

**Reading Municipal Light Board of Commissioners**  
**Regular Session**  
**230 Ash Street**  
**Reading, MA 01867**  
**February 29, 2012**

**Start Time of Regular Session: 7:36 p.m.**  
**End Time of Regular Session: 9:34 p.m.**

**Commissioners:**

<b>Richard Hahn, Chairman</b>	<b>Philip B. Pacino, Vice Chair</b>
<b>Mary Ellen O'Neill, Commissioner</b>	<b>Gina Snyder, Secretary</b>
<b>Robert Soli, Commissioner</b>	

**Staff:**

<b>Vinnie Cameron, General Manager</b>	<b>Beth Ellen Antonio, Human Resources Manager</b>
<b>Jared Carpenter, Energy Efficiency Engineer</b>	<b>Nick D'Alleva, Technical Services Manager</b>
<b>Jeanne Foti, Executive Assistant</b>	<b>Robert Fournier, Accounting/Business Manager</b>
<b>William Seldon, Senior Energy Analyst</b>	

**Citizens' Advisory Board**

**Arthur Carakatsane, Chair**

**Opening Remarks/Approval of Meeting Agenda**

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

**Introductions**

Chairman Hahn introduced Chair Carakatsane of the Citizens' Advisory Board (CAB). Chair Carakatsane reported that the CAB met earlier this month in which Chairman Hahn also attended. The major issue on the CAB agenda was a motion made to reconsider the Renewable Energy Certificates (REC's), this motion passed, discussion ensued, however no final action was taken. Chair Carakatsane said that the CAB also attended to housekeeping matters at this meeting. The CAB is currently seeking out another new date and will inform the Board of the new meeting date as soon as possible.

**Presentation – Quarterly Conservation Program Update – Mr. Carpenter (Attachment 1)**

Mr. Carpenter presented his quarterly Energy Conservation Program update. Mr. Carpenter addressed the following: Awards/Grants, Project Review, New Project Update, Renewable Technology, and a Commercial Solar Project.

Mr. Carpenter stated that the RMLD was awarded two grants. The first grant was awarded from the Metropolitan Area Planning Council (MAPC) for the four towns in the RMLD's service territory to develop a local energy action plan. Mr. Carpenter explained that this project will be ongoing for two years, he has met with the four towns and this is progressing. The second grant was awarded from the Department of Energy Resources (DOER) funded from the Regional Greenhouse Gas Initiative (RGGI) in which the RMLD received \$50,000. Mr. Carpenter pointed out that these funds will be used for a residential demand response program, technology updates and for hot water switches, however, the grant was for kilowatts hours for energy, not demand, but they were intrigued by RMLD's proposal, therefore the RMLD received these funds.

Mr. Carpenter provided updates on three projects the goal of which is peak reduction. The first project is a commercial building in North Reading the goal was 44 kW on peak reduction with the rebate of \$310 per kW removed. The second project is a commercial project in Reading the goal was 72kW on peak reduction with actual on peak of 168kW, with the rebate of \$60 per kW removed. The third project is a North Reading Public School the goal was 6 kW but the actual was 12 kW on peak reduction with the result of a rebate of \$250 per kW removed – a very small project with a very fast payback.

**Presentation – Quarterly Conservation Program Update – Mr. Carpenter (Attachment 1)**

Mr. Carpenter mentioned potential new projects with customers on the commercial side including: lights, roof top air conditioners, solar arrays under discussion, audits and automation systems. On the residential side, more geothermal may come up especially where no gas service is available, with two projects complete. Mr. Carpenter stated that he is currently working on four projects with the likelihood that one or two of these projects will come to fruition.

Mr. Carpenter stated that it's important to get RMLD involved as soon as possible when considering renewable projects. RMLD can help with any renewable or sustainability project, and hopes that municipal renewable projects will be proposed. In addition, Columbia Construction in North Reading has a 75 kW solar array. Mr. Carpenter said that it is the best solar installation he has seen and Columbia Construction is willing to show the solar array to anyone who is interested. Mr. Soli asked what voltage they generate. Mr. Carpenter replied most likely 480. Chairman Hahn asked if there is a chance that they would send stuff back to the grid and require net metering. Mr. Carpenter replied, no. Mr. Carpenter added that their building is very efficient; hence the reason why going to this array was a good idea.

Ms. O'Neill asked are we reaching a point where we can include what percentage of our power supply portfolio that can be met by energy efficiency, conservation measures and efforts. Ms. O'Neill asked if we can start to put a number on that. Mr. Carpenter replied, yes. Ms. O'Neill suggested setting some goals, strategies that can be specifically identified and putting a number to them. Ms. O'Neill mentioned the Residential Time of Use program as one means to achieve this, the Water Heater rate when that demand response program gets in place by reaching out to people. Ms. O'Neill asked is that something we can start to take a look at. Mr. Carpenter responded, yes. Ms. O'Neill congratulated Mr. Carpenter on the two grants and thanked him for providing her with the information on them.

Ms. O'Neill had questions on the Water Heater demand response program. Ms. O'Neill clarified that this is a demand response program with the customers being shut off daily, how does this integrate with the RMLD's existing Water Heater rate? Mr. Carpenter responded that currently, the plan is to leave the rate as is, but Mr. Cameron is going to analyze the rate to see if it needs adjustment. Mr. Carpenter gave a brief explanation of solar hot water potential.

Ms. O'Neill said that within the grants policies were mentioned. Ms. O'Neill commented that these policies should be shared with the Board. Ms. Snyder congratulated Mr. Carpenter on the grants and said it was great work.

**Approval of January 5, 2012 Board Minutes**

Ms. Snyder made a motion seconded by Mr. Pacino that the RMLD Board of Commissioners approve the Regular Session meeting minutes of January 5, 2012.

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

**Report from RMLD Board Committees**

**Report of the General Manager Committee – Chairman Hahn**

**General Manager's Contract**

Chairman Hahn reported that the General Manager Committee met on February 9 which was a short meeting. Items discussed included recent events. Some members provided feedback on the General Manager as part of his performance review. The consensus of the group is that the real evaluation will occur in August, no action was taken.

**Report of the Power & Rate Committee – Chairman Hahn**

**RMLD's Annual Request for Proposal for Power Supply**

Chairman Hahn reported that the Power & Rate Committee met this evening before the RMLD Board meeting. The item on the agenda that was discussed is the next phase in RMLD's power supply procurement program. Messrs. Cameron and Seldon made a presentation to recommend that the Department go out and seek bids for power supplies beginning in 2013 and beyond. Chairman Hahn added that this was also raised at the Citizens' Advisory Board meeting that Chair Carakastane referred to earlier. Chairman Hahn stated that the vote at the Citizens' Advisory Board meeting was 5:0:0 to authorize the Department to go out, obtain the bids and procure power supply. The Power & Rate Committee voted earlier this evening 3:0:0 to do the same.

**Report of the Power & Rate Committee – Chairman Hahn**  
**RMLD's Annual Request for Proposal for Power Supply**

Mr. Seldon explained that this is the sixth time they have gone through this process as part of the strategic power supply plan to fill a portion of the Department's needs for energy in these four year chunks. Mr. Seldon said that the Department thought it was prudent not to have all its eggs in one basket and the layering and laddering approach for power supply spreads out and hedges pricing risks by not going out for overly significant amounts of power at one time. Mr. Seldon stated that the Citizens' Advisory Board as well as the Power & Rate Committee were given this presentation. Mr. Seldon said that the Department will be looking at indicative pricing and the entities that fit the criterion will be short listed and move forward to procure the power supply. Mr. Seldon explained that this is being done a little earlier this year, in April, because the natural gas futures are low right now and the Department would like to take advantage of this.

Ms. Snyder made a motion seconded by Mr. Soli that the RMLD Board of Commissioners authorize the General Manager to execute one or more Power Supply Agreements in accordance with the RMLD's Strategic Power Supply Plan for power supply purchases for a period not to exceed 2013 through 2016 and in amounts not to exceed 28 MW in 2013, 22 MW in 2014, 21 MW in 2015, and 20 MW in 2016 as presented by the General Manager and Staff.

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

**General Manager's Report – Mr. Cameron (Attachment 2)**  
**RMLD's Telephone System**

Mr. Cameron reported that there was a comment at the Board meeting in December on the RMLD's telephone system with customers not getting through to a live voice during the October storm. Mr. Cameron said that there are three things he has learned: 1. The present system has twenty-five lines coming in however, only eight callers can listen to the message at once then the callers have the option of getting a live voice. Mr. Cameron explained that the system works 99.9% of the time, but when there are storms or feeder outages then this is not sufficient. A feeder outage can consist of 1,000 customers. Most feeder outages are on the order of an hour in duration. 2. The system can be upgraded in order that more customers listen to the message increasing it to sixteen customers listening to the message is a one time charge of \$32,000. 3. Use an outside messaging service. Smaller systems use this on a smaller scale, not for 2,000 to 3,000 customers. There are logistical issues with respect to ensuring that the answering service has the most up to date and accurate message to give customers.

Mr. Cameron said that there has to be an exchange of information back from the answering service because this information is vital in the diagnosis of the outages during storm outage situations. Mr. Cameron said that he is thinking of putting a committee together internally or to commission a study of best practices and industry standards.

Mr. Cameron stated that the phone system is good for our day to day operations with the exception of large outages because customers want to speak to a live voice.

Mr. Pacino said that the possibility of social media has been discussed and asked if this would be part of it. Mr. Cameron stated that there have been meetings on social media and he does not think this will alleviate the phone system. Mr. Cameron added that the RMLD is looking into using Twitter, not on a regular basis, but when there are storms to provide updates. The RMLD's website can also be utilized. Also, as done in the past storm, updates can be sent to the Town Administrators/ Managers twice daily which worked well.

Chairman Hahn stated that we have to do something with more of these options fleshed out. Chairman Hahn suggested that in place of a live person someone give their address and time of the outage logged into a Word Document and have someone follow up with that later. Chairman Hahn stated that there are a bunch of options that we are not looking at. It might happen only once in every ten years, but that is when you get egg on your face. This is something we should do that should be expedited with a timeline to get this study completed. Chairman Hahn asked Mr. Cameron what is a reasonable time. Mr. Cameron said that he could get the study completed by the end of the fiscal year June 30.

**Rate Stabilization Fund and Pension Trust Transfers**

Mr. Cameron stated that Ms. O'Neill had asked at the last meeting about the Rate Stabilization Fund and Pension Trust Transfers. Mr. Cameron reported that the RMLD made a Pension Trust Transfer of \$1 million because the Pension Trust Fund was depleted.

**General Manager's Report – Mr. Cameron (Attachment 2)**  
**Rate Stabilization Fund and Pension Trust Transfers**

Mr. Cameron said that there was no Budget Committee meeting. In the past, when we have made transfers we have had Budget Committee meetings. Mr. Cameron said that his attention was on the hurricane at the end of August. Mr. Cameron said that a Budget Committee should be set when the Draft Audited Financial Statements are being completed and have that meeting whether or not there are transfers and to discuss year end.

Ms. O'Neill stated that she had no confusion over the Pension Trust. In terms of the Rate Stabilization Fund transfer, she thought there should have been a Budget Committee meeting. Mr. Cameron said that he will ensure that a meeting will be scheduled at the end of August or the beginning of September in the future.

**Massachusetts proposed Municipalization Bill**

Mr. Cameron reported that the proposed Massachusetts Municipalization Bill has been discussed for the last two to three years. The bill started out as a bill to lay down ground rules on how a town or a municipality can start a municipal electric light utility. Mr. Cameron explained that Hudson and Stowe had a case in the eighties which went on for years with the result being that a template of the Twenty Year Agreement was utilized to resolve their differences. There needs to be a willing seller and a willing buyer. Mr. Cameron stated that with the Municipalization Bill in the last month the House Utilities Committee made changes to the bill. The changes took away exemptions that were hard fought during the deregulation era in the late nineties. The exemptions include not having to pay into the Renewable Energy Trust Fund, Energy Conservation Fund as well as the service territory being protected from other utilities coming in.

Ms. Snyder suggested that in the letter to let the legislators know that the previous version of the bill could be supported, however, the current revisions made by the committee are unacceptable as it stands and does not work for public power. Ms. O'Neill commented that the letter is too long in its present format, we should work with the legislators to phrase this in a manner that we will be working with them. Chairman Hahn added that the letter is too long and he would be in favor of a more focused version. Ms. O'Neill will coordinate changes to the letter with Mr. Cameron.

**Executive Office of Energy and Environmental Affairs (EOEEA)**

Mr. Cameron explained that he and representatives from both Braintree Electric Light Department and Energy New England met with Barbara Kates-Garnick who is the Energy Undersecretary of the Executive office of Energy and Environmental Affairs to discuss energy conservation programs in the municipal arena. This item is being addressed in response to a question from one of the commission members on the payables relative to a Rubin and Rudman billing. Mr. Cameron stated that Rubin and Rudman facilitated a meeting and coordinated information with the commission members from the Massachusetts Department of Public Utilities (DPU) relative to energy conservation programs and renewable energy incentives in which all three commission members, Berwick, Westbrook and Cash were in attendance. Mr. Cameron said that there needs to be more information flow because they are not in tuned with what the municipals are doing with respect to energy conservation and renewable energy projects. Mr. Cameron commented that this will be an ongoing effort to make sure that our information gets to the hill.

Ms. O'Neill questioned why the RMLD would be paying legal bills with respect to this topic. Mr. Cameron responded that some individuals at Rubin and Rudman have relationships with these people and they can schedule meetings quickly and know how to shape the presentation. Ms. O'Neill asked for clarification. Mr. Cameron explained that the issue is there may not be a clear understanding of what municipals are doing with respect to energy conservation and renewable energy programs at the DPU and in the State House.

**Financial Report – January 2012 – Mr. Fournier (Attachment 3)**

Mr. Fournier reported on the Financial Report for January 2012.

Mr. Fournier reported that for the month of January the Net Income is \$498,000 increasing the year to date Net Income to \$2.4 million, coming in under budget by \$2.5 million. Mr. Fournier said that the year to date Fuel Expenses exceeded Fuel Revenues by \$600,000. Year to date Base Revenues are under budget by \$1.9 million or 6.7%. Actual Base Revenues were \$27.3 million compared to the budgeted amount of \$29.2 million. Purchase Power Base expense was under budget by \$1 million or 6.4% under budget. Actual Purchase Power Base costs were \$14.9 million compared to the budgeted amount of \$15.9 million.

**Financial Report – January 2012 – Mr. Fournier (Attachment 3)**

Mr. Fournier commented that Operating and Maintenance expenses were under budget by \$196,000. Actual Operating and Maintenance expenses were \$6.7 million compared to the budgeted amount of \$6.9 million.

Year to date kilowatt hour sales were 419 million which is 15 million kilowatt hours or 3.5% below last year's actual figure.

The Gaw revenues collected year to date were \$419,000 bringing the total collected since the inception of the Gaw rate to a little over \$1 million.

Mr. Soli clarified, the Base Revenue is off \$1.9 million is that due to the fact that the RMLD dropped load due to mild weather. Mr. Fournier replied that on the residential side is 920,000 under budget and the commercial side is 818,000 which is weather related. Mr. Cameron stated that this has occurred due to the weather because heating and cooling days are down mostly heating days, down 27% through January. Mr. Soli commented that a hot May and June would make up for some of this.

Ms. O'Neill asked about the Operating Fund which has gone up \$750,000 since last month. Ms. O'Neill questioned that shouldn't something be done sooner as opposed to later such as a transfer to the Other Post Employment Benefit or Pension Fund Trust that need funding. Mr. Cameron stated that he and Mr. Fournier have had discussions relative to this; however, he would like to wait to see how the sales shake out between now and the end of the year. If the RMLD is down that much revenue due to weather those funds may be needed to make up for some deficiencies. The funds can be transferred instead of pulling from the Rate Stabilization Fund. His recommendation is to wait a couple of months.

Ms. O'Neill asked a question on the electronic billing, how many customers have moved over to that. Mr. Fournier responded a little less than two thousand. Ms. O'Neill clarified that they do not receive anything in the mail. Mr. Fournier responded that is correct. Ms. O'Neill asked about the estimated savings, would it be worthwhile to come up with some incentive program. Mr. Fournier responded that they had a meeting with the vendor a couple of weeks ago.

Mr. Fournier reported that their product is robust and the RMLD is only using a fraction of it. Mr. Fournier explained that they wanted to ensure that the RMLD's personnel felt comfortable with this. Mr. Fournier reported that phase two of this would be to obtain more e-mail addresses, promote this and put it in the *In Brief* to attract more customers to use this service.

Mr. Fournier noted that the vendor is pleased with RMLD's progress and impressed with the results. Ms. O'Neill commented that once you go on paperless billing you do not receive the *In Brief*. Mr. Fournier pointed out that the *In Brief* is found on the RMLD's website. Ms. O'Neill said that customers are not going to search for this and that there should be some mechanisms available to send it with the bill. Mr. Cameron commented that we have to ensure that the e-mail billing does not end up as spam. Mr. Cameron commented that if there are items that are sent out to customers then a third billing party can be used and will be investigated. Ms. Snyder said that in her electronic bill this month she believes it had a link to the *In Brief*. Ms. O'Neill noted that *In Brief* is a major way the RMLD communicates with customers. Mr. Fournier said that he will get back to the Board on this.

On another matter, Ms. O'Neill said that she expected a memo from the General Manager relative to the budget, since the budget is coming up in a month. Mr. Cameron said the philosophy of the budget memo will be out before the end of the week.

**Power Supply Report – January 2012 – Mr. Seldon (Attachment 4)**

Mr. Seldon reported that RMLD sales totaled approximately 56.6 million kilowatt hours and as a result, the RMLD undercollected by approximately \$274,000 resulting in a Deferred Fuel Cash Reserve (DFCR) balance of \$2.45 million. The January Fuel Charge was set at \$.055/kilowatt hour, lowered to \$.05/kilowatt hour and anticipated to remain the same for March.

The RMLD hit a peak demand of 106.6 megawatts at 6:00 p.m. on January 16 compared to a demand of 112.2 megawatts in 2011. Mr. Seldon said that this can be attributed to the weather. Mr. Seldon pointed out that January was very mild with an average temperature of 34.2 degrees which is 5.2 degrees higher than normal.

**Power Supply Report – January 2012 – Mr. Seldon (Attachment 4)**

Mr. Seldon said that the RMLD's monthly capacity requirement was 201.3 megawatts equivalent to \$6.64 per kilowatt hour month.

Table 4 shows both the capacity and energy costs as well as the amount of energy. In January the average cost for capacity and energy came in at \$.0785/Kwh which is \$.0045 higher than December. Transmission costs for the month were \$639,000 which is approximately a 2.7% increase from the previous month.

Mr. Soli commented that he was surprised to see what happened to the ISO Interchange because it is running \$.02 above, is there something special happening. Mr. Seldon responded that they reviewed the ISO costs for the month and there were times the real time load exceeded what we bid in the day ahead load where the prices were actually high at over \$300.

**Engineering and Operations Report – January 2012 - Mr. D'Alleva (Attachment 5)**

**Gaw Update**

Mr. D'Alleva reported on the upgrade project at the Gaw Substation and the only change is a meeting scheduled for mid March with the project engineer PLM for the final walk through for the project to make sure everything was done as per the bid. There were finishing touches completed with the project one hundred percent complete.

In the variance report Project 1 – 5W9 Reconductoring – Ballardvale Street – is being worked on, Project 2 – High Capacity Tie 4W18 and 3W8 Franklin Street – is being worked on, Project 3 – Upgrading Old Lynnfield Center URDs – is being worked on, Project 6 – Capacitor Banks – is being worked on, and Project 8 – Relay Upgrade/Replacement Project at Gaw – is being worked on.

There were two new commercial services and ten residential services.

In January there were 24 cutouts replaced bringing the total to 178 fiscal year to date.

In the Reliability Report the Customer Average Interruption Duration Index (CAIDI) for the month is 57 minutes which is down 14 minutes from December. CAIDI is down marginally for the year. The rolling average is 60.3 minutes. The System Average Interruption Frequency Index (SAIFI) for the month is .21 outage incidents. The rolling average is .44 outage incidents. There was not much of a change from the December number. The Months Between Interruptions (MBTI) is 27.3 months which is pretty much the same as December.

Number of calls for the month was 89, outage incidents 7; customers affected 508; feeder outages 2; area outages 2 and 3 service outages. Causes of outages are pretty much the same.

Mr. D'Alleva stated that there have been 15,000 meters installed as part of the meter upgrade project, Reading is completed, they are now working on Wilmington and North Reading.

Ms. O'Neill commented that she would like an evaluation on the routine construction. We find ourselves seven months through the budget with the routine construction over spent and not that much spent in capital projects; she would like to see more items listed. Mr. Cameron said that he will take care of this.

Mr. Soli said that he would like to see on the meter upgrade project the progress versus scheduling and the projected endpoint. Mr. Pacino added to follow up on Ms. O'Neill's comment; \$5.9 million has been budgeted with only \$2.3 million spent in seven months are there projects that are not going to get completed.

Mr. D'Alleva said that some of the system relay projects at the Gaw substation will probably not be completed by the end of this fiscal year. Mr. Cameron added that the distribution automation project with a cost of approximately \$500,000 has not been completed.

Mr. Cameron pointed out that the reclosers and the SCADA communication system may not be completed. Mr. Cameron said that there has been some technology advances recently and there has been discussion on whether to hold back on such projects and defer to the next year even though specifications have been put together. Mr. Pacino asked for a quarterly update with an explanation of why projects have been put on hold.

**M.G.L. Chapter 30B Bids (Attachment 6)**

**2012-27 RTU Station Controllers and Supplementary Services**

Mr. D'Alleva said that this is to replace the present RTU at Station 4 which is old and they are unable to obtain new parts, it's in the capital budget to have the RTU replaced and upgraded. There were fifteen invitations to bid sent out and two bids received with one bid non responsive. Chairman Hahn indicated his concern with this and with two other bids in which there is one bidder. Chairman Hahn asked why only one qualified bidder. Mr. D'Alleva could only speak to the bid that was thrown out, explaining that the non responsive bidder wanted to have remote access to perform this work and the RMLD does not have any external access to the SCADA system.

Mr. D'Alleva commented that this type of work needs to be performed by the RMLD's Control Center in order to keep compliant with the ISO. The non responsive bidder had several objections to the bid, but the key was the offsite programming. Chairman Hahn said that he has no problem limiting offsite access to RMLD's SCADA system, he does not understand why there is only one bid. Mr. D'Alleva said that prospective bidders come to look at the potential project, but demographic restrictions such as the company being located in California is a deterrent because it can take two to three months to get the system operational. Chairman Hahn mentioned WESCO, Stuart Irby and Power Sales Group not bidding on this project - they are local companies. Chairman Hahn asked if anyone called them to ask why they did not bid, if not the next time they should call. Mr. Cameron stated that we will call everyone one of them.

Mr. D'Alleva explained that this is involved because it is a specialized piece of equipment.

Mr. Soli asked what an RTU is. Chairman Hahn responded that it is a remote terminal unit. Mr. Soli asked what Station 4 is. Mr. Cameron responded Gaw.

Ms Snyder questioned if the bid should be sent out again to see if there could be more bidders. Mr. D'Alleva commented that both bids received were within two percent of each other. Mr. Cameron added that if you go out to bid again he does not think you will obtain better pricing. Chairman Hahn expressed his dissatisfaction with the one bidder.

Ms. Snyder made a motion seconded by Mr. Pacino that bid 2012-27 for RTU Station Controllers and Supplementary Services be awarded to Survalent Technology Corp. for a total cost of \$94,023.00 as the lowest qualified bidder on the recommendation of the General Manager.

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

**2012-29 Line Truck Lift Equipment Inspection and Preventative Maintenance**

Mr. Cameron stated that there was one bidder. The other companies were called they did not like the insurance requirement of five million dollars. Mr. Cameron said that the RMLD requires this amount of insurance in the case of lift equipment as someone could get injured if it does not function properly. Also, some of the companies do not want to post the bond which is required by Massachusetts General Laws, Section 30B.

Chairman Hahn asked what was paid in 2011. Mr. Cameron responded \$92,685 for the prior three year contract.

Mr. Cameron explained there was an increase because the RMLD asked for more on the maintenance side with respect to tightening bolts which translated into \$7,600 annually. Chairman Hahn asked if this is the RMLD's current supplier. Mr. Cameron replied, yes.

Ms. O'Neill said that it should be looked at to see what can be done to foster more bids because this is problematic with some of the bids. Ms. O'Neill commented that the work performed by such companies is looked at by the RMLD to see if the work is acceptable. Mr. Cameron said that facilities staff checks on this before payment is made.

Ms. Snyder made a motion seconded by Mr. Pacino that bid 2012-29 for Line Truck Lift Equipment Inspection and Preventative Maintenance Service be awarded to James A. Kiley Co. for \$115,560.00 as the lowest qualified and responsive bidder on the recommendation of the General Manager. This is a three-year contract.

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

### **M.G.L. Chapter 30B Bids (Attachment 6)**

#### **2012-30 Line Truck Chassis Inspection and Preventative Maintenance Service**

Mr. Cameron said that the non bidders were contacted and the reason for not submitting a bid included they could not guarantee that everyone working on the chassis had certified training. The RMLD requires American Automotive Standards for mechanics that work on our trucks.

Ms. O'Neill commented that this is the current supplier the RMLD uses. Chairman Hahn said that there are increases in the bids without competition and he is unsure what to do about that. Mr. Cameron said that the RMLD does not want uncertified mechanics working on its vehicles.

CAB Chair Carakatsane commented that with working with municipalities over the years they have the same concern. It is one of the constraints of the bidding process.

Ms. Snyder made a motion seconded by Mr. Pacino that bid 2012-30 for Line Truck Chassis Inspection and Preventative Maintenance Service be awarded to Taylor & Lloyd, Inc. for \$106,517.66 as the lowest qualified and responsive bidder on the recommendation of the General Manager. This is a three-year contract.

**Motion carried 4:0:1. Ms. Snyder abstained.**

#### **2012-31 Meters**

Mr. D'Alleva said that this is a bid for five hundred network meters for some new developments going on. Diamond Crystal in Wilmington is approximately one hundred meters and 30 Haven Street in Reading is forty meters and Reading Woods which is a multi year project there will be four hundred to five hundred meters.

Mr. D'Alleva stated that sixteen invitations to bid were sent out and three bids were received with AvCom being the lowest bidder. Chairman Hahn commented that we currently use this company. Mr. D'Alleva replied, yes.

Ms. Snyder made a motion seconded by Mr. Pacino that bid 2012-31 for Form 12 S Network ERT Meters be awarded to AvCom Inc. for a total cost of \$37,550.00 as the lowest qualified bidder on the recommendation of the General Manager.

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

#### **General Discussion**

Chairman Hahn said that a couple months ago Mr. Pacino raised the issue of International Financial Standards. Chairman Hahn stated that he read in *The Wall Street Journal* that these standards are going to be enacted. Mr. Pacino pointed out that at this point the SEC has to make the decision and is writing a plan for how to get to International Financial Standards. The Chair of the SEC says it has to be reviewed and is not expected before 2016. Mr. Pacino is not aware of any standards to deal with regulatory assets. It is a long process as the Chair of the SEC is still evaluating.

Ms. Snyder said that she had asked a question on the payables relative to the amount of electricity used by the warehouse. She went to the warehouse, the lights were on and there was no one in there with employees working 7:00 am to 3:00 pm. According to facilities, the lights never get turned off. Some of the lights are high bays and some are T-12's which are older. She hopes that someone can work with the owner. Mr. Cameron said that he will look into this. Ms. Snyder would like something to be done; the RMLD should be setting the example.

#### **Rate Comparisons, February 2012**

The General Manager commented that the rate comparisons continue to look good, both compared to the investor owned utilities and neighboring towns.

#### **BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED**

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

#### **RMLD Board Meetings**

**Thursday, March 29, 2012 and Wednesday, April 25, 2012**



**Citizens' Advisory Board Meeting**

**Thursday, March 8, 2012**

Chair Carakatsane said that the Citizens' Advisory Board is in the process of rescheduling this meeting.

**Executive Session**

At 9:15 p.m. Ms. Snyder made a motion seconded by Mr. Pacino that the Board go into Executive Session to discuss Rubin and Rudman billing on 2011 power supply, Choate Hall & Stewart billing for professional services billing and return to the Regular Session for the sole purpose of adjournment.

**Motion carried by a polling of the Board.**

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

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

**Adjournment**

At 9:34 pm. Mr. Pacino made a motion seconded by Mr. Soli 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.

Gina Snyder, Secretary  
RMLD Board of Commissioners



# Reading Municipal Light Department Energy Conservation Program

February 2012 Update

ATTACHMENT 1

# Topics

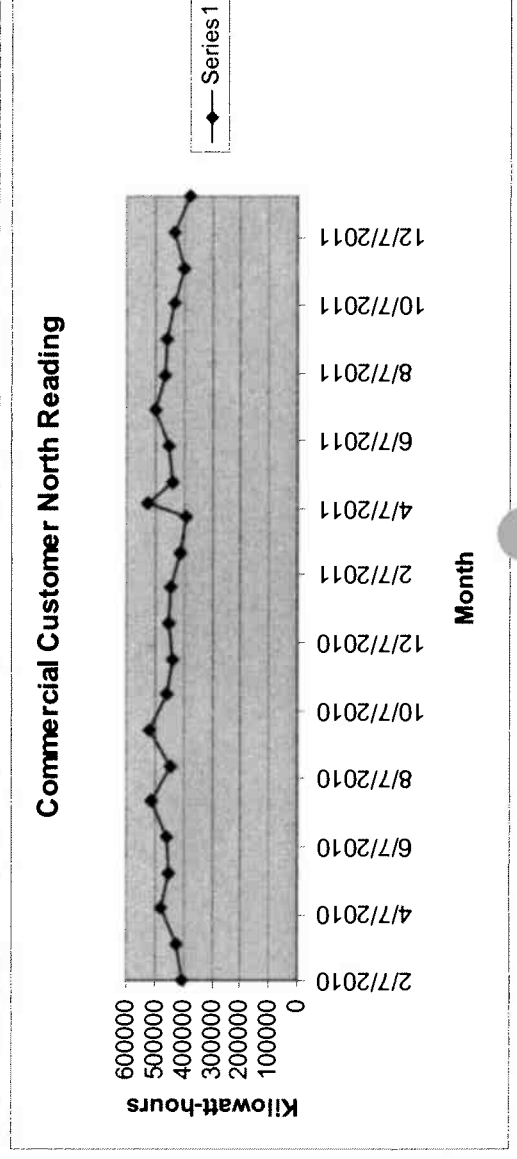
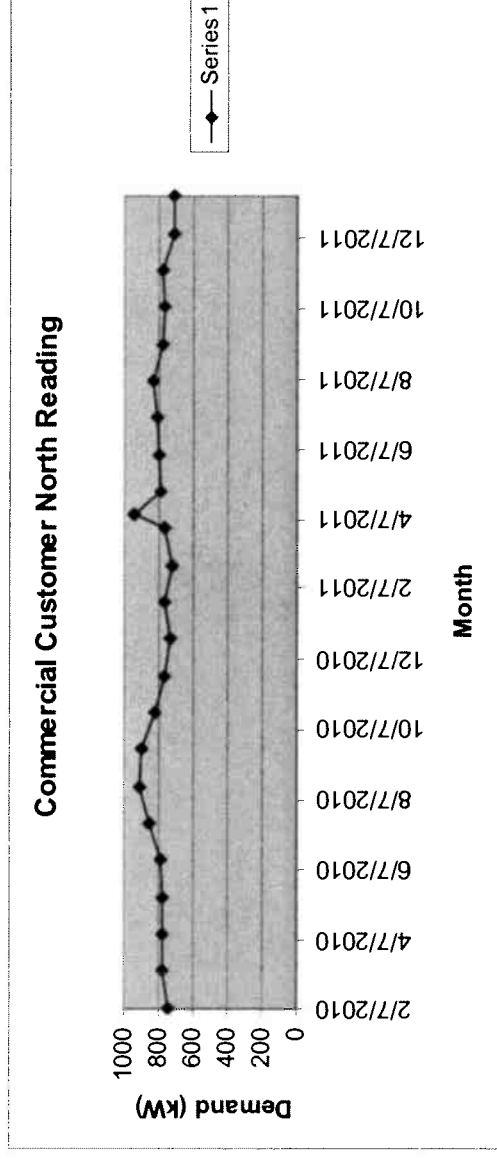
- Awards/Grants
- Project Review
- New Project Update
- Renewable Technology
- Commercial Solar Project

## Awards/Grants

- MAPC awarded town sustainability plan.
- DOER awarded \$50,000 for a residential demand response program.

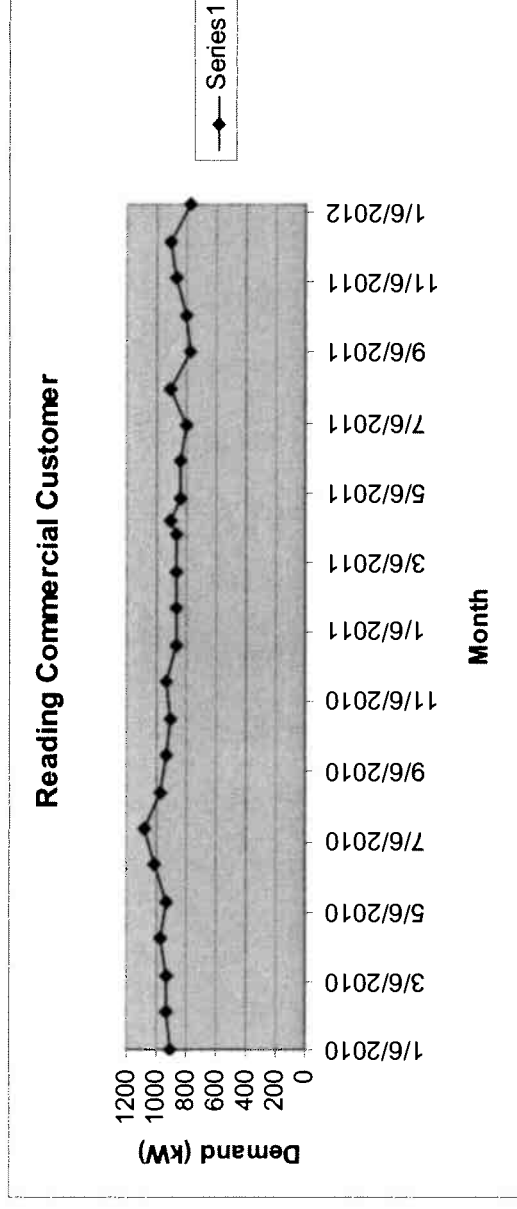
## Project Review (Commercial Building North Reading)

- The goal was 44 kW, actual on-peak reduction coincident with our peak was 108 kW (12% reduction). There was a 3% decrease of kWh during summer months and during the year. The end result was a rebate of ~\$310/kW removed.



