

Hudson Light and Power Department 2010 Annual Report

A MESSAGE FROM THE BOARD

In 2010, the Hudson Municipal Light Board launched a new decade by laying the groundwork for rates and programs that highlight our continued commitment to the environment and to cost reduction.

During the year 2010, this Board authorized the Department to conduct a cost-of-service study to review its existing rates from both a financial and environmental perspective. Our goal was four-fold:

1. Reduce the average cost to the consumer;
2. Ensure our rates accurately reflect the cost of service for different customer categories;
3. Address the contradiction of the existing tiered approach whereby prices drop as usage increases, with our commitment to reducing carbon footprint; and
4. Fund a program that helps the consumer with conservation and renewable energy initiatives.

Considerable effort went into laying the groundwork for what we consider to be a significant achievement – lowering rates and bringing them into compliance with our own environmental concerns, while creating a fund that will launch a program to help our customers with their own efforts to save energy and reduce carbon footprint .

In November, we approved new, reduced rates effective January 1st, 2011 that achieve all of our objectives. The rates will be lower for all customer classes. The price incentives for increased electric use have been eliminated for all but Electric Hot Water Heater and All-Electric rates.

Of particular importance in the new rates is the addition of a Renewable Energy and Energy Conservation Incentive charge (REECI) of \$0.0005 per kilowatt-hour (kWh) that will be used to create a program to help customers with renewable and conservation initiatives.

This fund has been created in lieu of participation in the Massachusetts Technology Collaborative Trust Fund (MTCT). Participation in MTCT would not guarantee that Hudson Light customers would fully benefit from our contributions to the fund. In addition, once a utility joins the Trust, it cannot leave.

The REECI fund will support a renewable energy and energy conservation program, presently being developed, that is open to all Hudson Light customers: residential, municipal, commercial and industrial. The program will not only feature local control and flexibility, but will also ensure that money collected will be used solely for Hudson Light customers.

Hudson Municipal Light Board

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

Paul Huehmer, Member

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## **MANAGER'S REPORT**

### **COMPETITIVE RATES**

In response to reduced energy costs, the Department reduced the Power Adjustment Charge on customers' bills effective January 1<sup>st</sup>, 2010. At the same time, transmission and capacity charge increases forced an increase in the Rate Charge portion of the bill. The overall impact was a reduction to the monthly bill. In June, the credit that residential accounts receive in connection with hydro-electric power we received from the New York State Power Authority was reduced from \$0.003 per kilowatt-hour (kWh) to \$0.002 per kWh.

In 2010, lower than anticipated energy and transmission costs and higher than anticipated electric usage allowed us an increase in the early payment discount to 50% from the standard 10% for December.

### **CONTINUED GROWTH**

During 2010, the system's peak demand was 73.9MW. Over the past 10 years, the number of customers grew 12%, with electric usage up 23%. In 2010, the Department supported the expansion and construction of multiple housing developments in Hudson, including Judith Road, Shelly Lane, Westridge Housing Complex, Assabet Village, Brigham Hill Phase 3, and Elaine Circle. In Stow, new areas of growth included Arbour Glen Condo Complex, Stow Villages Condo Complex, Dunster Drive, Randall Road, and Slyvan Drive. In Berlin, new ground breaking occurred at the Dudley Road Housing Complex.

### **RELIABILITY**

A utility's performance is rated based upon the average outage duration per customer per year. Hudson Light's 2010 average outage duration per customer was 84% lower than the National average.

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 were 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 on the Transmission Line. The year 2010 saw the completion of a back-up to one of our distribution circuits to increase reliability. Maintenance proved especially important during 2010 when, despite wild weather, our electric system withstood storm-related spring flooding and winter blizzards with only isolated service interruptions.

The Department ensures that there are enough resources to meet the system's demand for electricity through purchases made on the open market and through our long-term contracts for electric generation.

### **CONSERVATION**

The Residential Conservation Service (RCS) charge for 2010-11 was set at \$0.55 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 \$29,929 was credited to customer accounts in the form of appliance rebates for 2010 purchases. During 2010, a total of 1,484 light bulbs were sold at a subsidized cost to customers.

During 2010, the free residential home energy audit program was expanded to include Infrared Thermography. The home energy audit is performed by a State-certified Energy Advisor, who compiles a comprehensive energy evaluation report identifying measures to enhance energy efficiency and ways to reduce energy costs.

### **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.

In 2010, we recycled 13,767 pounds of transformers, capacitors and insulating oil, approximately 2,600 pounds of paper, approximately 25,000 pounds of scrap metal, and all fluorescent and mercury vapor lamps.

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

Approximately 2% of Hudson Light's energy comes from hydroelectric power plants.

