



A Customer Owned Utility
Serving Our Community Since 1894

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August 1, 2018

NAED is one of only forty-one (41) public electric organizations within the Commonwealth of Massachusetts. We are committed to promoting the interests of "Public Power" on behalf of the citizens of this community.

Monthly Update of North Attleborough Electric Department's Activities

Dear Friends,

We hope that you are doing well and enjoying the summer. A reminder that as the summer begins...stay cool but remember to conserve energy and consider utilizing NAED's energy efficiency programs and offerings.

I. UPDATE OF ACTIVITIES OF THE BOARD OF ELECTRIC COMMISSIONERS

The Board held its monthly meeting regarding NAED matters on July 11, 2018. The Board received an update on the activities of NAED's Project Manager Chris Mitchell. During his presentation, Mr. Mitchell discussed with the Board members some of the projects he is currently overseeing or involved with, including the planned installation of an Electrical Vehicle Charging Station at NAED, 2018 Customer Survey – Commercial & Industrial Customers, and the planned expansion of NAED's fiber network.

II. NAED RECEIVES POSITIVE OPEB AUDIT REVIEW

At its July 11, 2018 meeting, the Board also met with Business Division Manager, Paula Tattrie and Kurtis Thompson from Odyssey Advisors to discuss the recent audit performed by Odyssey relative to NAED compliance with Government Accounting Standard Bureau's Standards 74 & 75 "Other Post-Employment Benefits" (OPEB). During his presentation, Mr. Thompson noted that NAED had become the first municipal electric department, that he was aware of, that had established the fiscal resources sufficient to offset all of NAED's long-term cost obligations to provide health and life insurance.

NAED's current "Funded Ratio" is 100.43%. NAED's total OPEB Liability, as of December 31, 2017, per the audit was \$5,067,529 with assets of \$5,089,569. Mr. Thompson noted that NAED's funding of its OPEB obligations is in contrast to other municipal Odyssey clients. Mr. Thompson provided information that indicated that

*23% of Odyssey clients had not yet funded any of its OPEB obligations
48% of Odyssey clients had funded less than 1% of its OPEB obligations
80% of Odyssey clients had funded less than 10% of its OPEB obligations
91% of Odyssey clients had funded less than 20% of its OPEB obligations*

NAED's commitment to addressing its future health & life insurance obligations will benefit the department's ratepayers by allowing a greater amount of NAED's fiscal resources to be used for services or to maintain the utility's distribution system.

I would also like to convey my appreciation to Paula Tattrie and Michele Dobson for their efforts in both addressing OPEB matters, generally, and this audit, in particular.

III. NAED RATES – IN COMPARISON TO OTHERS

A comparison of NAED's monthly residential customer rates, with Investor Owned Utilities for the 12-month period of July 2017 – June 2018, (750 kWhs) with information provided by MMWEC is listed below:

NAED:	\$ 111.19
Until:	\$ 192.73
National Grid:	\$ 175.76
Eversource – Cape Cod:	\$ 178.76

IV. NAED EQUIPMENT – MUST BE ACCESSIBLE TO NAED & ITS PERSONNEL

A reminder that NAED's Terms & Conditions require that NAED meters and equipment must be free from all obstructions, including shrubbery, fencing and other obstructions. "NAED meters and equipment...must be "readily accessible" to NAED at all reasonable times for reading, inspection, repairs, replacements and testing." (see T&C, Article V.D.). Please help NAED personnel to perform their duties and responsibilities both during regular working hours and at times of emergencies by ensuring that NAED equipment and meters are immediately identifiable and accessible.

V. NAED PROJECT UPDATE

a. Substation Upgrade: The work to upgrade the Sherman Substation (\$5.5 million project budget) is now nearly completed. All three (3)-substation transformers have "load" on them. The project has included the purchase and installation of a new transformer and switchgear. Old transformers have been removed and the overall site has been enhanced to increase system reliability.

b. LED Street Light Upgrade: The department is now in the process of "closing out" the project and providing the Commonwealth with appropriate information. The department replaced 1,961 streetlights with LED bulbs and fixtures.

c. Cost of Service Study/Update of the Customer Rates: In August 2018, it is anticipated that the Board of Electric Commissioners will consider updating NAED's rates. If approved, the revision is planned to commence in October 2018. The last change was as of October 2015. NAED's objective is to revisit its customer rates every three years. Staying focused on the updating of the rates on a regular basis ensures that rate classes are paying their fair shares and that rates do not get "too out of whack".

d. Customer Survey Completed: NAED's annual survey of its customers has now been completed. This year the firm, SDS Inc., on behalf of NAED, completed a survey of 100 commercial and industrial customers. The results of the survey will be used to help plan NAED's future budgets, Capital Planning, and projects. The survey information will be presented to the Board of Electric Commissioners at a future meeting.

VI. DEBT FORGIVENESS PROGRAM AVAILABLE

A reminder that the Board of Electric Commissioners recently authorized the institution of a "Debt Forgiveness Program" for certain NAED customers who are certified for protection on the basis of serious illness or elderly household. The "Debt Forgiveness Program" offers NAED customers who make regular, on time, payments of their monthly bills to have prior debt and charges "forgiven". A customer who participates in the program can, after making twelve consecutive months of payments on time, have his/her prior past due amount reduced by twenty percent (20%). The program will allow "Protected" customers who participate in the program to have their entire prior past due amount eliminated in five (5) years. To participate in the program, or receive more information, please contact Customer Collections Representative, at 508-643-6376 or by email at mmccabe@naelectric.com.

Please continue to remember our fellow citizens who are defending our country throughout the world. As always, should you have any questions at any time, please feel free to contact me at 508.643.6300.

Sincerely,

James C. Moynihan
General Manager