



2011

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 Electric Light Department has entered the world of advanced metering. After years of careful planning, watching the evolution of the technology, meeting with vendors and evaluating systems, **BELD began an advanced metering project during the first quarter of 2011.**

The project will significantly change the way we do business and interface with our customers, as we will no longer need to physically visit each meter each month in order to read it. The new advanced metering system will automatically read the meters for us and provide us with valuable additional features—including outage notification, voltage quality, tamper alarms, and remote disconnect ability.

After completing an extensive bid process and evaluation, BELD selected the Elster Group to supply the meters. Meter replacement began in June 2011, and approximately 6,000 of the 16,000 meters in Braintree were replaced by the end of December. The remaining 10,000 meters will be replaced in 2012.

One of the major future benefits of the advanced metering system will be the ability for our customers to view their electric usage history—in 15-minute increments—via a web portal from any computer connected to the Internet, thus helping them manage their consumption of electricity.

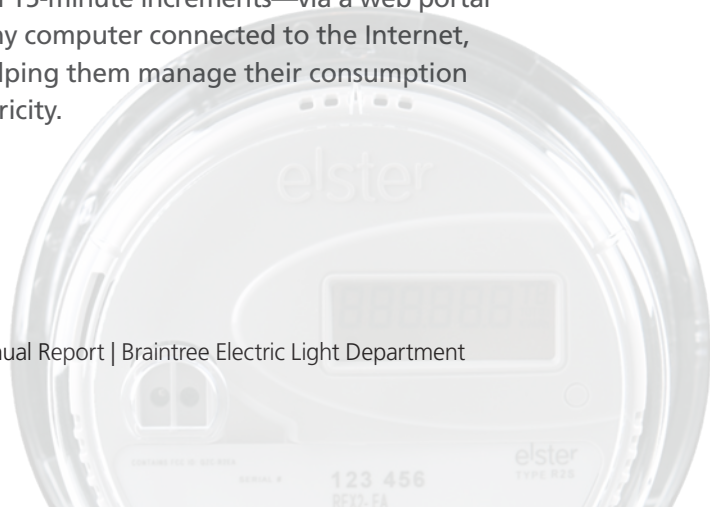
Eventually BELD plans to offer home automation wireless devices as enhancements to the advanced metering system—allowing residents to remotely control their thermostats. These devices should be available during 2013.

Looking to the future, we will continue to invest in our electrical transmission and distribution systems **to insure that we are providing for our customers the highest possible reliability at the lowest reasonable cost.** We here at BELD are excited about future projects and the reward of being able to continue to provide important new services to the Town of Braintree.



A handwritten signature in black ink that reads "William G. Bottiggi". The signature is fluid and cursive, written over a white background.

William G. Bottiggi  
General Manager



## BRAINTREE ELECTRIC LIGHT DEPARTMENT MANAGERS AND BOARD



**James P. Regan**  
Chairman



**Anthony L. Agnitti**  
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, 2011 (audited)

ASSETS	<u>Light Division</u>	<u>Broadband Division</u>	<u>Consolidated</u>
<b>CURRENT ASSETS:</b>			
Funds on Deposit with Town Treasurer			
Operating Fund	\$ 4,083,904	\$ 275,538	\$ 4,359,442
Customer Accounts Receivable, Net	3,585,652	110,352	3,696,004
Accounts Receivable - Related party	152,425	0	152,425
Other Receivables	333,077	0	333,077
Materials and Supplies	3,791,132	12,394	3,803,526
Unbilled Revenue	2,421,462	0	2,421,462
Purchased Power Working Capital	1,301,494	0	1,301,494
Prepaid Expenses	428,925	96,748	525,673
	<u>16,098,071</u>	<u>495,032</u>	<u>16,593,103</u>
<b>NONCURRENT ASSETS:</b>			
Funds on Deposit with Town Treasurer			
Depreciation Fund	2,092,049	6,321	2,098,370
Rate Stabilization Fund	10,228,259	0	10,228,259
Construction Fund	3,925,635	0	3,925,635
Customer Deposits	681,228	0	681,228
Investment in Energy New England	675,480	0	675,480
Investment in Hydro-Quebec Phase II	47,950	0	47,950
Other Investments	135,036	0	135,036
Investment in Affiliate Company	1,395,092	(1,395,092)	0
Plant Assets, Net	152,321,151	2,248,408	154,569,559
	<u>171,501,880</u>	<u>859,637</u>	<u>172,361,517</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 187,599,951</u></b>	<b><u>\$ 1,354,669</u></b>	<b><u>\$ 188,954,620</u></b>

