

B R A I N T R E E   E L E C T R I C   L I G H T   D E P A R T M E N T



*e x c e e d i n g*  
E X P E C T A T I O N S

2 0 0 1

B E L D

A N N U A L

R E P O R T

# from the

## COMMISSIONERS

BELD is about to mark its 110th year in business! As a Braintree resident, you live in a community that decided in 1892 to take care of its own power needs. Those early citizens were committed to an American democratic tradition that allowed local residents to make important decisions about their public services. As a result, Braintree today has a local, not-for-profit electric utility owned and operated by the community.

While many changes have taken place since 1892, BELD's commitment to the community in 2001 remained the same — to provide safe and reliable electric service at a reasonable price and with unexcelled customer service. And because we're locally owned and controlled, we're accountable only to you, our customer-owners. Our ultimate goal is to meet — and exceed — your expectations.

During 2001 our BELD Broadband services really took off, far surpassing OUR expectations! By May we were hooking up our 2,000th cable customer — a goal we expected to reach in 2002 — and by December we had signed on nearly 4,000 subscribers. The overwhelming support of the citizens of Braintree has been gratifying, and it has been abundantly clear that you, our customers, have placed your faith and trust in BELD. For that we are most grateful.

But our core service is electricity. This is where it all started, and this is where we will always concentrate our focus. In spite of very high fuel prices at the beginning of 2001, we worked hard throughout the year to keep your bills affordable. In fact, our electric rates are still among the very lowest in the state of Massachusetts — a source of considerable pride at BELD.

As elected representatives to the Light Board, we thank you for the trust you've placed in us and for your support of the dedicated staff and management of Braintree Electric Light Department. We think those folks who got things started back in 1892 had the right idea — local residents SHOULD be involved in making decisions about their electric utility. Whether you give us a call, e-mail us, write a letter, visit our office, or attend our public meetings, we'll do our best to exceed your expectations.

Very Truly Yours,



Thomas J. Reynolds, Chairman



**THOMAS J.  
REYNOLDS,**  
CHAIRMAN



**GUY F.  
LUKE,**  
VICE CHAIRMAN



**DARRIN M.  
MCAULIFFE,**  
SECRETARY

# from the MANAGER

2001 was one of BELD's most ambitious years in recent memory. Having installed the equipment needed for cable television in 2000, we launched our service to the public in January. This was a new business for BELD, so we needed to hire more people, train current employees, and field an overwhelming call volume. Expecting to hit a goal of 1,000 customers in year one, we instead connected 4,000 customers to our digital service. The number of Internet customers increased as well, from 1,800 to nearly 3,000.

Beginning in February, the Algonquin Gas Company installed a new pipe through our property to the Sithe generating facility in Weymouth. During this time our gas supply to the Potter Generating Station was interrupted, which required us to buy replacement power. In April the pipe was pulled across the Fore River, and we made it through some warm months running Potter on oil without a hitch. I would like to thank Algonquin for minimizing the disruption. It is anticipated that, in years to come, BELD too will benefit from this line when gas is able to flow from the north.

The Potter plant ran well during 2001. For the year BELD had a peak load of 89.1 megawatts and an all-time high electricity usage of 390 million kilowatts. Early in 2001, we had very high fuel prices in New England, which eventually subsided in the spring. Along with power sales from the Potter plant, our membership in Energy New England helped keep our costs down. With deregulation almost five years old in Massachusetts, BELD's rates are among the lowest in Massachusetts and New England. And because we continue to own our own generation, we remain a vertically integrated utility. As a result, we are able to use our generation resource to benefit our customers with excellent reliability and low prices.

As always, we owe much of our success to our employees. Their dedication and hard work have kept us among the top-performing municipals in New England. I give my sincere thanks and gratitude to all BELD employees and to the Commissioners for their support and guidance over this past year.

