

**ANNUAL REPORT OF THE MERRIMAC MUNICIPAL LIGHT DEPARTMENT
YEAR ENDING DECEMBER 31, 2012**

The Board of Light Commissioners and Manager are pleased to submit the Annual Report of the Merrimac Municipal Light Department (“MMLD”) for the year 2012.

NEW SERVICES: During 2012 there were a total of 14 new electrical services added to the town's electric distribution system. The total number of electric meters in service at year's end was 2,825.

SYSTEM OUTAGES: We experienced one significant weather event this year that exemplified one of the major benefits of having a Municipal Light Department. On October 29th Hurricane Sandy passed through Massachusetts. We had employees standing by and bracing for the worst. The distribution system experienced a lot of damages as did many other systems in the area. We experienced many downed limbs and some fallen trees. Power restoration for the entire system took about 24 hours. The next couple of days were spent cleaning up the residual debris. Due to the magnitude of this hurricane, assistance from neighboring municipalities was necessary to help with the restoration process.

There was second incident on December 2nd which caused outages and voltage disturbances to the distribution system. This second incident was caused by a phase down on the National Grid's 23 kV supply line that comes to the Town. National Grid was able to work on the problem and power was restored to the Town.

POWER SUPPLY: During the year 2012 the MMLD started looking into adding 1.5 MW of solar power to its energy portfolio. Solar power has been a very popular source of renewable energy due to the multiple incentives provided by state agencies. Solar suppliers are offering competitive prices that could be very beneficial to rate payers and to the Town.

The MMLD was able to get together with the Board of Selectmen to discuss the possible use of town land for the implementation of such project. A number of factors were going to be considered and analyzed by both the Board of Selectmen and the MMLD to determine if project will become a realization in 2013.

CONTRIBUTIONS TO THE TOWN:

Cash Payment:	\$10,000.00
Unbilled Streetlight Usage:	<u>\$22,020.80</u>
Total PILOT Payment	<u>\$32,020.80</u>

COMMUNITY: The Merrimac Light Department is a Public Utility, that means it is owned by its rate payers and not by a board of directors like the investor owned utilities. That means that when you call or come into the office you get to talk to a person, someone who will help you with questions that you may have about your bill or your electric service. We at the Merrimac Light and Water Department are here to serve the community.

The people who make this utility work for you, the employees and Commissioners, are the people who made this year work for all of us. They deserve our praise and my gratitude.

Respectfully submitted,

Francisco A. Frias, General Manager

Board of Light Commissioners

Louis Bibeau	Term Expires 2013
Norman Denault	Term Expires 2014
Jim Young	Term Expires 2015