**FINANCIAL STATEMENTS**  
**CONSOLIDATING STATEMENTS OF NET ASSETS AND LIABILITIES**  
December 31, 2011 (audited)

**LIABILITIES**

	Light Division	Broadband Division	Consolidated
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>CURRENT LIABILITIES:</b>			
Accounts Payable	\$ 5,231,666	\$ 316,283	\$ 5,547,949
Accounts Payable - Related party	233,073	27,434	260,507
Accrued Compensated Absences	259,439	24,580	284,019
Other Accrued Expenses	619,855	51,910	671,765
Bonds Payable	5,168,470	150,000	5,318,470
Participant Advances & Reserve	916,413	0	916,413
Capital Leases	0	239,171	239,171
Deferred Revenue	192,000	0	192,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>12,620,916</b>	<b>809,378</b>	<b>13,430,294</b>
<b>NONCURRENT LIABILITIES:</b>			
Bonds Payable, Net of Current Portion	103,656,700	0	103,656,700
New Lease, Net of Current Portion	0	310,458	310,458
Rate Stabilization Reserve	9,228,258	0	9,228,258
Net OPEB Obligation	3,916,517	551,798	4,468,315
Customer Deposits	637,350	0	637,350
Deferred Revenue	213,410	0	213,410
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>117,652,235</b>	<b>862,256</b>	<b>118,514,491</b>
<b>TOTAL LIABILITIES</b>	<b>130,273,151</b>	<b>1,671,634</b>	<b>131,944,785</b>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	47,421,616	2,098,408	49,520,024
Unrestricted	9,905,184	(2,415,373)	7,489,811
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL NET ASSETS</b>	<b>57,326,800</b>	<b>(316,965)</b>	<b>57,009,835</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 187,599,951</b>	<b>\$ 1,354,669</b>	<b>\$ 188,954,620</b>

## FINANCIAL STATEMENTS

### CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS December 31, 2011 (audited)

	Light Division	Broadband Division	Consolidated
<b>OPERATING REVENUES:</b>			
Sales to Ultimate Customers	\$ 51,469,423	\$ 5,686,475	\$ 57,155,898
Sales for Resale	12,714,779	0	12,714,779
Other Operating Revenues	891,460	0	891,460
<b>TOTAL OPERATING REVENUES</b>	<b>65,075,662</b>	<b>5,686,475</b>	<b>70,762,137</b>
<b>OPERATING EXPENSES:</b>			
Purchased Power	30,052,040	0	30,052,040
Fuel for Generators	3,682,742	0	3,682,742
Signal Fees	0	2,117,615	2,117,615
Maintenance	6,959,449	567,199	7,526,648
Distribution	1,264,053	1,200,000	2,464,053
General & Administration	10,319,657	1,697,679	12,017,336
Depreciation Expense	7,874,714	667,331	8,542,045
<b>TOTAL OPERATING EXPENSES</b>	<b>60,152,655</b>	<b>6,249,824</b>	<b>66,402,479</b>
<b>OPERATING INCOME</b>	<b>4,923,007</b>	<b>(563,349)</b>	<b>4,359,658</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment Loss - ENE & SSEC	20,916	0	20,916
Interest and Dividend Income	32,244	0	32,244
Interest Expense	(4,249,580)	(60,192)	(4,309,772)
<b>TOTAL NONOPERATING REVENUES</b>	<b>(4,196,420)</b>	<b>(60,192)</b>	<b>(4,256,612)</b>
Income Before Contributions and Transfers	726,587	(623,541)	103,046
<b>NET ASSETS - JANUARY 1</b>	<b>58,783,886</b>	<b>306,576</b>	<b>59,090,462</b>
Transfers In - Payment in Lieu of Taxes	—	0	0
Transfers Out - Payment in Lieu of Taxes	(2,183,673)	0	(2,183,673)
<b>NET ASSETS - DECEMBER 31</b>	<b>\$ 57,326,800</b>	<b>\$ (316,965)</b>	<b>\$ 57,009,835</b>

## FINANCIAL STATEMENTS

### STATEMENT OF KILOWATT HOUR SALES, LIGHT DIVISION

December 31, 2011 & 2010 (audited)

	2011	2010
<b>KILOWATTS:</b>		
Residential Service	116,914,372	119,983,873
Commercial Service	207,055,691	214,345,061
Industrial Service	26,511,988	27,204,218
Municipal Service	13,889,310	14,217,289
Area Lighting	850,425	841,125
Sales to Other Utilities	35,293,698	72,780,857
<b>TOTAL KILOWATT HOUR SALES</b>	<b>400,515,484</b>	<b>449,372,422</b>
 <b>REVENUE:</b>		
Residential Service	\$15,423,030	\$16,562,051
Commercial Service	29,893,782	32,195,857
Industrial Service	3,521,803	3,770,327
Municipal Service	2,004,842	1,938,955
Area Lighting	98,746	95,788
Sales to Other Utilities	12,714,779	14,698,222
<b>TOTAL KILOWATT DOLLAR SALES</b>	<b>\$63,656,982</b>	<b>\$69,261,200</b>

#### **Notes to financial statements: December 31, 2011**

- *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 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 2011 are audited.*





BRAINTREE ELECTRIC  
LIGHT DEPARTMENT

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