



ANNUAL REPORT

2012

BRAINTREE ELECTRIC LIGHT DEPARTMENT



A message from the General Manager

Braintree Electric Light Department had a fairly quiet year during 2012 with almost a non-existent winter and a quiet summer. During the fall BELD responded well to hurricane Sandy and didn't experience the snowfall that other utilities did during the October storm. We were able to send our employees on mutual aid a number of times, assisting both municipal and investor-owned utilities (NSTAR).

After two years of work I am pleased to report that we have completed the design and implementation of our advanced metering project. With the new

equipment in place we are now able to more efficiently read meters and detect outages, better understand electric delivery quality issues and in general provide better service for our customers. Customers will soon have available to them a new web portal where they will be able to manage their electrical consumption and

have an increased understanding of their bill.

We here at BELD look forward to 2013, when we can continue to invest in capital improvements and technology to improve the way we deliver electricity and broadband services to our customers.

After two years of work I am pleased to report we have completed the design and implementation of our advanced metering project



William G. Bottiggi
General Manager

A handwritten signature in black ink that reads "William G. Bottiggi". The signature is written in a cursive style with a large, sweeping flourish at the end.

Braintree Electric Light Department

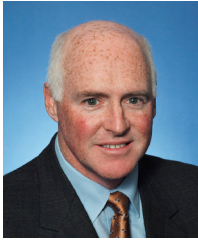
is a public power utility—one of more than 2,000 in the country. Along with being the town’s electric department BELD also provides the residents of Braintree broadband services including high-speed internet, cable TV and home phone service. BELD is constantly upgrading equipment and modernizing its plant to stay current with the needs of its customers. 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.



Braintree residents are not only consumers, but owners as well—with a role in deciding how BELD will be operated

BRAINTREE ELECTRIC LIGHT DEPARTMENT MANAGERS AND BOARD



William G. Bottiggi
General Manager



James P. Regan
Chairman



Anthony L. Agnitti
Vice Chairman



Thomas J. Reynolds
Secretary

BELD GENERAL MANAGERS

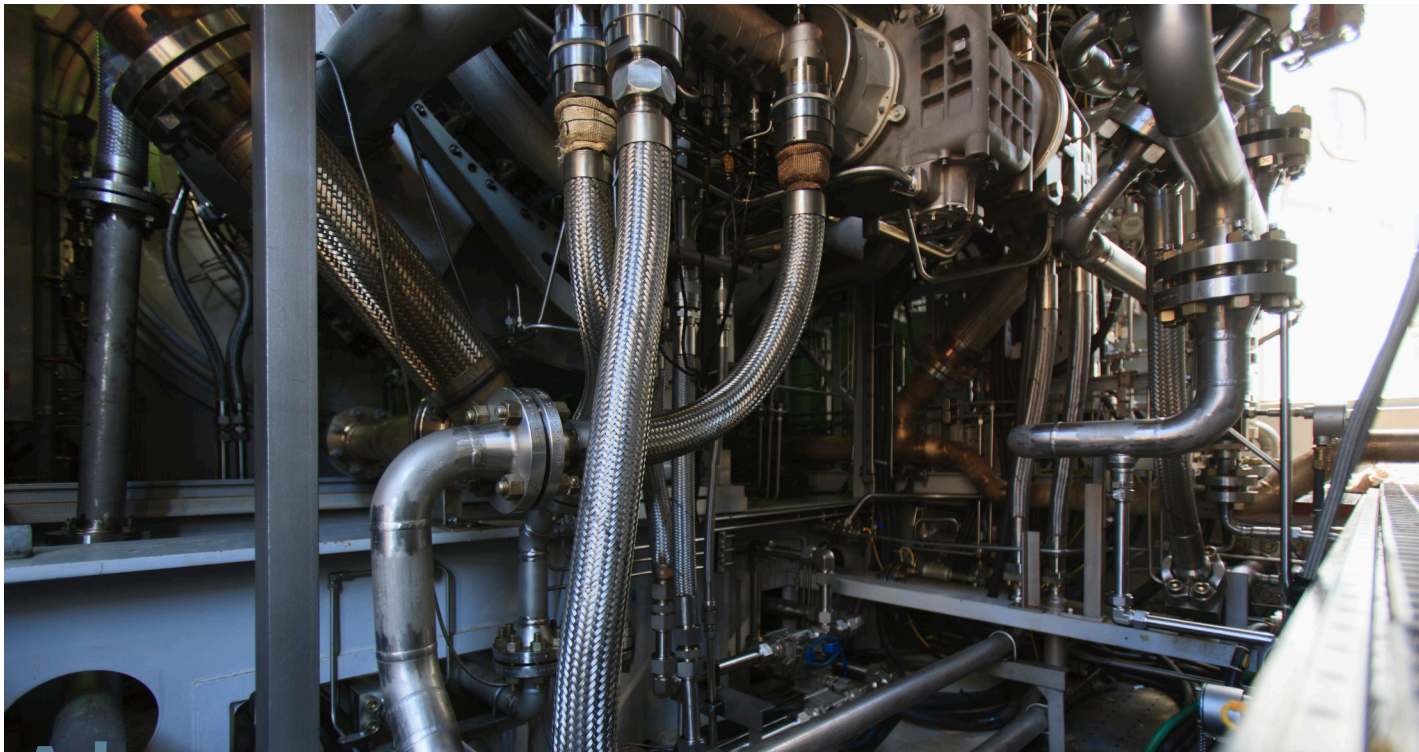
1892–1895	Thomas A. Watson (3 years)
1895–1902	Ansel O. Clark (7 years)
1903–1911	Daniel Potter (8 years)
1911–1939	Fred B. Lawrence (28 years)
1939–1954	Ernest T. Fulton (15 years)
1954–1977	Alban G. Spurrell (23 years)
1977–1985	Donald H. Newton (8 years)
1985–2002	Walter R. McGrath (17 years)
2003–present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



