

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549-1004

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 19, 2007

Commission File Number	Registrant; State of Incorporation Address; and Telephone Number	I.R.S. Employer Identification No.
1-5324	NORTHEAST UTILITIES ----- (a Massachusetts voluntary association) One Federal Street, Building 111-4 Springfield, Massachusetts 01105 Telephone: (413) 785-5871	04-2147929
0-00404	THE CONNECTICUT LIGHT AND POWER COMPANY ----- (a Connecticut corporation) 107 Selden Street Berlin, Connecticut 06037-1616 Telephone: (860) 665-5000	06-0303850
1-6392	PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE ----- (a New Hampshire corporation) Energy Park 780 North Commercial Street Manchester, New Hampshire 03101-1134 Telephone: (603) 669-4000	02-0181050
0-7624	WESTERN MASSACHUSETTS ELECTRIC COMPANY ----- (a Massachusetts corporation) One Federal Street, Building 111-4 Springfield, Massachusetts 01105 Telephone: (413) 785-5871	04-1961130

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 - Financial Information

Item 2.02 - Results of Operations and Financial Conditions

On February 19, 2007, Northeast Utilities issued a news release announcing its unaudited results of operations for the three and twelve month periods ending December 31, 2006 and related financial information for certain of its subsidiaries for the same periods. A copy of the news release and related unaudited financial reports are attached as Exhibits 99.1 and 99.2, and are incorporated herein by reference thereto. The information contained in this report on Form 8-K, including Exhibits 99.1 and 99.2, shall not be deemed "filed" with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by Northeast Utilities or any subsidiary thereof under the Securities Act of 1933, as amended, unless specified otherwise.

Section 9 - Financial Statements and Exhibits

Item 9.01 - Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
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Exhibit 99.1	News Release issued by Northeast Utilities on February 19, 2007.
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Exhibit 99.2 Unaudited Balance Sheets as of December 31, 2006 and 2005; unaudited Consolidated Statements of Income/(Loss) for the years ended December 31, 2006, 2005 and 2004; unaudited Consolidated Statements of Income for the three months ended December 31, 2006 and 2005 and the unaudited Consolidated Statements of Cash Flows for the years ended December 31, 2006, 2005 and 2004.

[SIGNATURE PAGE TO FOLLOW]

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

NORTHEAST UTILITIES
THE CONNECTICUT LIGHT AND POWER COMPANY
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
WESTERN MASSACHUSETTS ELECTRIC COMPANY
(Registrants)

By: /s/ Shirley M. Payne
Name: Shirley M. Payne
Title: Vice President Accounting and Controller

Date: February 20, 2007

Exhibit 99.1

News Release

CONTACT: Jeffrey R. Kotkin
OFFICE: (860) 665-5154

NU REPORTS STRONG 2006 RESULTS, EXECUTION OF STRATEGIC PLAN

2006 Earnings of \$470.6 Million, Including \$314 Million Gain from Generation Sale

Fourth Quarter 2006 Earnings of \$347.0 Million

Transmission Earnings of \$59.8 Million in 2006

2007 Consolidated Earnings Guidance Affirmed

BERLIN, Connecticut, February 19, 2007—Northeast Utilities (NYSE: NU) today reported 2006 earnings of \$470.6 million, or \$3.06 per share, compared with losses of \$253.5 million, or \$1.93 per share, in 2005. NU also reported fourth quarter 2006 earnings of \$347.0 million, or \$2.25 per share, compared with a loss of \$13.6 million, or \$0.10 per share, in the same quarter of 2005.

Charles W. Shivery, NU chairman, president, and chief executive officer, attributed the significant improvement to the company's strong execution of its strategic plan to exit its competitive energy businesses and focus exclusively on its regulated businesses. In the fourth quarter of 2006, NU realized a gain of \$314.1 million, or \$2.03 per share, from the November 1, 2006 sale of its competitive generating facilities. In 2005, NU's competitive businesses recorded losses of \$398.2 million, or \$3.03 per share, primarily as a result of marking to market various out-of-the-money wholesale energy contracts.

