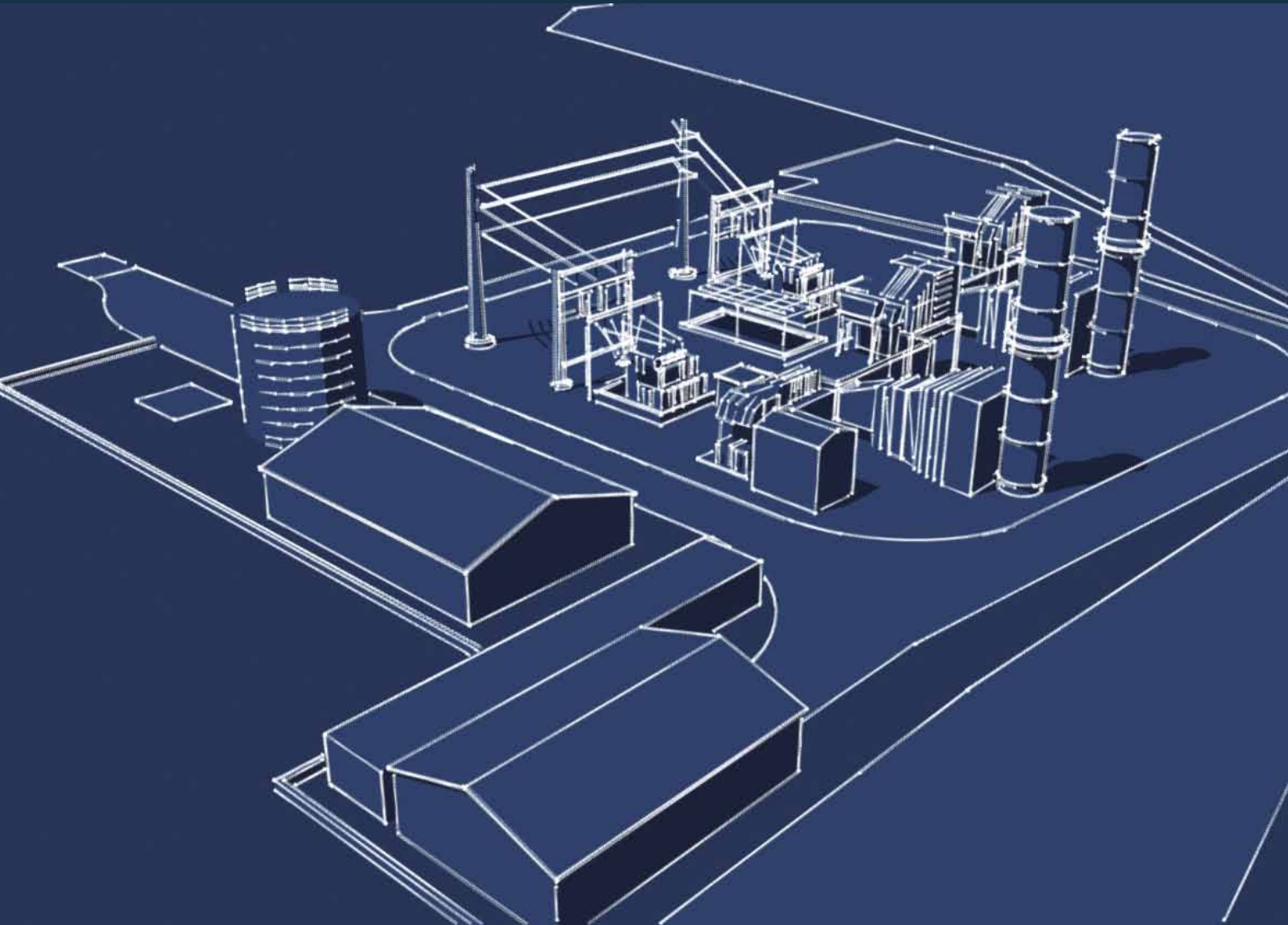
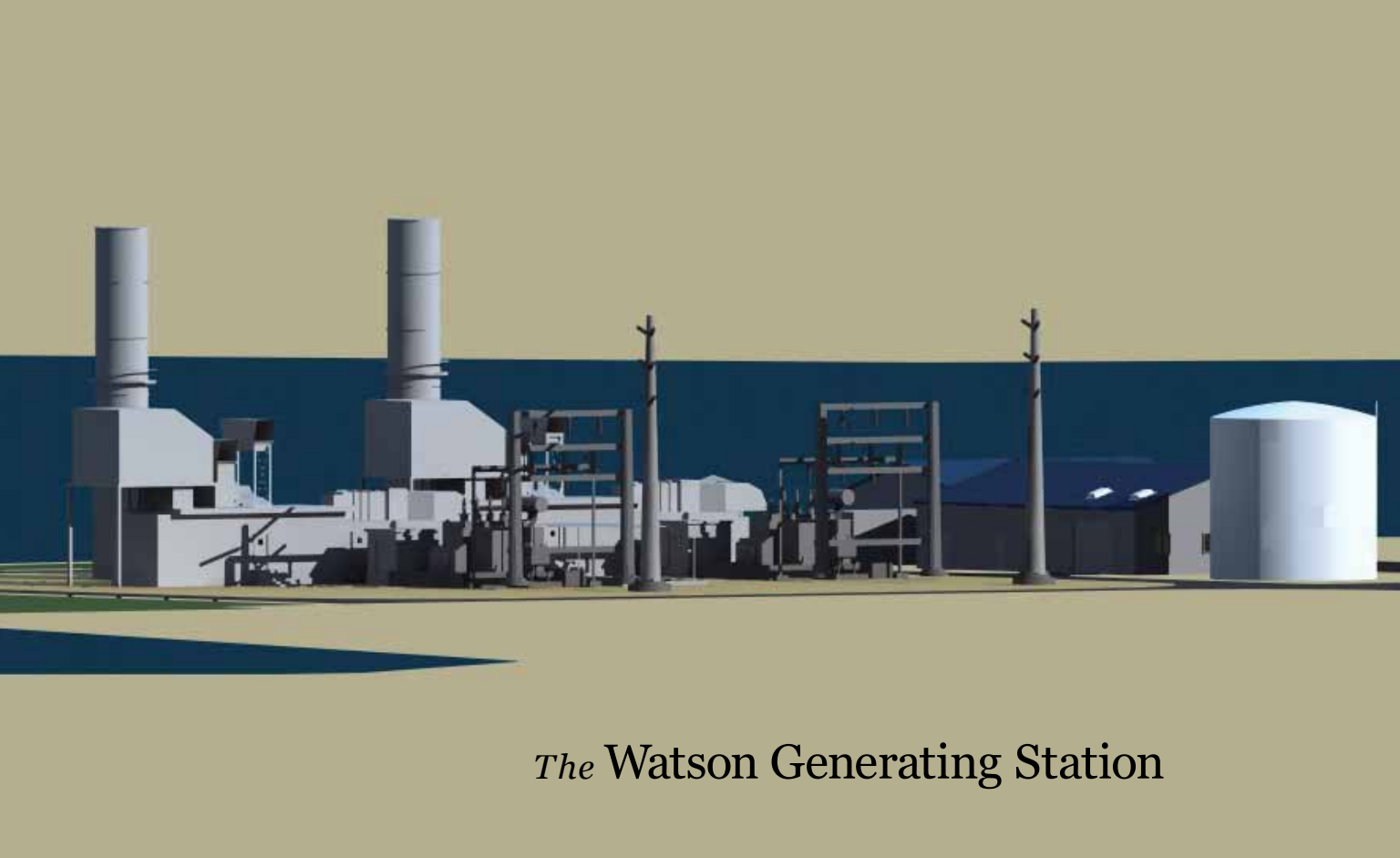


