



Massachusetts Municipal Wholesale Electric Company

Financial Statements
and
Supplementary Information

Years Ended December 31, 2025 and 2024

Massachusetts Municipal Wholesale Electric Company

FINANCIAL STATEMENTS Years Ended December 31, 2025 and 2024

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Independent Auditors' Report

To the Board of Directors of
Massachusetts Municipal Wholesale Electric Company

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Massachusetts Municipal Wholesale Electric Company (MMWEC), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise MMWEC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of MMWEC as of December 31, 2025 and 2024, and the changes in financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MMWEC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MMWEC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MMWEC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MMWEC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Madison, Wisconsin
March 27, 2026

Massachusetts Municipal Wholesale Electric Company

Management's Discussion and Analysis (unaudited)
Years Ended December 31, 2025 and 2024

The following discussion and analysis of the Massachusetts Municipal Wholesale Electric Company (MMWEC) provides an overview and analysis of MMWEC's financial performance during the years ended December 31, 2025 and 2024. This discussion and analysis should be read in conjunction with MMWEC's financial statements and the accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

MMWEC is a public corporation and a political subdivision of the Commonwealth of Massachusetts formed to be a joint action agency to develop a bulk power supply for its member Massachusetts cities and towns having municipal electric systems (Members) and other utilities. Among other things, MMWEC is authorized to construct, own or purchase ownership interests in energy facilities and to issue revenue bonds for such purposes. MMWEC's ownership interest in energy generation facilities is through various Projects. Pursuant to its General Bond Resolution (GBR), the bonds of any bond issue relating to a Project are secured solely by revenues derived from that Project. Project revenues are derived primarily from Power Sales Agreements (PSAs) with MMWEC's Members and other utilities that are Participants in a Project (Project Participants). MMWEC's bulk power supply program consists of power purchase arrangements, power brokering services, related planning and other financial services.

MMWEC has a fiduciary responsibility over two defined benefit pension plans that are provided to its employees and has included fiduciary financial statements and disclosures for these pension plans.

The accounting records of MMWEC are maintained using the Governmental Accounting Standards Board (GASB), the Uniform System of Accounts of the Federal Energy Regulatory Commission (FERC) and the Generally Accepted Accounting Principles of the United States (GAAP) using the economic resources measurement focus and the accrual basis of accounting. Application of the accounting methods for regulatory operations is also included in these financial statements. This accounting guidance relates to the deferral of revenues and expenses to future periods in which the revenues are earned or the expenses are recovered through the rate-making process, which is governed by the Board of Directors.

MMWEC's financial statements include the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows, Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position. The Statements of Net Position report year-end assets and liabilities based on the original cost adjusted for any depreciation, amortization or unrealized gains/losses as appropriate. The Statements of Revenues, Expenses and Changes in Net Position present MMWEC's operating revenues and expenses incurred as a result of MMWEC's business activity. The Statements of Cash Flows report the cash provided and used for operating activities, as well as investing activities and capital and noncapital related financing activities. The Statements of Fiduciary Net Position report the financial resources available for future benefits for MMWEC's administrative and union pension plans. The Statements of Changes in Fiduciary Net Position reflect the additions, deductions and net increase or decrease in net position held in trust for pension benefits.

MMWEC FINANCIAL ANALYSIS

An analysis of MMWEC's financial position begins with the review of the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows. A summary of MMWEC's Condensed Statements of Net Position is presented in Table 1. The Condensed Statements of Revenues, Expenses and Changes in Net Position are summarized in Table 2. The Condensed Statements of Cash Flows are summarized in Table 3.

Massachusetts Municipal Wholesale Electric Company

Management's Discussion and Analysis (unaudited)
Years Ended December 31, 2025 and 2024

MMWEC FINANCIAL ANALYSIS...continued

Table 1
Condensed Statements of Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
		(In Thousands)	
Current assets, less current portions of designated and restricted special funds including interest	\$ 135,010	\$ 114,937	\$ 99,438
Restricted special funds, including interest receivable and current portion of restricted special funds	51,880	62,258	69,133
Other assets	388,001	376,042	351,905
Capital assets	610,764	602,679	590,494
Deferred outflows of resources	<u>97,892</u>	<u>97,004</u>	<u>85,016</u>
Total assets and deferred outflows of resources	<u>\$ 1,283,547</u>	<u>\$ 1,252,920</u>	<u>\$ 1,195,986</u>
Current liabilities, less current maturities of long-term debt and accrued interest	\$ 209,709	\$ 181,653	\$ 153,943
Long-term debt, net of premiums, including current maturities and accrued interest	84,973	92,704	89,595
Noncurrent liabilities	303,541	308,843	300,932
Deferred inflows of resources	<u>685,324</u>	<u>669,720</u>	<u>651,516</u>
Total liabilities and deferred inflows of resources	<u>\$ 1,283,547</u>	<u>\$ 1,252,920</u>	<u>\$ 1,195,986</u>

Massachusetts Municipal Wholesale Electric Company

Management's Discussion and Analysis (unaudited)
Years Ended December 31, 2025 and 2024

MMWEC FINANCIAL ANALYSIS...continued

Table 2
Condensed Statements of Revenues, Expenses and Changes in Net Position

	2025	2024	2023
		(In Thousands)	
Operating revenues	\$ 304,689	\$ 264,854	\$ 268,207
Depreciation expense	27,775	24,540	22,420
Other operating expenses	291,779	252,890	259,657
Total operating expenses	<u>319,554</u>	<u>277,430</u>	<u>282,077</u>
Operating loss	<u>(14,865)</u>	<u>(12,576)</u>	<u>(13,870)</u>
Investment income (loss)	32,171	30,882	33,074
Gain (loss) on sale of property	(19)	22	5
Interest and amortization expense	(2,218)	(2,575)	(2,760)
Other nonoperating income (expense)	-	-	(503)
Inflation Reduction Act income	-	2,346	-
(Increase) Decrease in amounts payable under terms of the power sales agreements	<u>(15,069)</u>	<u>(18,099)</u>	<u>(15,946)</u>
Total nonoperating income	<u>14,865</u>	<u>12,576</u>	<u>13,870</u>
Change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Table 3
Condensed Statements of Cash Flows

	2025	2024	2023
		(In Thousands)	
Net cash provided by operating activities	\$ 42,691	\$ 43,162	\$ 3,546
Net cash provided by (used in) investing activities	67,705	9,468	(4,311)
Net cash provided by (used in) capital and related financing activities	(68,435)	(47,997)	(30,485)
Net cash used in noncapital financing activities	<u>(10)</u>	<u>(30)</u>	<u>(30)</u>
Net change in cash and cash equivalents	41,951	4,603	(31,280)
Cash and cash equivalents – beginning of year	<u>65,889</u>	<u>61,286</u>	<u>92,566</u>
Cash and cash equivalents – end of year	<u>\$ 107,840</u>	<u>\$ 65,889</u>	<u>\$ 61,286</u>

Massachusetts Municipal Wholesale Electric Company

Management's Discussion and Analysis (unaudited)
Years Ended December 31, 2025 and 2024

STATEMENTS OF NET POSITION

The majority of MMWEC's Statement of Net Position consists of the financial activity relating to various Projects, representing ownership interests in various electric generation facilities for which MMWEC has corresponding PSAs with each Project Participant. MMWEC's joint ownership interests are shown in Note 13 – Project Joint Ownership Agreements in the accompanying notes of the accompanying financial statements.

Comparison of 2024 Financial Results to 2023 Financial Results

Current assets, excluding the current portions of restricted and designated funds, including interest, increased by \$15.5 million.

Cash and temporary investments increased by \$14.9 million largely due to more working capital funds on hand at year end. In addition, more operating funds were held in cash than non-current investments on December 31, 2024 than December 31, 2023.

The decrease in accounts receivable and unbilled revenue of \$0.8 million is primarily due to a decrease in power bills at year end compared to the prior year. These decreases were offset by an increase in Northeast Reliability Center receivables based on increased billings in the first full year of operations.

Inventories increased \$1.4 million primarily due to fuel oil purchase for Stony Brook offset by fuel burns. In addition, Northeast Reliability Center had fuel inventory on hand at year end 2024 for the first time. Master Sargent Cotton Solar had spare parts on hand at year end 2024 for the first time as well. Spare parts inventories also increased at Seabrook and Stony Brook.

Current and noncurrent restricted special funds, including related interest receivable, decreased by \$9.9 million, largely due to a decrease in constructions funds related to Northeast Reliability Center and Master Sargent Cotton Solar. These decreases were offset by an increase in a new fuel fund collected for purchases related to the Northeast Reliability Center.

Other assets increased by \$24.1 million from 2023 to 2024, reflecting increases in nuclear decommissioning trust and pension assets due to investment performance and market valuation of assets, which was higher as of December 31, 2024 than in 2023. In addition, lead owner advances to Seabrook and Millstone increased due to budgeted billings being higher than actual costs in 2024.

In 2024, net capital assets increased \$12.2 million due to capital asset additions and construction work in progress largely due to Northeast Reliability Center and Master Sargent Cotton Solar, offset by continued depreciation and amortization.

Deferred outflows of resources increased by \$12.0 million due to higher asset retirement obligations as a result of an updated asset retirement study completed by Millstone. In addition, asset retirement obligations related to Seabrook increased due to inflationary estimates. These increases were offset by a decrease in deferrals of losses on pension assets.

Long-term debt, including current maturities and accrued interest, increased by \$3.1 million primarily due to issuance of short term debt offset by principal payments on long-term debt and continued amortization of premiums.

Massachusetts Municipal Wholesale Electric Company

Management's Discussion and Analysis (unaudited)
Years Ended December 31, 2025 and 2024

STATEMENTS OF NET POSITION...continued

Comparison of 2024 Financial Results to 2023 Financial Results...continued

Other noncurrent liabilities, excluding long-term debt, increased \$7.9 million due to an increase in asset retirement obligations related to Millstone and Seabrook. In 2024, an updated asset retirement obligation study was completed which resulted in an increased obligation for Millstone. Seabrook's asset retirement obligation also increased by inflationary adjustments. Member and participant advances classified as noncurrent liabilities decreased by \$8.5 million.

Deferred inflows of resources increased by \$18.2 million due to increases in amounts payable under the terms of the PSAs (\$18.1 million), which include temporary offsets of unbilled expenses, such as depreciation and unrealized gains/losses. In addition, there was a increase in pension regulatory credit (\$0.1 million).

Comparison of 2025 Financial Results to 2024 Financial Results

Current assets, excluding the current portions of restricted and designated funds, including interest, increased by \$20.1 million.

Cash and temporary investments increased by \$4.2 million largely due to more operating funds were held in cash than non-current investments as of December 31, 2025 than as of December 31, 2024.

The increase in accounts receivable and unbilled revenue of \$14.4 million is primarily due to an increase in power bills at year end compared to the prior year due to elevated power costs associated with colder weather during December 2025 as compared to December 2024.

Inventories increased \$0.9 million primarily due to fuel oil purchases for Stony Brook and increased Millstone and Seabrook spare parts balances at year-end 2025, offset by lower Stony Brook spare parts inventory due to a change made to the capitalization threshold for spare parts in 2025, which resulted in a write-off of inventory below the threshold.

Current and noncurrent restricted special funds, including related interest receivable, decreased by \$10.4 million, largely due to Northeast Reliability Center final construction contract payments and ongoing principal and interest payments on long-term debt.

Other assets increased by \$12.0 million from 2024 to 2025, reflecting increases in nuclear decommissioning trust and pension assets due to investment performance and market valuation of assets. These increases were offset by lower lead owner advances to Seabrook and Millstone as of year-end 2025, as actual costs incurred by the lead owners were higher than budgeted in 2025.

In 2025, net capital assets increased \$8.1 million due to capital asset additions and construction work in progress largely related to Seabrook, Millstone and Stony Brook, offset by continued depreciation and amortization.

Deferred outflows of resources increased by \$0.9 million due to higher asset retirement obligations as a result of inflationary estimates for Seabrook and Millstone. These increases were offset by a decrease in deferrals of losses on pension assets.

Long-term debt, including current maturities and accrued interest, decreased by \$7.7 million primarily due to the payoff of short term debt, principal payments on long-term debt and continued amortization of premiums.

Massachusetts Municipal Wholesale Electric Company

Management's Discussion and Analysis (unaudited)
Years Ended December 31, 2025 and 2024

STATEMENTS OF NET POSITION...continued

Comparison of 2025 Financial Results to 2024 Financial Results...continued

Other noncurrent liabilities, excluding long-term debt, decreased \$5.3 million. Member and participant advances classified as noncurrent liabilities decreased by \$10.3 million due to higher than budgeted nuclear fuel procurements near year-end 2025, offset by an increase in asset retirement obligations related to Millstone and Seabrook inflationary adjustments in 2025.

Deferred inflows of resources increased by \$15.6 million due to increases in amounts payable under the terms of the PSAs (\$15.1 million), which include temporary offsets of unbilled expenses, such as depreciation and unrealized gains/losses. In addition, there was an increase in deferred gain on pension asset, offset by a small decrease in pension regulatory credit.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The majority of MMWEC's Statements of Revenues, Expenses and Changes in Net Position consist of the financial activity relating to revenues and expenses from power purchases and the PSAs for the Projects. Project revenues are derived, primarily, from PSAs with Project Participants. Under all PSAs, the Project Participants are required to pay their respective shares of MMWEC's actual costs relating to the Projects, including debt service. Thus, MMWEC's revenues for an individual Project are dependent on debt service and the costs associated with that particular Project. Revenues for the individual Projects vary from year to year as the costs MMWEC incurs relating to a Project vary.

Comparison of 2024 Financial Results to 2023 Financial Results

For 2024, revenue decreased by \$3.3 million due primarily due to lower power purchase expenses. Power purchase expenses were higher in 2023 due to an increase based on a 2022 power curve projection.

The \$1.4 million increase in fuel used in electric generation was primarily driven by increased generation at Seabrook, Millstone, Stony Brook, and Northeast Reliability Center.

Purchased power expenses decreased by \$10.9 million during 2024 as compared to 2023 due to decreased purchase power based on the demand of Members. These decreases were offset by slightly higher locational marginal pricing.

Other operating expense increased \$4.6 million primarily driven by an increase in operating expense related to a full year of operations for Northeast Reliability and Master Sargent Cotton Solar. Peaking and Intermediate costs increased due to an increase in station service expense as well as an increase in RGGI and CMR allowances due to increased generation. Lastly, there was a small increase Service expense related to increased sick time accrual related to GASB101, which was implemented in 2024.

Maintenance expenses decreased \$2.7 million compared to 2023 due to Millstone maintenance expense decreased due to their fall 2024 refueling outage having lower maintenance costs than the 2023 refueling outage. Peaking and Intermediate also had decreased maintenance expense in 2024. In 2023, Peaking and Intermediate had some higher costing maintenance projects completed. Northeast Reliability Center increased with the first year of operations.

In 2024, depreciation expense increased \$2.1 million, as a result of depreciation from higher fixed asset additions and asset retirement obligations.

Taxes other than income increased \$807,000 primarily due to an increase in the assessed value across all projects.

Massachusetts Municipal Wholesale Electric Company

Management's Discussion and Analysis (unaudited)
Years Ended December 31, 2025 and 2024

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION...continued

Comparison of 2024 Financial Results to 2023 Financial Results...continued

Investment income, which is a result of varying fund balances and interest rates, decreased by \$2.2 million. Unrealized investment gains, predominately related to decommissioning funds, was the main driver of this increase.

In 2024 and 2023, one fully depreciated vehicle was sold at a gain.

Interest expense stayed relatively level year over year.

Amortization expense increased slightly from the prior year due to continued amortization of the Northeast Reliability Center bond premium.

The increase in amounts payable under terms of the PSAs of \$2.2 million is primarily due to unrealized gains on restricted and designated funds discussed in Notes 1 and 9 of the accompanying financial statements.

Comparison of 2025 Financial Results to 2024 Financial Results

For 2025, revenue increased by \$39.8 million due primarily due to higher power purchase expenses, which are driven by increased average locational marginal prices (LMPs) and market transmission costs in 2025 as compared to the prior year.

The \$7.3 million increase in fuel used in electric generation was primarily driven by increased generation at Seabrook and Stony Brook offset by a decrease in generation at Millstone due to the planned refueling outage in spring 2025. Seabrook did not have a refueling outage in 2025. Millstone did not have a maintenance and refueling outage in 2024.

Purchased power expenses increased by \$26.6 million during 2025 as compared to 2024 due to higher LMPs, offset by lower hedged power expenses.

