



A Customer Owned Utility
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NAED is one of only forty (40) municipal electric departments within the Commonwealth of Massachusetts. We are committed to promoting the interests of "Public Power" on behalf of the citizens of this community

May 1, 2007

Monthly Update of North Attleborough Electric Department's Activities

Dear Friends,

I. BOARD OF ELECTRIC COMMISSIONERS – UPDATE

The Board met on April 5, 2007 and selected Edward Vandette as its Chairman for the forthcoming year. Mr. Vandette has served on the Board for five years. Thomas Corrigan was elected as the Board's Secretary. The Board welcomed Charles Mottinger as its newest member and congratulated him regarding his recent election. The Board also received a presentation on the electric operations, in general, and municipal electric departments, specifically.

At its April 26, 2007 session the Board reviewed presentations relative to the bid results for the rehabilitation/renovation of two of our circuits, information about a planned survey, update on departmental security, extended the suspension of the "Hot Water Heater Program" for two more months and considered some potential changes to the department's web site.

II. FY 2006 AUDIT UPDATE

On April 26, 2007 the Board met with Michael Nelligan of our auditing firm, Powers & Sullivan and Paula Tattrie, Business Division Manager regarding the department's FY 2006 audit. The department's fiscal year is January 1 –December 31, inclusive. The audit was very positive and the commissioners were pleased that the administration had addressed items listed in last year's "management letter".

III. CAPITAL PLANNING

The department is now proceeding to implement the ambitious capital plan, approved by the Commissioners on January 3, 2007, which should greatly benefit the reliability and viability of the department's distribution system.

The departments' line personnel are now upgrading the current system in the downtown/Broadway area. We are also reviewing the plans related to upgrading/ extending our E2 & E3 circuits (located along Old Post Road and Allen Avenue) to improve the overall system's reliability by installing new primary wiring. It is anticipated that the Board will award the bid for this work on April 30, 2007.

IV. PERSONNEL

We are pleased to welcome Barry Estrella to NAED, starting April 30, 2007. Barry has served the Town in the Department of Public Works for the past thirteen (13) years and is joining NAED as a Lineman, Third Class (apprentice lineman) within the Operations Division. Barry was selected from more than twenty five applicants. I would like to particularly thank our Operations Division Manager Gene Allen, Assistant Foreman Robert Bukin and Human Resources staff member, Janine Newman, for their efforts in reviewing the applications and interviewing more than twenty individuals

V. WRITTEN POLICIES AND TERMS & CONDITIONS

The Board, at its April 26, 2007 meeting, received an update on the department's efforts to implement NAED's newly approved "Terms & Conditions" and "Construction Regulations". The department's implementation efforts include seeking to work more closely with the Town's Building/Electrical Department to "tie in" electrical work involving departmental property (i.e. meter, wires...) and the electrical permitting and inspection process.

The value of having written policies and Terms & Conditions should be of great assistance to the administration's efforts to have the department operate more effectively and efficiently. We are excited of the department now having these valuable written policies and documentation and are in the process of implementing the documents.

Copies of both documents are now available on the department's web site, www.naelectric.com.

VI. LITIGATION UPDATE

Earlier this month a Superior Court judge heard arguments from representatives of Grant Thornton seeking to dismiss the claims of the department and Town relative to \$4 million in bond funds expended by the department for an internet project. The department/Town were represented by legal counsel. No decision regarding this matter had been made public as of the time of this letter being written.

VII. FORWARD CAPACITY MARKETS (FCM):

A federally approved plan called the Forward Capacity Market Plan, which is designed to ensure 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 plan involves a three year "transitional process" and "real time" auctions involving energy prices.

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.

On behalf of the Electric Light Commissioners 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 in Iraq; 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