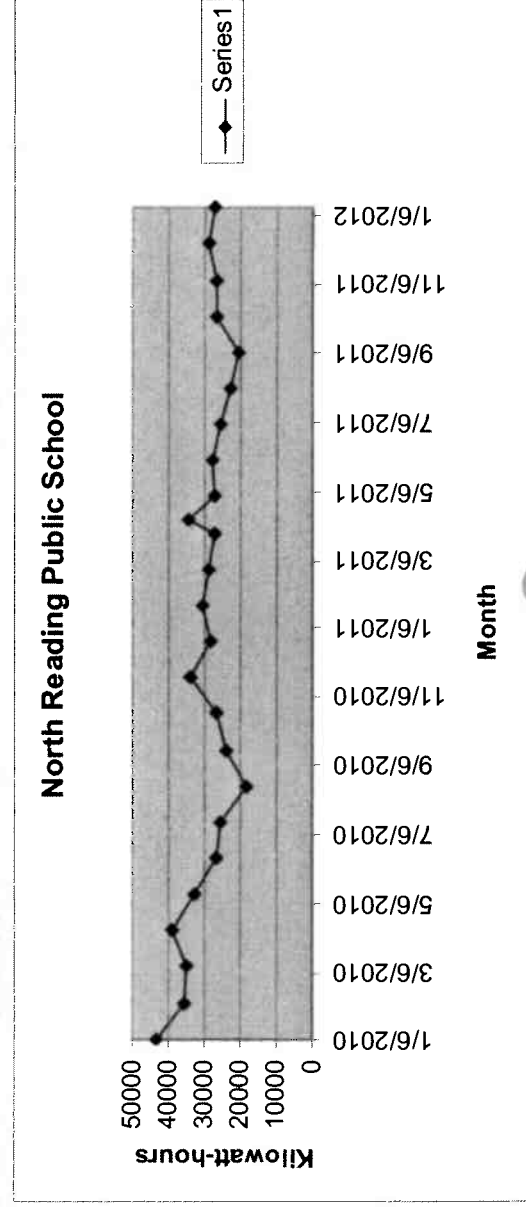
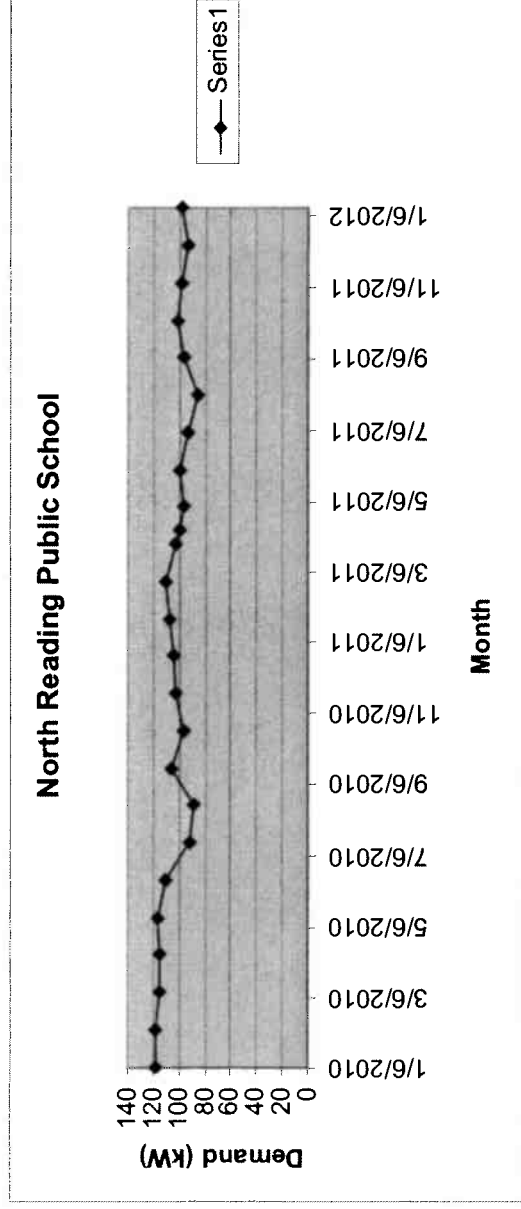
## Project Review (Commercial Building Reading)

- The goal was 72 kW, actual on-peak reduction coincident with our peak was 168 kW (17% reduction). There was a 20% decrease of kWh during summer months, and a 12% reduction over the year. The end result was a rebate of ~\$60/kW removed.



## Project Review (North Reading Public School)

- The goal was 6 kW, actual on-peak reduction was 12 kW (14% reduction). There was an 11% decrease of kWh during the year (~\$6,700). The end result was a rebate of ~\$250/kW removed.





## New Project Update

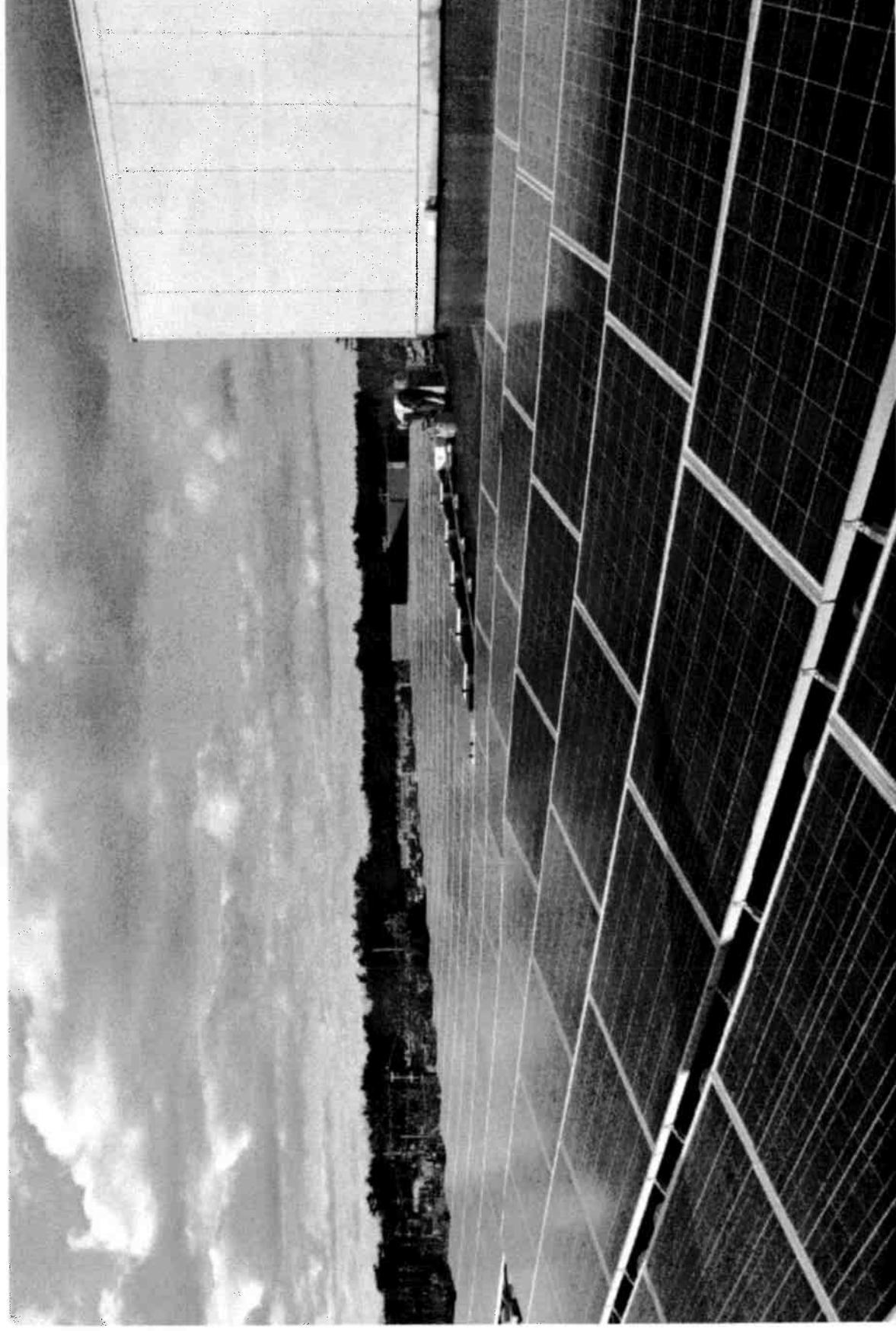
- Commercial
  - Lights
  - Rooftop Air Conditioners (RTU's)
  - Solar Arrays
  - Building Automation Systems (BAS)
  - Audits
- Residential
  - Geothermal
  - Solar Arrays
  - Heating systems
  - Insulation

## Municipal Renewable Projects

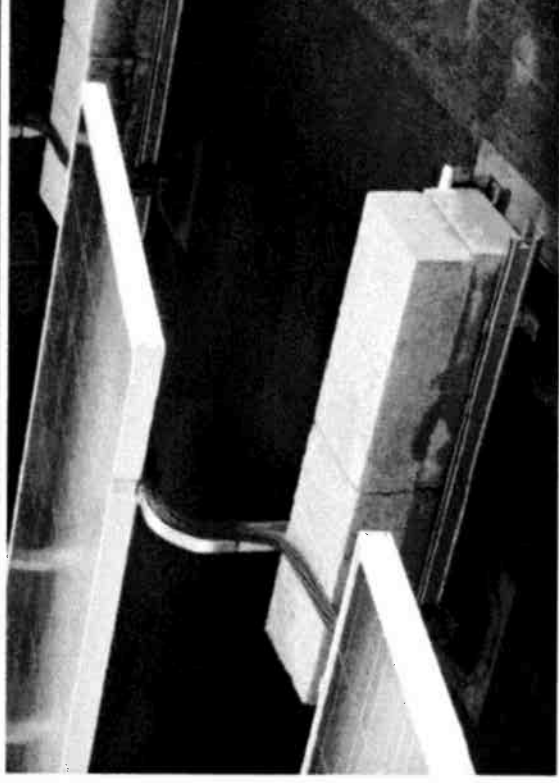
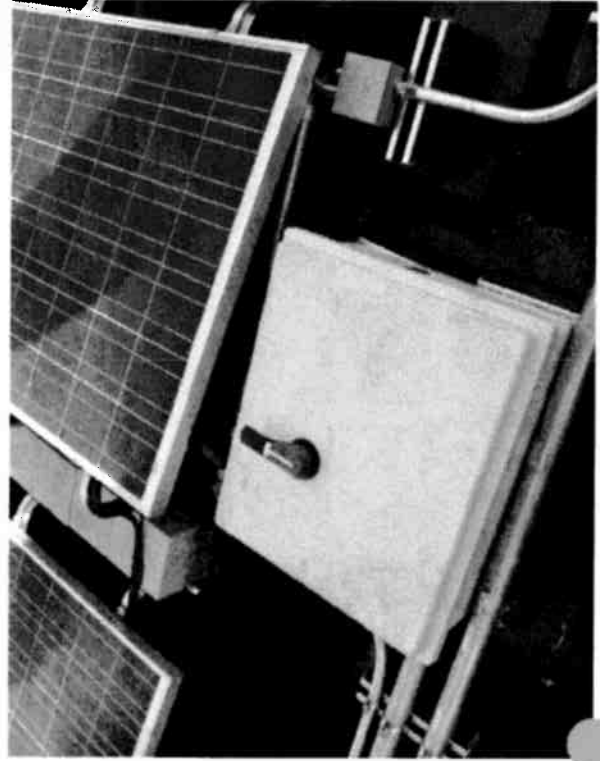
- RMLD partial rebates
- No cost to the town projects
- Additional revenue, roof replacements, etc.
- RMLD can help with any renewable or sustainability project. We recommend getting us involved early.
- Our ability to work quickly gives us an advantage.

## Columbia Construction Solar Array

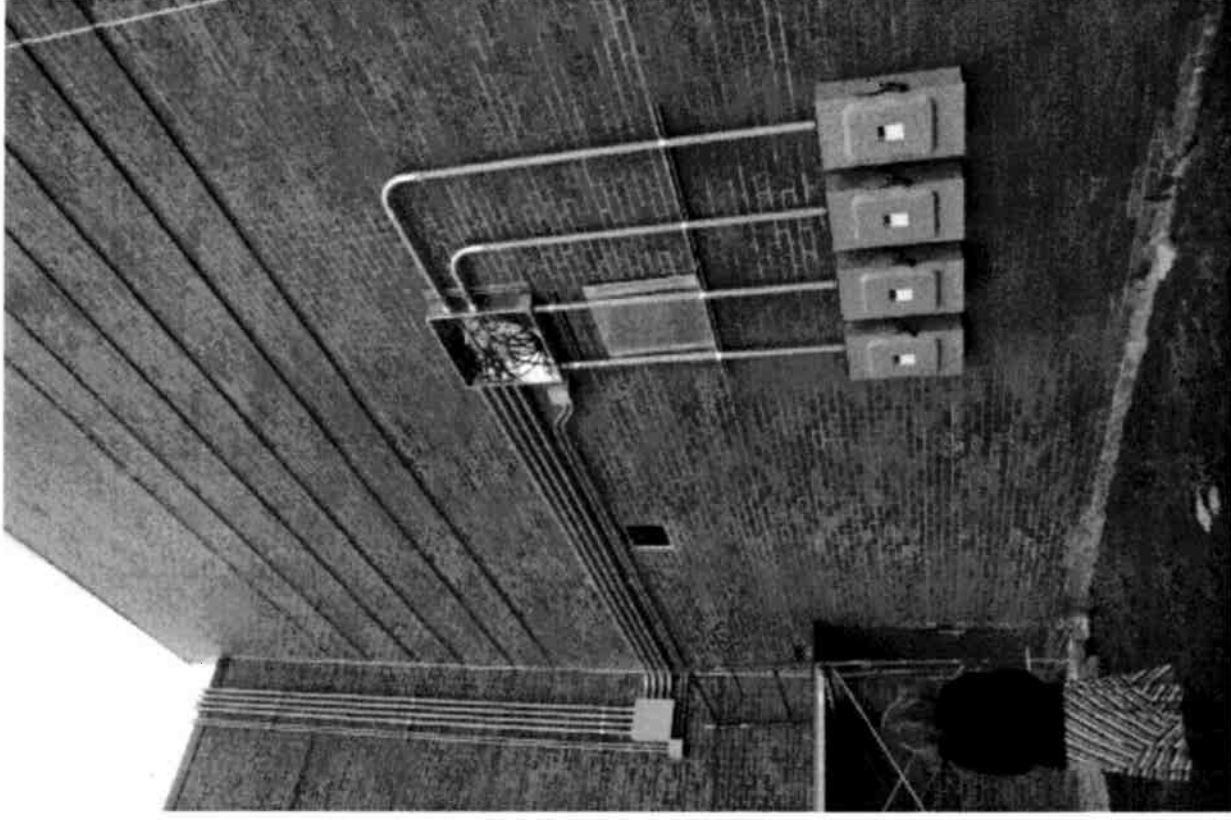
- 75 kW, 98,000 kWh, 380 modules



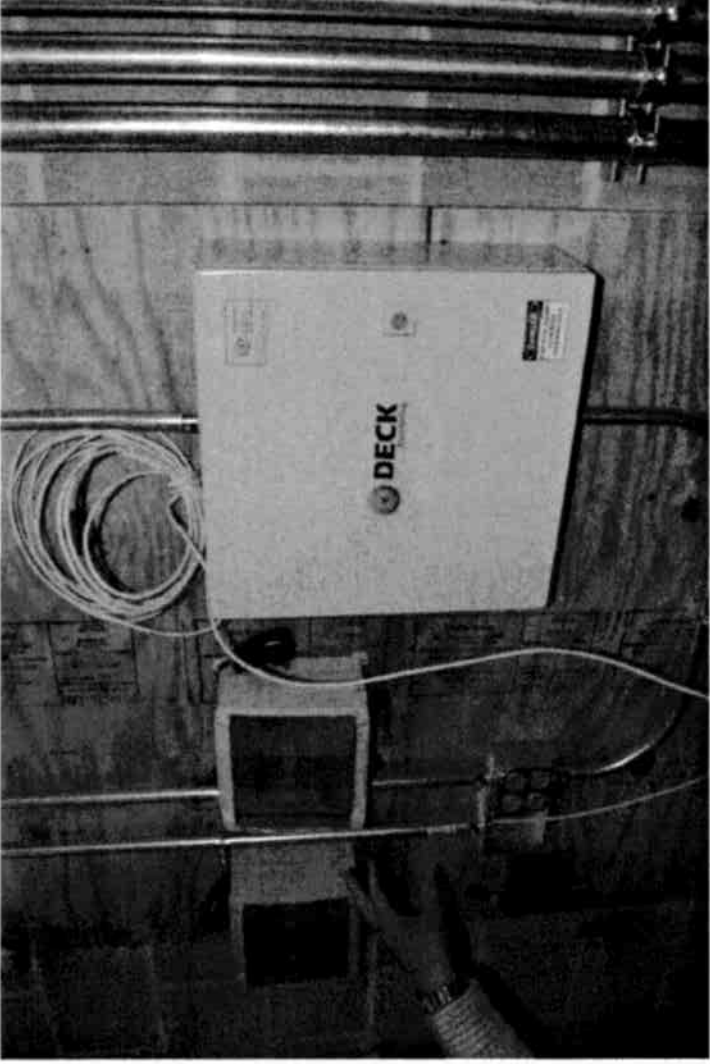
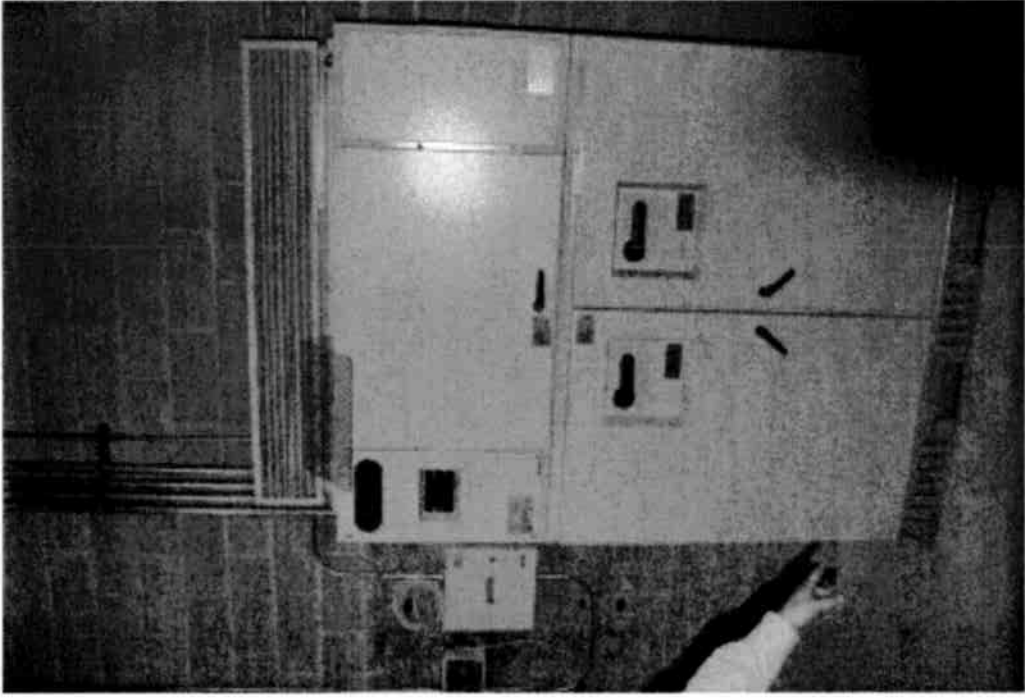
## Roof Space, Disconnect, Wind Load



## Disconnect Switches



## Inverter, Monitoring Controls



## READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board of Commissioners

Date: February 22, 2012

From: Vinnie Cameron

Subject: Telephone System Update

At the December 7, 2011, Reading Municipal Light Department (RMLD) Board Meeting the Board of Commissioners asked to have the RMLD's telephone system analyzed to see if it is sufficient to handle customer requirements when large outages occur. The request was based on comments concerning the October snow storm that caused considerable damage to the RMLD's distribution system and caused customer outages for up to five days. Over the last year the RMLD experienced two storms (Hurricane Irene and the October Snow Storm) when the phone system was overloaded at the beginning of the storms and from time to time during the next day or so. The RMLD has investigated the capabilities of the existing telephone system with respect to its operation during periods of storms when a large amount of calls are being made into the RMLD.

When a feeder outage occurs there could be over one thousand customers affected. The RMLD has the ability to switch its phone system to storm mode and twenty-five phones can be used to answer phone calls. In addition, the RMLD has a messaging system set up so that a message can be recorded on its telephone system explaining the nature of the outage(s). The messaging option during outages has shown to be an effective tool in getting outage information to the public. When the messaging is in place the volume of calls being answered by the Station Operators or Customer Specialists is more manageable. Customers calling in about an outage want to be assured the RMLD knows about the outage, and the messaging option has proven to be effective in getting the information to the customers.

During an outage situation twenty-five callers have the option of talking to a RMLD employee or listening to a message explaining the nature of the outage, which the RMLD updates during the outage. If callers choose to listen to the message, only eight callers can listen to the message simultaneously. Overall, the telephone system works well for a large portion of the RMLD's communication purposes. When a feeder operation or a storm occurs, the RMLD's telephone system is stressed during the initial stages of the incident. The more severe the outage is then the more stressed the phone system will be. The present phone system has an annual maintenance cost of approximately \$5,000.

The RMLD could upgrade its present system to allow twenty-five callers to listen to the messaging system simultaneously, which would allow more flexibility for customers that want to know the nature of the outage and hang up. In this option, the number of lines coming into the RMLD would not change. The cost of this upgrade would be approximately \$32,000, with the same maintenance fee that presently exists.

The RMLD could also have an answering service on retainer that would have calls directed to them when a storm or some other large event affects the RMLD's service

territory. Obviously, more phone calls would be answered by a live person in this alternative; however, this it would also present some logistical problems. The message about the outage would have to be conveyed to the answering service very quickly along with updates, so that the customers are receiving timely and accurate information concerning the outage situation. The answering service would also need the capability to get outage information back to the Station in order that Engineering is able to assimilate and diagnose the outages in a timely manner. This alternative would cost the RMLD approximately \$40,000 per year, in addition to the cost of the existing system.

The RMLD should commission a study on best practices with respect to communications with customers during outage situations to determine industry standards and the method that presents the greatest value to the RMLD. It should be noted that the RMLD is also exploring more efficient use of its website and social media to provide information to its customers during outage situations.



## READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board of Commissioners

Date: February 22, 2012

From: Vinnie Cameron

Subject: FY11 Transfers - Pension Trust and Rate Stabilization Fund

At the January 25, 2012 RMLD Board meeting Commissioner O'Neill asked about the transfers made from the Operating Budget to the Pension Trust and the Rate Stabilization Fund. Commissioner O'Neill wanted to know if these transfers should have gone before the Budget Committee prior to making the transfers.

### **Pension Trust Transfer**

On May 25, 2011 the Budget Committee made a motion to recommend to the RMLD Board of Commissioners to transfer \$1 million from the Operating Fund to the Pension Trust Fund for FY11. The minutes of the May 25, 2011 Budget Committee meeting are attached along with a memo suggesting that the transfer be made. At the May 25, 2011 RMLD Board meeting the RMLD Board made a motion to accept the Pension Trust Fund transfer and made a similar motion to transfer the \$1 million into the Pension Trust Fund. The minutes of the RMLD Board meeting are attached. This transfer was made on June 21, 2011.

### **Rate Stabilization Fund Transfer**

I sent a memo to the RMLD Board of Commissioners on November 19, 2010 (attached) concerning the Rate Stabilization Fund balance, which was below the \$6 million level, which was set according to my performance items, and is attached. In this memo I stated that in the third quarter I would examine the financial position of the RMLD to determine whether the RMLD is able to make a transfer from the Operating Fund to the Rate Stabilization Fund, in order to get it above the \$6 million level.

On August 12, 2011, the Draft FY11 Financials were sent to the Board of Commissioners. In an e-mail (attached) sent to Chairman Hahn, I stated that the Net Income number was a good number (Melanson Heath agreed with it.) I explained that we couldn't finalize the balance sheet until MH (Melanson Heath) blessed our cash balances, which included the Rate Stabilization Fund transfer. The Draft June, 2011 Income Statement, kWh sales, and Budget Variance Report were included in the financial report for the August 31, 2011 RMLD Board Meeting (attached.)

At the September 28, 2011 RMLD Board meeting (minutes attached) the RMLD Board approved the RMLD's FY11 Audited Financial Statement. At this meeting I pointed out that the RMLD had transferred \$500,000 from the Operating Fund to the Rate Stabilization Fund, in order that the Rate Stabilization Fund is in the range of \$6 million to \$7 million, according to my performance items.

Going forward, a Budget Committee meeting will be scheduled when the draft audited financials statements are being completed (without transfers) in order to discuss potential year end transfer(s).

Attachments - 6

**Reading Municipal Light Department Board (RMLD) of Commissioners**  
**RMLD Board of Commissioners Budget Committee Minutes**  
**Wednesday, May 25, 2011**

ATTACHMENT 1

**Start Time of Regular Session: 6.35 p.m.**  
**End Time of Regular Session: 7:25 p.m.**

**Attendees:**

**Committee Members:**

**Philip Pacino, Committee Chair**  
**Mary Ellen O'Neill, Member**

**Richard Hahn, Member**

**Staff:**

**Vinnie Cameron, General Manager**  
**Robert Fournier, Accounting/Business Manager**

**Jane Parenteau, Energy Services Manager**

Mr. Hahn in called the meeting to order at 6:35 p.m.

**Transfer to the Pension Fund**

Mr. Cameron said that the Committee informational package includes a memo explaining that the RMLD's Pension Trust Fund is being depleted due to the economic climate and rising pension expenses. Mr. Cameron further explained that over the past several years, the RMLD has not transferred sufficient funds into the RMLD's Pension Trust Fund in order to sustain it. Mr. Cameron is asking the Budget Committee to accept his recommendation that the RMLD transfer \$1 million from the Operating Fund to the Pension Trust for FY11.

Discussion followed.

Ms. O'Neill made a motion seconded by Mr. Hahn to recommend to the RMLD Board of Commissioners to transfer \$1 million from the Operating Fund to the Pension Trust for FY11.

**Motion carried 2:0:0. Mr. Pacino was not present for the vote.**

**Review of Draft 2 of the FY12 Capital Budget**

Mr. Cameron said that it was necessary to create a Draft 2 of the FY12 Operating Budget because there were three changes to it.

Mr. Cameron said that the fuel portion of the budget needed to be increased by \$942,818 because the Swift River Hydro energy costs were not included in the original budget. The increase in the fuel costs occurred because the Swift River energy is more expensive than the spot market energy, which it will replace.

Mr. Cameron also explained that \$300,000 worth of FPL Capacity costs were not included in the capacity portion of the power supply budget because the expense was not picked up in the formula in budget spreadsheet.

The demolition of the Control Center scheduled for FY11 will not occur until FY12 at a cost of \$100,000. The bid to perform the asbestos removal portion of the work had to be withdrawn because it did not meet the needs of the RMLD. The work will be re-bid and is scheduled to be performed in FY12.

Discussion followed.

Mr. Hahn made a motion seconded by Mr. Pacino to recommend to the RMLD Board of Commissioners to accept Draft 2 of the Operating Budget as presented to the Budget Committee with a Net Income of \$3,936,043.

**Motion carried 3:0:0.**

Ms. O'Neill voiced her concerns that the agenda for the RMLD Board meeting did not have sufficient detail related to the Power and Rate Committee and Budget Committee reports.

Discussion followed.

At 7:25 pm. Mr. Hahn made a motion seconded by Ms. O'Neill to adjourn the meeting.  
**Motion carried 3:0:0.**

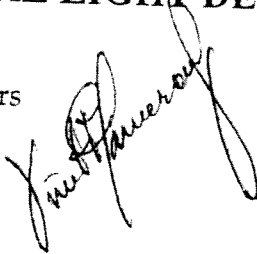
## READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board of Commissioners

Date: May 10, 2011

From: Vinnie Cameron

Subject: 2011 Pension Fund Transfer



In 1966, the Reading Municipal Light Department (RMLD) Board of Commissioners created the Town of Reading Municipal Light Department Employee Pension Trust (Trust) for the purpose of funding the RMLD's annual pension expense for retirees. The RMLD has made withdrawals from the Trust to pay for the RMLD's portion of the Town of Reading pension expense. Over the past several years, the RMLD has seen the Trust balance decline due to the economic pressure in 2008, lower interest rates, and contributions to the Trust not equaling the withdrawals. Additionally, the RMLD's pension expense has increased since 2006 by approximately 44% due to an increase in the amount of RMLD retirees. The RMLD needs to increase its annual contributions to the Trust and also determine if there is a better investment strategy that could bolster the earning power of the fund.

RMLD Policy 22 – Pension Trust Investments includes certain criteria related to the Trust. The intent of Policy 22 is to ensure that the Pension Trust continues to be a resource to fund the RMLD's annual pension expense.

Table 1 shows the actual balances and annual activity in the Trust from 2006 through 2010 with 2011 estimated. The balance in the Trust was over \$8 million at the beginning of 2005 and has declined since then for reasons mentioned above. Additionally, the number of RMLD retirees has increased and will continue to increase in the coming years, which will increase the pension expense. Table 1 also shows the RMLD's contributions, interest/dividend income earned and the annual withdrawals.

The 2010 Actuarial Study for the Trust showed that the RMLD should be contributing between \$1.1 million and \$1.4 million annually in order to keep the Trust at its present balance. Not following the funding prescribed in the actuarial study will deplete the Trust within three to four years.

**Table 1**  
**Reading Municipal Light Department**  
**Pension Trust Activity 2005 through 2011**

	2006	2007	2008	2009	2010	2011
Beginning of Year Balance	\$8,339,065	\$8,118,428	\$7,725,640	\$6,940,355	\$6,616,255	\$6,017,679
RMLD Contribution	\$352,061	\$350,764	\$0	\$360,000	\$200,000	\$100,000
Interest and Dividend Income	\$314,028	\$285,985	\$270,473	\$212,085	\$120,760	\$100,000
Deduct. - Reading Cont. Ret. Syst.	(\$886,726)	(\$1,029,537)	(\$1,055,758)	(\$896,185)	(\$919,336)	(\$1,278,695)
	=====	=====	=====	=====	=====	=====
End of Year Balance	\$8,118,428	\$7,725,640	\$6,940,355	\$6,616,255	\$6,017,679	\$4,938,984

## Jeanne Foti

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**From:** Vincent Cameron  
**Sent:** Friday, May 20, 2011 2:26 PM  
**To:** RMLD Board Members Group; carakatsanelaw@comcast.net; ajcarakatsane@verizon.net; ghooper@townofwilmingtonma.com; tony.capobianco1@gmail.com; taollila@verizon.net  
**Cc:** Bob Fournier; Jane Parenteau; Joe Donahoe; Kevin Sullivan; Beth Ellen Antonio; Jeanne Foti; Paula O'Leary

**Subject:** Draft 2 FY12 Operating Budget - Summary

There has been three updates to the FY12 Operating Budget, which will warrant a Draft 2. These updates have been added to the Budget Committee meeting agenda for the meeting prior to the Board meeting next Wednesday, May 25.

1. The Fuel Expense and Fuel Revenue will have an additional \$942,818. This amount represents the fuel expenses related to the new hydro contracts the RMLD signed in March. The change is reflected in the Fuel Expense total with the line items for ISO-NE Energy and Swift River Hydro. ISO-NE cost went down and Swift River was added for a net increase to fuel of \$942,818. Since this is a fuel related expense the increase effects only the Fuel Expense and Revenue and does not effect the Net Income.

2. The demolition of the Control Center is being re-scheduled until FY12 and will be in the Building Maintenance Budget. This building needs to be demolished in two phases due to the amount of asbestos in the building. The RMLD had planned the demolition in FY11 but were rejected for non responsiveness of the bidders.

The RMLD intends to rebid this project in in FY12 and estimates that the entire demolition of the building will be \$100,000, which will be added to the Building Maintenance Budget and will increase Operating Expense by \$100,000.

3. The Budget Summary page (Power Supply) for did not pick up FPL Cap. expenses of \$330,000, which increases the capacity cost to \$17,630,016.

The net effect of these changes is that Net Income has decreased from \$4,366,041 to \$3,936,043 or \$429,998. A copy of these pages and the Facilities Budget pages will be circulated after the RMLD Board Meeting on Wednesday.

The CAB accepted the original FY12 Operating Budget based on no significant changes. I would like to get feedback form the CAB as to their feeling about these changes. The FY12 Operating and Capital Budgets are on the agenda for the RMLD Board Meeting on May 25th.