During 2010 Hudson Light obtained approximately 70% of its electricity from sources that produce little or no greenhouse gas emissions. We receive and sell Nitrogen Oxide (NOx) allowances. In addition, the Department is participating in a project to construct a reduced-emissions natural gas power plant in Ludlow, Massachusetts.

### **CHERRY STREET GENERATING STATION**

The Cherry Street Generating Station provides approximately 15 MW of peak shaving capability and is used for emergency conditions and to relieve load when necessary. In 2010, the Station produced 661,431 kWh, which includes 3,459 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 \$813,000 in 2010.

In June of 2010, Generator #11 failed at the end of its useful life. HLPD personnel worked diligently to restore the unit to good working order. A majority of the cost to repair the unit was covered under an existing insurance policy. Annual routine and preventive maintenance was performed on all other generators, engines, station transformers, and substation equipment throughout the year.

### **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 our school electric safety program for local fourth graders is held annually.

### **DEPOSITS**

The Department requires a three-month deposit of commercial entities, including condominium associations. Recognizing that they operate differently than most businesses, the Hudson Municipal Light Board reduced the deposit requirement for condominium associations to two months.

The Department also requires a three-month deposit for residential accounts that are not covered by the lien process and/or cannot show an acceptable credit history. The deposit schedule was updated to require a minimum of \$100 for residential accounts, \$200 for electric hot water heater residential accounts, and \$400 for all-electric residential accounts. A waiver process was also established whereby credit references could be submitted for review in lieu of a deposit for residential accounts only.

### **COMMUNITY INVOLVEMENT**

Our generating station remains a popular education site for local school and scouting groups. In January, Hudson Cub Scouts visited the station as part of the Scouts' "Power Up" month and saw the station's engines, switching boards and lighted circuit maps showing the distribution system, and participated in demonstrations on electric metering and conservation.

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

Hudson Light was pleased to continue its assistance to the Organization for the Assabet River (OAR) with the clean-up effort of the Assabet River. The HLPD team provided river access and transportation.

### **A PERSONAL NOTE**

On behalf of the Department, I would like to 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 - 2011**

|                                                |           |                   |
|------------------------------------------------|-----------|-------------------|
| From Sales to Municipal Customers              | \$        | 1,540,104         |
| From Sales to Domestic Customers               |           | 13,058,345        |
| From Sales to Commercial Customers             |           | 3,411,218         |
| From Sales to Power Customers                  |           | 26,012,014        |
| From Street Lights: Stow and Other Communities |           | 7,588             |
| Hudson                                         |           | 155,245           |
| <b>Total Income</b>                            | <b>\$</b> | <b>44,184,514</b> |

**Estimated Expenditures - 2011**

|                                          |           |                   |
|------------------------------------------|-----------|-------------------|
| Production, Generation, Purchased Power* | \$        | 38,205,439        |
| Distribution and Transmission            |           | 1,843,131         |
| General                                  |           | 2,328,356         |
| Depreciation                             |           | 756,000           |
| <b>Total Expenditures</b>                | <b>\$</b> | <b>43,132,926</b> |

The estimated cost of electricity to be used by the Town of Hudson for all purposes for the year ending June 30, 2011 is: \$ 1,125,000

