

Hudson Light and Power Department 2011 Annual Report

A MESSAGE FROM THE BOARD

The year 2011 will be remembered for two storms that wreaked havoc across New England: Tropical Storm Irene and the unprecedented Halloween Northeaster. During both, Hudson Light employees performed heroically and earned the kudos of its customers. And, as with any major disaster, there were lessons learned.

While Irene may have been downgraded to a Tropical Storm by the time it hit Central Massachusetts on Sunday, August 28th, its wide path of gusty winds and rains still knocked out power to more than 325,000 customers across the State. Hudson Light took a pro-active approach, canceling all vacations and reporting to work in full force. While investigations were launched into the restoration activities of other utilities, we were proud to have power restored to our service area that same day. As a result of Irene, the Department reviewed communication challenges that it faced and devised new methods of keeping the public informed – plans that proved invaluable only two months later.

The Halloween Storm on Saturday, October 29th was a momentous, natural event that we hope will never visit the area again. Heavy, wet snow on trees in full leaf brought down trees, wires and poles that left the system looking like a war zone. It was a trying time for employees and customers alike, but power was restored to all major areas by Wednesday, November 2nd. Customers of other utilities areas were not as lucky, as the number of downed trees and length and extent of the blackouts broke records. Throughout the event, our website was utilized to keep customers informed of when power was restored to different areas.

Most are well aware that our employees work tirelessly to restore power to all our customers during outages. However, many may not realize that the restoration process is greatly enhanced by the assistance of others. Mutual Aid from other utilities and local Safety and Public Works personnel often give us invaluable aid during storms.

We thank the mutual aid crews from Holden, Norwood, Middleboro, Middleton and Kennebunk, Maine who assisted us after the Halloween snowstorm destroyed parts of the system. Despite the fact that roads were impassable and access to damaged utility equipment was blocked by a tangled mess of trees, limbs and wires; Stow, Hudson and Bolton Highway, Public Works, Fire and Police Departments were not deterred. No matter what, where or when we needed them, their crews were always just a phone call away to divert traffic, clear roads, move whole trees, and even deliver utility trucks to our back door for us to use. For their assistance, we are extremely thankful. But most of all, we thank our customers for their patience, their kind words and their timely reports that greatly helped the restoration process.

Hudson Municipal Light Board

Roland L. Plante, Chairman *Joseph J. Marinelli*, Clerk

Paul Huehmer, Member

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## MANAGER'S REPORT

### **COMPETITIVE RATES**

Energy market conditions allowed the Department to increase the early-payment discount to 50% during January of 2011. The discount was then restored to its customary level of 10%.

Effective January 1<sup>st</sup>, net bills were reduced based on a cost of service study performed by the Department. In keeping with our efforts to promote conservation, the tiered approach whereby price dropped as consumption increased was removed. The exception was the residential electric hot water heater and residential all-electric rates, which still offer discounted tiers.

### **CONTINUED GROWTH**

During 2011, the system's peak demand was 77.6 Megawatts (MW). Over the past 10 years, the number of customers grew 12.2%, with electric usage up 15.4%. In 2011, the Department supported the expansion and construction of multiple housing and commercial projects in Hudson, including Westridge Housing Complex, Assabet Village, Brigham Hill Phase 3, the new David J. Quinn Elementary School, Wal-Mart expansion, 34 Tower Street, Kane Industrial Drive and Shelley Lane. In Stow, new areas of growth included Villages at Stow Housing Complex, Dunster Drive, Sylvan Drive, the new Center School, the Fire Academy and Homestead Lane. In Berlin, we worked on the Dudley Road Housing Development.

### **RELIABILITY**

A utility's performance is rated based upon the customer average interruption duration index (CAIDI). Hudson Light's 2011 CAIDI was 13 minutes per customer, 84% lower than the 2010 National average. It should be noted that CAIDI reporting requirements purposely exclude major events such as Tropical Storm Irene and the Halloween Storm as they do not reflect normal operating conditions for a utility.

HLPD worked to maintain a high reliability record by identifying and removing hazardous trees along the length of the 115,000-volt Transmission Line. In addition, all tree limbs that started impinging on the live conductors were trimmed back to the edge of the Transmission Right-of-Way. The access road was improved in certain areas to ensure that emergency vehicles and line trucks had access to all towers of the Transmission Line. Maintenance proved especially important during 2011 when our electric system was hammered by Tropical Storm Irene and the Halloween Northeaster.

### **CONSERVATION**

During mid-2011, the Renewable Energy and Conservation Incentive Program (REECIP) was launched, funded with the monthly REECIP charge of \$0.005 per kilowatt-hour (kWh). The funding allowed us to offer residential and commercial solar incentives, commercial energy audits, and commercial rebates. REECIP was developed as an alternative to the State Trust Fund, which directs monies toward programs involving renewable energy. The local program's benefit is that all funds are earmarked for Hudson Light customers, and program flexibility to meet changing needs. The program awarded \$13,655.00 in subsidies and incentives

The Residential Conservation Service (RCS) charge for 2011-12 was set at \$0.52 per month. The charge supports our Residential Conservation Programs, which include appliance rebates, an energy hotline, free home energy audits, electric usage analyses, an energy efficient light bulb program, appliance rebate program and the loan of appliance test meters. A total of \$27,761 was credited to customer accounts in the form of appliance rebates for 2011 purchases. During 2011, a total of 502 light bulbs were sold at a subsidized cost to customers. Some 105 free home energy audits were performed.

### **REDUCING OUR "CARBON FOOTPRINT"**

Hudson Light goes beyond conservation in attempting to reduce our impact on the environment by recycling, promoting renewable energy, and investing in reduced-emissions power generation.

During 2011 Hudson Light obtained approximately 66.9% of its electricity from sources that produce little or no greenhouse gas emissions. Approximately 2.17% of Hudson Light's energy comes from hydroelectric power plants. We receive and sell Nitrogen Oxide (NOx) allowances.

In 2011, we recycled 15,672 pounds of transformers, capacitors and insulating oil, approximately 2,600 pounds of paper, 76,383 pounds of scrap metal, and fluorescent and mercury vapor lamps.

Hudson Light promotes the New England Wind Fund. We provide free meter upgrades to customers with distributed generation, such as solar, and purchase any excess energy from them.

