

**Reading Municipal Light Board of Commissioners**

**Regular Session**

**230 Ash Street**

**Reading, MA 01867**

**September 29, 2010**

**Start Time of Regular Session: 7:30 p.m.**

**End Time of Regular Session: 9:45 p.m.**

**Attendees:**

**Commissioners:**

**Mary Ellen O'Neill, Chairman**

**Philip Pacino, Secretary**

**Gina Snyder, Commissioner**

**Richard Hahn, Vice Chair**

**Robert Soli, Commissioner**

**Staff:**

**Vinnie Cameron, General Manager**

**Jared Carpenter, Energy Efficiency Engineer**

**Patricia Mellino, Operational Assistant**

**Kevin Sullivan, Engineering and Operations Manager**

**Beth Ellen Antonio, Human Resources Manager**

**Robert Fournier, Accounting/Business Manager**

**Jane Parenteau, Energy Services Manager**

**Citizens' Advisory Board:**

**George Hooper, CAB Member**

**Guest:**

**Frank Biron, President; Melanson Heath & Company, PC**

**Karen Snow, Supervisor; Melanson Heath & Company, PC**

Chairman O'Neill stated that this meeting of the Reading Municipal Light Department (RMLD) Board of Commissioners September 29, 2010, was being called to order and was being broadcast live at the RMLD's office at 230 Ash Street, Reading, MA. Live broadcasts are available only in Reading only due to technology constraints. This meeting is being video taped for distribution to the community television stations in North Reading, Wilmington and Lynnfield.

**Introductions**

Chairman O'Neill welcomed and introduced Mr. George Hooper a member of the Citizens' Advisory Board (CAB). Chairman O'Neill asked if there was anything going on with the CAB. Mr. Hooper stated that there are a couple of vacancies due to the resignations of Mr. Quincy Vale and Ms. Tracy Sopchak and believes that the General Manager may have received a letter of appointment from the Town Manager, Mr. Michael Caira.

Mr. Cameron replied that he had received a letter from the Town Manager and that Thomas Ollila who lives in Wilmington, had been appointed.

Mr. Hooper stated that the CAB's next meeting is on Tuesday, October 5, at the RMLD at 6:30 p.m. and that Mr. Ollila would be present that night. Chairman O'Neill asked the Board that if anyone was interested in attending to get back to her.

**Opening Remarks/Approval of Meeting Agenda**

Chairman O'Neill asked the Board if there were suggested changes to the agenda, there were none.

**Presentation of Fiscal Year 2010 Audit (Attachment 1)**

Chairman O'Neill introduced Mr. Frank Biron and Ms. Karen Snow of Melanson Heath & Company, PC who presented the fiscal year 2010 audit.

Mr. Biron introduced himself as the President of Melanson Heath & Company, PC and Ms. Karen Snow, as the supervisor who performed most of the audit at the RMLD.

**Presentation of Fiscal Year 2010 Audit (Attachment 1)**

Mr. Biron stated that the Department should be commended for doing a good job at closing its books in a timely manner, getting things reconciled and ready for the audit and then getting the audit completed and Financial Statements issued before the end of September. Mr. Biron said that there are not too many municipalities out there that can get things done that quickly and the Department does a very good job at reconciling its books and takes the audit seriously. Any recommendations that are made the Department does its best to implement.

Mr. Biron reported on the Financial Statement highlights of the Department.

Mr. Biron further reported on Retirement Trust Fund.

Chairman O'Neill thanked Mr. Biron for his excellent presentation and thanked Ms. Snow as well for a thorough presentation made at the Audit Committee meeting which was very helpful for several members of the Town's Finance Committee who attended.

Mr. Cameron echoed those comments and stated that Melanson Heath & Company, PC is a very professional firm and they do a very thorough job. Mr. Cameron also noted that the RMLD did not receive a management letter again this year and that has a lot to do with his staff.

Chairman O'Neill said that she appreciates all that the staff did to get this all together and that they had such good input.

**Audit Committee Secretary – Mr. Pacino**

Mr. Pacino reported that the Town Audit Committee and the Board's Audit Committee met in joint session with the Auditors prior to tonight's meeting and reviewed the details, highlights, and other items. In addition some questions were asked and answered. Mr. Pacino said that both Committees recommended that the Board accept the audit and that the vote of the Town Audit Committee was 5:0 and the vote of the Board's Audit Committee was 2:0.

Chairman O'Neill asked if there were any questions, there were none.

Mr. Pacino made a motion seconded by Mr. Hahn move that the RMLD Board accept the Financial Statements as presented by Melanson Heath & Company for the fiscal year ended June 30, 2010.

**Motion carried 5:0:0.**

**Quarterly Conservation Program Update – Mr. Carpenter (Attachment 2)**

Mr. Carpenter pointed out to the Board the new LED lights that were installed in the conference room ceiling.

Mr. Pacino asked if the lights were energy efficient. Mr. Carpenter replied yes and that all four of these lights combined would draw a hair more power than one of the other light fixtures alone and that these lights do not contain any mercury. Mr. Carpenter explained that he had randomly chosen the 4000-color temperature for lighting.

Chairman O'Neill asked if that referred to the power.

Mr. Carpenter explained that it was how we see the color of light coming out and that one could choose from for example; cool white, warm blue etc. and that it was a matter of preference.

Mr. Carpenter presented the Quarterly Conservation Program update starting with Existing Programs.

**Approval of July 28, 2010 Board Minutes**

Mr. Pacino made a motion seconded by Mr. Hahn to approve the Regular Session meeting minutes of July 28, 2010 with the changes presented. An amendment was made to the original motion by Mr. Soli.

Mr. Soli was concerned that his remarks and handout at the June 30, 2010 meeting were not properly recorded in the minutes of the meeting.

Mr. Soli made a motion to have his comments included in the original June 30, 2010 minutes.

**Motion failed 2:3:0. Mr. Hahn, Mr. Pacino and Ms. Snyder voted against this motion.**

**Approval of July 28, 2010 Board Minutes**

Mr. Soli was instructed that he could attach an addendum to the June 30, 2010 to clarify his remarks.

The Board then voted on the main motion.

**Motion carried 4:1:0. Mr. Soli voted against this motion.**

**Approval of August 25, 2010 Board Minutes**

Mr. Pacino made a motion seconded by Mr. Hahn to approve the Regular Session meeting minutes of August 25, 2010 with the changes presented. Chairman O'Neill said on page one under the topic Report from RMLD Board Committees insert in bold text "**Audit Committee – Mr. Soli**", on page two under Preliminary Draft Financial Report insert, "Chairman O'Neill expressed her dismay that the budget variances for fiscal year end June 30, 2010 were not available for the Board review and asked that this be put on the agenda for the next Budget Committee meeting".

**Motion carried 5:0:0.**

**Report of Board Committees**

**Power & Rate Committee – Vice Chair Hahn**

Mr. Hahn gave a report of the Power and Rate Committee. The first item at the meeting was an update by staff of the recent activities related to obtaining renewable power supply.

The second item the Committee discussed was a submittal the RMLD made to the Department of Energy Resources outlining the Green House Gas Emissions related to the RMLD's power supply portfolio.

The last item the committee took up was Commissioner Soli's analysis of the recently performed Cost of Service Study.

Mr. Hahn reported that there were three deliverables requested from the General Manager and staff. The first was a more specific description of the individual components of the energy portion of the RMLD's power supply portfolio for the next budget. The second was the General Manager would discuss the details of the next Cost of Service Study six months prior to bringing it to the committee. The last item requested was a metering plan for next year's capital budget that would increase the RMLD's energy usage data.

**General Manager Committee – Chairman O'Neill**

Chairman O'Neill reported that the General Manager Committee met on September 13 and had reviewed a few minor changes to the evaluation tool and stated that the Board would need to vote to approve this for the new year.

Mr. Hahn made a motion seconded by Ms. Snyder that the Reading Light Municipal Board of Commissioners to accept the General Manager's Performance Review Plan for the fiscal year July 2010 through June 2011 as was approved by the General Manager Committee.

**Motion carried 5:0:0.**

**General Manager's Report – Mr. Cameron**

**Indemnification Agreement**

Mr. Cameron stated that the Indemnification Agreements are on the table and ready for signature. Mr. Cameron gave a brief explanation of the signing process.

Chairman O'Neill asked if there were any questions.

Mr. Hahn stated that he unfortunately did not get around to asking the rest of his questions and was not aware that the Board would be asked to sign the agreements at the meeting. Mr. Hahn said that he still had some questions concerning the document and does not know if he could sign this document without the answers. Mr. Hahn admitted that he was at fault for not asking the questions by now, but it's either to wait or amend the documents later.

Chairman O'Neill asked Mr. Hahn that he get his questions to Mr. Cameron and that the Board be ready to sign the Indemnification Agreements at the next meeting.

**Financial Report, August 2010 – Mr. Fournier (Attachment 3)**

Mr. Fournier reported on the Financial Report for August 2010. Mr. Fournier stated that August showed a negative change in net assets and that Mr. Sullivan will talk about the Gaw Substation soil remediation.

Mr. Fournier stated that in the month of August there was a net loss or negative change in net assets of about \$225,000 bringing the year to date net loss at a little over \$500,000.

Mr. Fournier stated that the year to date base revenues were over budget by a little more than \$500,000 or 7.5% and actual base revenues came in at \$8 million compared to the budgeted amount of \$7.4 million.

Mr. Fournier reported that on the Expense side the actuals pretty much followed the budgeted amounts stating that the year to date purchase power base expense was \$41,000 or less than 1% under budget and actual purchased power base costs and budget were at \$5 million.

Mr. Fournier reported that the Operating Fund balance was at \$7.6 million, Capital Funds at \$4.7 million, Rate Stabilization Fund at \$5.3 million, Deferred Fuel Fund at \$666,000, and Energy Conservation balance at \$354,000. Mr. Fournier stated that cumulatively, all five divisions were under budget for the first two months by about \$28,000 or less than 1%.

**Power Supply Report, August 2010 – Ms. Parenteau (Attachment 4)**

Ms. Parenteau reported on the Power Supply Report for August 2010. Ms. Parenteau stated that RMLD's load for August was 71.6 million kWhs, which was a slight decrease of about 1.7% when compared to August 2009.

Ms. Parenteau said that the RMLD's energy cost came in at \$4.2 million, which was equivalent to approximately 5.8¢ kWh. Ms. Parenteau reported that the fuel charge adjustment for August was set at 5.4¢ kWh and the total sales for the month totaled 67.7 million kWhs as a result of that the RMLD under collected by approximately \$543,000 and that resulted in the deferred fuel cash reserve of approximately \$666,000.

Ms. Parenteau stated that the fuel charge for September was increased to 5.9¢ and the RMLD is going to set the fuel charge adjustment for October at 6.4¢. Ms. Parenteau reported that currently the RMLD does not anticipate changing the fuel charge once it reaches the October value based on the preliminary forecast.

Ms. Parenteau said that the RMLD purchased 9.43% of the energy requirements from the Spot Market, on average the Spot Market was in the low to mid 5¢ range and that was a decrease when compared to the July costs.

Ms. Parenteau reported that on the capacity side the RMLD hit a demand of approximately 159 MWs and that occurred on August 31, 2010 at 5:00 p.m., this compared to a demand of approximately 155.7 MWs, which occurred on August 18, 2009 at 2:00 p.m.

Ms. Parenteau stated that the RMLD capacity requirement, which is set on the peak that was hit in August 2009, is 212 MWs and overall to acquire that cost the RMLD paid \$1.56 million, which is equivalent to \$7.39 kW month for capacity.

Ms. Parenteau reported that on the Transmission side the RMLD costs for August 2010 came in at \$922,000 and that was a slight increase in the range of 2.4% when compared to July of this current year.

**Engineering and Operations Report, August 2010 – Mr. Sullivan (Attachment 5)**

**Gaw Update**

Mr. Sullivan reported on the Engineering and Operations (E&O) Report for August 2010. Mr. Sullivan reported that some of the Gaw Transformer Upgrade Project Milestones notes for both the Scheduled and Tangible Milestones have been changed. Mr. Sullivan stated that the Gaw remediation is complete as of today and transformer 110A, the last transformer to go online has been fully loaded. Mr. Sullivan said that the RMLD is on schedule and all three transformers are now in place. Mr. Sullivan noted that the schedule of milestones in the book does not reflect these changes as it was written a couple of weeks ago. Mr. Sullivan reported that the RMLD is very close to completion; left to be done is to install two 115kV switches, a section of sound wall and some final grading.

**Engineering and Operations Report, August 2010 – Mr. Sullivan (Attachment 5)**

**Gaw Update**

Mr. Sullivan stated that for the month the RMLD is up \$36,500, which is split between RMLD, labor and procured equipment.

Mr. Sullivan said that based on what the Board asked from the previous month the E&O and Accounting Departments looked at all jobs in question from FY10, which included jobs 3, 6, 7, 8 & 22. Mr. Sullivan stated that the Departments delineated exactly how many crew weeks there were for all five jobs, then transferred those crew weeks into dollars, subtracted the subsequent amount from the Routine Construction on this budget, which left the total amount for the FY11 Capital Budget the same at \$5.605 million and the amount of \$389,254 is spread between those five jobs.

**M.G.L. Chapter 30B Bid**

**IFB 2011-06**

**Three Station 4 Disconnect Switches**

Mr. Pacino made a motion seconded by Mr. Hahn move that bid 2011-06 115KV 2000 Amp Disconnect Switches be awarded to EMSPEC Electro Mechanical Systems Inc. for a total cost of \$43,480.00 on the recommendation of General Manager.

**Motion carried 5:0:0.**

Discussion ensued.

Mr. Sullivan stated that bid 2011-06 is a bid for the replacement of four disconnects at Gaw substation, four 115KV disconnects. Mr. Sullivan said that this invitation was sent out to ten vendors with five responses. Mr. Sullivan reported that the total 2011 Capital Budget allocation for the Gaw 115KV disconnect switch replacement is \$48,000.00.

**General Discussion**

Chairman O'Neill asked if there was any general discussion, there was none.

**BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED**

**Rate Comparisons, August 2010**

**E-Mail responses to Account Payable/Payroll Questions**

**Upcoming Meetings**

**Monday, October 13, 2010 Town of Reading Finance Committee Meeting**

**Monday, October 18, 2010 Budget Committee Meeting**

**Wednesday, October 27, 2010 RMLD Board Meeting**

**Wednesday, December 1, 2010 RMLD Board Meeting (Tentative)**

**Executive Session**

At 9:18 p.m. Mr. Pacino made a motion seconded by Mr. Hahn that the Board go into Executive Session to approve the Executive Session meeting minutes, to consider approval and release of Executive Session meeting minutes, to discuss strategy with respect to litigation and based on Chapter 164 Section 47D exemption from public records, and to return to Regular Session for the release of the Executive Session minutes and adjournment.

**Motion carried by a polling of the Board 5:0:0.**

Mr. Pacino, Aye; Mr. Hahn, Aye; Chairman O'Neill, Aye; Ms. Snyder, Aye; and Mr. Soli, Aye.

The Board re-entered Regular Session at 9:44 p.m.

**Release of Executive Session Minutes November 18, 2009**

Mr. Pacino made a motion seconded by Mr. Hahn to approve the release of the Executive Session meeting minutes of November 18, 2009 with changes as accepted.

**Motion carried 5:0:0.**

**Motion to Adjourn**

At 9:45 p.m. Mr. Pacino made a motion seconded by Mr. Hahn to adjourn the Regular Session.

**Motion carried 5:0:0.**

A true copy of the RMLD Board of Commissioners minutes  
as approved by a majority of the Commission.

Philip Pacino, Secretary  
RMLD Board of Commissioners

**TOWN OF READING, MASSACHUSETTS  
READING MUNICIPAL LIGHT DEPARTMENT**

**Annual Financial Statements**

**For the Year Ended June 30, 2010**

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## INDEPENDENT AUDITORS' REPORT

To the Municipal Light Board  
Town of Reading Municipal Light Department  
Reading, Massachusetts

We have audited the accompanying financial statements of the business-type activities, and the aggregate remaining fund information of the Town of Reading Municipal Light Department ("the Department") (an enterprise fund of the Town of Reading), as of and for the year ended June 30, 2010 which collectively comprise the Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, and the aggregate remaining fund information of the Town of Reading Municipal Light Department as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, appearing on the following pages, and the supplementary information, appearing on page 28, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the

required supplementary information. However, we did not audit the information and express no opinion on it.

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Department's financial statements for the year ended June 30, 2009, from which the summarized information was derived.

Andover, Massachusetts

\_\_\_\_\_, 2010 (date upon acceptance by Client)

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Town of Reading Municipal Light Department's ("the Department") annual financial report, management provides a narrative discussion and analysis of the financial activities for the year ended June 30, 2010. The Department's performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### A. OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include (1) the statements of net assets, (2) the statements of revenues, expenses and changes in net assets, (3) the statements of cash flows, and (4) notes to financial statements.

The Statements of Net Assets is designed to indicate our financial position as of a specific point in time. At June 30, 2010, it shows our net worth of \$ 90,819,864 which is comprised of \$ 66,881,500 invested in capital assets, \$ 4,801,694 restricted for depreciation fund, and \$ 19,136,670 unrestricted.

The Statements of Revenues, Expenses and Changes in Net Assets summarize our operating results and reveals how much, if any, of a profit was earned for the year. As discussed in more detail below, our net profit for the year ended June 30, 2010 was \$ 2,780,148.

The Statements of Cash Flows provides information about the cash receipts and cash payments during the accounting period. It also provides information about the investing and financing activities for the same period. A review of our Statements of Cash Flows indicates that cash receipts from operating activities adequately cover our operating expenses.

### Summary of Net Assets

	<u>2010</u>	<u>2009</u>
Current assets	\$ 18,383,234	\$ 18,039,433
Noncurrent assets	83,634,574	80,758,906
Total assets	<u>102,017,808</u>	<u>98,798,339</u>
Current Liabilities	7,438,252	7,530,820
Noncurrent liabilities	3,759,692	3,227,803
Total liabilities	<u>11,197,944</u>	<u>10,758,623</u>
Net assets:		
Invested in capital assets, net of related debt	66,881,500	64,107,090
Restricted for depreciation fund	4,801,694	4,403,130
Unrestricted	19,136,670	19,529,496
Total net assets	<u>90,819,864</u>	<u>88,039,716</u>
Total Liabilities and Net Assets	<u>\$ 102,017,808</u>	<u>\$ 98,798,339</u>

### Summary of Changes in Net Assets

	<u>2010</u>	<u>2009</u>
Operating revenues	\$ 86,542,838	\$ 94,167,985
Operating expenses	<u>(83,229,057)</u>	<u>(92,534,445)</u>
Operating Income	3,313,781	1,633,540
Non-operating revenues (expenses)	<u>(533,633)</u>	<u>(1,216,853)</u>
Change in Net Assets	2,780,148	416,687
Beginning net assets	<u>88,039,716</u>	<u>87,623,029</u>
Ending Net Assets	<u>\$ 90,819,864</u>	<u>\$ 88,039,716</u>

### **B. FINANCIAL HIGHLIGHTS**

Electric sales (net of discounts) were \$ 80,892,291 in 2010, a decrease of 11.2% from the prior year. Kilowatt hours sold decreased by 1.7% to 684,390,839 in 2010, compared to 696,060,848 in 2009. In 2010, ratepayers were charged \$ 586,718 in fuel charge adjustments, compared to charges of \$ 834,086 in 2009. In 2010, ratepayers were charged purchase power adjustments of \$ 5,063,829 compared to \$ 2,222,886 in 2009.

Operating expenses were \$ 83,229,057 in 2010, an overall decrease of 10.1% from 2009. The largest portion of this total, \$ 68,012,702 was for purchase power expenses. Other operating expenses included \$ 10,596,447 for general operating and maintenance costs, and \$1,096,431 in unanticipated costs for hazardous waste mitigation measures associated with the GAW Substation upgrade project. In addition, the Department incurred costs of \$ 1,282,631 for voluntary payments to Towns, and depreciation expense of \$ 2,240,846. In fiscal 2010, the depreciation rate was at 2.0%.

In fiscal year 2010, the Department was contributed \$ 200,000 to the Reading Municipal Light Department Employees' Pension Trust (the "Trust"). In addition, the Trust contributed \$ 919,336 to the Town of Reading Contributory Retirement System on behalf of the Department's employees.

### **C. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** Total investment in land at year end amounted to \$ 1,265,842; there was no change from the prior year. Total investment in depreciable capital assets at year end amounted to \$ 65,615,657 (net of accumulated depreciation), an increase of \$ 2,224,409 from the prior year. This investment in depreciable capital assets includes structures and improvements, equipment and furnishings, and infrastructure assets.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Reading Municipal Light Department's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Accounting/Business Manager  
Town of Reading Municipal Light Department  
230 Ash Street  
Reading, Massachusetts 01867

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TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT

BUSINESS-TYPE PROPRIETARY FUND  
STATEMENTS OF NET ASSETS

JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Current:		
Unrestricted cash and short-term investments	\$ 8,167,774	\$ 8,635,772
Receivables, net of allowance for uncollectibles	7,823,935	7,087,246
Prepaid expenses	756,954	767,869
Inventory	1,634,571	1,563,070
Total current assets	18,383,234	18,053,957
Noncurrent:		
Restricted cash and short-term investments	15,255,385	11,563,437
Restricted investments	1,400,000	4,400,000
Investment in associated companies	97,690	122,391
Land and construction in progress	1,265,842	1,265,842
Capital assets, net of accumulated depreciation	65,615,657	63,391,248
Other	-	1,465
Total noncurrent assets	83,634,574	80,744,383
<b>TOTAL ASSETS</b>	102,017,808	98,798,340
<b>LIABILITIES</b>		
Current:		
Accounts payable	6,188,258	5,448,255
Customer deposits	499,197	496,335
Customer advances for construction	333,919	696,517
Accrued liabilities	343,076	258,000
Current portion of long-term liabilities:		
Bonds payable	-	550,000
Accrued employee compensated absences	73,802	81,713
Total current liabilities	7,438,252	7,530,820
Noncurrent:		
Accrued employee compensated absences	2,946,231	2,791,401
Other post-employment benefits	813,461	436,402
Total noncurrent liabilities	3,759,692	3,227,803
<b>TOTAL LIABILITIES</b>	11,197,944	10,758,623
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	66,881,500	64,107,090
Restricted for depreciation fund	4,801,694	4,403,130
Unrestricted	19,136,670	19,529,496
<b>TOTAL NET ASSETS</b>	<u>\$ 90,819,864</u>	<u>\$ 88,039,716</u>

See notes to financial statements

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT

BUSINESS-TYPE PROPRIETARY FUND  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b>Operating Revenues:</b>		
Electric sales, net of discounts of \$ 4,115,808 and \$ 3,771,767, respectively	\$ 80,892,291	\$ 91,111,013
Purchase power and fuel charge adjustments:		
Fuel charge adjustment	586,718	834,086
Purchase power adjustment	5,063,829	2,222,886
Total Operating Revenues	<u>86,542,838</u>	<u>94,167,985</u>
<b>Operating Expenses:</b>		
Purchase power	68,012,702	77,172,343
Operating	8,780,835	9,106,788
Maintenance	1,815,612	1,912,948
Hazardous waste mitigation, GAW substation	1,096,431	-
Depreciation	2,240,846	3,134,387
Voluntary payments to towns	1,282,631	1,207,979
Total Operating Expenses	<u>83,229,057</u>	<u>92,534,445</u>
Operating Income	3,313,781	1,633,540
<b>Nonoperating Revenues (Expenses):</b>		
Contributions in aid of construction	772,279	177,680
Interest income	184,618	398,369
Interest expense	(11,620)	(49,911)
MMWEC refund	371,273	107,879
Loss on disposal of capital assets	(3,571)	(39,767)
Return on investment to Town of Reading	(2,186,670)	(2,112,725)
Other	340,058	301,622
Total Nonoperating Revenues (Expenses), Net	<u>(533,633)</u>	<u>(1,216,853)</u>
Change in Net Assets	2,780,148	416,687
Net Assets at Beginning of Year	<u>88,039,716</u>	<u>87,623,029</u>
Net Assets at End of Year	<u>\$ 90,819,864</u>	<u>\$ 88,039,716</u>

See notes to financial statements.

