

Saluting our history. Welcoming our future.

CELEBRATING 100 YEARS

Annual Report

Taunton Municipal Lighting Plant

1997

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PDR ADOCK 05000443
I PDR



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I PDR



AY 26, 1920.

COUNCIL FAVORS THE PURCHASE OF NEW LIGHT UNIT

Order Appropriating \$400,000 Was Unanimously Passed to a Second Reading at the

Electric Light Commission
Special Committee of Council
Also Report in Favor
of Purchase

Commission and Committee
presented an Exhaustive Report
Which Covered Matters
of Power and Rates

Secretary: Arthur Pignatta
Commissioner: Joseph Medeiros
General Manager: Joseph M. Blain
Chairman: Robert Treano

GENERAL MANAGER'S LETTER

For TMLP, 1997 was in fact two years gift-wrapped as one. In the first, we looked back fondly on what seems now like simpler times. In the second, we took steps to embrace strategies, technologies and opportunities that were, until recently, all but unimaginable.

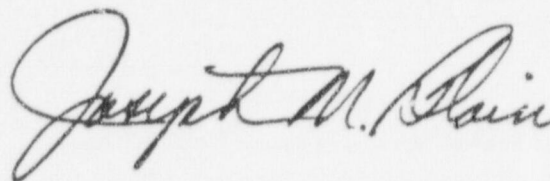
First things first. 1997 marked TMLP's centennial, representing 100 years of achievement...of community...and of blood, sweat and triumphs. From January to December, we celebrated in every way we knew how. In June we reached the high point - literally - with the presentation of TMLP's Laser Light Show on Taunton Green. Twenty thousand people gathered on the Green that night, the largest assemblage since President Harry Truman went through town.

1997 was also a year of transition, a watershed year in the life of TMLP. The twin freight trains of deregulation and restructuring, on schedule to remake the industry, threw many sectors of the energy market wide open to competition. In November 1997, we were granted an exemption from retail restructuring in order to evaluate its ramifications more fully. Ironically, the exemption also enabled us to "stick our toe" into the deregulated wholesale market, as we joined Energy New England to buy power more economically. The bottom line: TMLP's status as one of the Commonwealth's lowest cost energy providers is likely to remain unchallenged.

A century ago, all of a utility's "hard work" was done by men, horses, and very large pieces of equipment. From now on, all heavy lifting will be done technologically. In the new age of energy, information technology drives the production, transmission and distribution of power. TMLP is proud to join other utilities on the leading edge of this initiative.

In 1997, the utility completed computerizing plant and external operations. We continued to install fiberoptic cable throughout the city in support of this technology. We converted lines and installed new equipment, both to keep pace with growth in East Taunton and Berkley and to ensure continued economic development in the Myles Standish Industrial Park. And, for the first time, we were able to offer both commercial and residential customers superior Internet access.

Speaking for the people of TMLP, I venture to say that the future is a bright one for your utility. We serve great customers and have before us great opportunities. I am certain that we will continue to meet the demand of the former, and fulfill the promises of the latter.



Joseph M. Blain, General Manager

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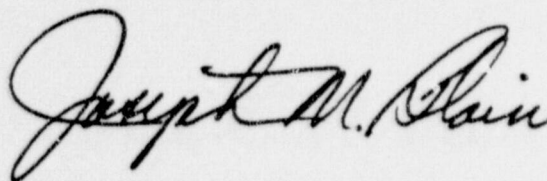
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Joseph M. Blain, General Manager

1886-1915

Just five years after the City of Taunton purchased the utility from fifteen private citizens in 1897, demand for electric service necessitated the construction of the West Water Street Generating Station, completed in 1902. With a capacity of 800 kilowatts, the Station generated far more than the original Mechanics Lane plant - but far less than what would soon be needed.

One key component of restructuring allows for power to be bought and sold through transactions similar to those that take place on the stock market.



Originally built in 1882, the Mechanics Lane Generating Station.

Eager to experience the wonders of electricity. Pictured here is first trial run of electric cars in Taunton, 1892.



THE MARKET CHANGES - TMLP RESPONDS

Deregulation and concurrent restructuring are rapidly changing the electric utilities industry. The production and delivery of electrical power has now been "disaggregated" into production, transmission, and distribution entities. Historically, electricity in New England has been dispatched as one utility, based upon a "lowest cost first" model. As of July 1997, the actual dispatch is being controlled by an independent system operator, or "ISO." In this new model, power will be bought and sold through transactions similar to those that take place on the stock market. Each resource will be bid into the ISO clearing system based upon an hourly price. Clearly, this scenario creates a much more complex environment in terms of power production.

TMLP has taken a conservative approach with respect to retail restructuring. Working closely with the legislature and other stakeholders, the utility has secured an exemption from its implementation. The reason: If restructuring fails, for any reason, there is no identified process to correct damages.

Given its standing as a municipally owned utility, TMLP's customers would be required to pay. Instead, the utility is using this window of opportunity afforded by the exemption to work more closely with its customers, and to understand from their perspective what works best for them.

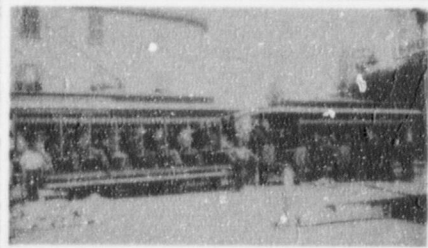
RESTRUCTURING AS OPPORTUNITY

At the same time, the utility realizes the magnitude of the potential opportunity that deregulation and struc-

engines to receive dry saturated steam at 150 pounds at the throttle. At present, however, on account of the large offset boilers, the insurance company has limited the steam pressure to about 100 pounds. The boiler is of the vertical type and is quite a low pressure and wet. These conditions have evidently increased considerably the steam used by the engines. Also the main engine is a simple beam engine. The Allison-Chalmers machine is used for any investment that will make a mechanical stoker may be installed directly of course. Power. It is promptly lit a short time after the failure of the engine. The cost should be placed at \$14,500 for the engine room and \$14,500 for the Allison-Chalmers machine. It should be seen that the entire load is purchased at a price of operating



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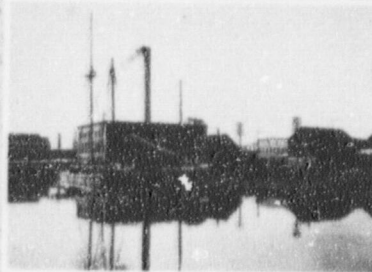
In September of 1997, TMLP held the greatest retirement party in the utility's history. All retirees, their spouses and immediate families - more than 400 in all - gathered for an evening of remembrance and entertainment at the Raynham/Taunton Dog Track. Every retiree was given a gold Centennial watch for his or her role in the utility's century of success.



The West Water Street Generating Station nears completion in 1902.



Taunton Street Railway Building 1905. TMLP uses this building today as a garage.



