



South Hadley Electric Light  
DEPARTMENT

# A BRIGHTER FUTURE

2021 ANNUAL REPORT







MUNICIPAL  
LIGHT DEPARTMENT  
TOWN OF SOUTH HADLEY

SHELD SOUTH HADLEY ELECTRIC LIGHT

SHELD South Hadley  
Electric Light  
DEPARTMENT  
85  
South Hadley  
Electric Light  
DEPARTMENT  
Monday New Entry  
fiber

15  
MINUTE  
PARKING

WE ARE A  
CRIME BUSTERS  
CRIME  
BUSTERS





# 2021 WAS ANOTHER CHALLENGING YEAR—BUT SHELD WAS UP TO THE TASK

With everything going on in the world in 2021, SHELD was able to push forward and deliver for South Hadley.

We continued to work through the COVID-19 pandemic with reliable and safe operations and have never been more optimistic about where we're headed with fiber, green technology, and new benefits and services.

## SHELD's notable 2021 achievements include:

- Continuing fiber expansion—which now puts us at about 60% built out!
- Bringing an additional telecom central office online for redundancy
- Ongoing work with the Town regarding the Master Plan implementation for South Hadley
- Offering additional greenhouse gas reduction rebates
- Continuing to be one of Massachusetts' lowest carbon-emitting municipal utilities
- Having our sixth straight year of clean audits
- Receiving a Safe and Sustainable Education Award from the State of Massachusetts
- Being able to allow eligible customers to enroll in the Affordable Connectivity Program
- Maintaining a strong Standard & Poors credit rating (AA)
- Making progress toward “future-proofing” power delivery







# **FIBER** **IS CREATING** **GREAT** **OPTICS FOR** **SOUTH HADLEY**

Fibersonic, powered by SHELD, brings gig-speed fiberoptic internet service to homes and businesses in South Hadley. It is a significant investment in technology—and the future of our town.

With SHELD leading the way, South Hadley is benefitting from the installation of the fiber network through efficiencies gained by town facilities getting internet service from the network. This includes municipal entities, public schools, and the majority of town departments.





**17**  
**32**

FIBERHOODS  
CONNECTED

**+1,500**

INTERNET & PHONE  
CUSTOMERS &  
COUNTING

**\$12M**

BOND SECURED IN 2021  
TO COMPLETE  
INCENTIVES PROJECTS



# LETTER FROM THE GENERAL MANAGER

2021 was a year of resilience and continuity during global pandemic conditions. The Department maintained reliable, safe, and efficient service while complying with federal and state essential workforce mandates. I am extremely proud of the dedication displayed by SHELd employees and its Board of Commissioners throughout this most challenging year!

SHELd completed a second year of Fiberoptic construction connecting 17 of 32 fiberhoods and over 1,500 internet and phone customers. The growing bandwidth demand from a remote workforce, including education and telemedicine, affirmed the Board's vision of providing quality internet service at a competitive price. The expanding interest and rapid growth were the incentives for us to finance the remainder of the project by securing a \$12 million bond in 2021. SHELd was able to establish this self-supporting business ahead of schedule and on budget.

The Advanced Meter Infrastructure project (AMI) began with the replacement of our end-of-life metering infrastructure in 2021. This modernization of SHELd's meter fleet will allow the department to improve outage notification systems and prepare for future technology advancements.

**SHELd COMPLETED A  
SECOND YEAR OF FIBEROPTIC  
CONSTRUCTION CONNECTING  
17 OF 32 FIBERHOODS AND  
OVER 1,500 INTERNET AND  
PHONE CUSTOMERS.**

SHELd made additional investments in carbon free programs which include a 0% interest home energy conversion loan, a Green Choice Renewable Energy Program, and Two-Way Text alerts for customer notifications. All of these programs focus on empowering SHELd and our customers to support renewable investments and carbon reduction. SHELd maintained its state ranking as one of the lowest carbon emissions utilities with ninety-nine percent of our energy sourced from carbon free generation.