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT

BUSINESS-TYPE PROPRIETARY FUND  
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b><u>Cash Flows From Operating Activities:</u></b>		
Receipts from customers and users	\$ 80,158,464	\$ 93,182,410
Payments to vendors and employees	(80,060,874)	(90,332,097)
Customer refund, purchase power, and fuel charge adjustments	<u>5,650,547</u>	<u>3,056,972</u>
Net Cash Provided By (Used For) Operating Activities	5,748,137	5,907,285
<b><u>Cash Flows From Noncapital Financing Activities:</u></b>		
Return on investment to Town of Reading	(2,186,670)	(2,112,725)
MMWEC refund	371,273	107,879
Other	<u>340,058</u>	<u>301,622</u>
Net Cash Provided By (Used For) Noncapital Financing Activities	(1,475,339)	(1,703,224)
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>		
Acquisition and construction of capital assets	(4,468,826)	(6,852,061)
Principal payment on notes	(550,000)	(550,000)
Interest expense	(11,620)	(49,911)
Contributions in aid of construction	<u>772,279</u>	<u>177,680</u>
Net Cash Provided By (Used For) Capital and Related Financing Activities	(4,258,167)	(7,274,292)
<b><u>Cash Flows From Investing Activities:</u></b>		
Investment income	184,618	398,369
(Increase) decrease in restricted cash and investments	<u>(667,247)</u>	<u>(551,658)</u>
Net Cash Provided By (Used For) Investing Activities	(482,629)	(153,289)
Net Change in Cash and Short-Term Investments	(467,998)	(3,223,520)
Unrestricted Cash and Short Term Investments, Beginning of Year	<u>8,635,772</u>	<u>11,859,292</u>
Unrestricted Cash and Short Term Investments, End of Year	<u>\$ 8,167,774</u>	<u>\$ 8,635,772</u>
<b><u>Reconciliation of Operating Income to Net Cash:</u></b>		
Operating income	\$ 3,313,781	\$ 1,633,540
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation expense	2,240,846	3,134,387
Other post-employment benefits	377,059	436,402
Changes in assets and liabilities:		
Accounts receivable	(736,689)	2,056,390
Prepaid and other assets	12,379	(597,112)
Inventory	(71,501)	99,512
Accounts payable	740,003	(1,001,875)
Accrued liabilities	231,995	145,054
Other liabilities	<u>(359,736)</u>	<u>987</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 5,748,137</u>	<u>\$ 5,907,285</u>

See notes to financial statements.



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT

FIDUCIARY FUND - RETIREMENT TRUST  
STATEMENTS OF FIDUCIARY NET ASSETS

JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Cash and short-term investments	\$ 4,017,679	\$ 3,616,255
Investments	1,800,000	3,000,000
Other	200,000	-
<b>TOTAL ASSETS</b>	<u>6,017,679</u>	<u>6,616,255</u>
<b>NET ASSETS</b>		
Net assets held in trust for pension benefits	<u>\$ 6,017,679</u>	<u>\$ 6,616,255</u>

See notes to financial statements.

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT

FIDUCIARY FUND - RETIREMENT TRUST  
STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b>Additions:</b>		
Contributions from Reading Municipal Light Department	\$ 200,000	\$ 360,000
Interest and dividend income	<u>120,760</u>	<u>212,085</u>
Total additions	320,760	572,085
<b>Deductions:</b>		
Paid to Reading Contributory Retirement System	<u>919,336</u>	<u>896,185</u>
Total deductions	<u>919,336</u>	<u>896,185</u>
Net increase (decrease) in net assets	(598,576)	(324,100)
Net Assets Available for Benefits, Beginning of Year	<u>6,616,255</u>	<u>6,940,355</u>
Net Assets Available for Benefits, End of Year	<u><u>\$ 6,017,679</u></u>	<u><u>\$ 6,616,255</u></u>

See notes to financial statements.

# Town of Reading, Massachusetts Municipal Light Department

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

The significant accounting policies of the Town of Reading Municipal Light Department ("the Department") (an enterprise fund of the Town of Reading) are as follows:

- A. Business Activity - The Department purchases electricity which it distributes to consumers within the towns of Reading, North Reading, Wilmington, and Lynnfield.
- B. Regulation and Basis of Accounting - Under Massachusetts General Laws, the Department's electric rates are set by the Municipal Light Board. Electric rates, excluding the fuel charge, cannot be changed more often than once every three months. Rate schedules are filed with the Massachusetts Department of Public Utilities (DPU). While the DPU exercises general supervisory authority over the Department, the Department's rates are not subject to DPU approval. The Department's policy is to prepare its financial statements in conformity with generally accepted accounting principles.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Department has elected not to follow subsequent private-sector guidance.

- C. Concentrations - The Department operates within the electric utility industry which has undergone significant restructuring and deregulation. Legislation was enacted by the Commonwealth of Massachusetts in 1998 which changed the electric industry. The law introduced competition and pro-

vided consumers with choices while assuring continued reliable service. Municipal utilities are not currently subject to this legislation.

- D. Retirement Trust - The Reading Municipal Light Department Employees' Pension Trust (the "Trust") was established on December 30, 1966, by the Town of Reading's Municipal Light Board pursuant to Chapter 164 of the General Laws of the Commonwealth of Massachusetts.

The Trust constitutes the principal instrument of a plan established by the Municipal Light Board for the purpose of funding the Department's annual required contribution to the Town of Reading Contributory Retirement System (the System), a cost sharing, multi-employer public employee retirement system.

- E. Revenues - Revenues are based on rates established by the Department and filed with the DPU. Revenues from sales of electricity are recorded on the basis of bills rendered from monthly meter readings taken on a cycle basis and are stated net of discounts. Recognition is given to the amount of sales to customers which are unbilled at the end of the fiscal period.

- F. Cash and Short-term Investments - For the purposes of the Statement of Cash Flows, the Department considers both restricted and unrestricted cash on deposit with the Town Treasurer to be cash or short-term investments. For purpose of the Statement of Net Assets, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

- G. Investments - State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from date of purchase.

Investments for the Department and the Trust consist of U.S. government bonds that are being held to maturity. Investments are carried at cost.

- H. Inventory - Inventory consists of parts and accessories purchased for use in the utility business for construction, operation and maintenance purposes and is stated at average cost. Meters and transformers are capitalized when purchased.
- I. Capital Assets and Depreciation - Capital assets, which include property, plant, equipment, and utility plant infrastructure, are recorded at historical cost or estimated historical cost when purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as they are acquired or constructed. Interest incurred during the construction phase of proprietary fund capital assets is included as part of the capitalized value of the constructed asset. When capital assets are retired, the cost of the retired asset, less accumulated depreciation, salvage value and any cash proceeds, is charged to the Department's unrestricted net assets account.

Massachusetts General Laws require utility plant in service to be depreciated at an annual rate of 3%. To change this rate, the Department must obtain approval from the DPU. Changes in annual depreciation rates may be made for financial factors relating to cash flow for plant expansion, rather than engineering factors relating to estimates of useful lives.

In 2010, the Department requested and was granted permission by the DPU to temporarily reduce its depreciation rate to 2% for the fiscal year.

J. Accrued Compensated Absences - Employee vacation leave is vested annually but may only be carried forward to the succeeding year with supervisor approval and, if appropriate, within the terms of the applicable Department policy or union contract. Generally, sick leave may accumulate according to union and Department contracts and policy, and is paid upon normal termination at the current rate of pay. The Department's policy is to recognize vacation costs at the time payments are made. The Department records accumulated, unused, vested sick pay as a liability. The amount recorded is the amount to be paid at termination at the current rate of pay.

K. Long-Term Obligations - The proprietary fund financial statements report long-term debt and other long-term obligations as liabilities in the proprietary fund statement of net assets.

L. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenues and expenses during the fiscal year. Actual results could vary from estimates that were used.

M. Rate of Return - The Department's rates must be set such that earnings attributable to electric operations do not exceed eight percent of the net cost of plant. The audited financial statements are prepared in accordance with auditing standards generally accepted in the United States of America. To determine the net income subject to the rate of return, the Department performs the following calculation. Using the net income per

the audited financials, the return on investment to the Town of Reading is added back, the fuel charge adjustment is added or deducted, and miscellaneous debits/credits (i.e. gain/loss on disposal of fixed assets, etc.) are added or deducted, leaving an adjusted net income figure for rate of return purposes. Investment interest income and bond principal payments are then deducted from this figure to determine the net income subject to the rate of return. The net income subject to the rate of return is then subtracted from the allowable eight percent rate of return, which is calculated by adding the book value of net plant and the investment in associated companies less the contributions in aid of construction multiplied by eight percent. From this calculation, the Municipal Light Board will determine what cash transfers need to be made at year end.

## 2. Cash and Investments

Cash and investments as of June 30, 2010 are classified in the accompanying financial statements as follows:

### Statement of net assets:

Unrestricted cash and short-term investments	\$ 8,167,774
Restricted cash and short-term investments	15,255,385
Restricted investments	1,400,000
Fiduciary funds:	
Cash and short-term investments	4,017,679
Investments	1,800,000
Total cash and investments	<u>\$ 30,640,838</u>

Cash and investments at June 30, 2010 consist of the following:

Cash on hand	\$ 3,000
Deposits with financial institutions	27,437,838
Investments	<u>3,200,000</u>
Total cash investments	<u>\$ 30,640,838</u>

### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that the fair value of an investment will be adversely affected by changes in market interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Department manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of June 30, 2010, the Department (including the Pension Trust) had the following investments:

	<u>Restricted Investments</u>	<u>Pension Trust</u>	<u>Maturity Date</u>	<u>Moody's Rating</u>
<u>Government agency bonds</u>				
Freddie Mac	\$ 1,400,000	\$ -	7/15/2014	AAA
Freddie Mac	-	1,800,000	2/15/2015	AAA
Total	<u>\$ 1,400,000</u>	<u>\$ 1,800,000</u>		

### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assigning of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year end for each of the Department's (including the Pension Trust) investment types:

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
Government agency bonds	\$ 3,200,000	N/A	\$ 3,200,000	\$ -
Total	<u>\$ 3,200,000</u>		<u>\$ 3,200,000</u>	<u>\$ -</u>

### Concentration of Credit Risk

The Department follows the Town of Reading's investment policy, which does not limit the amount that can be invested in any one issuer beyond that stipulated by Massachusetts General Laws. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent more than 5% of the Department's total investments (including the Pension Trust investments) are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Freddie Mac	Government agency bonds	\$ 3,200,000

### Custodial Credit Risk

Custodial Credit Risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the Department will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Department will not be able to recover the value of its investments or collateral securities that are in the possession of another

party. Massachusetts General Laws, Chapter 44, section 55, limits deposits "in a bank or trust company or banking company to an amount not exceeding sixty per cent of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." The Department follows the Massachusetts statute as written, as well as the Town of Reading's deposit policy for custodial credit risk.

Because the Department pools its cash with the Town of Reading, the specific custodial credit risk of the Department's deposits could not be determined at June 30, 2010. As of June 30, 2010, Department investments (including the Pension Trust) in the following investment types were held by the same broker-dealer (counterparty) that was used by the Department to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
Government agency bonds	\$ 3,200,000
Total	\$ 3,200,000

### 3. Restricted Cash and Investments

Restricted cash and investments consist of the following at June 30, 2010:

	<u>Cash</u>	<u>Investments</u>
Depreciation fund	\$ 4,801,694	\$ -
Deferred fuel reserve	2,326,112	-
Rate stabilization	3,949,468	1,400,000
Deferred energy conservation reserve	308,882	-
Reserve for uncollectible accounts	200,000	-
Sick leave benefits	3,020,033	-
Hazardous waste fund	150,000	-
Customer deposits	499,196	-
Total	\$ 15,255,385	\$ 1,400,000

Restricted investments are invested in government agency bonds, which will be held to maturity, and are reported at book value of \$ 1,400,000. The fair market value of the investments at June 30, 2010 was \$ 1,401,316.

The Department maintains the following restricted cash accounts:

- Depreciation fund - The Department is normally required to reserve 3.0% of capital assets each year to fund capital improvements. The Department received special permission from the DPU to reduce this rate to 2% for fiscal year 2010.



- Deferred fuel reserve - The Department transfers the difference between the customers' monthly fuel charge adjustment and actual fuel costs into this account to be used in the event of a sudden increase in fuel costs.
- Rate stabilization - The Department transfers funds in excess of 8% of capital assets to this account to be used to stabilize customer rates.
- Deferred energy conservation reserve - This account is used to reserve monies collected from a special energy charge added to customer bills. Customers who undertake measures to conserve and improve energy efficiency can apply for rebates that are paid from this account.
- Reserve for uncollectible accounts - This account was set up to offset a portion of the Department's bad debt reserve.
- Sick leave benefits - This account is used to offset the Department's actuarially determined compensated absence liability.
- Hazardous waste fund - This reserve was set up by the Board of Commissioners to cover the Department's insurance deductible in the event of a major hazardous materials incident.
- Customer deposits - Customer deposits that are held in escrow.

#### 4. Accounts Receivable

Accounts receivable consists of the following at June 30, 2010:

##### Customer Accounts:

Billed	\$ 3,775,128	
Less allowances:		
Uncollectible accounts	(200,000)	
Sales discounts	<u>(353,510)</u>	
Total billed		3,221,618
Unbilled, net		<u>4,055,159</u>
Total customer accounts		<u>7,276,777</u>

##### Other Accounts:

Merchandise sales	69,192	
MMWEC flush	387,497	
Liens and other	<u>90,469</u>	
Total other accounts		<u>547,158</u>
Total net receivables		<u>\$ 7,823,935</u>

**5. Prepaid Expenses**

Prepaid expenses consist of the following:

Insurances	\$ 272,954
Purchase power	61,843
PASNY prepayment fund	247,207
WC Fuel - Watson	<u>174,950</u>
Total	<u>\$ 756,954</u>

**6. Inventory**

Inventory is comprised of supplies and materials at June 30, 2010, and is valued using the average cost method.

**7. Investment in Associated Companies**

Under agreements with the New England Hydro-Transmission Electric Company, Inc. (NEH) and the New England Hydro-Transmission Corporation (NHH), the Department has made the following advances to fund its equity requirements for the Hydro-Quebec Phase II interconnection. The Department is carrying its investment at cost, reduced by shares repurchased. The Department's equity position in the Project is less than one-half of one percent.

Investment in associated companies consists of the following, at June 30, 2010:

New England Hydro-Transmission Electric Company, Inc.	\$ 31,252
New England Hydro-Transmission Corporation	<u>66,438</u>
Total	<u>\$ 97,690</u>

## 8. Capital Assets

The following is a summary of fiscal year 2010 activity in capital assets (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Structures and improvements	\$ 13,512	\$ 9	\$ -	\$ 13,521
Equipment and furnishings	27,856	1,847	(452)	29,251
Infrastructure	70,673	2,613	(684)	72,602
Total capital assets, being depreciated	112,041	4,469	(1,136)	115,374
Less accumulated depreciation for:				
Structures and improvements	(6,515)	(257)	-	(6,772)
Equipment and furnishings	(16,374)	(810)	452	(16,732)
Infrastructure	(25,762)	(1,173)	680	(26,255)
Total accumulated depreciation	(48,651)	(2,240)	1,132	(49,759)
Total capital assets, being depreciated, net	63,390	2,229	(4)	65,615
Capital assets, not being depreciated:				
Land	1,266	-	-	1,266
Total capital assets, not being depreciated	1,266	-	-	1,266
Capital assets, net	\$ 64,656	\$ 2,229	\$ (4)	\$ 66,881

## 9. Accounts Payable

Accounts payable represent fiscal 2010 expenses that were paid after June 30, 2010.

## 10. Customer Deposits

This balance represents deposits received from customers that are held in escrow.

## 11. Customer Advances for Construction

This balance represents deposits received from vendors in advance for work to be performed by the Department. The Department recognizes these deposits as revenue after the work has been completed.

**12. Accrued Liabilities**

Accrued liabilities consist of the following at June 30, 2010:

Accrued payroll	\$ 199,601
Accrued interest	1,112
Other	<u>142,363</u>
Total	<u>\$ 343,076</u>

**13. Bonds Payable**

The following summarizes activity in bonds payable for the year ended June 30, 2010.

Balance 7/1/09	Maturities	Balance 6/30/10	Less Current	Long-Term Portion
\$ <u>550,000</u>	\$ <u>(550,000)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

**14. Accrued Employee Compensated Absences**

Department employees are granted sick leave in varying amounts. Upon retirement, termination, or death, employees are compensated for unused sick leave (subject to certain limitations) at their then current rates of pay.

**15. Restricted Net Assets**

The proprietary fund financial statements report restricted net assets when external constraints are placed on net assets. Specifically, restricted net assets represent depreciation fund reserves, which are restricted for future capital costs.

**16. Post-Employment Health Care and Life Insurance Benefits**

**Other Post-Employment Benefits**

The Department follows GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Statement 45 requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the Statement of Revenues, Expenses, and Changes in Net Assets when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a

post-employment benefit liability is recognized on the Statement of Net Assets over time.

A. Plan Description

In addition to providing the pension benefits described in Note 17, the Department provides post-employment health and life insurance benefits for retired employees through the Town of Reading's Massachusetts Inter-local Insurance Association (MIIA) Health Benefits Trust. Benefits, benefit levels, employee contributions and employer contributions are governed by Chapter 32 of the Massachusetts General Laws. As of June 30, 2008, the actuarial valuation date, approximately 72 retirees and 64 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

The Department provides post-employment medical, prescription drug, and life insurance benefits to all eligible retirees and their surviving spouses. All active employees who retire from the Department and meet the eligibility criteria will be eligible to receive these benefits.

C. Funding Policy

Retirees contribute 30% of the cost of the medical and prescription drug plan, as determined by the MIIA Health Benefits Trust. Retirees also contribute 50% of the premium for a \$ 5,000 life insurance benefit. The Department contributes the remainder of the medical, prescription drug, and life insurance plan costs on a pay-as-you-go basis.

D. Annual OPEB Costs and Net OPEB Obligation

The Department's fiscal 2010 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of twenty years. The following table shows the components of the Department's annual OPEB cost for the year ending June 30, 2010, the amount actually contributed to the plan, and the change in the Department's net OPEB obligation based on an actuarial valuation as of June 30, 2008.

Annual Required Contribution (ARC)	\$ 878,668
Interest on net OPEB obligation	-
Adjustment to ARC	-
Annual OPEB cost	878,668
Contributions made	(501,609)
Increase in net OPEB obligation	377,059
Net OPEB obligation - beginning of year	436,402
Net OPEB obligation - end of year	\$ 813,461

The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal year ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 878,668	57.08%	\$ 813,461
2009	\$ 890,140	50.97%	\$ 436,402

The Department's net OPEB obligation as of June 30, 2010 is recorded as a component of the "noncurrent liabilities" line item in the Statements of Net Assets.

#### E. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2008, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 8,085,388
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 8,085,388
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	Not available
UAAL as a percentage of covered payroll	Not available

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The

schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the Department and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Department and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2008 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial value of assets was not determined, as the Department has not advance funded its obligation. The actuarial assumptions included a 7.75% investment rate of return and an initial annual health care cost trend rate of 10.0% which decreases to a 5.0% long-term rate for all health care benefits after seven years. The amortization costs for the initial UAAL is a level percentage of payroll amortization, with amortization payments increasing at 2.5% per year for a period of 20 years.

**17. Pension Plan**

The Department follows the provisions of GASB Statement No. 27, (as amended by GASB 50) *Accounting for Pensions for State and Local Government Employees*, with respect to the employees' retirement funds. Chapter 32 of the Massachusetts General Laws assigns the System the authority to establish and amend benefit provisions of the plan, and the State legislature has the authority to grant cost-of-living increases. The System issues a publicly available financial report which can be obtained through the Town of Reading Contributory Retirement system at Town Hall, Reading, MA.

A. Plan Description

The Department contributes to the Town of Reading Contributory Retirement System (the System), a cost-sharing, multiple-employer, defined benefit pension plan administered by a Town Retirement Board. The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the Massachusetts General Laws assigns the System the authority to establish and amend benefit provisions of the plan, and grant cost-of-living increases.

## B. Funding Policy

Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Department is required to pay into the System its share of the remaining system wide actuarially determined contribution plus administration costs which are apportioned among the employers based on active covered payroll. The contributions of plan members and the Department are governed by Chapter 32 of the Massachusetts General Laws. The Department's contributions to the System for the years ended June 30, 2010, 2009, and 2008 were \$ 919,336, \$ 896,185, and \$ 1,055,758, respectively, which were equal to its annual required contributions for each of these years.