## READING MUNICIPAL LIGHT DEPARTMENT

## 2012 BUDGET SUMMARY

DRAFT 2 5/20/11

OPERATING REVENUE:	JUL 11	AUG 11	SEP 11	OCT 11	NOV 11	DEC 11	JAN 12	FEB 12	MAR 12	APR 12	MAY 12	JUN 12	TOTAL
SALES OF ELEC. BASE	4,827,095	4,639,609	4,507,239	3,788,489	3,628,407	3,721,329	4,135,229	3,857,982	3,455,510	3,463,116	3,473,226	3,508,696	46,986,126
SALES OF ELEC. FUEL	4,199,855	3,942,550	3,961,715	3,280,731	3,154,468	3,169,723	3,079,804	3,276,656	2,902,163	2,943,457	2,972,678	2,995,017	40,366,819
ENERGY CONSERVATION	54,133	50,816	50,936	42,286	40,658	40,855	46,141	42,233	37,406	37,939	38,315	38,604	520,321
PURCHASE POWER ADJUSTMENT	(13,879)	(13,028)	(13,059)	(10,841)	(10,424)	(10,474)	(11,830)	(10,828)	(9,590)	(9,727)	(9,823)	(9,897)	(133,400)
GAW REVENUE	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,818	693,761
PASNY CREDIT	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(600,000)
TOTAL OPERATING REVENUE	9,075,017	8,617,960	8,504,643	7,108,478	6,820,922	6,929,246	7,757,157	7,173,858	6,393,302	6,442,598	6,482,209	6,540,237	87,845,627
OPERATING EXPENSES:													
PURCHASED POWER - BASE	2,532,930	2,476,744	2,500,492	2,020,227	2,122,029	2,194,116	2,110,801	2,123,893	2,107,103	2,076,303	2,414,208	2,722,331	27,402,177
OPERATION EXPENSE	802,887	666,274	777,083	818,139	647,077	786,012	658,222	651,303	741,364	721,287	653,488	722,959	8,823,104
MAINTENANCE EXPENSE	240,146	217,340	229,723	243,880	210,490	244,170	247,517	218,260	233,365	238,860	235,980	253,980	2,817,401
DEPRECIATION EXPENSE	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,600,000
TOWN PAYMENTS	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	1,358,000
SUB TOTAL	3,989,163	3,775,359	3,920,298	3,495,347	3,392,597	3,617,298	3,626,539	3,406,446	3,484,832	3,448,450	3,720,076	4,112,280	43,988,682
PURCHASED POWER - FUEL	4,062,679	3,960,420	2,984,404	2,812,017	2,813,721	3,343,007	3,925,208	3,484,249	3,150,522	2,748,499	3,069,137	3,446,954	39,788,817
TOTAL OPERATING EXPENSES	8,051,842	7,735,779	6,874,702	6,307,364	6,206,318	6,960,305	7,551,747	6,890,695	6,645,354	6,194,949	6,789,213	7,559,234	83,787,499
NET OPERATING INCOME	1,023,175	882,181	1,629,941	801,114	614,604	(31,059)	205,410	283,163	(252,052)	247,649	(307,004)	(1,018,997)	4,078,128
OTHER INCOME:													
MUSE AND JORRING	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
INTEREST INCOME	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
FORFEITED DISCOUNTS	106,196	101,856	98,159	83,347	79,825	81,869	90,976	84,976	76,021	76,169	76,411	77,191	1,033,816
MISCELLANEOUS REVENUE	100,000	0	0	100,000	0	0	100,000	0	0	100,000	0	400,000	800,000
TOTAL OTHER INCOME	231,196	126,856	124,159	208,347	104,825	108,869	215,975	109,976	101,021	201,189	101,411	502,191	2,133,915
MISCELLANEOUS INCOME DEDUCTIONS:													
CUSTOMER DEPOSIT INTEREST EXP	500	500	500	500	500	500	500	500	500	500	500	500	6,000
OTHER DEDUCTIONS (ROI)	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	235,000	2,270,000
TOTAL MISCELLANEOUS DEDUCTIONS	185,500	185,500	185,500	185,500	185,500	185,500	185,500	185,500	185,500	185,500	185,500	235,500	2,276,000
NET INCOME	1,068,871	823,537	1,568,601	823,961	533,929	(109,689)	235,885	207,539	(336,531)	263,338	(391,093)	(752,306)	3,936,043



## READING MUNICIPAL LIGHT DEPARTMENT

## 2012 BUDGET SUMMARY

DRAFT 2 5/20/11

PROJECTED REVENUE	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
RESIDENTIAL REVENUE:													
RESIDENTIAL A RATE	2,225,587	2,223,004	1,943,235	1,506,829	1,413,170	1,590,486	1,824,584	1,674,950	1,413,882	1,388,539	1,336,321	1,399,124	19,931,711
RESIDENTIAL WATER HEATER A RATE	50,487	50,223	45,839	37,366	37,928	44,639	53,133	49,992	43,973	42,164	37,692	35,973	528,209
RESIDENTIAL TIME OF USE	14,437	14,646	14,406	11,744	10,972	12,354	14,468	13,678	8,359	8,421	8,242	8,810	140,535
SUB TOTAL	2,290,511	2,287,873	2,003,280	1,555,939	1,462,070	1,637,479	1,892,183	1,738,620	1,466,214	1,439,124	1,384,255	1,443,907	20,601,455
COMMERCIAL REVENUE:													
COMMERCIAL C RATE	1,282,351	1,179,911	1,255,295	1,105,892	1,070,457	1,050,578	1,163,424	1,096,948	1,025,419	1,020,741	1,021,557	982,135	13,254,708
SCHOOL RATE	66,831	55,523	70,922	77,047	82,285	79,981	84,469	81,474	77,443	81,975	72,738	75,062	906,748
INDUSTRIAL REVENUE:													
INDUSTRIAL TIME OF USE	1,106,289	1,029,623	1,099,791	981,839	945,685	885,602	919,932	867,409	817,156	862,802	928,753	940,308	11,374,189
SUB TOTAL	2,454,471	2,265,057	2,426,008	2,164,778	2,098,427	2,018,161	2,187,825	2,045,821	1,920,018	1,955,518	2,023,046	1,997,505	25,534,645
STREET LIGHT REVENUE:													
PUBLIC	42,994	42,966	42,966	42,966	42,981	42,991	43,022	43,022	42,647	42,647	42,647	42,647	514,496
PRIVATE	5,707	5,672	5,686	5,698	5,789	5,821	5,880	5,824	5,648	5,624	5,648	5,624	68,602
SUB TOTAL	48,701	48,638	48,652	48,665	48,770	48,812	48,902	48,846	48,295	48,271	48,295	48,271	583,098
COOP - RESALE REVENUE													
	33,412	28,241	29,299	19,107	19,140	18,877	28,339	24,885	20,983	20,203	17,830	19,012	276,928
TOTAL BASE REVENUE													
	4,827,095	4,629,809	4,507,239	3,786,489	3,628,407	3,721,329	4,135,229	3,857,982	3,455,510	3,463,116	3,473,226	3,508,695	46,998,126
FUEL REVENUE	4,199,855	3,942,550	3,951,715	3,280,731	3,154,468	3,169,723	3,579,804	3,276,658	2,902,163	2,943,437	2,972,878	2,998,017	40,368,819
LESS PASNY CREDIT	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(600,000)
TOTAL NET FUEL REVENUE	4,149,855	3,892,550	3,901,715	3,230,731	3,104,468	3,119,723	3,529,804	3,226,658	2,852,163	2,893,437	2,922,878	2,948,017	39,768,819
PURCHASED POWER ADJUSTMENT (PPA)													
	(13,879)	(13,028)	(13,059)	(10,841)	(10,424)	(10,474)	(11,830)	(10,828)	(9,590)	(9,727)	(9,823)	(9,897)	(133,400)
ENERGY CONSERVATION - RESIDENTIAL													
ENERGY CONSERVATION - COMMERCIAL	21,664	21,638	18,801	14,337	13,400	15,154	17,698	16,165	13,437	13,167	12,618	13,214	191,293
TOTAL ENERGY CONSERVATION	54,133	50,816	50,935	42,286	40,658	40,855	46,141	42,233	37,406	37,939	38,315	38,604	620,321
GAW REVENUE	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	693,761
TOTAL REVENUES	9,075,017	8,517,950	8,504,643	7,108,478	6,820,922	6,925,246	7,757,157	7,173,858	6,393,302	6,442,588	6,482,209	6,540,237	87,845,627
FUEL CHARGE	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568	

## READING MUNICIPAL LIGHT DEPARTMENT

## 2012 BUDGET SUMMARY

DRAFT 2 6/20/11

PURCHASED POWER EXPENSE												TOTAL
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
C 175,375	175,375	175,670	175,755	141,438	175,661	175,196	175,510	175,274	175,201	175,275	175,394	174,988
MILLSTONE TRANSMISSION	1,072	1,072	1,072	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,072
MILLSTONE ENERGY	9,172	9,172	8,876	292	8,889	9,172	9,543	8,927	9,530	9,235	9,543	9,235
NUCLEAR MIX #1 - SEABROOK	18,802	18,840	18,840	8,543	18,726	19,247	19,005	19,240	19,304	19,262	19,098	19,489
SEABROOK TRANSMISSION	165	165	165	155	155	155	155	165	155	155	155	155
SEABROOK ENERGY	968	968	937	968	939	968	1,008	943	1,008	975	1,008	975
PROJECT #3 - DEBT SERVICE	116,358	116,358	116,371	80,214	116,363	116,437	112,823	112,828	112,823	112,823	112,823	112,823
PROJECT #3 TRANSMISSION	766	766	765	772	772	772	772	772	772	772	772	765
PROJECT #3 ENERGY	7,033	7,033	6,808	224	6,816	7,033	7,317	6,845	7,307	7,081	7,317	7,081
PROJECT #4 - DEBT SERVICE	365,376	365,307	365,205	364,804	364,722	364,837	348,642	348,674	348,706	348,649	348,639	348,591
PROJECT #4 TRANSMISSION	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514
PROJECT #4 ENERGY	23,769	23,769	23,002	23,769	23,034	23,769	24,729	23,134	24,696	23,932	24,729	23,932
PROJECT #5 - DEBT SERVICE	47,474	47,466	47,454	47,442	47,433	47,425	46,284	46,300	45,306	45,324	45,301	45,297
PROJECT #5 TRANSMISSION	433	433	433	433	433	433	433	433	433	433	433	433
PROJECT #5 ENERGY	2,933	2,933	2,838	2,933	2,842	2,933	3,052	2,855	3,047	2,953	3,052	2,953
PASNY - CAPACITY	12,896	12,896	12,896	12,896	12,896	12,896	12,896	12,896	12,896	12,896	12,896	12,896
PASNY - TRANSMISSION	36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156
PASNY - ENERGY	10,167	10,167	9,839	10,167	9,853	10,167	10,370	9,701	10,357	10,035	10,370	10,035
REWECC	750	750	750	750	750	750	750	750	750	750	750	750
ISO NE CAPACITY	405,720	405,720	405,720	405,720	405,720	405,720	405,720	405,720	405,720	405,720	405,720	405,720
ISO NE TRANSMISSION	946,627	946,627	977,308	576,429	609,106	609,600	639,838	639,826	608,398	592,217	612,303	639,826
ISO NE ENERGY	805,631	805,631	805,631	805,631	805,631	805,631	805,631	805,631	805,631	805,631	805,631	805,631
NEMA CONGESTION	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
HYDRO QUEBEC SUPPORT SERVICES	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
PEAKING PROJECT - CAPACITY	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
PEAKING PROJECT - TRANSMISSION	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
PEAKING PROJECT - ENERGY	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
INTERMEDIATE PROJECT - CAPACITY	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
INTERMEDIATE PROJECT - TRANSMISSION	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
INTERMEDIATE PROJECT - ENERGY	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
J.P. MORGAN	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
CONSTELLATION	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
BRAIN TREE WATSON	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
BRAIN TREE WATSON - ENERGY	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
COOP / RE-SALE	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
MACQUARIE	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
SWIFT RIVER HYDRO	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
SHORT TERM CAPACITY PURCHASE	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
TOTAL BUDGETED PURCHASED POWER	6,596,809	6,435,164	5,454,896	4,832,244	4,935,750	5,537,123	6,036,009	5,608,142	5,257,625	4,821,802	5,483,345	6,169,285

## PURCHASED POWER BASE EXPENSE:

TOTAL CAPACITY PURCHASED												17,630,016
TOTAL TRANSMISSION PURCHASED												9,772,161
TOTAL ENERGY PURCHASED												27,402,177
TOTAL ENERGY PURCHASED												39,768,817

\* PASNY: POWER AUTHORITY FOR THE STATE OF NEW YORK  
\*\* REMVECC: RHODE ISLAND, EASTERN MASSACHUSETTS, VERMONT ENERGY CONTROL  
\*\*\* ISO NE: INDEPENDENT SYSTEM OPERATOR - NEW ENGLAND  
\*\*\*\* NEMA: NORTHEAST MASSACHUSETTS

**Reading Municipal Light Board of Commissioners**  
**Regular Session**  
**230 Ash Street**  
**Reading, MA 01867**  
**May 25, 2011**

ATTACHMENT 2

**Start Time of Regular Session: 7:30 p.m.**  
**End Time of Regular Session: 9:00 p.m.**

**Attendees:**

**Commissioners:**

**Richard Hahn, Chairman**  
**Gina Snyder, First Secretary**  
**Robert Soli, Commissioner**

**Philip B. Pacino, Vice Chair**  
**Mary Ellen O'Neill, Second Secretary**

**Staff:**

**Vinnie Cameron, General Manager**  
**Paula O'Leary, E&O Operational Assistant**  
**Kevin Sullivan, E&O Manager**

**Robert Fournier, Accounting/Business Manager**  
**Jane Parenteau, Energy Services Manager**

**Citizens' Advisory Board**

**Arthur Carakatsane, Chairman**

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

**Opening Remarks/Approval of Meeting Agenda**

Chairman Hahn asked the Board members present if there were suggested changes or additions to the agenda.

Ms. O'Neill requested that future agendas specify any anticipated items for action by the Board. The motion itself need not be listed, but if there are any anticipated motions, the topic of those should be listed under the committees or separately if appropriate.

Chairman Hahn asked if it would be where the Board expects to take a vote.

Ms. O'Neill responded, "yes," and explained that if someone wanted to come down and speak on a particular topic, he/she would know what was being discussed at the meeting.

Chairman Hahn suggested that in the right hand column on the agenda words be added such as "Vote Required".

Discussion followed.

Mr. Pacino suggested the words, "Action Item", and the Board agreed.

**Introductions**

There were no members of the public present, and the CAB representative, Chairman Arthur Carakatsane, would be late arriving.

**Report from Board Committees**

**Budget Committee – Vice Chair Pacino**

**Report of May 9 and May 25 Meetings**

Mr. Pacino reported that the Budget Committee reviewed the FY12 Capital and Operating Budgets as presented on May 9. The CAB approved those versions of the budgets. The Committee approved both the Capital and Operating Budgets as presented at that meeting by a vote of 3:0:0.

Mr. Pacino reported that at this evening's Committee meeting two items were considered: 1) The Operating Budget had some changes noted in an addendum that lowered the Net Income from \$4.3 million to \$3.9 million, approximately a \$430,000 decrease due to additional costs related to Power Supply, the demolition of the old Control Center, fuel expenses and fuel revenue. Mr. Pacino said that the Budget Committee reviewed those changes this evening with the General Manager and staff and approved the changes by a vote of 3:0:0. Mr. Pacino explained that these changes had been presented to members of the CAB and at least four of the members saw no problems with the addendum, and did not feel a meeting was necessary to discuss the changes. 2) Although the Department is

**Budget Committee – Vice Chair Pacino**

**Report of May 9 and May 25 Meetings**

still below making its 8% return, it made more revenue than anticipated. The Committee discussion about the excess included returning it to the customers or putting it in the Pension Reserve, which is severely under funded. If it were to be refunded now customers may have to give it back in the future in the form of a rate increase. It doesn't rule out a rate increase, but it would delay the process. The Budget Committee felt it was prudent to transfer the funds into the Pension Reserve, and recommended that the motion for the transfer be approved.

Mr. Soli asked about whether the CAB was meeting on the changes.

Mr. Cameron explained that when the CAB recommends the budget, it includes "no significant changes are made without CAB approval." The CAB was notified by e-mail and asked if they considered these changes significant, and they e-mailed back that they did not.

Mr. Soli questioned the Open Meeting Law.

Mr. Cameron responded that it was informational only and no discussion took place.

Mr. Pacino made a motion seconded by Ms. Snyder that the RMLD Board of Commissioners approve the FY12 Capital Budget as presented in the amount of \$5,910,048 on the recommendation of the RMLD Board Budget Committee, the RMLD Citizens' Advisory Board, and the General Manager.

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

Mr. Soli questioned why the topic/motion was not on the agenda.

Chairman Hahn stated that the discussion of the budget was on the agenda, but not flagged as a vote.

Mr. Cameron noted that the e-mails from the CAB would be a part of the meeting.

Mr. Pacino made a motion seconded by Ms. Snyder that the RMLD Board of Commissioners approve the FY12 Operating Budget based on a Net Income Amount of \$3,939,043 on the recommendation of the RMLD Board Budget Committee, the RMLD Citizens' Advisory Board, and the General Manager.

Mr. Soli moved to table the motion until Mr. Carakatsane arrived to hear his input. Mr. Pacino seconded the motion.

**Motion carried 4:1:0.** (Chairman Hahn voted against this motion.)

Ms. O'Neill asked if this is the format (the Net Income Amount) that the Board usually approves for the budget.

Mr. Cameron stated that it has been used in the past, although last year was done differently, the Board accepted the Operation and Maintenance section of the budget, but the revenues were not accepted, because a Cost of Service Study (COSS) needed to be done.

Mr. Pacino noted that he would have liked to see the two (budget) motions on the agenda.

Chairman Hahn asked if they could be attached separately, and Mr. Pacino said that was fine. Chairman Hahn's preference was to attach motions separately or the agenda becomes crowded. He said that motions for bids will continue to be put in the agenda itself, and motions that can be reasonably anticipated will be attached.

**Power & Rate Committee – Chairman Hahn**

**Report of May 16 Meeting**

Chairman Hahn reported the following: 1) A discussion continued from the Power & Rate Committee's April meeting regarding the possibility of a long term contract with an existing resource in New England, and the Committee decided not to recommend any action at this time. 2) An Annual Request for Proposals (RFP) for Power Supply was discussed, and a motion was made and approved by a vote of 3:0:0 to recommend to the full Board that they approve the RFP as presented. 3) New streetlight rates were recommended by the General Manager. Chairman Hahn pointed out for the most part the rates are lower than the existing rates for most categories of streetlights, although some old fashioned streetlights cost more. The Committee made a motion to recommend to the full Board that these new rates be accepted by a vote of 2:1:0 with Mr. Soli voting against this motion. 4) A change to the Commercial C Rate was discussed at the April 20 Committee meeting, but no action was taken, because it had to go to the CAB. The CAB accepted the Commercial C Rate at its May 18 meeting, and the Power & Rate Committee voted to recommend the rate change to the full Board by a vote of 3:0:0.

May 25, 2011

**Power & Rate Committee – Chairman Hahn**

**Report of May 16 Meeting**

CAB Chairman, Mr. Carakatsane, arrived at this time during the meeting.

Chairman Hahn told Mr. Carakatsane that there was one item regarding the FY12 Operating budget that was held until he arrived.

Mr. Carakatsane stated that the CAB had met several times on the FY12 budgets and recommended approval of both the Capital and Operating budgets. He noted that the CAB was apprised of the changes to the Operating Budget and no one requested that a discussion be re-opened. He added that they also recommended other items, i.e., rate changes that are before the Board tonight.

Ms. Snyder made a motion seconded by Mr. Pacino that the RMLD Board of Commissioners approve the Annual Request for Proposal for Power Supply based on the recommendation of the RMLD Board Power & Rate Committee, the RMLD's Citizens' Advisory Board, and the General Manager to authorize the General Manager to execute one or more Power Supply Agreements in accordance with the RMLD's Strategic Power Supply Plan for power supply purchases for a period not to exceed 2012 through 2015 and in amounts not to exceed 22.050 MW in 2012, 16.750 MW in 2013, 17.600 MW in 2014, and 15.925 MW in 2015.

Mr. Pacino amended the original motion with the following changes: strike the word "and", between Committee and the RMLD and place a comma there. Add in after the Citizens' Advisory Board, "and the General Manager", and delete the words in the last sentence after 2015.

Ms. Snyder accepted the amended motion.

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

Ms. O'Neill mentioned that she still wants the Department to continue to pursue efforts to obtain additional renewable energy power supply resources.

Chairman Hahn noted that it is still the objective of the Board to find reasonably priced renewable energy.

Ms. Snyder made a motion seconded by Mr. Pacino that the Reading Municipal Light Department Board of Commissioners approve the adoption of the streetlight rate as proposed based on the recommendation of the RMLD Board Power & Rate Committee, the RMLD's Citizen's Advisory Board, and the General Manager.

Mr. Soli was concerned that sometime in the future someone may ask what did they really vote on since no real record of what is being voted on, i.e., the rates, is in the motion.

Chairman Hahn stated that his recollection is that the filing of the rates speaks for what was done, and asked the General Manager if the rates have been attached to motions in the past.

Mr. Cameron responded that rates have not been attached in the past, but can be.

Mr. Soli said that a COSS has generally been on the meeting agenda, and the Board has approved the COSS, which is the record of what the Board voted on.

Ms. O'Neill proposed to amend the main motion to read, "Move that the Reading Municipal Light Department Board of Commissioners approve the adoption of the revised streetlight rate as shown in attachment A based on the recommendation of the Power & Rate Committee, the RMLD's Citizens' Advisory Board, and the General Manager.

Mr. Soli handed out a chart, and said that he would say, "Table 1 attached". He said the table shows what the committee voted on, but that he had a problem squaring the number with Table 2, the operating budget, and came up with an \$84,000 disparity.

Chairman Hahn stated that if Mr. Soli's intention is to attach this Table, he could not support that. The only thing voted on was the rates for each class of streetlight. He added that it is not appropriate to attach this Table to the motion, but if Mr. Soli would like to bring the table to the Committee for discussion that would be fine.

Mr. Soli wanted to find out about the disparity that appeared to be in the table between budget and expense on the streetlights.

It was noted that there are two components, capital and maintenance per lamp.

Chairman Hahn said that he has the opportunity to bring it to the Committee, and also noted that the table should be reviewed by the staff and the Committee prior to being presented at a board meeting.

May 25, 2011

**Power & Rate Committee – Chairman Hahn**

**Report of May 16 Meeting**

Ms. O'Neill clarified that the attachment is the chart that the Power & Rate Committee received that showed the different type of streetlights and the proposed rates. Mr. Cameron suggested that the FY11 Streetlight COSS be attached.

Chairman Hahn stated that the Power & Rate Committee and the CAB voted to accept the rates that are contained in the FY11 Streetlight COSS, and suggested creating a two-column table to show the lamps that are offered and the rates that will be charged. He stated that the handout is inappropriate, and he would not attach the entire COSS, because it was the rates that were voted.

Ms. O'Neill asked if there were one chart in the COSS that contained the rates.

Chairman Hahn stated that Table 4 lists the existing rate and the proposed rate, and could be attached to the motion. He asked if the motion could refer to Table 4.

Ms. O'Neill amended the motion as follows:

Move that the Reading Municipal Light Department Board of Commissioners approve the adoption of the revised streetlight rate as shown in Table 4 of the April 14, 2011 memorandum from the General Manager to the Board of Commissioners based on the recommendation of the RMLD Board Power & Rate Committee, the RMLD Citizens' Advisory Board, and the General Manager.

Ms. Snyder accepted the amended motion.

**Motion carried 3:2:0.** (Messrs. Pacino and Soli voted against this motion.)

Chairman Hahn asked the General Manager to take Mr. Soli's handout, review it, and respond to Mr. Soli's question.

Mr. Cameron stated that the response would go to the entire Board.

Ms. Snyder made a motion seconded by Mr. Pacino that the Reading Municipal Light Department Board of Commissioners approve the adoption of the Commercial C rate changes based on the recommendation of the RMLD Board Power & Rate Committee, the RMLD's Citizens' Advisory Board, and the General Manager.

Mr. Soli had the same comment and concerns as the previous motion with no rate(s) being listed in the motion.

Ms. Snyder moved to amend the motion as follows:

Move that the Reading Municipal light Department Board of Commissioners approve the adoption of the Commercial C rate changes based on the attached RMLD Tariff – MDPU #223 dated to be filed June 1, 2011 and on the recommendation of the RMLD Board Power & Rate Committee, the RMLD's Citizens' Advisory Board, and the General Manager.

Ms. O'Neill seconded the motion.

**Motion carried 3:0:2.** (Messrs. Pacino and Soli abstained.)

Mr. Pacino made a motion seconded by Mr. Soli to bring the (FY12 Operating Budget) motion (see below) back to the table.

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

Mr. Carakatsane stated that the CAB received the changes to the Operating Budget, and no member requested a meeting to reconsider the budget. He added that if a member were interested in a meeting, one would have been convened.

Move that the RMLD Board of Commissioners approve the FY12 Operating Budget based on a Net Income Amount of \$3,939,043 on the recommendation of the RMLD Board Budget Committee, the RMLD Citizens' Advisory Board, and the General Manager.

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

**Approval of April 27, 2011 Board Minutes**

Ms. Snyder made a motion seconded by Mr. Pacino to approve the Regular Session meeting minutes of April 27, 2011 with the following changes requested by Mr. Soli: On Page 5, third paragraph from the bottom, after the words "transfer scheme", change the period to a comma and add "and its design is being improved."

**Motion as revised carried 5:0:0.**

**Pension Trust Transfer**

Mr. Cameron reminded the Board a motion was needed for a transfer to the Pension Trust.

May 25, 2011

**Pension Trust Transfer**

Ms. O'Neil made a motion seconded by Ms. Snyder to approve the transfer of \$1 million from the Operating Fund to the Pension Trust based on the recommendation of the Budget Committee and the General Manager.

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

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

**E-Billing** - The e-billing system went live on May 1, 2011 for both the residential and commercial customers, and any residential customer who did not fill out an RMLD update sheet and would like to receive an e-bill should contact the RMLD.

**Investments** – The RMLD has a considerable amount of cash in a MMDT fund that has very low interest, and therefore not working well for the Department. Mr. Cameron advised the Board that he will be going out for an RFP for investment services. If a satisfactory investment firm were selected, he would probably recommend that the OPEB fund be invested to try to earn more interest. He spoke to the Town Manager and met with the Assistant Town Manager, Treasurer, and Mr. Fournier. They interviewed one firm just to see what they do for other municipal entities. He does have an RFP that he can put together and send out.

Chairman Hahn questioned if this is something that the Department would make a recommendation to the Budget Committee.

Mr. Cameron stated that bids do not go to a committee and the Board.

Chairman Hahn stated that the idea of choosing a different investment strategy, not the RFP itself, is something reasonable to put before the Budget Committee.

Mr. Cameron said that he had no problem with submitting it to the Budget Committee.

Mr. Soli questioned when the Board went through the paperwork for the OPEB, the Board was very careful about the language saying that the Town Treasurer had that responsibility not the Board. He wondered how all of this would affect the language that is currently set up for the OPEB.

Mr. Cameron responded that he didn't know how this would affect that language, and added that the town treasurer would be using this firm to invest money.

Mr. Pacino asked if the town would have input with the selection of the firm.

Mr. Cameron stated that given that the town treasurer is custodian, they would be part of the selection process.

Mr. Pacino asked if this is going to change the legal ramifications of what they put in that document.

Mr. Cameron suggested speaking to Rubin and Rudman.

Mr. Pacino stated that he would feel comfortable with Rubin and Rudman looking at it.

Chairman Hahn stated that one of the reasons he would want it sent to the Budget Committee is because he thinks it is important to understand what the liability question is. He said that is why the change in strategy should be discussed further before an RFP is sent out. The Board should have a better understanding and have some documentation on the pros and cons of doing this and how it affects the Department. Chairman Hahn will leave it up to the General Manager as to how to best proceed in improving the use of the assets.

Mr. Pacino wished to again stress that if any member of the public has any questions or concerns, the General Manager is available anytime in his office. Mr. Pacino added that the public may contact the General Manager directly or the Chairman of the Board or even Mr. Pacino, the senior member of the Board.

**Financial Report – April, 2011 – Mr. Fournier (Attachment 1)**

Mr. Fournier reported on the Financial Report for April 2011.

Mr. Fournier reported that the ten-month year to date Net Income is a little over \$2.6 million. The year to date budgeted Net Income is \$1.6 million, making the difference \$989,000. Mr. Fournier said that the year to date Fuel Revenues exceeded Fuel Expenses by \$338,000. The energy conservation expenses exceeded energy conservation revenues by \$129,000. The Gaw soil remediation expenses total \$1.2 million for this fiscal year bringing the total cost combining the two fiscal years to \$2.3 million.

Mr. Fournier reported major expenses over budget were the maintenance of line transformers by \$634,000, which represents a lot of the Gaw soil remediation expense, and employee benefits by \$325,000. The latter number was due to sick leave buy back payments made.

May 25, 2011

**Financial Report – April, 2011 – Mr. Fournier (Attachment 1)**

The Depreciation Expense and Voluntary Payments to the Towns were on budget. Cumulatively, all five divisions were over budget by \$541,275.

Discussion followed.

**Power Supply Report – April, 2011– Ms. Parenteau (Attachment 2)**

Ms. Parenteau presented the Power Supply Report for April 2011. Ms. Parenteau reported that RMLD's load for April was 53.3 Million kWh, about a half percent increase compared to April 2010. Energy costs were \$2.75 million, which is equivalent to \$.051 cents per kilowatt hour. RMLD sales totaled approximately 56.3 million kWhs and, as a result, the RMLD overcollected by \$229,000 resulting in a Deferred Fuel Cash Reserve balance of \$2.66 million.

In April and May, the Fuel Charge Adjustment was set at \$.0535 cents per kilowatt hour.

Ms. Parenteau reported that the RMLD purchased approximately 27% of its energy requirement from the ISO Spot Market at an average cost of \$41.20 per kilowatt hour. The RMLD hit a peak of 92.6 MW at noon on April 28, 2011 as compared to a peak of 95.6 MW, which occurred on April 7, 2010 at 9:00 P.M. The RMLD's monthly capacity requirement was around 213 MW. The RMLD paid \$1.62 million for capacity, which is equivalent to \$7.59 per kW-month. Ms. Parenteau noted that on Table 3, the Stoneybrook Peaking Plant had an adjustment.

Ms. Parenteau reported that transmission costs for April were \$620,000.

Discussion followed.

**Engineering and Operations Report – April, 2011 - Mr. Sullivan (Attachment 3)**

**Gaw Update**

Mr. Sullivan reported on the Engineering and Operations Report for April 2011.

Mr. Sullivan said that the Gaw Project had no changes in the tangible milestones. He added that the running total of the project is \$6.846 million, and the soil remediation expense for this month is \$7,600.

Mr. Sullivan listed the following projects worked on during the month: Projects 1, 2, 5, 36, 9, and 11. He added that another project was completed this month making a total of 9 completed projects.

Mr. Sullivan said that on the service installations that there were two commercial services in Wilmington, one on Ballardvale Street and one on Main Street. Residential services: there were approximately 25-30 services for the month. In routine construction there were 31 cutouts replaced making a total of 338 for fiscal year 2011.

Mr. Sullivan reported on the Reliability Report: Customer Average Interruption Duration Index (CAIDI) is up nine minutes due to the storm on April 1; the System Average Interruption Frequency Index (SAIFI) decreased with 494 April customers affected by outages as compared to March's 1,877. The Months between Interruptions (MBTI) is up from 22 to 23 months.

Mr. Sullivan provided an update on the reliability statistics numbers that include the April 1 storm: 124 calls, 24 (14 on 4/1) outage incidents, 494 customers affected, no feeder outages, 20 area outages, and 4 service outages. Fifteen outages were due to trees, others were caused by birds, insulators and failed hardware.

Ms. O'Neill stated that although she understands the numbers on reconciling the Gaw Project, the numbers do not include the soil remediation expenses, and to her that is the total project cost and therefore more realistic.

Ms. O'Neill asked for an update on the Meter Upgrade Project, and would like one each month. She added that the publicity has been good on the Project.

Mr. Sullivan responded that the running total of installed meters is about 4,900, averaging about 1,000 per month. He added that the concentration of installations has presently been in Reading, but does include all four towns, and installation is also being done on Saturdays.

Mr. Soli questioned Mr. Sullivan on an invoice from the Massachusetts Department of Environmental Protection (MassDEP) regarding the Gaw Project asking how long these charges would be billed, and Mr. Sullivan responded that there was just this one charge.



May 25, 2011

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

**2011-14 Residential and Commercial Energy Audits**

Ms. Snyder made a motion seconded by Ms. O'Neill to award bid 2011-14 for Tier II Residential Energy Audits to Energy Egghead, LLC as the only qualified bidder on the recommendation of the General Manager.

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

Mr. Cameron explained the bid was sent to many potential bidders, and only one was received. He then went over the costs.

Ms. Snyder asked if the Department is tracking if customers are saving energy after an audit.

Ms. Parenteau stated that it has not been done; however, the Department has the ability to do it.

Ms. Snyder stated that she would like to see that.

Ms. O'Neill had some reservations about awarding the contract to the only one that was received, not knowing why no one else bid.

Ms. Parenteau had spoken to the Purchasing Manager, who did contact several of the potential bidders as did Mr. Carpenter. It appears to be a staffing issue for some of the organizations, because the RMLD requires that they be certified; others want to provide more than just an audit. She added that the bid was advertised in the *Reading Chronicle*. Chairman Hahn noted that the bid was e-mailed to many companies, and thought that a longer term of two or three years might be more attractive to some. He added that there is not a lot of margin in this for a company, and since the contract takes effect on July 1, there is no time for a second bid. Mr. Hahn asked if Egghead is the incumbent firm, and Ms. Parenteau replied that Egghead does provide the current audits. Ms. O'Neill asked if there had been a previous bid, and Ms. Parenteau responded that it had been bid last year. Ms. Parenteau added that the Customer Service Manager has received positive feedback from customers regarding the firm. The Department hopes to go out for a longer-term contract next year. Ms. Parenteau reported that through April 144 audits were completed, and three audits using the blower door.

Mr. Soli asked if all the munis have to provide this service, and Mr. Cameron responded that it is his understanding that they do, and added that the investor-owned companies must also provide the service.

Discussion followed.

**General Discussion**

Mr. Carakatsane suggested making the Meter Project and E-billing more prominent on RMLD's web site.

Regarding e-billing, Ms. Snyder stated that she thought she would receive an e-mail after she returned the red card.

Mr. Fournier responded that he would look into it.

Ms. O'Neill requested an update on the Green Communities Act in Massachusetts.

**BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED**

**Rate Comparisons, April, 2011**

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

**Upcoming Meetings**

**RMLD Board Meetings**

**Wednesday, June 22, 2011**

**Executive Session**

Not held.

**Adjournment**

At 9:00 p.m. Mr. Soli made a motion seconded by Mr. Pacino to adjourn the Regular Session.

**Motion carried 4:1:0.** (Ms. O'Neill voted against this motion.)

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

Gina Snyder, Secretary  
RMLD Board of Commissioners



**READING MUNICIPAL LIGHT DEPARTMENT**

To: RMLD Board of Commissioners

Date: November 19, 2010

From: Vinnie Cameron

Subject: FY11 - Rate Stabilization Fund and 8% Return on Plant Balances

**Net Income**

According to the Reading Municipal Light Department's (RMLD) financial statements the Net Income for FY10 was \$2.78 million, which equates to approximately one-half of the RMLD's allowable 8% return. The FY10 Net Income level is higher than the \$147,687 Net Income for FY09 due to strong (weather related) sales in the last quarter of FY10 and the decision to decrease the depreciation rate to 2%; which decreases the FY10 Operating Expense by about \$1 million. (The FY11 RMLD Operating Budget anticipates the depreciation rate to be 3%, which is the normal level.)

**Transfers**

The RMLD did not recommend any transfers for FY10 because the Construction Fund had a \$4.8 million balance at the end of FY10, which is adequate to start FY11. The Operating Fund was at \$8.1 million at the end of FY10.

**Rate Stabilization Fund Balance**

The RMLD's Rate Stabilization Fund (RSF) had a balance of \$5.4 million at the end of FY10. The balance of the RSF should be in the range of \$6 to \$7 million with a target of \$6.5 million. This range was put into place by the RMLD Board of Commissioners in 2003.