"We are rapidly implementing the strategic plan we announced in November of 2005. We are making significant investments in the energy delivery infrastructure New England needs," Shivery said. "These investments are critical to the region's reliability and to help it deal with some of the highest energy prices in the nation. We are encouraged by the support we continue to receive from our policymakers to make these investments and we are pleased that we have been able to accomplish them on time and on or below budget."

Shivery said NU's regulated capital expenditures totaled \$925 million in 2006, compared with \$793 million in 2005. In 2007, NU's regulated capital expenditures are expected to total approximately \$1.2 billion as NU continues to build the infrastructure needed to meet the increasing demands for energy in New England. In terms of capital projects, Shivery said NU achieved a number of milestones in 2006:

- The Connecticut Light and Power Company's (CL&P) 21-mile Bethel-Norwalk, 345-kV transmission line was placed in service on October 12, 2006, approximately two months ahead of schedule and \$10 million below its \$350 million budget.
- Public Service Company of New Hampshire's (PSNH) Northern Wood Power Project, the conversion of a 50-mW coal-fired boiler at Schiller Station in Portsmouth, New Hampshire to a renewable energy unit that burns wood chips, began commercial operation on December 1, 2006 and was completed below its \$75 million budget.
- Construction of CL&P's share of the 69-mile Middletown-Norwalk 345-kV transmission line began in mid-2006, about six months ahead of its planned start date. It is expected to be completed in 2009 at a cost to CL&P of approximately \$1.05 billion. The project is currently about 16 percent complete.
- Construction began in October 2006 of CL&P's 9-mile, 115-kV Glenbrook underground transmission project between Norwalk and Stamford, Connecticut. Completion is expected in 2008 at a cost of approximately \$183 million. The project is currently about 20 percent complete.
- Yankee Gas Service Company's 1.2 bcf, \$108 million liquefied natural gas storage facility in Waterbury, Connecticut, which is expected to improve reliability and lower overall customer costs, is approximately 90 percent complete and expected to be available for the 2007-2008 heating season.

Also:

- Western Massachusetts Electric Company's (WMECO) two-year distribution rate settlement was approved by Massachusetts regulators in December 2006 and implemented January 1, 2007.

2007 Earnings Guidance

NU today affirmed its 2007 consolidated earnings guidance of between \$1.30 per share and \$1.55 per share. NU projects earnings from its electric and natural gas distribution and regulated electric generation of between \$0.80 per share and \$0.90 per share in 2007. NU projects transmission earnings of between \$0.50 per share and \$0.60 per share in 2007 and parent company earnings of between \$0.00 and \$0.05 per share. NU also projects approximately breakeven results at its remaining competitive businesses in 2007, excluding the impact of marking to market its decreasing level of wholesale electricity commitments.

2006 Results

Shivery said NU's improved results in 2006 were due primarily to the impact of executing the company's strategic plan, including the sale of its competitive generation and achieving higher transmission earnings on a larger transmission investment base. Additionally, as previously announced, CL&P recorded income of \$74 million, or \$0.48 per share, in the third quarter of 2006 as a result of a reduction of income tax expense related

to a private letter ruling (PLR) CL&P received earlier this year from the Internal Revenue Service.

Comparisons with previous year's results also benefited from the absence of charges NU recorded in 2005 as a result of the company's decision to divest its wholesale marketing and energy services businesses.

Excluding the impact of the generation sale and the PLR, NU's regulated businesses and parent company and affiliates earned \$54.9 million, or \$0.36 per share, in the fourth quarter of 2006, compared with \$40.5 million, or \$0.29 per share, in the fourth quarter of 2005. For the full year, excluding such items, those businesses earned \$178.2 million, or \$1.16 per share, in 2006, compared with \$144.7 million, or \$1.10 per share, in 2005. NU had earlier projected 2006 earnings for those business segments, excluding the PLR, of between \$1.09 per share and \$1.22 per share.

Regulated Business Results

The transmission segments of NU's three electric companies earned \$16.2 million in the fourth quarter of 2006 and \$59.8 million in full-year 2006, compared with \$10.6 million in the fourth quarter of 2005 and \$41.1 million in full-year 2005. Increased full-year earnings were primarily a result of a higher level of investment, particularly in Connecticut.

