,772	\$1,353,675	\$1,264,869	\$1,551,876	\$1,605,739	48
<b>Notes:</b>						

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,**

	2014	2013	2012	2011	2010
1 Total Revenues	\$2,047,853	\$1,787,277	\$1,667,336	\$1,993,638	\$2,005,164
2 Sales of Gas (MCF) *	264,848	235,127	207,018	235,206	226,792
<b>DOLLAR AMOUNTS</b>					
3 Purchased Gas & Other Supply Exp.	\$1,116,455	\$899,627	\$826,246	\$1,113,457	\$1,165,193
4 Wages and Benefits	122,856	121,560	114,548	114,893	108,862
5 Other Operation & Maintenance Exp.	335,461	332,488	324,075	323,526	331,684
6 Depreciation & Amortization Expense	122,162	115,174	109,271	108,319	104,303
7 Income Taxes-Operating	49,300	13,000	7,000	23,700	2,900
8 Other Taxes-Operating	115,584	128,040	121,036	119,795	111,658
9 Capital Costs	186,035	177,388	165,160	189,948	180,564
10 Total	\$2,047,853	\$1,787,277	\$1,667,336	\$1,993,638	\$2,005,164
<b>PERCENT OF REVENUES</b>					
11 Purchased Gas & Other Supply Exp.	54.5	50.3	49.6	55.9	58.1
12 Wages and Benefits	6.0	6.8	6.9	5.8	5.4
13 Other Operation & Maintenance Exp.	16.4	18.6	19.4	16.2	16.5
14 Depreciation & Amortization Expense	6.0	6.4	6.6	5.4	5.2
15 Income Taxes-Operating	2.4	0.7	0.4	1.2	0.1
16 Other Taxes-Operating	5.6	7.2	7.3	6.0	5.6
17 Capital Costs	9.1	9.9	9.9	9.5	9.0
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER MCF</b>					
19 Purchased Gas & Other Supply Exp.	4.22	3.83	3.99	4.73	5.14
20 Wages and Benefits	0.46	0.52	0.55	0.49	0.48
21 Other Operation & Maintenance Exp.	1.27	1.41	1.57	1.38	1.46
22 Depreciation & Amortization Expense	0.46	0.49	0.53	0.46	0.46
23 Income Taxes-Operating	0.19	0.06	0.03	0.10	0.01
24 Other Taxes-Operating	0.44	0.54	0.58	0.51	0.49
25 Capital Costs	0.70	0.75	0.80	0.81	0.80
26 Total	7.73	7.60	8.05	8.48	8.84

**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	1,116,455	899,627	826,246	1,113,457	1,165,193
Total Purchased Gas	1,116,455	899,627	826,246	1,113,457	1,165,193
-Total PG related to Sales for Resale PG - Ultimate Customers	1,116,455	899,627	826,246	1,113,457	1,165,193
<b><u>Wages and Benefits</u></b>					
Salaries	122,742	120,855	114,405	114,405	107,909
Pensions and Benefits	114	705	143	488	953
Total Wages and Benefits	122,856	121,560	114,548	114,893	108,862
<b><u>Other Expenses</u></b>					
Total O&M Expenses	1,574,772	1,353,675	1,264,869	1,551,876	1,605,739
-Total Purchased Gas	1,116,455	899,627	826,246	1,113,457	1,165,193
-Wages and Benefits	122,856	121,560	114,548	114,893	108,862
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	335,461	332,488	324,075	323,526	331,684
<b><u>Depreciation and Amortization</u></b>					
Depreciation Exp	122,162	115,174	109,271	108,319	104,303
Amort & Depl of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	122,162	115,174	109,271	108,319	104,303
<b><u>Fuel and PP related to Sales for Resale</u></b>					
Total PG	1,116,455	899,627	826,246	1,113,457	1,165,193
divided by Total MCFs	264,848	235,127	207,018	235,206	226,792
Fuel Cost per MCF	4.215	3.826	3.991	4.734	5.138
times Sales for Resale MCFs Sales for Resale PG					
<b><u>Transportation Volumes</u></b>	102,311	92,196	94,284	94,051	91,174



