



A Customer Owned Utility
Serving Our Community Since 1894

275 Landry Avenue
North Attleborough, MA 02760-3501
Telephone: 508.643.6300
Fax: 508.699.5603
www.naelectric.com



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NAED is one of only forty-one (41) municipal electric departments 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,

On behalf of the Board of Electric Commissioners, and the North Attleborough Electric Department, we wish you a warm and safe winter season. It is a pleasure to provide this month's update relative to NAED events and activities.

I. BOARD OF ELECTRIC COMMISSIONERS FOR THE FORTHCOMING YEAR

For the forthcoming year the Board of Electric Commissioners is constituted as follows:

Charles Mottinger	Chairman
Brett Langille	Secretary
Edward Vandette	Member

II. COMMISSIONERS APPROVE THE FY 2016 BUDGET & CAPITAL IMPROVEMENT PLAN

At its January 6, 2016 meeting the North Attleborough Board of Electric Commissioners ("Board") approved the department's FY 2016 operating budget and Capital Improvement Plan (CIP).

North Attleborough Electric Department's fiscal year is the calendar year (January 1 – December 31, inclusive).

The FY 2016 budget approved by the Board of Electric Commissioners is a total revenue of \$35,287,699, as compared to the FY 2015 amount of \$35,836,272 (a decline of \$548,573).

FY 2016 operating expenses are \$ 30,966,313, as compared to the total FY 2015 operating expenses of \$33,183,014.58 (decline of \$2,216,702. FY 2016 "power expenses: is \$21,890,039, as compared to the FY 2015 amount of \$24,201,780 (a decline of \$2,311,741)

In FY 2016 "power expenses" are 70.7% of the department's total "operating expenses" - as compared to 73% in FY 2015.

The "Total Administrative & General Expenses" have declined in FY 2016 TO \$3,679,344, as compared to \$3,704,832 in FY 2015.

The FY 2016 Capital Improvement Plan (CIP) previously approved by the Board of Electric Commissioners totals \$1,868,601, as compared to \$1,452,909 in FY 2015.

The budget was approved by the Board with no increase in NAED's "base rate". There is also no projected Purchase Cost Adjustment (PCA) to be paid by NAED ratepayers.

The Board members noted that the department's revenues, and fiscal condition will be reviewed following the 2016 winter months.

Board members noted that although energy costs have come down, as compared to last year, there is always concern that there is still a "long way to go" relative to winter - with a corresponding uncertainty about the impact of the weather upon energy prices in New England. The Board noted that the forthcoming winter months could have a negative impact upon the department's power budget. Board members recalled that during winter months in the recent past (2012-2013 & 2013-2014) the New England area endured historically high energy costs due to transmission issues, a limitation on the availability of natural gas and system wide capacity concerns. In addition, energy costs rose during the winter of 2014-2015, which was a period of record snowfalls.

Chairman of the Board of Electric Commissioners, Charles Mottinger, stated that, "The FY 2016 budget reflects a department which seeks to maintain consistency in its rates in a manner which addresses department obligations, yet is responsive to the needs of its customers. The FY 2016 budget provides the fiscal resources which will allow NAED to maintain and improve its distribution system, while providing quality services to our customers. This year's budget and Capital Improvement Plan will allow NAED to responsibly institute plans and projects which will benefit our community for years to come. The budget will also allow the department to address needed efforts that will improve the training, protection and safety of our valued employees".

II. LEGISLATION UPDATE

NAED continues to monitor legislation which may impact our ratepayers and the community's ability to maintain local oversight relative to its municipal light department. We also continue to be concerned that although municipal electric department customers constitute approximately 12% of the total state electric "load" that none of the municipal electric departments receive back any of the "Regional Greenhouse Gas Incentive" (RGGI) funds - even though our customers are paying that charge. Instead the state, generally, utilizes the funds to provide funding for energy efficiency programs (NAED's energy efficiency programs are paid for via customer rate funds) conducted by the Investor Owned Utilities (IOU) and to support state administrative operations. NAED remains committed to seeking to have its appropriate share of the RGGI funds returned to our ratepayers.

III. NAED AND ENERGY EFFICIENCY PROGRAMS

NAED supports energy conservation and has "energy efficiency programs" that can benefit customers by helping to lower energy consumption and costs. Call NAED, 508-643-6310 for information.

The FY 2016 rebate amounts for Energy Star appliances are as follows:

Clothes Washer:	\$ 75
Refrigerator:	\$ 75
Room Air Conditioner:	\$ 50
Dishwasher:	\$ 30
Dehumidifier:	\$ 30
Clothes Dryer:	\$200

VI. "WINTER PROTECTION HARDSHIP" INFORMATION

NAED's "Winter Protection" period began on November 15, 2015 and is scheduled to continue until March 15, 2016 inclusive. "Winter Protection" is afforded during this period of time to NAED customers unable to pay due to financial hardships and whose current service is not currently shut off for nonpayment.

Applicants for "Winter Protection" must provide appropriate information to NAED prior to being "protected". Any questions may be directed to the NAED main number (508-643-6300)

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