

# SECURITIES AND EXCHANGE COMMISSION

## FORM 35-CERT

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

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### FILER

#### **NORTHEAST UTILITIES**

CIK: **72741** | IRS No.: **042147929** | State of Incorporation: **MA** | Fiscal Year End: **1231**  
Type: **35-CERT** | Act: **35** | File No.: **070-08076** | Film No.: **94528217**  
SIC: **4911** Electric services

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UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION  
PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

In the matter of

HEC Inc.  
24 Prime Parkway  
Natick, MA 01760

Report for Period  
January 1, 1994 to  
March 31, 1994  
Pursuant to Rule 24

File No. 70-8076

This report is filed under Rule 24 of the Public Utility Holding Company Act of 1935 by HEC Inc. (HEC), a wholly owned subsidiary of Northeast Utilities, a registered holding company. Pursuant to HCAR No. 35-25900 (the "Order"), HEC is authorized to provide energy management and demand side management services primarily to customers located in New England and New York (the "Region") and to provide limited services outside of the Region. The Order also authorizes HEC to provide consulting services. HEC is required to report quarterly on services provided during the previous quarter. Accordingly, this report includes the following information:

1. A summary balance sheet and an income statement (unaudited) for the three-month period ended March 31, 1994. See Exhibit A.
2. A narrative description of HEC's energy management, demand side management services, and consulting activities undertaken during the quarter and the type of customers for which services were rendered in the Region and outside the Region. See Exhibit B.
3. A summary of the revenues in the Region and outside of the Region through HEC's provision of energy management services, demand side management services, and consulting activities. See Exhibit C.

As requested by order of this Commission pursuant to the Public Utility Holding Company Act of 1935, HEC has duly caused this report to be signed on the eleventh day of May 1994.

HEC Inc.  
By: Linda A. Jensen  
Vice President - Finance

EXHIBIT A  
HEC INC.  
BALANCE SHEET - MARCH 31, 1994

ASSETS

CURRENT ASSETS:	1994
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Cash and cash equivalents	\$ 875,161
Contract receivables, current, less allowance for uncollectibles of \$640,000	2,769,165
Other current assets	217,386
	-----
Total current assets	3,861,712
	-----
PROPERTY AND EQUIPMENT	3,560,531
Less accumulated depreciation and amortization	1,014,647
	-----
Net property and equipment	2,545,884
	-----
OTHER ASSETS:	
Contract receivables, noncurrent, less allowance for uncollectibles of \$48,000	1,155,000
Other assets	98,488
	-----
Total other assets	1,253,488
	-----
TOTAL ASSETS	\$7,661,084
	=====
LIABILITIES AND STOCKHOLDER'S EQUITY	
CURRENT LIABILITIES:	
Accounts Payable	1,171,203
Accrued Expenses	247,258
Accrued Income Taxes	(12,829)
Short-Term Borrowing NU Moneypool	2,775,000
	-----
Total current liabilities	4,180,632
	-----
OTHER LIABILITIES:	
Deferred income tax liability	160,444
Other	132,080
	-----
Total other liabilities	292,524
	-----
COMMITMENTS AND CONTINGENCIES	
STOCKHOLDER'S EQUITY	
Common stock, \$1 par value. Authorized and issued 100 shares	100
Additional paid-in-capital	4,315,737
Accumulated Deficit	(1,127,909)
	-----

Total stockholder's equity	3,187,928
	-----
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$7,661,084
	=====

HEC INC  
STATEMENT OF OPERATION  
FOR THE QUARTER ENDED MARCH 31, 1994

REVENUES	\$ 4,402,902
COST OF REVENUES	3,621,869
	-----
Gross profit	781,033
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	672,467
	-----
Operating income	108,566
	-----
INTEREST INCOME (EXPENSE)	
Interest income	37,160
Interest expense	(24,294)
	-----
	12,866
	-----
Income before income tax expense	121,432
INCOME TAX EXPENSE	48,648
	-----
Net Income (Loss)	\$72,784
	=====

EXHIBIT B  
HEC INC.  
REPORT FOR JANUARY 1 - MARCH 31, 1994

NARRATIVE DESCRIPTION OF SERVICES

Energy Management Services

HEC provided energy management services for approximately twenty-five clients within the Region and eighteen clients outside of the Region. Services included energy audits (the identification of energy and other resource cost reduction opportunities); design of energy conservation measures including energy efficient lighting, energy efficient motors, energy management systems, heating, ventilating and air conditioning equipment retrofits, variable speed drives; the management of and direct installation of energy conservation equipment of the same type designed; assistance in identifying and arranging third-party financing for project installations; training of client personnel in the operation of installed equipment; system commissioning and reporting of program results. The majority of these services were performed in New York, Connecticut and Massachusetts in schools, hospitals and other municipal facilities under utility-sponsored programs. Energy management services outside of the region were also provided primarily to schools and hospitals.

Demand Side Management Services

HEC provided demand side management services for two clients within the Region and five clients outside of the Region. Services provided within the Region consisted primarily of monitoring and/or evaluating the demand side management programs and installations of a non-affiliated New England utility. Outside of the Region, HEC assisted two midwest utilities in the

design of demand side management programs and one West Coast utility in the evaluation of demand side management installations. HEC also provided services as a subcontractor in the evaluation of utility demand side management programs.

#### Consulting Activities

HEC consulting activities within the Region consisted primarily of design and specification of energy consuming equipment for six clients including schools, hospitals, a bank and a sports facility and technical and general administrative advice to two clients which provide energy services. Outside of the Region, HEC provided design services to four school and hospital clients.

EXHIBIT C  
HEC INC.  
REPORT FOR JANUARY 1 - MARCH 31, 1994

#### SUMMARY OF REVENUES

TYPE OF SERVICE	WITHIN THE REGION	OUTSIDE THE REGION	TOTAL
Energy Management Services	\$3,578,754	\$518,078	\$4,096,832
Demand Side Management	48,443	194,218	242,662
Subtotal	3,627,197	712,296	4,339,494
Consulting	44,005	19,404	63,409
		TOTAL REVENUES	\$4,402,902 =====