

# SECURITIES AND EXCHANGE COMMISSION

## FORM U-13-60

Annual report for mutual and subsidiary service companies [Rule 94]

Filing Date: **2005-05-02** | Period of Report: **2004-12-31**  
SEC Accession No. [0001046861-05-000027](#)

([HTML Version](#) on [secdatabase.com](#))

### FILER

#### ENERGY EAST CORP

CIK: **1046861** | IRS No.: **141798693** | State of Incorporation: **NY** | Fiscal Year End: **1231**  
Type: **U-13-60** | Act: **35** | File No.: **049-00153** | Film No.: **05790917**  
SIC: **4911** Electric services

#### Mailing Address

52 FARM VIEW DRIVE  
NEW GLOUCESTER ME  
04260

#### Business Address

52 FARM VIEW DRIVE  
NEW GLOUCESTER ME  
04260  
2076886300

**FORM U-13-60  
ANNUAL REPORT**

For the Period  
Beginning January 1, 2004 and Ending December 31, 2004  
to the  
U.S. SECURITIES AND EXCHANGE COMMISSION  
of

**Utility Shared Services Corporation**

A Subsidiary Service Company

Date of Incorporation: October 15, 2003

State or Sovereign Power under which Incorporated or Organized: Delaware

Location of Principal Executive Offices of Reporting Company:

70 Farm View Drive

New Gloucester, Maine 04260

Name, title, and address of officer to whom  
correspondence concerning this report should be addressed:

Rachel Michaud

Vice President, Treasurer & Secretary

70 Farm View Drive

New Gloucester, ME 04260

Name of Principal Holding Company Whose Subsidiaries are served by Reporting Company:  
Energy East Corporation

**INSTRUCTIONS FOR USE OF FORM U-13-60**

Time of Filing.

1. Rule 94 provides that on or before the first day of May in each calendar year, each mutual service company and each subsidiary service company as to which the Commission shall have made a favorable finding pursuant to Rule ii, and every service company whose application for approval or declaration pursuant to Rule 88 is pending shall file with the Commission an annual report on Form U-13-60 and in accordance with the Instructions for that form.

Number of Copies.

2. Each annual report shall be filed in duplicate. The company should prepare and retain at least one extra copy for itself in case correspondence with reference to the report becomes necessary.

Period Covered by Report.

3. The first report filed by any company shall cover the period from the date the Uniform System of Accounts was required to be made effective as to that company under Rules 82 and 93 to the end of that calendar year. Subsequent reports should cover a calendar year.

Report Format.

4. Reports shall be submitted on the forms prepared by the Commission. If the space provided on any sheet of such form is inadequate, additional sheets may be inserted of the same size as a sheet of the form or folded to each size.

Money Amounts Displayed.

5. All money amounts required to be shown in financial statements may be expressed in whole dollars, in thousands of dollars or in hundred thousands of dollars, as appropriate and subject to provisions of Regulation S-X (Section 210.3-01(b)).

Deficits Displayed.

6. Deficits and other like entries shall be indicated by the use of either brackets or a parenthesis with corresponding reference in footnotes. (Regulation S-X, Section 210.3-01(c)).

Major Amendments or Corrections.

7. Any company desiring to amend or correct a major omission or error in a report after it has been filed with the Commission shall submit an amended report including only those pages, schedules, and entries that are to be amended or corrected. A cover letter shall be submitted requesting the Commission to incorporate the amended report changes and shall be signed by a duly authorized officer of the company.

Definitions.

8. Definitions contained in Instruction 01-8 to the Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies, Public Utility Holding Company Act of 1935, as amended February 2, 1979 shall be applicable to words or terms used specifically within this Form U-13-60.

Organization Chart.

9. The service company shall submit with each annual report a copy of its current organization chart.

Methods of Allocation.

10. The service company shall submit with each annual report a listing of the currently effective methods of allocation being used by the service company and on file with the Securities and Exchange Commission pursuant to the Public Utility Holding Company Act of 1935.

Annual Statement of Compensation for Use of Capital Billed.

11. The service company shall submit with each annual report a copy of the annual statement supplied to each associate company in support of the amount of compensation for use of capital billed during the calendar year.

**Annual Report of Utility Shared Services Corporation**  
**For the Year Ended December 31, 2004**  
**LISTING OF SCHEDULES AND ANALYSIS OF ACCOUNTS**

<u>DESCRIPTION OF SCHEDULES AND ACCOUNTS</u>	<u>SCHEDULE OR ACCOUNT NO.</u>	<u>PAGE NO.</u>
<a href="#">Comparative balance sheet</a>	Schedule I	1 - 2
<a href="#">Service company property</a>	Schedule II	3
<a href="#">Accumulated provision for depreciation and amortization of service company property</a>	Schedule III	4
<a href="#">Investments</a>	Schedule IV	4
<a href="#">Accounts receivable from associate companies</a>	Schedule V	5
<a href="#">Fuel stock expenses undistributed</a>	Schedule VI	5
<a href="#">Stores expense undistributed</a>	Schedule VII	5
<a href="#">Miscellaneous current and accrued assets</a>	Schedule VIII	6
<a href="#">Miscellaneous deferred debits</a>	Schedule IX	6
<a href="#">Research, development, or demonstration expenditures</a>	Schedule X	6
<a href="#">Proprietary capital</a>	Schedule XI	7
<a href="#">Long-term debt</a>	Schedule XII	7
<a href="#">Current and accrued liabilities</a>	Schedule XIII	8
<a href="#">Notes to financial statements</a>	Schedule XIV	9
<a href="#">Statement of Income</a>	Schedule XV	10
<a href="#">Analysis of billing - associate companies</a>	Account 457	11