Sincerely,



Walter R. McGrath, General Manager

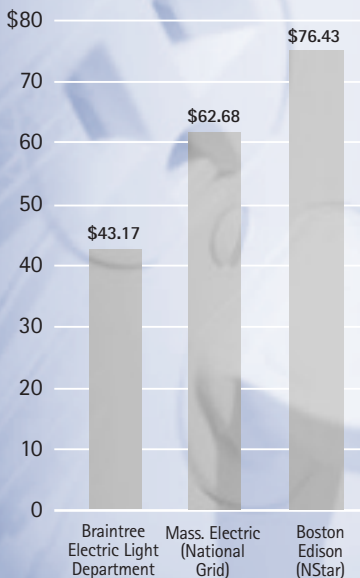


**WALTER R.  
MCGRATH,**  
GENERAL  
MANAGER

# BELD ELECTRIC

*our core business*

## 2001 Residential Rate Comparison



### *ELECTRIC RATES REMAINED STABLE*

The year 2001 began exactly the way 2000 ended – with soaring fuel prices and exceedingly high power costs. Gas and oil prices reached all-time highs, with gas priced at more than four times its usual seasonal value and oil priced 150% higher than the previous year. As a result, many electric companies raised their rates to cover the higher prices.

BELD's rates remained stable, however, due in large part to our joint effort with Energy New England (ENE), a cooperative agency created to help manage power supply costs, reduce exposure to market prices, and generate revenue through power transactions. By buying and selling power on a daily basis, ENE generates revenue which helps reduce our power supply costs, amounting to a savings of \$2.7 million in 2001.

### *CHANGES AT POTTER GENERATING STATION*

New automatic relays were installed at Potter to facilitate the connection of two different power sources when restoring power after a blackout situation. Potter is the only electric generating station of sufficient size in the eastern section of the Northeast Power Grid that is capable of starting and generating electricity on its own (black start). As an intricate part of ISO New England's plan for power restoration in the event of an area blackout, Potter would be called upon to provide the electricity to the grid so that the other electric plants could be energized.

When the Algonquin Gas Company installed a pipe through BELD property to the Sithe generation facility in Weymouth and the gas line was shut down during June, July, and part of August, we had to negotiate operating conditions for Potter station. The first round of discussions with the Massachusetts Department of Environmental Protection set our operating guidelines for both starting the plant on oil and generating on oil for the duration of the project. The second set of negotiations with ISO-New England insured that we would be dispatched in compliance with the DEP guidelines and established mitigated pricing for the plant to assure appropriate cost recovery.

# our core business

## IMPROVEMENTS MADE TO FUEL CELL

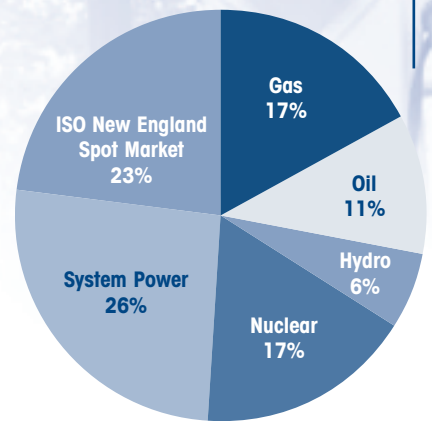
The Fuel Cell operated 80% of the available time during 2001 and produced 1061 megawatt hours of energy. We made significant repairs to the landfill liner to stop gas leakage, which had contributed to high levels of nitrogen gas and had kept us from operating the Fuel Cell on landfill gas. We also engineered and purchased a gas-blending module that will allow us to blend both natural and landfill gas to power the unit. The completed improvements are expected to lower the nitrogen levels to a point where we can return to operating the Fuel Cell with gas from the landfill.

## UTILITY ACCESS ROUTE WILL ENHANCE SERVICES

BELD has spearheaded a project to establish another utility access route for Wood Road, where there is presently only one route in and one route out. The new route will utilize two pipes (a 12" for water and a 16" for electric and communications) installed under Route I-93/128 by means of horizontal directional drilling and terminate on the extension of Brooks Drive.

When the project is completed, Braintree Water and Sewer will have eliminated hydraulic dead ends at the end of Wood Road as well as Brooks Drive. It will provide an alternate source of water when a problem occurs, and it will greatly enhance fire protection systems for property owners at the end of Wood Road. There will be similar benefits for electric customers, especially at the end of Wood Road, because we will have an alternate high-voltage source from Brooks Drive.