NU's regulated electric and natural gas distribution and electric generation earnings were \$47.1 million in the fourth quarter of 2006 and \$197.5 million for the full year of 2006, compared with \$38.5 million in the fourth quarter of 2005 and \$122.3 million in the full year of 2005.

CL&P's distribution business earned \$33.4 million in the fourth quarter of 2006 and \$147.6 million for the full year of 2006, compared with \$19.1 million in the fourth quarter of 2005 and \$60.0 million in the full year of 2005. Fourth quarter 2006 results include recognition of an after-tax \$7.7 million deferred gain related to the sale of NU's competitive generation assets. That gain is eliminated in consolidated NU results. Fourth quarter CL&P 2005 results included \$8.5 million in after-tax termination and employee benefit curtailment charges. Absent the impact of the aforementioned reduction in income tax expense from the PLR and the deferred gain, CL&P's distribution business would have earned \$65.9 million in 2006. Higher distribution rates in 2006 and a lower effective tax rate were partially offset by lower sales, higher storm-related expenses, and higher interest costs, compared with 2005.

PSNH's distribution and generation business earned \$5.8 million in the fourth quarter of 2006 and \$27.0 million for full-year 2006, compared with \$9.9 million in the fourth quarter of 2005 and \$33.9 million for full-year 2005. The lower results were due primarily to a higher effective tax rate. PSNH's unitary state corporate income tax is impacted by the profitability of the NU system in its entirety. Therefore, PSNH's state income taxes were higher in 2006 due to the competitive business divestiture gains recorded in 2006 by NU, and PSNH's state income taxes were lower in 2005 due to the significant losses recorded that year by NU's competitive businesses.

WMECO's distribution business earned \$2.4 million in the fourth quarter of 2006 and \$11.0 million in full-year 2006, compared with \$2.5 million in the fourth quarter of 2005 and \$11.1 million in full-year 2005.

Yankee Gas earned \$5.5 million in the fourth quarter of 2006 and earned \$11.9 million for the full-year 2006, compared with earnings of \$7.0 million in the fourth quarter of 2005 and \$17.3 million for full-year 2005. Yankee Gas earnings were lower due primarily to an 11.2 percent decline in firm sales in 2006, compared with 2005, largely the result of milder weather in 2006.

Shivery said 2006 regulated electric sales declined as a result of lower use per customer. He said the lower use was due to a combination of milder summer and winter weather in 2006, compared with 2005, and customer reaction to higher energy prices.

Overall, retail electric sales were down 4.0 percent in 2006, compared with 2005, with residential sales off 5.6 percent, commercial sales off 2.3 percent, and industrial sales down 4.5 percent. On a weather-adjusted basis, retail electric sales were down 1.6 percent in 2006, compared with 2005. In the fourth quarter of 2006, retail electric sales were down 5.5 percent from the same period of 2005 and 3.1 percent on a weather-adjusted basis.

Competitive Business Results

NU's competitive energy businesses earned \$211.3 million, or \$1.37 per share, in 2006, compared with a loss of \$398.2 million, or \$3.03 a share in 2005. In the fourth quarter of 2006, the competitive energy businesses earned \$285 million, or \$1.85 per share, compared with a loss of \$54.1 million, or \$0.39 per share, in the fourth quarter of 2005. The improvement in 2006 was largely due to the generation sale and the absences of mark-to-market and other charges recorded in 2005.

Shivery said the success of the competitive generation sale helped allow the competitive businesses to make a \$25 million pre-tax contribution in the fourth quarter of 2006 to the NU Foundation, which supports charitable organizations in Connecticut, New Hampshire and Massachusetts. Fourth quarter 2006 competitive business results reflect the effect of that contribution.

Parent and Other

NU Parent and other affiliates earned \$2.0 million in 2006, compared with a loss of \$18.7 million in 2005. The improved results were due primarily to interest earned by NU Parent on cash raised through the sale of 23 million additional shares in December 2005 and the sale of the competitive generation, as well as the absence in 2006 of certain write-offs recorded in 2005.