### **CHERRY STREET GENERATING STATION**

The Cherry Street Generating Station provides approximately 15 MW of peak shaving capability and is used for emergencies and to relieve load when necessary. In 2011, the Station produced 383,190 kilowatt-hours (kWh), which includes 2,690 kWh from a solar panel installation. The generating units have been entered into the wholesale Forward Capacity Market (FCM) to support the New England grid in times of capacity shortages. HLPD received compensation credits in the FCM for the Cherry Street Generating Station worth approximately \$748,440 in 2011.

### **SAFETY, TRAINING, SECURITY**

Safety remains a top priority of the Hudson Light and Power Department. Our employees participate in on-site safety courses held throughout the year and conduct a school electric safety program for local fourth graders.

### **COMMUNITY INVOLVEMENT**

Our generating station remains a popular education site for local school and scouting groups, who often visit the station.

Hudson Light once again joined local businesses to help Hudson High sophomores prepare for the future. During the annual Reality Fair, students "purchased" homes, "paid" for utilities, food, cars and insurance with their "wages" to see how far their dollars would stretch.

We were pleased to continue our assistance to the Organization for the Assabet River (OAR) with the clean-up effort of the Assabet River, which marked its 25<sup>th</sup> year during 2011. The HLPD team provided river access and transportation.

### **A PERSONAL NOTE**

The Department was saddened to learn of the passing of former employee David M. Mega, who lost his battle with cancer at age 46 on July 25, 2011. David was employed as an Oiler at our Power Station from 1985 to 1998. The Department extends its deepest condolences to David's family and friends.

On behalf of the Department, I thank the Hudson Municipal Light Board for its continued support and guidance. I also commend the employees of the Hudson Light and Power Department for their dedication and commitment to the highest quality service possible to customers of the Hudson Light and Power Department.

In accordance with Chapter 164, Section 57 of the Massachusetts General Laws, we are providing the following estimated income and the estimated receipts and expenditures from the sales of electricity:

### Estimated Income from Sales of Electricity - 2012

|                                                |           |                   |
|------------------------------------------------|-----------|-------------------|
| From Sales to Municipal Customers              | \$        | 1,468,167         |
| From Sales to Domestic Customers               |           | 13,326,155        |
| From Sales to Commercial Customers             |           | 3,528,179         |
| From Sales to Power Customers                  |           | 23,674,650        |
| From Street Lights: Stow and Other Communities |           | 6,269             |
| Hudson                                         |           | 139,347           |
| <b>Total Income</b>                            | <b>\$</b> | <b>42,142,767</b> |

### Estimated Expenditures - 2012

|                                          |           |                   |
|------------------------------------------|-----------|-------------------|
| Production, Generation, Purchased Power* | \$        | 35,876,585        |
| Distribution and Transmission            |           | 2,048,978         |
| General                                  |           | 2,470,561         |
| Depreciation                             |           | 756,000           |
| <b>Total Expenditures</b>                | <b>\$</b> | <b>41,152,124</b> |

The estimated cost of electricity to be used by the Town of Hudson for all purposes for the year ending June 30, 2012 is: \$ 1,215,000

*\*In addition to generation, **Production, Generation and Purchased Power** Costs include MMWEC's accelerated debt service recovery and transfers from the Rate Stabilization Fund.*

In the following pages are the financial statistics of the Hudson Light and Power Department.

Respectfully submitted,

*Yakov D. Levin*, Manager

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DEFINITIONS

Under the ***Cash Basis of Accounting***, revenue is recognized only when cash is received; expenses are recorded only when they are paid in cash. Under this method the determination of income rests upon the collection of revenues for services or products rendered. Expenses are incurred upon the actual payment of cash for products or services received. This type of accounting is seldom found in practice and financial statements which could be prepared on this basis do not reflect the financial position or operating results of a business in conformity with generally accepted accounting principles.

Under the ***Accrual Basis of Accounting***, revenue is recognized when it is realized and expenses are recognized when incurred, without regard to the time of receipt of payment. The focus of accrual accounting is on the realization of revenue, the incurrence of costs, and the matching of revenue with costs incurred. This "matching" concept requires that the cost incurred to create revenues be accounted for at the same time. Consequently, if revenue is accounted for during a period, the "matching" costs must be accounted for even if it requires an estimation of these costs.

Balance Sheet: A Balance Sheet is a concise statement of the assets, liabilities and equity of a business as of a given date.

Assets: Anything owned that has monetary or utility value is an Asset. Assets are divided into Plant or Property Assets, Current Assets, Deferred Assets or Other Assets. Property Assets are buildings, generation equipment, transmission equipment, distribution equipment, etc. in use. Construction Work In Progress is Plant Under Construction which has not been completed as of the date of the statement. Current Assets are cash, receivables, inventories of generation fuel, gasoline, lube oil, poles, etc., prepayments, unbilled utility revenues and other miscellaneous assets. Deferred Assets represent expenditures for preliminary surveys, plans, and investigations made for the purpose of determining the feasibility of utility projects under consideration.

Liabilities: Liabilities consist of debts outstanding (unpaid bills) and in the process of accruing. They are usually classified as to Current Liabilities, Deferred Liabilities, or Long-Term Debt.

Current Liabilities are Short-Term Liabilities. They generally consist of obligations which are to be liquidated within a year from the balance sheet date and include amounts accrued to date or those liabilities which accumulate from day to day. The most common Current Liabilities are accounts payable (bills owed as of a specific date), accrued salaries and wages, accrued interest, etc.

Deferred Liabilities: Advance billings for services rendered, etc.

Long-Term Debt: Debts incurred through borrowing such as bonds and notes or other financial obligations which are payable over a long period of time.

Equity: The amounts paid on loans over the Department's existence, moneys invested by the Town in the Department, and the earnings retained in the Department as represented by property.

Income Statement: An Income Statement is a report in summary form of the revenue earned by a particular business during a specified period, together with the related costs and expenses and the losses for that same period and the resulting net income (or net loss).

