

Reading Municipal Light Board of Commissioners

Regular Session

230 Ash Street

Reading, MA 01867

October 1, 2012

Start Time of Regular Session: 8:08 p.m.

End Time of Regular Session: 10:45 p.m.

Commissioners:

Philip B. Pacino, Chairman

Robert Soli, Commissioner

John Stempeck, Secretary

Gina Snyder, Vice Chair

Marsie West, Commissioner

Staff:

Vinnie Cameron, General Manager

Jared Carpenter, Energy Efficiency Engineer

Robert Fournier, Accounting/Business Manager

David Polson, Facilities Manager

Kevin Sullivan, Engineering and Operations Manager

Beth Ellen Antonio, Human Resources Manager

Jeanne Foti, Executive Assistant

Jane Parenteau, Energy Services Manager

William Seldon, Senior Energy Analyst

Citizens' Advisory Board:

Tony Capobianco

Guest: Karen Snow, Melanson, Heath & Company, PC

Opening Remarks/Approval of Meeting Agenda

Chairman Pacino called the meeting to order and stated that the meeting was being videotaped.

Presentation of Fiscal Year 2012 Audit - Melanson Heath & Company, PC – Ms. Karen Snow (Attachment 1)

Mr. Fournier introduced Ms. Snow from Melanson Heath & Company to present the audited financials for fiscal year (FY) 2012. Ms. Snow stated that as she mentioned at the Audit Committee meeting there is no formal management letter this year. While they performed their audit they did not find any issues that were significant deficiencies or material weaknesses in RMLD's internal controls, the controls were adequate and reasonable. This year they will be giving the RMLD a letter which tells you there is no management letter because it is a new accounting/auditing standard. As in the past, the RMLD has a clean audit opinion and it is their opinion that financial statements are fairly presented in accordance with Generally Accepted Accounting Principles; there are no exceptions in their opinion.

Ms. Snow reported that RMLD's Net Assets were up \$4.3 million, total liabilities were up \$1.4 million and total assets were up \$2.9 million which represents the overall net income for the year. The only thing that appears in the liability section is due to the Pension Trust for \$1 million which is offset by a transfer made after the end of the fiscal year per Board vote. This transfer was completed in July. Compensated absences are down \$48,000 will decrease as the years go on due to policy changes. The RMLD is in a very good position there is no long term debt per se on the books as far as bonding, capital needs are fulfilled with operating revenues. The Other Post Employment Benefit which is for current and future retirees for such benefits as health care is being funded. As of June 30, 2012, RMLD had fully funded that liability based on an actuarial valuation. This liability is offset by the Restricted Net Assets.

Ms. Snow stated that the RMLD has a healthy Net Income of \$2.9 million, which is not much change from the prior year, the difference being \$147,000. The Operating Income is almost the same as the prior year which is reflective of how the revenues are being managed. The Operating Revenues were down by 8.4% and operating expenses were down 9%, sales were down by 3.3% due the fact that Purchase Power costs were down this year. This is attributable to favorable conditions in the market such as natural gas and other power costs being lower.

Ms. Snow said that there were no additional costs associated with the environmental remediation of the soil at the Gaw substation. The project was essentially completed in 2011 with the close out in 2012 with no costs associated with it.

Ms. Snow said that \$1 million was transferred into the Retirement Trust at year end. The actuary had recommended a contribution of \$1.7 million. The Board is considering an additional transfer in fiscal year 2013. Ms. Snow pointed out that in fiscal year 2015 the pension liability, GASB Statement Number 68 will affect the way that the way pension liabilities are reported in financial statements.

Presentation of Fiscal Year 2012 Audit - Melanson Heath & Company, PC – Ms. Karen Snow (Attachment 1)

Ms. Snow stated that there will be a requirement to report the unfunded portion of the liability on the balance sheet. Currently, the Town of Reading charges you an annual assessment for the Retirement Trust and if this is paid then a liability does not appear on the balance sheet. However, GASB Statement Number 68 will require you to report the unfunded portion of the overall pension liability. As of June 30, 2012, this was approximately \$12.4 million for the RMLD and is short this amount based on the actuarial report. Gains and losses as well as interest in the trust will have to be reported as well. Ms. Snow added that the RMLD is in a healthy position and \$12.4 million sounds like a lot, but it is a small liability compared to most other governmental entities.

