



Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

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AGENDA

REGULAR SESSION

READING MUNICIPAL LIGHT DEPARTMENT CITIZENS' ADVISORY BOARD (CAB) MEETING

WEDNESDAY, APRIL 6, 2016

6:30 PM

North Reading Town Hall
235 North Street, Room 14
North Reading, MA 01867

1. Call Meeting to Order – G. Hooper, Chair
2. FY17 Operating Budget – C. O'Brien, General Manager
3. Public Comment – G. Hooper, Chair
4. Next Meeting – G. Hooper, Chair
5. Adjournment – G. Hooper, Chair

This Agenda has been prepared in advance and does not necessarily include all matters which may be taken up at this meeting.

READING MUNICIPAL LIGHT DEPARTMENT

FY 2017 OPERATING BUDGET

MARCH 31, 2016

Coleen O'Brien
General Manager

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READING MUNICIPAL LIGHT DEPARTMENT
SIX YEAR PLAN
3/31/16

| FISCAL YEAR | ACTUAL 2015 | 8 ACT / 4 BUD 2016 | 2017 | change | 2018 | change | 2019 | change | 2020 | change | 2021 |
|---------------------------------------|-------------------|-----------------------|-------------------|--------|-------------------|--------|--------------------|--------|-------------------|--------|--------------------|
| OPERATING REVENUE: | | | | | | | | | | | |
| SALES OF ELEC - BASE | 21,450,418 | 23,124,632 | 25,500,000 | 3.50% | 26,392,500 | 3.00% | 27,184,275 | 3.00% | 27,999,803 | 1.75% | 28,489,800 |
| SALES OF ELEC - BASE CAPACITY | 17,245,754 | 17,799,517 | 20,943,651 | | 20,430,755 | | 22,832,400 | | 18,867,982 | | 19,490,206 |
| SALES OF ELEC - BASE TRANSMISSION | 11,739,432 | 12,635,347 | 13,378,627 | | 14,251,604 | | 15,152,604 | | 15,736,279 | | 16,860,456 |
| SALES OF ELEC - FUEL | 34,136,551 | 35,456,046 | 34,074,492 | | 34,501,301 | | 34,800,340 | | 35,528,207 | | 36,780,429 |
| NYPA | (1,062,221) | (1,044,720) | (900,000) | | (900,000) | | (900,000) | | (900,000) | | (900,000) |
| FORFEITED DISCOUNTS | 822,014 | 693,739 | 688,500 | | 712,598 | | 733,975 | | 755,995 | | 769,225 |
| ENERGY CONSERVATION | 673,837 | 670,050 | 673,000 | | 673,000 | | 673,000 | | 673,000 | | 673,000 |
| TOTAL OPERATING REVENUE | 85,005,785 | 89,334,611 | 94,358,270 | | 96,061,758 | | 100,476,594 | | 98,661,266 | | 102,163,115 |
| OPERATING EXPENSES: | | | | | | | | | | | |
| PURCHASED POWER - BASE CAPACITY | 17,259,254 | 17,799,517 | 20,943,651 | | 20,430,755 | | 22,832,400 | | 18,867,982 | | 19,490,206 |
| PURCHASED POWER - BASE TRANSMISSION | 11,752,933 | 12,635,347 | 13,378,627 | | 14,251,604 | | 15,152,604 | | 15,736,279 | | 16,860,456 |
| PURCHASED POWER - FUEL | 32,061,040 | 34,411,326 | 33,174,492 | | 33,601,301 | | 33,900,340 | | 34,628,207 | | 35,880,429 |
| OPERATION EXPENSE | 10,519,398 | 10,513,069 | 12,107,583 | 3.00% | 12,470,810 | 3.00% | 12,844,935 | 3.00% | 13,230,283 | 3.00% | 13,627,191 |
| MAINTENANCE EXPENSE | 3,510,000 | 3,231,133 | 3,717,632 | 3.00% | 3,829,161 | 3.00% | 3,944,036 | 3.00% | 4,062,357 | 3.00% | 4,184,228 |
| DEPRECIATION EXPENSE | 3,861,465 | 3,957,565 | 4,134,000 | | 4,386,000 | | 4,616,000 | | 4,834,000 | | 4,834,000 |
| TOWN PAYMENTS | 1,395,728 | 1,404,973 | 1,445,420 | | 1,623,532 | | 1,681,930 | | 1,755,536 | | 1,755,536 |
| TOTAL OPERATING EXPENSES | 80,359,818 | 83,952,930 | 88,901,405 | | 90,593,164 | | 94,972,245 | | 93,114,643 | | 96,632,046 |
| TOTAL OPERATING INCOME | 4,645,967 | 5,381,681 | 5,456,865 | | 5,468,594 | | 5,504,349 | | 5,546,623 | | 5,531,070 |
| NONOPERATING REVENUES: | | | | | | | | | | | |
| MDSE AND JOBBING | 437,657 | 468,056 | 390,000 | | 390,000 | | 390,000 | | 390,000 | | 390,000 |
| INTEREST INCOME | 122,693 | 142,949 | 125,000 | | 150,000 | | 150,000 | | 150,000 | | 150,000 |
| MMWEC REFUND AND ADVANCE IN AID | 430,195 | 446,801 | 500,000 | | 500,000 | | 500,000 | | 500,000 | | 500,000 |
| TOTAL OTHER INCOME | 990,545 | 1,057,806 | 1,015,000 | | 1,040,000 | | 1,040,000 | | 1,040,000 | | 1,040,000 |
| NONOPERATING EXPENSES: | | | | | | | | | | | |
| CUSTOMER DEPOSIT INTEREST EXP | 1,205 | 3,127 | 2,100 | | 2,100 | | 2,100 | | 2,100 | | 2,105 |
| OTHER DEDUCTIONS (INCLUDING ROI) | 2,394,031 | 2,520,296 | 2,534,668 | | 2,560,015 | | 2,585,615 | | 2,611,471 | | 2,637,586 |
| TOTAL MISCELLANEOUS DEDUCTIONS | 2,395,236 | 2,523,423 | 2,536,768 | | 2,562,115 | | 2,587,715 | | 2,613,571 | | 2,639,691 |
| NET INCOME | 3,241,276 | 3,916,064 | 3,935,097 | | 3,946,479 | | 3,956,635 | | 3,973,052 | | 3,931,379 |
| ROR % | | | 7.64 | | 7.10 | | 7.29 | | 7.34 | | 7.32 |

