

Statements of Net Position

June 30, 2017 and 2016

(Unaudited, Dollars In Thousands)

	June 30,	
	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and temporary investments.....	\$ 41,725	\$ 26,127
Accounts receivable.....	42,121	45,447
Unbilled revenues.....	18,842	13,106
Inventories.....	38,917	39,886
Prepaid expenses.....	2,122	1,804
Total current assets.....	<u>143,727</u>	<u>126,370</u>
NON-CURRENT ASSETS		
Restricted assets		
Restricted special funds.....	226,266	250,856
Interest receivable.....	526	492
Deferred charges		
Nuclear decommissioning trusts.....	114,230	103,826
Other.....	15,372	14,282
Total non-current assets.....	<u>356,394</u>	<u>369,456</u>
Capital assets		
In service.....	1,418,438	1,411,753
Accumulated depreciation.....	(885,203)	(869,124)
Construction work in progress.....	18,371	15,474
Nuclear fuel - net of amortization.....	22,595	23,810
Total capital assets.....	<u>574,201</u>	<u>581,913</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on pension asset.....	3,716	2,062
Deferred loss on derivatives.....	743	-
Total deferred outflows of resources.....	<u>4,459</u>	<u>2,062</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....	<u>\$ 1,078,781</u>	<u>\$ 1,079,801</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable.....	\$ 8,415	\$ 6,483
Member and participant advances.....	110,736	117,823
Short-term debt.....	410	16,700
Accrued expenses.....	22,909	18,258
Current liabilities payable-restricted assets		
Accrued interest payable.....	1,188	2,074
Current maturities of long-term debt.....	47,190	56,716
Total current liabilities.....	<u>190,848</u>	<u>218,054</u>
NON-CURRENT LIABILITIES		
Long-term debt, net of premiums.....	28,993	57,021
Asset retirement obligation.....	158,001	150,342
Other liabilities.....	92,823	87,160
Total non-current liabilities.....	<u>279,817</u>	<u>294,523</u>
DEFERRED INFLOWS OF RESOURCES		
Amounts recoverable under terms of the		
power sales agreements.....	602,800	559,861
Pension regulatory liability.....	4,893	5,254
Deferred gain on pension asset.....	60	1,370
Deferred gain on extinguishment of debt, net of amortization.....	363	739
Total deferred inflows of resources.....	<u>608,116</u>	<u>567,224</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....	<u>\$ 1,078,781</u>	<u>\$ 1,079,801</u>

Statements of Revenues, Expenses & Changes in Net Position

June 30, 2017 and 2016

(Unaudited, Dollars In Thousands)

	Six Months Ended	
	June 30,	
	2017	2016
OPERATING REVENUES		
Revenues.....	\$ 132,996	\$ 134,186
OPERATING EXPENSES		
Fuel used in electric generation.....	6,694	4,110
Purchased power.....	68,879	66,328
Other operating.....	26,124	25,392
Maintenance.....	7,049	5,938
Depreciation.....	8,812	8,721
Inventory market adjustment.....	(6,527)	(13,084)
Taxes other than income.....	2,287	2,594
Total operating expenses.....	<u>113,318</u>	<u>99,999</u>
Operating income.....	<u>19,678</u>	<u>34,187</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income and investment market adjustments.....	7,140	5,578
Interest expense on long-term debt.....	(1,436)	(2,357)
Amortization of premium on long-term debt.....	652	784
Amortization of gain on debt.....	191	185
Increase in amounts recoverable under terms of the		
power sales agreements.....	(26,225)	(38,377)
Total non-operating revenues (expenses).....	<u>(19,678)</u>	<u>(34,187)</u>
CHANGE IN NET POSITION.....	<u>\$ -</u>	<u>\$ -</u>

These unaudited financial statements should be read in conjunction with the Massachusetts Municipal Wholesale Electric Company (MMWEC) 2016 Annual Financial Statements. Certain reclassifications of data have been made to conform with the 2016 Annual Financial Statements.