Mr. Stempeck asked this is currently \$12 million, but by the time the interest rates change, it could drop it, however, Ms. Snow also pointed out it could raise it. Mr. Stempeck questioned if the actuary extrapolates the present contracts that are from today into the future. Ms. Snow responded, yes that is part of what they do. Ms. Snow pointed out in the last valuation the discount rate and salary wage increases were decreased. The valuation has to be performed every two years. The best case scenario is that the market comes back up to narrow this gap.

Ms. Snow then addressed the Renewable Energy Certificates in which the Board has had much discussion about this. At this point in time there is Note 19 on Page 27, which has disclosed the Certificates but they are not recognized as assets because there is no codified accounting. The Financial Accounting Standards Board is working on this because it is new. Reading is unique because it is not subject to a Renewable Energy Standard Portfolio. There is not a mandate to hold these REC's and most of the guidance she has seen is for investor owned utilities. IOU's have to meet a certain standard whose treatment of RECs will differ than the RMLD. Ms. Snow added that there was no adjustments that Mr. Fournier had to make therefore the numbers will remain the same as in the monthly Financial Report.

Report of Board Committees

Audit Committee – Commissioner West

Ms. West reported that the Audit Committee met before the meeting, reviewed the audit and made a recommendation to accept the audited financial statements.

Mr. Cameron added that this was another clean audit which is a testament to the employees at the RMLD as well as Mr. Fournier's recordkeeping. Mr. Soli added that he would second that.

Ms. West made a motion seconded by Mr. Soli to accept the audit as presented.

Motion carried 5:0:0.

Chairman Pacino said that Commissioner Stempeck will be the Secretary for this meeting.

Mr. Soli took a point of order and reported that he attended the Town Clerk's meeting on the Open Meeting Law training. One of the points that was made that if on the agenda there are times for items then you may not start on those items until their time has come. A couple of other points made are that RMLD Board and Selectmen's agenda can be changed. Items may be brought up, but not voted upon. You may go into Executive Session even if it is not listed, but you may not vote on anything. It did sound like things about committees were going to get restrictive. If you have ad hoc committees or plain committees they must be sworn in at the Town Clerk's office. Mr. Soli asked about standing committees and was told that standing committees do not need to be sworn in.

Mr. Cameron asked if times were needed on the agenda. Ms. Snyder responded in the session that she was in attendance at the Open Meeting Law Training and that this was not discussed. Mr. Cameron said that he will check into this.

Mr. Capobianco reported that the Citizens' Advisory Board (CAB) will be meeting on Wednesday, October 17.

Chairman Pacino introduced, Dave Polson, Facilities Manager. Mr. Polson reported that he has over twenty eight years in the electric utility business and previously worked for NSTAR. He worked for two years as a Service Center Manager, responsible for ten cities and towns for 138,000 customers with fifty employees. For six years he worked as a Project/Contract Manager on major projects for overhead and underground, civil construction as well as vegetation management for NSTAR and in that role dealt with procurement/contract management issues. He has a graduate certificate from WPI in organizational leadership, Bachelor's Degree in Management and Associate's Degree in Electrical Mechanical Technology. Mr. Polson said the RMLD has a great focus on customers and reliability.

Approval of July 25, 2012 and August 29, 2012 Board Minutes

Mr. Stempeck made a motion seconded by Mr. Soli that the RMLD Board of Commissioners approve the Regular Session meeting minutes of July 25, 2012 with the changes presented by Ms. Snyder and Mr. Soli.

Motion carried 5:0:0.

Approval of July 25, 2012 and August 29, 2012 Board Minutes

Mr. Soli pointed out that since his attendance at the training it is fine to send out the draft minutes and send the Secretary suggested changes, but the changes must come to the meeting and be approved; it cannot be done outside of the meeting. Ms. Snyder added that there was a concern that committees were editing minutes over e-mail which the Board does not do. Suggested changes can go to the Secretary or Ms. Foti then be brought up at the meeting.

Mr. Stempeck made a motion seconded by Ms. West that the RMLD Board of Commissioners approve the Regular Session meeting minutes of August 29, 2012 with the changes presented by Ms. West and Mr. Soli.

