

# *Electric Light Department*

## *Town of South Hadley*

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### **NOTICE UNDER MASSACHUSETTS GENERAL LAWS CHAPTER 30A, SECTION 20**

### **BOARD OF COMMISSIONERS' MEETING**

A meeting of the Board of Commissioners of the Town of South Hadley Electric Light Department will be held at **6:00 P.M. on Thursday, October 22, 2015**, in the Selectboard Meeting Room at 116 Main Street, South Hadley, Massachusetts.

AT THE ORDER OF ANNE S. AWAD,  
CHAIR OF THE BOARD

*Anne S. Awad*

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Anne S. Awad, Chair *J.M.N.*

### **MEETING AGENDA**

Public comment

Minutes – September 10, 2015

Minutes – September 24, 2015

Minutes – October 8, 2015

Correspondence

Manager's Report/Chair's report

SHELD energy savings incentives (MMWEC presentation)

Discussion on extending LED street lighting to town byways.

Manager's Review

Discussion regarding Board composition

Meeting schedule for January

Adjourn

**TOWN OF SOUTH HADLEY, MASSACHUSETTS**  
**ELECTRIC LIGHT DEPARTMENT**



**MANAGEMENT REPORT**  
**AUGUST 2015**

**TOWN OF SOUTH HADLEY, MASSACHUSETTS  
ELECTRIC LIGHT DEPARTMENT**

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**TOWN OF SOUTH HADLEY MASSACHUSETTS  
ELECTRIC LIGHT DEPARTMENT**

**FINANCIAL STATEMENT OVERVIEW**

The 2015 year-to-date revenues from sale of electricity decreased by about \$581,000 compared with the same period in 2014. Actual kWh sold decreased by about 248,000 on a year-to-date basis. The average \$/kWh revenue decreased by \$.007200 in 2015. This revenue decrease, however, was offset by a decrease in cost of power of about \$628,000. The average \$/kWh cost decreased by \$.010968 in 2015. The 2015 net revenue after cost of electricity purchased showed an increase of about \$90,000 from 2014, or about 0.84% of 2014 revenues.

Distribution expenses increased by about \$66,000 compared to 2014. Customer account expenses and general and administrative expenses, on a combined basis, increased by about \$61,000 compared to 2014.

On a year-to-year comparative basis, the August 2015 results were not as good as the August 2014 results. For the period ended August 2015, SHELD shows a year-to-date loss of about \$8,000.

At August 31, 2015, SHELD shows a very healthy financial position. When compared to other companies in the electric power distribution industry, SHELD's 2015 liquidity and leverage ratios equal or exceed those of its peers.

**TOWN OF SOUTH HADLEY, MASSACHUSETTS  
ELECTRIC LIGHT DEPARTMENT  
STATEMENT OF NET POSITION  
AUGUST 31, 2015 AND 2014**

<b>Assets</b>			<b>Liabilities and Net Position</b>		
	<u>2015</u>	<u>2014</u>		<u>2015</u>	<u>2014</u>
<b>Capital Assets</b>			<b>Long Term Liabilities</b>		
Distribution Plant	\$ 29,356,387	\$ 30,177,220	Accrued Compensated Absences	\$ 965,670	\$ 1,126,329
General Plant	5,713,881	6,341,364	Other Post-Employment Benefit	587,006	481,404
Construction-in-Progress	598,385	13,927			
Total	<u>35,668,653</u>	<u>36,532,511</u>	Total	<u>1,552,676</u>	<u>1,607,733</u>
Less Accumulated Depreciation	29,874,933	30,589,640	Less Current Portion	257,096	244,265
<b>Total Capital Assets</b>	<u>5,793,720</u>	<u>5,942,871</u>	<b>Total Long Term Liabilities</b>	<u>1,295,580</u>	<u>1,363,468</u>
<b>Restricted Assets</b>			<b>Current Liabilities</b>		
Cash - Depreciation Fund	4,961,474	4,936,074	CP of Accrued Compensated Absences	208,304	199,146
Cash - Customer Deposits	218,294	178,700	CP of Post-Employment Benefits	48,792	45,119
Investment - OPEB Liability Trust	604,902	617,746	Accounts Payable	238,183	566,711
Deferred Charges	1,078,911	1,081,783	Customer Deposits	218,294	178,700
			Accrued Expenses	12,397	13,600
<b>Total Restricted Assets</b>	<u>6,863,581</u>	<u>6,814,303</u>	<b>Total Current Liabilities</b>	<u>725,970</u>	<u>1,003,276</u>
<b>Current Assets</b>			<b>Net Position</b>		
Cash - Operating Fund	2,909,229	2,334,248	Net Investment in Capital Assets	5,793,720	5,942,871
Investment - MLDM Reserve Trust	11,748,211	11,648,825	Restricted	6,058,281	6,154,199
Accounts Receivable - Net of Allowance	391,481	912,339	Unrestricted	14,352,193	13,736,027
Inventory	438,976	466,616			
Prepaid Expense	56,030	56,123			
Other Assets	24,516	24,516			
<b>Total Current Assets</b>	<u>15,568,443</u>	<u>15,442,667</u>	<b>Total Net Position</b>	<u>26,204,194</u>	<u>25,833,097</u>
<b>TOTAL ASSETS</b>	<u>\$ 28,225,744</u>	<u>\$ 28,199,841</u>	<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 28,225,744</u>	<u>\$ 28,199,841</u>

**TOWN OF SOUTH HADLEY, MASSACHUSETTS  
ELECTRIC LIGHT DEPARTMENT  
STATEMENT OF REVENUE AND EXPENSE  
EIGHT MONTHS ENDED AUGUST 31, 2015 AND 2014**

	<b>2015</b>	<b>2014</b>	<b>Variance</b>
<b>Operating Revenues</b>			
Residential	\$ 5,683,779	\$ 6,023,299	\$ (339,520)
Commercial	1,786,832	1,863,441	(76,609)
Industrial	2,154,755	2,288,356	(133,601)
Municipal	569,650	597,680	(28,030)
Other	43,468	46,734	(3,266)
<b>Total Operating Revenues</b>	<b>10,238,484</b>	<b>10,819,510</b>	<b>(581,026)</b>
<b>Operating Expense</b>			
<b>Cost of Power Sold</b>			
Purchased Power	6,271,980	6,943,389	(671,409)
Transmission Expense	1,377,393	1,335,293	42,100
Supplies and Expenses	111,769	110,894	875
<b>Total Cost of Power Sold</b>	<b>7,761,142</b>	<b>8,389,576</b>	<b>(628,434)</b>
<b>Distribution Expense</b>			
Salaries and Wages	418,791	377,319	41,472
Supplies and Expenses	201,346	176,355	24,991
<b>Total Distribution Expenses</b>	<b>620,137</b>	<b>553,674</b>	<b>66,463</b>
<b>Customer Accounts Expense</b>			
Salaries and Wages	139,843	119,349	20,494
Supplies and Expenses	51,768	50,174	1,594
Uncollectible Accounts	36,688	100,000	(63,312)
<b>Total Customer Accounts Expenses</b>	<b>228,299</b>	<b>269,523</b>	<b>(41,224)</b>
<b>General and Administrative Expense</b>			
Salaries and Wages	330,234	207,237	122,997
Insurance	60,881	46,967	13,914
Pension and Benefits	304,773	331,212	(26,439)
General	54,989	49,162	5,827
Supplies and Expenses	93,171	126,361	(33,190)
Legal Expense	62,259	42,801	19,458
<b>Total General and Administrative Expenses</b>	<b>906,307</b>	<b>803,740</b>	<b>102,567</b>
<b>Depreciation Expense</b>	<b>705,136</b>	<b>711,833</b>	<b>(6,697)</b>
<b>Total Operating Expenses</b>	<b>10,221,021</b>	<b>10,728,346</b>	<b>(507,325)</b>
<b>Operating Income (Loss)</b>	<b>17,463</b>	<b>91,165</b>	<b>(73,702)</b>
<b>Nonoperating Revenues</b>	<b>(24,998)</b>	<b>168,615</b>	<b>(193,613)</b>
<b>Income (Loss) Before Capital Contributions and Transfer Out</b>	<b>\$ (7,535)</b>	<b>\$ 259,780</b>	<b>\$ (267,315)</b>

**TOWN OF SOUTH HADLEY, MASSACHUSETTS  
ELECTRIC LIGHT DEPARTMENT  
STATEMENT OF CASH FLOWS  
EIGHT MONTHS ENDED AUGUST 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers	\$ 10,679,482	\$ 11,048,992	\$ (369,510)
Payments to Power Suppliers	(7,649,775)	(8,291,255)	641,480
Payments to Employees	(910,464)	(703,688)	(206,776)
Payments for Other Operations	(1,443,632)	(1,110,786)	(332,846)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>675,611</u>	<u>943,263</u>	<u>(267,652)</u>
<b>Cash Flows from Financing Activities*</b>			
Acquisition of Capital Assets	(668,118)	(604,075)	(64,043)
Proceeds from Disposition of Capital Assets	3,003		3,003
Capital Contribution	42,463	117,174	(74,711)
Transfers Out	(90,982)	(101,937)	10,955
<b>Net Cash Provided by (Used in) Financing Activities</b>	<u>(713,634)</u>	<u>(588,838)</u>	<u>(124,796)</u>
<b>Cash Flows from Investing Activities</b>			
Nonoperating Revenues	105,358	168,615	(193,613)
Acquisition of Investment - OPEB Liability Trust	17,993	(30,188)	48,181
Acquisition of Investment - MLDM Reserve Trust	(61,036)	(49,624)	(11,412)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>62,315</u>	<u>88,803</u>	<u>(156,844)</u>
<b>Net Increase (Decrease) in Cash</b>	24,292	443,228	(549,292)
<b>Cash - Beginning</b>	8,064,705	7,005,794	1,058,911
<b>Cash - Ending</b>	<u>\$ 8,088,997</u>	<u>\$ 7,449,022</u>	<u>\$ 509,619</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income (Loss)	\$ 17,463	\$ 91,165	(73,702)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	705,136	711,833	(6,697)
Changes in Assets and Liabilities:			
Deferred Charges	1,704	(29,160)	30,864
Accounts Receivable	440,998	229,482	211,516
Inventory	-	-	-
Prepaid Expense	(29,955)	(39,912)	9,957
Other Current Assets	-	-	-
Accounts Payable	(433,991)	(199,603)	(234,388)
Customer Deposits	38,444	24,400	14,044
Accrued Liabilities	(12,340)	458	(12,798)
Accrued Compensated Absences	(75,848)	130,600	(206,448)
Other Post-Employment Benefits	24,000	24,000	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 675,611</u>	<u>\$ 943,263</u>	<u>\$ (267,652)</u>

\* Non-capital and Capital Financing Activities Combined

**TOWN OF SOUTH HADLEY, MASSACHUSETTS  
ELECTRIC LIGHT DEPARTMENT  
SCHEDULE OF ELECTRIC REVENUES, COST OF POWER, AND KILOWATT HOURS  
EIGHT MONTHS ENDED AUGUST 31, 2015 AND 2014**

	<u>2015</u>		<u>2014</u>		<u>Variance</u>	
	<u>\$ Amount</u>	<u>KWH</u>	<u>\$ Amount</u>	<u>KWH</u>	<u>\$ Amount</u>	<u>KWH</u>
<b>Sale of Electricity</b>						
Residential	\$ 5,683,779	41,232,297	\$ 6,023,299	41,556,950	\$ (339,520)	(324,653)
Commercial	1,786,832	12,205,022	1,863,441	12,096,734	(76,609)	108,288
Industrial	2,154,755	17,723,295	2,288,356	17,707,592	(133,601)	15,703
Municipal	569,650	4,415,231	597,680	4,448,558	(28,030)	(33,327)
Other	43,468	217,531	46,734	232,077	(3,266)	(14,546)
<b>Total Sale of Electricity</b>	<u>\$ 10,238,484</u>	<u>75,793,376</u>	<u>\$ 10,819,510</u>	<u>76,041,911</u>	<u>\$ (581,026)</u>	<u>(248,535)</u>
<b>\$ / KWH</b>	<u>\$ 0.135084</u>		<u>\$ 0.142284</u>		<u>\$ (0.007200)</u>	
<b>Cost of Power</b>						
Purchased Power	6,271,980	80,489,260	6,943,389	78,120,086	(671,409)	2,369,174
Transmission Expense	1,377,393		1,335,293		42,100	
Supplies and Expenses	111,769		110,894		875	
<b>Total Cost of Power</b>	<u>\$ 7,761,142</u>	<u>80,489,260</u>	<u>\$ 8,389,576</u>	<u>78,120,086</u>	<u>\$ (628,434)</u>	<u>2,369,174</u>
<b>\$ / KWH</b>	<u>\$ 0.096425</u>		<u>\$ 0.107393</u>		<u>\$ (0.010968)</u>	
<b>Gross Profit</b>	<u>\$ 2,477,342</u>		<u>\$ 2,429,934</u>		<u>\$ 90,383</u>	