## **18. Participation in Massachusetts Municipal Wholesale Electric Company**

The Town of Reading, acting through its Light Department, is a participant in certain Projects of the Massachusetts Municipal Wholesale Electric Company (MMWEC).

MMWEC is a public corporation and a political subdivision of the Commonwealth of Massachusetts, created as a means to develop a bulk power supply for its Members and other utilities. MMWEC is authorized to construct, own, or purchase ownership interests in, and to issue revenue bonds to finance, electric facilities (Projects). MMWEC has acquired ownership interests in electric facilities operated by other entities and also owns and operates its own electric facilities. MMWEC sells all of the capability (Project Capability) of each of its Projects to its Members and other utilities (Project Participants) under Power Sales Agreements (PSAs). Among other things, the PSAs require each Project Participant to pay its *pro rata* share of MMWEC's costs related to the Project, which costs include debt service on the revenue bonds issued by MMWEC to finance the Project, plus 10% of MMWEC's debt service to be paid into a Reserve and Contingency Fund. In addition, should a Project Participant fail to make any payment when due, other Project Participants of that Project may be required to increase (step-up) their payments and correspondingly their Participant's share of that Project's Project Capability to an additional amount not to exceed 25% of their original Participant's share of that Project's Project Capability. Project Participants have covenanted to fix, revise, and collect rates at least sufficient to meet their obligations under the PSAs.

MMWEC has issued separate issues of revenue bonds for each of its eight Projects, which are payable solely from, and secured solely by, the revenues derived from the Project to which the bonds relate, plus available funds pledged under MMWEC's Amended and Restated General Bond Resolution (GBR) with respect to the bonds of that Project. The MMWEC 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.

MMWEC operates the Stony Brook Intermediate Project and the Stony Brook Peaking Project, both fossil-fueled power plants. MMWEC has a 3.7% interest in the W.F. Wyman Unit No. 4 plant, which is operated and owned by its majority owner, FPL Energy Wyman IV, LLC, a subsidiary of NextEra Energy Resources LLC (formerly FPL Energy LLC), and a 4.8% ownership interest in the Millstone Unit 3 nuclear unit, operated by Dominion Nuclear Connecticut, Inc. (DNCI), the majority owner and an indirect subsidiary of Dominion Resources, Inc. DNCI also owns and operates the Millstone Unit 2 nuclear unit. The operating license for the Millstone Unit 3 nuclear unit extends to November 25, 2045.

A substantial portion of MMWEC's plant investment and financing program is an 11.6% ownership interest in the Seabrook Station nuclear generating unit operated by NextEra Energy Seabrook, LLC (NextEra Seabrook) (formerly FPL Energy Seabrook LLC), the majority owner and an indirect subsidiary of NextEra Energy Resources LLC (formerly FPL Energy LLC). The operating license for Seabrook Station extends to March, 2030. NextEra Seabrook has submitted an application to extend the Seabrook Station operating license for an additional 20 years.

Pursuant to the PSAs, the MMWEC Seabrook and Millstone Project Participants are liable for their proportionate share of the costs associated with decommissioning the plants, which costs are being funded through monthly Project billings. Also the Project Participants are liable for their proportionate share of the uninsured costs of a nuclear incident that might be imposed under the Price-Anderson Act (Act). Originally enacted in 1957, the Act has been renewed several times. In July 2005, as part of the Energy Policy Act of 2005, Congress extended the Act until the end of 2025.

Reading Municipal Light Department has entered into PSAs and Power Purchase Agreements (PPAs) with MMWEC. Under both the PSAs and PPAs, the Department is required to make certain payments to MMWEC payable solely from Department revenues. Under the PSAs, each Participant is unconditionally obligated to make all payments due to MMWEC, whether or not the Project(s) is completed or operating, and notwithstanding the suspension or interruption of the output of the Project(s).

MMWEC is involved in various legal actions. In the opinion of MMWEC management, the outcome of such actions will not have a material adverse effect on the financial position of the company.

Seven municipal light departments that are Participants under PSAs with MMWEC have submitted a demand for arbitration of a dispute relating to charges under the PSAs. MMWEC cannot predict the outcome of the arbitration demand, but in the opinion of MMWEC management, it will not have a material adverse effect on the financial position of MMWEC.

After the July 1, 2010 principal payment, total capital expenditures for MMWEC's Projects amounted to \$ 1,574,094,000, of which \$ 113,385,000 represents the amount associated with the Department's share of Project Capability of the Projects in which it participates, although such amount is not allocated to the Department. MMWEC's debt outstanding for the Projects includes Power Supply System Revenue Bonds totaling \$ 502,245,000, of which \$ 26,370,000 is associated with the Department's share of Project Capability of the Projects in which it participates, although such amount is not allocated to the Department. After the July 1, 2010 principal payment, MMWEC's total future debt service requirement on outstanding bonds issued for the Projects is \$ 532,190,000, of which \$ 26,829,000 is anticipated to be billed to the Department in the future.

The estimated aggregate amount of Reading Municipal Light Department's required payments under the PSAs and PPAs, exclusive of the Reserve and Contingency Fund billings, to MMWEC at June 30, 2010 and estimated for future years is shown below.

For years ended June 30,		Annual Costs
2011		\$ 4,674,000
2012		4,657,000
2013		4,702,000
2014		4,154,000
2015		3,189,000
2016 - 2019		5,453,000
Total		<u>\$ 26,829,000</u>

In addition, under the PSA's, the Department is required to pay to MMWEC its share of the Operation and Maintenance (O&M) costs of the Projects in which it participates. The Department's total O&M costs including debt service under the PSAs were \$ 14,350,000 and \$ 16,070,000 for the years ended June 30, 2010 and 2009, respectively.

## 19. Environmental Remediation

In August of 2009, during the Transformer Upgrade Project at Gaw Substation, Poly Chlorinated Biphenyl (PCB) contaminated soil was discovered. This contamination was traced to a capacitor bank lineup, located on the south side of the Gaw Substation control house. Once utilized to stabilize voltage, these capacitor banks were removed from the substation decades prior to the project.

As of June 30, 2010, the cost for this cleanup has eclipsed \$ 1.1M. Additional soil remediation costs for FY11 are expected to be \$ 650,000. The soil

sampling, analysis and remediation of the area should be complete by October 30, 2010.

Cleanup of the soil has been conducted by a Commonwealth of Massachusetts Licensed Site Professional (LSP) in concert with the USEPA and the Massachusetts Department of Environmental Protection (MADEP) requirements. The RMLD has included in its rate structure a Hazardous Material Charge of \$ 0.001/kWh, which is designed to recover the Gaw Substation soil remediation costs over three years.

## 20. Leases

### Related Party Transaction - Property Sub-Lease

The Department is sub-leasing facilities to the Reading Massachusetts Town Employees Federal Credit Union. The original sub-lease agreement commenced in December 2000 and ended in November 2005. A new agreement, which extended the lease through November 30, 2008, was signed on December 1, 2005. An additional amendment, effective December 1, 2008, extends the lease through November 30, 2011. The following is the future minimum rental income for the years ending June 30:

2011	\$ 8,712
2012	<u>3,630</u>
Total	<u>\$ 12,342</u>

READING, MASSACHUSETTS MUNICIPAL LIGHT DEPARTMENT

SCHEDULE OF FUNDING PROGRESS

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2010

(Unaudited)

Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
06/30/08	\$ -	\$ 8,085,388	\$ 8,085,388	0.0%	N/A	N/A

DRAFT

See Independent Auditors' Report.

# Reading Municipal Light Department Energy Conservation Program

September 2010 Update

ATTACHMENT 2

## Topics

- Existing Programs
- New Programs
- Energy Conservation  
Economic Analysis
- FY11 Initiatives

# Existing Programs

- COMMERCIAL
  - Commercial Lighting Program
    - Updated 10 months ago
    - New technology and rebate update in progress
  - Commercial Audit Program
    - Program update in progress
  - Commercial Energy Initiative Rebate Program
    - Focus on small-medium sized commercial customers
  - Measurement and Verification Program
    - Active and successful

# Existing Programs

- RESIDENTIAL
  - Time of Use program
  - Appliance Rebate Program
    - Adding smart power strips (\$10 rebate)
  - Renewable Energy Rebate Program
    - No new customer projects
  - Residential Energy Audit
    - On hold until the new request for proposal (RFP) is complete
  - Residential Energy Consultation
    - Has replaced the Tier 2 Audit program until the new bid is complete



## New Programs

- **COMMERCIAL**
  - Demand Response (DR)
- **RESIDENTIAL**
  - Library Energy Panel
  - Online services
  - Time of Use program
  - Insulation rebate program
  - Online Home Energy Use Graph (Smart Grid)
  - Smart Strip Rebate Program

[illegible]

# Energy Conservation Economic Analysis

- Residential – Appliance Rebates
  - FY03- Present 1,122 kW / \$273,075
- Commercial Lighting
  - FY05 – Present 1,631 kW/\$328,750
- Commercial Cons. Measures
  - FY09- Present 727 kW/\$182,011
- Cumulative Costs Benefit
  - 3,481 kW      \$783,836      NPV \$1,007,227

# FY11 Initiatives

## (Where does the RMLD want to go?)

- **Residential**
  - Electric Vehicles
    - Will the RMLD lead or follow?
  - Update the Residential Time of Use program
    - Change hours and look for advantages
  - Implement new items to the Tier 2 program
  - Finalize and analyze the Smart Grid Pilot Program
  - Add more ways to get detailed information to our customers (new meters, additional online service)
- **Commercial**
  - New custom projects currently in the works.
  - Update the Commercial Lighting rebate program.
  - Reduce the energy use in our building to a respectable level.
  - Continue to add technologies as examples of good solutions to our customers.

# Google Power Meter (1)

jearpenterrmld.com | My Account | Help | Sign out

Google powermeter

- Recent usage
- Historical usage
- Take action Now!
- Settings

PowerMeter for iGoogle

You can track your recent usage right from your iGoogle home page by installing the PowerMeter iGoogle gadget.

Go Now!

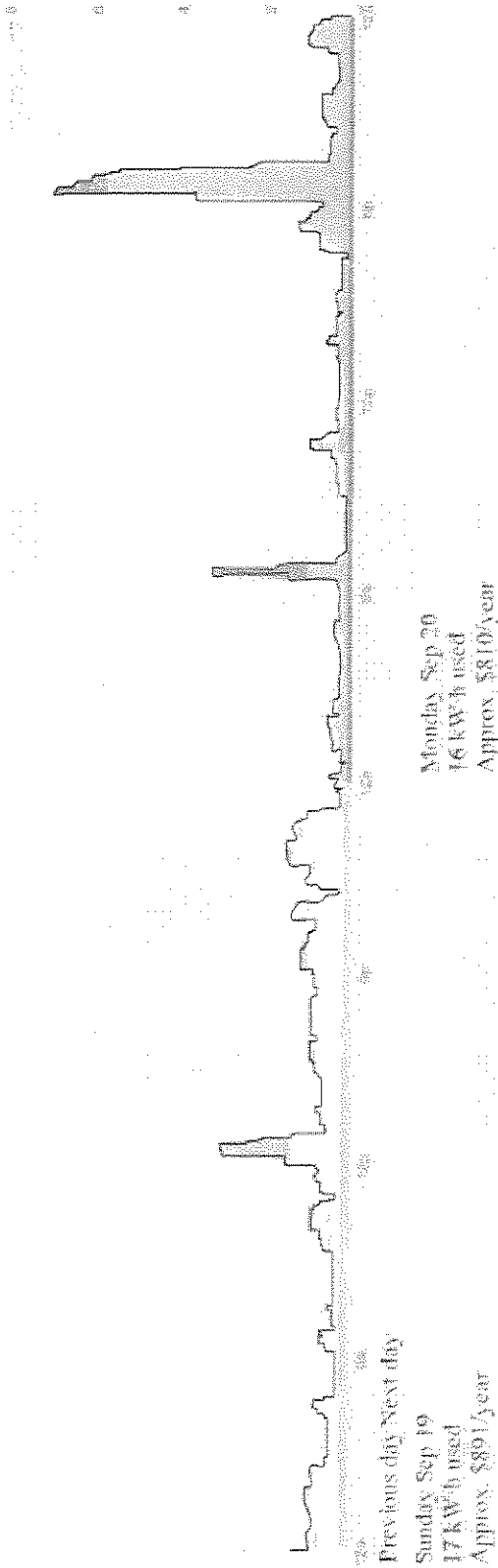
Learn more|Dismiss

Google: New! Try Google PowerMeter Actions and discover new ways to save, more...

LED5000

Energy ☐ Approx. cost: \$0.14 /kWh

## Electricity used Sep 19-Sep 20



# Google Power Meter (2)

jearpenter@ruid.com | My Account | Help | Sign out

## Google powermeter

- Recent usage
- Historical usage
- Take action Now!
- Settings

### PowerMeter for iGoogle

You can track your recent usage right from your iGoogle home page by installing the PowerMeter iGoogle gadget.



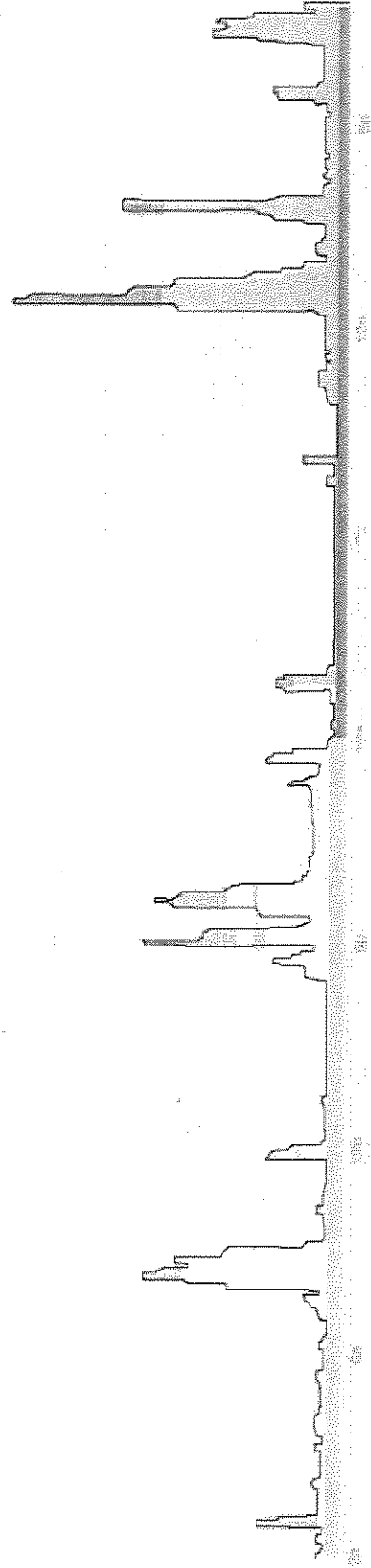
[Learn more](#) | [Dismiss](#)

Google! New! Try Google PowerMeter Actions and discover new ways to save. [more...](#)

bilan: TED5000

Energy:  Approx. cost: \$0.14 /kWh

## Electricity used Jun 12–Jun 13



Reading Municipal Light Department

To: Vincent Cameron

From: Jared Carpenter

Date: September 23, 2010

Subject: **RMLD's Energy Conservation Economic Analysis**

The RMLD has residential and commercial efficiency programs. These programs compensate RMLD customers for upgrading appliances and equipment, which meets higher efficiency standards. In order to begin assessing the true value of the program the attached sheet will help analyze the long-term use of our rebate programs.

The RMLD has completed a preliminary economic analysis of these programs.

The attached table analyzes the residential, commercial lighting and commercial conservation measures. Line 1 represents the annual amounts of energy, in kW, the RMLD customers have saved for upgrading various residential appliances for the period 2003 – present. The next line shows the number of residential rebates for each year. Line 3 indicates the amount of rebate dollars that the RMLD residential customers received for installing Energy Star appliances.

The second section of the table analyzes the Commercial lighting rebate program. The first line of this section represents the amount of kW reduction achieved by upgrading various commercial lighting projects. The period represents 2003 – present with a total reduction of approximately 1,631 kW achieved through lighting upgrades. The following line represents the annual number of commercial lighting rebates. The next line shows the amount of dollars that the customers received for upgrading their lighting systems.

The third section of the table analyzes the Commercial Conservation custom rebate program. The first line of this section represents the amount of kW reduction achieved by upgrading various commercial projects. This program began in FY10 and allows various municipal/commercial customers to work closely with the RMLD to achieve energy efficiency and receive a rebate. The RMLD customers have been able to reduce the kW peak in excess of 727 kW and receiving over \$182,000 in rebates.

In total, it is estimated that as a result of RMLD's energy conservation and efficiency programs, the RMLD has saved in excess of 3,491 kW with a total costs of rebates at over \$783,000. The RMLD has assumed a 10% carrying charge in order to determine the effectiveness of these programs. The RMLD then calculated the cost of capacity saved by dividing the total cost of the rebates times the carrying charge cost divided by the amount of kW then divide by 12 to yield a \$/kW-mth. These values are represented in

the line titled "RMLD's Cost of Renew. Cap." The value of these savings resulted in a carry cost that ranged from \$1.04/kW-mth to \$1.89/kW-mth.

In order to determine the effectiveness of these programs, the RMLD then calculates what the cost of not removing the kW peak values would have resulted in. Looking at the Forward Capacity Market (FCM) costs and applying the kW reduction to determine the dollar impact to accomplish this. Once the FCM costs have been calculated, you then take the difference between the FCM Costs and the Total Capacity Costs to determine the Savings/Costs. For the period 2003- present it is estimated that the RMLD saved in excess of \$267,659. In order to determine the value of the program in today's dollars, you then need to calculate the Net Present Value (NPV) of the program. For the period 2003 – 2024, assuming a discounted rate of 4%, the NPV was \$1,007,227.

**Jared Carpenter**

Energy Efficiency Engineer  
Reading Municipal Light Department  
230 Ash Street  
Reading, MA 01867  
ph: 1-781-942-6412  
fax: 1-781-944-6654

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READING MUNICIPAL LIGHT DEPARTMENT  
ENERGY CONSERVATION ECONOMIC ANALYSIS

	2003-2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Residential Rebates</b>																				
kW Saved	58	160	155	210	225	334	11	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Rebates	166	230	228	265	241	225														
Sub Total	\$15,300	\$25,000	\$25,000	\$53,475	\$52,250	\$76,175	\$14,675	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Commercial Lighting</b>																				
kW Saved	63	332	68	209	700	202	14	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Rebates	5	5	7	14	32	14														
Sub Total	\$14,443	\$19,230	\$14,327	\$71,750	\$124,000	\$85,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Commercial Conve. Measures</b>																				
kW Saved	0	0	0	0	0	195	632	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Rebates	0	0	0	0	0	4														
Sub Total	\$0	\$0	\$0	\$0	\$0	\$80,011	\$102,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Rebate Program</b>																				
Total kW Saved	121	593	816	1,291	2,216	2,847	3,491	3,491	3,491	3,491	3,491	3,491	3,491	3,491	3,491	3,491	3,491	3,491	3,491	3,491
Cumulative Total Costs	\$29,744	\$7,397	\$12,330	\$24,853	\$42,578	\$66,696	\$78,384	\$78,384	\$78,384	\$78,384	\$78,384	\$78,384	\$78,384	\$78,384	\$78,384	\$78,384	\$78,384	\$78,384	\$78,384	\$78,384
Carrying Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>RMLD's Cost of Renew. Cap.</b>	\$1.54	\$1.04	\$1.26	\$1.80	\$1.60	\$1.88	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87	\$1.87
<b>For Cap. Wt. (\$/kW-Month)</b>	\$3.67	\$3.55	\$3.43	\$3.50	\$2.95	4.35	3.59	2.78	2.53	2.52	2.60	2.67	2.75	2.84	2.92	2.92	2.92	2.92	2.92	2.92
<b>Total Capacity Costs</b>	2,974	7,397	12,330	24,853	42,578	66,696	78,384	78,384	78,384	78,384	78,384	78,384	78,384	78,384	78,384	78,384	78,384	78,384	78,384	78,384
<b>FCM Costs</b>	\$7,084	\$25,225	\$33,516	\$54,242	\$78,463	\$154,006	\$150,433	\$116,534	\$105,921	\$105,572	\$108,799	\$112,001	\$116,361	\$118,822	\$122,387	\$124,202	\$126,486	\$128,695	\$130,833	\$132,902
<b>Savings/Costs</b>	\$4,110	\$17,828	\$21,168	\$26,380	\$35,765	\$97,310	\$72,048	\$38,150	\$27,657	\$27,188	\$30,355	\$33,617	\$36,976	\$40,438	\$44,003	\$47,676	\$51,452	\$55,330	\$59,312	\$63,400
<b>Net Present Value</b>																				
	\$1,007,227																			

4.00%



Dt: September 23, 2010

To: RMLB, Vincent F. Cameron, Jr., Jeanne Foti

Fr: Bob Fournier

*RF 9/23/10*  
*437*

**Sj: August 31, 2010 Report**

The results for the first two months ending August 31, 2010, for the fiscal year 2011 will be summarized in the following paragraphs. August showed a negative change in net assets. The full financial impact of the GAW Substation soil remediation is ongoing.

**1) Change in Net Assets or Net Loss: (Page 3A)**

For the month of August, the net loss or the negative change in net assets was \$227,105, bringing the year to date net loss to \$557,158. The year to date budgeted net loss was \$440,235, the difference being \$116,923 or 26.5%. Year to date fuel expenses exceeded fuel revenues by \$1,660,071. Year to date energy conservation revenues exceeded energy conservation expenses by \$45,672. August GAW soil remediation expenses totalled \$378,524.00, making the total cost to date \$1,517,828.

**2) Revenues: (Page 11B)**

Year to date base revenues were over budget by \$564,338 or 7.5%. Actual base revenues were \$8.0 million compared to the budgeted amount of \$7.4 million.

**3) Expenses: (Page 12A)**

\*Year to date purchased power base expense was \$41,825 or .8% under budget. Actual purchased power base costs were \$5.0 million compared to the budgeted amount of \$5.0 million.

\*Year to date operating and maintenance (O&M) expenses combined were under budget by \$19,420 or .9%. Actual O&M expenses were \$2.1 million compared to the budgeted amount of \$2.1 million. The major expense that was over budget was maintenance of line transformers (\$127,550).