Motion carried 4:0:1. Ms. Snyder abstained; she was not in attendance at the meeting.

Report of Board Committees

General Manager Search Committee – Chairman Pacino

Chairman Pacino reported that the General Manager Search Committee met on September 5 and September 26. They are working on job description criteria and the ad has gone out and is running. Some resumes are in house, and there is a meeting on Wednesday, October 3. At this meeting there will be a discussion as to a possible consultant. He has not looked at the resumes yet. The next step is to move forward see where we go from here.

Budget Committee – Commissioner West

Ms. West stated that the Budget Committee met on September 6 and discussed two proposed transfers, the first was to transfer \$603,995 from the Operating Fund to the Rate Stabilization Fund – the second was a Construction Fund transfer of \$2 million from the Operating Fund to the Construction Fund which would then set up the Capital Fund to have the money that it needed. Both transfer transactions were recommended by the Budget Committee with a vote of 2:0:0.

Chairman Pacino asked if those needed to be re-voted here. Mr. Cameron replied that if they wanted to formalize them here that would be fine and that the RMLD had already made the transfers.

Ms. West made a motion seconded by Mr. Stempeck that the RMLD Board of Commissioners to approve the transfer of \$603,995 from the Operating Fund to the Rate Stabilization Fund and the transfer of \$2 million from the Operating Fund to the Construction Fund.

Motion carried 5:0:0.

Discussion of the RMLD Board Committees

Chairman Pacino stated that at the last meeting it was discussed to possibly consolidate the subcommittees under the Board level. Chairman Pacino said that it was his feeling that the subcommittees were really not effective.

Ms. West stated that there was confusion in two different situations this evening, earlier in the evening in the Audit Committee they had met with the Town Audit Committee which comprised of the Town side and the RMLD and also the RMLD Budget subcommittee, which then required them to do two of everything at the same time. Ms. West said that it was not an efficient use of time and extremely confusing to then go into the Board meeting and do it all over again. It was the same with the Budget Committee where they voted on something and then re-voted on it at the Board level. This is creating extra work without any benefit.

Mr. Soli stated that the committee system here has worked fairly well, earlier this evening they had met with the Audit Committee of the Town and the Audit Committee of the Light Department. Some of the members of the RMLD Audit Committee were able to answer questions that the Audit Committee of the Town asked, that took half an hour, and then a summary was presented to the full Board where they only spent fifteen minutes on it. In Committee you find out what the actual issues are and what a motion might be; then after the clarification process has taken place, it becomes pretty easy to present it to the Board, with qualified members of the Board to answer their questions. Mr. Soli said it is his belief that it works reasonably well.

Mr. Stempeck asked what the alternative to the Committee system would be. Chairman Pacino stated the alternative would be for the Budget Committee and some of the other committees to meet at the Board level, where they would have to pre-schedule and perhaps set up a second meeting during the month; or potentially appoint some type of ad hoc committee if it was felt that the need was strong enough; or a subset of the members on any particular issue.

Ms. West said that there had been talk of the need to have some less formal discussion and to have it in a different venue so that the meetings that are scheduled, if they are needed, can be conducted in a less formal situation. If there is not a need to have those meetings then these additional meetings could be cancelled.

Discussion of the RMLD Board Committees

Ms. West pointed out that since there is a member of the Municipal Light Board on the Town Audit Committee there would be someone there to answer questions. It doesn't make sense to continue to have committees used in the past, and since she has been here she does not see that they add anything to the process. Ms. West stated that it probably does make sense to have some ad hoc committees for those situations where it makes sense. The General Manager Search Committee will be needed for a short period of time, then it disbands and you have another one when you need it. Ms. West said that Public Relations (PR) is something that was discussed in length when meeting with Mr. Stempeck and other candidates. Ms. West recommends that they have a PR ad hoc committee that is kept for a period of time up to a year.

Chairman Pacino said that the Power & Rate Committee discussions need to take place on the Board level and it is critical to power contracts and reiterated his concern that the REC discussion took place at the Power & Rate Committee level and never got to the Board. It is Chairman Pacino's feeling that some of the problems they had were that the discussions did not take place soon enough and did not get to the Board level.