**TOWN OF SOUTH HADLEY, MASSACHUSETTS  
ELECTRIC LIGHT DEPARTMENT  
PERCENT OF REVENUE ANALYSIS  
EIGHT MONTHS ENDED AUGUST 31, 2015 AND 2014**

	<b>2015</b>	<b>2014</b>	<b>Variance</b>
<b>Operating Revenues</b>			
Residential	55.51	55.67	(0.16)
Commercial	17.45	17.22	0.23
Industrial	21.05	21.15	(0.10)
Municipal	5.56	5.52	0.04
Other	0.42	0.44	(0.02)
<b>Total Operating Revenues</b>	<b>99.99</b>	<b>100.00</b>	<b>(0.01)</b>
<b>Operating Expense</b>			
<b>Cost of Power Sold</b>			
Purchased Power	61.26	64.17	(2.91)
Transmission Expense	13.45	12.34	1.11
Supplies and Expenses	1.09	1.02	0.07
<b>Total Cost of Electricity Sold</b>	<b>75.80</b>	<b>77.53</b>	<b>(1.73)</b>
<b>Distribution Expense</b>			
Salaries and Wages	4.09	3.49	0.60
Supplies and Expenses	1.97	1.63	0.34
<b>Total Distribution Expenses</b>	<b>6.06</b>	<b>5.12</b>	<b>0.94</b>
<b>Customer Accounts Expense</b>			
Salaries and Wages	1.37	1.10	0.27
Supplies and Expenses	0.51	0.46	0.05
Uncollectible Accounts	0.36	0.92	(0.56)
<b>Total Customer Accounts Expenses</b>	<b>2.24</b>	<b>2.48</b>	<b>(0.24)</b>
<b>General and Administrative Expense</b>			
Salaries and Wages	3.23	1.92	1.31
Insurance	0.59	0.43	0.16
Pension and Benefits	2.98	3.06	(0.08)
General	0.54	0.45	0.09
Supplies and Expenses	0.91	1.17	(0.26)
Legal Expense	0.61	0.40	0.21
<b>Total General and Administrative Expenses</b>	<b>8.86</b>	<b>7.43</b>	<b>1.43</b>
<b>Depreciation Expense</b>	<b>6.89</b>	<b>6.58</b>	<b>0.31</b>
<b>Total Operating Expenses</b>	<b>99.85</b>	<b>99.14</b>	<b>0.71</b>
<b>Operating Income (Loss)</b>	<b>0.14</b>	<b>0.86</b>	<b>(0.72)</b>
<b>Nonoperating Revenues</b>	<b>(0.24)</b>	<b>1.56</b>	<b>(1.80)</b>
<b>Income (Loss) Before Capital Contributions and Transfer Out</b>	<b>(0.10)</b>	<b>2.42</b>	<b>(2.52)</b>

**TOWN OF SOUTH HADLEY, MASSACHUSETTS  
ELECTRIC LIGHT DEPARTMENT  
STATEMENT OF REVENUE AND EXPENSE  
AUGUST 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
<b>Operating Revenues</b>			
Residential	\$ 886,899	\$ 823,013	\$ 63,886
Commercial	271,612	257,149	14,463
Industrial	305,784	327,805	(22,021)
Municipal	60,680	61,875	(1,195)
Other	5,526	5,400	126
<b>Total Operating Revenues</b>	<u>1,530,501</u>	<u>1,475,242</u>	<u>55,259</u>
<b>Operating Expense</b>			
<b>Cost of Power Sold</b>			
Purchased Power	437,594	394,309	43,285
Transmission Expense	161,590	257,158	(95,568)
Supplies and Expenses	12,969	15,257	(2,288)
<b>Total Cost of Power Sold</b>	<u>612,153</u>	<u>666,724</u>	<u>(54,571)</u>
<b>Distribution Expense</b>			
Salaries and Wages	43,790	42,244	1,546
Supplies and Expenses	19,854	27,552	(7,698)
<b>Total Distribution Expenses</b>	<u>63,644</u>	<u>69,796</u>	<u>(6,152)</u>
<b>Customer Accounts Expense</b>			
Salaries and Wages	25,589	14,883	10,706
Supplies and Expenses	290	(1,659)	1,949
Uncollectible Accounts	36,688	100,000	(63,312)
<b>Total Customer Accounts Expenses</b>	<u>62,567</u>	<u>113,224</u>	<u>(50,657)</u>
<b>General and Administrative Expense</b>			
Salaries and Wages	38,743	34,658	4,085
Insurance	7,985	5,373	2,612
Pension and Benefits	42,785	40,745	2,040
General	2,630	50	2,580
Supplies and Expenses	7,467	8,279	(812)
Legal Expense	7,355	5,596	1,759
<b>Total General and Administrative Expenses</b>	<u>106,965</u>	<u>94,701</u>	<u>12,264</u>
<b>Depreciation Expense</b>	89,317	88,979	338
<b>Total Operating Expenses</b>	<u>934,646</u>	<u>1,033,424</u>	<u>(98,778)</u>
<b>Operating Income (Loss)</b>	595,855	441,818	154,037
<b>Nonoperating Revenues</b>	(4,884)	16,239	(21,123)
<b>Income (Loss) Before Capital Contributions and Transfer Out</b>	<u>590,971</u>	<u>458,057</u>	<u>\$ 132,914</u>

**TOWN OF SOUTH HADLEY, MASSACHUSETTS  
ELECTRIC LIGHT DEPARTMENT  
STATEMENT OF CASH FLOWS  
AUGUST 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers	\$ 1,449,816	\$ 1,446,059	\$ 3,757
Payments to Power Suppliers	(301,881)	(341,652)	39,771
Payments to Employees	(112,091)	(80,515)	(31,576)
Payments for Other Operations	(778,533)	(469,380)	(309,153)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>257,311</u>	<u>554,512</u>	<u>(297,201)</u>
<b>Cash Flows from Financing Activities*</b>			
Acquisition of Capital Assets	(56,257)	(17,229)	(39,028)
Proceeds from Disposition of Capital Assets	-	-	-
Capital Contribution	-	-	-
Transfers Out	(11,372)	(12,741)	1,369
<b>Net Cash Provided by (Used in) Financing Activities</b>	<u>(67,629)</u>	<u>(29,970)</u>	<u>(37,659)</u>
<b>Cash Flows from Investing Activities</b>			
Nonoperating Revenues	(4,884)	16,239	(193,613)
Acquisition of Investment - OPEB Liability Trust	23,323	(1,608)	24,931
Acquisition of Investment - MLDM Reserve Trust	(6,020)	(6,171)	151
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>12,419</u>	<u>8,460</u>	<u>(168,531)</u>
<b>Net Increase (Decrease) in Cash</b>	202,101	533,002	(503,391)
<b>Cash - Beginning</b>	7,886,896	6,916,019	970,877
<b>Cash - Ending</b>	<u>\$ 8,088,997</u>	<u>\$ 7,449,021</u>	<u>\$ 467,486</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income (Loss)	\$ 595,855	\$ 441,818	\$ 154,037
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	89,317	88,979	338
Changes in Assets and Liabilities:			
Deferred Charges	3,728	(3,058)	6,786
Accounts Receivable	(80,685)	(29,183)	(51,502)
Inventory	-	-	-
Prepaid Expense	(5,738)	9,185	(14,923)
Other Current Assets	-	-	-
Accounts Payable	(408,182)	9,377	(417,559)
Customer Deposits	9,057	(15,950)	25,007
Accrued Liabilities	1,659	1,044	615
Accrued Compensated Absences	49,300	49,300	-
Other Post-Employment Benefits	3,000	3,000	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 257,311</u>	<u>\$ 554,512</u>	<u>\$ (297,201)</u>

\* Non-capital and Capital Financing Activities Combined

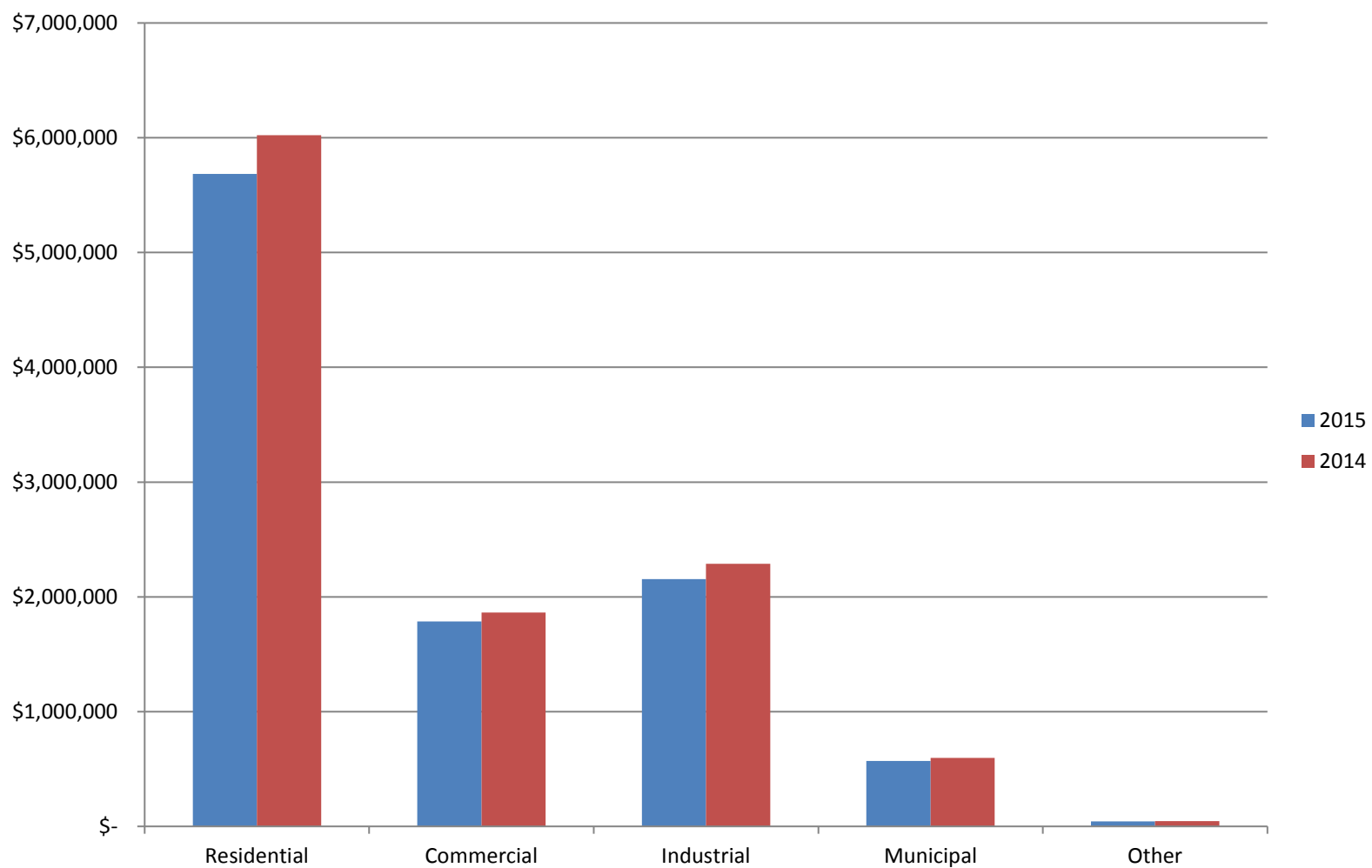
**TOWN OF SOUTH HADLEY, MASSACHUSETTS  
ELECTRIC LIGHT DEPARTMENT  
SCHEDULE OF ELECTRIC REVENUES, COST OF POWER, AND KILOWATT HOURS  
AUGUST 31, 2015 AND 2014**

