

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

NORTHEAST UTILITIES SYSTEM

Form U-9C-3

November 25, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549-1004

FORM U-9C-3

QUARTERLY REPORT PURSUANT TO RULE 58

For the quarterly period ended September 30, 2002

Northeast Utilities

(Name of registered holding company)

107 Selden Street, Berlin, CT 06037

(Address of Principal Executive Officers)

Name and telephone number of officer to whom inquiries concerning this report should be directed:

John P. Stack, Vice President-Accounting and Controller
Telephone Number: 860-665-2333

GENERAL INSTRUCTIONS

A. Use of Form

1. A reporting company, as defined herein, shall file a report on this form within 60 days after the end of each of the first three quarters, and within 90 days after the end of the fourth quarter, of the fiscal year of the registered holding company. The period beginning on the date of effectiveness of rule 58 and ending at the

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

end of the quarter following the quarter in which the rule becomes effective shall constitute the initial period for which any report shall be filed, if applicable.

2. The requirement to provide specific information by means of this form supersedes any requirement by order of the Commission to provide identical information by means of periodic certificates under rule 24; but does not so supersede and replace any requirement by order to provide information by means of an annual report on Form U-13-60.
3. Information with respect to reporting companies that is required by Form U-13-60 shall be provided exclusively on that form.
4. Notwithstanding the specific requirements of this form, this Commission may informally request such further information as, in its opinion, may be necessary or appropriate.

B. Statements of Monetary Amounts and Deficits

1. Amounts included in this form and in related financial statements may be expressed in whole dollars, thousands of dollars or hundred thousands of dollars.
2. Deficits and other similar entries shall be indicated by either brackets or parentheses. An explanation should be provided by footnote.

C. Formal Requirements

This form, including exhibits, shall be filed with Commission electronically pursuant to Regulation S-T (17 CFR 232.10 et seq.). A conformed copy of each such report shall be filed with each state commission having jurisdiction over the retail rates of a public utility company that is an associate company of a reporting company. Each report shall provide the name and telephone number of the person to whom inquiries concerning this report should be directed.

D. Definitions

As used in this form, the word "reporting company" means an energy-related company or gas-related company, as defined in rule 58(b). All other words and terms have the same meaning as in the Public Utility Holding Company Act of 1935, as amended, and the rules and regulations thereunder.

ITEM 1 - ORGANIZATIONAL CHART

Instructions

1. Complete Item 1 only for the first three calendar quarters of the fiscal year of the registered holding company.
2. Under the caption "Name of Reporting Company," list each energy-related and gas-related company and each system company that directly or indirectly holds securities thereof. Add the designation "(new)" for each reporting company of which securities were acquired during the period, and the designation "(*)" for each inactive company.
3. Under the caption "Percentage of Voting Securities Held," state

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

the aggregate percentage of the outstanding voting securities of the reporting company held directly or indirectly by the registered holding company at the end of the quarter.

4. Provide a narrative description of each reporting company's activities during the reporting period.

Name of Reporting Company	Energy or Gas Related	Date of Organization	State of Organization	Percentage of Voting Securities Held	Nature of Business	Activity Report During Period
NU Enterprises, Inc.	Holding	01/04/99	Connecticut	100% by Northeast Utilities	Unregulated businesses holding company	(A)
Select Energy, Inc.	Energy	09/26/96	Connecticut	100% by NU Enterprises, Inc.	Invest in energy-related activities	(B)
Select Energy Portland Pipeline, Inc. *	Energy	03/17/99	Connecticut	100% by NU Enterprises, Inc.	Invest in energy-related activities	(C)
Northeast Generation Services Company	Energy	01/04/99	Connecticut	100% by NU Enterprises, Inc.	Invest in energy-related activities	(D)
Select Energy Services, Inc.	Energy	06/19/90	Massachusetts	100% by Enterprises, Inc.	Invest in energy-related activities	(E)
Reeds Ferry Supply Co., Inc.	Energy	07/15/64	New Hampshire	100% by Select Energy Services, Inc.	Invest in energy-related activities	(F)
HEC/Tobyhanna Energy Project, Inc.	Energy	09/28/99	Massachusetts	100% by Select Energy Services, Inc.	Invest in energy-related activities	(G)
Select Energy Contracting, Inc.	Energy	10/12/94	Massachusetts	100% by Select Energy Services, Inc.	Invest in energy-related activities	(H)
Yankee Energy System, Inc.	Holding	02/15/00	Connecticut	100% by Northeast Utilities	Public Utility Holding Company	(I)
Yankee Energy	Energy	07/02/93	Connecticut	100% by Yankee	Invest in energy-related	(J)

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Services Company *				Energy System, Inc.	activities	
R. M. Services, Inc.	Energy	11/22/94	Connecticut	10% by Yankee Energy System, Inc.	Invest in energy-related activities	(K)
Acumentrics Corporation	Energy	09/13/00	Massachusetts	5% by NU Enterprises, Inc.	Invest in energy-related activities	(L)
ERI/HEC EFA-Med, LLC	Energy	09/30/00	Delaware	50% by Select Energy Services, Inc.	Invest in energy-related activities	(M)
E. S. Boulos Company	Energy	01/19/01	Connecticut	100% by Northeast Generation Services Company	Invest in energy-related activities	(N)
NGS Mechanical, Inc.	Energy	01/24/01	Connecticut	100% by Northeast Generation Services Company	Provide mechanical construction and maintenance services	(O)
HEC/CJTS Energy Center LLC	Energy	03/02/01	Delaware	100% by Select Energy Services, Inc.	Facilitate construction financing	(P)
Select Energy New York, Inc.	Energy	02/13/96	Delaware	100% by Select Energy Inc.	Invest in energy-related activities	(Q)
Woods Electrical Co., Inc. New	Energy	07/31/02	Connecticut	100% by Northeast Generation Services	Provide electrical contracting services	(R)

(A) NU Enterprises, Inc. is not the "reporting company" but is included in this Item 1 because it holds, directly or indirectly, voting securities issued by reporting companies as indicated above.

(B) Select Energy, Inc. (Select Energy) is an integrated energy business that buys, sells, markets and trades electricity, gas and oil and energy-related products and services to both wholesale and retail customers in the northeastern United States. Select Energy procures and delivers energy and capacity required to serve its electric, gas and oil customers. Under the umbrella of the Select Energy brand, Select Energy, collectively with its affiliated competitive energy businesses, provides a wide range of energy products and energy services.

Select Energy is a licensed retail electricity supplier and is registered with local electric distribution companies in the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Virginia. Select Energy is a registered gas marketer with local gas distribution

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

companies in the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Virginia.

- (C) Select Energy Portland Pipeline, Inc. (SEPPI) acquired a 5% interest in Portland Natural Gas Transmission System partnership in March 1999 and sold this interest in June 2001.
- (D) Northeast Generation Services Company (NGS) was established to provide a full range of energy-related operation and maintenance services for larger industrial, institutional and power generation customers throughout the 11-state Northeast area. NGS' current business segments focus on providing turnkey Manage and Operate Services (MOS) and also a variety of Specialty Services (SS) and full-scope mechanical Construction and Maintenance Services (CMS).