Mr. Stempeck asked if his concern was that some of the material is pre-filtered at the committee level and that there are nuances that might have made a difference in terms of Chairman Pacino's opinion. Chairman Pacino replied, yes that is his concern.

Mr. Soli stated that the meeting that the Town Clerk conducted and that he had attended said that ad hoc committees need to be sworn in, so if we have these two ad hoc committees or any more, that is another step that you must go through to get sworn in. This is not a requirement for standing committees.

Ms. Snyder said that what she heard at the July 25 meeting and what she is hearing now is there was indeed a problem with a particular issue with one of the committees and the recommendation therefore is to get rid of all committees. There are some issues that come up within these committees and it doesn't make sense to have the entire Board dealing with the nitty gritty ironing out the specific language. It just makes more sense to have a subcommittee that will make a specific proposal to the Board. Ms. Snyder thought was that since she had only been here a short time the committees had worked well, with the exception of that one issue.

Mr. Soli said that as a possible alternative that the minutes from the Board and also the Committees should at least be in draft form within ten days. Perhaps in the interest of getting information out they should insist that Committees meet sufficiently early before Board meetings. This is so that the minutes are out in a timely fashion and the Board has ample time to digest those minutes and to see that there is a motion that might be coming forward in the Board meeting and to get acquainted with those issues.

Ms. West said that it is her belief that everyone needs to understand the budget and that it is part of their job here. People on the Budget Committee hear it twice, once at the Committee level and then at the Board level. Ms. Snyder stated that is an example of a committee that does not need to be separate.

Mr. Stempeck asked if it was the suggestion that there are certain committees where it does make sense to maintain but others that we fold into a general meeting, perhaps a separate meeting of the Board. Chairman Pacino replied that was what he was hearing.

Ms. West said that the detailed discussions of the Power and Rate Committee could lead to the potential that there will not be the full disclosure of information to the Board when voting. Chairman Pacino stated that something got lost in the translation.

Ms. West said that her concern was that the one Policy Committee meeting that she participated in there was much less discussion and less give and take than expected for a smaller group. If you cannot have an open discussion and dialog on what the policy should be and it is strictly editing, that could be done here as easily as in a smaller subgroup. Ms. Snyder stated that she agreed that was a terrible example of how the subcommittees perform. If all meetings of the subcommittees were like that she would also vote to abolish them all.

Chairman Pacino asked if there was a need to look at the definition of what the Policy Committee does and what the purpose of the committee is. Ms. Snyder moved to abolish the committee and have everything come to the Board. The motion was withdrawn.

Discussion of the RMLD Board Committees

Ms. West made a motion seconded by Mr. Stempeck that the RMLD Board of Commissioners streamline and simplify the committee structure by eliminating all ongoing committees that are not required by Town Charter or Bylaws or by the Twenty Year Agreement and recommend that unique or non-recurring situations be addressed with the appointment of ad hoc committees to address specific issues with the following changes: a) elimination of the following committees; Budget Committee, Power and Rate Committee, General Manager Committee and the Policy Committee, b) re-establishment of the following committees on an ad hoc basis with their current representation for a period not to exceed one year; General Manager's Search Committee and Public Relations Committee, c) to continue the Audit Committee on an ongoing basis.

Motion carried 3:2:0. Ms. Snyder and Mr. Soli voted against the motion.

Mr. Cameron said that he will check to see if George Hooper who is on the Search Committee and a resident of Wilmington needs to come to the Town of Reading to get sworn in. Ms. Snyder asked how Mr. Hooper got sworn into the CAB. Ms. Foti replied that he was sworn in at the Wilmington Town Hall.

Ms. West asked what should have happened with the General Manager Search Committee where it is not an ongoing committee and could be called an ad hoc Committee.

Ms. Snyder said that at the Town Clerk's meeting there was a lot of talk of taking votes and deliberating and if there is no vote to be taken that they should get clarification on being sworn in.

Mr. Cameron said that most committees make recommendations to the Board and that the Board must vote on those recommendations.

Ms. Snyder agreed but said it was not a final decision and wondered if it was a correct interpretation if they have already been sworn into the Board.

Chairman Pacino asked that the Department get clarification from the Town Clerk on what needs to be done. The Board will try this approach for six months and then re-visit how it is working.