The following table reconciles 2006 and 2005 fourth-quarter and full year results:

		Fourth Quarter	Twelve Months
2005	Reported EPS	(\$0.10)	(\$1.93)
	Competitive business loss in 2005	\$0.39	\$3.03
	Regulated and Parent EPS in 2005	\$0.29	\$1.10
	Higher transmission earnings in 2006, net of dilution	\$0.02	\$0.08
	Higher regulated distribution and generation earnings in 2006, net of dilution and including third quarter \$0.48/share tax-related gain	\$0.03	\$0.35
	Lower Parent costs in 2006, net of dilution	\$0.02	\$0.11
	Regulated and Parent EPS in 2006	\$0.36	\$1.64
	Competitive business earnings in 2006, excluding gain from sale of generation	(\$0.14)	(\$0.62)
	Gain for Sale of Competitive Generation Business	\$2.03	\$2.04
2006	Reported Basic EPS	\$2.25	\$3.06
2006	Reported Diluted EPS	\$2.24	\$3.05

Financial results for the fourth quarter and full year of 2006 and 2005 for NU's regulated and competitive businesses are noted below:

Three months ended:

<i>(in millions)</i>	December 31, 2006	December 31, 2005	Increase (Decrease)
CL&P Distribution	\$33.4	\$19.1	\$14.3
PSNH Distribution/Generation	\$5.8	\$9.9	(\$4.1)
WMECO Distribution	\$2.4	\$2.5	(\$0.1)
Yankee Gas	\$5.5	\$7.0	(\$1.5)
Total—Distribution/ Regulated Generation	\$47.1	\$38.5	\$8.6
CL&P Transmission	\$12.9	\$7.9	\$5.0
PSNH Transmission	\$1.6	\$2.0	(\$0.4)
WMECO Transmission	\$1.7	\$0.7	\$1.0
Total—Transmission	\$16.2	\$10.6	\$5.6
Total—Regulated Businesses	\$63.3	\$49.1	\$14.2
NU Parent and Other Affiliates	(\$8.4)	(\$8.6)	\$0.2
Total—Regulated and Parent	\$54.9	\$40.5	\$14.4
Total—Competitive Energy, ex. gain	(\$22.0)	(\$54.1)	\$32.1
Gain from sale of Competitive Generation Business—NU Enterprises	\$307.0	---	\$307.0
Gain from sale of Competitive Generation Business—Parent/Other	\$7.1	---	\$7.1
Reported Earnings	\$347.0	(\$13.6)	\$360.6

12 months ended:

<i>(in millions)</i>	December 31, 2006	December 31, 2005	Increase (Decrease)
CL&P Distribution	\$147.6	\$60.0	\$87.6
PSNH Distribution/Generation	\$27.0	\$33.9	(\$6.9)
WMECO Distribution	\$11.0	\$11.1	(\$0.1)
Yankee Gas	\$11.9	\$17.3	(\$5.4)
Total—Distribution/ Regulated Generation	\$197.5	\$122.3	\$75.2
CL&P Transmission	\$46.9	\$29.3	\$17.6
PSNH Transmission	\$8.3	\$7.8	\$0.5
WMECO Transmission	\$4.6	\$4.0	\$0.6
Total—Transmission	\$59.8	\$41.1	\$18.7
Total—Regulated Businesses	\$257.3	\$163.4	\$93.9
NU Parent and Other Affiliates	(\$5.1)	(\$18.7)	\$13.6
Total—Regulated and Parent	\$252.2	\$144.7	\$107.5
Total Competitive Energy, ex. gain	(\$95.7)	(\$398.2)	\$302.5
Gain from sale of Competitive Generation Business—NU Enterprises	\$307.0	---	\$307.0
Gain from sale of Competitive Generation Business—Parent/Other	\$7.1	---	\$7.1
Reported Earnings	\$470.6	(\$253.5)	\$724.1

During 2006, NU had approximately 153.8 million average common shares outstanding and 154.1 million average common shares diluted. It operates New England's largest energy delivery system, serving more than 2 million customers in Connecticut, New Hampshire and Massachusetts.