\*Depreciation expense and voluntary payments to the Towns were on budget.

**4) Cash: (Page 9)**

\*Operating Fund balance was at \$7,682,879.

\*Capital Funds balance was at \$4,762,688.

\*Rate Stabilization Fund balance was at \$5,375,288.

\*Deferred Fuel Fund balance was at \$666,040.

\*Energy Conservation balance was at \$354,555.

**5) General Information:**

Year to date kwh sales (Page 5) were 11.8%, or 14.7 million kwh, ahead of last year's figure.

**6) Budget Variance:**

Cumulatively, the five divisions were under budget by \$27,776 or .8%.



# **FINANCIAL REPORT**

**AUGUST 31, 2010**

**ISSUE DATE: SEPTEMBER 23, 2010**



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUSINESS-TYPE PROPRIETARY FUND  
STATEMENT OF NET ASSETS  
8/31/10

		PREVIOUS YEAR	CURRENT YEAR
<b>ASSETS</b>			
<b>CURRENT</b>			
UNRESTRICTED CASH	(SCH A P.9)	7,873,821.30	7,685,879.80
RESTRICTED CASH	(SCH A P.9)	12,736,991.43	15,614,177.24
RESTRICTED INVESTMENTS	(SCH A P.9)	4,400,000.00	-
RECEIVABLES, NET	(SCH B P.10)	8,326,389.75	8,109,396.22
PREPAID EXPENSES	(SCH B P.10)	1,514,729.88	1,725,728.75
INVENTORY		1,538,498.26	1,501,824.97
<b>TOTAL CURRENT ASSETS</b>		<u>36,390,430.62</u>	<u>34,637,006.98</u>
<b>NONCURRENT</b>			
INVESTMENT IN ASSOCIATED CO	(SCH C P.2)	122,391.17	97,690.11
CAPITAL ASSETS, NET	(SCH C P.2)	64,609,984.25	66,981,057.40
OTHER ASSETS	(SCH C P.2)	15,744.34	14,523.70
<b>TOTAL NONCURRENT ASSETS</b>		<u>64,748,119.76</u>	<u>67,093,271.21</u>
<b>TOTAL ASSETS</b>		<u>101,138,550.38</u>	<u>101,730,278.19</u>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
ACCOUNTS PAYABLE		8,304,902.86	7,450,121.17
CUSTOMER DEPOSITS		495,061.98	501,190.45
CUSTOMER ADVANCES FOR CONSTRUCTION		705,216.89	339,689.00
ACCRUED LIABILITIES		503,324.14	156,538.26
<b>TOTAL CURRENT LIABILITIES</b>		<u>10,008,505.87</u>	<u>8,447,538.88</u>
<b>NONCURRENT</b>			
ACCRUED EMPLOYEE COMPENSATED ABSENCES		2,873,114.33	3,020,032.75
<b>TOTAL NONCURRENT LIABILITIES</b>		<u>2,873,114.33</u>	<u>3,020,032.75</u>
<b>TOTAL LIABILITIES</b>		<u>12,881,620.20</u>	<u>11,467,571.63</u>
<b>NET ASSETS</b>			
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT		64,609,984.25	66,981,057.40
RESTRICTED FOR DEPRECIATION FUND (P.9)		4,969,484.55	4,762,688.64
UNRESTRICTED		18,677,461.38	18,518,960.52
<b>TOTAL NET ASSETS</b>	(P.3)	<u>88,256,930.18</u>	<u>90,262,706.56</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u>101,138,550.38</u>	<u>101,730,278.19</u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
NONCURRENT ASSET SCHEDULE  
8/31/10

SCHEDULE C

	PREVIOUS YEAR	CURRENT YEAR
SCHEDULE OF INVESTMENTS IN ASSOCIATED COMPANIES		
NEW ENGLAND HYDRO ELECTRIC	46,153.24	36,244.74
NEW ENGLAND HYDRO TRANSMISSION	76,237.93	61,445.37
TOTAL INVESTMENTS IN ASSOCIATED COMPANIES	<u>122,391.17</u>	<u>97,690.11</u>
SCHEDULE OF CAPITAL ASSETS		
LAND	1,265,842.23	1,265,842.23
STRUCTURES AND IMPROVEMENTS	6,997,417.80	6,748,734.96
EQUIPMENT AND FURNISHINGS	11,612,025.79	12,519,024.99
INFRASTRUCTURE	<u>44,734,698.43</u>	<u>46,447,455.22</u>
TOTAL UTILITY PLANT	<u>64,609,984.25</u>	<u>66,981,057.40</u>
SCHEDULE OF OTHER ASSETS		
PURCHASED POWER WORKING CAPITAL	14,523.70	14,523.70
UNAMORTIZED DEBT EXPENSE	1,220.64	0.00
TOTAL OTHER ASSETS	<u>15,744.34</u>	<u>14,523.70</u>
TOTAL NONCURRENT ASSETS	<u>64,748,119.76</u>	<u>67,093,271.21</u>



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUSINESS-TYPE PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
8/31/10

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
OPERATING REVENUES: (SCH D P.11)					
BASE REVENUE	3,711,893.97	3,934,767.36	7,132,571.09	8,024,393.12	12.50%
FUEL REVENUE	4,269,717.20	3,658,721.48	8,017,794.29	7,195,340.38	-10.26%
PURCHASED POWER CAPACITY	122,895.74	425,695.76	329,710.92	947,064.82	187.24%
FORFEITED DISCOUNTS	75,272.80	116,194.56	129,284.88	197,779.32	52.98%
ENERGY CONSERVATION REVENUE	50,545.40	52,408.78	99,904.60	109,125.09	9.23%
PASNY CREDIT	(35,903.32)	(49,929.96)	(39,343.48)	(148,431.70)	277.27%
TOTAL OPERATING REVENUES	8,194,421.79	8,137,857.98	15,669,922.30	16,325,271.03	4.18%
OPERATING EXPENSES: (SCH E P.12)					
PURCHASED POWER BASE	2,680,493.12	2,492,886.25	4,946,373.91	4,966,750.11	0.41%
PURCHASED POWER FUEL	4,051,360.93	4,151,871.47	8,122,599.25	8,706,980.03	7.19%
OPERATING MAINTENANCE	610,053.12	600,970.55	1,075,517.24	1,339,864.21	24.58%
DEPRECIATION	152,250.56	569,416.51	220,714.35	774,147.76	250.75%
VOLUNTARY PAYMENTS TO TOWNS	280,105.78	287,729.05	560,211.56	575,458.10	2.72%
	104,500.00	110,000.00	209,000.00	220,000.00	5.26%
TOTAL OPERATING EXPENSES	7,878,763.51	8,212,873.83	15,134,416.31	16,583,200.21	9.57%
OPERATING INCOME	315,658.28	(75,015.85)	535,505.99	(257,929.18)	-148.17%
PERATING REVENUES (EXPENSES)					
CONTRIBUTIONS IN AID OF CONST	1,370.80	4,765.20	5,212.93	9,901.20	89.94%
RETURN ON INVESTMENT TO READING	(182,220.00)	(180,990.00)	(364,445.00)	(361,980.00)	-0.68%
INTEREST INCOME	6,161.03	16,116.55	32,409.25	43,477.56	34.15%
INTEREST EXPENSE	(1,276.73)	(1,019.19)	(4,802.41)	(2,036.31)	-57.60%
OTHER (MDSE AND AMORT)	4,112.89	9,037.68	13,333.30	11,408.68	-14.43%
TOTAL NONOPERATING REV (EXP)	(171,852.01)	(152,089.76)	(318,291.93)	(299,228.87)	-5.99%
CHANGE IN NET ASSETS	143,806.27	(227,105.61)	217,214.06	(557,158.05)	-356.50%
NET ASSETS AT BEGINNING OF YEAR			88,039,716.12	90,819,864.61	3.16%
NET ASSETS AT END OF AUGUST			88,256,930.18	90,262,706.56	2.27%

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUSINESS-TYPE PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
8/31/10

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	8,024,393.12	7,460,055.00	564,338.12	7.56%
FUEL REVENUE	7,195,340.38	7,499,364.00	(304,023.62)	-4.05%
PURCHASED POWER CAPACITY	947,064.82	1,006,088.00	(59,023.18)	-5.87%
FORFEITED DISCOUNTS	197,779.32	164,121.00	33,658.32	20.51%
ENERGY CONSERVATION REVENUE	109,125.09	98,853.00	10,272.09	10.39%
PASNY CREDIT	(148,431.70)	(100,000.00)	(48,431.70)	48.43%
TOTAL OPERATING REVENUES	16,325,271.03	16,128,481.00	196,790.03	1.22%
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	4,966,750.11	5,008,576.00	(41,825.89)	-0.84%
PURCHASED POWER FUEL	8,706,980.03	8,453,874.00	253,106.03	2.99%
OPERATING MAINTENANCE	1,339,864.21	1,439,432.00	(99,567.79)	-6.92%
DEPRECIATION	774,147.76	694,000.00	80,147.76	11.55%
VOLUNTARY PAYMENTS TO TOWNS	575,458.10	583,334.00	(7,875.90)	-1.35%
	220,000.00	220,000.00	0.00	0.00%
TOTAL OPERATING EXPENSES	16,583,200.21	16,399,216.00	183,984.21	1.12%
OPERATING INCOME	(257,929.18)	(270,735.00)	12,805.82	-4.73%
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	9,901.20	100,000.00	(90,098.80)	-90.10%
RETURN ON INVESTMENT TO READING	(361,980.00)	(362,500.00)	520.00	-0.14%
INTEREST INCOME	43,477.56	75,000.00	(31,522.44)	-42.03%
INTEREST EXPENSE	(2,036.31)	(2,000.00)	(36.31)	1.82%
OTHER (MDSE AND AMORT)	11,408.68	20,000.00	(8,591.32)	-42.96%
TOTAL NONOPERATING REV (EXP)	(299,228.87)	(169,500.00)	(129,728.87)	76.54%
CHANGE IN NET ASSETS	(557,158.05)	(440,235.00)	(116,923.05)	26.56%
NET ASSETS AT BEGINNING OF YEAR	90,819,864.61	88,039,716.12	2,780,148.49	3.16%
NET ASSETS AT END OF AUGUST	90,262,706.56	87,599,481.12	2,663,225.44	3.04%

\* ( ) = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
RECONCILIATION OF CAPITAL FUNDS  
8/31/10

SOURCE OF CAPITAL FUNDS:

DEPRECIATION FUND BALANCE 7/1/10	4,801,693.77
CONSTRUCTION FUND BALANCE 7/1/10	0.00
INTEREST ON DEPRECIATION FUND FY 11	3,140.72
DEPRECIATION TRANSFER FY 11	575,458.10
FORCED ACCOUNTS REIMBURSEMENT	0.00
GAW SUBSTATION (FY 11)	<u>57,412.00</u>
 TOTAL SOURCE OF CAPITAL FUNDS	 5,437,704.59

USE OF CAPITAL FUNDS:

PAID ADDITIONS TO PLANT THRU AUGUST	617,603.95
PAID ADDITIONS TO GAW THRU AUGUST	57,412.00
 TOTAL USE OF CAPITAL FUNDS	 <u>675,015.95</u>

GENERAL LEDGER CAPITAL FUNDS BALANCE 8/31/10	<u><u>4,762,688.64</u></u>
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PAID ADDITIONS TO GAW FROM FY 11	57,412.00
PAID ADDITIONS TO GAW FROM FY 10	1,372,876.00
PAID ADDITIONS TO GAW FROM FY 09	3,136,764.00
PAID ADDITIONS TO GAW FROM FY 08	1,895,975.00
 TOTAL	 <u><u>6,463,027.00</u></u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SALES OF KILOWATT HOURS  
8/31/10

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	25,461,644	28,850,386	46,933,996	57,735,656	23.01%
COMM. AND INDUSTRIAL SALES	36,404,770	36,630,923	73,474,310	77,270,947	5.17%
PRIVATE STREET LIGHTING	70,020	70,898	142,069	142,232	0.11%
TOTAL PRIVATE CONSUMERS	<u>61,936,434</u>	<u>65,552,207</u>	<u>120,550,375</u>	<u>135,148,835</u>	12.11%
MUNICIPAL SALES:					
STREET LIGHTING	237,183	238,701	474,366	477,554	0.67%
MUNICIPAL BUILDINGS	827,525	792,266	1,658,717	1,668,814	0.61%
TOTAL MUNICIPAL CONSUMERS	<u>1,064,708</u>	<u>1,030,967</u>	<u>2,133,083</u>	<u>2,146,368</u>	0.62%
SALES FOR RESALE	348,515	349,576	620,719	766,682	23.52%
SCHOOL	877,368	822,236	1,867,579	1,870,028	0.13%
TOTAL KILOWATT HOURS SOLD	<u>64,227,025</u>	<u>67,754,986</u>	<u>125,171,756</u>	<u>139,931,913</u>	11.79%

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
KILOWATT HOURS SOLD BY TOWN  
8/31/10

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	28,850,386	9,031,113	4,173,809	7,519,814	8,125,650
COMM & IND	36,630,923	4,522,257	312,142	5,540,460	26,256,064
PVT ST LIGHTS	70,898	13,867	1,360	20,878	34,793
PUB ST LIGHTS	238,701	80,436	32,437	39,657	86,171
MUNI BLDGS	792,266	189,013	147,624	171,340	284,289
SALES/RESALE	349,576	349,576	0	0	0
SCHOOL	822,236	301,494	185,669	95,400	239,673
TOTAL	<u>67,754,986</u>	<u>14,487,756</u>	<u>4,853,041</u>	<u>13,387,549</u>	<u>35,026,640</u>

YEAR TO DATE

RESIDENTIAL	57,735,656	17,364,659	8,957,644	13,139,600	18,273,753
COMM & IND	77,270,947	9,604,314	629,891	11,794,291	55,242,451
PVT ST LIGHTS	142,232	27,734	2,720	41,736	70,042
PUB ST LIGHTS	477,554	160,872	65,026	79,314	172,342
MUNI BLDGS	1,668,814	407,451	304,388	369,902	587,073
SALES/RESALE	766,682	766,682	0	0	0
SCHOOL	1,870,028	700,014	428,746	241,000	500,268
TOTAL	<u>139,931,913</u>	<u>29,031,726</u>	<u>10,388,415</u>	<u>25,665,843</u>	<u>74,845,929</u>

LAST YEAR  
TO DATE

RESIDENTIAL	46,933,996	13,725,495	7,609,527	10,231,147	15,367,827
COMM & IND	73,474,310	9,143,383	584,259	11,236,225	52,510,443
PVT ST LIGHTS	142,069	28,698	2,720	41,642	69,009
PUB ST LIGHTS	474,366	157,262	65,702	79,376	172,026
MUNI BLDGS	1,658,717	407,216	281,635	328,293	641,573
SALES/RESALE	620,719	620,719	0	0	0
SCHOOL	1,867,579	742,517	414,098	211,920	499,044
TOTAL	<u>125,171,756</u>	<u>24,825,290</u>	<u>8,957,941</u>	<u>22,128,603</u>	<u>69,259,922</u>

KILOWATT HOURS SOLD TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	42.58%	13.33%	6.16%	11.10%	11.99%
COMM & IND	54.06%	6.67%	0.46%	8.18%	38.75%
PVT ST LIGHTS	0.10%	0.02%	0.00%	0.03%	0.05%
PUB ST LIGHTS	0.36%	0.12%	0.05%	0.06%	0.13%
MUNI BLDGS	1.17%	0.28%	0.22%	0.25%	0.42%
SALES/RESALE	0.52%	0.52%	0.00%	0.00%	0.00%
SCHOOL	1.21%	0.44%	0.27%	0.14%	0.36%
TOTAL	<u>100.00%</u>	<u>21.38%</u>	<u>7.16%</u>	<u>19.76%</u>	<u>51.70%</u>

YEAR TO DATE

RESIDENTIAL	41.26%	12.41%	6.40%	9.39%	13.06%
COMM & IND	55.22%	6.86%	0.45%	8.43%	39.48%
PVT ST LIGHTS	0.10%	0.02%	0.00%	0.03%	0.05%
PUB ST LIGHTS	0.34%	0.11%	0.05%	0.06%	0.12%
MUNI BLDGS	1.19%	0.29%	0.22%	0.26%	0.42%
SALES/RESALE	0.55%	0.55%	0.00%	0.00%	0.00%
SCHOOL	1.34%	0.50%	0.31%	0.17%	0.36%
TOTAL	<u>100.00%</u>	<u>20.75%</u>	<u>7.42%</u>	<u>18.34%</u>	<u>53.49%</u>

LAST YEAR  
TO DATE

RESIDENTIAL	37.50%	10.97%	6.08%	8.17%	12.28%
COMM & IND	58.70%	7.30%	0.47%	8.98%	41.95%
PVT ST LIGHTS	0.11%	0.02%	0.00%	0.03%	0.06%
PUB ST LIGHTS	0.38%	0.13%	0.05%	0.06%	0.14%
MUNI BLDGS	1.32%	0.33%	0.22%	0.26%	0.51%
SALES/RESALE	0.50%	0.50%	0.00%	0.00%	0.00%
SCHOOL	1.49%	0.59%	0.33%	0.17%	0.40%
TOTAL	<u>100.00%</u>	<u>19.84%</u>	<u>7.15%</u>	<u>17.67%</u>	<u>55.34%</u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
FORMULA INCOME  
8/31/10

TOTAL OPERATING REVENUES	(P.3)	16,325,271.03
ADD:		
POLE RENTAL		11,408.68
INTEREST INCOME ON CUSTOMER DEPOSITS		317.00
LESS:		
OPERATING EXPENSES	(P.3)	(16,583,200.21)
CUSTOMER DEPOSIT INTEREST EXPENSE		(2,036.31)
FORMULA INCOME (LOSS)		<u>(248,239.81)</u>

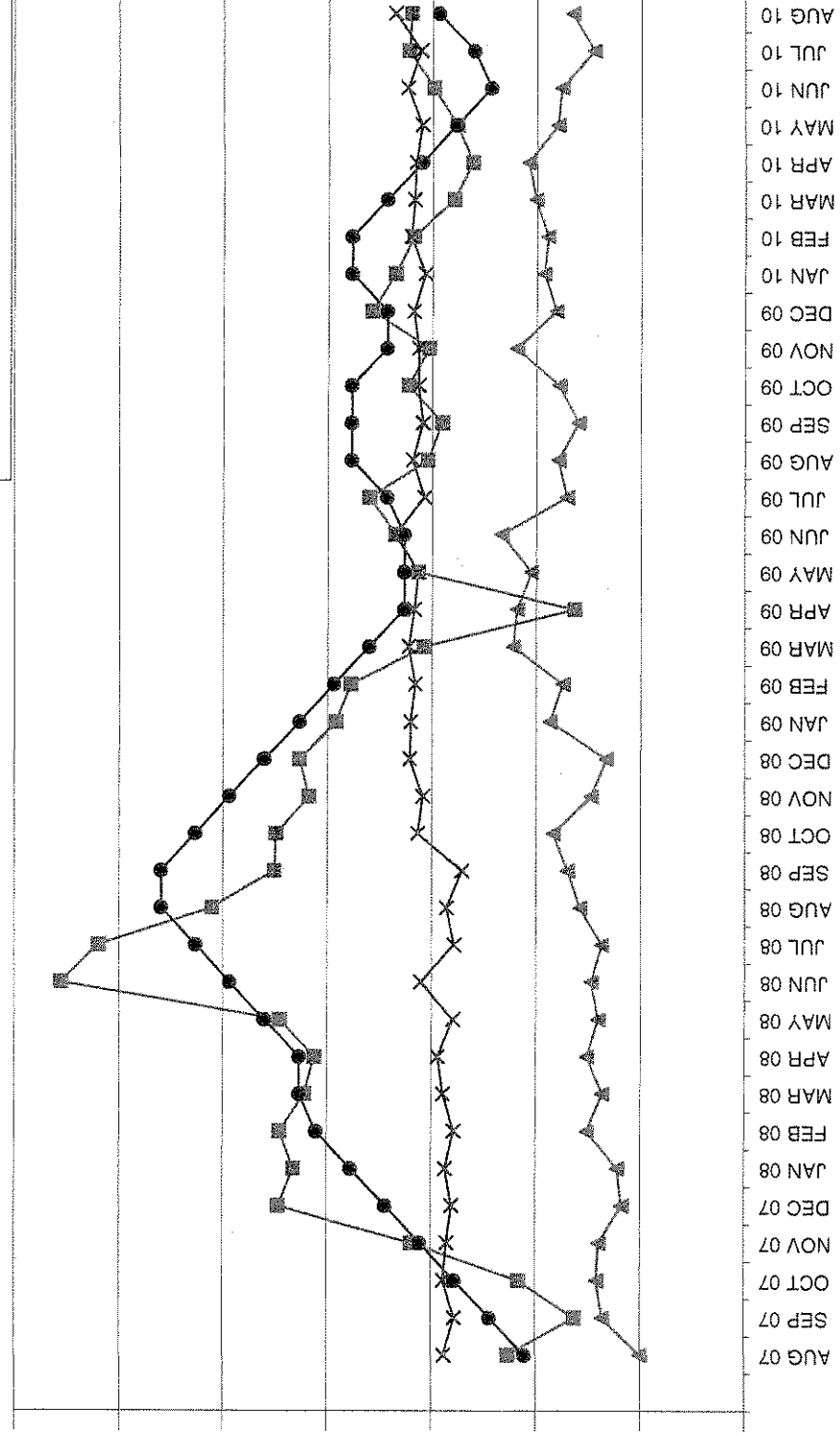
TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
GENERAL STATISTICS  
8/31/10

		MONTH OF AUG 2009	MONTH OF AUG 2010	% CHANGE		YEAR AUG 2009	THRU AUG 2010
				2009	2010		
SALE OF KWH	(P.5)	64,227,025	67,754,986	-9.91%	11.79%	125,171,756	139,931,913
KWH PURCHASED		72,835,439	71,625,136	-3.42%	9.67%	136,465,072	149,658,996
AVE BASE COST PER KWH		0.036802	0.034805	13.24%	-8.44%	0.036246	0.033187
AVE BASE SALE PER KWH		0.057793	0.060359	8.99%	0.64%	0.056982	0.057345
AVE COST PER KWH		0.092426	0.092771	-24.78%	-4.60%	0.095768	0.091366
AVE SALE PER KWH		0.124272	0.112556	-15.81%	-10.14%	0.121037	0.108765
FUEL CHARGE REVENUE (P.3)		4,269,717.20	3,536,618.90	-36.92%	-10.26%	8,017,794.29	7,195,340.38
LOAD FACTOR		64.06%	61.47%				
PEAK LOAD		155,759	159,614				

