



A Customer Owned Utility
Serving Our Community Since 1894

MAY 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

Monthly Update of North Attleborough Electric Department's Activities

Dear Friends,

On behalf of the Board of Electric Commissioners (Edward Vandette, Brett Langille and Steven Cabral), and the North Attleborough Electric Department, we wish you our very best for the new spring season. It is a pleasure to provide this month's update relative to NAED events and activities.

I. UPDATE OF ACTIVITIES OF THE BOARD OF ELECTRIC COMMISSIONERS

The first meeting of the newly constituted Board of Electric Commissioners was held on April 7, 2016. At that meeting the Board welcomed its newest member Steven Cabral. Mr. Cabral replaced Charles Mottinger who served on the Board of Electric Commissioners for nine (9) years.

During Mr. Mottinger's tenure the department won four (4) national awards, upgraded the distribution system from 4kV to 113.8 kV, instituted new technologies such as Geographic Information Systems (GIS) and a new Financial Management System, provided seven (7) "PPA Credit" reimbursements to the department's ratepayers and commenced surveys of our customers on an annual basis.

At the April 7, 2016 meeting the General Manager provided the Board members with an update of recent activities. The Board also reconstituted itself for the following year with Edward Vandette being elected as Chairman and Brett Langille as Board Secretary. Steven Cabral will serve as the third member.

The Board also met on April 26, 2016 where it heard presentations relative to the planned future upgrades of the Sherman Sub Station, NAED's plans to again seek national recognition from the American Public Power Association (RP3 program), and NAED's work activities for the spring & summer, 2016. In early May, 2016 a tour of NAED's substation and Administrative Building/Operations Center is planned for members of the Board.

II. NAED HAS THE LOWEST RESIDENTIAL RATES IN THE STATE DURING MARCH, 2016

A recent survey conducted by MMWEC (Massachusetts Municipal Wholesale Electric Company) determined that NAED's customers, due to the "PPA Credit", authorized by the Board of Electric Commissioners, enjoyed the lowest residential rates in the state of Massachusetts during the month of March, 2016.

III. NAED's "A+" CREDIT RATING IS RENEWED BY STANDARD & POOR'S

Edward Vandette, Chairman of the Board of Electric Commissioners, announced today that the North Attleborough Electric Department (NAED) has received a renewal of its "A+/Stable" Issuer Credit Rating (ICR) from the national rating company, Standard & Poor's (S&P).

The department received an "A+/Stable" rating when S&P considered NAED's "credit rating" in 2010. That rating was renewed, twice thereafter, most recently in March, 2013. A "credit rating" for a municipal utility is used when power purchase agreements are being negotiated and identifies to those selling power that the municipal utility (in this case NAED) is a fiscally sound and organizationally strong public organization.

Mr. Vandette stated his pleasure that the S&P credit rating document considered local issues such as rates and maintenance of the department's distribution system. Vandette noted that the credit review by Standard & Poor's stated, "In our opinion, NAED's strong finances support the rating. Unrestricted cash plus the rate-stabilization and depreciation funds (the latter is designated for capital investment, but is also available for working capital purposes) provided what we view as very strong liquidity, consistently totaling more than 400 days of operating expenses for each of the past five years." S&P concluded, "The stable outlook reflects our view of management's ability to recover power cost escalations, allowing the utility to maintain financial metrics appropriate for the 'A+' rating.

Mr. Vandette stated, "On behalf of the Board of Electric Commissioners and NAED, we are again very pleased by the decision of Standard & Poor's to again recognize the NAED organization with an "A+ /Stable" rating. The rating represents a positive outside assessment of NAED and the organizational, management and fiscal progress that has occurred at NAED during the past ten (10) years."

IV. DRONE PROVIDES NAED INFORMATION ABOUT ITS DISTRIBUTION SYSTEM

In early April, 2016 the North Attleborough Electric Department (NAED) instituted a "pilot project" utilizing an Unmanned Aerial Vehicle (UAV), commonly referred to as a "Drone" to provide the department with information about the NAED distribution system. The Drone flew over NAED's overhead poles and lines only and took imagery of only NAED infrastructure. The Drone was a remotely controlled aircraft (e.g. flown by a pilot at a ground control station). The drone project was provided and controlled during its periods of flight by HurleyIR of Mount Airy, MD.

The drone flew over an area approximately 4 square miles to capture imagery and video of NAED's poles and distribution lines. NAED believes that capturing this imagery from above, will give the department information on pole framing condition and distribution system health. As a result of the flyover, NAED has received imagery and video (color, infrared, and ultraviolet) of said assets that will integrate into the department's "Geographic Information System" (GIS) database.

V. NAED RECEIVES RECOGNITION FOR EXCEPTIONAL SYSTEM RELIABILITY IN 2015

The North Attleborough Electric Department (NAED) has received national recognition for achieving exceptional electric reliability relative to its local distribution system in 2015. The recognition comes from the American Public Power Association (APPA)—a trade group in Washington, D.C., that represents more than 2,000 not-for-profit, community-owned electric utilities such as NAED. "This honor recognizes utilities that are statistically thriving when it comes to reliability," said APPA Senior Vice President, Engineering Services Michael Hyland.

This award is issued to those utilities in the top 25% of all utilities nationwide.

APPA reviewed NAED's reliability data (which includes system outages, reason for outages and utility responses) as compiled through its eReliability Tracker Service. APPA then compared NAED's information to the top quarter of system outage duration from national reliability data collected by the Energy Information Administration—an independent agency that collects, analyzes and disseminates national energy data. **As an illustration, one measure of a system's reliability is the calculation of the average numbers of minutes of electrical service interruption that occurs annually for each customer. The average APPA customer surveyed, nationwide, experienced 97 minutes of service interruption in 2015, whereas the average NAED customer experienced 13 minutes of service interruption in 2015.**

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