

Table 1 G

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Total Utility Plant	\$8,214,037	\$7,892,028	\$7,550,266	\$7,230,737	\$6,890,135
2 Less Acc. Prov. For Depreciation & Amortization	2,460,381	2,344,449	2,226,931	2,126,364	2,026,841
3 Net Total Utility Plant	5,753,655	5,547,580	5,323,335	5,104,373	4,863,294
OTHER PROPERTY AND INVESTMENTS					
4 Nonutility Property	2,248	2,248	1,333	1,401	1,401
5 Less Acc. Prov. For Depreciation & Amortization	(693)	(379)	(22)	(21)	(20)
6 Investment in Associated Companies	1,824	1,824	1,824	1,824	1,824
7 Investment in Subsidiary Companies	93,253	82,213	71,564	60,916	52,702
8 Other Investments	6	(97)	(26)	(150)	(58)
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds	2,430	2,501	2,370	23,075	46,723
12 Total Other Property and Investments	99,069	88,310	77,043	87,045	102,570
CURRENT AND ACCRUED ASSETS					
13 Cash	4,014	4,867	5,762	22,320	19,077
14 Special Deposits	0	3,090	0	2,302	
15 Working Funds	176	165	198	166	167
16 Temporary Cash Investments	4,503	42,054	114,902	2,534	175,509
17 Notes Receivable	1,958	1,862	5,296	1,624	793
18 Accounts Receivable	404,375	547,880	547,951	638,942	532,535
19 Less Accum. Prov. For Uncollectible Accounts	(95,250)	(103,314)	(115,940)	(89,443)	(57,858)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies	13,483	10,276	40,139	14,265	705,438
22 Materials and Supplies	29,108	26,449	24,275	24,384	22,852
23 Gas Stored Underground - Current	283,528	253,569	401,442	701,440	532,766
24 Liquefied Natural Gas in Storage	9,418	10,523	12,052	15,842	13,146
25 Prepayments	137,621	134,879	136,136	140,693	103,586
26 Interest and Dividends Receivable	183	194	901	466	362
27 Rents Receivable	6,221	6,666	22,787	16,442	10,928
28 Accrued Utility Revenue	275,255	359,522	354,041	368,219	410,146
29 Misc. Current and Accrued Assets	33,343	12,105	30,064	307	1,187
30 Total Current and Accrued Assets	1,107,934	1,310,786	1,580,006	1,860,503	2,470,633
DEFERRED DEBITS					
31 Unamort. Debt Expense	16,336	14,911	16,774	18,908	20,949
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges	16	(54)	(157)	(161)	(182)
34 Clearing Accounts	(2,443)	(2,417)	(596)	(1,840)	(795)
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	2,499,651	2,415,968	2,328,537	1,745,313	1,475,658
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development	(862)	(802)	(547)	592	1,388
39 Accumulated Deferred Income Taxes	767,532	637,567	446,242	51,268	111,422
40 Total Deferred Debits	3,280,230	3,065,172	2,790,254	1,814,079	1,608,440
41 Total Assets and Other Debits	\$10,240,888	\$10,011,848	\$9,770,637	\$8,866,000	\$9,044,938

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

	2011	2010	2009	2008	2007	
PROPRIETARY CAPITAL						
Common Stock Issued	\$74,967	\$71,590	\$70,912	\$69,952	\$69,895	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	1,063,202	1,063,715	1,061,944	1,059,860	1,059,715	5
Other Paid-in Capital	(72,729)	(74,230)	(75,369)	(75,821)	(5,912)	6
Installments Received on Capital Stock						7
Capital Stock Expense	(136)	(134)	(33)	(16)	(12)	8
Retained Earnings	1,623,357	1,959,527	1,899,063	1,785,647	1,649,847	9
Unapp. Undistributed Subsidiary Earnings	67,288	66,783	67,331	63,155	65,853	10
Reacquired Capital Stock			(324)	(324)	(324)	11
Accumulated Other Comprehensive Income	(270)	(277)	(394)	39	25	12
Total Proprietary Capital	2,755,679	3,086,976	3,023,130	2,902,491	2,839,087	
LONG-TERM DEBT						
Bonds	1,652,592	1,150,343	1,148,174	1,548,631	1,547,754	13
Reacquired Bonds						14
Advances from Associated Companies	414,000	414,000	414,000	289,000	189,000	15
Other Long-Term Debt	7,159	7,184	4,896	7,815	7,982	16
Unamortized Premium on LT Debt						17
Unamortized Discount on LT Debt-Debit	-	-	-	-	-	18
Total Long-Term Debt	2,073,750	1,571,527	1,567,070	1,845,445	1,744,735	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable	17,754	13,189	416,840	15,539	138,195	20
Accounts Payable	141,826	231,461	311,947	276,170	217,925	21
Notes Payable to Associated Companies	309,815	625,654	332,097	581,388	410,809	22
Accounts Payable to Associated Companies	652,202	725,254	680,792	823,743	1,396,925	23
Customer Deposits	65,197	64,047	62,312	54,257	50,978	24
Taxes Accrued	31,878	(20,857)	9,104	44,546	13,078	25
Interest Accrued	30,660	31,279	64,137	62,024	27,660	26
Dividends Declared	9,600	29,600	30,470	9,100	10,079	27
Matured Long-Term Debt	0	-	-	-	-	28
Matured Interest	0	-	-	-	-	29
Tax Collections Payable	(592)	(1,739)	159	3,905	3,469	30
Misc. Current and Accrued Liabilities	109,431	83,102	96,386	120,292	110,085	31
Total Current and Accrued Liabilities	1,367,771	1,780,990	2,004,243	1,990,964	2,379,202	32
DEFERRED CREDITS						
Customer Advances for Construction	1,288	1,440	1,178	1,385	8,372	33
Other Deferred Credits	721,673	678,056	713,406	539,500	425,638	34
Accumulated Deferred Inv. Tax Credits	8,253	9,813	11,406	13,687	14,677	35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	2,289,418	2,027,084	1,596,970	911,890	948,659	37
Total Deferred Credits	3,020,633	2,716,393	2,322,961	1,466,461	1,397,347	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	15,836	9,671	6,914	5,313	5,410	40
Pension and Benefits Reserve	373,987	337,936	316,678	59,225	36,717	41
Miscellaneous Operating Reserves	633,232	508,355	529,640	596,101	642,440	42
Total Operating Reserves	1,023,055	855,962	853,233	660,639	684,567	43
Total Liabilities and Other Credits	\$10,240,888	\$10,011,848	\$9,770,637	\$8,866,000	\$9,044,939	44

Table 3 G

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

	2011	2010	2009	2008	2007
GAS OPERATING INCOME					
1 Operating Revenues	\$3,776,120	\$4,033,655	\$4,347,875	\$5,386,271	\$5,040,496
Operating Expenses:					
2 Operation Expense	2,531,294	2,764,337	3,073,319	4,098,376	3,830,153
3 Maintenance Expense	90,693	94,495	99,662	102,512	101,739
4 Depreciation Expense	178,540	171,281	166,242	158,664	156,403
5 Amort. and Depletion of Utility Plant	5,725	6,789	8,646	8,036	9,493
6 Amort. of Utility Plant Acq. Adj.	31,333	13,901	(2,943)	1,957	9,896
7 Amort. of Property Losses					
8 Amort. of Conversion Expenses	43	43	43	18,174	43,887
9 Other Expenses				343,719	50,381
10 Taxes Other than Income Taxes	359,785	353,492	346,453	192,397	241,272
11 Income Taxes	195,482	217,364	202,586	92,073	108,502
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	3,392,896	3,621,701	3,894,008	5,015,908	4,551,725
15 Net Operating Revenues	383,224	411,954	453,867	370,363	488,771
16 Other Gas Utility Operating Income					
17 Total Gas Utility Operating Income	383,224	411,954	453,867	370,363	488,771
18 Other Utility Operating Income					
19 Total Utility Operating Income	\$383,224	\$411,954	\$453,867	\$370,363	\$488,771

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

	2011	2010	2009	2008	2007	
OTHER INCOME						
Income - Merch. Jobbing & Contract Work	\$161	\$151	\$158	\$221	\$487	1
Income from Nonutility Operations	(3)	(1)	(1)	(8)	(61)	2
Nonoperating Rental Income	(309)	(353)	4	3	3	3
Equity in Earnings of Subsidiary Companies	11,033	10,531	11,081	6,906	9,679	4
Interest and Dividend Income	43,820	49,843	45,503	29,261	18,645	5
Allowance for Funds Used During Construction	2,713	2,758	3,184	2,874	2,930	6
Miscellaneous Nonoperating Income	(1,032)	75	(2,575)	(3,405)	(969)	7
Gain on Disposition of Property		76	14		65	8
Total Other Income	56,385	63,080	57,368	35,852	30,781	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization	46	21	11	8	(147)	11
Miscellaneous Income Deductions	4,802	3,242	57	944	1,202	12
Total Other Income Deductions	4,848	3,263	68	952	1,055	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	296	292	344	372	383	14
Income Taxes	(1,195)	(1,546)	(2,142)	(2,204)	(2,071)	15
Total Taxes-Other Inc. & Deductions	(899)	(1,254)	(1,798)	(1,832)	(1,688)	16
Net Other Income and Deductions	52,437	61,071	59,098	36,733	31,414	17
INTEREST CHARGES						
Interest on Long-term Debt	76,136	58,749	88,912	95,508	102,008	18
Amortization of Debt Discount and Expense	2,466	2,410	2,611	2,618	2,768	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company	45,748	55,142	48,648	38,662	37,924	21
Other Interest Expense	25,765	26,758	69,226	39,258	5,938	22
Total Interest Charges	150,115	143,059	209,397	176,046	148,638	23
Income Before Extraordinary Items	285,546	329,966	303,567	231,050	371,547	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$285,546	\$329,966	\$303,567	\$231,050	\$371,547	29
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP) *	\$1,959,527	\$1,899,063	\$1,785,647	\$1,649,847	\$1,400,199	30
Balance Transferred from Income	274,513	319,435	292,487	224,144	361,867	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock	620,796	270,703	184,215	189,336	57,926	34
Adjustments to Retained Earnings	10,112	11,732	5,144	8,920	6,807	35
Net Change	(336,170)	60,464	113,416	135,800	249,648	36
Unappropriated Retained Earnings (EOP)	1,623,357	1,959,527	1,899,063	1,785,647	1,649,847	37
Appropriated Retained Earnings (EOP)	-	-	-	-	-	38
Total Retained Earnings	1,623,357	1,959,527	1,899,063	1,785,647	\$1,649,847	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)

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$285,546	\$329,966	\$303,567	\$323,122	\$310,221
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	221,029	195,646	237,478	268,923	185,377
3 Deferred Taxes & ITCs	154,292	182,931	254,423	(145,948)	(75,927)
4 Receivables and Inventory	105,632	159,836	367,488	(138,459)	(55,686)
5 Payables and Accrued Expenses	48,018	(111,979)	(168,863)	(48,999)	(341,336)
6 Regulatory Assets (Net)	18,286	(25,616)	(263,014)	(97,103)	7,493
7 Capitalized AFUDC - Equity	(2,631)	(2,749)	(3,184)	(2,874)	(2,930)
8 Undistributed Earnings of Affiliates	8,277	(60)	(12,668)	(3,350)	(1)
9 Other Adjustments (See company detail for explanations of major items)	51,354	(109,510)	132,318	(5,634)	(3,895)
10	4,316	26,320	22,157	38,150	246,719
11	8,482	400,977	(72,923)	105,126	253,500
12 Net Cash From Operating Activities	<u>902,602</u>	<u>1,045,763</u>	<u>796,780</u>	<u>292,953</u>	<u>523,534</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(391,699)	(399,945)	(391,926)	(420,234)	(324,459)
14 Acquisition Of Other Non-Current Assets	(48)	(31)	(86)	(12)	17
15 Investments in & Advances to Affiliates	-	-	-	-	352,998
16 Contributions & Advances from Affiliates	(146)	-	-	-	216,084
Net Proceeds - Sale Or Disposition Of:	0	-	-	-	-
17 Property, Plant & Equipment	0	-	-	-	-
18 Investments In Affiliated Companies	0	(270)	(142)	65	(403,165)
19 Investment Securities	-	-	-	-	729
20 Other Current Assets & Liabilities	-	-	(1,585)	(1,871)	(2,347)
21 Other Cash Flows - Investing Activities	(485)	(709)	591	929	308
22	-	15	-	-	-
23	-	-	-	-	-
24 Net Cash From Investing Activities	<u>(392,378)</u>	<u>(400,941)</u>	<u>(393,148)</u>	<u>(421,123)</u>	<u>(159,834)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	84,866	(445,515)	33,215	219,319	(117,177)
26 Common Stock	1,097	2,272	2,790	150	4,711
27 Preferred Stock	-	-	-	-	-
28 Short-Term Debt	4,565	(122,051)	(180,700)	(70,756)	(4,305)
29 Dividends Paid	(639,216)	(153,173)	(162,845)	(190,315)	(73,614)
30 Other Cash Flows - Financing Activities	-	-	-	-	-
31	-	-	-	-	-
32	-	-	-	-	-
33 Net Cash From Financing Activities	<u>(548,688)</u>	<u>(718,467)</u>	<u>(307,539)</u>	<u>(41,602)</u>	<u>(190,385)</u>
34 Net Increase/(Decrease) In Cash Equivalents	(38,464)	(73,644)	96,093	(169,533)	173,316
35 Cash & Cash Equivalents Beginning Of Year *	49,587	123,231	27,139	196,672	23,356
36 Cash & Cash Equivalents End Of Year	\$11,123	\$49,587	\$123,231	\$27,139	\$196,672

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

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES (\$000s)						
Residential	\$2,115,778	\$2,309,982	\$2,727,146	\$3,178,407	\$3,076,364	1
Commercial	351,487	415,038	560,362	762,087	745,412	2
Industrial	44,089	60,484	68,246	101,438	95,920	3
Other Ultimate Customers	70,549	87,016	89,532	173,008	130,218	4
Total Revenues-Ultimate Customer	2,581,902	2,872,520	3,445,286	4,214,941	4,047,913	5
Sales for Resale	538,459	528,566	375,725	724,751	611,993	6
Total Revenues from Gas Sales	3,120,361	3,401,086	3,821,011	4,939,691	4,659,906	7
Transportation Sales	588,716	564,762	453,776	372,232	321,432	8
Other Gas Operating Revenues	67,042	67,807	71,438	76,823	62,184	9
Total Gas Operating Revenues	\$3,776,120	\$4,033,655	\$4,346,225	\$5,388,746	\$5,043,521	10
SALES (MCF)						
Residential	170,407,845	177,714,350	189,208,639	189,944,736	195,227,676	11
Commercial	32,200,532	36,868,076	45,073,005	52,010,956	54,740,489	12
Industrial	4,492,047	6,102,356	6,036,016	7,039,716	7,227,489	13
Other Ultimate Customers	7,830,152	8,699,649	8,360,106	12,308,827	10,128,855	14
Total Sales-Ultimate Customer	214,930,576	229,384,431	248,677,766	261,304,234	267,324,510	15
Sales for Resale	80,561,839	83,773,062	50,215,021	66,685,530	69,570,540	16
Transportation Sales	267,299,532	240,988,084	209,797,750	209,053,714	217,486,822	17
Other Gas Sales						18
Total Sales	562,791,947	554,145,577	508,690,538	537,043,479	554,381,872	19
AVG NUMBERS OF CUSTOMERS						
Residential	1,999,522	2,029,836	2,055,641	2,100,139	2,134,807	20
Commercial	98,812	103,869	108,550	112,297	114,991	21
Industrial	7,179	7,013	7,835	8,542	8,689	22
Other Customers	4,324	3,883	2,985	2,872	2,626	23
Total Ultimate Customers	2,109,837	2,144,601	2,175,011	2,223,850	2,261,113	24
Resales	52	51	51	23	30	25
Total Customers	2,109,889	2,144,652	2,175,062	2,223,873	2,261,143	26
OPERATING REVENUES RELATIONSHIP						
RESIDENTIAL SALES						
Average Annual Bill Per Customer	\$1,058	\$1,138	\$1,327	\$1,513	\$1,441	27
Average MCF Consumption Per Customer	85.2	87.6	92.0	90.4	91.4	28
Average Revenue Per MCF Sold	\$12.42	\$13.00	\$14.41	\$16.73	\$15.76	29
COMMERCIAL SALES						
Average Annual Bill Per Customer	\$3,557	\$3,996	\$5,162	\$6,786	\$6,482	30
Average MCF Consumption Per Customer	325.9	354.9	415.2	463.2	476.0	31
Average Revenue Per MCF Sold	\$10.92	\$11.26	\$12.43	\$14.65	\$13.62	32
INDUSTRIAL SALES						
Average Annual Bill Per Customer	\$6,141	\$8,625	\$8,710	\$11,875	\$11,039	33
Average MCF Consumption Per Customer	625.7	870.1	770.4	824.1	831.8	34
Average Revenue Per MCF Sold	\$9.81	\$9.91	\$11.31	\$14.41	\$13.27	35
OPERATION AND MAINTENANCE EXPENSES						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering	\$104	\$93	\$28	\$18	\$17	38
Purchased Gas	1,742,550	1,994,891	2,335,838	3,328,582	3,138,209	39
Other	(21,455)	12,437	(18,440)	23,205	15,240	40
Total Production Expense	1,721,198	2,007,421	2,317,426	3,351,805	3,153,466	41
Natural Gas Storage Expense	37,717	36,235	36,634	38,786	43,018	42
Transmission Expense	102,426	92,516	98,241	104,498	136,823	43
Distribution Expense	176,896	179,806	178,681	184,699	171,123	44
Customer Account Expense	195,715	180,715	221,533	205,337	152,482	45
Sales Expense	14,232	5,430	7,692	14,824	68,449	46
Administrative and General	373,888	355,796	312,872	301,078	262,655	47
Total O & M Expense	\$2,622,072	\$2,857,919	\$3,173,079	\$4,201,029	\$3,988,016	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)**

	2011	2010	2009	2008	2007
1 Total Revenues	\$3,776,120	\$4,033,655	\$4,346,225	\$5,388,746	\$5,043,521
2 Sales of Gas (MCF) *	295,492,415	313,157,493	298,892,788	327,989,765	336,895,050
DOLLAR AMOUNTS					
3 Purchased Gas & Other Supply Exp.	\$1,822,127	\$2,097,923	\$2,441,078	\$3,474,586	\$3,276,726
4 Wages and Benefits	272,434	275,252	248,459	259,297	229,966
5 Other Operation & Maintenance Exp.	516,667	474,272	468,186	443,960	406,540
6 Depreciation & Amortization Expense	194,248	180,995	173,300	179,325	219,679
7 Income Taxes-Operating	195,482	217,364	202,586	192,397	205,190
8 Other Taxes-Operating	359,785	353,492	346,453	337,237	256,255
9 Capital Costs	415,377	434,357	466,163	501,944	449,164
10 Total	\$3,776,120	\$4,033,655	\$4,346,225	\$5,388,746	\$5,043,521
PERCENT OF REVENUES					
11 Purchased Gas & Other Supply Exp.	48.3	52.0	56.2	64.5	65.0
12 Wages and Benefits	7.2	6.8	5.7	4.8	4.6
13 Other Operation & Maintenance Exp.	13.7	11.8	10.8	8.2	8.1
14 Depreciation & Amortization Expense	5.1	4.5	4.0	3.3	4.4
15 Income Taxes-Operating	5.2	5.4	4.7	3.6	4.1
16 Other Taxes-Operating	9.5	8.8	8.0	6.3	5.1
17 Capital Costs	11.0	10.8	10.7	9.3	8.9
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER MCF					
19 Purchased Gas & Other Supply Exp.	6.17	6.70	8.17	10.59	9.73
20 Wages and Benefits	0.92	0.88	0.83	0.79	0.68
21 Other Operation & Maintenance Exp.	1.75	1.51	1.57	1.35	1.21
22 Depreciation & Amortization Expense	0.66	0.58	0.58	0.55	0.65
23 Income Taxes-Operating	0.66	0.69	0.68	0.59	0.61
24 Other Taxes-Operating	1.22	1.13	1.16	1.03	0.76
25 Capital Costs	1.41	1.39	1.56	1.53	1.33
26 Total	12.78	12.88	14.54	16.43	14.97

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.	1,372,604	1,644,328	1,819,419	2,630,309	2,503,203
Liquidified Petro Gas				249	332
Other Gas Supply	321,608	337,012	527,205	760,325	685,339
Gas Storage	7,659	6,853	36,618	38,769	39,237
Transmission Expense	100,813	90,692	98,241	104,498	100,786
Total Purchased Gas	430,079	434,557	662,064	903,841	825,694
-Total PG related to Sales for Resale PG - Ultimate Customers	430,079	434,557	662,064	903,841	825,694
<u>Wages and Benefits</u>					
Salaries	192,103	201,716	173,809	172,183	174,075
Pensions and Benefits	82,673	75,918	77,249	89,674	58,403
Total Wages and Benefits	274,777	277,634	251,058	261,856	232,478
<u>Other Expenses</u>					
Total O&M Expenses	2,621,987	2,857,832	3,172,981	4,200,888	3,931,892
-Total Purchased Gas	1,803,096	2,079,095	2,451,971	3,495,059	3,293,503
-Wages and Benefits	273,083	275,921	251,882	262,676	233,214
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	545,808	502,816	469,128	443,152	405,175
<u>Depreciation and Amortization</u>					
Depreciation Exp	178,540	171,281	167,176	158,664	156,403
Amort & Depl of Utility Plant	4,613	5,319	6,397	5,319	6,640
Amort of Other Utility Plant	11,095	4,394	662	(2,789)	12,749
Amort of Property Losses					
Amort of Conversion Expenses			43	18,174	43,887
Total Depre and Amort	194,248	180,995	174,278	179,368	219,679
<u>Fuel and PP related to Sales for Resale</u>					
Total PG	1,803,096	2,079,095	2,451,971	3,495,059	3,293,503
divided by Total MCFs	295,492	313,157	298,893	327,990	336,895
Fuel Cost per MCF	6.102	6.639	8.204	10.656	9.776
times Sales for Resale MCFs	38,039.876	34,306.071	22,097.851	29,095.859	29,059.539
Sales for Resale PG	237,177.256	232,825.375	179,623.661	295,150.862	278,072.440
<u>Transportation Volumes</u>					
	112,309	96,564	85,576	78,940	86,169