In the third quarter of FY11, I will examine the financial position of the RMLD to determine whether the RMLD is able to make a transfer from the Operating Fund to the RSF, in order to get the level above the \$6 million level.

**8% Return on Plant**

The RMLD does not foresee the need to make its allowable 8% return on Net Plant over the next few years. As stated earlier, the RMLD started out FY11 with a balance of \$4.8 million in the Construction Fund. The Depreciation Expense should add another \$3.5 million during FY11. Presently, the RMLD's Capital Budget of \$5.6 million; includes the remainder of the Gaw Sub Station project of

about \$875,000 and a meter upgrade project of about \$766,000, with the remainder of the Capital Budget at \$4 million.

Presently, it is my goal, to keep the Capital Budget in the \$4 million range not including special projects. With the annual Depreciation Expense approaching \$4 million and keeping the Capital Budget at \$4 million, the RMLD does not have to collect its entire allowable 8% return in order to meet annual capital expenditures and Return to the Town of Reading.

In the future, if a large construction project is undertaken by the RMLD, I would have the option of borrowing money to meet the cost of the project or recommend a rate increase to meet the 8% allowable return, which would result in more money available for construction.

**Jeanne Foti**

ATTACHMENT 4

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**From:** Vincent Cameron  
**Sent:** Thursday, August 25, 2011 12:14 PM  
**To:** Richard Hahn  
**Cc:** Bob Fournier; Jeanne Foti  
**Subject:** RE: August Board Agenda

I talked to Mary Ellen this morning and told her that the P&L that was e-mailed 8/12/11 and will be in the Board books (\$2.8 mil in Net Income) is a good number. I also told her that the balance sheet cannot be finalized until MH blesses our cash balances. She was all right with this.

I also told her that any questions that can be sent prior to the meeting would be appreciated.

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**From:** Richard Hahn [mailto:rhahn@lacapra.com]  
**Sent:** Thursday, August 25, 2011 7:58 AM  
**To:** Vincent Cameron; Mary Ellen O'Neill  
**Cc:** Bob Fournier; Jeanne Foti  
**Subject:** RE: August Board Agenda

I don't know what specific issues MaryEllen has, but will try and call her tonight.  
What is the status of year-end financials, and when do we expect that they will be finalized?

**From:** Vincent Cameron [mailto:vcameron@RMLD.com]  
**Sent:** Thursday, August 25, 2011 7:33 AM  
**To:** Mary Ellen O'Neill  
**Cc:** Richard Hahn; Bob Fournier; Jeanne Foti  
**Subject:** RE: August Board Agenda

Is there anything specific that you want myself or staff to address in the separate discussion on the financials?

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**From:** MaryEllen O'Neill [mailto:maryellenoneill@hotmail.com]  
**Sent:** Monday, August 22, 2011 8:57 AM  
**To:** Richard Hahn  
**Cc:** Vincent Cameron  
**Subject:** August Board Agenda

I'd like to request that the June 30 draft financials be included as a separate discussion item on our August agenda, if that is not already planned.

Thanks.

2/22/2012

**Jeanne Foti**

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**From:** Bob Fournier  
**Sent:** Friday, August 12, 2011 10:38 AM  
**To:** Richard Hahn; Richard Hahn; Phil Pacino; Gina Snyder; Bob Soli; Mary Ellen O'Neill  
**Cc:** Vincent Cameron; Jeanne Foti  
**Subject:** FY 11 Draft Report

Hello to all,

Attached are some draft figures for fiscal year ending June 30, 2011. The report includes pages 3A, 5 and 6 as well as the budget variance report. I also left a hard copy in your mail box.

Enjoy the weekend!

Bob

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**From:** admin@rmlld.com [mailto:admin@rmlld.com]  
**Sent:** Friday, August 12, 2011 5:52 AM  
**To:** Bob Fournier  
**Subject:** Message from 60BW-1

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUSINESS-TYPE PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
6/30/11

**DRAFT**

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	45,869,025.88	40,463,554.00	5,405,471.88	13.36%
FUEL REVENUE	40,977,048.75	40,112,664.00	864,384.75	2.15%
PURCHASED POWER CAPACITY	1,055,104.64	5,344,803.00	(4,289,698.36)	-80.26%
FORFEITED DISCOUNTS	1,012,284.31	870,360.00	141,924.31	16.31%
ENERGY CONSERVATION REVENUE	500,567.71	533,228.00	(32,660.29)	-6.13%
GAW REVENUE	607,175.64	300,000.00	307,175.64	102.39%
PASNY CREDIT	(725,705.81)	(600,000.00)	(125,705.81)	20.95%
<b>TOTAL OPERATING REVENUES</b>	<b>89,295,501.12</b>	<b>87,024,609.00</b>	<b>2,270,892.12</b>	<b>2.61%</b>
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	27,300,316.76	27,711,574.00	(411,257.24)	-1.48%
PURCHASED POWER FUEL	39,522,230.25	39,512,664.00	9,566.25	0.02%
OPERATING	9,290,513.09	8,656,586.00	633,927.09	7.32%
MAINTENANCE	4,047,792.77	3,095,161.00	952,631.77	30.78%
DEPRECIATION	3,452,748.55	3,500,000.00	(47,251.45)	-1.35%
VOLUNTARY PAYMENTS TO TOWNS	1,330,070.00	1,320,000.00	10,070.00	0.76%
<b>TOTAL OPERATING EXPENSES</b>	<b>84,943,671.42</b>	<b>83,795,985.00</b>	<b>1,147,686.42</b>	<b>1.37%</b>
<b>OPERATING INCOME</b>	<b>4,351,829.70</b>	<b>3,228,624.00</b>	<b>1,123,205.70</b>	<b>34.79%</b>
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	696,748.89	700,000.00	(3,251.11)	-0.46%
RETURN ON INVESTMENT TO READING	(2,543,370.77)	(2,225,000.00)	(318,370.77)	14.31%
INTEREST INCOME	103,764.43	450,000.00	(346,235.57)	-76.94%
INTEREST EXPENSE	(2,004.69)	(12,000.00)	9,995.31	-83.29%
OTHER (MDSE AND AMORT)	176,750.30	120,000.00	56,750.30	47.29%
<b>TOTAL NONOPERATING REV (EXP)</b>	<b>(1,568,111.84)</b>	<b>(967,000.00)</b>	<b>(601,111.84)</b>	<b>62.16%</b>
<b>CHANGE IN NET ASSETS</b>	<b>2,783,717.86</b>	<b>2,261,624.00</b>	<b>522,093.86</b>	<b>23.08%</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>90,819,864.61</b>	<b>88,039,716.12</b>	<b>2,780,148.49</b>	<b>3.16%</b>
<b>NET ASSETS AT END OF JUNE</b>	<b>93,603,582.47</b>	<b>90,301,340.12</b>	<b>3,302,242.35</b>	<b>3.66%</b>

\* ( ) = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SALES OF KILOWATT HOURS  
6/30/11

**DRAFT**

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	20,229,374	20,315,820	246,312,681	260,162,737	5.62%
COMM. AND INDUSTRIAL SALES	36,210,648	34,806,223	406,009,794	416,495,791	2.58%
PRIVATE STREET LIGHTING	70,918	72,739	852,109	865,495	1.57%
TOTAL PRIVATE CONSUMERS	<u>56,510,940</u>	<u>55,194,782</u>	<u>653,174,584</u>	<u>677,524,023</u>	3.73%
MUNICIPAL SALES:					
STREET LIGHTING	238,853	239,052	2,852,096	2,866,675	0.51%
MUNICIPAL BUILDINGS	760,181	791,409	9,840,718	9,929,182	0.90%
TOTAL MUNICIPAL CONSUMERS	<u>999,034</u>	<u>1,030,461</u>	<u>12,692,814</u>	<u>12,795,857</u>	0.81%
SALES FOR RESALE	844,455	1,111,696	3,819,995	4,284,194	12.15%
SCHOOL	1,260,882	1,254,086	14,703,446	14,609,587	-0.64%
TOTAL KILOWATT HOURS SOLD	<u>59,615,311</u>	<u>58,591,025</u>	<u>684,390,839</u>	<u>709,213,661</u>	3.63%



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
KILOWATT HOURS SOLD BY TOWN  
6/30/11

**DRAFT**

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	20,315,820	6,030,986	3,308,199	4,273,745	6,702,890
COMM & IND	34,806,223	3,385,727	270,268	5,407,651	25,742,577
PVT ST LIGHTS	72,739	14,081	1,360	21,400	35,898
PUB ST LIGHTS	239,052	80,436	32,437	39,880	86,299
MUNI BLDGS	791,409	171,732	132,433	175,132	312,112
SALES/RESALE	1,111,696	1,111,696	0	0	0
SCHOOL	1,254,086	449,748	283,443	167,480	353,415
<b>TOTAL</b>	<b>58,591,025</b>	<b>11,244,406</b>	<b>4,028,140</b>	<b>10,085,288</b>	<b>33,233,191</b>

YEAR TO DATE

RESIDENTIAL	260,162,737	81,452,319	36,936,826	60,316,437	81,457,155
COMM & IND	416,495,791	50,979,171	3,349,856	63,219,153	298,947,611
PVT ST LIGHTS	865,495	168,210	16,320	253,889	427,076
PUB ST LIGHTS	2,866,675	965,232	389,396	477,047	1,035,000
MUNI BLDGS	9,929,182	2,659,252	1,714,484	1,993,058	3,562,388
SALES/RESALE	4,284,194	4,284,194	0	0	0
SCHOOL	14,609,587	5,179,566	3,119,600	1,924,520	4,385,901
<b>TOTAL</b>	<b>709,213,661</b>	<b>145,687,944</b>	<b>45,526,482</b>	<b>128,184,104</b>	<b>389,815,131</b>

LAST YEAR  
TO DATE

RESIDENTIAL	246,312,681	76,962,044	35,091,433	56,782,959	77,476,245
COMM & IND	406,009,794	49,569,109	3,259,045	63,231,077	289,950,563
PVT ST LIGHTS	852,109	167,216	16,320	251,340	417,233
PUB ST LIGHTS	2,852,096	949,067	393,426	476,295	1,033,308
MUNI BLDGS	9,840,718	2,626,968	1,667,323	1,868,046	3,678,381
SALES/RESALE	3,819,995	3,819,995	0	0	0
SCHOOL	14,703,446	5,348,733	3,017,443	1,913,160	4,424,110
<b>TOTAL</b>	<b>684,390,839</b>	<b>139,443,132</b>	<b>43,444,990</b>	<b>124,522,877</b>	<b>376,979,840</b>

KILOWATT HOURS SOLD TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	34.67%	10.29%	5.65%	7.29%	11.44%
COMM & IND	59.41%	5.78%	0.46%	9.23%	43.94%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
PUB ST LIGHTS	0.41%	0.14%	0.06%	0.07%	0.14%
MUNI BLDGS	1.35%	0.29%	0.23%	0.30%	0.53%
SALES/RESALE	1.90%	1.90%	0.00%	0.00%	0.00%
SCHOOL	2.14%	0.77%	0.48%	0.29%	0.60%
<b>TOTAL</b>	<b>100.00%</b>	<b>19.19%</b>	<b>6.88%</b>	<b>17.22%</b>	<b>56.71%</b>

YEAR TO DATE

RESIDENTIAL	36.68%	11.48%	5.21%	8.50%	11.49%
COMM & IND	58.73%	7.19%	0.47%	8.91%	42.16%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
PUB ST LIGHTS	0.41%	0.14%	0.05%	0.07%	0.15%
MUNI BLDGS	1.40%	0.37%	0.24%	0.28%	0.51%
SALES/RESALE	0.60%	0.60%	0.00%	0.00%	0.00%
SCHOOL	2.06%	0.73%	0.44%	0.27%	0.62%
<b>TOTAL</b>	<b>100.00%</b>	<b>20.53%</b>	<b>6.41%</b>	<b>18.07%</b>	<b>54.99%</b>

LAST YEAR  
TO DATE

RESIDENTIAL	35.99%	11.25%	5.13%	8.30%	11.31%
COMM & IND	59.32%	7.24%	0.48%	9.24%	42.36%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
PUB ST LIGHTS	0.42%	0.14%	0.06%	0.07%	0.15%
MUNI BLDGS	1.44%	0.38%	0.24%	0.27%	0.55%
SALES/RESALE	0.56%	0.56%	0.00%	0.00%	0.00%
SCHOOL	2.15%	0.78%	0.44%	0.28%	0.65%
<b>TOTAL</b>	<b>100.00%</b>	<b>20.37%</b>	<b>6.35%</b>	<b>18.20%</b>	<b>55.08%</b>

RMLD  
BUDGET VARIANCE REPORT  
FOR PERIOD ENDING JUNE 30, 2011

DRAFT

DIVISIONS AND DEPARTMENTS	ACTUAL	BUDGET	VARIANCE	CHANGE
<u>ENGINEERING AND OPERATIONS:</u>				
E&O MGR	199,902	202,420	(2,519)	-1.24%
ENGINEERING	474,229	457,828	16,401	3.58%
LINE	2,400,522	1,989,601	410,921	20.65%
METER READING	72,072	64,358	7,714	11.99%
METER TECHNICIANS	310,116	483,021	(172,905)	-35.80%
STATION OP	555,868	511,643	44,225	8.64%
STATION TECHS	1,626,260	885,279	740,981	83.70%
DIVISION TOTAL	5,638,968	4,594,149	1,044,819	22.74%
<u>ENERGY SERVICES DIVISION TOTAL</u>				
	1,130,883	1,235,006	(104,123)	-8.43%
<u>GENERAL MANAGER:</u>				
GENERAL MANAGER	494,156	365,328	128,828	35.26%
HUMAN RESOURCES	126,322	204,964	(78,642)	-38.37%
COMMUNITY RELATIONS	144,405	175,712	(31,307)	-17.82%
CAB	4,599	15,000	(10,401)	-69.34%
BOARD	3,664	7,500	(3,836)	-51.14%
DIVISION TOTAL	773,146	768,504	4,642	0.60%
<u>FACILITY MANAGER:</u>				
GENERAL BENEFITS	3,037,176	2,053,915	983,261	47.87%
BUILDING MAINTENANCE	635,989	696,532	(60,543)	-8.69%
MATERIALS MANAGEMENT	334,149	348,615	(14,466)	-4.15%
DIVISION TOTAL	4,007,315	3,099,063	908,252	29.31%
<u>BUSINESS DIVISION:</u>				
ACCOUNTING	728,412	768,852	(40,440)	-5.26%
CUSTOMER SERVICE	460,004	662,549	(202,545)	-30.57%
MIS	564,420	584,983	(20,564)	-3.52%
MISCELLANEOUS DEDUCTIONS	7,363,361	7,095,617	267,744	3.77%
DIVISION TOTAL	9,116,197	9,112,001	4,195	0.05%
DIVISION TOTALS	20,666,508	18,808,723	1,857,785	9.88%
PURCHASED POWER - BASE	27,300,317	27,711,574	(411,257)	-1.48%
PURCHASED POWER - FUEL	39,522,230	39,512,664	9,566	0.02%
TOTAL	87,489,055	86,032,961	1,456,094	1.69%

**Reading Municipal Light Board of Commissioners**  
**Regular Session**  
**230 Ash Street**  
**Reading, MA 01867**  
**August 31, 2011**

ATTACHMENT 5

**Start Time of Regular Session: 7:35 p.m.**

**End Time of Regular Session: 8:59 p.m.**

**Attendees:**

**Commissioners:**

**Richard Hahn, Chairman**

**Mary Ellen O'Neill, Secretary**

**Absent: Gina Snyder, Commissioner**

**Philip B. Pacino, Vice Chair**

**Robert Soli, Commissioner**

**Staff:**

**Vinnie Cameron, General Manager**

**Jeanne Foti, Executive Assistant**

**Jane Parenteau, Energy Services Manager**

**Beth Ellen Antonio, Human Resources Manager**

**Robert Fournier, Accounting/Business Manager**

**Kevin Sullivan, E&O Manager**

**Citizens' Advisory Board**

**Tony Capobianco, Member**

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

**Opening Remarks/Approval of Meeting Agenda**

Chairman Hahn reported that Commissioner Snyder will not be present at the meeting this evening, Commissioner O'Neill will be the Secretary and Commissioner Pacino is en route.

**Introductions**

There were no members of the public present, and the CAB representative, Tony Capobianco had no report for the Board.

**Approval of July 27, 2011 Board Minutes**

Ms. O'Neill made a motion seconded by Mr. Soli to approve the Regular Session meeting minutes of July 27, 2011 with the change presented by Mr. Soli, on page three, to add "revenue per kilowatt hour" to the last sentence in the next to last paragraph.

**Motion carried 3:0:0.**

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

**Hurricane Irene**

Mr. Cameron stated that the storm hit this weekend and he wanted to thank all the RMLD employees who worked diligently to reverse the effects of Hurricane Irene. There was quite a bit of damage in the service territory, Reading, North Reading, Wilmington and Lynnfield. Mr. Cameron reported that on Sunday, August 28 at 7:00 a.m. the crews had their first call and power was restored to all customers by Monday, August 29 at 11:00 p.m. The employees were out working on system issues during the storm. Mr. Cameron wanted to thank RMLD's customers who lost power for their patience during the storm.

Chairman Hahn echoed Mr. Cameron's comments because at least one utility, as noted on the 6:00 p.m. news, reported that 88,000 customers have been out for one to two days which is tough. Chairman Hahn thanked the staff at the RMLD for all their efforts during the storm.

**RMLD Employee LeeAnn Fratoni**

Mr. Cameron said that RMLD employee LeeAnn Fratoni who worked as an Accounting Assistant in the Accounting Department at the RMLD passed away a few weeks ago. She had worked at the RMLD for ten years and was a loyal, dedicated employee whose passing greatly affected the RMLD staff. She was a well liked employee who will be missed.

**General Manager's Report – Mr. Cameron**  
**Northeast Public Power Association (NEPPA) Conference**

Mr. Cameron reported that the NEPPA Conference in Maine was well attended with very good subjects discussed such as renewables and federal legislation issues. Mr. Cameron said that Mark Spitzer, FERC Commissioner, spoke about what is going on in Washington with respect to energy regulation.

Chairman Hahn pointed out that Commissioner Pacino had previously mentioned the review by the Accounting Board about a possible switch to the International Standards which may be imposed on utilities. Chairman Hahn said that there was a video distributed by the Chief Accountant at FERC who is opposing this because it would burden utilities with tremendous cost to convert their systems. Chairman Hahn commented that Mr. Pacino asked Mark Spitzer, who did not plan to talk about this, a question about this issue. Chairman Hahn stated that Mr. Spitzer was favorable towards Mr. Pacino's position on this issue. Chairman Hahn mentioned that Mr. Spitzer's remarks are refreshing.

Mr. Cameron added that NEPPA's Long Time Distinguished Service Award was presented to Commissioner Pacino. The award is reserved for commissioners who have served a long time on a municipal light board.

Mr. Soli reported on the following that was covered at the NEPPA Conference:  
NEPPA's lobbyist in Washington, DC and the FERC Commissioner pointed out that Congress is the most dysfunctional they have ever seen and with that the greening of the energy field has virtually disappeared from the national scene. Coal is in favor. There are two new potential nuclear power plants underway; however, it is unlikely that there will be more due to the recent events in Japan and the uneconomical cost of building. Renewables are going to be hard to achieve except for solar on rooftops which has a huge potential. It was stated that the 25 year prediction for the decay of the utility infrastructure was related to the nation's low rate of underground wires. New York City's power is largely underground and, as a result, had very few power outages compared to other states during the recent hurricane. Underground sounds like a good thing. It was pointed out that the ISO structure is not really successful and is not achieving the ends the FERC wanted, however, there is no other structure to replace it.

Groton Electric Light Department presented its Smart Grid program which includes a staff of ten with five thousand residential customers. The smart meters afford them power outage indications, performing trouble-reporting, transformer sizing for the peaks, daily meter reading and peak delay. This has resulted in only one blown transformer for their July peak.

Mr. Pacino entered the meeting at this point.

**Reading Fall Fair**

Mr. Cameron reported that the Town of Reading Fall Fair will be on September 11 downtown. There will be a moment of silence in memory for the victims of 9/11.

**RMLD Historic Calendars**

Mr. Cameron said that the RMLD historic calendars are being worked on.

Mr. Pacino showed the NEPPA's Long Time Distinguished Award he received at the NEPPA Conference; he said that he was honored and thanked the Board and the voters in Reading for their support.

Ms. O'Neill thanked Mr. Soli for his report on the NEPPA Conference.

Chairman Hahn asked if the slide presentations shown at the NEPPA Conference are available. Mr. Cameron responded that he will check with NEPPA and ensure the presentations are on their website.

**Preliminary Draft Financial Report – June, 2011 – Mr. Fournier (Attachment 1)**

Mr. Fournier reported that the auditors from Melanson & Heath were at the RMLD the week of August 8. The draft numbers have not changed to date nor does he expect them to change.

Mr. Fournier stated that Change in Net Assets or Net Income was \$2,783,000 which represents 6.44% of RMLD's allowable 8% return. Kilowatt hours sales increased 25 million from last year or 3.63% at 709 million kilowatt hours. The Budget Variance report by divisions was over budget by \$1.8 million or 10% which is attributable to the increase in the pension contribution amount; \$100,000 was budgeted and \$1 million was transferred into this fund in June per Board vote.

**Preliminary Draft Financial Report – June, 2011 – Mr. Fournier (Attachment 1)**

Mr. Fournier reported that the soil remediation expense \$600,000 was budgeted and the actual cost for FY11 was \$1.4 million. Melanson & Heath will make their formal presentation to the Audit Committee and to the Board in September.

Mr. Fournier addressed questions submitted by Commissioner O'Neill:

The budgeted amount for line labor expense (account 581-1) was \$377,306. The actual expense for FY11 was \$524,774 resulting in the line labor expenses being over budget by \$147,468. These labor costs represent weather related dead time, training, vacations, and sick time. Overhead labor is over budget due to the capital labor offset. Station Tech Budget is over budget by \$740,000 because of the Gaw Substation soil remediation project, which was budgeted to be \$600,000 but came in at \$1.4 million. General Manager's budget is over budget by \$128,000 due to the MMWEC arbitration. General Benefits pension contribution was budgeted to be \$100,000 but an additional \$1 million was transferred in June. The capital work overhead distribution credit came in at \$200,000 less than budgeted.

Mr. Fournier reported that the total cost of the Gaw soil remediation project which began in September 2009 is a little less than \$2.5 million. Mr. Fournier said that the rate surcharge instituted in FY11 for these costs has recovered \$607,000 to date.

The energy conservation charge started in October 2008 has collected \$1.475 million to date. The RMLD has spent \$1.3 million on energy conservation programs, which leaves a balance of \$171,000 at the beginning of FY12.

Chairman Hahn asked if the RMLD Board Audit Committee needs to meet with the Town of Reading Audit Committee in September. Mr. Pacino responded that the RMLD Board Audit Committee will meet with the Town of Reading Audit Committee at 6:30 p.m. prior to the September Board meeting.

Ms. O'Neill asked about the Purchase Power Capacity, how it is used and how the Board is kept informed of this. Mr. Cameron explained why the Purchased Power Adjustment Charge (PPAC) was calculated and went through how it adjusts for fluctuations in the Base Capacity costs. Mr. Cameron said that the PPAC is beneficial in that it keeps the RMLD from filing rate increases when there is an increase in the Base Capacity Costs.

Mr. Fournier said that he would have the draft July statement with the revenues to the Board tomorrow.

**Power Supply Report – July, 2011– Ms. Parenteau (Attachment 2)**

Ms. Parenteau reported on the Power Supply Report for July 2011.

Ms. Parenteau reported that RMLD's load for July was 75.1 million kilowatt hours, about a 3.7% decrease compared to July 2010. Energy costs were \$4.1 million, which is equivalent to \$.0550 per kilowatt hour. The July Fuel Charge was set at \$.0600/kWh. RMLD sales totaled approximately 67.5 million kilowatt hours and, as a result, the RMLD undercollected by \$160,000 resulting in a preliminary Deferred Fuel Cash Reserve balance of \$2.9 million, which takes into account the June accrual based on end of year financials.

In August, the Fuel Charge Adjustment was decreased by one half mill to \$.0550 per kilowatt hour and in September will be decreased \$.05 per kilowatt hour.

Ms. Parenteau reported that the RMLD purchased approximately 16.7% of its energy requirement from the ISO Spot Market at an average cost of \$.049/kWh. The RMLD hit a peak of 170.4 megawatts at 2:00 p.m. on July 22, 2011 with a temperature of 101 degrees as compared to a demand of 168 megawatts, which occurred on July 6, 2010 at 4:00 p.m. with a temperature 96 degrees. The RMLD's all time peak was 172.5 megawatts on August 2, 2006. The RMLD's monthly capacity requirement was 199.8 megawatts. The RMLD paid \$1.39 million for capacity, which is equivalent to \$7 per kilowatt-month.

Ms. Parenteau reported that transmission costs for July were \$855,000 a 15.4% increase from June 2011.

Discussion followed.

**Engineering and Operations Report – July, 2011 - Mr. Sullivan (Attachment 3)**  
**Gaw Update**

Mr. Sullivan reported on the Engineering and Operations Report for July 2011.

Mr. Sullivan said that the Gaw Substation Transformer Upgrade project is complete. Mr. Sullivan stated that in October he will provide the Board with an update once the project is closed out and all billings have been received. Total soil remediation costs are at \$2.48 million.

### **Engineering and Operations Report – July, 2011 - Mr. Sullivan (Attachment 3)**

#### **Gaw Update**

Mr. Sullivan stated that for the meter upgrade project as of August 12, meters installed are 8,000.

Mr. Sullivan said that the variance report for fiscal year 2012, Project 2 – High Capacity Tie 4W18 and 3W8 Franklin Street – is being worked on and the crews have been working on routine construction. There were two new commercial services installed and 22-25 new residential services. A total of 21 new cutouts were installed.

Mr. Sullivan reported on the Reliability Report that the CAIDI number is down 11 minutes between June and July. The CAIDI rolling average is about the same at 49 minutes for the year. The average July CAIDI is 65 minutes. The RMLD is at 51 minutes, which is the lowest July CAIDI the RMLD has had in six years.

The System Average Interruption Frequency Index (SAIFI) is up from .78 to .91 incidents due to 300 more customers that were affected from the previous month for a total of 2,232 customers. The average July SAIFI is 1.05 incidents. The Months between Interruptions (MBTI) increased 26 to 27 months.

Mr. Sullivan reported that on July 21 to July 23 there were heat events and total faulted transformers for the month were nine and in August there were two.

Ms. O'Neill stated that she had she lost her power for three hours on August 2 during a violent storm late that afternoon. Ms. O'Neill asked if, after such an event, does the staff look at how it played out, could things have been done differently, what worked, what did not. Mr. Sullivan responded that there was a team meeting the morning after the outage where those issues were covered. Mr. Sullivan said that it was like a perfect storm because at 3:00 p.m. there was nothing on the radar to indicate violent weather so there was no one on standby. Mr. Sullivan explained that every day we consistently listen to the weather report. If there is any radar that indicates the need, storms crews will be held while being cognizant of fiscal responsibility. At 6:02 p.m. when the storm occurred there were 2 feeder outages, 5 area outages, 2 separate circuits out with 2,443 customers being affected. Crews were called in, and there were trees down. It was not a tree that caused the breaker to open, but a lightning strike on the circuit with concurrent damage on that circuit in Reading.

Discussion followed.

### **M.G.L. Chapter 30B Bid – Material (Attachment 4)**

#### **2012-01 Tree Trimming**

Mr. Sullivan reported that this bid for tree trimming services was sent out to eight bidders with three responding. Mr. Sullivan added this is a three year bid; \$455,619 has been budgeted in fiscal year 2012. Chairman Hahn stated that the total amount of the bid is an estimate, but not a guarantee based on RMLD's need. Mr. Sullivan concurred but noted that the amount is based on history.

Discussion followed.

Ms. O'Neill made a motion seconded by Mr. Soli that bid 2012-01 for Tree Trimming Services be awarded to Asplundh Tree Expert Co. for \$1,216,145.88 as the lowest qualified bidder based on the recommendation of the General Manager.

**Motion carried 4:0:0.**

#### **General Discussion**

Chairman Hahn said that the General Manager (GM) Committee needs to conduct the annual performance review of the General Manager. Chairman Hahn asked that each commissioner fill out the GM evaluation form and return the completed form to him by September 9. He will collate the information in preparation for the GM Committee meeting on September 13.

Chairman Hahn stated that if the Executive Session minutes are the only item for Executive Session and that there are no changes to them, then the Board can approve such minutes in Regular Session. The Executive Session will continue to be posted in the event there are changes to the minutes. Chairman Hahn noted that this approach was recommended to him by Town Hall. The Board agreed to adopt this approach.

Chairman O'Neill requested that money be designated in the next budget for renovations to Station One which is on the National Historic Register. Mr. Cameron stated that this year's budget has \$75,000 for a structural study of that building. If it is to be refurbished it would be used for storage. Chairman O'Neill stated that she would like to have a lobby that would be opened for tours with educational history if possible.

### **General Discussion**

Mr. Soli showed a book *Hot - Living Through The Next Fifty Years On Earth* authored by Mark Hertsgaard which he found at the library. Mr. Soli said that due to the inattention of Congress to climate change, we will have stronger hurricanes and winds as discussed in this book.

Chairman Hahn said that the EPA passed the cross state air pollution rule on August 2, 2011 which requires fairly massive reductions in SO<sub>2</sub> and NO<sub>x</sub> emissions from coal plants in 28 states. Although Massachusetts is not one of those states those winds blow this way. Mr. Pacino added that the Republicans have this as one of the ten items to be repealed. Chairman Hahn commented that the predecessor rule was overturned in the courts.

### **BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED**

**Rate Comparisons, August 2011**

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

### **Upcoming Meetings**

#### **RMLD Board Meetings**

**Wednesday, September 28, 2011 and Wednesday, October 26, 2011**

#### **RMLD Board Committee Meetings**

**Tuesday, September 13, 2011, General Manager Committee**

**Wednesday, September 28, 2011 Audit Committee with the Town of Reading Audit Committee**

### **Executive Session**

At 8:35 p.m. Ms. O'Neill made a motion seconded by Mr. Pacino that the Board go into Executive Session to approve Executive Session meeting minutes of July 27, 2011, to discuss MMWEC Arbitration and return to Regular Session for adjournment.

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

**Motion carried 4:0:0.**

### **Adjournment**

At 8:59 p.m. Mr. Pacino made a motion seconded by Ms. O'Neill to adjourn the Regular Session.

**Motion carried 4:0:0.**

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

Mary Ellen O'Neill, Secretary  
RMLD Board of Commissioners





**Reading Municipal Light Board of Commissioners**

**Regular Session**

**230 Ash Street**

**Reading, MA 01867**

**September 28, 2011**

ATTACHMENT 6

**Start Time of Regular Session: 7:40 p.m.**

**End Time of Regular Session: 9:50 p.m.**

**Attendees:**

**Commissioners:**

**Richard Hahn, Chairman**

**Mary Ellen O'Neill, Commissioner**

**Gina Snyder, Secretary**

**Philip B. Pacino, Vice Chair**

**Robert Soli, Commissioner**

**Staff:**

**Vinnie Cameron, General Manager**

**Jeanne Foti, Executive Assistant**

**Jane Parenteau, Energy Services Manager**

**Jared Carpenter, Energy Efficiency Engineer**

**Robert Fournier, Accounting/Business Manager**

**Kevin Sullivan, E&O Manager**

**Citizens' Advisory Board**

**Arthur Carakatsane, Chair**

**Guest:**

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

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

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

**Opening Remarks/Approval of Meeting Agenda**

There were no suggested changes to the agenda.

**Introductions**

There were no members of the public present. CAB representative, Chair Arthur Carakatsane had nothing to report, however, there will be a Citizens' Advisory Board meeting on Tuesday, October 4, 2011 at the RMLD.

**Presentation of Fiscal Year 2011 Audit**

**Melanson Heath & Company, PC Audit Review – Mr. Frank Biron**

Mr. Fournier introduced Mr. Biron and Ms. Snow from Melanson Heath & Company to present the audited financials for fiscal year (FY) 2011. Mr. Biron stated that he is the President and Ms. Snow has been the supervisor of the audit for the past few years.

Mr. Biron explained that the report is in draft form until it is officially accepted by the Board; however, there is the potential that there may be a couple of adjustments. The audit was completed in the last month and the financial statements will not be ready for a couple of weeks. Mr. Biron reported that there was a recent development that occurred which is found in a new Footnote 20 which appears on page twenty-eight and deals with an NSTAR situation. Mr. Biron said that the Footnote was drafted late yesterday and revised today and, as a result, there may be adjustments made to the financial statements.

Mr. Biron reported that if not for the NSTAR situation, the rest of the audit went pretty smoothly. The books were closed and reconciled. The financial statement reflects that the Department had a very good year which is reflected in the cash balances being strong, balances have been where they have been in the past, and there is neither debt nor bonds payable on the books. Mr. Biron pointed out that the Department started to fund the Other Post Employment Benefits (OPEB) liability which is an unusual thing to fund because most municipalities have not funded this; however it is a practice recommended by the Government Accounting Standards Board #45. It was a good bottom line for the year with a profit of \$2.7 to \$2.8 million which is consistent with the prior year.

### **Presentation of Fiscal Year 2011 Audit**

#### **Melanson Heath & Company, PC Audit Review – Mr. Frank Biron**

Mr. Soli asked about the bottom line numbers. Mr. Biron reported that this is found on page seven. In FY11 the profit is \$2,783,718 and in FY10 it was \$2,780,148. Mr. Biron said that the revenues are up because more kilowatt hours were sold during the year by 3.5% and the revenue is up 3.5%. The cost of power was down during the year which contributed to the profit however, an additional \$800,000 was paid into the retirement system. The reason behind this payment is due to the poor investment results based on the economy over the past few years that impacted the retirement system. The actuaries performed a valuation and determined that more money had to be paid into the retirement system. The Department took \$1 million of its current year's revenue and put it into the retirement system. A year earlier it was only \$200,000. The depreciation expense for the year was \$3,452,000, a 3% rate in FY11 where in FY10, it was \$2,240,000 a 2% depreciation rate.

Chairman Hahn asked on the depreciation rate in FY08 and FY09 it was at 3%, in FY10 down to 2%, back up to 3% in FY11. Ms. Snow replied that it was a one year decrease for the depreciation.