**Data Field Below**

Current Assets	140,583	207,665	122,062	93,720	220,835
Current Liabilities	296,913	388,788	456,768	455,016	554,283
Total Capitalization	1,889,889	1,852,935	1,827,701	1,817,890	1,799,980
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,889,889	1,852,935	1,827,701	1,817,890	1,799,980
Short-Term Debt					
Pretax Income	190,939	147,164	128,694	170,182	139,988
Interest Expense	104,684	108,927	109,833	120,666	124,413
Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	36,955	25,237	121,694	17,190	137,088
Internal Cash	233,182	213,299	139,684	279,455	303,922
Cash Outflows for Construction	150,580	113,945	123,675	133,170	33,452
Shares Outstanding (Millions) Sch250251					
Misc Deferred Debits	51,448	11,175	97,957	90,116	16,043
Number of Employees	4	4	4	4	4
<b><u>Pre-Tax Income</u></b>					
Total Utility Operating Income	\$142,569	\$133,922	\$121,694	\$146,482	\$137,088
+Income Taxes - Electric					
+Income Taxes - Gas	49,300	13,000	7,000	23,700	2,900
+Other Income		918			
- Other Income Deductions	930	676			
- Other Taxes					
Pre-Tax Income	\$190,939	\$147,164	\$128,694	\$170,182	\$139,988

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

	2014	2013	2012	2011	2010
<b>UTILITY PLANT</b>					
1 Total Utility Plant	\$95,198,718	\$86,857,648	\$60,347,069	\$51,864,443	\$49,308,885
2 Less Acc. Prov. For Depreciation & Amortization	27,216,107	25,807,526	24,839,853	24,267,325	23,385,303
3 Net Total Utility Plant	67,982,611	61,050,122	35,507,216	27,597,118	25,923,582
<b>OTHER PROPERTY AND INVESTMENTS</b>					
4 Nonutility Property					
5 Less Acc. Prov. For Depreciation & Amortization					
6 Investment in Associated Companies					
7 Investment in Subsidiary Companies	50,632	44,960	38,526	35,765	36,741
8 Other Investments				(114,817)	(227,876)
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds					
12 Total Other Property and Investments	50,632	44,960	38,526	(79,052)	(191,135)
<b>CURRENT AND ACCRUED ASSETS</b>					
13 Cash	(101,106)	(319,618)	198,563	96,745	(47,601)
14 Special Deposits					
15 Working Funds	2,750	2,895	2,750	2,388	4,287
16 Temporary Cash Investments					
17 Notes Receivable	1,831,946	2,031,946	1,957,848	1,957,760	1,861,946
18 Accounts Receivable	5,841,679	6,779,488	3,306,844	2,941,774	3,940,039
19 Less Accum. Prov. For Uncollectible Accounts	(225,000)	(225,000)	(250,000)	(325,000)	(507,774)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies			4,098	4,186	3,335
22 Materials and Supplies	1,080,450	1,267,987	3,422,296	3,886,379	190,322
23 Gas Stored Underground - Current	3,875,586	1,533,583	1,975,330	3,223,177	2,031,104
24 Liquefied Natural Gas in Storage					
25 Prepayments	632,712	554,468	540,795	522,084	500,726
26 Interest and Dividends Receivable					
27 Rents Receivable					
28 Accrued Utility Revenue					
29 Misc. Current and Accrued Assets					
30 Total Current and Accrued Assets	12,939,017	11,625,749	11,158,524	12,309,493	7,976,384
<b>DEFERRED DEBITS</b>					
31 Unamort. Debt Expense					
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges					
34 Clearing Accounts	10,548	11,517	9,862	8,795	8,215
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	7,122,964	1,400,451	8,045,084	6,929,976	5,669,977
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development					
39 Accumulated Deferred Income Taxes	8,166,970	2,489,004	4,587,237	4,302,037	4,154,495
40 Total Deferred Debits	15,300,482	3,900,972	12,642,183	11,240,808	9,832,687
41 <b>Total Assets and Other Debits</b>	<b>\$96,272,742</b>	<b>\$76,621,803</b>	<b>\$59,346,449</b>	<b>\$51,068,367</b>	<b>\$43,541,518</b>