Table 8 G

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

	2011	2010	2009	2008	2007	
Intangible	\$161,700	\$160,416	\$155,283	\$150,269	\$141,712	1
Production						
Manufactured Gas	2,370	2,388	2,380	2,380	2,380	2
Natural Gas	20,030	19,105	18,703	18,672	18,094	3
Natural Gas Storage						
Underground Storage						4
Other Storage	184,687	185,077	182,598	181,307	174,933	5
Transmission	473,809	465,096	429,001	408,896	369,866	6
Distribution	6,990,799	6,683,623	6,387,486	6,125,279	5,790,361	7
General	290,100	293,438	278,689	278,321	284,045	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Stored Underground, Non-current	858	858	858	858	858	11
Total Plant In Service	8,124,352	7,810,001	7,454,997	7,165,983	6,782,249	12
Plant Leased To Others						13
Plant Held For Future Use	95	460	460	460	460	14
Construction Work In Progress	88,331	80,307	93,549	63,033	106,165	15
Aquisition Adjustments	1,260	1,260	1,260	1,260	1,260	16
Total Plant	8,214,038	7,892,028	7,550,266	7,230,737	6,890,135	17
Accum. Prov. - Depr. & Amort.	2,460,381	2,344,449	2,226,931	2,126,364	2,026,841	18
Total Net Plant	\$5,753,657	\$5,547,580	\$5,323,335	\$5,104,373	\$4,863,294	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.81	0.74	0.79	0.93	1.04	20
Total Capitalization (\$000s)	\$5,157,268	\$5,297,621	\$5,339,138	\$5,344,863	\$5,132,827	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	40.2%	29.7%	29.4%	34.5%	34.0%	22
Preferred Stock						23
Common Stock & Retained Earnings	53.4%	58.3%	56.6%	54.3%	55.3%	24
Short-Term Debt	6.4%	12.1%	14.0%	11.2%	10.7%	25
Pretax Coverage of Interest Expense	3.85	4.80	3.24	3.90	4.46	26
Com. Stock Dividends as a % of Earnings	175.0%	69.4%	-17.3%	-28.0%	13.3%	27
Return on Common Equity	12.1%	12.8%	12.8%	13.8%	13.8%	28
Internal Cash Generated as a % of Cash Outflows for Construction	112.0%	264.6%	133.4%	52.3%	161.2%	29
Earnings per Share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	30
Book Value per Share	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	31
Dividends per Share	\$0.00	\$0.00	(\$0.00)	(\$0.00)	\$0.00	32
Number of Employees	3,202	1,993	3,388	3,375	3,017	33

Data Field Below

Current Assets	1,107,934,259	1,310,785,900	1,580,005,825	1,860,502,786	2,470,633,536
Current Liabilities	1,367,770,783	1,780,990,143	2,004,243,034	1,990,963,998	2,379,202,336
Total Capitalization	5,157,267,913	5,297,621,463	5,339,137,711	5,344,863,445	5,132,826,564
Long-Term Debt	2,073,750,488	1,571,526,510	1,567,070,338	1,845,445,314	1,744,735,459
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,755,948,768	3,087,252,509	3,023,130,452	2,902,490,676	2,839,087,104
Short-Term Debt	327,568,655	638,842,445	748,936,921	596,927,455	549,004,001
Pretax Income	578,401,727	686,509,211	678,773,198	686,408,228	663,370,796
Interest Expense	150,108,285	143,052,637	209,373,415	176,011,415	148,611,338
Dividends Paid	620,795,902	270,702,554	(65,785,001)	(110,663,750)	50,165,750
Net Income (Excl. Preferred Stock Dividends)	354,720,254	390,140,229	380,526,649	395,503,322	377,398,816
Internal Cash	438,894,536	1,058,068,789	522,673,338	219,695,283	526,689,829
Cash Outflows for Construction	391,699,224	399,944,583	391,925,831	420,233,771	326,805,308
Shares Outstanding (Millions)*** Check (SOME COMPANIES IN HOLD AMTS VS. .004)	437,201.8240	437,201.1486	437,201.0129	437,200.8209	435,200.8116
Misc Deferred Debits	1,777,977,773	1,737,912,117	1,615,130,613	1,205,812,650	1,050,020,102
Number of Employees	3,202	1,993	3,388	3,375	3,017

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Total Utility Plant	\$3,569,530,078	\$3,411,207,477	\$3,247,951,416	\$3,104,257,003	\$2,949,883,926
2 Less Acc. Prov. For Depreciation & Amortization	1,175,715,883	1,121,726,881	1,066,862,230	1,025,243,063	985,108,913
3 Net Total Utility Plant	2,393,814,195	2,289,480,596	2,181,089,185	2,079,013,940	1,964,775,012
OTHER PROPERTY AND INVESTMENTS					
4 Nonutility Property					
5 Less Acc. Prov. For Depreciation & Amortization					
6 Investment in Associated Companies					
7 Investment in Subsidiary Companies	93,217,589	82,176,402	71,530,907	60,883,832	52,670,953
8 Other Investments	110,347	110,347	110,347	110,347	110,347
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds					
12 Total Other Property and Investments	93,327,936	82,286,749	71,641,254	60,994,179	52,781,300
CURRENT AND ACCRUED ASSETS					
13 Cash		1,672,246	2,731,111	6,903,493	2,753,926
14 Special Deposits		2,200,000		1,801,321	
15 Working Funds					
16 Temporary Cash Investments		1,333		127,541	13,607,181
17 Notes Receivable					
18 Accounts Receivable	181,666,335	263,257,478	256,874,032	287,851,979	203,299,130
19 Less Accum. Prov. For Uncollectible Accounts	(42,800,342)	(48,177,979)	(55,675,990)	(36,970,923)	(19,389,181)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies	5,643,985	4,680,064	5,869,927	4,396,453	422,693,265
22 Materials and Supplies	10,798,020	10,800,848	9,871,278	10,442,406	8,845,351
23 Gas Stored Underground - Current	129,551,477	119,523,680	235,207,204	413,954,295	317,648,128
24 Liquefied Natural Gas in Storage	6,760,703	7,758,944	8,531,468	11,378,445	8,785,868
25 Prepayments	93,870,045	92,716,882	97,841,789	78,470,870	68,465,755
26 Interest and Dividends Receivable					
27 Rents Receivable	2,241,094	2,612,959	8,422,943	6,002,441	3,974,298
28 Accrued Utility Revenue	141,873,403	194,941,276	183,189,184	185,641,970	231,854,468
29 Misc. Current and Accrued Assets	19,542,819	2,524,301	9,740,688	104,720	619,091
30 Total Current and Accrued Assets	549,147,539	654,512,032	762,603,635	970,105,011	1,263,157,277
DEFERRED DEBITS					
31 Unamort. Debt Expense	12,480,025	14,290,847	16,101,669	17,912,491	19,723,313
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges					
34 Clearing Accounts					
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	1,109,326,327	1,041,982,804	1,032,586,258	843,136,820	749,256,825
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development	219,080	224,749	1,356		
39 Accumulated Deferred Income Taxes	418,795,732	312,665,388	244,019,342	(9,552,049)	152,360,438
40 Total Deferred Debits	1,540,821,164	1,369,163,788	1,292,708,625	851,497,262	921,340,576
41 Total Assets and Other Debits	\$4,577,110,834	\$4,395,443,165	\$4,308,042,699	\$3,961,610,392	\$4,202,054,165

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

	2011	2010	2009	2008	2007	
PROPRIETARY CAPITAL						
Common Stock Issued	\$1	\$1	\$1	\$1	\$1	1
Preferred Stock Issued	1					2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	472,627,082	472,627,082	472,627,082	472,627,082	472,627,082	5
Other Paid-in Capital	(134,903,461)	(134,903,461)	(134,903,461)	(134,903,461)	(91,849,478)	6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	759,027,730	843,765,845	820,183,108	811,140,141	808,645,472	9
Unapp. Undistributed Subsidiary Earnings	64,466,118	63,959,778	64,511,908	60,336,347	63,035,976	10
Reaquired Capital Stock						11
Accumulated Other Comprehensive Income	(269,508)	(276,510)	(394,160)	38,740	25,090	
Total Proprietary Capital	1,160,947,963	1,245,172,735	1,222,024,478	1,209,238,850	1,252,484,142	12
LONG-TERM DEBT						
Bonds	1,040,500,000	1,039,183,459	1,039,113,392	1,039,043,325	1,038,973,257	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	1,040,500,000	1,039,183,459	1,039,113,392	1,039,043,325	1,038,973,257	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable						20
Accounts Payable	52,141,857	59,043,954	97,792,303	98,476,605	70,543,125	21
Notes Payable to Associated Companies	141,197,572	100,783,918	160,145,237	129,631,529	(10,203,260)	22
Accounts Payable to Associated Companies	273,746,525	342,759,296	334,488,969	354,064,475	741,737,092	23
Customer Deposits	41,270,483	40,671,190	37,328,809	32,579,901	29,033,002	24
Taxes Accrued	11,043,196	14,962,266	35,167,873	15,140,376	4,230,772	25
Interest Accrued	14,002,078	19,119,954	31,674,101	33,118,274	9,106,520	26
Dividends Declared						27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	(1,326,739)	(780,138)	(733,807)	1,256,651	1,442,474	30
Misc. Current and Accrued Liabilities	56,778,077	41,157,431	43,678,115	86,082,597	21,312,871	31
Total Current and Accrued Liabilities	588,853,049	617,717,871	739,541,599	750,350,408	867,202,597	32
DEFERRED CREDITS						
Customer Advances for Construction						33
Other Deferred Credits	231,744,795	232,773,828	237,668,712	197,349,091	202,720,128	34
Accumulated Deferred Inv. Tax Credits	5,863,089	6,773,829	7,684,374	9,278,624	9,582,203	35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	1,050,255,191	884,917,820	690,112,091	376,098,404	444,103,728	37
Total Deferred Credits	1,287,863,075	1,124,465,477	935,465,177	582,726,119	656,406,058	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	11,324,062	4,216,513	954,695			40
Pension and Benefits Reserve					(144,893)	41
Miscellaneous Operating Reserves	487,622,685	364,687,110	370,943,359	380,251,690	387,133,004	42
Total Operating Reserves	498,946,747	368,903,623	371,898,054	380,251,690	386,988,111	43
Total Liabilities and Other Credits	\$4,577,110,834	\$4,395,443,165	\$4,308,042,699	\$3,961,610,392	\$4,202,054,165	44

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

	2011	2010	2009	2008	2007
GAS OPERATING INCOME					
1 Operating Revenues	\$1,747,066,876	\$1,942,392,800	\$1,942,076,919	\$2,552,097,710	\$2,368,618,486
Operating Expense:					
2 Operation Expense	1,152,237,068	1,320,114,257	1,344,381,230	1,943,249,188	1,767,522,575
3 Maintenance Expense	52,500,974	53,915,516	59,710,004	60,311,948	61,577,601
4 Depreciation Expense	80,538,838	76,823,477	75,075,494	72,076,677	69,817,375
5 Amort. and Depletion of Utility Plant	4,599,177	5,305,326	6,382,932	5,304,931	6,626,162
6 Amort. of Utility Plant Acq. Adj.	9,982,938	2,924,359	(1,587,087)	(5,506,075)	9,895,992
7 Amort. of Property Losses					
8 Amort. of Conversion Expenses					
9 Other Expenses					
10 Taxes Other than Income Taxes	184,706,177	188,055,626	180,902,420	184,994,725	136,284,887
11 Income Taxes	90,074,307	96,946,780	95,638,978	92,072,866	108,501,604
12 Gains from Disposition of Util. Plant					22,135
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	1,574,639,479	1,744,085,341	1,760,503,970	2,352,504,260	2,160,204,062
15 Net Operating Revenues	172,427,397	198,307,459	181,572,949	199,593,450	208,414,425
16 Other Utility Operating Income					
17 Total Gas Utility Operating Income	172,427,397	198,307,459	181,572,949	199,593,450	208,414,425
18 Other Utility Operating Income					
19 Total Utility Operating Income	\$172,427,397	\$198,307,459	\$181,572,949	\$199,593,450	\$208,414,425

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

	2011	2010	2009	2008	2007	
OTHER INCOME						
Income - Merch. Jobbing & Contract Work						1
Income from Nonutility Operations	(2,560)	(1,442)	(\$715)	(\$3,689)	(\$21,619)	2
Nonoperating Rental Income						3
Equity in Earnings of Subsidiary Companies	11,034,185	10,527,845	11,079,975	6,904,414	9,604,043	4
Interest and Dividend Income	17,537,017	22,748,216	18,627,677	12,068,236	10,602,409	5
Allowance for Funds Used During Construction	1,094,982	1,442,131	1,585,217	1,870,716	2,346,780	6
Miscellaneous Nonoperating Income	(1,379,420)					7
Gain on Disposition of Property						8
Total Other Income	28,284,204	34,716,750	31,292,155	20,839,677	22,531,613	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	2,959,667	1,857,406	(603,767)	284,272	522,734	12
Total Other Income Deductions	2,959,667	1,857,406	(603,767)	284,272	522,734	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes			88	189	375	14
Income Taxes	(910,740)	(910,740)	(1,594,055)	(303,579)	(910,737)	15
Total Taxes-Other Inc. & Deductions	(910,740)	(910,740)	(1,593,967)	(303,390)	(910,362)	16
Net Other Income and Deductions	26,235,277	33,770,084	33,489,889	20,858,795	22,919,241	17
INTEREST CHARGES						
Interest on Long-term Debt	47,753,171	49,716,871	51,468,997	56,967,729	55,381,872	18
Amortization of Debt Discount and Expense	1,810,822	1,810,822	1,810,822	1,810,822	1,840,757	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company	5,565,825	7,323,858	7,057,684	3,906,224	2,781,166	21
Other Interest Expense	7,764,631	195,385	16,506,807	6,820,371	1,134,058	22
Total Interest Charges	62,894,449	59,046,936	76,844,310	69,505,146	61,137,853	23
Income Before Extraordinary Items	135,768,225	173,030,607	138,218,529	150,947,099	170,195,813	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$135,768,225	\$173,030,607	\$138,218,529	\$150,947,099	\$170,195,813	29
<hr/>						
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$843,765,845	\$820,183,108	\$811,140,141	\$808,645,472	\$645,597,854	30
Balance Transferred from Income	124,734,040	162,502,762	127,138,553	144,042,685	160,547,500	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock	220,000,000	150,000,000	125,000,000	150,000,000	3,880,000	34
Adjustments to Retained Earnings	10,527,845	11,079,975	6,904,414	8,451,984	6,380,118	35
Net Change	(84,738,115)	23,582,737	9,042,967	2,494,669	163,047,618	36
Unappropriated Retained Earnings (EOP)	759,027,730	843,765,845	820,183,108	811,140,141	808,645,472	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	\$759,027,730	\$843,765,845	\$820,183,108	\$811,140,141	\$808,645,472	39

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

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$135,768,225	\$173,030,607	\$138,218,529	\$150,947,099	\$170,151,543
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	98,248,316	86,934,051	143,704,381	178,675,737	94,039,154
3 Deferred Taxes & ITCs	71,542,228	128,886,825	28,557,444	(86,580,992)	(44,185,015)
4 Receivables and Inventory	67,558,643	107,455,005	201,508,390	(61,652,715)	(6,034,016)
5 Payables and Accrued Expenses	17,432,513	(41,269,033)	(180,843,620)	(114,013,761)	(301,110,293)
6 Regulatory Assets (Net)	25,701,920	(28,197,954)	40,878,913	5,622,887	85,917,459
7 Capitalized AFUDC - Equity	(1,094,982)	(1,442,131)	(1,585,217)	(1,870,716)	(2,346,780)
8 Undistributed Earnings of Affiliates	(11,034,185)	(10,527,845)			
9 Other Adjustments	43,484,326	(44,558,177)	18,705,067	17,581,741	1,815,595
10	(16,164,231)	29,531,509	(10,192,905)	30,536,009	256,589,783
11	13,331,507	(12,034,545)	(84,871,539)	84,895,856	189,948
12 Net Cash From Operating Activities	<u>444,774,280</u>	<u>387,808,312</u>	<u>294,079,443</u>	<u>204,141,144</u>	<u>255,027,378</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(188,211,768)	(188,964,711)	(181,258,877)	(201,435,288)	(155,768,467)
14 Acquisition Of Other Non-Current Assets					
15 Investments in & Advances to Affiliates					
16 Contributions & Advances from Affiliates					404,322,382
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					(403,360,615)
19 Investment Securities					
20 Other Current Assets & Liabilities			(1,585,217)	(1,870,716)	(2,346,780)
21 Other Cash Flows - Investing Activities					
22					
23					
24 Net Cash From Investing Activities	<u>(188,211,768)</u>	<u>(188,964,711)</u>	<u>(182,844,094)</u>	<u>(203,306,004)</u>	<u>(157,153,480)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	(38,236,092)	(49,901,133)	9,464,729	139,834,789	(85,416,539)
26 Common Stock					
27 Preferred Stock					
28 Short-Term Debt					
29 Dividends Paid	(220,000,000)	(150,000,000)	(125,000,000)	(150,000,000)	(3,880,000)
30 Other Cash Flows - Financing Activities					
31					
32					
33 Net Cash From Financing Activities	<u>(258,236,092)</u>	<u>(199,901,133)</u>	<u>(115,535,271)</u>	<u>(10,165,211)</u>	<u>(89,296,539)</u>
34 Net Increase/(Decrease) In Cash Equivalents	(1,673,580)	(1,057,532)	(4,299,923)	(9,330,071)	8,577,359
35 Cash & Cash Equivalents Beginning Of Year	1,673,580	2,731,112	7,031,034	16,361,105	7,783,746
36 Cash & Cash Equivalents End Of Year	(\$0)	\$1,673,580	\$2,731,112	\$7,031,034	\$16,361,105

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

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES						
Residential	\$950,025,717	\$1,091,968,117	\$1,207,948,993	\$1,499,466,327	\$1,440,622,857	1
Commercial	100,122,861	123,260,339	156,702,572	247,911,069	235,050,669	2
Industrial	17,742,744	26,281,780	26,234,593	47,886,057	45,092,683	3
Other Ultimate Customers	70,398,335	86,845,526	89,354,875	172,760,631	130,028,587	4
Total Revenues-Ultimate Customer	1,138,289,657	1,328,355,762	1,480,241,033	1,968,024,084	1,850,794,796	5
Sales for Resale	305,976,396	318,290,623	225,770,809	414,201,549	377,410,107	6
Total Revenues from Gas Sales	1,444,266,053	1,646,646,385	1,706,011,842	2,382,225,633	2,228,204,903	7
Transportation Sales	273,643,667	267,374,379	207,906,642	147,822,285	121,921,224	8
Other Gas Operating Revenues	29,157,156	28,372,036	26,508,435	24,524,792	21,517,359	9
Total Gas Operating Revenues	\$1,747,066,876	\$1,942,392,800	\$1,940,426,919	\$2,554,572,710	\$2,371,643,486	10
SALES (MCF)						
Residential	72,558,924	77,779,142	82,225,136	85,320,542	87,564,922	11
Commercial	9,393,188	10,617,964	13,324,910	16,331,826	17,213,903	12
Industrial	1,965,172	2,739,752	2,461,136	3,227,815	3,411,806	13
Other Ultimate Customers	7,814,419	8,683,167	8,343,175	12,290,342	10,112,299	14
Total Sales-Ultimate Customer	91,731,703	99,820,025	106,354,356	117,170,525	118,302,931	15
Sales for Resale	42,521,963	49,466,991	28,117,171	37,589,672	40,511,002	16
Transportation Sales	100,126,636	84,940,908	75,152,032	66,802,558	71,784,016	17
Other Gas Sales						18
Total Sales	234,380,302	234,227,924	209,623,559	221,562,755	230,597,948	19
AVG NUMBER OF CUSTOMERS						
Residential	949,890	963,936	976,620	1,020,895	1,050,878	20
Commercial	29,548	31,046	31,852	32,756	32,901	21
Industrial	2,956	2,623	3,087	3,621	3,658	22
Other Customers	4,262	3,825	2,930	2,817	2,566	23
Total Ultimate Customers	986,656	1,001,430	1,014,489	1,060,089	1,090,003	24
Resales	21	20	21		25	25
Total Customers	986,677	1,001,450	1,014,510	1,060,089	1,090,003	26
OPERATING REVENUES RELATIONSHIP						
RESIDENTIAL SALES						
Average Annual Bill Per Customer	\$1,000	\$1,133	\$1,237	\$1,469	\$1,371	27
Average MCF Consumption Per Customer	76.4	80.7	84.2	83.6	83.3	28
Average Revenue Per MCF Sold	\$13.09	\$14.04	\$14.69	\$17.57	\$16.45	29
COMMERCIAL SALES						
Average Annual Bill Per Customer	\$3,388	\$3,970	\$4,920	\$7,568	\$7,144	30
Average MCF Consumption Per Customer	317.9	342.0	418.3	498.6	523.2	31
Average Revenue Per MCF Sold	\$10.66	\$11.61	\$11.76	\$15.18	\$13.65	32
INDUSTRIAL SALES						
Average Annual Bill Per Customer	\$6,002	\$10,020	\$8,498	\$13,225	\$12,327	33
Average MCF Consumption Per Customer	664.8	1,044.5	797.3	891.4	932.7	34
Average Revenue Per MCF Sold	\$9.03	\$9.59	\$10.66	\$14.84	\$13.22	35
OPERATION AND MAINTENANCE EXPENSES						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	\$835,934,454	\$1,025,829,631	\$1,049,573,528	\$1,668,211,351	\$1,535,808,360	39
Other	555,838	974,795	2,280,491	(2,120,919)	(414,929)	40
Total Production Expense	836,490,292	1,026,804,426	1,051,854,019	1,666,090,432	1,535,393,431	41
Natural Gas Storage Expense	4,639,614	4,513,630	4,344,018	3,649,843	3,323,844	42
Transmission Expense	4,432,577	4,224,314	5,922,408	6,673,734	6,378,534	43
Distribution Expense	86,859,231	88,429,026	91,757,039	92,217,071	90,608,841	44
Customer Account Expense	91,428,181	75,669,558	98,859,602	88,762,932	75,721,640	45
Sales Expense	7,136,931	7,725,005	8,628,956	13,542,092	8,895,620	46
Administrative and General	173,751,216	166,663,814	142,725,192	132,625,032	108,778,266	47
Total O & M Expense	\$1,204,738,042	\$1,374,029,773	\$1,404,091,234	\$2,003,561,136	\$1,829,100,176	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.