This Taunton River scene shows the West Water Street Plant under power.

turing represent. Never in its history has TMLP had such direct control over a wider variety of resources. Locking in prices through a futures market attended by energy trading markets and clearing houses, the utility can structure power supply to guarantee flat rates to large industrial customers. A similar risk/hedge strategy may also be appropriate for ensuring a low-cost, stable rate to a block of residential customers.

Furthermore, as one of the increasing rare breed of public utilities that have production resources and significant fuel procurement capabilities, TMLP can exchange its resources in the energy markets more thoroughly to meet its customers' needs.

A POSSIBLE LOOK AHEAD

The exemption granted municipal utilities by the Massachusetts legislature allows TMLP to participate in the new restructured wholesale market. As a collaborative effort whose members include TMLP, municipal utilities in Reading and Braintree, and a Connecticut-based joint-action cooperative (CMEEC), Energy New England is buying and selling power on the open market. In the aggregate, Energy New England's efforts have saved its customers \$500,000-600,000 per month to date.

THE WORLD ACCORDING TO SCADA

Imagine a business environment in which there are 33,000 customers, an untold number of energy suppliers, and a seemingly infinite number of dispatchable loads. Furthermore, information relating to each and every one of these variables must be accessible by the hour, and sometimes by the minute.

The information demands placed upon TMLP by the open market require that the utility have an unprecedented amount of real-time information at



In October, more than a thousand people attended TMLP's Open House at Cleary Station. From the excitement of the internet to the possibilities of solar energy, "Your Utility, Your Future" gave the public a preview of the "TMLP to come." In addition, for the first time, young and old alike had the opportunity to reach new heights in bucket-truck rides.

its collective fingertips. In 1997, TMLP completed a four-year program to bring on-line just such an information-gathering system.

SCADA (Supervisory Control and Data Acquisition) polls different information-gathering equipment that provides information on the system as well as customers. Monitoring on a real-time basis, SCADA alerts operators of system trouble, allowing the rerouting of power as the need arises.

Using fiberoptic cable as a backbone communications medium, along with 900 MHz Licensed and 900 MHz Spread Spectrum Radio, TMLP is constructing a fiberoptic "ring" around its service territory. The project is taking place in three phases. In 1997, the utility initiated Phase 1, which encompasses Weir Street, City Hall, County Street, Taunton High School, the Department of Public Works, and the Silver City Galleria. Phase 2 connects Morton Hospital, the Taunton Library and Police Station and Coyle Cassidy. Finally, Phase 3 will complete the loop, finishing back on County Street. To date, 18 miles of fiberoptic cable has been installed.

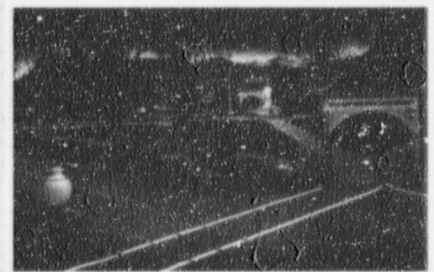
After World War I, expansion became the order of the day to keep pace with a growing Taunton. Beginning in 1919, when Governor Calvin Coolidge signed a bill establishing the Taunton Municipal Lighting Plant Commission, the plant flourished - adding thousands of kilowatts and improving service.

1915-1940

Early generating and control equipment from West Water St.



1929 marked the 50th Anniversary of Edison's incandescent lamp. TMLP and the Park Dept. celebrated with this impressive display on Taunton Green.



The Taunton Municipal Lighting Plant will receive 250,000 incandescent lamps, valued at \$1,000,000, from the Edison Electric Co. Inc. The lamps will be delivered at its storage tank at Mechanics Lane, Taunton.

**SERVICE
IMPROVEMENTS
FOR GROWING
NEIGHBORHOODS**

In 1997, TMLP worked on several lines to ensure reliable service for current and prospective customers alike. In converting these lines, the utility in essence rebuilds the existing utility line to conduct higher voltages and ensure easier, more dependable customer service. Conversion typically includes running new primary wires and changing out all transformers.

Projects completed in 1997 included the conversion of seven miles of line in Berkley, resulting in a new main feed that affects Berkley, South Main and Jerome Streets. As a consequence, this growing area can expect more reliable service, and count on additional capacity to accommodate future growth. In Raynham, conversions were completed in the King Philip Street and Pleasantfield areas. In addition, TMLP personnel completed the Caswell Street conversion in East Taunton.

For larger commercial customers, TMLP began upgrading Station 18 (the Whittenton Junction sub-station). In 1997, engineering work was completed. This year, new transformers and feeder lines will be added to better serve the Industrial Park. With these changes in place, the utility expects to satisfy the capacity and service reliability needs of the Park, which is expected to double in size within the next few years.

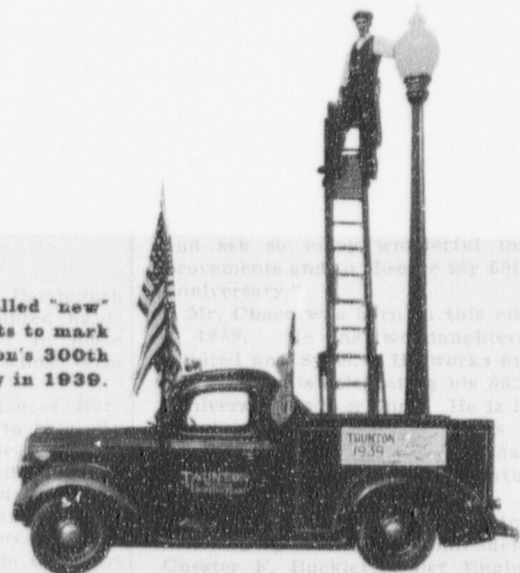
The completion of the SCADA network (Supervisory Control and Data Acquisition) enables TMLP to respond to the information demands placed upon the utility by the open market.

Board had Expired



These construction crews from 1938 are installing TMLP's underground duct system.

TMLP installed "new" lights to mark Taunton's 300th Anniversary in 1939.



Chester F. Bunkley, Chief Engineer Daniel M. Bradley, Thomas F. Ryan, president of the Employees

Twenty-four Taunton women. Still our home today, these are our Weir St. offices in 1940.



vulcanic

Major renovations and upgrades took place throughout the late 40s and early 50s at West Water Street.



BO:



distrib high a rmand Conce utious said: r thro ck of ade it ssibili y exce

New members elected were... Emma Allard, Mrs. Francis... Mrs. George E. Baker

1940-1955

Taunton's appetite for electrical power required significant capacity enhancements at the West Water Street facility throughout the 1950s. Also during this time, hurricanes formed a harrowing backdrop for TMLP and its customers. On many occasions, dedicated crews were called upon to repair lines and restore power.

TMLP has made a strong commitment towards its commercial Internet access program. Service which began on December 15, 1997, has been met with great enthusiasm.