READING MUNICIPAL LIGHT DEPARTMENT

2017 BUDGET SUIMMARY

| | 2017 BUDGET [A] | % CHANGE [A] & [B] | 2016 8 MTHS ACT 4 MTHS BUD [B] | % CHANGE [B] & [C] | FY 15 ACTUAL [C] |
|---|-----------------------|-----------------------|---|-----------------------|------------------------|
| OPERATING REVENUE: | | | | | |
| SALES OF ELEC - BASE | 25,500,000 | 10.27% | 23,124,632 | 7.81% | 21,450,418 |
| SALES OF ELEC - CAPACITY | 20,943,661 | 17.66% | 17,799,617 | 2.93% | 17,292,709 |
| SALES OF ELEC - TRANSMISSION | 13,378,627 | 5.88% | 12,635,347 | 8.06% | 11,692,479 |
| SALES OF ELEC - FUEL | 34,074,492 | -3.90% | 35,456,046 | 3.87% | 34,136,551 |
| ENERGY CONSERVATION | 673,000 | 0.44% | 670,050 | -0.56% | 673,836 |
| NYPA CREDIT | (900,000) | -13.85% | (1,044,720) | -1.65% | (1,062,221) |
| TOTAL OPERATING REVENUE | 93,669,770 | 5.67% | 88,640,872 | 5.29% | 84,183,772 |
| OPERATING EXPENSES: | | | | | |
| PURCHASED POWER - CAPACITY' | 20,943,661 | 17.66% | 17,799,617 | 2.93% | 17,292,709 |
| PURCHASED POWER - TRANSMISSION | 13,378,627 | | 12,635,347 | | 11,719,479 |
| OPERATION EXPENSE | 12,107,583 | 15.17% | 10,513,069 | -0.06% | 10,519,398 |
| MAINTENANCE EXPENSE | 3,717,632 | 15.06% | 3,231,133 | -69.28% | 3,510,000 |
| DEPRECIATION EXPENSE | 4,134,000 | 4.46% | 3,957,565 | 12.75% | 3,861,465 |
| TOWN PAYMENTS | 1,445,420 | 2.88% | 1,404,973 | -63.62% | 1,395,728 |
| SUB-TOTAL | 55,726,913 | 12.49% | 49,541,604 | 2.57% | 48,298,779 |
| PURCHASED POWER - FUEL | 33,174,492 | -3.59% | 34,411,326 | 7.33% | 32,061,040 |
| TOTAL OPERATING EXPENSES | 88,901,405 | 5.89% | 83,952,930 | 4.47% | 80,359,819 |
| NET OPERATING INCOME | 4,768,365 | 1.72% | 4,687,942 | 22.59% | 3,823,953 |
| OTHER INCOME: | | | | | |
| MDSE AND JOBBING | 390,000 | -16.68% | 468,056 | 6.95% | 437,657 |
| INTEREST INCOME | 125,000 | -12.56% | 142,949 | 16.51% | 122,893 |
| FORFEITED DISCOUNTS | 688,500 | -0.76% | 693,739 | -15.60% | 822,013 |
| MISCELLANEOUS REVENUE | 500,000 | 11.91% | 446,801 | 3.86% | 430,195 |
| TOTAL OTHER INCOME | 1,703,500 | -2.74% | 1,751,545 | -3.37% | 1,812,558 |
| MISCELLANEOUS INCOME DEDUCTIONS: | | | | | |
| CUSTOMER DEPOSIT INTEREST EXP | 2,100 | -32.84% | 3,127 | 159.50% | 1,205 |
| OTHER DEDUCTIONS (ROI) | 2,534,668 | 0.57% | 2,520,296 | 5.27% | 2,394,031 |
| TOTAL MISCELLANEOUS DEDUCTIONS | 2,536,768 | 0.63% | 2,523,423 | 5.35% | 2,395,236 |
| NET INCOME | 3,935,097 | 0.49% | 3,916,064 | 20.82% | 3,241,276 |

READING MUNICIPAL LIGHT DEPARTMENT

2017 BUDGET SUMMARY

| | 2017 BUDGET [A] | % CHANGE [A] & [B] | 2016 8 MTHS ACT 4 MTHS BUD [B] | % CHANGE [B] & [C] | FY 15 ACTUAL [C] |
|----------------------------------|-----------------------|-----------------------|---|-----------------------|------------------------|
| OPERATING EXPENSES: | | | | | |
| 555 PURCHASED POWER CAPACITY | 20,943,651 | 17.66% | 17,799,517 | 2.93% | 17,292,708 |
| 557 PURCHASED POWER TRANSMISSION | 13,378,827 | 5.88% | 12,635,347 | 7.81% | 11,719,478 |
| TOTAL PURCHASED POWER | 34,322,278 | 12.77% | 30,434,864 | 4.90% | 29,012,186 |
| 568 MAINT OF TRANS PLANT | 3,000 | 6.53% | 2,816 | 3.34% | 2,725 |
| TOTAL TRANSMISSION EXP | 3,000 | 6.53% | 2,816 | 3.34% | 2,725 |
| 580 OPER SUPER & ENGIN | 655,195 | 13.21% | 578,747 | 7.90% | 536,370 |
| 581 OPERATION LABOR | 91,269 | -30.87% | 132,018 | -22.50% | 170,342 |
| 581 1 OPERATION LABOR MISC | 901,213 | 32.61% | 679,576 | -18.24% | 831,134 |
| 582 OPERATION SUPPLIES & EXP | 472,879 | 13.53% | 416,526 | -16.01% | 495,903 |
| 585 STREET LIGHTING EXP | 102,402 | -5.78% | 108,681 | 16.89% | 92,980 |
| 586 METER EXP | 206,717 | -12.08% | 233,992 | 13.16% | 206,774 |
| 588 MISC DISTRIBUTION EXP | 464,418 | 3.70% | 447,859 | -3.43% | 463,748 |
| 590 MAINT OF STRUCTURE & EQUIP | 419,599 | 9.83% | 382,062 | -25.03% | 509,639 |
| 593 MAINT OF LINES OH | 2,044,499 | 10.14% | 1,856,310 | -4.26% | 1,938,960 |
| 594 MAINT OF LINES UG | 125,066 | 31.87% | 94,983 | -46.87% | 178,768 |
| 595 MAINT OF LINE TRANSFORMS | 300,000 | 83.04% | 163,896 | 108.80% | 78,496 |
| 596 MAINT OF ST LT & SIG SYS | 10,287 | 247.66% | 2,959 | -1445.00% | (220) |
| 597 MAINT OF METERS | 44,658 | 442.89% | 8,226 | 100.00% | - |
| TOTAL DISTRIBUTION EXP | 5,837,203 | 14.32% | 5,105,825 | -7.22% | 5,502,894 |
| 902 METER READING LABOR & EXP | 32,640 | 16.31% | 28,063 | 68.61% | 16,644 |
| 903 ACCT & COLL LABOR & EXP | 1,792,724 | 7.98% | 1,660,192 | -5.80% | 1,762,389 |
| 904 UNCOLLECTABLE ACCTS | 150,000 | 25.00% | 120,000 | 144.03% | 49,174 |
| TOTAL CUST ACCT EXP | 1,975,365 | 9.24% | 1,808,255 | -1.09% | 1,828,207 |
| 916 ENERGY AUDIT EXP | 1,501,806 | 35.48% | 1,108,508 | 11.10% | 997,784 |
| 920 ADMIN & GENERAL SALARIES | 1,134,674 | 29.44% | 876,594 | 7.86% | 812,731 |
| 921 1 OFFICE SUPPLIES EXP | 349,000 | 9.01% | 320,163 | -7.72% | 346,960 |
| 923 OUTSIDE SERVICE EMPLOYED | 418,100 | 28.25% | 326,005 | -44.48% | 587,157 |
| 924 PROPERTY INSURANCE | 424,500 | 5.84% | 401,081 | 9.45% | 366,464 |
| 925 INJURIES & DAMAGES | 57,215 | 17.52% | 48,687 | 8.56% | 44,850 |
| 926 EMPLOYEES PENSIONS & BENS | 2,922,673 | 8.23% | 2,700,353 | 12.43% | 2,401,782 |
| 930 MISC GENERAL EXP | 219,166 | 57.10% | 139,499 | -4.61% | 146,236 |
| 931 RENT EXPENSE | 212,000 | 13.85% | 186,533 | -1.81% | 189,965 |
| 932 1 MAINT OF GARAGE & STCKRM | 590,523 | 2.70% | 575,011 | -4.06% | 599,301 |
| 935 MTN OF GEN PLANT | 180,000 | 24.24% | 144,876 | -28.40% | 202,330 |
| TOTAL ADMIN & GEN EXP | 8,009,647 | 17.32% | 6,827,310 | 1.97% | 6,895,560 |
| GRAND TOTAL | 50,147,493 | 13.51% | 44,179,070 | 2.64% | 43,041,572 |
| LESS: PURCHASED POWER | (34,322,278) | 12.77% | (30,434,864) | 4.90% | (29,012,186) |
| MAINTENANCE EXPENSES | (3,717,632) | 15.06% | (3,231,129) | -7.95% | (3,509,999) |
| TOTAL OPERATION EXPENSE | 12,107,583 | 15.17% | 10,513,077 | -0.06% | 10,519,387 |