SHELD concluded its final year of a five-year truck replacement program ensuring our crews have equipment necessary to serve customers safely and efficiently. SHELD will continue to focus on reliability, modernization, financial stability, workforce development, and enhancing the quality of life for our customers. We will continue to pursue two major objectives of fiber connectivity and deployment of advanced metering infrastructure.

We appreciate your continued support of our efforts to provide outstanding local service to all our ratepayers.

Respectfully submitted,

*Jean Fitzgerald*





# GIVING SOUTH HADLEY THE **GREEN** LIGHT.

The South Hadley Electric Light Department is invested in a **sustainable future**—for our town and our planet. We are committed to keeping South Hadley on the cutting edge of green technology in the region, offering energy-efficiency and carbon reduction initiatives. And that's just the beginning. Moving into the future, we continue to explore new, innovative ways to invest in creating a greener South Hadley.

**\$200,000  
IN REBATES  
TO CUSTOMERS  
INSTALLING  
RESIDENTIAL  
SOLAR SYSTEMS**



**500-KWH LONG-TERM  
SOLAR POWER** PURCHASE  
AGREEMENT

**0% \$10,000  
LOANS FOR  
GREEN HOME  
IMPROVEMENTS**

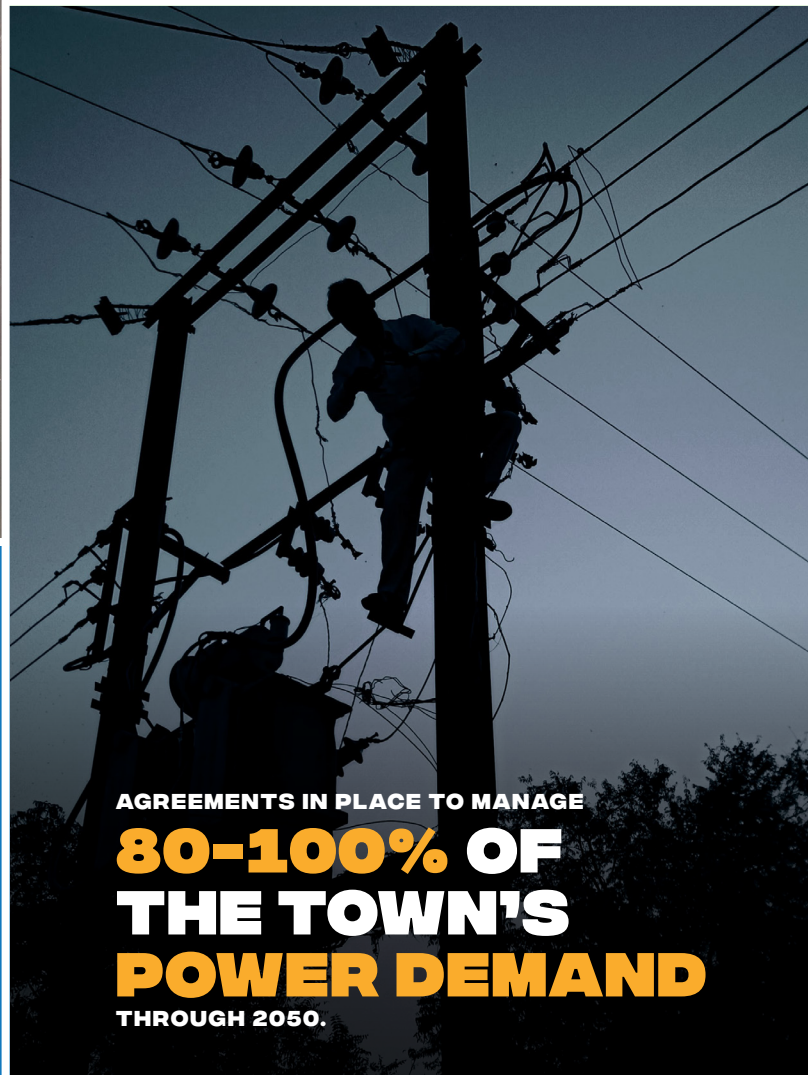






**\$200 REBATES  
ON ELECTRIC  
BICYCLES**

**REBATES FOR  
GREEN LAWN CARE  
EQUIPMENT**



**GREEN CHOICE  
PROGRAM—ALLOWING  
CUSTOMERS SUPPORT  
EXISTING GREEN ENERGY  
GENERATION AS WELL AS  
ENCOURAGING FUTURE  
PROJECTS.**

**90% OF ENERGY  
CARBON  
FREE GENERATION**

**ONE OF THE LOWEST CARBON  
UTILITY FOOTPRINTS  
IN THE COMMONWEALTH.**



# STRATEGIC PLAN/FINANCE

The Strategic Plan we developed provides transparency, making clear the measurable steps we are taking to respond to South Hadley's needs, both in the present and the future.

Families and businesses alike know that planning ahead is crucial to reaching goals. Maybe you were one of the many residents who attended a strategic plan development meeting, all of which were **open to the public** and overseen by the elected Municipal Light Board. Our Strategic Plan is organized around **five areas of importance** that we seek to strengthen and improve over the course of the 5-year period.

Quality of life in the 21st Century is different than when we were founded: carbon-free energy, renewable energy, ultra-high-speed internet service, and so on.

Throughout 2021 and beyond, we remain dedicated to powering a brighter future for South Hadley.