Mr. Biron explained the new Footnote, number 20 on page twenty-eight. Mr. Biron stated that in 1979, the Department entered into an agreement with Boston Edison (BECo, now known as NSTAR) for the transmission of power coming into the system. At that time, it was called the radial transmission lines. Part of that agreement was for the Department to pay a \$12,000 monthly bill for operating and maintenance expenses relating to those lines. In 2003, this line was reclassified from a radial transmission line to a looped transmission line, where a looped transmission line's costs should have been shared with all utilities in New England. When that happened in 2003, apparently the Department was not made aware of that. The bills continued to come in from NSTAR and were be paid monthly. This came to light this year, in May when the Department discovered what had happened, looked into it and concluded that they should have not been billed on a monthly basis from NSTAR. Our understanding is that the agreement effective in 1979 was terminated on June 1, 2011, and the payments stopped at that point. The original contract with BECo had a clause that the Department could not go back further than twelve months to contest a bill. However, these bills go back to 2003. Under the ISO-NE for Regional Network Service the Department was able to obtain eighteen months of rebates for the Radial Line Support bills. ISO-NE would credit the Department's transmission costs to make up for that eighteen month period over the next two years, which equates to approximately \$220,000 of credits. However, what is lost is the rest of those months from 2003 to 2009 for \$1,072,000. This issue is included in the Footnote and they may have to book a receivable for \$220,000, but Melanson Heath will look into this in more detail.

Chairman Hahn asked Mr. Cameron if he wanted to add anything. Mr. Cameron stated that Melanson & Heath did a good job of summarizing this and spent a lot of time understanding the issue, which was not easy to understand.

Chairman Hahn asked if the statute of limitations is part of the rate schedule that ISO files with the FERC. Mr. Biron replied that the original contract was from 1979. Chairman Hahn asked if the Department signed this. Mr. Biron responded that he has been told it is signed, but has not seen it.

Mr. Biron explained that this issue came to light this week. It may require a couple more revisions. Ms. Snyder said that based on the prior discussion it seemed that this has been thoroughly vetted by the attorneys for any other recourse. Mr. Biron responded that he has copies of documentation that went back and forth however; he was not part of that process.

#### **Audit Committee – Vice Chair Pacino**

Mr. Pacino reported that the RMLD Board and the Town of Reading Audit Committee with representation from the following Town of Reading committees: Chairman of the Finance Committee, representative of the School Department, the Selectmen's representative and the Vice Chairman of the Finance Committee met prior to the Board meeting.

Mr. Pacino stated that there was much discussion about Footnote 20. The Town of Reading Audit Committee in the motion to accept felt that Footnote 20 is required to be part of the final audit in the financial statements.

Mr. Pacino said that there was also discussion on the decrease in the return on investment to the town; the question about the CPI decreasing during the year and whether there should have been a corresponding decrease in the payment to the town. The Department will look into this.

Mr. Pacino added there was a lot of discussion about the \$1,072,000 overpayments and he is unsure if this should be addressed under the General Manager's Report and the root causes because he would like to know more about this.

**Audit Committee – Vice Chair Pacino**

Mr. Pacino reported that the Town of Reading Audit Committee voted that the audit be accepted with the proviso that Footnote 20 is in there and that the issue on the return to the investment to the town be resolved. On the return on investment, there is a committee that exists consisting of two members of the Citizens' Advisory Board, two members of the RMLD Board and one member of the Reading Board of Selectmen.

Mr. Pacino said that the Vice Chairman of the Finance Committee said that this is something that should be looked at. Mr. Pacino believes the last time this was put in place was 1997 and there may be information they will be looking for from the Department. Mr. Pacino said that he and Mr. Soli voted to accept the audit with the same provisos that the Town of Reading Audit Committee had to recommend the audit to the RMLD Board.

Chairman Hahn clarified that the CPI went negative. Mr. Pacino replied, yes. Mr. Cameron said that the CPI for the period 2009 to 2010 went negative. At a Board meeting in 1997, it was voted that the payment to the Town of Reading would be based on the 1997 Town Payment and it would be adjusted by the Boston- Brockton- Nashua CPI. Mr. Cameron does not remember anything in the motion stating that the Town Payment could not decrease. In that year (2009 to 2010) it went negative, the town's payment decreased by \$16,000.

Mr. Pacino commented that his recollection is that the payment was not to go down, however, Mr. Cameron is going to check the documentation. Mr. Cameron said that he will get that information to the town. Chairman Hahn asked for clarification on this issue.

On another matter, Ms. O'Neill asked when the Retirement Trust is going to be discussed next and would like to know when the quarterly update will be provided. Mr. Fournier responded that the Retirement Trust will be discussed at the October RMLD Board meeting.

Mr. Pacino made a motion seconded by Ms. Snyder that the RMLD Board of Commissioners accept the audited financial statements presented by Melanson Heath and Company for the fiscal year ending June 30, 2011 with the provision that Footnote 20 be included; revised as needed, and that the issue with regard to the payment to the town be clarified.

Ms. O'Neill asked in terms of the town do they want clarification or reevaluation of the town payment. Mr. Pacino responded that it could be a \$16,000 liability not picked up in the financial statements. Chairman Hahn stressed that he would prefer to see the document that definitively shows the CPI calculation. Ms. O'Neill clarified that in terms of the CPI the RMLD has been working on that since 1997 do they want it to be reevaluated. Mr. Pacino commented that the issue is whether more money should have been paid out and whether there is a liability out there for that difference. Chairman Hahn said that he is unsure why the CPI issue could not have been resolved before this evening. Ms. O'Neill pointed out that the town was aware of the decrease last January or February; she does not understand why that is an issue now and does not agree that there is any liability. Ms. O'Neill said that she is open to looking into a reevaluation of the formula; however, we need to play by the rules unless they are changed.

Mr. Soli asked if there would be a hardship if there is a \$16,000 liability change for Melanson Heath to include. Mr. Biron replied, no. Mr. Biron said that they would need to see the original document, and it would be a simple adjustment or if it remains the same no adjustment is required. Chairman Hahn said that this evening is the first time he has heard of this issue and is surprised it is surfacing at the last minute because the adjustment is always based on the CPI. Chairman Hahn commented that it should not affect the statements. Mr. Cameron said that the town was informed in April.

Ms. O'Neill asked if the town's representative is going to send a letter requesting this. Mr. Pacino responded that the only request that was made was for the documentation on how the return on investment is calculated. Mr. Cameron said that Marsie West asked that this information be sent to Bob LeLacheur and he would send it to the appropriate people. Chairman Hahn said that this may raise discussion going forward on the CPI. Mr. Pacino added that it may and the Town of Reading Audit Committee mentioned that they may hire a consultant on their side because of it being based on the CPI.

Ms. O'Neill made a motion seconded by Ms. Snyder that the RMLD Board of Commissioners amends the main motion to delete "and that the issue with regard to the payment to the town be clarified."

**Motion carried 3:1:1. Vice Chair Pacino voted against, Mr. Soli abstained.**

Mr. Pacino made a motion seconded by Ms. Snyder that the RMLD Board of Commissioners accept the financial statements presented by Melanson Heath and Company for the fiscal year ending June 30, 2011 with the provision that Footnote 20 be included with revised as needed in language.

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

Chairman Hahn thanked Mr. Biron and Ms. Snow for their hard work, service, and patience.

#### **Quarterly Conservation Program Update – Mr. Carpenter**

Mr. Carpenter presented his quarterly Energy Conservation Program update. Mr. Carpenter addressed the following: Residential Time of Use Growth, New Project Update, Demand Response Update and Energy Saved from Energy Efficiency programs.

Mr. Carpenter reported that the Residential Time of Use program was in the April-May edition of the *In Brief*. In 2009, there were 30 new customers, 33 in 2010 and 50 in 2011 on a calendar year basis. The red customer cards that were secured through the RMLD's mass mailing are being used to set up e-mails on energy savings tips.

Mr. Carpenter stated that on the new project updates, the residential vegetable oil generator for 10kW is up and running which puts out 6.0 to 6.5 kW. The 75kW solar array in North Reading should be completed by October 18. There have been multiple 50kW peak reduction projects completed. There are more L.E.D. and induction lighting projects. Mr. Soli asked about the induction lighting. Mr. Carpenter responded that they have received induction lighting for this building. Mr. Carpenter explained that induction lighting costs a bit less than L.E.D. lighting and lasts twice as long for 50,000 hours whereas induction can last for 100,000 hours. Their energy use is very similar as well as their efficiency.

Mr. Carpenter reported on the Demand Response in that they were able to predict the annual peak day and time to call an event without technology to do it for an event. They have identified customers who are willing to partake in the demand response program. There was monitoring equipment installed at the RMLD as a test. Currently, there are customers that have contracts for demand response with ISO New England for 5 megawatts. The RMLD has to decide by 2013 if they want to replace third parties with something else.

Mr. Carpenter said that kW saved is estimated on the energy efficiency programs at 5,000 going back to 2005. The RMLD has rebated \$1.54 million to commercial and residential customers. The net present value of savings through 2027 is \$13.5 million.

Ms. O'Neill commented on the Time of Use rate what is the total number of residential customers. Mr. Carpenter responded that the total number is about one hundred ninety. Ms. O'Neill asked besides the *In Brief* what else has been done to promote this program. Mr. Carpenter said that the e-mails to RMLD's customers who provided them were one of the mechanisms to draw interest in this program; however, it was not easy to implement. Ms. O'Neill suggested going forward the approach to take is consumer education on both the residential and commercial side, including utilizing RCTV which has an advertising loop as a public service announcement, presenting a half hour energy program for all the community televisions the RMLD serves on energy conservation, rebates and Time of Use rate. Such programs can be timely based on the time of year.

Discussion followed.

Mr. Soli said that when the year Time of Use rates were changed it was agreed that a report on the new rates would be made to the Board in six months. Mr. Cameron said that he will provide the residential and commercial customer information at the November or December meeting. Mr. Carakatsane stated that the CAB expected to get a report on the Time of Use rates at the end of the year.

#### **Approval of August 31, 2011 Board Minutes**

Ms. Snyder made a motion seconded by Mr. Pacino to approve the Regular Session meeting minutes of August 31, 2011 with the changes presented by Mr. Soli, on page two, two paragraphs above Reading Fall Fair in the second line, trouble reporting, put in a hyphen between them, last sentence in the paragraph add 'only' before one, page three delete, 'by an additional one half mill' and page five the first paragraph first sentence after 'Hot', put hyphen in.

**Motion carried 4:0:1. Ms. Snyder abstained.**

#### **Report of Board Committee - General Manager Committee – Chairman Hahn**

##### **General Manager's Evaluation July 1, 2010 to June 30, 2011**

Chairman Hahn reported that the General Manager Committee is charged with the task of reviewing the General Manager's performance during the fiscal year for which a performance plan has been set as well as making a salary recommendation based on that performance to the Board.

Chairman Hahn stated that also, a performance plan has been proposed for the next fiscal year. In fiscal year 2011, there were seven categories that the General Manager was rated on which cover all aspects of the operations of the RMLD. Chairman Hahn stated that each commission member was asked to fill out the evaluation form which was assembled into a rating summary. Chairman Hahn stated that the scores assigned the General Manager's performance plan ranged from 85% to 96% with the average at 93.6%. According to the formula utilized, in the 2011 performance plan a score of 90% or greater with the CPI of that year plus the CPI of 2% translates into a 5.1% increase.

**Report of Board Committee - General Manager Committee – Chairman Hahn**  
**General Manager's Evaluation July 1, 2010 to June 30, 2011**

Chairman Hahn pointed out that this comes after a year when the General Manager was awarded no increase largely due to the economic conditions that the RMLD faced (done on the General Manager's recommendation). It was not performance-based because performance was excellent. The 5.1% represents an increase over two years of 2.5%. Chairman Hahn said that the performance plan for FY12 has red line changes in it. Chairman Hahn said that changes have been made such as a comment section under the rating categories, per Mr. Pacino's request; and we are seeking guidance on what an appropriate score may be. Mr. Soli had suggested a study on making the system hurricane proof and it was something the committee did not want to add now.

Ms. Snyder made a motion seconded by Ms. O'Neill that the RMLD Board of Commissioners approve that the General Manager's salary be increased by 5.1% retroactive to July 1, 2011, based on the General Manager's performance review for the period 7/1/10 through 6/30/11.

**Motion carried 4:0:1. Mr. Pacino abstained.**

Mr. Soli said that there are two items: the first is the rating and the second is that there is no motion for the performance plan for the next fiscal year. Chairman Hahn replied that is correct.

Ms. Snyder made a motion seconded by Ms. O'Neill that the RMLD Board of Commissioners approve the FY12 performance plan for the General Manager.

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

Mr. Soli made a suggestion to have a twenty-five year plan to make the system more resistant to hurricanes and ice storms.

Discussion followed.

Mr. Soli made a motion seconded by Ms. Snyder to add to Section III of the FY12 performance plan for the General Manager. The Reliability of the RMLD System, a new item, number 8: To propose a budget for funding a twenty five year plan for increasing the RMLD's resistance to hurricanes and ice storms.

**Motion carried 4:0:1. Chairman Hahn abstained.**

Ms. O'Neill made a motion seconded by Mr. Snyder that Section IV. Manage Employees, Item 5; be amended to read "Submit a report to the Board on the safety incidents at the RMLD by December 31st."

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

Mr. Soli made a motion seconded by Ms. O'Neill that Section II. Energy Efficiency and Load Management, add Item 7. Propose budget funding to decrease the RMLD energy use at the 230 Ash Street complex by at least 5% in FY13.

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

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

Mr. Cameron stated that he wanted to mention to the Board that a of transfer of \$500,000 from the Operating Fund to the Rate Stabilization Fund was made and is found on page nine. This transfer was executed in response to one of his performance items in that the Rate Stabilization Fund needs to be at a level of \$6.0 to \$7.0 million. That leaves \$6.5 million in the Operating Fund, which is adequate to pay the bills on a monthly basis.

**Reading Fall Fair**

RMLD employees Mr. Carpenter and Mses. Gottwald and Hanifan were at this event. There was a great turnout and interest at RMLD's table. There were questions on billing, conservation, and the operations at the RMLD. Attendees at this event were very complimentary about the RMLD.

**RMLD Calendars**

The RMLD calendars will be out within the next month. The RMLD will communicate the date the calendars are available.

**RMLD Annual Report**

The RMLD Annual Report is currently being worked on and will be available at the Subsequent Town Meeting. Mr. Cameron explained that in the past the Chair of the RMLD Board has presented the report to Subsequent Town Meeting which will be held on Monday, November 14. Chairman Hahn is not available to make the presentation; Vice Chair Pacino will make the presentation.

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

Mr. Pacino said that he understands why Footnote 20 came about, however he would like an explanation. This is the first time they have seen this, and it has not been seen by the Board before. He would like an explanation why, there were legal costs that went on here, there was no discussion with the Board in advance, and he is concerned that the Department left \$1 million on the table that is gone, which negatively impacted the ratepayers and what steps will the Department take going forward to ensure this does not happen. Mr. Pacino pointed out that in the General Manager's Performance items it states that minimum task is to maintain comprehensive coverage on new information related to governmental regulations, financial conditions, technological changes, energy and resource developments as they relate to public utilities. Mr. Pacino stated that in Item 1, under 5A Leadership, the General Manager failed on this one to address this. Mr. Pacino asked if there is any other situation that is similar to this within the Department, and if it applies to other situations he wants this addressed as well.

Ms. O'Neill suggested this issue not be addressed this evening; it needs to be treated like a case study, what went wrong, where do the responsibilities lie. Mr. Pacino replied that this situation needs to be addressed, it should not occur again, and going forward, to be assured that there are no other situations.

Ms. Snyder said that she is in agreement with Ms. O'Neill.

Chairman Hahn said that he wants to see - a write up with a detailed summary to be brought to the General Manager Committee within two weeks. There will be input at the committee level on this at the General Manager's Committee. All members of the Board should receive a copy of the report.

Mr. Pacino asked if there are any other situations this may apply to. Mr. Cameron replied, no. Mr. Cameron said that the Department looked at its contracts; there are no other contracts with respect to transmission; and the power supply is straight forward with regard to who is responsible. There are power supply agreements that are firm with other bilaterals or heat rate fuel index contracts.

Mr. Cameron reported that there are agreements on the PSA's with MMWEC however, the RMLD is in a dispute relative to the amount of the back up that accompanies the PSA's. Mr. Cameron said that there is nothing out there on the power supply in which this would occur. It has been fully vetted. Mr. Soli commented whether the MMWEC dispute is something the auditors should have been made aware of. Mr. Cameron replied that the auditors are aware of the MMWEC issue and a Footnote is found in the financials.

### **Financial Report – August, 2011 – Mr. Fournier (Attachment 1)**

Mr. Fournier reported on the Financial Report for August 2011. Mr. Fournier apologized for the tardiness of the Financial Report and noted that until FY11 numbers are final, there won't be a full balance sheet.

Mr. Fournier stated that for the first two months of the fiscal year 2012 the Net Income was \$769,000 bringing the year to date Net Income to \$1,467,000 and the budgeted amount was \$1,892,000 with the difference under budget being \$425,000 or 22.5%. Year to date Fuel Expenses exceeded year to date Fuel Revenue by \$84,000. The Base Revenues are under budget by \$449,000 or 4.75%. Actual Base Revenues were \$9 million compared to the budgeted amount of \$9.4 million.

Mr. Fournier said that the Purchase Power Base Expense was under budget by \$291,000 or 5.82%. The actual Purchase Power Base cost was \$4.7 million compared to the budgeted amount of \$5.0 million. The Operating and Maintenance Expense were over budget by \$14,000 or .72%. The actual Operating and Maintenance Expense \$1.940 compared to the budgeted amount of \$1.926 million. The Depreciation Expense and Voluntary Payment to the Towns is on budget. Kilowatt hour sales are 138,858,000 kWh which is 1.1 million or less than 1% behind last year's. Cumulatively, the five divisions are over budget by a little less than \$4,000 or .12%.

Mr. Fournier stated that next month he will be reporting on the quarterly Pension Trust and will present the balance sheet on time.

### **Power Supply Report – August, 2011– Ms. Parenteau (Attachment 2)**

Ms. Parenteau reported on the Power Supply Report for August 2011.

Ms. Parenteau reported that RMLD's load for August was 69.6 million kilowatt hours, about a 2.8% decrease compared to August 2010. Energy costs were \$3.8 million, which is equivalent to \$.0545 per kilowatt hour. The August Fuel Charge was set at \$.055/kWh. RMLD overcollected on fuel by \$76,000 resulting in a Deferred Fuel Cash Reserve balance of \$2.97 million.

**Power Supply Report – August, 2011– Ms. Parenteau (Attachment 2)**

The Fuel Charge Adjustment was decreased less than \$.05 per kilowatt hour in September, and is currently expected to remain at that level until the end of December. The Deferred Fuel is forecasted to go a little higher then go down in November and December. Rather than fluctuate it up and down it was decided to keep it level to maintain consistency, expecting that the Deferred Fuel will be at \$2.5 million by December.

Ms. Parenteau reported that the RMLD purchased approximately 11.3% of its energy requirement from the ISO Spot Market at an average cost of \$41.50 per megawatt hour. The RMLD hit a peak of 144 megawatts at 2:00 p.m. on August 1, 2011 with a temperature of 90 degrees as compared to a demand of 159.6 megawatts, which occurred on August 31 2010 at 5:00 p.m. with a temperature 92 degrees. This August was considerably less mild than last year. The RMLD's capacity requirement which is based on last year's peak was set at 199.8 megawatts. For capacity, the RMLD paid \$1.4 million which is equivalent to \$7.08 per kilowatt month.

Ms. Parenteau reported that transmission costs for August were \$960,000 an 11% increase from July 2011.

Ms. O'Neill asked on the energy chart is the amount on this from Swift River what the RMLD anticipated. Ms. Parenteau responded, yes, that it is a run of the river project so they tend to go higher in the spring and fall whereas in the summer months it is anticipated to come in lower.

Ms. O'Neill asked on the transmission costs going up 11% for one month. Ms. Parenteau replied that with transmission the billings are a month behind compared to August last year it tends to come in high because it is based on July's peak.

**Engineering and Operations Report – August, 2011 - Mr. Sullivan (Attachment 3)**  
**Gaw Update**

Mr. Sullivan reported on the Engineering and Operations Report for August 2011.

Mr. Sullivan reported that there were no changes from July for the Gaw transformer upgrade project. Mr. Sullivan stated that the RMLD is in a close out phase and it is anticipated that completion will be in the next couple of months.

Mr. Sullivan stated that the soil remediation expense remains at \$2.482 million.

Mr. Sullivan stated that the meter upgrade project to date is 9,200 meters are installed.

Mr. Sullivan said that the variance report projects worked on for the month are: Project 1 – 5W9 Reconductoring Ballardvale Street – this has begun this month and all ten poles have been put in by Verizon, and Project 2 – High Capacity Tie 4W18 and 3W8 Franklin Street continues. There were no new commercial services and 25 new residential services were installed. Under routine construction there is a line for storm trouble for the August 2 thunderstorm and Hurricane Irene. A total of 44 new cutouts were installed for a running total of 65.

Mr. Sullivan reported on the Reliability Report that the CAIDI number is up significantly due to the violent thunderstorm of August 2. The CAIDI rolling average is up for the same reason at five minutes for the year due to this occurrence.

The System Average Interruption Frequency Index (SAIFI) is down marginally where the rolling average is up marginally. For the month, there were 2,018 customers out, however these figures do not include Hurricane Irene. During hurricane Irene over 15% of the territory was out of service, and the service industry standard is when 15% of the service territory is affected in one incident, this is not included in the stats. The Months between Interruptions (MBTI) increased to 26 months.

Mr. Sullivan reported on the outages based on the August 2 and August 28 storms with the number of calls more than 3,500. Incidents for the month were 39, number of customers affected 2,018 with the outage types being feeder outages 2, area outages 34, service outages 2. Feeder outages based on Hurricane Irene were 14 and 7 incidents of lightning damage.

Ms. O'Neill asked for clarification that the standard is if an event occurs when over 15% or more of the territory is affected, those stats are not included. Mr. Sullivan replied that is correct. Ms. O'Neill asked on the variance report in terms of routine construction we have gone through half of the budget in two months and why are we not working on other projects. Mr. Sullivan responded that a large amount of this is due to a carry over on one project in routine construction.

Ms. Snyder asked about the GIS GAP analysis report, it mentioned the concept of identifying transformers and poles by customers when outages occur because it fosters a better response. Ms. Snyder wanted to know when the RMLD will be moving forward with some of the recommendations in the report. Mr. Sullivan said that with the new meters that are being installed it will allow for that type of data gathering for outages.

**M.G.L. Chapter 30B Bid – Mr. Sullivan (Attachment 4)**

**2012-10 Disconnect Switches**

Mr. Sullivan reported that the bid was sent to nine bidders and seven responded. This bid is for the four remaining disconnect transformers at Gaw which is in the Capital Budget.

Mr. Soli asked are the other 13 switches the same. Mr. Sullivan replied, yes that is why the option of factory rep was not utilized.

Ms. O'Neill commented that six out of the seven bidders were non responsive. It seems counterproductive. Mr. Sullivan pointed out that when you open the bids you can never be sure what you get. Ms. O'Neill asked if the RMLD's material was not accessible and clear. Chairman Hahn stated that if they manufacture a switch with cast parts and the specs state no cast parts, there's no way to ask why did they bid, but that cannot be changed.

Ms. Snyder made a motion seconded by Mr. Pacino that bid 2012-10 for 115KV, 2000 Amp Horizontal Disconnect Switches be awarded to EMSPEC Electro Mechanical Systems Inc. for a total cost of \$44,000.00 as the lowest qualified bidder on the recommendation of the General Manager.

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

**2012-11 Three Phase Pad Mounted Dead Front Feed Transformer**

Mr. Sullivan stated that the bid was sent to 17 bidders with four responding. The bid is for three phase pad mounted dead front loop feed transformers. There is no line item in the capital budget for these transformers because they are "assigned as required" one in Reading Woods and 10 to Burlington Avenue Condo Project in Wilmington.

Mr. Soli asked about Stuart Irby 2, which was thrown out and is it a show stopper? Mr. Cameron responded that in the rules for award you must supply the material specified. Mr. Soli asked if you can seek minor clarification. Mr. Cameron pointed out that bidder must follow the engineering specs.

Ms. Snyder made a motion seconded by Mr. Pacino that bid 2012-11 for Three Phase Pad Mounted Dead Front Loop Feed Transformers be awarded to: Power Sales for a total cost of \$157,352.00 as the lowest qualified bidder on the recommendation of the General Manager.

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

**General Discussion**

There was no discussion.

**BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED**

**Rate Comparisons, September 2011**

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

**Upcoming Meetings**

**RMLD Board Meetings**

Wednesday, October 26, 2011, Chairman Hahn will not be present.

Wednesday, November 30, 2011

**RMLD Board Committee Meeting**

Power & Rate Committee Meeting, Monday, October 3, 2011

**Citizens' Advisory Board Meeting**

Tuesday, October 4, 2011 at the RMLD

**Approval of August 31, 2011 Executive Session Minutes (Executive Minute Tab)**

Ms. Snyder made a motion seconded by Ms. O'Neill that the RMLD Board of Commissioners approve Executive Session meeting minutes of August 31, 2011 as presented.

**Motion carried 4:0:1. Ms. Snyder abstained.**



**Adjournment**

9:50 p.m. Ms. Snyder made a motion seconded by Ms. O'Neill 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.

Gina Snyder, Secretary  
RMLD Board of Commissioners



Dear Representative/Senator \_\_\_\_\_

I am writing to express opposition to H.3896, which was voted favorably out of the Joint Committee on Telecommunications, Utilities and Energy. The bill is now pending in the House Ways and Means Committee.

There are forty municipal lighting plants ("MLPs") in Massachusetts, of which one of them is the Reading Municipal Light Department (RMLD), which is owned by the Town of Reading. Collectively, MLP's provide approximately 14% of all electricity consumed in Massachusetts.

The MLP's were established by vote in individual municipalities or by special act to serve the citizens and businesses in those municipalities. The MLP's have the exclusive right to distribute electricity within the borders of the municipalities they serve.

The MLP's are overseen by locally elected or appointed Boards and their operations are overseen by General Managers hired by the Boards. The MLP's establish rates approved by their Boards that pay the costs of the operation of their plant. The RMLD is very proud of the fact that it has historically and is currently providing highly reliable power at the lowest electric rates in the Commonwealth. The RMLD is unique in comparison to other MLPs because in addition to the Town of Reading the RMLD serves Wilmington, North Reading and Lynnfield Center.

The RMLD has instituted Energy Conservation and Renewable Energy Programs in its service territory, which provides educational and financial assistance to customers who choose to enact energy conservation measures and install renewable energy projects. Overall, the local control aspect of Public Power provides a variety of benefits to its customers including providing assistance to customers to become more environmentally friendly and lower their carbon footprint.

If H.3896 were to pass, RMLD customers would pay an additional \$350,000 per year, or an additional 1% of its base rates, to the Commonwealth for energy conservation and renewable energy projects. The RMLD already provides these benefits to its customers through its Energy Conservation and Renewable Energy Program.

In addition, if the RMLD's exemption from the Energy Conservation Charge of \$.0025/kWh is lifted then the RMLD customers will be paying \$1,050,000 more for the energy conservation programs, which the RMLD presently has in place. In 2008, the RMLD added an Energy Conservation Charge into its rate structure for the specific purpose of funding its Energy Conservation and Renewable Energy Program. Since 2008, the RMLD has collected \$1.6 million through the Energy Conservation Charge and it has spent \$1.5 million in the form of rebates and incentives to RMLD customers for energy conservation measures and the renewable energy projects.

The amount of funds the RMLD commits to its Energy Conservation and Renewable Energy Program is mainly dependent on the economics and the cost/benefits that the elements of the program provide to the RMLD and its customers. The RMLD can adjust its Energy Conservation Charge to meet the financial requirements of its program from time to time.

Below is a description of the Energy Conservation and Renewable Energy initiatives that have been instituted:

### **Energy Conservation and Renewable Energy Program**

#### **Residential**

##### **Tier 1 and Tier 2 Services**

The RMLD follows the guidelines of the Department of Energy Resources with respect to providing Tier 1 and Tier 2 services to residential customers. The RMLD has trained its Customer Specialists to answer customer questions on energy conservation. The RMLD also has contracted with a company who performs energy audits for residential customers.

##### **Appliance Rebate Program**

In 2005 the RMLD started an Appliance Rebate Program. This program offers rebates to residential customers who have purchased an Energy Star rated appliance. The appliances in the program include washers, dryers, air conditioners, heat pumps, refrigerators, dishwashers, dehumidifiers, ceiling fans, high performance water heaters, and programmable thermostats. The RMLD has rebated approximately \$250,000 to 4,300 customers, who have applied for appliance rebates.

##### **Residential Time of Use Rate**

The RMLD offers a Time of Use rate to its residential customers that allow customers to move their electrical usage to off Peak periods to save money on their electric bills as well as helping the RMLD lower its peak demand. The Residential Time of Use Rate has been in effect since 1993.

##### **Residential Water Heating Rate**

The RMLD offers a Water Heating Rate to its residential customers who are willing to have their electric water heaters controlled during peak periods. The RMLD is in the process of upgrading this program and recently received a \$50,000 grant from the Massachusetts Department of Energy Resources to assist in the funding of the upgrade. The upgrade will include a demand response control technology.

## **Renewable Energy Projects**

The RMLD gives incentive payments to residential customers who develop renewable energy projects at their homes. To date the RMLD has given over \$64,000 in rebates to eleven solar projects that total 57.2 kW and two cogeneration projects totaling 9.2 kW.

## **Commercial**

### **Energy Audits**

The RMLD provides third party energy audits at reduced rates for customers who want to examine their manufacturing processes to determine if there are energy efficiency measures they can take advantage of that will lower their peak demand and annual energy usage. Additionally, the RMLD Energy Efficiency Engineer who works with customers to provide a detailed audit of specific equipment or the RMLD will help fund a full standard audit performed by an outside auditor.

### **Lighting Rebates**

RMLD offers lighting rebates up to \$10,000 for commercial customers who upgrade their lighting to more efficient technologies.

### **Energy Efficiency Rebates**

The RMLD offers rebates to customers installing energy efficient measures to reduce their peak load and annual energy usage through the use of more efficient HVAC systems, variable speed drives, compressed air systems, building controls, and other more efficient measures. In most cases, these energy efficiency measures have been recommended by the RMLD through audits, which have been performed by the RMLD or its contractor. These recommendations are dependent on cost/benefit analysis that shows the economic payback to the customer for each recommended energy efficiency measure.

### **Commercial Time of Use Rate**

The RMLD offers Time of Use Rates to its commercial customers who have the ability to move a portion of their energy usage to Off Peak periods. In doing so, commercial customers are able to lower their electric bills and assist the RMLD in reducing its peak demand.

### **Renewable Energy Rebates**

Commercial customers who install renewable energy projects at their facilities receive rebates based on the mode of generation and the amount of peak load reduction the RMLD will see on their system. To date, the RMLD has rebated approximately \$30,000 for a commercial solar facility of 75 kW.

The RMLD is working with other solar projects that are in the final stage of design, which total approximately of 300 kW. Additionally, there is the potential for fifteen other commercial solar projects that have a projected total of approximately 15 MW.

The RMLD has an extensive Energy Conservation and Renewable Energy Program and is constantly seeking ways to enhance and expand this program to meet the needs of customers who want to reduce their electricity cost and decrease their carbon footprint.

**H. 3896 should be opposed for the following reasons:**

- **H. 3896 would mandate an increase in monthly bills to RMLD customers to fund renewable energy and energy efficiency programs.**
- **H. 3896 would jeopardize RMLD's service territory by mandating that they open their systems to outside generation thus repealing the exclusive service territory provisions of the Electric Utility Restructuring Act of 1997.**

Rate Setting is the exclusive domain of the individual MLP Boards. The RMLD's rates are not established by the Department of Public Utilities but are examined and approved by its Light Board of Commissioners. This bill is a frontal attack on all existing MLP's and local control, which is the essence of Public Power.

The RMLD already funds energy conservation programs and renewable energy, as you can see above, without the cost increases mandated by this bill. In addition rather than the increased revenues mandated by this bill going back to the state for its benevolent dispersal, the revenues raised by MLP rates currently are used within the MLP territory for the benefit of its customers as determined by the MLP Board for such things as reliability, infrastructure investment, renewable energy programs and energy efficiency programs. The RMLD has a more informed view of what its customer's desire in the form of energy conservation and renewable energy programs, which enables the RMLD to be more flexible in designing the programs it offers.

Section 21 of the bill would mandate that MLP's open their service territory to outside generation by allowing its customers to negotiate directly with generation companies. This means that after each MLP municipality determined to reject the Commonwealth's option to allow outside generation within their boundaries, the Commonwealth would ignore that and impose outside generation in those municipalities. The result would be that the RMLD, which has engaged in long term power contracts to fulfill the usage requirements of its customers, would not have sufficient revenues to pay for those obligations with the approach imposed by H.3896 and would lead to higher rates because fewer and fewer customers would now pay for all historical commitments entered into to provide electricity to all customers.

The MLP's throughout the Commonwealth have programs in place to increase their alternative and renewable energy portfolios and continue to expand on those programs as appropriate for their service territory and determined by the MLP Board.

While the legislation appears to recognize that MLP's should participate in the future distribution of Regional Greenhouse Gas Initiative "so-called RGGI" monies, over the last four years, MLP's did not receive their share of those funds. Meanwhile distribution companies and municipal aggregators received millions of dollars from the \$150 million accumulated in the fund. In any event, increases in the costs to MLP customers under this bill far exceed any return from future RGGI monies.

This legislation is touted by its sponsors and supporters as creating competition and allowing choice in the existing electric market. In fact, under this bill, it is likely that very few, if any, municipalities would have the necessary funds to purchase an investor owned utilities' distribution system in order to create their own municipal electric utility. The bill released by Committee has boldly morphed into a new revenue stream to create additional energy programs on the backs of MLP customers under the guise of increased competition and choice.

I urge you to vigorously oppose this legislation as it would result in the erosion of public power in Massachusetts as well as diminishing both competition and choice in Massachusetts.

Draft





Dt: February 24, 2012

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

Fr: Bob Fournier

**Sj: January 31, 2012 Report**

The results for the seven months ending January 31, 2012, for the fiscal year 2012 will be summarized in the following paragraphs.

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

For the month of January, the net income or the positive change in net assets was \$498,065, increasing the year to date net income to \$2,424,272. The year to date budgeted net income was \$4,945,104, resulting in net income being under budget by 2,520,831 or 50.98%. Actual year to date fuel expenses exceeded fuel revenues by \$603,035.

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

Year to date base revenues were under budget by \$1,956,634 or 6.69%. Actual base revenues were \$27.3 million compared to the budgeted amount of \$29.2 million.

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

\*Year to date purchased power base expense was under budget by \$1,025,092 or 6.42%. Actual purchased power base costs were \$14.9 million compared to the budgeted amount of \$15.9 million.

\*Year to date operating and maintenance (O&M) expenses combined were under budget by \$196,513 or 2.8%. Actual O&M expenses were \$6.7 million compared to the budgeted amount of \$6.9 million.