	<b>2015</b>		<b>2014</b>		<b>Variance</b>	
	<b>\$ Amount</b>	<b>KWH</b>	<b>\$ Amount</b>	<b>KWH</b>	<b>\$ Amount</b>	<b>KWH</b>
<b>Sale of Electricity</b>						
Residential	\$ 886,899	6,234,494	\$ 823,013	5,478,263	\$ 63,886	756,231
Commercial	271,612	1,881,665	257,149	1,687,342	14,463	194,323
Industrial	305,784	2,545,315	327,805	2,569,367	(22,021)	(24,052)
Municipal	60,680	457,899	61,875	447,560	(1,195)	10,339
Other	5,526	27,840	5,400	28,902	126	(1,062)
<b>Total Sale of Electricity</b>	<b>\$ 1,530,501</b>	<b>11,147,213</b>	<b>\$ 1,475,242</b>	<b>10,211,434</b>	<b>\$ 55,259</b>	<b>935,779</b>
<b>\$ / KWH</b>	<b>\$ 0.137299</b>		<b>\$ 0.144470</b>		<b>\$ (0.007171)</b>	
<b>Cost of Power</b>						
Purchased Power	437,594	11,091,767	394,309	9,770,438	43,285	1,321,329
Transmission Expense	161,590		257,158		(95,568)	
Supplies and Expenses	12,969		15,257		(2,288)	
<b>Total Cost of Power</b>	<b>\$ 612,153</b>	<b>11,091,767</b>	<b>\$ 666,724</b>	<b>9,770,438</b>	<b>\$ (54,571)</b>	<b>1,321,329</b>
<b>\$ / KWH</b>	<b>\$ 0.055190</b>		<b>\$ 0.068239</b>		<b>\$ (0.013049)</b>	
<b>Gross Profit</b>	<b>\$ 918,348</b>		<b>\$ 808,518</b>		<b>\$ 11,974</b>	

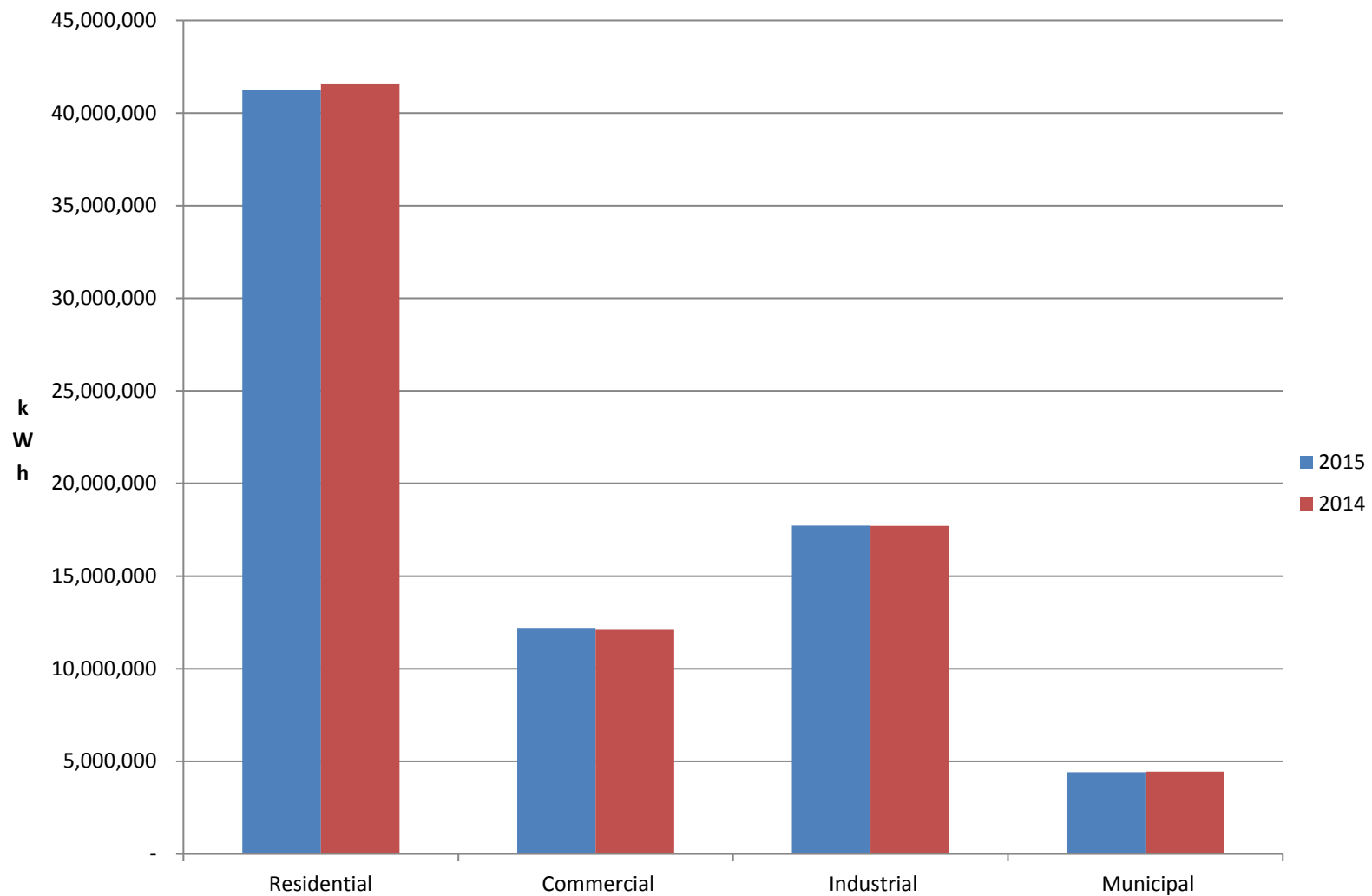
**TOWN OF SOUTH HADLEY, MASSACHUSETTS  
ELECTRIC LIGHT DEPARTMENT  
PERCENT OF REVENUE ANALYSIS  
AUGUST 31, 2015 AND 2014**

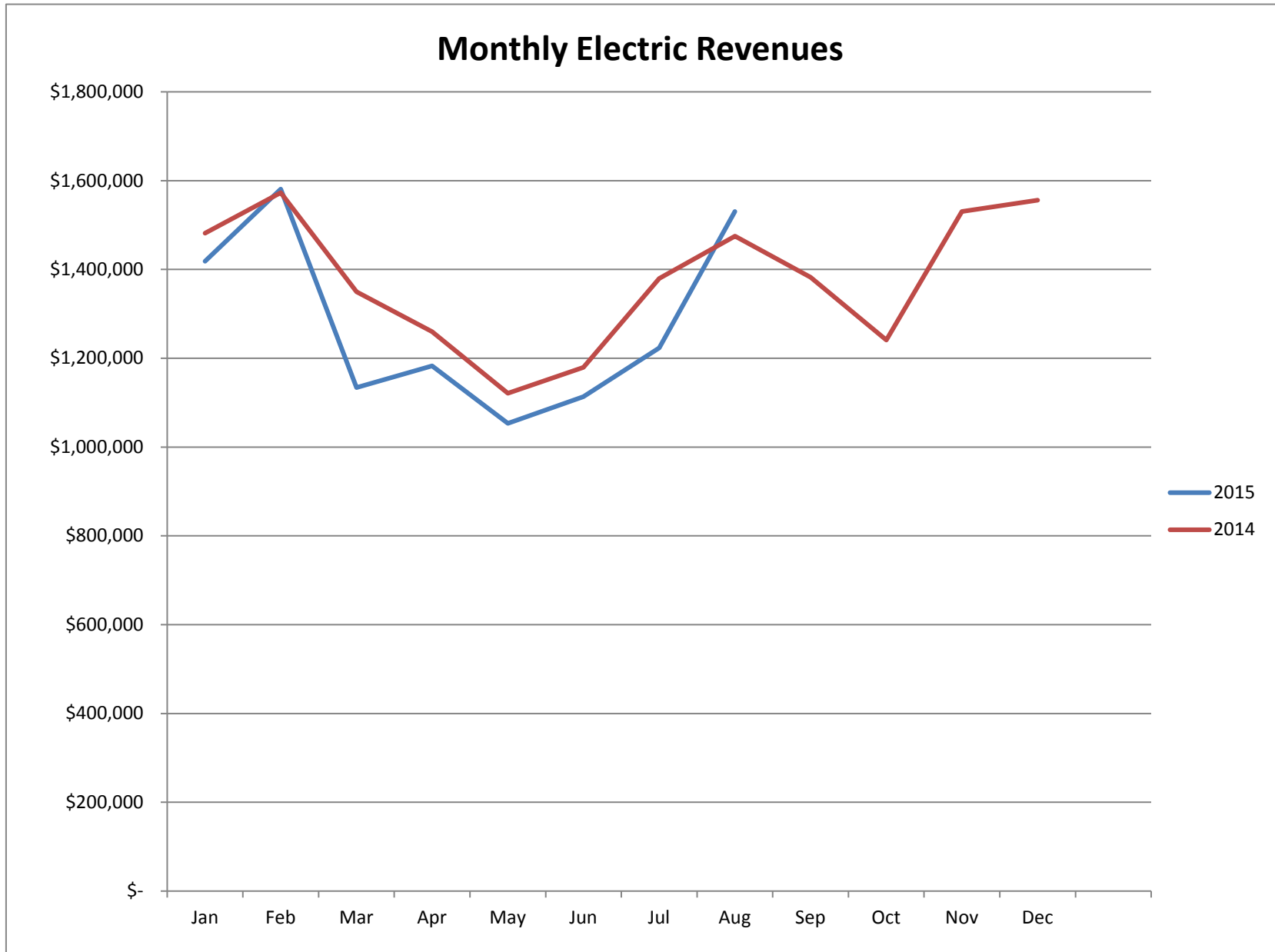
	<u>2015</u>	<u>2014</u>	<u>Variance</u>
<b>Operating Revenues</b>			
Residential	57.95	55.79	2.16
Commercial	17.75	17.43	0.32
Industrial	19.98	22.22	(2.24)
Municipal	3.96	4.19	(0.23)
Other	0.36	0.37	(0.01)
<b>Total Operating Revenues</b>	<u>100.00</u>	<u>100.00</u>	<u>0.00</u>
<b>Operating Expense</b>			
<b>Cost of Power Sold</b>			
Purchased Power	28.59	26.73	1.86
Transmission Expense	10.56	17.43	(6.87)
Supplies and Expenses	0.85	1.03	(0.18)
<b>Total Cost of Power Sold</b>	<u>40.00</u>	<u>45.19</u>	<u>(5.19)</u>
<b>Distribution Expense</b>			
Salaries and Wages	2.86	2.86	0.00
Supplies and Expenses	1.30	1.87	(0.57)
<b>Total Distribution Expenses</b>	<u>4.16</u>	<u>4.73</u>	<u>(0.57)</u>
<b>Customer Accounts Expense</b>			
Salaries and Wages	1.67	1.01	0.66
Supplies and Expenses	0.02	(0.11)	0.13
Uncollectible Accounts	2.40	6.78	(4.38)
<b>Total Customer Accounts Expenses</b>	<u>4.09</u>	<u>7.68</u>	<u>(3.59)</u>
<b>General and Administrative Expense</b>			
Salaries and Wages	2.53	2.35	0.18
Insurance	0.52	0.36	0.16
Pension and Benefits	2.80	2.76	0.04
General	0.17	0.00	0.17
Supplies and Expenses	0.49	0.56	(0.07)
Legal Expense	0.48	0.38	0.10
<b>Total General and Administrative Expenses</b>	<u>6.99</u>	<u>6.41</u>	<u>0.58</u>
<b>Depreciation Expense</b>	5.84	6.03	(0.19)
<b>Total Operating Expenses</b>	<u>61.08</u>	<u>70.04</u>	<u>(8.96)</u>
<b>Operating Income (Loss)</b>	38.92	29.96	8.96
<b>Nonoperating Revenues</b>	(0.32)	1.10	(1.42)
<b>Income (Loss) Before Capital Contributions and Transfer Out</b>	<u>38.60</u>	<u>31.06</u>	<u>7.54</u>