Power Supply Report – August 2012 – Ms. Parenteau (Attachment 2)

Ms. Parenteau reported that RMLD's load for August was approximately 74.7 million kWhs which was approximately a seven percent increase compared to August 2011. RMLD's energy cost came in at approximately \$3.6 million and that is equivalent to approximately \$.048 per kilowatt hour. Ms. Parenteau stated that the Fuel Charge adjustment was set at \$.0475 per kilowatt hour for the month of August and the RMLD estimates that the sales totaled 61.3 million kilowatt hours, preliminarily the RMLD under collected by approximately \$712,000 prior to the fiscal year adjustment a Deferred Fuel Cash Reserve balance of \$1.4 million. The Fuel Charge for September remained at \$.0475 and it is currently projected to remain at \$.0475 for the balance of the calendar year.

The RMLD purchased about 5% of its energy requirements from the ISO New England Spot Market and that was at an approximate cost of about \$26 per megawatt hour. Ms. Parenteau reported on the Capacity side the RMLD hit a peak demand of 154 megawatts on August 3, 2012 at 4:00 p.m., the average temperature was about 92 degrees and this compares to a peak demand last year of 144 megawatts on August 1, 2011 at 2:00 p.m. the average temperature was about 90 degrees. The RMLD's monthly capacity requirement was set at 210.7 megawatts; the total dollars paid for capacity totaled \$1.52 million which is equivalent to approximately \$7.22 per kilowatt month.

Ms. Parenteau reported for the months of July and August the RMLD has processed 168 rebates for a total of \$8,000. The residential auditor was approved at the July 25 meeting, an insert went into the September billing for the audit service and approximately 100 customers have requested audits.

Renewable Energy – Ms. Parenteau (Attachment 3)

Discussion of Renewable Energy Policy and Discussion of Renewable Energy Certificates

Ms. Parenteau reported that Bill Seldon of the Energy Services Department tracks the RECs that are currently being generated by Swift River and that is the only asset that the RMLD is receiving RECs from. Concord Steam is another power agreement contract that has been signed but that project is not online as of today.

Ms. Parenteau stated that based on the amount of generation from Swift River from January to June of this year the RMLD has generated 13,192 RECs, those RECs are coming from four different hydro stations; Woronoco, Pepperell, Indian River and Turners Falls with an approximate value as of September 27 of \$569,000. The value of these REC's has increased significantly. These REC's could be traded after June 2012. It is a Supply and Demand Market.

Renewable Energy – Ms. Parenteau (Attachment 3)

Discussion of Renewable Energy Policy and Discussion of Renewable Energy Certificates

Ms. Parenteau said that the RMLD does not have a Renewable Energy Policy on what to do with these REC's.

Chairman Pacino asked what kind of a policy the Department would like to see the Board to come forward with. The development of a Renewable Policy was discussed.

Mr. Cameron replied what he recommended last year was to take a look at what is valuable and what is not and believes this is very important going forward. The Department should look at what is best for the rate payers and if you have great value and there is still no Renewable Portfolio Standard (RPS) on the municipal light departments by the state of Massachusetts we should monetize the asset if it has a lot of worth. If there are RECs that do not have a lot of value then why not retire them. Mr. Cameron said that the Department should also look to see how we can meld retiring RECs with our Green Choice Program because there is some sort of disconnect there. The Department has asked the Board to solve that problem and it did not get done last year in the committees.

Mr. Cameron said that we should be able to draft a policy that would satisfy the needs of everybody, you cannot have an agenda on this issue. It has to be what the rate payers deserve.

Chairman Pacino asked if it was possible to have something for the next meeting. Mr. Cameron replied, yes.

Mr. Capobianco discussed guidelines that the CAB had reviewed. The classification of RECs was discussed.

Ms. Snyder replied if you look at the second page it shows that Woronoco is the only plant that is qualified for Massachusetts renewable energy credits. Ms. Snyder said that her question had to do with the aspiration to have some renewable in our portfolio. In the event it becomes a requirement for municipalities to have Renewable Credits, only Woronoco would qualify. Ms. Parenteau stated that one fact that she did want the Committee know was that these hydro facilities are located in Massachusetts and we are supporting renewable generation in our state and it is the whole picture that we are looking at.