Other operating expenses increased \$4.4 million primarily driven by an increase in Northeast Reliability Center due to 2025 being the first full calendar year of operations, and increases at Millstone due to operational portion of the spring 2025 maintenance and refueling outage. Intermediate costs increased largely due to RGGI and CMR allowances due to increased generation. Seabrook other operating expenses decreased due to lower lead owner costs related to property insurance and pension and benefits, and there being no maintenance and refueling outage in 2025.

Maintenance expenses increased \$1.0 million in 2025 when compared to 2024 largely due to Millstone's spring 2025 outage. Millstone did not have a maintenance and refueling outage in 2024. Stony Brook also had increased maintenance costs due to a change made to the capitalization threshold for spare parts in 2025, which resulted in a write-off of inventory below the threshold. Northeast Reliability Center also had increased maintenance expenses in 2025 since it was the first full calendar year of operations. These increases were offset by a decrease in Seabrook maintenance expenses due to no outage in 2025. Seabrook's last maintenance and refueling outage was in fall 2024.

In 2025, depreciation expense increased \$3.2 million as a result of depreciation from higher fixed asset additions and asset retirement obligations.

Massachusetts Municipal Wholesale Electric Company

Management's Discussion and Analysis (unaudited)
Years Ended December 31, 2025 and 2024

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION...continued

Comparison of 2025 Financial Results to 2024 Financial Results...continued

Taxes other than income decreased \$332,000 primarily due to lower tax assessments across Millstone and Seabrook. In addition, there was a decrease for MSgt. Cotton Solar due to the PILOT negotiations being finalized. These decreases were offset by an increase in taxes at Northeast Reliability Center due to a full year of operations in 2025 versus six months of operations in 2024.

Investment income, which is a result of varying fund balances and interest rates, increased by \$1.3 million. Unrealized investment gains, predominately related to decommissioning funds, was the main driver of this increase.

In 2025, a vehicle was sold at a loss. In 2024, one fully depreciated vehicle was sold at a gain.

Interest expense decreased due to continued long-term debt principal payments made related to the Northeast Reliability Center and MSgt. Cotton Solar Project debt.

Amortization expenses decreased due to the continued amortization of Northeast Reliability Center and MSgt. Cotton Solar Project bond premiums.

The decrease in amounts payable under terms of the PSAs of \$3.0 million is primarily due to unrealized gains on restricted and designated funds discussed in Notes 1 and 9 of the accompanying financial statements.

STATEMENTS OF CASH FLOWS

For purposes of the Statements of Cash Flows, cash equivalents are cash and investments having an original maturity of three months or less from the date of acquisition. Cash and cash equivalents increased by \$4.6 million from 2023 to 2024. This is primarily due to construction expenditures and the purchase of nuclear fuel. Cash and cash equivalents increased by \$42.0 million from 2024 to 2025. This is primarily due to proceeds from sales and maturities of investments.

Massachusetts Municipal Wholesale Electric Company

Management's Discussion and Analysis (unaudited)
Years Ended December 31, 2025 and 2024

MMWEC PROJECT OPERATIONS

The following tables provide operating information for the MMWEC Projects for the corresponding years for which financial information and analysis was presented above. See Note 13 – Project Joint Ownership Agreements in the accompanying financial statements for additional information.

MMWEC Project Operations January 1 through December 31, 2025

	<u>Stony Brook Intermediate</u>	<u>Stony Brook Peaking</u>	<u>Seabrook</u>	<u>Millstone 3</u>	<u>Northeast Reliability Center</u>	<u>Msgt. Cotton Solar Project</u>
Availability	84.11%	84.93%	100.00%	85.79%	81.32%	89.42%
Capacity Factor	3.21%	0.43%	99.96%	85.51%	1.73%	11.61%
Generation MWH	88,636	5,941	1,264,838	440,047	8,314	10,515

The capacity factor represents the percentage of electricity actually produced as compared with potential production.

MMWEC Project Operations January 1 through December 31, 2024

	<u>Stony Brook Intermediate</u>	<u>Stony Brook Peaking</u>	<u>Seabrook</u>	<u>Millstone 3</u>	<u>Northeast Reliability Center</u>	<u>Msgt. Cotton Solar Project</u>
Availability	96.32%	96.36%	89.55%	93.73%	98.34%	99.02%
Capacity Factor	1.33%	0.46%	88.41%	94.10%	3.04%	13.97%
Generation MWH	37,300	6,616	1,121,824	485,367	17,307	11,284

The capacity factor represents the percentage of electricity actually produced as compared with potential production.

CONTACT INFORMATION

This financial report is designed to provide a general overview of MMWEC's finances. Questions or requests for additional information should be addressed to MMWEC Attn: Chief Financial Officer, 327 Moody Street, Ludlow, Massachusetts 01056.

Massachusetts Municipal Wholesale Electric Company

Statements of Net Position
December 31, 2025 and 2024
(In Thousands)

	2025	2024
ASSETS		
Current assets:		
Cash and temporary investments	\$ 34,219	\$ 30,041
Accounts receivable	29,584	25,814
Unbilled revenues	33,821	23,204
Inventories	34,890	34,006
Prepaid expenses	2,496	1,872
Current portion of restricted special funds	47,515	54,631
Interest receivable restricted special funds	158	367
Current portion of designated funds	1,070	1,052
Total current assets	<u>183,753</u>	<u>170,987</u>
Noncurrent assets:		
Restricted assets:		
Noncurrent portion of restricted special funds	4,207	7,260
Nuclear decommissioning trust	223,366	200,367
Net pension asset	8,627	8,058
Noncurrent charges:		
Designated funds	129,506	138,892
Designated funds interest receivable	926	1,895
Other noncurrent charges	24,506	25,778
Total noncurrent assets	<u>391,138</u>	<u>382,250</u>
Capital assets:		
In service	1,543,140	1,534,431
Accumulated depreciation	(1,003,008)	(979,760)
Construction work in progress	28,311	18,572
Nuclear fuel, net of amortization	42,321	29,436
Total capital assets	<u>610,764</u>	<u>602,679</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on pension asset	467	544
Deferred asset retirement obligations	97,425	96,460
Total deferred outflows of resources	<u>97,892</u>	<u>97,004</u>
Total assets and deferred outflows of resources	<u>\$ 1,283,547</u>	<u>\$ 1,252,920</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 11,378	\$ 17,213
Member and participant advances	161,887	137,104
Short-term debt	-	5,000
Accrued expenses	36,444	27,336
Current liabilities payable from restricted assets:		
Accrued interest payable	1,589	1,624
Current maturities of long-term debt	1,720	1,655
Total current liabilities	<u>213,018</u>	<u>189,932</u>
Noncurrent liabilities:		
Long-term debt, net of premiums and current maturities	81,664	84,425
Asset retirement obligations	197,903	192,888
Long-term member and participant advances	105,638	115,955
Total noncurrent liabilities	<u>385,205</u>	<u>393,268</u>
DEFERRED INFLOWS OF RESOURCES		
Pension regulatory credit	7,389	7,568
Amounts payable under terms of the power sales agreements	677,147	662,033
Deferred gain on pension asset	788	119
Total deferred inflows of resources	<u>685,324</u>	<u>669,720</u>
Total liabilities and deferred inflows of resources	<u>\$ 1,283,547</u>	<u>\$ 1,252,920</u>

The accompanying notes are an integral part of these financial statements.

Massachusetts Municipal Wholesale Electric Company

Statements of Revenues, Expenses and Changes in Net Position

Years Ended December 31, 2025 and 2024

(In Thousands)

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Revenues	<u>\$ 304,689</u>	<u>\$ 264,854</u>
Operating expenses:		
Fuel used in electric generation	20,484	13,176
Purchased power	208,740	182,181
Other operating	45,876	41,518
Maintenance	11,724	10,728
Depreciation	27,775	24,540
Taxes other than income	4,955	5,287
Total operating expenses	<u>319,554</u>	<u>277,430</u>
Operating income (loss)	<u>(14,865)</u>	<u>(12,576)</u>
Non-operating revenues (expenses):		
Investment income (loss)	32,171	30,882
Gain (loss) on sale of property	(19)	22
Interest expense on short-term and long-term debt	(3,259)	(3,658)
Amortization of premium	1,041	1,083
Inflation Reduction Act income	-	2,346
Decrease (Increase) in amounts payable under terms of the power sales agreements	<u>(15,069)</u>	<u>(18,099)</u>
Total non-operating revenues (expenses)	<u>14,865</u>	<u>12,576</u>
Change in net position	-	-
Net position, beginning of year	<u>-</u>	<u>-</u>
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Massachusetts Municipal Wholesale Electric Company

Statements of Cash Flows

Years Ended December 31, 2025 and 2024

(In Thousands)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Received from sales to members and participants	\$ 304,768	\$ 280,198
Paid to suppliers for goods and services	(248,753)	(224,832)
Paid to employees	(13,324)	(12,204)
Net cash provided by operating activities	<u>42,691</u>	<u>43,162</u>
Cash flows from investing activities:		
Purchases of investments	(360,835)	(332,286)
Proceeds from sales and maturities of investments	418,145	332,131
Investment income (loss) received	10,395	9,623
Net cash provided by (used in) investing activities	<u>67,705</u>	<u>9,468</u>
Cash flows from capital and related financing activities:		
Construction expenditures and purchases of nuclear fuel	(58,477)	(50,929)
Gain (loss) on sale of assets	(19)	22
Principal payments on long-term debt	(1,655)	(1,165)
Interest payments on long-term debt	(3,253)	(3,005)
Proceeds from issuance of short-term debt	(5,000)	5,000
Interest payments on short-term debt	(31)	(266)
Inflation Reduction Act income	-	2,346
Net cash used in capital and related financing activities	<u>(68,435)</u>	<u>(47,997)</u>
Cash flows from noncapital financing activities:		
Interest payments on short-term debt	(10)	(30)
Net cash provided by (used in) noncapital financing activities	<u>(10)</u>	<u>(30)</u>
Net change in cash and cash equivalents	41,951	4,603
Cash and cash equivalents, beginning of year	<u>65,889</u>	<u>61,286</u>
Cash and cash equivalents, end of year	<u>\$ 107,840</u>	<u>\$ 65,889</u>

The accompanying notes are an integral part of these financial statements.

Massachusetts Municipal Wholesale Electric Company

Statements of Cash Flows...continued

Years Ended December 31, 2025 and 2024

(In Thousands)

	2025	2024
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ (14,865)	\$ (12,576)
Noncash items included in operating income:		
Depreciation	27,775	24,540
Amortization of nuclear fuel and asset retirement obligations	27,612	29,584
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(3,770)	2,449
Unbilled revenues	(10,617)	(1,607)
Inventories	(884)	(1,421)
Prepaid expenses	(624)	(68)
Net pension asset	(569)	(1,207)
Other deferred charges	1,272	(4,890)
Increase (decrease) in:		
Accounts payable	(5,808)	4,982
Member and participant advances	14,459	14,498
Accrued expenses	9,108	761
Pension regulatory liability	(179)	137
Changes in deferred outflows of resources	(888)	(11,988)
Changes in deferred inflows of resources	669	(32)
Net cash provided by operating activities	<u>\$ 42,691</u>	<u>\$ 43,162</u>
Reconciliation of cash and cash equivalents to the statement of net position:		
Cash and temporary investments	\$ 34,219	\$ 30,041
Total restricted and designated funds	182,298	201,835
Total cash and investments	<u>216,517</u>	<u>231,876</u>
Less - investments included in restricted and designated funds	<u>(108,677)</u>	<u>(165,987)</u>
Total cash and cash equivalents	<u>\$ 107,840</u>	<u>\$ 65,889</u>
Supplemental disclosures of cash flow information:		
Noncash investing, capital and financing transactions:		
Amortization of debt premiums	<u>\$ 1,041</u>	<u>\$ 1,083</u>
Investment income (loss)	<u>\$ 33,349</u>	<u>\$ 30,727</u>

The accompanying notes are an integral part of these financial statements.

Massachusetts Municipal Wholesale Electric Company

Fiduciary Financial Statements

December 31, 2025 and 2024

(In Thousands)

STATEMENTS OF FIDUCIARY NET POSITION

	2025	2024
ASSETS		
Investments at fair value:		
Mutual funds	\$ 13,196	\$ 11,469
Money market funds	703	1,094
Guaranteed income funds	7,012	10,340
Total investments	<u>20,911</u>	<u>22,903</u>
Net position available for pension benefits	<u>\$ 20,911</u>	<u>\$ 22,903</u>

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

	2025	2024
ADDITIONS		
Investment activity:		
Interest and dividends	\$ 757	\$ 699
Net appreciation (depreciation) in fair value of investments	1,582	1,669
Total investment activity	<u>2,339</u>	<u>2,368</u>
Total additions	<u>2,339</u>	<u>2,368</u>
DEDUCTIONS		
Benefits paid directly to participants	4,287	620
Administrative expenses	44	44
	<u>4,331</u>	<u>664</u>
Total deductions	<u>4,331</u>	<u>664</u>
Net increase (decrease) in net position	(1,992)	1,704
Net position available for pension benefits, beginning of year	<u>22,903</u>	21,199
Net position available for pension benefits, end of year	<u>\$ 20,911</u>	<u>\$ 22,903</u>

The accompanying notes are an integral part of these financial statements.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS

Reporting Entity/Nature of Business

The Massachusetts Municipal Wholesale Electric Company (MMWEC) is a public corporation and a political subdivision of the Commonwealth of Massachusetts formed to be a joint action agency to develop a bulk power supply for its member Massachusetts cities and towns having municipal electric systems (Members) and other utilities, both public and private. Among other things, MMWEC is authorized to construct, own, or purchase ownership interests in energy facilities and to issue revenue bonds for such purposes. MMWEC's ownership interests in energy generation facilities are through various Projects (Note 13 – Project Joint Ownership Agreements). Pursuant to its General Bond Resolution (GBR), the bonds of any bond issue relating to a Project are secured solely by revenues derived from that Project. Project revenues are derived primarily from Power Sales Agreements (PSAs) with MMWEC's Members and other utilities who are Participants in a Project (Project Participants). MMWEC's bulk power supply program consists of power purchase arrangements, power brokering services, planning and financial services, and the Projects relating to generating facilities built and operated either by MMWEC or other entities.

A Massachusetts city or town having a municipal electric system, authorized by majority vote of the city or town, may become a Member of MMWEC by applying for admission and agreeing to comply with the terms and conditions of membership as MMWEC By-Laws may require. As of December 31, 2025 and 2024, nineteen (19) and twenty (20) Massachusetts cities and towns having municipal electric systems were Members, respectively.

MMWEC has determined it has a fiduciary responsibility over two defined benefit pension plans that are provided to its employees. The financial statement presentation includes business-type activities and the fiduciary fund financial statements for the defined benefit pension plans.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting records of MMWEC are maintained using the Governmental Accounting Standards Board (GASB), the Uniform System of Accounts of the Federal Energy Regulatory Commission (FERC) and the Generally Accepted Accounting Principles of the United States of America (GAAP) using the economic resources measurement focus and the accrual basis of accounting. Application of the accounting methods for regulatory operations is also included in these financial statements. This accounting guidance relates to the deferral of revenues and expenses to future periods in which the revenues are earned or the expenses are recovered through the rate-making process, which is governed by the Board of Directors.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS**...continued

Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources

Cash and Investments

For purposes of the Statements of Cash Flows, cash equivalents are cash and investments having an original maturity of three months or less from the date of acquisition. Unrestricted cash and cash equivalents are presented within cash and temporary investments in the accompanying Statements of Net Position. Restricted cash and cash equivalents are presented within the current or long-term portion of restricted special funds in the accompanying Statements of Net Position. Decommissioning Trust investments are excluded from the cash equivalents on the Statement of Cash Flows. MMWEC has adopted an investment policy, which is approved annually by MMWEC's Board of Directors as required by MMWEC's GBR. Although certain cash and temporary investment amounts used for power purchases and working capital requirements of MMWEC are not subject to the provisions of the GBR, they are subject to the provisions of the investment policy.

Investments are stated at fair value, as defined under fair value measurements above. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the Statements of Revenues, Expenses and Changes in Net Position as increases or decreases in investment income.

Through its investment policy, MMWEC is restricted to investing in certain types of securities and investments, which are:

- a. Direct obligations of the United States of America
- b. Bonds, debentures, notes or other indebtedness issued by various federal agencies
- c. New housing authority bonds issued by public agencies or municipalities
- d. Bonds or notes issued by states and municipalities that are rated in one of the two highest rated categories by rating agencies
- e. Bank time deposits
- f. Repurchase agreements
- g. Federal funds or bankers acceptances
- h. Investment agreements

The MMWEC investment policy does not apply to the decommissioning trust funds or defined benefit pension fiduciary funds.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Based on the validity of contracts and collection history, an allowance for doubtful accounts is not considered necessary. Should these circumstances change, an allowance for doubtful accounts would be provided for those accounts receivable considered to be uncollectible at the end of the year, and the bad debts would be written off against the allowance when identified.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS...continued

Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources ...continued

Unbilled Revenue

Unbilled revenues are revenues that are not yet billed under the MMWEC Member and Participant agreements and other power arrangements and represent a portion of December services rendered that are collectible in January of the subsequent year.