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

	2014	2013	2012	2011	2010	
<b>PROPRIETARY CAPITAL</b>						
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	13,000,000	13,000,000				6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	12,980,079	11,633,019	10,380,458	9,390,862	7,971,438	9
Unapp. Undistributed Subsidiary Earnings	48,632	42,960	36,526	33,765	34,741	10
Reaquired Capital Stock						11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	30,378,711	29,025,979	14,766,984	13,774,627	12,356,179	12
<b>LONG-TERM DEBT</b>						
Bonds						13
Reaquired Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	16
Unamortized Premium on LT Debt						17
Unamortized Discount on LT Debt-Debit						18
Total Long-Term Debt	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	19
<b>CURRENT AND ACCRUED LIABILITIES</b>						
Notes Payable	28,380,000	18,267,000	15,995,000	10,983,000	7,290,000	20
Accounts Payable	7,392,700	8,173,734	3,447,524	4,019,301	3,463,277	21
Notes Payable to Associated Companies						22
Accounts Payable to Associated Companies	107,582	125,651	62,072	72,118	158,659	23
Customer Deposits	427,821	373,347	346,647	388,387	424,993	24
Taxes Accrued	(374,671)	753,805	374,437	701,539	(214,228)	25
Interest Accrued	16,656	15,625	11,205	8,096	7,724	26
Dividends Declared						27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable						30
Misc. Current and Accrued Liabilities	1,529,477	2,350,265	636,657	273,756	148,600	31
Total Current and Accrued Liabilities	37,479,565	30,059,427	20,873,542	16,446,197	11,279,025	32
<b>DEFERRED CREDITS</b>						
Customer Advances for Construction	218,133	241,979	287,103	299,912	332,271	33
Other Deferred Credits	7,262,504	1,720,912	6,195,760	3,773,598	2,513,892	34
Accumulated Deferred Inv. Tax Credits						35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	11,104,215	5,556,097	7,268,562	6,969,597	5,969,818	37
Total Deferred Credits	18,584,852	7,518,988	13,751,425	11,043,107	8,815,981	38
<b>OPERATING RESERVES</b>						
Property Insurance Reserve						39
Injuries and Damage Reserve	125,000	125,000	125,000	122,705	91,958	40
Pension and Benefits Reserve	2,596,996	2,799,925	2,756,841	2,631,466	3,944,047	41
Miscellaneous Operating Reserves	107,618	92,484	72,657	50,262	54,328	42
Total Operating Reserves	2,829,614	3,017,409	2,954,498	2,804,433	4,090,333	43
<b>Total Liabilities and Other Credits</b>	<b>\$96,272,742</b>	<b>\$76,621,803</b>	<b>\$59,346,449</b>	<b>\$51,068,364</b>	<b>\$43,541,518</b>	<b>44</b>