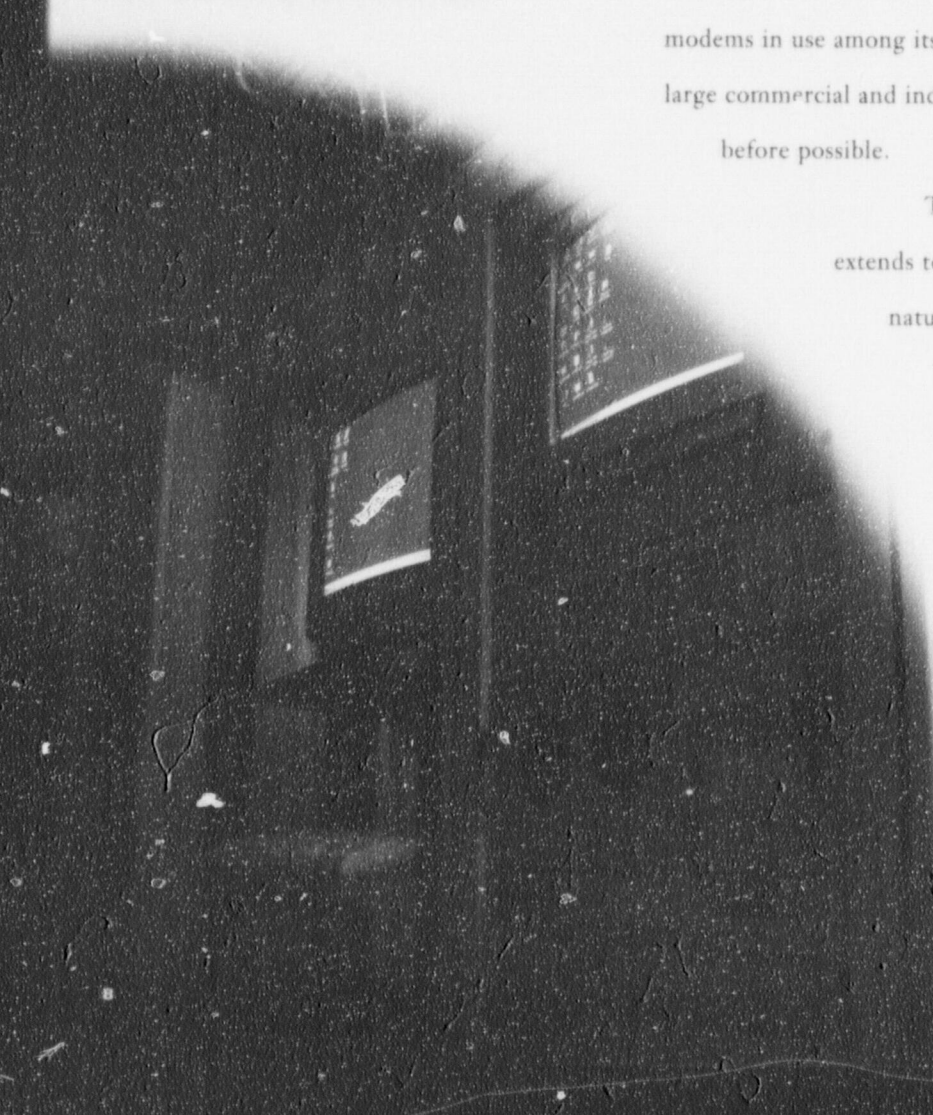
TMLP AND THE INTERNET

The amount of information that a utility is required to gather has increased exponentially. The ability to access information and shape data - in real-time - is very much the price of entry into the contemporary energy marketplace. With all NEPOOL activity now conducted in real-time on the Internet - from financial and load reports to emissions allowance trading - it was incumbent upon TMLP to maximize its presence.

With the infrastructure firmly in place to serve the long-term needs of the utility, TMLP inaugurated its commercial Internet access program on December 15, 1997. Since that date, it has more than doubled the number of modems in use among its customer base. In addition, it has furnished the utility's large commercial and industrial customers with a level of fiberoptic access never before possible.

TMLP's potential market for commercial Internet use extends to 100,000 households both within and outside the utility's natural service territory. As of this Report, the market for TMLP Internet access encompasses Lakeville, Rochester, Freetown, Norton, Easton, Assonet, and Middleboro - in short, any locality that does not require a toll call to achieve dial-in access.

TMLP has also positioned Internet access as an economic development tool. Now and into the foreseeable future, forward-thinking, 'net-savvy corporations will seek to locate in areas with the kind





Crews worked long hours after Hurricane Carol and Edna struck within 11 days of each other in August of 1954.



Throughout the 1950s our lobby on Weir Street was also a showroom for "modern" electrical appliances.

of Internet capacity and accessibility that TMLP offers through its Internet service, particularly as it is conveyed through Myles Standish Industrial Park. It is our intention to actively promote this message to companies from outside our area with "industrial-strength" Internet capability/needs.

From TMLP's beginnings 100 years ago, the utility has taken as its charge the industrial development of the Taunton area. Its Internet effort is in many ways a further manifestation of this philosophy. For companies considering moving to Taunton, the strong technological backbone of our Internet service represents a "tie-breaker" in our favor. For companies considering leaving, it is our hope that this same cutting-edge communications capability - in tandem with the lowest rates in Massachusetts - will give them pause.

A MORE FOCUSED BRAND OF SERVICE

In late 1997, TMLP inaugurated its Key Accounts program. Thanks to this initiative, industrial and large commercial energy users have access to a cross-disciplinary TMLP service team. Professionals from engineering, metering, billing and energy services work as one to respond rapidly to a customer's needs. For example, on a typical customer visit, a TMLP account executive may show a large retailer how to improve its efficiency by reducing its demand.

**ACCOMMODATING CUSTOMERS:
FROM THE INSIDE OUT**

A utility is only as good as its ability to respond in an accurate and timely fashion. In 1997, TMLP completed a 4-year administrative-applications upgrade with the help of Harris Computer, a leader in specialized applications

The 100th Anniversary Committee took every opportunity to revisit the past, as we did with the Home Lighting Contest, a holiday event that had not been held since the 1940s. From literally hundreds of entrants, judges selected five residential winners and one commercial winner, each of whom received \$500 basket full of commemorative Centennial merchandise.

software for the North American utility industry. Last year, the billing system went on-line. The integration of the business and accounting packages flows information into various internal reports and eliminates inefficiencies such as keying-in information.

In 1998, the near-term goal is to get all systems to "talk to each other." The proposed work-order system will link all other independent systems together. The benefits of the resulting integrated database, both immediate and long-term, will be felt as dramatic improvements in efficiency and productivity.

A long-overdue remodeling of the main business office was also completed in 1997, a symbol of the utility's commitment to its Weir Street home for the foreseeable future, as well as to improved customer service.

With applications software tailored for the North American utility industry, TMLP completed a comprehensive systems upgrade in 1997 which integrated business and accounting functions.

TMLP IN THE COMMUNITY

In addition to raising funds for the annual holiday display on Taunton Green, TMLP and its employees were busy on many other charitable fronts as well. They worked with students from Walker School to create a float in the Christmas Parade. They orchestrated the Home Lighting Contest, sponsored by TMLP.