MOS is a service that is designed for generation asset owners. NGS has the ability to offer station management and operation services with a focus on optimizing the value of that specific asset with the owner. Within the SS platform, its offerings include electrical maintenance and laboratory analysis. Within the CMS platform, the product and service offerings include mechanical construction and maintenance services and engineering and environmental consulting services, with an emphasis on power plant systems.
- (E) Select Energy Services, Inc. (formerly HEC Inc.) is not the "reporting company" but is included in this Item 1 because it holds, directly or indirectly, voting securities issued by reporting companies as indicated above.
- (F) Reed's Ferry Supply Corporation is as an equipment wholesaler which purchases equipment on behalf of Select Energy Contracting, Inc.
- (G) HEC/Tobyhanna Energy Project, Inc. was established as a special purpose entity to manage the assets of an Energy Savings Performance Contract (ESPC) project at the Tobyhanna Army Depot.
- (H) Select Energy Contracting, Inc. designs, manages and directs the construction of, and/or installing of mechanical, water, and electrical systems, energy and other resource consuming equipment.
- (I) Yankee Energy System, Inc. is not the "reporting company" but is included in this Item 1 because it holds, directly or indirectly, voting securities issued by reporting companies as indicated above.
- (J) Yankee Energy Services Company (YESCO) is winding down its energy-related services for its customers. YESCO has disposed of most of its assets and is in the process of liquidating the remainder of its assets.
- (K) R. M. Services, Inc. provides consumer collection services for companies throughout the United States.
- (L) Acumentrics Corporation develops, manufactures, and distributes advanced power generation, power quality and power protection devices including a high-speed flywheel and advanced technology fuel cells.
- (M) ERI/HEC EFA-Med, LLC is a Delaware limited liability company that was formed by Select Energy Services, Inc., and ERI Services, Inc. to enter into an indefinite delivery/indefinite quantity contract with the U.S. Navy. Under the contract, the Navy will issue Delivery Orders for energy services work at U.S. Government facilities located in Bahrain, Greece, Egypt, Italy, Spain, Turkey, and the United Kingdom. The LLC

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

will designate either ERI or Select Energy Services, Inc. to perform each of the Delivery Orders. The LLC will also act as the conduit for any project-related financing. ERI Services, Inc. and Select Energy Services, Inc. each own 50% of the LLC.

- (N) E. S. Boulos Company (Boulos) is in the electrical contracting business primarily in Maine, New Hampshire and Massachusetts. Boulos is registered to do business in Connecticut, Rhode Island, Maine, Massachusetts, New Hampshire, and Vermont.
- (O) NGS Mechanical, Inc. (NGSM) performs mechanical construction and maintenance services. NGSM is registered to do business in Massachusetts, New Hampshire, Maine, Vermont, Rhode Island, and New York.
- (P) HEC/CJTS Energy Center LLC (HEC/CTJS) facilitated the construction of an energy center at the Connecticut Juvenile Training School in Middletown, Connecticut. HEC/CJTS does not have any employees nor does it conduct any other activities other than those related to accepting the assignment of the lease.
- (Q) Select Energy New York, Inc. (SENY) is engaged in the brokering, marketing, transportation, storage, and sale of energy commodities in the state of New York.
- (R) Woods Electrical Co., Inc. (Woods) is in the electrical contracting business in Connecticut. Woods is registered to do business in Connecticut, Massachusetts, New Hampshire and Maine.

ITEM 2 - ISSUANCES AND RENEWALS OF SECURITIES AND CAPITAL CONTRIBUTIONS

Instruction

With respect to a transaction with an associate company, report only the type and principal amount of securities involved.

Company Issuing Security	Type of Security Issued	Principal Amount of Security	Issue or Renewal	Cost of Capital	Person to Whom Security Was Issued	Collateral Given With Security	Consideration Received for Each Security
Select Energy, Inc.		No transactions this quarter.					
Northeast Generation Services Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Select Energy Contracting, Inc.		No transactions this quarter.					
Reeds Ferry Supply Co., Inc.		No transactions this quarter.					

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

HEC/Tobyhanna
Energy
Project, Inc. No transactions this quarter.

Yankee Energy
Services
Company No transactions this quarter.

R. M.
Services, Inc. No transactions this quarter.

ERI/HEC
EFA-Med, LLC No transactions this quarter.

E.S. Boulos
Company No transactions this quarter.

NGS Mechanical
Company No transactions this quarter.

HEC/CJTS Energy Center LLC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
----------------------------------	-----	-----	-----	-----	-----	-----	-----	-----

Select Energy
New York, Inc. No transactions this quarter.

Woods Electrical Company, Inc.	Common Stock	\$10,000	N/A	N/A	Northeast Generation Services Company	N/A	N/A
---	-----------------	----------	-----	-----	--	-----	-----

Northeast
Utilities No transactions this quarter.

ITEM 3 - ASSOCIATE TRANSACTIONS

Instructions

1. This item is used to report the performance during the quarter of contracts among reporting companies and their associate companies, including other reporting companies, for service, sales and construction. A copy of any such contract not filed previously should be provided as an exhibit pursuant to Item 6.B.
 2. Parts I and II concern transactions performed by reporting companies on behalf of associate companies, and transactions performed by associate companies on behalf of reporting companies, respectively.
-

Part I - Transactions performed by reporting companies on behalf of associate companies.

Total Amount
Billed*

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Reporting Company Rendering Services	Associate Company Receiving Services	Types of Services Rendered	Three Months Ended September 30, 2002
			(Thousands of Dollars)
Northeast Generation Services Company	Select Energy, Inc.	Electrical and Mechanical services	\$ 15
Northeast Generation Services Company	The Connecticut Light & Power Company	Electrical and Mechanical services	\$ 21
Northeast Generation Services Company	Western Massachusetts Electric Company	Electrical and Mechanical services	\$ 2
Northeast Generation Services Company	Public Service Company of New Hampshire	Electrical and Mechanical services	\$ 564
Northeast Generation Services Company	Holyoke Water Power Company	Electrical and Mechanical services	\$ 3,027
Northeast Generation Services Company	Northeast Generation Company	Electrical and Mechanical services	\$ 5,637
Reeds Ferry Supply Co., Inc.	Select Energy Contracting, Inc.	Wholesale Purchasing Services	\$ 179
Northeast Generation Services Company	North Atlantic Energy Service Corporation	Electrical and Mechanical services	\$ (71)
Northeast Generation Services Company	Yankee Energy Services Company	Electrical and Mechanical services	\$ 24
Northeast Generation Services Company	Northeast Utilities Service Company	Electrical and Mechanical services	\$ 36

Part II - Transactions performed by associate companies on behalf of reporting companies.

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Associate Company Rendering Services	Reporting Company Receiving Services	Types of Services Rendered	Total Amount Billed* Three Months Ended September 30, 2002 (Thousands of Dollars)
Public Service Company of New Hampshire	Select Energy, Inc.	Miscellaneous	\$ 3

* 'Total Amount Billed' is direct costs only.