READING MUNICIPAL LIGHT DEPARTMENT

2017 BUDGET SUMMARY

OTHER EXPENSES:

| | 2017 BUDGET [A] | % CHANGE [A] & [B] | 2016 8 MTHS ACT 4 MTHS BUD [B] | % CHANGE [B] & [C] | FY 15 ACTUAL [C] |
|---------------------------------------|-----------------------|-----------------------|---|-----------------------|------------------------|
| MAINTENANCE EXPENSE: | | | | | |
| 568 MTN OF TRANS. PLANT | 3,000 | 6.63% | 2,816 | 3.34% | 2,725 |
| 590 MTN OF STRUCTURES | 419,599 | 9.83% | 382,052 | -25.03% | 509,639 |
| 593 MTN OF LINES - OH | 2,044,499 | 10.14% | 1,856,310 | -4.26% | 1,938,960 |
| 594 MTN OF LINES - UG | 125,066 | 31.67% | 94,983 | -46.87% | 178,768 |
| 595 MTN OF LINE TRANS. | 300,000 | 83.04% | 163,896 | 108.80% | 78,496 |
| 596 MTN OF ST. LIGHTS | 10,287 | 247.66% | 2,959 | -1445.00% | (220) |
| 597 MAINT OF METERS | 44,668 | 442.89% | 8,226 | #DIV/0! | - |
| 932 1 MTN OF GARAGE | 590,523 | 2.70% | 575,011 | -4.05% | 599,301 |
| 935 MTN OF GEN PLANT | 180,000 | 24.24% | 144,876 | -28.40% | 202,330 |
| TOTAL MAINTENANCE EXPENSES | <u>3,717,632</u> | 16.06% | <u>3,231,129</u> | -7.95% | <u>3,509,999</u> |
| DEPRECIATION EXPENSE: | | | | | |
| 403 DEPRECIATION EXPENSE | <u>4,134,000</u> | 4.46% | <u>3,957,565</u> | 2.49% | <u>3,861,465</u> |
| OTHER TAXES: | | | | | |
| 408 OTHER TAXES (2% TOWN PAYMTS) | <u>1,445,420</u> | 2.88% | <u>1,404,973</u> | 0.66% | <u>1,395,728</u> |
| INTEREST ON CUSTOMER DEPOSITS: | | | | | |
| 419-2 INTEREST EXP ON CUST DEP | <u>2,100</u> | -32.84% | <u>3,127</u> | 159.50% | <u>1,205</u> |

RMLD
BUDGET / ACTUAL COMPARISON SUMMARY SCHEDULE
3/31/2016

| | 2017 BUDGET TOTAL | % CHANGE | 2016 8 MTHS ACT 4 MTHS BUD | % CHANGE | FY 15 ACTUAL |
|-----------------------------------|-------------------------|-----------|----------------------------------|-----------|-------------------|
| | [A] | [A] & [B] | [B] | [B] & [C] | [C] |
| DIVISION | | | | | |
| BUSINESS DIVISION | 10,643,334 | 4.52% | 10,183,488 | 0.87% | 10,095,287 |
| INTEGRATED RESOURCES | 1,640,106 | 35.56% | 1,209,843 | -1.44% | 1,227,569 |
| ENGINEERING AND OPERATIONS | 5,880,454 | 18.31% | 4,970,168 | -6.45% | 5,312,869 |
| FACILITY | 4,881,003 | 7.51% | 4,540,142 | 9.08% | 4,162,204 |
| GENERAL MANAGER | <u>896,505</u> | 23.40% | <u>726,518</u> | -17.81% | <u>883,902</u> |
| SUB-TOTAL | 23,941,402 | 10.69% | 21,630,159 | -0.24% | 21,681,831 |
| PURCHASED POWER BASE CAPACITY | 20,943,651 | 17.66% | 17,799,517 | 3.13% | 17,259,254 |
| PURCHASED POWER BASE TRANSMISSION | 13,378,627 | 5.88% | 12,635,347 | 7.51% | 11,752,933 |
| PURCHASED POWER FUEL | 33,174,492 | -3.59% | 34,411,326 | 7.33% | 32,061,040 |
| TOTAL | <u>91,438,172</u> | 5.74% | <u>86,476,349</u> | 4.50% | <u>82,755,058</u> |

9:53 AM
3/31/2016

RMLD
INTERGRATED RESOURCES DIVISION
2017 BUDGET SUMMARY

| | 2017 BUDGET TOTAL | % CHANGE | 2016 8 MTHS ACT 4 MTHS BUD | % CHANGE | FY 15 ACTUAL |
|------------------------------------|-------------------------|-----------|----------------------------------|-----------|------------------|
| | [A] | [A] & [B] | [B] | [B] & [C] | [C] |
| INTEGRATED RESOURCES DIVISION | | | | | |
| 01-75-5916-000 INT RES EXP | 60,000 | -14.76% | 70,392 | 12.48% | 62,584 |
| 01-75-5916-101 LABOR REG | 546,232 | 19.85% | 455,774 | 22.56% | 371,875 |
| 01-75-5916-102 LABOR OT | 0 | 0.00% | 0 | -100.00% | 3,096 |
| 01-75-5916-103 EE EDUCATION | 22,500 | 115.11% | 10,460 | 29.84% | 8,056 |
| 01-75-5916-109 KEY ACCOUNT | 1,500 | 50.15% | 999 | -82.42% | 5,684 |
| | <u>630,232</u> | 17.23% | <u>537,625</u> | 19.13% | <u>451,295</u> |
| 01-75-5923-000 OUTSIDE SERVICES | 138,300 | 36.48% | 101,335 | -55.90% | 229,782 |
| 01-75-5916-402 RES CONSERVE PROG | 192,000 | 2.53% | 187,268 | 7.69% | 173,888 |
| 01-75-5916-403 RES CONSERVE OTHER | 106,004 | 313.49% | 25,636 | 100.00% | 0 |
| 01-75-5916-502 COMM CONSERVE PROG | 393,000 | 27.99% | 307,061 | -17.59% | 372,604 |
| 01-75-5916-503 COMM CONSERVE OTHER | 180,571 | 254.63% | 50,918 | 100.00% | 0 |
| | <u>871,574</u> | 52.67% | <u>570,883</u> | 4.46% | <u>546,492</u> |
| GRAND TOTAL | <u>1,640,106</u> | 35.56% | <u>1,209,843</u> | -1.44% | <u>1,227,569</u> |