<a href="#">Analysis of billing - nonassociate companies</a>	Account 458	11
<a href="#">Analysis of charges for service - associate and nonassociate companies</a>	Schedule XVI	12
<a href="#">Schedule of expense distribution by department or service function</a>	Schedule XVII	13
<a href="#">Departmental analysis of salaries</a>	Account 920	14
<a href="#">Outside services employed</a>	Account 923	14
<a href="#">Employee pensions and benefits</a>	Account 926	15
<a href="#">General advertising expenses</a>	Account 930.1	15
<a href="#">Miscellaneous general expenses</a>	Account 930.2	15
<a href="#">Rents</a>	Account 931	16
<a href="#">Taxes other than income taxes</a>	Account 408	16
<a href="#">Donations</a>	Account 426.1	16
<a href="#">Other deductions</a>	Account 426.5	17
<a href="#">Notes to statement of income</a>	Schedule XVIII	17

### LISTING OF INSTRUCTIONAL FILING REQUIREMENTS

<u>DESCRIPTION OF REPORTS OR STATEMENTS</u>	<u>PAGE NO.</u>
<a href="#">Organization chart</a>	18
<a href="#">Methods of allocation</a>	19
<a href="#">Annual statement of compensation for use of capital billed</a>	20

Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004  
SCHEDULE I - COMPARATIVE BALANCE SHEET  
(thousands of dollars)

Give balance sheet of the Company as of December 31 of the current and prior year.

<u>ACCOUNT</u>	<u>ASSETS AND OTHER DEBITS</u>	<u>REF SCHED</u>	<u>AS OF DECEMBER 31</u>	
			<u>2004 Current</u>	<u>2003 Prior</u>
	<u>SERVICE COMPANY PROPERTY</u>			
101	Service company property, at cost	II	\$4,252	-
107	Construction work in progress	II	2,891	-
	Total Property		7,143	-
108	Less accumulated provision for depreciation and amortization of service company property	III	241	-
	Net Service Company Property		6,902	-
	<u>INVESTMENTS</u>			
123	Investments in associate companies	IV	-	-
124	Other investments	IV	-	-
	Total Investments		-	-
	<u>CURRENT AND ACCRUED ASSETS</u>			
131	Cash		1,644	-
134	Special deposits		-	-
135	Working funds		-	-
136	Temporary cash investments	IV	-	-
141	Notes receivable		-	-
143	Accounts receivable		271	-
144	Accumulated provision for uncollectible accounts		-	-
146	Accounts receivable from associate companies	V	13,585	-
152	Fuel stock expenses undistributed	VI	-	-
154	Materials and supplies		609	-
163	Stores expense undistributed	VII	-	-

165	Prepayments		24	-
174	Miscellaneous current and accrued assets	VIII	1	-
	Total Current and Accrued Assets		16,134	-
	<u>DEFERRED DEBITS</u>			
181	Unamortized debt expense		-	-
184	Clearing accounts		-	-
186	Miscellaneous deferred debits	IX	-	-
188	Research, development, or demonstration expenditures	X	-	-
190	Accumulated deferred income taxes		610	-
	Total Deferred Debits		610	-
	<b>TOTAL ASSETS AND OTHER DEBITS</b>		<b>\$23,646</b>	-

Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004  
SCHEDULE I - COMPARATIVE BALANCE SHEET (Continued)  
(thousands of dollars)

ACCOUNT	LIABILITIES AND PROPRIETARY CAPITAL	REF SCHED	AS OF DECEMBER 31	
			2004 Current	2003 Prior
	<u>PROPRIETARY CAPITAL</u>			
201	Common stock issued	XI	-	-
211	Miscellaneous paid-in-capital	XI	\$587	-
215	Appropriated retained earnings	XI	-	-
216	Unappropriated retained earnings	XI	-	-
	Total Proprietary Capital		587	-
	<u>LONG-TERM DEBT</u>			
223	Advances from associate companies	XII	-	-
224	Other long-term debt	XII	-	-
225	Unamortized premium on long-term debt		-	-
226	Unamortized discount on long term debt - debit		-	-
	Total Long-Term Debt		-	-
	<u>CURRENT AND ACCRUED LIABILITIES</u>			
231	Notes payable		-	-
232	Accounts payable		7,499	-
233	Notes payable to associate companies	XIII	7,500	-
234	Accounts payable to associate companies	XIII	2,823	-
236	Taxes accrued		871	-
237	Interest accrued		67	-
238	Dividends declared		-	-
241	Tax collections payable		-	-
242	Miscellaneous current and accrued liabilities	XIII	3,432	-
	Total Current and Accrued Liabilities		22,192	-
	<u>DEFERRED CREDITS</u>			