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

**4) Cash (Page 9)**

- \*Operating Fund was at \$9,618,141.
- \*Capital Fund balance was at \$4,010,961
- \*Rate Stabilization Fund was at \$6,068,389.
- \*Deferred Fuel Fund balance was at \$2,452,189.
- \*Energy Conservation Fund balance was at \$173,774.

**5) General Information:**

Year to date kwh sales (Page 5) were 419,400,557 which is 15 million kwh or 3.46%, behind last year's actual figure. GAW revenues collected ytd were \$419,402 bringing the total collected since inception to \$1,026,576.

**6) Budget Variance:**

Cumulatively, the five divisions were under budget by \$234,610 or 2.1%.



# **FINANCIAL REPORT**

**JANUARY 31, 2012**

**ISSUE DATE: FEBRUARY 24, 2012**



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUSINESS-TYPE PROPRIETARY FUND  
STATEMENT OF NET ASSETS  
1/31/12

		PREVIOUS YEAR	CURRENT YEAR
<b>ASSETS</b>			
<b>CURRENT</b>			
UNRESTRICTED CASH	(SCH A P.9)	6,857,766.85	9,621,141.12
RESTRICTED CASH	(SCH A P.9)	15,656,711.79	18,381,528.39
RESTRICTED INVESTMENTS	(SCH A P.9)	2,200,000.00	0.00
RECEIVABLES, NET	(SCH B P.10)	8,439,835.61	7,808,499.01
PREPAID EXPENSES	(SCH B P.10)	2,206,076.79	2,210,522.49
INVENTORY		1,723,347.67	1,403,358.34
<b>TOTAL CURRENT ASSETS</b>		<u>37,083,738.71</u>	<u>39,425,049.35</u>
<b>NONCURRENT</b>			
INVESTMENT IN ASSOCIATED CO	(SCH C P.2)	88,151.26	73,765.66
CAPITAL ASSETS, NET	(SCH C P.2)	67,447,387.61	67,854,146.97
<b>TOTAL NONCURRENT ASSETS</b>		<u>67,535,538.87</u>	<u>67,927,912.63</u>
<b>TOTAL ASSETS</b>		<u>104,619,277.58</u>	<u>107,352,961.98</u>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
ACCOUNTS PAYABLE		6,848,434.98	6,270,495.64
CUSTOMER DEPOSITS		515,693.20	604,388.69
CUSTOMER ADVANCES FOR CONSTRUCTION		330,793.90	294,339.94
ACCRUED LIABILITIES		1,090,221.95	1,221,183.70
<b>TOTAL CURRENT LIABILITIES</b>		<u>8,785,144.03</u>	<u>8,390,407.97</u>
<b>NONCURRENT</b>			
ACCRUED EMPLOYEE COMPENSATED ABSENCES		3,020,032.75	2,934,698.58
<b>TOTAL NONCURRENT LIABILITIES</b>		<u>3,020,032.75</u>	<u>2,934,698.58</u>
<b>TOTAL LIABILITIES</b>		<u>11,805,176.78</u>	<u>11,325,106.55</u>
<b>NET ASSETS</b>			
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT		67,447,387.61	67,854,146.97
RESTRICTED FOR DEPRECIATION FUND (P.9)		4,740,173.37	4,010,961.89
UNRESTRICTED		20,626,539.82	24,162,746.57
<b>TOTAL NET ASSETS</b>	(P.3)	<u>92,814,100.80</u>	<u>96,027,855.43</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u>104,619,277.58</u>	<u>107,352,961.98</u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
NONCURRENT ASSET SCHEDULE  
1/31/12

SCHEDULE C

SCHEDULE OF INVESTMENTS IN ASSOCIATED COMPANIES	PREVIOUS YEAR	CURRENT YEAR
NEW ENGLAND HYDRO ELECTRIC	23,538.60	15,747.64
NEW ENGLAND HYDRO TRANSMISSION	64,612.66	58,018.02
TOTAL INVESTMENTS IN ASSOCIATED COMPANIES	<u>88,151.26</u>	<u>73,765.66</u>
SCHEDULE OF CAPITAL ASSETS		
LAND	1,265,842.23	1,265,842.23
STRUCTURES AND IMPROVEMENTS	6,753,629.88	6,585,553.34
EQUIPMENT AND FURNISHINGS	13,167,134.79	12,930,140.56
INFRASTRUCTURE	46,260,780.71	47,072,610.84
TOTAL CAPITAL ASSETS, NET	<u>67,447,387.61</u>	<u>67,854,146.97</u>
TOTAL NONCURRENT ASSETS	<u>67,535,538.87</u>	<u>67,927,912.63</u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUSINESS-TYPE PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
1/31/12

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
OPERATING REVENUES: (SCH D P.11)					
BASE REVENUE	4,034,763.61	3,745,222.26	27,324,920.54	27,280,962.22	-0.16%
FUEL REVENUE	3,629,698.16	3,114,395.49	25,147,934.40	22,542,547.15	-10.36%
PURCHASED POWER CAPACITY	32,606.08	(10,759.23)	1,156,560.83	(79,673.49)	-106.89%
FORFEITED DISCOUNTS	94,513.95	87,893.05	613,667.00	566,459.28	-7.69%
ENERGY CONSERVATION REVENUE	30,297.72	55,711.95	311,149.11	353,207.69	13.52%
GAW REVENUE	61,534.17	56,637.77	294,545.11	419,402.62	42.39%
NYPA CREDIT	(59,937.36)	(51,411.30)	(427,390.42)	(397,814.54)	-6.92%
TOTAL OPERATING REVENUES	7,823,476.33	6,997,689.99	54,421,386.57	50,685,090.93	-6.87%
OPERATING EXPENSES: (SCH E P.12)					
PURCHASED POWER BASE	2,243,845.82	1,970,296.64	16,388,717.23	14,934,246.54	-8.87%
PURCHASED POWER FUEL	3,620,814.67	3,338,331.18	24,651,235.51	22,747,767.61	-7.72%
OPERATING MAINTENANCE	862,010.77	452,931.67	4,950,034.69	4,969,115.69	0.39%
DEPRECIATION	655,595.29	282,566.15	2,639,911.02	1,800,621.68	-31.79%
VOLUNTARY PAYMENTS TO TOWNS	287,729.05	296,027.47	2,014,103.35	2,072,192.29	2.88%
	105,885.00	113,000.00	765,885.00	787,186.00	2.78%
TOTAL OPERATING EXPENSES	7,775,880.60	6,453,153.11	51,409,886.80	47,311,129.81	-7.97%
OPERATING INCOME	47,595.73	544,536.88	3,011,499.77	3,373,961.12	12.04%
NONOPERATING REVENUES (EXPENSES)					
CONTRIBUTIONS IN AID OF CONST	35.00	3,975.90	34,887.42	37,629.64	7.86%
RETURN ON INVESTMENT TO READING	(180,990.00)	(183,829.75)	(1,266,930.00)	(1,286,808.25)	1.57%
INTEREST INCOME	6,749.10	3,867.39	67,066.73	60,559.01	-9.70%
INTEREST EXPENSE	(1,000.34)	(500.22)	(9,294.00)	(5,226.99)	-43.76%
OTHER (MDSE AND AMORT)	2,380.00	130,015.08	157,006.27	244,158.43	55.51%
TOTAL NONOPERATING REV (EXP)	(172,826.24)	(46,471.60)	(1,017,263.58)	(949,688.16)	-6.64%
CHANGE IN NET ASSETS	(125,230.51)	498,065.28	1,994,236.19	2,424,272.96	21.56%
NET ASSETS AT BEGINNING OF YEAR			90,819,864.61	93,603,582.47	3.07%
NET ASSETS AT END OF JANUARY			92,814,100.80	96,027,855.43	3.46%

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUSINESS-TYPE PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
1/31/12

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	27,280,962.22	29,237,597.00	(1,956,634.78)	-6.69%
FUEL REVENUE	22,542,547.15	25,278,846.00	(2,736,298.85)	-10.82%
PURCHASED POWER CAPACITY	(79,673.49)	(83,535.00)	3,861.51	-4.62%
FORFEITED DISCOUNTS	566,459.28	643,227.00	(76,767.72)	-11.93%
ENERGY CONSERVATION REVENUE	353,207.69	325,824.00	27,383.69	8.40%
GAW REVENUE	419,402.62	404,691.00	14,711.62	3.64%
NYPA CREDIT	(397,814.54)	(350,000.00)	(47,814.54)	13.66%
TOTAL OPERATING REVENUES	50,685,090.93	55,456,650.00	(4,771,559.07)	-8.60%
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	14,934,246.54	15,959,339.00	(1,025,092.46)	-6.42%
PURCHASED POWER FUEL	22,747,767.61	23,871,456.00	(1,123,688.39)	-4.71%
OPERATING	4,969,115.69	5,332,685.00	(363,569.31)	-6.82%
MAINTENANCE	1,800,621.68	1,633,566.00	167,055.68	10.23%
DEPRECIATION	2,072,192.29	2,100,000.00	(27,807.71)	-1.32%
VOLUNTARY PAYMENTS TO TOWNS	787,186.00	791,000.00	(3,814.00)	-0.48%
TOTAL OPERATING EXPENSES	47,311,129.81	49,688,046.00	(2,376,916.19)	-4.78%
OPERATING INCOME	3,373,961.12	5,768,604.00	(2,394,642.88)	-41.51%
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	37,629.64	300,000.00	(262,370.36)	-87.46%
RETURN ON INVESTMENT TO READING	(1,286,808.25)	(1,295,000.00)	8,191.75	-0.63%
INTEREST INCOME	60,559.01	105,000.00	(44,440.99)	-42.32%
INTEREST EXPENSE	(5,226.99)	(3,500.00)	(1,726.99)	49.34%
OTHER (MDSE AND AMORT)	244,158.43	70,000.00	174,158.43	248.80%
TOTAL NONOPERATING REV (EXP)	(949,688.16)	(823,500.00)	(126,188.16)	15.32%
CHANGE IN NET ASSETS	2,424,272.96	4,945,104.00	(2,520,831.04)	-50.98%
NET ASSETS AT BEGINNING OF YEAR	93,603,582.47	93,603,582.47	0.00	0.00%
NET ASSETS AT END OF JANUARY	96,027,855.43	98,548,686.47	(2,520,831.04)	-2.56%

\* ( ) = ACTUAL UNDER BUDGET



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
RECONCILIATION OF CAPITAL FUNDS  
1/31/12

SOURCE OF CAPITAL FUNDS:

DEPRECIATION FUND BALANCE 7/1/11	4,297,944.13
CONSTRUCTION FUND BALANCE 7/1/11	0.00
INTEREST ON DEPRECIATION FUND FY 12	6,655.14
DEPRECIATION TRANSFER FY 12	2,072,192.29
FORCED ACCOUNTS REIMBURSEMENT	0.00
GAW SUBSTATION (FY 12)	<u>0.00</u>
 TOTAL SOURCE OF CAPITAL FUNDS	 6,376,791.56

USE OF CAPITAL FUNDS:

PAID ADDITIONS TO PLANT THRU JANUARY	2,365,829.67
PAID ADDITIONS TO GAW THRU JANUARY	0.00
TOTAL USE OF CAPITAL FUNDS	<u>2,365,829.67</u>

GENERAL LEDGER CAPITAL FUNDS BALANCE 1/31/12	<u><u>4,010,961.89</u></u>
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PAID ADDITIONS TO GAW FROM FY 12	0.00
PAID ADDITIONS TO GAW FROM FY 11	531,784.00
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>6,937,399.00</u></u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SALES OF KILOWATT HOURS  
1/31/12

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	23,596,837	22,442,292	163,587,538	156,374,445	-4.41%
COMM. AND INDUSTRIAL SALES	34,924,989	31,431,195	252,473,262	245,224,771	-2.87%
PRIVATE STREET LIGHTING	73,252	73,295	502,929	510,436	1.49%
TOTAL PRIVATE CONSUMERS	<u>58,595,078</u>	<u>53,946,782</u>	<u>416,563,729</u>	<u>402,109,652</u>	-3.47%
MUNICIPAL SALES:					
STREET LIGHTING	239,009	239,295	1,671,587	1,673,927	0.14%
MUNICIPAL BUILDINGS	964,827	858,971	5,835,481	5,666,816	-2.89%
TOTAL MUNICIPAL CONSUMERS	<u>1,203,836</u>	<u>1,098,266</u>	<u>7,507,068</u>	<u>7,340,743</u>	-2.22%
SALES FOR RESALE	312,294	282,836	2,124,784	2,049,706	-3.53%
SCHOOL	1,409,774	1,316,235	8,235,900	7,900,456	-4.07%
TOTAL KILOWATT HOURS SOLD	<u>61,520,982</u>	<u>56,644,119</u>	<u>434,431,481</u>	<u>419,400,557</u>	-3.46%

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
KILOWATT HOURS SOLD BY TOWN  
1/31/12

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	22,442,292	7,111,119	3,015,072	5,446,383	6,869,718
COMM & IND	31,431,195	4,344,014	254,630	4,828,190	22,004,361
PVT ST LIGHTS	73,295	13,737	1,360	21,956	36,242
PUB ST LIGHTS	239,295	80,536	32,480	39,920	86,359
MUNI BLDGS	858,971	262,177	137,397	146,929	312,468
SALES/RESALE	282,836	282,836	0	0	0
SCHOOL	1,316,235	483,145	268,030	163,280	401,780
TOTAL	<u>56,644,119</u>	<u>12,577,564</u>	<u>3,708,969</u>	<u>10,646,658</u>	<u>29,710,928</u>

YEAR TO DATE

RESIDENTIAL	156,374,445	48,878,075	22,339,481	36,480,422	48,676,467
COMM & IND	245,224,771	31,163,673	1,975,518	38,029,964	174,055,616
PVT ST LIGHTS	510,436	97,575	9,520	149,664	253,677
PUB ST LIGHTS	1,673,927	563,252	227,102	279,240	604,333
MUNI BLDGS	5,666,816	1,408,517	966,513	1,136,928	2,154,858
SALES/RESALE	2,049,706	2,049,706	0	0	0
SCHOOL	7,900,456	2,826,875	1,746,008	1,008,080	2,319,493
TOTAL	<u>419,400,557</u>	<u>86,987,673</u>	<u>27,264,142</u>	<u>77,084,298</u>	<u>228,064,444</u>

LAST YEAR  
TO DATE

RESIDENTIAL	163,587,538	51,137,761	23,366,372	38,108,144	50,975,261
COMM & IND	252,473,262	31,146,526	2,018,005	38,129,078	181,179,653
PVT ST LIGHTS	502,929	97,889	9,520	148,922	246,598
PUB ST LIGHTS	1,671,587	563,052	227,211	277,819	603,505
MUNI BLDGS	5,835,481	1,502,035	1,012,702	1,206,439	2,114,305
SALES/RESALE	2,124,784	2,124,784	0	0	0
SCHOOL	8,235,900	2,928,145	1,748,130	1,073,360	2,486,265
TOTAL	<u>434,431,481</u>	<u>89,500,192</u>	<u>28,381,940</u>	<u>78,943,762</u>	<u>237,605,587</u>

KILOWATT HOURS SOLD TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	39.62%	12.55%	5.32%	9.62%	12.13%
COMM & IND	55.49%	7.67%	0.45%	8.52%	38.85%
PVT ST LIGHTS	0.13%	0.02%	0.00%	0.04%	0.07%
PUB ST LIGHTS	0.42%	0.14%	0.06%	0.07%	0.15%
MUNI BLDGS	1.52%	0.46%	0.24%	0.26%	0.56%
SALES/RESALE	0.50%	0.50%	0.00%	0.00%	0.00%
SCHOOL	2.32%	0.85%	0.47%	0.29%	0.71%
TOTAL	<u>100.00%</u>	<u>22.19%</u>	<u>6.54%</u>	<u>18.80%</u>	<u>52.47%</u>

YEAR TO DATE

RESIDENTIAL	37.29%	11.65%	5.33%	8.70%	11.61%
COMM & IND	58.47%	7.43%	0.47%	9.07%	41.50%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
PUB ST LIGHTS	0.40%	0.13%	0.05%	0.07%	0.15%
MUNI BLDGS	1.35%	0.34%	0.23%	0.27%	0.51%
SALES/RESALE	0.49%	0.49%	0.00%	0.00%	0.00%
SCHOOL	1.88%	0.67%	0.42%	0.24%	0.55%
TOTAL	<u>100.00%</u>	<u>20.73%</u>	<u>6.50%</u>	<u>18.39%</u>	<u>54.38%</u>

LAST YEAR  
TO DATE

RESIDENTIAL	37.65%	11.77%	5.38%	8.77%	11.73%
COMM & IND	58.12%	7.17%	0.46%	8.78%	41.71%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.03%	0.07%
PUB ST LIGHTS	0.38%	0.13%	0.05%	0.06%	0.14%
MUNI BLDGS	1.34%	0.35%	0.23%	0.28%	0.48%
SALES/RESALE	0.49%	0.49%	0.00%	0.00%	0.00%
SCHOOL	1.90%	0.67%	0.40%	0.25%	0.58%
TOTAL	<u>100.00%</u>	<u>20.60%</u>	<u>6.52%</u>	<u>18.17%</u>	<u>54.71%</u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
FORMULA INCOME  
1/31/12

TOTAL OPERATING REVENUES	(P.3)	50,685,090.93
ADD:		
POLE RENTAL		1,455.00
INTEREST INCOME ON CUSTOMER DEPOSITS		792.02
LESS:		
OPERATING EXPENSES	(P.3)	(47,311,129.81)
CUSTOMER DEPOSIT INTEREST EXPENSE		(5,226.99)
FORMULA INCOME (LOSS)		<u>3,370,981.15</u>

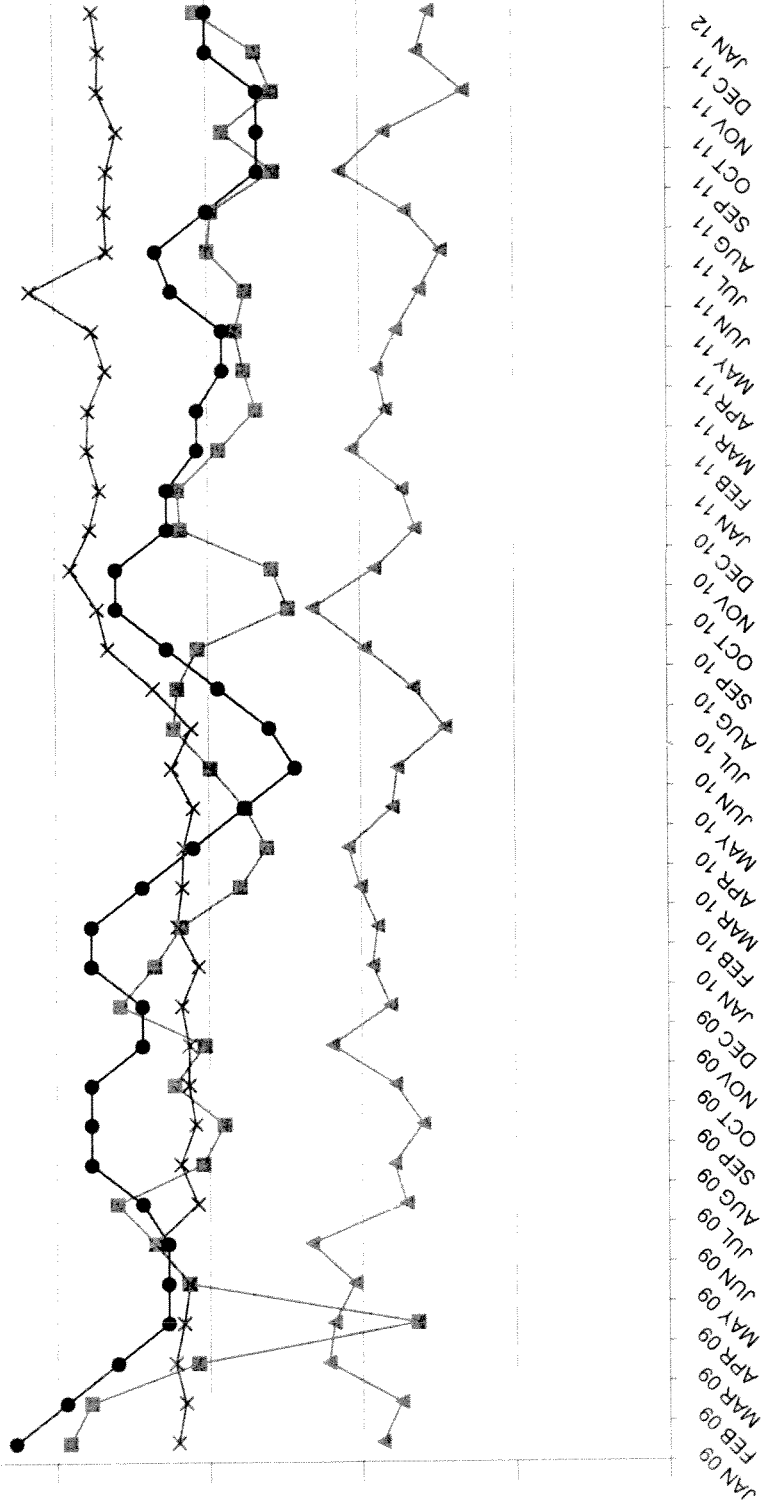
TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
GENERAL STATISTICS  
1/31/12

		MONTH OF JAN 2011	MONTH OF JAN 2012	% CHANGE 2010      2011		YEAR JAN 2011	THRU JAN 2012
SALE OF KWH	(P.5)	61,520,982	56,644,119	7.35%	-3.46%	434,431,481	419,400,557
KWH PURCHASED		62,562,960	59,550,250	5.70%	-2.87%	446,397,850	433,579,697
AVE BASE COST PER KWH		0.035865	0.033086	-4.83%	-48.69%	0.067130	0.034444
AVE BASE SALE PER KWH		0.065584	0.066118	9.67%	3.42%	0.062898	0.065048
AVE COST PER KWH		0.093740	0.089145	-5.78%	-5.47%	0.091936	0.086909
AVE SALE PER KWH		0.124583	0.121100	-0.76%	-1.65%	0.120785	0.118797
FUEL CHARGE REVENUE (P.3)		3,629,698.16	3,114,395.49	-3.41%	-10.36%	25,147,934.40	22,542,547.15
LOAD FACTOR		76.40%	76.56%				
PEAK LOAD		112,174	106,558				

# kwh analysis

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

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



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF CASH AND INVESTMENTS  
1/31/12

SCHEDULE A

	PREVIOUS YEAR	CURRENT YEAR
<b>UNRESTRICTED CASH:</b>		
CASH - OPERATING FUND	6,854,766.85	9,618,141.12
CASH - PETTY CASH	3,000.00	3,000.00
<b>TOTAL UNRESTRICTED CASH</b>	<u><u>6,857,766.85</u></u>	<u><u>9,621,141.12</u></u>
<b>RESTRICTED CASH:</b>		
CASH - DEPRECIATION FUND	4,740,173.37	4,010,961.89
CASH - TOWN PAYMENT	291,250.00	596,000.00
CASH - DEFERRED FUEL RESERVE	2,395,420.56	2,452,189.78
CASH - RATE STABILIZATION FUND	4,381,131.86	6,068,389.05
CASH - UNCOLLECTIBLE ACCTS RESERVE	200,000.00	200,000.00
CASH - SICK LEAVE BENEFITS	2,024,793.05	2,952,851.04
CASH - HAZARD WASTE RESERVE	150,000.00	150,000.00
CASH - CUSTOMER DEPOSITS	515,693.20	604,388.69
CASH - ENERGY CONSERVATION	343,798.77	173,774.12
CASH - OPEB	614,450.98	1,172,973.82
<b>TOTAL RESTRICTED CASH</b>	<u><u>15,656,711.79</u></u>	<u><u>18,381,528.39</u></u>
<b>RESTRICTED INVESTMENTS:</b>		
RATE STABILIZATION *	1,000,000.00	0.00
SICK LEAVE BUYBACK **	1,000,000.00	0.00
OPEB ***	200,000.00	0.00
<b>TOTAL RESTRICTED INVESTMENTS</b>	<u><u>2,200,000.00</u></u>	<u><u>0.00</u></u>
<b>TOTAL CASH BALANCE</b>	<u><u>24,714,478.64</u></u>	<u><u>28,002,669.51</u></u>

**JAN 2011:**

* FREDDIE MAC	1,000,000.00;	DTD 09/10/10; INT 2.00%; MATURITY 09/15/20
** FREDDIE MAC	1,000,000.00;	DTD 09/10/10; INT 2.00%; MATURITY 09/15/20
*** FREDDIE MAC	200,000.00;	DTD 09/10/10; INT 2.00%; MATURITY 09/15/20

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF ACCOUNTS RECEIVABLE  
1/31/12

SCHEDULE B

SCHEDULE OF ACCOUNTS RECEIVABLE	PREVIOUS YEAR	CURRENT YEAR
RESIDENTIAL AND COMMERCIAL	4,805,309.83	3,298,034.16
ACCOUNTS RECEIVABLE - OTHER	138,744.20	173,757.74
ACCOUNTS RECEIVABLE - LIENS	105,586.12	68,665.99
ACCOUNTS RECEIVABLE - EMPLOYEE ADVANCES	1,067.16	892.14
SALES DISCOUNT LIABILITY	(357,716.40)	(272,247.53)
RESERVE FOR UNCOLLECTIBLE ACCOUNTS	(308,314.41)	(290,897.86)
TOTAL ACCOUNTS RECEIVABLE BILLED	<u>4,384,676.50</u>	<u>2,978,204.64</u>
UNBILLED ACCOUNTS RECEIVABLE	4,055,159.11	4,830,294.37
TOTAL ACCOUNTS RECEIVABLE, NET	<u><u>8,439,835.61</u></u>	<u><u>7,808,499.01</u></u>

SCHEDULE OF PREPAYMENTS		
PREPAID INSURANCE	1,412,723.82	1,465,398.59
PREPAYMENT PURCHASED POWER	379,285.27	336,853.70
PREPAYMENT PASNY	239,666.63	238,330.65
PREPAYMENT WATSON	159,877.37	155,415.85
PURCHASED POWER WORKING CAPITAL	14,523.70	14,523.70
TOTAL PREPAYMENT	<u><u>2,206,076.79</u></u>	<u><u>2,210,522.49</u></u>

ACCOUNTS RECEIVABLE AGING JANUARY 2012:

RESIDENTIAL AND COMMERCIAL	3,298,034.16
LESS: SALES DISCOUNT LIABILITY	<u>(272,247.53)</u>
GENERAL LEDGER BALANCE	<u><u>3,025,786.63</u></u>

CURRENT	2,670,304.31	82.28%
30 DAYS	279,412.05	8.61%
60 DAYS	127,584.94	3.93%
90 DAYS	55,963.13	1.72%
OVER 90 DAYS	<u>112,249.01</u>	<u>3.46%</u>
TOTAL	<u><u>3,245,513.44</u></u>	<u><u>100.00%</u></u>



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF OPERATING REVENUE  
1/31/12

SCHEDULE D

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	3,230,381.85	2,986,106.37	21,591,805.90	20,631,257.22	-4.45%
COMM AND INDUSTRIAL SALES	4,049,740.57	3,545,526.02	28,501,661.35	27,056,607.04	-5.07%
PRIVATE STREET LIGHTING	10,981.54	6,336.67	73,839.51	47,717.22	-35.38%
TOTAL PRIVATE CONSUMERS	<u>7,291,103.96</u>	<u>6,537,969.06</u>	<u>50,167,306.76</u>	<u>47,735,581.48</u>	-4.85%
MUNICIPAL SALES:					
STREET LIGHTING	47,157.01	30,461.88	324,965.18	226,471.87	-30.31%
MUNICIPAL BUILDINGS	119,103.91	104,255.50	716,441.00	690,109.80	-3.68%
TOTAL MUNICIPAL CONSUMERS	<u>166,260.92</u>	<u>134,717.38</u>	<u>1,041,406.18</u>	<u>916,581.67</u>	-11.99%
SALES FOR RESALE	39,967.63	35,092.33	262,906.76	252,014.50	-4.14%
SCHOOL	<u>167,129.26</u>	<u>151,838.98</u>	<u>1,001,235.24</u>	<u>919,331.72</u>	-8.18%
SUB-TOTAL	7,664,461.77	6,859,617.75	52,472,854.94	49,823,509.37	-5.05%
FORFEITED DISCOUNTS	94,513.95	87,893.05	613,667.00	566,459.28	-7.69%
PURCHASED POWER CAPACITY	32,606.08	(10,759.23)	1,156,560.83	(79,673.49)	-106.89%
ENERGY CONSERVATION - RESIDENTIAL	11,803.45	22,452.71	81,833.64	132,998.64	62.52%
ENERGY CONSERVATION - COMMERCIAL	18,494.27	33,259.24	229,315.47	220,209.05	-3.97%
GAW REVENUE	61,534.17	56,637.77	294,545.11	419,402.62	42.39%
NYPA CREDIT	(59,937.36)	(51,411.30)	(427,390.42)	(397,814.54)	-6.92%
TOTAL REVENUE	<u><u>7,823,476.33</u></u>	<u><u>6,997,689.99</u></u>	<u><u>54,421,386.57</u></u>	<u><u>50,685,090.93</u></u>	-6.87%

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF OPERATING REVENUE BY TOWN  
1/31/12

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	2,986,106.37	948,530.33	399,915.20	723,338.10	914,322.74
INDUS/MUNI BLDG	3,649,781.52	546,439.66	47,799.28	576,647.19	2,478,895.39
PUB.ST.LIGHTS	30,461.88	9,606.25	3,802.84	5,524.88	11,527.91
PRV.ST.LIGHTS	6,336.67	1,159.82	114.90	1,989.62	3,072.33
CO-OP RESALE	35,092.33	35,092.33	0.00	0.00	0.00
SCHOOL	151,838.98	55,780.00	30,664.17	19,541.72	45,853.09
TOTAL	<u>6,859,617.75</u>	<u>1,596,608.39</u>	<u>482,296.39</u>	<u>1,327,041.51</u>	<u>3,453,671.46</u>

THIS YEAR TO DATE

RESIDENTIAL	20,631,257.22	6,464,504.95	2,938,871.91	4,801,274.13	6,426,606.23
INDUS/MUNI BLDG	27,746,716.84	3,822,007.92	352,644.62	4,433,337.19	19,138,727.11
PUB.ST.LIGHTS	226,471.87	72,925.06	28,087.06	40,374.65	85,085.10
PRV.ST.LIGHTS	47,717.22	8,917.68	873.00	14,702.26	23,224.28
CO-OP RESALE	252,014.50	252,014.50	0.00	0.00	0.00
SCHOOL	919,331.72	332,052.32	199,337.84	120,267.15	267,674.41
TOTAL	<u>49,823,509.37</u>	<u>10,952,422.43</u>	<u>3,519,814.41</u>	<u>9,409,955.39</u>	<u>25,941,317.14</u>

LAST YEAR TO DATE

RESIDENTIAL	21,591,805.90	6,782,125.34	3,057,452.60	5,036,665.92	6,715,562.04
INDUS/MUNI BLDG	29,218,102.35	3,923,828.61	365,997.70	4,544,681.78	20,383,594.26
PUB.ST.LIGHTS	324,965.18	113,774.59	39,633.23	53,530.13	118,027.23
PRV.ST.LIGHTS	73,839.51	13,985.66	1,392.01	22,866.05	35,595.79
CO-OP RESALE	262,906.76	262,906.76	0.00	0.00	0.00
SCHOOL	1,001,235.24	357,097.86	209,030.08	133,608.17	301,499.13
TOTAL	<u>52,472,854.94</u>	<u>11,453,718.82</u>	<u>3,673,505.62</u>	<u>9,791,352.05</u>	<u>27,554,278.45</u>

PERCENTAGE OF OPERATING INCOME TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	43.53%	13.83%	5.83%	10.54%	13.33%
INDUS/MUNI BLDG	53.22%	7.97%	0.70%	8.41%	36.14%
PUB.ST.LIGHTS	0.44%	0.14%	0.06%	0.08%	0.16%
PRV.ST.LIGHTS	0.09%	0.02%	0.00%	0.03%	0.04%
CO-OP RESALE	0.51%	0.51%	0.00%	0.00%	0.00%
SCHOOL	2.21%	0.81%	0.45%	0.28%	0.67%
TOTAL	<u>100.00%</u>	<u>23.28%</u>	<u>7.04%</u>	<u>19.34%</u>	<u>50.34%</u>

THIS YEAR TO DATE

RESIDENTIAL	41.41%	12.97%	5.90%	9.64%	12.90%
INDUS/MUNI BLDG	55.69%	7.67%	0.71%	8.90%	38.41%
PUB.ST.LIGHTS	0.44%	0.15%	0.06%	0.08%	0.15%
PRV.ST.LIGHTS	0.10%	0.02%	0.00%	0.03%	0.05%
CO-OP RESALE	0.51%	0.51%	0.00%	0.00%	0.00%
SCHOOL	1.85%	0.67%	0.40%	0.24%	0.54%
TOTAL	<u>100.00%</u>	<u>21.99%</u>	<u>7.07%</u>	<u>18.89%</u>	<u>52.05%</u>

LAST YEAR TO DATE

RESIDENTIAL	41.16%	12.93%	5.83%	9.60%	12.80%
INDUS/MUNI BLDG	55.68%	7.48%	0.70%	8.66%	38.84%
PUB.ST.LIGHTS	0.62%	0.22%	0.08%	0.10%	0.22%
PRV.ST.LIGHTS	0.14%	0.03%	0.00%	0.04%	0.07%
CO-OP RESALE	0.50%	0.50%	0.00%	0.00%	0.00%
SCHOOL	1.90%	0.68%	0.40%	0.25%	0.57%
TOTAL	<u>100.00%</u>	<u>21.84%</u>	<u>7.01%</u>	<u>18.65%</u>	<u>52.50%</u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUDGETED REVENUE VARIANCE REPORT  
1/31/12