BRAINTREE MUNICIPAL LIGHT BOARD ESTABLISHED 1909

(Members listed by seat)

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



About our energy

In addition to receiving power from many units within New England, BELD currently owns and operates four power plants and bids these plants into the ISO New England market system.

They include a 96 megawatt (MW) combined-cycle power plant (Potter II), the two new Thomas Watson 58 MW quick-start simple-cycle turbines, and a 2 MW diesel unit.

The department is very proud of its customer service and electric system reliability. In 1998, BELD installed a fiber optic network throughout the town, connecting all of its substations and providing computer communications, system monitoring, telephones, and electric circuit relaying.

BELD gets its power from so many resources because the utility industry's motto is "Don't put all your eggs in one basket." Here's why:

- Reliability—Individual units can and do fail sometimes, but groups increase overall reliability
- Fuel diversity—Individual fuel prices swing widely over time, so it pays to use many different fuel types
- Economy—Base, intermediate, and peak loads are most economically served by different types of generators

Normally, generators are designed based on the amount of continuous run-time and the variability of the load they are expected to experience:

- Base loads are best served with expensive but super-efficient generators that are very inexpensive to operate and maintain, yielding extremely cheap costs per kilowatt-hour.
- Intermediate loads are cheaper to service with less-expensive, less-efficient units because they do not run constantly.
- Peak loads occur infrequently, so low-cost generators that have high fuel costs are the most economical.

The department is very proud of its customer service and electric system reliability.

CONSOLIDATING STATEMENTS OF NET ASSETS AND LIABILITIES

December 31, 2012 (audited)

ASSETS	Light Division	Broadband Division	Consolidated
Funds on Deposit with Town Treasurer			
Operating Fund	\$4,229,104	\$551,949	\$4,781,053
Customer Accounts Receivable, Net	4,485,670	92,831	4,578,501
Accounts Receivable - Related party	167,408	0	167,408
Other Receivables	768,760	0	768,760
Materials and Supplies	3,779,146	16,299	3,795,445
Unbilled Revenue	2,466,888	0	2,466,888
Purchased Power Working Capital	1,451,607	0	1,451,607
Prepaid Expenses	357,752	61,237	418,989
TOTAL CURRENT ASSETS	\$17,706,335	\$722,316	\$18,428,651
NON CURRENT ASSETS			
Funds on Deposit with Town Treasurer			
Depreciation Fund	\$3,307,001	\$6,334	\$3,313,335
Rate Stabilization Fund	9,669,525	0	9,669,525
Construction Fund	2,058,803	0	2,058,803
Customer Deposits	737,060	0	737,060
Investment in Energy New England	779,142	0	779,142
Investment in Hydro-Quebec Phase II	30,857	0	30,857
Other Investments	135,036	0	135,036
Investment in Affiliate Company	1,272,440	(1,272,440)	0
Plant Assets, Net	148,257,696	1,629,051	149,886,747
TOTAL NONCURRENT ASSETS	\$166,247,560	\$362,945	\$166,610,505
TOTAL ASSETS	\$183,953,895	\$1,085,261	\$185,039,156

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 CONSOLIDATING STATEMENTS OF NET ASSETS AND LIABILITIES
 December 31, 2012 (audited)