2001  
Fuel Mix



## UPGRADES WILL BENEFIT CUSTOMERS

In preparation for the construction of the Sithe plant, a significant amount of engineering work was involved in installing new 115 kV high-speed redundant relaying, communications, and batteries at the Grove Street substation and Potter Generating Station. Because Sithe is reimbursing BELD for all time and materials, this was a great opportunity to upgrade some of our substation equipment and our transmission protection system at little or no cost to BELD.



# BELD BROADBAND

*continuing to grow*

## *DIGITAL CABLE SERVICE OFFERED TO BRAINTREE*

After the successful launch of digital cable in December of 2000, BELD offered its new service to customers in stages throughout 2001. We began in January by extending service to current BELD.net high-speed Internet customers. These installations were the quickest and easiest for us to do, because BELD Broadband's network already reached their homes. In March we started mailing other residents information about our new service, letting them know when our trucks would be in their neighborhood. We found ourselves hooking up our 2,000th customer in May – a milestone we had hoped to reach in our second year of operation. The overwhelming support of Braintree residents and commercial customers continued right through December, when we closed the year with nearly 4,000 subscribers. We continue to work on completing installations in underground areas, and we went back to Town Meeting in October to secure an additional \$1.5 million bond to fund these projects.

## *A TEAM EFFORT*

As BELD Broadband's cable service found its legs in 2001, BELD employees throughout the department continued to embody the word "team." Employees of BELD's Electric division assisted those in the Broadband division by installing the fiber optic cable necessary to provide cable and Internet service to underground areas – 25 residential streets and two condominium complexes. In addition, electricians completed the wiring to the Town Hall to provide the connection required for BELD's local access coverage. Employees also changed the connection to BELD.net by splicing the fiber optic cable that runs from BELD's headend to the Quincy line.

## *STAFF GROWS ALONG WITH SERVICE OFFERINGS*

In order to maintain BELD's recognized high level of customer satisfaction during the cable rollout, the department needed to add to its existing staff. The Help Desk – which was moved in-house just before the cable launch in December of 2000 – proved to be increasingly popular with both our cable and Internet customers. We added staff in 2001 to support this service, and we created the position of Network Engineer to oversee BELD.net, BELD's high-speed Internet offering. In some areas, existing staff picked up more responsibilities with the addition of cable service. Customer Service Representatives and Installers worked six days a week to keep up with customer demand, and Accounting and Stores employees added to their tasks and storage space.

# *continuing to grow*

## *NEW SERVICES, NEW SYSTEMS*

With the addition of cable service in 2001, BELD's Support Services Division had a challenging year. Electricity is a metered service and a necessary utility (unlike Internet and cable television service), so we are unable to accomplish all our diverse billing tasks with one system. In addition, our existing electric billing system was not designed to handle telecommunications services, so we had been using a simple third-party software package to manage high-speed Internet customers. Because this package was not sophisticated enough to manage cable service, BELD invested in a new system to handle both Internet and cable service. The conversion to the new billing system in early February went well. The Windows®-based software we now use provides easy navigation, as well as complete reporting on customer information and service trends. And customers gained the ability to pay for their broadband services by cash, check or credit card, and to receive a monthly statement, which the previous system did not allow.

## *MAKING IT BETTER*

Even though service was less than a year old, BELD Broadband staff began implementing improvements to its cable offering in 2001. In February BELD added an out-of-state public broadcasting station, a favorite regional sports network, and a popular decorating and lifestyle channel — all at the requests of our customers. We also continued to improve our broadband policies and procedures to give our customers the best rates with the best service — just as we do with our electric service.

## *WITH A LITTLE HELP FROM OUR FRIENDS*

Throughout 2001 it became clear that we couldn't have succeeded in our new cable venture without some outside help. As an independent cable provider, BELD Broadband is a member of the National Cable Television Cooperative, which provides us with discounted rates for programming, special deals on equipment, and representation in Washington through the American Cable Association. And the networks that provide us with our programming have been generous with giveaways, marketing resources, and even monetary launch support.