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

	2014	2013	2012	2011	2010
<b>GAS OPERATING INCOME</b>					
1 Operating Revenues	\$46,367,070	\$43,113,775	\$43,624,485	\$40,015,060	\$40,889,508
Operating Expense:					
2 Operation Expense	39,752,289	37,332,553	37,943,274	33,666,068	34,267,098
3 Maintenance Expense	383,894	327,749	332,152	375,356	399,157
4 Depreciation Expense	1,335,603	1,122,226	1,092,208	1,079,095	1,049,330
5 Amort. and Depletion of Utility Plant	14,072	14,072	14,071	14,071	14,069
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	2,326,591	2,273,213	2,277,783	2,215,624	2,121,065
11 Income Taxes	969,903	637,965	602,335	912,599	947,167
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	44,782,352	41,707,778	42,261,823	38,262,813	38,797,886
15 Net Operating Revenues	1,584,718	1,405,997	1,362,662	1,752,247	2,091,622
16 Other Utility Operating Income					
17 <b>Total Gas Utility Operating Income</b>	1,584,718	1,405,997	1,362,662	1,752,247	2,091,622
18 Other Utility Operating Income					
19 <b>Total Utility Operating Income</b>	\$1,584,718	\$1,405,997	\$1,362,662	\$1,752,247	\$2,091,622

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

	2014	2013	2012	2011	2010	
<b>OTHER INCOME</b>						
Income - Merch. Jobbing & Contract Work						1
Income from Nonutility Operations						2
Nonoperating Rental Income						3
Equity in Earnings of Subsidiary Companies	5,672	6,434	\$2,761	(\$976)	\$3,627	4
Interest and Dividend Income	225,863	161,981	170,052	212,826	195,719	5
Allowance for Funds Used During Construction	268,253	162,684	155,870	82,661	9,309	6
Miscellaneous Nonoperating Income						7
Gain on Disposition of Property						8
Total Other Income	499,788	331,099	328,683	294,511	208,655	9
<b>OTHER INCOME DEDUCTIONS</b>						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	1,196	20,054	61,850	18,000	15,000	12
Total Other Income Deductions	1,196	20,054	61,850	18,000	15,000	13
<b>TAXES-OTHER INCOME AND DEDUCTIONS</b>						
Taxes Other than Income Taxes						14
Income Taxes						15
Total Taxes-Other Inc. & Deductions						16
Net Other Income and Deductions	498,592	311,045	266,833	276,511	193,655	17
<b>INTEREST CHARGES</b>						
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	573,989	567,259	633,564	629,140	967,201	22
Total Interest Charges	573,989	567,259	633,564	629,140	967,201	23
Income Before Extraordinary Items	1,509,321	1,149,783	995,931	1,399,618	1,318,076	24
<b>EXTRAORDINARY ITEMS</b>						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
<b>Net Income</b>	<b>\$1,509,321</b>	<b>\$1,149,783</b>	<b>\$995,931</b>	<b>\$1,399,618</b>	<b>\$1,318,076</b>	<b>29</b>
<hr/>						
<b>RETAINED EARNINGS</b>						
Unappropriated Retained Earnings (BOP)	\$11,633,019	\$10,380,458	\$9,390,862	\$7,971,438	\$8,341,722	30
Balance Transferred from Income	1,503,649	1,143,349	993,170	1,400,594	1,314,449	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock					1,631,250	34
Adjustments to Retained Earnings	(156,589)	109,212	(3,574)	18,830	(53,483)	35
Net Change	1,347,060	1,252,561	989,596	1,419,424	(370,284)	36
Unappropriated Retained Earnings (EOP)	12,980,079	11,633,019	10,380,458	9,390,862	7,971,438	37
Appropriated Retained Earnings (EOP)						38
<b>Total Retained Earnings</b>	<b>\$12,980,079</b>	<b>\$11,633,019</b>	<b>\$10,380,458</b>	<b>\$9,390,862</b>	<b>\$7,971,438</b>	<b>39</b>