	2011	2010	2009	2008	2007
1	\$1,747,066,876	\$1,942,392,800	\$1,940,426,919	\$2,554,572,710	\$2,371,643,486
2 Sales of Gas (MCF) *	134,253,666	149,287,016	134,471,527	154,760,196	158,813,933
DOLLAR AMOUNTS					
3 Purchased Gas & Other Supply Exp.	\$845,562,483	\$1,035,542,370	\$1,062,120,445	\$1,676,414,009	\$1,545,455,809
4 Wages and Benefits	97,613,587	107,303,140	112,439,182	115,798,128	98,426,804
5 Other Operation & Maintenance Exp.	261,561,972	231,184,263	229,531,607	211,348,999	185,217,563
6 Depreciation & Amortization Expense	95,120,953	85,053,162	79,871,339	71,875,533	86,339,530
7 Income Taxes-Operating	90,074,307	96,946,780	95,638,978	92,072,866	108,501,604
8 Other Taxes-Operating	184,706,177	188,055,626	180,902,420	184,994,725	136,284,887
9 Capital Costs	172,427,397	198,307,459	179,922,949	202,068,450	211,417,289
10 Total	\$1,747,066,876	\$1,942,392,800	\$1,940,426,919	\$2,554,572,710	\$2,371,643,486
PERCENT OF REVENUES					
11 Purchased Gas & Other Supply Exp.	48.4	53.3	54.7	65.6	65.2
12 Wages and Benefits	5.6	5.5	5.8	4.5	4.2
13 Other Operation & Maintenance Exp.	15.0	11.9	11.8	8.3	7.8
14 Depreciation & Amortization Expense	5.4	4.4	4.1	2.8	3.6
15 Income Taxes-Operating	5.2	5.0	4.9	3.6	4.6
16 Other Taxes-Operating	10.6	9.7	9.3	7.2	5.7
17 Capital Costs	9.9	10.2	9.3	7.9	8.9
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER MCF					
19 Purchased Gas & Other Supply Exp.	6.30	6.94	7.90	10.83	9.73
20 Wages and Benefits	0.73	0.72	0.84	0.75	0.62
21 Other Operation & Maintenance Exp.	1.95	1.55	1.71	1.37	1.17
22 Depreciation & Amortization Expense	0.71	0.57	0.59	0.46	0.54
23 Income Taxes-Operating	0.67	0.65	0.71	0.59	0.68
24 Other Taxes-Operating	1.38	1.26	1.35	1.20	0.86
25 Capital Costs	1.28	1.33	1.34	1.31	1.33
26 Total	13.01	13.01	14.43	16.51	14.93

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.	836,490,292	1,026,804,426	1,051,854,019	1,666,090,432	1,535,393,431
Liquidified Petro Gas					
Other Gas Supply					
Gas Storage	4,639,614	4,513,630	4,344,018	3,649,843	3,323,844
Transmission Expense	4,432,577	4,224,314	5,922,408	6,673,734	6,738,534
Total Purchased Gas	845,562,483	1,035,542,370	1,062,120,445	1,676,414,009	1,545,455,809
-Total PG related to Sales for Resale					
PG - Ultimate Customers	845,562,483	1,035,542,370	1,062,120,445	1,676,414,009	1,545,455,809
<u>Wages and Benefits</u>					
Salaries	74,697,512	84,110,922	89,589,319	85,766,175	89,589,319
Pensions and Benefits	22,916,075	23,192,218	22,849,863	30,031,953	8,837,485
Total Wages and Benefits	97,613,587	107,303,140	112,439,182	115,798,128	98,426,804
<u>Other Expenses</u>					
Total O&M Expenses	1,204,738,042	1,374,029,773	1,404,091,234	2,003,561,136	1,829,100,176
-Total Purchased Gas	845,562,483	1,035,542,370	1,062,120,445	1,676,414,009	1,545,455,809
-Wages and Benefits	97,613,587	107,303,140	112,439,182	115,798,128	98,426,804
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	261,561,972	231,184,263	229,531,607	211,348,999	185,217,563
<u>Depreciation and Amortization</u>					
Depreciation Exp	80,538,838	76,823,477	75,075,494	72,076,677	69,817,375
Amort & Depl of Utility Plant	4,599,177	5,305,326	6,382,932	5,304,931	6,626,162
Amort of Other Utility Plant	9,982,938	2,924,359	(1,587,087)	(5,506,075)	9,895,992
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	95,120,953	85,053,162	79,871,339	71,875,533	86,339,530
<u>Fuel and PP related to Sales for Resale</u>					
Total PG	845,562,483	1,035,542,370	1,062,120,445	1,676,414,009	1,545,455,809
divided by Total MCFs	134,253,666	149,287,016	134,471,527	154,760,196	158,813,933
Fuel Cost per MCF	6	7	8	11	10
times Sales for Resale MCFs					
Sales for Resale PG					
<u>Transportation Volumes</u>	100,126,636	84,940,908	75,152,032	66,802,558	71,784,016

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

	2011	2010	2009	2008	2007	
Intangible	\$124,418,300	\$124,405,565	\$123,252,597	\$119,793,993	\$112,674,697	1
Production						
Manufactured Gas						2
Natural Gas						3
Natural Gas Storage						
Underground Storage						4
Other Storage	136,265,664	\$136,263,814	136,024,813	134,753,874	129,499,350	5
Transmission	121,333,132	\$117,575,332	102,854,230	91,224,614	91,269,374	6
Distribution	3,006,225,867	\$2,849,687,960	2,702,144,922	2,588,366,159	2,416,774,106	7
General	126,610,320	\$134,149,865	128,026,229	133,394,349	145,116,177	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Underground, Non-current	857,650	\$857,650	857,650	857,650	857,650	11
Total Plant In Service	3,515,710,933	3,362,940,186	3,193,160,441	3,068,390,639	2,896,191,354	12
Plant Leased To Others						13
Plant Held For Future Use	1,698	366,554	366,554	366,554	366,554	14
Construction Work In Progress	53,819,145	47,900,737	54,424,421	35,499,810	53,326,018	15
Acquisition Adjustments						16
Total Plant	3,569,531,776	3,411,207,477	3,247,951,415	3,104,257,003	2,949,883,926	17
Accum. Prov. - Depr. & Amort.	1,175,715,883	1,121,726,881	1,066,862,230	1,025,243,063	985,108,913	18
Total Net Plant	\$2,393,815,893	\$2,289,480,596	\$2,181,089,185	\$2,079,013,940	\$1,964,775,013	19
Current Assets / Current Liabilities	0.93	1.06	1.03	1.29	1.46	20
Total Capitalization	\$2,342,915,043	\$2,385,416,622	\$2,421,283,106	\$2,377,913,704	\$2,281,254,139	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	44.4%	43.6%	42.9%	43.7%	45.5%	22
Preferred Stock	0.0%					23
Common Stock & Retained Earnings	49.6%	52.2%	50.5%	50.9%	54.9%	24
Short-Term Debt	6.0%	4.2%	6.6%	5.5%	-0.4%	25
Pretax Coverage of Interest Expense	4.17	5.56	3.61	4.49	5.54	26
Com. Stock Dividends as a % of Earnings	127.6%	75.6%	-68.8%	-75.2%	-1.9%	27
Return on Common Equity	14.3%	16.1%	14.9%	16.2%	17.6%	28
Internal Cash Generated as a % of Cash Outflows for Construction		228.8%	140.6%	85.8%	162.7%	29
Earnings per Share	\$1.72	\$1.98	\$1.82	\$2.00	\$2.08	30
Book Value per Share	\$11.61	\$12.45	\$12.22	\$12.09	\$12.52	31
Dividends per Share	\$2.20	\$1.50	(\$1.25)	(\$1.50)	(\$0.04)	32
Number of Employees	1,221	1,326	1,318	1,314	1,266	33

Data Field Below

Current Assets	549,147,539	654,512,032	762,603,635	970,105,011	1,263,157,277
Current Liabilities	588,853,049	617,717,871	739,541,599	750,350,408	867,202,597
Total Capitalization	2,342,915,043	2,385,416,622	2,421,283,106	2,377,913,704	2,281,254,139
Long-Term Debt	1,040,500,000	1,039,183,459	1,039,113,392	1,039,043,325	1,038,973,257
Preferred Stock	1				
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,161,217,470	1,245,449,245	1,222,024,478	1,209,238,850	1,252,484,142
Short-Term Debt	141,197,572	100,783,918	160,145,237	129,631,529	(10,203,260)
Pretax Income	262,501,704	328,113,583	277,211,927	312,221,532	338,924,533
Interest Expense	62,894,449	59,046,936	76,844,310	69,505,146	61,137,853
Common Dividends Paid	220,000,000	150,000,000	(125,000,000)	(150,000,000)	(3,880,000)
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	172,427,397	198,307,459	181,572,949	199,593,450	208,370,154
Internal Cash		432,366,489	254,867,990	172,760,044	257,184,210
Cash Outflows for Construction	188,211,768	188,964,711	181,258,877	201,435,288	158,115,247
Shares Outstanding (Millions) Sch250251	100	100	100	100	100
Misc Deferred Debits	877,581,532	809,208,976	794,917,546	645,787,729	546,536,697
Number of Employees	1,221	1,326	1,318	1,314	1,257
Pre-Tax Income					
Total Utility Operating Income	172,427,397	198,307,459	181,572,949	199,593,450	208,414,425
+Income Taxes - Electric					
+Income Taxes - Gas	90,074,307	96,946,780	95,638,978	92,072,866	108,501,604
+Other Income	28,284,204	34,716,750	31,292,155	20,839,677	22,531,613
- Other Income Deductions	2,959,667	1,857,406	(603,767)	284,272	522,734
- Other Taxes			88	189	375
Pre-Tax Income	287,826,241	328,113,583	309,107,761	312,221,532	338,924,533

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Total Utility Plant	\$49,349,393	\$44,783,483	\$39,724,571	\$35,549,590	\$31,153,051
2 Less Acc. Prov. For Depreciation & Amortization	14,761,978	13,293,584	12,653,138	12,121,401	11,524,350
3 Net Total Utility Plant	34,587,415	31,489,899	27,071,433	23,428,189	19,628,701
OTHER PROPERTY AND INVESTMENTS					
4 Nonutility Property					
5 Less Acc. Prov. For Depreciation & Amortization					
6 Investment in Associated Companies	1,823,569	1,823,569	1,823,569	1,823,569	1,823,569
7 Investment in Subsidiary Companies					
8 Other Investments					
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds	2,430,394	2,501,421	2,370,227	2,118,350	1,918,934
12 Total Other Property and Investments	4,253,963	4,324,990	4,193,796	3,941,919	3,742,503
CURRENT AND ACCRUED ASSETS					
13 Cash	147,469	190,497	100,835		189,326
14 Special Deposits					
15 Working Funds	1,250	1,250	1,250	8,250	8,250
16 Temporary Cash Investments					
17 Notes Receivable					
18 Accounts Receivable	1,478,614	1,834,787	1,317,328	1,446,018	1,524,692
19 Less Accum. Prov. For Uncollectible Accounts	(32,131)	(35,584)	(45,457)	(71,459)	(21,877)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies					
22 Materials and Supplies	928,015	738,234	650,488	522,456	424,026
23 Gas Stored Underground - Current	2,279,703	1,938,923	1,519,402	4,058,416	3,048,826
24 Liquefied Natural Gas in Storage					
25 Prepayments	482,915	346,289	1,102,414	507,678	500,959
26 Interest and Dividends Receivable					
27 Rents Receivable					
28 Accrued Utility Revenue					
29 Misc. Current and Accrued Assets					
30 Total Current and Accrued Assets	5,285,835	5,014,396	4,646,260	6,471,359	5,674,202
DEFERRED DEBITS					
31 Unamort. Debt Expense	274,808	304,932	266,723	287,837	206,135
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges					
34 Clearing Accounts					
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	3,240,586	3,424,558	4,529,448	3,964,497	5,085,190
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development					
39 Accumulated Deferred Income Taxes	5,098,812				
40 Total Deferred Debits	8,614,206	3,729,490	4,796,171	4,252,334	5,291,325
41 Total Assets and Other Debits	\$52,741,419	\$44,558,775	\$40,707,660	\$38,093,801	\$34,336,731

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

	2011	2010	2009	2008	2007	
PROPRIETARY CAPITAL						
Common Stock Issued	\$9,119,835	\$5,743,140	\$5,064,585	\$4,104,500	\$4,047,750	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	7,644,375	8,158,076	6,386,839	4,302,301	4,157,754	5
Other Paid-in Capital						6
Installments Received on Capital Stock						7
Capital Stock Expense	(136,030)	(133,640)	(33,144)	(16,149)	(11,651)	8
Retained Earnings	(2,949,936)	(1,382,961)	(2,915,021)	(1,697,169)	(3,701,734)	9
Unapp. Undistributed Subsidiary Earnings	2,788,273	2,788,273	2,788,273	2,788,273	2,788,273	10
Required Capital Stock						11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	16,466,517	15,172,888	11,291,532	9,481,756	7,280,392	12
LONG-TERM DEBT						
Bonds	12,091,748	11,159,198	9,060,654	9,587,454	8,780,545	13
Required Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	158,740	183,853	396,292	814,535	981,657	16
Unamortized Premium on LT Debt						17
Unamortized Discount on LT Debt-Debit						18
Total Long-Term Debt	12,250,488	11,343,051	9,456,946	10,401,989	9,762,202	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable	6,770,507	5,898,635	7,739,760	7,709,407	7,075,321	20
Accounts Payable	2,422,854	2,031,113	1,973,696	2,635,035	2,567,733	21
Notes Payable to Associated Companies						22
Accounts Payable to Associated Companies						23
Customer Deposits	229,572	234,732	231,801	236,295	230,345	24
Taxes Accrued	(3,699,571)	(2,239,866)	(2,902,250)	(1,058,296)	(1,557,371)	25
Interest Accrued	1,449	1,830	111	8,313	195,803	26
Dividends Declared						27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	18,144	24,272	23,964	29,375	22,134	30
Misc. Current and Accrued Liabilities	9,081,028	8,827,434	9,194,864	5,557,022	4,797,619	31
Total Current and Accrued Liabilities	14,823,983	14,778,150	16,261,946	15,117,151	13,331,584	32
DEFERRED CREDITS						
Customer Advances for Construction				78,360	78,360	33
Other Deferred Credits	1,611,961	1,117,548	1,820,949	1,794,569	1,454,239	34
Accumulated Deferred Inv. Tax Credits						35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	7,588,470	2,147,138	1,876,287	1,219,976	2,429,954	37
Total Deferred Credits	9,200,431	3,264,686	3,697,236	3,092,905	3,962,553	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve						40
Pension and Benefits Reserve						41
Miscellaneous Operating Reserves						42
Total Operating Reserves						43
Total Liabilities and Other Credits	\$52,741,419	\$44,558,775	\$40,707,660	\$38,093,801	\$34,336,731	44

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

	2011	2010	2009	2008	2007
GAS OPERATING INCOME					
1 Operating Revenues	\$21,889,372	\$22,179,922	\$22,566,374	\$26,033,130	\$23,925,687
Operating Expense:					
2 Operation Expense	15,429,660	16,251,204	17,540,442	21,933,826	21,022,373
3 Maintenance Expense	389,657	335,759	366,090	318,740	454,160
4 Depreciation Expense	1,593,313	824,232	736,707	702,290	643,849
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	1,963,392	1,725,359	1,549,870	1,539,929	1,448,603
11 Income Taxes	304,275	786,059	515,516	(208,577)	(33,378)
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	19,680,297	19,922,613	20,708,625	24,286,208	23,535,607
15 Net Operating Revenues	2,209,075	2,257,309	1,857,749	1,746,922	390,080
16 Other Utility Operating Income					
17 Total Gas Utility Operating Income	2,209,075	2,257,309	1,857,749	1,746,922	390,080
18 Other Utility Operating Income					
19 Total Utility Operating Income	\$2,209,075	\$2,257,309	\$1,857,749	\$1,746,922	\$390,080

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

	2011	2010	2009	2008	2007	
OTHER INCOME						
Income - Merch. Jobbing & Contract Work						1
Income from Nonutility Operations						2
Nonoperating Rental Income						3
Equity in Earnings of Subsidiary Companies					\$74,192	4
Interest and Dividend Income	61,901	\$248,147	\$102,316	\$358,917	639,938	5
Allowance for Funds Used During Construction						6
Miscellaneous Nonoperating Income	328,279	54,585	157,688	352,006	35,456	7
Gain on Disposition of Property						8
Total Other Income	390,180	302,732	260,004	710,923	749,586	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization	45,711	21,040	10,576	7,924	(146,813)	11
Miscellaneous Income Deductions	312,168	117,430	92,987	73,026	72,860	12
Total Other Income Deductions	357,879	138,470	103,563	80,950	(73,953)	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes						14
Income Taxes						15
Total Taxes-Other Inc. & Deductions						16
Net Other Income and Deductions	32,301	164,262	156,441	629,973	823,539	17
INTEREST CHARGES						
Interest on Long-term Debt	759,710	689,625	664,255	571,563	746,816	18
Amortization of Debt Discount and Expense	46,478	38,304	28,613	25,798	24,006	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company						21
Other Interest Expense	180,445	195,777	243,242	887,187	76,161	22
Total Interest Charges	986,633	923,706	936,110	1,484,548	846,983	23
Income Before Extraordinary Items	1,254,743	1,497,865	1,078,080	892,347	366,636	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$1,254,743	\$1,497,865	\$1,078,080	\$892,347	\$366,636	29
<hr/>						
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	(\$1,382,961)	(\$2,915,021)	(\$1,697,169)	(\$3,701,734)	(\$3,455,656)	30
Balance Transferred from Income	1,254,743	1,497,865	1,078,080	892,347	292,444	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock	\$2,395,902	671,304	444,999			34
Adjustments to Retained Earnings	(425,816)	705,499	(1,850,933)	1,112,218	(538,522)	35
Net Change	(1,566,975)	1,532,060	(1,217,852)	2,004,565	(246,078)	36
Unappropriated Retained Earnings (EOP)	(2,949,936)	(1,382,961)	(2,915,021)	(1,697,169)	(3,701,734)	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	(\$2,949,936)	(\$1,382,961)	(\$2,915,021)	(\$1,697,169)	(\$3,701,734)	39

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

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$1,254,743	\$1,497,865	\$1,078,080	\$892,347	\$366,636
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	1,615,035	854,238	1,064,107	454,070	633,355
3 Deferred Taxes & ITCs	342,520	270,851	656,311	(1,209,978)	(12,708)
4 Receivables and Inventory	(177,841)	(1,014,853)	2,513,670	(979,764)	(1,763,933)
5 Payables and Accrued Expenses	(826,039)	357,329	1,114,442	1,151,481	(961,158)
6 Regulatory Assets (Net)	569,493	1,018,909	(1,129,188)	1,368,104	68,386
7 Capitalized AFUDC - Equity					
8 Undistributed Earnings of Affiliates					
9 Other Adjustments			(2,077,348)	(238,239)	(998,670)
10	(395,059)	738,723	75,133	1,649,974	
11	133,579	95,023			
12 Net Cash From Operating Activities	<u>2,516,431</u>	<u>3,818,085</u>	<u>3,295,207</u>	<u>3,087,995</u>	<u>(2,668,092)</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(4,690,829)	(5,242,698)	(4,379,951)	(4,501,778)	(2,454,566)
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					728,622
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities					
22					
23					
24 Net Cash From Investing Activities	<u>(4,690,829)</u>	<u>(5,242,698)</u>	<u>(4,379,951)</u>	<u>(4,501,778)</u>	<u>(1,725,944)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	907,437	1,886,105	(945,043)	639,787	(850,709)
26 Common Stock	1,096,769	2,271,793	2,790,145	150,000	4,711,402
27 Preferred Stock					
28 Short-Term Debt	871,872	(1,841,125)	30,353	634,086	(839,888)
29 Dividends Paid	(815,735)	(671,304)	(444,999)		
30 Other Cash Flows - Financing Activities					
31					
32					
33 Net Cash From Financing Activities	<u>2,060,343</u>	<u>1,645,469</u>	<u>1,430,456</u>	<u>1,423,873</u>	<u>3,020,805</u>
34 Net Increase/(Decrease) In Cash Equivalents	(114,055)	220,856	345,712	10,090	(1,373,231)
35 Cash & Cash Equivalents Beginning Of Year	2,693,168	2,472,312	2,126,600	2,116,510	3,489,741
36 Cash & Cash Equivalents End Of Year	\$2,579,113	\$2,693,168	\$2,472,312	\$2,126,600	\$2,116,510
(Totals include the SPECIAL FUNDS amount)					