# FINANCIAL STATEMENTS

## Balance Sheet Consolidated

December 31, 2001, and 2000

	2001 Light Division	2001 Broadband Division	2001 Consolidated	2000 Consolidated
<b>ASSETS</b>				
Utility Plant @ Original Cost	\$84,368,112	\$6,360,506	\$90,728,618	\$85,691,361
Less Accumulated Depreciation	44,510,561	454,789	44,965,350	42,324,951
	<u>39,857,551</u>	<u>5,905,717</u>	<u>45,763,268</u>	<u>43,366,410</u>
<i>Current Assets</i>				
<b>Cash</b>				
Operating	2,410,101	1,296,969	3,707,070	5,264,727
Depreciation & Other Funds	3,582,799	0	3,582,799	4,416,508
<i>Accounts Receivable</i>				
Customers, Less Reserve for Bad Debts	2,548,539	121,925	2,670,464	3,683,780
Town of Braintree	153,779	0	153,779	183,896
Other	686,735	592	687,327	102,763
Unbilled Revenue	859,601	0	859,601	890,509
<i>Inventories</i>				
Materials and Supplies	463,682	173,322	637,004	596,652
Prepayments	24,502	17,934	42,436	195,430
Total Current Assets	<u>10,729,738</u>	<u>1,610,742</u>	<u>12,340,480</u>	<u>15,334,265</u>
Deferred Charges & Other Assets	1,013,251	0	1,013,251	774,987
<b>Total Assets</b>	<u><u>\$51,600,540</u></u>	<u><u>\$7,516,459</u></u>	<u><u>\$59,116,999</u></u>	<u><u>\$59,475,662</u></u>
<b>LIABILITIES</b>				
<i>Capitalization</i>				
Reinvested Earnings	\$48,086,548	\$1,896,012	\$49,982,560	\$48,655,177
Long-Term Debt	0	5,000,000	5,000,000	3,500,000
<i>Current Liabilities</i>				
Current Portion of Long-Term Debt	0	0	0	0
Accounts Payable	3,168,222	234,969	3,403,191	6,806,965
Accrued Interest	0	22,630	22,630	0
Customer Deposits	120,770	0	120,770	245,512
Other Liabilities	0	362,848	362,848	0
Deferred Credits & Reserves	225,000	0	225,000	268,008
Total Current Liabilities	<u>3,513,992</u>	<u>620,447</u>	<u>4,134,439</u>	<u>7,320,485</u>
<b>Total Liabilities &amp; Capitalization</b>	<u><u>\$51,600,540</u></u>	<u><u>\$7,516,459</u></u>	<u><u>\$59,116,999</u></u>	<u><u>\$59,475,662</u></u>



## Statement of Kilowatt Hour Sales Light Division

Years Ended December 31, 2001, and 2000

	2001	2000
Residential Service	103,625,459	98,784,660
Industrial Service	33,432,463	35,167,999
Commercial Service	237,545,165	236,462,836
Municipal Service	14,786,704	13,752,317
Area Lighting Service	757,655	865,726
Sales to Other Utilities	13,107,886	9,085,941
<b>Total Kilowatt Hour Sales</b>	<b><u>403,255,332</u></b>	<b><u>394,119,479</u></b>

### REVENUE

Residential Service	\$8,577,256	\$8,022,351
Industrial Service	2,663,765	2,730,820
Commercial Service	21,923,470	21,377,021
Municipal Service	1,319,442	1,208,701
Area Lighting Service	85,285	63,760
Sales to Other Utilities	1,506,633	908,883
<b>Total Kilowatt Dollar Sales</b>	<b><u>\$36,075,851</u></b>	<b><u>\$34,311,536</u></b>

## Notes to Financial Statements

December 31, 2001, and 2000

- (1) Depreciation: The general laws of the Commonwealth of Massachusetts under Chapter 164 require utility plant in service to be depreciated using a 3% rate. In order to change this rate, approval has to be received from the Department of Telecommunications and Energy. Rates utilized in depreciating utility plant in service are based on financial factors relating to cash flow for plant expansion rather than engineering factors relating to estimates of useful life.
- (2) In October, 2000, BELD established two separate divisions, one for our electric business (Light Division) and one for our broadband business (Broadband Division). As a result, some of our Light Division assets were transferred to our Broadband Division.
- (3) The financial results presented for 2001 are audited.

