



A Customer Owned Utility
Serving Our Community Since 1894

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SEPTEMBER 1, 2015

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, Charles Mottinger and Brett Langille) it is a pleasure to provide this month's update relative to NAED events and activities.

I. BOARD OF ELECTRIC COMMISSIONERS APPROVE REVISED RATES EFFECTIVE OCTOBER 1, 2015

As I noted last month, at its meeting of July 14, 2015, the Board of Electric Commissioners approved revised tariffs & rates for North Attleborough Electric Department customers, effective October 1, 2015. The department's rates have not been modified since February, 2004. The tariffs & rates incorporate the rate recommendations of Utility Financial Services (UFS), which were presented to the Board of Electric Commissioners, by the President of UFS, Mark Beauchamp, at the Board's meeting of June 25, 2015. The rate recommendations are based upon the "Cost of Service Study" performed by UFS of NAED's FY 2013 costs. The recommendations were then prepared based upon the information utilizing the department's FY 2014 "actuals" and the FY 2015 budget. The rate recommendations were also reviewed by NAED administration personnel and the Board of Electric Commissioners.

The rate recommendations by UFS, which provided the basis for the revised rates, are as follows:

	Projected Revenues Under Current Rates	Projected Rev From Proposed 2016 Rate Design	Projected Revenue Change	Projected Change from Current
Residential (A1)	\$16,506,627	\$16,496,903	(9,724)	-0/06%
Res Asst (A5) 2016	815,325	815,308	(16)	0.00%
SGS (CI-6) 2016	3,201,935	3,074,376	(127,558)	-3.98%
LGS - Sec (CI-7) 2016	12,636,359	12,157,345	(479,014)	-3.79%
LGS - Pri (CI-7) 2016	274,565	263,309	(11,256)	-4.10%
SGS - Muni (M11) 2016	183,344	183,064	(280)	-0.15%
LGS Muni (M12) 2016	1,276,327	1,252,954	(23,373)	-1.83%
TOU Muni (M13) 2016	519,398	498,628	(20,770)	-4.00%
Priv. Light (LL1) 2016	160,027	152,693	(7,334)	-4.58%
Muni Light (M14) 2016	154,822	154,822	-	0.00%
TOTAL:	\$35,728,7729	\$35,049,403	(679,327)	-1.90%

The rate revisions are based upon the department's future operating and power costs, as well as its capital obligations for the next three fiscal/calendar years (2016 - 2018). A key purpose of the revised rates is to ensure that the department will have sufficient cash resources to address the needs of our customers and the distribution system.

Per the presentation of UFS to the Board of Electric Commissioners on June 25, 2015 - while there will be changes in individual rate charges, to better reflect NAED's "true" current and projected future operating and power costs - no NAED rate class will see an increase.

While individual customer accounts may vary, based upon the amount of electricity used and loads, the revised rate classifications, in total, are not projected to result in increased revenue for NAED. Should a customer have any questions please review the information presented on the NAED web site, www.naelectric.com, or contact NAED. Notice of the rate revisions will also be published in a local newspaper.

The rates have been revised in order to appropriately allocate fiscal resources generated from rates to the following NAED charges:

Energy Charge
Transmission Charge
Generation Charge
Capacity Charge
Distribution Charge
Customer Charge

Some changes that might be noted by our customers include:

The revised rates do not assume a "Power Cost Adjustment" (previously referred to as a "Purchased Power Adjustment" (PPA)) assessment.

Customer Charges have been revised; (for example the Residential Rate (A-1) will see an increase in the Customer Charge from \$5.00 to \$9.50), however, as noted above, even with the changes in the Customer Charge, because of revisions to other current charges, no NAED rate class will see an increase.

The department has updated its tariffs to incorporate the department's current policies, practices and "Terms of Conditions".

The eligibility requirements related to Rate 5 have been modified to allow for a better administration and oversight of that rate.

The tariff for Rate 14 has been modified to reflect both "Street Lights" and "Leased Lights". The rate for "Leased Lights" has now been named, "Rate 15". The rate for "Leased Lights - Metered", has now been named "Rate 16". The template reference in "Monthly Minimum Charge (Customer Charge): has been eliminated in NAED's so-called "lighting rates": Rates 14, 15 & 16.

A rate for a "Power Cost Adjustment" has been established to provide, if necessary, the basis for the Board, to utilize a "Power Cost Adjustment" which will impact our Energy Costs - Energy Rate, Transmission Rate & Generation Charge and Capacity.

As noted above, the new rates and tariffs are scheduled to be implemented; effective October 1, 2015. NAED will provide public education and information. The new rates & tariffs will be also be submitted to the Commonwealth's Department of Public Utilities (DPU).

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