



A Customer Owned Utility
Serving Our Community Since 1894

March 1, 2016

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

Dear Friends,

On behalf of the Board of Electric Commissioners, and the North Attleborough Electric Department, it is a pleasure to provide this month's update relative to NAED events and activities.

I. CUSTOMER "CREDIT FOR MARCH, 2016 CUSTOMER BILLS APPROVED

At its meeting of February 25, 2016 the Board of Electric Commissioners voted to provide NAED customers with a one-time "credit" on their March, 2016 bills.

Chairman of the Board, Charles Mottinger announced that at the February 25, 2016 meeting of the Board of Electric Commissioners the commissioners (Edward Vandette and Brett Langille are the other commissioners) reviewed information from the closing of NAED's Fiscal Year 2015 (also the calendar year) and determined that a one-time credit should be provided to the system's ratepayers.

Mr. Mottinger stated that the total amount being directly returned to the residents in their March, 2016 bills is estimated to be \$4,195,046.66. The ultimate total dollar amount of the credit will not be known until the end of March, 2016, when all March, 2016 billings and sales are completed.

The "credit" is for \$0.21532/Wh.

An additional amount, estimated to be \$2,586,083.34 (from the PPA Credit & Power Revenue Surplus from October, 2015 - December, 2015, inclusive), will be utilized by the department for the purpose of providing the department with a "Rate Stabilization Fund" to allow the department to develop fiscal resources that can possibly be utilized in the future to assist ratepayers to stabilize local electric rates, as power costs rise and regulatory compliance costs increase.

The source of the credit is from the Purchased Power Adjustment (PPA) charge in 2015 - which was a portion of the NAED rate charges from January through September, 2015.

A Purchased Power Adjustment (PPA) is a temporary and adjustable charge, per kilowatt hour, to cover the cost of fuel required to produce and deliver electricity and was first instituted in North Attleborough in the January, 2006 billing cycle.

The Board has previously approved the implementation of similar "credits" to NAED's customers in March, 2007, April, 2010, April, 2011, February, 2012, March, 2013 and March, 2015.

Mr. Mottinger stated, "For the sixth time in seven years the Board of Electric Commissioners has an opportunity to provide a credit to our ratepayers. The Board of Electric Commissioners believes in providing our customers with stable rates. We also recognize that the funds NAED receives are "the people's money"

– not NAED's - and it is only right that when the opportunity presents itself that funds are returned to our customers! This year's falling energy prices have provided the basis to allow the Commissioners to again return monies to our customers."

Mottinger stated, "The Board of Electric Commissioners continues to be committed to effective fiscal management and maintaining stable and competitive electric rates."

Mr. Mottinger said, "We are again this year very proud of the quality of services provided to the community by NAED and its fine employees. All of us at NAED have continued to keep in mind that our North Attleborough customers are our also our friends, family and neighbors."

The Chairman concluded, "The commissioners hope that by providing the PPA credit, competitive electric rates, improvements to the electric distribution system and responses at times of emergencies that the community feels itself well served by this organization."

**ILLUSTRATIONS FOR RESIDENTIAL CUSTOMERS (RATE 1)
BASED UPON MONTHLY USAGES OF 750 Kwh & 500 Kwh**

Residential A1 Rate		Kwh 750	Kwh 500
Cust Charge	\$9.50	\$ 9.50	\$ 9.50
Distribution	\$0.03459	\$ 25.94	\$ 17.30
Energy	\$0.05976	\$ 44.82	\$ 29.88
Generation	\$0.03493	\$ 26.20	\$ 17.47
Transmission	\$0.01724	\$ 12.93	\$ 8.62
Total Bill		\$119.39	\$ 82.76

Projected Credit Amount: \$161.49 \$ 107.66

**Amount brought forward
to April, 2016 (Rounded):** \$ 42.10 \$ 24.90

II. NAED PILOT PROGRAM - MARCH, 2016 - TERMINATION NOTICES TO BE MAILED

In March, 2016 NAED will commence a "pilot program" to mail, rather than "hand deliver" "Termination Notices" to customers who are billed on NAED's "Cycle 1". On average, the department has to deliver more than 550 "Termination Notices" to customers due to unpaid bills. NAED has projected that the hand delivery of "Termination Notices" necessitates approximately 68 "man days" in a single year.

Cycle 1 has 3,395 customers (as of the mailing dated December 10, 2016) - of which there were 111 "termination notices" delivered (3.27% of total bills for that cycle). NAED is allowed by Massachusetts regulations to mail the Termination Notices" and has reviewed the matter with Legal Counsel and assessed similar programs instituted by other municipal light departments.

In order to assess the potential viability of mailing, rather than hand delivering, termination notices the administration plans on instituting a pilot program for a single billing cycle (Cycle 1) - over a period of at least two (2) months.

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