They were also instrumental in creating the Internet Challenge. To celebrate the utility's anniversary, students would answer questions about TMLP history at the utility's web site. From the students who answered correctly, the winners were chosen at random - one each from a Taunton-area elementary school, middle school and high school. Each winner received a complete computer system

After over 75 years of service, time had come to replace the West Water Street Generating Station. In 1962, construction on the new 28,300 kw Cleary-Flood Generating Station began. An additional 110,000 kw were added with additional units completed in 1975 and 1976.

1955 - TODAY

Left: Unit 7 enters its new home in 1957. At right, after nearly 60 years of upgrades and improvements, West Water Street Generating Station, 1958.



Crews from surrounding utilities gather at TMLP after Hurricane Denna, 1960.



Undoubtedly the gala event of TMLP's Centennial Year was the Laser Light Show on Taunton Green. More than

20,000 spectators marveled at the aerial creativity of the same laser artists who performed at EPCOT and the Summer Olympic Games in both Los Angeles and Atlanta. This spectacular event, held in June, was one that few in attendance will ever forget.

at the Cleary Station Open House.

Lighting area ball fields continued to be a priority in TMLP community efforts. In 1997, utility employees increased the amount of illumination produced by each light at the Eastern Taunton Little League from 30 to 50 foot-candles. (While it may not sound like much, it represents a significant improvement when a pop fly descends on a 10-year-old at twilight.)

Also, as part of its 100th anniversary celebration, the utility gave the equivalent of 100 kilowatt-hours free to all customers. Residential customers redeeming the offer saved approximately \$8, commercial customers \$10.

TMLP-TOWARD THE FUTURE

In 1997, TMLP's year-long 100th birthday celebration was always at or near the top of the city's social calendar. It was a time that TMLP management and employees shared with the community, and a time we will always treasure.

Yet while it's fun to look back, there's never been a more exciting time to look ahead. In 1998 and beyond, expect representatives of your utility to work shoulder to shoulder with community leaders to create an even better Taunton, and an even better TMLP.



Left: Beginning construction on the Cleary-Flood Generating Station 1962. At right: construction for Unit 9 at Cleary-Flood 1973.

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F. Sarvas of E. F. Sarvas

The plant's legal counsel, Atty
ster, told the
ording to the
TMLP has the

members have felt that they
would save at least \$500,000 if the
plant hauled its own oil.
The plant must determine the
er of trucks needed and the
plus the expense of having
ers, mechanics, and a

who had asked for a legal opinion
on whether the
its own oil. The TMLP man
would present no problem unles
to have Unit 9
completed before
the problems of
own oil. 11

He said that, according to law,
the plant can have its own
trucks, drivers and mechanics
However, De

1997 EMPLOYEE LISTING

Michael Abbott	Joseph Frates	Adeline Osso
Antone Almeida, Jr.	Ernest Frestz	Diane Paiva
James Araujo	Douglas Furtado	Richard Parker
Lawrence Arieta	Paula Gallagher	David Pereira
Jeffrey Bagge	David Gallego	Francis Pereira
Kelly Bagge	Thomas Goggin	Manuel Pereira
Brett Baker	Antonio Gonsalves	Joseph Perry
Brian Belanger	Edward Goulart	Anthony Pietrzyk
John Bisio	Kenneth Goulart	Louis Ponte
Mark Bissonnette	Roland Grandmont	Thomas Powers
Mark Blackwell, Jr.	Nicole Grant	John Punda
Mark Blackwell, Sr.	John Haggerty	Jennifer Ready
Joseph M. Blain	Michael Hagopian	Doris Renard
Leo Bousquet	Manuel Hathaway	Steven Rogers
Tommie Bruce	Timothy Hebert	Charlotte Romano
Victor Buote	Michael Horrigan	Manuel Rose
Arthur Cabral	James Irving	Richard Rose
Steven Cantwell	Wallace Jones	Stephen Rose
Bing Chan	Kevin Kiernan	Ronald Roy
Fred Chandler	Paulette Kingsbury	Doreen Rua
Patricia Chandler	Stanley Koss, Jr.	Albert Santos
Roberta Chesterfield	Robert Krantz	Greg Santos
Cynthia Clark	Roderick LaFrance	Mark Seekell
Carol Collagan	Michael Larkin, Jr.	John F. Semas
Margaret Cooke	Raymond Leanues	John M. Semas
David Cordeiro	Daniel Lema	Robert Silva
Bruce Correia	Theresa Levesque	Katrina Silveira
Albert Costa	Linda Linhares	Cynthia Silvia
Michael Cote	Robert Linhares	Debra Silvia
Steven Cote	Maureen Lounsbury	Gregory Simmons
Margaret Coulombe	Kelly Lozinski	Rita Smith
Thomas DeBrum	Ronald Lund	Robert Smith
Russell Demar	William Lyons	Kathleen Smyth
Lawrence DeThomas	Daniel Mahoney	Scott Souza
Wayne Dixon	Frank Mastera	Richard Sproul
John Dolan	George Mastin, Sr.	Nancy Stankiewicz
Lorraine Donahue	Charles McCaffrey	Kevin Steadman
Stephen Donovan	Francis McDermott	William Strojny
Kevin Dooley	James McDermott	Ralph Strollo, Jr.
Paul Downing	John McDonough	Dana Sullivan
Paul Dumont	Diane McGrath	Denise Tavares
John Dubena	Joseph McKenna	Frederick Tompson
Armand Emond	Deborah McMurray	Judy Torres
Michael Emond	John McRae	John Valcovic
Joan Faria	Robert Medeiros	Joseph Vasconcellos
Charles Farrell	Ronald Medeiros	Richard Velez
Joseph Fernandes	David Melanson	Anna May Vieira
Maria Fernandez	Ernest Mello	Shirley Vincent
Glenn Ferreira	Paulette Menard	James Warren
Ronald Ferreira	Paul Mercier	R. Scott Whittemore
David Fink	Joan Mulcahy	Thomas Zagorski
Craig Foley	William Nickerson	
Craig Fonseca	Joseph Noberini	

"LIVE WIRE" WARNINGS.

Manager Selbel and the Municipal Lighting Plant Commission have sent out three thousand warning postal cards and have also posted in each school building and on poles around the city similar warnings relative to the danger from electric light wires "stray upon the ground". The advice to the public in case of such an occurrence is worth repeating. It is:

Do not touch them.

Call the Municipal Lighting Plant, Number 173.

Call Police, Number 15.

Please stand guard to warn others until repair men arrive.

Of course no charged electric light wires are left around loose intentionally, but there is always a chance that a break of some kind may occur which will lead to danger. It is never wise to take chances with a loose wire of any kind. It is safer to fool with the hind leg of a live mule.

The warnings sent out are wise and timely.

Report of Independent Certified Public Accountants

Municipal Light Commission of the City of Taunton
Taunton, Massachusetts

We have audited the accompanying balance sheets of the Taunton Municipal Lighting Plant (a department of the City of Taunton) as of December 31, 1997 and 1996, and the related statements of earnings, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Plant's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

As discussed in note H to the financial statements, certain disclosures required by the Governmental Accounting Standards Board relating to pensions have been omitted.