2008 Annual Report | BRAINTREE ELECTRIC LIGHT DEPARTMENT



The Thomas A. Watson Generating Station



The Watson Generating Station

“ This annual report highlights the progress made during 2008 in the construction of the Thomas A. Watson Generating Station—a project that has spanned more than five years. Crucial to the construction phase were the significant contributions of a team of BELD employees who worked closely with the contractor to ensure that specific engineering and construction standards were met. ”

Braintree Electric Light Department (BELD) faced major challenges during 2008 and accomplished amazing things.

It was a year when many months of planning and permitting finally came to fruition with the start of construction of the Thomas A. Watson Generating Station. It was a year when new competition for BELD’s broadband business arrived on the scene—in the form of Verizon’s FIOS offering. It was a year when BELD responded to other municipal utilities in need after a major ice storm crippled many communities late in the year. It was a year when our energy costs soared after natural gas and oil prices increased to record highs.

This annual report highlights the progress made during 2008 in the construction of the Thomas A. Watson Generating Station—a project that has spanned more than five years. Crucial to the construction phase were the significant contributions of a team of BELD employees who worked closely with the contractor to ensure that specific engineering and construction standards were met. BELD employees also modified the existing switchyard on the Potter Road property to accept the new power plant and completed the installation of new transmission lines between the Watson Station and our existing switchyard. Having our own employees do this work was important because it

prepared us for the operation and maintenance of the new facility and saved our customers a significant cost when compared to having contract labor perform the work.

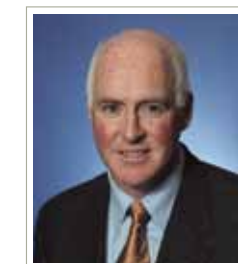
After years of competing with Comcast, a new broadband competitor arrived on the scene in the form of Verizon with their fiber-to-the-home offering. This created a significant challenge to BELD Broadband, as many of our customers signed long-term contracts with this new competitor in order to try their offering. At the same time, BELD Broadband launched a new digital telephone service to our customers—which more than compensated for the loss of revenue associated with Verizon. We now find ourselves serving fewer homes in Braintree but offering more services to the homes we serve. This makes us a more efficient operation and should allow us to sustain our business into the future.