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

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	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES						
Residential	\$12,015,361	\$12,397,096	\$12,409,931	\$15,226,128	\$13,649,230	1
Commercial	1,820,785	1,775,291	2,040,740	2,662,283	2,422,077	2
Industrial	62,037	57,550	72,645	66,440	76,691	3
Other Ultimate Customers	150,964	170,375	177,058	247,584	188,998	4
Total Revenues-Ultimate Customer	14,049,147	14,400,312	14,700,374	18,202,435	16,336,996	5
Sales for Resale	1,645,311	1,987,495	2,356,711	3,160,870	2,803,516	6
Total Revenues from Gas Sales	15,694,458	16,387,807	17,057,085	21,363,305	19,140,512	7
Transportation Sales	6,174,877	5,543,649	4,995,005	4,508,727	4,448,487	8
Other Gas Operating Revenues	20,038	248,466	514,284	161,098	336,688	9
Total Gas Operating Revenues	\$21,889,373	\$22,179,922	\$22,566,374	\$26,033,130	\$23,925,687	10
SALES (MCF)						
Residential	1,034,711	987,724	1,005,386	993,738	993,834	11
Commercial	183,352	163,884	190,001	189,209	189,569	12
Industrial	20,488	20,488	20,488	20,488	20,488	13
Other Ultimate Customers	15,733	16,482	16,931	18,485	16,556	14
Total Sales-Ultimate Customer	1,254,284	1,188,578	1,232,806	1,221,919	1,220,447	15
Sales for Resale	270,144	284,772	301,878	306,260	290,061	16
Transportation Sales	7,605,102	7,693,594	6,440,744	6,498,416	7,515,621	17
Other Gas Sales						18
Total Sales	9,129,530	9,166,944	7,975,429	8,026,595	9,026,130	19
AVG NUMBERS OF CUSTOMERS						
Residential	11,260	11,031	10,791	10,633	10,411	20
Commercial	787	791	768	773	768	21
Industrial	7	7	7	7	7	22
Other Customers	62	58	55	55	60	23
Total Ultimate Customers	12,116	11,887	11,621	11,468	11,246	24
Resales	1	1	1	1	1	25
Total Customers	12,117	11,888	11,622	11,469	11,247	26
OPERATING REVENUES RELATIONSHIP						
RESIDENTIAL SALES						
Average Annual Bill Per Customer	\$1,067	\$1,124	\$1,150	\$1,432	\$1,311	27
Average MCF Consumption Per Customer	91.9	89.5	93.2	93.5	95.5	28
Average Revenue Per MCF Sold	\$11.61	\$12.55	\$12.34	\$15.32	\$13.73	29
COMMERCIAL SALES						
Average Annual Bill Per Customer	\$2,314	\$2,244	\$2,657	\$3,444	\$3,154	30
Average MCF Consumption Per Customer	233.0	207.2	247.4	244.8	246.8	31
Average Revenue Per MCF Sold	\$9.93	\$10.83	\$10.74	\$14.07	\$12.78	32
INDUSTRIAL						
Average Annual Bill Per Customer	\$8,862	\$8,221	\$10,378	\$9,491	\$10,956	33
Average MCF Consumption Per Customer	2,926.9	2,926.9	2,926.8	2,926.8	2,926.8	34
Average Revenue Per MCF Sold	\$3.03	\$2.81	\$3.55	\$3.24	\$3.74	35
OPERATION AND MAINTENANCE EXPENSES						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	\$9,215,006	\$9,657,513	\$11,166,697	\$15,797,684	\$14,702,610	39
Other	167,310	191,030	216,329	122,000	171,225	40
Total Production Expense	9,382,316	9,848,543	11,383,026	15,919,684	14,873,835	41
Natural Gas Storage Expense						42
Transmission Expense	100,381	121,613	98,790	185,749	297,302	43
Distribution Expense	1,988,308	1,730,423	1,570,011	1,486,213	987,532	44
Customer Account Expense	877,604	909,252	821,251	966,996	813,805	45
Sales Expense	2,866	3,334	3,083	7,213	6,562	46
Administrative and General	3,467,842	3,973,798	4,030,371	3,686,711	4,497,496	47
Total O & M Expense	\$15,819,317	\$16,586,963	\$17,906,532	\$22,252,566	\$21,476,532	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,**

	2011	2010	2009	2008	2007
1 Total Revenues	\$21,889,373	\$22,179,922	\$22,566,374	\$26,033,130	\$23,925,687
2 Sales of Gas (MCF) *	1,524,428	1,473,350	1,534,684	1,528,180	1,510,508
DOLLAR AMOUNTS					
3 Purchased Gas & Other Supply Exp.	\$9,315,387	\$9,779,126	\$11,265,487	\$15,983,433	\$14,999,912
4 Wages and Benefits	4,056,988	4,394,891	3,451,505	3,598,805	4,100,066
5 Other Operation & Maintenance Exp.	2,446,942	2,412,946	3,189,540	2,670,328	2,376,555
6 Depreciation & Amortization Expense	1,593,313	824,232	736,707	702,290	643,849
7 Income Taxes-Operating	304,275	786,059	515,516	(208,577)	(33,378)
8 Other Taxes-Operating	1,963,392	1,725,359	1,549,870	1,539,929	1,448,603
9 Capital Costs	2,209,076	2,257,309	1,857,749	1,746,922	390,080
10 Total	\$21,889,373	\$22,179,922	\$22,566,374	\$26,033,130	\$23,925,687
PERCENT OF REVENUES					
11 Purchased Gas & Other Supply Exp.	42.6	44.1	49.9	61.4	62.7
12 Wages and Benefits	18.5	19.8	15.3	13.8	17.1
13 Other Operation & Maintenance Exp.	11.2	10.9	14.1	10.3	9.9
14 Depreciation & Amortization Expense	7.3	3.7	3.3	2.7	2.7
15 Income Taxes-Operating	1.4	3.5	2.3	-0.8	-0.1
16 Other Taxes-Operating	9.0	7.8	6.9	5.9	6.1
17 Capital Costs	10.1	10.2	8.2	6.7	1.6
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER MCF					
19 Purchased Gas & Other Supply Exp.	6.11	6.64	7.34	10.46	9.93
20 Wages and Benefits	2.66	2.98	2.25	2.35	2.71
21 Other Operation & Maintenance Exp.	1.61	1.64	2.08	1.75	1.57
22 Depreciation & Amortization Expense	1.05	0.56	0.48	0.46	0.43
23 Income Taxes-Operating	0.20	0.53	0.34	-0.14	-0.02
24 Other Taxes-Operating	1.29	1.17	1.01	1.01	0.96
25 Capital Costs	1.45	1.53	1.21	1.14	0.26
26 Total	14.36	15.05	14.70	17.04	15.84

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	9,215,006	9,657,513	11,166,697	15,797,684	14,702,610
Gas Storage					
Transmission Expense	100,381	121,613	98,790	185,749	297,302
Total Purchased Gas	9,315,387	9,779,126	11,265,487	15,983,433	14,999,912
-Total PG related to Sales for Resale					
PG - Ultimate Customers	9,315,387	9,779,126	11,265,487	15,983,433	14,999,912

Wages and Benefits

Salaries	2,574,435	2,378,758	1,879,698	2,282,799	2,196,222
Pensions and Benefits	1,482,553	2,016,133	1,571,807	1,316,006	1,903,844
Total Wages and Benefits	4,056,988	4,394,891	3,451,505	3,598,805	4,100,066

Other Expenses

Total O&M Expenses	15,819,317	16,586,963	17,906,532	22,252,566	21,476,533
-Total Purchased Gas	9,315,387	9,779,126	11,265,487	15,983,433	14,999,912
-Wages and Benefits	4,056,988	4,394,891	3,451,505	3,598,805	4,100,066
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	2,446,942	2,412,946	3,189,540	2,670,328	2,376,555

Depreciation and Amortization

Depreciation Exp	1,593,313	824,232	736,707	702,290	643,849
Amort & Depl of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	1,593,313	824,232	736,707	702,290	643,849

Fuel and PP related to Sales for Resale

Total PG	9,315,387	9,779,126	11,265,487	15,983,433	14,999,912
divided by Total MCFs	1,524,428	1,473,350	1,534,684	1,528,180	1,510,508
Fuel Cost per MCF	6	7	7	10	10
times Sales for Resale MCFs	270,144	284,772	301,878	306,260	290,061
Sales for Resale PG	1,650,780	1,890,129	2,215,963	3,203,219	2,880,419

Transportation Volumes

7,605,102	7,693,594	6,440,744	6,498,416	7,515,621
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CORNING NATURAL GAS CORPORATION
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2011	2010	2009	2008	2007	
Intangible	\$28,742	\$28,742	\$28,742	\$28,742	\$28,742	1
Production						
Manufactured Gas						2
Natural Gas						3
Natural Gas Storage						
Underground Storage						4
Other Storage						5
Transmission	4,652,111	4,652,165	4,529,824	4,529,824	4,529,824	6
Distribution	36,568,418	32,259,841	27,493,336	23,355,895	18,286,964	7
General	8,100,122	7,842,735	7,672,669	7,635,129	7,497,431	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Underground, Non-current						11
Total Plant In Service	49,349,393	44,783,483	39,724,571	35,549,590	30,342,961	12
Plant Leased To Others						13
Plant Held For Future Use						14
Construction Work In Progress					810,090	15
Acquisition Adjustments						16
Total Plant	49,349,393	44,783,483	39,724,571	35,549,590	31,153,051	17
Accum. Prov. - Depr. & Amort.	14,761,978	13,293,584	12,653,138	12,121,401	11,524,350	18
Total Net Plant	\$34,587,415	\$31,489,899	\$27,071,433	\$23,428,189	\$19,628,701	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.36	0.34	0.29	0.43	0.43	20
Total Capitalization	\$35,487,512	\$32,414,574	\$28,488,238	\$27,593,152	\$24,117,915	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	34.5%	35.0%	33.2%	37.7%	40.5%	22
Preferred Stock						23
Common Stock & Retained Earnings	46.4%	46.8%	39.6%	34.4%	30.2%	24
Short-Term Debt	19.1%	18.2%	27.2%	27.9%	29.3%	25
Pretax Coverage of Interest Expense	2.24	3.29	2.54	1.04	0.42	26
Com. Stock Dividends as a % of Earnings	108.5%	29.7%	24.0%			27
Return on Common Equity	14.0%	17.1%	17.9%	20.8%	7.8%	28
Internal Cash Generated as a % of Cash Outflows for Construction	53.6%	72.8%	75.2%	68.6%	-68.0%	29
Earnings per Share	\$1.21	\$1.97	\$1.83	\$2.13	\$0.48	30
Book Value per Share	\$9.03	\$13.21	\$11.15	\$11.55	\$8.99	31
Dividends per Share	\$1.31	\$0.58	\$0.44			32
Number of Employees	64	65	66	67	51	33

<u>Data Field Below</u>	2011	2010	2009	2008	2007
Current Assets	5,285,835	5,014,396	4,646,260	6,471,359	5,674,202
Current Liabilities	14,823,983	14,778,150	16,261,946	15,117,151	13,331,584
Total Capitalization	35,487,512	32,414,574	28,488,238	27,593,152	24,117,915
Long-Term Debt	12,250,488	11,343,051	9,456,946	10,401,989	9,762,202
Preferred Stock			-	-	-
Common Stock and Retained Earnings (Excl. Preferred Stock)	16,466,517	15,172,888	11,291,532	9,481,756	7,280,392
Short-Term Debt	6,770,507	5,898,635	7,739,760	7,709,407	7,075,321
Pretax Income	2,209,075	3,043,368	2,373,265	1,538,345	356,702
Interest Expense	986,633	923,706	936,110	1,484,548	846,983
Common Dividends Paid	2,395,902	671,304	444,999	-	-
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	2,209,075	2,257,309	1,857,749	1,746,922	390,080
Internal Cash	2,516,431	3,818,085	3,295,207	3,087,995	(1,669,422)
Cash Outflows for Construction	4,690,829	5,242,698	4,379,951	4,501,778	2,454,566
Shares Outstanding (Millions) Sch250251	1.8240	1.1486	1.0129	0.8209	0.8096
Misc Deferred Debits Sch233	1,628,625	2,307,010	2,708,499	2,169,928	3,630,951
Number of Employees	52	54	51	54	51
<u>Pre-Tax Income</u>					
Total Utility Operating Income	2,209,075	2,257,309	1,857,749	1,746,922	390,080
+Income Taxes - Electric				(1)	-
+Income Taxes - Gas	304,275	786,059	515,516	(208,577)	(33,378)
+Other Income	\$390,180	\$302,732	\$260,004	\$710,923	\$749,586
- Other Income Deductions	\$357,879	\$138,470	\$103,563	\$80,950	(\$73,953)
- Other Taxes					
Pre-Tax Income	2,545,651	3,207,630	2,529,706	2,168,317	1,180,241

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Total Utility Plant	\$2,807,676,403	\$2,694,831,418	\$2,566,621,604	\$2,434,186,235	\$2,298,504,947
2 Less Acc. Prov. For Depreciation & Amortization	607,918,837	577,002,370	542,295,065	509,765,424	478,458,625
3 Net Total Utility Plant	2,199,757,566	2,117,829,048	2,024,326,540	1,924,420,811	1,820,046,322
OTHER PROPERTY AND INVESTMENTS					
4 Nonutility Property	2,167,674	2,167,674	1,252,521	1,320,034	1,320,034
5 Less Acc. Prov. For Depreciation & Amortization	(682,932)	(369,678)	(12,677)	(11,569)	(10,461)
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	1,484,742	1,797,996	1,239,844	1,308,465	1,309,573
CURRENT AND ACCRUED ASSETS					
13 Cash	25,000	25,000	25,000	7,177,458	6,141,996
14 Special Deposits		890,000		500,483	295
15 Working Funds					
16 Temporary Cash Investments			994		161,877,070
17 Notes Receivable					
18 Accounts Receivable	124,099,312	182,079,029	169,565,729	176,794,467	160,012,527
19 Less Accum. Prov. For Uncollectible Accounts	(19,809,143)	(22,214,661)	(22,438,236)	(14,377,171)	(5,308,434)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies	(1,209,421)	(3,103,211)	20,428,179	804,617	269,027,830
22 Materials and Supplies	6,028,450	7,346,323	6,857,648	6,758,545	6,731,599
23 Gas Stored Underground - Current	118,931,808	112,723,453	142,883,014	256,580,474	185,684,386
24 Liquefied Natural Gas in Storage	2,656,950	2,763,757	3,520,370	4,463,243	4,360,625
25 Prepayments	31,984,533	29,965,111	25,781,866	50,208,938	23,239,813
26 Interest and Dividends Receivable					
27 Rents Receivable	3,980,180	4,053,125	14,364,190	10,439,877	6,953,290
28 Accrued Utility Revenue	86,033,252	105,343,330	115,814,550	103,147,159	99,798,054
29 Misc. Current and Accrued Assets	13,800,094	9,545,418	20,323,355	68,361	567,570
30 Total Current and Accrued Assets	366,521,015	429,416,674	497,126,660	602,566,451	919,086,621
DEFERRED DEBITS					
31 Unamort. Debt Expense	3,581,122	314,958	405,993	708,048	1,020,038
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges					
34 Clearing Accounts					
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	782,784,989	803,702,688	824,381,342	681,474,489	565,581,769
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development					
39 Accumulated Deferred Income Taxes	339,557,777	320,945,876	198,004,110	57,441,198	(44,521,712)
40 Total Deferred Debits	1,125,923,888	1,124,963,522	1,022,791,445	739,623,735	522,080,095
41 Total Assets and Other Debits	\$3,693,687,211	\$3,674,007,240	\$3,545,484,488	\$3,267,919,462	\$3,262,522,610

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

	2011	2010	2009	2008	2007	
PROPRIETARY CAPITAL						
Common Stock Issued	\$1	\$1	\$1	\$1	\$1	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	582,861,727	582,861,727	582,861,727	582,861,727	582,861,727	5
Other Paid-in Capital	(65,012,453)	(65,012,453)	(65,012,453)	(65,012,453)	(37,900,600)	6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	565,542,940	800,755,995	709,091,933	604,833,848	498,487,399	9
Unapp. Undistributed Subsidiary Earnings						10
Requaired Capital Stock			(323,997)	(323,997)	(323,997)	11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	1,083,392,215	1,318,605,270	1,226,617,210	1,122,359,126	1,043,124,529	12
LONG-TERM DEBT						
Bonds	600,000,000	100,000,000	100,000,000	500,000,000	500,000,000	13
Requaired 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	100,000,000	100,000,000	500,000,000	500,000,000	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable			400,000,000		125,000,000	20
Accounts Payable	42,283,755	106,668,133	150,781,796	93,430,756	45,996,800	21
Notes Payable to Associated Companies	168,617,576	524,869,892	171,951,924	269,756,519	125,911,939	22
Accounts Payable to Associated Companies	342,516,753	349,136,954	302,932,444	440,724,183	623,907,091	23
Customer Deposits	10,089,962	9,028,490	9,090,112	9,615,107	9,576,368	24
Taxes Accrued	14,784,503	(8,794,115)	15,923,480	35,696,913	18,081,948	25
Interest Accrued	16,566,975	12,049,360	32,295,864	28,753,988	18,173,925	26
Dividends Declared						27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	(654,172)	(1,804,053)	(246,855)	566,976	334,700	30
Misc. Current and Accrued Liabilities	31,444,047	19,106,574	24,686,884	19,929,152	67,408,214	31
Total Current and Accrued Liabilities	625,649,399	1,010,261,235	1,107,415,649	898,473,594	1,034,390,985	32
DEFERRED CREDITS						
Customer Advances for Construction	326,164	294,128			6,843,462	33
Other Deferred Credits	360,815,372	298,510,340	320,989,547	218,512,691	133,994,347	34
Accumulated Deferred Inv. Tax Credits						35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	873,361,404	801,253,489	631,557,936	312,790,641	288,923,698	37
Total Deferred Credits	1,234,502,940	1,100,057,957	952,547,483	531,303,332	429,761,507	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve			276,678			40
Pension and Benefits Reserve	4,584,014	1,469,383				41
Miscellaneous Operating Reserves	145,558,643	143,613,396	158,627,467	215,783,410	255,245,588	42
Total Operating Reserves	150,142,657	145,082,779	158,904,146	215,783,410	255,245,588	43
Total Liabilities and Other Credits	\$3,693,687,211	\$3,674,007,241	\$3,545,484,488	\$3,267,919,462	\$3,262,522,610	44

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

	2011	2010	2009	2008	2007
GAS OPERATING INCOME					
1 Operating Revenues	\$1,142,500,996	\$1,195,903,471	\$1,342,345,938	\$1,520,339,251	\$1,438,200,152
Operating Expense:					
2 Operation Expense	730,103,751	784,683,952	898,285,923	1,073,293,949	1,056,825,878
3 Maintenance Expense	24,984,297	28,284,794	27,147,812	28,549,387	26,134,753
4 Depreciation Expense	54,092,360	51,787,391	49,454,193	46,003,763	44,093,927
5 Amort. and Depletion of Utility Plant	1,111,583	1,469,845	2,248,648	2,716,983	2,852,911
6 Amort. of Utility Plant Acq. Adj.	21,350,249	10,976,347	(1,355,717)	7,463,389	
7 Amort. of Property Losses					
8 Amort. of Conversion Expenses				18,130,770	43,846,159
9 Other Expenses					
10 Taxes Other than Income Taxes	126,591,512	118,499,933	118,191,821	109,650,015	69,589,079
11 Income Taxes	71,105,579	86,723,645	70,919,408	60,871,549	61,290,242
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					13,260
14 Total Operating Expenses	1,029,339,331	1,082,425,907	1,164,892,088	1,346,679,805	1,304,646,210
15 Net Operating Revenues	113,161,665	113,477,564	177,453,850	173,659,446	133,553,942
16 Other Utility Operating Income					
17 Total Gas Utility Operating Income	113,161,665	113,477,564	177,453,850	173,659,446	133,553,942
18 Other Utility Operating Income					
19 Total Utility Operating Income	\$113,161,665	\$113,477,564	\$177,453,850	\$173,659,446	\$133,553,942