*\*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

	2010	2009	Increase (Decrease)
Electric Utility Plant (Net)...			
Intangible Plant	\$ 3,871.33	\$ 3,871.33	-
Production Plant in Service	860,245.33	810,671.10	49,574.23
Nuclear Fuel	105,686.69	90,942.39	14,744.30
Transmission Plant in Service	1,706,042.67	1,749,185.12	(43,142.45)
Distribution Plant in Service	4,087,924.03	4,390,151.54	(302,227.51)
General Plant in Service	1,072,758.09	1,064,520.78	8,237.31
Construction Work In Progress	426,418.54	425,132.46	1,286.08
Total Utility Plant In Service	<u>\$ 8,262,946.68</u>	<u>\$ 8,534,474.72</u>	<u>\$ (271,528.04)</u>
Other Property & Investments...			
Investments in Assoc. Companies	\$ 35,767.52	\$ 41,787.96	(6,020.44)
Other Investments	-	-	-
Total Other Property & Investments...	<u>\$ 35,767.52</u>	<u>\$ 41,787.96</u>	<u>\$ (6,020.44)</u>
Cash Assets...			
Operation Cash	\$ 6,405,302.43	\$ 3,399,044.55	3,006,257.88
Miscellaneous Cash	200,692.91	708,669.69	(507,976.78)
Depreciation Fund	-	859,557.68	(859,557.68)
Depreciation Fund Investment	4,715,075.28	3,511,646.81	1,203,428.47
Insurance Escrow Reserve	83,558.95	105,805.26	(22,246.31)
Petty Cash	500.00	500.00	-
Deposit Interest Account	159,394.87	148,433.18	10,961.69
Customer Deposits Account	510,279.75	479,360.92	30,918.83
Total Cash Balances	<u>\$ 12,074,804.19</u>	<u>\$ 9,213,018.09</u>	<u>\$ 2,861,786.10</u>
Other Current and Accrued Assets...			
Customer Account Receivables	\$ 3,622,263.72	\$ 4,713,115.77	(1,090,852.05)
Other Accounts Receivables	151,057.89	118,963.82	32,094.07
Material and Supplies	1,110,290.25	902,591.53	207,698.72
Prepayments	1,013,323.18	1,259,311.53	(245,988.35)
Int. & Dividends Receivable	-	-	-
Accrued Utility Revenues	-	-	-
Misc. Current & Accrued Assets	-	-	-
Total Other Current & Accrued Assets	<u>\$ 5,896,935.04</u>	<u>\$ 6,993,982.65</u>	<u>\$ (1,097,047.61)</u>
Deferred Assets...			
Preliminary Survey Charges	\$ -	\$ -	-
Misc. Deferred Debits	-	1,774,689.46	(1,774,689.46)
Total Deferred Assets	<u>\$ -</u>	<u>\$ 1,774,689.46</u>	<u>\$ (1,774,689.46)</u>
Total Assets	<u><u>\$ 26,270,453.43</u></u>	<u><u>\$ 26,557,952.88</u></u>	<u><u>\$ (287,499.45)</u></u>

Equity and Liabilities

	2010	2009	Increase (Decrease)
Equity...			
Loans Repayment	\$ 1,925,000.00	\$ 1,925,000.00	\$ -
Invested by Town	20,093.39	20,093.39	\$ -
Retained Earnings	<u>17,148,527.26</u>	<u>16,776,609.63</u>	<u>\$ 371,917.63</u>
Total	<u>\$ 19,093,620.65</u>	<u>\$ 18,721,703.02</u>	<u>\$ 371,917.63</u>
 Current & Accrued Liabilities...			
Accounts Payable	\$ 1,588,351.99	\$ 2,217,100.08	\$ (628,748.09)
Customer Deposits	510,279.75	479,360.92	\$ 30,918.83
Customer Deposits-Interest	159,394.87	148,433.18	\$ 10,961.69
Tax Collections Payable	(0.42)	(29.92)	\$ 29.50
Misc. Current & Accrued Liabilities	1,299,425.75	645,702.61	\$ 653,723.14
Customer Advances for Construction	<u>144,402.96</u>	<u>144,402.96</u>	<u>\$ -</u>
Total Current & Accrued Liabilities	<u>\$ 3,701,854.90</u>	<u>\$ 3,634,969.83</u>	<u>\$ 66,885.07</u>
 Deferred Credits...			
Misc. Deferred Credits	\$ -	\$ 274,689.46	\$ (274,689.46)
Deferred Credit-Fuel Charge	<u>1,726,659.28</u>	<u>2,326,349.50</u>	<u>\$ (599,690.22)</u>
Total Deferred Credits	<u>\$ 1,726,659.28</u>	<u>\$ 2,601,038.96</u>	<u>\$ (874,379.68)</u>
 Reserves...			
Injuries and Damages Reserve	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Reserves	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Contributions in aid of Construction...			
Total Contributions in aid of Construction...	<u>\$ 1,748,318.60</u>	<u>\$ 1,600,241.07</u>	<u>\$ 148,077.53</u>
	<u>\$ 1,748,318.60</u>	<u>\$ 1,600,241.07</u>	<u>\$ 148,077.53</u>
 Total Equity & Liabilities	<u><u>\$ 26,270,453.43</u></u>	<u><u>\$ 26,557,952.88</u></u>	<u><u>\$ (287,499.45)</u></u>

Statement of Equity

Retained Earnings on January 1, 2010	\$ 16,752,369.55
Net Income or (Loss)	650,937.50
Miscellaneous Credits to Retained Earnings	-
Total	<u>\$ 17,403,307.05</u>
 Appropriation of Retained Earnings Returned to Towns	\$ 254,779.79
Miscellaneous Debits to Retained Earnings	-
Total	<u>\$ 254,779.79</u>
 Total Retained Earnings on December 31, 2009	<u><u>\$ 17,148,527.26</u></u>