253	Other deferred credits	867	-
255	Accumulated deferred investment tax credits	-	-
	Total Deferred Credits	867	-
282	<u>ACCUMULATED DEFERRED INCOME TAXES</u>	-	-
	<b>TOTAL LIABILITIES AND PROPRIETARY CAPITAL</b>	<b>\$23,646</b>	-

Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004  
SCHEDULE II - SERVICE COMPANY PROPERTY  
(thousands of dollars)

ACCOUNT	DESCRIPTION	BALANCE AT BEGINNING OF YEAR	ADDITIONS	RETIREMENT OR SALES	OTHER CHANGES (1)	BALANCE AT CLOSE OF YEAR
	<b>SERVICE COMPANY PROPERTY</b>					
301	Organization	-	-	-	-	-
303	Miscellaneous intangible plant	-	\$335	-	-	\$335
304	Land and land rights	-	-	-	-	-
305	Structures and improvements	-	-	-	-	-
306	Leasehold improvements	-	39	-	\$259	298
307	Equipment (2)	-	-	-	-	-
308	Office furniture and equipment	-	2,819	-	800	3,619
309	Automobiles, other vehicles and related garage equipment	-	-	-	-	-
310	Aircraft and airport equipment	-	-	-	-	-
311	Other service company property (3)	-	-	-	-	-
	Subtotal	-	3,193	-	1,059	4,252
107	Construction work in progress (4)	-	2,891	-	-	2,891
	<b>TOTAL</b>	-	<b>\$6,084</b>	-	<b>\$1,059</b>	<b>\$7,143</b>

NOTES:

(1) Provide an explanation of those changes considered material:

None

(2) Subaccounts are required for each class of equipment owned. The Service Company shall provide a listing by subaccount of equipment additions during the year and the balance at the close of the year:

None

(3) Describe Other Service Company Property:

None

(4) Describe Construction Work in Progress:

Information Technology related hardware/software development

Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004  
SCHEDULE III - ACCUMULATED PROVISION FOR DEPRECIATION  
AND AMORTIZATION OF SERVICE COMPANY PROPERTY  
(thousands of dollars)

ACCOUNT	DESCRIPTION	BALANCE AT BEGINNING OF YEAR	ADDITIONS TO ACCOUNT 403	RETIREMENTS OR SALES	OTHER CHANGES (1)	BALANCE AT CLOSE OF YEAR
301	Organization	-	-	-	-	-
303	Miscellaneous intangible plant	-	\$42	-	-	\$42
304	Land and land rights	-	-	-	-	-

305	Structures and improvements	-	23	-	-	23
306	Leasehold improvements	-	-	-	-	-
307	Equipment	-	-	-	-	-
308	Office furniture and equipment	-	216	-	\$(20)	216
309	Automobiles, other vehicles and related garage equipment	-	-	-	-	-
310	Aircraft and airport equipment	-	-	-	-	-
311	Other service company property	-	-	-	-	-
	<b>TOTAL</b>	-	<b>\$261</b>	-	<b>\$(20)</b>	<b>\$261</b>

## NOTES

(1) Provide an explanation of those changes considered material:

None

## SCHEDULE IV - INVESTMENTS

(thousands of dollars)

INSTRUCTIONS: Complete the following schedule concerning investments.

Under Account 124, "Other Investments", state each investment separately, with description, including name of issuing company, number of shares or principal amount, etc.

Under Account 136, "Temporary Cash Investments", list each investment separately.

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>BALANCE AT BEGINNING OF YEAR</u>	<u>BALANCE AT CLOSE OF YEAR</u>
123	Investment in associate companies	-	-
124	Other investments	-	-
136	Temporary cash investments	-	-
	<b>TOTAL</b>	-	-

## Annual Report of Utility Shared Services Corporation

For the Year Ended December 31, 2004

## SCHEDULE V - ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES

(thousands of dollars)

INSTRUCTIONS: Complete the following schedule listing accounts receivable from each associate company. Where the service company has provided accommodation or convenience payments for associate companies, a separate listing of total payments for each associate company by subaccount should be provided.

<u>DESCRIPTION</u>	<u>BALANCE AT BEGINNING OF YEAR</u>	<u>BALANCE AT CLOSE OF YEAR</u>
<b>Operations</b>		
Energy East Corporation	-	\$1
New York State Electric & Gas Corporation	-	5,686
Rochester Gas and Electric Corporation	-	2,483
The Southern Connecticut Gas Company	-	1,233
Central Maine Power Company	-	3,225
Connecticut Natural Gas Corporation	-	927
The Berkshire Gas Company	-	8
Energy East Management Corporation	-	22
<b>TOTAL</b>	-	<b>\$13,585</b>

## SCHEDULE VI - FUEL STOCK EXPENSES UNDISTRIBUTED

(thousands of dollars)

INSTRUCTIONS: Report the amount of labor and expenses incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associate company. Under the section headed "Summary" listed below give an overall report of the fuel functions performed by the service company.

