

# **WEST BOYLSTON MUNICIPAL LIGHTING PLANT**

4 Crescent Street, West Boylston, Massachusetts 01583

Telephone (508) 835-3681 Fax (508) 835-2952

## **FY2015 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 operates as a not-for-profit public utility and is governed by an independent Board of Commissioners elected by the residents of West Boylston.

### **Customer Base**

The total number of customers WBMLP provided electric service to increased from 3,557 in 2014 to 3,566 in 2015. By the end of 2015, WBMLP provided electric service to 3,014 residents, 483 businesses and 69 municipal and government customers. Energy consumption and sales revenues increased approximately 1% in 2015. WBMLP expects a similar increase in energy consumption and sales revenue in 2016. Our sales revenues are not dependent on one industry or one significantly sized customer that could impact revenues in the event this customer leaves our service territory. Our largest customer has three electric services that accounted for approximately 8% of the total kilowatt hour sales in 2015. The rest of our top 20 largest customers represents only 1.0% - 2.3% each, of our kilowatt hour sales and therefore individually, do not pose a risk to our forecasted revenues.

### **Power Supply**

The supply and cost of WBMLP's power supply remained diverse and stable in 2015. Power supply costs are a major component of our annual operating budget. The amount spent on power supply represents approximately 74% of WBMLP's annual operating expenses. In 2015 the largest components of our power supply were two, greenhouse gas emission free, nuclear energy projects, representing approximately 44% of our total power supply purchases. WBMLP expects the two nuclear projects to generate electricity until at least 2045 and 2050. WBMLP purchased 39% of its power supply from energy hedging contracts and ISO-NE real-time and day-ahead market purchases. The remaining components of our power supply are composed of 6% hydroelectric, 6% wind, 4% natural gas/oil and 1% solar energy generation.

WBMLP manages its power supply costs by acquiring new sources of reliable and cost effective energy. In 2015, WBMLP and other municipal light plants, committed to participating in MMWEC Special Project 2015A through the Pre FCA Development Phase. This potential 55MW natural gas generation facility will operate as a physical hedge and asset to manage our capacity expenses. In 2015, WBMLP continued to investigate the economic feasibility of constructing and operating 2MW's of additional

solar energy located on the capped landfill within our service territory. By the end of 2016, WBMLP expects to purchase wind energy, at a reasonable flat rate, from the Hancock Wind Farm located in Maine.

### **Rates**

WBMLP's average 2015 residential and business electricity rates were lower than most of the investor owned utility rates in Massachusetts. Our electricity rates remained the same since 2009 and we don't expect a rate increase in 2016. In 2015, the average homeowner in West Boylston consumed approximately 730 kilowatt hours per month and spent approximately \$95 per month for that electricity. WBMLP will continue to manage its operating budget to minimize future rate increases.

### **Energy Rebates and Conservation**

Our customers save energy and help the environment by taking advantage of our energy audits and appliance rebates. WBMLP provides residential and commercial energy audits which identify ways to reduce energy consumption and your monthly bill. Please call 1-888-655-6767 to schedule an energy audit.

Our rebate and incentive programs help our customers purchase the most energy efficient home appliances and equipment. WBMLP provides Energy Star appliance rebates for refrigerators, clothes washers, dehumidifiers, dishwashers, heat pump water heaters, and air conditioning units. Visit our webpage at [www.wbmlp.org](http://www.wbmlp.org) for a complete list of rebates, incentives, and application forms.

### **Building Project**

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. WBMLP expects to renovate the oldest portion, constructed in 1936, sometime in late 2016 and 2017.

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](http://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: Anthony Meola Jr., William D. Smith, and Winthrop Handy

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

<b>OPERATING REVENUES:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Residential Sales	\$3,412,373	\$3,440,463	\$3,131,428	\$2,870,290
Commercial Sales	\$3,249,068	\$3,196,201	\$2,977,862	\$2,712,080
Industrial Sales	\$737,188	\$816,053	\$772,406	\$855,893
Private Lighting	\$70,873	\$67,962	\$64,164	\$67,409
Municipal Sales	\$447,536	\$391,789	\$291,803	\$276,249
<u>Other Operating Revenues</u>	<u>\$159,979</u>	<u>\$140,545</u>	<u>\$127,316</u>	<u>\$271,397</u>
<b>TOTAL OPERATING REVENUES</b>	<b>\$8,077,017</b>	<b>\$8,053,013</b>	<b>\$7,364,979</b>	<b>\$7,053,318</b>

**OPERATING EXPENSES:**

Energy & Transmission	\$5,420,027	\$5,496,985	\$5,377,603	\$4,954,475
Operations and Maintenance	\$1,502,212	\$1,386,218	\$1,378,375	\$1,429,518
<u>Depreciation</u>	<u>\$404,200</u>	<u>\$604,874</u>	<u>\$441,934</u>	<u>\$421,183</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$7,326,439</b>	<b>\$7,488,077</b>	<b>\$7,197,912</b>	<b>\$6,805,176</b>

<b>OPERATING INCOME</b>	<b>\$750,578</b>	<b>\$564,936</b>	<b>\$167,067</b>	<b>\$248,142</b>
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**NON-OPERATING REVENUES & EXPENSES:**

Investment Income	\$55,697	\$48,646	\$43,139	\$67,043
Dividend Income	\$0	\$0	\$747	\$941
Interest Expense	\$(51,558)	\$(63,255)	\$(29,286)	\$(20,944)
Disaster Recovery Expenses	\$0	\$0	\$0	\$(22,309)
Bond Issuance Costs	\$0	\$0	\$0	\$(24,315)
Amortization of Bond Pre.	\$1,898	\$1,898	\$1,898	\$614
<u>Relief of Insurance Res. Obl.</u>	<u>\$0</u>	<u>\$627,940</u>	<u>\$0</u>	<u>\$(4,631)</u>
<b>TOTAL NON-OP. REV. &amp; EXP.</b>	<b>\$6,037</b>	<b>\$615,229</b>	<b>\$16,498</b>	<b>\$(3,601)</b>

<b>Income Before Contrib. &amp; Trans.</b>	<b>\$756,615</b>	<b>\$1,180,165</b>	<b>\$183,565</b>	<b>\$244,541</b>
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NET ASSETS - JANUARY 1	\$6,058,270	\$4,878,103	\$6,939,771	\$6,695,230
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NET ASSETS - DECEMBER 31	\$6,814,885	\$6,058,270	\$7,123,337	\$6,939,771
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