In our opinion, except for the omission of certain pension plan disclosures required by the Governmental Accounting Standards Board, the financial statements referred to above present fairly, in all material respects, the financial position of the Taunton Municipal Lighting Plant as of December 31, 1997 and 1996, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Boston, Massachusetts

March 27, 1998

(except for Note G as to which
the date is April 6, 1998)

Grant Johnston LLP

*It's Time to Choose
Your Electric Refrigerator*



WHEN the mercury climbs, it is time to consider your refrigeration problem. Your Electric Refrigerator solves that problem. Think of it—food kept so sweet and wholesome. Your milk, cream, fruit, vegetables and all perishable foods are fresh for almost unlimited periods. Frozen salads and dainty desserts add zest and joy to the hot-weather meal. And crystal cubes of ice are conveniently available for cooling drinks. The certainty of the unvarying low temperature is a boon to the health of every member of the family.

TAUNTON
Municipal
LIGHTING PLANT

1932

Balance Sheets

Assets	December 31,	1997	1996
Utility Plant - at Cost			
Plant in service		\$110,533,880	\$107,404,333
Less accumulated depreciation		68,359,877	64,072,084
Net utility plant in service		42,174,003	43,332,249
Investment in Seabrook		2,828,547	2,976,550
Construction work in progress		2,263,790	1,196,931
Total utility plant		47,266,340	47,505,730
Depreciation Fund (including certificates of deposit of \$5,500,000 and \$7,670,000 in 1997 and 1996, respectively)		12,213,601	11,267,002
Sick Leave Trust Fund		4,132,129	3,294,804
Other Assets			
Investment in Hydro Quebec Project		299,665	299,665
Deferred fuel costs		122,109	338,176
Lightwaves		57,804	112,767
Other		55,515	13,119
Current Assets			
Cash		959,771	957,498
Customer deposits		465,892	443,421
Accounts receivable, less allowance for doubtful accounts of \$878,435 and \$832,477 respectively		4,003,115	4,702,175
Due from TMLP Retirement Trust		550,708	561,624
Materials and supplies inventory		1,616,240	1,222,347
Prepaid expenses		178,397	204,447
Total current assets		7,774,123	8,091,512
		<u>\$ 71,921,286</u>	<u>\$ 70,922,775</u>
Retained Earnings and Liabilities	December 31,	1997	1996
Retained Earnings			
Appropriated retained earnings		\$ 19,572,000	\$ 18,587,000
Loans repayment		32,434	32,434
Construction repayment		19,604,434	18,619,434
Unappropriated retained earnings		31,328,354	29,936,201
Unrealized (loss) gain on securities held for sale		145,765	(2,905)
Total retained earnings		51,078,553	48,552,730
Long-Term Debt		12,506,801	13,575,155
Current Liabilities			
Accounts payable		1,184,819	2,453,866
Customer deposits		364,273	433,423
Current maturities of long-term debt		1,065,000	985,000
Accrued liabilities			
Sick leave		4,025,603	3,683,358
Vacation		711,966	639,400
Interest		465,374	498,207
Power		345,752	-
Payroll		102,970	67,657
Other		70,175	33,979
Total current liabilities		8,335,932	8,794,890
Commitments and Contingencies		-	-
		<u>\$ 71,921,286</u>	<u>\$ 70,922,775</u>

Better LIGHT Better SIGHT



His eyes are his future!

TAKE NO CHANCES with the eyes of youth. Your child's future could be seriously endangered by overwork. Make sure that the light he reads and studies in is a good light. Show him when your light for him to give him a study lamp that will make his time work easier ... and safer.

Your baby even should provide a well-lighted seat for every adult in the family as well as for the children. Reading, writing, work ... all require plenty of well-directed light for greater enjoyment. Good light equipment is a real necessity. We will be glad to come up with a "right order" and test your present lighting and recommend changes if need be. There is no charge for this service.

Go to your Electrical Dealer for the best of lighting equipment

TAUNTON LIGHTING PLANT

1934

Statements of Earnings

Years ended December 31,	1997	1996
Operating revenues		
Sales of electricity		
Commercial and industrial	\$24,534,992	\$24,473,615
Residential	16,167,796	16,827,358
Sales for resale	4,057,870	2,843,056
Municipal	<u>1,930,677</u>	<u>2,027,354</u>
	46,691,335	46,171,383
Other operating revenues	<u>271,906</u>	<u>317,700</u>
Total operating revenues	<u>46,963,241</u>	<u>46,489,083</u>
Operating expenses		
Power production	26,597,045	26,131,479
Transmission and distribution	3,697,693	3,104,883
Customer accounting	1,356,142	1,451,514
Administrative and general	5,083,573	4,613,306
Depreciation and amortization	4,598,011	4,383,296
Nuclear expense	262,791	195,969
Write-off of coal plant project	-	<u>1,307,145</u>
Total operating expenses	<u>41,595,255</u>	<u>41,187,592</u>
Earnings from operations	5,367,986	5,301,491
Other expense (income)		
Interest expense	1,110,745	1,188,482
Interest income	(360,668)	(176,420)
Other income	<u>(119,244)</u>	<u>(152,792)</u>
Total other expense	<u>630,833</u>	<u>859,270</u>
Earnings before provision for payment in lieu of taxes	4,737,153	4,442,221
Provision for payment in lieu of taxes	<u>2,360,000</u>	<u>2,360,000</u>
Net Earnings	<u>\$ 2,377,153</u>	<u>\$ 2,082,221</u>

Statements of Retained Earnings

Years ended December 31, 1997 and 1996	Appropriated Retained Earnings		Unappropriated Retained Earnings
	Loan Repayment	Construction Repayment	
Balance at December 31, 1995	\$17,677,000	\$32,434	\$28,763,980
Transfer for bond repayment	910,000	-	(910,000)
Net earnings	-	-	<u>2,082,221</u>
Balance at December 31, 1996	18,587,000	32,434	29,936,201
Transfer for bond repayment	985,000	-	(985,000)
Net earnings	-	-	<u>2,377,153</u>
Balance at December 31, 1997	<u>\$19,572,000</u>	<u>\$32,434</u>	<u>\$31,328,354</u>



IS IT FAIR?

Have you ever estimated how many hours of a housewife's time out of every year are spent washing and drying the dishes? In the average home it adds up to 700 hours, nearly 18 work weeks of 40 hours each. A modern electric dishwasher using current costing but pennies each day will reduce this time to approximately one-third... resulting in cleaner, more sparkling dishes more than ever before.

Yes, many of your wife's household drudgeries can be reduced or eliminated by modern electrical equipment. Why not give her the kitchen-free hours she's entitled to... happy hours to share with the rest of the family. Why not?