## 2015 / 2014 Electric Revenues by Rate Class

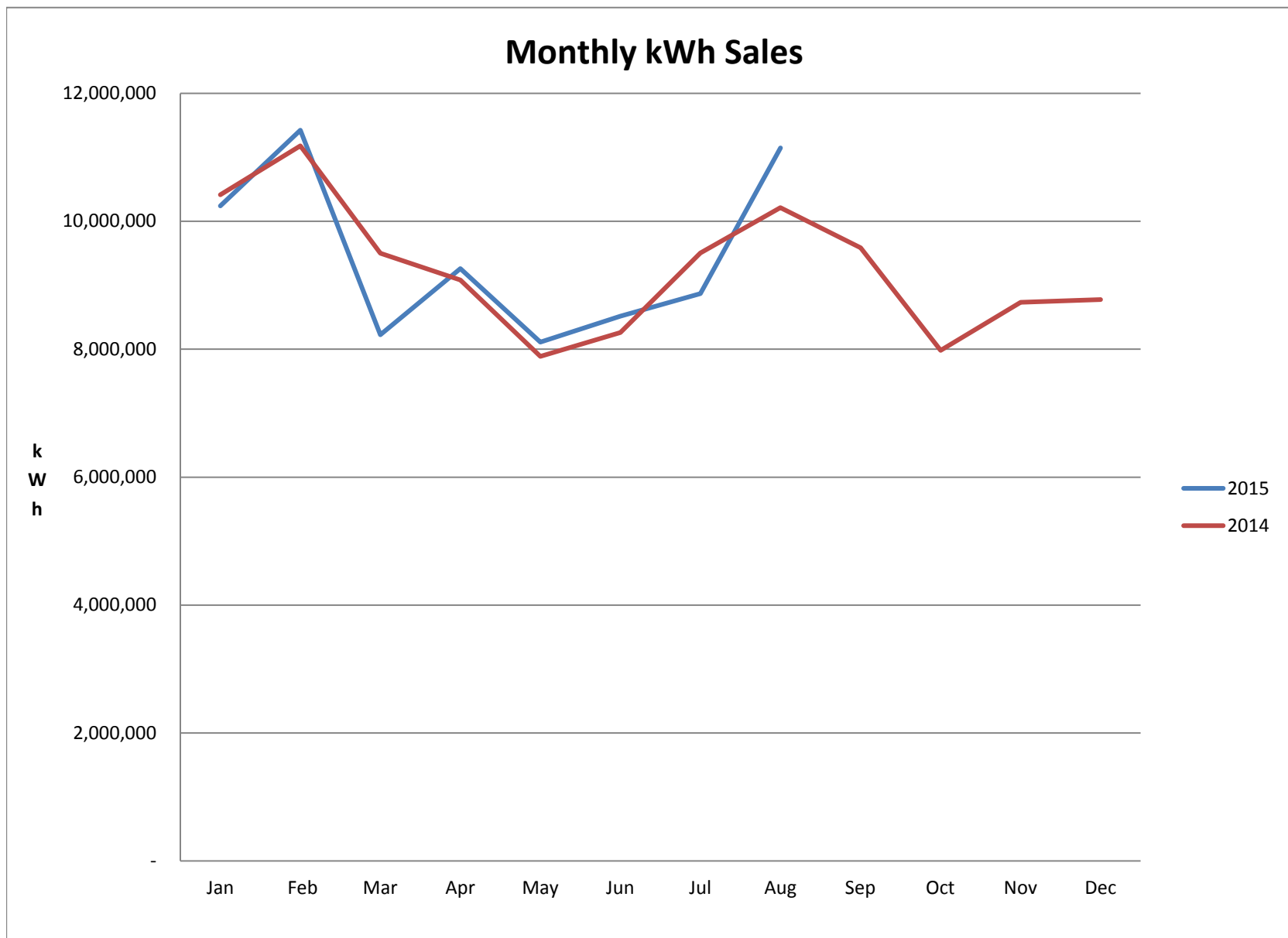


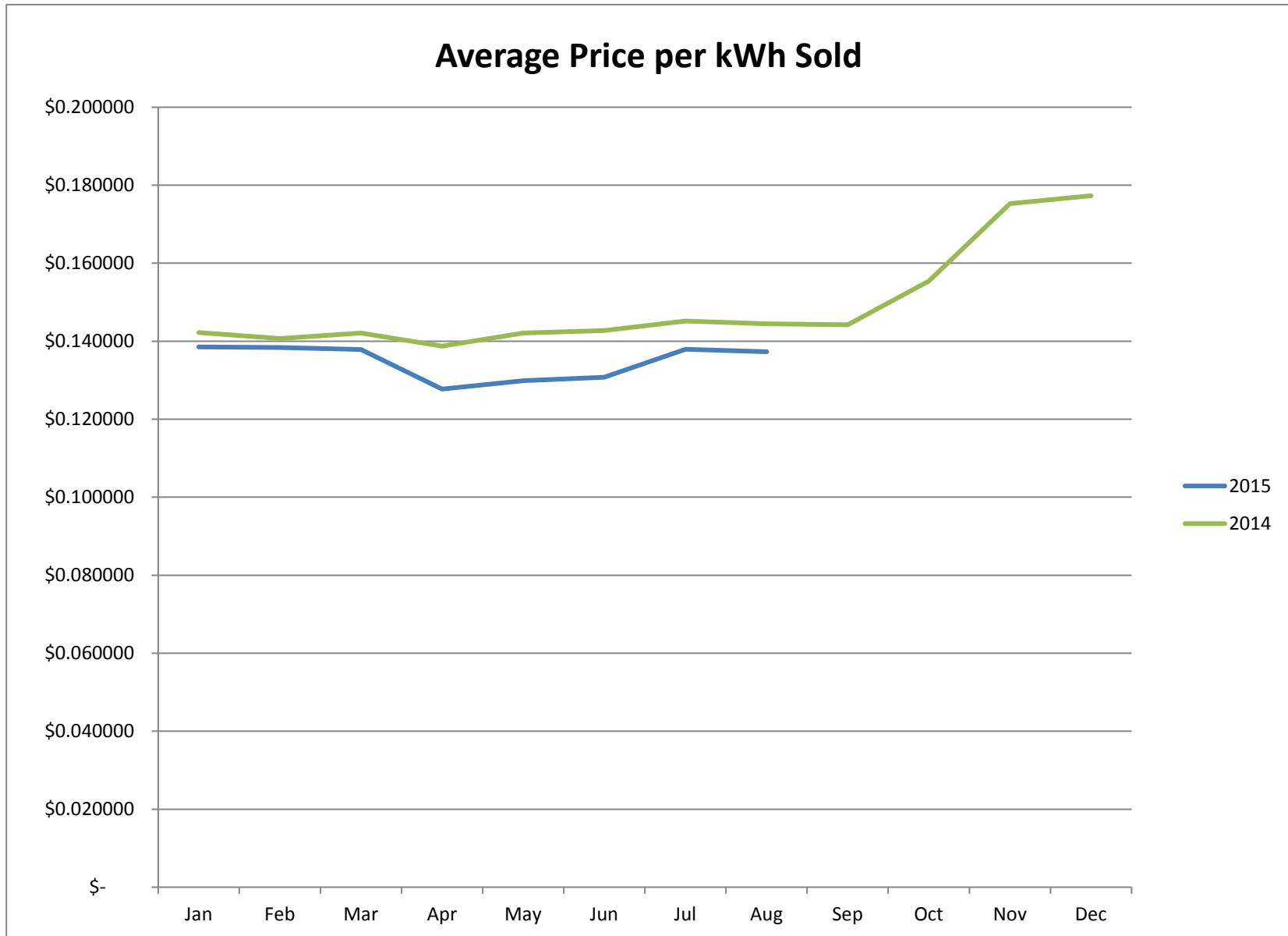
**2015 / 2014 kWh Sales by Rate Class**

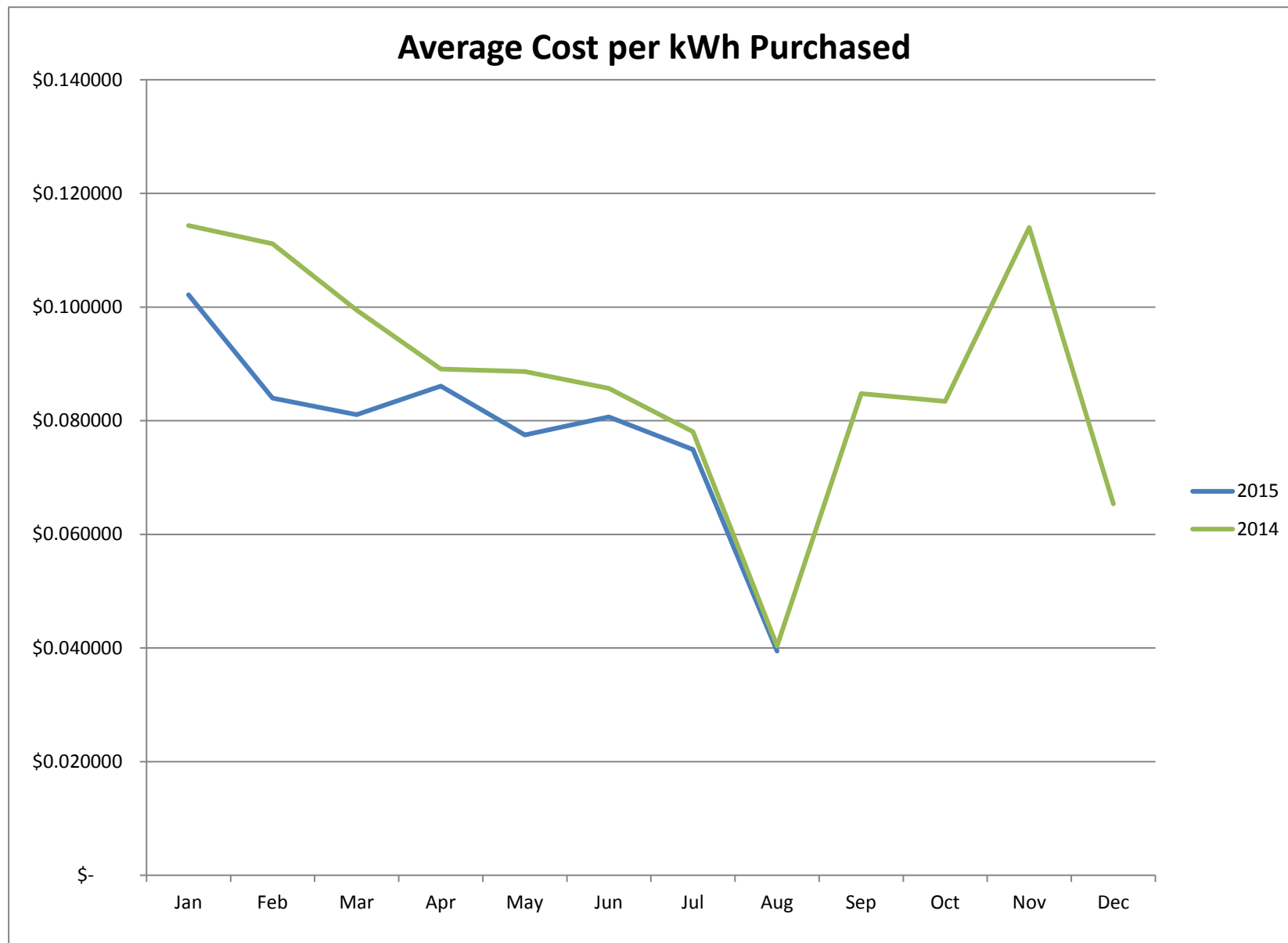


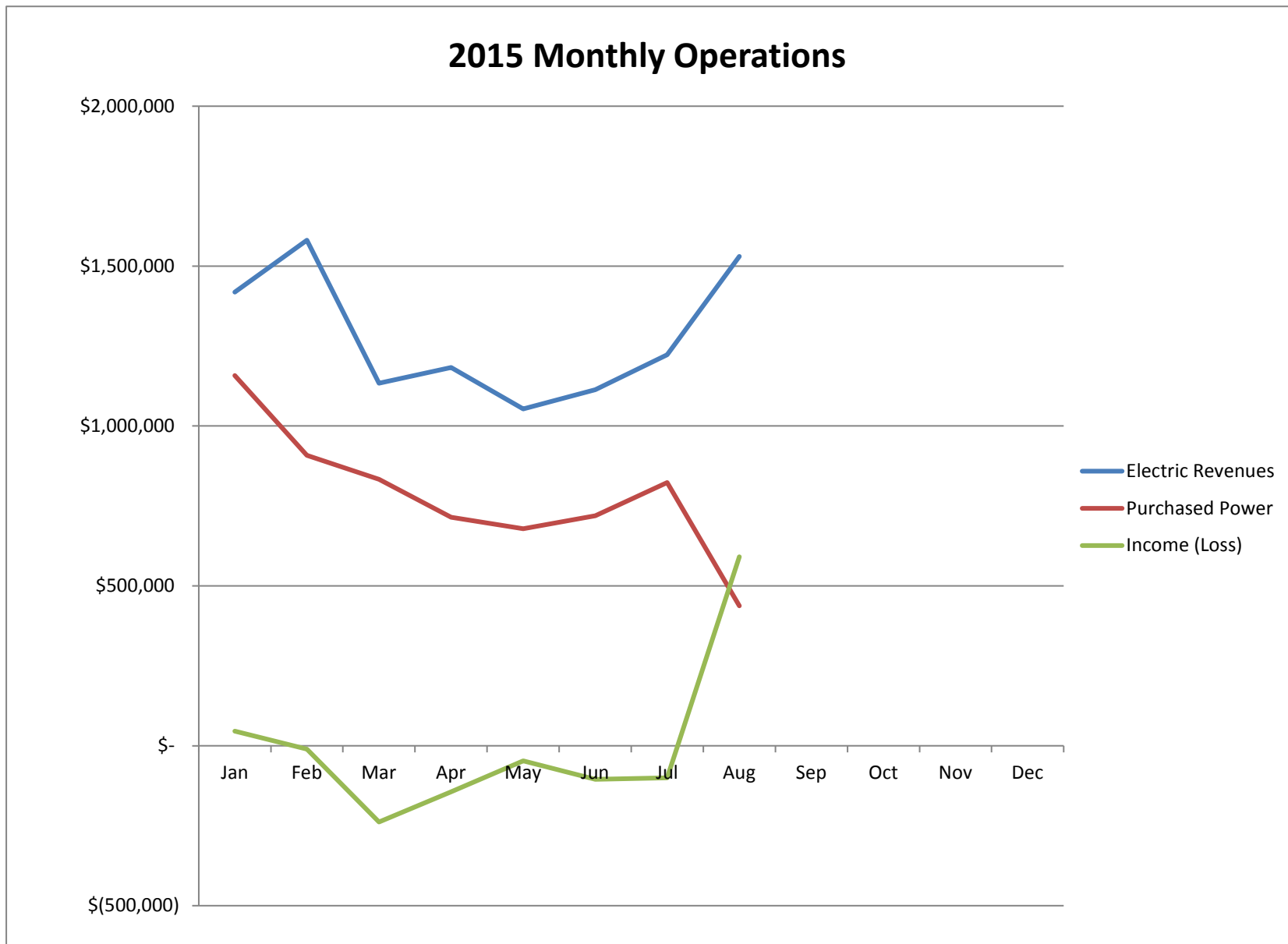












## 2014 Monthly Operations



# SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT

## OUTAGE REPORTS

---

### AUGUST 2015

DAY	TIME OUT	TIME IN	Duration	LOCATION	POLE NO.	# OF CUST	CUST HOURS	CAUSE
1st	8/1/2015 6:36:00	8/1/2015 7:27:00	0.850	Old Willimansett Street	10	24	20.40	F
1st	8/1/2015 4:30:00	8/1/2015 6:00:00	1.500	Lathrop Street	51&53	7	10.50	D
1st	8/1/2015 4:30:00	8/1/2015 12:07:00	7.617	Lathrop Street	53	3	22.85	D
15th	8/15/2015 20:18:46	8/15/2015 20:18:46	0.00	23F5 Backbone	**	1,741	0.2	B
15th	8/15/2015 21:12:00	8/15/2015 21:37:00	0.417	River Road	21	50	20.83	C
20th	8/20/2015 2:45:00	8/20/2015 5:47:00	3.033	Granby Road	96 1/2	2	6.07	D
28th	8/28/2015 6:46:00	8/28/2015 7:25:00	0.650	Industrial Drive	10	4	2.60	F
TOTALS			14.067			1,831	83.41	

- CAUSE -

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>A. Equipment Failure</li> <li>B. Lightning</li> <li>C. Tree Condition</li> <li>D. Auto Accident</li> <li>E. Customer Fault</li> <li>F. Animal</li> </ul> | <ul style="list-style-type: none"> <li>G. Bump</li> <li>H. Overload (Circuit)</li> <li>I. Overload (Transformer)</li> <li>J. Meter Problem</li> <li>K. Weather (Snow, Ice, Etc.)</li> <li>L. Scheduled</li> </ul> |
|---|---|

# 2014 Retail Electric Rates in Deregulated and Regulated States

Prepared by  
Paul Zummo, Manager, Policy Research and Analysis  
American Public Power Association

Published April 2015



The American Public Power Association represents not-for-profit, community-owned electric utilities that power homes, businesses and streets in nearly 2,000 towns and cities, serving 48 million Americans. More at [www.PublicPower.org](http://www.PublicPower.org).

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[www.PublicPower.org](http://www.PublicPower.org)

Contact [MediaRelations@PublicPower.org](mailto:MediaRelations@PublicPower.org) or 202.467.2900

TABLE 1

## Average Revenue per Kilowatt-hour in Deregulated vs. Regulated States

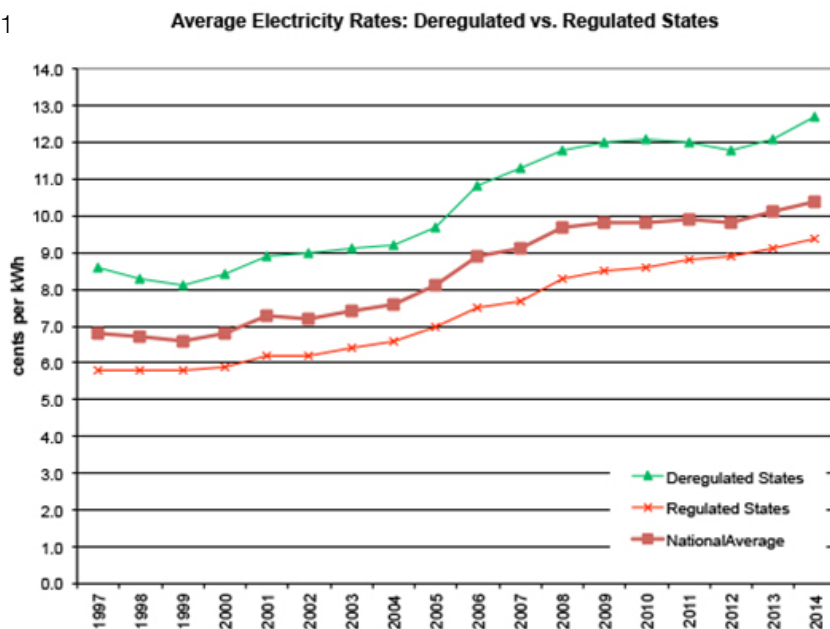
	Deregulated States	Regulated States (in cents per kWh)	National Average
1997	8.6	5.8	6.8
1998	8.3	5.8	6.7
1999	8.1	5.8	6.6
2000	8.4	5.9	6.8
2001	8.9	6.2	7.3
2002	9.0	6.2	7.2
2003	9.1	6.4	7.4
2004	9.2	6.6	7.6
2005	9.7	7.0	8.1
2006	10.8	7.5	8.9
2007	11.3	7.7	9.1
2008	11.8	8.3	9.7
2009	12.0	8.5	9.8
2010	12.1	8.6	9.8
2011	12.0	8.8	9.9
2012	11.8	8.9	9.8
2013	12.1	9.1	10.1
2014	12.7	9.4	10.4

### CHANGE

1997-2014    4.1                      3.6                      3.6

Source: Energy Information Administration, Forms EIA-861 and EIA-826.

FIGURE 1





# ISO-New England Rates

Five of the 15 states in the deregulated category are in the footprint of ISO-New England. Table 2 shows that rates for all five states were already well above the national average in 1997.

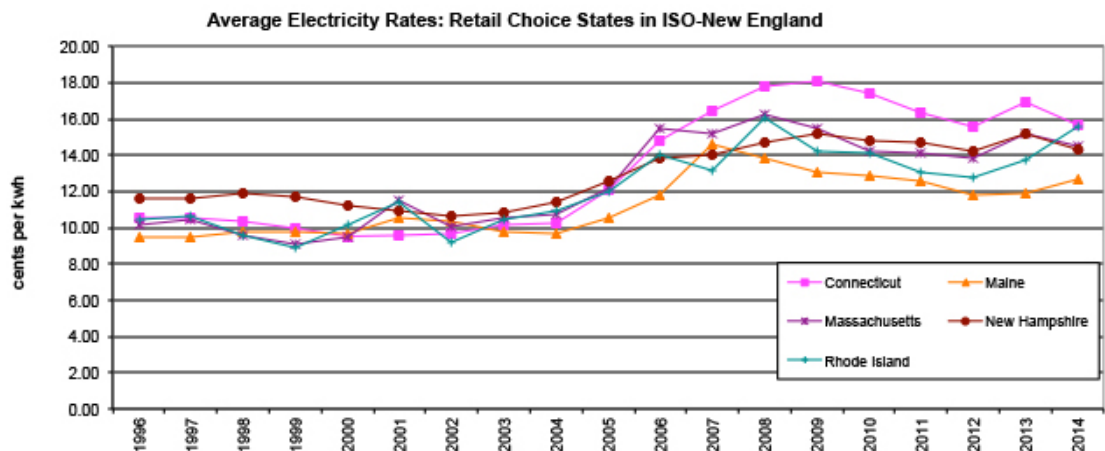
Over the 17-year period, Connecticut, Massachusetts, and Rhode Island experienced rate increases significantly above the national average. Figure 2 shows that rates in these New England states declined between 2008 and 2012 — most likely because of steep drops in the price of natural gas, which the New England region relies heavily on for generation.