ITEM 4 - SUMMARY OF AGGREGATE INVESTMENT

Investments in energy-related companies:

	(Thousands of Dollars)	
Total consolidated capitalization as of 09/30/02	\$6,881,492	line 1
Total capitalization multiplied by 15% (line 1 multiplied by .15)	1,032,224	line 2
Greater of \$50 million or line 2	\$1,032,224	line 3
Total current aggregate investment: (categorized by major line of energy-related business):		
Select Energy, Inc.	\$637,794	
Northeast Generation Services Company	35,879	
Select Energy Contracting, Inc.	31,683	
Select Energy New York, Inc.	36,692	
Woods Electrical Co., Inc.	9,450	
Reeds Ferry Supply Co., Inc.	7	
HEC/Tobyhanna Energy Project, Inc.	-	
Yankee Energy Services Company	8,282	
E.S. Boulos Company	7,539	
R.M. Services, Inc.	13,799	
NGS Mechanical, Inc.	10	
Acumentrics Corporation	7,500	
ERI/HEC EFA-Med, LLC	17	
HEC/CJTS Energy Center LLC	12	
Current aggregate investment	788,664	
Elimination *	22,532	
Total current aggregate investment	766,132	line 4
Difference between the greater of \$50 million or 15% of capitalization and the total aggregate investment of the registered holding company system	\$266,092	line 5

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

=====

*Elimination is for capital contributions made from a parent company who is a reporting company to a subsidiary who is also a reporting company.

ITEM 5 - OTHER INVESTMENTS

Instruction

This item concerns investments in energy-related and gas-related companies that are excluded from the calculation of aggregate investment under rule 58.

Major Line of Energy- Related Business -----	Other Investment in Last U-9C-3 Report -----	Other Investment in This U-9C-3 Report -----	Reason for Difference in Other Investment -----
--	--	--	---

NONE

ITEM 6 - FINANCIAL STATEMENTS AND EXHIBITS

Instructions

A. Financial Statements

1. Financial statements are required for reporting companies in which the registered holding company system has at least 50% equity or other ownership interest. For all other rule 58 companies, the registered holding company shall make available to the Commission such financial statements as are available to it.
2. For each reporting company, provide a balance sheet as of the end of the quarter and income statements for the three-month and year-to-date periods ending as of the end of the quarter, together with any notes thereto. Financial statements shall be for the first three quarters of the fiscal year of the registered holding company.
3. If a reporting company and each of its subsidiaries engage exclusively in single category of energy-related or gas-related activity, consolidated financial statements may be filed.
4. Separate financial statements need not be filed for inactive companies or for companies engaged solely in the ownership of interests in energy-related or gas-related companies.

B. Exhibits

1. Copies of contracts required to be provided by Item 3 shall be filed as exhibits.
2. A certificate stating that a copy of the report for the previous quarter has been filed with interested state commissions shall be filed as an exhibit. The certificate shall provide the names and addresses of the state commissions.

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

A. Financial Statements

Select Energy, Inc.:

Balance Sheet - As of September 30, 2002

Income Statement - Three months and nine months ended September 30, 2002

Northeast Generation Services Company:

Balance Sheet - As of September 30, 2002

Income Statement - Three months and nine months ended September 30, 2002

Select Energy Contracting, Inc.:

Balance Sheet - As of September 30, 2002

Income Statement - Three months and nine months ended September 30, 2002

Reeds Ferry Supply Co., Inc.:

Balance Sheet - As of September 30, 2002

Income Statement - Three months and nine months ended September 30, 2002

HEC/Tobyhanna Energy Project, Inc.:

Balance Sheet - As of September 30, 2002

Income Statement - Three months and nine months ended September 30, 2002

Yankee Energy Services Company:

Balance Sheet - As of September 30, 2002

Income Statement - Three months and nine months ended September 30, 2002

ERI/HEC EFA-Med, LLC:

Not available as of September 30, 2002

E. S. Boulos Company:

Balance Sheet - As of September 30, 2002

Income Statement - Three months and nine months ended September 30, 2002

NGS Mechanical, Inc.:

Balance Sheet - As of September 30, 2002

Income Statement - Three months and nine months ended September 30, 2002

Northeast Utilities (Parent):

Balance Sheet - As of September 30, 2002

Income Statement - Three months and nine months ended September 30, 2002

Select Energy New York, Inc.:

Balance Sheet - As of September 30, 2002

Income Statement - Three months and nine months ended September 30, 2002

HEC/CJTS Energy Center LLC:

Balance Sheet - As of September 30, 2002

Income Statement - Three months and nine months ended September 30, 2002

Woods Electrical Co., Inc.:

Balance Sheet - As of September 30, 2002

Income Statement - Three months and nine months ended September 30, 2002

B. Exhibits

Exhibit No.	Description
-----	-----
6.B.1.1	Copy of contract required by Item 3 - filed under confidential treatment pursuant to Rule 104(b).
6.B.1.2a	Copy of contract required by Item 3 - filed under confidential

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

- treatment pursuant to Rule 104(b).
- 6.B.1.2b Copy of contract required by Item 3 - filed under confidential treatment pursuant to Rule 104(b).
- 6.B.1.2c Copy of contract required by Item 3 - filed under confidential treatment pursuant to Rule 104(b).
- 6.B.1.3a Copy of contract required by Item 3 - filed under confidential treatment pursuant to Rule 104(b).
- 6.B.1.3b Copy of contract required by Item 3 - filed under confidential treatment pursuant to Rule 104(b).
- 6.B.1.3c Copy of contract required by Item 3 - filed under confidential treatment pursuant to Rule 104(b).
- 6.B.1.3d Copy of contract required by Item 3 - filed under confidential treatment pursuant to Rule 104(b).
- 6.B.1.4 Copy of contract required by Item 3 - filed under confidential treatment pursuant to Rule 104(b).
- 6.B.2.1 The company certifies that a conformed copy of Form U-9C-3 for the previous quarter was filed with the following state commissions:

Ms. Louise E. Rickard
Acting Executive Secretary
Department of Public Utility Control
10 Franklin Square
New Britain, CT 06051

Ms. Mary L. Cottrell, Secretary
Massachusetts Department of Telecommunications and Energy
100 Cambridge Street
Boston, MA 02202

Mr. Thomas B. Getz
Executive Director and Secretary
State of New Hampshire
Public Utilities Commission
8 Old Suncook Road, Building One
Concord, NH 03301-7319

SELECT ENERGY, INC.
BALANCE SHEET
(Unaudited)

September 30,
2002

(Thousands
of Dollars)

ASSETS

Current Assets:

Cash	\$	3,215
Receivables, net		284,769

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Accounts receivable from affiliated companies	121,107
Taxes receivable	5,461
Special deposits	8,514
Unrealized net gains on mark-to-market transactions	138,899
Prepaid wholesale power purchases	28,529
Prepayments and other	46,267

	636,761

Property, Plant and Equipment:	
Competitive energy	12,586
Less: Accumulated provision for depreciation and amortization	6,357

	6,229
Construction work in progress	3,086

	9,315

Deferred Debits and Other Assets:	
Intangibles, net	18,934
Prepaid pension	2,200
Other	38,871

	60,005

Total Assets	\$ 706,081
	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

SELECT ENERGY, INC.
BALANCE SHEET
(Unaudited)