December 2008 turned out to be the start of an unusually tough winter for New England. Many communities in western Massachusetts were hard-hit by a severe ice storm, and we sent a team of BELD employees to Asburnham, MA for nearly three

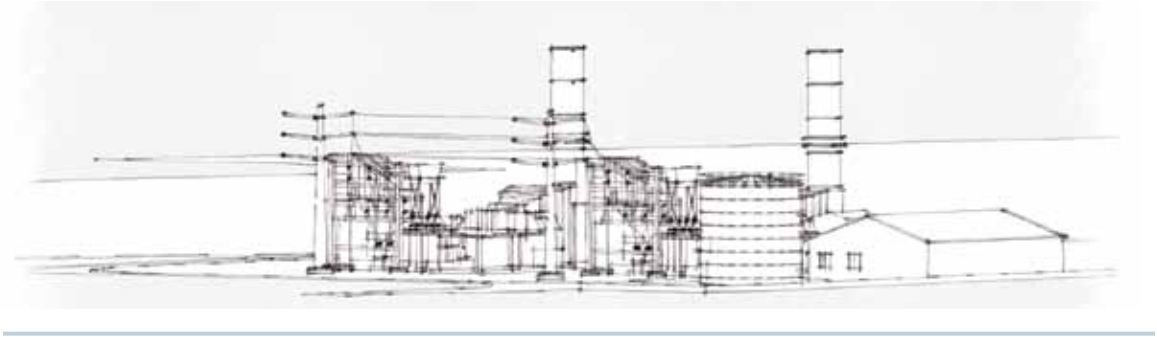
weeks, where they worked tirelessly to help repair a badly damaged electrical distribution system.

Energy costs skyrocketed in 2008, with oil and natural gas prices achieving record highs. This put a significant strain on BELD—one that we are still recovering from. We do anticipate reducing our customers’ electric rates, however, after completing a rate study that has been commissioned for the spring of 2009.

Finally, with the commercial operation of the new Thomas A. Watson Generating Station, 2009 is shaping up to be one of the most exciting years in our history. Braintree Electric Light Department employees are proud of their accomplishments in 2008 and are looking forward to the challenge of building on our record of providing excellent service to the town.



William G. Bottiggi
General Manager



The Thomas A. Watson Generating Station

A power plant comes to life.

“Construction of this plant is vital to stabilizing Braintree’s electric rates and protecting residents from market forces that we believe will begin to dominate the New England region within the next few years,” said BELD General Manager Bill Bottiggi just prior to the near unanimous approval of a new municipal power plant—the Thomas A. Watson Generating Station—at Braintree’s annual Town Meeting on May 9, 2006.

With Town Meeting endorsement in hand, BELD proceeded at full speed with the development, equipment procurement, and construction phases. Before a shovel could be put in the ground, however, the plant needed to be fully permitted by federal and state agencies—including the US EPA, the Massachusetts DEP, and the Massachusetts Energy Facilities Siting Board—and the Town of Braintree as well. The permitting process took

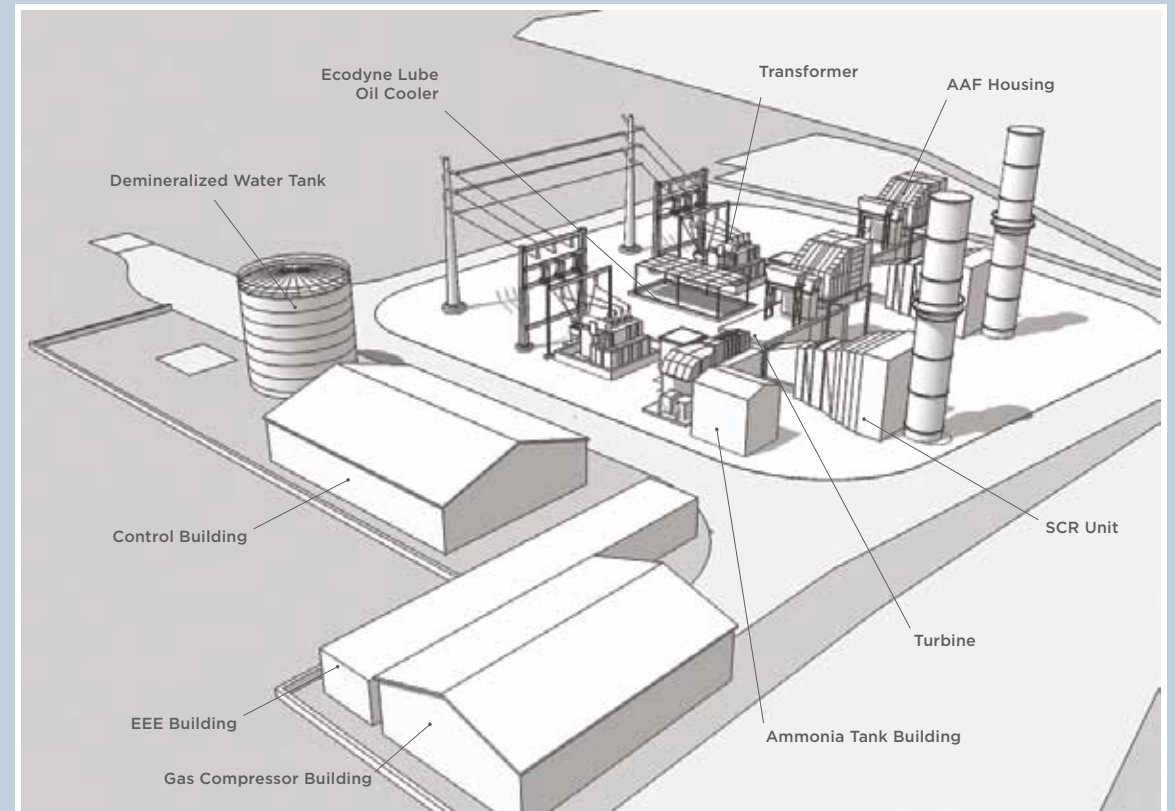
approximately two years and included an extensive application procedure, testimony before the permitting agencies, and responses to numerous questions asked of the permitting team.

