

**Balance Sheets**September 30, 2016 and 2015  
(Unaudited, Dollars In Thousands)

	September 30,	
	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and temporary investments.....	\$ 21,898	\$ 20,214
Accounts receivable.....	47,257	42,535
Unbilled revenues.....	16,421	17,646
Inventories.....	39,284	28,853
Prepaid expenses.....	1,785	2,574
Total current assets.....	<u>126,645</u>	<u>111,822</u>
<b>NON-CURRENT ASSETS</b>		
Restricted assets		
Restricted special funds.....	209,873	200,540
Interest receivable.....	726	3,932
Deferred charges		
Nuclear decommissioning trusts.....	106,426	96,544
Other.....	12,832	21,711
Total non-current assets.....	<u>329,857</u>	<u>322,727</u>
Capital assets		
In service.....	1,412,979	1,398,826
Accumulated depreciation.....	(873,461)	(859,301)
Construction work in progress.....	16,331	21,345
Nuclear fuel - net of amortization.....	22,511	25,352
Total capital assets.....	<u>578,360</u>	<u>586,222</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on pension asset.....	2,062	-
Total deferred outflows of resources.....	<u>2,062</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b><u>\$ 1,036,924</u></b>	<b><u>\$ 1,020,771</u></b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable.....	\$ 5,899	\$ 6,330
Member and participant advances.....	116,955	122,136
Short-term debt.....	21,447	17,229
Accrued expenses.....	19,188	22,824
Current liabilities payable-restricted assets		
Accrued interest payable.....	512	-
Current maturities of long-term debt.....	335	56,715
Total current liabilities.....	<u>164,336</u>	<u>225,234</u>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debt, net of premiums.....	56,495	58,324
Asset retirement obligation.....	152,088	143,019
Other liabilities.....	90,080	76,338
Total non-current liabilities.....	<u>298,663</u>	<u>277,681</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Amounts recoverable under terms of the		
power sales agreements.....	566,655	515,913
Pension regulatory liability.....	5,254	-
Deferred gain on pension asset.....	1,370	-
Deferred gain on extinguishment of debt, net of amortization.....	646	1,943
Total deferred inflows of resources.....	<u>573,925</u>	<u>517,856</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....</b>	<b><u>\$ 1,036,924</u></b>	<b><u>\$ 1,020,771</u></b>

**Statements of Revenues and Expenses**September 30, 2016 and 2015  
(Unaudited, Dollars In Thousands)

	Nine Months Ended	
	<u>September 30,</u>	<u>September 30,</u>
	<u>2016</u>	<u>2015</u>
<b>OPERATING REVENUES</b>		
Revenues.....	\$ 208,339	\$ 240,402
<b>OPERATING EXPENSES</b>		
Fuel used in electric generation.....	10,144	24,275
Purchased power.....	106,290	119,918
Other operating.....	37,774	39,397
Maintenance.....	8,237	5,377
Depreciation.....	13,126	12,666
Inventory market adjustment.....	(13,084)	-
Taxes other than income.....	3,887	3,917
Total operating expenses.....	<u>166,374</u>	<u>205,550</u>
Operating income.....	<u>41,965</u>	<u>34,852</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income and investment market adjustments.....	8,105	(432)
Interest expense on long-term debt.....	(2,976)	(4,737)
Amortization of premium on long-term debt.....	976	2,409
Amortization of gain on debt.....	277	359
Interest charged to projects during construction.....	7	11
Increase in amounts recoverable under terms of the		
power sales agreements.....	(48,354)	(32,462)
Total non-operating revenues (expenses).....	<u>(41,965)</u>	<u>(34,852)</u>
<b>NET REVENUES AND EXPENSES.....</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

These unaudited financial statements should be read in conjunction with the Massachusetts Municipal Wholesale Electric Company (MMWEC) 2015 Annual Financial Statements. Certain reclassifications of data have been made to conform with the 2015 Annual Financial Statements.