



A Customer Owned Utility
Serving Our Community Since 1894

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August 1, 2009

Dear Friends,

I hope that all is well. A brief update of the department's activities and plans is presented below.

I. Brief Comments Regarding the NAED Electric System

It almost goes without saying that energy conservation is important. Through conservation, personal electric bills and system costs can be reduced. We are seeing signs that conservation is occurring in North Attleborough with sales of electricity down about seven million kilowatt hours in the first six months of the calendar year.

There was a reduction last year in sales, but this year the trend, to at least this point, looks to be even greater.

As we look down the road a few months, and even years, there are now and potentially will be new costs and obligations that will be required of our system and its ratepayers. New utility industry standards relating to the reliability and security of the nation's bulk power electrical system are even now requiring utilities such as NAED to review and audit its operating policies. The new requirements necessitate additional administrative support, effort and costs.

In addition, the US Congress is now considering a so-called "Cap & Trade Program" involving carbon emissions - an effort which will result in initial (at least) increased electrical cost. There is also an effort to enhance the awareness of the consumers to reduce their energy utilization by using new technologies.

The so-called "Smart Grid" movement is an effort designed to allow improved controls by utility systems to manage the flow of electricity and for consumers to better understand and manage their own use of electricity. While the "Smart Grid" technologies are interesting and promising, there is much work to do, both from education and technology standpoints.

There is also a movement nationally to revitalize the nation's electric transmission grid system to better deliver power in a more economic manner. A new grid system would also be oriented to encouraging the increase in "green power" type efforts, such as wind and solar. While the transmission grid revitalization would benefit electric users, it would come with some initial large capital costs, some of which would be passed on to electric consumers.

II. Capital Projects Update

The summer months provide NAED with a great opportunity to improve our system so that we can ultimately limit outages and improve system reliability. Our two System Engineers, John Miller and Ann Langille, are doing a great job of looking at our system for long term planning and to address immediate concerns. John and Ann's efforts are enhanced through their interaction with the outstanding NAED Line and Substation personnel.

We have recently installed new controls on all of our capacitor banks in the field and are in the process of standardizing the various equipment that we place on our distribution system.

With regards to our efforts to convert our system from 4kV to 13.8 kV, the department has developed a plan to complete this effort within the next year. Through the efforts of our Line personnel several areas of town have been converted within the past weeks and throughout the remainder of the summer our department personnel will be in the Arnold Road area completing our conversion efforts in that area of Town.

In late July, 2009 the Board of Electric Commissioners awarded a contract to Halpin Construction for line work in the Smith Street - East Washington area. Halpin was the low bidder of five firms that responded to our department's bid solicitation. The work by Halpin is expected to be completed by the end of October, 2009.

The department is now soliciting a vendor to provide us with the software and installation needed to allow NAED to implement the SCADA (Supervisory Control and Data Acquisition) technology. SCADA systems are used by utilities such as electrical, water and sewer, to remotely monitor and operate utility distribution systems. Implementation of a SCADA system has been a "cornerstone" of this year's CIP effort and should result in an improved ability for NAED to effectively respond to and limit the amount of time of system outages.

III. Power Project Updates

We continue to assess the viability of various power projects which might benefit our system by providing "hedges" for our ratepayers against rising future electrical costs. Participation in power plants can provide a type of rate "stability" to a system because a utility, such as NAED, has previously assessed the cost of power from that plant and knows that the power plant in question will be operational only at times when the power plant's cost to produce electricity is less than that of the market.

We are looking at proposed plants in Middleton, Taunton, Lowell and Ludlow. We are also assessing participation in a small hydro facility in the state of Maine.

IV. NAED's Energy Efficiency Programs

A second reminder this month is to note that with energy costs (fossil fuels) now rising that an important way to reduce your monthly energy bills and our systems' overall load requirements is to institute energy efficiency and conservation methods.

NAED has two important NAED programs that encourage energy efficiency.

The first program is our "Appliance Rebate Program" - where NAED will provide its customers with a cash rebate for specific appliances which have an "Energy Star Energy Guide Label."

The other program is our "Home Improvement Incentive Program" - in which NAED provides rebates on insulation upgrades, based upon an NAED sponsored home energy audit.

Information is also on NAED's web site: www.naelectric.com or by contacting the program's administrator, Janine Newman @ 508-643-6310

VI. Payment of Bills - New Procedures

Please note that NAED has instituted new policies regarding signing up for service. New statutes, called the "Red Flag Law" addresses the matter of "identity theft" and requires that NAED be assured that whoever is signing up for service from NAED is, in fact, the person claimed.

We also now are not able to allow a customer to "bounce" more than one check within a certain time period.

Please check our web site, www.naelectric.com, under the section "Policies" for more information

As always the department will work with customers to develop "payment plans" that are responsive to our individual customers' needs. **Call Jean Reddy, Customer Service Representative at 508-643-6376, if you have any questions.**

Please continue to remember our fellow citizens who are defending our country throughout the world.

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