



Massachusetts Municipal Wholesale Electric Company

Quarterly Report Unaudited Financial Statement

***Third Quarter
For the months ended September 30, 2012***

**Massachusetts Municipal Wholesale Electric Company
327 Moody Street, P.O. Box 426, Ludlow, MA 01056
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Balance Sheets

September 30, 2012 and 2011

(Unaudited, Dollars In Thousands)

	September 30,	
	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT ASSETS		
Cash and temporary investments.....	\$ 26,448	\$ 19,594
Accounts receivable.....	28,033	25,707
Unbilled revenues.....	13,530	12,315
Inventories.....	20,665	22,293
Prepaid expenses.....	2,278	1,620
Total current assets.....	<u>90,954</u>	<u>81,529</u>
NON-CURRENT ASSETS		
Restricted assets		
Restricted special funds.....	205,285	213,108
Interest receivable.....	746	822
Deferred charges		
Unamortized debt discount and expenses..	(7,667)	1,806
Nuclear decommissioning trusts.....	76,578	65,891
Other.....	31,782	27,225
Total non-current assets.....	<u>306,724</u>	<u>308,852</u>
Capital assets		
In service.....	1,365,094	1,353,649
Accumulated depreciation.....	(811,364)	(798,946)
Construction work in progress.....	21,041	16,840
Nuclear fuel - net of amortization.....	28,706	30,679
Total capital assets.....	<u>603,477</u>	<u>602,222</u>
TOTAL ASSETS.....	<u>\$ 1,001,155</u>	<u>\$ 992,603</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable.....	\$ 16,805	\$ 7,360
Member and participant advances.....	108,966	114,333
Short-term debt.....	991	930
Accrued expenses.....	19,252	18,338
Current liabilities payable-restricted assets		
Current maturities of long-term debt.....	58,630	62,045
Total current liabilities.....	<u>204,644</u>	<u>203,006</u>
NON-CURRENT LIABILITIES		
Long-term debt, net of premiums.....	246,271	309,724
Asset retirement obligation.....	123,548	109,331
Amounts recoverable under terms of the power sales agreements.....	362,038	309,480
Other liabilities.....	64,654	61,062
Total non-current liabilities.....	<u>796,511</u>	<u>789,597</u>
TOTAL LIABILITIES.....	<u>\$ 1,001,155</u>	<u>\$ 992,603</u>

Statements of Revenues and Expenses

September 30, 2012 and 2011

(Unaudited, Dollars In Thousands)

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
OPERATING REVENUES				
Revenues.....	\$ 81,354	\$ 76,171	\$ 287,051	\$ 298,269
OPERATING EXPENSES				
Fuel used in electric generation.....	5,891	6,531	17,606	24,303
Purchased power.....	37,102	35,767	126,140	133,172
Other operating.....	11,876	10,660	46,242	45,849
Maintenance.....	5,300	2,354	13,871	13,394
Depreciation.....	3,885	3,784	15,704	15,061
Taxes other than income.....	1,580	1,207	6,376	4,931
Total operating expenses.....	<u>65,634</u>	<u>60,303</u>	<u>225,939</u>	<u>236,710</u>
Operating income.....	<u>15,720</u>	<u>15,868</u>	<u>61,112</u>	<u>61,559</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest income and investment market adjustments.....	3,325	(743)	12,005	4,834
Interest expense on long-term debt.....	(2,990)	(4,159)	(13,103)	(15,612)
Amortization of premium on long-term debt.....	1,934	954	6,786	2,402
Amortization of debt discount and expenses.....	(14)	(102)	(11,122)	(1,220)
Interest charged to projects during construction.....	5	25	143	55
Gain on retirement of debt.....	-	-	-	2,750
Loss on retirement of debt.....	-	-	(3,887)	-
Increase in amounts recoverable under terms of the power sales agreements.....	(17,980)	(11,843)	(51,934)	(54,768)
Total non-operating revenues (expenses).....	<u>(15,720)</u>	<u>(15,868)</u>	<u>(61,112)</u>	<u>(61,559)</u>
NET REVENUES AND EXPENSES.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
These unaudited financial statements should be read in conjunction with the Massachusetts Municipal Wholesale Electric Company (MMWEC) 2011 Annual Financial Statements. Certain reclassifications of 2011 data have been made to conform with the 2011 Annual Financial Statements.				