

BRAINTREE ELECTRIC LIGHT DEPARTMENT



2017

# ANNUAL REPORT

## A NOTE FROM THE GENERAL MANAGER

Braintree Electric Light Department had another solid year in 2017, working our capital plan to ensure we continue to provide reliable electrical service while keeping rates as low as possible. In fact, we made it through 2017 without an electric rate increase ... and we don't anticipate raising rates in 2018.

BELD employees completed a number of major projects in 2017, including:

- A major overhaul of the steam turbine and boiler at Potter Station. This required the disassembly and shipment of the steam turbine rotor and associated components to New York where new blades were installed and other repairs were made.
- Replacement of about 125 neglected poles previously joint-owned with Verizon. As the result of an agreement reached in 2015, BELD now owns all the distribution poles and is working to bring them all up to our standards.
- The start of a major distribution transformer replacement at the South Shore Plaza. The six original transformers have reached their useful life span and are being replaced over the next few years.
- The launch of faster download and upload speeds for our BELD Broadband Internet customers. Speeds up to 300 x 30 Mbps—at affordable rates—will support the advanced over-the-top streaming video services that we've been prepping for launch in 2018.
- Groundwork for an energy storage unit to help control our peak electrical usage and reduce costs. BELD received a \$700,000 grant to install the unit, which will cover a portion of the total cost of the work.
- The continuing promotion of electric vehicles (EVs) throughout town. Since the kickoff of the Braintree Drives Electric EV incentive program, approximately 60 new vehicles have been acquired by the Town's residents and government offices. We also continued to support our solar projects—the community array at Braintree High School and future utility-scale units to come on line in 2018. We now derive well over 30% of our electricity from carbon-free energy sources.
- Sending several crews of field workers to St. Thomas to help island residents recover from the destruction hurricanes Maria and Irma left behind last fall. The local island crew leaders were impressed with our linemen's efforts—they accomplished a lot of critical restoration work under difficult conditions.

As always, we have the best interests of the Town and its residents at heart. We look forward to continuing to serve you and appreciate your ongoing support.



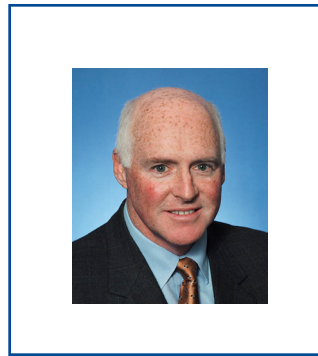
William G. Bottiggi  
General Manager



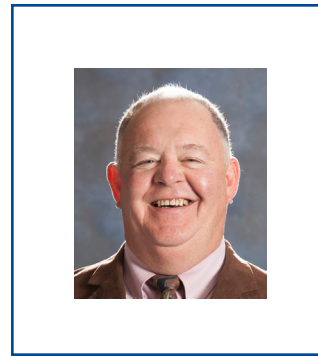
# BRAINTREE ELECTRIC LIGHT DEPARTMENT MANAGERS AND BOARD

## CONSOLIDATING STATEMENTS OF NET ASSETS

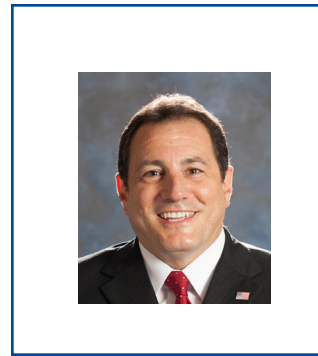
December 31, 2017 (audited)



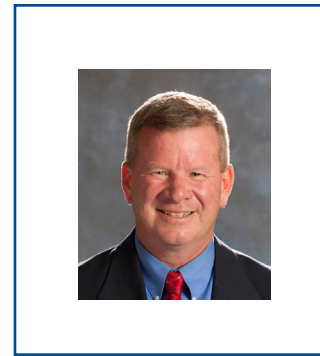
**William G. Bottiggi**  
General Manager