September 30,
2002

(Thousands
of Dollars)

LIABILITIES AND CAPITALIZATION

Current Liabilities:	
Notes payable to affiliated companies	\$ 193,000
Accounts payable	267,761
Accounts payable to affiliated companies	5,777
Accrued interest	37
Unrealized losses on mark-to-market transactions	51,178
Other	30,023

	547,776

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Deferred Credits and Other Liabilities	
Accumulated deferred income taxes	19,774
Other	87,837

	107,611

Capitalization:	
Common Stockholder's Equity:	
Common stock, \$1 par value - 20,000 shares authorized and 100 shares outstanding	-
Capital surplus, paid in	249,378
Accumulated deficit	(202,999)
Accumulated other comprehensive loss	4,315

Common Stockholder's Equity	50,694

Total Capitalization	50,694

Total Liabilities and Capitalization	\$ 706,081
	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

SELECT ENERGY, INC.
INCOME STATEMENT
(Unaudited)

	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2002
	-----	-----
	(Thousands of Dollars)	
Operating Revenues	\$ 262,543	\$ 782,085
	-----	-----
Operating Expenses:		
Purchased power, net interchange power and capacity	292,572	837,858
Other	(4,001)	42,850
Depreciation and amortization	2,214	6,177
Taxes other than income taxes	129	3,836
	-----	-----
Total operating expenses	290,914	890,721
	-----	-----
Operating Loss	(28,371)	(108,636)
Other Income, Net	4,853	10,719
	-----	-----
Loss Before Interest Expense and Income Tax Benefit	(23,518)	(97,917)
Interest Expense, Net	1,328	3,830
	-----	-----

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Loss Before Income Tax Benefit	(24,846)	(101,747)
Income Tax Benefit	(10,202)	(42,651)
	-----	-----
Net Loss	\$ (14,644)	\$ (59,096)
	=====	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

NORTHEAST GENERATION SERVICES COMPANY
BALANCE SHEET
(Unaudited)

	September 30, 2002

	(Thousands of Dollars)
ASSETS	

Current Assets:	
Cash	\$ 1
Receivables, net	5,668
Accounts receivable from affiliated companies	2,750
Unbilled revenues	6,268
Prepayments and other	3,247

	17,934

Property, Plant and Equipment:	
Competitive energy	1,594
Less: Accumulated provision for depreciation	803

	791
Construction work in progress	791

	1,582

Deferred Debits and Other Assets:	
Accumulated deferred income taxes	592
Intangible assets, net and other	22,755

	23,347

Total Assets	\$ 42,863
	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

NORTHEAST GENERATION SERVICES COMPANY
BALANCE SHEET
(Unaudited)

	September 30, 2002

(Thousands of Dollars)	
LIABILITIES AND CAPITALIZATION	

Current Liabilities:	
Notes payable to affiliated companies	\$ 12,900
Accounts payable	861
Accounts payable to affiliated companies	2,180
Accrued taxes	1,667
Other	1,387

	18,995

Deferred Credits and Other Liabilities	418

Capitalization:	
Long-term debt	5,000

Common Stockholder's Equity:	
Common stock, \$1 par value - 100 shares authorized and outstanding	-
Capital surplus, paid in	15,579
Retained earnings	2,871

Common Stockholder's Equity	18,450

Total Capitalization	23,450

Total Liabilities and Capitalization	\$ 42,863
	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

NORTHEAST GENERATION SERVICES COMPANY
INCOME STATEMENT
(Unaudited)

	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2002

(Thousands of Dollars)		
Operating Revenues	\$ 15,265	\$ 43,730

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

	-----	-----
Operating Expenses:		
Operation -		
Other	12,024	35,271
Maintenance	3,068	9,933
Depreciation and amortization	23	69
Taxes other than income taxes	426	1,422
	-----	-----
Total operating expenses	15,541	46,695
	-----	-----
Operating Loss	(276)	(2,965)
Other Income, Net	591	1,581
	-----	-----
Income/(Loss) Before Interest Expense and Income Tax Benefit	315	(1,384)
Interest Expense, Net	167	311
	-----	-----
Income/(Loss) Before Income Tax Benefit	148	(1,695)
Income Tax Benefit	(344)	(1,333)
	-----	-----
Net Income/(Loss)	\$ 492	\$ (362)
	=====	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

SELECT ENERGY CONTRACTING, INC.
BALANCE SHEET
(Unaudited)

September 30,
2002

(Thousands
of Dollars)

ASSETS

Current Assets:

Cash	\$	16
Receivables, net		12,737
Accounts receivables from affiliated companies		3
Materials and supplies, at average cost		341
Prepayments and other		739

		13,836

Property, Plant and Equipment:

Competitive energy		5,936
Less: Accumulated provision for depreciation		3,693

		2,243

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Deferred Debits and Other Assets:	
Goodwill, net	17,220
Other	48
	17,268
Total Assets	\$ 33,347

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

SELECT ENERGY CONTRACTING, INC.
BALANCE SHEET
(Unaudited)

September 30,
2002

(Thousands
of Dollars)

LIABILITIES AND CAPITALIZATION

Current Liabilities:	
Accounts payable	\$ 3,591
Accounts payable to affiliated companies	8,937
Accrued taxes	1,103
Other	1,177
	14,808
Deferred Credits and Other Liabilities:	
Deferred taxes	490
Other	2,117
	2,607
Capitalization:	
Common Stockholder's Equity:	
Common stock, \$1 par value - 100,000 shares authorized and 100 shares outstanding	-
Capital surplus, paid in	14,910
Retained earnings	1,022
	15,932
Total Capitalization	15,932
Total Liabilities and Capitalization	\$ 33,347

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

See accompanying notes to financial statements.

SELECT ENERGY CONTRACTING, INC.
INCOME STATEMENT
(Unaudited)

	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2002
----- (Thousands of Dollars)		
Operating Revenues	\$ 12,262	\$ 42,255
	-----	-----
Operating Expenses:		
Operation	11,904	40,088
Maintenance	114	344
Depreciation and amortization	283	849
Taxes other than income taxes	73	263
	-----	-----
Total operating expenses	12,374	41,544
	-----	-----
Operating (Loss)/Income	(112)	711
Other Loss, Net	(12)	(23)
	-----	-----
(Loss)/Income Before Interest Expense and Income Tax (Benefit)/Expense	(124)	688
Interest Expense, Net	78	205
	-----	-----
(Loss)/Income Before Income Tax (Benefit)/Expense	(202)	483
Income Tax (Benefit)/Expense	(91)	193
	-----	-----
Net (Loss)/Income	\$ (111)	\$ 290
	=====	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

REEDS FERRY SUPPLY CO., INC.
BALANCE SHEET
(Unaudited)

September 30,
2002

(Thousands
of Dollars)

ASSETS

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Current Assets:	
Cash	\$ 5
Receivables, net	28

	33

Deferred Debits and Other Assets:	
Goodwill, net	248

Total Assets	\$ 281
	=====

LIABILITIES AND CAPITALIZATION

Current Liabilities:	
Accounts payable	\$ 28
Accounts payable to affiliated companies	295

	323

Capitalization:	
Common Stockholder's Equity:	
Common stock, \$1 par value - 200 shares authorized and 100 shares outstanding	4
Capital surplus, paid in	3
Accumulated deficit	(49)

Common Stockholder's Equity	(42)

Total Capitalization	(42)

Total Liabilities and Capitalization	\$ 281
	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

REEDS FERRY SUPPLY CO., INC.
INCOME STATEMENT
(Unaudited)

	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2002
	-----	-----
	(Thousands of Dollars)	
Operating Revenues	\$ 179	\$ 652
Operating Expenses	179	652
	-----	-----
Net Income	\$ -	\$ -
	=====	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

See accompanying notes to financial statements.