This news release includes statements concerning NU's expectations, plans, objectives, future financial performance and other statements that are not historical facts. These statements are "forward looking statements" within the meaning of the Private Litigation Reform Act of 1995. In some cases, you can identify these forward looking statements by words such as "estimate", "expect", "anticipate", "intend", "plan", "believe", "forecast", "should", "could", and similar expressions. Forward looking statements involve risks and uncertainties that may cause actual results or outcomes to differ materially from those included in the forward looking statements. Factors that may cause actual results to differ materially from those included in the forward looking statements include, but are not limited to, actions by state and federal regulatory bodies, competition and industry restructuring, changes in economic conditions, changes in weather patterns, changes in laws, regulations or regulatory policy, changes in levels and timing of capital expenditures, developments in legal or public policy doctrines, technological developments, changes in accounting standards and financial reporting regulations, fluctuations in the value of our remaining competitive electricity positions, actions of rating agencies, and other presently unknown or unforeseen factors. Other risk factors are detailed from time to time in our reports to the SEC. We undertake no obligation to update the information contained in any forward looking statements to reflect developments or circumstances occurring after the statement is made.

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Note: NU will webcast an investor call Tuesday, February 20, 2007, at 4 p.m. Eastern Standard Time. The call can be accessed through NU's website at www.nu.com.

NORTHEAST UTILITIES AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Thousands of Dollars)	At December 31,	
	2006	2005
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 481,911	\$ 45,782
Special deposits	48,524	103,789
Investments in securitizable assets	375,655	252,801
Receivables, less provision for uncollectible accounts of \$22,369 in 2006 and \$24,444 in 2005	361,201	901,516
Unbilled revenues	88,170	175,853
Fuel, materials and supplies	173,882	206,557
Marketable securities - current	67,546	56,012
Derivative assets - current	88,699	403,507
Prepayments and other	45,305	128,042
Assets held for sale	158	101,784
	<u>1,731,051</u>	<u>2,375,643</u>
Property, Plant and Equipment:		
Electric utility	7,129,526	6,378,838
Gas utility	858,961	825,872
Competitive energy	17,864	908,776
Other	281,525	254,659
	<u>8,287,876</u>	<u>8,368,145</u>
Less: Accumulated depreciation: \$2,443,203 for electric and gas utility and \$171,903 for competitive energy and other in 2006; \$2,304,966 for electric and gas utility and \$246,356 for competitive energy and other in 2005	2,615,106	2,551,322
	<u>5,672,770</u>	<u>5,816,823</u>
Construction work in progress	569,416	600,407
	<u>6,242,186</u>	<u>6,417,230</u>
Deferred Debits and Other Assets:		
Regulatory assets	2,449,132	2,483,851
Goodwill	287,591	287,591
Prepaid pension	21,647	298,545
Marketable securities - long-term	50,843	56,527
Derivative assets - long-term	271,755	425,049
Other	249,031	223,439
	<u>3,329,999</u>	<u>3,775,002</u>
Total Assets	<u>\$ 11,303,236</u>	<u>\$ 12,567,875</u>

The data contained in this report is preliminary and is unaudited. This report is being submitted for the sole purpose of providing information to present shareholders about Northeast Utilities and Subsidiaries and is not a representation, prospectus, or intended for use in connection with any purchase or sale of securities.