SCHEDULE F

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
SALES OF ELECTRICITY:				
RESIDENTIAL	12,208,590.02	13,129,335.00	(920,744.98)	-7.01%
COMM AND INDUSTRIAL SALES				
PRIVATE STREET LIGHTING	14,297,303.93	15,115,903.00	(818,599.07)	-5.42%
MUNICIPAL BUILDINGS				
PUBLIC STREET LIGHTING	136,796.83	300,886.00	(164,089.17)	-54.54%
SALES FOR RESALE	141,564.02	174,415.00	(32,850.98)	-18.83%
SCHOOL	<u>496,707.42</u>	<u>517,058.00</u>	<u>(20,350.58)</u>	-3.94%
 TOTAL BASE SALES	 27,280,962.22	 29,237,597.00	 (1,956,634.78)	 -6.69%
TOTAL FUEL SALES	<u>22,542,547.15</u>	<u>25,278,846.00</u>	<u>(2,736,298.85)</u>	-10.82%
TOTAL OPERATING REVENUE	49,823,509.37	54,516,443.00	(4,692,933.63)	-8.61%
FORFEITED DISCOUNTS	566,459.28	643,227.00	(76,767.72)	-11.93%
PURCHASED POWER CAPACITY	(79,673.49)	(83,535.00)	3,861.51	-4.62%
ENERGY CONSERVATION - RESIDENTIAL	132,998.64	122,692.00	10,306.64	8.40%
ENERGY CONSERVATION - COMMERCIAL	220,209.05	203,132.00	17,077.05	8.41%
GAW REVENUE	419,402.62	404,691.00	14,711.62	3.64%
NYPA CREDIT	(397,814.54)	(350,000.00)	(47,814.54)	13.66%
 TOTAL OPERATING REVENUES	 <u>50,685,090.93</u>	 <u>55,456,650.00</u>	 <u>(4,771,559.07)</u>	 -8.60%

\* ( ) = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF OPERATING EXPENSES  
1/31/12

SCHEDULE E

OPERATION EXPENSES:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
PURCHASED POWER BASE EXPENSE	2,243,845.82	1,970,296.64	16,388,717.23	14,934,246.54	-8.87%
OPERATION SUPER AND ENGIN-TRANS	0.00	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	33,668.76	32,507.31	270,214.05	309,702.74	14.61%
STATION SUP LABOR AND MISC	8,859.23	7,736.16	63,125.29	66,914.43	6.00%
LINE MISC LABOR AND EXPENSE	43,491.24	38,506.15	356,202.12	384,941.18	8.07%
STATION LABOR AND EXPENSE	29,842.11	29,667.64	268,217.62	282,853.46	5.46%
STREET LIGHTING EXPENSE	7,599.92	14,177.67	50,440.26	68,081.51	34.97%
METER EXPENSE	24,501.33	8,080.36	194,366.47	150,325.95	-22.66%
MISC DISTRIBUTION EXPENSE	24,046.77	25,739.70	192,257.83	194,912.25	1.38%
METER READING LABOR & EXPENSE	5,200.39	6,977.37	44,281.91	53,854.07	21.62%
ACCT & COLL LABOR & EXPENSE	103,201.55	112,805.63	756,901.41	811,869.78	7.26%
UNCOLLECTIBLE ACCOUNTS	15,000.00	16,000.00	105,000.00	112,000.00	6.67%
ENERGY AUDIT EXPENSE	29,958.16	30,615.79	227,665.92	262,482.13	15.29%
ADMIN & GEN SALARIES	53,561.74	55,022.95	411,056.66	437,113.65	6.34%
OFFICE SUPPLIES & EXPENSE	16,735.90	19,168.89	158,667.29	126,641.10	-20.18%
OUTSIDE SERVICES	17,380.36	36,302.15	115,609.34	223,657.00	93.46%
PROPERTY INSURANCE	31,705.39	23,265.13	216,066.71	218,567.84	1.16%
INJURIES AND DAMAGES	3,290.35	3,968.18	24,576.49	7,926.23	-67.75%
EMPLOYEES PENSIONS & BENEFITS	359,736.87	(62,284.63)	1,024,538.66	682,198.42	-33.41%
MISC GENERAL EXPENSE	7,131.58	9,144.80	92,735.53	120,960.38	30.44%
RENT EXPENSE	16,613.92	5,695.29	101,878.33	103,891.72	1.98%
ENERGY CONSERVATION	30,485.20	39,835.13	276,232.80	350,221.85	26.79%
TOTAL OPERATION EXPENSES	862,010.77	452,931.67	4,950,034.69	4,969,115.69	0.39%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	227.08	227.08	1,589.60	1,589.58	0.00%
MAINT OF STRUCT AND EQUIPMT	12,647.92	76,364.71	89,162.68	188,042.40	110.90%
MAINT OF LINES - OH	122,388.06	140,398.83	800,529.41	1,070,013.21	33.66%
MAINT OF LINES - UG	17,302.03	9,400.19	83,078.45	115,281.36	38.76%
MAINT OF LINE TRANSFORMERS **	432,482.83	(8,389.19)	1,293,045.04	31,187.43	-97.59%
MAINT OF ST LT & SIG SYSTEM	(18.34)	(48.03)	(117.88)	(350.51)	197.34%
MAINT OF GARAGE AND STOCKROOM	57,796.92	49,668.05	307,482.09	298,546.82	-2.91%
MAINT OF METERS	7,593.73	9,454.55	7,593.73	49,608.01	553.28%
MAINT OF GEN PLANT	5,175.06	5,489.96	57,547.90	46,703.38	-18.84%
TOTAL MAINTENANCE EXPENSES	655,595.29	282,566.15	2,639,911.02	1,800,621.68	-31.79%
DEPRECIATION EXPENSE	287,729.05	296,027.47	2,014,103.35	2,072,192.29	2.88%
PURCHASED POWER FUEL EXPENSE	3,620,814.67	3,338,331.18	24,651,235.51	22,747,767.61	-7.72%
VOLUNTARY PAYMENTS TO TOWNS	105,885.00	113,000.00	765,885.00	787,186.00	2.78%
TOTAL OPERATING EXPENSES	7,775,880.60	6,453,153.11	51,409,886.80	47,311,129.81	-7.97%

\*\* FY 12 total includes GAW soil remediation expenses totalling \$0.00  
Total costs to date for entire project is \$2,482,825.80.

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUDGETED OPERATING EXPENSE VARIANCE REPORT  
1/31/12

SCHEDULE G

OPERATION EXPENSES:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
PURCHASED POWER BASE EXPENSE	<u>14,934,246.54</u>	<u>15,959,339.00</u>	<u>(1,025,092.46)</u>	-6.42%
OPERATION SUPER AND ENGIN-TRANS	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	309,702.74	255,549.00	54,153.74	21.19%
STATION SUP LABOR AND MISC	66,914.43	35,362.00	31,552.43	89.23%
LINE MISC LABOR AND EXPENSE	384,941.18	418,459.00	(33,517.82)	-8.01%
STATION LABOR AND EXPENSE	282,853.46	257,401.00	25,452.46	9.89%
STREET LIGHTING EXPENSE	68,081.51	49,735.00	18,346.51	36.89%
METER EXPENSE	150,325.95	89,159.00	61,166.95	68.60%
MISC DISTRIBUTION EXPENSE	194,912.25	202,468.00	(7,555.75)	-3.73%
METER READING LABOR & EXPENSE	53,854.07	44,098.00	9,756.07	22.12%
ACCT & COLL LABOR & EXPENSE	811,869.78	829,190.00	(17,320.22)	-2.09%
UNCOLLECTIBLE ACCOUNTS	112,000.00	112,000.00	0.00	0.00%
ENERGY AUDIT EXPENSE	262,482.13	245,466.00	17,016.13	6.93%
ADMIN & GEN SALARIES	437,113.65	429,227.00	7,886.65	1.84%
OFFICE SUPPLIES & EXPENSE	126,641.10	155,127.00	(28,485.90)	-18.36%
OUTSIDE SERVICES	223,657.00	321,320.00	(97,663.00)	-30.39%
PROPERTY INSURANCE	218,567.84	271,264.00	(52,696.16)	-19.43%
INJURIES AND DAMAGES	7,926.23	32,741.00	(24,814.77)	-75.79%
EMPLOYEES PENSIONS & BENEFITS	682,198.42	933,189.00	(250,990.58)	-26.90%
MISC GENERAL EXPENSE	120,960.38	142,255.00	(21,294.62)	-14.97%
RENT EXPENSE	103,891.72	123,669.00	(19,777.28)	-15.99%
ENERGY CONSERVATION	350,221.85	385,006.00	(34,784.15)	-9.03%
TOTAL OPERATION EXPENSES	<u>4,969,115.69</u>	<u>5,332,685.00</u>	<u>(363,569.31)</u>	-6.82%
MAINTENANCE EXPENSES:				
MAINT OF TRANSMISSION PLANT	1,589.58	1,750.00	(160.42)	-9.17%
MAINT OF STRUCT AND EQUIPMENT	188,042.40	64,203.00	123,839.40	192.89%
MAINT OF LINES - OH	1,070,013.21	816,026.00	253,987.21	31.12%
MAINT OF LINES - UG	115,281.36	124,813.00	(9,531.64)	-7.64%
MAINT OF LINE TRANSFORMERS **	31,187.43	126,199.00	(95,011.57)	-75.29%
MAINT OF ST LT & SIG SYSTEM	(350.51)	5,610.00	(5,960.51)	-106.25%
MAINT OF GARAGE AND STOCKROOM	298,546.82	370,811.00	(72,264.18)	-19.49%
MAINT OF METERS	49,608.01	49,828.00	(219.99)	-0.44%
MAINT OF GEN PLANT	46,703.38	74,326.00	(27,622.62)	-37.16%
TOTAL MAINTENANCE EXPENSES	<u>1,800,621.68</u>	<u>1,633,566.00</u>	<u>167,055.68</u>	10.23%
DEPRECIATION EXPENSE	2,072,192.29	2,100,000.00	(27,807.71)	-1.32%
PURCHASED POWER FUEL EXPENSE	22,747,767.61	23,871,456.00	(1,123,688.39)	-4.71%
VOLUNTARY PAYMENTS TO TOWNS	787,186.00	791,000.00	(3,814.00)	-0.48%
TOTAL OPERATING EXPENSES	<u>47,311,129.81</u>	<u>49,688,046.00</u>	<u>(2,376,916.19)</u>	-4.78%

\* ( ) = ACTUAL UNDER BUDGET

\*\* FY 12 total includes GAW soil remediation expenses totalling \$0.00  
Total costs to date for entire project is \$2,482,825.80.

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUDGETED OPERATING EXPENSE VARIANCE REPORT  
1/31/12

OPERATION EXPENSES:	RESPONSIBLE SENIOR MANAGER	2012 ANNUAL BUDGET	ACTUAL YEAR TO DATE	REMAINING BUDGET BALANCE	REMAINING BUDGET %
PURCHASED POWER BASE EXPENSE	JP	27,402,177.00	14,934,246.54	12,467,930.46	45.50%
OPERATION SUPER AND ENGIN-TRANS	KS	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	KS	438,974.00	309,702.74	129,271.26	29.45%
STATION SUP LABOR AND MISC	KS	62,909.00	66,914.43	(4,005.43)	-6.37%
LINE MISC LABOR AND EXPENSE	KS	692,484.00	384,941.18	307,542.82	44.41%
STATION LABOR AND EXPENSE	KS	441,924.00	282,853.46	159,070.54	35.99%
STREET LIGHTING EXPENSE	KS	85,338.00	68,081.51	17,256.49	20.22%
METER EXPENSE	KS	152,130.00	150,325.95	1,804.05	1.19%
MISC DISTRIBUTION EXPENSE	JD	352,508.00	194,912.25	157,595.75	44.71%
METER READING LABOR & EXPENSE	KS	76,220.00	53,854.07	22,365.93	29.34%
ACCT & COLL LABOR & EXPENSE	RF	1,427,255.00	811,869.78	615,385.22	43.12%
UNCOLLECTIBLE ACCOUNTS	RF	192,000.00	112,000.00	80,000.00	41.67%
ENERGY AUDIT EXPENSE	JP	414,098.00	262,482.13	151,615.87	36.61%
ADMIN & GEN SALARIES	VC	745,939.00	437,113.65	308,825.35	41.40%
OFFICE SUPPLIES & EXPENSE	VC	265,700.00	126,641.10	139,058.90	52.34%
OUTSIDE SERVICES	VC	454,250.00	223,657.00	230,593.00	50.76%
PROPERTY INSURANCE	JD	465,000.00	218,567.84	246,432.16	53.00%
INJURIES AND DAMAGES	JD	55,859.00	7,926.23	47,932.77	85.81%
EMPLOYEES PENSIONS & BENEFITS	JD	1,441,637.00	682,198.42	759,438.58	52.68%
MISC GENERAL EXPENSE	VC	203,091.00	120,960.38	82,130.62	40.44%
RENT EXPENSE	JD	212,000.00	103,891.72	108,108.28	50.99%
ENERGY CONSERVATION	JP	643,789.00	350,221.85	293,567.15	45.60%
TOTAL OPERATION EXPENSES		8,823,105.00	4,969,115.69	3,853,989.31	43.68%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	KS	3,000.00	1,589.58	1,410.42	47.01%
MAINT OF STRUCT AND EQUIPMT	KS	107,072.00	188,042.40	(80,970.40)	-75.62%
MAINT OF LINES - OH	KS	1,419,953.00	1,070,013.21	349,939.79	24.64%
MAINT OF LINES - UG	KS	214,037.00	115,281.36	98,755.64	46.14%
MAINT OF LINE TRANSFORMERS **	KS	188,500.00	31,187.43	157,312.57	83.45%
MAINT OF ST LT & SIG SYSTEM	JD	9,636.00	(350.51)	9,986.51	103.64%
MAINT OF GARAGE AND STOCKROOM	JD	662,139.00	298,546.82	363,592.18	54.91%
MAINT OF METERS	KS	85,444.00	49,608.01	35,835.99	41.94%
MAINT OF GEN PLANT	RF	127,620.00	46,703.38	80,916.62	63.40%
TOTAL MAINTENANCE EXPENSES		2,817,401.00	1,800,621.68	1,016,779.32	36.09%
DEPRECIATION EXPENSE	RF	3,600,000.00	2,072,192.29	1,527,807.71	42.44%
PURCHASED POWER FUEL EXPENSE	JP	39,768,817.00	22,747,767.61	17,021,049.39	42.80%
VOLUNTARY PAYMENTS TO TOWNS	RF	1,356,000.00	787,186.00	568,814.00	41.95%
TOTAL OPERATING EXPENSES		83,767,500.00	47,311,129.81	36,456,370.19	43.52%

\*\* FY 12 total includes GAW soil remediation expenses totalling \$0.00  
Total costs to date for entire project is \$2,482,825.80.

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
PROFESSIONAL SERVICES  
01/31/2012

PROFESSIONAL SERVICES BY PROJECT

ITEM	DEPARTMENT	ACTUAL	BUDGET	VARIANCE
1 RMLD AND PENSION TRUST AUDIT FEES	ACCOUNTING	34,940.00	32,250.00	2,690.00
2 PENSION ACTUARIAL EVALUATION	ACCOUNTING	0.00	0.00	0.00
3 LEGAL- FERC/ISO ISSUES	ENERGY SERVICE	0.00	10,500.00	(10,500.00)
4 LEGAL- POWER SUPPLY ISSUES	ENERGY SERVICE	30,109.35	26,250.00	3,859.35
5 PROFESSIONAL SERVICES	ENERGY SERVICE	7,484.32	14,000.00	(6,515.68)
6 NERC COMPLIANCE	E & O	11,990.00	10,850.00	1,140.00
7 LOAD CAPACITY STUDY/GIS	ENGINEERING	9,280.00	11,250.00	(1,970.00)
8 LEGAL SERVICES- GENERAL	GM	91,670.70	29,169.00	62,501.70
9 LEGAL SERVICES-GENERAL	HR	26,256.41	24,500.00	1,756.41
10 LEGAL SERVICES-NEGOTIATIONS	HR	632.20	0.00	632.20
11 LEGAL GENERAL	BLDG. MAINT.	2,312.50	875.00	1,437.50
12 SURVEY RIGHT OF WAY	BLDG. MAINT.	0.00	2,919.00	(2,919.00)
13 ENVIRONMENTAL	BLDG. MAINT.	0.00	2,919.00	(2,919.00)
14 STATION 1 STRUCTURAL FEASIBILITY	BLDG. MAINT.	0.00	50,000.00	(50,000.00)
15 DEMOLITION OF CONTROL CENTER	BLDG. MAINT.	2,523.19	100,000.00	(97,476.81)
16 INSURANCE CONSULTANT	GEN. BENEFIT	6,458.33	2,919.00	3,539.33
17 LEGAL	GEN. BENEFIT	0.00	2,919.00	(2,919.00)
TOTAL		<u>223,657.00</u>	<u>321,320.00</u>	<u>(97,663.00)</u>

PROFESSIONAL SERVICES BY VENDOR

	ACTUAL
ROMARKE INSURANCE	6,041.66
RUBIN AND RUDMAN	110,945.94
UTILITY SERVICES INC.	13,481.67
MELANSON HEATH & COMPANY	41,903.62
DUNCAN AND ALLEN	6,182.99
CHOATE HALL AND STEWART	26,888.61
PROFESSIONAL ENVIRONMENTAL SERVICES	2,240.00
CDM	9,280.00
CMEEC	4,169.32
COVINO ENVIRONMENTAL ASSOCIATION	2,523.19
TOTAL	<u>223,657.00</u>

RMLD  
BUDGET VARIANCE REPORT  
FOR PERIOD ENDING JANUARY 31, 2012

DIVISION	ACTUAL	BUDGET	VARIANCE	CHANGE
ENGINEERING AND OPERATIONS	2,912,154	2,475,829	436,325	17.62%
ENERGY SERVICES	650,367	681,516	(31,149)	-4.57%
GENERAL MANAGER	495,434	431,685	63,750	14.77%
FACILITY MANAGER	1,559,655	2,156,370	(596,715)	-27.67%
BUSINESS DIVISION	5,303,539	5,410,361	(106,821)	-1.97%
SUB-TOTAL	<u>10,921,150</u>	<u>11,155,760</u>	<u>(234,610)</u>	-2.10%
PURCHASED POWER - BASE	14,934,247	15,959,339	(1,025,092)	-6.42%
PURCHASED POWER - FUEL	22,747,768	23,871,456	(1,123,688)	-4.71%
TOTAL	<u><u>48,603,164</u></u>	<u><u>50,986,555</u></u>	<u><u>(2,383,391)</u></u>	-4.67%



RMLD  
DEFERRED FUEL CASH RESERVE ANALYSIS  
01/31/12

DATE	GROSS CHARGES	REVENUES	NYPA CREDIT	MONTHLY DEFERRED	TOTAL DEFERRED
Jun-11					3,055,224.78
Jul-11	4,131,396.83	4,049,745.45	(79,163.65)	(160,815.03)	2,894,409.75
Aug-11	3,795,607.97	3,924,541.80	(52,328.74)	76,605.09	2,971,014.84
Sep-11	2,914,869.40	3,166,562.64	(58,869.90)	192,823.34	3,163,838.18
Oct-11	2,955,398.39	2,852,952.53	(45,133.69)	(147,579.55)	3,016,258.63
Nov-11	2,643,246.46	2,544,526.70	(47,451.31)	(146,171.07)	2,870,087.56
Dec-11	2,968,917.38	2,889,822.54	(63,455.95)	(142,550.79)	2,727,536.77
Jan-12	3,338,331.18	3,114,395.49	(51,411.30)	(275,346.99)	2,452,189.78

RMLD  
STAFFING REPORT  
FOR FISCAL YEAR ENDING JUNE, 2012

		ACTUAL						
	12 BUD TOTAL	JUL 11	AUG 11	SEP 11	OCT 11	NOV 11	DEC 11	JAN 12
<u>GENERAL MANAGER</u>								
GENERAL MANAGER	2	2	2	2	2	2	2	2
HUMAN RESOURCES	1	1	1	1	1	1	1	1
COMMUNITY RELATIONS	1	1	1	1	1	1	1	1
TOTAL	4	4	4	4	4	4	4	4
<u>BUSINESS</u>								
ACCOUNTING	2.00	1.50	1.50	1.50	2.00	2.00	2.00	2.00
CUSTOMER SERVICE *	7.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75
MGMT INFORMATION SYS *	6.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
MISCELLANEOUS	1	1	1	1	1	1	1	1
TOTAL	17.00	16.50	16.50	16.50	17.00	17.00	17.00	17.00
<u>ENGINEERING &amp; OPERATIONS</u>								
AGM E&O	2	2	2	2	2	2	2	2
ENGINEERING	5	5	5	5	5	5	5	5
LINE	21	20	20	20	20	20	20	21
METER	4	4	4	4	4	4	4	4
STATION	8	8	8	8	8	8	8	7
TOTAL	40	39	39	39	39	39	39	39
<u>PROJECT</u>								
BUILDING	2	2	2	2	2	2	2	2
GENERAL BENEFITS	2	2	2	2	2	2	2	2
TRANSPORTATION	0	0	0	0	0	0	0	0
MATERIALS MGMT	4	4	4	4	4	4	4	4
TOTAL	8	8	8	8	8	8	8	8
<u>ENERGY SERVICES</u>								
ENERGY SERVICES *	5.5	5.5	5.5	5.5	5.5	5.5	5.5	4.5
TOTAL	5.5	5.5	5.5	5.5	5.5	5.5	5.5	4.5
RMLD TOTAL	74.5	73	73	73	73.5	73.5	73.5	72.5
<u>CONTRACTORS</u>								
UG LINE	2	2	2	2	2	2	2	2
TOTAL	2	2	2	2	2	2	2	2
GRAND TOTAL	76.5	75	75	75	75.5	75.5	75.5	74.5

\* part time employee

To: Vincent Cameron

From: Energy Services

Date: February 22, 2012

Subject: Purchase Power Summary – January, 2012

Energy Services Division (ESD) has completed the Purchase Power Summary for the month of January, 2012.

## ENERGY

The RMLD's total metered load for the month was 59,550,250 kwh, which was a decrease of 4.71%, compared to the January, 2011 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	3,702,713	-\$5.74	6.22%	-\$21,254	-0.64%
Seabrook	4,357,337	\$8.18	7.32%	\$35,651	1.07%
JP Morgan	9,390,600	\$56.15	15.77%	\$527,261	15.79%
Stonybrook CC	202,919	\$170.44	0.34%	\$34,586	1.04%
Constellation	13,008,600	\$68.47	21.84%	\$890,735	26.68%
NYPA	2,027,882	\$4.92	3.41%	\$9,977	0.30%
ISO Interchange	6,158,228	\$47.15	10.34%	\$290,352	8.70%
NEMA Congestion	0	\$0.00	0.00%	-\$1,983	-0.06%
Coop Resales	88,408	\$132.20	0.15%	\$11,687	0.35%
Stonybrook Peaking	0	\$0.00	0.00%	\$24	0.00%
MacQuarie	18,072,000	\$72.75	30.35%	\$1,314,662	39.38%
Braintree Watson Unit	97,769	\$126.06	0.16%	\$12,325	0.37%
Swift River Projects	2,443,794	\$95.88	4.10%	\$234,309	7.02%
Monthly Total	59,550,250	\$56.06	100.00%	\$3,338,331	100.00%

Table 2 breaks down the ISO interchange between the DA LMP Settlement and the RT net Energy for the month of January, 2012.

**Table 2**

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP* Settlement	7,416,503	44.46	12.45%
RT Net Energy** Settlement	-1,258,275	26.57	-2.11%
ISO Interchange (subtotal)	6,158,228	47.15	10.34%

## CAPACITY

The RMLD hit a demand of 106,558 kW, which occurred on January 16, 2012 at 6 pm. The RMLD's monthly UCAP requirement for January, 12, was 201,318 kW.

Table 3 shows the sources of capacity that the RMLD utilized to meet its requirement.

**Table 3**

Source	Amount of Capacity (kW)	Cost of Capacity (\$/kW-month)	% of Total Capacity	Total Cost \$	% of Total Cost
Millstone #3	4,991	\$51.65	2.48%	\$257,774	19.28%
Seabrook	7,910	\$49.81	3.93%	\$393,962	29.46%
Stonybrook Peaking	24,981	\$2.00	12.41%	\$50,021	3.74%
Stonybrook CC	42,925	\$3.85	21.32%	\$165,263	12.36%
NYP&A	4,666	\$2.81	2.32%	\$13,101	0.98%
Hydro Quebec	4,274	\$4.78	2.12%	\$20,446	1.53%
ISO-NE Supply Auction	101,051	\$3.25	50.19%	\$328,647	24.57%
Braintree Watson Unit	10,520	\$10.28	5.23%	\$108,133	8.09%
Total	201,318	\$6.64	100.00%	\$1,337,348	100.00%

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

**Table 4**

Resource	Energy	Capacity	Total cost	% of Total Cost	Amt. of Energy (kWh)	Cost of Power (\$/kWh)
Millstone #3	-\$21,254	\$257,774	\$236,520	5.06%	3,702,713	\$0.0639
Seabrook	\$35,651	\$393,962	\$429,613	9.19%	4,357,337	\$0.0986
Stonybrook CC	\$34,586	\$165,263	\$199,849	4.27%	202,919	\$0.9849
Hydro Quebec	\$0	\$20,446	\$20,446	0.44%	0	\$0.0000
Constellation	\$890,735	\$0	\$890,735	19.05%	13,008,600	\$0.0685
NYP&A	\$9,977	\$13,101	\$23,079	0.49%	2,027,882	\$0.0114
ISO Interchange	\$290,352	\$328,647	\$618,999	13.24%	6,158,228	\$0.1005
NEMA Congestion	-\$1,983	\$0	-\$1,983	-0.04%	0	\$0.0000
Coop Resales	\$11,687	\$0	\$11,687	0.25%	88,408	\$0.1322
Stonybrook Peaking	\$24	\$50,021	\$50,044	1.07%	0	\$0.0000
JP Morgan	\$527,261	\$0	\$527,261	11.28%	9,390,600	\$0.0561
MacQuarie	\$1,314,662	\$0	\$1,314,662	28.12%	18,072,000	\$0.0727
Braintree Watson Unit	\$12,325	\$108,133	\$120,459	2.58%	97,769	\$1.2321
Swift River Projects	\$234,309	\$0	\$234,309	5.01%	2,443,794	\$0.0959
Monthly Total	\$3,338,331	\$1,337,348	\$4,675,680	100.00%	59,550,250	\$0.0785

## TRANSMISSION

The RMLD's total transmission costs for the month of January were \$638,899. This is an increase of 2.74% from the December transmission costs of \$621,443. In January, 2011 the transmission costs were \$754,397.

Table 5 shows costs for the current month vs. last month and last year (January, 2011)

**Table 5**

	Current Month	Last Month (Dec '11)	Last Year (Jan '11)
Peak Demand (kW)	106,558	108,371	112,174
Energy (kWh)	59,550,250	59,123,502	5,813,607
Energy (\$)	\$3,338,331	\$2,968,917	\$3,620,815
Capacity (\$)	\$1,337,348	\$1,397,529	\$1,492,489
Transmission (\$)	\$638,899	\$621,443	\$754,397
Total	\$5,314,578	\$4,987,889	\$5,867,701



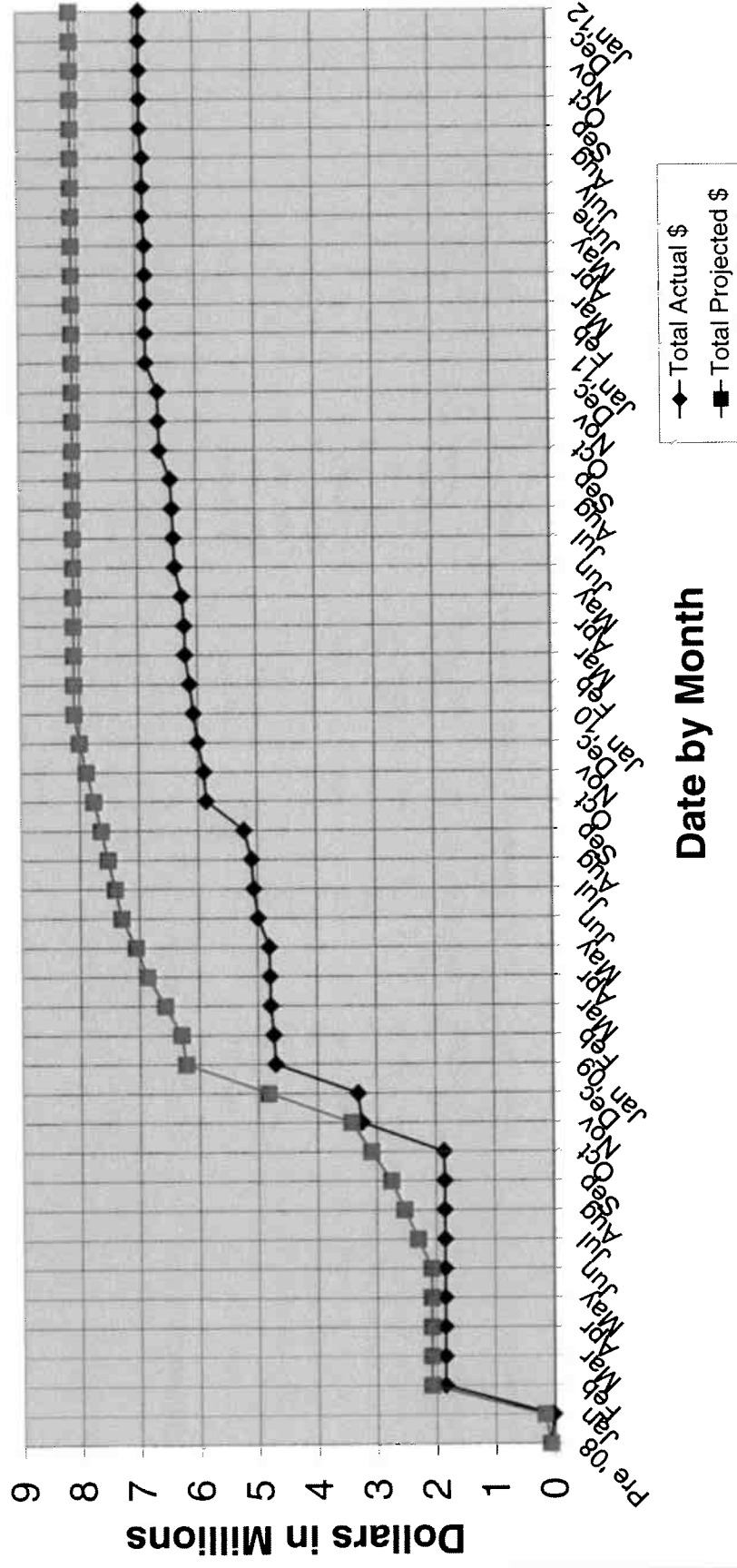
## Gaw Transformer Upgrade Project

Schedule Milestones	Start Date	% Complete	Completion Date	Notes
Conceptual Engineering	Jul-08	100	Jun-09	Complete
Major Equipment Procurement	Feb-09	100	Oct-10	Complete
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	100	Dec-10	Complete
Construction Transformer Replacement	May-09	100	Oct-10	Complete
Construction Switchgear Upgrades	Dec-09	100	Jul-11	Complete
Construction RMLD Personnel	Jan-09	100	Jul-11	Complete

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	100	09/30/10	Complete
Transformer 110B replacement	02/19/10	100	03/31/10	Complete
Switchgear upgrade	12/01/09	100	07/31/11	Complete
Feeder Reassignment work	08/16/10	100	01/30/11	Complete

***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>Item</u>	<u>Budget</u> <u>Cumulative</u>	<u>Expenditure</u> <u>Actual</u>	<u>Expenditure</u> <u>Cumulative</u>	<u>Delta</u> <u>by FY</u>
Transformer Payment	2008	2.080	2.080	1.836	1.836	-0.244
Contract Labor	2009	1.380		0.170		
Procured Equipment		0.360		0.101		
RMLD Labor		0.446		0.111		
Feeder Reassignment		0.282		0.000		
Transformer Payments		2.757	7.305	2.755	4.973	-2.332
Contract Labor	2010	0.285		0.838		
Procured Equipment		0.195		0.155		
RMLD Labor		0.200		0.380		
Feeder Reassignment		0.110	8.095	0.000	6.346	-1.749
Contract Labor	2011	0.545		0.369		
Procured Equipment		0.030		0.007		
RMLD Labor		0.064		0.109		
Feeder Reassignment		0.236	8.095	0.048	6.879	-1.216
Contract Labor	2012	0.000		0.042		
Procured Equipment		0.000		0.000		
RMLD Labor		0.000		0.000		
Feeder Reassignment		0.000	8.095	0.000	6.921	-1.174
<b>Project Sub-Total</b>		0.000	8.095	6.921	6.921	
<b>Project Total</b>					6.921	-1.174



2/24/2012  
10:58 AM

READING MUNICIPAL LIGHT DEPARTMENT  
FY 12 CAPITAL BUDGET VARIANCE REPORT  
FOR PERIOD ENDING JANUARY 31, 2012

#	PROJECT DESCRIPTION	TOWN	ACTUAL COST JANUARY	YTD ACTUAL COST THRU 1/31/12	ANNUAL BUDGET AMOUNT	VARIANCE
<b><u>E&amp;O Construction - System Projects</u></b>						
1	5W9 Reconductoring - Ballardvale Street	W	31,951	159,632	242,649	83,017
2	High Capacity Tie 4W18 and 3W8 Franklin Street	R	40,702	112,368	157,766	45,398
3	Upgrading Old Lynnfield Ctr URDs	LC		377	579,927	579,550
<b><u>SCADA Projects</u></b>						
4	RTU Replacement	R		1,640	130,255	128,615
<b><u>Distribution Automation Projects</u></b>						
5	Reclosures	ALL			197,901	197,901
6	Capacitor Banks	ALL	8,362	9,542	105,052	95,510
7	SCADA Radio Communication System	ALL			231,386	231,386
<b><u>Station Upgrades (Station #4 GAW)</u></b>						
8	Relay Replacement Project	R	343	2,803	99,656	96,853
9	115kV Disconnect Replacement	R	22,650	49,738	88,585	38,847
<b><u>New Customer Service Connections</u></b>						
12	Service Installations - Commercial/Industrial Customers	ALL	4,998	29,980	62,530	32,550
13	Service Installations - Residential Customers	ALL	10,591	104,152	206,017	101,865
14	<b><u>Routine Construction</u></b>					
	Various Routine Construction	ALL	152,543	1,296,880	1,016,382	(280,498)
<b>Total Construction Projects</b>			<b>272,139</b>	<b>1,767,112</b>	<b>3,118,106</b>	<b>1,350,994</b>
<b><u>Other Projects</u></b>						
15	GIS			8,715	50,000	41,285
16	Transformers/Capacitors Annual Purchases		102,340	157,352	198,800	41,448
17	Meter Annual Purchases		7,855	7,855	46,360	38,505
17A	Meter Upgrade Project		21,759	316,050	1,740,656	1,424,606
18	Purchase New Small Vehicle			31,544	36,000	4,456
19	Purchase Line Department Vehicle				386,000	386,000
20	Purchase Puller Trailer				75,000	75,000
21	Roof Top Units				30,000	30,000
22	Engineering Software and Data Conversion				76,690	76,690
23	Plotter				18,000	18,000
27	Hardware Upgrades		7,809	32,436	40,000	7,564
28	Software and Licensing			26,060	94,435	68,375
OTH	Cooling Tower Replacement			18,706	-	(18,706)
<b>Total Other Projects</b>			<b>139,763</b>	<b>598,718</b>	<b>2,791,941</b>	<b>2,193,223</b>
<b>TOTAL RMLD CAPITAL PROJECT EXPENDITURES</b>			<b>411,902</b>	<b>2,365,830</b>	<b>5,910,047</b>	<b>3,544,217</b>
29	Force Account/Reimbursable Projects	ALL			-	-
<b>TOTAL FY 12 CAPITAL PROJECT EXPENDITURES</b>			<b>411,902</b>	<b>2,365,830</b>	<b>5,910,047</b>	<b>3,544,217</b>



**Reading Municipal Light Department  
Engineering and Operations  
Monthly Report  
January, 2012**

***FY 2012 Capital Plan***

**E&O Construction – System Projects**

1. **5W9 Reconductoring – Ballardvale Street - Wilmington** – *Installed primary spacer cable and cutouts; pole transfers; engineering labor; installed swamp anchor;*
2. **High Capacity Tie 4W18/3W8 Franklin Street – Reading** – *Installed pulling blocks, rope, pole to pole guy, spacer cable, spacers, transformer, and gang operated switch; spliced; pole transfers.*
3. **Upgrading of Old Lynnfield Center URDs** – *Engineering correspondence with Town of Lynnfield; developing specifications.*

**SCADA Projects**

4. **RTU Replacement at Station 4 – Reading** – *No activity.*

**Distribution Automation (DA) Projects**

5. **Reclosers** – *No activity.*
6. **Capacitor Banks** – *Build capacitor banks.*
7. **SCADA Radio Communication System** – *No activity.*

**Station Upgrades**

8. **Relay Replacement Project – Station 4 – Reading** – *Technical Services Manager labor.*
9. **115 kV Disconnect Replacement – Station 4 – Reading** – *No activity.*

**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. Notable: Charles River - 261 Ballardvale Street, Wilmington and 57-59 High Street, Reading.*

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>	\$208,490
<i>Maintenance Overhead/Underground</i>	\$299,101
<i>Projects Assigned as Required</i>	\$357,754
<i>Pole Damage (includes knockdowns) some reimbursable</i>	\$33,791
<i>Station Group</i>	\$2,967
<i>Hazmat/Oil Spills</i>	\$3,118
<i>Porcelain Cutout Replacement Program</i>	\$2,533
<i>Lighting (Street Light Connections)</i>	\$58,526
<i>Storm Trouble</i>	\$77,567
<i>Underground Subdivisions</i>	\$52,164
<i>Animal Guard Installation</i>	\$50,446
<i>Miscellaneous Capital Costs</i>	\$150,424
<b>TOTAL</b>	<b>\$1,296,880</b>

\*In the month of January two cutouts were charged under this program. Approximately 22 cutouts were installed new or replaced because of damage making a total of 24 cutouts replaced this month.

