



2010

A N N U A L  
R E P O R T

BRAINTREE ELECTRIC LIGHT DEPARTMENT



## BRAINTREE ELECTRIC LIGHT DEPARTMENT A message from the General Manager

**B**raintree residents and rate payers saw another year of solid accomplishments from Braintree Electric Light Department (BELD) during 2010. With careful power supply planning, we were able to cut our energy charge to our customers on three occasions and position ourselves to keep our rate competitively low in the coming years.

A major project was completed with the addition of a second substation transformer at the Churchill Station located behind the South Shore Plaza. This expansion gives Braintree Electric additional capacity while at the same time increasing the reliability of our electrical distribution system.

The Thomas A. Watson Generating Station completed its first full calendar year in service, running approximately 150 days and reliably supplying electricity to our customers and partners. During the hot summer weather the plant was particularly valuable, as it shielded our customers from high spot-market energy prices that utilities were forced to pay if they did not have their own efficient generation.

Behind the scenes our office staff completed an extensive upgrade to our enterprise management software with the implementation of Microsoft Dynamics, giving us a better tool to manage our

workflow, inventory, and financial systems in the future. Our staff also began a major upgrade of our Harris billing system. This new software program will streamline the billing process and allow employees to more efficiently resolve customer issues.

Looking toward the future, Braintree Electric is implementing an advanced metering project which will require the replacement of all residential and commercial meters in the town. The new metering system will allow us to better respond to customer outages, offer time-of-use metering, and provide a plethora of other advantages over our existing metering system.



William G. Bottiggi  
General Manager

**BRAINTREE ELECTRIC LIGHT DEPARTMENT  
MANAGERS AND BOARD**



**Anthony L. Agnitti** Chairman  
**James P. Regan** Vice Chairman  
**Thomas J. Reynolds** Secretary

BRAINTREE ELECTRIC LIGHT DEPARTMENT is a public power utility—one of more than 2,000 in the country. Operated as a not-for-profit public service, BELD is overseen by an elected Municipal Light Board.

Braintree residents are not only consumers, but owners as well—with a role in deciding how BELD will be operated. We appreciate the support you've given the Light Board and BELD's management and staff as we've worked together over the past year to serve the Town of Braintree.

**BELD GENERAL MANAGERS**

1892–1895	Thomas A. Watson (3 years)
1895–1902	Ansel O. Clark (7 years)
1903–1911	Daniel Potter (8 years)
1911–1939	Fred B. Lawrence (28 years)
1939–1954	Ernest T. Fulton (15 years)
1954–1977	Alban G. Spurrell (23 years)
1977–1985	Donald H. Newton (8 years)
1985–2002	Walter R. McGrath (17 years)
2003–present	William G. Bottiggi

**BRAINTREE MUNICIPAL LIGHT BOARD  
ESTABLISHED 1909**

(Members listed by seat)

1909–1956	Norton P. Potter (47 years)
1956–1960	James H. Dignan (4 years)
1960–1961	Raymond A. Nagle (1 year)
1961–1967	Ernest S. Reynolds (6 years)
1967–1968	Gordon E. Trask (1 year)
1968–1974	William J. Dignan (6 years)
1974–1977	Anthony J. Mollica (3 years)
1977–1983	Dennis M. Corvi (6 years)
1984–1993	Joseph W. Aiello (9 years)
1993–1999	James M. Casey (6 years)
1999–present	Thomas J. Reynolds
1909–1938	Alexander Carson (29 years)
1938–1957	Shelley A. Neal (19 years)
1957–1983	Walter J. Hansen (26 years)
1983–1989	Michael J. Joyce (6 years)
1989–1995	James E. Wentworth (6 years)
1995–1995	Paul E. Caruso (1 year)
1995–2004	Darrin M. McAuliffe (9 years)
2004–present	Anthony L. Agnitti
1909–1925	Charles T. Crane (16 years)
1925–1936	Charles G. Jordan (11 years)
1936–1954	Frank P. Lloyd (18 years)
1954–1955	Ernest T. Fulton (1 year)
1955–1980	Carl W.R. Johnson (25 years)
1980–1981	Guy F. Luke (1 year)
1981–1982	Joseph W. Aiello (1 year)
1982–2006	Guy F. Luke (24 years)
2006–present	James P. Regan