Taunton Municipal Lighting Plant

1045

Statements of Cash Flows

Years ended December 31,

1997

1996

Increase (Decrease) in Cash and Cash Equivalents

Cash flows from operating activities:

Net earnings	\$2,377,153	\$ 2,082,221
Adjustments to reconcile net earnings to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization	4,598,011	4,383,296
Amortization of bond premium	(3,354)	(3,354)
Write off of local plant	-	1,307,145
Equity in income (losses) of Seabrook investment	105	(68,717)
Change in assets and liabilities:		
(Increase) in customer deposit funds	(22,471)	(55,246)
Decrease in accounts receivable	699,060	(823,287)
Decrease in due from retirement trust	10,916	(37,773)
(Increase) in inventory	(393,893)	79,254
Decrease in prepaid expenses	26,050	32,476
Decrease in lightwaves	54,963	77,257
(Increase) in other assets	(42,396)	157,029
(Decrease) in accounts payable	(1,269,047)	(52,880)
(Decrease) in deferred fuel or customer credits	216,067	(3,437,415)
(Decrease) in customer deposits	(69,150)	13,450
Increase in accrued liabilities	799,239	218,370
Net cash provided by operating activities	<u>6,981,253</u>	<u>4,154,826</u>

Cash flows from investing activities:

Net additions to utility plant	(4,358,726)	(4,516,357)
Proceeds from maturing long-term certificates of deposits - depreciation fund	3,500,000	3,320,000
Investment in long-term certificates of deposit - depreciation fund	(4,000,000)	(3,500,000)
Increase in Sick Leave Trust Fund	(688,655)	(197,939)
Net cash used in investing activities	<u>(5,547,381)</u>	<u>(4,889,296)</u>

Cash flows from financing activities:

Payment of long-term debt	(985,000)	(910,000)
Net increase (decrease) in cash and cash equivalents	448,872	(1,644,470)

Cash and cash equivalents at beginning of year

8,724,500 10,368,970

Cash and cash equivalents at end of year

\$9,173,372 \$ 8,724,500

Cash and cash equivalents at end of year is reflected on the balance sheets as follows:

Depreciation fund (exclusive of long-term certificates of deposit)	\$8,213,601	\$ 7,767,002
Cash	<u>959,771</u>	<u>957,498</u>
	<u>\$9,173,372</u>	<u>\$ 8,724,500</u>

Supplemental Disclosure of Cash Flow Information:

Cash paid during the year for interest	\$1,143,578	\$ 1,221,411
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IT'S HERE!



Ladies You Are Cordially Invited

On July 28th and July 30 in Taunton, it will be our pleasure to present Mr. I. Edward Maguire of the General Electric Home Bureau in Bridgeport, Connecticut.

Mr. Maguire, who is in charge of the Laundry Equipment Division of the Home Bureau, will give a demonstration of the Automatic Washer and other General Electric Laundry Appliances at the Taunton Municipal Light Plant Auditorium.

Whether you have purchased, or are contemplating the purchase of a washer or ironer, or are merely interested in obtaining good laundering results with your present equipment, we recommend you attend one of these demonstrations as Mr. Maguire will welcome any and all questions you may have relative to good laundering procedure.

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1948

Notes to Financial Statements

Note A - Summary of Significant Accounting Policies

A summary of Taunton Municipal Lighting Plant's (the "Plant") significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Nature of Business The Plant is a regulated municipal electric utility located in Taunton, Massachusetts. The Plant operates as an enterprise fund of the City of Taunton, Massachusetts, and produces, purchases and distributes electricity to approximately 32,000 customers in the City of Taunton and the surrounding areas.

2. Use of Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates relating to the allowance for doubtful accounts and contingencies (see note G) represent the significant estimates included in the financial statements. Management bases their estimates of these items on historical experience, specific identification and future expectations.

3. Rates The Plant is under the charge and control of the Municipal Light Plant Commissioners in accordance with Chapter 164, Section 55 of the General Laws of the Commonwealth of Massachusetts. Electric power is both produced and purchased and is distributed to customers within their service area. The rates charged by the Plant to its customers are filed with the Department of Telecommunications and Energy ("DTE") (formerly the Massachusetts Department of Public Utilities) and is subject to Chapter 164, Section 58 of the General Laws, which provides that prices shall be fixed to yield not more than 8% per annum on the cost of the plant after repayment of operating expenses, interest on outstanding debt and depreciation. The Plant's resulting net earnings amounted to approximately 3.7% and 3.4% of utility plant in 1997 and 1996, respectively.

4. Depreciation Pursuant to the DTE regulations, depreciation is calculated as a percentage of depreciable property at January 1. Depreciation is computed at 4% of the cost of depreciable property.

Depreciation Fund cash is used in accordance with state laws for replacements and additions to the utility plant in service.

5. Pension Plan Substantially all employees of the Plant are covered by a contributory pension plan administered by the City of Taunton in conformity with State Retirement Board requirements (see note H).

6. Inventory Materials and supplies inventory is carried at cost, principally on the average cost method.

7. Sick Leave Trust Fund The Plant established a Sick Leave Trust Fund ("Trust") in 1982 for the financing of future sick leave payments. It is the Plant's intention that the Trust be funded to the extent of the Plant's sick leave liability and that future sick leave expense will be paid by the Trust once full funding is achieved. The assets of the Trust are shown in the financial statements to provide a more meaningful presentation, as the assets of the Trust are for the sole benefit of the Plant.

The Plant adopted Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities". Under SFAS No. 115, debt securities that the Plant has the positive intent and ability to hold to maturity are classified as held to maturity and reported as amortized cost; debt and equity securities that are bought and held principally for the purpose of selling in the near term are classified as trading and reported at fair value, with unrealized gains and losses included in earnings; and debt and equity securities not classified as either held to maturity or trading are classified as available for sale and reported at fair value, with unrealized gains and losses excluded from earnings and reported as a separate component of retained earnings. Gains and losses on the sale of securities are recognized at the time of sale on a specific identification basis.

In addition to money market funds and accrued income, the estimated market values of securities included in the Sick Leave Trust Fund at December 31, were as follows:

	Cost	Unrealized Gains	Unrealized Losses	Estimated Market Value
(In Thousands)				
Securities available for sale at December 31, 1997				
US Treasury obligations (maturing August 1999 through August 2003)	\$ 665	\$ 4	\$ 1	\$ 668
US Government agency obligations (maturing September 1998 through February 2004)	235	5	-	240
Other corporate obligations (maturing November 1998 through March 2008)	1,821	30	6	1,845
Common stock and other securities	989	140	26	1,103
Total securities available for sale	<u>\$3,710</u>	<u>\$179</u>	<u>\$33</u>	<u>\$3,856</u>
Securities available for sale at December 31, 1996				
US Treasury obligations (maturing May 1997 through August 2023)	\$1,613	\$19	\$19	\$1,613
US Government agency obligations (maturing August 1997 through September 1998)	188	1	4	185
Other corporate obligations (maturing May 1996 through March 2000)	1,246	4	4	1,246
Total securities available for sale	<u>\$3,047</u>	<u>\$24</u>	<u>\$27</u>	<u>\$3,044</u>

Notes continued on next page.

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COME ALL!**

Frozen Food Demonstration

Co-Sponsored by
SEARS, ROEBUCK AND CO.

