



Massachusetts Municipal Wholesale Electric Company

Quarterly Report
Unaudited Financial Statement

Second Quarter
For the months ended June 30, 2016

Massachusetts Municipal Wholesale Electric Company
327 Moody Street, P.O. Box 426, Ludlow, MA 01056
(413) 308-1392 www.mmwec.org

Balance Sheets

June 30, 2016 and 2015

(Unaudited, Dollars In Thousands)

	June 30,	
	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and temporary investments.....	\$ 26,127	\$ 22,711
Accounts receivable.....	45,447	57,014
Unbilled revenues.....	13,106	15,699
Inventories.....	39,886	29,498
Prepaid expenses.....	1,804	2,123
Total current assets.....	<u>126,370</u>	<u>127,045</u>
NON-CURRENT ASSETS		
Restricted assets		
Restricted special funds.....	250,856	255,068
Interest receivable.....	492	3,808
Deferred charges		
Nuclear decommissioning trusts.....	103,826	99,369
Other.....	14,282	20,987
Total non-current assets.....	<u>369,456</u>	<u>379,232</u>
Capital assets		
In service.....	1,411,753	1,396,974
Accumulated depreciation.....	(869,124)	(855,110)
Construction work in progress.....	15,474	19,776
Nuclear fuel - net of amortization.....	23,810	26,504
Total capital assets.....	<u>581,913</u>	<u>588,144</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on pension asset.....	2,062	-
Total deferred outflows of resources.....	<u>2,062</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....	<u>\$ 1,079,801</u>	<u>\$ 1,094,421</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable.....	\$ 6,483	\$ 5,266
Member and participant advances.....	117,823	131,206
Short-term debt.....	16,700	24,921
Accrued expenses.....	18,258	23,835
Current liabilities payable-restricted assets		
Accrued interest payable.....	2,074	-
Current maturities of long-term debt.....	56,716	54,601
Total current liabilities.....	<u>218,054</u>	<u>239,829</u>
NON-CURRENT LIABILITIES		
Long-term debt, net of premiums.....	57,021	115,557
Asset retirement obligation.....	150,342	141,296
Other liabilities.....	87,160	69,468
Total non-current liabilities.....	<u>294,523</u>	<u>326,321</u>
DEFERRED INFLOWS OF RESOURCES		
Amounts recoverable under terms of the power sales agreements.....	559,861	526,328
Pension regulatory liability.....	5,254	-
Deferred gain on pension asset.....	1,370	-
Deferred gain on extinguishment of debt, net of amortization.....	739	1,943
Total deferred inflows of resources.....	<u>567,224</u>	<u>528,271</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....	<u>\$ 1,079,801</u>	<u>\$ 1,094,421</u>

Statements of Revenues and Expenses

June 30, 2016 and 2015

(Unaudited, Dollars In Thousands)

	Six Months Ended	
	June 30,	
	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Revenues.....	\$ 134,186	\$ 157,455
OPERATING EXPENSES		
Fuel used in electric generation.....	4,110	17,378
Purchased power.....	66,328	77,798
Other operating.....	25,392	26,212
Maintenance.....	5,938	3,115
Depreciation.....	8,721	8,439
Inventory market adjustment.....	(13,084)	-
Taxes other than income.....	2,594	2,635
Total operating expenses.....	<u>99,999</u>	<u>135,577</u>
Operating income.....	<u>34,187</u>	<u>21,878</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income and investment market adjustments.....	5,578	1,999
Interest expense on long-term debt.....	(2,357)	(3,458)
Amortization of premium on long-term debt.....	784	1,890
Amortization of gain on debt.....	185	239
Increase in amounts recoverable under terms of the power sales agreements.....	(38,377)	(22,548)
Total non-operating revenues (expenses).....	<u>(34,187)</u>	<u>(21,878)</u>
NET REVENUES AND EXPENSES.....	<u>\$ -</u>	<u>\$ -</u>
<p>These unaudited financial statements should be read in conjunction with the Massachusetts Municipal Wholesale Electric Company (MMWEC) 2015 Annual Financial Statements. Certain reclassifications of data have been made to conform with the 2015 Annual Financial Statements.</p>		