HEC/TOBYHANNA ENERGY PROJECT, INC.
BALANCE SHEET
(Unaudited)

	September 30, 2002
	----- (Thousands of Dollars)
ASSETS	

Current Assets:	
Cash	\$ 2,639
Receivables, net	881

	3,520

Property, Plant and Equipment:	
Other, net	616

Deferred Debits and Other Assets:	
Contracts receivable	25,800

Total Assets	\$ 29,936
	=====
 LIABILITIES AND CAPITALIZATION	

Current Liabilities:	
Accounts payable to affiliated companies	\$ 3,819
Accrued taxes	44
Accrued interest	243
Other	337

Total current liabilities	4,443

Capitalization:	
Long-Term Debt	24,991

Common Stockholder's Equity:	
Common stock, \$1 par value - 100 shares authorized and outstanding	-
Retained earnings	502

Common Stockholder's Equity	502

Total Capitalization	25,493

Total Liabilities and Capitalization	\$ 29,936
	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

See accompanying notes to financial statements.

HEC/TOBYHANNA ENERGY PROJECT, INC.
INCOME STATEMENT
(Unaudited)

	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2002

(Thousands of Dollars)		
Other Income, Net	\$ 867	\$ 1,860
Interest Expense, Net	491	1,485

Income Before Income Tax Expense	376	375
Income Tax Expense	23	98

Net Income	\$ 353	\$ 277
=====		

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

YANKEE ENERGY SERVICES COMPANY
BALANCE SHEET
(Unaudited)

	September 30, 2002

(Thousands of Dollars)	
ASSETS	

Current Assets:	
Cash	\$ 32
Receivables, net	5
Taxes receivable	378

415	

Deferred Debits and Other Assets:	
Accumulated deferred income taxes	1,399
Goodwill	405
Other	5,144

6,948	

Total Assets	\$ 7,363
=====	

Note: In the opinion of the Company, all adjustments necessary for a fair

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

YANKEE ENERGY SERVICES COMPANY
BALANCE SHEET
(Unaudited)

		September 30, 2002

(Thousands of Dollars)		
LIABILITIES AND CAPITALIZATION		

Current Liabilities:		
Notes payable to affiliated companies	\$	1,266
Accounts payable to affiliated companies		31

		1,297

Deferred Credits and Other Liabilities		
Other		5

Capitalization:		
Common Stockholder's Equity:		
Common stock, \$0 par value - 10,000 shares authorized and 200 shares outstanding		1
Capital surplus, paid in		7,881
Accumulated deficit		(1,821)

Common Stockholder's Equity		6,061

Total Capitalization		6,061

Total Liabilities and Capitalization	\$	7,363
		=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

YANKEE ENERGY SERVICES COMPANY
INCOME STATEMENT
(Unaudited)

	Three Months Ended September 30, 2002		Nine Months Ended September 30, 2002

(Thousands of Dollars)			
Operating Revenues	\$	5	\$ 551
Operating Expenses		39	773

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Operating Loss	(34)	(222)
Interest Expense, Net	6	60
Loss Before Income Tax Benefit	(40)	(282)
Income Tax Benefit	(3)	(113)
Net Loss	\$ (37)	\$ (169)

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

E.S. BOULOS COMPANY
BALANCE SHEET
(Unaudited)

September 30,
2002

(Thousands
of Dollars)

ASSETS

Current Assets:

Receivables, net	\$ 12,565
Accounts receivable from affiliated companies	607
Unbilled revenues	2,491
Materials and supplies	109

	15,772

Property, Plant and Equipment:

Competitive energy	721
Less: Accumulated provision for depreciation	175

	546

Deferred Debits and Other Assets:

Goodwill	6,963
Other	35

	6,998

Total Assets	\$ 23,316
	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

E.S. BOULOS COMPANY
BALANCE SHEET

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

(Unaudited)

September 30,
2002

(Thousands
of Dollars)

LIABILITIES AND CAPITALIZATION

Current Liabilities:

Advance from parent, non-interest bearing	\$	2,948
Accounts payable		3,377
Accounts payable to affiliated companies		956
Accrued taxes		600
Other		1,538

9,419

Deferred Credits and Other Liabilities

975

Capitalization:

Common Stockholder's Equity:

Common stock, \$1 par value - 100 shares authorized and outstanding		-
Capital surplus, paid in		7,539
Retained earnings		5,383

Common Stockholder's Equity 12,922

Total Capitalization

12,922

Total Liabilities and Capitalization

\$ 23,316
=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

E.S. BOULOS COMPANY INCOME STATEMENT (Unaudited)

	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2002
--	--	---

(Thousands of Dollars)

Operating Revenues	\$ 17,748	\$ 47,977
Operating Expenses:		
Operating	435	1,092
Maintenance	16,116	44,117
Depreciation	-	59

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Total operating expenses	16,551	45,268
Operating Income	1,197	2,709
Other (Loss)/Income, Net	(88)	208
Income Before Income Tax Expense	1,109	2,917
Income Tax Expense	347	940
Net Income	\$ 762	\$ 1,977

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

NGS MECHANICAL, INC.
BALANCE SHEET
(Unaudited)

	September 30, 2002	
	(Thousands of Dollars)	
ASSETS		

Current Assets:		
Cash	\$	10

Total Assets	\$	10
		=====
LIABILITIES AND CAPITALIZATION		

Current Liabilities:		
Accounts payable to affiliated companies	\$	2

Capitalization:		
Common Stockholder's Equity:		
Common stock, \$0 par value - 20,000 shares authorized and 100 shares outstanding		-
Capital surplus, paid in		10
Accumulated deficit		(2)

Common Stockholder's Equity		8

Total Capitalization		8

Total Liabilities and Capitalization	\$	10
		=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

See accompanying notes to financial statements.