COMPARATIVE BALANCE SHEET

ASSETS

	2011	2010	Increase (Decrease)
Electric Utility Plant (Net)...			
Intangible Plant	\$ 3,871.33	\$ 3,871.33	-
Production Plant in Service	835,006.44	860,245.33	(25,238.89)
Nuclear Fuel	121,721.45	105,686.69	16,034.76
Transmission Plant in Service	1,567,429.46	1,706,042.67	(138,613.21)
Distribution Plant in Service	3,925,771.68	4,087,924.03	(162,152.35)
General Plant in Service	1,031,152.50	1,072,758.09	(41,605.59)
Construction Work In Progress	570,821.51	426,418.54	144,402.97
Total Utility Plant In Service	<u>\$ 8,055,774.37</u>	<u>\$ 8,262,946.68</u>	<u>\$ (207,172.31)</u>
Other Property & Investments...			
Investments in Assoc. Companies	\$ 30,628.59	\$ 35,767.52	(5,138.93)
Other Investments	-	-	-
Total Other Property & Investments...	<u>\$ 30,628.59</u>	<u>\$ 35,767.52</u>	<u>\$ (5,138.93)</u>
Cash Assets...			
Operation Cash	\$ 4,589,415.29	\$ 6,405,302.43	(1,815,887.14)
Miscellaneous Cash	1,484,620.34	200,692.91	1,283,927.43
Depreciation Fund Investment	5,308,050.47	4,715,075.28	592,975.19
Insurance Escrow Reserve	69,334.73	83,558.95	(14,224.22)
Petty Cash	500.00	500.00	-
Deposit Interest Account	168,855.26	159,394.87	9,460.39
Customer Deposits Account	598,897.45	510,279.75	88,617.70
Total Cash Balances	<u>\$ 12,219,673.54</u>	<u>\$ 12,074,804.19</u>	<u>\$ 144,869.35</u>
Other Current and Accrued Assets...			
Customer Account Receivables	\$ 4,161,039.11	\$ 3,622,263.72	538,775.39
Other Accounts Receivables	352,729.03	151,057.89	201,671.14
Material and Supplies	1,158,151.96	1,110,290.25	47,861.71
Prepayments	1,181,207.24	1,013,323.18	167,884.06
Int. & Dividends Receivable	-	-	-
Accrued Utility Revenues	-	-	-
Misc. Current & Accrued Assets	-	-	-
Total Other Current & Accrued Assets	<u>\$ 6,853,127.34</u>	<u>\$ 5,896,935.04</u>	<u>\$ 956,192.30</u>
Deferred Assets...			
Preliminary Survey Charges	\$ -	\$ -	-
Misc. Deferred Debits	-	-	-
Total Deferred Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Assets	<u><u>\$ 27,159,203.84</u></u>	<u><u>\$ 26,270,453.43</u></u>	<u><u>\$ 888,750.41</u></u>

EQUITY AND LIABILITIES

	2011	2010	Increase (Decrease)
Equity...			
Loans Repayment	\$ 1,925,000.00	\$ 1,925,000.00	\$ -
Invested by Town	20,093.39	20,093.39	\$ -
Retained Earnings	17,553,246.41	17,148,527.26	\$ 404,719.15
Total	<u>\$ 19,498,339.80</u>	<u>\$ 19,093,620.65</u>	<u>\$ 404,719.15</u>
Current & Accrued Liabilities...			
Accounts Payable	\$ 1,703,388.18	\$ 1,588,351.99	\$ 115,036.19
Customer Deposits	598,897.45	510,279.75	\$ 88,617.70
Customer Deposits-Interest	168,855.26	159,394.87	\$ 9,460.39
Tax Collections Payable	25,847.70	(0.42)	\$ 25,848.12
Accrued REECIP Liability	178,578.79	-	\$ 178,578.79
Accrued RCS Liability	26,024.35	-	\$ 26,024.35
Misc. Current & Accrued Liabilities	1,108,766.68	1,299,425.75	\$ (190,659.07)
Customer Advances for Construction	162,895.30	144,402.96	\$ 18,492.34
Total Current & Accrued Liabilities	<u>\$ 3,973,253.71</u>	<u>\$ 3,701,854.90</u>	<u>\$ 271,398.81</u>
Deferred Credits...			
Misc. Deferred Credits	\$ -	\$ -	\$ -
Deferred Credit-Power Adj Charge	1,889,582.36	1,726,659.28	\$ 162,923.08
Total Deferred Credits	<u>\$ 1,889,582.36</u>	<u>\$ 1,726,659.28</u>	<u>\$ 162,923.08</u>
Contributions in aid of Construction...			
Total Contributions in aid of Construction...	<u>\$ 1,798,027.97</u>	<u>\$ 1,748,318.60</u>	<u>\$ 49,709.37</u>
	<u>\$ 1,798,027.97</u>	<u>\$ 1,748,318.60</u>	<u>\$ 49,709.37</u>
Total Equity & Liabilities	<u><u>\$ 27,159,203.84</u></u>	<u><u>\$ 26,270,453.43</u></u>	<u><u>\$ 888,750.41</u></u>

STATEMENT OF EQUITY

Retained Earnings on January 1, 2011	\$ 17,101,196.29
Net Income or (Loss)	708,403.23
Miscellaneous Credits to Retained Earnings	-
Total	<u>\$ 17,809,599.52</u>
Appropriation of Retained Earnings Returned to Towns	\$ 256,353.11
Miscellaneous Debits to Retained Earnings	-
Total	<u>\$ 256,353.11</u>
Total Retained Earnings on December 31, 2011	<u><u>\$ 17,553,246.41</u></u>

COMPARATIVE INCOME STATEMENT

OPERATING STATEMENT

	2011	2010	Increase (Decrease)
Operating Revenue	\$ 44,065,187.99	\$ 46,970,343.40	\$ (2,905,155.41)
Operating Expense...			
Production	\$ 768,938.73	\$ 761,592.59	\$ 7,346.14
Purchased Power Expense	31,161,087.05	34,803,329.96	(3,642,242.91)
Transmission Expenses	5,081,981.42	4,663,564.25	418,417.17
Distribution Expenses	1,332,276.95	1,091,855.30	240,421.65
General Expenses	4,321,214.96	4,348,995.67	(27,780.71)
Depreciation	741,230.53	732,360.38	8,870.15
Taxes	23,113.86	21,761.74	1,352.12
Total Operating Expenses	<u>\$ 43,429,843.50</u>	<u>\$ 46,423,459.89</u>	<u>\$ (2,993,616.39)</u>
Net Operating Revenues	\$ 635,344.49	\$ 546,883.51	\$ 88,460.98
Other Income...			
Income From Contract Work	\$ -	\$ -	\$ -
Interest & Dividend Income	73,177.74	104,199.99	(31,022.25)
Misc. Nonoperating Income	-	-	-
Total Other Income	<u>\$ 73,177.74</u>	<u>\$ 104,199.99</u>	<u>\$ (31,022.25)</u>
Miscellaneous Income Deductions...			
Other Income Deductions	<u>\$ 119.00</u>	<u>\$ 146.00</u>	<u>\$ (27.00)</u>
Total Income Deductions	<u>\$ 119.00</u>	<u>\$ 146.00</u>	<u>\$ (27.00)</u>
Inc. Before Interest Charges	\$ 708,403.23	\$ 650,937.50	\$ 57,465.73
Interest Charges...			
Other Interest Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Interest Charges	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Income Before Return to Towns	\$ 708,403.23	\$ 650,937.50	\$ 57,465.73
Less Return to Towns	<u>256,353.11</u>	<u>254,779.79</u>	<u>1,573.32</u>
Net Income (Loss)	<u><u>\$ 452,050.12</u></u>	<u><u>\$ 396,157.71</u></u>	<u><u>\$ 55,892.41</u></u>