**Thomas J. Reynolds**  
Chairman



**Anthony L. Agnitti**  
Vice Chairman



**James P. Regan**  
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				

CURRENT ASSETS	Light Division	Broadband Division	Consolidated
Funds on Deposit with Town Treasurer			
Operating Fund	\$7,638,402	\$1,411,619	\$9,050,021
Customer Accounts Receivable, Net	4,356,697	45,329	4,402,026
Accounts Receivable - Related party	131,770	0	131,770
Other Receivables	807,186	0	807,186
Materials and Supplies	3,916,885	0	3,916,885
Unbilled Revenue	4,366,285	7,285	4,373,570
Purchased Power Working Capital	2,031,685	0	2,031,685
Prepaid Expenses	361,028	47,825	408,853
<b>TOTAL CURRENT ASSETS</b>	<b>\$23,609,938</b>	<b>\$1,512,058</b>	<b>\$25,121,996</b>
<b>NON CURRENT ASSETS</b>			
Funds on Deposit with Town Treasurer			
Depreciation Fund	3,802,135	6,366	3,808,501
Rate Stabilization Fund	6,737,961	0	6,737,961
Customer Deposits	899,790	0	899,790
Investment in Energy New England	1,531,114	0	1,531,114
Other Investments	225,184	0	225,184
Preliminary Services	1,929,376	0	1,929,376
Investment in Affiliate Company	640,494	(640,494)	0
Plant Assets, Net	137,041,517	959,426	138,000,943
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$152,807,571</b>	<b>\$325,298</b>	<b>153,132,869</b>
Deferred Outflows of Resources	5,323,103	939,371	6,262,474
Deferred Loss on Refunding	7,255,465		7,255,465
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$188,996,077</b>	<b>\$2,776,727</b>	<b>\$191,772,804</b>

**CONSOLIDATING STATEMENTS OF NET ASSETS**

December 31, 2017 (audited)

CURRENT LIABILITIES	Light Division	Broadband Division	Consolidated
Accounts Payable	\$3,719,215	\$175,987	\$3,895,202
Accounts Payable - Related party	546,676	113,740	660,416
Accrued Compensated Absences	210,502	17,320	227,822
Other Accrued Expenses	421,953	234,427	656,380
Bonds Payable	7,065,229	0	7,065,229
Participant Advances and Reserve	1,951,747	0	1,951,747
Capital Leases	0	139,073	139,073
Deferred Revenue	87,137	0	87,137
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$14,002,459</b>	<b>\$680,547</b>	<b>\$14,683,006</b>

NONCURRENT LIABILITIES	Light Division	Broadband Division	Consolidated
Bonds Payable, Net of Current Portion	75,959,229	0	75,959,229
New Lease, Net of Current Portion	0	150,809	150,809
Net OPEB Obligation	4,778,809	1,210,684	5,989,493
Net Pension Liability	19,862,263	3,505,105	23,367,368
Customer Deposits	913,695	0	913,695
Unearned Revenue	2,099,242	0	2,099,242
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$103,613,238</b>	<b>\$4,866,598</b>	<b>\$108,479,836</b>
<b>TOTAL LIABILITIES</b>	<b>\$117,615,697</b>	<b>\$5,547,145</b>	<b>\$123,162,842</b>

**2017 System Average Interruption Frequency Index (SAIFI)**

SAIFI is defined as the average number of instances a customer on the utility system will experience an interruption during a specific time period.

Since SAIFI is a sustained interruption index, only outages lasting longer than five minutes are included in the calculations. SAIFI is calculated by dividing the total number of customer interruptions by the average number of customers served during that time period.