<u>DESCRIPTION</u>	<u>LABOR</u>	<u>EXPENSES</u>	<u>TOTAL</u>
Account 152 - Fuel Stock Expenses	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>

Summary: None

**SCHEDULE VII - STORES EXPENSE UNDISTRIBUTED**  
(thousands of dollars)

INSTRUCTIONS: Report the amount of labor and expenses incurred with respect to stores expense during the year and indicate amount attributable to each associate company.

<u>DESCRIPTION</u>	<u>LABOR</u>	<u>EXPENSES</u>	<u>TOTAL</u>
Account 163 - Stores Expense	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>

Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004

**SCHEDULE VIII - MISCELLANEOUS CURRENT AND ACCRUED ASSETS**  
(thousands of dollars)

INSTRUCTIONS: Provide detail of items in this account. Items less than \$10,000 may be grouped, showing the number of items in each group.

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>BALANCE AT BEGINNING OF YEAR</u>	<u>BALANCE AT CLOSE OF YEAR</u>
174	Miscellaneous current and accrued assets and accrued taxes	--	\$1
<b>TOTAL</b>		<b>-</b>	<b>\$1</b>

**SCHEDULE IX - MISCELLANEOUS DEFERRED DEBITS**  
(thousands of dollars)

INSTRUCTIONS: Provide detail of items in this account. Items less than \$10,000 may be grouped by class showing the number of items in each class.

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>BALANCE AT BEGINNING OF YEAR</u>	<u>BALANCE AT CLOSE OF YEAR</u>
186	Intangible asset associated with nonqualified pension plans	--	--
<b>TOTAL</b>		<b>-</b>	<b>-</b>

**SCHEDULE X - RESEARCH, DEVELOPMENT, OR DEMONSTRATION EXPENDITURES**  
(thousands of dollars)

INSTRUCTIONS: Provide a description of each material research, development, or demonstration project which incurred costs by the service corporation during the year.

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>BALANCE AT BEGINNING OF YEAR</u>	<u>BALANCE AT CLOSE OF YEAR</u>
188	Research, development, or demonstration expenditures	--	--
<b>TOTAL</b>		<b>-</b>	<b>-</b>



Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004  
SCHEDULE XI - PROPRIETARY CAPITAL

ACCOUNT NUMBER	CLASS OF STOCK	NUMBER OF SHARES AUTHORIZED	PAR OR STATED VALUE PER SHARE	OUTSTANDING NO. OF SHARES	CLOSE OF PERIOD TOTAL AMOUNT (Thousands)
201	Common Stock Issued	200	\$.01	200	-

INSTRUCTIONS: Classify amounts in each account with brief explanation, disclosing the general nature of transactions which gave rise to the reported amounts.

ACCOUNT NUMBER	DESCRIPTION	AMOUNT (Thousands)
211	Miscellaneous Paid-In-Capital	\$587
215	Appropriated Retained Earnings	-
<b>TOTAL</b>		<b>\$587</b>

INSTRUCTIONS: Give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owed or net loss remaining from servicing nonassociates per the General Instructions of the Uniform System of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentage, amount of dividend, date declared and date paid. (thousands of dollars)

ACCOUNT	DESCRIPTION	BALANCE AT BEGINNING OF YEAR	NET INCOME OR (LOSS)	DIVIDENDS PAID	BALANCE AT CLOSE OF YEAR (Thousands)
216	Unappropriated Retained Earnings	-			-
<b>TOTAL</b>		<b>-</b>			<b>-</b>

SCHEDULE XII - LONG-TERM DEBT  
(thousands of dollars)

INSTRUCTIONS: Advances from associate companies should be reported separately for advances on notes and advances on open accounts. Names of associated companies from which advances were received shall be shown under the class and series of obligation column. For Account 224 - Other Long-Term Debt, provide the name of creditor company or organization, terms of the obligation, date of maturity, interest rate, and the amount authorized and outstanding.

NAME OF CREDITOR	TERM OF OBLIGATION CLASS & SERIES OF OBLIGATION	DATE OF MATURITY	INTEREST RATE	AMOUNT AUTHORIZED	BALANCE AT BEGINNING OF YEAR	ADDITIONS	DEDUCTIONS (1)	BALANCE AT CLOSE OF YEAR
Account 223 - Advances from Associate Companies:					--			--
Account 224 - Other Long-Term Debt:					--			--
<b>TOTAL</b>					<b>-</b>			<b>-</b>

(1) Give an explanation of deductions.

Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004  
SCHEDULE XIII - CURRENT AND ACCRUED LIABILITIES  
(thousands of dollars)

INSTRUCTIONS: Provide balance of notes and accounts payable to each associate company. Give description and amounts of miscellaneous current and accrued liabilities. Items less than \$10,000 may be grouped, showing the number of items in each group.