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

	2011	2010	2009	2008	2007	
OTHER INCOME						
Income - Merch. Jobbing & Contract Work					\$89,840	1
Income from Nonutility Operations				(\$4,429)	(39,024)	2
Nonoperating Rental Income	(313,254)	(\$356,882)	(\$1,237)	(1,108)	(1,108)	3
Equity in Earnings of Subsidiary Companies						4
Interest and Dividend Income	23,758,589	24,779,448	24,093,456	14,068,154	8,645,471	5
Allowance for Funds Used During Construction	1,230,169	1,049,841	1,537,151	832,544	380,860	6
Miscellaneous Nonoperating Income	(144)	(144)	(2,752,389)	(3,779,352)	(1,030,099)	7
Gain on Disposition of Property		76,264	13,789		65,417	8
Total Other Income	24,675,360	25,548,527	22,890,770	11,115,809	8,111,358	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	1,141,063	924,320	225,926	40,004	207,909	12
Total Other Income Deductions	1,141,063	924,320	225,926	40,004	207,909	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	296,153	291,803	344,384	372,015	383,089	14
Income Taxes						15
Total Taxes-Other Inc. & Deductions	296,153	291,803	344,384	372,015	383,089	16
Net Other Income and Deductions	23,238,144	24,332,404	22,320,460	10,703,790	7,520,359	17
INTEREST CHARGES						
Interest on Long-term Debt	27,502,069	8,217,808	36,644,792	37,818,750	45,725,000	18
Amortization of Debt Discount and Expense	139,111	91,035	302,055	311,989	449,265	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company	10,098,083	17,744,926	14,219,705	12,817,032	11,097,501	21
Other Interest Expense	13,873,601	20,092,139	44,349,674	26,507,903	112,949	22
Total Interest Charges	51,612,864	46,145,908	95,516,226	77,455,675	57,384,716	23
Income Before Extraordinary Items	84,786,945	91,664,060	104,258,085	106,907,561	83,689,585	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$84,786,945	\$91,664,060	\$104,258,085	\$106,907,561	\$83,689,585	29
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$800,755,993	\$709,091,933	\$604,833,848	\$498,487,399	\$414,797,813	30
Balance Transferred from Income	84,786,945	91,664,060	104,258,085	106,907,561	83,689,585	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock	320,000,000					34
Adjustments to Retained Earnings				(561,112)		35
Net Change	(235,213,055)	91,664,060	104,258,085	106,346,449	83,689,585	36
Unappropriated Retained Earnings (EOP)	565,542,938	800,755,993	709,091,933	604,833,848	498,487,399	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	\$565,542,938	\$800,755,993	\$709,091,933	\$604,833,848	\$498,487,399	39

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

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$84,786,945	\$91,664,062	\$104,258,085	\$106,907,561	\$83,689,585
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	76,693,303	64,233,583	50,649,178	49,032,735	47,388,180
3 Deferred Taxes & ITCs	62,359,627	20,551,578	177,390,552	(77,863,690)	(39,515,180)
4 Receivables and Inventory	50,863,469	28,225,264	121,387,533	(80,714,116)	(29,583,866)
5 Payables and Accrued Expenses	14,749,079	(71,559,296)	37,577,607	65,048,921	(20,088,739)
6 Regulatory Assets (Net)	25,435,815	20,832,108	(18,946,048)	(64,628,634)	(53,154,623)
7 Capitalized AFUDC - Equity	(1,230,169)	(1,049,841)	(1,537,151)	(832,544)	(380,860)
8 Undistributed Earnings of Affiliates	19,310,078	10,471,219	(12,667,391)	(3,349,105)	
9 Other Adjustments	24,728,499				
10	9,036,210	(223,575)	8,061,065	9,068,737	537,979
11	(31,867,805)	383,221,863	(225,922,150)	(27,774,476)	184,021,214
12 Net Cash From Operating Activities	<u>334,865,051</u>	<u>546,366,965</u>	<u>240,251,280</u>	<u>(25,104,611)</u>	<u>172,913,690</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(137,059,692)	(146,367,960)	(149,598,149)	(154,581,578)	(110,934,391)
14 Acquisition Of Other Non-Current Assets					
15 Investments in & Advances to Affiliates					352,998,447
16 Contributions & Advances from Affiliates					(188,238,432)
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>(137,059,692)</u>	<u>(146,367,960)</u>	<u>(149,598,149)</u>	<u>(154,581,578)</u>	<u>53,825,624</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	122,194,641	(400,000,000)	(97,804,595)	18,844,579	(62,000,000)
26 Common Stock					
27 Preferred Stock					
28 Short-Term Debt					
29 Dividends Paid	(320,000,000)				
30 Other Cash Flows - Financing Activities					
31					
32					
33 Net Cash From Financing Activities	<u>(197,805,359)</u>	<u>(400,000,000)</u>	<u>(97,804,595)</u>	<u>18,844,579</u>	<u>(62,000,000)</u>
34 Net Increase/(Decrease) In Cash Equivalents		(995)	(7,151,464)	(160,841,610)	164,739,314
35 Cash & Cash Equivalents Beginning Of Year	24,999	25,994	7,177,457	168,019,067	3,279,753
36 Cash & Cash Equivalents End Of Year	\$24,999	\$24,999	\$25,994	\$7,177,457	\$168,019,067

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

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES						
Residential	\$559,073,549	\$603,480,001	\$732,471,070	\$738,819,387	\$728,847,596	1
Commercial	163,465,073	200,746,602	278,788,456	359,208,674	356,262,306	2
Industrial	17,359,121	21,318,222	29,605,853	38,146,054	37,833,165	3
Other Ultimate Customers						4
Total Revenues-Ultimate Customer	739,897,743	825,544,825	1,040,865,379	1,136,174,114	1,122,943,067	5
Sales for Resale	196,613,435	171,955,227	145,898,036	253,644,774	213,815,617	6
Total Revenues from Gas Sales	936,511,178	997,500,052	1,186,763,415	1,389,818,888	1,336,758,684	7
Transportation Sales	178,505,327	172,088,259	125,912,547	100,854,655	79,000,622	8
Other Gas Operating Revenues	27,484,491	26,315,160	29,669,976	29,665,708	22,440,846	9
Total Gas Operating Revenues	\$1,142,500,996	\$1,195,903,471	\$1,342,345,938	\$1,520,339,251	\$1,438,200,152	10
SALES (MCF)						
Residential	40,365,851	43,042,445	46,796,641	43,477,797	44,220,552	11
Commercial	13,583,871	16,848,925	21,313,083	24,584,286	25,545,118	12
Industrial	1,442,534	1,789,266	2,263,338	2,610,721	2,712,757	13
Other Ultimate Customers						14
Total Sales-Ultimate Customer	55,392,256	61,680,636	70,373,062	70,672,803	72,478,426	15
Sales for Resale	29,737,056	26,615,536	21,438,763	23,623,103	26,383,469	16
Transportation Sales	89,899,818	83,271,388	64,881,974	66,199,607	67,103,760	17
Other Gas Sales						18
Total Sales	175,029,130	171,567,560	156,693,798	160,495,513	165,965,655	19
AVG NUMBER OF CUSTOMERS						
Residential	447,538	453,225	464,299	460,917	456,779	20
Commercial	36,048	37,745	40,988	42,390	43,241	21
Industrial	3,828	4,008	4,353	4,502	4,593	22
Other Customers						23
Total Ultimate Customers	487,414	494,978	509,640	507,809	504,613	24
Resales	25	23	25	22	24	25
Total Customers	487,439	495,001	509,665	507,831	504,637	26
OPERATING REVENUES RELATIONSHIP						
RESIDENTIAL SALES						
Average Annual Bill Per Customer	\$1,249	\$1,332	\$1,578	\$1,603	\$1,596	27
Average MCF Consumption Per Customer	90.2	95.0	100.8	94.3	96.8	28
Average Revenue Per MCF Sold	\$13.85	\$14.02	\$15.65	\$16.99	\$16.48	29
COMMERCIAL SALES						
Average Annual Bill Per Customer	\$4,535	\$5,318	\$6,802	\$8,474	\$8,239	30
Average MCF Consumption Per Customer	376.8	446.4	520.0	580.0	590.8	31
Average Revenue Per MCF Sold	\$12.03	\$11.91	\$13.08	\$14.61	\$13.95	32
INDUSTRIAL SALES						
Average Annual Bill Per Customer	\$4,535	\$5,319	\$6,801	\$8,473	\$8,237	33
Average MCF Consumption Per Customer	376.8	446.4	519.9	579.9	590.6	34
Average Revenue Per MCF Sold	\$12.03	\$11.91	\$13.08	\$14.61	\$13.95	35
OPERATION AND MAINTENANCE EXPENSES						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	535,412,760	\$616,604,343	\$735,589,253	\$924,793,158	\$930,982,388	39
Other	16,250	(35,826)	790,658	(2,052,593)	(558,826)	40
Total Production Expense	535,429,010	616,568,517	736,379,911	922,740,564	930,423,562	41
Natural Gas Storage Expense	2,242,797	1,636,324	1,568,249	2,712,976	2,985,926	42
Transmission Expense	7,330,401	5,479,834	8,178,304	9,641,404	6,748,324	43
Distribution Expense	44,351,683	46,090,922	42,561,423	44,656,441	43,144,865	44
Customer Account Expense	54,338,900	50,629,690	57,650,304	47,514,724	31,543,647	45
Sales Expense	6,334,562	(2,881,043)	(1,495,094)	513,380	9,150,898	46
Administrative and General	105,060,695	95,444,501	80,590,638	74,063,846	58,963,409	47
Total O & M Expense	\$755,088,048	\$812,968,745	\$925,433,735	\$1,101,843,336	\$1,082,960,631	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,**

	2011	2010	2009	2008	2007
1 Total Revenues	\$1,142,500,996	\$1,195,903,471	\$1,342,345,938	\$1,520,339,251	\$1,438,200,152
2 Sales of Gas (MCF) *	85,129,312	88,296,172	91,811,824	94,295,906	98,861,895
DOLLAR AMOUNTS					
3 Purchased Gas & Other Supply Exp.	\$544,985,958	\$623,684,675	\$746,126,464	\$935,344,040	\$940,489,855
4 Wages and Benefits	64,880,629	59,978,056	32,451,231	31,254,942	16,755,222
5 Other Operation & Maintenance Exp.	145,221,461	129,306,015	146,856,040	135,244,354	125,715,554
6 Depreciation & Amortization Expense	55,203,943	53,257,236	51,702,840	66,851,516	90,792,998
7 Income Taxes-Operating	71,105,579	86,723,645	70,919,408	60,871,549	61,290,242
8 Other Taxes-Operating	126,591,512	118,499,933	118,191,821	109,650,015	69,589,079
9 Capital Costs	134,511,914	124,453,911	176,098,133	181,122,835	133,567,202
10 Total	\$1,142,500,996	\$1,195,903,471	\$1,342,345,938	\$1,520,339,251	\$1,438,200,152
PERCENT OF REVENUES					
11 Purchased Gas & Other Supply Exp.	47.7	52.2	55.6	61.5	65.4
12 Wages and Benefits	5.7	5.0	2.4	2.1	1.2
13 Other Operation & Maintenance Exp.	12.7	10.8	10.9	8.9	8.7
14 Depreciation & Amortization Expense	4.8	4.5	3.9	4.4	6.3
15 Income Taxes-Operating	6.2	7.3	5.3	4.0	4.3
16 Other Taxes-Operating	11.1	9.9	8.8	7.2	4.8
17 Capital Costs	11.8	10.4	13.1	11.9	9.3
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER MCF					
19 Purchased Gas & Other Supply Exp.	6.40	7.06	8.13	9.92	9.51
20 Wages and Benefits	0.76	0.68	0.35	0.33	0.17
21 Other Operation & Maintenance Exp.	1.71	1.46	1.60	1.43	1.27
22 Depreciation & Amortization Expense	0.65	0.60	0.56	0.71	0.92
23 Income Taxes-Operating	0.84	0.98	0.77	0.65	0.62
24 Other Taxes-Operating	1.49	1.34	1.29	1.16	0.70
25 Capital Costs	1.58	1.41	1.92	1.92	1.35
26 Total	13.42	13.54	14.62	16.12	14.55

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.	535,412,760	616,568,517	736,379,911	922,740,564	930,423,562
Liquidified Petro Gas				249,095	332,043
Other Gas Supply					
Gas Storage	2,242,797	1,636,324	1,568,249	2,712,976	2,985,926
Transmission Expense	7,330,401	5,479,834	8,178,304	9,641,404	6,748,324
Total Purchased Gas	544,985,958	623,684,675	746,126,464	935,344,040	940,489,855
-Total PG related to Sales for Resale PG - Ultimate Customers	544,985,958	623,684,675	746,126,464	935,344,040	940,489,855

Wages and Benefits

Salaries	48,384,592	49,296,790	16,932,052	16,932,052	16,932,052
Pensions and Benefits	16,496,037	10,681,266	15,519,179	14,322,890	(176,830)
Total Wages and Benefits	64,880,629	59,978,056	32,451,231	31,254,942	16,755,222

Other Expenses

Total O&M Expenses	755,088,048	812,968,746	925,433,735	1,101,843,336	1,082,960,631
-Total Purchased Gas	544,985,958	623,684,675	746,126,464	935,344,040	940,489,855
-Wages and Benefits	64,880,629	59,978,056	32,451,231	31,254,942	16,755,222
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	145,221,461	129,306,015	146,856,040	135,244,354	125,715,554

Depreciation and Amortization

Depreciation Exp	54,092,360	51,787,391	49,454,193	46,003,763	44,093,927
Amort & Depl of Utility Plant					
Amort of Other Utility Plant	1,111,583	1,469,845	2,248,648	2,716,983	2,852,911
Amort of Property Losses					
Amort of Conversion Expenses				18,130,770	43,846,159
Total Depre and Amort	55,203,943	53,257,236	51,702,840	66,851,516	90,792,998

Fuel and PP related to Sales for Resale

Total PG	544,985,958	623,684,675	746,126,464	935,344,040	940,489,855
divided by Total MCFs	85,129,312	88,296,172	91,811,824	94,295,906	98,861,895
Fuel Cost per MCF	6	7	8	10	10
times Sales for Resale MCFs	29,737,056	26,615,536	21,438,763	23,623,103	26,383,469
Sales for Resale PG	190,372,477	188,000,244	174,226,232	234,323,308	250,990,384

Transportation Volumes

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

	2011	2010	2009	2008	2007	
Intangible	\$24,148,816	\$24,148,816	\$23,391,900	\$21,837,310	\$20,404,153	1
Production						
Manufactured Gas	\$2,369,843.00	2,387,608	2,380,251	2,380,251	\$2,380,251	2
Natural Gas						3
Natural Gas Storage						
Underground Storage						4
Other Storage	48,421,023	48,812,843	46,573,103	46,553,170	45,433,872	5
Transmission	295,576,419	291,848,111	271,617,425	263,696,875	225,830,700	6
Distribution	2,335,450,205	2,226,578,420	2,122,852,910	2,011,994,742	1,895,588,350	7
General	76,196,144	77,683,151	71,932,766	67,248,254	64,248,222	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Underground, Non-current						11
Total Plant In Service	2,782,162,450	2,671,458,949	2,538,748,355	2,413,710,602	2,253,885,548	12
Plant Leased To Others						13
Plant Held For Future Use	93,519	93,519	93,519	93,519	93,519	14
Construction Work In Progress	25,420,434	23,278,950	27,779,731	20,382,114	44,525,881	15
Acquisition Adjustments						16
Total Plant	2,807,676,403	2,694,831,418	2,566,621,605	2,434,186,235	2,298,504,948	17
Accum. Prov. - Depr. & Amort.	607,918,837	577,002,370	542,295,065	509,765,424	478,458,625	18
Total Net Plant	\$2,199,757,566	\$2,117,829,048	\$2,024,326,540	\$1,924,420,811	\$1,820,046,323	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.34	0.43	0.45	0.67	0.89	20
Total Capitalization	\$1,852,009,792	\$1,943,475,161	\$1,898,569,134	\$1,892,115,645	\$1,794,036,469	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	32.4%	5.1%	5.3%	26.4%	27.9%	22
Preferred Stock	0.0%					23
Common Stock & Retained Earnings	58.5%	67.8%	64.6%	59.3%	58.1%	24
Short-Term Debt	9.1%	27.0%	30.1%	14.3%	14.0%	25
Pretax Coverage of Interest Expense	3.57	4.87	2.83	3.17	3.53	26
Com. Stock Dividends as a % of Earnings	377.4%					27
Return on Common Equity	7.1%	7.2%	8.9%	9.9%	8.2%	28
Internal Cash Generated as a % of Cash Outflows for Construction	40.9%	26.8%	62.3%	-615.7%	64.2%	29
Earnings per Share	\$0.85	\$0.92	\$1.04	\$1.07	\$0.84	30
Book Value per Share	\$10.83	\$13.19	\$12.27	\$11.22	\$10.43	31
Dividends per Share	\$3.20					32
Number of Employees	593	609	605	597	637	33

Data Field Below

Current Assets	\$366,521,015.00	\$429,416,674	\$497,126,660	\$602,566,451	\$919,086,621
Current Liabilities	625,649,398	1,010,261,235	1,107,415,649	898,473,594	1,034,390,985
Total Capitalization	1,852,009,792	1,943,475,161	1,898,569,134	1,892,115,645	1,794,036,469
Long-Term Debt	600,000,000	100,000,000	100,000,000	500,000,000	500,000,000
Preferred Stock	1			-	-
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,083,392,215	1,318,605,270	1,226,617,210	1,122,359,126	1,043,124,529
Short-Term Debt	168,617,576	524,869,892	571,951,924	269,756,519	250,911,939
Pretax Income	184,267,244	224,533,615	270,693,719	245,234,785	202,364,543
Interest Expense	51,612,864	46,145,908	95,516,226	77,455,675	57,384,716
Common Dividends Paid	320,000,000	-	-	-	-
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	84,786,945	91,664,060	104,258,085	106,907,561	83,689,585
Internal Cash	334,865,051	546,366,965	240,251,280	(25,104,611)	172,913,690
Cash Outflows for Construction	137,059,692	146,367,960	149,598,149	154,581,578	110,934,391
Shares Outstanding (Millions) Sch250251	\$100.00	100	100	100	100
Misc Deferred Debits	421,969,617	505,192,348	503,391,794	462,961,798	431,587,422
Number of Employees Sch 7277	\$593.00	609	605	597	637
Pre-Tax Income					
Total Utility Operating Income	\$113,161,665.00	\$113,477,565	\$177,453,850.37	173,659,446	133,553,942
+Income Taxes - Electric					
+Income Taxes - Gas	\$71,105,579.00	\$86,723,645	\$70,919,408.30	60,871,549	61,290,242
+Other Income	\$24,675,360.00	\$25,548,528	\$22,890,769.92	11,115,809	8,111,358
- Other Income Deductions	\$1,141,063.00	\$924,320	\$225,925.73	40,004	207,909
- Other Taxes	\$296,153.00	\$291,803	\$344,383.84	372,015	383,089
Pre-Tax Income	\$207,505,388	\$224,533,615	\$270,693,719	\$245,234,785	\$202,364,543

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Total Utility Plant	\$1,731,072,698	\$1,687,479,788	\$1,644,336,020	1,607,055,964	\$ 1,561,808,716
2 Less Acc. Prov. For Depreciation & Amortization	635,516,555	606,970,746	580,697,777	555,789,456	529,057,094
3 Net Total Utility Plant	1,095,556,143	1,080,509,042	1,063,638,243	1,051,266,508	1,032,751,622
OTHER PROPERTY AND INVESTMENTS					
4 Nonutility Property	80,802	80,802	80,802	80,802	80,802
5 Less Acc. Prov. For Depreciation & Amortization	(9,744)	(9,744)	(9,744)	(9,744)	(9,744)
6 Investment in Associated Companies					
7 Investment in Subsidiary Companies					
8 Other Investments	10,234	20,675	20,977	8,564	21,941
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds				20,956,579	44,803,756
12 Total Other Property and Investments	81,292	91,733	92,035	21,036,201	44,896,755
CURRENT AND ACCRUED ASSETS					
13 Cash	3,744,601	3,026,583	2,807,104	7,997,337	9,307,671
14 Special Deposits					
15 Working Funds	172,200	159,200	194,350	156,850	156,850
16 Temporary Cash Investments	4,502,703	42,052,998	114,900,612	2,406,889	25,036
17 Notes Receivable			14,549	87,501	226,333
18 Accounts Receivable	94,076,845	96,542,613	116,782,529	167,263,384	161,403,470
19 Less Accum. Prov. For Uncollectible Accounts	(32,252,265)	(32,346,490)	(36,649,020)	(37,471,596)	(32,700,173)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies	9,044,223	8,695,437	13,839,378	9,050,381	12,888,312
22 Materials and Supplies	7,467,498	7,372,828	6,697,157	6,450,148	6,648,932
23 Gas Stored Underground - Current	29,541,865	17,351,383	18,662,779	17,703,664	20,156,433
24 Liquefied Natural Gas in Storage					
25 Prepayments	10,760,963	11,350,452	10,404,056	10,637,490	10,823,010
26 Interest and Dividends Receivable	182,926	194,070	901,077	466,158	361,538
27 Rents Receivable					
28 Accrued Utility Revenue	47,335,098	59,210,848	55,012,083	79,403,822	78,479,720
29 Misc. Current and Accrued Assets		35,657		133,436	
30 Total Current and Accrued Assets	174,576,657	213,645,579	303,566,654	264,285,464	267,777,132
DEFERRED DEBITS					
31 Unamort. Debt Expense					
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges	15,604	(54,166)	(156,967)	(161,278)	(181,911)
34 Clearing Accounts	(2,451,844)	(2,425,591)	(594,521)	(1,836,926)	(828,641)
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	597,279,096	561,171,758	460,981,174	212,191,589	147,628,433
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development	(1,080,688)	(1,026,651)	(548,700)	591,626	1,387,770
39 Accumulated Deferred Income Taxes	31,005	31,005	31,005	31,005	31,005
40 Total Deferred Debits	593,793,173	557,696,355	459,711,991	210,816,016	148,036,656
41 Total Assets and Other Debits	\$1,864,007,265	\$1,851,942,709	\$1,827,008,923	\$1,547,404,189	\$1,493,462,165

Notes:

* Includes Pennsylvania operations.