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

	2014	2013	2012	2011	2010
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$1,509,321.00	\$1,149,783.00	\$995,931	\$1,399,618	\$1,318,076
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	1,560,987	1,323,588	1,271,892	1,236,232	1,191,515
3 Deferred Taxes & ITCs	5,255,155	(2,267,403)	2,317,536	2,017,714	(2,179,527)
4 Receivables and Inventory	1,325,346	(1,413,335)	24,013	(2,977,231)	2,165,799
5 Payables and Accrued Expenses	(2,692,862)	6,913,885	(584,655)	1,474,172	969,271
6 Regulatory Assets (Net)					
7 Capitalized AFUDC - Equity					
8 Undistributed Earnings of Affiliates	(5,672)	(6,434)	(2,761)	976	(3,627)
9 Other Adjustments	(2,342,003)	441,747	1,247,847	(1,192,073)	1,138,059
10	(78,244)	(13,673)	(18,711)	(21,358)	505,629
11	(5,933,185)	4,948,300	(978,922)	(2,578,835)	(1,085,991)
12 Net Cash From Operating Activities	<u>(1,401,157)</u>	<u>11,076,458</u>	<u>4,272,170</u>	<u>(640,785)</u>	<u>4,019,204</u>
<b>Cash Flows From Investing Activities</b>					
13 Cash Outflows For Construction	(8,435,237)	(26,838,243)	(8,792,180)	(2,862,126)	(2,319,943)
14 Acquisition Of Other Non-Current Assets	(58,239)	(28,251)	(389,810)	(47,642)	(31,327)
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>(8,493,476)</u>	<u>(26,866,494)</u>	<u>(9,181,990)</u>	<u>(2,909,768)</u>	<u>(2,351,270)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt		13,000,000			2,500,000
26 Common Stock					
27 Preferred Stock					
28 Short-Term Debt	10,113,000	2,272,000	5,012,000	3,693,000	(1,810,000)
29 Dividends Paid					(2,501,250)
30 Other Cash Flows - Financing Activities					
31					
32					
33 Net Cash From Financing Activities	<u>10,113,000</u>	<u>15,272,000</u>	<u>5,012,000</u>	<u>3,693,000</u>	<u>(1,811,250)</u>
34 Net Increase/(Decrease) In Cash Equivalents	218,367	(518,036)	102,180	142,447	(143,316)
35 Cash & Cash Equivalents Beginning Of Year	(316,723)	201,313	99,133	(43,314)	100,002
36 <b>Cash &amp; Cash Equivalents End Of Year</b>	<b>(\$98,356)</b>	<b>(\$316,723)</b>	<b>\$201,313</b>	<b>\$99,133</b>	<b>(\$43,314)</b>