# kwh analysis

- base cost
- fuel cost
- fuel revenue
- base revenue

\$0.115  
\$0.100  
\$0.085  
\$0.070  
\$0.055  
\$0.040  
\$0.025  
\$0.010





TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF CASH AND INVESTMENTS  
8/31/10

SCHEDULE A

	PREVIOUS YEAR	CURRENT YEAR
UNRESTRICTED CASH		
CASH - OPERATING FUND	7,870,821.30	7,682,879.80
CASH - PETTY CASH	3,000.00	3,000.00
TOTAL UNRESTRICTED CASH	<u>7,873,821.30</u>	<u>7,685,879.80</u>
RESTRICTED CASH		
CASH - DEPRECIATION FUND	4,969,484.55	4,762,688.64
CASH - CONSTRUCTION FUND	592,214.62	0.00
CASH - TOWN PAYMENT	573,450.00	582,500.00
CASH - BOND PAYMENTS	562,000.00	0.00
CASH - DEFERRED FUEL RESERVE	1,595,245.81	666,040.74
CASH - RATE STABILIZATION FUND	2,355,777.55	5,375,288.04
CASH - UNCOLLECTIBLE ACCTS RESERVE	28,988.15	200,000.00
CASH - SICK LEAVE BENEFITS	1,379,517.05	3,021,914.21
CASH - INSURANCE RESERVE	35,251.72	0.00
CASH - HAZARD WASTE RESERVE	150,000.00	150,000.00
CASH - CUSTOMER DEPOSITS	495,061.98	501,190.45
CASH - ENERGY CONSERVATION	0.00	354,555.16
TOTAL RESTRICTED CASH	<u>12,736,991.43</u>	<u>15,614,177.24</u>
RESTRICTED INVESTMENTS		
RATE STABILIZATION *	2,900,000.00	0.00
SICK LEAVE BENEFITS **	1,500,000.00	0.00
TOTAL RESTRICTED INVESTMENTS	<u>4,400,000.00</u>	<u>0.00</u>
TOTAL CASH BALANCE	<u>25,010,812.73</u>	<u>23,300,057.04</u>

AUG 2009

* FED HOME LOAN MTG CORP	1,400,000.00;	DTD 05/08/08; INT 4.00%; MATURITY 11/15/13
* FED HOME LOAN MTG CORP	1,500,000.00;	DTD 01/23/09; INT 2.00%; MATURITY 01/15/13
** FED HOME LOAN MTG CORP	500,000.00;	DTD 01/23/09; INT 2.00%; MATURITY 01/15/13
** FED HOME LOAN MTG CORP	500,000.00;	DTD 01/25/08; INT 4.25%; MATURITY 01/15/15
** FED NATIONAL MORT ASSN	500,000.00;	DTD 11/13/07; INT 5.25%; MATURITY 11/13/17

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF ACCOUNTS RECEIVABLE  
8/31/10

SCHEDULE B

SCHEDULE OF ACCOUNTS RECEIVABLE	PREVIOUS YEAR	CURRENT YEAR
RESIDENTIAL AND COMMERCIAL	4,263,388.63	4,094,447.71
ACCOUNTS RECEIVABLE - OTHER	227,623.91	458,434.02
ACCOUNTS RECEIVABLE - LIENS	111,215.75	54,049.80
ACCOUNTS RECEIVABLE - EMPLOYEE ADVANCES	1,067.16	1,067.16
SALES DISCOUNT LIABILITY	(243,738.33)	(325,446.55)
RESERVE FOR UNCOLLECTIBLE ACCOUNTS	(206,111.95)	(228,315.03)
TOTAL ACCOUNTS RECEIVABLE BILLED	<u>4,153,445.17</u>	<u>4,054,237.11</u>
UNBILLED ACCOUNTS RECEIVABLE	4,172,944.58	4,055,159.11
TOTAL ACCOUNTS RECEIVABLE, NET	<u><u>8,326,389.75</u></u>	<u><u>8,109,396.22</u></u>

SCHEDULE OF PREPAYMENTS		
PREPAID INSURANCE	950,936.32	962,077.53
PREPAYMENT PURCHASED POWER	239,257.90	210,123.57
PREPAYMENT PASNY	324,535.66	247,206.63
PREPAYMENT WATSON	0.00	306,321.02
TOTAL PREPAYMENT	<u><u>1,514,729.88</u></u>	<u><u>1,725,728.75</u></u>

ACCOUNTS RECEIVABLE AGING AUGUST 2010:

RESIDENTIAL AND COMMERCIAL	4,094,447.71
LESS: SALES DISCOUNT LIABILITY	(325,446.55)
GENERAL LEDGER BALANCE	<u><u>3,769,001.16</u></u>

CURRENT	3,205,493.52	85.05%
30 DAYS	411,917.83	10.93%
60 DAYS	76,785.86	2.04%
90 DAYS	13,706.96	0.36%
OVER 90 DAYS	61,096.99	1.62%
TOTAL	<u><u>3,769,001.16</u></u>	<u><u>100.00%</u></u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF OPERATING REVENUE  
8/31/10

SCHEDULE D

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	3,436,438.89	3,511,565.35	6,234,551.81	6,879,969.30	10.35%
COMM AND INDUSTRIAL SALES	4,227,942.75	3,798,842.54	8,289,161.97	7,747,000.25	-6.54%
PRIVATE STREET LIGHTING	10,482.33	9,744.90	20,896.97	19,186.66	-8.18%
TOTAL PRIVATE CONSUMERS	<u>7,674,863.97</u>	<u>7,320,152.79</u>	<u>14,544,610.75</u>	<u>14,646,156.21</u>	0.70%
MUNICIPAL SALES:					
STREET LIGHTING	47,061.26	44,179.65	92,900.83	87,161.49	-6.18%
MUNICIPAL BUILDINGS	103,234.83	89,579.98	201,454.33	182,613.85	-9.35%
TOTAL MUNICIPAL CONSUMERS	<u>150,296.09</u>	<u>133,759.63</u>	<u>294,355.16</u>	<u>269,775.34</u>	-8.35%
SALES FOR RESALE	44,937.37	40,549.79	78,646.37	86,795.19	10.36%
SCHOOL	<u>111,513.74</u>	<u>99,026.63</u>	<u>232,753.10</u>	<u>217,006.76</u>	-6.77%
SUB-TOTAL	7,981,611.17	7,593,488.84	15,150,365.38	15,219,733.50	0.46%
FORFEITED DISCOUNTS	75,272.80	116,194.56	129,284.88	197,779.32	52.98%
PURCHASED POWER CAPACITY	122,895.74	425,695.76	329,710.92	947,064.82	187.24%
ENERGY CONSERVATION - RESIDENTIAL	12,736.28	14,431.42	23,479.02	28,880.32	23.00%
ENERGY CONSERVATION - COMMERCIAL	37,809.12	37,977.36	76,425.58	80,244.77	5.00%
PASNY CREDIT	(35,903.32)	(49,929.96)	(39,343.48)	(148,431.70)	277.27%
TOTAL REVENUE	<u>8,194,421.79</u>	<u>8,137,857.98</u>	<u>15,669,922.30</u>	<u>16,325,271.03</u>	4.18%

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF OPERATING REVENUE BY TOWN  
8/31/10

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	3,511,565.35	1,101,687.87	506,166.68	912,870.63	990,840.17
INDUS/MUNI BLDG	3,888,422.52	511,955.31	50,389.55	607,108.89	2,718,968.77
PUB.ST.LIGHTS	44,179.65	15,503.86	5,359.74	7,270.14	16,045.91
PRV.ST.LIGHTS	9,744.90	1,855.68	186.33	3,007.03	4,695.86
CO-OP RESALE	40,549.79	40,549.79	0.00	0.00	0.00
SCHOOL	99,026.63	36,304.87	21,694.23	12,161.22	28,866.31
<b>TOTAL</b>	<b>7,593,488.84</b>	<b>1,707,857.38</b>	<b>583,796.53</b>	<b>1,542,417.91</b>	<b>3,759,417.02</b>

THIS YEAR TO DATE

RESIDENTIAL	6,879,969.30	2,077,554.42	1,060,781.07	1,570,451.63	2,171,182.18
INDUS/MUNI BLDG	7,929,614.10	1,050,346.27	99,756.14	1,246,774.85	5,532,736.84
PUB.ST.LIGHTS	87,161.49	30,597.75	10,572.92	14,338.18	31,652.64
PRV.ST.LIGHTS	19,186.66	3,640.78	365.71	5,902.21	9,277.96
CO-OP RESALE	86,795.19	86,795.19	0.00	0.00	0.00
SCHOOL	217,006.76	80,929.51	48,468.37	28,813.81	58,795.07
<b>TOTAL</b>	<b>15,219,733.50</b>	<b>3,329,863.92</b>	<b>1,219,944.19</b>	<b>2,866,280.69</b>	<b>7,803,644.70</b>

LAST YEAR TO DATE

RESIDENTIAL	6,234,551.81	1,827,943.22	1,004,192.08	1,366,603.12	2,035,813.39
INDUS/MUNI BLDG	8,490,616.30	1,124,177.29	105,018.53	1,320,813.11	5,940,607.37
PUB.ST.LIGHTS	92,900.83	32,172.02	11,504.29	15,414.49	33,810.03
PRV.ST.LIGHTS	20,896.97	4,133.61	401.33	6,411.78	9,950.25
CO-OP RESALE	78,646.37	78,646.37	0.00	0.00	0.00
SCHOOL	232,753.10	91,849.96	50,208.20	27,888.72	62,806.22
<b>TOTAL</b>	<b>15,150,365.38</b>	<b>3,158,922.47</b>	<b>1,171,324.43</b>	<b>2,737,131.22</b>	<b>8,082,987.26</b>

PERCENTAGE OF OPERATING INCOME TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	46.25%	14.51%	6.67%	12.02%	13.05%
INDUS/MUNI BLDG	51.21%	6.74%	0.66%	8.00%	35.81%
PUB.ST.LIGHTS	0.58%	0.20%	0.07%	0.10%	0.21%
PRV.ST.LIGHTS	0.13%	0.02%	0.00%	0.04%	0.07%
CO-OP RESALE	0.53%	0.53%	0.00%	0.00%	0.00%
SCHOOL	1.30%	0.48%	0.29%	0.16%	0.37%
<b>TOTAL</b>	<b>100.00%</b>	<b>22.48%</b>	<b>7.69%</b>	<b>20.32%</b>	<b>49.51%</b>

THIS YEAR TO DATE

RESIDENTIAL	45.20%	13.65%	6.97%	10.32%	14.26%
INDUS/MUNI BLDG	52.10%	6.90%	0.66%	8.19%	36.35%
PUB.ST.LIGHTS	0.57%	0.20%	0.07%	0.09%	0.21%
PRV.ST.LIGHTS	0.13%	0.02%	0.00%	0.04%	0.07%
CO-OP RESALE	0.57%	0.57%	0.00%	0.00%	0.00%
SCHOOL	1.43%	0.53%	0.32%	0.19%	0.39%
<b>TOTAL</b>	<b>100.00%</b>	<b>21.87%</b>	<b>8.02%</b>	<b>18.83%</b>	<b>51.28%</b>

LAST YEAR TO DATE

RESIDENTIAL	41.15%	12.07%	6.63%	9.02%	13.43%
INDUS/MUNI BLDG	56.04%	7.42%	0.69%	8.72%	39.21%
PUB.ST.LIGHTS	0.61%	0.21%	0.08%	0.10%	0.22%
PRV.ST.LIGHTS	0.14%	0.03%	0.00%	0.04%	0.07%
CO-OP RESALE	0.52%	0.52%	0.00%	0.00%	0.00%
SCHOOL	1.54%	0.61%	0.33%	0.18%	0.42%
<b>TOTAL</b>	<b>100.00%</b>	<b>20.86%</b>	<b>7.73%</b>	<b>18.06%</b>	<b>53.35%</b>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUDGETED REVENUE VARIANCE REPORT  
8/31/10

SCHEDULE F

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
SALES OF ELECTRICITY:				
RESIDENTIAL	3,906,762.74	3,351,598.00	555,164.74	16.56%
COMM AND INDUSTRIAL SALES				
PRIVATE STREET LIGHTING	3,886,318.47	3,858,494.00	27,824.47	0.72%
MUNICIPAL BUILDINGS				
PUBLIC STREET LIGHTING	62,567.82	89,656.00	(27,088.18)	-30.21%
SALES FOR RESALE	47,479.89	45,297.00	2,182.89	4.82%
SCHOOL	<u>121,264.20</u>	<u>115,010.00</u>	<u>6,254.20</u>	5.44%
TOTAL BASE SALES	8,024,393.12	7,460,055.00	564,338.12	7.56%
TOTAL FUEL SALES	<u>7,195,340.38</u>	<u>7,499,364.00</u>	<u>(304,023.62)</u>	-4.05%
TOTAL OPERATING REVENUE	15,219,733.50	14,959,419.00	260,314.50	1.74%
FORFEITED DISCOUNTS	197,779.32	164,121.00	33,658.32	20.51%
PURCHASED POWER CAPACITY	947,064.82	1,006,088.00	(59,023.18)	-5.87%
ENERGY CONSERVATION - RESIDENTIAL	28,880.32	22,333.00	6,547.32	29.32%
ENERGY CONSERVATION - COMMERCIAL	80,244.77	76,520.00	3,724.77	4.87%
PASNY CREDIT	(148,431.70)	(100,000.00)	(48,431.70)	48.43%
TOTAL OPERATING REVENUES	<u><u>16,325,271.03</u></u>	<u><u>16,128,481.00</u></u>	<u><u>196,790.03</u></u>	1.22%

\* ( ) = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF OPERATING EXPENSES  
8/31/10

SCHEDULE E

OPERATION EXPENSES:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
PURCHASED POWER BASE EXPENSE	2,680,493.12	2,492,886.25	4,946,373.91	4,966,750.11	0.41%
OPERATION SUPER AND ENGIN-TRANS	0.00	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	32,454.89	31,125.92	48,987.56	76,275.49	55.70%
STATION SUP LABOR AND MISC	375.58	8,229.53	751.16	18,234.52	2327.51%
LINE MISC LABOR AND EXPENSE	55,933.48	50,705.66	106,942.56	102,621.20	-4.04%
STATION LABOR AND EXPENSE	42,493.56	35,039.36	74,311.39	73,563.14	-1.01%
STREET LIGHTING EXPENSE	2,415.96	4,212.93	5,014.67	7,203.07	43.64%
METER EXPENSE	29,784.99	25,852.63	50,301.61	48,330.64	-3.92%
MISC DISTRIBUTION EXPENSE	26,322.31	28,683.58	47,388.69	53,335.64	12.55%
METER READING LABOR & EXPENSE	7,032.40	6,059.26	16,868.05	16,091.98	-4.60%
ACCT & COLL LABOR & EXPENSE	129,745.86	81,830.38	214,713.98	183,345.54	-14.61%
UNCOLLECTIBLE ACCOUNTS	12,500.00	15,000.00	25,000.00	30,000.00	20.00%
ENERGY AUDIT EXPENSE	38,883.43	33,841.05	65,737.81	74,347.85	13.10%
ADMIN & GEN SALARIES	66,146.25	52,894.91	115,079.53	113,231.53	-1.61%
OFFICE SUPPLIES & EXPENSE	21,749.66	26,438.35	25,058.50	45,547.15	81.76%
OUTSIDE SERVICES	9,480.95	14,714.11	9,480.95	17,531.88	84.92%
PROPERTY INSURANCE	31,019.91	31,201.88	62,039.82	61,833.76	-0.33%
INJURIES AND DAMAGES	3,059.64	3,547.70	6,123.29	7,928.03	29.47%
EMPLOYEES PENSIONS & BENEFITS	57,787.22	99,822.20	121,291.42	294,914.26	143.15%
MISC GENERAL EXPENSE	11,863.15	17,557.68	21,196.14	24,520.88	15.69%
RENT EXPENSE	13,968.28	14,109.63	27,413.91	27,555.26	0.52%
ENERGY CONSERVATION	17,035.60	20,103.79	31,816.20	63,452.39	99.43%
TOTAL OPERATION EXPENSES	610,053.12	600,970.55	1,075,517.24	1,339,864.21	24.58%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	227.08	227.08	454.16	454.16	0.00%
MAINT OF STRUCT AND EQUIPMT	7,763.22	10,273.72	3,322.05	18,223.56	448.56%
MAINT OF LINES - OH	71,031.97	90,491.03	100,789.75	182,937.43	81.50%
MAINT OF LINES - UG	12,706.69	2,304.99	13,747.66	24,706.62	79.72%
MAINT OF LINE TRANSFORMERS **	3,740.30	397,411.15	10,836.94	446,884.34	4023.71%
MAINT OF ST LT & SIG SYSTEM	(21.89)	(16.77)	(68.80)	(97.14)	41.19%
MAINT OF GARAGE AND STOCKROOM	48,912.75	61,430.95	77,921.52	86,843.68	11.45%
MAINT OF METERS	0.00	0.00	531.31	0.00	-100.00%
MAINT OF GEN PLANT	7,890.44	7,294.36	13,179.76	14,195.11	7.70%
TOTAL MAINTENANCE EXPENSES	152,250.56	569,416.51	220,714.35	774,147.76	250.75%
DEPRECIATION EXPENSE	280,105.78	287,729.05	560,211.56	575,458.10	2.72%
PURCHASED POWER FUEL EXPENSE	4,051,360.93	4,151,871.47	8,122,599.25	8,706,980.03	7.19%
VOLUNTARY PAYMENTS TO TOWNS	104,500.00	110,000.00	209,000.00	220,000.00	5.26%
TOTAL OPERATING EXPENSES	7,878,763.51	8,212,873.83	15,134,416.31	16,583,200.21	9.57%

\*\* FY 11 YTD total includes GAW soil remediation expenses totalling \$421,396.84  
Total costs to date for entire project is \$1,517,828.08

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUDGETED OPERATING EXPENSE VARIANCE REPORT  
8/31/10

SCHEDULE G

OPERATION EXPENSES:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
PURCHASED POWER BASE EXPENSE	4,966,750.11	5,008,576.00	(41,825.89)	-0.84%
OPERATION SUPER AND ENGIN-TRANS	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	76,275.49	67,896.00	8,379.49	12.34%
STATION SUP LABOR AND MISC	18,234.52	12,684.00	5,550.52	43.76%
LINE MISC LABOR AND EXPENSE	102,621.20	80,730.00	21,891.20	27.12%
STATION LABOR AND EXPENSE	73,563.14	66,224.00	7,339.14	11.08%
STREET LIGHTING EXPENSE	7,203.07	10,859.00	(3,655.93)	-33.67%
METER EXPENSE	48,330.64	75,511.00	(27,180.36)	-36.00%
MISC DISTRIBUTION EXPENSE	53,335.64	53,254.00	81.64	0.15%
METER READING LABOR & EXPENSE	16,091.98	10,285.00	5,806.98	56.46%
ACCT & COLL LABOR & EXPENSE	183,345.54	214,082.00	(30,736.46)	-14.36%
UNCOLLECTIBLE ACCOUNTS	30,000.00	30,000.00	0.00	0.00%
ENERGY AUDIT EXPENSE	74,347.85	71,304.00	3,043.85	4.27%
ADMIN & GEN SALARIES	113,231.53	117,360.00	(4,128.47)	-3.52%
OFFICE SUPPLIES & EXPENSE	45,547.15	46,413.00	(865.85)	-1.87%
OUTSIDE SERVICES	17,531.88	59,338.00	(41,806.12)	-70.45%
PROPERTY INSURANCE	61,833.76	79,806.00	(17,972.24)	-22.52%
INJURIES AND DAMAGES	7,928.03	11,176.00	(3,247.97)	-29.06%
EMPLOYEES PENSIONS & BENEFITS	294,914.26	249,491.00	45,423.26	18.21%
MISC GENERAL EXPENSE	24,520.88	34,277.00	(9,756.12)	-28.46%
RENT EXPENSE	27,555.26	35,334.00	(7,778.74)	-22.01%
ENERGY CONSERVATION	63,452.39	113,408.00	(49,955.61)	-44.05%
TOTAL OPERATION EXPENSES	1,339,864.21	1,439,432.00	(99,567.79)	-6.92%
MAINTENANCE EXPENSES:				
MAINT OF TRANSMISSION PLANT	454.16	500.00	(45.84)	-9.17%
MAINT OF STRUCT AND EQUIPMENT	18,223.56	30,595.00	(12,371.44)	-40.44%
MAINT OF LINES - OH	182,937.43	189,458.00	(6,520.57)	-3.44%
MAINT OF LINES - UG	24,706.62	31,590.00	(6,883.38)	-21.79%
MAINT OF LINE TRANSFORMERS **	446,884.34	319,334.00	127,550.34	39.94%
MAINT OF ST LT & SIG SYSTEM	(97.14)	1,429.00	(1,526.14)	-106.80%
MAINT OF GARAGE AND STOCKROOM	86,843.68	98,488.00	(11,644.32)	-11.82%
MAINT OF METERS	0.00	606.00	(606.00)	-100.00%
MAINT OF GEN PLANT	14,195.11	22,000.00	(7,804.89)	-35.48%
TOTAL MAINTENANCE EXPENSES	774,147.76	694,000.00	80,147.76	11.55%
DEPRECIATION EXPENSE	575,458.10	583,334.00	(7,875.90)	-1.35%
PURCHASED POWER FUEL EXPENSE	8,706,980.03	8,453,874.00	253,106.03	2.99%
VOLUNTARY PAYMENTS TO TOWNS	220,000.00	220,000.00	0.00	0.00%
TOTAL OPERATING EXPENSES	16,583,200.21	16,399,216.00	183,984.21	1.12%

\* ( ) = ACTUAL UNDER BUDGET

\*\* FY 11 YTD total includes GAW soil remediation expenses totalling \$421,396.84  
Total costs to date for entire project is \$1,517,828.08