<u>DESCRIPTION</u>	<u>BALANCE AT BEGINNING OF YEAR</u>	<u>BALANCE AT CLOSE OF YEAR</u>
Account 233 - Notes Payable to Associate Companies	-	\$7,500
<b>TOTAL</b>	-	<b>\$7,500</b>
Account 234 - Accounts Payable to Associate Companies		
Rochester Gas and Electric Corporation	-	1,946
New York State Electric & Gas Corporation	-	615
Energy East Management Company	-	206
Central Maine Power Company	-	28
Connecticut Natural Gas Corporation	-	24
The Southern Connecticut Gas Company	-	4
<b>TOTAL</b>	-	<b>\$2,823</b>
Account 242 - Miscellaneous Current and Accrued Liabilities		
Accrued Employee Expenses	-	\$3,432
<b>TOTAL</b>	-	<b>\$3,432</b>

Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004  
SCHEDULE XIV - NOTES TO FINANCIAL STATEMENTS

INSTRUCTIONS: The space below is provided for important notes regarding the financial statements or any account thereof. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

Utility Shared Services Corporation determines depreciation expense using the straight-line method. Utility Shared Services Corporation's depreciation accruals were equivalent to 16.0% of average depreciable property for 2004.

INCOME TAXES

Deferred income taxes reflect the effect of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and the amount recognized for tax purposes.

2. COMMITMENTS

LEASES

Utility Shared Services Corporation has entered into operating lease agreements for various facilities including office space and computer equipment. Total payments on operating leases for 2004 were approximately \$5,429,000. Estimated future minimum lease payments are \$4,715,000 in 2005.

3. EMPLOYEE PENSIONS AND BENEFITS

Utility Shared Services Corporation employees transferring from other Energy East Corporation affiliate companies were covered by the pension plans of their originating company. The allocation of such costs to Utility Shared Services Corporation is determined by the plans' actuary based on benefit obligations for active participants. In January 2004, Utility Shared Services Corporation has also established a Cash Balance Retirement Benefit Plan for employees hired from outside of the Energy East Corporation affiliate companies. Utility Shared Services Corporation employees are covered by health and welfare plans sponsored by Energy East Management Corporation.

Utility Shared Services Corporation's pension and benefit costs for 2004 are reflected in Schedule XVII

---

Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004  
SCHEDULE XV - STATEMENT OF INCOME  
(thousands of dollars)

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>CURRENT YEAR</u>	<u>PRIOR YEAR</u>
	INCOME		
457	Services Rendered to Associate Companies	\$71,498	-
458	Services Rendered to Nonassociate Companies	-	-
419	Other Interest Income	-	-
421	Miscellaneous Income or Loss	-	-
	TOTAL INCOME	\$71,498	-
	EXPENSE		
920	Salaries and Wages	\$22,152	-
921	Office Supplies and Expenses	14,030	-
922	Administrative Expenses Transferred - Credit	-	-
923	Outside Services Employed	8,962	-
924	Property Insurance	-	-
925	Injuries and Damages	87	-
926	Employee Pensions and Benefits	3,024	-
928	Regulatory Commission Expense	-	-
930.1	General Advertising Expenses	-	-
930.2	Miscellaneous General Expenses	15,150	-
931	Rents	5,429	-
932	Maintenance of Structures and Equipment	-	-
403, 404	Depreciation and Amortization Expense	285	-
408	Taxes Other Than Income Taxes	1,611	-
409	Income Taxes	646	-
410	Provision for Deferred Income Taxes	-	-
411	Provision for Deferred Income Taxes - Credit	(610)	-
411.5	Investment Tax Credit	-	-
426.1	Donations	-	-
426.5	Other Deductions	1	-
427	Interest on Long-Term Debt	-	-
430	Interest on Debt to Associate Companies	724	-
431	Other Interest Expense	7	-
	TOTAL EXPENSE	\$71,498	-
	<b>NET INCOME OR (LOSS)</b>	<b>-</b>	<b>-</b>

Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004

ANALYSIS OF BILLING  
ASSOCIATE COMPANIES - ACCOUNT 457  
(thousands of dollars)

<u>NAME OF ASSOCIATE COMPANY</u>	DIRECT	INDIRECT	COMPENSATION	TOTAL
	COSTS	COSTS	FOR USE	
	CHARGED	CHARGED	OF CAPITAL	AMOUNT
	457-1	457-2	457-3	BILLED
New York State Electric & Gas Corporation	\$16,716	\$14,518	323	\$31,557
Rochester Gas and Electric Corporation	7,340	8,034	190	15,564
Central Maine Power Company	7,540	5,063	113	12,716
Connecticut Natural Gas Corporation	3,721	2,264	49	6,034
The Southern Connecticut Gas Company	3,053	2,195	49	5,297
Energy East Management Corporation	261	-	-	261
The Berkshire Gas Company	43	-	-	43
Energy East Corporation	6	-	-	6

Chester	6	-	-	6
Cumberland Securities	5	-	-	5
Central Securities	4	-	-	4
Maine Electric Power Company	3	-	-	3
Norvarco	2	-	-	2
<b>TOTAL</b>	<b>\$38,700</b>	<b>\$32,082</b>	<b>\$724</b>	<b>\$71,498</b>

**ANALYSIS OF BILLING**  
**NONASSOCIATE COMPANIES - ACCOUNT 458**  
(thousands of dollars)

INSTRUCTIONS: Provide a brief description of the services rendered to each nonassociate company:

NAME OF NONASSOCIATE COMPANY	DIRECT COSTS CHARGED	INDIRECT COSTS CHARGED	COMPENSATION FOR USE OF CAPITAL	TOTAL COST	EXCESS OR DEFICIENCY	TOTAL AMOUNT BILLED
	458-1	458-2	458-3		458-4	
				-		-
<b>TOTAL</b>				-		-

Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004  
**SCHEDULE XVI - ANALYSIS OF CHARGES FOR SERVICE -**  
**ASSOCIATE AND NONASSOCIATE COMPANIES**  
(thousands of dollars)

INSTRUCTIONS: Total cost of service will equal for associate and nonassociate companies the total amount billed under their separate analysis of billing schedules.