INCOME STATEMENT DETAIL

OPERATING REVENUE

January 1, 2011 to December 31, 2011

Sales to Residential Consumers	\$ 8,226,016.97
Sales to Commercial Consumers	2,057,367.43
Sales to Power Consumers	11,603,600.00
Private Property Lighting Sales	90,654.79
Municipal Sales...	
Hudson Street Lights	139,345.72
Hudson Municipal Buildings	75,842.76
Hudson Municipal Power	409,633.65
All Electric Municipal Buildings	218,122.31
Stow & Berlin Street Lights	6,269.30
Stow, Maynard & Other Municipal Service	84,936.99
Sales for Resale	-
Total Revenue from Sales of Electricity	\$ 22,911,789.92
Power Adjustment Charges...	
Residential Sales	\$ 5,335,898.09
Commercial Sales	1,409,128.83
Power Sales	13,509,849.37
Private Property Lighting	35,679.83
Municipal Power Adjustment Charges...	
Street Lighting Stow et al	-
Municipal Power Hudson	406,310.27
Municipal Commercial Hudson	50,211.33
Municipal Power Stow et al	59,393.70
Municipal Commercial Stow et al	7,984.34
Municipal All Electric	178,998.04
Miscellaneous Electric Sales	(162,923.08)
Total Power Adjustment Charges	\$ 20,830,530.72
Total Revenue From Sale of Electricity	\$ 43,742,320.64
Other Income...	
Other Electric Revenues (RCS, etc.)	\$ 322,867.35
Total Income	\$ 44,065,187.99

INCOME STATEMENT DETAIL

EXPENSES

January 1, 2011 to December 31, 2011

Production

Nuclear Power Generation

Operation Supervision	\$ 34,392.00
Fuel	52,561.24
Coolants and Water	2,982.00
Steam Expenses	7,534.00
Electric Expenses	-
Miscellaneous Nuclear Power Expenses	54,926.00
Maintenance Supervision	10,928.00
Maintenance of Structures	7,528.00
Maintenance of Reactor Plant Equipment	32,058.00
Maintenance of Electric Plant	5,213.00
Maintenance of Miscellaneous Nuclear Power	4,036.00

Total Nuclear Power Production Expenses \$ 212,158.24

Other Power Generation...

Operation Supervision	\$ 45,652.40
Fuel Oil	19,207.39
Fuel Natural Gas	18,794.25
Generation Expense	90,937.71
Generation Expense-Lube	817.42
Miscellaneous Other Power Generation Expenses	124,591.11
Maintenance Supervision	43,509.58
Maintenance of Structures	133,894.34
Maintenance of Generation and Electric Plant	71,455.77
Maintenance of Miscellaneous Generation Plant	7,920.52

Total Other Production Expenses \$ 556,780.49

Purchased Power Expenses...

Purchased Power-Entitlement	\$ 21,984,302.80
Purchased Power-ISO	9,168,992.53
System Control and Load Dispersion	7,791.72
Other Expenses Purchase Power	-

Total Purchased Power \$ 31,161,087.05

Distribution Expenses...

Operation Supervision and Engineering	\$ 53,316.63
Station Expenses	176,106.83
Overhead Line Expenses	6,171.78
Underground Line Expenses	-
Street Lighting & Signal Expenses	15,383.17
Meter Expenses	125,421.04

INCOME STATEMENT DETAIL

EXPENSES (CONTINUED)

Distribution Expenses (cont.) ...

Customer Installation Expense	141,342.77
Miscellaneous Distribution Expenses	33,304.94
Rents	-
Maintenance of Supervision and Engineering	52,006.61
Maintenance of Station Equipment	11,486.70
Maintenance of Overhead Lines	678,928.70
Maintenance of Underground Line	13,910.82
Maintenance of Line Transformer	12,662.43
Maintenance of Street Lighting	11,966.23
Maintenance of Meters	267.68
Maintenance of Miscellaneous Distribution Plant	0.62

Total Distribution Expenses \$ 1,332,276.95

Transmission Expense \$ 5,081,981.42

General...

Supervision	\$ 21,890.80
Meter Reader Expenses	29,387.58
Customer Records and Collection Expenses	424,145.20
Advertising Expense	1,782.37
Miscellaneous Sales Expense (RCS)	1,420.00
Administrative and General Salaries	628,388.67
Office Supplies and Expenses	11,456.99
Administrative Expenses Transferred	-
Outside Services Employed	103,581.90
Property Insurance	51,832.00
Injuries and Damages	149,691.11
Employee Pension and Benefits	2,622,554.23
Regulatory Commission Expenses	-
General Advertising Expense	1,825.23
Miscellaneous General Expenses	64,671.85
Maintenance of General Plant	110,709.45
Transportation Expenses	97,877.58
Depreciation Expense	741,230.53

Total General and Depreciation Expenses \$ 5,062,445.49

Real Estate and Other Taxes \$ 23,113.86

Total Operation Expenses \$ 43,429,843.50

FOOTNOTE TO FINANCIAL STATEMENTS

The Hudson Light and Power Department's accounting policies are in conformity with generally accepted accounting principles and conform to the uniform system of accounts prescribed for Public Utilities by the Federal Energy Regulatory Commission as modified by the Massachusetts Department of Public Utilities for municipal owned lighting plants.

Revenues are computed on the basis of monthly billings to customers. Unbilled revenues from the sale of energy are not accrued as of the end of the calendar year. Miscellaneous electric sales adjustment is for over-billed or under-billed power adjustment charges.

Electric Utility Plant Assets are stated at net cost. The provision for depreciation is determined by the straight-line method based on a 3% annual depreciation rate. The cost of maintenance and repairs is expensed as incurred; renewals, replacements and betterments are capitalized.