At SHELD, the concerns of our customers matter dearly to us. We have continued to make strides in our ongoing process of upgrading and improving our customer service systems to digital and paperless platforms, always keeping customers in the loop.



# **FIVE KEY AREAS**

## **FINANCE**

Ensuring we have a strong foundation to support our goals of expanding services and establishing an infrastructure that's built for the future.

## **RELIABILITY**

Making sure we have capacity to respond to the unpredictable while we make sensible plans for the changing future of power delivery. SHELD has agreements in place to meet **80-100% of the town's power demand through the year 2050.** We're ready for what's next!

## **CUSTOMER ENGAGEMENT**

Many of the service enhancements we've introduced originated with input from you, the customers who own this utility. We've established multiple channels to communicate to customers, from newsletters, social media updates, rebate and incentive programs, and video recordings of Board Meetings.

## **COMMUNITY DEVELOPMENT / ENHANCED QUALITY OF LIFE**

Supporting quality of life for South Hadley was central to SHELD's establishment over a century ago. At SHELD, we're doing our part to keep our air and water clean: **roughly 90% of our power comes from carbon-free non-emitting sources.**

## **WORKFORCE**

Delivering the full value of our plans relies on having the right personnel to keep the lights on. We continue to advance and upgrade our customer service, our service offerings, and the technologies which make that service possible.





# OUR BEST & BRIGHTEST

After a century of service to the people of South Hadley, SHELD continues to deliver the personal service and low rates envisioned by our utility's founders and remains a valuable asset to the community.









# FINANCIAL STATEMENTS

## Condensed Statement of Net Position

	2020	2019
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
Current	\$ 13,288,926	\$ 15,205,681
Restricted	8,844,278	8,369,225
Non-Current	490,786	489,286
Capital – Net	7,983,370	5,771,606
Deferred Outflows	1,813,887	1,495,579
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 32,421,247</b>	<b>\$ 31,331,377</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>		
Current	\$ 1,897,503	\$ 2,054,015
Long-Term	5,516,769	5,420,140
Deferred Inflows	1,496,736	446,239
Net Position		
Net Investment in Capital Assets	7,983,370	5,771,606
Restricted	8,358,469	7,907,866
Unrestricted	7,168,400	9,731,511
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$ 32,421,247</b>	<b>\$ 31,331,377</b>