11:24 AM
3/31/2016

RMLD
BUSINESS DIVISION BUDGET
2017 BUDGET SUMMARY

| | 2017 BUDGET TOTAL | % CHANGE | 2016 8 MTHS ACT 4 MTHS BUD | % CHANGE | FY 15 ACTUAL |
|-------------------------------------|-------------------------|-----------|----------------------------------|-----------|-------------------|
| | [A] | [A] & [B] | [B] | [B] & [C] | [C] |
| ACCOUNTING 59 | | | | | |
| 01-59-5903-101 LABOR REG | 328,957 | 43.51% | 229,230 | 6.10% | 216,060 |
| 01-59-5903-102 LABOR OT | 1,000 | -77.40% | 4,425 | 100.00% | 0 |
| 01-59-5903-103 EE EDUCATION | 17,000 | 59.36% | 10,668 | 148.85% | 4,287 |
| 01-59-5903-105 SUPPLIES | 350,000 | 7.86% | 324,507 | -7.85% | 352,146 |
| 01-59-5921-000 OFFICE SUPPLIES | 324,000 | 7.40% | 301,681 | -8.60% | 330,075 |
| 01-59-5923-000 OUTSIDE SERVICES | 35,000 | 21.13% | 28,895 | -45.24% | 52,763 |
| SUB-TOTAL | <u>1,055,957</u> | 17.41% | <u>899,406</u> | -5.85% | <u>955,331</u> |
| CUSTOMER SERVICE 62 | | | | | |
| 01-62-5903-101 LABOR REG | 415,224 | -9.68% | 459,721 | -17.01% | 553,927 |
| 01-62-5903-102 LABOR OT | 2,000 | 100.00% | 0 | -100.00% | 4,528 |
| 01-62-5903-103 EE EDUCATION | 7,500 | 274.25% | 2,004 | -52.62% | 4,230 |
| 01-62-5903-104 TEMP LABOR | 0 | -100.00% | 23,088 | 100.00% | 0 |
| 01-62-5903-105 SUPPLIES | 16,000 | -5.37% | 16,908 | 63.49% | 10,342 |
| 01-62-5903-106 VEHICLE | 4,992 | -116.82% | (29,672) | 767.86% | (3,419) |
| 01-62-5904-000 UNCOLLECT ACCOUNTS | 150,000 | 25.00% | 120,000 | 144.03% | 49,174 |
| SUB-TOTAL | <u>595,716</u> | 0.62% | <u>592,049</u> | -4.32% | <u>618,782</u> |
| MIS 61 | | | | | |
| 01-61-5903-101 LABOR REG | 566,451 | 4.29% | 543,172 | -8.14% | 591,325 |
| 01-61-5903-102 LABOR OT | 1,000 | -83.95% | 6,231 | 318.75% | 1,488 |
| 01-61-5903-103 EE EDUCATION | 19,600 | -1.28% | 19,855 | -5.66% | 21,047 |
| 01-61-5903-104 TEMP LABOR | 48,000 | 40.93% | 34,060 | 100.00% | 0 |
| 01-61-5903-105 SUPPLIES | 15,000 | -6.22% | 15,995 | 148.91% | 6,426 |
| 01-61-5935-000 MAINT GEN PLANT | 180,000 | 24.24% | 144,877 | -28.40% | 202,330 |
| SUB-TOTAL | <u>830,051</u> | 8.62% | <u>764,190</u> | -7.10% | <u>822,616</u> |
| MISCELLANEOUS DEDUCTIONS 57/77 | | | | | |
| 01-77-5403-000 DEPRECIATION EXP | 4,134,000 | 4.46% | 3,957,566 | 2.49% | 3,861,465 |
| 01-77-5408-000 VOLUNTARY PAYMENTS | 1,445,420 | 2.88% | 1,404,973 | 0.66% | 1,395,728 |
| 01-77-5419-000 INTEREST EXP | 2,100 | -32.84% | 3,127 | 159.50% | 1,205 |
| 01-77-5426-005 OTHER DEDUCTIONS | 150,000 | 0.00% | 150,000 | 145.23% | 61,168 |
| 01-77-5426-005 T READING ROI | 2,384,668 | 0.61% | 2,370,297 | 1.60% | 2,332,863 |
| 01-57-5920-101 AC/BUS MGR LABOR REG | 43,022 | 4.73% | 41,080 | -10.95% | 46,129 |
| 01-57-5930-109 AC/BUS MGR MISC GEN | 2,400 | 200.00% | 800 | 100.00% | 0 |
| SUB-TOTAL | <u>8,161,610</u> | 2.95% | <u>7,927,843</u> | 2.98% | <u>7,698,558</u> |
| GRAND TOTAL | <u>10,643,334</u> | 4.52% | <u>10,183,488</u> | 0.87% | <u>10,095,287</u> |

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RMLD
ENGINEERING AND OPERATIONS DIVISION BUDGET
2017 BUDGET SUMMARY

| | 2017 BUDGET TOTAL | % CHANGE | 2016 8 MTHS ACT 4 MTHS BUD | % CHANGE | FY 15 ACTUAL |
|--------------------------------------|-------------------------|-----------|----------------------------------|-----------|------------------|
| | [A] | [A] & [B] | [B] | [B] & [C] | [C] |
| E&O DIRECTOR 55 | | | | | |
| 01-55-5920-101 LABOR REG | 375,037 | 66.91% | 224,696 | 2.34% | 219,551 |
| 01-55-5920-102 LABOR OT | 1,500 | -39.64% | 2,485 | -42.54% | 4,325 |
| 01-55-5930-103 EE EDUCATION | 9,500 | 124.96% | 4,223 | -67.53% | 13,006 |
| 01-55-5930-106 VEHICLE | 4,992 | -298.88% | (2,510) | -27.39% | (3,457) |
| 01-55-5923-000 OUTSIDE SERVICES | 15,000 | -46.90% | 28,251 | 51.56% | 18,640 |
| 01-55-5930-105 MISC GENERAL | 1,000 | -51.55% | 2,064 | 16.94% | 1,765 |
| SUB-TOTAL | <u>407,029</u> | 57.03% | <u>259,209</u> | 2.12% | <u>253,830</u> |
| ENGINEERING 65 | | | | | |
| 01-65-5580-101 LABOR REG | 573,054 | 12.07% | 511,357 | 12.45% | 454,759 |
| 01-65-5580-102 LABOR OT | 30,000 | -41.57% | 51,343 | -27.45% | 70,766 |
| 01-65-5580-103 EE EDUCATION | 39,150 | 244.60% | 11,361 | 35.86% | 8,362 |
| 01-65-5580-105 SUPPLIES | 8,000 | 26.18% | 6,340 | 21.34% | 5,225 |
| 01-65-5580-106 VEHICLE | 4,992 | -401.81% | (1,654) | -39.66% | (2,741) |
| 01-65-5923-000 OUTSIDE SERVICES | 65,000 | 193.76% | 22,127 | 4196.50% | 515 |
| SUB-TOTAL | <u>720,195</u> | 19.86% | <u>600,874</u> | 11.92% | <u>536,886</u> |
| LINE 66 | | | | | |
| 01-66-5568-109 MAINT OF TRANS EXP | 3,000 | 6.50% | 2,817 | 3.38% | 2,725 |
| 01-66-5581-101 LABOR MISC | 765,213 | 36.82% | 559,271 | -20.51% | 703,607 |
| 01-66-5581-109 GENERAL EXP | 90,000 | -6.27% | 96,024 | 19.87% | 80,105 |
| 01-66-5581-103 EE EDUCATION | 46,000 | 89.45% | 24,281 | -48.80% | 47,423 |
| 01-66-5585-109 STREET LIGHT EXP | 30,000 | 124.53% | 13,361 | -66.06% | 39,361 |
| 01-66-5585-101 LABOR REG ST LIGHT | 39,442 | 6.81% | 36,928 | 13.53% | 32,527 |
| 01-66-5585-102 LABOR OT ST LIGHT | 8,000 | -75.78% | 33,024 | 453.07% | 5,971 |
| 01-66-5585-106 VEHICLE ST LIGHT | 24,960 | -1.53% | 25,348 | 67.62% | 15,122 |
| 01-66-5593-109 MAINT OF LINES | 129,234 | -30.88% | 186,981 | 12.88% | 165,653 |
| 01-66-5593-101 LABOR REG MAINT LINE | 653,768 | 24.36% | 525,721 | 1.66% | 517,124 |
| 01-66-5593-102 LABOR OT MAINT LINE | 299,820 | -21.08% | 379,906 | -21.76% | 485,558 |
| 01-66-5593-106 VEHICLE MAINT OH LINE | 174,719 | 143.44% | 71,771 | -63.42% | 196,192 |
| 01-78-5593-110 TREE TRIMMING | 786,958 | 13.73% | 691,931 | 20.45% | 574,433 |
| 01-66-5594-109 MAINT UG LINE | 98,000 | 28.15% | 76,470 | 100.00% | 0 |
| 01-66-5594-101 LABOR REG UG LINES | 16,406 | 14.65% | 14,309 | 36.93% | 10,450 |
| 01-66-5594-102 LABOR OT UG LINE | 5,000 | 37.40% | 3,639 | 184.74% | 1,278 |
| 01-66-5594-106 VEHICLE UG LINE | 5,660 | 899.99% | 566 | -2560.87% | (23) |
| 01-66-5596-109 ST LT & SIG EXP | 250 | 204.88% | 82 | -99.95% | 167,063 |
| 01-66-5596-101 LABOR REG ST LT/SG | 7,291 | 213.34% | 2,327 | 100.00% | 0 |
| 01-66-5596-102 LABOR OT ST LT/SG | 250 | 204.88% | 82 | 100.00% | 0 |
| 01-66-5596-106 VEHICLE ST LT/SG | 2,496 | 433.33% | 468 | -312.73% | (220) |
| SUB-TOTAL | <u>3,186,467</u> | 16.07% | <u>2,745,307</u> | -9.82% | <u>3,044,349</u> |