Rates increased in 2013 in all five states but dropped back to 2012 levels in 2014 in Connecticut, New Hampshire and Massachusetts. Rates increased steadily in Rhode Island and Maine from 2012 to 2014 as natural gas prices increased.

TABLE 2  
**ISO-New England Average Customer Electricity Rates**

	1997	2014	Difference
	(in cents per kWh)		
Connecticut	10.5	16.9	6.4
Maine	9.5	12.6	3.1
Massachusetts	10.4	15.2	4.8
New Hampshire	11.6	15.2	3.6
Rhode Island	10.7	15.5	4.8
<b>National Average</b>	<b>6.8</b>	<b>10.4</b>	<b>3.7</b>

FIGURE 2



# APPA Selected Financial and Operating Ratios of Public Power Systems

Published February 2015

Ratio	5,000 to 10,000 Customers	Northeast	SHELD 2014
1. Revenue per KWH			
a. All Retail Customers	\$ 0.084	\$ 0.129	\$ 0.147
b. Residential Customers	\$ 0.098	\$ 0.133	\$ 0.149
c. Commercial Customers	\$ 0.095	\$ 0.137	\$ 0.157
d. Industrial Customers	\$ 0.074	\$ 0.111	\$ 0.132
2. Debt to Total Assets	0.185	0.226	0.086
3. Operating Ratio	0.922	0.899	0.961
4. Current Ratio	2.410	2.150	14.141
5 a. Times Interest Earned	7.940	2.030	-
5 b. Debt Service Coverage	3.370	2.240	-
6. Net Income per Revenue Dollar	\$ 0.034	\$ 0.050	\$ 0.047
7. Uncollectible Accounts per Revenue Dollar	\$ 0.0009	\$ 0.0028	\$ 0.0061
8. Retail Customer per Non-Power Generation Employee	295	374	413
9. Total O&M Expense per KWH Sold	\$ 0.08	\$ 0.10	\$ 0.14
10. Total O&M Expense (Excluding Power Supply Exp.) per Retail Customer	\$ 422	\$ 689	\$ 437
11. Total Power Supply Expense per KWH Sold	\$ 0.067	\$ 0.071	\$ 0.110
12. Purchased Power Cost per KWH	\$ 0.064	\$ 0.049	\$ 0.091
13. Retail Customers per Meter Reader	6,162	8,862	-
14. Distribution O&M Expense per Retail Customer	\$ 142	\$ 185	\$ 109
15. Distribution O&M Expense per Circuit Mile	\$ 5,065	\$ 11,693	\$ 7,300
16. Customer Accounting, Service, and Sales Expense per Retail Customer	\$ 52	\$ 95	\$ 46
17. Administrative and General Expense per Retail Customer	\$ 163	\$ 180	\$ 150
18. Labor Expense per Worker-Hour	\$ 32.78	\$ 43.00	\$ 44.07
19. OSHA Incidence Rate (per 100 employees)	0.0	2.1	0.0
20. Energy Loss Percentage	3.47%	3.09%	2.77%
21. System Load Factor	59.0%	52.0%	52.0%

The Financial and Operating Ratios presented above represent the 2013 mean values for 162 publically owned electric utilities located throughout the United States.

## SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT

### SYSTEM RELIABILITY

To aid in evaluating system reliability, the industry has developed universally recognized indices to measure the duration and frequency of customer outages. Those indices are defined and discussed below.

**System Average Interruption Frequency Index (SAIFI)** – SAIFI is a measure of frequency. SAIFI measures the number of times the average customer experiences an interruption (> 1 minute) in supply.

**System Average Interruption Duration Index (SAIDI)** – SAIDI is a measure of duration. SAIDI measures the number of minutes over the year that the average customer is without power.

**Customer Average Interruption Index (CAIDI)** - CAIDI is a measure of the duration. CAIDI measures the average amount of time a customer is without power per interruption.