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUDGETED OPERATING EXPENSE VARIANCE REPORT  
8/31/10

OPERATION EXPENSES:	RESPONSIBLE SENIOR MANAGER	2011 ANNUAL BUDGET	ACTUAL YEAR TO DATE	REMAINING BUDGET BALANCE	REMAINING BUDGET %
PURCHASED POWER BASE EXPENSE	JP	27,711,574.00	4,966,750.11	22,744,823.89	82.08%
OPERATION SUPER AND ENGIN-TRANS	KS	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	KS	441,828.00	76,275.49	365,552.51	82.74%
STATION SUP LABOR AND MISC	KS	85,205.00	18,234.52	66,970.48	78.60%
LINE MISC LABOR AND EXPENSE	KS	520,806.00	102,621.20	418,184.80	80.30%
STATION LABOR AND EXPENSE	KS	426,438.00	73,563.14	352,874.86	82.75%
STREET LIGHTING EXPENSE	KS	66,694.00	7,203.07	59,490.93	89.20%
METER EXPENSE	DA	482,771.00	48,330.64	434,440.36	89.99%
MISC DISTRIBUTION EXPENSE	JD	347,115.00	53,335.64	293,779.36	84.63%
METER READING LABOR & EXPENSE	DA	64,358.00	16,091.98	48,266.02	75.00%
ACCT & COLL LABOR & EXPENSE	RF	1,397,984.00	183,345.54	1,214,638.46	86.89%
UNCOLLECTIBLE ACCOUNTS	RF	180,000.00	30,000.00	150,000.00	83.33%
ENERGY AUDIT EXPENSE	VC	494,776.00	74,347.85	420,428.15	84.97%
ADMIN & GEN SALARIES	JP	776,849.00	113,231.53	663,617.47	85.42%
OFFICE SUPPLIES & EXPENSE	VC	278,100.00	45,547.15	232,552.85	83.62%
OUTSIDE SERVICES	VC	293,500.00	17,531.88	275,968.12	94.03%
PROPERTY INSURANCE	JD	478,900.00	61,833.76	417,066.24	87.09%
INJURIES AND DAMAGES	JD	64,805.00	7,928.03	56,876.97	87.77%
EMPLOYEES PENSIONS & BENEFITS	JD	1,188,607.00	294,914.26	893,692.74	75.19%
MISC GENERAL EXPENSE	VC	212,096.00	24,520.88	187,575.12	88.44%
RENT EXPENSE	JD	212,000.00	27,555.26	184,444.74	87.00%
ENERGY CONSERVATION	JP	643,730.00	63,452.39	580,277.61	100.00%
TOTAL OPERATION EXPENSES		8,656,562.00	1,339,864.21	7,316,697.79	84.52%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	KS	3,000.00	454.16	2,545.84	84.86%
MAINT OF STRUCT AND EQUIPMT	KS	187,404.00	18,223.56	169,180.44	90.28%
MAINT OF LINES - OH	KS	1,199,735.00	182,937.43	1,016,797.57	84.75%
MAINT OF LINES - UG	KS	190,258.00	24,706.62	165,551.38	87.01%
MAINT OF LINE TRANSFORMERS **	KS	693,500.00	446,884.34	246,615.66	35.56%
MAINT OF ST LT & SIG SYSTEM	JD	8,857.00	(97.14)	8,954.14	101.10%
MAINT OF GARAGE AND STOCKROOM	JD	676,532.00	86,843.68	589,688.32	87.16%
MAINT OF METERS	DA	3,875.00	0.00	3,875.00	100.00%
MAINT OF GEN PLANT	RF	132,000.00	14,195.11	117,804.89	89.25%
TOTAL MAINTENANCE EXPENSES		3,095,161.00	774,147.76	2,321,013.24	74.99%
DEPRECIATION EXPENSE	RF	3,500,000.00	575,458.10	2,924,541.90	83.56%
PURCHASED POWER FUEL EXPENSE	JP	39,512,664.00	8,706,980.03	30,805,683.97	77.96%
VOLUNTARY PAYMENTS TO TOWNS	RF	1,320,000.00	220,000.00	1,100,000.00	83.33%
TOTAL OPERATING EXPENSES		83,795,961.00	16,583,200.21	67,212,760.79	80.21%

\*\* FY 11 YTD total includes GAW soil remediation expenses totalling \$421,396.84  
Total costs to date for entire project is \$1,517,828.08



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
PROFESSIONAL SERVICES  
8/31/2010

PROFESSIONAL SERVICES BY PROJECT

ITEM	DEPARTMENT	ACTUAL	BUDGET	VARIANCE
1 RMLD AND PENSION TRUST AUDIT FEES	ACCOUNTING	5,250.00	18,000.00	(12,750.00)
2 PENSION ACTUARIAL EVALUATION	ACCOUNTING	0.00	0.00	0.00
3 LEGAL- FERC/ISO ISSUES	ENERGY SERVICE	0.00	3,000.00	(3,000.00)
4 LEGAL- POWER SUPPLY ISSUES	ENERGY SERVICE	560.21	8,000.00	(7,439.79)
5 PROFESSIONAL SERVICES	ENERGY SERVICE	0.00	5,000.00	(5,000.00)
6 NERC COMPLIANCE	E & O	0.00	1,250.00	(1,250.00)
7 ENGINEERING STUDIES	ENGINEERING	0.00	3,750.00	(3,750.00)
8 LEGAL SERVICES- GENERAL	GM	11,577.92	8,334.00	3,243.92
9 LEGAL SERVICES- ARBITRATION	HR	0.00	0.00	0.00
10 LEGAL GENERAL	HR	143.75	7,000.00	(6,856.25)
11 LEGAL GENERAL	BLDG. MAINT.	0.00	250.00	(250.00)
12 SURVEY RIGHT OF WAY	BLDG. MAINT.	0.00	834.00	(834.00)
13 ENVIRONMENTAL	BLDG. MAINT.	0.00	834.00	(834.00)
14 ENGINEERING SERVICES	BLDG. MAINT.	0.00	1,420.00	(1,420.00)
15 INSURANCE CONSULTANT	GEN. BENEFIT	0.00	1,666.00	(1,666.00)
TOTAL		<u>17,531.88</u>	<u>59,338.00</u>	<u>(41,806.12)</u>

PROFESSIONAL SERVICES BY VENDOR

	ACTUAL
MELANSON HEATH & COMPANY PC	6,817.77
RUBIN AND RUDMAN	5,938.11
DUNCAN AND ALLEN	4,632.25
CHOATE HALL AND STEWART	143.75
TOTAL	<u>17,531.88</u>

RMLD  
BUDGET VARIANCE REPORT  
FOR PERIOD ENDING AUGUST 31, 2010

DIVISION	ACTUAL	BUDGET	VARIANCE	CHANGE
ENGINEERING AND OPERATIONS	1,044,400	932,898	111,502	11.95%
ENERGY SERVICES	138,286	200,795	(62,510)	-31.13%
GENERAL MANAGER	102,904	116,911	(14,007)	-11.98%
FACILITY MANAGER	544,746	547,967	(3,221)	-0.59%
BUSINESS DIVISION	<u>1,443,151</u>	<u>1,502,691</u>	<u>(59,541)</u>	-3.96%
 SUB-TOTAL	 3,273,487	 3,301,262	 (27,776)	 -0.84%
 PURCHASED POWER - BASE	 4,966,750	 5,008,576	 (41,826)	 -0.84%
 PURCHASED POWER - FUEL	 8,706,980	 8,453,874	 253,106	 2.99%
 TOTAL	 <u>16,947,217</u>	 <u>16,763,712</u>	 <u>183,504</u>	 1.09%

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RMLD  
ENGINEERING AND OPERATIONS DIVISION BUDGET VARIANCE REPORT  
FOR PERIOD ENDING AUGUST 31, 2010

E&O MGR 55	JUL	AUG	ACTUAL YTD TOTAL	BUDGET YTD TOTAL	ACT/BUD VARIANCE %
01-55-5920-101 LABOR REG	15,351	13,955	29,306	27,135	8.00%
01-55-5920-102 LABOR OT	0	0	0	250	-100.00%
01-55-5921-000 OFFICE SUPPLIES	0	28	28	84	-66.62%
01-55-5930-103 EE EDUCATION	0	0	0	1,500	-100.00%
01-55-5930-106 VEHICLE	(792)	(165)	(958)	811	-218.03%
01-55-5923-000 OUTSIDE SERVICES	0	0	0	1,250	-100.00%
01-55-5930-105 MISC GENERAL	348	165	513	84	510.85%
<b>SUB-TOTAL</b>	<b>14,907</b>	<b>13,983</b>	<b>28,890</b>	<b>31,115</b>	<b>-7.15%</b>

ENGINEERING 65					
01-65-5580-101 LABOR REG	30,945	29,750	60,695	57,168	6.17%
01-65-5580-102 LABOR OT	5,241	1,333	6,575	6,666	-1.37%
01-65-5580-103 EE EDUCATION	0	0	0	2,500	-100.00%
01-65-5580-105 SUPPLIES	9,599	175	9,774	750	1203.14%
01-65-5580-106 VEHICLE	(635)	(133)	(768)	811	-194.65%
01-65-5921-000 OFFICE SUPPLIES	75	6	81	166	-50.92%
01-65-5923-000 OUTSIDE SERVICES	0	0	0	3,750	-100.00%
<b>SUB-TOTAL</b>	<b>45,225</b>	<b>31,132</b>	<b>76,357</b>	<b>71,811</b>	<b>6.33%</b>

INE 66

01-66-5568-109 MAINT OF TRANS EXP	227	227	454	500	-9.17%
01-66-5581-101 LABOR MISC	42,650	38,225	80,875	52,689	53.50%
01-66-5581-109 GENERAL EXP	7,059	12,028	19,087	16,666	14.53%
01-66-5581-103 EE EDUCATION	2,206	453	2,659	11,375	-76.62%
01-66-5585-109 STREET LIGHT EXP	700	1,604	2,304	3,334	-30.88%
01-66-5585-101 LABOR REG ST LIGHT	1,557	1,743	3,300	2,634	25.28%
01-66-5585-102 LABOR OT ST LIGHT	377	65	442	834	-47.01%
01-66-5585-106 VEHICLE ST LIGHT	355	801	1,156	4,056	-71.49%
01-66-5593-109 MAINT OF LINES	7,580	2,592	10,172	17,334	-41.32%
01-66-5593-101 LABOR REG MAINT LINE	30,857	36,751	67,608	41,263	63.85%
01-66-5593-102 LABOR OT MAINT LINE	45,585	21,265	66,851	43,340	54.25%
01-66-5593-106 VEHICLE MAINT OH LINE	(5,468)	12,938	7,471	27,582	-72.91%
01-78-5593-110 TREE TRIMMING	13,892	16,945	30,837	59,938	-48.55%
01-66-5594-109 MAINT UG LINE	18,587	1,374	19,961	26,666	-25.14%
01-66-5594-101 LABOR REG UG LINES	3,541	279	3,820	2,113	80.82%
01-66-5594-102 LABOR OT UG LINE	0	583	583	1,666	-65.00%
01-66-5594-106 VEHICLE UG LINE	274	69	342	1,145	-70.09%
01-66-5596-109 ST LT & SIG EXP	0	0	0	42	-100.00%
01-66-5596-101 LABOR REG ST LT/SG	0	0	0	939	-100.00%
01-66-5596-102 LABOR OT ST LT/SG	0	0	0	42	-100.00%
01-66-5596-106 VEHICLE ST LT/SG	(80)	(17)	(97)	406	-123.95%
01-66-5921-000 OFFICE SUPPLIES	0	0	0	42	-100.00%
<b>SUB-TOTAL</b>	<b>169,900</b>	<b>147,925</b>	<b>317,825</b>	<b>314,607</b>	<b>1.02%</b>

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RMLD  
ENGINEERING AND OPERATIONS DIVISION BUDGET VARIANCE REPORT  
FOR PERIOD ENDING AUGUST 31, 2010

METER READING	80	JUL	AUG	ACTUAL YTD TOTAL	BUDGET YTD TOTAL	ACT/BUD VARIANCE %
01-80-5902-101	LABOR REG	8,133	5,003	13,137	8,519	54.20%
01-80-5902-102	LABOR OT	1,138	0	1,138	250	355.15%
01-80-5902-105	SUPPLIES	36	0	36	300	-88.00%
01-80-5902-106	VEHICLE	725	1,056	1,781	1,217	46.39%
SUB-TOTAL		10,033	6,059	16,092	10,286	56.45%
METER TECHNICIANS	67					
01-67-5586-109	METER TECH EXP	1,143	1,615	2,758	2,166	27.35%
01-67-5586-101	LABOR REG	21,587	23,846	45,433	49,095	-7.46%
01-67-5586-102	LABOR OT	647	202	849	20,566	-95.87%
01-67-5586-103	EE EDUCATION	0	0	0	1,250	-100.00%
01-67-5586-106	VEHICLE	(899)	189	(710)	2,434	-129.17%
01-67-5921-000	OFFICE SUPPLIES	0	0	0	42	-100.00%
SUB-TOTAL		22,478	25,853	48,331	75,552	-36.03%
STATION	68					
01-68-5581-109	STATION OP	603	385	988	834	18.49%
01-68-5581-101	LABOR REG SUP	9,402	7,845	17,246	11,850	45.51%
01-68-5582-109	STATION SUPPLIES	(1,701)	(78)	(1,779)	834	-313.31%
01-68-5582-101	LABOR REG	30,236	27,667	57,903	43,109	34.32%
01-68-5582-102	LABOR OT	10,152	7,436	17,588	20,000	-12.06%
01-68-5582-103	EE EDUCATION	0	0	0	1,875	-100.00%
01-68-5582-105	SUPPLIES	74	64	138	0	100.00%
01-68-5582-106	VEHICLE	(237)	(50)	(287)	406	-170.70%
SUB-TOTAL		48,529	43,269	91,798	78,907	16.34%
01-68-5590-109	SENIOR TECH EXP	(1,512)	29	(1,483)	5,000	-129.66%
01-68-5590-101	LABOR REG	8,364	9,919	18,283	22,024	-16.99%
01-68-5590-102	LABOR OT	1,290	168	1,457	1,666	-12.52%
01-68-5590-103	EE EDUCATION	0	0	0	834	-100.00%
01-68-5590-105	SUPPLIES	45	208	253	666	-62.00%
01-68-5590-106	VEHICLE	(237)	(50)	(287)	406	-170.70%
01-68-5595-000	TRANSFORMER MAINT	49,473	397,411	446,884	319,334	39.94%
01-68-5597-109	MAINT METERS	0	0	0	166	-100.00%
01-68-5597-101	LABOR REG	0	0	0	355	-100.00%
01-68-5597-102	LABOR OT	0	0	0	84	-100.00%
01-68-5921-000	OFFICE SUPPLIES	0	0	0	84	-100.00%
SUB-TOTAL		57,423	407,685	465,108	350,619	32.65%
GRAND TOTAL		368,494	675,906	1,044,400	932,898	11.95%

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RMLD  
BUSINESS DIVISION BUDGET VARIANCE REPORT  
FOR PERIOD ENDING AUGUST 31, 2010

	JUL	AUG	ACTUAL YTD TOTAL	BUDGET YTD TOTAL	ACT/BUD VARIANCE %
<b>ACCOUNTING 59</b>					
01-59-5903-101 LABOR REG	15,020	13,836	28,856	29,147	-1.00%
01-59-5903-102 LABOR OT	0	0	0	100	-100.00%
01-59-5903-103 EE EDUCATION	0	0	0	0	0.00%
01-59-5903-105 SUPPLIES	13,757	2,708	16,465	46,900	-64.89%
01-59-5921-000 OFFICE SUPPLIES	18,407	26,404	44,811	42,500	5.44%
01-59-5923-000 OUTSIDE SERVICES	1,250	4,000	5,250	18,000	100.00%
<b>SUB-TOTAL</b>	<b>48,434</b>	<b>46,949</b>	<b>95,383</b>	<b>136,647</b>	<b>-30.20%</b>
<b>CUSTOMER SERVICE 62</b>					
01-62-5903-101 LABOR REG	34,762	31,632	66,393	69,319	-4.22%
01-62-5903-102 LABOR OT	41	0	41	1,000	-95.89%
01-62-5903-103 EE EDUCATION	4,437	152	4,589	750	511.92%
01-62-5903-105 SUPPLIES	0	0	0	2,500	-100.00%
01-62-5903-106 VEHICLE	(792)	(165)	(958)	811	-218.03%
01-62-5904-000 UNCOLLECT ACCOUNTS	15,000	15,000	30,000	30,000	0.00%
01-62-5921-000 OFFICE SUPPLIES	0	0	0	400	-100.00%
<b>SUB-TOTAL</b>	<b>53,448</b>	<b>46,618</b>	<b>100,066</b>	<b>104,780</b>	<b>-4.50%</b>
<b>MIS 61</b>					
01-61-5903-101 LABOR REG	33,295	31,965	65,259	56,854	14.78%
01-62-5903-102 LABOR OT	0	0	0	200	-100.00%
01-61-5903-103 EE EDUCATION	0	0	0	2,500	-100.00%
01-61-5903-105 SUPPLIES	995	1,703	2,698	4,000	-32.54%
01-61-5935-000 MAINT GEN PLANT	6,901	7,294	14,195	22,000	-35.48%
01-61-5921-000 OFFICE SUPPLIES	619	0	619	2,000	-69.06%
<b>SUB-TOTAL</b>	<b>41,810</b>	<b>40,962</b>	<b>82,772</b>	<b>87,554</b>	<b>-5.46%</b>
<b>MISCELLANEOUS DEDUCTIONS 57/77</b>					
01-77-5403-000 DEPRECIATION EXP	287,729	287,729	575,458	583,334	-1.35%
01-77-5408-000 VOLUNTARY PAYMENTS	110,000	110,000	220,000	220,000	0.00%
01-77-5419-000 INTEREST EXP	1,017	1,019	2,036	2,000	1.82%
01-77-5426-000 OTHER DEDUCTIONS	180,990	180,990	361,980	362,500	-0.14%
01-57-5920-101 AC/BUS MGR LABOR REG	2,718	2,738	5,456	5,476	-0.37%
01-57-5930-109 AC/BUS MGR MISC GEN	0	0	0	400	-100.00%
<b>SUB-TOTAL</b>	<b>582,454</b>	<b>582,476</b>	<b>1,164,930</b>	<b>1,173,710</b>	<b>-0.75%</b>
<b>GRAND TOTAL</b>	<b>726,145</b>	<b>717,005</b>	<b>1,443,151</b>	<b>1,502,691</b>	<b>-3.96%</b>

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RMLD  
FACILITY MANAGER DIVISION BUDGET VARIANCE REPORT  
FOR PERIOD ENDING AUGUST 31, 2010

	JUL	AUG	ACTUAL YTD TOTAL	BUDGET YTD TOTAL	ACT/BUD VARIANCE %
GENERAL BENEFITS 53					
01-53-5920-101 LABOR REG	7,713	4,547	12,260	13,494	-9.14%
01-53-5921-000 OFFICE SUPPLIES	0	0	0	170	-100.00%
01-53-5930-103 EE EDUCATION	0	0	0	834	-100.00%
01-53-5930-105 SUPPLIES	0	0	0	166	-100.00%
01-53-5923-000 OUTSIDE SERVICES	0	0	0	1,666	-100.00%
01-53-5924-000 PROPERTY INSURANCE	30,632	31,202	61,834	79,806	-22.52%
01-53-5925-000 INJURIES & DAMAGES	4,380	3,548	7,928	11,176	-29.06%
01-53-5926-000 EE PENS & BENEFIT	195,092	99,822	294,914	249,491	18.21%
01-53-5930-109 MISC GENERAL	0	0	0	500	-100.00%
01-53-5931-000 RENT	13,446	14,110	27,555	35,334	-22.01%
SUB-TOTAL	251,263	153,229	404,492	392,637	3.02%
TRANSPORTATION 63					
01-63-5933-109 MISC GENERAL	(50)	(40)	(90)	(37,520)	-99.76%
01-63-5933-101 LABOR REG	6,712	5,261	11,973	8,760	36.67%
01-63-5933-102 LABOR OT	669	482	1,151	1,300	-11.45%
01-63-5933-103 EE EDUCATION	0	0	0	500	-100.00%
01-63-5933-105 SUPPLIES	(45,602)	(13,689)	(59,291)	67,522	-187.81%
LESS ALLOCATION RECLASS	38,271	7,986	46,257	(40,562)	-214.04%
SUB-TOTAL	0	0	0	0	0.00%
BUILDING MAINTENANCE 64					
01-64-5923-000 OUTSIDE SERVICES	0	75	75	3,338	-97.76%
01-64-5932-101 LABOR REG	9,459	11,960	21,419	18,179	17.82%
01-64-5932-102 LABOR OT	1,310	1,745	3,055	2,000	52.73%
01-64-5932-103 EE EDUCATION	0	0	0	500	-100.00%
01-64-5932-105 SUPPLIES	14,643	47,727	62,370	77,808	-19.84%
SUB-TOTAL	25,413	61,506	86,918	101,825	-14.64%
MATERIALS MANAGEMENT 60					
01-60-5588-109 MISC DIST EXP	1,662	3,648	5,310	7,500	-29.20%
01-60-5588-101 LABOR REG	22,053	20,048	42,101	42,079	0.05%
01-60-5588-102 LABOR OT	0	0	0	666	-100.00%
01-60-5588-103 EE EDUCATION	0	0	0	350	-100.00%
01-60-5588-105 SUPPLIES	937	4,988	5,925	2,500	136.99%
01-60-5588-104 RFP EXPENSES	0	0	0	160	-100.00%
01-60-5921-000 OFFICE SUPPLIES	0	0	0	250	-100.00%
SUB-TOTAL	24,652	28,684	53,336	53,505	-0.32%
GRAND TOTAL	301,328	243,418	544,746	547,967	-0.59%

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RMLD  
GENERAL MANAGER DIVISION BUDGET VARIANCE REPORT  
FOR PERIOD ENDING AUGUST 31, 2010