Thursday, July 26 at 2:30 P. M.
TAUNTON MUNICIPAL LIGHTING PLANT

YOU'RE INVITED!

All Sears, Roebuck and Company are invited to attend...
SEEK SEARS EXPERT! Mr. L. G. Whitney, Sears Expert from Chicago, will be here for the demonstration. He will answer your questions, give you most helpful information concerning frozen foods.

Everyone is invited! Everyone is invited! You are invited and you should be there on this special day at 2:30 P.M. at the Lighting Plant.

EVERYONE WELCOME!

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3 WINDOL STREET CATALOG ORDER OFFICE TAUNTON

1951

Notes to Financial Statements

Net investment income for the Trust of approximately \$148,000 and \$203,000 in 1997 and 1996, respectively, is reflected in the statements of earnings as an offset to compensated absence expense, as these funds are restricted and can only be used for the payment of sick leave benefits. The net expense for sick leave was approximately \$246,000 and \$257,000 for the years ended December 31, 1997 and 1996, respectively.

8. Deferred Fuel Costs The Plant's rates include a Purchased Power Cost Adjustment (PPCA) which allows an adjustment of rates charged to customers in order to recover all changes in power costs from stipulated base costs. The PPCA provides for a quarterly reconciliation of total power costs billed with the actual cost of power incurred. Any excess or deficiency in amounts collected as compared to costs incurred is deferred and either credited or billed to customers over subsequent periods.

9. Investment in Seabrook The Plant's Investment in Seabrook represents a 0.10034% joint ownership share. The Plant records annually depreciation computed at 4% of the initial investment in Seabrook. The Plant's percentage share of new plant additions are capitalized and their share of operating and maintenance expenses, and decommissioning expenses (see note C) are charged against earnings.

10. Cash Equivalents For purposes of the Statement of Cash Flows, the Plant considers certificates of deposit with maturities of three months or less to be cash equivalents. At December 31, 1997 and 1996, Depreciation Fund - Unit 9 principal and interest includes certificates of deposit in the amount of \$4,000,000 and \$3,500,000, respectively, were considered long-term.

11. Reclassifications Certain amounts in the 1996 financial statements have been reclassified to conform to the current year presentation.

Note B - Cash and Certificates of Deposit

The Plant's cash is deposited with the City of Taunton Treasurer who commingles it with other City funds. The City invests the cash and credits the Plant each year with interest earned on the cash deposits.

Cash and certificates of deposit deposited with the City of Taunton consists of the following at December 31,

	1997	1996
Interest bearing pooled funds including restricted customer deposits of \$364,273 and \$443,421, respectively	\$ 8,139,264	\$ 4,997,921
Certificates of deposit with rates of 5.53% - 5.6% maturing at various dates during 1998	5,500,000	7,670,000
	<u>\$13,639,264</u>	<u>\$12,667,921</u>

Cash and certificates of deposit at December 31, is reflected as follows:

	1997	1996
Depreciation Fund - capital additions and replacements	\$ 5,453,441	\$ 4,579,399
Depreciation Fund - Major overhaul	2,027,318	2,027,318
Depreciation Fund - Unit 9 principal and interest	4,004,158	3,931,601
Depreciation Fund - other	728,684	728,684
Cash	959,771	957,498
Customer deposit principal and interest fund	465,892	443,421
	<u>\$13,639,264</u>	<u>\$12,667,921</u>

Note C - Investment in Seabrook

The Plant is a 0.10034% joint owner of the Seabrook New Hampshire Unit 1. The joint owners of Seabrook have established a Decommissioning Fund that is currently held by a Trustee. The Plant's share of the estimated decommissioning liability is approximately \$415,000 as of January 1, 1995 (the most current valuation date). The Plant is currently contributing, based on a present value formula, \$572 per month (increasing to \$933 per month in 1997) over 36 years.

Note D - Lightwaves

The Plant has initiated an energy saving program for commercial and industrial customers known as Lightwaves. The program entitles the customer to a free energy audit and installation of energy efficient equipment. Customers are required to pay a monthly fee for a 60 month period. The fee is based upon the administrative costs related to the program. The related administrative costs are expensed as incurred.

Note E - Long-Term Debt

Long term debt is comprised of the following bonds:

	1997	1996
Electric Loan Act of 1969		
Interest rate 8%, interest payable February 1 and August 1, due serially to February 1, 2006	\$13,545,000	\$14,530,000
Unamortized premium	26,801	30,155
	<u>13,571,801</u>	<u>14,560,155</u>
Less current maturities	1,065,000	985,000
Total long term debt	<u>\$12,506,801</u>	<u>\$13,575,155</u>

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Ask about our generous installation policy — give us a try! Or "No Thanks," with the difference — and save money with our low promotional price!

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TAUNTON
Municipal
LIGHTING PLANT

1953

Notes to Financial Statements

Aggregate maturities of long term debt at December 31, 1997, are as follows:

1998	\$ 1,065,000
1999	1,150,000
2000	1,250,000
2001	1,350,000
2002	1,465,000
Thereafter	7,265,000
	<u>\$13,545,000</u>

Note F - Contribution in Lieu of Taxes

The Plant contributed \$2,360,000 in 1997 and 1996 to the City of Taunton in lieu of taxes. All contributions to the City are voted by the Municipal Light Commission.

Note G - Commitments and Contingencies

Interconnection Agreement The City of Taunton, acting by vote of its Municipal Lighting Plant Commission, entered into an agreement with Montaup Electric Company ("Montaup"), dated July 31, 1970, as amended, concerning interconnection of electrical operations, purchase and sale of kilowatt capacity, and construction by Taunton of a generating unit of approximately 110 megawatt capability. Under the current interconnection agreement, the City agrees to exchange with Montaup Electric Company fifteen (15) megawatts of Unit No. 9 capacity for ten (10) megawatts of capacity from the Canal No. 2 generating unit, 50% of which is owned by Montaup. The Plant credited to sales for resale \$549,621 and \$283,308 of energy charges billed to Montaup Electric Company in 1997 and 1996, respectively for its share of power under the interconnection agreement.

HydroQuebec Agreement In 1988, the Plant entered into an agreement with the Massachusetts Municipal Wholesale Electric Company and other New England Utilities to support the operation of a transmission line to permit the interchange of electricity between such utilities and Hydro-Quebec Electric Corporation (Hydro-Quebec). In connection with the agreement, the Plant advanced approximately \$800,000 toward development of the project of which approximately \$450,000 was returned after the project had obtained financing. In 1991, the Hydro Quebec project was completed. Upon completion of this project, each participant received stock in the New England Hydro Transmission Electric Company and The New England Hydro Transmission Corporation proportional to their advances. The investment is being accounted for on the cost basis. The stock received is not readily marketable, but gives the holder rights to purchase power at a percentage of the fossil fuel rate.

During the years ended December 31, 1997 and 1996, the Plant received dividends from the above noted Companies in the amounts of \$72,992 and \$65,118, respectively.