## Condensed Statement of Revenues, Expenses and Changes in Net Position

	2020	2019
<b>OPERATING REVENUES</b>	\$ 14,065,187	\$ 13,862,340
<b>OPERATING EXPENSES</b>		
Cost of Power Sold	8,659,704	9,540,547
Distribution Expense	1,052,634	995,397
Customer Accounts Expense	701,853	578,471
General and Administrative Expense	2,764,607	2,397,653
Deperication Expense	1,149,344	1,069,828
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 14,328,142</b>	<b>\$ 14,581,896</b>
<b>OPERATING INCOME (LOSS)</b>	(262,955)	(719,556)
<b>NON OPERATING REVENUES (EXPENSES)</b>	479,913	948,196
<b>OTHER FINANCING SOURCES (USES)</b>	(117,702)	(132,218)
<b>CHANGE IN NET POSITION</b>	<b>\$ 99,256</b>	<b>\$ 96,422</b>



## Condensed Statement of Cash Flows

	2020	2019
<b>CASH FLOW PROVIDED BY (USED IN):</b>		
Operating Activities	\$ 1,109,267	\$347,410
Financing Activities	(3,454,079)	(\$2,662,465)
Investing Activities	1,111,161	\$3,523,559
<b>NET INCREASE (DECREASE) IN CASH</b>	(1,233,651)	1,208,504
<b>CASH - BEGINNING</b>	5,038,384	3,829,880
<b>CASH - ENDING</b>	<b>\$ 3,804,733</b>	<b>\$ 5,038,384</b>

## ENERGIZING THE COMMUNITY

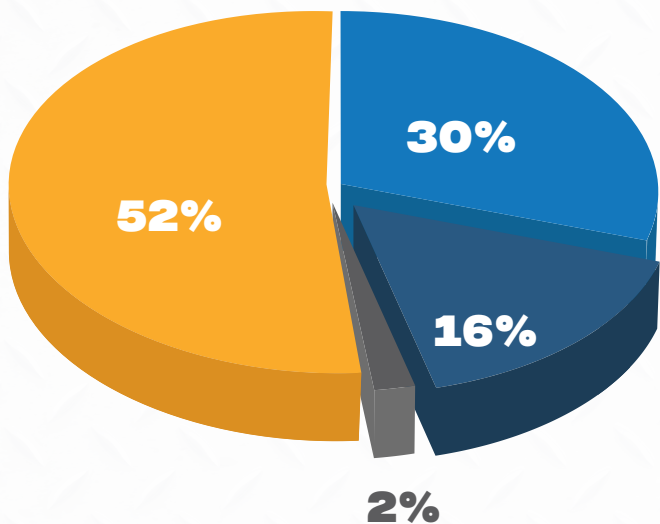
Because South Hadley's residents own SHELd, we want you to stay informed at all levels. Full financial reports, annual reports and annual returns are available online at ***[sheld.org/pages/community/public-information/](https://sheld.org/pages/community/public-information/)***.

SHELd welcomes your involvement as we continue to seek the best ways to energize our community as we deliver highly reliable, responsive and personal utility services at competitive rates while providing value to our community.