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

	2014	2013	2012	2011	2010	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Residential	\$20,003,653	\$18,710,677	\$17,547,504	\$18,623,447	\$16,919,444	1
Commercial	9,976,662	9,092,493	8,717,247	9,547,374	9,378,049	2
Industrial	1,934,230	1,365,655	1,292,176	3,296,981	7,173,968	3
Other Ultimate Customers						4
Total Revenues-Ultimate Customer	31,914,545	29,168,825	27,556,927	31,467,802	33,471,461	5
Sales for Resale						6
Total Revenues from Gas Sales	31,914,545	29,168,825	27,556,927	31,467,802	33,471,461	7
Transportation Sales	8,662,855	9,654,532	8,958,040	6,939,117	5,197,945	8
Other Gas Operating Revenues	5,789,669	4,290,418	7,109,518	1,608,141	2,220,102	9
Total Gas Operating Revenues	\$46,367,069	\$43,113,775	\$43,624,485	\$40,015,060	\$40,889,508	10
<b>SALES (MCF)</b>						
Residential	1,624,646	1,470,513	1,326,239	1,451,881	1,418,551	11
Commercial	968,579	900,874	831,985	903,962	966,756	12
Industrial	156,747	124,445	150,612	385,568	918,250	13
Other Ultimate Customers						14
Total Sales-Ultimate Customer	2,749,972	2,495,832	2,308,836	2,741,411	3,303,557	15
Sales for Resale						16
Transportation Sales	4,561,841	4,458,393	4,314,572	4,483,227	3,838,709	17
Other Gas Sales						18
Total Sales	7,311,813	6,954,224	6,623,409	7,224,638	7,142,266	19
<b>AVG NUMBERS OF CUSTOMERS</b>						
Residential	14,082	13,946	13,882	13,820	13,825	20
Commercial	1,587	1,576	1,580	1,584	1,588	21
Industrial	3	3	3	5	9	22
Other Customers						23
Total Ultimate Customers	15,672	15,525	15,465	15,409	15,422	24
Resales						25
Total Customers	15,672	15,525	15,465	15,409	15,422	26
<b>OPERATING REVENUES RELATIONSHIP</b>						
<b>RESIDENTIAL SALES</b>						
Average Annual Bill Per Customer	\$1,421	\$1,342	\$1,264	\$1,348	\$1,224	27
Average MCF Consumption Per Customer	115.4	105.4	95.5	105.1	102.6	28
Average Revenue Per MCF Sold	\$12.31	\$12.72	\$13.23	\$12.83	\$11.93	29
<b>COMMERCIAL SALES</b>						
Average Annual Bill Per Customer	\$6,286	\$5,769	\$5,517	\$6,027	\$5,906	30
Average MCF Consumption Per Customer	610.3	571.6	526.6	570.7	608.8	31
Average Revenue Per MCF Sold	\$10.30	\$10.09	\$10.48	\$10.56	\$9.70	32
<b>INDUSTRIAL SALES</b>						
Average Annual Bill Per Customer	\$644,743	\$455,218	\$430,725	\$659,396	\$797,108	33
Average MCF Consumption Per Customer	52,249.0	41,481.6	50,204.1	77,113.6	102,027.8	34
Average Revenue Per MCF Sold	\$12.34	\$10.97	\$8.58	\$8.55	\$7.81	35