# FINANCIAL STATEMENTS

## Statement of Earnings and Retained Earnings Consolidated

December 31, 2001, and 2000

	2001 Light Division	2001 Broadband Division	2001 Consolidated	2000 Consolidated
<b>REVENUE</b>				
Residential Service	\$8,577,256	\$2,149,891	\$10,727,147	\$8,185,475
Industrial Service	2,663,765	0	2,663,765	2,730,820
Commercial Service	21,923,470	80,855	22,004,325	21,385,768
Municipal Service	1,319,442	0	1,319,442	1,208,701
Area Lighting Service	85,285	0	85,285	63,760
Sales to Other Utilities	1,506,633	0	1,506,633	908,883
Total Sales	36,075,851	2,230,746	38,306,597	34,483,407
Misc. Adjustments to Sales	(30,908)	0	(30,908)	45,000
Miscellaneous Income	1,066,079	0	1,066,079	1,498,219
<b>Total Revenue</b>	<b>\$37,111,022</b>	<b>\$2,230,746</b>	<b>\$39,341,768</b>	<b>\$36,026,626</b>
<b>OPERATING EXPENSES</b>				
<i>Headend Expense</i>				
Operation & Maintenance	\$0	\$38,465	\$38,465	\$400
Signal Fees	0	598,677	598,677	1,014
Total Headend & Signal Fees Expense	0	637,142	637,142	1,414
<i>Power Production Expense</i>				
Fuel	5,191,645	0	5,191,645	6,738,874
Operation & Maintenance	3,179,327	0	3,179,327	2,815,547
Purchased Power	15,950,991	0	15,950,991	14,958,397
Total Power Production Expense	24,321,963	0	24,321,963	24,512,818
<i>Transmission &amp; Distribution Expense</i>				
Customer Account Expense	3,066,628	472,067	3,538,695	3,081,836
Administrative & General Expense	880,848	293,436	1,174,284	820,445
Depreciation Expense	3,813,541	511,742	4,325,283	4,202,088
Bond Payments	2,437,326	444,524	2,881,850	2,437,570
Total Operating Expense	0	0	0	0
Interest & Other Expenses	34,520,306	2,358,911	36,879,217	35,056,171
Total Expense	0	173,130	173,130	868
<b>Total Expense</b>	<b>34,520,306</b>	<b>2,532,041</b>	<b>37,052,347</b>	<b>35,057,039</b>
Net Earnings	\$2,590,716	(\$301,295)	\$2,289,421	\$969,587
Retained Earnings @ Beginning				
of Year	18,876,172	2,199,838	21,076,010	21,086,061
Add: Net Earnings	2,590,716	(301,295)	2,289,421	969,587
Less: In Lieu of Tax Payments	(962,035)	0	(962,035)	(979,638)
Transfers (To) From				
Other Divisions	2,529	(2,529)	0	0
Audit Adjustments of Prior Year	0	0	0	0
<b>Retained Earnings @ End of Year</b>	<b>\$20,507,382 *</b>	<b>\$1,896,014 *</b>	<b>\$22,403,396 *</b>	<b>\$21,076,010 *</b>

\*Funds carried forward from prior years invested in Buildings & Equipment.

## MANAGERS AND BOARD

### BELD GENERAL MANAGERS

*Established 1892*

1892-1895	Thomas A. Watson*
1895-1902	Ansel O. Clark*
1903-1911	Daniel Potter*
1911-1939	Fred B. Lawrence*
1939-1954	Ernest T. Fulton*
1954-1977	Alban G. Spurrell*
1977-1985	Donald H. Newton
1985-present	Walter R. McGrath