During the course of the permitting process, significant additional work was completed, including the competitive bidding on and selection of major plant equipment such as the gas turbines and generator step up transformers. Also during this time period, the EPC (Engineering, Procurement, and Construction) contractor was competitively bid and selected.

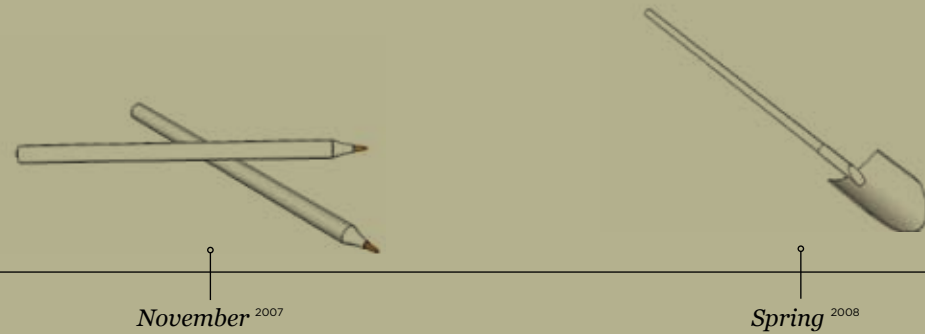
Once the permitting was complete and the contracts were in place, construction was allowed to commence in April 2008. This kicked off a year of intense activity here on BELD’s Potter Road property. During the summer of 2008, major civil work was completed—including site grading, the installation of underground piping and electrical systems, and the building of foundations.

During the late summer and fall, equipment was delivered and installed. Over the course of the winter, above ground piping and electrical work completed the interconnection of systems and equipment.

The final stage is the commissioning process, when the 38 systems required to operate the plant are checked out and tested. The commercial acceptance of the Thomas A. Watson Generating Station in the spring of 2009 will benefit the Town of Braintree for years to come: a state-of-the-art power plant helping stabilize electric rates for Braintree Electric Light Department’s residential and commercial customers.



The Thomas A. Watson Generating Station:
A VISUAL TIMELINE



EPC CONTRACT AWARDED

BELD finalized all major power plant contracts with the award of the Engineering, Procurement and Construction (EPC) Contract to O&G Industries in early November 2007. It took approximately 12 months to first qualify the bidders and then prepare, issue, evaluate, negotiate and award the contract. "I can confidently say we have negotiated an excellent contract with O&G Industries—protecting Braintree's interests and ultimately leading to a high-quality project that will benefit Braintree residents for years to come," said BELD GM Bill Bottiggi of the selection process.

GROUNDBREAKING CEREMONY

After years of acquiring permits and lining up contracts, BELD broke ground on April 12, 2008, for the Thomas A. Watson Generating Station. "It was an exciting day," said BELD GM Bill Bottiggi. "We kicked off the last stage of the project—the final phase of BELD's plan to insure stable electric rates for our residential and commercial customers."



From left to right: Tony Agnitti (Municipal Light Board), State Senator Michael Morrissey, Braintree Mayor Joseph Sullivan, BELD GM Bill Bottiggi, State Representative Joseph Driscoll, Tom Reynolds and Jim Regan (both of the Municipal Light Board).

The Thomas A. Watson Generating Station:
A VISUAL TIMELINE

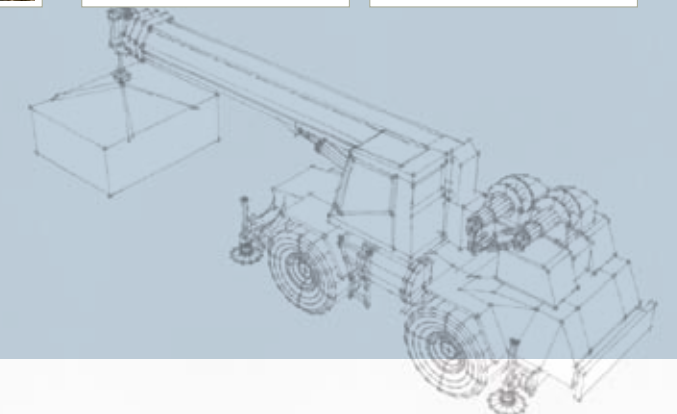


FOUNDATIONS POURED

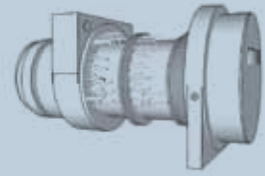
The first phase of construction included site preparation, structural caisson drilling, and the building of foundations—over 4,000 yards of concrete were poured.

SUPERLOADS DELIVERED

By the end of August, gas turbine enclosures, generators and their enclosures, and the lower sections of the 100-foot exhaust stacks had been delivered to the site.



The Thomas A. Watson Generating Station:
A VISUAL TIMELINE



Summer 2008

ROLLS-ROYCE TURBINES

Powering the new plant are two 58-MW simple-cycle, dual-fuel gas turbines. The high-efficiency turbines, manufactured by Rolls-Royce Energy, have a heat rate of 9,500 mm-Btu per kilowatt-hour.