Comparative Income Statement Operating Statement

	2010	2009	Increase (Decrease)
Operating Revenue	\$ 46,970,343.40	\$ 45,417,205.54	\$ 1,553,137.86
Operating Expense...			
Production	\$ 761,592.59	\$ 733,430.42	\$ 28,162.17
Purchased Power Expense	34,803,329.96	34,834,408.30	(31,078.34)
Transmission Expenses	4,663,564.25	4,328,686.23	334,878.02
Distribution Expenses	1,091,855.30	1,114,448.83	(22,593.53)
General Expenses	4,348,995.67	3,214,136.32	1,134,859.35
Depreciation	732,360.38	698,442.48	33,917.90
Taxes	21,761.74	22,475.22	(713.48)
Total Operating Expenses	<u>\$ 46,423,459.89</u>	<u>\$ 44,946,027.80</u>	<u>\$ 1,477,432.09</u>
Net Operating Revenues	\$ 546,883.51	\$ 471,177.74	\$ 75,705.77
Other Income...			
Income From Contract Work	\$ -	\$ -	\$ -
Interest & Dividend Income	104,199.99	122,943.08	(18,743.09)
Misc. Nonoperating Income	-	-	-
Total Other Income	<u>\$ 104,199.99</u>	<u>\$ 122,943.08</u>	<u>\$ (18,743.09)</u>
Miscellaneous Income Deductions...			
Other Income Deductions	<u>\$ 146.00</u>	<u>\$ 193.00</u>	<u>\$ (47.00)</u>
Total Income Deductions	\$ 146.00	\$ 193.00	\$ (47.00)
Inc. Before Interest Charges	\$ 650,937.50	\$ 593,927.82	\$ 57,009.68
Interest Charges...			
Other Interest Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Interest Charges	\$ -	\$ -	\$ -
Net Income Before			
Return to Towns	\$ 650,937.50	\$ 593,927.82	\$ 57,009.68
Less Return to Towns	<u>254,779.79</u>	<u>254,155.41</u>	<u>624.38</u>
Net Income (Loss)	<u><u>\$ 396,157.71</u></u>	<u><u>\$ 339,772.41</u></u>	<u><u>\$ 56,385.30</u></u>

Income Statement Detail Operating Revenue

January 1, 2010 to December 31, 2010

Sales to Residential Consumers	\$	9,249,865.08
Sales to Commercial Consumers		2,574,189.97
Sales to Power Consumers		15,290,276.90
Private Property Lighting Sales		91,249.78
Municipal Sales...		
Hudson Street Lights		131,852.57
Hudson Municipal Buildings		103,193.77
Hudson Municipal Power		555,288.61
All Electric Municipal Buildings		309,095.90
Stow & Berlin Street Lights		5,931.96
Stow, Maynard & Other Municipal Service		116,061.29
Sales for Resale		-
Total Revenue from Sales of Electricity	\$	<u>28,427,005.83</u>
Power Adjustment Charges...		
Residential Sales	\$	4,256,999.14
Commercial Sales		1,115,462.53
Power Sales		11,698,070.68
Private Property Lighting		28,409.55
Municipal Power Adjustment Charges...		
Street Lighting Stow et al		-
Municipal Power Hudson		332,284.51
Municipal Commercial Hudson		43,063.72
Municipal Power Stow et al		48,854.77
Municipal Commercial Stow et al		6,928.13
Municipal All Electric		160,599.21
Miscellaneous Electric Sales		599,690.22
Total Power Adjustment Charges	\$	<u>18,290,362.46</u>
Total Revenue From Sale of Electricity	\$	46,717,368.29
Other Income...		
Other Electric Revenues (RCS, etc.)	\$	<u>252,975.11</u>
Total Income	\$	<u><u>46,970,343.40</u></u>

Income Statement Detail Expenses

January 1, 2010 to December 31, 2010

Production

Nuclear Power Generation

Operation Supervision	\$	29,671.00
Fuel		67,390.70
Coolants and Water		2,420.00
Steam Expenses		3,968.00
Electric Expenses		-
Miscellaneous Nuclear Power Expenses		53,887.00
Maintenance Supervision		1,902.00
Maintenance of Structures		6,100.00
Maintenance of Reactor Plant Equipment		9,370.00
Maintenance of Electric Plant		2,942.00
Maintenance of Miscellaneous Nuclear Power		1,528.00
Total Nuclear Power Production Expenses	\$	179,178.70

Other Power Generation...

Operation Supervision	\$	42,913.61
Fuel Oil		18,706.63
Fuel Natural Gas		43,966.60
Generation Expense		89,933.09
Generation Expense-Lube		704.57
Miscellaneous Other Power Generation Expenses		140,749.15
Maintenance Supervision		42,657.26
Maintenance of Structures		89,762.56
Maintenance of Generation and Electric Plant		103,408.10
Maintenance of Miscellaneous Generation Plant		9,612.32
Total Other Production Expenses	\$	582,413.89

Purchased Power Expenses...