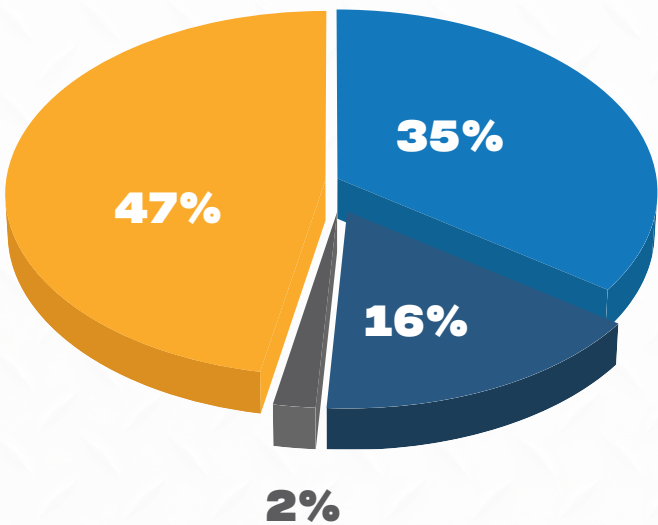


# PURCHASED POWER DISTRIBUTION

2019



2020



MILLSTONE



SEABROOK



RENEWABLES

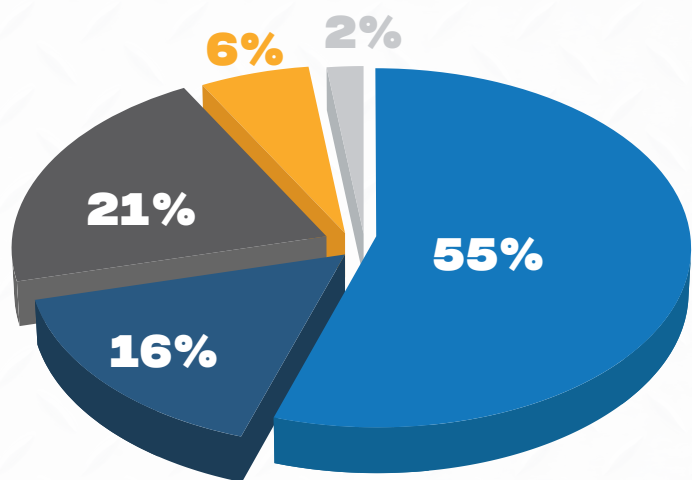


ISO INTERCHANGE

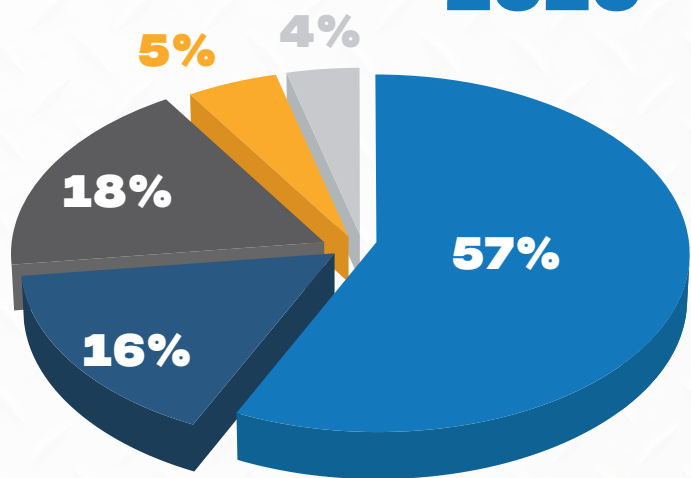


# OPERATING REVENUE DISTRIBUTION

2019



2020



RESIDENTIAL



COMMERCIAL



INDUSTRIAL



MUNICIPAL



OTHER





SOUTH HADLEY ELECTRIC



South Hadley  
Electric Light  
DEPARTMENT

85

WE  
CRIME F  
CO  
CR  
BUS





# MUNICIPAL LIGHT BOARD

**JOHN HINE**  
**CHAIR**

**DENISE PRESLEY**

**KURT SCHENKER**

**GREG DUBREUIL**

**PAUL DOBOSH**

## THE POWER IS IN YOUR HANDS

A municipal utility like South Hadley Electric Light Department responds directly to the needs and input of local residents, not anonymous shareholders. The Light Board is a group of five local citizens elected by the voters of South Hadley.



South Hadley  
Electric Light  
DEPARTMENT  
A Brighter Future





South Hadley Electric Light  
DEPARTMENT

85 Main Street • South Hadley Massachusetts