Prepaid Expenses

Prepaid expenses represent insurance premiums, property taxes, payment in lieu of taxes and other similar contracts and arrangements paid in the current fiscal year benefiting future periods.

Inventories

Fuel oil and spare parts inventories are valued at the lower of cost or market and recorded and accounted for by the average cost method. At December 31, 2025 and 2024, total fuel oil inventory was at \$18.6 million and \$17.0 million, respectively, and spare parts inventory amounted to \$16.3 million and \$17.0 million, respectively.

Adjustments resulting from valuation of inventory are operating costs charged to fuels used in electric generation on the accompanying Statements of Revenues, Expenses and Changes in Net Position.

Restricted Funds

MMWEC's practice is to use restricted funds on hand before using unrestricted funds when an expense is incurred for purposes for which both restricted and unrestricted funds are available. See Note 3 – Restricted and Designated Assets for detail of restricted assets held.

Nuclear Decommissioning Trust

As required by the Nuclear Regulatory Commission (NRC) and respective state statutes and/or regulations, as well as MMWEC's own determinations, MMWEC has funded trust funds maintained by external trustees to provide for the estimated future decommissioning activities of Millstone Unit 3 and Seabrook Station. The balances at December 31, 2025 and 2024 for Millstone Unit 3 were \$94.3 million and \$83.9 million, respectively, and for Seabrook Station were of \$129.1 million and \$116.5 million, respectively, and are stated at fair value and are included in restricted assets and amounts recoverable (payable) under terms of the PSAs on the Statements of Net Position. Decommissioning balances for the Seabrook Station include funds in the New Hampshire Nuclear Decommissioning Trust and in an escrow account into which payments are made by MMWEC as a funding assurance mechanism. Depending on future circumstances, the funds held in the escrow account will be placed either in the Decommissioning Trust Fund for Seabrook Station, or will be returned to MMWEC, per order of the Nuclear Decommissioning Financing Committee of the State of New Hampshire.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS...continued

Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources ...continued

Net Pension Asset

The Massachusetts Municipal Wholesale Electric Company Pension Plans (Plans) are two single-employer, defined benefit pension plans administered by MMWEC. One plan covers union employees (Union Plan) and the other plan covers non-union employees (Administration Plan). All full-time active administration employees hired before December 1, 2006, and all full-time active union employees hired before January 1, 2008 are covered by their respective plans. At December 31, 2025 and 2024, the net pension asset was \$8.6 million and \$8.1 million, respectively. The calculation and related assumptions of the net pension asset and terms of the Plans are discussed in Note 12 – Benefit Plans.

Designated Funds

Designated funds are held by MMWEC for a specific internal use.

Other Noncurrent Charges

MMWEC advances both Millstone Unit 3 and Seabrook Station operating and capital expenditures based on budgeted levels. These advances are reduced when actual expenditures are incurred. At December 31, 2025 and 2024 these advances totaled \$22.0 million and \$24.4 million, respectively and are included in other noncurrent charges on the Statements of Net Position. The remaining balance of noncurrent charges is primarily comprised of MMWEC's equity investment in Hydro-Quebec Phase II interconnection as described in Note 15 - Contracts and Commitments.

Capital Assets – In Service

Capital assets – in service are generally defined by MMWEC as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of one year. Capital assets of MMWEC are recorded at cost at the date of acquisition.

Provisions for depreciation are computed using the straight-line method based on estimated useful lives for the underlying assets at Stony Brook, Northeast Reliability Center, Master Sergeant Cotton Solar and the administrative and general office on MMWEC's site (Service). Seabrook Station and Millstone are depreciated based on the group life basis. The lives are as follows:

Stony Brook, Northeast Reliability Center and Cotton Solar

Building and Building Improvements	20-25 years
Equipment	20-30 years
Computer Equipment and Vehicles	3-5 years

Service

Office Equipment and Software	3-8 years
Computer equipment and Vehicles	3-5 years

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS...continued

Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources ...continued

Capital Assets – In Service...continued

Other Generation Facilities

Seabrook Station	60 years
Millstone Unit 3	60 years

Construction Work in Progress

Construction work in progress is stated at cost. Any internal costs that are capitalized are limited to those costs that can be directly identified with the design, engineering or construction of a specific Project and do not include any costs related to production, general corporate overhead or similar activities. Depreciation of these costs will commence once placed in service.

Nuclear Fuel

Nuclear fuel, net of amortization, includes MMWEC's ownership interest in spent nuclear fuel, fuel in reactor, in stock and in process for both Millstone Unit 3 and Seabrook Station. The cost of nuclear fuel is amortized to fuel used in electric generation for each nuclear unit based on the relationship of energy produced in the current period to total expected energy production for fuel in the reactor. Fuel amortization expense of \$9.7 million as of December 31, 2025 and \$8.4 million as of December 31, 2024, respectively, is included in operating expense on the accompanying Statements of Revenues, Expenses and Changes in Net Position.

MMWEC, along with all of the other joint owners of both Millstone Unit 3 and Seabrook Station, has filed claims against the U.S. Department of Energy (DOE) in the United States Court of Claims for partial breach of the provisions for fuel disposal costs that were previously assessed by the DOE under the Energy Policy Act of 1992, for the cost of decontamination and decommissioning of uranium enrichment plants operated by the DOE.

As the DOE has agreed in principle to settlements in regard to ongoing costs incurred related to the disposal contracts, accounts receivable related to these ongoing cost settlements have been recorded at December 31, 2025 and 2024 in the amount of \$99,000 and \$107,000, respectively. In 2025 no costs incurred related to spent fuel facilities and disposal were given to MMWEC. In 2024, \$1.4 million was given to MMWEC for costs incurred related to spent fuel facilities and disposal.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resource (expense) until that future time. Deferred outflows of resources are comprised of pension-related amounts and asset retirement obligations.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS...continued

Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources ...continued

Accounts Payable and Accrued Expenses

At December 31, 2025, accounts payable and accrued liabilities total \$49.4 million which include \$11.4 million related to standard operating supplier and vendor accounts payable; \$33.2 million for power purchase accruals; \$1.6 million for accrued interest on debt; and \$3.2 million for other miscellaneous accounts payable and accrued liabilities.

At December 31, 2024, accounts payable and accrued liabilities total \$46.1 million which include \$17.2 million related to standard operating supplier and vendor accounts payable; \$22.6 million for power purchase accruals; \$1.6 million for accrued interest on debt; and \$4.7 million for other miscellaneous accounts payable and accrued liabilities.

Member and Participant Advances and Reserves

MMWEC maintains numerous operating reserves and advances from its Members and Project Participants in accordance with the PSAs, Power Purchase Agreements (PPAs) and other contractual arrangements. Member and Participant advances that are considered current liabilities were \$161.9 million and \$137.1 million for the years ended December 31, 2025 and 2024, respectively.

Other Member and Participant reserves for 2025 and 2024, which are considered long-term, were \$105.6 million and \$116.0 million, respectively. A reconciliation of the beginning and ending aggregate carrying amount of long-term Member and Participant Advances for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
	(In Thousands)	
Long-term member and participant advances, beginning of year	\$ 115,955	\$ 124,436
Additions	-	613
Deletions	(10,317)	(9,094)
Long-term member and participant advances, end of year	<u>\$ 105,638</u>	<u>\$ 115,955</u>

Asset Retirement Obligations

MMWEC identified certain asset retirement obligations (AROs), which are primarily associated with the decommissioning of MMWEC's ownership interest in Millstone Unit 3 and Seabrook Station. The recognition of the AROs at current value also results in a corresponding deferred outflow of resources, which is amortized over the remaining useful life of the underlying asset. Amortization expense is included in depreciation expenses in the Statements of Revenues, Expenses and Changes in Net Position.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS...continued

Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources ...continued

Long-term Obligations

Long-term debt and other obligations are reported as noncurrent liabilities. Bond premiums are amortized over the life of the bonds using the effective interest method. The balance at year end for premiums is shown as an increase to long-term debt in the liability section of the accompanying Statements of Net Position.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. Deferred inflows of resources are comprised of pension-related amounts and accounts payable under terms of the power sales agreements.

Amounts Payable Under Terms of the Power Sales Agreements

Billings to Project Participants are structured to recover costs in accordance with the PSAs, which generally provide for billing debt service, operating expenses and reserve requirements. Expenses are reflected in the Statements of Revenues, Expenses and Changes in Net Position in accordance with GAAP. The timing difference between amounts billed and expensed is charged, or credited, to amounts recoverable (payable) under terms of the PSAs.

The principal differences include depreciation, fuel amortization, costs associated with canceled Projects (or assets abandoned within a Project), asset retirement obligations, cost of refinancing, billing for certain interest, reserves, net unrealized gains or losses on investments and other costs. In accordance with the PSAs, these amounts have been offset in amounts payable under terms of the PSAs on the Statements of Net Position. The December 31, 2025 and 2024 amounts payable balances of \$677.1 million and \$662.0 million, respectively, reflect the Statements of Revenues, Expenses and Changes in Net Position net increase of \$15.1 million and net increase of \$18.1 million for the years then ended. See Note 9 - Amounts Payable Under Terms Of The Power Sales Agreements.

Revenues and Expenses

Revenues

Operating revenues include electric sales for resale provided through MMWEC's bulk power supply program. Revenues consist, in significant part, of billings under the PSAs, PPAs, and other power arrangements, net of debt service refunds to participants. MMWEC also records service revenues by providing its Members with power supply planning and related services, which are billed pursuant to the MMWEC Service Agreement or the All-Requirements Bulk Power Sales Agreement. Revenues related to financing and other activities are reflected as non-operating.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS...continued

Revenues and Expenses

Revenues are comprised of the following:

	2025	2024
	(In Thousands)	
Electric sales for resale	\$ 294,577	\$ 255,894
Service and other	10,112	8,960
	<u>\$ 304,689</u>	<u>\$ 264,854</u>

Taxes

Chapter 775 of the Massachusetts Acts of 1975 (the Act) specifically exempts MMWEC from paying any taxes upon its income, existence or franchise, and any revenues from the transfer or sale of bonds issued by MMWEC. Chapter 775 exempts real and personal property situated within the Commonwealth from property taxation. However, the Act requires MMWEC to pay an amount in lieu of property taxes with respect to MMWEC assets in Massachusetts to any governmental body authorized to levy local taxes in Massachusetts. MMWEC pays an amount in lieu of property taxes for its interest in the Stony Brook Peaking and Intermediate fossil-fuel burning plants located in Ludlow, Massachusetts.

MMWEC pays property taxes for its ownership interest in Millstone Unit 3 located in Waterford, Connecticut, and Seabrook Station, which is mostly located in Seabrook, New Hampshire.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes, and disclosure of contingent liabilities at the date of the financial statements. Estimates are used for, but not limited to, the selection of the useful lives of capital assets, provision necessary for contingent liabilities, accrued expenses, asset retirement obligations and other similar charges. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

Comparative Data

Certain prior year data has been reclassified to conform to the current year's presentation with no impact on Net Position.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS**...continued

Implementations of New Accounting Principles

GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102) establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. GASB 102 is effective in fiscal year 2025 for MMWEC. GASB 102 was evaluated and no additional disclosures were needed.

Effect of Future Accounting Standards on Current Period Financial Statements

GASB has approved Statement No. 103, *Financial Reporting Model Improvements*, Statement No. 104, and *Disclosure of Certain Capital Assets*, and Statement No. 105, *Subsequent Events*. When they become effective, application of these standards may restate portions of these financial statements.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

2. CASH AND INVESTMENTS

MMWEC's cash and investments (exclusive of the fiduciary funds and decommissioning trust) were comprised of the following at December 31:

Type of Investment or Cash Equivalent	2025		2024		Associated Risks
	Carrying Value	Bank & Investment Value	Carrying Value	Bank & Investment Value	
	(In Thousands)				
Cash and Cash Equivalents:					
U.S. Agency Bonds	\$ 1,349	\$ 1,349	\$ 5,345	\$ 5,345	Credit Risk, Concentration of Credit Risk, Interest Rate Risk
U.S. Treasury Notes	-	-	17,337	17,337	Credit Risk, Interest Rate Risk
U.S. Treasury Bills	37,471	37,471	-	-	Credit Risk, Concentration of Credit Risk, Interest Rate Risk
U.S. Treasury Discount Notes	18,417	18,417	845	845	Credit Risk, Concentration of Credit Risk, Interest Rate Risk
Deposits	50,603	47,457	42,362	38,703	Custodial Credit Risk
Total Cash and Cash Equivalents	<u>107,840</u>	<u>104,694</u>	<u>65,889</u>	<u>62,230</u>	
Other Investments:					
U.S. Treasury Notes	6,583	6,583	39,621	39,621	Credit Risk, Interest Rate Risk
U.S. Agency Bonds	70,973	70,973	124,898	124,898	Credit Risk, Concentration of Credit Risk, Interest Rate Risk
U.S. Agency Discount Notes	778	778	68	68	Credit Risk, Concentration of Credit Risk, Interest Rate Risk
U.S. Treasury Discount Notes	10,983	10,983	-	-	Credit Risk, Concentration of Credit Risk, Interest Rate Risk
U.S. Treasury Bills	17,893	17,893	-	-	Credit Risk, Concentration of Credit Risk, Interest Rate Risk
Municipal Bonds	1,467	1,467	1,400	1,400	Credit Risk, Concentration of Credit Risk, Interest Rate Risk
Total Other Investments	<u>108,677</u>	<u>108,677</u>	<u>165,987</u>	<u>165,987</u>	
Totals	<u>\$ 216,517</u>	<u>\$ 213,371</u>	<u>\$ 231,876</u>	<u>\$ 228,217</u>	

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

2. CASH AND INVESTMENTS...continued

MMWEC's investments in the Decommissioning Trust are held by independent trustees. Investments are limited to those defined by the investment policy, and are comprised of the following at December 31:

Type of Investment or Cash Equivalent	2025		2024		Associated Risks
	Carrying Value	Bank & Investment Value	Carrying Value	Bank & Investment Value	
	(In Thousands)				
Cash and Cash Equivalents:					
Money Market Fund	\$ (430)	\$ (430)	\$ 3,079	\$ 3,079	Custodial Credit Risk
Total Cash and Cash Equivalents	(430)	(430)	3,079	3,079	
Other Investments:					
Mutual Funds - equity	13,065	13,065	58,573	58,573	Credit Risk, Concentration of Credit Risk
FPL Minority Owner Trust	-	-	53,949	53,949	Credit Risk, Interest Rate Risk, Concentration of Credit Risk, Credit Risk, Concentration of Credit Risk
Common stock - equities	150,693	150,693	26,729	26,729	Credit Risk, Interest Rate Risk, Concentration of Credit Risk
US Treasury securities	8,378	8,378	-	-	Credit Risk, Interest Rate Risk, Concentration of Credit Risk
Corporate Bonds	1,037	1,037	9,751	9,751	Credit Risk, Interest Rate Risk, Concentration of Credit Risk
US Agency Securities	28,651	28,651	37,093	37,093	Credit Risk, Interest Rate Risk, Concentration of Credit Risk
Municipal Bonds	2,053	2,053	1,396	1,396	Credit Risk, Interest Rate Risk, Concentration of Credit Risk
US Government Obligations	-	-	5,817	5,817	Credit Risk, Interest Rate Risk, Concentration of Credit Risk
Mutual Funds - fixed	19,919	19,919	3,980	3,980	Credit Risk, Concentration of Credit Risk
Totals	\$ 223,366	\$ 223,366	\$ 200,367	\$ 200,367	

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

2. CASH AND INVESTMENTS...continued

MMWEC's investments in the defined benefit pension plans fiduciary funds are held by an independent trustee. Investments are limited to those defined by the investment policy, and are comprised of the following at December 31:

Type of Investment or Cash Equivalent	2025		2024		Associated Risks
	Carrying Value	Bank & Investment Value	Carrying Value	Bank & Investment Value	
(In Thousands)					
Cash and Cash Equivalents:					
Money Market Funds	\$ 703	\$ 703	\$ 1,094	\$ 1,094	Custodial Credit Risk
Total Cash and Cash Equivalents	\$ 703	\$ 703	1,094	1,094	
Other Investments:					
Mutual Funds - equity	\$ 13,196	\$ 13,196	\$ 11,469	\$ 11,469	Credit Risk, Concentration of Credit Risk
Guaranteed Income Account	7,012	7,012	10,340	10,340	Credit Risk, Concentration of Credit Risk
Total Other Investments	20,208	20,208	21,809	21,809	
Totals	\$ 20,911	\$ 20,911	\$ 22,903	\$ 22,903	

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined below. No investments are reported at amortized cost. The difference between the bank and investment value and carrying value is due to outstanding checks and/or deposits in transit.