NORTHEAST UTILITIES AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Thousands of Dollars)	At December 31,	
	2006	2005
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes payable to banks	\$ -	\$ 32,000
Long-term debt - current portion	4,877	22,673
Accounts payable	569,940	972,368
Accrued taxes	364,659	95,210
Accrued interest	53,782	47,742
Derivative liabilities - current	125,781	402,530
Counterparty deposits	148	28,944
Other	244,586	272,252
Liabilities of assets held for sale	62	101,511
	<u>1,363,835</u>	<u>1,975,230</u>
Rate Reduction Bonds	1,177,158	1,350,502
	<u>1,177,158</u>	<u>1,350,502</u>
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	1,099,433	1,306,340
Accumulated deferred investment tax credits	32,427	95,444
Deferred contractual obligations	271,528	358,174
Regulatory liabilities	809,324	1,273,501
Derivative liabilities - long-term	148,557	272,995
Accrued postretirement benefits	203,320	16,506
Other	322,840	346,451
	<u>2,887,429</u>	<u>3,669,411</u>
Capitalization:		
Long-Term Debt	2,960,435	3,027,288
	<u>2,960,435</u>	<u>3,027,288</u>
Preferred Stock of Subsidiary - Non-Redeemable	116,200	116,200
	<u>116,200</u>	<u>116,200</u>
Common Shareholders' Equity:		
Common shares, \$5 par value - authorized 225,000,000 shares; 175,420,239 shares issued and 154,233,141 shares outstanding in 2006 and 174,897,704 shares issued and 153,225,892 shares outstanding in 2005	877,101	874,489
Capital surplus, paid in	1,449,586	1,437,561
Deferred contribution plan - employee stock ownership plan	(34,766)	(46,884)
Retained earnings	862,660	504,301
Accumulated other comprehensive income	4,498	19,987
Treasury stock, 19,684,249 shares in 2006 and 19,645,511 shares in 2005	(360,900)	(360,210)
Common Shareholders' Equity	<u>2,798,179</u>	<u>2,429,244</u>
Total Capitalization	<u>5,874,814</u>	<u>5,572,732</u>
Total Liabilities and Capitalization	<u>\$ 11,303,236</u>	<u>\$ 12,567,875</u>

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NORTHEAST UTILITIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME/(LOSS)
(Unaudited)

For the Three Months Ended December 31,	2006	2005
	(Thousands of Dollars, except share information)	
Operating Revenues	\$ 1,483,156	\$ 1,878,224
Operating Expenses:		
Operation -		
Fuel, purchased and net interchange power	930,914	1,346,749
Other	302,872	270,113
Restructuring and impairment charges	-	15,682
Maintenance	50,436	41,545
Depreciation	60,875	57,327
Amortization	(32,463)	75,928
Amortization of rate reduction bonds	46,411	43,327
Taxes other than income taxes	57,534	59,506
Total operating expenses	<u>1,416,579</u>	<u>1,910,177</u>
Operating Income/(Loss)	66,577	(31,953)
Interest Expense:		
Interest on long-term debt	39,054	34,886
Interest on rate reduction bonds	17,182	20,664
Other interest	4,112	4,577
Interest expense, net	<u>60,348</u>	<u>60,127</u>
Other Income, Net	<u>28,692</u>	<u>22,242</u>
Income/(Loss) from Continuing Operations Before		
Income Tax Expense/(Benefit)	34,921	(69,838)
Income Tax Expense/(Benefit)	<u>3,658</u>	<u>(56,067)</u>
Income/(Loss) from Continuing Operations Before		
Preferred Dividends of Subsidiary	31,263	(13,771)
Preferred Dividends of Subsidiary	<u>1,390</u>	<u>1,390</u>
Income/(Loss) from Continuing Operations	29,873	(15,161)
Discontinued Operations:		
(Loss)/Income from Discontinued Operations Before Income Taxes	(9,921)	3,957
Gain/(Loss) from Sale of Discontinued Operations	510,736	(1,123)
Income Tax Expense	<u>(183,695)</u>	<u>(241)</u>
Income from Discontinued Operations	<u>317,120</u>	<u>2,593</u>
Income/(Loss) Before Cumulative Effect of Accounting Change, Net of Tax Benefit	346,993	(12,568)
Cumulative effect of accounting change, net of tax benefit of \$689	<u>-</u>	<u>(1,005)</u>
Net Income/(Loss)	<u>\$ 346,993</u>	<u>\$ (13,573)</u>
Basic Earnings/(Loss) Per Common Share:		
Income/(Loss) from Continuing Operations	\$ 0.19	\$ (0.08)
Income/(Loss) from Discontinued Operations	2.06	(0.01)
Cumulative Effect of Accounting Change, Net of Tax Benefit	<u>-</u>	<u>(0.01)</u>
Basic Earnings/(Loss) Per Common Share	<u>\$ 2.25</u>	<u>\$ (0.10)</u>
Fully Diluted Earnings/(Loss) Per Common Share:		
Income/(Loss) from Continuing Operations	\$ 0.19	\$ (0.08)
Income/(Loss) from Discontinued Operations	2.05	(0.01)
Cumulative Effect of Accounting Change, Net of Tax Benefit	<u>-</u>	<u>(0.01)</u>
Fully Diluted Earnings/(Loss) Per Common Share	<u>\$ 2.24</u>	<u>\$ (0.10)</u>
Basic Common Shares Outstanding (weighted average)	<u>154,115,281</u>	<u>137,799,257</u>
Fully Diluted Common Shares Outstanding (weighted average)	<u>154,667,384</u>	<u>137,799,257</u>