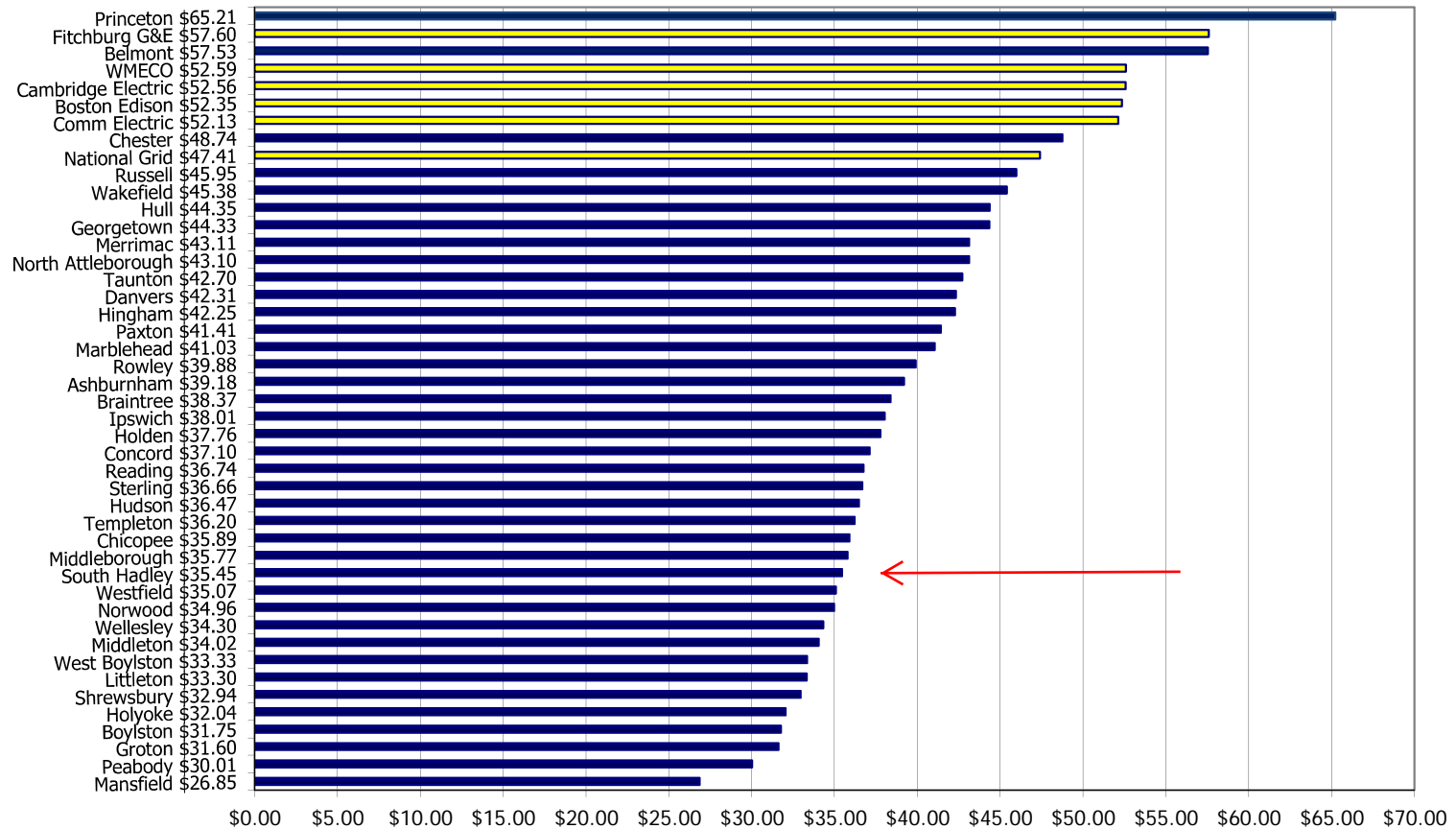
**Average System Availability Index (ASAI)** – ASAI is a measure of the overall reliability of the system. ASAI measures the percent of time during the year that the average customer has power.

The indices in isolation have little meaning. They only become significant when comparing a utilities performance against industry averages or in identifying trends.

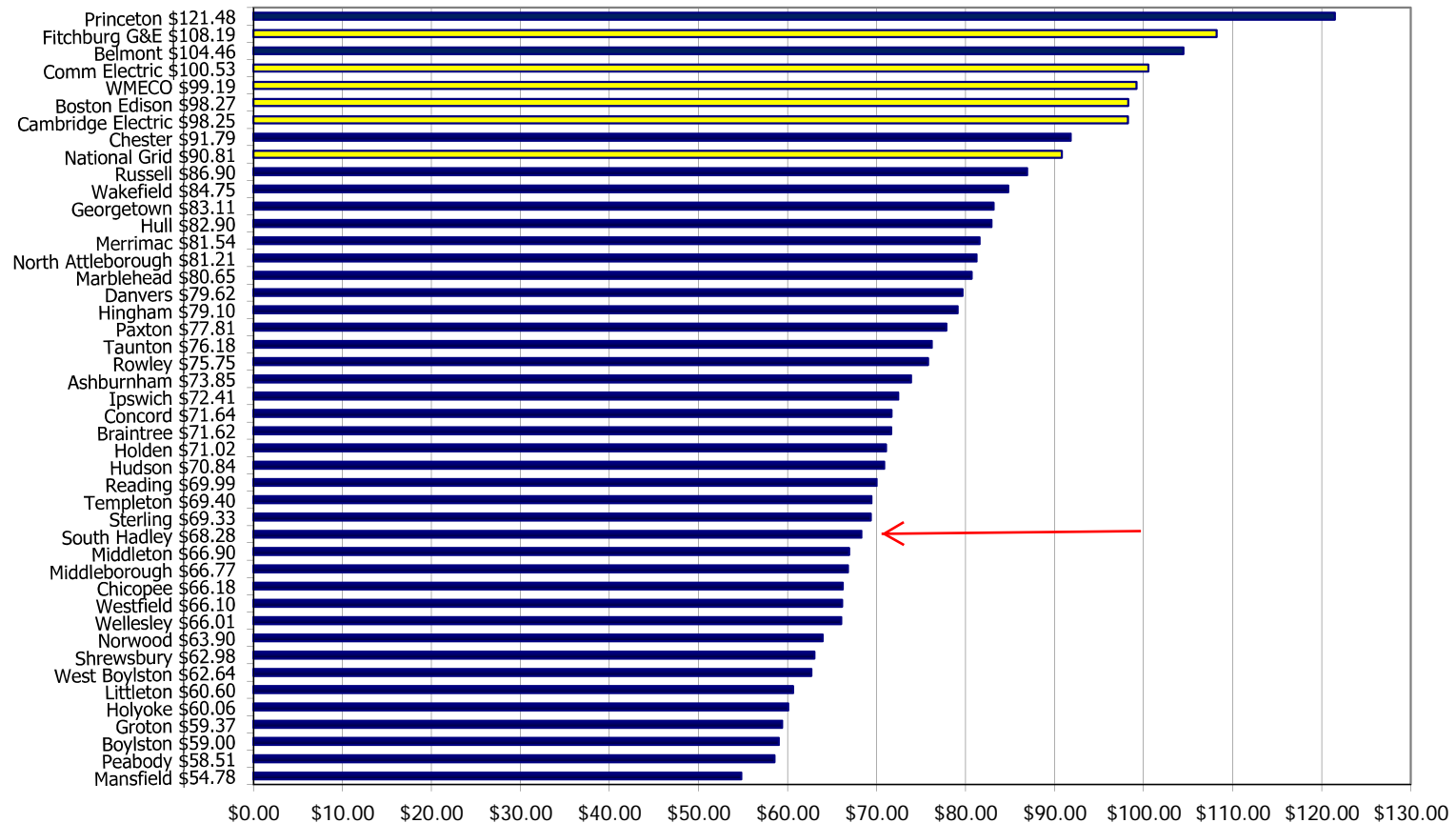
The following tables compares SHELD's indices for the past three complete years to the most currently available data on the industry.

Company / Industry	YEAR	SAIFI	SAIDI	CAIDI	ASAI
<b>SHELD</b>	2012	0.41	17.65	43.02	99.9966
	2013	0.09	7.19	78.78	99.9986
	2014	0.18	10.55	58.76	99.9980
<b>Industry - Region 8</b>	2013	0.51	35.02	65.44	99.9838
<b>Industry - Overall</b>	2005	1.60	54.03	65.91	99.7900
	2007	4.18	69.80	90.06	99.9700
	2009	0.88	68.98	86.75	99.9000
	2011	0.81	46.36	73.86	99.8600
	2013	1.11	58.49	96.47	99.8700

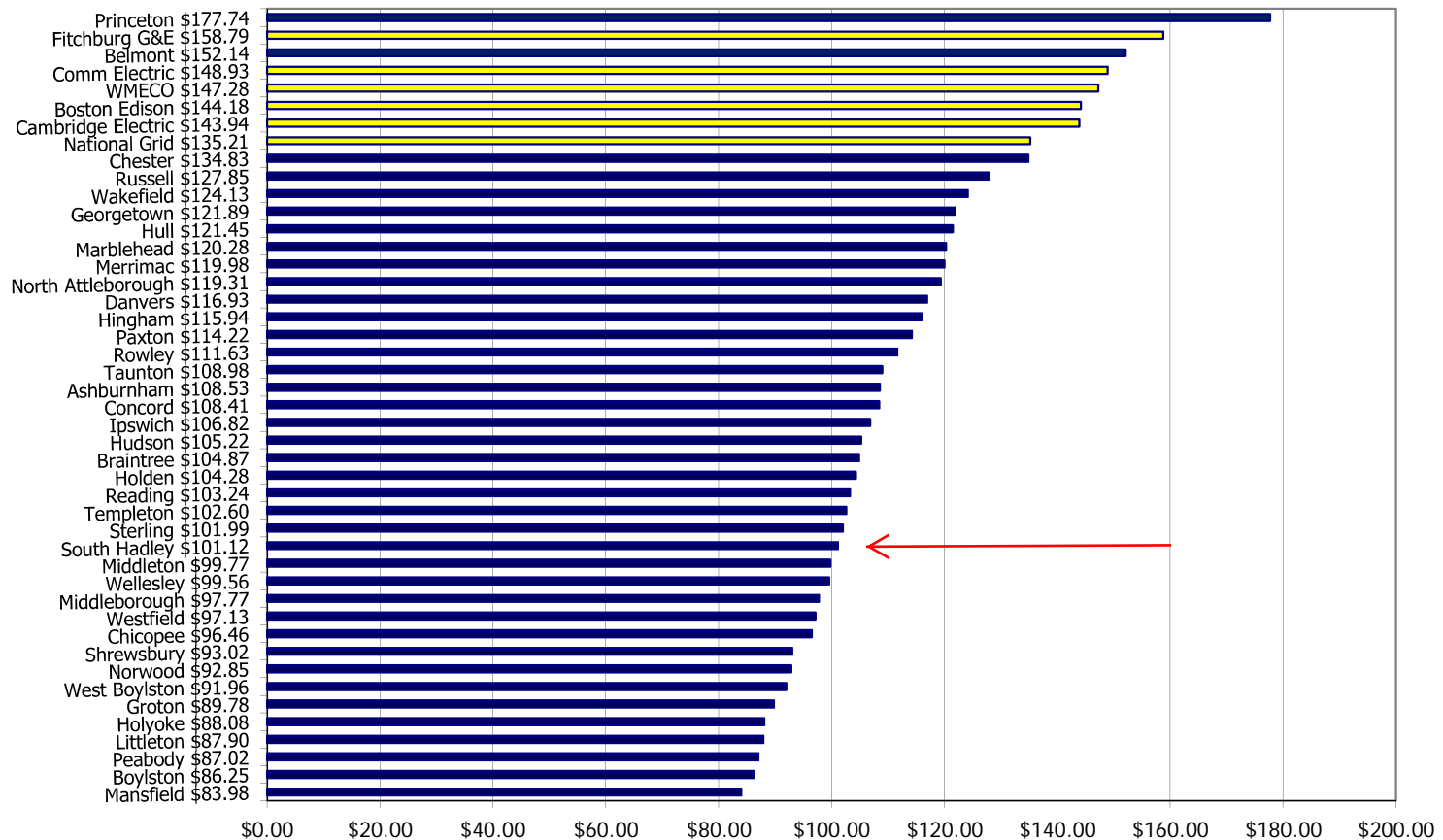
### Residential Rate Comparisons 250 kWh September 2015



