

ANNUAL REPORT

2013



BRAINTREE ELECTRIC LIGHT DEPARTMENT



A message from the General Manager

The Braintree Electric Light Department had a challenging year in 2013, starting with the Blizzard Nemo in February. Our field personnel worked around the clock for a number of days restoring power after the storm came through town and caused significant damage.

After getting through a tough winter the staff at BELD began and successfully completed an aggressive capital plan including the replacement and modernization of the breakers and control systems at one of our transmission substations, and the overhaul and control system replacement at one of our power plants.

Financially, we were able to cut our power supply cost to our customers by a small percentage. It wasn't much but we are currently delivering electricity to our customers for approximately 35% less than the surrounding investor-owned utilities.

Our Broadband Division continued to perform well in a very competitive market, providing high-quality entertainment services to thousands of customers. In 2013 we launched a variety of new services customers have been waiting for—wireless home networking, computer security,

and TV Everywhere. Subscribers can now watch their favorite programming anywhere they have an internet connection, with the peace of mind they are secure on BELD Broadband. Finally, we rolled out new products during 2013 to help our customers manage their relationship with Braintree Electric. The first is the new web portal Customer|Connect. Now customers can view their usage to see how everyday habits affect hourly consumption and ultimately, monthly electric bills. We also launched paperless billing, which allows customers to receive an electronic bill via

email instead of the "old fashioned" bill mailed to them. The 20% of customers who have opted into this program so far are saving valuable resources and helping the town "go green."

2014 promises to be another exciting year here at Braintree Electric. We have scheduled a control systems upgrade at one of our power plants and a significant capital investment in our transmission system. These investments help ensure that we continue to provide highly reliable service to our customers at a reasonable cost.

We are currently delivering electricity to our customers for approximately 35% less than the surrounding investor-owned utilities



William G. Bottiggi
General Manager

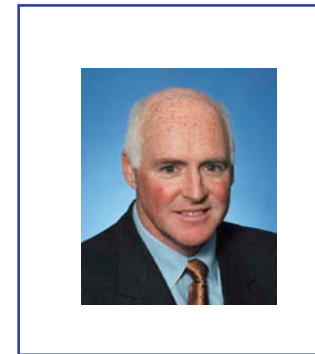
Braintree Electric Light Department

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 High-Speed Internet, cable TV and 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, BELD is overseen by an elected municipal light board.

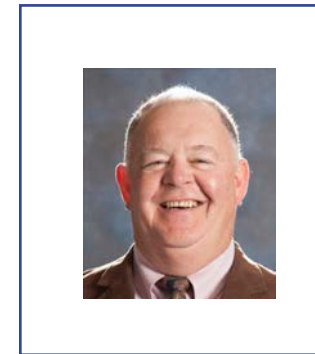
Braintree residents are not only consumers, but owners as well—with a role in deciding how BELD will be operated. We appreciate the support you’ve given the Light Board and BELD’s management and staff as we’ve worked together over the past year to serve the Town of Braintree.