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NORTHEAST UTILITIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME/(LOSS)
(Unaudited)

For the Years Ended December 31,	2006	2005	2004
	(Thousands of Dollars, except share information)		
Operating Revenues	\$ 6,884,388	\$ 7,397,743	\$ 6,542,038
Operating Expenses:			
Operation -			
Fuel, purchased and net interchange power	4,630,798	5,528,600	4,401,175
Other	1,129,557	1,058,620	938,791
Restructuring and impairment charges	10,300	44,143	-
Maintenance	193,975	178,521	163,626
Depreciation	240,715	225,278	215,063
Amortization	16,292	202,949	138,271
Amortization of rate reduction bonds	188,247	176,356	164,915
Taxes other than income taxes	250,580	247,555	230,793
Total operating expenses	<u>6,660,464</u>	<u>7,662,022</u>	<u>6,252,634</u>
Operating Income/(Loss)	223,924	(264,279)	289,404
Interest Expense:			
Interest on long-term debt	151,686	131,870	107,365
Interest on rate reduction bonds	74,242	87,439	98,899
Other interest	22,217	19,755	8,762
Interest expense, net	<u>248,145</u>	<u>239,064</u>	<u>215,026</u>
Other Income, Net	<u>74,501</u>	<u>54,530</u>	<u>22,722</u>
Income/(Loss) from Continuing Operations Before			
Income Tax (Benefit)/Expense	50,280	(448,813)	97,100
Income Tax (Benefit)/Expense	<u>(81,429)</u>	<u>(187,796)</u>	<u>21,765</u>
Income/(Loss) from Continuing Operations Before			
Preferred Dividends of Subsidiary	131,709	(261,017)	75,335
Preferred Dividends of Subsidiary	<u>5,559</u>	<u>5,559</u>	<u>5,559</u>
Income/(Loss) from Continuing Operations	126,150	(266,576)	69,776
Discontinued Operations:			
Income from Discontinued Operations Before Income Taxes	44,871	24,327	76,803
Gain/(Loss) from Sale of Discontinued Operations	502,653	(1,123)	-
Income Tax Expense	<u>(203,096)</u>	<u>(9,111)</u>	<u>(29,991)</u>
Income from Discontinued Operations	<u>344,428</u>	<u>14,093</u>	<u>46,812</u>
Income/(Loss) Before Cumulative Effect of Accounting Change, Net of Tax Benefit	470,578	(252,483)	116,588
Cumulative effect of accounting change, net of tax benefit of \$689	-	(1,005)	-
Net Income/(Loss)	<u>\$ 470,578</u>	<u>\$ (253,488)</u>	<u>\$ 116,588</u>
Basic Earnings/(Loss) Per Common Share:			
Income/(Loss) from Continuing Operations	\$ 0.82	\$ (2.03)	\$ 0.54
Income from Discontinued Operations	2.24	0.11	0.37
Cumulative Effect of Accounting Change, Net of Tax Benefit	-	(0.01)	-
Basic Earnings/(Loss) Per Common Share	<u>\$ 3.06</u>	<u>\$ (1.93)</u>	<u>\$ 0.91</u>
Fully Diluted Earnings/(Loss) Per Common Share:			
Income/(Loss) from Continuing Operations	\$ 0.82	\$ (2.03)	\$ 0.54
Income from Discontinued Operations	2.23	0.11	0.37
Cumulative Effect of Accounting Change, Net of Tax Benefit	-	(0.01)	-
Fully Diluted Earnings/(Loss) Per Common Share	<u>\$ 3.05</u>	<u>\$ (1.93)</u>	<u>\$ 0.91</u>
Basic Common Shares Outstanding (weighted average)	<u>153,767,527</u>	<u>131,638,953</u>	<u>128,245,860</u>
Fully Diluted Common Shares Outstanding (weighted average)	<u>154,146,669</u>	<u>131,638,953</u>	<u>128,396,076</u>