MMWEC Custodial Credit Risk

Deposits and Money Market Funds

Custodial credit risk is the risk that, in the event of a financial institution failure, MMWEC's deposits may not be returned to MMWEC. The aggregate amount of noninterest bearing and interest bearing accounts are insured by the FDIC up to at least \$250,000. There was \$47.2 million and \$38.5 million uninsured and uncollateralized bank balances subject to custodial credit risk at December 31, 2025 and 2024, respectively. There was no uninsured and uncollateralized decommissioning trust balances subject to custodial credit risk at December 31, 2025. At December 31, 2024, there was \$2.3 million uninsured and uncollateralized decommissioning trust balances subject to custodial credit risk.

MMWEC's investment policy and decommissioning trust investment policy do not address custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, MMWEC will not be able to recover the value of its investment or collateral securities that are in the possession of the custodians.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

2. CASH AND INVESTMENTS...continued

Investments...continued

At December 31, 2025 and 2024, all investments were held in MMWEC's name by custodians consisting of the Bond Fund Trustee (as defined in the GBR), or MMWEC's depository bank.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, MMWEC's investments were rated as follows:

Investments Type	Fair Value		Credit Rating
	2025	2024	
	(In Thousands)		
U.S. Agency	\$ 73,100	\$ 130,311	AAA - AA+
Municipal Bonds	1,467	1,400	AAA - AA
U.S. Treasuries	91,347	57,803	AAA - AA+
Totals	<u>\$ 165,914</u>	<u>\$ 189,514</u>	

MMWEC's investment policy addresses credit risk by defining allowable investments and a maximum allocation to each asset class.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of MMWEC's investment in a single issuer.

At December 31, 2025 and 2024, MMWEC's investment portfolio, excluding decommissioning trust and fiduciary funds, was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>2025</u>	<u>2024</u>
Federal Home Loan Bank	U.S. Agency Securities	25.07%	27.39%
Federal Home Loan Mortgage	U.S. Agency Securities	5.76%	24.19%

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements
Years Ended December 31, 2025 and 2024

2. CASH AND INVESTMENTS...continued

Concentration of Credit Risk...continued

MMWEC's investment policy minimizes concentration of credit risk in a single issuer by diversification of investment types using the following maximum limits, which are established for MMWEC's total portfolio at December 31, 2025 and 2024, as follows:

Repurchase Agreements	10%
Certificates of Deposits	10%
U.S. Treasury Securities	100%
U.S Agencies	65%
Municipal Securities	20%

Deviation from the approved portfolio limits requires written authorization and approval from the MMWEC Board of Directors.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

At December 31, 2025, the maturities of MMWEC's investments were as follows:

Investment Type	Fair Value	Maturity In Years		
		Less than 1	1 – 5	Over 5
(In Thousands)				
U.S. Treasury Securities	\$ 91,347	\$ 83,916	\$ 7,431	\$ -
U.S. Agency Securities	73,100	9,081	55,058	8,961
Municipal Bonds	1,467	-	574	893
Totals	<u>\$ 165,914</u>	<u>\$ 92,997</u>	<u>\$ 63,063</u>	<u>\$ 9,854</u>

At December 31, 2024, the maturities of MMWEC's investments were as follows:

Investment Type	Fair Value	Maturity In Years		
		Less than 1	1 – 5	Over 5
(In Thousands)				
U.S. Treasury Securities	\$ 57,803	\$ 39,888	\$ 17,915	\$ -
U.S. Agency Securities	130,310	15,819	83,066	31,425
Municipal Bonds	1,401	-	557	844
Totals	<u>\$ 189,514</u>	<u>\$ 55,707</u>	<u>\$ 101,538</u>	<u>\$ 32,269</u>

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

2. CASH AND INVESTMENTS...continued

Interest Rate Risk...continued

MMWEC's investment policy specifies that MMWEC shall seek to maximize the return on investments consistent with requirements for safety, minimization of risk and liquidity. Monies will not be invested for terms in excess of the projected use of funds nor exceed an average life of ten years.

Decommissioning Trust - Credit Risk, Interest Rate Risk and Concentration of Credit Risk

As of December 31, 2025, MMWEC's decommissioning trust investments were rated as follows:

Investment Type	Credit Rating	Fair Value	Maturity In Years		
			Less than 1	1 – 5	Over 5
(In Thousands)					
Corporate Bonds	AA-BBB-, n/a	\$ 1,037	\$ -	\$ 470	\$ 567
U.S. Agency Securities	AA+, n/a	28,651	18,915	9,477	259
Municipal Bonds	AA+-AA-, n/a	2,053	-	-	2,053
U.S. Treasury Securities	AAA	8,378	8,378	-	-
Totals		<u>\$ 40,119</u>	<u>\$ 27,293</u>	<u>\$ 9,947</u>	<u>\$ 2,879</u>

As of December 31, 2024, MMWEC's decommissioning trust investments were rated as follows:

Investment Type	Credit Rating	Fair Value	Maturity In Years		
			Less than 1	1 – 5	Over 5
(In Thousands)					
Corporate Bonds	AAA-BBB, n/a	\$ 9,751	\$ -	\$ 4,440	\$ 5,311
U.S. Agency Securities	AAA, n/a	37,093	3,233	17,187	16,673
Municipal Bonds	AAA-AA-	1,396	-	205	1,191
U.S. Government Obligations	Aaa	5,817	5,308	509	-
Totals		<u>\$ 54,057</u>	<u>\$ 8,541</u>	<u>\$ 22,341</u>	<u>\$ 23,175</u>

Investments held in mutual funds and common stock are not rated and do not have a specified maturity date.

The majority of MMWEC's decommissioning trust investments are governed by the investment policies of the regulatory bodies and majority owners of Seabrook Station and Millstone Unit 3. MMWEC does not have a policy to address credit risk, interest rate risk, or concentration of credit risk for these externally governed investments.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

2. CASH AND INVESTMENTS...continued

Decommissioning Trust - Credit Risk, Interest Rate Risk and Concentration of Credit Risk...continued

MMWEC maintains a decommissioning trust investment policy for the portion of decommissioning trust investments within the company's control (internal decommissioning trust policy). MMWEC's internal decommissioning trust investment policy does not address credit risk or interest rate risk. In accordance with MMWEC's internal decommissioning trust investment policy for the decommissioning trust, exposure to concentration of credit risk is managed through diversification by limiting investments to no more than 5% of the total portfolio's value in one single issuer, with the exception of fixed income permissible direct investments listed below:

Foreign Securities	10%
Mortgage-backed Securities	25%
Individual Corporate Sector	20%

As of December 31, 2025 and 2024, 15% and 8% of investments were held with the Federal home Loan Banks, respectively. As of December 31, 2025, 6% of investments were held with Federal Home Loan Mortgage Corp.

Fiduciary Funds - Credit Risk, Interest Rate Risk and Concentration of Credit Risk

Investments held in equity mutual funds and guaranteed income account are not rated and do not have a specified maturity date. MMWEC's fiduciary fund investment policy does not address credit risk or interest rate risk.

In accordance with the investment guidelines for the defined benefit pension fiduciary funds, assets should be invested to provide a rate of return sufficient to meet the investment assumptions inherent in the actuarial projection for the plans.

Investment Income

For the year ended December 31, 2025, net unrealized gains on investments totaled \$15.3 million. For the year ended December 31, 2024, net unrealized gains on investments totaled \$7.5 million. The net unrealized losses and gains are excluded from operating revenue and are reported within investment income on the Statements of Revenues, Expenses and Changes in Net Position.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

2. CASH AND INVESTMENTS...continued

Investment Income...continued

During the years ended December 31, 2025 and 2024, investment income (loss) consisted of interest income, realized gains/(losses) and unrealized gains/(losses) for investments, including the decommissioning trusts, as follows:

	2025	2024
	(In Thousands)	
Interest income:		
Unrestricted funds	\$ 2,991	\$ 3,415
Restricted funds	2,084	2,353
Designated funds	3,306	3,811
Decommissioning funds	8,333	14,713
Total interest income	<u>16,714</u>	<u>24,292</u>
Realized gains (losses):		
Unrestricted funds	47	(566)
Restricted funds	7	(22)
Designated funds	65	(279)
Net realized gains	<u>119</u>	<u>(867)</u>
Unrealized gains (losses):		
Restricted funds	424	163
Designated funds	248	924
Decommissioning funds	14,666	6,370
Net unrealized gains	<u>15,338</u>	<u>7,457</u>
 Total investment income (loss)	 <u>\$ 32,171</u>	 <u>\$ 30,882</u>

3. RESTRICTED AND DESIGNATED ASSETS

Mandatory segregations of assets are presented as restricted funds. Such segregations are required by bond agreements and other external parties.

Segregations of assets determined internally by MMWEC management are presented as designated funds.

Numerous restricted funds are required by the GBR pursuant to which MMWEC issued its long-term debt. The restricted funds are invested in accordance with the provisions of the GBR. Certain working capital and other funds are not mandated by the GBR and are classified as restricted funds, they are invested in accordance with the provisions of the investment policy under the GBR.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

3. RESTRICTED AND DESIGNATED ASSETS...continued

The composition of restricted funds is as follows for the year ended December 31:

	2025	2024
	(In Thousands)	
<u>Restricted Funds</u>		
Bond Fund Interest, Principal and Retirement Accounts to pay principal and interest on bonds	\$ 2,973	\$ 3,277
Bond Fund Reserve Account set at 50% of the maximum outstanding annual debt service obligation to make up any deficiencies in Bond Fund Interest, Principal and Retirement Account	2,041	1,933
Reserve and Contingency Fund to make up deficiencies in the Bond Funds and pay for repairs and extraordinary costs	125	121
Revenue Fund to receive revenues and disburse them to the Bond Funds and other funds	4,289	4,175
Constructions Fund to pay costs of Northeast Reliability Center construction	2,070	4,576
Program Fund to pay costs of Northeast Reliability Center construction	22	22
Working Capital Funds to maintain funds to cover operating expenses	29,971	36,441
Fuel Fund for the purchase of construction fuel for Northeast Reliability Center	-	5,112
Pooled Loan funds held in accordance with associated debt agreements	10,389	6,601
Total Restricted Funds and Interest Receivable	51,880	62,258
Less -- current portion	(47,515)	(54,631)
Interest receivable	(158)	(367)
Total Restricted Funds, Long term	\$ 4,207	\$ 7,260
<u>Nuclear Decommissioning Funds</u>		
Nuclear decommissioning funds	\$ 223,366	\$ 200,367

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

3. RESTRICTED AND DESIGNATED ASSETS...continued

Designated Funds

Other Funds for indemnification or purchase of insurance, funds contributed for an agreement where MMWEC acts as agent and long-term investments for Msgt. Cotton Solar, Nuclear Mix No. 1, Nuclear Project 3, Nuclear Project 4, Nuclear Project 5, Project 6, Intermediate, Peaking, and fuel line of credit

	<u>\$ 131,502</u>	<u>\$ 141,839</u>
Total Designated Funds and Interest Receivable	<u>131,502</u>	<u>141,839</u>
Less -- current portion	(1,070)	(1,052)
Interest receivable	<u>(926)</u>	<u>(1,895)</u>
Total Designated Funds, Long-term	<u><u>\$ 129,506</u></u>	<u><u>\$ 138,892</u></u>

For financial reporting purposes, interest receivable has been disclosed separately on the Statements of Net Position.

4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for 2025 and 2024 is as follows:

	Balance 1/1/2025	Additions/ Reclassifications	Deletions/ Reclassifications	Balance 12/31/2025
	(In Thousands)			
Capital assets not being depreciated:				
Land	\$ 3,849	\$ -	\$ -	\$ 3,849
Capital assets being depreciated:				
Plant in service	1,530,582	9,228	(519)	1,539,291
Less - accumulated depreciation	<u>979,760</u>	<u>23,726</u>	<u>(478)</u>	<u>1,003,008</u>
Net plant	<u>\$ 554,671</u>	<u>\$ (14,498)</u>	<u>\$ (41)</u>	<u>\$ 540,132</u>
	Balance 1/1/2024	Additions/ Reclassifications	Deletions/ Reclassifications	Balance 12/31/2024
	(In Thousands)			
Capital assets not being depreciated:				
Land	\$ 3,849	\$ -	\$ -	\$ 3,849
Capital assets being depreciated:				
Plant in service	1,423,711	110,112	(3,241)	1,530,582
Less - accumulated depreciation	<u>961,750</u>	<u>21,236</u>	<u>(3,226)</u>	<u>979,760</u>
Net plant	<u>\$ 465,810</u>	<u>\$ 88,876</u>	<u>\$ (15)</u>	<u>\$ 554,671</u>

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

4. CHANGES IN CAPITAL ASSETS

A summary of changes in construction work in progress for 2025 and 2024 is as follows:

Year	Balance at January 1,	Additions	Transfers to In Service	Balance at December 31,
(In Thousands)				
2025	\$ 18,572	\$ 12,727	\$ (2,988)	\$ 28,311
2024	\$ 103,189	\$ 15,489	\$ (100,106)	\$ 18,572

A summary of changes in nuclear fuel for 2025 and 2024 is as follows:

Year	Balance at January 1,	Additions and Transfers	Deletions	Amortization	Balance at December 31,
(In Thousands)					
2025	\$ 29,436	\$ 22,597	\$ -	\$ (9,712)	\$ 42,321
2024	\$ 21,495	\$ 16,294	\$ -	\$ (8,353)	\$ 29,436

5. SHORT-TERM DEBT

MMWEC maintains a \$15.0 million loan facility which allows for borrowings by MMWEC to finance, temporarily, certain power purchases made by MMWEC for resale to the Members and other municipal systems under various power contracts between MMWEC and the municipal systems (Power Contracts). Borrowings attributable to a Power Contract under this loan facility are secured by the following: a lien on and/or security interest in all proceeds of any loans prior to disbursement by MMWEC, all amounts payable to MMWEC by the Power Contract Participants under the Power Contract, and earnings from MMWEC's temporary investments of such proceeds and amounts payable. The amount payable by a Power Contract Participant with respect to a Power Contract is limited to the amount allocated to that Participant.

At December 31, 2025 and 2024, there was no outstanding amounts under the loan facility. During 2025 and 2024, the maximum outstanding balance under the line of credit was \$0.9 million and \$2.4 million, respectively. The interest rate for the borrowings under this line of credit is the Term SOFR Index Rate, which is equal to the Adjusted Term SOFR Rate for the applicable interest period plus 1.40%. The Adjusted Term SOFR Rate equals the Term SOFR Rate plus a SOFR Adjustment of 0.10% per annum. In addition, a commitment fee of 0.200% per annum is charged on the unused portion of the loan facility, which represents the commitment amount less the aggregate principal amount of all revolving loans outstanding. This loan facility expires September 11, 2026. MMWEC has historically renewed this line of credit annually.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

5. SHORT-TERM DEBT...continued

MMWEC maintained a \$15.0 million revolving line of credit for the purpose of financing purchases of fuel oil and selling such fuel oil from the Stony Brook Fuel Oil Project to the Intermediate and Peaking Projects. Borrowings under this line of credit are secured by the following: a lien on and/or security interest in all proceeds of any borrowings prior to disbursement by MMWEC, all amounts payable by the Intermediate and Peaking Projects to the Stony Brook Fuel Oil Project for fuel oil, and all earnings from MMWEC's investments of any such proceeds and amounts payable to the bank. There were no borrowings outstanding under the loan facility as of December 31, 2025 and 2024. During 2025 and 2024, the maximum outstanding balance under the line of credit was \$0. The interest rate for the borrowings under this line of credit is at MMWEC's election prior to the last day of any interest period of either the SOFR rate plus 1.50% per annum, or at a variable rate selected by MMWEC, which is either the prime rate or the SOFR Daily Floating Rate plus 1.50%. If no such selection is made, the variable rate is in effect. A commitment fee of 0.250% per annum is charged on the unused portion of the loan facility based on the average daily principal amount of the borrowing outstanding. This line of credit expired April 30, 2025 and was not renewed.

On January 12, 2024, MMWEC issued a term note for the sole purpose of financing the costs of purchasing fuel related to the Northeast Reliability Center during the construction period, in the amount of \$5.0 million. The 2023A Term Note bears interest at a rate equal to 5.99% with a maturity date of January 10, 2025. Interest on the note is payable monthly. \$5.0 million was outstanding at the end of December 31, 2024 and the term note was fully extinguished at maturity on January 10, 2025.