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RMLD
ENGINEERING AND OPERATIONS DIVISION BUDGET
2017 BUDGET SUMMARY

| | 2017 BUDGET TOTAL | % CHANGE | 2016 8 MTHS ACT 4 MTHS BUD | % CHANGE | FY 15 ACTUAL |
|----------------------------------|-------------------------|-----------|----------------------------------|-----------|------------------|
| | [A] | [A] & [B] | [B] | [B] & [C] | [C] |
| METER READING 80 | | | | | |
| 01-80-5902-101 LABOR REG | 24,153 | -5.34% | 25,515 | 64.83% | 15,480 |
| 01-80-5902-102 LABOR OT | 1,000 | 300.00% | 250 | 100.00% | 0 |
| 01-80-5902-106 VEHICLE | 7,488 | 225.85% | 2,298 | 97.25% | 1,165 |
| SUB-TOTAL | <u>32,640</u> | 16.31% | <u>28,063</u> | 68.60% | <u>16,645</u> |
| METER TECHNICIANS 67 | | | | | |
| 01-67-5586-109 METER TECH EXP | 1,000 | -86.02% | 7,152 | 95.78% | 3,653 |
| 01-67-5586-101 LABOR REG | 166,141 | -22.73% | 215,018 | 8.59% | 198,013 |
| 01-67-5586-102 LABOR OT | 20,000 | 52.80% | 13,089 | 48.02% | 8,843 |
| 01-67-5586-103 EE EDUCATION | 3,600 | 133.01% | 1,545 | -35.41% | 2,392 |
| 01-67-5586-106 VEHICLE | 14,976 | -632.76% | (2,811) | -54.11% | (6,126) |
| SUB-TOTAL | <u>205,717</u> | -12.08% | <u>233,993</u> | 13.16% | <u>206,775</u> |
| STATION 68 | | | | | |
| 01-68-5581-109 STATION OP | 6,000 | -5.88% | 6,375 | 9.52% | 5,821 |
| 01-68-5581-101 LABOR REG SUP | 85,269 | -32.32% | 125,985 | -23.39% | 164,444 |
| 01-68-5582-109 STATION SUPPLIES | 5,000 | -164.63% | (7,736) | -585.32% | 1,594 |
| 01-68-5582-101 LABOR REG | 342,783 | 3.19% | 332,199 | 0.64% | 330,088 |
| 01-68-5582-102 LABOR OT | 120,000 | 32.37% | 90,656 | -44.86% | 164,396 |
| 01-68-5582-103 EE EDUCATION | 2,600 | 78.82% | 1,454 | 71.06% | 850 |
| 01-68-5582-106 VEHICLE | 2,496 | -743.29% | (388) | -58.99% | (946) |
| SUB-TOTAL | <u>564,148</u> | 2.84% | <u>548,545</u> | -17.67% | <u>666,247</u> |
| 01-68-5590-109 SENIOR TECH EXP | 5,000 | -85.52% | 34,519 | 100.00% | 0 |
| 01-68-5590-101 LABOR REG | 268,178 | 6.52% | 251,755 | -0.10% | 252,017 |
| 01-68-5590-102 LABOR OT | 5,000 | -87.83% | 41,077 | -58.48% | 98,944 |
| 01-68-5590-103 EE EDUCATION | 15,925 | 85.26% | 8,596 | 67.01% | 5,147 |
| 01-68-5590-105 SUPPLIES | 123,000 | 164.54% | 46,495 | -69.80% | 153,932 |
| 01-68-5590-106 VEHICLE | 2,496 | -743.29% | (388) | -3.00% | (400) |
| 01-68-5595-000 TRANSFORMER MAINT | 300,000 | 83.04% | 163,897 | 108.79% | 78,497 |
| 01-68-5597-109 MAINT METERS | 2,500 | 200.12% | 833 | 100.00% | 0 |
| 01-68-5597-101 LABOR REG | 23,408 | 1955.13% | 1,139 | 100.00% | 0 |
| 01-68-5597-102 LABOR OT | 18,750 | 199.81% | 6,254 | 100.00% | 0 |
| SUB-TOTAL | <u>764,257</u> | 37.91% | <u>554,177</u> | -5.77% | <u>588,137</u> |
| GRAND TOTAL | <u>5,880,454</u> | 18.31% | <u>4,970,168</u> | -6.45% | <u>5,312,869</u> |

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RMLD
FACILITY MANAGER DIVISION BUDGET
2017 BUDGET SUMMARY

| | 2017 BUDGET TOTAL | % CHANGE | 2016 8 MTHS ACT 4 MTHS BUD | % CHANGE | FY 15 ACTUAL |
|-----------------------------------|-------------------------|--------------|----------------------------------|---------------|------------------|
| | [A] | [A] & [B] | [B] | [B] & [C] | [C] |
| GENERAL BENEFITS 53 | | | | | |
| 01-53-5920-101 LABOR REG | 121,774 | -6.53% | 130,279 | 67.51% | 77,774 |
| 01-53-5920-102 LABOR OT | 0 | 0.00% | 0 | -100.00% | 458 |
| 01-53-5930-103 EE EDUCATION | 21,600 | 6566.67% | 324 | -55.80% | 733 |
| 01-53-5930-105 SUPPLIES | 1,000 | 197.62% | 336 | 100.00% | 0 |
| 01-53-5923-000 OUTSIDE SERVICES | 27,000 | 4.95% | 25,727 | 100.00% | 0 |
| 01-53-5924-000 PROPERTY INSURANCE | 424,500 | 5.84% | 401,081 | 9.45% | 366,465 |
| 01-53-5925-000 INJURIES & DAMAGES | 57,215 | 17.52% | 48,687 | 8.55% | 44,851 |
| 01-53-5926-000 EE PENS & BENEFIT | 2,922,673 | 8.23% | 2,700,353 | 12.43% | 2,401,782 |
| 01-53-5930-109 MISC GENERAL | 3,300 | 54.64% | 2,134 | 789.17% | 240 |
| 01-53-5931-000 RENT | 212,000 | 13.65% | 186,534 | -1.81% | 189,965 |
| SUB-TOTAL | 3,791,062 | 8.46% | 3,495,455 | 13.41% | 3,082,268 |
| BUILDING MAINTENANCE 64 | | | | | |
| 01-64-5923-000 OUTSIDE SERVICES | 10,000 | 199.76% | 3,336 | 100.00% | 0 |
| 01-64-5932-101 LABOR REG | 146,023 | 1.64% | 143,673 | 29.93% | 110,574 |
| 01-64-5932-102 LABOR OT | 32,000 | 4.41% | 30,647 | -23.72% | 40,178 |
| 01-64-5932-103 EE EDUCATION | 6,500 | 381.48% | 1,350 | 41.51% | 954 |
| 01-64-5932-105 SUPPLIES | 406,000 | 1.67% | 399,340 | -10.78% | 447,595 |
| SUB-TOTAL | 600,523 | 3.83% | 578,346 | -3.50% | 599,301 |
| MATERIALS MANAGEMENT 60 | | | | | |
| 01-60-5588-109 MISC DIST EXP | 70,000 | -2.46% | 71,762 | -23.58% | 93,909 |
| 01-60-5588-101 LABOR REG | 361,418 | 4.34% | 346,374 | 3.85% | 333,527 |
| 01-60-5588-102 LABOR OT | 15,000 | 18.49% | 12,659 | -45.40% | 23,186 |
| 01-60-5588-103 EE EDUCATION | 5,000 | 200.66% | 1,663 | 131.62% | 718 |
| 01-60-5588-105 SUPPLIES | 13,000 | -15.59% | 15,401 | 24.11% | 12,409 |
| 01-60-5921-000 OFFICE SUPPLIES | 25,000 | 35.27% | 18,482 | 9.45% | 16,886 |
| SUB-TOTAL | 489,418 | 4.95% | 466,341 | -2.97% | 480,635 |
| GRAND TOTAL | 4,881,003 | 7.51% | 4,540,142 | 9.08% | 4,162,204 |