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

	2011	2010	2009	2008	2007	
PROPRIETARY CAPITAL						
Common Stock Issued	\$59,170,600	\$59,170,600	\$59,170,600	\$59,170,600	\$59,170,600	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	68,500	68,500	68,500	68,500	68,500	5
Other Paid-in Capital	127,187,148	125,686,410	124,547,306	124,094,593	123,837,634	6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	292,853,801	308,943,437	364,893,594	363,197,842	336,264,759	9
Unapp. Undistributed Subsidiary Earnings						10
Reaquired Capital Stock						11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	479,280,049	493,868,947	548,680,000	546,531,535	519,341,493	12
LONG-TERM DEBT						
Bonds						13
Reaquired Bonds						14
Advances from Associated Companies	414,000,000	414,000,000	414,000,000	289,000,000	189,000,000	15
Other Long-Term Debt						16
Unamortized Premium on LT Debt						17
Unamortized Discount on LT Debt-Debit						18
Total Long-Term Debt	414,000,000	414,000,000	414,000,000	289,000,000	189,000,000	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable						20
Accounts Payable	40,958,468	60,254,708	58,647,045	77,166,243	94,160,637	21
Notes Payable to Associated Companies				182,000,000	295,100,000	22
Accounts Payable to Associated Companies	35,411,025	32,597,538	42,460,018	27,901,302	30,249,349	23
Customer Deposits	13,185,408	13,653,024	15,290,501	11,484,611	11,824,153	24
Taxes Accrued	9,082,599	(24,488,126)	(38,809,990)	(5,598,606)	(8,146,901)	25
Interest Accrued	80,919	100,133	164,178	118,410	124,779	26
Dividends Declared	9,600,000	29,600,000	29,600,000	9,100,000	9,100,000	27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	1,370,696	820,739	1,115,951	2,051,947	1,669,307	30
Misc. Current and Accrued Liabilities	11,854,025	13,861,563	18,704,029	8,496,681	8,950,115	31
Total Current and Accrued Liabilities	121,543,140	126,399,579	127,171,732	312,720,588	443,031,439	32
DEFERRED CREDITS						
Customer Advances for Construction	661,576	813,491	798,889	886,934	962,717	33
Other Deferred Credits	123,727,591	143,140,103	147,780,831	116,263,665	85,604,369	34
Accumulated Deferred Inv. Tax Credits	2,390,296	3,039,509	3,717,953	4,396,397	5,074,842	35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	351,243,667	332,796,227	267,630,551	216,939,947	208,174,571	37
Total Deferred Credits	478,023,130	479,789,330	419,928,224	338,486,943	299,816,499	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	4,389,421	5,362,725	5,629,815	5,298,973	5,435,297	40
Pension and Benefits Reserve	366,771,525	332,522,128	311,599,152	55,366,150	36,837,437	41
Miscellaneous Operating Reserves						42
Total Operating Reserves	371,160,946	337,884,853	317,228,967	60,665,123	42,272,734	43
Total Liabilities and Other Credits	\$1,864,007,265	\$1,851,942,709	\$1,827,008,923	\$1,547,404,189	\$1,493,462,165	44

* Includes Pennsylvania operations.

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

	2011	2010	2009	2008	2007
GAS OPERATING INCOME					
1 Operating Revenues	\$822,654,089	\$830,284,085	\$995,752,326	\$1,233,033,653	\$1,159,337,106
Operating Expense:					
2 Operation Expense	598,352,412	607,456,017	772,791,238	1,011,055,011	940,649,037
3 Maintenance Expense	12,396,085	11,518,119	12,119,834	13,038,727	13,297,811
4 Depreciation Expense	41,128,388	40,692,173	39,870,614	38,795,186	40,804,655
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	44,188,528	42,977,908	43,823,728	45,504,362	46,929,727
11 Income Taxes	33,061,276	31,957,177	35,361,324	39,022,621	34,649,835
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	729,126,689	734,601,394	903,966,738	1,147,415,907	1,076,331,065
15 Net Operating Revenues	93,527,400	95,682,691	91,785,588	85,617,746	83,006,041
16 Other Utility Operating Income					
17 Total Gas Utility Operating Income	93,527,400	95,682,691	91,785,588	85,617,746	83,006,041
18 Other Utility Operating Income					
19 Total Utility Operating Income	\$93,527,400	\$95,682,691	\$91,785,588	\$85,617,746	\$83,006,041

* Includes Pennsylvania operations.

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

	2011	2010	2009	2008	2007	
OTHER INCOME						
Income - Merch. Jobbing & Contract Work	\$161,474	\$150,630	\$158,355	\$221,398	\$397,244	1
Income from Nonutility Operations						2
Nonoperating Rental Income	4,400	4,000	4,800	4,400	4,550	3
Equity in Earnings of Subsidiary Companies						4
Interest and Dividend Income	2,250,121	1,871,084	2,408,249	2,434,922	(2,431,723)	5
Allowance for Funds Used During Construction	305,575	256,816	61,739	170,319	202,722	6
Miscellaneous Nonoperating Income	19,568	20,797	19,764	21,422	24,993	7
Gain on Disposition of Property						8
Total Other Income	2,741,138	2,303,327	2,652,907	2,852,461	(1,802,214)	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	\$369,429	327,120	324,369	529,811	370,310	12
Total Other Income Deductions	369,429	327,120	324,369	529,811	370,310	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes						14
Income Taxes	(284,312)	(635,494)	(548,285)	(1,900,717)	(1,160,632)	15
Total Taxes-Other Inc. & Deductions	(284,312)	(635,494)	(548,285)	(1,900,717)	(1,160,632)	16
Net Other Income and Deductions	2,656,021	2,611,701	2,876,823	4,223,367	(1,011,892)	17
INTEREST CHARGES						
Interest on Long-term Debt						18
Amortization of Debt Discount and Expense	469,685	469,686	469,686	469,685	453,775	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company	30,083,739	30,072,900	27,370,370	21,938,704	24,045,346	21
Other Interest Expense	3,311,109	5,301,887	7,234,350	4,088,965	3,565,725	22
Total Interest Charges	33,864,533	35,844,473	35,074,406	26,497,354	28,064,846	23
Income Before Extraordinary Items	62,318,888	62,449,919	59,588,005	63,343,759	53,929,303	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$62,318,888	\$62,449,919	\$59,588,005	\$63,343,759	\$53,929,303	29
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$308,943,437	\$364,893,594	\$363,197,842	\$336,264,759	\$335,411,159	30
Balance Transferred from Income	62,318,888	62,449,919	59,588,005	63,343,759	53,929,303	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock	78,400,000	118,400,000	57,900,000	36,400,000	53,067,000	34
Adjustments to Retained Earnings	(8,524)	(76)	7,747	(10,676)	(8,703)	35
Net Change	(16,089,636)	(55,950,157)	1,695,752	26,933,083	853,600	36
Unappropriated Retained Earnings (EOP)	292,853,801	308,943,437	364,893,594	363,197,842	336,264,759	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	\$292,853,801	\$308,943,437	\$364,893,594	\$363,197,842	\$336,264,759	39

* Includes Pennsylvania operations.

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

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$62,318,888	\$62,449,920	\$59,588,005	\$63,343,759	\$53,929,303
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	43,098,811	42,300,962	40,793,013	39,521,830	42,127,888
3 Deferred Taxes & ITCs	18,005,950	35,398,543	48,151,708	15,950,947	7,941,161
4 Receivables and Inventory	(9,775,766)	23,092,392	43,045,382	4,253,406	(15,785,271)
5 Payables and Accrued Expenses	15,188,696	(767,461)	(24,250,536)	6,751,704	(21,021,269)
6 Regulatory Assets (Net)	(33,347,369)	(19,267,508)	(283,804,229)	(39,451,647)	(25,324,516)
7 Capitalized AFUDC - Equity	(305,575)	(256,816)	(61,739)	(170,319)	(202,722)
8 Undistributed Earnings of Affiliates					
9 Other: Unrecovered Purchased Gas	(15,715,692)	(66,089,435)	109,716,111	(20,061,984)	(5,228,481)
10 Other: Unbilled Revenues	11,875,750	(4,198,765)	24,391,739	(924,102)	(10,613,692)
11 Other: Other Assets and Liabilities (Net)	29,463,632	30,784,835	238,121,672	38,766,574	67,315,547
12 Net Cash From Operating Activities	<u>120,807,325</u>	<u>103,446,667</u>	<u>255,691,126</u>	<u>107,980,168</u>	<u>93,137,948</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(58,741,639)	(57,015,819)	(54,541,061)	(58,338,064)	(54,024,519)
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	(484,963)	(708,682)	590,925	929,415	308,064
22		14,549			
23					
24 Net Cash From Investing Activities	<u>(59,226,602)</u>	<u>(57,709,952)</u>	<u>(53,950,136)</u>	<u>(57,408,649)</u>	<u>(53,716,455)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt			125,000,000	60,000,000	31,090,000
26 Common Stock					
27 Preferred Stock					
28 Short-Term Debt		(118,400,000)	(182,000,000)	(73,100,000)	
29 Dividends Paid	(98,400,000)		(37,400,000)	(36,400,000)	(69,734,000)
30 Other Cash Flows - Financing Activities					
31					
32					
33 Net Cash From Financing Activities	<u>(98,400,000)</u>	<u>(118,400,000)</u>	<u>(94,400,000)</u>	<u>(49,500,000)</u>	<u>(38,644,000)</u>
34 Net Increase/(Decrease) In Cash Equivalents	(36,819,277)	(72,663,285)	107,340,990	1,071,519	777,493
35 Cash & Cash Equivalents Beginning Of Year	45,238,781	117,902,066	10,561,076	9,489,557	8,712,064
36 Cash & Cash Equivalents End Of Year	\$8,419,504	\$45,238,781	\$117,902,066	\$10,561,076	\$9,489,557

Notes:

* Includes Pennsylvania operations.

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

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES						
Residential	\$574,912,356	\$584,034,707	\$754,266,819	\$902,297,716	\$870,057,833	1
Commercial	75,909,609	79,249,069	111,593,464	138,660,864	139,260,889	2
Industrial	5,627,718	5,652,680	6,395,271	7,874,870	8,021,391	3
Other Ultimate Customers						4
Total Revenues-Ultimate Customer	656,449,683	668,936,456	872,255,554	1,048,833,450	1,017,340,113	5
Sales for Resale	34,223,907	36,333,114	1,699,270	53,743,375	17,963,808	6
Total Revenues from Gas Sales	690,673,590	705,269,570	873,954,824	1,102,576,825	1,035,303,921	7
Transportation Sales	123,281,367	114,392,642	110,167,239	112,487,074	109,082,324	8
Other Gas Operating Revenues	8,699,132	10,621,873	11,630,263	17,969,754	14,950,861	9
Total Gas Operating Revenues	\$822,654,089	\$830,284,085	\$995,752,326	\$1,233,033,653	\$1,159,337,106	10
SALES (MCF)						
Residential	54,855,833	54,347,772	57,493,104	58,502,429	60,684,526	11
Commercial	8,041,598	8,182,471	9,130,109	9,802,548	10,721,412	12
Industrial	678,285	634,600	529,673	571,817	659,380	13
Other Ultimate Customers						14
Total Sales-Ultimate Customer	63,575,716	63,164,843	67,152,886	68,876,794	72,065,318	15
Sales for Resale	8,032,676	7,405,763	357,210	5,166,495	2,386,008	16
Transportation Sales	65,090,698	61,152,311	59,339,442	63,913,840	64,214,388	17
Other Gas Sales						18
Total Sales	136,699,090	131,722,917	126,849,538	137,957,129	138,665,714	19
AVG NUMBERS OF CUSTOMERS						
Residential	575,503	586,324	588,690	592,662	601,616	20
Commercial	30,657	32,520	33,177	34,623	36,338	21
Industrial	383	366	379	404	424	22
Other Customers						23
Total Ultimate Customers	606,543	619,210	622,246	627,689	638,378	24
Resales	5	7	4		5	25
Total Customers	606,548	619,217	622,250	627,689	638,383	26
OPERATING REVENUES RELATIONSHIP						
RESIDENTIAL SALES						
Average Annual Bill Per Customer	\$999	\$996	\$1,281	\$1,522	\$1,446	27
Average MCF Consumption Per Customer	95.3	92.7	97.7	98.7	100.9	28
Average Revenue Per MCF Sold	\$10.48	\$10.75	\$13.12	\$15.42	\$14.34	29
COMMERCIAL SALES						
Average Annual Bill Per Customer	\$2,476	\$2,437	\$3,364	\$4,005	\$3,832	30
Average MCF Consumption Per Customer	262.3	251.6	275.2	283.1	295.0	31
Average Revenue Per MCF Sold	\$9.44	\$9.69	\$12.22	\$14.15	\$12.99	32
INDUSTRIAL SALES						
Average Annual Bill Per Customer	\$14,694	\$15,444	\$16,874	\$19,492	\$18,918	33
Average MCF Consumption Per Customer	1,771.0	1,733.9	1,397.6	1,415.4	1,555.1	34
Average Revenue Per MCF Sold	\$8.30	\$8.91	\$12.07	\$13.77	\$12.17	35
OPERATION AND MAINTENANCE EXPENSES						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering	\$103,854.00	\$93,309	\$28,162	\$18,125	\$17,241	38
Purchased Gas	333,901,378	317,620,797	513,877,807	679,954,318	624,232,094	39
Other	(21,115,014)	9,938,252	(27,281,617)	25,603,903	11,138,923	40
Total Production Expense	312,890,218	327,652,358	486,624,352	705,576,346	635,388,258	41
Natural Gas Storage Expense	30,827,203	30,079,548	30,705,617	32,406,668	32,927,843	42
Transmission Expense	90,562,296	82,689,770	84,041,566	87,997,123	87,002,094	43
Distribution Expense	41,395,671	41,199,277	40,709,984	44,336,951	46,042,382	44
Customer Account Expense	48,111,708	52,670,609	62,192,815	66,520,372	65,610,497	45
Sales Expense	667,335	490,076	468,697	680,804	500,237	46
Administrative and General	86,378,368	84,279,792	80,265,577	86,716,178	86,622,055	47
Total O & M Expense	\$610,832,799	\$619,061,430	\$785,008,608	\$1,024,234,442	\$954,093,366	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	\$822,654,089	\$830,284,085	\$995,752,326	\$1,233,033,653	\$1,159,337,106
2	Sales of Gas (MCF) **	71,608,392	70,570,606	67,510,096	74,043,289	74,451,326

DOLLAR AMOUNTS

3	Purchased Gas & Other Supply Exp.	\$402,531,516	\$409,133,949	\$601,273,999	\$825,839,433	\$755,170,966
4	Wages and Benefits	104,722,785	102,422,554	98,962,439	107,495,791	109,537,359
5	Other Operation & Maintenance Exp.	103,494,196	107,417,633	84,674,634	90,758,514	89,238,523
6	Depreciation & Amortization Expense	41,128,388	40,692,173	39,870,614	38,795,186	40,804,655
7	Income Taxes-Operating	33,061,276	31,957,177	35,361,324	39,022,621	34,649,835
8	Other Taxes-Operating	44,188,528	42,977,908	43,823,728	39,022,621	46,929,727
9	Capital Costs	93,527,400	95,682,691	91,785,588	92,099,487	83,006,041
10	Total	\$822,654,089	\$830,284,085	\$995,752,326	\$1,233,033,653	\$1,159,337,106

PERCENT OF REVENUES

11	Purchased Gas & Other Supply Exp.	48.9	49.3	60.4	67.0	65.1
12	Wages and Benefits	12.7	12.3	9.9	8.7	9.4
13	Other Operation & Maintenance Exp.	12.6	12.9	8.5	7.4	7.7
14	Depreciation & Amortization Expense	5.0	4.9	4.0	3.1	3.5
15	Income Taxes-Operating	4.0	3.8	3.6	3.2	3.0
16	Other Taxes-Operating	5.4	5.2	4.4	3.2	4.0
17	Capital Costs	11.4	11.5	9.2	7.5	7.2
18	Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER MCF

19	Purchased Gas & Other Supply Exp.	5.62	5.80	8.91	11.15	10.14
20	Wages and Benefits	1.46	1.45	1.47	1.45	1.47
21	Other Operation & Maintenance Exp.	1.45	1.52	1.25	1.23	1.20
22	Depreciation & Amortization Expense	0.57	0.58	0.59	0.52	0.55
23	Income Taxes-Operating	0.46	0.45	0.52	0.53	0.47
24	Other Taxes-Operating	0.62	0.61	0.65	0.53	0.63
25	Capital Costs	1.31	1.36	1.36	1.24	1.11
26	Total	11.49	11.77	14.75	16.65	15.57

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

	2011	2010	2009	2008	2007
Purchased Gas and Other Supply Exp.					
Other Gas Supply	312,805,916	327,565,064	486,526,816	705,435,642	635,241,740
Natural Gas Storage	776,267	702,721	30,705,617	32,406,668	32,927,132
Transmission Expense	88,949,333	80,866,164	84,041,566	87,997,123	87,002,094
Total Purchased Gas	402,531,516	409,133,949	601,273,999	825,839,433	755,170,966
-Total PG related to Sales for Resale					
PG - Ultimate Customers	402,531,516	409,133,949	601,273,999	825,839,433	755,170,966
<u>Wages and Benefits</u>					
Salaries	64,638,501	64,108,590	63,477,623	65,295,315	63,477,623
Pensions and Benefits	40,084,284	38,313,964	35,484,816	42,200,476	46,059,736
Total Wages and Benefits	104,722,785	102,422,554	98,962,439	107,495,791	109,537,359
<u>Other Expenses</u>					
Total O&M Expenses	610,748,497	618,974,136	784,911,072	1,024,093,738	953,946,848
-Total Purchased Gas	402,531,516	409,133,949	601,273,999	825,839,433	755,170,966
-Wages and Benefits	104,722,785	102,422,554	98,962,439	107,495,791	109,537,359
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	103,494,196	107,417,633	84,674,634	90,758,514	89,238,523
<u>Depreciation and Amortization</u>					
Depreciation Exp	41,128,388	40,692,173	40,804,655	38,795,186	40,804,655
Amort & Depl of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	41,128,388	40,692,173	40,804,655	38,795,186	40,804,655
<u>Fuel and PP related to Sales for Resale</u>					
Total PG	402,531,516	409,133,949	601,273,999	825,839,433	755,170,966
divided by Total MCFs	71,608,392	70,570,606	67,510,096	74,043,289	74,451,326
Fuel Cost per MCF	6	6	9	11	10
times Sales for Resale MCFs	8,032,676	7,405,763	357,210	5,166,495	2,386,008
Sales for Resale PG	45,153,999	42,935,001	3,181,466	57,624,335	24,201,637
<u>Transportation Volumes</u>		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,

	2011	2010	2009	2008	2007	
Intangible	\$12,652,015	\$11,380,551	\$8,160,735	\$8,160,735	\$8,160,548	1
Production						
Manufactured Gas						2
Natural Gas	20,029,954	19,105,303	18,702,930	18,672,389	18,094,449	3
Natural Gas Storage						
Underground Storage						4
Other Storage						5
Transmission	52,246,933	51,020,643	49,999,719	49,444,595	48,235,973	6
Distribution	1,568,635,473	1,531,841,130	1,492,815,465	1,460,827,160	1,419,718,690	7
General	71,184,878	66,185,646	63,871,882	63,132,933	60,226,251	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Underground, Non-current						11
Total Plant In Service	1,724,749,253	1,679,533,273	1,633,550,731	1,600,237,812	1,554,435,911	12
Plant Leased To Others						13
Plant Held For Future Use						14
Construction Work In Progress	6,323,445	7,946,515	10,785,289	6,818,152	7,372,805	15
Acquisition Adjustments						16
Total Plant	1,731,072,698	1,687,479,788	1,644,336,020	1,607,055,964	1,561,808,716	17
Accum. Prov. - Depr. & Amort.	635,516,555	606,970,746	580,697,777	555,789,456	529,057,094	18
Total Net Plant	\$1,095,556,143	\$1,080,509,042	\$1,063,638,243	\$1,051,266,508	\$1,032,751,622	19

SELECTED RATIOS AND STATISTICS

Current Assets / Current Liabilities	1.44	1.69	2.39	0.85	0.60	20
Total Capitalization	\$893,280,049	\$907,868,947	\$962,680,000	\$1,017,531,535	\$1,003,441,493	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	46.3%	45.6%	43.0%	28.4%	18.8%	22
Preferred Stock						23
Common Stock & Retained Earnings	53.7%	54.4%	57.0%	53.7%	51.8%	24
Short-Term Debt				17.9%	29.4%	25
Pretax Coverage of Interest Expense	3.74	3.56	3.63	4.70	4.19	26
Com. Stock Dividends as a % of Earnings	83.8%	123.7%	63.1%	42.5%	63.9%	27
Return on Common Equity	19.2%	18.4%	16.8%	16.1%	16.0%	28
Internal Cash Generated as a % of Cash Outflows for Construction	173.4%	124.9%	38.1%	112.9%	172.4%	29
Earnings per Share	\$0.05	\$0.05	\$0.05	\$0.04	\$41,503.02	30
Book Value per Share	\$0.24	\$0.25	\$0.27	\$0.27	\$259,670.75	31
Dividends per Share	\$0.04	\$0.06	\$0.03	\$0.02	\$26,533.50	32
Number of Employees	1,286		1,367	1,364	1,028	33

Notes:

* Includes Pennsylvania operations.