Purchased Power-Entitlement	\$	23,846,137.94
Purchased Power-ISO		10,949,509.88
System Control and Load Dispersion		7,682.14
Other Expenses Purchase Power		-
Total Purchased Power	\$	34,803,329.96

Distribution Expenses...

Operation Supervision and Engineering	\$	49,528.10
Station Expenses		158,544.46
Overhead Line Expenses		4,310.98
Underground Line Expenses		-
Street Lighting & Signal Expenses		18,749.74
Meter Expenses		121,785.55

Income Statement Detail Expenses (continued)

Distribution Expenses (cont.) ...	
Customer Installation Expense	33,288.24
Miscellaneous Distribution Expenses	61,201.97
Rents	-
Maintenance of Supervision and Engineering	49,778.99
Maintenance of Station Equipment	8,796.10
Maintenance of Overhead Lines	550,375.78
Maintenance of Underground Line	14,080.48
Maintenance of Line Transformer	19,265.34
Maintenance of Street Lighting	2,149.57
Maintenance of Meters	-
Maintenance of Miscellaneous Distribution Plant	-
Total Distribution Expenses	\$ 1,091,855.30
Transmission Expense	\$ 4,663,564.25
General...	
Supervision	\$ 19,924.37
Meter Reader Expenses	28,008.28
Customer Records and Collection Expenses	451,534.09
Advertising Expense	377.10
Miscellaneous Sales Expense (RCS)	61,169.30
Administrative and General Salaries	592,356.65
Office Supplies and Expenses	9,148.94
Administrative Expenses Transferred	-
Outside Services Employed	87,025.92
Property Insurance	45,151.00
Injuries and Damages	153,198.07
Employee Pension and Benefits	2,707,525.65
Regulatory Commission Expenses	-
General Advertising Expense	-
Miscellaneous General Expenses	34,552.01
Maintenance of General Plant	80,528.66
Transportation Expenses	78,495.63
Depreciation Expense	732,360.38
Total General and Depreciation Expenses	\$ 5,081,356.05
Real Estate and Other Taxes	\$ 21,761.74
Total Operation Expenses	\$ 46,423,459.89

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 \$292,990.00 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. Throughout 2010, \$1,750,000 was transferred into the Trust and \$1,500,000 was transferred out of the Trust.

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	202,918.87	8,395,627
MMWEC- Wyman #4	138,241.95	415,330
MMWEC - Nuclear Mix #1	582,215.72	5,689,237
MMWEC - Millstone #3	429,438.74	4,773,018
MMWEC - Seabrook #4	1,644,075.76	19,997,047
MMWEC - Seabrook #5	191,500.53	2,227,000
MMWEC - Seabrook #6	13,994,363.97	151,411,260
Taunton - Cleary #9	699,742.07	3,801,124
Sempre Energy	5,032,793.60	95,920,000
	<hr/>	<hr/>
	22,915,291.21	292,629,643
ISO-NE	<hr/>	<hr/>
	10,199,509.88	108,346,454
Total	<hr/>	<hr/>
	33,114,801.09	400,976,097

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 operates the Stony Brook Intermediate Project and the Stony Brook Peaking Project, both fossil-fueled power plants. 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 (formerly FPL Energy, 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. DNCI also owns and operates the Millstone Unit No. 2 nuclear unit. The operating license for the Millstone Unit No. 3 nuclear unit was extended 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) (formerly FPL Energy Seabrook, LLC) the majority owner and an indirect subsidiary of NextEra Energy Resources LLC (formerly FPL Energy LLC). 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 and 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.

As of December 31, 2010, total capital expenditures for MMWEC's Projects amounted to \$1,573,048,000, of which \$170,305,000 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 \$444,225,000, of which \$53,931,000 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, 2010, MMWEC's total future debt service requirement on outstanding bonds issued for the Projects is \$491,543,000, of which \$60,779,000 is anticipated to be billed to the Department in the future.

The estimated aggregate amount of Hudson Light and Power Department's required payments under the PSAs and PPAs, exclusive of the Reserve and Contingency Fund billings, to MMWEC at December 31, 2010, and estimated for future years is shown below.

		ANNUAL COSTS
For the years ending December 31,		
	2011	9,260,000
	2012	9,220,000
	2013	9,091,000
	2014	9,004,000
	2015	8,932,000
	2016 to 2019	15,272,000
Total		<u>\$ 60,779,000</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 \$18,330,000 and \$18,704,000 for the years ended December 31, 2010 and 2009, respectively.

Statement of Changes in Financial Position

January 1, 2010 to December 31, 2010

Funds were provided from . . .

Operations . . .

Net Income	\$	650,937.50
Miscellaneous Credits to Surplus		-
Return of Investment		6,020.44
		<hr/>

Total Funds Provided

\$ 656,957.94

Funds were used for . . .

