

WEST BOYLSTON MUNICIPAL LIGHTING PLANT

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

FY2014 Annual Report of the West Boylston Municipal Lighting Plant

Dear Customers,

The West Boylston Municipal Lighting Plant (WBMLP) is your locally owned and managed electric utility company. WBMLP provides low cost and reliable electricity to West Boylston's residents and businesses. At the end of 2014, WBMLP provided electric service to 3,007 residents, 482 businesses, and 68 municipal/government customers. WBMLP operates as a not-for-profit public utility and is governed by an independent Board of Commissioners elected by the residents of West Boylston.

Electricity Rates: WBMLP's average 2014 residential and business electricity rates were lower than most investor owned utility rates in Massachusetts. Our electricity rates remained the same since 2009 and we don't expect rates to increase in 2015. The average homeowner in West Boylston consumes approximately 715 kWh's per month and spent approximately \$102 per month for that electricity in 2014.

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 spent approximately \$5.5M on energy in 2014 and this expense represents approximately 75% of our annual operating budget. WBMLP purchases energy from numerous resources to diversify our energy portfolio and maintain low electricity rates. Over half 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. The chart below illustrates the diversity of our annual energy portfolio:

Energy Supply	2011	2012	2013	2014
Wind	2%	4%	5%	5%
Solar	1%	1%	1%	1%
Hydro	17%	29%	4%	6%
Nuclear	38%	40%	46%	44%
Gas & Oil	3%	3%	3%	5%
Hedged Power	21%	9%	17%	25%
Daily Market	18%	14%	24%	14%
	100%	100%	100%	100%

New Energy Resources: WBMLP constantly seeks new sources of reliable and cost effective energy to add to our energy portfolio. In 2014, we continued to purchase wind energy from the Princeton MA, wind farm. We also added additional hydroelectricity to

our energy supply from the Eagle Creek Hydro facility located in New Hampshire. In 2014, WBMLP along with other municipal light plants ended our involvement and the ongoing feasibility studies to construct a jointly owned 280MW natural gas generation facility in Ludlow, MA. This potential project was no longer economically feasible given its small scale.

In 2014, we discontinued plans with a private firm to purchase 3MW of new solar energy from a proposed facility on Paul X. Tivnan Drive. In 2015, WBMLP will continue to study the feasibility of adding a new large scale solar facility in town on appropriate sites like the landfill.

Energy Rebates and Conservation: Our customers saved energy by taking advantage of our energy audits and appliance rebates. Energy audits identify ways to reduce energy consumption and your monthly bill. WBMLP provided (16) residential and (4) commercial energy audits in 2014. Please call 1-888-655-6767 to schedule a free energy audit.

Rebates helped our customers purchase the most energy efficient home appliances. WBMLP provided (106) Energy Star appliance rebates for refrigerators, clothes washers, dehumidifiers, dishwashers, heat pump water heaters, and air conditioning units in 2014. Visit our webpage at www.wbmlp.org for our latest rebates and the application form. Approximately \$20,410.00 in energy audits and appliance rebates were spent on customers participating in these programs in 2014.

Building Projects: WBMLP continues to maintain our office and garage at 4 Crescent Street. This location has served our operation and ratepayers well since its original construction in 1936.

Substation Project: Our newly constructed 115kV 24MVA substation is working extremely well and there were no major outages in 2014. The new substation significantly improves the operation and reliability of our electrical distribution system, and, continues the sharing of common facilities between the Boylston and West Boylston light departments.

Customer Service: WBMLP experienced very few outages in 2014 and those that occurred were very short in duration. Lightning and wind were the primary causes of most outages in 2014. Please call or stop by our office if you have any questions or concerns. You can also visit our web page at www.wbmlp.org 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:	2014	2013	2012	2011
Residential Sales	\$3,440,463	\$3,131,428	\$2,870,290	\$3,050,661
Commercial Sales	\$3,196,201	\$2,977,862	\$2,712,080	\$2,934,706
Industrial Sales	\$816,053	\$772,406	\$855,893	\$970,283
Private Lighting	\$67,962	\$64,164	\$67,409	\$69,534
Municipal Sales	\$391,789	\$291,803	\$276,249	\$297,046
<u>Other Operating Revenues</u>	<u>\$140,545</u>	<u>\$127,316</u>	<u>\$271,397</u>	<u>\$389,727</u>
TOTAL OPERATING REVENUES	\$8,053,013	\$7,364,979	\$7,053,318	\$7,711,957
OPERATING EXPENSES:				
Energy & Transmission	\$5,496,985	\$5,377,603	\$4,954,475	\$5,607,745
Operations and Maintenance	\$1,386,218	\$1,378,375	\$1,429,518	\$1,505,395
<u>Depreciation</u>	<u>\$604,874</u>	<u>\$441,934</u>	<u>\$421,183</u>	<u>\$406,904</u>
TOTAL OPERATING EXPENSES	\$7,488,077	\$7,197,912	\$6,805,176	\$7,520,044
OPERATING INCOME	\$564,936	\$167,067	\$248,142	\$191,913
NON-OPERATING REVENUES & EXPENSES:				
Investment Income	\$48,646	\$43,139	\$67,043	\$71,837
Dividend Income	\$0	\$747	\$941	\$1,978
Interest Expense	\$(63,255)	\$(29,286)	\$(20,944)	\$(22,790)
Disaster Recovery Income	\$0	\$0	\$0	\$57,705
Disaster Recovery Expenses	\$0	\$0	\$(22,309)	\$(16,634)
Bond Issuance Costs	\$0	\$0	\$(24,315)	\$0
Amortization of Bond Pre.	\$1,898	\$1,898	\$614	\$0
<u>Relief of Insurance Res. Obl.</u>	<u>\$627,940</u>	<u>\$0</u>	<u>\$(4,631)</u>	<u>\$(4,619)</u>
TOTAL NON-OP. REV. & EXP.	\$615,229	\$16,498	\$(3,601)	\$87,477
Income Before Contrib. & Trans.	\$1,180,165	\$183,565	\$244,541	\$279,390
NET ASSETS - JANUARY 1	\$7,123,337	\$6,939,771	\$6,695,230	\$6,415,840
NET ASSETS - DECEMBER 31	\$8,303,504	\$7,123,337	\$6,939,771	\$6,695,230