Ms. Parenteau said if you focus just on RECs or an RPS you may perhaps be losing the entire picture of what the RMLD is trying to accomplish and that is supporting these facilities to continue production and to displace those fossil fuel generators. Ms. Parenteau said that they are actually running and we are receiving energy from them.

Chairman Pacino stated that we do need some sort of guideline as to what percentage of our portfolio that we want in renewables. Ms. Snyder said that she agreed entirely with Ms. Parenteau and that was the idea, if it all comes down to cost the policy gets much narrower.

Chairman Pacino asked that if going forward the Department is going to set up some kind of policy. Mr. Cameron replied yes that it would be ready for the next meeting.

Engineering and Operations Report – August 2012 - Mr. Sullivan (Attachment 4)

Mr. Sullivan reported that there would be no variance report this month.

Mr. Sullivan reported on Projects for the month of August as noted in Attachment 5: Project 3 – Upgrading Old Lynnfield Center URD's, Project 4 – RTU Replacement at Station 4. The Meter Upgrade Project is up to approximately 22,000 meters installed, finishing up North Reading and working in Lynnfield. Mr. Sullivan reported that ten cutouts were replaced this past month bringing the total to twenty-two fiscal year to date.

Mr. Sullivan reported on the Reliability Report and the Customer Average Interruption Duration Index (CAIDI) provided to the Board for the month with a rolling average of 58.50 minutes. Mr. Sullivan pointed out that the average August CAIDI was 58.97 minutes. The System Average Interruption Frequency Index (SAIFI) on average frequency is trending very low. The Months Between Interruptions (MBTI) is at 41 months from 35 months between interruptions which is reflective of low system wide outages for RMLD's customers. Mr. Sullivan stated that there were four transformer failures bringing the total to twenty.

Financial Report – August 2012 – Mr. Fournier (Attachment 5)

Mr. Fournier reported on the first two months of FY2013 ending August 31, the Net Loss or the negative change in Net Assets for August was approximately \$371,000 decreasing the year to date Net Income to a little less than \$500,000; year to date budgeted Net Income was approximately \$526,000 with the resulting Net Income being under budget by \$28,000 or about 5.4%.

Financial Report – August 2012 – Mr. Fournier (Attachment 5)

Mr. Fournier stated that the actual year to date Fuel Expenses exceeded Fuel Revenues by \$857,000. Year to date Base Revenues are under budget by \$480,000 or about 5.2%. Actual Base Revenues are at \$8.8 million compared to the budgeted amount of \$9.3 million. Year to date Purchase Power Base expense was under budget by \$168,000 or about 3.1%. Actual Purchase Power Base costs were at \$5.3 million compared to the budgeted amount of \$5.4 million.

Mr. Fournier reported that year to date Operating and Maintenance expenses combined are under budget by \$165,000 or 8.2%. Actual Operating and Maintenance expenses were \$1.8 million compared to the budgeted amount of \$2 million. Depreciation Expense and Voluntary Payments to the Towns were on budget. Year to date kilowatt hour sales were 134,898,000 kilowatt hours sold which is 4 million kilowatt hours or 2.85% behind last year's actual figure.

General Manager's Report – Mr. Cameron

Mr. Cameron reported that the NEPPA Conference was September 16-19 in Sunday River, Maine. There was pretty good attendance. There were sessions on Renewable Energy and the Legislative update with an overall good response.

Chairman Pacino asked if there was anything on the Legislative update that they should be aware of.

Mr. Cameron replied that the Legislative update was on transmission rates, renewable energy, the Clean Renewable Energy Bonds (CREBs) Program and generation reporting on a national basis, which has to do with the North American Electric Reliability Corporation (NERC) Standards. There was discussion about whether Congress wants to get involved with talking with the EPA on how they place emission standards on different industries.

Mr. Soli added that the D.C. rep was pretty pessimistic about Congress doing anything; there may be some work with FERC on the transmission and decreasing the rate of return. There was a VP from NERC who indicated that they were trying to learn from the utility audits and trying to eliminate needless effort for NERC audits and to increase reliability.

Mr. Cameron said that he is working on the Annual Report for the Town Meeting on November 5 and will send this to Chairman Pacino so that he may give the report.