Litigation and Other Matters

1. The Plant purchases power (5337% of total Maine Yankee Plant output) from Maine Yankee Atomic Power Company ("Maine Yankee") pursuant to a Contract that entitles the Plant to a pro rata share of the Maine Yankee Plant (the "Maine Plant") output. On August 6, 1997, the Maine Yankee Board of Directors officially terminated the Maine Plant. During both 1996 and 1997, the Maine Plant ran only sporadically. During this time, the Plant paid the expenses for operating the Maine Plant, including capacity charges. The Plant, along with twenty-five other public entities (the "Secondary Purchasers"), withheld payments for service, including decommissioning fund charges. It is the position of the Secondary Purchasers that the voluntary shutdown of the Maine Plant constitutes a material, substantial breach of contract, and terminates their Contracts.

On November 28, 1997, the Secondary Purchasers filed a Notice invoking the arbitration provision of their Contracts. Maine Yankee declined to arbitrate the dispute. On January 16, 1998, the Secondary Purchasers filed a motion to compel arbitration in the State of Maine Superior Court. On April 6, 1998, the Court denied the Secondary Purchasers motion to compel arbitration at this time.

On December 15, 1997, Maine Yankee filed a Complaint with the Federal Energy Regulatory Commission (the "FERC"), asking the FERC to compel payments from the Secondary Purchasers. On January 22, 1998, the Secondary Purchasers filed an Answer to the Complaint requesting that the FERC dismiss the Complaint, and that FERC order Maine Yankee to proceed with arbitration. As of April 6, 1998, the FERC has not addressed the Complaint and all withheld funds may be subject to repayment and an interest charge.

In the opinion of the Plant, the amounts, if any, that it may be required to pay, would not have a material effect on the financial position or the results of operations of the Plant if disposed of unfavorably.

2. The Plant is involved in various legal matters incident to its business, none of which is believed by management to be significant to the financial condition or the results of operations of the Plant.

3. The Plant is also involved in several proceedings relating to environmental matters. Although it is difficult to estimate the liability, if any, of the Plant related to these environmental matters, the Plant believes that these matters will not have a materially adverse effect upon its financial condition or the results of operations.

4. The Plant is involved in the process of refurbishing certain plant facilities. The Plant's current estimate of the refurbishing is approximately \$4.9 million of which approximately \$1.4 million has been expended through December 31, 1997. Actual costs and expenditures could differ from those estimates.

Notes continued on next page.

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***\$25 INSTALLATION ALLOWANCE!**

TAUNTON MUNICIPAL LIGHTING PLANT

1965

Notes to Financial Statements

Note H - Pension Plans

The Plant contributes to the City of Taunton Retirement System ("System"), a public employee retirement system that acts as the investment and administrative agent for the City. All full-time employees participate in the System.

Instituted in 1937, the System is a member of the Massachusetts Contributory System and is governed by Massachusetts General Laws Chapter 32. Membership in the System is mandatory upon the commencement of employment for all permanent, full-time employees.

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification.

Members of the System become vested after 10 years of creditable service. A retirement allowance may be received upon reaching age 65 or upon attaining twenty years of service. The System also provides for early retirement at age 55 if the participant (1) has a record of 10 years of creditable service, (2) was on the City's payroll on January 1, 1978, (3) voluntarily left City employment on or after that date, and (4) left accumulated annuity deductions in the fund. Active members contribute either 5%, 7% or 8% of their regular compensation depending on the date upon which their membership began. The System also provides death and disability benefits.

The System does not make a separate measurement of assets and the pension benefit obligation for the Plant. The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System. As of July 1, 1995 (the most current valuation date), the Plant's unfunded actuarial accrued liability is approximately \$14,699,000.

The Plant has established a separate Employees Retirement Trust Fund (Trust Fund) for the financing of future pension payments. The Trust Fund had net assets (at cost) of approximately \$13,395,000 and \$12,942,000, at December 31, 1997 and 1996, respectively. The market value of the net assets at December 31, 1997 and 1996 was approximately \$14,131,000 and \$13,396,000, respectively. These funds are invested in money market funds, fixed income securities including government and corporate bonds and other equity securities. The Plant has made no contributions to the Trust Fund in 1997 and 1996.

The Plant receives from the Trust Fund, over the next thirty-two years, an amount equal to eighty-five percent of the annual amortization of the unfunded pension liability. The remaining fifteen percent of the unfunded pension liability will be contributed from current year operations.

The following represents the components of the Plant's recorded pension expense:

	December 31, 1997	1996
Contributions to the System	\$1,706,057	\$1,661,297
Contributions from the Trust Fund	(1,112,325)	(1,085,466)
Recorded pension expense	<u>\$ 593,732</u>	<u>\$ 575,831</u>

Prior to 1993, the System's funding policy for the participating entities was not actuarially determined. The participating entities were required to contribute each fiscal year an amount approximating the pension benefits (less certain interest credits) expected to be paid during the year ("pay-as-you-go" method). Effective for fiscal year ends 1993 and beyond, the System has removed the "pay-as-you-go" method and will amortize the unfunded pension benefit obligation over thirty-two years. This change has been approved by Public Employees Retirement Association.

Accounting standards require certain related disclosures be made including the components of pension costs and the funded status of the System. The effect of omitting such disclosure on the accompanying financial statements has not been determined for the year ended December 31, 1997.

Note I - Coal Fired Electric Generating Facility On January 31, 1991, the Plant entered into contracts with Silver City Energy Limited Partnership (the "Developer"), a Delaware limited partnership. The contracts pertain to the leasing of a 25 acre parcel, owned by the Plant, adjacent to the Plant's Cleary-Flood Station and the subsequent building of a coal fired electric generating facility (coal plant) by the Developer.

During 1996, the potential coal plant project was terminated. A settlement agreement was signed in March, 1997 which released both parties from their obligations under the original agreement. In accordance with this agreement, the Plant was reimbursed \$450,000 from the developer for expenses incurred on the project. Based on the termination of the proposed plant, the Plant charged operation for the write-off of the cost capitalized in excess of the \$450,000 received from the developer. The charge against operations was \$1,307,145 for the year ended December 31, 1996.

Note K - Post Employment Benefits In addition to the pension benefits described in note H, the Plant provides post employment health care benefits to retirees that meet certain requirements. Retirees of the Plant under age 65 are eligible for the same health benefits as active employees, while retirees over the age of 65 are eligible for MEDEX. The costs of the benefits provided to retirees are borne 75% by the Plant, and 25% by the retirees. Retirees' survivors must bear the full cost of the benefits.

The Plant is charged their prorata portion of the "pay-as-you-go" cost of benefits based on an allocation by the City done annually. For 1997 and 1996, the costs allocated to the Plant were approximately \$399,000 and \$339,000, respectively.



1999

Design: Tom Advertising & Design, Framingham, MA; Gregg, Beth Award, Fort Greenfield, RI; Photography: Tom Credit, Visual Image, Inc., Framingham, MA.
Historical photographs provided from the collection of:
The Old Colony Historical Society; Charles E. Crowley; F.J. Goddard; W.J. Schuchardt; John A. Wilson; Framingham Historical Society; Framingham, MA.

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