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NORTHEAST UTILITIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

For the Years Ended December 31,	2006	2005	2004
	(Thousands of Dollars)		
Operating Activities:			
Net income/(loss)	\$ 470,578	\$ (253,488)	\$ 116,588
Adjustments to reconcile to net cash flows provided by operating activities:			
Pre-tax (gain)/loss on sale of discontinued operations	(502,653)	1,123	-
Restructuring and impairment charges	(2,282)	67,181	-
Bad debt expense	29,366	27,528	19,062
Depreciation	243,822	237,463	226,906
Deferred income taxes	(204,212)	(202,789)	111,710
Amortization	16,292	202,949	138,271
Amortization of rate reduction bonds	188,247	176,356	164,915
Amortization/(deferral) of recoverable energy costs	15,609	39,914	(22,751)
Pension expense	38,677	42,662	10,636
Wholesale contract buyout payments	-	(186,531)	-
Regulatory refunds	(96,560)	(65,236)	(150,119)
Derivative assets and liabilities	(98,685)	443,351	85,592
Deferred contractual obligations	(90,671)	(89,464)	(56,161)
Other non-cash adjustments	22,675	45,112	(30,053)
Other sources of cash	10,655	5,528	24,545
Other uses of cash	(10,134)	-	(10,189)
Changes in current assets and liabilities:			
Receivables and unbilled revenues, net	605,366	(208,519)	(103,983)
Fuel, materials and supplies	16,718	(17,848)	(31,104)
Investments in securitizable assets	(158,651)	(113,410)	27,074
Other current assets	58,350	46,462	(9,387)
Accounts payable	(399,386)	131,043	124,437
Counterparty deposits and margin special deposits	26,469	(86,229)	(18,107)
Accrued taxes/(taxes receivable)	271,477	156,630	(112,300)
Other current liabilities	(43,993)	41,416	(44,935)
Net cash flows provided by operating activities	407,074	441,204	460,647
Investing Activities:			
Investments in property and plant:			
Electric, gas and other utility plant	(847,404)	(752,124)	(653,948)
Competitive energy assets	(24,777)	(23,231)	(17,527)
Cash flows used for investments in property and plant	(872,181)	(775,355)	(671,475)
Net proceeds from sales of competitive businesses	1,053,099	31,456	-
Cash payments for sales of competitive businesses	(32,359)	-	-
Proceeds from sales of investment securities	193,459	137,099	106,217
Purchases of investment securities	(193,917)	(142,260)	(171,511)
Restricted cash - LMP costs	-	-	93,630
Rate reduction bond escrow	(47,071)	(6,421)	3,874
Other investing activities	16,034	55,936	3,847
Net cash flows provided by/(used in) investing activities	117,064	(699,545)	(635,418)
Financing Activities:			
Issuance of common shares	9,494	450,827	10,937
Issuance of long-term debt	250,000	350,355	512,762
Retirement of rate reduction bonds	(173,344)	(195,988)	(183,470)
(Decrease)/increase in short-term debt	(32,000)	(148,000)	75,000
Reacquisitions and retirements of long-term debt	(28,843)	(98,056)	(155,532)
Cash dividends on common shares	(112,745)	(87,554)	(80,177)
Other financing activities	(571)	(14,450)	(1,132)
Net cash flows (used in)/provided by financing activities	(88,009)	257,134	178,388
Net increase/(decrease) in cash and cash equivalents	436,129	(1,207)	3,617
Cash and cash equivalents - beginning of year	45,782	46,989	43,372
Cash and cash equivalents - end of year	\$ 481,911	\$ 45,782	\$ 46,989

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