ACCOUNT	DESCRIPTION OF ITEMS	ASSOCIATE COMPANY			NONASSOCIATE COMPANY			TOTAL CHARGES FOR SERVICE		
		CHARGES			CHARGES					
		DIRECT COST	INDIRECT COST	TOTAL	DIRECT COST	INDIRECT COST	TOTAL	DIRECT COST	INDIRECT COST	TOTAL
920	Salaries and wages	\$3,301	\$18,851	\$22,152	-	-	-	\$3,301	\$18,851	\$22,152
921	Office supplies and expenses	10,407	3,623	14,030	--	--	--	10,407	3,623	14,030
922	Administrative expense transferred - credit	--	--	--	--	--	--	--	--	--
923	Outside services employed	3,828	5,134	8,962	--	--	--	3,828	5,134	8,962
924	Property insurance	-	-	-	-	-	-	-	-	-
925	Injuries and damages	-	87	87	-	-	-	-	87	87
926	Employee pensions and benefits	857	2,167	3,024	--	--	--	857	2,167	3,024
928	Regulatory commission expense	--	--	--	--	--	--	--	--	--
930.1	General advertising expenses	--	--	--	--	--	--	--	--	--
930.2	Miscellaneous general expenses	16,893	(1,743)	15,150	--	--	--	16,893	(1,743)	15,150
931	Rents	3,237	2,192	5,429	-	-	-	3,237	2,192	5,429
932	Maintenance of structures and equipment	--	--	--	--	--	--	--	--	--
403, 404	Depreciation and amortization expense	74	211	285	--	--	--	74	211	285
408	Taxes other than income taxes	--	1,611	1,611	--	--	--	--	1,611	1,611
409	Income taxes	-	646	646	-	-	-	-	646	646
410	Provision for deferred income taxes	--	--	--	--	--	--	--	--	--
411	Provision for deferred income taxes - credit	--	(610)	(610)	--	--	--	--	(610)	(610)
411.5	Investment tax credit	-	-	-	-	-	-	-	-	-
426.1	Donations	-	-	-	-	-	-	-	-	-
426.5	Other deductions	-	1	1	-	-	-	-	1	1
427	Interest on long-term debt	-	-	-	-	-	-	-	-	-

430	Interest on debt to associate companies	96	628	724	--	--	--	96	628	724
431	Other interest expense	7	-	7	-	-	-	7	-	7
	<b>Total</b>	<b>\$38,700</b>	<b>\$32,798</b>	<b>\$71,498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$38,700</b>	<b>\$32,798</b>	<b>\$71,498</b>

Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004  
**SCHEDULE XVII - SCHEDULE OF EXPENSE DISTRIBUTION**  
**BY DEPARTMENT OR SERVICE FUNCTION**  
(thousands of dollars)

**INSTRUCTIONS:** Indicate each department or service function. (See Instruction 01-3 General Structure of Accounting System: Uniform System of Account(s))

ACCOUNT	DESCRIPTION OF ITEMS	DEPARTMENT OR SERVICE FUNCTION		
		TOTAL AMOUNT	Human Resource & Payroll	Supply Chain
920	Salaries and wages	\$22,152	\$917	\$3,099
921	Office supplies and expenses	14,030	1,214	484
922	Administrative expense transferred - credit	-	-	-
923	Outside services employed	8,962	498	311
924	Property insurance	-	-	-
925	Injuries and damages	87	4	10
926	Employee pensions and benefits	3,024	139	340
928	Regulatory commission expense	-	-	-
930.1	General advertising expenses	-	-	-
930.2	Miscellaneous general expenses	15,150	306	131
931	Rents	5,429	-	-
932	Maintenance of structures and equipment	-	-	-
403, 404	Depreciation and amortization expense	285	17	32
408	Taxes other than income taxes	1,611	74	182
409	Income taxes	646	-	-
410	Provision for deferred income taxes	-	-	-
411	Provision for deferred income taxes - credit	(610)	-	-
411.5	Investment tax credit	-	-	-
426.1	Donations	-	-	-
426.5	Other deductions	1	-	-
427	Interest on long-term debt	-	-	-
430	Interest on debt to associate companies	724	-	-
431	Other Interest expense	7	7	-
	<b>TOTAL</b>	<b>\$71,498</b>	<b>\$3,176</b>	<b>\$4,589</b>