LIABILITIES	Light Division	Broadband Division	Consolidated
CURRENT LIABILITIES			
Accounts Payable	\$3,626,775	\$262,296	\$3,889,071
Accounts Payable - Related party	248,798	33,500	282,298
Accrued Compensated Absences	203,831	14,729	218,560
Other Accrued Expenses	598,380	92,792	691,172
Bonds Payable	5,173,470	0	5,173,470
Participant Advances & Reserve	1,318,686	0	1,318,686
Capital Leases	18,774	249,798	268,572
Deferred Revenue	192,000	0	192,000
TOTAL CURRENT LIABILITIES	\$11,380,714	\$653,115	\$12,033,829
NONCURRENT LIABILITIES			
Bonds Payable, Net of Current Portion	\$98,633,230	\$0	\$98,633,230
New Lease, Net of Current Portion	28,981	245,117	274,098
Rate Stabilization Reserve	9,169,524	0	9,169,524
Net OPEB Obligation	3,979,082	631,239	4,610,321
Customer Deposits	692,838	0	692,838
Deferred Revenue	182,746	0	182,746
TOTAL NONCURRENT LIABILITIES	112,686,401	876,356	113,562,757
TOTAL LIABILITIES	124,067,115	1,529,471	125,596,586
NET ASSETS			
Invested in Capital Assets, Related Debt	46,509,799	1,629,051	48,138,850
Unrestricted	13,376,981	(2,073,261)	11,303,720
TOTAL NET ASSETS	\$59,886,780	(\$444,210)	\$59,442,570
TOTAL LIABILITIES AND NET ASSETS	<u>\$183,953,895</u>	<u>\$1,085,261</u>	<u>\$185,039,156</u>



The Thomas A. Watson Generating Station

The simple-cycle gas-fired plant is powered by the first two Rolls-Royce Trent 60 gas turbines built for the U.S. power generation market—known as Watson Units #1 and #2.

Both Watson Units are bid into the ISO New England market system daily and are dispatched based on their total price. BELD retains 30% of the output of both units, and the other 70% is under contract to seven other public entities.

BELD's 30% ownership is equal to approximately 35 Megawatts (MW) of Braintree's load. If the units are not running, BELD must purchase that power from another source to cover our load requirement. We now have a choice—generate it ourselves or purchase it, depending on which is less expensive.

The Watson units are already lowering costs for Braintree residents. BELD's Power Cost Adjustment (PCA)—which is tied directly to our cost of buying electricity through the regional system—was reduced four times during the plant's first year of operation.

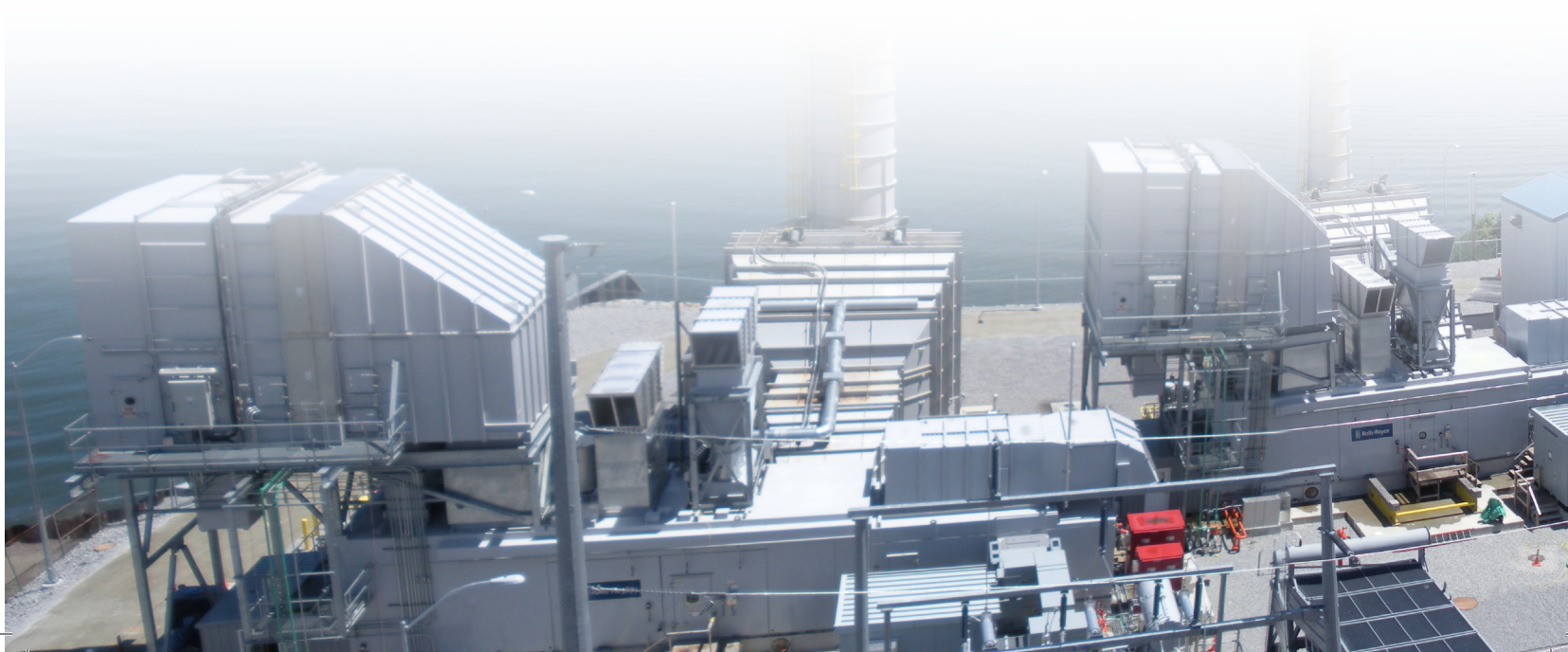
One of the most modern and efficient plants in the country, the state-of-the-art Thomas A. Watson Generating Station was named one of the fourteen best power plants in the world in the January-February 2010 edition of Diesel & Gas Turbine Worldwide magazine.