## 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.

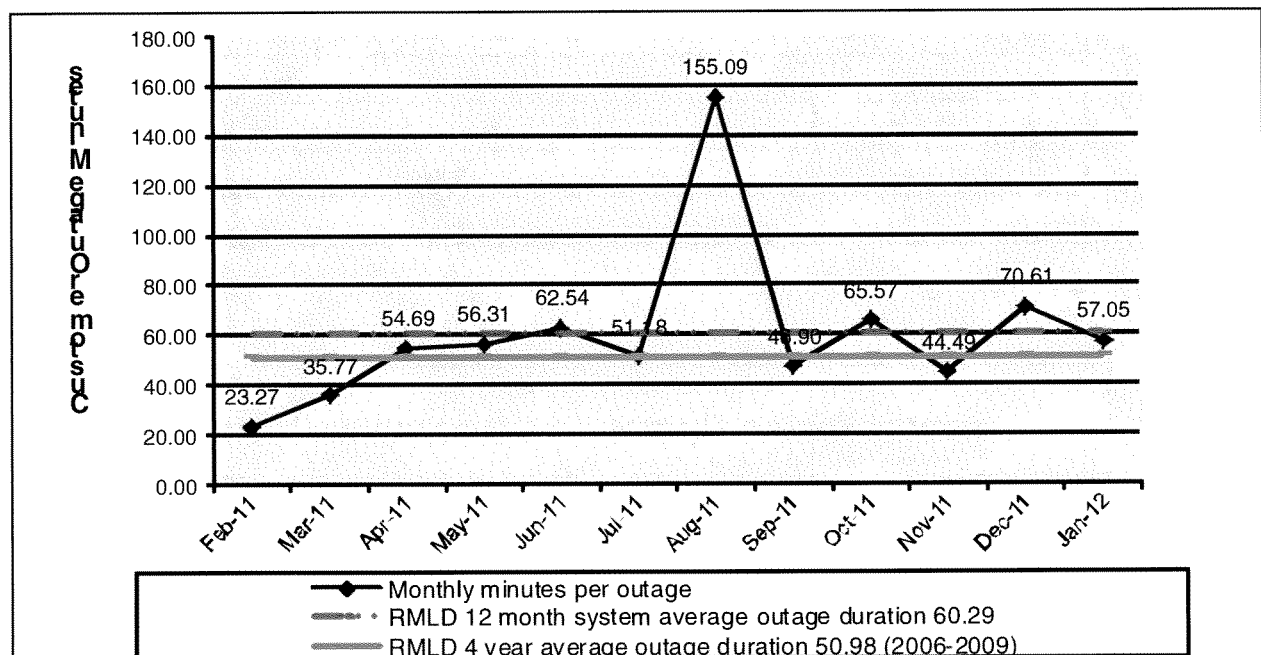
**Customer Average Interruption Duration Index (CAIDI)** – Measures how quickly the RMLD restores power to customers when their power goes out.

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

RMLD 12 month system average outage duration – 60.29 minutes

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

On average, RMLD customers that experience an outage are restored in 60.29 minutes.



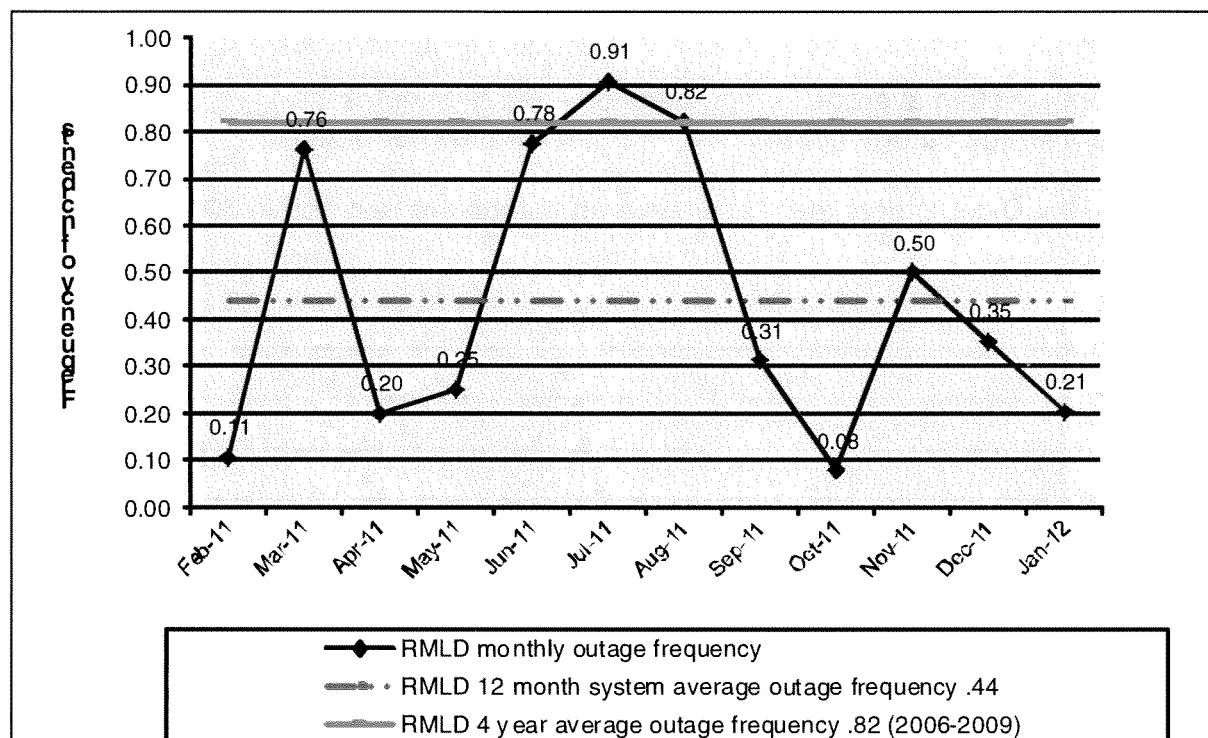
**System Average Interruption Frequency (SAIFI)** – Measures how many outages each customer experiences per year on average.

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

RMLD 12 month system average - .44 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 approximately every 27.3 months.





Reading Municipal Light Department  
RELIABLE POWER FOR GENERATIONS

230 Ash Street  
P.O. Box 150  
Reading, MA 01867-0250

Tel: (781) 944-1340  
Fax: (781) 942-2409  
Web: www.rmlid.com

February 21, 2012

Town of Reading Municipal Light Board

Subject: RTU Station Controllers and Supplementary Services

On January 11, 2012 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for RTU Station Controllers and Supplementary Services for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Power Equipment Sales	Schneider Electric	Nova Tech
Reliatronics	JF Gray	Power Tech UPSC
Power Sales Group	WESCO	Graybar Electric Company
Shamrock Power Sales	Hasgo Power	Robinson Sales
EL Flowers	Stuart Irby	HD Supply

Bids were received from Survalent Technology Corporation and CG Automation Solutions USA Inc.

The bids were publicly opened and read aloud at 11:00 a.m. February 8, 2012 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 2012-27 for RTU Station Controllers and Supplementary Services be awarded to:

**Survalent Technology Corp. for a total cost of \$94,023.00**

<u>Item (desc.)</u>	<u>Manufacturer</u>	<u>Total Net Cost</u>
Item 1 Two RTU Station Controllers & support services	Survalent	94,023.00

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

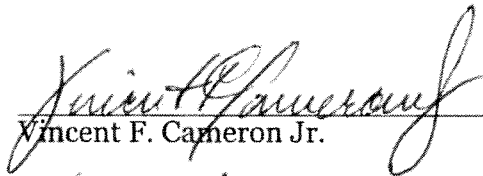
RMLD




Reading Municipal Light Department  
RELIABLE POWER FOR GENERATIONS

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The total FY12 Capital Budget allocation for "Remote Terminal Unit (RTU) Replacement – Station 4" is \$52,000. In 2011, the RMLD was found to be out of compliance regarding substation distribution transmission as required by ISO OP#18. Fulfilling OP #18 requires the installation of an additional RTU beyond what had been planned for FY12.

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

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

  
\_\_\_\_\_  
Peter Price

**RTU Station Controllers and Supplementary Services**  
**Bid 2012-27**

<b>Bidder</b>	<u>Manufacturer</u>	<u>Delivery Date</u>	<u>Total Net Cost</u>	<u>Meet Specification requirement</u>	<u>Specification Data Sheets</u>	<u>Firm Price</u>	<u>All forms filled out</u>	<u>Certified Check or Bid Bond</u>	<u>Exceptions to stated bid requirements</u>	<u>Authorized signature</u>
<b>Survallent Technology Corp</b>										
Item 1 Two RTU Station Controllers & support services	Survallent Technology Corp	6 - 8 weeks	94,023.00	yes	yes	yes	yes	yes	no	yes
<b>CG Automation -- non responsive</b>										
Item 1 Two RTU Station Controllers & support services	CG Automation	10 weeks	91,889.00	yes	yes	yes	yes	yes	yes	yes
<u><b>Exceptions: CG Automation Synchronization</b></u>	<b>Engineering note: Acceptable</b>									
Creation of new SCADA Master database points	Under the Training and Technical Assistance portion of the bid, It states that the successful bidder will provide up to 3 days for commissioning on 2 separate visits. CGA will need remote access to the SCADA Master for programming and will need RMLD to provide the manual covering all aspects of database point definitions and entry at the SCADA Master.  For security reasons, the RMLD SCADA Masters are not connected to the outside network. All access is done at local work stations or at the SCADA Master servers. RMLD will not allow remote access to the SCADA Master servers. As stated in the bid, all programming will be <b>Engineering note: Not acceptable.</b>									
RTU Configuration	<b>Engineering note: RMLD would have to see a demonstration of this alternate before considerations could be made.</b>									
RTU Enclosure	CGA offers an enclosure with a door on one side and a swing out 19" frame.  RMLD specified an enclosure with removable access doors on both sides of the cabinet. <b>Engineering note: Does not meet specification, exception is unacceptable.</b>									
Communication Capabilities	RMLD specified that each shall come equipped with 15 ports as described in the bid. CGA offers 12 ports. As stated in their bid, CGA requires and external serial port server to supply the required communication capabilities. They did not include these devices in their bid. <b>Engineering note: Does not meet specifications, exception is unacceptable.</b>									
Web Server	CGA Web Server only allows users to view SCADA information and alarms. The bid states that the Web Server shall allow the ability to view and modify detailed information directly from a web browser. <b>Engineering note: Does not meet specifications, exception is unacceptable.</b>									



RMLD



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February 14, 2012

Town of Reading Municipal Light Board

Subject: Line Truck Lift Equipment Inspection and Preventative Maintenance Service

On January 12, 2012 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Line Truck Lift Equipment Inspection and Preventative Maintenance Service for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

D. C. Bates Equipment

Consolidated Utility Equipment  
Services, Inc. (C.U.E.S.)

J&D Power Equipment, Inc.

James A. Kiley Co.

A bid was received from James A. Kiley Co.

The bid was publicly opened and read aloud at 11:00 a.m. February 8, 2012 in the Town of Reading Municipal Light Department's Audio Visual Spurr Room, 230 Ash Street, Reading, Massachusetts.

The bid was reviewed, analyzed and evaluated by the General Manager and staff.

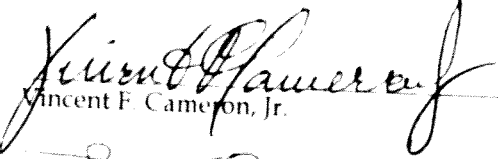
Move that bid 2012-29 for Line Truck Lift Equipment Inspection and Preventative Maintenance Service be awarded to:

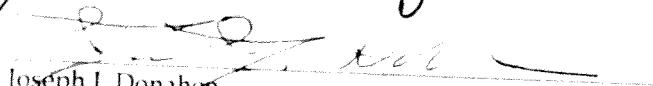
**James A. Kiley Co. for \$115,560.00**

Item 1	Line Truck Lift Equipment Inspection and Preventative Maintenance Service	\$115,560.00
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as the lowest qualified and responsive bidder on the recommendation of the General Manager. This is a three-year contract.

IFB 2012-29 is funded through the Transportation Operating budget.

  
Vincent F. Cameron, Jr.

  
Joseph J. Donahoe

  
Craig Owen

**Line Truck Lift Equipment Inspection and  
Preventative Maintenance Service**

**Bid 2012-29**

<u>Bidder</u>	<u>Three-Year Total Cost</u>	<u>Year One 2012</u>	<u>Year Two 2013</u>	<u>Year Three 2014</u>	<u>Responsive Bidder</u>	<u>Specifications Met</u>
<b>James A. Kiley Company</b>						
<b>Item 1</b>	<b>\$115,560.00</b>	<b>\$37,170.00</b>	<b>\$38,520.00</b>	<b>\$39,870.00</b>	<b>Yes</b>	<b>Yes</b>

RMLD



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February 14, 2012

Town of Reading Municipal Light Board

Subject: Line Truck Chassis Inspection and Preventative Maintenance Service

On January 12, 2012 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Line Truck Chassis Inspection and Preventative Maintenance Service for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Dynamic Heavy Repair	Glynn Equipment Repair	Lowell Fleet Maintenance
Ryder Truck Rental & Leasing	Taylor & Lloyd, Inc.	S. Benedetto & Sons, Inc.

A bid was received from Taylor & Lloyd, Inc.

The bid was publicly opened and read aloud at 11:00 a.m. February 8, 2012 in the Town of Reading Municipal Light Department's Audio Visual Spurr Room, 230 Ash Street, Reading, Massachusetts.

The bid was reviewed, analyzed and evaluated by the General Manager and staff.

Move that bid 2012-30 for Line Truck Chassis Inspection and Preventative Maintenance Service be awarded to:

**Taylor & Lloyd, Inc. for \$106,517.66**

Item 1	Line Truck Chassis Inspection and Preventative Maintenance Service	\$106,517.66
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as the lowest qualified and responsive bidder on the recommendation of the General Manager. This is a three-year contract.

IFB 2012-30 is funded through the Transportation Operating budget.

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

\_\_\_\_\_  
Joseph J. Donahoe

\_\_\_\_\_  
Craig Owen

**Line Truck Chassis Inspection and  
Preventative Maintenance Service**

**Bid 2012-30**

<u>Bidder</u>	<u>Three-Year Total Cost</u>	<u>Year One 2012</u>	<u>Year Two 2013</u>	<u>Year Three 2014</u>	<u>Responsive Bidder</u>	<u>Specifications Met</u>
Taylor & Lloyd, Inc.						
Item 1	\$106,517.66	\$34,964.60	\$35,776.53	\$35,776.53	Yes	Yes



RMLD



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February 15, 2012

Town of Reading Municipal Light Board

Subject: Meters

On January 18, 2012 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Form 12 S Network ERT Meters for the Reading Municipal Light Department

An invitation to bid was emailed to the following:

WESCO	Graybar Electric Company	Austin International Inc.	Power Tech UPSC
Stuart Irby	Holbrook Associates	Sensus Metering Systems	AvCom Inc.
JF Gray	Meterman Supply Inc.	Shamrock Power	Hasgo Power
Robinson Sales	EL Flowers	Power Sales	HD Supply

Bids were received from Avcom, Irby and Graybar Electric.

The bids were publicly opened and read aloud at 11:00 a.m. February 8, 2012 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 2012-31 for Form 12 S Network ERT Meters be awarded to: **AvCom Inc. for a total cost of \$37,550.00**

<u>Item (desc.)</u>	<u>Manufacturer</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 Form 12S, Class 200, 120 volts Network ERT meters	Itron	500	75.10	37,550.00

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

These meters are for the new projects Reading Woods, 30 Haven St. and the Diamond Crystal project in Wilmington. The Capital Budget allowed for 130 units totaling \$10,400 (item B).

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

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

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

**Form 12 S Network ERT Meters**  
**IFB 2012-31**

<b>Bidder</b>	<b>Manufacturer</b>	<b>Delivery Date</b>	<b>Unit Cost</b>	<b>Qty</b>	<b>Total Net Cost</b>	<b>Meet Specification requirement</b>	<b>Firm Price</b>	<b>All forms filled out</b>	<b>Certified Check or Bid Bond</b>	<b>Exceptions to stated bid requirements</b>	<b>Authorized signature</b>
<b>AvCom</b> Item 1 Form 12S, Class 200, 120 volts Network ERT meters	<b>Itron</b>	<b>4 weeks ARO</b>	<b>75.10</b>	<b>500</b>	<b>37,550.00</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>no</b>	<b>yes</b>
<b>Irby</b> Item 1 Form 12S, Class 200, 120 volts Network ERT meters		<b>15 weeks ARO</b>	<b>84.95</b>	<b>500</b>	<b>42,475.00</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>no</b>	<b>yes</b>
<b>GRAYBAR</b> Item 1 Form 12S, Class 200, 120 volts Network ERT meters	<b>GE</b>	<b>6 weeks ARO</b>	<b>111.70</b>	<b>500</b>	<b>55,850.00</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>

**Exceptions:**

1. Pricing assumes minimum order shipment size of 60 meters per order release
2. Quote is provided per GE standard terms and conditions (ES10v rev4)
3. Technical Comment to specification paragraph 6; GE is quoting a GE type 1-210+ n meter equipped with a type 5XESS ERT

## February-12

RATE COMPARISONS READING & SURROUNDING TOWNS													
READING MUNICIPAL LIGHT DEPT.		RESIDENTIAL -TOW		RES. HOT WATER		COMMERCIAL		SMALL COMMERCIAL		SCHOOL RATE		INDUSTRIAL - TOW	
TOTAL BILL	750 kWh's	1500 kWh's	75/25 Split	1000 kWh's	7,300 kWh's	10,000 kW Demand	1,000 kWh's	35000 kWh's	100,500 kWh's	250,000 kW Demand	80/20 Split		
\$95.86	\$169.19	\$110.92	\$863.87	\$167.83	\$4,009.94	\$10,966.44	\$167.83	\$4,009.94	\$10,966.44	\$10,001.5			
\$0.12781	\$0.11279	\$0.11092	\$0.11834	\$0.11540	\$0.11457		\$0.11540	\$0.11457					
PER KWH CHARGE													
NATIONAL GRID													
TOTAL BILL	\$108.82	\$216.82	\$145.09	\$1,131.32	\$162.00	\$4,728.32	\$162.00	\$4,728.32	\$162.00	\$4,728.32	\$162.00	\$162.00	\$162.00
PER KWH CHARGE	\$0.14510	\$0.14555	\$0.14509	\$0.15498	\$0.15000	\$0.1509	\$0.15000	\$0.1509	\$0.15000	\$0.1509	\$0.15000	\$0.15000	\$0.15000
% DIFFERENCE	13.53%	28.16%	30.80%	30.96%	-3.47%	17.91%	-3.47%	17.91%	-3.47%	17.91%	-3.47%	17.91%	-3.47%
NSTAR COMPANY													
TOTAL BILL	\$128.00	\$230.34	\$165.86	\$1,158.27	\$174.88	\$6,379.23	\$174.88	\$6,379.23	\$174.88	\$6,379.23	\$174.88	\$174.88	\$174.88
PER KWH CHARGE	\$0.16800	\$0.15356	\$0.15586	\$0.15867	\$0.16192	\$0.18256	\$0.16192	\$0.18256	\$0.16192	\$0.18256	\$0.16192	\$0.16192	\$0.16192
% DIFFERENCE	31.45%	36.15%	49.53%	34.08%	4.20%	59.09%	4.20%	59.09%	4.20%	59.09%	4.20%	59.09%	4.20%
PEABODY MUNICIPAL LIGHT PLANT													
TOTAL BILL	\$91.65	\$177.66	\$120.32	\$958.35	\$160.13	\$4,686.24	\$160.13	\$4,686.24	\$160.13	\$4,686.24	\$160.13	\$160.13	\$160.13
PER KWH CHARGE	\$0.12220	\$0.11844	\$0.12032	\$0.13128	\$0.14827	\$0.13332	\$0.14827	\$0.13332	\$0.14827	\$0.13332	\$0.14827	\$0.13332	\$0.13332
% DIFFERENCE	-4.39%	5.01%	8.47%	10.94%	-4.59%	16.37%	-4.59%	16.37%	-4.59%	16.37%	-4.59%	16.37%	-4.59%
MIDDLETON MUNICIPAL LIGHT DEPT.													
TOTAL BILL	\$99.77	\$198.39	\$132.64	\$959.51	\$168.44	\$4,782.93	\$168.44	\$4,782.93	\$168.44	\$4,782.93	\$168.44	\$168.44	\$168.44
PER KWH CHARGE	\$0.13303	\$0.13226	\$0.13264	\$0.13144	\$0.15596	\$0.12174	\$0.15596	\$0.12174	\$0.15596	\$0.12174	\$0.15596	\$0.12174	\$0.12174
% DIFFERENCE	4.08%	17.26%	19.58%	11.07%	0.36%	18.78%	0.36%	18.78%	0.36%	18.78%	0.36%	18.78%	0.36%
WAKEFIELD MUNICIPAL LIGHT DEPT.													
TOTAL BILL	\$105.36	\$204.42	\$138.38	\$1,049.49	\$169.00	\$4,913.08	\$169.00	\$4,913.08	\$169.00	\$4,913.08	\$169.00	\$169.00	\$169.00
PER KWH CHARGE	\$0.14048	\$0.13628	\$0.13838	\$0.14377	\$0.15649	\$0.12397	\$0.15649	\$0.12397	\$0.15649	\$0.12397	\$0.15649	\$0.12397	\$0.12397
% DIFFERENCE	9.91%	20.83%	24.75%	21.49%	0.70%	23.78%	0.70%	23.78%	0.70%	23.78%	0.70%	23.78%	0.70%



**Jeanne Foti**

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**From:** Vincent Cameron  
**Sent:** Tuesday, January 24, 2012 1:58 PM  
**To:** RMLD Board Members Group  
**Cc:** Bob Fournier; Steve Kazanjian; Jane Parenteau; Jared Carpenter; Jeanne Foti; Kevin Sullivan  
**Subject:** FW: Account Payable Questions - January 13, 2012  
**Categories:** Red Category  
**O'Neill**

1. Mini (customer) - I am curious why all the documentation provided from the customer was unsigned quotes, not actual invoices.

The RMLD rebates are based on technologies and not what was spent by the customer. Information on the projects is for RMLD records and to see how the market is progressing. We keep a record of many projects costs, however, the projects costs are private and for internal use only. If the customer negotiated a better price for the project, we would not know about it. The RMLD does actual inspections and we do not require signed invoices as proof the work was complete.

2. United Power Group - This cost will be added to the Gaw capital project? Why was no contract prepared, there seemed to be ample time?

Some of this cost was a Gaw project extra and some of the cost was NERC based. The work related to the transfer scheme rewiring was Gaw project related. While UPG was on site present, we asked UPG to do some work on the Under Frequency relays to satisfy the North American Electric Reliability Council requirements.

**Jeanne Foti**

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**From:** Vincent Cameron  
**Sent:** Tuesday, February 07, 2012 11:04 AM  
**To:** RMLD Board Members Group  
**Cc:** Bob Fournier; Steve Kazanjian; Jeanne Foti; Wendy Markiewicz  
**Subject:** FW: Account Payable Questions - Februray 3, January 27 & 20  
**Categories:** Red Category  
**February 3**

**O'Neill**

1. Wire Transfer - MA - GM signature needed.

It is signed.

2. Asplundh - One invoice for \$2,236.25 is missing.

There was a question on one of the Asplundh bills, which was put in for payment. I pulled it out to review it and didn't get it back in. It turned out the bill was correct.

3. Rubin & Rudman - Please discuss first invoice re 2011 power supply in Feb. exec. session. Please discuss fourth invoice re EOEEA in Feb exec. session.

Yes.

**Soll**

1. Sales Tax - GM signature?

It is signed.

2. Rubin & Rudman - What is a tolling agreement? What is EOEEA?

A tolling agreement is an agreement to waive a right to claim that litigation should be dismissed due to the expiration of a statute of limitations, which was related to the MMWEC Arbitration. The EOEEA is the Executive Office of Energy and Environmental Affairs.

**Snyder**

1. Asplundh - 3rd bill work dated 1/21/11-1 assume this is a typo? No invoice, no customer copy for the \$2,236.25.

There was a question on one of the bills. I pulled it out to review it and didn't get it back in. We are talking to Asplundh about it.

2. ECNE - What is this organization? Does it provide good value?

Energy Council of Northeast. The Engineering Dept. uses this group for engineering support and input on various subjects

3. Office Depot - What is the oscillating heater for?

Some of the areas in the office can be cold and this provides heat for the employees

**January 27**

**O'Neill**

1. Cushing, Jamallo + Wheeler - Please detail what "LSP services" are included in the \$15K on PO 12-E00164.

The spill at Ryan Road was a transformer that came off a pole and hit the ground after a tree hit a pole during the October snow storm. There was a release of oil, which needed to be cleaned up.

2. Rubin and Rudman - Are legal expenses usually this high for finalizing a bid? I would like both bids and associated legal costs discussed in the next executive session, if appropriate, in open session.

Yes, I will do this.

3. TransData - Please explain this bill. What happened to these meters? Why were they worth repairing at this price?

These meters needed repair due to lightening and other problems. The RMLD spent \$3,317 to repair them. To replace each meter would have cost over a \$1k a piece.

4. Town of Wilmington - Why no PO?

This is payment to the Town of Wilmington for a pole relocation. This is necessary for relocating pole, so there is no PO necessary.

**Snyder**

1. Century Bank - How do you check these - some of the numbers are extraordinarily large.

The last column "Required Balances" is for Century Bank internal use only and is not related to the RMLD transactions. We have called Century and asked them to take this off the statement.

2. Concentra - Who gets these physicals?

New employees.

3. TransData - What is "scrambled memory" and why some @ 250 + some at 375? (+Ditto Above)

The memory has been affected due to lightening or some other problem. It is cheaper to fix the memory than to buy a new unit.

4. Utility Services - What is Aurora Vulnerability? + What is misoperations report?

Aurora Vulnerability - The destabilization of rotating equipment via physical or cyber means with a motive to destroy such equipment

Misoperation reporting - Quarterly reporting of any misoperations on the 115kV that may have influenced the DP (Distribution Provider) reliability. Causes to this may be vegetation, relay overtrip operations, equipment failure, etc

**January 20**

**O'Neill**

1. Fournier - Petty cash - Why didn't Granite City order go through the PO process

The RMLD needed a circuit breaker box for the Wildwood substation, immediately. The employees made the purchase on an emergency basis without a PO.

**Snyder**

1. ISO - Some of these go back to 2008 how are we checking?

The Energy Service Division (ESD) balances kwh and dollars monthly. ESD will call the ISO-NE if they believe the credits are incorrect.

2. Petty cash remember: Need receipts for everything.

I have checked the receipts and they are all there.

3. Reading Car Care + Stoneham Motor - Reminder: P.O. post dates work. Should be done before work authorized.

Sometimes there is work needed to be done that the RMLD needs estimates on. When we find out the amount we cut the PO. The vendor may date their invoice the day the car arrived.

4. Standard Electric - The standard electric confusion + explanation re: lack of P.O. is an example of why need P.O. front. Please explain what was billed vs. credit.

The RMLD needed a circuit breaker box for the Wildwood substation, immediately. The employees made the purchase on an emergency basis without a PO.

One for \$214.77 and another for \$186.96. The credit part of the bills is the payment for each purchase. There was a discount of \$2.20 on one bill. The payment is correct.

Jeanne Foti  
Executive Assistant  
Reading Municipal Light Department  
781-942-6434 Phone  
781-942-2409 Fax



Please consider the environment before printing this e-mail.



**Jeanne Foti**

---

**From:** Vincent Cameron  
**Sent:** Friday, February 17, 2012 9:35 AM  
**To:** RMLD Board Members Group  
**Cc:** Bob Fournier; Steve Kazanjian; Jeanne Foti; Wendy Markiewicz  
**Subject:** FW: Account Payable Questions - February 10  
**Categories:** Red Category

**Snyder**

1. Pfeiffer - Why is this from May 2011 + customer listed is Timothy Shand?

Commissioners - Please call me on this and I will explain the situation.

2. Sage - Could you clarify each of these line items please.

1. Automatic Check Handling 2. Paperless Invoices, 3. Bounced Checks, 4. Rejected Transactions, 5. Total Transactions, 6. Statement Fee, and 7. Credit Card Fee.

3. PURMA - Why wasn't door repair paid by the insurance?

Under the contract with JCM the repair is RMLD's responsibility. The repair cost is under our deductible amount.

4. TCI of NY - Why are we still seeing PCB's?

This was a pole mounted distribution transformer installed in 1978 on Old Farm Road, Reading. It was taken out of service recently and a larger transformer was installed.

After being taken out of service, the transformer tested out at 97 PPM of PCBs and was disposed of properly. We have approximately 665 transformers in service that were purchased between 1960 - 1979. We are checking manufacturer records for these transformers to determine the insulating oil make up. The RMLD has an approximate total of 3,208 transformers in service.

**O'Neill**

1. TCI of NY - Where was this material from?

Please see Item 4 above.

**Payroll**

**Hahn**

1. Overtime discrepancies between payroll and OT listing.

The Line Dept. payroll overtime costs for 2/17/12 matched against the Bi-Weekly O/T payroll listing in the Excel spreadsheet. The Bi-Weekly O/T payroll listing is a new report on the O/T Bi-Weekly payroll and when it printed out (in EXCEL) it printed the 2/3/12 Bi-Weekly O/T amounts column and not the 2/17/12 Bi-Weekly O/T amounts column.

We reprinted the O/T report for 2/17/12 with the correct Bi-Weekly amounts. I put the 2/17/12 Bi-Weekly O/T report with a copy of the 2/17/12 payroll in your mail slot.

2/22/2012

**Jeanne Foti**

**From:** Vincent Cameron  
**Sent:** Wednesday, February 22, 2012 1:45 PM  
**To:** RMLD Board Members Group  
**Cc:** Bob Fournier; Jane Parenteau; Steve Kazanjian; Jeanne Foti; Wendy Markiewicz  
**Subject:** Answer to Payables 2/17/12  
**Categories:** Red Category  
**Snyder**

1. MacQuarie - Financials - What is Energy Swap + what is the relation between Volume, Fixed, and Float prices + amount due? How do we track the peak and off peak usage in the physicals sales?

Energy Swap represents the Heat Rate contract that RMLD signed with MacQuarie. On four separate occasions in 2011, RMLD locked in the Natural gas prices which represent the Fixed Prices column. The float prices are the penultimate pricing for natural gas when the market closes in December, 2011 for January 2012. The amount due for financial is simply the difference between fixed and float price times the volume. The On-Peak and Off Peak usage is the original amount that RMLD issued the RFP for. Those amounts are fixed within the Purchase Power Agreement. RMLD tracks the amounts through the ISO-NE billing system. We are able to verify the MwHs supplied by each supplier. Once the natural gas prices are "locked" in, RMLD calculates the pricing of the contract and verifies the amounts that are invoiced.

2. Accurate Calibration - What is the annual calibration? This seems like something for which the PO should have done upfront for sure. Same goes for American Arbitration.

The RMLD has its meter testing equipment calibrated once a year. The Requisition was created on January 26, 2012, the day of the invoice. The PO was cut the next day.

The American Arbitration bill goes to our attorneys first and then to us. We didn't get the bill until February 7, 2012, the day the requisition was created. The PO was cut on February 10, 2012.

3. Collins - Wasn't this door a recent bill?

The recent bill was replacement of the entry door in the Barbas Warehouse that had to be replaced. The Collins bill is to repair an overhead door at 218 Ash Street, which is the garage.

4. DOER - Is this a new assessment?

No. We get this assessment once a year for Residential Conservation Services from the Massachusetts Department of Energy Resources.

5. JCM Realty - What is so much electricity in the warehouse?

The electricity is for lighting, heating, ventilation (fans), office space, etc. The history on the bill shows that it is very steady usage.

**O'Neill**

1. Choate, Hall, and Stewart - Please review at the Feb. Executive Session.

Yes. I was going to suggest to put that on the agenda.

2/22/2012