### BRAINTREE MUNICIPAL LIGHTING BOARD

*Established 1909*

1909-1956	Norton P. Potter*
1909-1938	Alexander Carson*
1909-1925	Charles T. Crane*
1925-1936	Charles G. Jordan*
1936-1954	Frank P. Lloyd*
1938-1957	Shelley A. Neal*
1954-1955	Ernest T. Fulton*
1955-1980	Carl W. R. Johnson*
1956-1960	James H. Dignan*
1957-1983	Walter J. Hansen*
1960-1961	Raymond A. Nagle
1961-1967	Ernest S. Reynolds*
1967-1968	Gordon E. Trask
1968-1974	William J. Dignan
1974-1977	Anthony J. Mollica
1977-1983	Dennis M. Corvi
1980-1981	Guy F. Luke
1981-1982	Joseph W. Aiello
1982-present	Guy F. Luke
1983-1989	Michael J. Joyce
1984-1993	Joseph W. Aiello
1989-1995	James E. Wentworth*
1993-1999	James M. Casey
1995-1995	Paul E. Caruso*
1995-present	Darrin M. McAuliffe
1999-present	Thomas J. Reynolds

\*Deceased

## 2001 EMPLOYEES

William J. Antonellis	Kevin M. Lyons
Robert H. Beatson	Steven W. Lyons
James R. Belcher	Kenneth A. MacDonald
Dorian L. Belfort	Daniel J. Mahoney
Philip J. Berardinelli	Joan A. Marson
Robert J. Berlandi	Edward A. McCroken
Patricia A. Boddie	Brett L. McGrath
Stephen E. Buker	Walter R. McGrath
Richard J. Campbell	John F. McKinley, Jr.
Francis C. Catarius	Carol J. Morley
Gwen R. Chiappini	H. Joseph Morley
Thomas F. Chisholm	Mildred J. Mulvaney
Daniel J. Cleggett	Sean E. Murphy
Maryann L. Cody	Donna M. Needham
Gail J. Cohen	John-Erik J. Nelson
Mary L. Comlin	Joseph M. O'Brien
Maureen T. Conroy	Thomas M. O'Connor
Paul A. Costello	Barbara A. O'Neill
Nancy J. Cox	Gail A. O'Sullivan
Kevin P. Crawford	James D. Okerfelt
Denise R. Crowley	John H. Orpen
Ann M. Curran	Brian M. Ostiguy
John E. Currie	John B. Perry
Barbara A. Curtin	John H. Price
Gregory F. Cusack	Marek G. Rutkowski
Charles F. Dibble	Richard C. Sandstrom
Matthew W. Doren	Michael D. Sardano
Peter G. Dunlea	Robert J. Sargent
Jerome J. Erickson	Donna L. Sellgren
John F. Feeney, Jr.	Easton G. Shakespeare
Teresa Fico	Marianne Singer
Allan M. Fitzsimmons	Ruth M. Slater
James M. Flaherty	James E. Smith, III
Gregory J. Flynn	Michelle A. Solimini
Michael J. Ford	John G. Spada
Linda N. Forde	JoAnn M. Stak Bregnard
Joseph A. Guglielmi	Kathleen O. Steele
Richard A. Hall	Robert W. Stewart
Laurie J. Heffron	Kenneth E. Stone
Scott D. Henderson	Stephen P. Tatro
Robert M. Henriksen	Raymond L. Taylor
Daniel M. Heraty	Jason P. Tedeschi
John J. Herlihy	Christopher C. Thoener
Donald L. Hetherington	Georgette Thompson
Mary M. Hobart	Ralph B. Toyne
Marie J. Horgan	Bruce W. Turner
Russell T. Howard	Yvonne V. Twitty
Robert R. Huntington	Daniel T. Uhlman
Diane M. Husband	Jack N. Walker
Stephen A. Innis	Stephen L. Walton
Vincent J. Joyce	Susan A. Wentworth
Joseph L. Kelly	Kevin G. Wiles
John W. Kirkland	Bruce M. Williams
Weijun Li	Derryll D. Wood
Roger A. Lothrop	

Some of the photographs in this book were provided by Greg Derr, Tom Gorman, Dick Sandstrom and Ruth Slater.

Windows is a registered trademark of Microsoft Corporation.



150 Potter Road  
Braintree, MA 02184

[www.beld.com](http://www.beld.com)