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	\$32,783,042.00	\$24,396,757.51	\$25,622,002	\$27,497,910	\$24,454,247	39
Other	(1,489,235)	4,346,201	3,815,392	(1,604,920)	927,871	40
Total Production Expense	31,293,807	28,742,959	29,437,394	25,892,990	25,382,118	41
Natural Gas Storage Expense						42
Transmission Expense						43
Distribution Expense	2,555,646	2,499,093	2,457,279	2,084,262	2,145,556	44
Customer Account Expense	1,080,217	1,033,678	1,089,342	856,623	718,464	45
Sales Expense	119,868	110,944	119,691	89,323	92,413	46
Administrative and General	5,086,645	5,273,631	5,171,720	5,118,226	5,327,704	47
Total O & M Expense	\$40,136,183	\$37,660,304	\$38,275,426	\$34,041,424	\$33,666,255	48
<b>Notes:</b>						

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,**

	2014	2013	2012	2011	2010
1 Total Revenues	\$46,367,069	\$43,113,775	\$43,624,485	\$40,015,060	\$40,889,508
2 Sales of Gas (MCF) *	2,749,972	2,495,832	2,308,836	2,741,411	3,303,557
<b>DOLLAR AMOUNTS</b>					
3 Purchased Gas & Other Supply Exp.	\$31,293,807	\$28,742,959	\$29,437,394	\$25,892,990	\$25,382,118
4 Wages and Benefits	4,893,525	4,867,462	4,787,642	4,703,274	4,740,471
5 Other Operation & Maintenance Exp.	3,948,851	4,049,882	4,050,390	3,445,160	3,543,666
6 Depreciation & Amortization Expense	1,349,675	1,136,298	1,106,279	1,093,166	1,063,399
7 Income Taxes-Operating	969,903	637,965	602,335	912,599	947,167
8 Other Taxes-Operating	2,326,591	2,273,213	2,277,783	2,215,624	2,121,065
9 Capital Costs	1,584,717	1,405,995	1,362,662	1,752,247	3,091,622
10 Total	\$46,367,069	\$43,113,775	\$43,624,485	\$40,015,060	\$40,889,508
<b>PERCENT OF REVENUES</b>					
11 Purchased Gas & Other Supply Exp.	67.5	66.7	67.5	64.7	62.1
12 Wages and Benefits	10.6	11.3	11.0	11.8	11.6
13 Other Operation & Maintenance Exp.	8.5	9.4	9.3	8.6	8.7
14 Depreciation & Amortization Expense	2.9	2.6	2.5	2.7	2.6
15 Income Taxes-Operating	2.1	1.5	1.4	2.3	2.3
16 Other Taxes-Operating	5.0	5.3	5.2	5.5	5.2
17 Capital Costs	3.4	3.3	3.1	4.4	7.6
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER MCF</b>					
19 Purchased Gas & Other Supply Exp.	11.38	11.52	12.75	9.45	7.68
20 Wages and Benefits	1.78	1.95	2.07	1.72	1.43
21 Other Operation & Maintenance Exp.	1.44	1.62	1.75	1.26	1.07
22 Depreciation & Amortization Expense	0.49	0.46	0.48	0.40	0.32
23 Income Taxes-Operating	0.35	0.26	0.26	0.33	0.29
24 Other Taxes-Operating	0.85	0.91	0.99	0.81	0.64
25 Capital Costs	0.58	0.56	0.59	0.64	0.94
26 Total	16.86	17.27	18.89	14.60	12.38