The following short-term debt activity occurred in 2025 and 2024:

Year	Balance at January 1,	Additions	Payments	Balance at December 31,
		(In Thousands)		
2025	\$ 5,000	\$ 2,618	\$ (7,618)	\$ -
2024	\$ -	\$ 9,079	\$ (4,079)	\$ 5,000

6. LONG-TERM DEBT

General Bond Resolution and Power Supply System Revenue Bonds

MMWEC issued separate issues of Bonds for each Project, which are payable solely from, and secured solely by, the revenues derived from the Project to which such issue relates, plus available funds pledged under the GBR for the Bonds of such issues. The revenues derived from each Project are used solely to provide for the payment of the Bonds of any Bond issue relating to such Project, and to pay MMWEC's cost of owning and operating such Project, and are not used to provide for the payment of the Bonds of any Bond issue relating to any other Project.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

6. LONG-TERM DEBT...continued

Pursuant to all of the Project PSAs, each Project Participant is obligated to pay its share of the actual costs relating to the Project's generating units, and its share of all principal, premium and interest associated with the Bonds for the Projects in which the Project Participant has a PSA, and for which the Project Participant is obligated to set rates at levels sufficient to pay such costs. These obligations are not contingent upon the operational status of the Project's units.

MMWEC's issuance of debt, other than obligations with a maturity of less than one year, requires authorization by the Massachusetts Department of Public Utilities.

Series 2021A Revenue Bonds

On December 1, 2021, MMWEC issued revenue bonds for the sole purpose of financing the costs of acquisition and construction of Northeast Reliability Center, a capacity resource located in Peabody, Massachusetts. The Series 2021A bonds were issued at a par value \$60.9 million, with a premium of \$12.6 million, for total proceeds of \$73.5 million. The premium is being amortized over the life of the bonds using the effective interest method. The Series 2021A bonds bear interest at a fixed rate ranging from 3.0% to 5.0% for the various issues and the final maturity date is July 1, 2051. Interest on the bonds is payable in semi-annual installments on January 1 and July 1 with principal due each July 1.

Series 2023A Revenue Bonds

On December 21, 2023, MMWEC issued revenue bonds for the purpose of funding the costs of acquisition and construction of Master Sergeant Cotton Solar Project through the repayment of the short-term loan issued in anticipation of the bonds. The Series 2023A bonds were issued at a par value \$15.0 million, with a premium of \$1.7 million, for total proceeds of \$16.7 million. The premium is being amortized over the life of the bonds using the effective interest method. The Series 2023A bonds bear interest at a fixed rate of 5.0% for the various issues and the final maturity date is July 1, 2044. Interest on the bonds is payable in semi-annual installments on January 1 and July 1 with principal due each July 1.

The following summarizes changes in long-term debt, net of premiums:

Year	Balance at January 1,	Additions	Payments	Amortization of Premium	Balance at December 31,
			(In Thousands)		
2025	\$ 86,080	\$ -	\$ (1,655)	\$ (1,041)	\$ 83,384
2024	\$ 88,329	\$ -	\$ (1,165)	\$ (1,084)	\$ 86,080

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

6. LONG-TERM DEBT...continued

Long-term Debt Summary Tables...continued

At December 31, 2025 and 2024, long-term debt is comprised of the following term notes from serial bonds:

<u>Issue</u>	<u>Net Interest Cost</u>	<u>December 31,</u>	
		<u>2025</u>	<u>2024</u>
		(In Thousands)	
<u>Serial revenue bonds</u>			
Revenue Bond Series 2021A	3.0% - 5.0%	\$ 58,485	\$ 59,685
Revenue Bond Series 2023A	5.00%	14,540	14,995
Total Debt		73,025	74,680
Unamortized premium		10,359	11,400
Less: Current maturities		1,720	1,655
Total Long-Term Debt		<u>\$ 81,664</u>	<u>\$ 84,425</u>

The following is a summary of total debt service requirements for long-term debt from direct borrowings and revenue bonds outstanding at December 31, 2025:

	<u>Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	(In Thousands)		
2026	\$ 1,720	\$ 3,176	\$ 4,896
2027	1,795	3,103	4,898
2028	1,875	3,026	4,901
2029	1,965	2,932	4,897
2030	2,065	2,834	4,899
2031-2035	11,985	12,513	24,498
2036-2040	14,980	9,522	24,502
2041-2045	17,265	6,022	23,287
2046-2050	15,820	2,659	18,479
2051	3,555	142	3,697
Totals	<u>\$ 73,025</u>	<u>\$ 45,929</u>	<u>\$ 118,954</u>

Interest paid for long-term debt during 2025 and 2024 was \$3.3 million and \$3.0 million, respectively.

7. CONDUIT DEBT

In 2014, MMWEC began a Pooled Loan Program which enables MMWEC to borrow funds to make loans to Members that would be used by the utility to finance the acquisition of various utility assets. The Program utilizes a short-term revolving loan facility to provide initial funding of the loans.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

7. CONDUIT DEBT...continued

MMWEC issues Promissory Notes to Members who borrow funds under this program and the interest and any fees associated with the Notes are payable solely by each Member who utilizes the program funds for their portion of the funds used. The Promissory Notes under this program are considered conduit debt under GASB 91 and are therefore excluded from MMWEC's accounts receivable, capital asset and long-term debt balances as of December 31, 2025 and 2024. MMWEC holds funds collected from pooled loan participants for future debt service payments and required debt reserves and any interest income associated with these balances and administrative expenses, which are included in cash and investments and member and participant advances on the Statements of Net Position. MMWEC does not have any limited or voluntary commitments under the program.

As of December 31, 2024, MMWEC has outstanding conduit debt principal obligations totaling \$41.1 million. During 2025, the 2021B term loan was extinguished. As of December 31, 2025, MMWEC has outstanding conduit debt principal obligations totaling \$40.5 million with the following final maturity dates:

<u>Pooled Loan Facility</u>	<u>Final Maturity</u>
Princeton Term Loan	March 17, 2027
2017A Term Loan	March 17, 2032
2019A Term Loan	March 22, 2034
2021A Term Loan	April 6, 2046
2021B Term Loan	July 3, 2025
2025B Term Loan	November 24, 2040
Line of Credit	Not Applicable

MMWEC's pooled loan line of credit expires May 15, 2026. MMWEC has historically renewed this line of credit annually.

8. ASSET RETIREMENT OBLIGATIONS

MMWEC has identified certain asset retirement obligations (AROs), which are primarily associated with the decommissioning of MMWEC's ownership interest in Millstone Unit 3 and Seabrook Station. The ARO liabilities are measured using decommissioning studies provided by the majority owner for each Unit, which represented the current value of outlays expected to be incurred, and are allocated by MMWEC based on percentage of ownership in each Project as discussed in Note 13 – Project Joint Ownership Agreements. MMWEC maintains assets in the nuclear decommissioning trust as discussed in Note 3 – Restricted and Designated Assets to meet legally required funding levels.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

8. ASSET RETIREMENT OBLIGATIONS...continued

ARO activity for the year ended December 31, 2025 is as follows:

Unit	Remaining Useful Life	Balance at January 1	Adjustment for New Study	Inflation Adjustment	Balance at December 31
(In Thousands)					
Seabrook Station	24 Years	\$ 140,315	\$ -	\$ 3,648	\$ 143,963
Millstone Unit 3	20 Years	\$ 52,573	-	1,367	\$ 53,940
Total		<u>\$ 192,888</u>	<u>\$ -</u>	<u>\$ 5,015</u>	<u>\$ 197,903</u>

ARO activity for the year ended December 31, 2024 is as follows:

Unit	Remaining Useful Life	Balance at January 1	Adjustment for New Study	Inflation Adjustment	Balance at December 31
(In Thousands)					
Seabrook Station	25 Years	\$ 136,360	\$ -	\$ 3,954	\$ 140,314
Millstone Unit 3	21 Years	\$ 40,136	12,436	-	\$ 52,572
Total		<u>\$ 176,496</u>	<u>\$ 12,436</u>	<u>\$ 3,954</u>	<u>\$ 192,886</u>

The recognition of the AROs at current value also results in a corresponding deferred outflow of resources. A reconciliation of the beginning and ending aggregate deferred outflow of resources related to AROs for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
(In Thousands)		
Deferred outflow of resources - AROs, beginning of year	\$ 96,460	\$ 83,370
Increase (reduction) based on new study	-	12,438
Inflationary increase	5,015	3,954
Amortization	<u>(4,050)</u>	<u>(3,302)</u>
Deferred outflow of resources - AROs, end of year	<u>\$ 97,425</u>	<u>\$ 96,460</u>

Amortization expense is included in depreciation expenses in the Statements of Revenues, Expenses and Changes in Net Position.

9. AMOUNTS PAYABLE UNDER TERMS OF THE POWER SALES AGREEMENTS

Differences between amounts billed to Members and Project Participants and revenues and expenses recognized are included in amounts payable under the terms of the power sales agreements. These differences are made up of debt service collections, net of amounts returned to Participants, capital expenditures funded through reserve billings and unbilled operating and non-operating expenses and revenues.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

9. AMOUNTS PAYABLE UNDER TERMS OF THE POWER SALES AGREEMENTS...continued

A summary of the items included in amounts payable in the future under the terms of the power sales contract for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
	(In Thousands)	
Beginning balance - January 1,	\$ 662,033	\$ 643,934
Unbilled operating and nonoperating expenses and revenues:		
Depreciation/amortization	(27,775)	(24,540)
Financing costs	-	(233)
Amortization of bond premiums and discounts	1,040	1,083
Fuel inventory loss (gain) due to market adjustment	(763)	217
Realized and unrealized gains and interest income	24,291	22,934
Lease revenue	38	38
GASB 101 sick accrual not billed	3	(199)
Capital funded through reserve billings	16,611	13,983
Gain (loss) on disposition of property	(19)	22
IRA funds received	-	2,346
Debt service collections:		
Principal on long-term debt billed	1,688	2,448
Ending Balance - December 31	<u>\$ 677,147</u>	<u>\$ 662,033</u>

10. FAIR VALUE MEASUREMENT

MMWEC records assets and liabilities in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which determines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurement.

Fair value is defined in Statement No. 72 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique.

As a basis for considering market participant assumptions in fair value measurements, Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- **Level 1** inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Equity securities and U.S. Government Treasury securities are examples of Level 1 inputs.
- **Level 2** inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Government agency and mortgage-backed securities are examples of Level 2 inputs.
- **Level 3** inputs are unobservable inputs that reflect MMWEC's own assumptions about factors that market participants would use in pricing the asset or liability (including assumptions about risk).

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

10. FAIR VALUE MEASUREMENT...continued

Valuation methods of the primary fair value measurements disclosed below are as follows:

- The majority of investments in equity securities are valued using Level 1 measurements. Investments in equity securities are typically valued at the closing price in the principal active market. For equity securities, these markets include published exchanges such as the National Association of Securities Dealers Automated Quotations and the New York Stock Exchange.
- Most investments in debt securities are valued using Level 2 measurements because the valuations use interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider the counterparty credit rating.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. MMWEC's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their place within the fair value hierarchy levels.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

10. FAIR VALUE MEASUREMENT...continued

The following table presents fair value balances and their levels within the fair value hierarchy as of December 31, 2025 and 2024:

MMWEC	2025				2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments and Cash Equivalents								
	(In Thousands)							
U.S. Treasury Notes	\$ 6,583	\$ -	\$ -	\$ 6,583	\$ 56,958	\$ -	\$ -	\$ 56,958
U.S. Treasury Discount Notes	29,400	-	-	29,400	845	-	-	845
U.S. Treasury Bills	55,364	-	-	55,364	-	-	-	-
U.S. Agency Bonds	-	72,322	-	72,322	-	130,243	-	130,243
U.S. Agency Discount Notes	-	778	-	778	-	68	-	68
Municipal Bonds	-	1,467	-	1,467	-	1,400	-	1,400
Investments and Cash Equivalents	<u>\$ 91,347</u>	<u>\$ 74,567</u>	<u>\$ -</u>	<u>\$ 165,914</u>	<u>\$ 57,803</u>	<u>\$ 131,711</u>	<u>\$ -</u>	<u>\$ 189,514</u>
Decommissioning								
Investments and Cash Equivalents								
	(In Thousands)							
Mutual Funds-Equity	\$ 13,065	\$ -	\$ -	\$ 13,065	\$ 58,573	\$ -	\$ -	\$ 58,573
FPL Minority Owner Trust	-	-	-	-	53,949	-	-	53,949
Common Stock-Equity	150,693	-	-	150,693	26,729	-	-	26,729
U.S. Treasury Securities	8,378	-	-	8,378	-	-	-	-
Corporate Bonds	-	1,037	-	1,037	-	9,751	-	9,751
U.S. Agency Securities	-	28,651	-	28,651	-	37,093	-	37,093
Municipal Bonds	-	2,053	-	2,053	-	1,396	-	1,396
U.S. Government Obligations	-	-	-	-	-	5,817	-	5,817
Mutual Funds-Fixed	-	19,919	-	19,919	-	3,980	-	3,980
Investments and Cash Equivalents	<u>\$ 172,136</u>	<u>\$ 51,660</u>	<u>\$ -</u>	<u>\$ 223,796</u>	<u>\$ 139,251</u>	<u>\$ 58,037</u>	<u>\$ -</u>	<u>\$ 197,288</u>
Fiduciary Funds								
Investments and Cash Equivalents								
	(In Thousands)							
Mutual Funds-Equity	\$ 13,196	\$ -	\$ -	\$ 13,196	\$ 11,470	\$ -	\$ -	\$ 11,470
Mutual Funds-Fixed	-	7,012	-	7,012	-	10,340	-	10,340
Investments and Cash Equivalents	<u>\$ 13,196</u>	<u>\$ 7,012</u>	<u>\$ -</u>	<u>\$ 20,208</u>	<u>\$ 11,470</u>	<u>\$ 10,340</u>	<u>\$ -</u>	<u>\$ 21,810</u>

11. LABOR AGREEMENTS

At December 31, 2025, approximately 28% of MMWEC's 82 employees work under collective bargaining agreements, whose existing labor agreements expires on March 31, 2027. At December 31, 2024, approximately 26% of MMWEC's 86 employees work under collective bargaining agreements.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

12. BENEFIT PLANS

Defined Benefit Plans

The Massachusetts Municipal Wholesale Electric Company Pension Plans (Plans) are two single-employer, defined benefit pension plans administered by MMWEC. One plan covers union employees (union plan) and the other plan covers non-union employees (administration plan). All full-time active administration employees hired before December 1, 2006, and all full-time active union employees hired before January 1, 2008 are covered by their respective plans. The Plans provide a defined benefit to employees based on years of service and average earnings. The Plans provide retirement, disability, and death benefits to plan members and beneficiaries. Administrative or union employees hired after these dates qualify for a Defined Contribution plan as described below. Certain other financial information concerning the plans, in addition to the information contained here, is provided annually to plan participants.

The Plans do not issue stand-alone financial statements. A summary of the plan's financial statements for the years ended December 31, 2025 and 2024 is presented in the following tables.

STATEMENTS OF FIDUCIARY NET POSITION

	<u>Administrative Plan</u>		<u>Union Plan</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
ASSETS	(In Thousands)			
Investments at fair value:				
Mutual funds	\$ 11,636	\$ 10,126	\$ 1,560	\$ 1,343
Money market funds	332	853	371	241
Guaranteed income funds	5,805	9,038	1,207	1,302
Total investments	<u>17,773</u>	<u>20,017</u>	<u>3,138</u>	<u>2,886</u>
Net position available for pension benefits	<u>\$ 17,773</u>	<u>\$ 20,017</u>	<u>\$ 3,138</u>	<u>\$ 2,886</u>

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements
Years Ended December 31, 2025 and 2024

12. BENEFIT PLANS...continued

Defined Benefit Plans...continued

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

	Administrative Plan		Union Plan	
	2025	2024	2025	2024
	(In Thousands)			
ADDITIONS				
Employer contributions	\$ -	\$ -	\$ -	\$ -
Investment activity:				
Interest and dividends	658	607	99	92
Net appreciation (depreciation) in fair value of investments	1,377	1,478	205	191
Total investment activity	2,035	2,085	304	283
Total additions	2,035	2,085	304	283
DEDUCTIONS				
Benefits paid directly to participants	4,241	575	46	45
Administrative expenses	38	38	6	6
Total deductions	4,279	613	52	51
Net decrease in net position	(2,244)	1,472	252	232
Net position available for pension benefits, beginning of year	20,017	18,545	2,886	2,654
Net position available for pension benefits, end of year	\$ 17,773	\$ 20,017	\$ 3,138	\$ 2,886

Plan participants providing the basis of the actuarial valuations used to calculate, as of the measurement dates, the net pension liability (asset) for the years ended December 31, were:

Status	Administrative		Union	
	2025	2024	2025	2024
Active	9	9	2	2
Terminated vested	17	17	8	8
Retirees and beneficiaries	24	24	4	5
	50	50	14	15

All MMWEC employees are eligible to make a voluntary contribution in accordance with prescribed annual dollar limits to a deferred compensation plan sponsored by the Commonwealth of Massachusetts. The deferred compensation plan is maintained pursuant to Section 457(b) of the Internal Revenue Code and the General Laws of Massachusetts.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

12. **BENEFIT PLANS**...continued

Defined Benefit Plans...continued

MMWEC's net pension asset at December 31, 2025 and 2024 was measured as of December 31, 2025 and 2024, respectively. The total pension liability used to calculate the net pension asset was determined by actuarial valuations as of January 1, 2025 and 2024 rolled forward using generally accepted actuarial procedures to the December 31, 2025 and 2024, measurement dates, respectively.