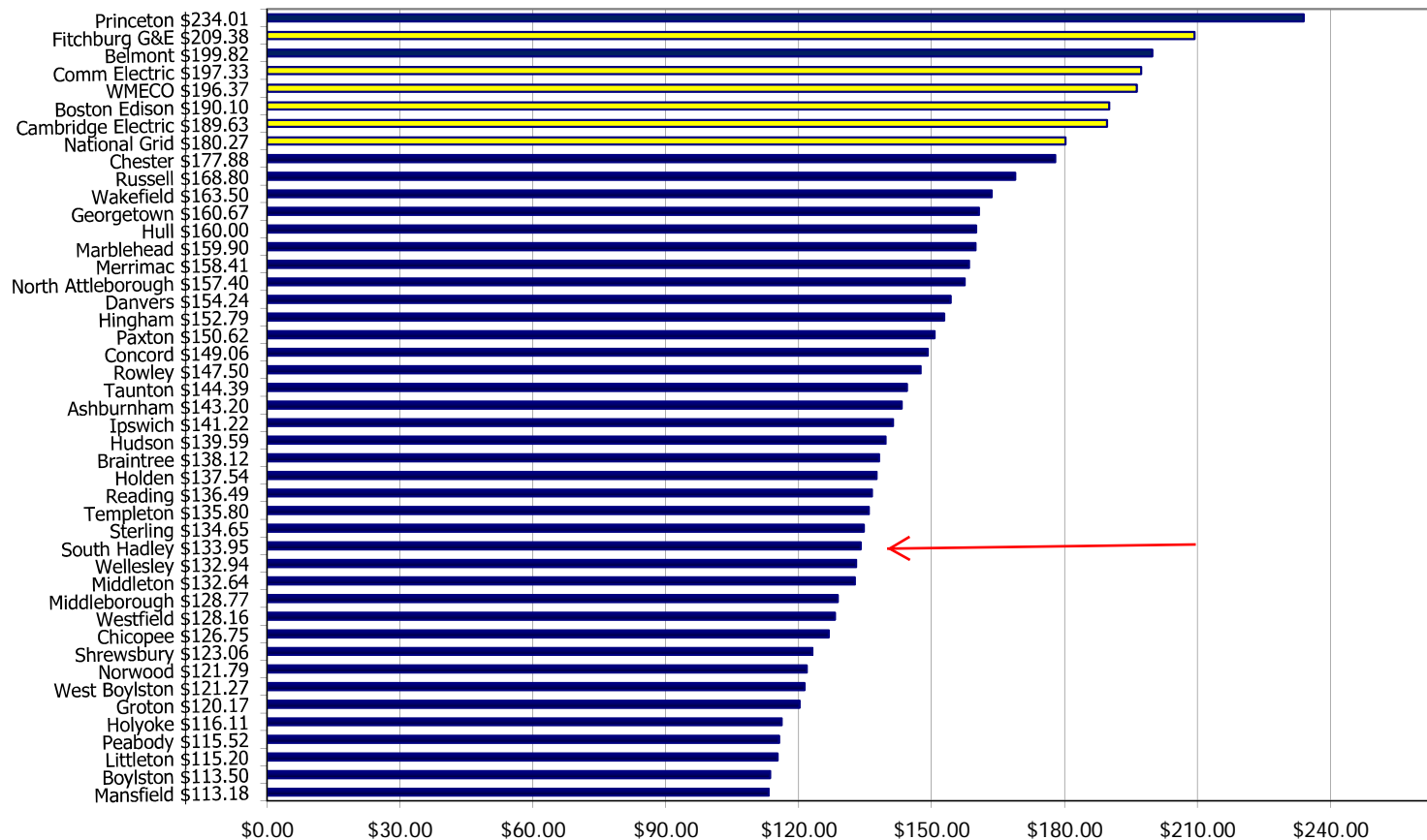
### Residential Rate Comparison 500 kWh September 2015



### Residential Rate Comparison 750 kWh September 2015



### Residential Rate Comparison 1000 kWh September 2015





# *Energy Efficiency Programs*

*Light Board Meeting*

*October 22, 2015*







# *Massachusetts Municipal Wholesale Electric Company (MMWEC) Overview*

- Established under Chapter 775 of the Acts of 1975
  - A not-for-profit, public corporation
  - A political subdivision of the Commonwealth
- Services
  - Power Supply Planning
  - Resource Development
  - Resource and Risk Management
  - Wholesale Market Solutions
  - Regulatory / Legislative
  - Pooled Loan Program
  - Business Support
  - Energy Efficiency



*SHELD Energy Efficiency Program, October 22, 2015*



# *Outline*

- SHEL D Participation Overview
  - Services Provided
  - Savings
  - Expenditures
  - Year to Date Summary of Efficiency Programs
    - HELPS
    - Green Opportunities (GO) Program



# *Home Energy Loss Prevention (HELPS) Program*



## HELPS

Home Energy Loss  
Prevention Services

- Residential Efficiency Program – since 1989
- Home energy audits, lighting, Energy Star appliances and Cool Home heat pump and air conditioning rebates
- Toll Free Audit Request # 888-333-7525
- [www.munihelps.org](http://www.munihelps.org)



*SHELD Energy Efficiency Program, October 22, 2015*



# *Participation Overview*

- SHELD has been a HELPS participant since 2002
  - Services Provided:
    - Home Energy Audits – 486 audits since inception
    - Home Efficiency Incentive (HEI) since 2009
      - For measures recommended in home energy audits
    - Energy Star Appliance Rebates – introduced in 2004
    - Cool Homes – Energy Star Central AC and Heat Pump – added in 2013
    - On-Line Efficiency Catalog – lighting, power strips – added in 2009



# *Participation Overview - continued*

- Savings
  - Home Efficiency Incentive (HEI)
    - oil / natural gas / electric saving
    - 537 million BTU's saved since 2009
    - Equivalent to saving 157,382 kWh annually
  - Appliance and Cool Home Rebates
    - 3,167 appliance rebates since 2004
    - 12 Cool Homes rebates since 2013
    - 259,299 kWh annual savings as of 2015
  - Online Catalog
    - Has not been tracked historically
    - Has very low annual participation and minimal savings
    - 20,149 kWh savings YTD



# *Participation Overview - continued*

- Expenditures
  - Since 2004
    - \$222,771 in rebates
      - Not including solar = \$86,150 (estimated) in 2012-13
    - \$63,315 in audits





*Year to Date Activity  
January – September 2015*



*SHELD Energy Efficiency Program, October 22, 2015*



# *Energy Star Cool Homes*

## *Central AC/Heat Pumps*

<i>Measures</i>	<i>#</i>	<i>Rebates</i>	<i>2015 YTD kWh savings</i>	<i>Lifetime kWh savings</i>
<i>Central AC150</i>	1	\$150	88	1,051
<i>Central AC300</i>	2	\$600	226	4,071
<i>Total</i>	3	\$750	314	5,122





# *Energy Star Appliance Rebates*

<i>Measures</i>	<i>#</i>	<i>Rebates</i>	<i>2015 YTD kWh savings</i>	<i>Lifetime kWh savings</i>
<i>Room AC</i>	<i>2</i>	<i>\$50</i>	<i>63</i>	<i>564</i>
<i>Clothes Washer</i>	<i>22</i>	<i>\$800</i>	<i>2,460</i>	<i>29,522</i>
<i>Dehumidifier</i>	<i>20</i>	<i>\$490</i>	<i>2,141</i>	<i>38,532</i>
<i>Dishwasher</i>	<i>20</i>	<i>\$500</i>	<i>1,483</i>	<i>14,830</i>
<i>Heat Pump Water Heater</i>	<i>5</i>	<i>\$1,500</i>	<i>11,120</i>	<i>111,196</i>
<i>Refrigerator</i>	<i>30</i>	<i>\$825</i>	<i>2,029</i>	<i>24,346</i>
<i>Total</i>	<i>99</i>	<i>\$4,165</i>	<i>19,295</i>	<i>218,990</i>



# Energy Star Catalog

<i>Measures</i>	<i>#</i>	<i>Rebates</i>	<i>2015 YTD kWh savings</i>	<i>Lifetime kWh savings</i>
<i>23w TCP Compact Fluorescent Bulbs</i>	<i>8</i>	<i>\$8.00</i>	<i>360</i>	<i>1440</i>
<i>30w MAXL 3-Way Compact Fluorescent Bulb</i>	<i>2</i>	<i>\$6.00</i>	<i>90</i>	<i>360</i>
<i>20w TCP Compact Fluorescent Bulb</i>	<i>2</i>	<i>\$2.00</i>	<i>90</i>	<i>360</i>
<i>Total</i>	<i>12</i>	<i>\$16.00</i>	<i>540</i>	<i>2160</i>
<i>Grand Total kWh Savings</i>			<i>20,149</i>	<i>226,272</i>



# *Energy Audits and Measure Installations*

<i>Home Energy Audits</i>	<i># of Audits</i>	<i>Cost</i>
<i>South Hadley</i>	<i>27</i>	<i>\$3,645</i>

<i>Home Efficiency Incentive</i>	<i>#</i>	<i>Rebates</i>
<i>Installed Insulation Projects recommended in audit</i>	<i>2</i>	<i>\$394.00</i>

# 2015 YTD Summary

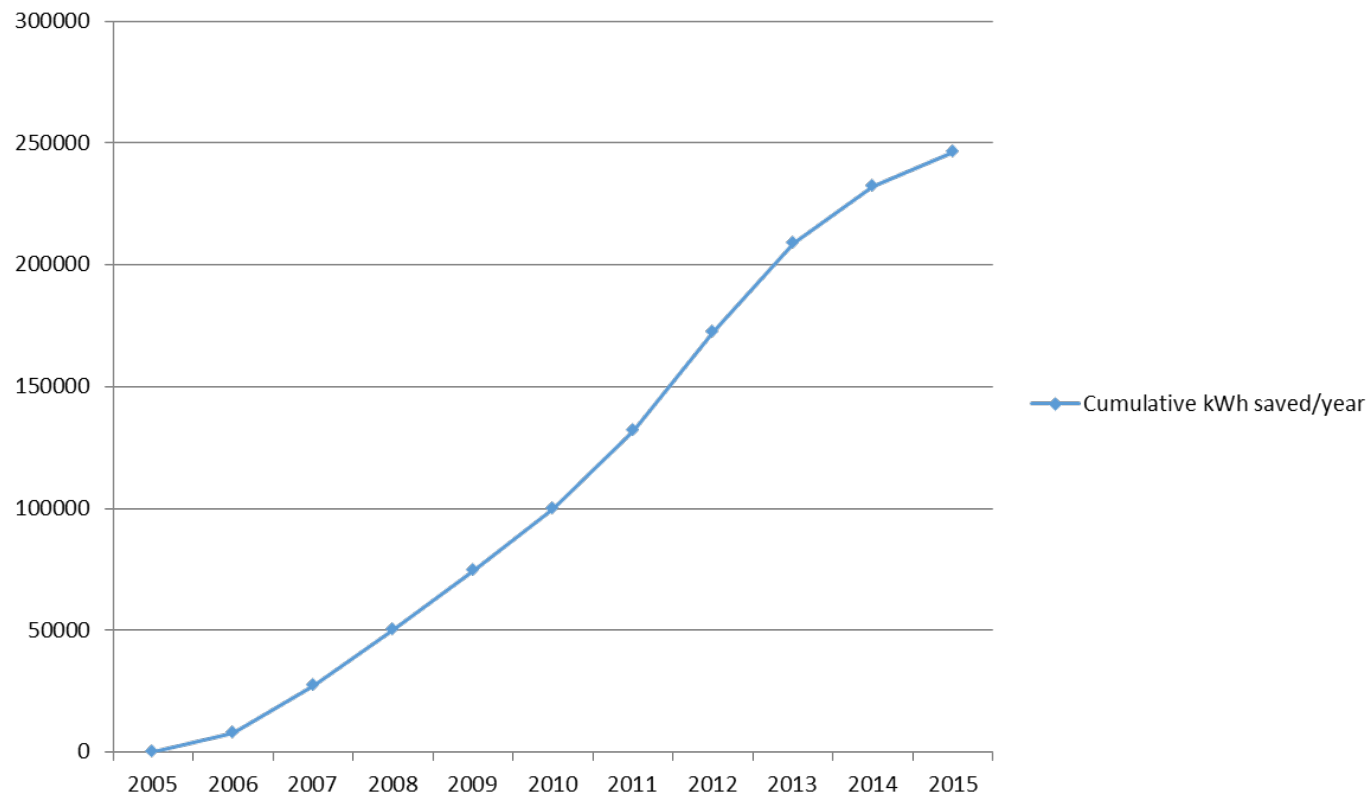
<i>Residential Services - HELPS</i>	<i># Participants</i>	<i>Cost</i>
<i>Audits</i>	<i>27</i>	<i>\$3,645</i>
<i>Home Energy Incentive</i>	<i>2</i>	<i>\$394</i>
<i>On-line Catalog</i>	<i>12</i>	<i>\$16</i>
<i>Cool Homes</i>	<i>3</i>	<i>\$750</i>
<i>Appliance Rebates</i>	<i>99</i>	<i>\$4,165</i>
<i>Rebates and Audit's</i>	<i>135</i>	<i>\$8,970</i>