Increase (Decrease) to Utility Plant	\$	(271,528.04)
Miscellaneous Debits to Surplus		24,240.08
Return to Town of Hudson		225,000.00
Return to Town of Stow		29,779.79
Decrease (Increase) in Deferred Credits		
		<hr/>

Total

\$ 7,491.83

Increase (Decrease) in Working Capital

\$ 649,466.11

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

Cash	\$	2,861,786.10
Receivables		(1,058,757.98)
Materials and Supplies		207,698.72
Prepayments		(245,988.35)
Interest Receivable		-
Accrued Utility Revenues		-
Miscellaneous Deferred Debits		(1,048,387.31)
Miscellaneous Accrued Liabilities		(695,603.66)
Accounts Payable		628,748.09
Injury Reserve		-
Taxes Payable		(29.50)
		<hr/>

Total

\$ 649,466.11

Receipts and Expenditures

Cash Balance -- January 1, 2010 \$ 9,213,018.09

	Received	
Receipts...		
Residential Sales	\$ 14,213,848.26	
Commercial Sales	3,592,335.75	
Industrial Sales	27,778,156.51	
Street Lighting	142,424.47	
Yard Lighting	123,255.11	
Municipal Sales	1,685,282.01	\$ 47,535,302.11
Consumer Deposits	180,435.31	
Int. on Consumers' Deposits	13,238.63	
Int. on Invested Funds	105,780.43	
Rate Stabilization Trust	1,500,000.00	
Sundry Revenues	1,989,856.47	
Total Receipts		\$ 51,324,612.95

	Paid Out	
Expenditures...		
Returned to Towns	\$ 254,779.79	
Consumers' Deposits Refunded	116,570.12	
Consumers' Deposits Interest Paid	2,276.94	
Payrolls	2,790,211.87	
Inv. for Supplies, Serv., etc.	41,882,067.13	
Rate Stabilization Trust	1,750,000.00	
Employees' Retirement/OPEB Trust	1,666,921.00	
Total Expenditures		\$ 48,462,826.85
Cash Balance -- December 31, 2010		\$ 12,074,804.19

Revenue from Sale of Electricity

January 1, 2010 to December 31, 2010

	HUDSON		STOW		OTHER		TOTAL
Res. Service "A"	\$ 4,890,809.43	\$	1,710,398.94	\$	70,419.13	\$	6,671,627.50
Res. Wtr. Heater "E"	689,097.66		674,098.17		48,187.70		1,411,383.53
All Elec. Service "F"	869,848.21		288,776.60		9,061.98		1,167,686.79
Com. Htg. & Air Cond.	214.69		1,251.90				1,466.59
Com. Service "C"	1,977,848.86		582,717.52		11,459.98		2,572,026.36
Large Power "D"	14,521,734.59		765,818.83		2,636.32		15,290,189.74
Municipal All Elec.					309,095.89		309,095.89
Municipal Service "C"	103,193.80		17,413.69		696.16		121,303.65
Municipal Power "D"	555,288.62		97,951.46				653,240.08
Street Lighting	131,852.57		5,894.43		37.53		137,784.53
Yard Lighting	79,835.55		10,604.34		761.28		91,201.17
Power Adjustment Charges...							
Res. Service "A"	\$ 2,180,806.23	\$	781,670.67	\$	35,444.93	\$	2,997,921.83
Res. Wtr. Heater "E"	324,587.75		322,351.81		22,917.62		669,857.18
All Elec. Service "F"	437,941.77		146,694.50		4,584.45		589,220.72
Com. Htg. & Air Cond.	60.25		573.68				633.93
Com. Service "C"	863,410.83		246,868.36		4,565.12		1,114,844.31
Large Power "D"	11,258,158.27		438,568.21		1,344.20		11,698,070.68
Municipal All Elec.					160,599.21		160,599.21
Municipal Service "C"	43,063.72		6,821.35		106.78		49,991.85
Municipal Power "D"	332,284.51		48,854.77				381,139.28
Street Lighting	-						-
Yard Lighting	24,861.49		3,322.16		209.60		28,393.25
Total Rev. Each Zone	\$ 39,284,898.80	\$	6,150,651.39	\$	682,127.88	\$	46,117,678.07

Misc. Electric Sales 599,690.22

Total Revenue from Sale of Electricity \$ 46,717,368.29

Res. Service "A"	\$ 9,669,549.33
Res. Service "E" Wtr Htr	2,081,240.71
All Elec. Service "F"	1,756,907.51
Com. Htr. & Air. Cond	2,100.52
Com. Service "C"	3,686,870.67
Large Power "D"	26,988,260.42
Municipal All Elec.	469,695.10
Municipal Service "C"	171,295.50
Municipal Power "D"	1,034,379.36
Street Lighting	137,784.53
Yard Lighting	119,594.42
Total	\$ 46,117,678.07