MMWEC recorded \$0.2 million and \$0.1 million in pension expense related to these Plans for the years ended December 31, 2025 and 2024, respectively, which are included in other operating expenses on the accompanying Statements of Revenues, Expenses and Changes in Net Position.

The annual contribution was determined as part of the January 1 actuarial valuation using the entry age normal with frozen initial liability cost method. All contributions to the plans are authorized by the Board of Directors and made by MMWEC.

The actuarial assumptions for both Plans included a 7.0% investment rate of return, a discount rate of 7.0% on Plan liabilities and a 3.0% projected salary increase.

Effective January 1, 2025, mortality rates for the Administrative Plan were based on the Pri-2012 White Collar Employee Annuitant Table for Males or Females, as appropriate, projected using Scale MP-2021 generational improvements. Mortality rates for the Union Plan in 2025 were based on the Pri-2012 Blue Collar Table for Males or Females, as appropriate, projected using Scale MP-2021 generational improvements.

In 2024, mortality rates for the Administrative Plan were based on the Pri-2012 White Collar Employee Annuitant Table for Males or Females, as appropriate, projected using Scale MP-2021 generational improvements. Mortality rates for the Union Plan in 2024 were based on the Pri-2012 Blue Collar Table for Males or Females, as appropriate, projected using Scale MP-2021 generational improvements.

The long-term expected rate of return on Plan investments was determined based on a blend of historical performance data and future expectations for each major asset class, while also reflecting current capital market conditions, developed on a geometric basis.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

12. BENEFIT PLANS...continued

Defined Benefit Plans...continued

MMWEC's change in net pension asset for the years ended December 31, 2025 and 2024 are as follows:

	Administration Plan		Union Plan	
	2025	2024	2025	2024
	(In Thousands)			
<u>Total pension liability</u>				
Service cost	\$ 41	\$ 87	\$ 6	\$ 7
Interest cost	838	846	122	121
Difference between expected and actual experience	763	229	42	44
Changes of assumptions	(66)	(106)	(22)	(111)
Changes of benefit terms	-	-	-	-
Benefit payments	(4,239)	(573)	(46)	(45)
Net change in total pension liability	(2,663)	483	102	16
Total pension liability, beginning of period	12,853	12,370	1,992	1,976
Total pension liability, end of period	\$ 10,190	\$ 12,853	\$ 2,094	\$ 1,992
<u>Plan fiduciary net position</u>				
Employer contributions	\$ -	\$ -	\$ -	\$ -
Net investment income	2,035	2,085	304	282
Benefit payments	(4,239)	(573)	(46)	(45)
Corrective distributions	-	-	-	-
Administrative expenses	(40)	(40)	(6)	(5)
Net change in fiduciary net position	(2,244)	1,472	252	232
Fiduciary net position, beginning of period	20,017	18,545	2,886	2,654
Fiduciary net position, end of period	17,773	20,017	3,138	2,886
Net pension (asset) liability, end of period	\$ (7,583)	\$ (7,164)	\$ (1,044)	\$ (894)

The assumed allocation and expected real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Administrative</u>		<u>Union</u>	
	Target Asset Allocation	Long Term Expected Rate of Return	Target Asset Allocation	Long Term Expected Rate of Return
Fixed Income	10.00%	2.00%	25.00%	2.00%
Mutual Funds	90.00%	7.50%	75.00%	8.60%
Total Investments	100.00%		100.00%	

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

12. BENEFIT PLANS...continued

Defined Benefit Plans...continued

The following table presents the sensitivity of net pension (asset) liability calculation to a 1% increase and 1% decrease in the discount rate to measure the total pension (asset) liability:

	Administrative		Union	
	2025	2024	2025	2024
<u>Discount rate</u>	(In Thousands)			
1% decrease - 6.0%	\$ (6,616)	\$ (6,012)	\$ (898)	\$ (754)
Current discount rate - 7.0%	(7,583)	(7,164)	(1,044)	(894)
1% increase - 8.0%	(8,418)	(8,157)	(1,172)	(1,015)

The following table presents information about the pension-related deferred outflows and inflows of resources at December 31:

	Administration Plan			
	2025		2024	
<u>Deferred outflows (inflows) of resources</u>	(In Thousands)			
Difference between expected and actual experience	\$ 458	\$ -	\$ 444	\$ -
Changes of assumptions	-	(51)	-	(78)
Difference between projected and actual earnings on plan investments	-	(611)	90	-
Total deferred outflows (inflows) of resources	<u>\$ 458</u>	<u>\$ (662)</u>	<u>\$ 534</u>	<u>\$ (78)</u>

	Union Plan			
	2025		2024	
<u>Deferred outflows (inflows) of resources</u>	(In Thousands)			
Difference between expected and actual experience	\$ 9	\$ -	\$ 10	\$ -
Changes of assumptions	-	(4)	-	(26)
Difference between projected and actual earnings on plan investments	-	(122)	-	(15)
Total deferred outflows (inflows) of resources	<u>\$ 9</u>	<u>\$ (126)</u>	<u>\$ 10</u>	<u>\$ (41)</u>

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

12. BENEFIT PLANS...continued

The following table presents the future amortization of pension-related deferred outflows (inflows) of resources, which will be recognized in pension expense, at December 31:

	<u>Administration</u>	<u>Union</u>
	(In Thousands)	
2026	\$ 744	\$ 30
2027	(507)	(77)
2028	(302)	(47)
2029	(139)	(23)
	<u>\$ (204)</u>	<u>\$ (117)</u>

The Required Supplementary Information following the Notes to the Financial Statements presents additional multiyear trend information demonstrating the components of change in the net pension liability from year to year, as well as trends in related statistical information and employer contributions to the Plans.

Defined Contribution Plan

In 2007, MMWEC established a defined contribution (DC) plan in compliance with Section 401 (a) of the Internal Revenue Code for non-union employees hired after December 1, 2006 and for union employees hired after January 1, 2008. Thereafter, all new employees are no longer eligible to participate in MMWEC Defined Benefit plans. Under the DC plan, MMWEC contributes 6% of an employee's base salary and matches 50% of employee contributions to the defined contribution plan up to a maximum employee contribution of 6%. For the years ended December 31, 2025 and 2024, MMWEC contributed \$640,000 and \$599,000 and the employees contributed \$11,000 and \$12,000, respectively.

Employee Savings Plan

MMWEC contributes to an employee savings plan administered by a financial holding company. All eligible full-time employees meeting the service and eligibility requirements participate in this plan. Under the provisions of the plan, MMWEC's contributions are vested immediately. For the years ended December 31, 2025 and 2024, MMWEC contributed \$26,000 and \$28,000, respectively, and the employees contributed \$88,000 and \$101,000, respectively. All employees eligible or participating in the DC plan established in 2007 are not eligible to participate in the employee savings plan.

Benefit provisions of all plans are determined and authorized by the MMWEC Board of Directors.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

13. PROJECT JOINT OWNERSHIP AGREEMENTS

MMWEC's power supply capacity includes ownership interests in the Stony Brook Peaking and Stony Brook Intermediate Units, both of which MMWEC operates. MMWEC also owns Northeast Reliability Center, a capacity resource in Peabody, Massachusetts and Master Sergeant Cotton Solar (Cotton Solar), a solar unit in Ludlow, Massachusetts. Both the Northeast Reliability Center and Cotton Solar were under construction as of December 31, 2023 and placed in service during 2024.

MMWEC is a nonoperating joint owner in the Millstone Unit 3 and Seabrook Station.

Electric plant in service and construction work in progress also includes assets related to MMWEC's service company operations, which totaled \$9.0 million and \$8.9 million at December 31, 2025 and 2024, respectively.

The following is a summary of the balances by Project included in electric plant in service and construction work in progress, as well as MMWEC's share of capability in megawatts (MW).

Projects	Facility and MMWEC Share of Capability in MW	Amount as of December 31,	
		2025	2024
		(In Thousands)	
Peaking Project	Stony Brook	172.7	
Intermediate Project	Stony Brook	321.3	
Nuclear Project No. 3	Millstone Unit 3	39.5	
Nuclear Mix No. 1	Millstone Unit 3	19.8	
Nuclear Mix No. 1	Seabrook Station	2.0	
Nuclear Project No. 4	Seabrook Station	54.0	
Nuclear Project No. 5	Seabrook Station	13.7	
Project No. 6	Seabrook Station	74.7	
Northeast Reliability Center	Capacity Resource	60.0	
Msgt. Cotton Solar Project	Campus Solar	7.0	
Totals			

			\$	63,913	\$	63,833
				184,014		183,539
				159,305		157,128
				66,191		65,100
				10,683		10,520
				314,653		310,328
				84,965		83,870
				577,894		571,903
				85,975		83,020
				14,827		14,827
			\$	1,562,420	\$	1,544,068

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

14. RELATED PARTY TRANSACTIONS

MMWEC, together with Massachusetts municipal utility systems, has formed five cooperatives under Massachusetts General Laws to conduct business for the mutual benefit of the members of the cooperatives. The following is a summary of each Cooperative and the associated Cooperative members and purpose for each Cooperative.

<u>Cooperative Name</u>	<u>Other Cooperative Members</u>	<u>Year Founded</u>	<u>Cooperative Purpose</u>
Southwest Cooperative Corporation	Westfield Gas & Electric Light Department (WG&E)	2006	Financing, constructing and operating a natural gas pipeline to provide natural gas transportation service to WG&E
Massachusetts Municipal Light Department Wind Energy Cooperative Corporation	Templeton Municipal Light Department	2007	Financing, owning, constructing and operating wind generation facilities located in the town of Templeton
Berkshire Wind Power Cooperative Corporation	Sixteen municipal light departments	2008	Financing, owning, constructing and operating wind turbines and ancillary equipment located in Hancock and Lanesborough, Massachusetts
Wakefield Municipal Cooperative Corporation	Wakefield Municipal Gas & Light Department	2012	Financing, constructing, purchasing, owning, leasing, maintaining and operating real and personal property located in Wakefield
Massachusetts Clean Energy Cooperative Corporation	Holyoke Gas & Electric Department (HG&E)	2013	Purchasing, acquiring, generating, transforming, distributing, selling, reselling, supplying and providing energy, telecommunications, or any related products or service and financing, owning, leasing or otherwise acquiring, holding, using and improving interests therein for the benefit of HG&E

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

14. RELATED PARTY TRANSACTIONS...continued

Pursuant to contracts, MMWEC provides accounting, financial, power supply and administrative services to all five of these cooperatives. As such, although MMWEC is a member of each cooperative and has one representative on the Board of each cooperative, MMWEC has no rights to the entities' assets nor has management oversight of the five cooperatives. Thus, the entities are not required to be reported as component units of MMWEC under rules established by GASB 61, *The Financial Reporting Entity*.

MMWEC billed a total of \$1.0 million and \$0.9 million for MMWEC services and outside professional services during 2025 and 2024, respectively, for all cooperatives. At December 31, 2025 and 2024, \$63,000 and \$70,000 was due to MMWEC from all cooperatives.

15. CONTRACTS AND COMMITMENTS

Long-Term Contracts – Cooperatives

MMWEC has contracts with each Cooperative described in Note 14 – Related Party Transactions, whereby MMWEC is to serve as the Cooperative's agent in the sale of power, transportation or lease to the municipal utility systems. The sale agreements between MMWEC and the Cooperatives are offset in each case by a purchase agreement between the Cooperative and the municipal utility systems, the revenues and expenses associated with these agreements are not included in the accompanying Statements of Revenues, Expenses and Changes in Net Position and are disclosed in the following table.

<u>Contract</u>	<u>2025</u>	<u>2024</u>
	(In Thousands)	
Transportation Agreement between MMWEC and the Southwest Cooperative Corporation	\$ 540	\$ 540
Power Sales Agreement between MMWEC and the Massachusetts Municipal Light Department Wind Energy Cooperative Corporation	75	247
Power Sales Agreement between MMWEC and the Berkshire Wind Power Cooperative Corporation	9,994	10,022
Lease Agreement between MMWEC and the Wakefield Municipal Cooperative Corporation	116	152
Power Sales Agreement between MMWEC and the Massachusetts Clean Energy Cooperative Corporation	4,331	3,875
Total	<u>\$ 15,056</u>	<u>\$ 14,836</u>

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

15. **CONTRACTS AND COMMITMENTS**...continued

Long-Term Contracts – Power Purchases

MMWEC entered into agreements for participation in the transmission interconnection between New England utilities and the Hydro-Quebec electric system near Sherbrooke, Quebec (Phase I), which began commercial operation in October 1986. The New England portion of the interconnection was constructed at a total cost of approximately \$140.0 million, of which 3.65% (or initially \$5.0 million) was MMWEC's share to support Phase I. In 1990, MMWEC's participation share in Phase I changed to 3.45%. MMWEC also entered into similar agreements for participation in the interconnection between New England utilities and the Hydro-Quebec electric system. This agreement is for the expansion of the Hydro-Quebec interconnection (Phase II), which went into commercial operation in November 1990. MMWEC's Phase II equity investment is approximately 0.6% (or initially \$3.3 million). MMWEC has corresponding agreements with certain of its Members and another utility to recover MMWEC's share of the costs associated with the Phase II interconnection. Beginning in 1995, capital refunds from Phase II have been received, reducing MMWEC's total equity investment. The equity balance of \$229,000 and \$229,000 at December 31, 2025 and 2024, respectively, is included in other noncurrent charges on the Statement of Net Position. The Phase I and Phase II participation agreements were renewed effective November 1, 2020. MMWEC's entitlement for Phase I and Phase II was increased to 3.47% and .65%, respectively, as of the renewal date.

On a limited basis, MMWEC may enter into agreements providing financial assurance to third parties. At December 31, 2025 and 2024, there were no outstanding guarantees related to its equity interest in the Hydro-Quebec transmission companies. Management believes that the likelihood MMWEC would be required to perform or otherwise incur any significant losses associated with this guarantee is remote.

In 2013, MMWEC entered into a twenty-year power purchase agreement with Clement Dam Hydroelectric LLC, Franklin Power LLC, Greggs Falls Hydroelectric Associates LP, Pembroke Hydro Associates LP and HDI Associates I Partnership for 100% of the output of five hydroelectric generating facilities in New Hampshire with a combined nominal rating at 11.53 MW, effective January 1, 2014. This resource has been subscribed to by thirteen Members. Power purchased under this contract totaled \$1.7 million and \$2.2 million for the years ended December 31, 2025 and 2024, respectively. Also in 2013, MMWEC entered into a twenty-five year power purchase agreement with Hancock Wind LLC for 73.5% of the output of a wind generating facility in Hancock County, Maine (Hancock Facility) with a nominal rating at 51 MW. This resource has been subscribed to by seventeen Members. The Hancock Facility began commercial operations on December 14, 2016. The total power purchased under this contract was \$3.9 million and \$4.6 million for the years ended December 31, 2025 and 2024, respectively.

In 2023, MMWEC entered into a twenty-two year carbon-free energy and emission-free energy certificate product supply agreement with NextEra Energy Marketing, LLC for the purchase of between 17 MW and 55.3 MW annually, beginning January 1, 2028. This contract was subscribed to by seventeen Members. During the same year, MMWEC also entered into two separate five-year power purchase agreements beginning January 1, 2024 with FirstLight Power Management, LLC for 31.3% of the output of a hydroelectric generating facility located in Connecticut with a nominal rating of 8.4 MW and 100% (50% in the first year) of the output of a hydroelectric generating facility located in Connecticut with a nominal rating of 28.4 MW. These contracts were subscribed to by fifteen Members. Power purchased under this contract totaled \$3.8 million and \$3.6 million for the years ended December 31, 2025 and 2024, respectively.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

15. **CONTRACTS AND COMMITMENTS**...continued

Long-Term Contracts – Power Purchases...continued

In 2025, MMWEC entered into two separate five-year power purchase agreements beginning January 1, 2026 with Stetson Wind I, LLC and Stetson Wind II, LLC for 18.6% of the output of a wind generating facility located in Maine with a nominal rating of 57 MW and 20% of the output of a wind generating facility located in Maine with a nominal rating of 25.5 MW, respectively. These contracts were subscribed to by twelve Members.

