

# SECURITIES AND EXCHANGE COMMISSION

## FORM 35-CERT

Certificate of compliance with terms by public utility company under Rule 24

Filing Date: **1994-05-13**  
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### FILER

#### **NEW ENGLAND ELECTRIC SYSTEM**

CIK: **71297** | IRS No.: **041663060** | State of Incorp.: **MA** | Fiscal Year End: **1231**  
Type: **35-CERT** | Act: **35** | File No.: **070-07950** | Film No.: **94528132**  
SIC: **4911** Electric services

Business Address  
25 RESEARCH DR  
WESTBOROUGH MA 01581  
5083669011

CERTIFICATE OF NOTIFICATION

(Rule 24)

SECURITIES AND EXCHANGE COMMISSION

BY

NEW ENGLAND ELECTRIC RESOURCES, INC. (NEERI)

In accordance with the order of the Securities and Exchange Commission dated September 4, 1992, the following is a report for the first quarter of 1994:

1. NEERI is a Massachusetts corporation which was formed in January 1992. NEERI was not capitalized until October 13, 1992 when one thousand shares of NEERI common stock were issued to New England Electric System (NEES).

During the quarter ended March 31, 1994, NEERI undertook consulting activities for the Hungarian Electricity Board pursuant to Agreements with the Hungarian Electricity Board and the United States Energy Association (USEA). The consulting activities took place at New England Electric facilities and in Hungary. No compensation was recognized during the first quarter.

NEERI is providing consulting to the Central Vermont Public Service Corporation (CVPS), providing an impact evaluation of CVPS's residential new construction program. The consulting work is taking place in and around Rutland, Vermont and also at New England Electric facilities. The terms are set forth in a Consulting Service Agreement with CVPS which provides for monthly billing for consulting. The compensation recognized during the first quarter was \$24,567.

Pursuant to a subcontracting consulting agreement with Kemper Management Services (Kemper), NEERI is evaluating the commercial and industrial demand side management programs of Consolidated Edison of New York, Inc. The consulting work is taking place in New York and also at New England Electric facilities. The

compensation recognized in the first quarter was \$9,820.

2. As of March 31, 1994, NEES had purchased 1,000 shares of NEERI common stock and made subordinated loans totaling \$315,000 to NEERI.
3. As of March 31, 1994, NEERI employed no permanent personnel. Certain employees of NEPSCO have billed time to NEERI under the terms of the Service Agreement filed with Form U-1.
4. As of March 31, 1994, NEERI had not purchased or received from associate companies of NEES any intellectual property.
5. Attached in Exhibits A through C are a balance sheet, twelve months ending income statement, and statement of cash flow for NEERI.

SIGNATURE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, the undersigned company has duly caused this certificate of notification (Commission's File No. 70-7950) to be signed on its behalf by the undersigned officer thereunto duly authorized.

NEW ENGLAND ELECTRIC RESOURCES, INC.

s/ John G. Cochrane  
By: \_\_\_\_\_  
John G. Cochrane  
Treasurer

Date: May 13, 1994

EXHIBIT INDEX

Exhibit No. -----	Description -----	Page ----
A	Balance Sheet at March 31, 1994 (Unaudited, subject to adjustment)	Filed herewith
B	Statement of Income and Retained Deficit for twelve months ended March 31, 1994 (Unaudited, subject to adjustment)	Filed herewith
C	Statement of Cash Flows for twelve months ended March 31, 1994 (Unaudited, subject to adjustment)	Filed herewith

NEW ENGLAND ELECTRIC RESOURCES, INC.  
 Balance Sheet  
 March 31, 1994  
 (Unaudited, Subject to Adjustment)

## ASSETS

- - - - -

## Current assets:

Cash	\$ 32,726
Accounts receivable	27,182
Accounts receivable from associated companies	5,580
Tax benefit receivable	71,219
	-----
Total current assets	\$ 136,707
	=====

## LIABILITIES AND PARENT COMPANY'S INVESTMENT

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## Current liabilities:

Accounts payable to associated companies	\$ 37,992
Accounts payable	0
Accrued taxes	456
	-----
Total current liabilities	38,448
	-----

## Parent company's investment:

Common stock, par value \$1 per share	1,000
Subordinated notes payable to parent	315,000
Paid-in capital	
Retained deficit	(217,741)
	-----
Total parent company's investment	98,259
	-----
Total current liabilities and parent company's investment	\$ 136,707
	=====

NEW ENGLAND ELECTRIC RESOURCES, INC.  
Statement of Income and Retained Deficit  
For the Twelve Months Ended March 31, 1994  
(Unaudited, Subject to Adjustment)

## INCOME

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Services rendered to nonassociated companies	\$ 92,406
Miscellaneous income or loss	
	-----
TOTAL INCOME	92,406
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## EXPENSE

- - - - -

Outside services employed	278,434
Taxes other than income taxes	0
Income taxes	(70,184)
	-----
TOTAL EXPENSE	208,250
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NET INCOME OR (LOSS)	(115,844)
	-----

Retained earnings/(deficit) at beginning of period	(101,897)
	-----
Retained earnings/(deficit) at end of period	\$(217,741)
	=====

NEW ENGLAND ELECTRIC RESOURCES, INC.  
Statement of Cash Flows  
For the Twelve Months Ended March 31, 1994  
(Unaudited, Subject to Adjustment)

Operating Activities:	
Net loss	\$(115,844)
Adjustments to reconcile net loss to net cash provided by operating activities:	
(Increase)/decrease in tax benefit receivable	(21,569)
(Increase)/decrease in accounts receivable	(32,762)
Increase/(decrease) in accounts payable	22,049
Increase/(decrease) in accrued taxes	0
	-----
Net cash provided by operating activities	\$(148,126)
	-----
Financing Activities:	
Subordinated notes payable to parent-issues	\$ 175,000
Proceeds from common stock issued	0
	-----
Net cash used in financing activities	175,000
	-----
Net increase/(decrease) in cash and cash equivalents	26,874
Cash and cash equivalents at beginning of period	5,852
	-----
Cash and cash equivalents at end of period	\$ 32,726
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