***The Thomas A. Watson
Generating Station is one of
the most modern, state-of-
the-art and efficient plants
in the country***

CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
December 31, 2012 (audited)

	Light Division	Broadband Division	Consolidated
OPERATING REVENUES			
Sales to ultimate customers	\$50,757,003	\$5,627,461	\$56,384,464
Sales for Resale	12,605,128	0	12,605,128
Other operating revenues	1,729,215	0	1,729,215
TOTAL OPERATING REVENUES	\$65,091,346	\$5,627,461	\$70,718,807
OPERATING EXPENSES:			
Purchased power	\$27,852,573	\$0	\$27,852,573
Fuel for generators	3,410,218	0	3,410,218
Signal Fees	0	2,173,215	2,173,215
Maintenance	7,248,317	551,621	7,799,938
Distribution	1,265,924	680,686	1,946,610
General & Administration	9,422,729	1,508,523	10,931,252
Depreciation Expense	7,203,381	793,465	7,996,846
TOTAL OPERATING EXPENSES	\$56,403,142	\$5,707,510	\$62,110,652
OPERATING INCOME	\$8,688,204	(\$80,049)	\$8,608,155

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CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
December 31, 2012 (audited)

	Light Division	Broadband Division	Consolidated
NONOPERATING REVENUES (EXPENSES):			
Investment Loss - ENE & SSEC	\$103,662	\$0	\$103,662
Interest and Dividend Income	20,254	8	20,262
Interest Expense	(4,093,910)	(47,204)	(4,141,114)
TOTAL NONOPERATING REVENUES (EXPENSES)	(\$3,969,994)	(\$47,196)	(\$4,017,190)
Income Before Contributions and Transfers	\$4,718,210	(\$127,245)	\$4,590,965
NET ASSETS - JANUARY 1	\$57,326,800	(\$316,965)	\$57,009,835
Transfers In - Payment in Lieu of Taxes	\$0	\$0	\$0
Transfers Out - Payment in Lieu of Taxes	(\$2,158,230)	\$0	(\$2,158,230)
NET ASSETS - DECEMBER 31	<u>\$59,886,780</u>	<u>(\$444,210)</u>	<u>\$59,442,570</u>





FINANCIAL STATEMENTS

STATEMENT OF KILOWATT HOUR SALES, LIGHT DIVISION

December 31, 2012 & 2011

	2012	2011
KILOWATTS		
RESIDENTIAL SERVICE	117,656,816	116,914,372
COMMERCIAL SERVICE	205,558,411	207,055,691
INDUSTRIAL SERVICE	26,131,264	26,511,988
MUNICIPAL SERVICE	14,142,681	13,889,310
AREA LIGHTING	892,139	850,425
SALES TO OTHER UTILITIES	44,007,264	35,293,698
TOTAL KILOWATT HOUR SALES	408,388,575	400,515,484
REVENUE		
RESIDENTIAL SERVICE	\$15,504,642	\$15,423,030
COMMERCIAL SERVICE	29,641,411	29,893,782
INDUSTRIAL SERVICE	3,446,150	3,521,803
MUNICIPAL SERVICE	2,019,125	2,004,842
AREA LIGHTING	100,250	98,746
SALES TO OTHER UTILITIES	12,605,128	12,714,779
TOTAL KILOWATT DOLLAR SALES	\$63,316,706	\$63,656,982





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