Claims and Judgments

MMWEC is involved in various legal actions. Management believes that the ultimate resolution of litigation in which MMWEC is currently involved will not have a material, adverse effect on the financial position of MMWEC.

16. **RISK MANAGEMENT**

MMWEC is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. There were no settled claims in any of the past three years. There has been no material decrease in insurance coverage of MMWEC in the past year.

Nuclear Insurance

The Price-Anderson Act (the Act), a federal statute, mandates an industry-wide program of liability insurance for nuclear facilities. The \$500.0 million primary layer of insurance for the liability has been purchased in the commercial insurance market. Secondary coverage is to be provided through an assessment on each of the currently licensed nuclear units in the United States of approximately \$157.6 million, not to exceed \$165.9 million per incident in any year. The assessment is to be adjusted for inflation every five years. Under the Act, MMWEC's ownership interests in Millstone Unit 3 and Seabrook Station could result in a maximum assessment of approximately \$8.0 million and \$19.2 million, respectively, limited to payments of \$1.1 million and \$2.5 million per incident per year, respectively. Originally enacted in 1957, the Act has been renewed several times and in March 2024, Congress extended the Act until the end of 2065, as part of the 2024 Further Consolidated Appropriations Act.

Insurance has been purchased from Nuclear Electric Insurance Limited (NEIL) to cover the cost of repair, replacement, decontamination, or premature decommissioning of utility property resulting from insured occurrences at Millstone Unit 3 and Seabrook Station. The NEIL insurance is subject to retroactive assessments if losses exceed the accumulated funds available to the insurer. MMWEC is potentially subject to a \$1.1 million and \$2.5 million assessment for its participation in Millstone Unit 3 and Seabrook Station, respectively, for excess property damage, decontamination, and premature decommissioning.

17. **CONCENTRATION OF CREDIT RISK/SIGNIFICANT CUSTOMERS**

Credit risk represents the risk of loss that would occur if customers do not meet their financial obligations to MMWEC. Concentration of credit risk occurs when significant customers possess similar characteristics that would cause their ability to meet contractual obligations to be affected by the same events.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

17. CONCENTRATION OF CREDIT RISK/SIGNIFICANT CUSTOMERS...continued

As of December 31, 2025, MMWEC had two municipal customers who were considered significant customers, which accounted for approximately \$48.1 million (16%) and \$45.6 million (15%) of MMWEC revenues in 2025. In 2024, MMWEC had two municipal customers who were considered significant customers, which accounted for approximately \$43.7 million (16%) and \$42.3 million (15%) of MMWEC revenues in that year. As of December 31, 2025, two municipal customers had significant account receivable balances of \$3.7 million (14%) and \$3.5 million (13%). At December 31, 2024, two municipal customers had significant account receivable balances of \$3.3 million (15%) and \$2.1 million (10%).

18. ENVIRONMENTAL AND OTHER ISSUES

Nothing has come to management's attention concerning any material pollution liability claims made during 2025 and 2024 or outstanding as of December 31, 2025 and 2024.

MMWEC has established a trust fund to enhance its Directors' and Officers' liability coverage. The purpose of the trust fund is to make available funds for the purchase of Directors' and Officers' liability insurance and/or as a supplement to insurance for indemnification of the Directors or Officers. At December 31, 2025 and 2024, MMWEC has \$10.8 million and \$10.6 million, respectively, recorded in designated funds related to the trust fund with a corresponding liability in the same amount, representing advances from Members.

MMWEC has a guaranty with ISO New England, Inc. (ISO-NE) with respect to certain MMWEC Members' financial assurance obligations to ISO-NE. These Members do not have credit ratings and MMWEC provides financial assurances for their transactions in ISO-NE. MMWEC's financial assurance is backed by the NEPEX Account Agreement between MMWEC and each of these Members. Pursuant to the NEPEX Account Agreement, each Member has an absolute and unconditional obligation to pay MMWEC for its respective ISO-NE transactions. Management believes that the likelihood MMWEC would be required to perform or otherwise incur any significant losses associated with this guarantee is remote.

19. SEGMENT INFORMATION

MMWEC issues separate revenue bonds for each Project, which are payable solely from, and secured solely by, the revenues derived from the Project to which such bond issue relates, plus available funds pledged under the GBR for the bonds of such issues. Each Project operates various electric generation facilities, as shown in Note 13 – Project Joint Ownership Agreements. Following is a summary of the financial information for each Project with revenue bonds outstanding.

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

19. SEGMENT INFORMATION...continued

CONDENSED STATEMENT OF NET POSITION	Northeast Reliability Center		Msgt. Cotton Solar Project	
	2025	2024	2025	2024
	(In Thousands)			
Assets:				
Advances from projects	\$ (80)	\$ (73)	\$ (10)	\$ (56)
Other current assets	8,034	12,213	2,130	1,988
Noncurrent assets	2,736	4,905	2,645	2,467
Capital assets, net	80,901	81,360	13,789	14,382
Total assets and deferred outflows of resources:	<u>91,591</u>	<u>98,405</u>	<u>18,554</u>	<u>18,781</u>
Liabilities:				
Current liabilities	6,914	10,734	2,416	2,071
Noncurrent liabilities	85,145	87,258	15,700	16,348
Deferred inflows of resources:	(468)	413	438	362
Total liabilities and deferred inflows of resources:	<u>91,591</u>	<u>98,405</u>	<u>18,554</u>	<u>18,781</u>
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION				
Operating revenues	\$ 10,205	\$ 7,238	\$ 1,527	\$ 1,135
Depreciation	3,414	1,660	593	445
Other operating expenses	6,351	2,718	505	554
Operating income (loss)	<u>440</u>	<u>2,860</u>	<u>429</u>	<u>136</u>
Non-operating revenues (expenses):				
Investment income (loss)	317	585	211	18
Interest expense on long-term debt	(2,505)	(2,781)	(738)	(771)
Other nonoperating expenses	867	902	174	181
Inflation Reduction Act income	-	-	-	2,346
Decrease in amounts payable under terms of the power sales agreements	881	(1,566)	(76)	(1,910)
Total non-operating revenues	<u>(440)</u>	<u>(2,860)</u>	<u>(429)</u>	<u>(136)</u>
Change in net position	-	-	-	-
Net position, beginning of year	-	-	-	-
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CONDENSED STATEMENT OF CASH FLOWS				
Net cash provided by (used in):				
Operating activities	\$ 4,536	\$ 5,541	\$ 1,358	\$ 752
Investing activities	295	(41)	(2,399)	18
Capital and related financing activities	(11,707)	(9,182)	(1,203)	624
Net change in cash and cash equivalents	<u>(6,876)</u>	<u>(3,682)</u>	<u>(2,244)</u>	<u>1,394</u>
Cash and cash equivalents, beginning of year	13,226	16,908	3,970	2,576
Cash and cash equivalents, end of year	<u>\$ 6,350</u>	<u>\$ 13,226</u>	<u>\$ 1,726</u>	<u>\$ 3,970</u>

Massachusetts Municipal Wholesale Electric Company

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

20. SUBSEQUENT EVENTS

Effective January 1, 2026, the Chester Municipal Electric Light Department, serving approximately 700 customers in the community of Chester, Massachusetts, joined MMWEC as a Member.

MMWEC has evaluated subsequent events through March 27, 2026, the date which the financial statements were available to be issued, and did not note any additional subsequent events requiring recording or disclosure in the financial statements for the year ended December 31, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

Massachusetts Municipal Wholesale Electric Company

Required Supplementary Information (Unaudited)
Years Ended December 31, 2025 and 2024

The following schedules present Administration Plan multiyear trend information that demonstrates the components of change in the net pension (asset) liability from year-to-year, as well as trends in related statistical information. Amounts presented are determined as of the measurement date of the net pension liability for the following years ended December 31:

	Administrative Plan									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability	(In Thousands)									
Service cost	\$ 41	\$ 87	\$ 90	\$ 97	\$ 98	\$ 117	\$ 124	\$ 130	\$ 155	\$ 139
Interest cost	838	846	695	1,052	1,197	1,319	1,251	1,271	1,433	1,401
Difference between expected and actual experience	763	229	1,815	599	598	(31)	991	1,037	602	(391)
Changes of assumptions	(66)	(106)	(101)	(353)	242	40	190	(31)	(73)	1,395
Changes in benefit terms	-	-	245	-	-	-	-	426	-	-
Benefit payments	(4,239)	(573)	(595)	(7,031)	(4,416)	(2,827)	(1,558)	(3,347)	(4,078)	(1,789)
Net change in total pension liability	(2,663)	483	2,149	(5,636)	(2,281)	(1,382)	998	(514)	(1,961)	755
Total pension liability, beginning of period	12,853	12,370	10,221	15,857	18,138	19,520	18,522	19,036	20,997	20,242
Total pension liability, end of period	10,190	12,853	12,370	10,221	15,857	18,138	19,520	18,522	19,036	20,997
Plan fiduciary net position										
Employer contributions	\$ -	\$ -	\$ 119	\$ 125	\$ 125	\$ 245	\$ 500	\$ 275	\$ 361	\$ 174
Net investment income	2,035	2,085	2,570	(3,227)	3,907	4,951	5,590	(709)	3,807	1,303
Benefit payments	(4,239)	(573)	(595)	(7,031)	(4,416)	(2,827)	(1,558)	(3,347)	(4,078)	(1,789)
Corrective Distributions	-	-	-	-	(72)	-	-	-	-	-
Administrative expenses	(40)	(40)	(36)	(42)	(33)	(10)	(10)	(11)	(16)	(19)
Net change in fiduciary net position	(2,244)	1,472	2,058	(10,175)	(489)	2,359	4,522	(3,792)	74	(331)
Fiduciary net position, beginning of year	20,017	18,545	16,487	26,662	27,151	24,792	20,270	24,062	23,988	24,319
Fiduciary net position, end of year	17,773	20,017	18,545	16,487	26,662	27,151	24,792	20,270	24,062	23,988
Net pension (asset) liability, end of period	<u>\$ (7,583)</u>	<u>\$ (7,164)</u>	<u>\$ (6,175)</u>	<u>\$ (6,266)</u>	<u>\$ (10,805)</u>	<u>\$ (9,013)</u>	<u>\$ (5,272)</u>	<u>\$ (1,748)</u>	<u>\$ (5,026)</u>	<u>\$ (2,991)</u>
Plan fiduciary net position as a percentage of the total pension liability	174.41%	155.74%	149.91%	161.31%	168.13%	149.69%	127.01%	109.44%	126.40%	114.25%
Covered -employee payroll	\$ 1,305	\$ 1,252	\$ 1,199	\$ 1,379	\$ 1,889	\$ 2,046	\$ 1,874	\$ 2,060	\$ 2,354	\$ 2,371
Net pension (asset) liability as a percentage of covered -employee payroll	(581.26%)	(571.99%)	(515.05%)	(454.46%)	(571.85%)	(440.43%)	(281.35%)	(84.86%)	(213.48%)	(126.19%)
Annual money-weighted rate of return	11.03%	11.45%	15.79%	(15.67%)	15.62%	21.04%	29.11%	(3.05%)	17.09%	5.73%

Massachusetts Municipal Wholesale Electric Company

Required Supplementary Information (Unaudited)
Years Ended December 31, 2025 and 2024

The following schedules present Union Plan multiyear trend information that demonstrates the components of change in the net pension (asset) liability from year-to-year, as well as trends in related statistical information. Amounts presented are determined as of the measurement date of the net pension liability for the following years ended December 31:

	Union Plan									
	2025	2024	2023	2022	2021 (In Thousands)	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 6	\$ 7	\$ 7	\$ 7	\$ 41	\$ 72	\$ 79	\$ 96	\$ 109	\$ 89
Interest cost	122	121	110	113	173	317	335	312	299	327
Difference between expected and actual experience	42	44	206	394	696	(19)	(188)	(142)	(128)	(764)
Changes of assumptions	(22)	(111)	(69)	(25)	102	(900)	271	200	(15)	1,238
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Benefit payments	(46)	(45)	(62)	(521)	(1,870)	(1,560)	(623)	(46)	(46)	(1,302)
Net change in total pension liability	102	16	192	(32)	(858)	(2,090)	(126)	420	219	(412)
Total pension liability, beginning of period	1,992	1,976	1,784	1,816	2,674	4,764	4,890	4,470	4,251	4,663
Total pension liability, end of period	2,094	1,992	1,976	1,784	1,816	2,674	4,764	4,890	4,470	4,251
Plan fiduciary net position										
Employer contributions	\$ -	\$ -	\$ 125	\$ 250	\$ 250	\$ 250	\$ 250	\$ 119	\$ 657	\$ 197
Net investment income	304	282	301	(320)	519	864	1,008	(106)	626	194
Benefit payments	(46)	(45)	(62)	(520)	(1,870)	(1,560)	(623)	(46)	(45)	(1,302)
Corrective Distributions	-	-	-	-	(763)	-	-	-	-	-
Administrative expenses	(6)	(5)	(5)	(6)	(11)	(10)	(10)	(10)	(10)	(10)
Net change in fiduciary net position	252	232	359	(596)	(1,875)	(456)	625	(43)	1,228	(921)
Fiduciary net position, beginning of year	2,886	2,654	2,295	2,891	4,766	5,222	4,597	4,640	3,412	4,333
Fiduciary net position, end of year	3,138	2,886	2,654	2,295	2,891	4,766	5,222	4,597	4,640	3,412
Net pension (asset) liability, end of period	\$ (1,044)	\$ (894)	\$ (678)	\$ (511)	\$ (1,075)	\$ (2,092)	\$ (458)	\$ 293	\$ (170)	\$ 839
Plan fiduciary net position as a percentage of the total pension liability	149.87%	144.84%	134.23%	128.56%	159.11%	178.22%	109.61%	94.02%	103.81%	80.27%
Covered -employee payroll	\$ 190	\$ 185	\$ 178	\$ 174	\$ 453	\$ 622	\$ 609	\$ 776	\$ 903	\$ 1,067
Net pension (asset) liability as a percentage of covered -employee payroll	(549.43%)	(484.36%)	(379.62%)	(293.24%)	(237.06%)	(336.11%)	(75.24%)	37.69%	(18.86%)	78.59%
Annual money-weighted rate of return	10.63%	10.78%	12.68%	(11.83%)	17.51%	17.58%	23.75%	(2.24%)	17.46%	5.61%

Massachusetts Municipal Wholesale Electric Company

Required Supplementary Information (Unaudited)

Years Ended December 31, 2025 and 2024

The following schedules present multiyear trend information regarding employer contributions to the Plans. The amounts presented are determined as of the years ended December 31:

Administration Plan					
Year	Actuarial Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
			(In Thousands)		
2025	\$ -	\$ -	\$ -	\$ 1,305	0.00%
2024	-	-	-	1,252	0.00%
2023	10	119	(109)	1,199	9.91%
2022	6	125	(119)	1,379	9.06%
2021	3	125	(122)	1,889	6.62%
2020	23	245	(222)	2,046	11.99%
2019	485	500	(15)	1,874	26.68%
2018	56	275	(219)	2,060	13.35%
2017	435	361	74	2,354	15.31%
2016	334	174	159	2,371	7.35%

Union Plan					
Year	Actuarial Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
			(In Thousands)		
2025	\$ -	\$ -	\$ -	\$ 190	0.00%
2024	-	-	-	185	0.00%
2023	-	125	(125)	178	70.10%
2022	-	250	(250)	174	143.75%
2021	-	250	(250)	453	55.18%
2020	29	250	(221)	622	40.16%
2019	132	250	(118)	609	41.07%
2018	110	119	(9)	776	15.33%
2017	233	658	(425)	903	72.78%
2016	175	197	(22)	1,067	18.48%

Massachusetts Municipal Wholesale Electric Company

Required Supplementary Information (Unaudited)
Years Ended December 31, 2025 and 2024

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest valuation follows:

	Administration Plan	Union Plan
Valuation Date	1/1/2025	1/1/2025
Actuarial Cost Method	Entry Age Normal with Frozen Initial Liability	Entry Age Normal with Frozen Initial Liability
Amortization Method	Level Dollar Open	Level Dollar Open
Remaining Amortization Period	30 Years	30 Years
Asset Valuation Method	Fair Market Value	Fair Market Value
Actuarial Assumptions		
Investment Rate of Return	7.0%	7.0%
Projected Salary Increases	3.0%	3.0%
Cost of Living Adjustments	N/A	N/A
Mortality – Years-ending December 31:		
2025, 2024, 2023, 2022, 2021	Pri-2012 White Collar with Scale MP-2021 Generational Improvements (Male/Female)	Pri-2012 Blue Collar with Scale MP-2021 Generational Improvements (Male/Female)
2020	Pri-2012 White Collar with Scale MP-2020 Generational Improvements (Male/Female)	Pri-2012 Blue Collar with Scale MP-2020 Generational Improvements (Male/Female)
2019, 2018	RP-2014 White Collar Employee Annuitant Table for Males or Females, as appropriate, projected using Scale MP-2018 generational improvements from 2006	RP-2014 Blue Collar Employee Annuitant Table for Males or Females, as appropriate, projected using Scale MP-2018 generational improvements from 2006

Massachusetts Municipal Wholesale Electric Company

Required Supplementary Information (Unaudited)

Years Ended December 31, 2025 and 2024

Additional information as of the latest valuation continued:

	Administration Plan	Union Plan
Mortality – Years-ending December 31:		
2017	RP-2014 White Collar Employee Annuitant Table for Males or Females, as appropriate, projected using Scale MP-2017 generational improvements from 2006	RP-2014 Blue Collar Employee Annuitant Table for Males or Females, as appropriate, projected using Scale MP-2017 generational improvements from 2006
2016	RP-2014 White Collar Employee Annuitant Table for Males or Females, as appropriate, projected using Scale MP-2016 generational improvements from 2006	RP-2014 Blue Collar Employee Annuitant Table for Males or Females, as appropriate, projected using Scale MP-2016 generational improvements from 2006

There were no changes in benefit terms, in size or composition of the population covered by the benefit terms that significantly affected trends from year to year in the amounts reported in the required supplementary information above.

