

**ANNUAL REPORT OF THE MERRIMAC MUNICIPAL LIGHT DEPARTMENT
YEAR ENDING DECEMBER 31, 2011**

The Board of Light Commissioners and Manager are pleased to submit the Annual Report of the Merrimac Municipal Light Department for the year 2011.

NEW SERVICES: During 2011 there were a total of 16 new electrical services added to the town's electric distribution system. The total number of electric meters in service at year's end was 2,801.

SYSTEM OUTAGES: We experienced two significant weather events this year that exemplified one of the major benefits of having a Municipal Light Department. On August 28th Hurricane Irene passed through Massachusetts. We had employees standing by and bracing for the worst. While the damage was not extensive, we experienced many downed limbs and some fallen trees. All damage was repaired that first day, and the next few days were spent cleaning up the residual debris. Another more significant event occurred on October 31st when we experienced a snowstorm. What made this event notable from our perspective was the fact that the leaves were still on the deciduous trees. This heavy wet snow caused even more damage than Hurricane Irene. The crews worked throughout the night and the next 2 days fixing damage from falling tree's and limbs. Outages were sporadic and quickly remedied. ...

POWER SUPPLY: In February of 2010 MMLD was approached by our power supply consulting firm Energy New England about purchasing a portion of the output from a wind farm in Maine. MMLD and the Board of Commissioners considered the project because it is clean, emission-free renewable electricity. It is important to the Board and MMLD to have some renewable energy in our energy portfolio. The Spruce Mountain Wind Project consists of 10 Gamesa G90, 2-megawatt (MW) turbines. The project, with a total capacity of 20 MW (20 million watts), will produce more than 60 million kilowatt-hours of clean, emission-free, renewable energy per year – enough to power approximately 9,600 homes. The project took about 6 months to build the turbines and provided jobs for about 150 workers. Nineteen Maine companies were directly involved in the development and construction of the project. Each of the 10 turbines will produce enough energy to power about 1,000 homes every year. Turbine towers are 256 feet tall and the blades reach 404 feet at the highest point. Each blade is over 140 feet long. MMLD will get 1.4% of the project output when the turbines are producing electricity which is enough electricity to power roughly 135 homes in Merrimac every year. We hope to invest in more renewable energy projects in the future as long as the price is competitive with market rates, the contract terms are acceptable to MMLD and the project is in the best interest of our customers.

CONTRIBUTIONS TO THE TOWN:

Cash Payment:	\$ 6,882.26
Unbilled Streetlight Usage:	<u>\$20,368.84</u>
Total PILOT Payment	\$27,251.10

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,

Daniel Folding, Manager

Board of Light Commissioners

Jim Young	Term Expires 2012
Louis Bibeau	Term Expires 2013
Norman Denault	Term Expires 2014