

WEST BOYLSTON MUNICIPAL LIGHTING PLANT

4 Crescent Street, West Boylston, Massachusetts 01583
Telephone (508) 835-3681 Fax (508) 835-2952

FY2013 Annual Report of the West Boylston Municipal Lighting Plant

Dear Customers,

The West Boylston Municipal Lighting Plant (WBMLP) is your locally owned and controlled electric utility company. Since 1910, WBMLP provides low cost and reliable electricity to the residents and businesses in West Boylston. By the end of 2013, WBMLP provided electric service to 2,991 residents, 499 business, and 33 municipal customers. WBMLP operates as a not-for-profit public utility and is governed by an independent Board of Commissioners elected by the town residents.

Electricity Rates: WBMLP's average 2013 residential and business electricity rates were lower than most of the investor owned utility rates in Massachusetts. The average homeowner in West Boylston consumed approximately 710 kWh's per month and spent approximately \$102 per month for that electricity in 2013.

As a community owned, not-for-profit utility company, WBMLP maintains the lowest possible electricity rates to meet our annual operating budget. We typically operate on a budget that achieves a minimal annual rate-of-return.

Energy Portfolio: WBMLP purchases energy from numerous resources to diversify our energy portfolio and maintain low electricity rates. Over half of the energy we purchase comes from generating facilities we either partially or wholly own. This makes it easier for us to control and manage the cost of energy over very long periods of time. WBMLP spent approximately \$5.4M on energy in 2013 and this expense represents approximately 75% of our annual operating budget. The chart below illustrates the diversity of our annual energy portfolio:

Energy Supply	2011	2012	2013
Wind	2%	4%	5%
Solar	1%	1%	1%
Hydro	17%	29%	4%
Nuclear	38%	40%	46%
Gas & Oil	3%	3%	3%
Hedged Power	21%	9%	17%
Daily Market	17%	14%	25%
	100%	100%	100%

New Energy Resources: WBMLP constantly seeks to add new sources of reliable and cost effective energy to our energy portfolio. In 2013, we purchased additional wind energy from the output of the Princeton MA, wind farm. In 2014, we expect to purchase additional hydroelectricity from Eagle Creek Hydro located in New Hampshire. WBMLP

and other municipal light plants are considering building and operating a 280MW natural gas generation facility in Ludlow, MA.

In 2013 we continued to negotiate a contract to purchase 3MW of new solar energy from a privately owned facility to be constructed on Paul X. Tivnan Drive. This new source of renewable energy will be ten times larger than our existing 370kW solar energy facility! WBMLP expects to purchase 100% of this new solar energy at very favorable rates.

Energy Rebates and Conservation: WBMLP helps customers save energy by offering energy audits and appliance rebates. Energy audits identify ways to reduce energy consumption and your monthly cost. In 2013 WBMLP provided (30) Residential and (2) commercial energy audits. Please call 1-888-772-4242 to schedule a free energy audit.

We also provide rebates to our customers if they purchase the most energy efficient home appliances. WBMLP provided (88) Energy Star appliance rebates for refrigerators, clothes washers, dehumidifiers, dishwashers, heat pump water heaters, and air conditioning units in 2013. Visit our webpage at www.wbmlp.org for our latest rebates and the application form. Approximately \$13,800 in energy audits and appliance rebates were spent on customers participating in these programs in 2013.

Building Projects: WBMLP continues to maintain our office and garage at 4 Crescent Street. This location has served our operation and ratepayers well since originally constructed in 1936. In 2013, WBMLP replaced the two-bay truck garage and paved the driveway and parking lot.

Substation Project: Our 115kV 24MVA substation replacement project located on Temple Street was completed in 2013. The total cost to WBMLP was \$2.64M. The project replaces and enlarges our substation transformer, transmission connection, metering equipment, and 13.8kV distribution circuit connections. This project will significantly improve the reliability of our electrical distribution system and continue the sharing of common facilities between the Boylston and West Boylston light departments.

Customer Service: WBMLP experienced very few outages in 2013 and those that occurred were very short in duration. Lightning and wind were the primary causes of most outages in 2013. Please call or stop by our office if you have any questions or concerns. You can also visit our web page where you'll find information on electricity rates, appliance rebates, financial reports, meeting minutes, and the latest pertinent information.

Sincerely,

Board of Light Commission: William D. Smith, Winthrop Handy, and Anthony Meola Jr.

West Boylston Municipal Lighting Plant and Subsidiary
Consolidated Statement of Revenues, Expenses, and Changes in Net Assets

OPERATING REVENUES:	2013	2012	2011	2010
Residential Sales	\$3,131,428	\$2,870,290	\$3,050,661	\$3,088,977
Commercial Sales	\$2,977,862	\$2,712,080	\$2,934,706	\$2,927,906
Industrial Sales	\$772,406	\$855,893	\$970,283	\$1,018,948
Private Lighting	\$64,164	\$67,409	\$69,534	\$68,715
Municipal Sales	\$291,803	\$276,249	\$297,046	\$308,917
<u>Other Operating Revenues</u>	<u>\$127,316</u>	<u>\$271,397</u>	<u>\$389,727</u>	<u>\$146,760</u>
TOTAL OPERATING REVENUES	\$7,364,980	\$7,053,318	\$7,711,957	\$7,560,223
OPERATING EXPENSES:				
Power Production & Transmission	\$5,377,603	\$4,954,475	\$5,607,745	\$5,719,185
Operations and Maintenance	\$1,367,860	\$1,429,518	\$1,505,395	\$1,332,272
<u>Depreciation</u>	<u>\$441,934</u>	<u>\$421,183</u>	<u>\$406,904</u>	<u>\$336,553</u>
TOTAL OPERATING EXPENSES	\$7,187,397	\$6,805,176	\$7,520,044	\$7,388,010
OPERATING INCOME	\$177,583	\$248,142	\$191,913	\$172,213
NONOPERATING REVENUES & EXPENSES:				
Investment Income	\$43,139	\$67,043	\$71,837	\$76,185
Dividend Income	\$747	\$941	\$1,978	\$1,786
Interest Expense	\$(29,286)	\$(20,944)	\$(22,790)	\$(7,593)
Disaster Recovery Income	\$0	\$0	\$57,705	\$40,540
Disaster Recovery Expenses	\$0	\$(22,309)	\$(16,634)	\$0
Bond Issuance Costs	\$0	\$(24,315)	\$0	\$0
Interest Income	\$1,898	\$614	\$0	\$440
<u>Amortization of Debt Expense</u>	<u>\$0</u>	<u>\$(4,631)</u>	<u>\$(4,619)</u>	<u>\$(2,341)</u>
TOTAL NONOPERATING REV. & EXP.	\$16,498	\$(3,601)	\$87,477	\$109,017
Income Before Contributions and Transfers	\$194,081	\$244,541	\$279,390	\$281,230
NET ASSETS - JANUARY 1	\$6,939,771	\$6,695,230	\$6,415,840	\$6,134,610
NET ASSETS - DECEMBER 31	\$7,133,852	\$6,939,771	\$6,695,230	\$6,415,840