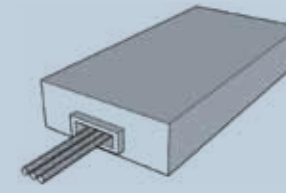
Summer 2008

AAF HOUSING

The AAF Housing filters and treats the air before it enters the gas turbine.



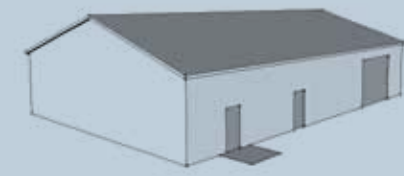
The Thomas A. Watson Generating Station:
A VISUAL TIMELINE



Fall 2008

DUCT BANKS

Electrical cables are pulled through over 29,000 linear feet of duct banks (conduits) that have been enclosed in concrete.



Fall 2008

CONTROL BUILDING

The plant is operated from the Control Building, which houses the Control Room and work stations.



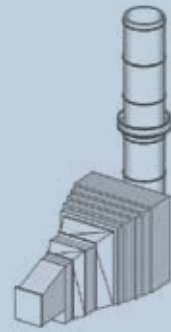
The Thomas A. Watson Generating Station:
A VISUAL TIMELINE



Fall 2008

AMMONIA STORAGE TANK

Ammonia is sprayed into the exhaust stream leaving the power plant to neutralize the gases.



Fall 2008

SCR UNIT

The Selective Catalytic Reducer (SCR) treats exhaust gases before they exit the stack.

The Thomas A. Watson Generating Station:
A VISUAL TIMELINE



Late Fall 2008

DEMINERALIZED WATER TANK

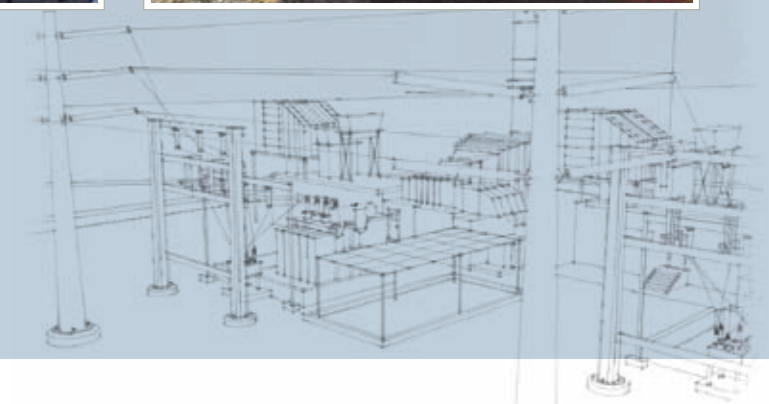
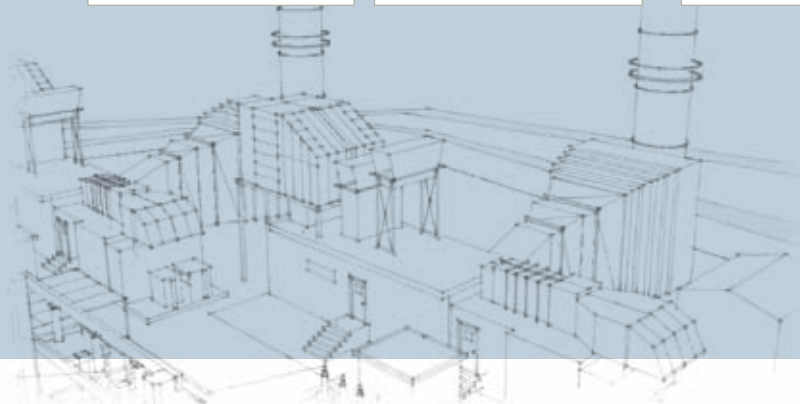
To protect the gas turbines, the water used must be filtered to a high quality. That water is stored in the Demineralized Water Tank.



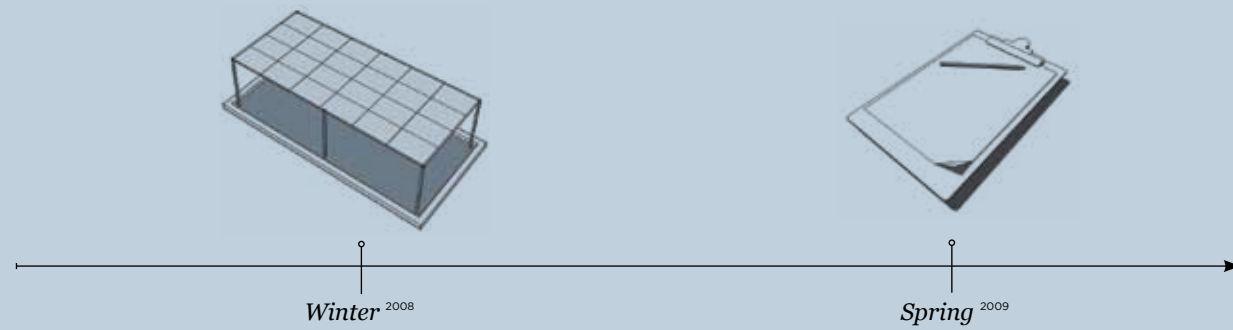
Late Fall 2008

PIPING

The underground process piping system includes nearly 10,000 linear feet of piping. Above-grade piping totals nearly 5,000 linear feet.