Preliminary Survey Charges (Deferred Assets) incurred for proposed projects through MMWEC are deferred pending bonding of the proposed facility. Funds relating to MMWEC projects are refunded to the Department after bonding. Charges relating to projects, which are undertaken by the Department, are transferred to Construction Work in Progress and eventually to Utility Plant upon completion. Projects abandoned by MMWEC or the Department are charged to expense.

Projects started but not completed are charged to **Construction Work In Progress**. Any project abandoned is charged directly to retained earnings.

Investments of the Depreciation Fund are in Certificates of Deposit and U.S. Government and Agency Securities as prescribed by law. Further, interest earned on these funds can only be used in the same manner as depreciation funds as prescribed by the Massachusetts General Laws.

Inventories: Cost of materials, supplies and fuel are valued at average cost.

Segregated Funds: The Depreciation Fund is restricted to additions and replacements of plant, property and equipment under the General Laws of the Commonwealth of Massachusetts and regulations of State agencies.

Pensions: The Department's employees are members of the Middlesex County Retirement System. The Municipal Light Board has established the Hudson Municipal Light Department Employee's Retirement Trust Fund to reimburse the Town of Hudson for retirement costs of its employees. This fund is maintained by the transfer of funds from the Department to the Trust based on actuarial studies performed by a professional actuarial consultant. An amount equal to \$592,636.30 was transferred from the Trust Fund to the Town.

Other Post Employee Benefits Trust: The Municipal Light Board has established this Trust Fund to directly reimburse the Town of Hudson for retirement costs, other than pensions, attributable to Light Department retirees. On the basis of actuarial studies, sufficient funds will continue to be set aside to meet the future retirement obligations of the Town for persons currently employed by the Municipal Light Department.

Rate Stabilization Trust: The Municipal Light Board has established this Trust to fund municipal power supply costs for which the Department is presently obligated to make under Power Supply Agreements, so as to eliminate or reduce power supply costs and other presently ascertainable obligations, in order to remain competitive within the electric industry and for other power-related issues which the Trustees designate by vote. In 20122, no funds were used.

Commitments and Contingencies: The Hudson Light and Power Department has purchase contracts with the following sponsor companies and receives kilowatt-hour amounts from the entitlements listed:

	Yearly Cost \$	Energy kWh
PASNY- Niagara River	220,140.50	8,552,144
MMWEC- Wyman #4	121,531.15	229,957
MMWEC - Nuclear Mix #1	546,159.04	5,552,859
MMWEC - Millstone #3	423,000.11	4,777,296
MMWEC - Seabrook #4	1,486,947.65	15,325,603
MMWEC - Seabrook #5	175,388.91	1,706,929
MMWEC - Seabrook #6	13,588,076.73	116,052,185
Taunton - Cleary #9	589,546.44	2,464,153
FPL Energy	2,702,052.70	58,234,000
Morgan Stanley Capital	1,644,769.30	36,662,000
JP Morgan	661,788.00	14,880,000
Solar - Local Customers	807.24	14,415
	<hr/> 22,160,207.77	<hr/> 264,451,541
ISO-NE	<hr/> 9,168,992.53	<hr/> 122,208,888
Total	<hr/> <hr/> 31,329,200.30	<hr/> <hr/> 386,660,429

Hudson obtains 962.7 kW of Seabrook Unit #1 on a direct ownership basis, for which the Department uses 100% equity financing. Hudson's ownership share of Seabrook Unit #1 is 0.07737%. On June 30, 1990, Seabrook was declared operational. Under the Joint Ownership Agreement, the joint owners are obligated to pay their pro rata share of Seabrook's operating cost. In addition, should any other joint owner fail to make any payment, the other owners may be required to increase their payments and correspondingly their equivalent percentage ownership of Seabrook capacity. Hudson is one of three, minority non-operating owners of Seabrook Station.

The Town of Hudson, acting through its Light Department, is a Participant in certain Projects of the Massachusetts Municipal Wholesale Electric Company (MMWEC).

MMWEC is a public corporation and a political subdivision of the Commonwealth of Massachusetts, created as a means to develop a bulk power supply for its Members and other utilities. MMWEC is authorized to construct, own or purchase ownership interests in, and to issue revenue bonds to finance, electric facilities (Projects). MMWEC has acquired ownership interests in electric facilities operated by other entities and also owns and operates its own electric facilities. MMWEC sells all of the capability (Project Capability) of each of its Projects to its Members and other Utilities (Project Participants) under Power Sales Agreements (PSAs). Among other things, the PSAs require each Project Participant to pay its *pro rata* share of MMWEC's costs related to the Project, which costs include debt service on the revenue bonds issued by MMWEC to finance the Project, plus 10% of MMWEC's debt service to be paid into a Reserve and Contingency Fund. In addition, should a Project Participant fail to make any payment when due, other Project Participants of that Project may be required to increase (step-up) their payments and correspondingly their Participants' share of that Project's Project Capability to an additional amount not to exceed 25% of their original Participants' share of that Project's Project Capability. Project Participants have covenanted to fix, revise, and collect rates at least sufficient to meet their obligations under the PSAs.

MMWEC has issued separate issues of revenue bonds for each of its eight Projects, which are payable solely from, and secured solely by, the revenues derived from the Project to which the bonds relate, plus available funds pledged under MMWEC's Amended and Restated General Bond Resolution (GBR) with respect to the bonds of that Project. The MMWEC revenues derived from each Project are used solely to provide for the payment of the bonds of any bond issue relating to such Project and to pay MMWEC's cost of owning and operating such Project and are not used to provide for the payment of the bonds of any bond issue relating to any other Project.

MMWEC has a 3.7% interest in the W.F. Wyman Unit No. 4 plant, which is operated and owned by its majority owner, FPL Energy Wyman IV, LLC, a subsidiary of NextEra Energy Resources LLC, and a 4.8% ownership interest in the Millstone Unit No. 3 nuclear unit, operated by Dominion Nuclear Connecticut, Inc. (DNCI), the majority owner and an indirect subsidiary of Dominion Resources, Inc. The operating license for the Millstone Unit No. 3 nuclear unit extends to November 25, 2045.

A substantial portion of MMWEC's plant investment and financing program is an 11.6% ownership interest in the Seabrook Station nuclear generating unit operated by NextEra Energy Seabrook, LLC (NextEra Seabrook) the majority owner and an indirect subsidiary of NextEra Energy Resources. The operating license for Seabrook Station extends to March, 2030. NextEra Seabrook has submitted an application to extend the Seabrook Station operating license for an additional 20 years.