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

BRAINTREE ELECTRIC LIGHT DEPARTMENT MANAGER AND BOARD



William G. Bottiggi
General Manager



Thomas J. Reynolds
Secretary



Anthony L. Agnitti
Vice Chairman



James P. Regan
Chairman

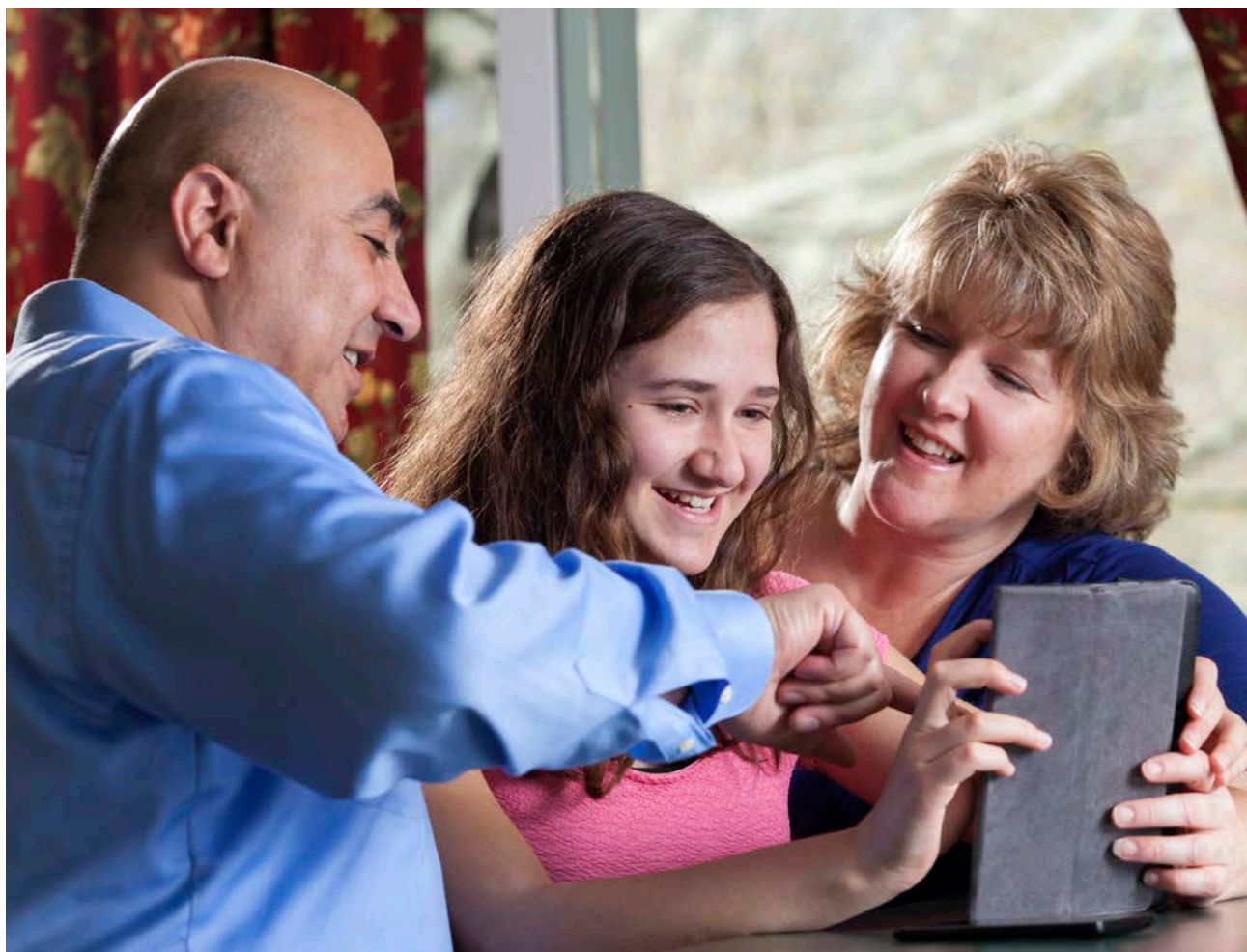
BELD GENERAL MANAGERS

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 (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

December 31, 2013 (audited)

ASSETS	Light Division	Broadband Division	Consolidated
CURRENT ASSETS			
Funds on Deposit with Town Treasurer			
Operating Fund	\$5,699,262	\$724,324	\$6,423,586
Customer Accounts Receivable, Net	5,317,740	69,632	5,387,372
Accounts Receivable - Related party	335,584	0	335,584
Other Receivables	601,362	0	601,362
Materials and Supplies	3,423,278	11,444	3,434,722
Unbilled Revenue	2,641,471	0	2,641,471
Purchased Power Working Capital	2,001,779	0	2,001,779
Prepaid Expenses	527,480	49,497	576,977
TOTAL CURRENT ASSETS	\$20,547,480	\$854,897	\$21,402,853
NON CURRENT ASSETS			
Funds on Deposit with Town Treasurer			
Depreciation Fund	\$3,725,773	\$6,341	\$3,732,114
Rate Stabilization Fund	7,975,952	0	7,975,952
Construction Fund	2,053,155	0	2,053,155
Customer Deposits	768,405	0	768,405
Investment in Energy New England	832,619	0	832,619
Investment in Hydro-Quebec Phase II	18,309	0	18,309
Other Investments	137,118	0	137,118
Investment in Affiliate Company	1,092,046	(1,092,046)	0
Plant Assets, Net	145,625,941	1,023,666	146,649,607
TOTAL NONCURRENT ASSETS	\$162,229,318	(\$62,039)	\$162,167,279
TOTAL ASSETS	\$182,777,274	\$792,858	\$183,570,132

December 31, 2013 (audited)