NGS MECHANICAL, INC.
INCOME STATEMENT
(Unaudited)

	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2002
----- (Thousands of Dollars)		
Operating Revenues	\$ -	\$ -
Operating Expenses	-	1
	-----	-----
Operating Loss	-	(1)
Income Tax Expense	1	-
	-----	-----
Net Loss	\$ (1)	\$ (1)
	=====	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

NORTHEAST UTILITIES (PARENT)
BALANCE SHEET
(Unaudited)

	September 30, 2002
----- (Thousands of Dollars)	
ASSETS	

Current Assets:	
Cash	\$ 1,315
Notes receivable from affiliated companies	182,600
Receivables, net	460
Accounts receivable from affiliated companies	2,150
Taxes receivable	2,322
Prepayments	202

	189,049

Other Property and Investment:	
Investments in subsidiary companies, at equity	2,450,995
Investments in transmission companies, at equity	12,874
Other	14

	2,463,883

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Deferred Debits and Other Assets	4,995

Total Assets	\$ 2,657,927
	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

NORTHEAST UTILITIES (PARENT)
BALANCE SHEET
(Unaudited)

September 30,
2002

(Thousands
of Dollars)

LIABILITIES AND CAPITALIZATION

Current Liabilities:

Notes payable to bank	\$ 75,000
Long-term debt - current portion	22,000
Accounts payable	51
Accounts payable to affiliated companies	88
Accrued interest	12,393
Other	391

	109,923

Deferred Credits and Other Liabilities:

Accumulated deferred income taxes	6,608
Other	145

	6,753

Capitalization:

Long-Term Debt	352,000

Common Stockholder's Equity:

Common shares, \$5 par value - authorized 225,000,000 shares; 149,375,000 shares issued and 129,257,380 shares outstanding	746,875
Capital surplus, paid in	1,109,798
Deferred contribution plan - employee stock ownership plan	(91,982)
Retained earnings	727,204
Accumulated other comprehensive income	6,095
Treasury stock	(308,739)

Common Stockholder's Equity	2,189,251

Total Capitalization	2,541,251

Total Liabilities and Capitalization	\$ 2,657,927
--------------------------------------	--------------

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

NORTHEAST UTILITIES (PARENT)
STATEMENT OF INCOME
(Unaudited)

	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2002
	-----	-----
	(Thousands of Dollars)	
Operating Revenues	\$ -	\$ -
	-----	-----
Operating Expenses:		
Operation expense	2,274	11,430
Taxes other than income taxes	1	27
	-----	-----
Total operating expenses	2,275	11,457
	-----	-----
Operating Loss	(2,275)	(11,457)
	-----	-----
Other Income, Net:		
Equity in earnings of subsidiaries	52,298	109,272
Equity in earnings of transmission companies	571	1,791
Other	2,521	7,642
	-----	-----
Other income, net	55,390	118,705
	-----	-----
Income Before Interest Expense and Income Tax Benefit	53,115	107,248
	-----	-----
Interest Expense:		
Interest on long-term debt	7,185	21,085
Other interest	959	2,066
	-----	-----
Interest expense, net	8,144	23,151
	-----	-----
Income Before Income Tax Benefit	44,971	84,097
Income Tax Benefit	(3,604)	(11,977)
	-----	-----
Net Income for Common Shares	\$ 48,575	\$ 96,074
	=====	=====
Basic and Fully Diluted Earnings Per Common Share	\$ 0.38	\$ 0.74
	=====	=====
Basic Common Shares Outstanding (average)	129,344,724	129,508,840
	=====	=====
Fully Diluted Common Shares Outstanding (average)	129,508,794	129,737,249
	=====	=====

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of the results of operations for the period shown have been made.

See accompanying notes to financial statements.

SELECT ENERGY NEW YORK, INC.
BALANCE SHEET
(Unaudited)

	September 30, 2002
	----- (Thousands of Dollars)
ASSETS	

Current Assets:	
Cash	\$ 14,387
Receivables, net	36,196
Accounts receivable from affiliated companies	887
Special deposits	4,188
Unrealized net gains on mark-to-market transactions	12,863
Prepayments and other	16,317

	84,838

Property Plant and Equipment:	
Competitive energy	2,280
Less: Accumulated provision for depreciation and amortization	2,141

	139

Deferred Debits and Other Assets	2,793

Total Assets	\$ 87,770
	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

SELECT ENERGY NEW YORK, INC.
BALANCE SHEET
(Unaudited)

	September 30, 2002
	----- (Thousands of Dollars)
LIABILITIES AND CAPITALIZATION	

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Current Liabilities:		
Accounts payable	\$	20,837
Accounts payable to affiliated companies		5,757
Accrued taxes		540
Unrealized losses on mark-to-market transactions		2,237
Other		3,758

		33,129

Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes		3,584
Other		15

		3,599

Capitalization:		
Long-Term Debt		26,699

Common Stockholder's Equity:		
Common stock, \$1 par value - authorized and outstanding 10,000 shares		10
Capital surplus, paid in		9,983
Retained earnings		13,724
Accumulated comprehensive income		626

Common Stockholder's Equity		24,343

Total Capitalization		51,042

Total Liabilities and Capitalization	\$	87,770
		=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

SELECT ENERGY NEW YORK, INC.
INCOME STATEMENT
(Unaudited)

	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2002
	-----	-----
	(Thousands of Dollars)	
Operating Revenues	\$ 73,742	\$ 201,767
	-----	-----
Operating Expenses:		
Purchased power, net interchange power and capacity	63,195	177,033
Other	2,530	6,918
Taxes other than income taxes	(574)	(1,335)

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Total operating expenses	65,151	182,616
Operating Income	8,591	19,151
Other Income, Net	117	197
Income Before Interest and Income Tax Expense	8,708	19,348
Interest Expense, Net	191	580
Income Before Income Tax Expense	8,517	18,768
Income Tax Expense	3,427	7,739
Net Income	\$ 5,090	\$ 11,029

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

HEC/CJTS ENERGY CENTER LLC
BALANCE SHEET
(Unaudited)

September 30,
2002

(Thousands
of Dollars)

ASSETS

Current Assets:

Cash

\$ 1

1

Total Assets

\$ 1

LIABILITIES AND CAPITALIZATION

Capitalization:

Common Stockholder's Equity:

Capital surplus, paid in

\$ 12

Accumulated deficit

(11)

Common Stockholder's Equity

1

Total Capitalization

1

Total Liabilities and Capitalization

\$ 1

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

See accompanying notes to financial statements.

HEC/CJTS ENERGY CENTER LLC
 INCOME STATEMENT
 (Unaudited)

	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2002
	-----	-----
	(Thousands of Dollars)	
Operating Revenues	\$ -	\$ -
	-----	-----
Operating Expenses	2	3
	-----	-----
Net Loss	\$ (2)	\$ (3)
	=====	=====

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

WOODS ELECTRICAL CO., INC.
 BALANCE SHEET
 (Unaudited)

	September 30, 2002

	(Thousands of Dollars)
ASSETS	

Current Assets:	
Cash	\$ 712
Receivables, net	1,909
Taxes receivable	3
Prepayments and other	31

	2,655

Property Plant and Equipment:	
Competitive energy	230
Less: Accumulated provision for depreciation and amortization	-

	230

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Deferred Debits and Other Assets:

Goodwill and other purchased intangible assets, net	7,568	
		7,568

Total Assets	\$ 10,453	-----

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

WOODS ELECTRICAL CO., INC.
BALANCE SHEET
(Unaudited)

September 30,
2002

(Thousands
of Dollars)

LIABILITIES AND CAPITALIZATION

Current Liabilities:

Notes payable to banks	\$ 733	
Accounts payable	86	
Other	186	

		1,005

Deferred Credits and Other Liabilities:

Other		

		38

		38

Capitalization:

Long-Term Debt		

		4,450

Common Stockholder's Equity:		
Common stock, \$1 par value - 20,000 shares authorized and 100 shares outstanding		-
Capital surplus, paid in		5,000
Accumulated deficit		(40)

Common Stockholder's Equity		4,960

Total Capitalization		9,410

Total Liabilities and Capitalization	\$ 10,453	-----

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

WOODS ELECTRICAL CO., INC.
 INCOME STATEMENT
 (Unaudited)

	Three Months* Ended September 30, 2002	Nine Months Ended September 30, 2002
	-----	-----
	(Thousands of Dollars)	
Operating Revenues	\$ 1,843	\$ 1,843
	-----	-----
Operating Expenses:		
Other	1,813	1,813
Taxes other than income taxes	14	14
	-----	-----
Total operating expenses	1,827	1,827
	-----	-----
Operating Income	16	16
	-----	-----
Other Income, Net	2	2
	-----	-----
Income Before Interest and Income Tax Expense	18	18
	-----	-----
Interest Expense, Net	58	58
	-----	-----
Loss Before Income Tax Expense	(40)	(40)
	-----	-----
Income Tax Expense	-	-
	-----	-----
Net Loss	\$ (40)	\$ (40)
	=====	=====

*Woods Electrical Co., Inc. was acquired on July 1, 2002, and these results reflect activity from July 1, 2002 through September 30, 2002.

Note: In the opinion of the Company, all adjustments necessary for a fair presentation of financial position for the period shown have been made.

See accompanying notes to financial statements.

Northeast Utilities Parent
 Select Energy, Inc.
 Northeast Generation Services Company
 E.S. Boulos Company
 NGS Mechanical, Inc.
 Select Energy Contracting, Inc.
 Reeds Ferry Supply Co., Inc.
 HEC/Tobyhanna Energy Project, Inc.
 HEC/CJTS Energy Center LLC
 Yankee Energy Services Company
 Select Energy New York, Inc.
 Woods Electrical Co., Inc.

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

Notes to Financial Statements (Unaudited)

1. About Northeast Utilities (NU)

Northeast Utilities Parent (NU Parent) is the parent company of the Northeast Utilities system (NU system). The NU system's regulated utilities furnish franchised retail electric service in Connecticut, New Hampshire and western Massachusetts through three wholly owned subsidiaries: The Connecticut Light and Power Company (CL&P), Public Service Company of New Hampshire (PSNH) and Western Massachusetts Electric Company. Another wholly owned subsidiary, North Atlantic Energy Corporation (NAEC), previously sold all of its entitlement to the capacity and output of the Seabrook Station nuclear unit (Seabrook) to PSNH under the terms of two life-of-unit, full cost recovery contracts. On November 1, 2002, CL&P and NAEC consummated the sale of their ownership interests in Seabrook. A fifth wholly owned subsidiary, Holyoke Water Power Company, also is engaged in the production of electric power. A sixth wholly owned subsidiary, Yankee Energy System, Inc. (Yankee) is the parent company of Yankee Gas Services Company, Connecticut's largest natural gas distribution system.

Several wholly owned subsidiaries of NU provide support services for the NU system companies and, in some cases, for other New England utilities. Northeast Utilities Service Company provides centralized accounting, administrative, engineering, financial, information resources, legal, operational, planning, purchasing, and other services to the NU system companies. North Atlantic Energy Service Corporation previously had operational responsibility for Seabrook. Three other subsidiaries construct, acquire or lease some of the property and facilities used by the NU system companies.

NU Enterprises, Inc. is a wholly owned subsidiary of NU and acts as the holding company for certain of NU's competitive energy subsidiaries. Northeast Generation Company was formed to acquire and manage generation facilities. Select Energy, Inc. (Select Energy), and its subsidiary Select Energy New York, Inc. (SENY), Northeast Generation Services Company and its subsidiaries (NGS), Select Energy Services, Inc., and its subsidiaries (SESI), Mode 1 Communications, Inc. and Woods Network Services, Inc., engage in a variety of energy-related and telecommunications activities, as applicable, primarily in the competitive energy retail and wholesale commodity, marketing and services fields. E.S. Boulos Company (Boulos), NGS Mechanical, Inc. (NGS Mechanical) and Woods Electrical Co., Inc. (Woods) are wholly owned subsidiaries of NGS. Select Energy Contracting, Inc. (Select Energy Contracting), Reeds Ferry Supply Co., Inc. (Reeds Ferry), HEC/Tobyhanna Energy Project, Inc., (HEC/Tobyhanna), and HEC/CJTS Energy Center LLC (HEC/CJTS) are wholly owned subsidiaries of SESI. Yankee maintains certain wholly owned subsidiaries including Yankee Energy Services Company (YESCO).

Select Energy, SENY, NGS, Boulos, NGS Mechanical, Woods, Select Energy Contracting, Reeds Ferry, HEC/Tobyhanna, HEC/CJTS, and YESCO are "energy-related companies" under rule 58. These footnotes are applicable to the rule 58 companies with financial statements filed in this Form U-9C-3 under Item 6 Section A.

2. About Select Energy

Select Energy is an integrated energy business that buys, markets, sells, and trades electricity, gas, oil and energy-related products and services to both wholesale and retail customers in the Northeastern United States. Select Energy procures and delivers energy and capacity required to serve its electric, gas and oil customers. Select Energy, collectively with its

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

affiliated competitive energy businesses, provides a wide range of energy products and energy services.

Select Energy is a licensed retail electricity supplier and is registered with local electric distribution companies in the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Virginia. Select Energy is a registered gas marketer with local gas distribution companies in the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Virginia.

3. About NGS

NGS was formed to provide management, operation and maintenance services to the electric generation market, as well as to large industrial customers, in the Northeastern United States. NGS also provides consulting services which include engineering services, construction management, permitting, and compliance management.

4. About Boulos

Boulos is an electrical contracting company which specializes in high voltage electrical construction and maintenance in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. Boulos is wholly owned by NGS.

5. About NGS Mechanical

NGS Mechanical was formed to provide mechanical services initially in certain New England states and New York. NGS Mechanical is wholly owned by NGS.

6. About Select Energy Contracting

Select Energy Contracting designs, manages, and directs the construction of, and/or installation of mechanical, water and electrical systems, energy and other resource consuming equipment.

7. About Reeds Ferry

Reeds Ferry is an equipment wholesaler which purchases equipment on behalf of Select Energy Contracting.

8. About HEC/Tobyhanna

HEC/Tobyhanna was established as a special purpose entity to manage the assets of an Energy Savings Performance Contract at the Tobyhanna Army Depot.

9. About HEC/CJTS

HEC/CJTS is a special purpose entity formed to facilitate the financing of SESI's construction of an energy center at the Connecticut Juvenile Training School in Middletown, Connecticut. HEC/CJTS is wholly owned by SESI.

10. About YESCO

YESCO is winding down its energy-related services for its customers. YESCO has disposed of most of its assets and is in the process of liquidating the remainder of its assets.

11. About SENY

SENY is a wholly owned subsidiary of Select Energy and engages in the brokering, marketing, transportation, storage, and sale of energy commodities

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

in the state of New York.