The Thomas A. Watson Generating Station:
A VISUAL TIMELINE



ECODYNE LUBE OIL COOLER

A large radiator, the Ecodyne Lube Oil Cooler assists in cooling the gas turbine lube oil systems.

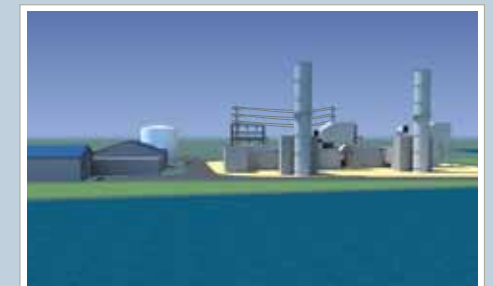
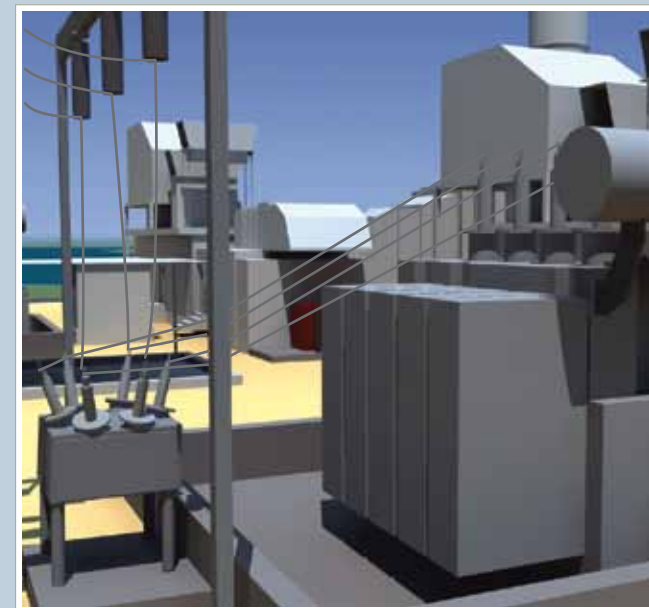


COMMISSIONING

The last phase is the commissioning process. The 38 systems required to run the plant—including electrical distribution, instrument air, natural gas, and the Rolls-Royce gas turbines—are tested individually to ensure their vital parameters satisfy their design criteria. Once the individual systems are commissioned, the plant itself is commissioned by starting all the systems together and testing them.



**the Thomas A. Watson
Generating Station**



Financial Statements

CONSOLIDATING STATEMENTS OF NET ASSETS AND LIABILITIES December 31, 2008 (audited)

	Light Division	Broadband Division	Consolidated
ASSETS:			
Current Assets:			
Funds on Deposit with Town Treasurer			
Operating Fund	\$3,075,393	\$416,837	\$3,492,230
Customer Accounts Receivable, Net	4,565,810	159,687	4,725,497
Accounts Receivable - Related party	882,363	0	882,363
Other Receivables	462,645	0	462,645
Materials and Supplies	1,002,593	25,000	1,027,593
Unbilled Revenue	2,583,351	0	2,583,351
Prepaid Working Capital	799,602	0	799,602
Prepaid Expenses	235,965	117,808	353,773
Total Current Assets	13,607,722	719,332	14,327,054
Noncurrent Assets:			
Funds on Deposit with Town Treasurer			
Depreciation Fund	2,344,273	6,324	2,350,597
Rate Stabilization Fund	2,838,507	0	2,838,507
Construction Fund	31,167,927	0	31,167,927
Customer Deposits	172,598	0	172,598
Investment in Energy New England	441,244	0	441,244
Investment in Hydro-Quebec Phase II	78,956	0	78,956
Other Investments	132,000	0	132,000
Investment in Affiliate Company	936,759	(936,759)	0
Plant Assets, Net	130,825,283	3,260,027	134,085,310
Total Noncurrent Assets	168,937,547	2,329,592	171,267,139
Total Assets	\$182,545,269	\$3,048,924	\$185,594,193
LIABILITIES:			
Current Liabilities:			
Accounts Payable	\$11,893,044	\$381,503	\$12,274,547
Accounts Payable - Related party	65,061	18,094	83,155
Accrued Compensated Absences	187,831	17,257	205,088
Other Accrued Expenses	495,491	7,816	503,307
Short-term Debt Expected to be Refinanced:			
Bond Anticipation Note	110,223,028	0	110,223,028
Bond Payable	0	500,000	500,000
Deferred Revenue	177,400	0	177,400
Total Current Liabilities	123,041,855	924,670	123,966,525
Noncurrent Liabilities:			
Bonds Payable, Net of Current Portion	0	1,150,000	1,150,000
Rate Stabilization Reserve	2,800,353	0	2,800,353
Net OPEB Obligation	1,663,838	226,888	1,890,726
Customer Deposits	132,621	0	132,621
Deferred Revenue	320,007	0	320,007
Total Noncurrent Liabilities	4,916,819	1,376,888	6,293,707
Total Liabilities	127,958,674	2,301,558	130,260,232
Net Assets:			
Invested in Capital Assets, Net of Related Debt	51,770,182	1,610,027	53,380,209
Unrestricted	2,816,412	(862,660)	1,953,752
Total Net Assets	54,586,594	747,367	55,333,961
Total Liabilities and Net Assets	\$182,545,268	\$3,048,925	\$185,594,193

CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS December 31, 2008 (audited)

	Light Division	Broadband Division	Consolidated
OPERATING REVENUES:			
Sales to Ultimate Customers	\$58,032,389	\$5,957,367	\$63,989,756
Other Operating Revenues	1,415,720	494,538	1,910,258
Total Operating Revenues	59,448,109	\$6,451,905	\$65,900,014
OPERATING EXPENSES:			
Purchased Power	39,316,178	0	39,316,178
Fuel for Generators	1,629,888	0	1,629,888
Signal Fees	0	2,152,606	2,152,606
Maintenance	3,957,586	634,809	4,592,395
Distribution	1,804,921	1,200,029	3,004,950
General & Administration	8,398,928	1,634,960	10,033,888
Depreciation Expense	2,839,873	620,353	3,460,226
Total Operating Expenses	57,947,374	6,242,757	64,190,131
OPERATING INCOME:	1,500,735	209,148	1,709,883
NONOPERATING REVENUES (Expenses):			
Investment Loss - ENE	(31,468)	0	(31,468)
Interest and Dividend Income	43,350	131	43,481
Interest Expense	(34,185)	(99,924)	(134,109)
Total Nonoperating Revenues (Expenses)	(22,303)	(99,793)	(122,096)
Income Before Contributions and Transfers	1,478,432	109,355	1,587,787
NET ASSETS - JANUARY 1	54,347,460	638,012	54,985,472
Transfers Out - Payment in Lieu of Taxes	(1,239,298)	0	(1,239,298)
NET ASSETS - DECEMBER 31	\$54,586,594	\$747,367	\$55,333,961

Financial Statements

STATEMENT OF KILOWATT HOUR SALES, LIGHT DIVISION December 31, 2008 & 2007 (audited)

	2008	2007
KILOWATTS:		
Residential Service	112,195,924	112,846,350
Commercial Service	220,135,339	225,270,695
Industrial Service	29,968,950	31,017,032
Municipal Service	14,077,831	14,137,882
Area Lighting	869,867	863,867
Sales To Other Utilities	807,676	1,145,281
Total Kilowatt Hour Sales	378,055,587	385,281,107
REVENUE:		
Residential Service	\$16,150,333	\$15,413,995
Commercial Service	\$34,412,327	\$33,521,774
Industrial Service	\$4,341,565	\$4,232,305
Municipal Service	\$2,172,708	\$2,069,493
Area Lighting	\$96,901	\$96,640
Sales To Other Utilities	\$542,380	\$549,553
Total Kilowatt Dollar Sales	\$57,716,214	\$55,883,760

Notes to financial statements: December 31, 2008

- The general laws of the Commonwealth of Massachusetts under Chapter 164 require “utility plant in service” to be depreciated using a 3% rate. Approval must be given by the Massachusetts Department of Public Utilities before the rate can be changed. Rates used 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.
- BELD adopted the provisions of Governmental Accounting Standards Board (GASB) Statements No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, in 2002.
- Braintree Electric Light Department operates in two divisions: the municipal Electric Division and the Broadband Division. The Electric Division generates, purchases and distributes electricity to residents of the town. The Broadband Division provides Internet, cable television and digital phone services to residents of the town. Because BELD is owned by the town and not by investors, our net profit is returned to our customers in the way of stable rates, better service and increased assets.
- The financial results presented for 2008 are audited.



Services contributed to the community during 2008

Public power utilities measure success by how much money stays within the community through low rates and contributions to the town budget. During 2008 BELD continued its practice of providing many additional services to the Town of Braintree. Some of those services and their approximate values are listed here.

Streetlight contract savings	\$206,314
IT support for the town	100,000
Internet access for the town and schools	39,600
Broadband HFC wiring & MIS work—Mayor’s Office/Town Hall	25,140
Sunset Concerts series at Sunset Lake	24,528
Traffic signal maintenance by outside vendor and BELD	24,115
Electrical work—Mayor’s Office/Town Hall	13,190
Neighborhood Link website	8,000
Braintree Public Schools electrical work	5,691
Painting South Braintree Square traffic lights	5,500
Installing and removing banners in squares	5,103
Water and Sewer Department support	4,529
Health Care Reform support by BELD	3,878
Highway Department support	3,685
Setup for Independence Day Celebration	3,614
Scholarships	3,000
General broadband support for town	2,314
Independence Day Parade	2,200
Donation of trees to town	1,500
Touch a Truck	521
Subtotal for 2008	482,422
Payment in Lieu of Taxes	1,000,000
GRAND TOTAL FOR 2008	\$1,482,422

Braintree Electric Light Department

MANAGERS AND BOARD



THOMAS J. REYNOLDS
Chairman

ANTHONY L. AGNITTI
Vice Chairman

JAMES P. REGAN
Secretary

BRAINTREE ELECTRIC LIGHT DEPARTMENT

is a public power utility—one of over 2,000 in the country. Operated as a not-for-profit public service, BELD is overseen by a publicly elected Municipal Light Board. Braintree residents are not only consumers, but owners as well—with a role in deciding how BELD will be operated. We appreciate the support you’ve given the Light Board and BELD’s management and staff as we’ve worked together over the past year to serve the Town of Braintree.