<u>Data Field Below</u>	2011	2010	2009	2008	2007
Current Assets	\$174,576,657.00	\$213,645,579	\$303,566,654	\$264,285,464	\$267,777,132
Current Liabilities	121,543,140	126,399,579	127,171,732	312,720,588	443,031,439
Total Capitalization	893,280,049	907,868,947	962,680,000	1,017,531,535	1,003,441,493
Long-Term Debt	414,000,000	414,000,000	414,000,000	289,000,000	189,000,000
Preferred Stock				-	-
Common Stock and Retained Earnings (Excl. Preferred Stock)	479,280,049	493,868,947	548,680,000	546,531,535	519,341,493
Short-Term Debt				182,000,000	295,100,000
Pretax Income	126,588,676	127,639,868	127,146,912	124,640,367	117,655,876
Interest Expense	33,864,533	35,844,473	35,074,406	26,497,354	28,064,846
Dividends Paid	78,400,000	118,400,000	57,900,000	36,400,000	53,067,000
Net Income (Excl. Preferred Stock Dividends)	93,527,400	95,682,691	91,785,588	85,617,746	83,006,041
Internal Cash	101,874,384	71,194,124	20,795,484	65,865,083	93,137,948
Cash Outflows for Construction	58,741,639	57,015,819	54,541,061	58,338,064	54,024,519
Shares Outstanding (Millions) Sch250251	2,000	2,000	2,000	2,000.0000	0.0020
Misc Deferred Debits	473,551,505	418,031,655	313,200,343	95,927,924	62,024,064
Number of Employees	1,286		1,367	1,364	1,028
Pre-Tax Income					
Total Utility Operating Income	\$93,527,400	\$95,682,691	\$91,785,588	\$85,617,746	\$83,006,041
+Income Taxes - Electric					
+Income Taxes - Gas	33,061,276	31,957,177	35,361,324	39,022,621	34,649,835
+Other Income	2,741,138	2,303,327	2,652,907	2,852,461	(1,802,214)
- Other Income Deductions	369,429	327,120	324,369	529,811	370,310
- Other Taxes	(284,312)	(635,494)	(548,285)	(1,900,717)	(1,160,632)
Pre-Tax Income	\$129,244,697	\$130,251,569	\$130,023,735	\$128,863,734	\$116,643,984

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Total Utility Plant	\$4,543,521	\$4,417,344	\$4,383,891	\$4,256,694	\$4,167,600
2 Less Acc. Prov. For Depreciation & Amortization	2,200,651	2,069,859	1,938,146	1,810,985	1,686,217
3 Net Total Utility Plant	2,342,870	2,347,485	2,445,745	2,445,709	2,481,383
OTHER PROPERTY AND INVESTMENTS					
4 Nonutility Property					
5 Less Acc. Prov. For Depreciation & Amortization					
6 Investment in Associated Companies					
7 Investment in Subsidiary Companies					
8 Other Investments					
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds					
12 Total Other Property and Investments					
CURRENT AND ACCRUED ASSETS					
13 Cash					
14 Special Deposits					
15 Working Funds					
16 Temporary Cash Investments					
17 Notes Receivable					
18 Accounts Receivable	111,916	225,619	127,647	365,190	386,309
19 Less Accum. Prov. For Uncollectible Accounts	(31,348)	(31,386)	(19,495)	(26,608)	(38,631)
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	13,152	26,602	25,278	25,617	13,556
29 Misc. Current and Accrued Assets					
30 Total Current and Accrued Assets	93,720	220,835	133,430	364,199	361,234
DEFERRED DEBITS					
31 Unamort. Debt Expense					
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges					
34 Clearing Accounts					
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	90,116	16,043	306,850	271,904	125,359
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development					
39 Accumulated Deferred Income Taxes	(253,800)	(230,100)	(227,200)	(225,892)	(195,755)
40 Total Deferred Debits	(163,684)	(214,057)	79,650	46,012	(70,396)
41 Total Assets and Other Debits	\$2,272,906	\$2,354,263	\$2,658,825	\$2,855,920	\$2,772,221

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

	2011	2010	2009	2008	2007	
PROPRIETARY CAPITAL						
Common Stock Issued	\$2,326,592	\$2,326,592	\$2,326,592	\$2,326,592	\$2,326,592	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock						5
Other Paid-in Capital						6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	(508,702)	(526,612)	(532,196)	(535,485)	(538,865)	9
Unapp. Undistributed Subsidiary Earnings						10
Required Capital Stock						11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	1,817,890	1,799,980	1,794,396	1,791,107	1,787,727	12
LONG-TERM DEBT						
Bonds						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						19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable						20
Accounts Payable						21
Notes Payable to Associated Companies						22
Accounts Payable to Associated Companies	455,638	601,923	872,393	1,014,656	950,063	23
Customer Deposits	33,406	35,060	39,578	33,162	11,629	24
Taxes Accrued	(34,028)	(82,700)	(49,616)	(9,997)	(29,107)	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	455,016	554,283	862,355	1,037,821	932,585	32
DEFERRED CREDITS						
Customer Advances for Construction						33
Other Deferred Credits			2,074	26,992	51,909	34
Accumulated Deferred Inv. Tax Credits						35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes						37
Total Deferred Credits			2,074	26,992	51,909	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve						40
Pension and Benefits Reserve						41
Miscellaneous Operating Reserves						42
Total Operating Reserves						43
Total Liabilities and Other Credits	\$2,272,906	\$2,354,263	\$2,658,825	\$2,855,920	\$2,772,221	44

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

	2011	2010	2009	2008	2007
GAS OPERATING INCOME					
1 Operating Revenues	\$1,993,638	\$2,005,164	\$2,515,754	\$3,267,587	\$2,583,745
Operating Expense:					
2 Operation Expense	1,505,243	1,564,205	2,046,982	2,750,288	2,411,615
3 Maintenance Expense	46,633	41,544	50,957	60,002	54,597
4 Depreciation Expense	108,319	104,303	102,069	98,923	96,841
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	41,119
9 Other Expenses					
10 Taxes Other than Income Taxes	119,795	111,658	123,625	117,340	120,561
11 Income Taxes	23,700	2,900	1,000	13,536	(98,158)
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	1,847,156	1,868,076	2,368,099	3,083,555	2,626,575
15 Net Operating Revenues	146,482	137,088	147,655	184,032	(42,830)
16 Other Utility Operating Income					
17 Total Gas Utility Operating Income	146,482	137,088	147,655	184,032	(42,830)
18 Other Utility Operating Income					
19 Total Utility Operating Income	\$146,482	\$137,088	\$147,655	\$184,032	(\$42,830)

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

	2011	2010	2009	2008	2007	
OTHER INCOME						
Income - Merch. Jobbing & Contract Work						1
Income from Nonutility Operations						2
Nonoperating Rental Income						3
Equity in Earnings of Subsidiary Companies						4
Interest and Dividend Income			\$14,548	\$3,873		5
Allowance for Funds Used During Construction						6
Miscellaneous Nonoperating Income		(\$67)	(148)	656	\$166	7
Gain on Disposition of Property						8
Total Other Income		(67)	14,400	4,529	166	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	\$1,519	954	760	1,109	965	12
Total Other Income Deductions	1,519	954	760	1,109	965	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes						14
Income Taxes						15
Total Taxes-Other Inc. & Deductions						16
Net Other Income and Deductions	(1,519)	(1,021)	13,640	3,420	(799)	17
INTEREST CHARGES						
Interest on Long-term Debt	\$120,666	124,413	134,423	149,527	154,789	18
Amortization of Debt Discount and Expense						19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company						21
Other Interest Expense	\$6,387.00	6,070	23,582	34,546	26,457	22
Total Interest Charges	127,053	130,483	158,005	184,073	181,246	23
Income Before Extraordinary Items	17,910	5,584	3,290	3,379	(224,875)	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$17,910	\$5,584	\$3,290	\$3,379	(\$224,875)	29
<hr/>						
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	(\$526,612)	(\$532,196)	(\$535,486)	(\$538,865)	(\$313,990)	30
Balance Transferred from Income	17,910	5,584	3,290	3,379		31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock						34
Adjustments to Retained Earnings 1					(224,875)	35
Net Change	17,910	5,584	3,290	3,379	(224,875)	36
Unappropriated Retained Earnings (EOP)	(508,702)	(526,612)	(532,196)	(535,486)	(538,865)	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	(\$508,702)	(\$526,612)	(\$532,196)	(\$535,486)	(\$538,865)	39

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,

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$17,910	\$5,584	\$3,290	\$3,379	(\$224,875)
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	137,785	131,713	132,627	129,799	125,548
3 Deferred Taxes & ITCs	23,700	2,900	1,308	30,137	9,182
4 Receivables and Inventory	140,403	(87,405)	230,769	(16,767)	(75,856)
5 Payables and Accrued Expenses		289,890	(45,946)	(157,545)	29,856
6 Regulatory Assets (Net)	(74,073)	(1,158)	(13,918)	(13,917)	(13,917)
7 Capitalized AFUDC - Equity					
8 Undistributed Earnings of Affiliates					
9 Other Adjustments	48,672				
10	(14,942)	(33,084)	(39,622)	19,111	14,388
11		(4,518)	6,416	35,335	(8,112)
12 Net Cash From Operating Activities	<u>279,455</u>	<u>303,922</u>	<u>274,924</u>	<u>29,532</u>	<u>(143,786)</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(133,170)	(33,452)	(132,661)	(94,125)	(51,777)
14 Acquisition Of Other Non-Current Assets					
15 Investments in & Advances to Affiliates					
16 Contributions & Advances from Affiliates	(146,285)				
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies		(270,470)	(142,263)	64,593	195,563
19 Investment Securities					
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities					
22					
23					
24 Net Cash From Investing Activities	<u>(279,455)</u>	<u>(303,922)</u>	<u>(274,924)</u>	<u>(29,532)</u>	<u>143,786</u>
Cash Flows From Financing Activities					
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					
34 Net Increase/(Decrease) In Cash Equivalents					
35 Cash & Cash Equivalents Beginning Of Year	(0)	(0)	(0)	(0)	(0)
36 Cash & Cash Equivalents End Of Year	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)

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

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES						
Residential	\$1,127,103	\$1,182,672	\$1,414,632	\$1,542,662	\$1,420,330	1
Commercial	621,295	628,399	867,522	1,362,298	1,044,029	2
Industrial						3
Other Ultimate Customers						4
Total Revenues-Ultimate Customer	1,748,398	1,811,071	2,282,154	2,904,960	2,464,359	5
Sales for Resale						6
Total Revenues from Gas Sales	1,748,398	1,811,071	2,282,154	2,904,960	2,464,359	7
Transportation Sales	171,908	165,096	134,156	113,586	125,950	8
Other Gas Operating Revenues	73,332	28,997	99,444	249,041	(6,564)	9
Total Gas Operating Revenues	\$1,993,638	\$2,005,164	\$2,515,754	\$3,267,587	\$2,583,745	10
SALES (MCF)						
Residential	140,645	138,716	134,241	126,596	131,755	11
Commercial	94,561	88,076	93,328	121,400	124,497	12
Industrial						13
Other Ultimate Customers						14
Total Sales-Ultimate Customer	235,206	226,792	227,569	247,995	256,252	15
Sales for Resale						16
Transportation Sales	94,051	91,174	73,855	60,699	69,508	17
Other Gas Sales						18
Total Sales	329,257	317,966	301,424	308,695	325,759	19
AVG NUMBERS OF CUSTOMERS						
Residential	1,511	1,495	1,467	1,388	1,416	20
Commercial	188	179	173	172	178	21
Industrial						22
Other Customers						23
Total Ultimate Customers	1,699	1,674	1,640	1,560	1,594	24
Resales						25
Total Customers	1,699	1,674	1,640	1,560	1,594	26
OPERATING REVENUES RELATIONSHIP						
RESIDENTIAL SALES						
Average Annual Bill Per Customer	\$746	\$791	\$964	\$1,111	\$1,003	27
Average MCF Consumption Per Customer	93.1	92.8	91.5	91.2	93.0	28
Average Revenue Per MCF Sold	\$8.01	\$8.53	\$10.54	\$12.19	\$10.78	29
COMMERCIAL SALES						
Average Annual Bill Per Customer	\$3,305	\$3,511	\$5,015	\$7,920	\$5,865	30
Average MCF Consumption Per Customer	503.0	492.0	539.5	705.8	699.4	31
Average Revenue Per MCF Sold	\$6.57	\$7.13	\$9.30	\$11.22	\$8.39	32
INDUSTRIAL SALES						
Average Annual Bill Per Customer	N/A	N/A	N/A	N/A	N/A	33
Average MCF Consumption Per Customer	N/A	N/A	N/A	N/A	N/A	34
Average Revenue Per MCF Sold	N/A	N/A	N/A	N/A	N/A	35
OPERATION AND MAINTENANCE EXPENSES						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	\$588,281	\$724,291	\$677,733	1,379,605	\$1,141,886	39
Other	525,176	440,902	995,359	1,007,591	849,776	40
Total Production Expense	1,113,457	1,165,193	1,673,092	2,387,196	1,991,662	41
Natural Gas Storage Expense	7,510	5,828	15,791	16,674	17,745	42
Transmission Expense						43
Distribution Expense	217,285	211,061	207,118	212,994	219,814	44
Customer Account Expense	101,530	117,303	102,225	98,685	126,848	45
Sales Expense	517	452	206			46
Administrative and General	111,577	105,902	99,509	94,741	110,143	47
Total O & M Expense	\$1,551,876	\$1,605,739	\$2,097,941	\$2,810,290	\$2,466,212	48
Notes:						

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

**VALLEY ENERGY
DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31,**

	2011	2010	2009	2008	2007
1 Total Revenues	\$1,993,638	\$2,005,164	\$2,515,754	\$3,267,587	\$2,583,745
2 Sales of Gas (MCF) *	235,206	226,792	227,569	247,995	256,252
DOLLAR AMOUNTS					
3 Purchased Gas & Other Supply Exp.	\$1,113,457	\$1,165,193	\$1,673,092	\$2,387,196	\$1,991,662
4 Wages and Benefits	114,893	108,862	110,062	104,303	101,969
5 Other Operation & Maintenance Exp.	323,526	331,684	314,787	318,791	372,581
6 Depreciation & Amortization Expense	108,319	104,303	102,069	98,923	137,960
7 Income Taxes-Operating	23,700	2,900	1,000	13,536	(98,158)
8 Other Taxes-Operating	119,795	111,658	123,625	117,340	120,561
9 Capital Costs	189,948	180,564	191,119	227,498	(42,830)
10 Total	\$1,993,638	\$2,005,164	\$2,515,754	\$3,267,587	\$2,583,745
PERCENT OF REVENUES					
11 Purchased Gas & Other Supply Exp.	55.9	58.1	66.5	73.1	77.1
12 Wages and Benefits	5.8	5.4	4.4	3.2	3.9
13 Other Operation & Maintenance Exp.	16.2	16.5	12.5	9.8	14.4
14 Depreciation & Amortization Expense	5.4	5.2	4.1	3.0	5.3
15 Income Taxes-Operating	1.2	0.1	0.0	0.4	-3.8
16 Other Taxes-Operating	6.0	5.6	4.9	3.6	4.7
17 Capital Costs	9.5	9.0	7.6	7.0	-1.7
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER MCF					
19 Purchased Gas & Other Supply Exp.	4.73	5.14	7.35	9.63	7.77
20 Wages and Benefits	0.49	0.48	0.48	0.42	0.40
21 Other Operation & Maintenance Exp.	1.38	1.46	1.38	1.29	1.45
22 Depreciation & Amortization Expense	0.46	0.46	0.45	0.40	0.54
23 Income Taxes-Operating	0.10	0.01	0.00	0.05	-0.38
24 Other Taxes-Operating	0.51	0.49	0.54	0.47	0.47
25 Capital Costs	0.81	0.80	0.84	0.92	-0.17
26 Total	8.48	8.84	11.05	13.18	10.08

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	1,113,457	1,165,193	1,673,092	2,387,196	1,991,662
Total Purchased Gas	1,113,457	1,165,193	1,673,092	2,387,196	1,991,662
-Total PG related to Sales for Resale PG - Ultimate Customers	1,113,457	1,165,193	1,673,092	2,387,196	1,991,662
<u>Wages and Benefits</u>					
Salaries	114,405	107,909	108,616	103,950	101,800
Pensions and Benefits	488	953	1,446	353	169
Total Wages and Benefits	114,893	108,862	110,062	104,303	101,969
<u>Other Expenses</u>					
Total O&M Expenses	1,551,876	1,605,739	2,097,941	2,810,290	2,466,212
-Total Purchased Gas	1,113,457	1,165,193	1,673,092	2,387,196	1,991,662
-Wages and Benefits	114,893	108,862	110,062	104,303	101,969
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	323,526	331,684	314,787	318,791	372,581
<u>Depreciation and Amortization</u>					
Depreciation Exp	108,319	104,303	102,069	98,923	96,841
Amort & Depl of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses			43,466	43,466	41,119
Total Depre and Amort	108,319	104,303	145,535	142,389	137,960
<u>Fuel and PP related to Sales for Resale</u>					
Total PG	1,113,457	1,165,193	1,673,092	2,387,196	1,991,662
divided by Total MCFs	235,206	226,792	227,569	247,995	256,252
Fuel Cost per MCF	4.734	5.138	7.352	9.626	7.772
times Sales for Resale MCFs Sales for Resale PG					
<u>Transportation Volumes</u>	94,051	91,174	73,855	60,699	69,508

Data Field Below

Current Assets	93,720	220,835	133,430	364,199	361,234
Current Liabilities	455,016	554,283	862,355	1,037,821	932,585
Total Capitalization	1,817,890	1,799,980	1,794,396	1,791,107	1,787,727
Long-Term Debt				-	
Preferred Stock				-	
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,817,890	1,799,980	1,794,396	1,791,107	1,787,727
Short-Term Debt				-	
Pretax Income	170,182	139,988	148,655	200,988	(141,787)
Interest Expense	120,666	124,413	134,423	149,527	154,789
Dividends Paid				-	
Net Income (Excl. Preferred Stock Dividends)	17,190	137,088	3,290	3,379	(224,875)
Internal Cash	279,455	303,922	274,924	29,532	(143,786)
Cash Outflows for Construction	133,170	33,452	132,661	94,125	51,777
Shares Outstanding (Millions) Sch250251				-	
Misc Deferred Debits	90,116	16,043	304,776	244,912	73,450
Number of Employees	4	4	4	4	4
<u>Pre-Tax Income</u>					
Total Utility Operating Income	\$146,482	\$137,088	\$147,656	\$184,032	(\$42,830)
+Income Taxes - Electric					
+Income Taxes - Gas	23,700	2,900	999	13,536	(98,158)
+Other Income				4,529	166
- Other Income Deductions				1,109	965
- Other Taxes					
Pre-Tax Income	\$170,182	\$139,988	\$148,655	\$200,988	(\$141,787)

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Total Utility Plant	\$51,864,443	\$49,308,885	\$47,248,701	\$45,431,362	\$44,616,414
2 Less Acc. Prov. For Depreciation & Amortization	24,267,325	23,385,303	22,484,874	21,633,544	21,005,301
3 Net Total Utility Plant	27,597,118	25,923,582	24,763,827	23,797,818	23,611,113
OTHER PROPERTY AND INVESTMENTS					
4 Nonutility Property					
5 Less Acc. Prov. For Depreciation & Amortization					
6 Investment in Associated Companies					
7 Investment in Subsidiary Companies	35,765	36,741	33,114	32,421	31,037
8 Other Investments	(114,817)	(227,876)	(157,108)	(268,620)	(190,688)
9 Sinking Funds					
10 Depreciation Fund					
11 Other Special Funds					
12 Total Other Property and Investments	(79,052)	(191,135)	(123,994)	(236,199)	(159,651)
CURRENT AND ACCRUED ASSETS					
13 Cash	96,745	(47,601)	97,559	241,416	683,748
14 Special Deposits					
15 Working Funds	2,388	4,287	2,443	1,081	1,938
16 Temporary Cash Investments					
17 Notes Receivable	1,957,760	1,861,946	5,281,946	1,536,946	566,946
18 Accounts Receivable	2,941,774	3,940,039	3,284,059	5,220,543	5,909,132
19 Less Accum. Prov. For Uncollectible Accounts	(325,000)	(507,774)	(1,111,690)	(525,000)	(400,000)
20 Notes Receivable from Associated Companies					
21 Accounts Receivable from Assoc. Companies	4,186	3,335	1,373	13,148	828,892
22 Materials and Supplies	3,886,379	190,322	197,979	210,548	202,156
23 Gas Stored Underground - Current	3,223,177	2,031,104	3,169,163	9,143,229	6,227,827
24 Liquefied Natural Gas in Storage					
25 Prepayments	522,084	500,726	1,006,355	868,391	556,431
26 Interest and Dividends Receivable					
27 Rents Receivable					
28 Accrued Utility Revenue					
29 Misc. Current and Accrued Assets					
30 Total Current and Accrued Assets	12,309,493	7,976,384	11,929,187	16,710,302	14,577,070
DEFERRED DEBITS					
31 Unamort. Debt Expense					
32 Extraordinary Property Losses					
33 Prelim. Survey and Investigation Charges					
34 Clearing Accounts	8,795	8,215	(1,523)	(3,148)	33,264
35 Temporary Facilities					
36 Miscellaneous Deferred Debits	6,929,976	5,669,977	5,751,943	4,273,373	7,980,483
37 Deferred Losses from Disp. of Utility Plant					
38 Research and Development					
39 Accumulated Deferred Income Taxes	4,302,037	4,154,495	4,415,239	3,573,829	3,748,472
40 Total Deferred Debits	11,240,808	9,832,687	10,165,659	7,844,054	11,762,219
41 Total Assets and Other Debits	\$51,068,367	\$43,541,518	\$46,734,679	\$48,115,975	\$49,790,751