**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 \$31,293,807 \$28,742,959 \$29,437,394 \$25,892,990 \$25,382,118

Total Purchased Gas 31,293,807 28,742,959 29,437,394 25,892,990 25,382,118

-Total PG related to Sales for Resale

PG - Ultimate Customers 31,293,807 28,742,959 29,437,394 25,892,990 25,382,118

**Wages and Benefits**

Salaries 3,037,471 3,104,483 3,061,831 3,009,287 3,027,309

Pensions and Benefits 1,856,054 1,762,979 1,725,811 1,693,987 1,713,162

Total Wages and Benefits 4,893,525 4,867,462 4,787,642 4,703,274 4,740,471

**Other Expenses**

Total O&amp;M Expenses 40,136,183 37,660,304 38,275,426 34,041,424 33,666,255

-Total Purchased Gas 31,293,807 28,742,959 29,437,394 25,892,990 25,382,118

-Wages and Benefits 4,893,525 4,867,462 4,787,642 4,703,274 4,740,471

-Other Gains

+Other Losses

-Other Revenues

Other Expenses 3,948,851 4,049,882 4,050,390 3,445,160 3,543,666

**Depreciation and Amortization**

Depreciation Exp 1,335,603 1,122,226 1,092,208 1,079,095 1,049,330

Amort &amp; Depl of Utility Plant 14,072 14,072 14,071 14,071 14,069

Amort of Other Utility Plant

Amort of Property Losses

Amort of Conversion Expenses

Total Depre and Amort 1,349,675 1,136,298 1,106,279 1,093,166 1,063,399

**Fuel and PP related to Sales for Resale**

Total PG 31,293,807 28,742,959 29,437,394 25,892,990 25,382,118

divided by Total MCFs 2,749,972 2,495,832 2,308,836 2,741,411 3,303,557

Fuel Cost per MCF 11.380 11.516 12.750 9.445 7.683

times Sales for Resale MCFs

Sales for Resale PG

**Transportation Volumes**

4,561,841 4,458,393 4,314,572 4,483,227 3,838,709

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

	2014	2013	2012	2011	2010	
Intangible	\$415,012	\$415,012	\$415,012	\$415,012	\$415,012	1
Production						
Manufactured Gas						2
Natural Gas						3
Natural Gas Storage						
Underground Storage						4
Other Storage						5
Transmission						6
Distribution	57,941,636	55,154,857	42,049,819	40,681,353	40,139,825	7
General	9,884,672	9,508,664	8,571,418	8,009,014	7,577,024	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Underground, Non-current						11
<b>Total Plant In Service</b>	<b>68,241,320</b>	<b>65,078,533</b>	<b>51,036,249</b>	<b>49,105,379</b>	<b>48,131,861</b>	<b>12</b>
Plant Leased To Others						13
Plant Held For Future Use						14
Construction Work In Progress	26,957,398	21,779,115	9,310,821	2,759,065	1,177,024	15
Acquisition Adjustments						16
<b>Total Plant</b>	<b>95,198,718</b>	<b>86,857,648</b>	<b>60,347,070</b>	<b>51,864,444</b>	<b>49,308,885</b>	<b>17</b>
Accum. Prov. - Depr. & Amort.	27,216,107	25,807,526	24,839,853	24,267,325	23,385,303	18
<b>Total Net Plant</b>	<b>\$67,982,611</b>	<b>\$61,050,122</b>	<b>\$35,507,217</b>	<b>\$27,597,119</b>	<b>\$25,923,582</b>	<b>19</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.35	0.39	0.53	0.75	0.71	20
Total Capitalization	\$65,758,711	\$54,292,979	\$37,761,984	\$31,757,627	\$26,646,179	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	10.6%	12.9%	18.5%	22.0%	26.3%	22
Preferred Stock						23
Common Stock & Retained Earnings	46.2%	53.5%	39.1%	43.4%	46.4%	24
Short-Term Debt	43.2%	33.6%	42.4%	34.6%	27.4%	25
Pretax Coverage of Interest Expense	5.32	4.15	3.10	4.24	3.14	26
Com. Stock Dividends as a % of Earnings					78.0%	27
Return on Common Equity	5.1%	5.3%	9.5%	13.4%	16.7%	28
Internal Cash Generated as a % of Cash Outflows for Construction	-16.6%	41.3%	48.6%	-22.4%	173.2%	29
Earnings per Share	\$3.47	\$2.64	\$3.13	\$4.03	\$4.81	30
Book Value per Share	\$69.84	\$66.73	\$33.95	\$31.67	\$28.41	31
Dividends per Share					\$3.75	32
Number of Employees	47	49	45	46	44	33

**Data Field Below**

Current Assets	\$12,939,017	\$11,625,749	\$11,158,524	\$12,309,493	\$7,976,384.00
Current Liabilities	37,479,565	30,059,427	20,873,542	16,446,197	11,279,025
Total Capitalization	65,758,711	54,292,979	37,761,984	31,757,627	26,646,179
Long-Term Debt	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Preferred Stock		-	-		
Common Stock and Retained Earnings (Excl. Preferred Stock)	30,378,711	29,025,979	14,766,984	13,774,627	12,356,179
Short-Term Debt	28,380,000	18,267,000	15,995,000	10,983,000	7,290,000
Pretax Income	3,053,213	2,355,007	1,964,997	2,664,846	3,038,789
Interest Expense	573,989	567,259	633,564	629,140	967,201
Dividends Paid					1,631,250
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	1,509,321	1,149,783	1,362,662	1,752,247	2,091,622
Internal Cash	(1,401,157)	11,076,458	4,272,170	(640,785)	4,019,204
Cash Outflows for Construction	8,435,237	26,838,243	8,792,180	2,862,126	2,319,943
Shares Outstanding (Millions) Sch250251	0.4350	0.4350	0.4350	0.4350	0.4350
Misc Deferred Debits	(139,540)	(320,461)	1,849,324	3,156,378	3,156,085
Number of Employees	47	49	45	46	44
<b><u>Pre-Tax Income</u></b>					
Total Utility Operating Income	\$1,584,718	\$1,405,997	\$1,362,662	\$1,752,247	\$2,091,622
+Income Taxes - Electric					
+Income Taxes - Gas	969,903	637,965	602,335	912,599	947,167
+Other Income	499,788	331,099	328,683	294,511	208,655
- Other Income Deductions	1,196	20,054	61,850	18,000	15,000
- Other Taxes					
Pre-Tax Income	\$3,053,213	\$2,355,007	\$1,964,997	\$2,664,846	\$3,038,789