



One NSTAR Way
Westwood, Massachusetts 02090

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OFFICE OF THE CITY MANAGER

September 30, 2002



Mr. Robert W. Healy
Cambridge City Manager
Executive Department
Cambridge City Hall
795 Massachusetts Avenue
Cambridge MA 02139

Dear Mr. Healy;

Please be advised that in response to Cambridge City Council Order #0-34 dated July 29th, 2002, regarding the Cambridge Electric Light Company's maintenance figures for the past three years, I submit the following 10 year history (1992 – 2001) of operation and maintenance figures, together with a brief narrative explaining the general variations from year to year. Kindly contact me if you have additional questions or if I may be of further assistance.

Very truly yours,

A handwritten signature in black ink that reads "Bill Zamparelli". The signature is written in a cursive, flowing style.

William J. Zamparelli
Community Relations & Economic Development Representative

Attachment

Cc: Robert Masci
Michael Farrell

**CAMBRIDGE ELECTRIC LIGHT COMPANY
HISTORY OF OPERATION AND MAINTENANCE COSTS
1992-2001**

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
Total Non-Production Maintenance	1,066,591	1,725,741	3,111,785	2,119,157	1,487,820	1,316,512	1,354,766	1,245,331	1,499,016	1,489,791
Total Non-Production Operations	4,898,957	5,030,109	3,774,508	3,819,957	3,449,838	2,164,553	2,022,824	1,983,184	1,923,182	1,982,605
Total Non-Production Operations & Maintenance	5,965,548	6,755,850	6,886,293	5,939,114	4,937,658	3,481,065	3,377,590	3,228,515	3,422,198	3,472,396
Year to Year Change in Total Non-Production Operations & Maintenance	(790,302)	(130,443)	947,179	1,001,456	1,456,593	103,475	149,075	(193,683)	(50,198)	

To: Bill Zamparelli
From: Michael Farrell
Date: September 15, 2002
Re: Cambridge Electric Light Company Expenses

The attached table summarizes Non-Production Operations & Maintenance expense for Cambridge Electric Light Company for 1992 through 2001.

Overall, in evaluating year-to-year fluctuations in expense, operations and maintenance must be looked at collectively due to consolidations in work force and changes in cost charging policies adopted to ensure consistency across all companies after the merger of BEC Energy and Commonwealth Energy.

Over the ten-year period, non-production operations and maintenance expense has increased with the heaviest activity in the years 1997 through 1999 as we allocated additional resources to tree trimming and further improving and maintaining our infrastructure. The downturn in operations and maintenance spending occurred from 2000 to 2001.

The decrease in spending from 2000 to 2001 is primarily attributable to the closing of the Blackstone Facility (located at 46 Blackstone Street in Cambridge) and the consolidation of the work force into our Somerville and Mass Ave (Boston) Service Centers. This consolidation resulted in the elimination of approximately \$450K in operations and maintenance expense in 2001. Consistent with NSTAR's other operating subsidiaries, Cambridge Electric has benefited from the resulting savings of the efficiencies gained through the merger.

If you have further questions or require additional information, please let me know.



3.

CITY OF CAMBRIDGE • EXECUTIVE DEPARTMENT

Robert W. Healy, City Manager

Richard C. Rossi, Deputy City Manager

October 7, 2002

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 02-76, regarding a report on the exact and projected amount expended on maintenance for the last three years by NSTAR, received by William J. Zamparelli, Community Relations & Economic Development Representatives of NSTAR.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec
Attachment

5-299

Consent Agenda #3

Awaiting Report Item Number

02-76, regarding a report on the exact and projected amount expended on maintenance for the last three years by NSTAR.

In City Council October 7, 2002

**REFERRED TO HEALTH AND
ENVIRONMENT
COMMITTEE ON MOTION OF
VICE MAYOR DAVIS.**

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