**FINANCIAL STATEMENTS  
CONSOLIDATING STATEMENTS OF NET ASSETS AND LIABILITIES  
December 31, 2010 (audited)**

ASSETS	Light Division	Broadband Division	Consolidated
<b>CURRENT ASSETS:</b>			
Funds on Deposit with Town Treasurer			
Operating Fund	\$ 6,798,997	\$ 343,117	\$ 7,142,114
Customer Accounts Receivable, Net	5,687,949	101,420	5,789,369
Accounts Receivable - Related party	143,731	0	143,731
Other Receivables	338,939	0	338,939
Materials and Supplies	3,650,358	19,019	3,669,377
Unbilled Revenue	1,974,772	0	1,974,772
Purchased Power Working Capital	1,301,305	0	1,301,305
Prepaid Expenses	299,250	0	299,250
<b>TOTAL CURRENT ASSETS</b>	<b>20,195,301</b>	<b>463,556</b>	<b>20,658,857</b>
<b>NONCURRENT ASSETS:</b>			
Funds on Deposit with Town Treasurer			
Depreciation Fund	711,394	6,325	717,719
Rate Stabilization Fund	9,067,546	0	9,067,546
Construction Fund	5,868,527	0	5,868,527
Customer Deposits	487,981	0	487,981
Investment in Energy New England	647,598	0	647,598
Investment in Hydro-Quebec Phase II	58,286	0	58,286
Other Investments	137,000	0	137,000
Investment in Affiliate Company	895,092	(895,092)	0
Plant Assets, Net	153,247,653	2,459,636	155,707,289
<b>TOTAL NONCURRENT ASSETS</b>	<b>171,121,077</b>	<b>1,570,869</b>	<b>172,691,946</b>
<b>TOTAL ASSETS</b>	<b>\$ 191,316,378</b>	<b>\$ 2,034,425</b>	<b>\$ 193,350,803</b>

**FINANCIAL STATEMENTS**  
**CONSOLIDATING STATEMENTS OF NET ASSETS AND LIABILITIES**  
December 31, 2010 (audited)

**LIABILITIES**

	Light Division	Broadband Division	Consolidated
<b>CURRENT LIABILITIES:</b>			
Accounts Payable	\$ 4,334,020	\$ 298,932	\$ 4,632,952
Accounts Payable - Related party	218,710	24,912	243,622
Accrued Compensated Absences	162,945	21,075	184,020
Other Accrued Expenses	645,168	31,303	676,471
Bonds Payable	4,837,127	500,000	5,337,127
Participant Advances & Reserve	1,832,916	0	1,832,916
Capital Leases	0	166,946	166,946
Deferred Revenue	192,000	0	192,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>12,222,886</b>	<b>1,043,168</b>	<b>13,266,054</b>
<b>NONCURRENT LIABILITIES:</b>			
Bonds Payable, Net of Current Portion	108,825,172	150,000	108,975,172
New Lease, Net of Current Portion	0	106,734	106,734
Rate Stabilization Reserve	7,562,806	0	7,562,806
Net OPEB Obligation	3,138,276	427,947	3,566,223
Customer Deposits	539,276	0	539,276
Deferred Revenue	244,076	0	244,076
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>120,309,606</b>	<b>684,681</b>	<b>120,994,287</b>
<b>TOTAL LIABILITIES</b>	<b>132,532,492</b>	<b>1,727,849</b>	<b>134,260,341</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	45,453,881	1,809,636	47,263,517
Unrestricted	13,330,005	(1,503,060)	11,826,945
<b>TOTAL NET ASSETS</b>	<b>58,783,886</b>	<b>306,576</b>	<b>59,090,462</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 191,316,378</b>	<b>\$ 2,034,425</b>	<b>\$ 193,350,803</b>