SUPPLEMENTARY INFORMATION

Massachusetts Municipal Wholesale Electric Company

Project Statement of Net Position
 December 31, 2025
 (In Thousands)

	SERVICE	NUCLEAR MIX 1	NUCLEAR PROJ. 3	NUCLEAR PROJ. 4	NUCLEAR PROJ. 5	PROJ. 6	PEAKING	INTERMEDIATE	NORTHEAST RELIABILITY PROJECT	MSGT. COTTON SOLAR PROJECT	TOTAL
ASSETS											
Current assets:											
Cash and temporary investments	\$ 4,328	\$ 1,058	\$ 3,690	\$ 3,908	\$ 872	\$ 5,544	\$ 2,009	\$ 12,179	\$ 631	\$ -	\$ 34,219
Accounts receivable	16,616	715	1,216	2,896	522	4,038	770	1,720	992	99	29,584
Unbilled revenues	33,821	-	-	-	-	-	-	-	-	-	33,821
Inventories	-	122	-	3,249	822	4,500	4,632	21,237	300	28	34,890
Advances to (from) projects	638	(11)	(16)	(13)	(7)	(16)	(156)	(329)	(80)	(10)	-
Prepaid expenses	658	6	-	166	42	230	135	459	488	312	2,496
Current portion of restricted special funds	40,243	-	-	-	-	-	-	-	5,582	1,690	47,515
Interest receivable restricted special funds	116	-	-	-	-	-	-	-	41	1	158
Current portion of designated funds	1,070	-	-	-	-	-	-	-	-	-	1,070
Total current assets	97,490	1,890	4,890	10,206	2,251	14,296	7,390	35,266	7,954	2,120	183,753
Noncurrent assets:											
Restricted assets:											
Noncurrent portion of restricted special funds	1,572	-	-	-	-	-	-	-	2,511	124	4,207
Nuclear decommissioning trust	-	33,157	62,908	48,255	12,214	66,832	-	-	-	-	223,366
Net pension asset	7,583	-	-	-	-	-	-	1,044	-	-	8,627
Noncurrent charges:											
Designated funds	10,239	9,306	13,147	12,960	4,160	17,442	9,628	50,124	-	2,500	129,506
Designated funds interest receivable	174	29	57	86	14	155	65	325	-	21	926
Other noncurrent charges	229	2,919	5,435	5,121	1,295	7,092	436	1,754	225	-	24,506
Total noncurrent assets	19,797	45,411	81,547	66,422	17,683	91,521	10,129	53,247	2,736	2,645	391,138
Capital assets:											
In service	9,031	73,348	152,760	308,170	83,324	568,915	63,843	183,379	85,543	14,827	1,543,140
Accumulated depreciation	(7,848)	(48,885)	(106,104)	(189,693)	(51,831)	(364,643)	(58,586)	(169,306)	(5,074)	(1,038)	(1,003,008)
Construction work in progress	-	3,526	6,545	6,483	1,641	8,979	70	635	432	-	28,311
Nuclear fuel, net of amortization	-	2,781	4,556	13,261	3,357	18,366	-	-	-	-	42,321
Total capital assets	1,183	30,770	57,757	138,221	36,491	231,617	5,327	14,708	80,901	13,789	610,764
DEFERRED OUTFLOWS OF RESOURCES											
Deferred loss on pension asset	458	-	-	-	-	-	-	9	-	-	467
Deffered asset retirement obligation	-	10,877	19,790	25,306	6,405	35,047	-	-	-	-	97,425
Total deferred outflows of resources	458	10,877	19,790	25,306	6,405	35,047	-	9	-	-	97,892
Total assets and deferred outflows of resources	\$ 118,928	\$ 88,948	\$ 163,984	\$ 240,155	\$ 62,830	\$ 372,481	\$ 22,846	\$ 103,230	\$ 91,591	\$ 18,554	\$ 1,283,547
LIABILITIES											
Current liabilities:											
Accounts payable	\$ 1,848	\$ 154	\$ 52	\$ 3,424	\$ 865	\$ 4,739	\$ 20	\$ 51	\$ 222	\$ 3	\$ 11,378
Member and Participant advances	47,482	9,385	16,171	22,076	5,919	28,264	5,490	22,042	3,787	1,271	161,887
Short-term debt	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses	25,569	587	1,100	939	238	1,300	360	5,613	435	303	36,444
Current liabilities payable from restricted assets:											
Accrued interest payable	-	-	-	-	-	-	-	-	1,225	364	1,589
Current maturities of long-term debt	-	-	-	-	-	-	-	-	1,245	475	1,720
Total current liabilities	74,899	10,126	17,323	26,439	7,022	34,303	5,870	27,706	6,914	2,416	213,018
Noncurrent liabilities:											
Long-term debt	-	-	-	-	-	-	-	-	66,210	15,454	81,664
Asset retirement obligations	-	20,039	35,923	53,804	13,619	74,518	-	-	-	-	197,903
Long-term member and participant advances, net of current maturities	34,546	4	-	99	25	137	2,667	48,979	18,935	246	105,638
Total noncurrent liabilities	34,546	20,043	35,923	53,903	13,644	74,655	2,667	48,979	85,145	15,700	385,205
DEFERRED INFLOWS OF RESOURCES											
Pension regulatory credit	6,622	-	-	-	-	-	-	767	-	-	7,389
Amounts payable under terms of the power sales agreements	2,199	58,779	110,738	159,813	42,164	263,523	14,309	25,652	(468)	438	677,147
Deferred gain on pension asset	662	-	-	-	-	-	-	126	-	-	788
Total deferred inflows of resources	9,483	58,779	110,738	159,813	42,164	263,523	14,309	26,545	(468)	438	685,324
Total liabilities and deferred inflows of resources	\$ 118,928	\$ 88,948	\$ 163,984	\$ 240,155	\$ 62,830	\$ 372,481	\$ 22,846	\$ 103,230	\$ 91,591	\$ 18,554	\$ 1,283,547

Massachusetts Municipal Wholesale Electric Company

Project Statement of Cash Flows
Year Ended December 31, 2025
(In Thousands)

	SERVICE	NUCLEAR MIX 1	NUCLEAR PROJ. 3	NUCLEAR PROJ. 4	NUCLEAR PROJ. 5	PROJECT PROJ. 6	PEAKING	INTERMEDIATE	NORTHEAST RELIABILITY PROJECT	MSGT. COTTON SOLAR PROJECT	TOTAL
Cash flows from operating activities:											
Received from sales to members and participants	\$ 200,105	\$ 7,356	\$ 13,507	\$ 17,228	\$ 4,569	\$ 23,577	\$ 6,704	\$ 18,795	\$ 11,088	\$ 1,839	\$ 304,768
Paid to suppliers for goods and services	(204,602)	(6,094)	(11,948)	(1,657)	(462)	(2,263)	(2,265)	(12,429)	(6,552)	(481)	(248,753)
Paid to employees	(6,888)	-	-	-	-	-	(1,265)	(5,171)	-	-	(13,324)
Net cash provided by (used in) operating activities	(11,385)	1,262	1,559	15,571	4,107	21,314	3,174	1,195	4,536	1,358	42,691
Cash flows from investing activities:											
Purchases of investments	(84,162)	(16,502)	(26,174)	(31,728)	(9,523)	(39,163)	(19,167)	(107,880)	(16,901)	(9,635)	(360,835)
Proceeds from sales and maturities of investments	107,262	19,433	29,723	39,215	11,616	50,121	19,622	117,252	16,854	7,047	418,145
Interest received	2,458	543	853	911	267	1,290	463	3,079	342	189	10,395
Net cash provided by (used in) investing activities	25,558	3,474	4,402	8,398	2,360	12,248	918	12,451	295	(2,399)	67,705
Cash flows from capital and related financing activities:											
Construction expenditures and purchases of nuclear fuel	(114)	(1,672)	(1,884)	(19,435)	(4,920)	(26,919)	(81)	(475)	(2,977)	-	(58,477)
Principal payments on short-term debt	-	-	-	-	-	-	-	-	(5,000)	-	(5,000)
Loss on sale of assets	(19)	-	-	-	-	-	-	-	-	-	(19)
Principal payments on long-term debt	-	-	-	-	-	-	-	-	(1,200)	(455)	(1,655)
Interest payments on long-term debt	(6)	-	-	-	-	-	-	-	(2,499)	(748)	(3,253)
Interest payments on short-term debt	-	-	-	-	-	-	-	-	(31)	-	(31)
Net cash provided by (used in) capital and related financing activities	(139)	(1,672)	(1,884)	(19,435)	(4,920)	(26,919)	(81)	(475)	(11,707)	(1,203)	(68,435)
Cash flows from noncapital financing activities:											
Interest payments on short-term debt	-	-	-	-	-	-	(3)	(7)	-	-	(10)
Net cash provided by (used in) noncapital financing activities	-	-	-	-	-	-	(3)	(7)	-	-	(10)
Net change in cash and cash equivalents	14,034	3,064	4,077	4,534	1,547	6,643	4,008	13,164	(6,876)	(2,244)	41,951
Cash and cash equivalents, beginning of year	16,221	1,877	4,844	4,355	1,066	4,872	1,342	14,116	13,226	3,970	65,889
Cash and cash equivalents, end of year	\$ 30,255	\$ 4,941	\$ 8,921	\$ 8,889	\$ 2,613	\$ 11,515	\$ 5,350	\$ 27,280	\$ 6,350	\$ 1,726	\$ 107,840
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ (1,132)	\$ (861)	\$ (1,791)	\$ (2,088)	\$ (621)	\$ (4,548)	\$ (416)	\$ (4,277)	\$ 440	\$ 429	\$ (14,865)
Noncash items included in operating income:											
Depreciation	179	1,678	3,243	5,827	1,537	9,728	328	1,248	3,414	593	27,775
Amortization of nuclear fuel and accretion of ARO	-	973	1,217	9,636	2,439	13,347	-	-	-	-	27,612
Changes in assets, liabilities and deferred outflows and inflows:											
(Increase) decrease in:											
Accounts receivable	(2,471)	(58)	(22)	(198)	153	(506)	(324)	(334)	(7)	(3)	(3,770)
Unbilled revenues	(10,617)	-	-	-	-	-	-	-	-	-	(10,617)
Inventories	-	(3)	-	(77)	(19)	(107)	1,456	(2,042)	(110)	18	(884)
Prepaid expenses	(122)	(4)	-	(113)	(29)	(157)	(39)	(130)	(61)	31	(624)
Net pension asset	(419)	-	-	-	-	-	-	(150)	-	-	(569)
Other deferred charges	-	(99)	(275)	1,035	262	1,435	(222)	(536)	(328)	-	1,272
Increase (decrease) in:											
Accounts payable	1,089	(89)	18	(2,561)	(648)	(3,551)	(10)	(51)	198	(203)	(5,808)
Member and participant advances	(2,580)	327	361	4,205	1,057	5,804	2,028	2,098	890	269	14,459
Accrued expenses	4,269	(604)	(1,226)	285	72	394	373	5,221	100	224	9,108
Other noncurrent liabilities	-	-	-	-	-	-	-	-	-	-	-
Pension regulatory liability	(241)	-	-	-	-	-	-	62	-	-	(179)
Changes in deferred outflows of resources	76	2	34	(380)	(96)	(525)	-	1	-	-	(888)
Changes in deferred inflows or resources	584	-	-	-	-	-	-	85	-	-	669
Net cash provided by (used in) operating activities	\$ (11,385)	\$ 1,262	\$ 1,559	\$ 15,571	\$ 4,107	\$ 21,314	\$ 3,174	\$ 1,195	\$ 4,536	\$ 1,358	\$ 42,691
Reconciliation of cash and cash equivalents to the statement of net position:											
Cash and temporary investments	\$ 4,328	\$ 1,058	\$ 3,690	\$ 3,908	\$ 872	\$ 5,544	\$ 2,009	\$ 12,179	\$ 631	\$ -	\$ 34,219
Restricted and designated funds - noncurrent	53,124	9,306	13,147	12,960	4,160	17,442	9,628	50,124	8,093	4,314	182,298
Total cash and investments	57,452	10,364	16,837	16,868	5,032	22,986	11,637	62,303	8,724	4,314	216,517
Less - long-term investments	(27,197)	(5,423)	(7,916)	(7,979)	(2,419)	(11,471)	(6,287)	(35,023)	(2,374)	(2,588)	(108,677)
Total cash and cash equivalents	\$ 30,255	\$ 4,941	\$ 8,921	\$ 8,889	\$ 2,613	\$ 11,515	\$ 5,350	\$ 27,280	\$ 6,350	\$ 1,726	\$ 107,840

Massachusetts Municipal Wholesale Electric Company

Combining Fiduciary Financial Statements

December 31, 2025 and 2024

(In Thousands)

STATEMENTS OF FIDUCIARY NET POSITION

	Administrative Plan		Union Plan		Total Fiduciary Funds	
	2025	2024	2025	2024	2025	2024
ASSETS						
Investments at fair value:						
Mutual funds	\$ 11,636	\$ 10,126	\$ 1,560	\$ 1,343	\$ 13,196	\$ 11,469
Money market funds	332	853	371	241	703	1,094
Guaranteed income funds	5,805	9,038	1,207	1,302	7,012	10,340
Total investments	<u>17,773</u>	<u>20,017</u>	<u>3,138</u>	<u>2,886</u>	<u>20,911</u>	<u>22,903</u>
Net position available for pension benefits	<u>\$ 17,773</u>	<u>\$ 20,017</u>	<u>\$ 3,138</u>	<u>\$ 2,886</u>	<u>\$ 20,911</u>	<u>\$ 22,903</u>

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

	Administrative Plan		Union Plan		Total Fiduciary Funds	
	2025	2024	2025	2024	2025	2024
ADDITIONS						
Employer contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment activity:						
Interest and dividends	658	607	99	92	757	699
Net appreciation (depreciation) in fair value of investments	<u>1,377</u>	<u>1,478</u>	<u>205</u>	<u>191</u>	<u>1,582</u>	<u>1,669</u>
Total investment activity	<u>2,035</u>	<u>2,085</u>	<u>304</u>	<u>283</u>	<u>2,339</u>	<u>2,368</u>
Total additions	<u>2,035</u>	<u>2,085</u>	<u>304</u>	<u>283</u>	<u>2,339</u>	<u>2,368</u>
DEDUCTIONS						
Benefits paid directly to participants	4,241	575	46	45	4,287	620
Administrative expenses	<u>38</u>	<u>38</u>	<u>6</u>	<u>6</u>	<u>44</u>	<u>44</u>
Total deductions	<u>4,279</u>	<u>613</u>	<u>52</u>	<u>51</u>	<u>4,331</u>	<u>664</u>
Net decrease in net position	(2,244)	1,472	252	232	(1,992)	1,704
Net position available for pension benefits, beginning of year	<u>20,017</u>	<u>18,545</u>	<u>2,886</u>	<u>2,654</u>	<u>22,903</u>	<u>21,199</u>
Net position available for pension benefits, end of year	<u>\$ 17,773</u>	<u>\$ 20,017</u>	<u>\$ 3,138</u>	<u>\$ 2,886</u>	<u>\$ 20,911</u>	<u>\$ 22,903</u>