Statistics

Kilowatt-hours Generated, Purchased, Sold and Used

January 1, 2010 to December 31, 2010

Kilowatt-hours Generated	9,271,683
Kilowatt-hours Purchased	<u>400,976,097</u>
Total Generated & Purchased	410,247,780

	HUDSON	STOW	OTHER AREAS
Kilowatt-hours Sold...			
Residence Service "A"	51,201,601	18,377,747	832,737
Service "E" (wtr htr)	7,621,793	7,578,869	538,096
All Electric Service "F"	10,255,959	3,446,361	107,990
Htg. and Air Cond. for Business	1,291	12,500	0
Commercial Service "C"	19,490,274	5,486,899	100,884
Large Power "D"	249,060,833	9,756,779	30,173
Departmental Usage	208,156	0	0
Municipal All Electric	0	0	3,765,200
Municipal Service "C"	954,433	151,643	2,366
Municipal Power "D"	7,376,064	1,083,900	0
Street Lighting	1,214,170	54,955	350
Yard Lighting	<u>557,706</u>	<u>74,571</u>	<u>4,704</u>
Total Kilowatt-hours Each Zone	347,942,280	46,024,224	5,382,500
Total Kilowatt-hours distributed			399,349,004
Kilowatt-hours sold for resale			0
Kilowatt-hours used at Station and misc.			1,237,803
Kilowatt-hours lost in Station & Transmission			4,564,967
Kilowatt-hours lost in Distribution Lines			<u>5,096,006</u>
Total			410,247,780

Percent lost in Distribution Lines	1.2422%
Percent lost in Station and Transmission Lines	1.4145%

Five-Year Comparative Electric Sales Data

	2010	2009	2008	2007	2006
Customers...					
Residential	10635	10550	10509	10459	10321
Commercial	1322	1322	1318	1311	1326
Industrial	158	157	155	154	160
Municipal	128	126	121	118	110
Others	173	169	167	169	173
Total	<u>12416</u>	<u>12324</u>	<u>12270</u>	<u>12211</u>	<u>12090</u>
Kilowatt-hour Sales...					
Residential	99,961,153	94,245,846	95,538,477	96,412,895	94,005,391
Commercial	25,091,848	24,015,429	24,474,536	25,348,941	24,362,304
Industrial	258,847,785	254,812,073	266,829,082	274,485,846	262,152,611
Municipal	14,603,081	13,760,946	14,713,567	14,065,648	14,926,790
Other	636,981	632,787	635,138	639,792	642,450
Total	<u>399,140,848</u>	<u>387,467,081</u>	<u>402,190,800</u>	<u>410,953,122</u>	<u>396,089,546</u>
Revenues Billed...					
Residential	13,507,697.55	13,245,343.48	12,827,872.72	12,368,713.69	\$ 11,620,589.65
Commercial	3,688,971.19	3,785,695.91	3,618,204.57	3,618,701.82	3,260,120.98
Industrial	26,988,260.42	29,123,813.72	29,350,680.35	28,343,623.13	26,376,165.53
Municipal	1,813,154.49	1,798,869.44	1,892,066.97	1,786,980.83	1,693,257.12
Other	119,594.42	119,746.87	106,529.86	116,458.10	103,413.75
Total*	<u>\$ 46,117,678.07</u>	<u>\$ 48,073,469.42</u>	<u>\$ 47,795,354.47</u>	<u>\$ 46,234,477.57</u>	<u>\$ 43,053,547.03</u>

**Does not reflect accounting adjustments for power charges.*

Consumer Statistics

December 31, 2010

Hudson

Hudson Residential Consumers	7,872
Hudson Commercial Consumers	992
Hudson Power Consumers	141
Hudson Municipal Consumers	97

Total Hudson Consumers

9,102

Stow and Maynard

Stow Residential Consumers	2,633
Stow Commercial Consumers	322
Stow Power Consumers	18
Stow and Maynard Municipal Consumers	25

Total Stow and Maynard Consumers

2,998

Boxboro, Bolton, Berlin, Marlboro, etc.