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

	2011	2010	2009	2008	2007	
PROPRIETARY CAPITAL						
Common Stock Issued	\$4,350,000	\$4,350,000	\$4,350,000	\$4,350,000	\$4,350,000	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock						5
Other Paid-in Capital						6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	9,390,862	7,971,438	8,341,722	8,707,881	10,689,784	9
Unapp. Undistributed Subsidiary Earnings	33,765	34,741	31,114	30,421	29,037	10
Reaquired Capital Stock						11
Accumulated Other Comprehensive Income						
Total Proprietary Capital	13,774,627	12,356,179	12,722,836	13,088,302	15,068,821	12
LONG-TERM DEBT						
Bonds						13
Reaquired Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	7,000,000	7,000,000	4,500,000	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	4,500,000	7,000,000	7,000,000	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable	10,983,000	7,290,000	9,100,000	7,830,000	6,120,000	20
Accounts Payable	4,019,301	3,463,277	2,752,498	4,461,333	4,656,589	21
Notes Payable to Associated Companies						22
Accounts Payable to Associated Companies	72,118	158,659	37,942	38,617	81,591	23
Customer Deposits	388,387	424,993	330,934	307,470	302,453	24
Taxes Accrued	701,539	(214,228)	(225,882)	375,975	498,582	25
Interest Accrued	8,096	7,724		24,814	59,213	26
Dividends Declared			870,000		978,750	27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable						30
Misc. Current and Accrued Liabilities	273,756	148,600	121,697	226,227	7,615,968	31
Total Current and Accrued Liabilities	16,446,197	11,279,025	12,989,754	13,264,436	20,313,146	32
DEFERRED CREDITS						
Customer Advances for Construction	299,912	332,271	379,423	419,292	487,876	33
Other Deferred Credits	3,773,598	2,513,892	5,144,289	5,553,014	1,812,965	34
Accumulated Deferred Inv. Tax Credits			3,609	11,865	20,121	35
Deferred Gains-Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	6,969,597	5,969,818	5,793,368	4,840,535	5,027,129	37
Total Deferred Credits	11,043,107	8,815,981	11,320,689	10,824,706	7,348,091	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	122,705	91,958	52,958	13,921	(25,079)	40
Pension and Benefits Reserve	2,631,466	3,944,047	5,079,211	3,858,465	24,332	41
Miscellaneous Operating Reserves	50,262	54,328	69,231	66,145	61,440	42
Total Operating Reserves	2,804,433	4,090,333	5,201,400	3,938,531	60,693	43
Total Liabilities and Other Credits	\$51,068,364	\$43,541,518	\$46,734,679	\$48,115,975	\$49,790,751	44

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

	2011	2010	2009	2008	2007
GAS OPERATING INCOME					
1 Operating Revenues	\$40,015,060	\$40,889,508	\$42,617,338	\$51,499,856	\$47,830,988
Operating Expense:					
2 Operation Expense	33,666,068	34,267,098	38,273,165	46,093,460	41,721,057
3 Maintenance Expense	375,356	399,157	267,541	233,405	220,156
4 Depreciation Expense	1,079,095	1,049,330	1,002,706	987,394	946,079
5 Amort. and Depletion of Utility Plant	14,071	14,069	14,067	14,003	13,997
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	2,215,624	2,121,065	1,861,139	1,912,591	1,881,941
11 Income Taxes	912,599	947,167	149,732	624,739	879,927
12 Gains from Disposition of Util. Plant					
13 Losses from Disposition of Util. Plant					
14 Total Operating Expenses	38,262,813	38,797,886	41,568,350	49,865,592	45,663,157
15 Net Operating Revenues	1,752,247	2,091,622	1,048,988	1,634,264	2,167,831
16 Other Utility Operating Income					
17 Total Gas Utility Operating Income	1,752,247	2,091,622	1,048,988	1,634,264	2,167,831
18 Other Utility Operating Income					
19 Total Utility Operating Income	\$1,752,247	\$2,091,622	\$1,048,988	\$1,634,264	\$2,167,831

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

	2011	2010	2009	2008	2007	
OTHER INCOME						
Income - Merch. Jobbing & Contract Work						1
Income from Nonutility Operations						2
Nonoperating Rental Income						3
Equity in Earnings of Subsidiary Companies	(976)	\$3,627	\$693	\$1,384	\$1,153	4
Interest and Dividend Income	212,826	195,719	256,789	327,317	1,189,018	5
Allowance for Funds Used During Construction	82,661	9,309				6
Miscellaneous Nonoperating Income				2		7
Gain on Disposition of Property						8
Total Other Income	294,511	208,655	257,482	328,703	1,190,171	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	18,000	15,000	17,020	15,495	27,000	12
Total Other Income Deductions	18,000	15,000	17,020	15,495	27,000	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes						14
Income Taxes						15
Total Taxes-Other Inc. & Deductions						16
Net Other Income and Deductions	276,511	193,655	240,462	313,208	1,163,171	17
INTEREST CHARGES						
Interest on Long-term Debt						18
Amortization of Debt Discount and Expense						19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company						21
Other Interest Expense	629,140	967,201	867,940	919,165	1,022,151	22
Total Interest Charges	629,140	967,201	867,940	919,165	1,022,151	23
Income Before Extraordinary Items	1,399,618	1,318,076	421,510	1,028,307	2,308,851	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$1,399,618	\$1,318,076	\$421,510	\$1,028,307	\$2,308,851	29
<hr/>						
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$7,971,438	\$8,341,722	\$8,707,881	\$10,689,784	\$8,161,626	30
Balance Transferred from Income	1,400,594	1,314,449	420,817	1,026,923	2,307,698	31
Appropriated Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock		1,631,250	870,000	2,936,250	978,750	34
Adjustments to Retained Earnings	18,830	(53,483)	83,024	(72,576)	1,199,210	35
Net Change	1,419,424	(370,284)	(366,159)	(1,981,903)	2,528,158	36
Unappropriated Retained Earnings (EOP)	9,390,862	7,971,438	8,341,722	8,707,881	10,689,784	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	\$9,390,862	\$7,971,438	\$8,341,722	\$8,707,881	\$10,689,784	39

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

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$1,399,618.00	\$1,318,076	\$421,510	\$1,028,307	\$2,308,851
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	1,236,232	1,191,515	1,134,939	1,108,724	1,062,467
3 Deferred Taxes & ITCs	2,017,714	(2,179,527)	(334,046)	3,725,198	(164,473)
4 Receivables and Inventory	(2,977,231)	2,165,799	(1,197,482)	650,941	(2,443,079)
5 Payables and Accrued Expenses	1,474,172	969,271	(2,414,682)	(7,779,960)	1,815,796
6 Regulatory Assets (Net)					
7 Capitalized AFUDC - Equity					
8 Undistributed Earnings of Affiliates	976	(3,627)	(693)	(1,384)	(1,153)
9 Other Adjustments	(1,192,073)	1,138,059	5,974,066	(2,915,402)	516,645
10	(21,358)	505,629	(137,964)	(311,960)	190,584
11	(2,578,835)	(1,085,991)	(257,195)	7,552,776	1,981,551
12 Net Cash From Operating Activities	<u>(640,785)</u>	<u>4,019,204</u>	<u>3,188,453</u>	<u>3,057,240</u>	<u>5,267,189</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(2,862,126)	(2,319,943)	(2,015,132)	(1,282,938)	(1,224,808)
14 Acquisition Of Other Non-Current Assets	(47,642)	(31,327)	(85,816)	(12,491)	17,297
15 Investments in & Advances to Affiliates					
16 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					
19 Investment Securities					
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities					
22					
23					
24 Net Cash From Investing Activities	<u>(2,909,768)</u>	<u>(2,351,270)</u>	<u>(2,100,948)</u>	<u>(1,295,429)</u>	<u>(1,207,511)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt		2,500,000	(2,500,000)		
26 Common Stock					
27 Preferred Stock					
28 Short-Term Debt	3,693,000	(1,810,000)	1,270,000	1,710,000	(3,465,000)
29 Dividends Paid		(2,501,250)		(3,915,000)	
30 Other Cash Flows - Financing Activities					
31					
32					
33 Net Cash From Financing Activities	<u>3,693,000</u>	<u>(1,811,250)</u>	<u>(1,230,000)</u>	<u>(2,205,000)</u>	<u>(3,465,000)</u>
34 Net Increase/(Decrease) In Cash Equivalents	142,447	(143,316)	(142,495)	(443,189)	594,678
35 Cash & Cash Equivalents Beginning Of Year	(43,314)	100,002	242,497	685,686	91,008
36 Cash & Cash Equivalents End Of Year	\$99,133	(\$43,314)	\$100,002	\$242,497	\$685,686

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

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES						
Residential	\$18,623,447	\$16,919,444	\$18,634,633	\$21,054,330	\$21,765,705	1
Commercial	9,547,374	9,378,049	10,369,509	12,282,258	11,371,695	2
Industrial	3,296,981	7,173,968	5,937,522	7,465,016	4,896,152	3
Other Ultimate Customers						4
Total Revenues-Ultimate Customer	31,467,802	33,471,461	34,941,664	40,801,604	38,033,552	5
Sales for Resale						6
Total Revenues from Gas Sales	31,467,802	33,471,461	34,941,664	40,801,604	38,033,552	7
Transportation Sales	6,939,117	5,197,945	4,660,483	6,446,069	6,853,093	8
Other Gas Operating Revenues	1,608,141	2,220,102	3,015,189	4,252,182	2,944,343	9
Total Gas Operating Revenues	\$40,015,060	\$40,889,508	\$42,617,336	\$51,499,855	\$47,830,988	10
SALES (MCF)						
Residential	1,451,881	1,418,551	1,554,131	1,523,635	1,632,087	11
Commercial	903,962	966,756	1,021,573	981,688	945,991	12
Industrial	385,568	918,250	761,382	608,876	423,059	13
Other Ultimate Customers						14
Total Sales-Ultimate Customer	2,741,411	3,303,557	3,337,087	3,114,198	3,001,137	15
Sales for Resale						16
Transportation Sales	4,483,227	3,838,709	3,909,703	5,578,594	6,799,529	17
Other Gas Sales						18
Total Sales	7,224,638	7,142,266	7,246,790	8,692,792	9,800,666	19
AVG NUMBERS OF CUSTOMERS						
Residential	13,820	13,825	13,774	13,644	13,707	20
Commercial	1,584	1,588	1,592	1,583	1,565	21
Industrial	5	9	9	8	7	22
Other Customers						23
Total Ultimate Customers	15,409	15,422	15,375	15,235	15,279	24
Resales						25
Total Customers	15,409	15,422	15,375	15,235	15,279	26
OPERATING REVENUES RELATIONSHIP						
RESIDENTIAL SALES						
Average Annual Bill Per Customer	\$1,348	\$1,224	\$1,353	\$1,543	\$1,588	27
Average MCF Consumption Per Customer	105.1	102.6	112.8	111.7	119.1	28
Average Revenue Per MCF Sold	\$12.83	\$11.93	\$11.99	\$13.82	\$13.34	29
COMMERCIAL SALES						
Average Annual Bill Per Customer	\$6,027	\$5,906	\$6,514	\$7,759	\$7,266	30
Average MCF Consumption Per Customer	570.7	608.8	641.7	620.1	604.5	31
Average Revenue Per MCF Sold	\$10.56	\$9.70	\$10.15	\$12.51	\$12.02	32
INDUSTRIAL SALES						
Average Annual Bill Per Customer	\$659,396	\$797,108	\$659,725	\$933,127	\$699,450	33
Average MCF Consumption Per Customer	77,113.6	102,027.8	84,598.0	76,109.5	60,437.0	34
Average Revenue Per MCF Sold	\$8.55	\$7.81	\$7.80	\$12.26	\$11.57	35
OPERATION AND MAINTENANCE EXPENSES						
Steam						36
Manufactured Gas						37
Natural Gas - Production & Gathering						38
Purchased Gas	\$27,497,910.00	\$24,454,247	\$24,952,680	\$38,446,314	\$31,341,230	39
Other	(1,604,920)	927,871	4,559,250	644,878	4,053,549	40
Total Production Expense	25,892,990	25,382,118	29,511,930	39,091,193	35,394,779	41
Natural Gas Storage Expense						42
Transmission Expense						43
Distribution Expense	2,084,262	2,145,556	1,874,999	1,789,538	1,720,925	44
Customer Account Expense	856,623	718,464	1,907,111	1,473,423	1,058,451	45
Sales Expense	89,323	92,413	86,371	80,861	83,223	46
Administrative and General	5,118,226	5,327,704	5,160,295	3,891,849	3,683,835	47
Total O & M Expense	\$34,041,424	\$33,666,255	\$38,540,706	\$46,326,865	\$41,941,213	48
Notes:						

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

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

	2011	2010	2009	2008	2007
1 Total Revenues	\$40,015,060	\$40,889,508	\$42,617,336	\$51,499,855	\$47,830,988
2 Sales of Gas (MCF) *	2,741,411	3,303,557	3,337,087	3,114,198	3,001,137
DOLLAR AMOUNTS					
3 Purchased Gas & Other Supply Exp.	\$18,618,049	\$18,618,050	\$18,618,051	\$18,618,052	\$18,618,053
4 Wages and Benefits	1,044,965	1,044,965	1,044,965	1,044,965	1,044,965
5 Other Operation & Maintenance Exp.	3,619,376	3,619,376	3,619,376	3,619,376	3,619,376
6 Depreciation & Amortization Expense	1,093,166	1,063,399	1,016,773	1,001,397	960,076
7 Income Taxes-Operating	912,599	947,167	149,732	624,739	879,927
8 Other Taxes-Operating	2,215,624	2,121,065	1,861,139	1,912,591	1,881,941
9 Capital Costs	12,511,281	13,475,486	16,307,300	24,678,735	20,826,650
10 Total	\$40,015,060	\$40,889,508	\$42,617,336	\$51,499,855	\$47,830,988
PERCENT OF REVENUES					
11 Purchased Gas & Other Supply Exp.	46.5	45.5	43.7	36.2	38.9
12 Wages and Benefits	2.6	2.6	2.5	2.0	2.2
13 Other Operation & Maintenance Exp.	9.0	8.9	8.5	7.0	7.6
14 Depreciation & Amortization Expense	2.7	2.6	2.4	1.9	2.0
15 Income Taxes-Operating	2.3	2.3	0.4	1.2	1.8
16 Other Taxes-Operating	5.5	5.2	4.4	3.7	3.9
17 Capital Costs	31.3	33.0	38.3	47.9	43.5
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER MCF					
19 Purchased Gas & Other Supply Exp.	6.79	5.64	5.58	5.98	6.20
20 Wages and Benefits	0.38	0.32	0.31	0.34	0.35
21 Other Operation & Maintenance Exp.	1.32	1.10	1.08	1.16	1.21
22 Depreciation & Amortization Expense	0.40	0.32	0.30	0.32	0.32
23 Income Taxes-Operating	0.33	0.29	0.04	0.20	0.29
24 Other Taxes-Operating	0.81	0.64	0.56	0.61	0.63
25 Capital Costs	4.56	4.08	4.89	7.92	6.94
26 Total	14.60	12.38	12.77	16.54	15.94

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	(\$412,848)	(\$210,187)	\$29,511,930	\$39,091,193	\$35,394,779
Total Purchased Gas	(412,848)	(210,187)	29,511,930	39,091,193	35,394,779
-Total PG related to Sales for Resale					
PG - Ultimate Customers	(412,848)	(210,187)	29,511,930	39,091,193	35,394,779

Wages and Benefits

Salaries			2,645,750	2,622,085	2,513,913
Pensions and Benefits	1,693,987	1,713,162	1,821,768	1,802,250	1,778,228
Total Wages and Benefits	1,693,987	1,713,162	4,467,518	4,424,335	4,292,141

Other Expenses

Total O&M Expenses	34,041,424	33,666,255	38,540,706	46,326,865	41,941,213
-Total Purchased Gas	(412,848)	(210,187)	29,511,930	39,091,193	35,394,779
-Wages and Benefits	1,693,987	1,713,162	4,467,518	4,424,335	4,292,141
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	32,760,285	32,163,280	4,561,258	2,811,338	2,254,293

Depreciation and Amortization

Depreciation Exp	1,079,095	1,049,330	1,002,706	987,394	946,079
Amort & Depl of Utility Plant	14,071	14,069	14,067	14,003	13,997
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	1,093,166	1,063,399	1,016,773	1,001,397	960,076

Fuel and PP related to Sales for Resale

Total PG	(412,848)	(210,187)	29,511,930	39,091,193	35,394,779
divided by Total MCFs	2,741,411	3,303,557	3,337,087	3,114,198	3,001,137
Fuel Cost per MCF	(0.151)	(0.064)	8.844	12.553	11.794
times Sales for Resale MCFs					
Sales for Resale PG					

Transportation Volumes

	4,483,227	3,838,709	3,909,703	5,578,594	6,799,529
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ST. LAWRENCE GAS COMPANY, INC.
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2011	2010	2009	2008	2007	
Intangible	\$415,012	\$415,012	\$414,922	\$414,759	\$411,552	1
Production						
Manufactured Gas						2
Natural Gas						3
Natural Gas Storage						
Underground Storage						4
Other Storage						5
Transmission						6
Distribution	40,681,353	40,139,825	39,128,031	37,777,422	37,122,494	7
General	8,009,014	7,577,024	7,185,265	6,910,758	6,956,550	8
Gas - Purchased or Sold						9
Experimental - Unclassified						10
Gas - Underground, Non-current						11
Total Plant In Service	49,105,379	48,131,861	46,728,218	45,102,939	44,490,596	12
Plant Leased To Others						13
Plant Held For Future Use						14
Construction Work In Progress	2,759,065	1,177,024	520,483	328,423	125,818	15
Acquisition Adjustments						16
Total Plant	51,864,444	49,308,885	47,248,701	45,431,362	44,616,414	17
Accum. Prov. - Depr. & Amort.	24,267,325	23,385,303	22,484,874	21,633,544	21,005,301	18
Total Net Plant	\$27,597,119	\$25,923,582	\$24,763,827	\$23,797,818	\$23,611,113	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.75	0.71	0.92	1.26	0.72	20
Total Capitalization	\$31,757,627	\$26,646,179	\$26,322,836	\$27,918,302	\$28,188,821	21
<u>Percent Of Capitalization (incl. S-T Debt)</u>						
Long-Term Debt	22.0%	26.3%	17.1%	25.1%	24.8%	22
Preferred Stock						23
Common Stock & Retained Earnings	43.4%	46.4%	48.3%	46.9%	53.5%	24
Short-Term Debt	34.6%	27.4%	34.6%	28.0%	21.7%	25
Pretax Coverage of Interest Expense	4.24	3.14	1.38	2.80	4.12	26
Com. Stock Dividends as a % of Earnings		78.0%	82.9%	179.7%	45.1%	27
Return on Common Equity	13.4%	16.7%	8.1%	11.6%	15.7%	28
Internal Cash Generated as a % of Cash Outflows for Construction	-22.4%	173.2%	158.2%	238.3%	430.0%	29
Earnings per Share	\$0.00					30
Book Value per Share	\$0.00					31
Dividends per Share						32
Number of Employees	46	44	43	42	40	33

Data Field Below

Current Assets	\$12,309,493	\$7,976,384.00	\$11,929,187.00	\$16,710,302	\$14,577,070
Current Liabilities	16,446,197	11,279,025	12,989,754	13,264,436	20,313,146
Total Capitalization	31,757,627	26,646,179	26,322,836	27,918,302	28,188,821
Long-Term Debt	7,000,000	7,000,000	4,500,000	7,000,000	7,000,000
Preferred Stock			-		
Common Stock and Retained Earnings (Excl. Preferred Stock)	13,774,627	12,356,179	12,722,836	13,088,302	15,068,821
Short-Term Debt	10,983,000	7,290,000	9,100,000	7,830,000	6,120,000
Pretax Income	2,664,846	3,038,789	1,198,720	2,572,211	4,210,929
Interest Expense	629,140	967,201	867,940	919,165	1,022,151
Dividends Paid		1,631,250	870,000	2,936,250	978,750
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	1,752,247	2,091,622	1,048,988	1,634,264	2,167,831
Internal Cash	(640,785)	4,019,204	3,188,453	3,057,240	5,267,189
Cash Outflows for Construction	2,862,126	2,319,943	2,015,132	1,282,938	1,224,808
Shares Outstanding (Millions) Sch250251	435,000	435,000	435,000	435,000	435,000
Misc Deferred Debits	3,156,378	3,156,085	607,654	(1,279,641)	6,167,518
Number of Employees	\$46.00		43	42	40
<u>Pre-Tax Income</u>					
Total Utility Operating Income	\$1,752,247	\$2,091,622	\$1,048,988	\$1,634,264	\$2,167,831
+Income Taxes - Electric					
+Income Taxes - Gas	\$912,599.00	947,167	149,732	624,739	879,927
+Other Income			257,482	328,703	1,190,171
- Other Income Deductions			17,020	15,495	27,000
- Other Taxes					
Pre-Tax Income	\$2,664,846.00	\$3,038,789	\$1,439,182	\$2,572,211	\$4,210,929