**FINANCIAL STATEMENTS**  
**CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
December 31, 2010 (audited)

	Light Division	Broadband Division	Consolidated
<b>OPERATING REVENUES:</b>			
Sales to Ultimate Customers	\$ 54,272,413	\$ 5,876,699	\$ 60,149,112
Sales for Resale	14,348,222	0	14,348,222
Other Operating Revenues	1,048,980	0	1,048,980
<b>TOTAL OPERATING REVENUES</b>	<b>69,669,615</b>	<b>5,876,699</b>	<b>75,546,314</b>
<b>OPERATING EXPENSES:</b>			
Purchased Power	30,142,965	0	30,142,965
Fuel for Generators	6,625,702	0	6,625,702
Signal Fees	0	2,000,959	2,000,959
Maintenance	6,655,369	640,756	7,296,125
Distribution	1,570,198	1,151,879	2,722,077
General & Administration	9,483,674	1,621,581	11,105,255
Depreciation Expense	7,303,489	643,610	7,947,099
<b>TOTAL OPERATING EXPENSES</b>	<b>61,781,397</b>	<b>6,058,785</b>	<b>67,840,182</b>
<b>OPERATING INCOME</b>	<b>7,888,218</b>	<b>(182,086)</b>	<b>7,706,132</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment Loss - ENE	183,314	0	183,314
Interest and Dividend Income	59,694	0	59,694
Interest Expense	(4,393,396)	(57,583)	(4,450,979)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(4,150,388)</b>	<b>(57,583)</b>	<b>(4,207,971)</b>
<b>Income Before Contributions and Transfers</b>	<b>3,737,830</b>	<b>(239,669)</b>	<b>3,498,161</b>
<b>NET ASSETS - JANUARY 1</b>	<b>56,859,428</b>	<b>546,245</b>	<b>57,405,673</b>
Transfers In - Payment in Lieu of Taxes	350,000	0	350,000
Transfers Out - Payment in Lieu of Taxes	(2,163,372)	0	(2,163,372)
<b>NET ASSETS - DECEMBER 31</b>	<b>\$ 58,783,886</b>	<b>\$ 306,576</b>	<b>\$ 59,090,462</b>

## FINANCIAL STATEMENTS

### STATEMENT OF KILOWATT HOUR SALES, LIGHT DIVISION

December 31, 2010 & 2009 (audited)

	<u>2010</u>	<u>2009</u>
<b>KILOWATTS:</b>		
Residential Service	119,983,873	110,661,312
Commercial Service	214,345,061	211,670,650
Industrial Service	27,204,218	26,212,850
Municipal Service	14,217,289	13,131,418
Area Lighting	841,125	859,825
Sales to Other Utilities	<u>72,780,859</u>	<u>33,843,335</u>
<b>TOTAL KILOWATT HOUR SALES</b>	<b>449,372,425</b>	<b>396,379,390</b>
 <b>REVENUE:</b>		
Residential Service	\$16,562,051	\$17,079,828
Commercial Service	\$32,195,857	\$35,259,315
Industrial Service	\$3,770,327	\$4,074,865
Municipal Service	\$2,086,234	\$2,116,635
Area Lighting	\$95,788	\$97,820
Sales to Other Utilities	<u>\$14,348,222</u>	<u>\$7,984,048</u>
<b>TOTAL KILOWATT DOLLAR SALES</b>	<b>\$69,058,479</b>	<b>\$66,612,511</b>

#### **Notes to financial statements: December 31, 2010**

- The general laws of the Commonwealth of Massachusetts under Chapter 164 require "utility plant in service" to be depreciated using a 3% rate. Approval must be given by the Massachusetts Department of Public Utilities before the rate can be changed. Rates used in depreciating "utility plant in service" are based on financial factors relating to cash flow for plant expansion, rather than engineering factors relating to estimates of useful life.
- BELD adopted the provisions of Governmental Accounting Standards Board (GASB ) Statements No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, in 2002.
- Braintree Electric Light Department operates in two divisions: the municipal Electric Division and the Broadband Division. The Electric Division generates, purchases and distributes electricity to residents of the town. The Broadband Division provides Internet, cable television and digital phone services to residents of the town. Because BELD is owned by the town and not by investors, our net profit is returned to our customers in the way of stable rates, better service and increased assets.
- The financial results presented for 2010 are audited.