BELD GENERAL MANAGERS

1892-1895	Thomas A. Watson (3 years)
1895-1902	Ansel O. Clark (7 years)
1903-1911	Daniel Potter (8 years)
1911-1939	Fred B. Lawrence (28 years)
1939-1954	Ernest T. Fulton (15 years)
1954-1977	Alban G. Spurrell (23 years)
1977-1985	Donald H. Newton (8 years)
1985-2002	Walter R. McGrath (17 years)
2003-present	William G. Bottiggi

BRAINTREE MUNICIPAL LIGHT BOARD ESTABLISHED 1909

(Members listed by seat)

1909-1956	Norton P. Potter (47 years)
1956-1960	James H. Dignan (4 years)
1960-1961	Raymond A. Nagle (1 year)
1961-1967	Ernest S. Reynolds (6 years)
1967-1968	Gordon E. Trask (1 year)
1968-1974	William J. Dignan (6 years)
1974-1977	Anthony J. Mollica (3 years)
1977-1983	Dennis M. Corvi (6 years)
1984-1993	Joseph W. Aiello (9 years)
1993-1999	James M. Casey (6 years)
1999-Present	Thomas J. Reynolds
1909-1938	Alexander Carson (29 years)
1938-1957	Shelley A. Neal (19 years)
1957-1983	Walter J. Hansen (26 years)
1983-1989	Michael J. Joyce (6 years)
1989-1995	James E. Wentworth (6 years)
1995-1995	Paul E. Caruso (1 year)
1995-2004	Darrin M. McAuliffe (9 years)
2004-Present	Anthony L. Agnitti
1909-1925	Charles T. Crane (16 years)
1925-1936	Charles G. Jordan (11 years)
1936-1954	Frank P. Lloyd (18 years)
1954-1955	Ernest T. Fulton (1 year)
1955-1980	Carl W.R. Johnson (25 years)
1980-1981	Guy F. Luke (1 year)
1981-1982	Joseph W. Aiello (1 year)
1982-2006	Guy F. Luke (24 years)
2006-Present	James P. Regan

Braintree Electric Light Department

2008 EMPLOYEES

Ellen M. Anderson	Robert Forde	Donna O’Keefe
William J. Antonellis	Bruno Giorgio	John H. Orpen
Robert H. Beatson, Jr.	Peter M. Gomez	Brian M. Ostiguy
Timothy J. Bedard	Arthur M. Graziano	Gail A. O’Sullivan
Dorian L. Belfort	Richard W. Grey	Helen Panico
Philip J. Berardinelli	Jason R. Haber	Christopher A. Parker
Patricia A. Boddie	Richard A. Hall	John B. Perry
Karen Bonatti	Scott D. Henderson	John H. Price
William G. Bottiggi	Robert M. Henriksen	James B. Ritchie, Jr.
James Boyle	Daniel M. Heraty	Arthur J. Roberts
Stephen E. Buker	John J. Herlihy	Michael D. Sardano
Sherilee Campanale	Mary M. Hobart	Robert J. Sargent
Richard J. Campbell	Marie J. Horgan	Donna L. Sellgren
Francis C. Catarius	Marie E. Hynes	Easton G. Shakespeare
Gwen R. Chiappini	Joseph L. Kelly	Jennifer E. Shawles
Thomas F. Chisholm	Kevin P. Kiley	Kimberly A. Silva
Donna Clapp	Mary Ky	Marianne Singer
Maryann L. Cody	Weijun Li	Ruth M. Slater
Gail J. Cohen	Kevin M. Lyons	James E. Smith, III
Mary L. Comlin	Steven W. Lyons	John G. Spada
Timothy Cotton	Darron T. MacDonald	Jeffrey P. Spencer
Nancy J. Cox	Christopher B. Malatesta	JoAnn M. Stak Bregnard
Charles Coyne, Jr.	Brett L. Markham	Kathleen O. Steele
Kevin P. Crawford	Joan A. Marson	Kenneth E. Stone
Denise R. Crowley	John J. Martin	Stephen P. Tatro
Ann M. Curran	Edward A. McCroken	Raymond L. Taylor
John E. Currie	Brett L. McGrath	Jason P. Tedeschi
Barbara A. Curtin	John F. McKinley	Rose R. Teele
Gregory F. Cusack	Sean E. McLaughlin	David Tetreault
Donald DeCristofaro	Kevin Miller	Christopher C. Thoener
Charles F. Dibble	Carol J. Morley	Ralph B. Toye
Matthew W. Doren	H. Joseph Morley	Bruce W. Turner
Peter G. Dunlea	Mildred J. Mulvaney	Yvonne V. Twitty
Teresa Fico	Sean E. Murphy	Daniel T. Uhlman
Allan M. Fitzsimmons	Donna M. Needham	Mary Welch
James M. Flaherty	John-Erik J. Nelson	Susan A. Wentworth
Gregory J. Flynn	Joseph M. O’Brien	Kevin G. Wiles
Michael J. Ford	Thomas M. O’Connor	Bruce M. Williams



150 Potter Road • Braintree, MA 02184
www.beld.com