LIABILITIES	Light Division	Broadband Division	Consolidated
CURRENT LIABILITIES			
Accounts Payable	\$5,216,924	\$254,181	\$5,471,105
Accounts Payable - Related party	253,996	40,000	293,996
Accrued Compensated Absences	212,183	30,414	242,597
Other Accrued Expenses	572,974	108,658	681,632
Bonds Payable	5,358,538	0	5,358,538
Participant Advances & Reserve	1,963,843	0	1,963,843
Capital Leases	18,774	260,333	279,107
Deferred Revenue	192,000	0	192,000
TOTAL CURRENT LIABILITIES	\$13,635,398	\$693,586	\$14,328,984
NONCURRENT LIABILITIES			
Bonds Payable, Net of Current Portion	\$93,304,624	\$0	\$93,304,624
New Lease, Net of Current Portion	13,268	193,019	206,287
Rate Stabilization Reserve	9,169,524	0	9,169,524
Net OPEB Obligation	4,457,063	786,846	5,243,909
Customer Deposits	733,352	0	733,352
Deferred Revenue	128,414	0	128,414
TOTAL NONCURRENT LIABILITIES	98,636,721	979,865	99,616,586
TOTAL LIABILITIES	\$112,272,119	\$1,673,451	\$113,945,570
DEFERRED INFLOWS OF RESOURCES			
Rate Stabilization Reserve	\$7,975,952	\$0	\$7,975,952
TOTAL DEFERRED INFLOWS OF RESOURCES	\$7,975,952	\$0	\$7,975,952

December 31, 2013 (audited)

LIABILITIES	Light Division	Broadband Division	Consolidated
NET ASSETS			
Invested in Capital Assets, Related Debt	46,962,779	1,023,666	47,986,445
Net Position Restrcted for Depreciation	3,725,773	6,341	3,732,114
Unrestricted	11,840,651	(1,910,600)	9,930,051
TOTAL NET POSITION	\$62,529,203	(\$880,593)	\$61,648,610
TOTAL LIABILITIES AND NET ASSETS	\$182,777,274	\$792,858	\$183,570,132

The Thomas A. Watson Generating Station

This 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. So we have a choice—generate it ourselves or purchase it, depending on which is less expensive.

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.

CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
December 31, 2013 (audited)

	Light Division	Broadband Division	Consolidated
OPERATING REVENUES			
Sales to Ultimate Customers	\$51,091,195	\$5,423,739	\$56,514,934
Sales for Resale	13,785,612	0	13,785,612
Other Operating Revenues	1,371,245	0	1,371,245
TOTAL OPERATING REVENUES	\$66,248,052	\$5,423,739	\$71,671,791
OPERATING EXPENSES			
Purchased Power	\$25,336,985	\$0	\$25,336,985
Fuel for Generators	6,159,322	0	6,159,322
Signal Fees	0	2,081,271	2,081,271
Maintenance	7,636,397	641,806	8,278,203
Distribution	1,321,359	697,692	2,019,051
General & Administration	9,936,828	1,578,627	11,515,455
Depreciation Expense	7,203,960	814,621	8,018,581
TOTAL OPERATING EXPENSES	\$57,594,851	\$5,814,017	\$63,408,868
OPERATING INCOME	\$8,653,201	(\$390,278)	\$8,262,923

CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
December 31, 2013 (audited)

	Light Division	Broadband Division	Consolidated
NONOPERATING REVENUES (EXPENSES)			
Investment Loss - ENE & SSEC	\$55,559	\$0	\$55,559
Interest and Dividend Income	15,615	(8,318)	7,297
Interest Expense	(3,935,066)	(37,793)	(3,972,859)
TOTAL NONOPERATING REVENUES (EXPENSES)	(\$3,935,066)	(\$46,111)	(\$3,910,003)
Income Before Contributions and Transfers	\$4,789,309	(\$436,389)	\$4,352,920
NET ASSETS - JANUARY 1	\$59,886,780	(\$444,210)	\$59,442,570
Transfers In - Payment in Lieu of Taxes	\$0	\$0	\$0
Transfers Out - Payment in Lieu of Taxes	(\$2,146,886)	\$0	(\$2,146,886)
NET ASSETS - DECEMBER 31	\$62,529,203	(\$880,599)	\$61,648,604





FINANCIAL STATEMENTS

STATEMENT OF KILOWATT HOUR SALES, LIGHT DIVISION

December 31, 2013 & 2012

	2013	2012
KILOWATTS		
RESIDENTIAL SERVICE	119,880,315	117,656,816
COMMERCIAL SERVICE	205,920,815	205,558,411
INDUSTRIAL SERVICE	25,179,150	26,131,264
MUNICIPAL SERVICE	14,098,488	14,142,681
AREA LIGHTING	886,677	892,139
SALES TO OTHER UTILITIES	39,051,424	44,007,264
TOTAL KILOWATT HOUR SALES	405,016,869	408,388,575

REVENUE		
RESIDENTIAL SERVICE	\$15,796,254	\$15,504,642
COMMERCIAL SERVICE	29,653,578	29,641,411
INDUSTRIAL SERVICE	3,321,368	3,446,150
MUNICIPAL SERVICE	2,042,070	2,019,125
AREA LIGHTING	103,342	100,250
SALES TO OTHER UTILITIES	13,785,612	12,605,128
TOTAL KILOWATT DOLLAR SALES	\$64,702,224	\$63,316,706



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ELECTRIC
BROADBAND **BELD**