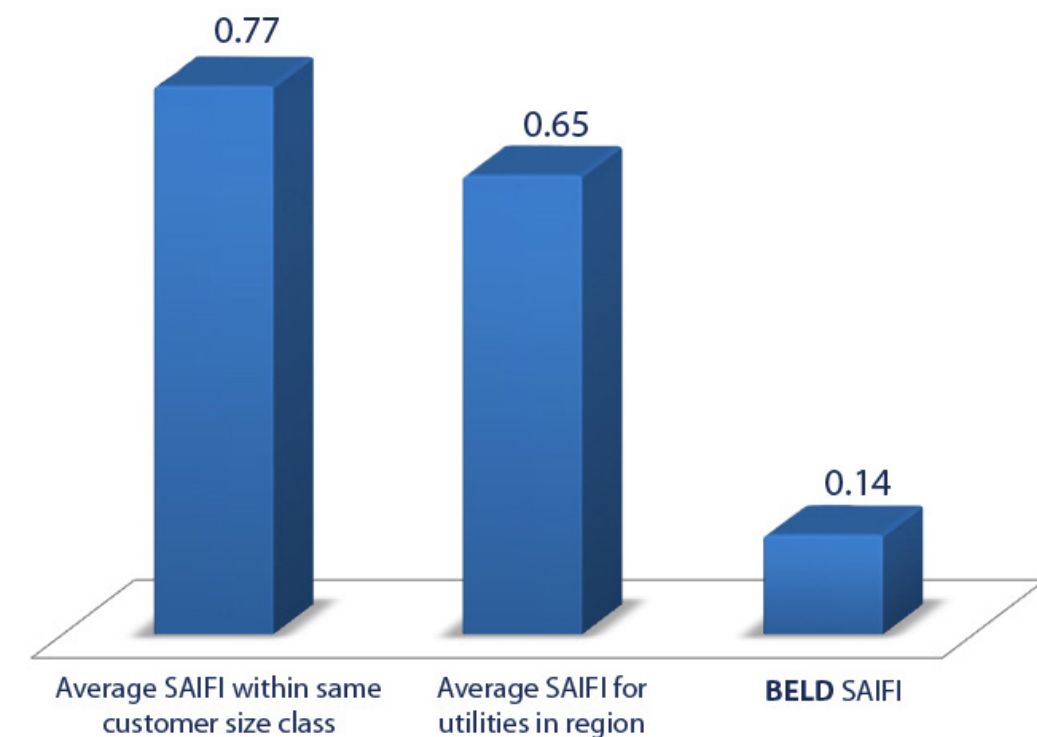
The charts on pages 7 and 9 were produced from data measured by APPA's eReliability Tracker software.

**CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS**

December 31, 2017 (audited)

DEFERRED INFLOWS OF RESOURCES	Light Division	Broadband Division	Consolidated
Contribution in Aid of Construction	\$1,045,890	\$0	\$1,045,890
Rate Stabilization Reserve	7,880,196	0	7,880,196
Deferred Inflow or Resources Related to Pensions	450,652	79,526	530,178
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$9,376,738</b>	<b>\$79,526</b>	<b>\$9,456,264</b>

NET ASSETS	Light Division	Broadband Division	Consolidated
Invested in Capital Assets, Net of Related Debt	54,017,059	959,426	54,976,485
Net Position Restricted for Depreciation	3,802,135	6,366	3,808,501
Unrestricted	4,184,448	(3,815,736)	368,712
<b>TOTAL NET POSITION</b>	<b>\$62,003,642</b>	<b>\$(2,849,944)</b>	<b>\$59,153,698</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$188,996,077</b>	<b>\$2,776,727</b>	<b>\$191,772,804</b>



Number of occurrences for each group of 1000 customers

## CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

December 31, 2017 (audited)