<i>HELPS Rebate Breakout</i>	<i>#</i>	<i>Rebates</i>	<i>2015 YTD kWh savings</i>	<i>Lifetime kWh savings</i>
<i>Total Rebates/Cost/kWh savings</i>	<i>116</i>	<i>\$5,325</i>	<i>20,149</i>	<i>226,272</i>



# *Rebate Program kWh Savings 2005-2014*

*SHELD HELPS Rebate Program Cumulative kWh  
saved/year*



*SHELD Energy Efficiency Program, October 22, 2015*



# *MMWEC Green Opportunity (GO) Program*



- For Commercial and Industrial Customers – since 2010
- Lighting, Heating, Ventilation and AC rebates
- Prescriptive Program Toll Free Phone # : 844-371-6704
- Custom Program Toll Free Phone #: 877-259-3015
- [www.mmwecgoprogram.org](http://www.mmwecgoprogram.org)



- SHELd joined GO in 2014
  - DOER grant award for municipal utility efficiency program
  - Offers two services
    - Custom Program
      - Flexible program that handles all project types, assists customers with audits, guidance on project development
    - Prescriptive Lighting and HVAC
      - Provides set rebates for specific lighting and HVAC measures



# *GO Program Completed Prescriptive Lighting Projects*

<i>Type</i>	<i>Participant Name</i>	<i>Pre-Approved Amount</i>	<i>Completion Date</i>	<i>Annual kWh Savings</i>	<i>kW Demand Savings</i>
<i>Lighting</i>	<i>The Villages of Shadowbrook Estate</i>	<i>\$4,900</i>	<i>4/30/2015</i>	<i>9,460</i>	<i>2.2</i>
<i>Lighting</i>	<i>Teddy Bear Pool &amp; Spa Phase III</i>	<i>\$800</i>	<i>7/4/2015</i>	<i>7,568</i>	<i>1.76</i>
<i>Total Rebates Provided</i>		<i>\$5,700</i>		<i>17,028</i>	<i>3.96</i>

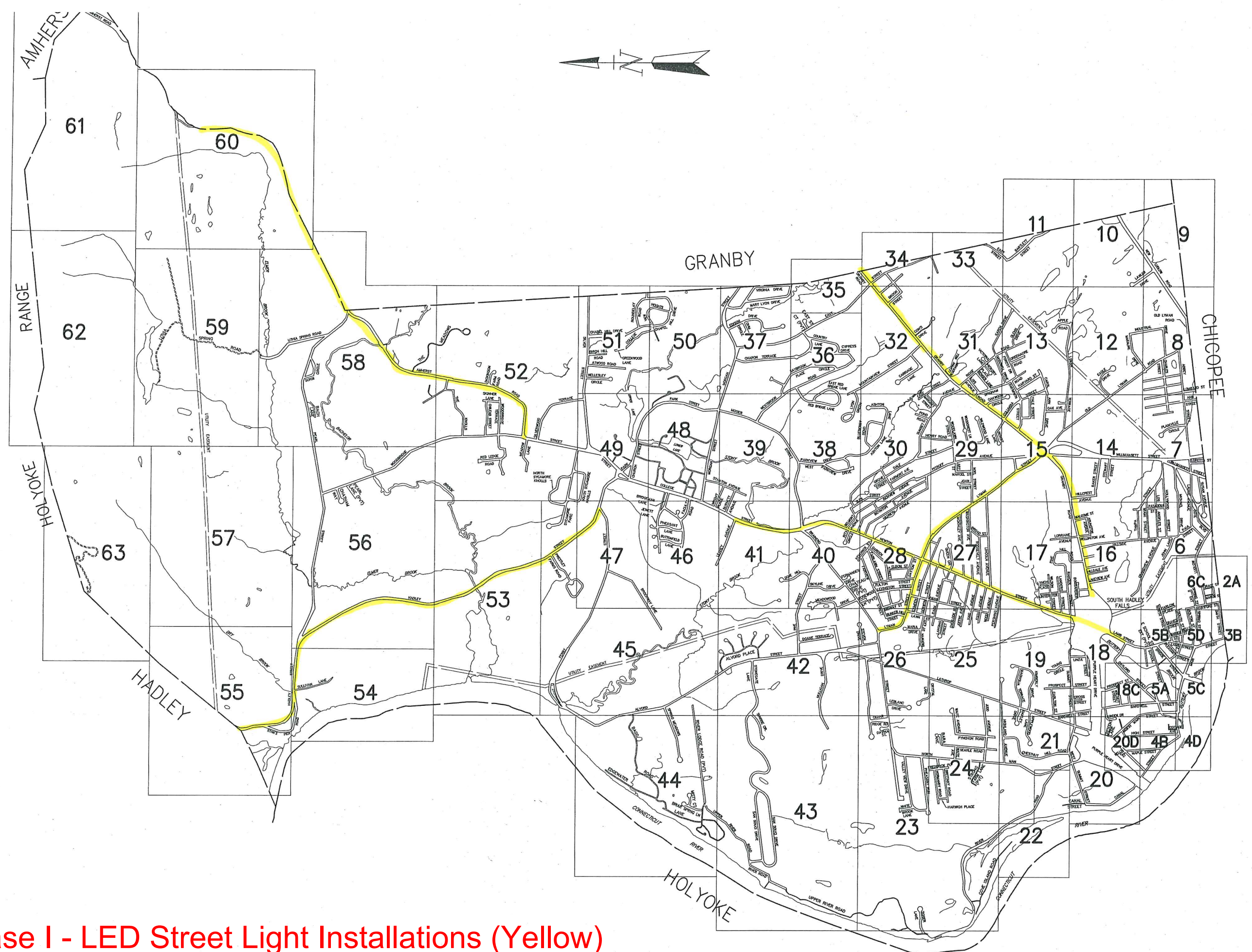




# *Thank You*

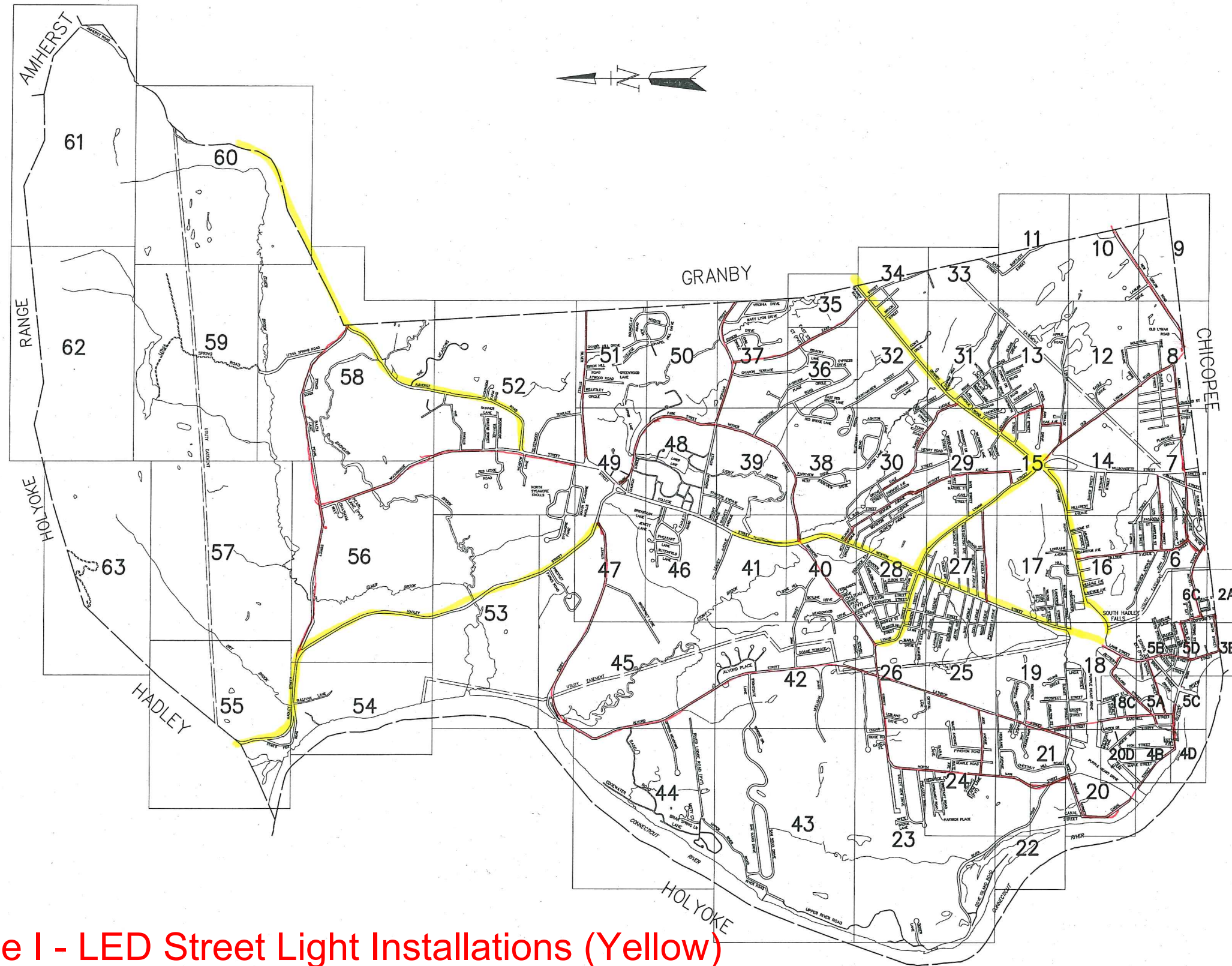
- HELPS – [munihelps.org](http://munihelps.org)
- GO – [mmwecgoprogram.org](http://mmwecgoprogram.org)





Phase I - LED Street Light Installations (Yellow)





Phase I - LED Street Light Installations (Yellow)

Phase II - Proposed LED Street Light Installations (Red)

THIS MAP IS FOR ASSESSMENT PURPOSES. IT IS NOT VALID FOR LEGAL DESCRIPTION OR CONVEYANCE.  
THE HORIZONTAL DATUM IS THE MASSACHUSETTS STATE PLANE COORDINATE SYSTEM, NAD 83.  
PROPERTY DATA PREPARED FROM HAMPSHIRE COUNTY REGISTRY OF DEEDS RECORDS AS OF JANUARY 1977.

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2A 1" = 50' SCALE MAP  
6 1" = 100' SCALE MAP  
23 1" = 200' SCALE MAP

LEGEND  
EASEMENT  
TOWNLINE

SCALE 1" = 1100'  
FEET 0 275 550 1100 2200 3300  
METERS 0 275 550 1100 2200  
REVISED TO: JANUARY 1, 2014

PROPERTY MAPS  
**SOUTH HADLEY**  
MASSACHUSETTS

INDEX MAP

**South Hadley Electric Light Department  
Phase II  
LED Street Light Installations**

<b>Location ( Street or Partial Street)</b>	<b>Number of Lights</b>	<b>Location ( Street or Partial Street)</b>	<b>Number of Lights</b>
Ferry Street	17	Lamb Street	6
Alvord Street	16	Bardwell Street	15
Lathrop Street	25	School Street	9
East Street	21	Gaylord Street	10
Morgan Street	21	North Main Street(Lower)	7
Park Street	15	Columbia Street	4
Mosier Street	18	Cornell Street	2
Brainerd Street	19	West Cornell Street	3
North Main Street(Upper)	19	Oak Avenue	1
West Summit Street	7	Lyman Terrace	3
Canal Street	11	Hillside Avenue	10
West Main Street	6	Hollywood Street	5
New Ludlow Road	7	Judd Avenue	4
Old Lyman Road	13	Lincoln Avenue	9
Abbey Street	12	Pittroff Avenue	10
Laurie Avenue	4	Pittroff Connector	1
Ludlow Road	6	Richview Avenue	8
Hartford Street	4	Belmont Ave	1
Bolton Street	4	Sunset Avenue	7
South Main Street	4	Dale Street	9
Spring Street	6	Silver Street	13
Smith Street	3	Pearl Street	23
		Woodbridge Street	21
Total	258	Total	181

Total LED Lights for Phase II Proposed Intallation

439