



A Customer Owned Utility
Serving Our Community Since 1894

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March 1, 2007

Monthly Update of North Attleborough Electric Department's Activities

Dear Friends,

I. RETURN OF FUNDS TO THE DEPARTMENT RATEPAYERS – MARCH, 2007

I am pleased to report that the Board of Electric Commissioners are, at the time this letter is being written, considering providing the ratepayers with a one-time reduction in the March, 2007 bill.

The opportunity to reduce this month's bill is predicated upon the department's strong fiscal showing in FY 2006 and the desire of the Commissioners to reduce ratepayers' bills, rather than directing all of the funds in question to be used for other legally permissible uses, such as being appropriated to the department's Rate Stabilization or Depreciation funds, using the funds to address the department's current and future health insurance obligations for retirees, or the funding of a new power contract.

II. RATE COMPARISON

The Massachusetts Municipal Wholesale Electric Company (MMWEC) recently published the residential rates of investor owned utilities that provide service to various city and towns in Massachusetts, including some in close proximity to North Attleborough.

The MMWEC data, plus North Attleborough's, are herein presented:

	250 kWh	500 kWh	750 kWh	1000kWh
NAED*	\$ 34.72	\$ 64.46	\$ 94.18	\$ 123.90
<u>OTHERS:</u>				
Commonwealth Electric	\$ 52.15	\$ 100.57	\$ 148.99	\$ 197.41
Cambridge Electric	\$ 55.54	\$ 104.21	\$ 152.88	\$ 201.55
WMECO	\$ 48.13	\$ 87.22	\$ 127.32	\$ 166.92
Mass. Electric	\$ 46.92	\$ 87.83	\$ 128.75	\$ 169.66
Fitchburg G & E	\$ 54.69	\$ 106.35	\$ 158.02	\$ 209.68
Boston Edison	\$ 53.35	\$ 100.27	\$ 147.18	\$ 194.10

*North Attleborough's current rate, per kWh, is \$.118901, which includes a Purchased Power Adjustment (PPA) of \$.014001 kWh. Residential rate includes \$5.00 "Customer Charge"

III. PERSONNEL

During the past month NAED has welcomed two new managers: Gene Allen, who will serve as our new Operations Division Manager and Geoff Morton, Project Manager.

We also want to thank Bob Ellston, who recently retired, for his thirty three years of service to NAED.

IV. CAPITAL PLANNING

The Commissioners recently approved an ambitious capital plan which should greatly benefit the reliability and viability of the department's distribution system.

In forthcoming weeks greater information about the CIP and the department's approved FY 2007 operating budget will be presented to the community.

V. WRITTEN POLICIES AND TERMS & CONDITIONS

On March 7, 2007 the Board of Electric Commissioners will conduct a public hearing on the proposed new departmental "Terms & Conditions" and "Construction Regulations".

As I have noted before, during the past months, our personnel have been in the process of developing written policies and terms & conditions under which the department could more efficiently and better operate.

We are excited by the potential of the department having these valuable written policies and documentation.

VI. FORWARD CAPACITY MARKETS (FCM):

A federally approved plan called the Forward Capacity Market Plan, which is designed to insure that the New England region will have sufficient electric reserve power and that the power in question can be delivered in a reliable manner was instituted in December, 2006.

The Forward Capacity Markets' settlement and the corresponding assessment upon NAED will likely result in higher consumer prices, commencing in CY 2007.

At this time we are estimating the cost to be approximately \$1 million system wide in CY 2007.

VII. ENERGY PROJECTS

The department is continuing to monitor proposed new generation/capacity projects that can benefit North Attleborough's ratepayers by providing new energy sources with a defined and limited (where possible) cost. At this time we are reviewing energy projects which are proposed to be located in Ludlow, Taunton, and Russell. We are also exploring what actions we can take relative to developing some capacity within the Town of North Attleborough as well as assessing potential "green" energy projects.

VIII. GOOD NEIGHBOR ENERGY FUND

The North Attleborough Electric Department has been a long time supporter of the program, which provides financial assistance to any Massachusetts resident who cannot meet a month's energy expense, and is not eligible for governmental assistance. This year's maximum Fund disbursement is \$275 per eligible household per heating season.

The Fund is especially important to residents of both the Commonwealth and North Attleborough. Last year the Fund assisted more than 3,000 families throughout the state. We are very pleased that this year's program, whose theme, "Give the Gift of Warmth", is being overseen by a committee of representatives of different Massachusetts entities, whose Chairman is NAED's own Melissa Brastow. Any assistance you might be able to provide to this program would be appreciative – please call Melissa at 508-643-6300 to contribute or if you have any questions.

As I have noted previously, on behalf of the Electric Light Commissioners (Thomas Corrigan, Chairman, Edward Vandette, Secretary and Richard Shaw) and members of the North Attleborough Electric Department, we ask that you keep in mind our servicemen who are serving our nation throughout the world. One of our own employees, and a resident of the town, Brenton Dimock, is currently scheduled to be sent to Iraq within just a few weeks, so the world events have an even more personal impact on those of us at NAED.

As always, should you have any questions at any time, please feel free to contact me at 508.643.6300.

Sincerely,

James C. Moynihan
General Manager