Pursuant to the PSAs, the MMWEC Seabrook and Millstone Project Participants are liable for their proportionate share of the costs associated with decommissioning the plants, which costs are being funded through monthly Project billings. Also, the Project Participants are liable for their proportionate share of the uninsured costs of a nuclear incident that might be imposed under the Price-Anderson Act (Act). Originally enacted in 1957, the Act has been renewed several times. In July 2005, as part of the Energy Policy Act of 2005, Congress extended the Act until the end of 2025.

Hudson Light & Power Department has entered into PSAs and Power Purchase Agreements (PPAs) with MMWEC. Under both the PSAs and PPAs, the Department is required to make certain payments to MMWEC payable solely from Department revenues. Under the PSAs, each Participant is unconditionally obligated to make all payments due to MMWEC, whether or not the Project(s) is completed or operating and notwithstanding the suspension or interruption of the output of the Project(s).

MMWEC is involved in various legal actions. In the opinion of MMWEC management, the outcome of such actions will not have a material adverse effect on the financial position of the company.

Seven municipal light plants that are Participants under PSAs with MMWEC have submitted a demand for arbitration of a dispute relating to charges under the PSAs. MMWEC cannot predict the outcome of the arbitration demand, but in the opinion of MMWEC Management, it will not have a material adverse effect on the financial position of MMWEC.

Total capital expenditures for MMWEC's Projects amounted to \$1,581,599,000, of which \$171,370,000 represents the amount associated with the Department's share of Project Capability of the Projects in which it participates, although such amount is not allocated to the Department. MMWEC's debt outstanding for the Projects includes Power Supply System Revenue Bonds totaling \$358,420,000, of which \$46,683,000 is associated with the Department's share of Project Capability of the Projects in which it participates, although such amount is not allocated to the Department. As of December 31, 2011, MMWEC's total future debt service requirement on outstanding bonds issued for the Projects is \$380,165,000, of which \$49,646,000 is anticipated to be billed to the Department in the future.

The estimated aggregate amount of Hudson Light & Power Department's required payments under the PSAs and PPAs, exclusive of the Reserve and Contingency Fund billings, to MMWEC at December 31, 2011, and estimated for future years is shown below.

For the years ending December 31,	ANNUAL COSTS	
	2012	9,146,000
	2013	8,972,000
	2014	8,859,000
	2015	8,608,000
	2016	8,177,000
	2017 to 2019	<u>5,884,000</u>
Total	\$	<u><u>49,646,000</u></u>

In addition, under the PSAs, the Department is required to pay to MMWEC its share of the Operation and Maintenance (O&M) costs of the Projects in which it participates. The Department's total O&M costs including debt service under the PSAs were \$ 17,953,000 and \$18,330,000 for the years ended December 31, 2011 and 2010 , respectively.

STATEMENT OF CHANGES IN FINANCIAL POSITION

January 1, 2011 to December 31, 2011

Funds were provided from . . .

Operations . . .

Net Income	\$ 708,403.23
Miscellaneous Credits to Surplus	-
Return of Investment	5,138.93
	<hr/>

Total Funds Provided

\$ 713,542.16

Funds were used for . . .

Increase (Decrease) to Utility Plant	\$ (207,172.31)
Miscellaneous Debits to Surplus	47,330.97
Return to Town of Hudson	225,000.00
Return to Town of Stow	31,353.11
Decrease (Increase) in Deferred Credits	-
	<hr/>

Total

\$ 96,511.77

Increase (Decrease) in Working Capital

\$ 617,030.39

Increase (Decrease) in Working Capital Represented by . . .

Cash	\$ 144,869.35
Receivables	740,446.53
Materials and Supplies	47,861.71
Prepayments	167,884.06
Interest Receivable	-
Accrued Utility Revenues	-
Miscellaneous Deferred Debits	(231,124.79)
Miscellaneous Accrued Liabilities	(112,022.16)
Accounts Payable	(115,036.19)
Injury Reserve	-
Taxes Payable	(25,848.12)
	<hr/>

Total

\$ 617,030.39

RECEIPTS AND EXPENDITURES

Cash Balance -- January 1, 2011 \$ 12,074,804.19

Receipts...	Received	
Residential Sales	\$ 13,782,474.15	
Commercial Sales	3,145,044.85	
Industrial Sales	25,161,372.87	
Street Lighting	143,722.54	
Yard Lighting	129,432.43	
Municipal Sales	1,505,364.90	
Consumer Deposits	177,838.58	
Int. on Consumers' Deposits	11,115.52	
Int. on Invested Funds	54,788.80	
Rate Stabilization Trust	-	
Sundry Revenues	1,526,839.33	
Total Receipts	<u>45,637,993.97</u>	\$ 45,637,993.97

Expenditures...	Paid Out	
Returned to Towns	\$ 225,000.00	
Consumers' Deposits Refunded	107,811.15	
Consumers' Deposits Interest Paid	1,655.13	
Payrolls	2,967,969.77	
Inv. for Supplies, Serv., etc.	40,125,292.32	
Rate Stabilization Trust	-	
Employees' Retirement/OPEB Trust	2,065,396.25	
Total Expenditures	<u>45,493,124.62</u>	\$ 45,493,124.62

Cash Balance -- December 31, 2011 \$ 12,219,673.54

REVENUE FROM SALE OF ELECTRICITY

January 1, 2011 to December 31, 2011

	HUDSON		STOW		OTHER		TOTAL
Res. Service "A"	\$ 4,418,667.62	\$	1,543,285.07	\$	63,749.98	\$	6,025,702.67
Res. Wtr. Heater "E"	571,543.00		567,744.33		38,533.24		1,177,820.57
All Elec. Service "F"	767,280.13		249,382.05		7,490.66		1,024,152.84
Com. Htg. & Air Cond.	251.45		983.76				1,235.21
Com. Service "C"	1,624,739.68		426,971.52		4,587.91		2,056,299.11
Large Power "D"	10,945,423.71		652,337.09		5,581.28		11,603,342.08
Municipal All Elec.					218,122.27		218,122.27
Municipal Service "C"	75,842.78		12,753.23		585.04		89,181.05
Municipal Power "D"	408,049.89		71,598.73				479,648.62
Street Lighting	139,345.72		6,229.61		39.69		145,615.02
Yard Lighting	79,519.61		10,389.81		761.07		90,670.49
Power Adjustment Charges...							
Res. Service "A"	\$ 2,717,777.91	\$	971,980.54		42,946.97		3,732,705.42
Res. Wtr. Heater "E"	406,933.65		414,471.79		27,608.40		849,013.84
All Elec. Service "F"	560,404.42		187,782.16		5,697.10		753,883.68
Com. Htg. & Air Cond.	103.39		721.31				824.70
Com. Service "C"	1,115,482.83		290,280.00		2,642.10		1,408,404.93
Large Power "D"	12,930,861.81		574,807.74		4,179.82		13,509,849.37
Municipal All Elec.					178,998.04		178,998.04
Municipal Service "C"	50,211.33		7,898.66		85.68		58,195.67
Municipal Power "D"	406,310.27		59,393.70				465,703.97
Street Lighting	-						-
Yard Lighting	31,302.13		4,117.72		263.46		35,683.31
Total Rev. Each Zone	\$ 37,250,051.33	\$	6,053,128.82	\$	601,872.71	\$	43,905,052.86