			ACTUAL YTD TOTAL	BUDGET YTD TOTAL	ACT/BUD VARIANCE %
GENERAL MANAGER 51	JUL	AUG			
01-51-5920-101 LABOR REG	20,099	18,546	38,645	37,091	4.19%
01-51-5921-000 OFFICE SUPPLIES	8		8	416	-98.15%
01-51-5923-000 OUTSIDE SERVICES	1,568	10,010	11,578	8,334	38.92%
01-51-5930-103 EE EDUCATION	475	1,061	1,536	2,125	-27.73%
01-51-5930-105 MISC GENERAL	4,241	4,133	8,373	9,166	-8.65%
01-51-5930-106 VEHICLE	(792)	(165)	(958)	811	-218.03%
SUB-TOTAL	25,598	33,584	59,182	57,943	2.14%
HUMAN RESOURCES 52					
01-52-5920-101 LABOR REG	8,562	7,750	16,312	18,861	-13.51%
01-52-5921-000 OFFICE SUPPLIES	0	0	0	50	-100.00%
01-52-5923-000 OUTSIDE SERVICES	0	144	144	7,000	-97.95%
01-52-5930-103 EE EDUCATION	0	0	0	1,600	-100.00%
01-52-5930-105 SUPPLIES	0	545	545	100	445.00%
01-52-5930-109 MISC GENERAL	300	185	485	2,988	-83.77%
SUB-TOTAL	8,862	8,624	17,486	30,599	-42.85%
COMMUNITY RELATIONS 54					
01-54-5920-101 LABOR REG	5,894	5,358	11,253	14,077	-20.06%
01-54-5921-000 OFFICE SUPPLIES	0	0	0	125	-100.00%
01-54-5930-109 MISC GENERAL	284	7,785	8,069	11,367	-29.02%
01-54-5930-103 EE EDUCATION	150	0	150	0	100.00%
01-54-5930-105 SUPPLIES	0	0	0	125	-100.00%
SUB-TOTAL	6,328	13,143	19,471	25,694	-24.22%
CAB 56					
01-56-5920-101 LABOR REG	0	0	0	775	-100.00%
01-56-5920-102 LABOR OT	0	0	0	200	-100.00%
01-56-5930-109 MISC GENERAL	1,100	2,001	3,101	1,450	113.85%
SUB-TOTAL	1,100	2,001	3,101	2,425	27.87%
BOARD 58					
01-58-5930-109 MISC GENERAL	1,650	2,014	3,664	250	1365.76%
SUB-TOTAL	1,650	2,014	3,664	250	1365.76%
GRAND TOTAL	43,538	59,366	102,904	116,911	-11.98%

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RMLD  
ENERGY SERVICES DIVISION BUDGET VARIANCE REPORT  
FOR PERIOD ENDING AUGUST 31, 2010

ENERGY SERVICES	75	JUL	AUG	ACTUAL YTD TOTAL	BUDGET YTD TOTAL	ACT/BUD VARIANCE %
01-75-5916-000	ENERGY SERV EXP	325	1,825	2,150	4,000	-46.25%
01-75-5916-101	LABOR REG	35,749	30,521	66,270	65,720	0.84%
01-75-5916-103	EE EDUCATION	894	1,495	2,390	1,250	91.16%
01-75-5916-109	KEY ACCOUNT	3,538	0	3,538	334	959.28%
01-75-5921-000	OFFICE SUPPLIES	0		0	84	-100.00%
01-75-5923-000	OUTSIDE SERVICES	0	485	485	16,000	-96.97%
01-75-5916-402	RES CONSERVE PROG	11,667	10,534	22,201	36,202	-38.68%
01-75-5916-403	RES CONSERVE OTHER	0	0	0	3,231	-100.00%
01-75-5916-502	COMM CONSERVE PROG	27,912	5,800	33,712	66,434	-49.25%
01-75-5916-503	COMM CONSERVE OTHER	3,770	3,770	7,540	7,540	0.00%
GRAND TOTAL		83,855	54,430	138,286	200,795	-31.13%



RMLD  
DEFERRED FUEL CASH RESERVE ANALYSIS  
8/31/10

DATE	GROSS CHARGES	REVENUES	PASNY CREDIT	MONTHLY DEFERRED	TOTAL DEFERRED
Jun-10					2,326,112.09
Jul-10	4,555,108.56	3,536,618.90	(98,501.74)	(1,116,991.40)	1,209,120.69
Aug-10	4,151,871.47	3,658,721.48	(49,929.96)	(543,079.95)	666,040.74

RMLD  
STAFFING REPORT  
FOR FISCAL YEAR ENDING JUNE, 2011

	11 BUD	ACTUAL	
	TOTAL	JUL	AUG
		10	10
<u>GENERAL MANAGER</u>			
GENERAL MANAGER	2	2	2
HUMAN RESOURCES	1.5	1	1
COMMUNITY RELATIONS	1.5	1	1
TOTAL	5	4	4
<u>BUSINESS</u>			
ACCOUNTING	2	2	2
CUSTOMER SERVICE	9	8	8
MGMT INFORMATION SYS	6	6	6
MISCELLANEOUS	1	1	1
TOTAL	18	17	17
<u>ENGINEERING &amp; OPERATIONS</u>			
AGM E&O	2	2	2
ENGINEERING	5	5	5
LINE	20	19	19
METER	6	6	6
STATION	9	9	9
TOTAL	42	41	41
<u>PROJECT</u>			
BUILDING	2	2	2
GENERAL BENEFITS	2	2	2
TRANSPORTATION	0	0	0
MATERIALS MGMT	4	4	4
TOTAL	8	8	8
<u>ENERGY SERVICES</u>			
ENERGY SERVICES	6	6	5
TOTAL	6	6	5
RMLD TOTAL	79	76	75
<u>CONTRACTORS</u>			
UG LINE	2	2	2
TOTAL	2	2	2
GRAND TOTAL	81	78	77

# ATTACHMENT 4

To: Vincent Cameron

From: Energy Services

Date: September 21, 2010

Subject: Purchase Power Summary – August, 2010

Energy Services Division (ESD) has completed the Purchase Power Summary for the month of August, 2010.

## ENERGY

The RMLD's total metered load for the month was 71,572,138 kWhs, which was a decrease of 1.69 % compared to August, 2009 figures.

Table 1 is a breakdown by source of the energy purchases.

TABLE 1

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy	Total \$ Costs	\$ as a %
Millstone #3	3,220,819	\$5.51	4.50%	\$17,747	0.43%
Seabrook	5,878,709	\$8.86	8.21%	\$52,087	1.25%
Stonybrook	7,171,097	\$48.60	10.01%	\$348,545	8.39%
Constellation	14,880,000	\$63.43	20.77%	\$943,838	22.73%
PASNY	1,663,625	\$4.92	2.32%	\$8,185	0.20%
ISO Interchange	6,754,423	\$32.85	9.43%	\$222,638	5.36%
NEMA Congestion	0	\$0.00	0.00%	-\$6,912	-0.17%
Coop Resales	70,723	\$132.33	0.10%	\$9,359	0.23%
Stonybrook Peaking	363,237	\$171.62	0.51%	\$62,337	1.50%
MacQuarie	29,664,000	\$80.25	41.42%	\$2,380,515	57.34%
Braintree Watson Unit	1,958,503	\$57.97	2.73%	\$113,532	2.73%
Monthly Total	71,625,136	\$57.97	100.00%	\$4,151,871	100.00%

**Table 2**

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP Settlement	-9,765,835	58.59	-13.63%
RT Net Energy Settlement	16,520,258	46.03	23.06%
ISO Interchange (subtotal)	6,754,423	27.87	9.43%

Table 2 breaks down the ISO interchange between the DA LMP Settlement and the RT Net Energy for month of August, 2010.

### **CAPACITY**

The RMLD hit a demand of 159,614 kW, which occurred on August 31, 2010 at 5 pm. The RMLD's monthly UCAP requirement for August 2010 was 212,197 kW. Table 3 shows the sources of capacity that the RMLD utilized to meet its requirement.

**Table 3**

Source	Amount (kW)	Cost (\$/kW-month)	Total Cost \$	% of Total Cost
Millstone #3	4,991	\$62.75	\$313,173	19.98%
Seabrook	7,902	\$56.70	\$448,040	28.58%
Stonybrook Peaking	24,981	\$1.93	\$48,264	3.08%
Stonybrook CC	42,925	\$3.30	\$141,500	9.03%
Pasny	0	\$2.96	\$11,896	0.76%
HQICC	6,570	\$4.34	\$28,522	1.82%
ISO-NE Supply Auction	114,308	\$4.03	\$460,252	29.36%
Braintree Watson Unit	10,520	\$11.04	\$116,155	7.41%
Total	212,197	\$7.39	\$1,567,802	100.00%

**Table 4**

Resource	Energy	Capacity	Total cost	% of Total Cost
Millstone #3	\$17,747	\$313,173	\$330,920	5.79%
Seabrook	\$52,087	\$448,040	\$500,127	8.74%
Stonybrook	\$348,545	\$141,500	\$490,046	8.57%
HQ II	\$0	\$28,522	\$28,522	0.50%
Constellation	\$943,838	\$0	\$943,838	16.50%
PASNY	\$8,185	\$11,896	\$20,081	0.35%
ISO Interchange	\$222,638	\$460,252	\$682,890	11.94%
Nema Congestion	-\$6,912	\$0	-\$6,912	-0.12%
Coop Resales	\$9,359	\$0	\$9,359	0.16%
Stonybrook Peaking	\$62,337	\$48,264	\$110,601	1.93%
Integrus	\$1,717,728	\$0	\$1,717,728	30.03%
MacQuarie	\$662,787	\$0	\$662,787	11.59%
Braintree Watson Unit	\$113,532	\$116,155	\$229,687	4.02%
Monthly Total	\$4,151,871	\$1,567,802	\$5,719,674	100.00%

Table 4 shows the total dollar amounts for energy and capacity per source.

## **TRANSMISSION**

The RMLD's total transmission costs for the month of August, 2010 are \$922,671. This is a 2.37% increase from the July 2010 cost of \$901,289. In 2009, the transmission costs for the month of August, 2009 were \$769,792.

<b>Table 5</b>			
	Current Month	Last Month	Last Year
Peak Demand (kW)	159,614	168,426	155,759
Energy (kWh)	71,625,136	78,033,860	72,835,439
Energy (\$)	\$4,151,871	\$4,555,109	\$4,051,361
Capacity (\$)	\$1,567,802	\$1,570,744	\$1,880,365
Transmission (\$)	\$922,671	\$901,289	\$769,792
Total	\$6,642,344	\$7,027,141	\$6,701,518

Table 5 shows the current month vs. last month and last year (August, 2009).



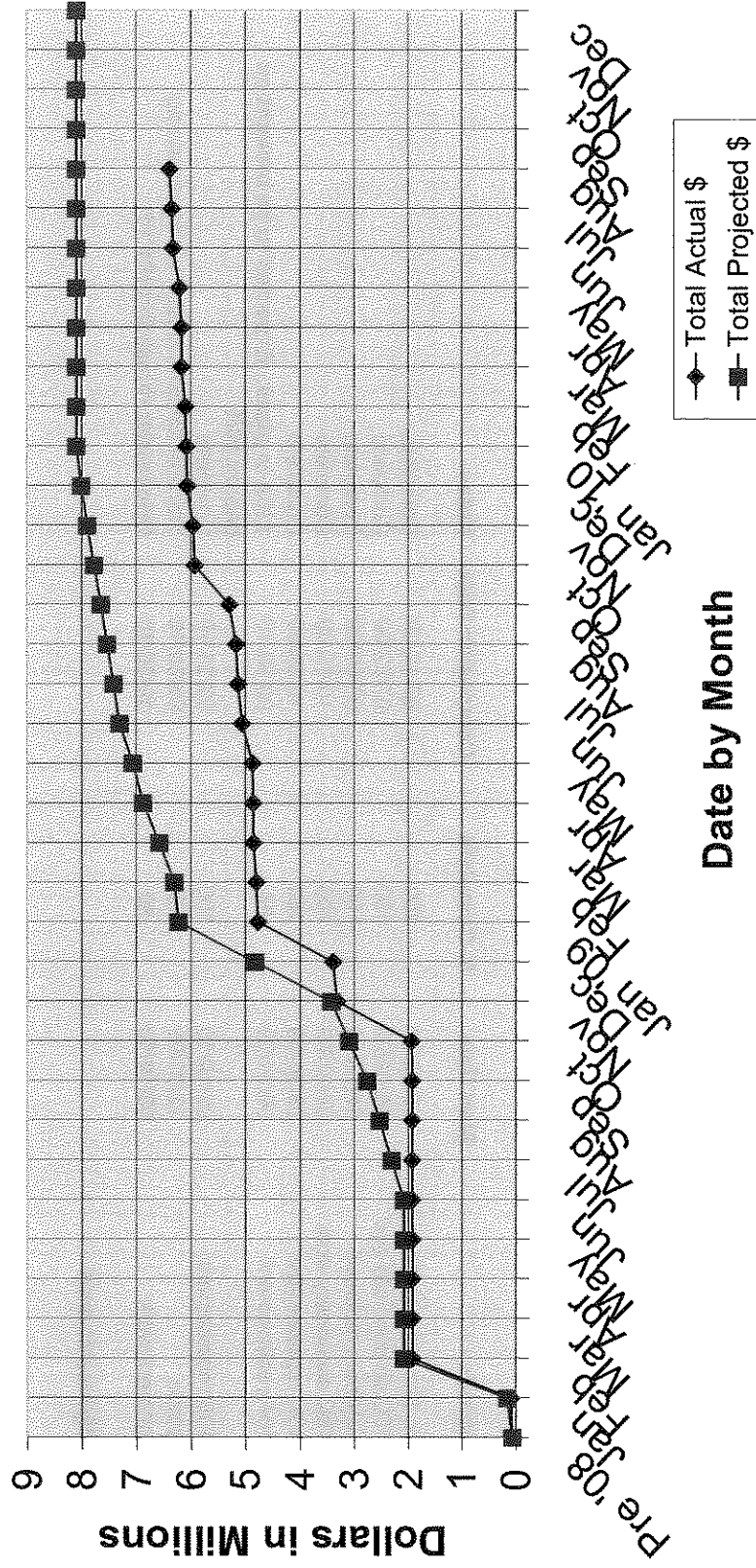
### Gaw Transformer Upgrade Project

Schedule Milestones	Start Date	% Complete	Completion Date	Notes
Conceptual Engineering	Jul-08	100	Jun-09	Complete
Major Equipment Procurement	Feb-09	<b>90</b>	Oct-10	Remaining: concrete, land materials
Design Engineering	Jul-08	100	Jun-09	Complete
Scheduled Transformer Delivery	Dec-08	100	Dec-08	Complete
Construction Bid	Jan-09	100	Mar-09	Complete
Construction Contractor	May-09	<b>85</b>	Oct-10	<b>Remediation near completion. Containment area being rebuilt.</b>
Construction Transformer Replacement	May-09	<b>92</b>	Sep-10	<b>Terminate 110A wiring and replace (2) 115kV switches</b>
Construction Switchgear Upgrades	Dec-09	98	Jul-10	Transfer scheme control wiring remaining
Construction RMLD Personnel	Jan-09	<b>90</b>	Oct-10	Remaining: control wiring, panel relocations, feeder reassignment work

Tangible Milestones	Start Date	% Complete	Completion Date	Notes
Relocate Station Service transformers	06/22/09	100	07/17/09	Complete
Transformer 110C on concrete pad	06/01/09	100	07/22/09	Complete
115kV circuit switchers replaced	07/25/09	100	08/02/09	Complete
Transformer 110C secondary work	07/27/09	100	10/05/09	Complete
Transformer 110C replacement	08/31/09	100	10/09/09	Complete
Transformer 110A replacement	09/21/09	<b>95</b>	09/30/10	<b>110A in place. Expected to be brought on line by 10/1</b>
Transformer 110B replacement	02/19/10	100	03/31/10	Complete
Switchgear upgrade	12/01/09	98	<b>09/30/10</b>	Transfer scheme control wiring remaining
Feeder Reassignment work	<b>08/16/10</b>	<b>50</b>	<b>10/30/10</b>	<b>One feeder remaining (FY'11)</b>

*Changes highlighted in bold*

# Gaw Transformer Upgrade Project





## Reconciling the Gaw Upgrade Project

<u>Capital Item</u> <u>Description</u>	<u>Fiscal Yr</u>	<u>Budget</u>		<u>Expenditure</u>		<u>Delta</u> <u>by FY</u>
		<u>Item</u>	<u>Cumulative</u>	<u>Actual</u>	<u>Cumulative</u>	
Transformer Payment	2008	2.080	2.080	1.836	1.836	-0.244
Contract Labor	2009	1.380		0.082		
Procured Equipment		0.360		0.102		
RMLD Labor		0.446		0.112		
Feeder Reassignment		0.282		0.000		
Transformer Payments		2.757	7.305	2.755	4.887	-2.418
Contract Labor	2010	0.285		0.827		
Procured Equipment		0.195		0.157		
RMLD Labor		0.200		0.380		
Feeder Reassignment		0.110	8.095	0.000	6.251	-1.844
Contract Labor	2011	0.545				
Procured Equipment		0.030		0.018		
RMLD Labor		0.064		0.040		
Feeder Reassignment		0.236	8.095		6.309	
<b>Project Sub-Total</b>		0.875	8.095	6.309	6.309	
<b>Project Total</b>					6.309	-1.786



READING MUNICIPAL LIGHT DEPARTMENT  
FY 11 CAPITAL BUDGET VARIANCE REPORT  
FOR PERIOD ENDING AUGUST 31, 2010

#	PROJECT DESCRIPTION	TOWN	ACTUAL COST AUGUST	YTD ACTUAL COST THRU 8/31/10	ANNUAL BUDGET AMOUNT	VARIANCE
<b><u>E&amp;O Construction - System Projects</u></b>						
1	4W14 Reconductoring - West Street	W			234,470	234,470
2	4W14 Extension - Woburn Street	W			157,958	157,958
3	Station #4 Getaway 4W17 Replacements (FY10 Budget)	R	83,493	135,387	169,928	34,541
4	Boutwell Street	W			125,955	125,955
5	Chestnut Street	W			171,933	171,933
6	Haverhill Street - Reconductoring (FY10 Budget)	R	35,592	74,013	100,534	26,521
7	URD Completions-Perkins Farm-Lynnfield and Chestnut Village, North Reading (FY10 Budget)	NR, L		434	72,484	72,050
** 8	Salem St.to Glen Rd. 13kkV Feeder Tie (FY10 Budget)	W		11,531	11,334	(197)
22	Wilmington - Main Street (FY10 Budget)	W	4,642	29,432	34,975	5,543
33	4W4 Reconductoring (formerly Project 3)	W			103,315	103,315
36	3W8 Salem Street & Baystate Road (formerly Project 6)	R			207,439	207,439
37	Elm Street (Formerly Project 7)	NR			132,011	132,011
<b><u>Station Upgrades</u></b>						
<i>Station #4</i>						
38	115kV Insulator Replacement (formerly Project 8)	R			144,323	144,323
9	115kV Disconnect Replacement	R			87,975	87,975
11	Transformer Replacement					
	Part 1 - Contractual Labor	R			545,500	545,500
	Part 2 - Procured Equipment	R	17,325	17,981	30,000	12,019
	Part 3 - RMLD Labor	R	19,244	39,431	64,324	24,893
	Part 4 - Feeder Re-Assignment	R			236,034	236,034
<i>Station #5</i>						
23	15kV Circuit Breaker Replacement (Carryover FY10 Bud)	W	120,900	120,900	158,731	37,831
<b><u>New Customer Service Connections</u></b>						
12	Service Installations-Commercial/Industrial Customers	ALL			55,055	55,055
13	Service Installations O/H & U/G - Residential Customers	ALL	17,816	38,686	200,345	161,659
14	<b><u>Routine Construction</u></b>					
	Various Routine Construction	ALL	104,546	187,697	982,565	794,868
<b>Total Construction Projects</b>			<b>403,558</b>	<b>655,492</b>	<b>4,027,188</b>	<b>3,371,696</b>
<b><u>Other Projects</u></b>						
15	GIS			12,125	20,000	7,875
16	Transformers/Capacitors Annual Purchases				190,167	190,167
17	Meter Annual Purchases				765,875	765,875
18	Purchase Two New Small Vehicles				64,000	64,000
19	Replace Line Department Vehicles				360,000	360,000
20	Purchase Pole Trailer				15,000	15,000
21	Upgrade Lighting Stockroom and Meter Room			3,798	22,400	18,602
24	Enlarge Parking Area and Construct Island				10,775	10,775
27	Hardware Upgrades		192	1,410	33,700	32,290
28	Software and Licensing		640	2,190	96,476	94,286
<b>Total Other Projects</b>			<b>832</b>	<b>19,523</b>	<b>1,578,393</b>	<b>1,558,870</b>
<b>TOTAL RMLD CAPITAL PROJECT EXPENDITURES</b>			<b>404,390</b>	<b>675,015</b>	<b>5,605,581</b>	<b>4,930,566</b>



**Reading Municipal Light Department  
Engineering and Operations  
Monthly Report  
August, 2010**

***FY 2011 Capital Plan***

**E&O Construction – System Projects**

1. **4W14 Reconductoring – West Street – Wilmington – No activity.**
2. **4W14 Extension – Woburn Street - Wilmington – No activity.**
3. **Station #4 Getaway 4W17 Replacements – Reading (FY10 Budget) - Installed new underground feeder cable, stress cones, spliced, performed terminations, and engineering labor.**
4. **Boutwell Street – Wilmington – No activity.**
5. **Chestnut Street – Wilmington – No activity.**
6. **Haverhill Street – Reading – Reconductoring - (FY10 Budget) – Installed new spacer cable, transformers, spacers, taps, cutouts, anchors, and gang operated switches; transfers; built, energized and transferred transformer bank; engineering labor.**
7. **URD Completions – Perkins Farm, Lynnfield and Chestnut Village, North Reading – No activity.**
8. **Salem Street to Glen Road 13 kV Feeder Tie – Wilmington – (FY10 Budget) – Complete.**
22. **Wilmington – Main Street (FY 10 Budget) – Install primary cable and transformers; energized and converted; engineering labor.**
33. **4W4 Reconductoring – Wilmington – No activity.**
36. **3W8 Salem & Bay State Road – Reading – No activity.**
37. **Elm Street – North Reading – No activity.**

**Substation Upgrade Projects**

38. **115kV Insulator Replacement – Station 4 – Reading – No activity.**
9. **115kV Disconnect Replacement – Station 4 – Reading – No activity.**

**11. Transformer Replacement – Station 4 - Reading**

Part 1 – Contractual Labor – *No Activity.*

Part 2 – Procured Equipment – *Miscellaneous Items.*

Part 3 – RMLD Labor – *Relay panel relocations and control wire modifications.*

Part 4 – Feeder Re-Assignment – *No activity.*

**23. 15kV Circuit Breaker Replacement – Station 5 – Wilmington – *Circuit breakers for project received.***

**New Customer Service Connections**

**12. Service Installations – Commercial/Industrial Customers** – This item includes new service connections, upgrades, and service replacements for the commercial and industrial customers. This represents the time and materials associated with the replacement of an existing or installation of a new overhead service, the connection of an underground service, etc. This does not include the time and materials associated with pole replacements/installations, transformer replacement/installations, primary or secondary cable replacement/installations etc. This portion of the project comes under routine construction.