ACCOUNT	DESCRIPTION OF ITEMS	DEPARTMENT OR SERVICE FUNCTION		
		Information Technology	Accounting Services	General Accounting
920	Salaries and wages	\$12,338	\$2,200	\$3,598
921	Office supplies and expenses	11,438	504	390
922	Administrative expense transferred - credit	-	-	-
923	Outside services employed	7,452	521	180
924	Property insurance	-	-	-
925	Injuries and damages	50	9	14
926	Employee pensions and benefits	1,740	318	487
928	Regulatory commission expense	-	-	-
930.1	General advertising expenses	-	-	-
930.2	Miscellaneous general expenses	14,497	148	68
931	Rents	5,393	36	-
932	Maintenance of structures and equipment	-	-	-
403, 404	Depreciation and amortization expense	163	28	45
408	Taxes other than income taxes	925	168	262
409	Income taxes	-	-	646
410	Provision for deferred income taxes	-	-	-
411	Provision for deferred income taxes - credit	-	-	(610)
411.5	Investment tax credit	-	-	-
426.1	Donations	-	-	-
426.5	Other deductions	-	-	1
427	Interest on long-term debt	-	-	-
430	Interest on debt to associate companies	-	-	724
431	Other interest expense	-	-	-
	<b>TOTAL</b>	<b>\$53,996</b>	<b>\$3,932</b>	<b>\$5,805</b>

Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004  
DEPARTMENTAL ANALYSIS OF SALARIES - ACCOUNT 920  
(thousands of dollars)  
DEPARTMENTAL SALARY EXPENSE

NAME OF DEPARTMENT OR SERVICE FUNCTION	TOTAL AMOUNT	INCLUDED IN AMOUNTS BILLED TO			NUMBER OF PERSONNEL  END OF YEAR
		PARENT COMPANY	OTHER ASSOCIATES	NON- ASSOCIATES	
Human Resource & Payroll	\$917	-	\$917	-	16
Accounting Services	2,200	-	2,200	-	40
General Accounting	3,598	-	3,598	-	61
Information Technology	12,338	-	12,338	-	173
Supply Chain	3,099	-	3,099	-	41
<b>TOTAL</b>	<b>\$22,152</b>	<b>-</b>	<b>\$22,152</b>	<b>-</b>	<b>331</b>

OUTSIDE SERVICES EMPLOYED - ACCOUNT 923

(thousands of dollars)

INSTRUCTIONS: Provide a breakdown by subaccount of outside services employed. If the aggregate amounts paid to any one payee and included within one subaccount is less than \$100,000, only the aggregate number and amount of all such payments included within the subaccount need be shown. Provide a subtotal for each type of service.

<u>FROM WHOM PURCHASED</u>	<u>SERVICES PROVIDED</u>	<u>AMOUNT</u>
<b><u>Legal Services</u></b>		
Hinman, Howard & Katell	Legal	\$77
<b><u>Auditing, Tax, Consulting and Accounting Services</u></b>		
Deloitte & Touche	Consulting	\$287
Other (3)	Various	76
	Subtotal	<u>\$363</u>
<b><u>Consulting Services</u></b>		
Accenture LLP	IT Augmentation Study	\$134
Scribe Technologies	Statement Rendering Consolidation Project	120
Other (12)	Various	387
	Subtotal	<u>\$641</u>
<b><u>Other Outside Services</u></b>		
Alternative Business Systems	On Site Support	\$2,458
Keane, Inc	Legacy App. Outsourcing	780
Xwave New England	Desktop Support	739
IBM	Information Technology	485
Advanced Computer Technologies	Consulting for IT Engineers	421
Manpower, Inc	Temporary Employment Services	378
Adecco	Temporary Employment Services	361
Microsoft	Information Technology	250
Direct mail of Maine	Staff Augmentation/Customer Pickup Service	243
ZeroChaos	Consulting and Payroll Services	176
DCC Services LLC	Information Technology	171
EnergyEast Telecommunications	Information Technology	166
Wesley, Brown and Bartle	Diversity Recruiting	120
New York State Electric & Gas Corp	Administrative Services	117

Other (75)	Various	1,016
------------	---------	-------

Subtotal	\$7,881
----------	---------

**TOTAL OUTSIDE SERVICES EMPLOYED \$8,962**

Annual Report of Utility Shared Services Corporation  
 For the Year Ended December 31, 2004  
**EMPLOYEE PENSIONS AND BENEFITS - ACCOUNT 926**  
 (thousands of dollars)

INSTRUCTIONS: Provide a listing of each pension plan and benefit program provided by the service company. Such listing should be limited to \$25,000.

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Medical/Dental Insurance	\$1,269
Pension	1,046
Other Postretirement Benefits	501
401(k) Contributions	169
Others	39
<b>TOTAL</b>	<b>\$3,024</b>

**GENERAL ADVERTISING EXPENSES - ACCOUNT 930.1**  
 (thousands of dollars)

INSTRUCTIONS: Provide a listing of the amount included in Account 930.1, "General Advertising Expenses", classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class includes an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

<u>DESCRIPTION</u>	<u>NAME OF PAYEE</u>	<u>AMOUNT</u>
		-
<b>TOTAL</b>		<b>-</b>

**MISCELLANEOUS GENERAL EXPENSES - ACCOUNT 930.2**  
 (thousands of dollars)

INSTRUCTIONS: Provide a listing of the amount included in Account 930.2, "Miscellaneous General Expenses", classifying such expenses according to their nature. Payments and expenses permitted by Section 321(b)(2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. 441(b)(2)) shall be separately classified.