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RMLD
GENERAL MANAGER DIVISION BUDGET
2017 BUDGET SUMMARY

| | 2017 BUDGET TOTAL | % CHANGE | 2016 8 MTHS ACT 4 MTHS BUD | % CHANGE | FY 15 ACTUAL |
|---------------------------------|-------------------------|-----------|----------------------------------|-----------|-----------------|
| | [A] | [A] & [B] | [B] | [B] & [C] | [C] |
| GENERAL MANAGER 51 | | | | | |
| 01-51-5920-101 LABOR REG | 348,687 | 33.45% | 261,296 | -1.63% | 265,635 |
| 01-51-5920-102 LABOR OT | 0 | 0.00% | 0 | -100.00% | 1,136 |
| 01-51-5923-000 OUTSIDE SERVICES | 75,000 | -5.20% | 79,117 | -69.84% | 262,339 |
| 01-51-5930-103 EE EDUCATION | 9,000 | 96.25% | 4,586 | 6451.43% | 70 |
| 01-51-5930-105 MISC GENERAL | 55,000 | -4.91% | 57,841 | -5.09% | 60,945 |
| 01-51-5930-106 VEHICLE | 10,000 | -498.41% | (2,510) | -25.43% | (3,366) |
| SUB-TOTAL | <u>497,687</u> | 24.32% | <u>400,330</u> | -31.77% | <u>586,759</u> |
| HUMAN RESOURCES 52 | | | | | |
| 01-52-5920-101 LABOR REG | 121,249 | 4.55% | 115,969 | 0.74% | 115,119 |
| 01-52-5923-000 OUTSIDE SERVICES | 52,800 | 41.87% | 37,218 | 60.99% | 23,118 |
| 01-52-5930-103 EE EDUCATION | 4,200 | 40.00% | 3,000 | 150.00% | 1,200 |
| 01-52-5930-105 SUPPLIES | 900 | 800.00% | 100 | 163.16% | 38 |
| 01-52-5930-109 MISC GENERAL | 10,960 | 18.79% | 9,226 | 15.44% | 7,992 |
| SUB-TOTAL | <u>190,109</u> | 14.86% | <u>165,513</u> | 12.24% | <u>147,467</u> |
| COMMUNITY RELATIONS 54 | | | | | |
| 01-54-5920-101 LABOR REG | 116,939 | 24.46% | 93,959 | 17.82% | 79,750 |
| 01-54-5920-102 LABOR OT | 0 | 0.00% | 0 | -100.00% | 49 |
| 01-54-5930-109 MISC GENERAL | 59,370 | 31.89% | 45,016 | -4.70% | 47,237 |
| 01-54-5930-103 EE EDUCATION | 2,500 | 100.00% | 0 | 0.00% | 0 |
| 01-54-5930-105 SUPPLIES | 7,400 | 59.00% | 4,654 | -10.89% | 5,223 |
| SUB-TOTAL | <u>186,209</u> | 29.65% | <u>143,629</u> | 8.60% | <u>132,259</u> |
| CAB 56 | | | | | |
| 01-56-5920-101 LABOR REG | 5,266 | 50.97% | 3,488 | 86.03% | 1,875 |
| 01-56-5920-102 LABOR OT | 1,200 | -64.10% | 3,343 | 259.08% | 931 |
| 01-56-5930-109 MISC GENERAL | 8,534 | 219.27% | 2,673 | -76.64% | 11,443 |
| SUB-TOTAL | <u>15,000</u> | 57.83% | <u>9,504</u> | -33.30% | <u>14,249</u> |
| BOARD 58 | | | | | |
| 01-58-5930-109 MISC GENERAL | 7,500 | -0.56% | 7,542 | 138.07% | 3,168 |
| SUB-TOTAL | <u>7,500</u> | -0.56% | <u>7,542</u> | 138.07% | <u>3,168</u> |
| GRAND TOTAL | <u>896,505</u> | 23.40% | <u>726,518</u> | -17.81% | <u>883,902</u> |

Description of RMLD's Power Supply

Stony Brook Intermediate Unit

The Stony Brook Intermediate Unit is a 354-megawatt, combined-cycle power plant that entered commercial operation in 1981.

The unit's three gas turbines generate electricity using either No. 2 oil or natural gas, with additional electricity produced using a single steam turbine in the combined-cycle process. MMWEC completed construction of a natural gas pipeline to serve the Intermediate Unit in September 2002. The RMLD has a Life of Unit (LOU) entitlement for 14.453% of the unit or approximately 51 Mws. The RMLD has paid off the debt service associated with this project.

Quick Facts – Stonybrook Intermediate Unit

| | |
|--------------------------|-----------------------|
| Location | Ludlow, Massachusetts |
| On-Line Date | 1981 |
| Fuel | No. 2 oil/natural gas |
| Principal Owner/Operator | MMWEC |
| Total Capacity | 354 megawatts |

Stony Brook Peaking Unit

The Stony Brook Peaking Unit is a 172-megawatt peaking plant that entered commercial operation in 1982.

The unit's two turbines generate electricity using No. 2 oil. The RMLD has a Life of Unit (LOU) entitlement for 19.516% of the unit which is equivalent to approximately 33 Mws. The RMLD has paid off the debt service associated with this project.

Quick Facts – Stonybrook Peaking Unit

| | |
|--------------------------|-----------------------|
| Location | Ludlow, Massachusetts |
| On-Line Date | 1982 |
| Fuel | No. 2 oil |
| Principal Owner/Operator | MMWEC |
| Total Capacity | 172 megawatts |

Braintree Electric Light Department - Watson Unit

The simple-cycle gas fired plant is powered by the first two Rolls-Royce Trent 60 gas turbines built for the U.S. power generation market – known as Watson Units #1 and #2. The units entered commercial operation on June 23, 2009.

Both Watson Units are bid into the ISO New England market system daily and are dispatched based on their bid price.

The units two turbines generate electricity using natural gas, with No. 2 oil as backup fuel. The RMLD has a 20 year entitlement for 10% of the unit which is equivalent to about 10 Mws.

Quick Facts – Watson Unit

| | |
|--------------------------|--------------------------|
| Location | Braintree, Massachusetts |
| On-Line Date | 2009 |
| Fuel | Natural gas/No. 2 oil |
| Principal Owner/Operator | BELD |
| Total Capacity | 100 megawatts |

Seabrook Station

Seabrook Station is a 1,244-megawatt nuclear generating plant located in Seabrook, New Hampshire. An operating license for Seabrook was issued in 1986, but the plant did not begin commercial operation until 1990. The principal owner and operator of Seabrook Station is NextEra Energy Resources LLC, a subsidiary of Florida based FPL

Group, Inc. NextEra owns 88.2% of Seabrook Station. The other owners are MMWEC (11.59%) and two Massachusetts municipal utilities, the Taunton Municipal Lighting Plant (0.13%) and Hudson Light & Power Department (0.08%).

NextEra has announced plans to seek an extension of its Seabrook operating license from the current license expiration of 2030 to 2050. RMLD signed 3 different projects to finance Seabrook, Mix 1, Project 4, and Project 5. The debt service associated with these projects will be paid-off in 2014, 2017 & 2018 respectively. The RMLD has a Life of Unit (LOU) for 0.635% or approximately 8 Mws of the unit.

Quick Facts – Seabrook Station

| | |
|--------------------------|-------------------------------------|
| Location | Seabrook, New Hampshire |
| On-Line Date | 1990 |
| Fuel | Nuclear – Pressurized Water Reactor |
| Principal Owner/Operator | NextEra Energy Resources, LLC |
| Total Capacity | 1,244 megawatts |

Millstone Unit 3

Millstone Unit 3 is a 1,237-megawatt nuclear generating plant located in Waterford, Connecticut. Millstone Unit 3, which began operation in 1986, is the newest and largest of the Millstone Station's three nuclear units, one of which is retired from service. The principal owner and operator of Millstone Station is Dominion Nuclear Connecticut, Inc., a subsidiary of Virginia-based Dominion Resources, Inc. Dominion Connecticut owns 93.4% of Millstone Unit 3.

The Nuclear Regulatory Commission (NRC) on November 28, 2005 approved Dominion Nuclear Connecticut's request for a 20-year operating license extension for Millstone's Unit 3 reactor. The license now expires in November, 2045. RMLD signed two different projects to finance Millstone #3, Mix 1 and Project 3. The debt service associated with these projects will be paid off in 2014 & 2018 respectively. The RMLD has a LOU agreement for 0.404% of the units which equates to approximately 4.6 Mws.

Quick Facts – Seabrook Station

| | |
|--------------------------|-------------------------------------|
| Location | Waterford, Connecticut |
| On-Line Date | 1986 |
| Fuel | Nuclear – Pressurized Water Reactor |
| Principal Owner/Operator | Dominion Nuclear Connecticut, Inc. |
| Total Capacity | 1,237 megawatts |

New York Power Authority (NYPA)

The RMLD receives inexpensive hydroelectric power from the NYPA. RMLD receives capacity and energy from this contract. The Massachusetts Department of Public Utilities (DPU) has appointed MMWEC as the administrator of this contract. The current contract expires in 2025.