**13. Service Installations – Residential Customers** – This item includes new or upgraded overhead and underground services, temporary overhead services, and large underground development.

**14. Routine Construction** – The drivers of the Routine Construction budget category YTD are listed. This is not an inclusive list of all items within this category.

<i>Pole Setting/Transfers</i>	\$44,408
<i>Maintenance Overhead/Underground</i>	\$65,280
<i>Projects Assigned as Required</i>	\$25,263
<i>Pole Damage (includes knockdowns) some reimbursable</i>	\$2,108
<i>Station Group</i>	\$0
<i>Hazmat/Oil Spills</i>	\$0
<i>Porcelain Cutout Replacement Program</i>	\$1,477
<i>Lighting (Street Light Connections)</i>	\$2,268
<i>Storm Trouble</i>	\$841
<i>Underground Subdivisions</i>	\$749
<i>Miscellaneous Capital Costs</i>	\$45,303
<b>TOTAL</b>	<b>\$187,697</b>

\*In the month of August, there were five cutouts charged under this program. Approximately 31 cutouts were installed new or replaced because of damage making a total of 36 cutouts replaced this month.

**Force Accounts** – The Commonwealth of Massachusetts requires utility plant equipment relocations in conjunction with various roadway reconstruction projects.

No projects scheduled at this time.

## Reliability Report

Two key industry standard metrics have been identified to enable the RMLD to measure and track system reliability. A rolling 12-month view is being used for the purposes of this report.

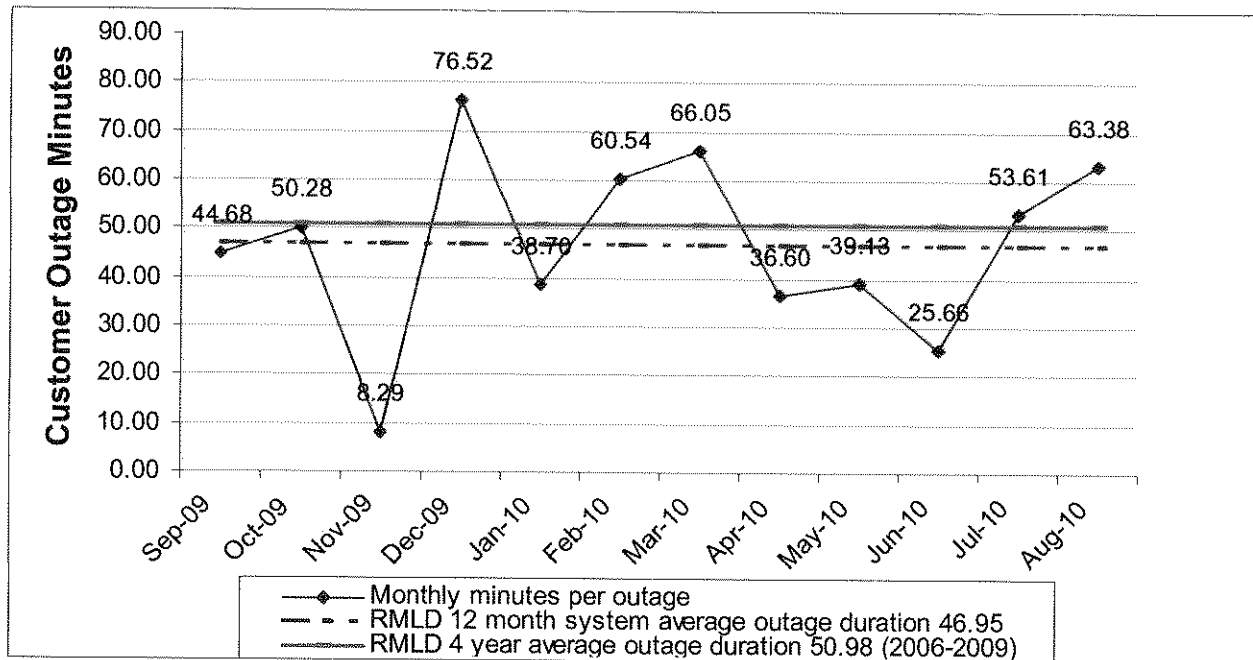
**Customer Average Interruption Duration Index (CAIDI)** – Measures how quickly the RMLD restores power to customers when their power goes out.

**CAIDI = Total of Customer Interruption Duration for the Month in Minutes/ Total number of customers interrupted.**

RMLD 12 month system average outage duration – 46.95 minutes

RMLD 4 year average outage (2006-2009) – 50.98 minutes per outage

On average, RMLD customers that experience an outage are restored in 46.95 minutes.



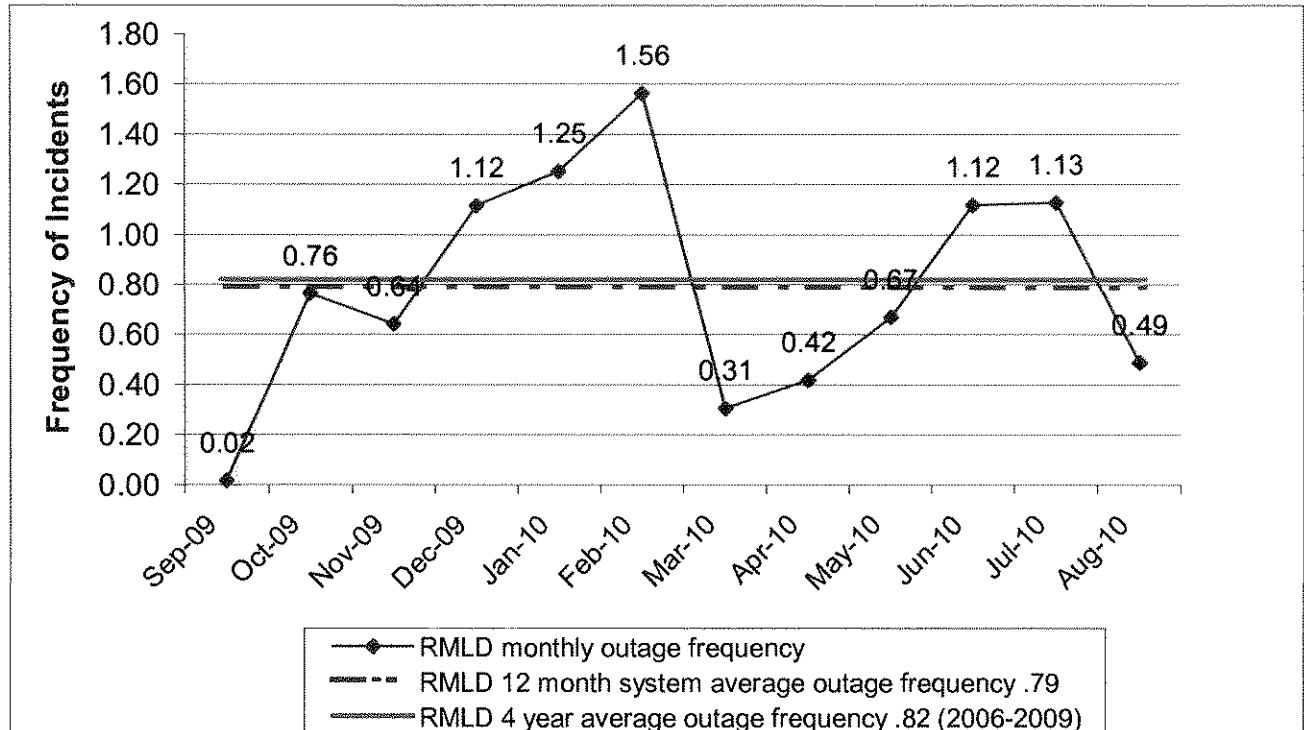
**System Average Interruption Frequency (SAIFI)** – Measures how many outages each customer experiences per year on average.

**SAIFI = Total number of customer's interrupted / Total number of customers.**

RMLD 12 month system average - .79 outages per year

RMLD 4 year average outage frequency - .82

The graph below tracks the month-by-month SAIFI performance.



### Months Between Interruptions (MBTI)

Another view of the SAIFI data is the number of months Reading customers have no interruptions. At this time, the average RMLD customer experiences an outage every 15.19 months.



230 Ash Street  
P.O. Box 150  
Reading, MA 01867-0250Tel: (781) 944-1340  
Fax: (781) 942-2409  
Web: www.rml.com

September 14, 2010

Town of Reading Municipal Light Board

Subject: 115KV 2000 Amp Disconnect Switches

On August 4, 2010 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for 115KV 2000 Amp Disconnect Switches for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Stuart C. Irby Co.	WESCO	Robinson Sales	Power Sales Group
Hasgo Power	Power Tech (UPSC)	Graybar	Shamrock Power Sales
J.F. Gray	EL Flowers		

Bids were received from Turner Electric, EMSPEC Electro Mechanical Systems, Inc., Stuart C. Irby Co., WESCO and Graybar.

The bids were publicly opened and read aloud at 11:00 a.m. September 7, 2010 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

The bids were reviewed, analyzed and evaluated by the General Manager and the staff.

Move that bid 2011-06 for 115KV 2000 Amp Disconnect Switches be awarded to: **EMSPEC Electro Mechanical Systems Inc. for a total cost of \$43,480.00**

<u>Item (desc.)</u>	<u>Qty</u>	<u>Manufacturer</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 - Switches	4	EMSPEC	\$10,495.00	\$41,980.00
Option - Factory Rep				\$ 1,500.00
				<u>\$43,480.00</u>

as the lowest qualified bidder on the recommendation of the General Manager.

The total 2011 Capital Budget allocation for "GAW Station 115kV disconnect switch replacement" is \$48,000.

\_\_\_\_\_  
Vincent F. Cameron, Jr.

\_\_\_\_\_  
Kevin Sullivan

\_\_\_\_\_  
Nick D'Alleva



**Disconnect Switches**  
**Bid 2011-06**

Bidder	Manufacturer Delivery Date	Unit Cost	Qty	Total Net Cost	Meet Specification requirement	Specification Data Sheets	Firm Price	All forms filled out	Certified Check or Bid Bond	Exceptions to stated bid requirements	Authorized signature
<b>Turner Electric -- non responsive</b>											
Item 1 - Switches	6-8 weeks ARO	9,562.00	4	38,248.00	no	no	yes	yes	yes	yes	yes
Item 2 - Factory Rep				0.00	not stated						
				<u>38,248.00</u>							
<b>EMSPEC Electro Mechanical Systems Inc.</b>											
Item 1 - Switches	EMSPEC 16 weeks ARO	10,495.00	4	41,980.00	yes	yes	yes	yes	yes	no	yes
Item 2 - Factory Rep				1,500.00							
				<u>43,480.00</u>							
<b>Stuart C. Irby Co.</b>											
Item 1 - Switches	MORPAC 12-14 weeks ARO	10,800.00	4	43,200.00	yes	yes	yes	yes	yes	yes	yes
Item 2 - Factory Rep				5,200.00							
				<u>48,400.00</u>							
<b>WESCO -- non-responsive</b>											
Item 1 - Switches	Southern States 16 weeks ARO	11,105.00	4	44,420.00	no	yes	yes	yes	no	no	yes
Item 2 - Factory Rep				5,500.00							
				<u>49,920.00</u>							
<b>Graybar</b>											
Item 1 - Switches	MORPAC 12 weeks ARO	11,848.00	4	47,392.00	yes	yes	yes	yes	yes	yes	yes
Item 2 - Factory Rep				5,000.00							
				<u>52,392.00</u>							
<b>EXCEPTIONS:</b>											
<b>Turner Electric</b>											
Liquidated damages will not be accepted											
The distance from the center of the terminal pad to the center of the terminal pad is 91-7/8" (Dimension is too long and won't fit.)											
Cast parts are used in the switch											
Switches do employ self-lubricating bearings, however they are not bronze.											
<b>Stuart C. Irby Co.</b>											
Pricing quoted above and on the attached documents are firm for the duration of the contract.											
Although Morpac Industries, Inc switches use extruded aluminum for its major hinge and jaw assemblies, some castings are used as well. Switch bearings are not bronze but stainless steel, sealed bearings. Bearing shafts are galvanized steel.											
See attached exceptions to Warranty Terms and Conditions.											
Quoting to Morpac Industries, Inc. Terms & Conditions of Sale only.											
Warranty 5 year period.											
Lead-time is currently running twelve (12) weeks after receipt of a formal purchase order with complete ordering information.											
<b>Graybar</b>											
Pricing quoted above and on the attached documents are firm for the duration of the contract.											
Although Morpac Industries, Inc switches use extruded aluminum for its major hinge and jaw assemblies, some castings are used as well. Switch bearings are not bronze but stainless steel, sealed bearings. Bearing shafts are galvanized steel.											
See attached exceptions to Warranty Terms and Conditions.											
Quoting to Morpac Industries, Inc. Terms & Conditions of Sale only.											
Lead-time is currently running twelve (12) weeks after receipt of a formal purchase order with complete ordering information.											

**NON-RESPONSIVE:**  
**Turner Electric**  
No technical data included.

**Wesco**  
Copy of bond submitted instead of original as required by statute.



TOWN OF READING MUNICIPAL LIGHT DEPARTMENT  
RATE COMPARISONS READING & SURROUNDING TOWNS

September-10

	RESIDENTIAL 750 kWh's	RESIDENTIAL-TOU 1500 kWh's 60/40 Split	RES. HOT WATER 1000 kWh's	COMMERCIAL 7,300 kWh's 25,000 kW Demand	SMALL COMMERCIAL 1,080 kWh's 10,000 kW Demand	SCHOOL RATE 35000 kWh's 130.5 kW Demand	INDUSTRIAL - TOU 109,500 kWh's 250,000 kW Demand 60/40 Split
READING MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$103.85	\$187.82	\$121.58	\$936.41	\$178.56	\$4,357.70	\$12,431.64
PER KWH CHARGE	\$0.13846	\$0.12521	\$0.12158	\$0.12827	\$0.16533	\$0.12451	\$0.11353
NATIONAL GRID							
TOTAL BILL	\$108.82	\$226.77	\$142.91	\$1,094.75	\$156.59	\$4,344.37	\$12,191.95
PER KWH CHARGE	\$0.14509	\$0.15118	\$0.14291	\$0.14997	\$0.14499	\$0.12412	\$0.11134
% DIFFERENCE	4.78%	20.74%	17.54%	16.91%	-12.30%	-0.31%	-1.93%
NSTAR COMPANY							
TOTAL BILL	\$120.05	\$241.36	\$157.92	\$1,129.97	\$170.70	\$6,256.21	\$14,117.67
PER KWH CHARGE	\$0.16006	\$0.16091	\$0.15792	\$0.15479	\$0.15805	\$0.17875	\$0.12893
% DIFFERENCE	15.60%	28.51%	29.89%	20.67%	-4.40%	43.57%	13.56%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$94.43	\$147.57	\$123.90	\$976.50	\$162.83	\$4,753.74	\$11,335.91
PER KWH CHARGE	\$0.12590	\$0.09838	\$0.12390	\$0.13378	\$0.15077	\$0.13582	\$0.10352
% DIFFERENCE	-9.07%	-21.43%	1.91%	4.29%	-8.81%	9.09%	-8.81%
MIDDLETON MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$99.77	\$198.39	\$132.64	\$969.51	\$168.44	\$4,762.93	\$13,330.75
PER KWH CHARGE	\$0.13303	\$0.13226	\$0.13264	\$0.13144	\$0.15596	\$0.13608	\$0.12174
% DIFFERENCE	-3.93%	5.63%	9.10%	2.47%	-5.67%	9.30%	7.23%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$105.36	\$204.42	\$138.38	\$1,049.49	\$169.00	\$4,913.08	\$13,574.37
PER KWH CHARGE	\$0.14048	\$0.13628	\$0.13838	\$0.14377	\$0.15649	\$0.14037	\$0.12397
% DIFFERENCE	1.46%	8.84%	13.82%	12.08%	-5.35%	12.74%	9.19%



**Jeanne Foti**

---

**From:** Vincent Cameron  
**Sent:** Wednesday, August 25, 2010 3:00 PM  
**To:** Mary Ellen O'Neill; Richard Hahn; Phil Pacino; Bob Soli; Gina Snyder  
**Cc:** Bob Fournier; Lee Ann Fraton; Jeanne Foti  
**Subject:** FW: Account Payable and Payroll Questions - August 20 & August 13  
**August 20**

**Snyder**

**1. AT+T - What is this line for? Why a \$5 late charge when bill isn't due until Sept 4?**

This RMLD was assessed this late charge previously because AT&T took the RMLD payment, for several accounts, and applied it to one account. The RMLD has been in contact with AT&T to get this removed and is still working on it.

**August 13**

**Soli**

**1. Town of Reading - Inland Marine Insurance? Do we own boats?**

No, we do not own boats. Inland marine insurance is an insurance term for insuring vehicles and equipment. I have asked Peter H. why we are paying a portion of the town's coverage on this. He will get back to me.

**Hahn**

**1. McMaster Carr - Why didn't we pay by 8/15 + save \$5.14?**

It takes almost two weeks from the time the RMLD receives a bill until the vendor receives payment. The RMLD could not get payment to the vendor that fast unless it was wired, which would cost more than \$5.14.

**2. Waveguide - What is wrong with the RMLD fiber optic cable?**

The signal on the fiber optic cable was interrupted a month ago and we had a company come in and diagnose the problem, which was internal at Station 3 and not the fiber itself. The network is back working.

**O'Neill - Account Payable**

**1. Town of Reading - We pay life insurance premiums for some retirees? Is this a regular part of the RMLD's retirement package?**

The RMLD pays life insurance premiums for all retirees according to MGL 32B.

**2. Waukesha - There should be a PO for this invoice.**

This is an extra, related to rigging the transformers, that did not have a PO cut. The explanation is on the memo attached to the invoice.

**O'Neill - Payroll**

8/25/2010

**Jeanne Foti**

---

**From:** Vincent Cameron  
**Sent:** Tuesday, August 31, 2010 8:38 AM  
**To:** Mary Ellen O'Neill; Richard Hahn; Phil Pacino; Bob Soli; Gina Snyder  
**Cc:** Bob Fournier; Lee Ann Fratoni; Jeanne Foti  
**Subject:** FW: Account Payable and Payroll Questions August 27

**Snyder**

1. Refund - Bing Xia - GM signature? Also - what charge does get made if meter mis-reads. Do we average over several months?

Signed. If the RMLD finds an incorrect read it is analyzed and historical data may be used to correct the situation.

2. NEPPA Carakatsane - Warrant and handwritten total, how will they be reconciled.

The note attached to this invoice stated that the "check will be redeposited and a new check will be issued on 9/14" for \$847.51.

3. NGrid + NSTAR - What's the difference between Hydro Quebec from NGrid + NStar?

Each utility owns transmission that transmits the Hydro Quebec energy resource.

**Hahn**

1. Carakatsane - Shouldn't check be for \$847.51?

Yes. The note attached to this invoice stated that the "check will be redeposited and a new check will be issued on 9/14" for \$847.51.

2. Crete - What is this mileage for?

This employee handles mail delivery to the Post Office and receives mileage for his personal vehicle use.

**BSoli - AP**

1. Ecolighting - Where are LED lights going?

I will have the Energy Efficiency Engineer call you on this subject.

**Soli - Payroll**

1. Linemen OT - \$344K YTD OT in 2 months?

The overtime is recorded on a calendar year basis.



**Jeanne Foti**

---

**From:** Vincent Cameron  
**Sent:** Wednesday, September 08, 2010 8:34 AM  
**To:** Mary Ellen O'Neill; Richard Hahn; Phil Pacino; Bob Soli; Gina Snyder  
**Cc:** Bob Fournier; Lee Ann Fratoni; Jeanne Foti  
**Subject:** FW: Account Payable Questions - September 3  
**Soli**

1. Bond - Shouldn't they claim sales tax exemption on resale items & not pay sales tax on some of their purchases?

The RMLD pays sales tax on items that are purchased by vendors working for us. Vendors would have to convince Home Depot that the items being purchased are for the RMLD. Whose tax free ID would they use?

**Snyder**

1. Bond - Did they rent a sump pump + power washer to do de-con work?

Yes. They needed this equipment for decontamination work.

2. D + F Plumbing - Why is Monday of week ending 8/28 considered OT? What happened to the back flow preventer - did it break/fail?

Water systems had to be shut down for some of the work so it was done after hours. Some of the preventers were in need of repair so all were examined.

9/8/2010

**Jeanne Foti**

---

**From:** Vincent Cameron  
**Sent:** Monday, September 13, 2010 2:58 PM  
**To:** Mary Ellen O'Neill; Richard Hahn; Phil Pacino; Bob Soli; Gina Snyder  
**Cc:** Bob Fournier; Lee Ann Fratoni; Jeanne Foti  
**Subject:** FW: Account Payable September 10

**Snyder**

1. Elite - Bills are identical except for dates - Did they wash the same 18 vehicles on 8-16, 9-6 + 8-2. That seems rather frequent.

Elite washes the same vehicles each week. The contract calls for the vehicles to be washed every two weeks June through October and once a week November through May.

2. NStar - Why paying \$12,581.14 when bill is for \$25,162.56?

The difference in the amounts is that the prior months payment didn't get credited to the account by the time the new bill went out. That is why the payment was for the new charges.

9/13/2010

**Jeanne Foti**

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**From:** Vincent Cameron  
**Sent:** Tuesday, September 21, 2010 9:02 AM  
**To:** MaryEllen O'Neill; Richard Hahn; Phil Pacino; Bob Soli; Gina Snyder  
**Cc:** Bob Fournier; Lee Ann Fratoni; Jeanne Foti  
**Subject:** FW: Account Payable Questions - September 17

**Snyder**

1. Hurley - Is it a problem if the P.O. doesn't cover the cost? (2 of the 4 bills).

The Hurley bills do go over the PO amount because they don't cut wire off the reel to the length on the PO. However, according to Chapter 30B, the RMLD can purchase up to 25% over the price on the PO.

9/21/2010