<u>DESCRIPTION</u>	<u>AMOUNT</u>
IT Software	\$10,388
IT Equipment - Hardware	3,541
IT General Disaster Recovery	425
Recruitment Expense	283
Materials Expense	234
Other Miscellaneous Items	279
<b>TOTAL</b>	<b>\$15,150</b>

Annual Report of Utility Shared Services Corporation  
 For the Year Ended December 31, 2004  
**RENTS - ACCOUNT 931**  
 (thousands of dollars)

INSTRUCTIONS: Provide a listing of the amount included in Account 931, "Rents", classifying such expenses by major groupings of property, as defined in the account definition of the Uniform System of Accounts.

<u>TYPE OF PROPERTY</u>	<u>AMOUNT</u>
Facilities Rent	\$60
Equipment Rent	5,369
<b>TOTAL</b>	<b>\$5,429</b>

**TAXES OTHER THAN INCOME TAXES - ACCOUNT 408**

(thousands of dollars)

INSTRUCTIONS: Provide an analysis of Account 408, "Taxes Other Than Income Taxes". Separate the analysis into two groups: (1) Other than U.S. Government taxes, and (2) U.S. Government taxes. Specify each of the various kinds of taxes and show the amounts thereof. Provide a subtotal for each class of tax.

<u>KIND OF TAX</u>	<u>AMOUNT</u>
Other Than U.S. Government Taxes:	
State Unemployment	-
Property Tax	-
Subtotal	<hr/> -
U.S. Government Taxes:	
Social Security Taxes	1,604
Federal Unemployment	7
Subtotal	<hr/> 1,611
<b>TOTAL</b>	<hr/> <b>\$1,611</b> <hr/>

**DONATIONS - ACCOUNT 426.1**

(thousands of dollars)

INSTRUCTIONS: Provide a listing of the amount included in Account 426.1, "Donations", classifying such expense by its purpose. The aggregate number and amount of all items of less than \$3,000 may be shown in lieu of details.

<u>NAME OF RECIPIENT</u>	<u>PURPOSE OF DONATION</u>	<u>AMOUNT</u>
		-
<b>TOTAL</b>		<hr/> - <hr/>

Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004

**OTHER DEDUCTIONS - ACCOUNT 426.5**

(thousands of dollars)

INSTRUCTIONS: Provide a listing of the amount included in Account 426.5, "Other Deductions", classifying such expenses according to their nature.

<u>DESCRIPTION</u>	<u>NAME OF PAYEE</u>	<u>AMOUNT</u>
Miscellaneous	Others	<hr/> \$1
	<b>TOTAL</b>	<hr/> <b>\$1</b> <hr/>

**SCHEDULE XVIII - NOTES TO STATEMENT OF INCOME**

INSTRUCTIONS: The space below is provided for important notes regarding the statement of income or any account thereof. Furnish particulars as to any significant increases in services rendered or expenses incurred during the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

See SCHEDULE XIV - Notes to Financial Statements.

Annual Report of Utility Shared Services Corporation  
For the Year Ended December 31, 2004

**ORGANIZATION CHART**

	<u>Service Function</u>
President	General Management
Vice President, Treasurer & Secretary	Treasury, Corporate Finance, Secretary, Accounting, Reporting and Regulatory Management



Vice President - Information Technology

Vice President - Supply Chain

Information Technology

Procurement, Materials Management, and  
Fleet Management

Annual Report of Utility Shared Services Corporation

For the Year Ended December 31, 2004

METHODS OF ALLOCATION

The allocation of expenses not directly attributable to a particular Client Company are based on the following factors:

**Allocations related to Distributed Services**

The following ratios are used to allocate costs for services not directly assigned but pooled and allocated based on a causal measurement:

Regulated Global Allocator Factor (5)

- This formula is determined annually based on the average of gross plant (original plant in service), gross payroll charges (salaries and wages, including overtime, shift premium and lost time, but excluding pension, payroll taxes and other employee benefits) and gross revenues during the previous calendar year and may be adjusted for any known and reasonable quantifiable events or at such time as may be required due to significant changes. This formula is commonly referred to as the Massachusetts Formula, but it is limited to only the data of the regulated utility affiliates benefiting from the performance of a service.

Annual Report of Utility Shared Services Corporation

For the Year Ended December 31, 2004

ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED

The following annual statement was supplied to each associate company in support of the amount of compensation for use of capital billed during 2004:

- A. Amount of interest billed to associate companies is contained on page 11, Analysis of Billing.
- B. Amount of interest Utility Shared Services Corporation pays Energy East Corporation is based on Energy East Corporation's weighted average cost of Capital. Interest is billed to associate companies based on the regulated global allocation factor.

Annual Report of Utility Shared Services Corporation

For the Year Ended December 31, 2004

Signature

Pursuant to the requirements of the Public Utility Holding Company Act of 1935 and the rules and regulations of the U.S. 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.

Utility Shared Services Corporation

By: /s/Rachel M. Michaud

Rachel M. Michaud

Vice President, Treasury and Secretary

May 2, 2005