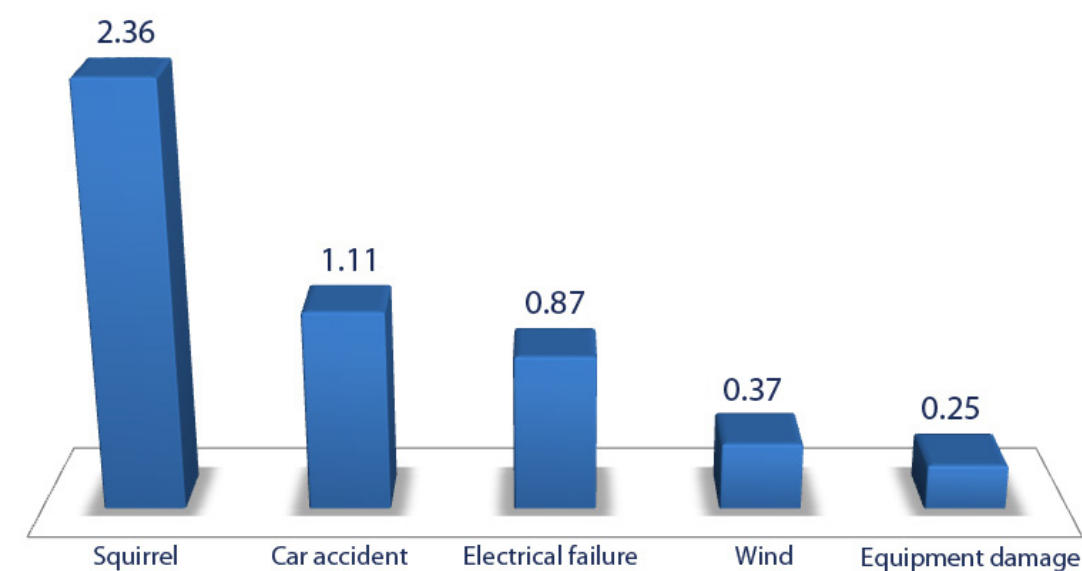
OPERATING REVENUES	Light Division	Broadband Division	Consolidated
Sales to Ultimate Customers	\$49,483,688	\$5,258,438	\$54,742,126
Sales for Resale	12,225,834	0	12,225,834
Other Operating Revenues	1,787,548	0	1,787,548
<b>TOTAL OPERATING REVENUES</b>	<b>\$63,497,070</b>	<b>\$5,258,438</b>	<b>\$68,755,508</b>
OPERATING EXPENSES			
Purchased Power	22,637,112	0	22,637,112
Fuel for Generators	3,576,238	0	3,576,238
Signal Fees	0	2,358,342	2,358,342
Maintenance	9,621,949	548,870	10,170,819
Distribution	1,631,733	806,185	2,437,918
General & Administration	11,658,020	1,537,181	13,195,201
Depreciation Expense	7,368,465	223,438	7,591,903
<b>TOTAL OPERATING EXPENSES</b>	<b>\$56,493,517</b>	<b>\$5,474,016</b>	<b>\$61,967,533</b>
<b>NET OPERATING INCOME</b>	<b>\$7,003,553</b>	<b>\$(215,578)</b>	<b>\$6,787,975</b>
NONOPERATING REVENUES (EXPENSES)			
Investment Loss - ENE & SSEC	294,538	0	294,538
Interest and Dividend Income	58,323	6	58,323
Loss on Broadband Equipment	0	(26,469)	(26,469)
Interest Expense	(2,687,722)	(22,770)	(2,710,492)
<b>TOTAL NONOPERATING REVENUES</b>	<b>\$(2,334,861)</b>	<b>\$(49,233)</b>	<b>\$(2,384,094)</b>
Income Before Contributions and Transfers	4,668,692	(264,811)	4,403,881
<b>NET ASSETS - JANUARY 1</b>	<b>59,060,400</b>	<b>(2,585,133)</b>	<b>56,475,267</b>
Transfers In - Payment in Lieu of Taxes	-	0	0
Transfers Out - Payment in Lieu of Taxes	(1,725,450)	0	(1,725,450)
<b>NET ASSETS - DECEMBER 31</b>	<b>\$62,003,642</b>	<b>\$(2,849,944)</b>	<b>\$59,153,698</b>

## STATEMENT OF KILOWATT HOUR SALES, LIGHT DIVISION

December 31, 2017 &amp; 2016

KILOWATTS	2017	2016
RESIDENTIAL SERVICE	113,658,507	116,804,803
COMMERCIAL SERVICE	188,865,292	194,296,697
INDUSTRIAL SERVICE	19,115,350	18,425,194
MUNICIPAL SERVICE	12,611,183	13,398,755
AREA LIGHTING	914,767	953,498
SALES TO OTHER UTILITIES	28,452,322	36,628,964
<b>TOTAL KILOWATT HOUR SALES</b>	<b>363,617,421</b>	<b>380,507,911</b>
REVENUE		
RESIDENTIAL SERVICE	\$16,132,582	\$16,572,564
COMMERCIAL SERVICE	28,646,769	29,365,035
INDUSTRIAL SERVICE	2,559,805	2,464,563
MUNICIPAL SERVICE	2,029,578	1,973,156
AREA LIGHTING	114,954	105,768
SALES TO OTHER UTILITIES	12,225,834	12,738,258
<b>TOTAL KILOWATT DOLLAR SALES</b>	<b>\$61,709,522</b>	<b>\$63,219,344</b>

### The top causes of BELD's sustained electrical outages in 2017



Number of occurrences for each group of 1000 customers, weighted by utility size



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BROADBAND  
**BELD**