Hydro-Quebec Interconnection

The Hydro-Quebec Interconnection is an approximate 2000 Mw, direct current electric transmission line connecting central New England with the Canadian utility Hydro Quebec. Construction of the U.S. portion of the interconnection, which stretches from Groton/Ayer, in Massachusetts to the Canadian border in northern Vermont, was a joint effort of many New England utilities. The RMLD receives approximately 4.5 Mws of capacity from this contract.

Florida Power & Light Energy Power Marketing, Inc. (FP&L)

In March, 2008 the RMLD signed a power supply agreement for capacity with FP&L that is effective from June 1, 2012 through May 31, 2017. The contract is for 60,000 kW of firm, Rest-of-Pool ICAP (Installed Capacity). The amount of capacity purchased is fixed at 60,000 kW and the pricing is as follows:

| Power Year | \$/kW-month | | |
|----------------------|-------------|-------------|-----------|
| | Fixed Price | Floor Price | Cap Price |
| 6/1/2012 – 5/31/2013 | \$5.50 | | |
| 6/1/2013 – 5/31/2014 | | \$5.50 | \$6.00 |
| 6/1/2014 – 5/31/2015 | | \$5.65 | \$6.15 |

| | | |
|----------------------|--------|--------|
| 6/1/2015 – 5/31/2016 | \$5.90 | \$6.40 |
| 6/1/2016 – 5/31/2017 | \$6.15 | \$6.65 |

Exelon #1

In June, 2012 the RMLD signed a system power contract with Exelon that is effective from January 1, 2013 through December 31, 2016. The RMLD receives energy only from this contract. The amount of energy purchased fluctuates on a monthly basis for both the on-peak and off-peak period. RMLD has secured fixed pricing for this contract.

Exelon #2

In May, 2015 the RMLD signed a system power contract with Exelon that is effective from January 1, 2016 through December 31, 2019. The RMLD receives energy only from this contract. The amount of energy purchased fluctuates on a monthly basis for both the on-peak and off-peak period. RMLD has secured fixed pricing for this contract.

BP Energy

In July, 2013 the RMLD signed a system power contract with BP Energy that is effective from January 1, 2014 through December 31, 2017. The RMLD receives energy only from this contract. The amount of energy purchased fluctuates on a monthly basis for both the on-peak and off-peak period. RMLD has secured fixed pricing for this contract.

Shell Energy

In November, 2014 the RMLD signed a system power contract with Shell Energy that is effective from January 1, 2015 through December 31, 2018. The RMLD receives energy only from this contract. The amount of energy purchased fluctuates on a monthly basis for both the on-peak and off-peak period. RMLD has secured fixed pricing for this contract.

Swift River Hydro

In March, 2011 the RMLD signed a purchase power agreements with Swift River Hydro LLC for the output of four hydro systems located in Massachusetts that are effective from February 1, 2011 through January 31, 2026. The Swift River Trading Company is

the lead market participant for and represents these hydroelectric generators with a total nameplate capacity of approximately 7 Mws and average annual generation of 25,000 megawatt-hours per year.

These facilities include the Woronoco Hydro facility in Russell, MA, Pepperell Hydro in Pepperell, MA; Indian River Power Supply in Russell, MA; and Turners Falls Hydro in Turners Falls, MA. Each of these facilities is owned by a special purpose entity, e.g., the Woronoco facility is owned by Woronoco Hydro LLC. The four facilities are managed by the Swift River Trading Company, LLC as the lead market participant for each of the facilities. Dr. Peter Clark is the manager of the Swift River Trading Company. RMLD is the only buyer.

- **Pepperell Hydro:** 15 year term beginning on February 1, 2011 and ending January 31, 2026. RMLD is purchasing all of the products produced by or attributable to the facility. The facility has a nameplate capacity of 1.9 Mws. The products include, but are not limited to, Energy, Installed Capacity, Ancillary Services, Renewable Energy Certificates and Environmental Attributes (to the extent not included in the RECs). The contract price for these products is \$100/Mwh for the first year, escalated 2.25% thereafter.
- **Woronoco Hydro:** 15 year term beginning on February 1, 2011 and ending January 31, 2026. RMLD is purchasing all of the products produced by or attributable to the facility. The facility has a nameplate capacity of 2.7 Mws. The products include, but are not limited to, Energy, Installed Capacity, Ancillary Services, Renewable Energy Certificates and Environmental Attributes (to the extent not included in the RECs). The contract price for these products is \$100/Mwh for the first year, escalated 2.25% thereafter. The facility is not currently qualified for FCM. Until the Seller qualifies the facility for FCM the contract price is reduced by \$5.00/Mwh.
- **Turners Falls Hydro:** 15 year term beginning on February 1, 2011 and ending January 31, 2026. RMLD is purchasing all of the products produced by or attributable to the facility. The facility has a nameplate capacity of 1 Mw. The products include, but are not limited to, Energy, Installed Capacity, Ancillary Services, Renewable Energy Certificates and Environmental Attributes (to the extent not included in the RECs). The contract price for these products is \$100/Mwh for the first year, escalated 2.25% thereafter. The facility is not currently qualified for FCM. Until the Seller qualifies the facility for FCM the contract price is reduced by \$5.00/Mwh.

- **Indian River Hydro:** 15 year term beginning on February 1, 2011 and ending January 31, 2026. RMLD is purchasing all of the products produced by or attributable to the facility. The facility has a nameplate capacity of 1.4 Mws. The products include, but are not limited to, Energy, Installed Capacity, Ancillary Services, Renewable Energy Certificates and Environmental Attributes (to the extent not included in the RECs). The contract price for these products is \$100/Mwh for the first year, escalated 2.25% thereafter. The facility is not currently qualified for FCM. Until the Seller qualifies the facility for FCM the contract price is reduced by \$5.00/Mwh.

Collins Hydro

In August, 2013 the RMLD signed a purchase power agreements with Swift River Hydro LLC for the output of Collins Hydro located in between Ludlow and Wilbraham Massachusetts. The contract with Swift River Hydro is effective from September 1, 2013 through August 31, 2028. The RMLD receives enery only from this contract. The average annual generation is approximately 5,667 megawatt-hours per year.

Pioneer Hydro

In August, 2013 the RMLD signed a purchase power agreements with Ware River Power Inc. for the output of Pioneer Hydro located in Ware, Massachusetts. The contract for Pioneer Hydro is effective from September 1, 2013 through August 31, 2028. The RMLD receives enery only from this contract. The average annual generation is approximately 4,480 megawatt-hours per year.

Hoisery Mills Hydro

In March, 2014 the RMLD signed a purchase power agreements with Silver Street Hydro Inc. for the output of Hosiery Mills located in Hillsborough, New Hampshire. The contract for Hosiery Mills Hydro is effective from March 1, 2014 through February 28, 2034. The RMLD receives enery only from this contract. The average annual generation is approximately 2,046 megawatt-hours per year.

Saddleback Ridge Wind

In December, 2013 the RMLD signed a purchase power agreement with Saddleback Ridge Wind, LLC for the output of Saddleback Ridge Wind located in Carthage, Maine. The contract for Saddleback Ridge Wind is effective from January 1, 2015 through December 31, 2035. The RMLD receives energy plus all attributes this contract. The average annual generation is estimated to be approximately 15,820 megawatt-hours per year.

Jericho Wind

In November, 2014 the RMLD signed a purchase power agreements with Jericho Power, LLC for the output of Jericho Wind located in Berlin, New Hampshire. The contract for Jericho Wind is for 20 years. The project went Commercial December, 2015. The RMLD receives energy plus all attributes from this contract. The average annual generation is estimated to be approximately 10,788 megawatt-hours per year.