Misc. Electric Sales (162,923.08)

Total Revenue from Sale of Electricity \$ 43,742,129.78

Res. Service "A"	\$ 9,758,408.09
Res. Service "E" Wtr Htr	2,026,834.41
All Elec. Service "F"	1,778,036.52
Com. Htr. & Air. Cond	2,059.91
Com. Service "C"	3,464,704.04
Large Power "D"	25,113,191.45
Municipal All Elec.	397,120.31
Municipal Service "C"	147,376.72
Municipal Power "D"	945,352.59
Street Lighting	145,615.02
Yard Lighting	126,353.80
Total	<u><u>\$ 43,905,052.86</u></u>

STATISTICS
KILOWATT-HOURS GENERATED, PURCHASED, SOLD AND USED

January 1, 2011 to December 31, 2011

Kilowatt-hours Generated	6,852,670
Kilowatt-hours Purchased	<u>386,660,428</u>
Total Generated & Purchased	393,513,098

	HUDSON	STOW	OTHER AREAS
Kilowatt-hours Sold...			
Residence Service "A"	50,901,839	18,189,657	804,525
Service "E" (wtr htr)	7,628,114	7,756,339	517,347
All Electric Service "F"	10,562,818	3,533,520	108,539
Htg. and Air Cond. for Business	1,904	13,180	0
Commercial Service "C"	20,113,748	5,227,260	47,536
Large Power "D"	233,811,819	10,343,858	75,605
Departmental Usage	199,149	0	
Municipal All Electric	0	0	3,373,900
Municipal Service "C"	908,369	142,662	1,558
Municipal Power "D"	7,325,209	1,071,540	0
Street Lighting	1,214,734	54,955	350
Yard Lighting	<u>558,899</u>	<u>73,460</u>	<u>4,704</u>
Total Kilowatt-hours Each Zone	333,226,602	46,406,431	4,934,064
Total Kilowatt-hours distributed			384,567,097
Kilowatt-hours sold for resale			
Kilowatt-hours used at Station and misc.			1,171,554
Kilowatt-hours lost in Station & Transmission			(29,092)
Kilowatt-hours lost in Distribution Lines			<u>7,803,539</u>
Total			393,513,098

Percent lost in Distribution Lines	1.9830%
Percent lost in Station and Transmission Lines	0.2903%

FIVE-YEAR COMPARATIVE ELECTRIC SALES DATA

	2011	2010	2009	2008	2007
Customers...					
Residential	10679	10635	10550	10509	10459
Commercial	1328	1322	1322	1318	1311
Industrial	156	158	157	155	154
Municipal	127	128	126	121	118
Others	172	173	169	167	169
Total	<u>12462</u>	<u>12416</u>	<u>12324</u>	<u>12270</u>	<u>12211</u>
Kilowatt-hour Sales...					
Residential	100,002,698	99,961,153	94,245,846	95,538,477	96,412,895
Commercial	25,403,628	25,091,848	24,015,429	24,474,536	25,348,941
Industrial	244,231,282	258,847,785	254,812,073	266,829,082	274,485,846
Municipal	14,093,277	14,603,081	13,760,946	14,713,567	14,065,648
Other	637,063	636,981	632,787	635,138	639,792
Total	<u>384,367,948</u>	<u>399,140,848</u>	<u>387,467,081</u>	<u>402,190,800</u>	<u>410,953,122</u>
Revenues Billed...					
Residential	13,563,574.17	13,507,697.55	13,245,343.48	12,827,872.72	\$ 12,368,713.69
Commercial	3,466,663.15	3,688,971.19	3,785,695.91	3,618,204.57	3,618,701.82
Industrial	25,113,191.45	26,988,260.42	29,123,813.72	29,350,680.35	28,343,623.13
Municipal	1,635,464.64	1,813,154.49	1,798,869.44	1,892,066.97	1,786,980.83
Other	126,350.32	119,594.42	119,746.87	106,529.86	116,458.10
Total*	<u>\$ 43,905,243.73</u>	<u>\$ 46,117,678.07</u>	<u>\$ 48,073,469.42</u>	<u>\$ 47,795,354.47</u>	<u>\$ 46,234,477.57</u>

*Does not reflect accounting adjustments for power charges.

CONSUMER STATISTICS

December 31, 2011

Hudson

Hudson Residential Consumers	7,890
Hudson Commercial Consumers	1,137
Hudson Power Consumers	139
Hudson Municipal Consumers	98

Total Hudson Consumers 9,264

Stow and Maynard

Stow Residential Consumers	2,657
Stow Commercial Consumers	347
Stow Power Consumers	18
Stow and Maynard Municipal Consumers	25

Total Stow and Maynard Consumers 3,047

Boxboro, Bolton, Berlin, Marlboro, etc.

Boxboro, Bolton, Berlin, Marlboro, Etc. Residential Consumers	132
Boxboro, Bolton, Berlin, Marlboro, Etc. Commercial Consumers	13
Boxboro, Bolton, Berlin, Marlboro, Etc. Municipal Consumers	6

Total Boxboro, Bolton, Berlin, Marlboro, Etc. Consumers 151

Total Consumers on the System 12,462

EMPLOYEE RETIREMENT TRUST FUND

The purpose of this Trust is to directly reimburse the Town of Hudson for retirement costs attributable to Light Department retirees for whom the Town is assessed annually by the Middlesex County Retirement System. On the basis of actuarial studies, sufficient funds will continue to be set aside to meet the future retirement obligations of the Town for persons currently employed by the Municipal Light Department.