12. About Woods

Woods is a wholly owned subsidiary of NGS and is in the electrical contracting business in the state of Connecticut. Woods is also registered to do business in Maine, Massachusetts and New Hampshire. NGS acquired Woods on July 1, 2002, and the results of Woods' operations since July 1, 2002, are included in this report.

13. Public Utility Regulation

NU is registered with the Securities and Exchange Commission (SEC) as a holding company under the Public Utility Holding Company Act of 1935 (1935 Act), and the NU system is subject to the provisions of the 1935 Act. Arrangements among the NU system companies, outside agencies and other utilities covering interconnections, interchange of electric power and sales of utility property are subject to regulation by the Federal Energy Regulatory Commission (FERC) and/or the SEC. The operating subsidiaries are subject to further regulation for rates, accounting and other matters by the FERC and/or applicable state regulatory commissions.

14. Presentation

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

15. New Accounting Standards

In June 2002, the Emerging Issues Task Force (EITF) of the Financial Accounting Standards Board reached a consensus on EITF Issue No. 02-3, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities," requiring energy trading companies to classify revenues and expenses associated with certain energy trading contracts on a net basis within revenues, rather than recording the gross revenues and expenses.

Select Energy and SENY currently account for energy trading activities using the mark-to-market method under EITF Issue No. 98-10, "Accounting for Energy Trading and Risk Management Activities." EITF Issue No. 98-10 allows energy trading activities to be presented as revenues and as expenses or on a net basis in revenues in the income statement. Effective July 1, 2002, Select Energy and SENY adopted net reporting of revenues and expenses as allowed by EITF Issue No. 98-10. Prior to July 1, 2002, Select Energy and SENY presented energy trading activities as revenues and expenses as allowed by EITF Issue No. 98-10. The adoption of net reporting was applied retroactively to all periods presented but will have no effect on net income.

On October 25, 2002, the EITF reached additional consensus in EITF Issue No. 02-3. These consensus supercede the consensus the EITF reached in June 2002. The first consensus rescinds EITF Issue No. 98-10, under which Select Energy currently accounts for energy trading activities. The consensus will require energy trading companies to follow SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, for energy trading activities and to discontinue mark-to-market accounting for contracts that are not derivatives. Management is currently evaluating the extent of trading contracts that are not derivatives. The second consensus requires net reporting of derivative energy trading activities effective January 1, 2003. Management has already adopted net reporting of trading activities and will continue to evaluate EITF Issue No. 02-3 as additional

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

guidance becomes available.

16. Market Risk and Risk Management Instruments

Select Energy provides both full requirement energy services to its customers and engages in energy trading and marketing activities. Select Energy manages its exposure to risk from its contractual commitments and provides risk management services to its customers through forward contracts, futures, over-the-counter swap agreements, and options (commodity derivatives).

Select Energy has utilized the sensitivity analysis methodology to disclose quantitative information for its commodity price risks. Sensitivity analysis provides a presentation of the potential loss of future earnings, fair values or cash flows from market risk-sensitive instruments over a selected time period due to one or more hypothetical changes in commodity prices, or other similar price changes.

Commodity Price Risk - Trading Activities: As market participants in the Northeast United States, Select Energy and SENY conduct commodity-trading activities in electricity and its related products, natural gas and oil, and therefore, experience net open positions. Select Energy and SENY manage these open positions with strict policies which limit its exposure to market risk and require daily reporting to management of potential financial exposure. Under EITF Issue No. 98-10, these instruments are currently adjusted to market value, and the unrealized gains and losses are recognized in income in the current period in the consolidated income statement as purchased power, net interchange power and capacity and in the consolidated balance sheet as unrealized net gains and unrealized losses on mark-to-market transactions. The net mark-to-market position at September 30, 2002 had asset values of \$87.7 million for Select Energy and \$10.6 million for SENY. These amounts include intercompany transactions of \$16.6 million..

Under sensitivity analysis, the fair value of the portfolio is a function of the underlying commodity, contract prices and market prices represented by each derivative commodity contract. For swaps, forward contracts and options, market value reflects management's best estimates considering over-the-counter quotations, time value and volatility factors of the underlying commitments. Exchange-traded futures and options are recorded at market based on closing exchange prices.

As of September 30, 2002, Select Energy has calculated the market price resulting from a 10 percent unfavorable change in forward market prices. That 10 percent change would result in approximately a \$3.3 million decline in the fair value of the Select Energy trading portfolio. In the normal course of business, Select Energy also faces risks that are either nonfinancial or nonquantifiable. Such risks principally include credit risk, which is not reflected in this sensitivity analysis.

Commodity Price Risk - Nontrading Derivative Activities: Select Energy utilizes derivative financial and commodity instruments (derivatives), including futures and forward contracts, to reduce market risk associated with fluctuations in the price of electricity and natural gas sold under firm commitments to certain customers. Select Energy also utilizes derivatives, including price swap agreements, call and put option contracts, and futures and forward contracts, to manage the market risk associated with a portion of its anticipated supply requirements. These derivative instruments have been designated as cash flow hedging instruments.

When conducting sensitivity analyses of the change in the fair value of Select Energy's electricity, natural gas and oil nontrading derivatives portfolio, which would result from a hypothetical change in the future market price of electricity, natural gas and oil, the fair values of the contracts

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

are determined from models which take into account estimated future market prices of electricity, natural gas and oil, the volatility of the market prices in each period, as well as the time value factors of the underlying commitments. In most instances, market prices and volatility are determined from quoted prices on the futures exchange.

Select Energy has determined a hypothetical change in the fair value for its nontrading derivatives and electricity, natural gas and oil contracts, assuming a 10 percent unfavorable change in forward market prices. As of September 30, 2002, an unfavorable 10 percent change in market price would have resulted in a decline in fair value of approximately \$15 million.

The impact of a change in electricity, natural gas and oil prices on Select Energy's nontrading derivatives contracts on September 30, 2002, is not necessarily representative of the results that will be realized when these contracts are physically delivered.

Select Energy also maintains natural gas service agreements with certain customers to supply gas at fixed prices for terms extending through 2004. Select Energy has hedged its gas supply risk under these agreements through New York Mercantile Exchange (NYMEX) contracts. Under these contracts, the purchase price of a specified quantity of gas is effectively fixed over the term of the gas service agreements, which also extend through 2004. As of September 30, 2002, the NYMEX contracts had a notional value of \$50.3 million and a mark-to-market asset value of \$4.7 million.

17. Special Deposits

Special deposits include cash collateral posted in connection with various power purchase and sales agreements.

QUARTERLY REPORT OF NORTHEAST UTILITIES

SIGNATURE CLAUSE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935 and the rules and regulations of the Securities and Exchange Commission issued thereunder, the undersigned company has duly caused this report to be signed on its behalf by the undersigned officer thereunto duly authorized.

NORTHEAST UTILITIES

(Registered Holding Company)

By: /s/ John P. Stack

(Signature of Signing Officer)

Edgar Filing: NORTHEAST UTILITIES SYSTEM - Form U-9C-3

John P. Stack

Vice President-Accounting and Controller

Date: November 25, 2002