One Burlington - Solar

In March, 2015 the RMLD signed a purchase power agreement with CREECA Energy LLC for the output of 2,000 kW AC solar array located at One Burlington Ave., Wilmington, Massachusetts. The solar array went on-line in November, 2015. The term of the contract for One Burlington is effective for ten years. The average annual generation is estimated to be approximately 3,450 megawatt-hours per year.

| | | 2017 Budget Jul-16 - Jun-17 |
|--|--------|--------------------------------------|
| PURCHASED POWER EXPENSE | | |
| ----- | | |
| NUC. MIX #1 MILLSTONE - CAPACITY | \$ | 844,348 |
| NUC. MIX #1 MILLSTONE- TRANSMISSION | \$ | 18,723 |
| NUC. MIX #1 MILLSTONE - ENERGY | \$ | 171,050 |
| NUC. MIX #1 SEABROOK - CAPACITY | \$ | 83,127 |
| NUC. MIX #1 SEABROOK - TRANSMISSION | \$ | 182 |
| NUC. MIX #1 SEABROOK - ENERGY | \$ | 16,901 |
| PROJ. #3 MILLSTONE- CAPACITY | \$ | 954,185 |
| PROJ. #3 MILLSTONE- TRANSMISSION | \$ | 13,323 |
| PROJ. #3 MILLSTONE- ENERGY | \$ | 131,158 |
| PROJ. #4 SEABROOK- CAPACITY | \$ | 2,272,530 |
| PROJ. #4 SEABROOK - TRANSMISSION | \$ | 4,121 |
| PROJ. #4 SEABROOK- ENERGY | \$ | 414,802 |
| PROJ. #5 SEABROOK - CAPACITY | \$ | 320,160 |
| PROJ. #5 SEABROOK - TRANSMISSION | \$ | 508 |
| PROJ. #5 SEABROOK - ENERGY | \$ | 51,186 |
| NYPA - CAPACITY | \$ | 206,061 |
| NYPA - TRANSMISSION | \$ | 669,595 |
| NYPA - ENERGY | \$ | 144,793 |
| REMEVE | \$ | 10,200 |
| ISO-NE CAPACITY | \$ | 7,426,141 |
| ISO-NE TRANSMISSION | \$ | 12,613,289 |
| ISO-NE ENERGY | \$ | 2,654,415 |
| NEMA CONGESTION | \$ | (1,740,000) |
| HYDRO QUEBEC SUPPORT SERVICES | \$ | (49,200) |
| STONYBROOK PEAKING PROJECT - CAPACITY | \$ | 611,861 |
| STONYBROOK PEAKING PROJECT - TRANSMISSION | \$ | 27,026 |
| STONYBROOK PEAKING PROJECT - ENERGY | \$ | 40,733 |
| STONYBROOK INTERMEDIATE PROJECT - CAPACITY | \$ | 2,656,840 |
| STONYBROOK INTERMEDIATE PROJECT - TRANS. | \$ | 31,875 |
| STONYBROOK INTERMEDIATE PROJECT - ENERGY | \$ | 2,745,660 |
| BRAINTREE WATSON - CAPACITY | \$ | 1,558,599 |
| BRAINTREE WATSON - ENERGY | \$ | 346,857 |
| NEXTERA | \$ | 3,410,424 |
| EXELON | \$ | 5,206,044 |
| BP ENERGY | \$ | 5,253,528 |
| SHELL ENERGY | \$ | 7,306,317 |
| NEXTERA CAPACITY PURCHASE | \$ | 4,059,000 |
| SWIFT RIVER HYDRO | \$ | 2,685,671 |
| SUMMIT HYDRO | \$ | 605,475 |
| COLLINS HYDRO | \$ | 448,610 |
| PIONEER HYDRO | \$ | 354,633 |
| HOSIERY MILL HYDRO | \$ | 144,516 |
| SADDLEBACK WIND | \$ | 1,502,900 |
| JERICO WIND | \$ | 996,811 |
| ONE BURLINGTON SOLAR | \$ | 246,590 |
| COOP / RESALE | \$ | 25,200 |
| DEFERRED FUEL | \$ | - |
| TOTAL BUDGETED PURCHASED POWER | \$ | 67,496,767 |
| | | |
| TOTAL CAPACITY PURCHASED | 29% \$ | 20,943,652 |
| | | |
| TOTAL TRANSMISSION PURCH. | 19% \$ | 13,378,641 |
| | | |
| TOTAL ENERGY PURCHASED | 52% \$ | 33,174,474 |

2017 BUDGET SUMMARY

PURCHASE POWER EXPENSE

| PROJECT | CAPACITY | % of Total | TRANSMISSION | % of Total | ENERGY | % of Total | TOTAL | % of Total |
|---------------------------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| NUC. MIX #1 MILLSTONE | 844,348 | 4.0% | 18,723 | 0.1% | 171,050 | 0.5% | 1,034,120 | 1.5% |
| NUC. MIX #1 SEABROOK | 83,127 | 0.4% | 182 | 0.0% | 16,901 | 0.1% | 100,210 | 0.1% |
| PROJ. #3 MILLSTONE | 954,185 | 4.6% | 13,323 | 0.1% | 131,158 | 0.4% | 1,098,666 | 1.6% |
| PROJ. #4 SEABROOK | 2,272,530 | 10.9% | 4,121 | 0.0% | 414,802 | 1.3% | 2,691,453 | 4.0% |
| PROJ. #5 SEABROOK | 320,160 | 1.5% | 508 | 0.0% | 51,186 | 0.2% | 371,855 | 0.6% |
| NYPA | 206,061 | 1.0% | 669,595 | 5.0% | 144,793 | 0.4% | 1,020,448 | 1.5% |
| STONYBROOK PEAKING PROJECT | 611,861 | 2.9% | 27,026 | 0.2% | 40,733 | 0.1% | 679,620 | 1.0% |
| STONYBROOK INTERMEDIATE PROJECT | 2,656,840 | 12.7% | 31,875 | 0.2% | 2,745,660 | 8.3% | 5,434,374 | 8.1% |
| ISO-NE | 7,426,141 | 35.5% | 12,613,289 | 94.3% | 2,654,415 | 8.0% | 22,693,845 | 33.6% |
| NEMA CONGESTION | 1,558,599 | 7.4% | | | (1,740,000) | -5.2% | (1,740,000) | -2.6% |
| BRAINTREE WATSON | 4,059,000 | 19.4% | | | 346,857 | 1.0% | 1,905,456 | 2.8% |
| NEXTERA | | -0.2% | | | 3,410,424 | 10.3% | 7,469,424 | 11.1% |
| HYDRO QUEBEC SUPPORT SERVICES | | | | | | 0.0% | (49,200) | -0.1% |
| REMVEC | | | | | 10,200 | 0.0% | 10,200 | 0.0% |
| EXELON | | | | | 5,206,044 | 15.7% | 5,206,044 | 7.7% |
| BP ENERGY | | | | | 5,253,528 | 15.8% | 5,253,528 | 7.8% |
| SHELL ENERGY | | | | | 7,306,317 | 22.0% | 7,306,317 | 10.8% |
| SWIFT RIVER HYDRO | | | | | 2,685,671 | 8.1% | 2,685,671 | 4.0% |
| SUMMIT HYDRO | | | | | 605,475 | 1.8% | 605,475 | 0.9% |
| COLLINS HYDRO | | | | | 448,610 | 1.4% | 448,610 | 0.7% |
| PIONEER HYDRO | | | | | 354,633 | 1.1% | 354,633 | 0.5% |
| HOSIERY MILL HYDRO | | | | | 144,516 | 0.4% | 144,516 | 0.2% |
| SADDLEBACK WIND | | | | | 1,502,900 | 4.5% | 1,502,900 | 2.2% |
| JERICHO WIND | | | | | 996,811 | 3.0% | 996,811 | 1.5% |
| ONE BURLINGTON SOLAR | | | | | 246,590 | 0.7% | 246,590 | 0.4% |
| COOP / RESALE | | | | | 25,200 | 0.1% | 25,200 | 0.0% |
| TOTAL | 20,943,652 | 100.0% | 13,378,641 | 100.0% | 33,174,474 | 100.0% | 67,496,767 | 100.0% |

NYPA : New York Power Authority

ISO-NE: Independent System Operator - New England

REMVEC: Rhode Island, Eastern Massachusetts, Vermont, Energy Control

NEMA: Northeast Massachusetts