Boxboro, Bolton, Berlin, Marlboro, Etc. Residential Consumers	130
Boxboro, Bolton, Berlin, Marlboro, Etc. Commercial Consumers	8
Boxboro, Bolton, Berlin, Marlboro, Etc. Municipal Consumers	5

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

143

Total Consumers on the System

12,243

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, 2010		\$	10,184,704.48
Cash transferred to HLPD Retirement Trust Fund		\$	716,580.00
Gain on Sales		\$	168,598.96
Interest, dividends and Principal received		\$	253,649.67
Total Additions to the Fund		\$	1,138,828.63
Payments to the Town of Hudson		\$	292,990.00
Loss on Sales		\$	-
Total Reductions to the Fund		\$	292,990.00
Balance of Retirement Trust as of December 31, 2010		\$	11,030,543.11
Avidia Bank Money Market	0.68%	\$	510,465.56
Morgan Stanley Money Funds	0.01%	\$	16,221.39
GNMA	10.00%	\$	242.48
GNMA	11.00%	\$	252.27
Avidia Bank	CD	1.10%	\$ 927,969.86
Avidia Bank	CD	1.70%	\$ 708,312.97
Avidia Bank	CD	1.40%	\$ 626,334.31
Avidia Bank	CD	4.40%	\$ 645,269.13
Avidia Bank	CD	1.10%	\$ 403,714.87
Wells Fargo		3.00%	\$ 182,928.78
McDonalds		4.30%	\$ 264,030.03
Verizon		5.25%	\$ 294,738.30
Johnson & Johnson		3.80%	\$ 158,423.63
General Electric		5.00%	\$ 91,595.57
Federal National Mortgage Association		5.50%	\$ 500,820.65
Federal Home Loan Mortgage		2.00%	\$ 485,000.00
Federal National Mortgage Association-Step		2.00%	\$ 500,000.00
Federal GNMA		4.30%	\$ 374,761.88
Flagstar Bank	CD	2.50%	\$ 240,000.00
JPM CDS on DJIA	CD	0.00%	\$ 103,143.78
World Financial	CD	2.60%	\$ 200,000.00
WFC Contingent Income	CD	0.00%	\$ 100,000.00
Urban Trust Bank	CD	2.35%	\$ 240,000.00
ALLY Bank	CD	2.45%	\$ 240,000.00
BMW Bank	CD	2.35%	\$ 240,000.00
CFI - Market Linked	CD	0.00%	\$ 247,000.00
Union Bank - Market Linked	CD	0.00%	\$ 250,880.75
HSBC Bank	CD	3.00%	\$ 248,750.00
Equity Securities (Market Value \$ 2,292,930.04)		\$	2,229,686.90
Total		\$	11,030,543.11

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

Joseph J. Marinelli, Chairman

Roland L. Plante, 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.

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, 2010	\$	-
Interest, Dividends and Principal Received	\$	1,714.64
Transfers from Operations Cash	\$	657,351.00
Total Additions to the Fund	\$	659,065.64
 Total Reductions to the Fund	 \$	 -
Balance of the Other Post Employment Benefit Trust as of December 31, 2010	\$	659,065.64
Avidia Bank Money Market	0.60%	133,052.86
Morgan Stanley Money Funds	0.15%	9,342.03
Coca Cola	4.25%	93,810.17
Citigroup	4.88%	71,769.37
Verizon Global	4.90%	72,483.97
Golman Sachs	5.63%	73,224.59
McDonalds	5.30%	74,445.63
Equity Securities (Market Value \$ 136,212.24)		130,937.02
Total		\$ 659,065.64

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

Joseph J. Marinelli, Chairman

Roland L. Plante, 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 issued which the Trustees designate by vote.

Balance of the Rate Stabilization Trust as of January 1, 2010	\$	7,935,732.24
Interest, Dividends and Principal Received	\$	120,118.93
Gain on Sales	\$	52,310.98
Transfers from Operations Cash	\$	1,750,000.00
Total Additions to the Fund	\$	1,922,429.91
Transfers to Operations Cash	\$	1,500,000.00
Total Reductions to the Fund	\$	1,500,000.00
 Balance of the Rate Stabilization Trust as of December 31, 2010	 \$	 8,358,162.15

Avidia Bank Money Market	0.68%	1,018,325.99
Morgan Stanley Money Funds	0.01%	8,162.01
Avidia Bank	CD 1.75%	584,662.63
Avidia Bank	CD 1.50%	731,554.32
Avidia Bank	CD 1.25%	614,966.74
Avidia Bank	CD 1.75%	471,962.75
Avidia Bank	CD 1.60%	880,101.00
Avidia Bank	CD 1.70%	1,155,041.12
Avidia Bank	CD 1.45%	530,450.11
Wells Fargo TLGP	2.89%	335,367.87
Federated GNMA	4.34%	241,337.36
Verizon	5.25%	1,099,285.20
Equity Securities (Market Value \$ 711,127.24)		686,945.05
 Total		 \$ 8,358,162.15

Trustees, Hudson Light and Power Department Rate Stabilization Trust Fund,

Joseph J. Marinelli, Chairman

Roland L. Plante, Clerk

Paul Huehmer, Member