Balance of Retirement Trust as of January 1, 2011		\$ 11,030,543.11
Cash transferred to HLPD Retirement Trust Fund		\$ 1,846,280.00
Gain on Sales		\$ 40,619.18
Interest, dividends and Principal received		<u>\$ 363,605.65</u>
Total Additions to the Fund		<u>\$ 2,250,504.83</u>
Payments to the Town of Hudson		\$ 592,636.30
Loss on Sales		<u>\$ 41,118.30</u>
Total Reductions to the Fund		<u>\$ 633,754.60</u>
Balance of Retirement Trust as of December 31, 2011		<u>\$ 12,647,293.34</u>
Avidia Bank Money Market	0.35%	\$ 469,045.95
Morgan Stanley Money Funds	0.01%	\$ 29,174.91
GNMA	10.00%	\$ 242.48
GNMA	11.00%	\$ 252.27
Avidia Bank	CD 0.90%	\$ 938,164.32
Federated GNMA Money Fund	4.30%	\$ 312,443.32
Avidia Bank	CD 4.40%	\$ 674,293.05
Avidia Bank	CD 0.90%	\$ 408,053.85
Urban Trust Bank	CD 2.35%	\$ 240,000.00
World Financial	CD 2.60%	\$ 200,000.00
WCF	CD 0.00%	\$ 100,000.00
Flagstar Bank	CD 2.50%	\$ 240,000.00
Verizon	5.25%	\$ 297,727.50
Ally Bank	2.45%	\$ 240,000.00
BMW Bank	2.35%	\$ 240,000.00
CFI Market Linked	0.00%	\$ 247,000.00
Union Bank Market Linked	0.00%	\$ 250,000.00
HSBC Bank USA	3.00%	\$ 248,750.00
Burlington North Sante Fe	7.00%	\$ 275,966.40
Bellsouth Corp	5.20%	\$ 131,522.37
Commonwealth Edison	6.15%	\$ 207,646.20
JP Morgan (basket)	CD 0.00%	\$ 150,000.00
AT&T	4.85%	\$ 393,303.60
Bank of America	4.50%	\$ 121,634.35
Constellation Energy Group	4.55%	\$ 216,474.00
Southwestern Electric	4.90%	\$ 213,431.40
FPL Group Capital	7.88%	\$ 220,204.80
Union Pacific Corp	7.00%	\$ 240,414.00
Verizon Communications	5.55%	\$ 137,288.40
SBC Communiations	5.63%	\$ 397,405.50
Virginia Electric	5.90%	\$ 228,047.65
Fed Home Ln Mortgage Corp	3.00%	\$ 750,000.00
Fed Home Ln Bank	1.20%	\$ 500,000.00
PSEG Power	2.75%	\$ 202,906.06
Equity Securities (Market Value \$ 3,299,572.05)		<u>\$ 3,125,900.96</u>
Total		<u><u>\$ 12,647,293.34</u></u>

Trustees, Hudson Light and Power Department Employee Retirement Trust Fund,

Roland L. Plante, Chairman *Joseph J. Marinelli*, Clerk
Paul Huehmer, Member

OTHER POST EMPLOYMENT BENEFITS (OPEB) TRUST

The purpose of this Trust is to directly reimburse the Town of Hudson for retirement costs, other than pensions, attributable to Light Department retirees. On the basis of actuarial studies, sufficient funds will continue to be set aside to meet the future retirement obligations of the Town for persons currently employed by the Municipal Light Department.

Balance of the Other Post Employment Benefit Trust as of January 1, 2011	\$	659,065.64
Interest, Dividends and Principal Received	\$	29,491.68
Transfers from Operations Cash	\$	219,117.00
Total Additions to the Fund	\$	<u>248,608.68</u>
Loss on Sales	\$	4,358.82
Total Reductions to the Fund	\$	<u>4,358.82</u>
Balance of the Other Post Employment Benefit Trust as of December 31, 2011	\$	<u><u>903,315.50</u></u>
Avidia Bank Money Market	0.56%	92,348.61
Morgan Stanley Money Funds	0.20%	15,861.67
Coca Cola	4.25%	94,648.40
Citigroup	4.88%	71,927.50
Verizon Global	4.90%	73,127.10
Golman Sachs	5.63%	73,420.60
McDonalds	5.30%	75,042.00
Virginia Electric	5.40%	72,174.62
Baxter International	5.90%	89,467.50
Equity Securities (Market Value \$ 263,583.14)		245,297.50
Total		<u><u>\$ 903,315.50</u></u>

Trustees, Hudson Light and Power Department Other Post Employment Benefits Trust Fund

Roland L. Plante, Chairman *Joseph J. Marinelli*, Clerk
Paul Huehmer, Member

RATE STABILIZATION TRUST FUND

The purpose of this Trust is to fund power supply costs for which the Department is presently obligated to make under Power Supply Agreements, so as to eliminate or reduce power supply costs and other presently ascertainable obligations, in order to remain competitive within the electric industry and for other power supply-related issues which the Trustees designate by vote.

Balance of the Rate Stabilization Trust as of January 1, 2011		\$ 8,358,162.15
Interest, Dividends and Principal Received		\$ 193,164.94
Gain on Sales		\$ 17,659.88
Transfers from Operations Cash		\$ -
Total Additions to the Fund		<u>\$ 210,824.82</u>
Loss on Sales		\$ 48,031.55
Total Reductions to the Fund		<u>\$ 48,031.55</u>
Balance of the Rate Stabilization Trust as of December 31, 2011		<u><u>\$ 8,520,955.42</u></u>
Avidia Bank Money Market	3.50%	1,003,571.59
Morgan Stanley Money Funds	0.01%	2,489.67
Avidia Bank	CD 1.00%	890,847.67
Avidia Bank	CD 1.75%	591,655.89
Avidia Bank	CD 1.00%	740,385.71
Avidia Bank	CD 1.10%	1,169,343.61
Avidia Bank	CD 1.75%	477,641.35
Avidia Bank	CD 1.00%	622,388.12
Burlington North Santa Fe	7.00%	166,265.70
AT&T	4.85%	224,169.45
Union Pacific Corp	5.38%	167,365.50
Public Service E & G	5.00%	255,323.55
Bellsouth Corp	5.50%	284,467.80
Duke Energy	3.95%	299,549.60
SBC Communications	5.10%	294,438.85
Verizon	5.25%	275,687.50
Federated GNMA	4.34%	236,446.88
Equity Securities (Market Value \$ 872,269.52)		818,916.98
Total		<u><u>\$ 8,520,955.42</u></u>

Trustees, Hudson Light and Power Department Rate Stabilization Trust Fund

Roland L. Plante, Chairman *Joseph J. Marinelli*, Clerk
Paul Huehmer, Member