M.G.L. Chapter 30B Bids (Attachment 6) **2012-26 Engineering Analysis Software**

Mr. Sullivan reported that this bid was sent out to twelve perspective bidders with one respondent. This was also followed up with an email receiving the following five responses; the bidder does not represent a supplier who can offer the software, the project is outside the capacity of our firm, cannot provide pricing on this opportunity, outside of scope of our supply, and intended to quote but did not have enough time or proper solution for the request. The total FY12 Capital Budget allocation for the Engineering Analysis Software was \$70,000.

Mr. Stempeck asked if that was unusual to receive only one responsive bidder.

Mr. Sullivan replied that this is not an off the shelf type of software and not something that everyone has readily available. This is fault current analysis software allowing the RMLD to perform an analysis at the transformer level, from the transformer to both residences and businesses based on the consumption of customers. The RMLD will be able to provide a solution by understanding if the transformer is either over or under loaded in size.

Mr. Stempeck asked if the software was demonstrated and seems as though it would work and if training would be an additional cost. Mr. Sullivan replied that he would have to look into that.

Ms. West made a motion seconded by Mr. Stempeck that bid 2012-26 for Engineering Analysis Software be awarded to Milsoft Utility Solutions for a total cost of \$73,250.00 on the recommendation of the General Manager.

Motion carried 5:0:0.

2013-01 Janitorial Services

Mr. Polson reported that this bid was sent out to thirty-one perspective bidders, eight attended the session, but only five responded.

Chairman Pacino asked who the current contractor is. Mr. Polson replied Advanced Maintenance Solutions has had the current contract since 2009.

Chairman Pacino said that today there was a settlement with the Janitor's Union and asked if this is affected by that. Mr. Polson replied no, Advanced Maintenance Solutions is a non-represented company.

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

2013-01 Janitorial Services

S.J. Services which is the company that we are recommending and they are represented so fortunately there is no work stoppage or contract issue. Therefore it will not affect the RMLD.

Chairman Pacino asked if the company has been checked out. Mr. Polson replied that he spoke with four of the five references who are government agencies with long term contracts that have had very positive words to say about the company; they do a very good job, are very professional and that their management team is excellent to work with.

Ms. West made a motion seconded by Mr. Soli that bid 2013-01 for the Janitorial Services be awarded to S.J. Services for \$120,780.00 as the lowest responsive qualified bidder on the recommendation of the General Manager. This is a three year contract.

Motion carried 5:0:0.

General Discussion

Chairman Pacino said that he would like to see the issues concerning the signing of the Accounts Payable Warrant to go onto the next meeting's agenda.

Ms. West stated that she had a separate issue with the Indemnity Agreement and wondered what the policy says about where this needs to be signed.

Mr. Cameron replied that all the commissioners have to do is sign them.

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED

Rate Comparisons, August and September 2012

E-Mail responses to Account Payable/Payroll Questions

RMLD Board Meetings

Thursday, November 1, 2012 and Wednesday, November 28, 2012

RMLD General Manager Search Committee Meeting, Wednesday, October 3, 2012

Citizens' Advisory Board Meeting

Wednesday, October 17, 2012 at RMLD – Chairman Pacino will be covering this meeting.

Budget Committee Meetings

Wednesday, April 3, 2013 and Wednesday, April 10, 2013

Executive Session

At 10:17 p.m. Ms. Snyder made a motion seconded by Mr. Stempeck that the Board go into Executive Session to approve the Executive Session meeting minutes of July 25, 2012, to discuss strategy with respect to collective bargaining and return to Regular Session for the sole purpose of adjournment.

Motion carried by a polling of the Board:

Mr. Stempeck, Aye; Ms. West, Aye; Chairman Pacino, Aye; Ms. Snyder, Aye; and Mr. Soli, Aye.

Motion carried 5:0:0.

Adjournment

At 10:45 p.m. Ms. West made a motion seconded by Mr. Stempeck 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.

John Stempeck, Secretary
RMLD Board of Commissioners

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

**Annual Financial Statements
For the Year Ended June 30, 2012**

DRAFT

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the business-type activities, and the aggregate remaining fund information of the Town of Reading Municipal Light Department ("the Department") (an enterprise fund of the Town of Reading), as of and for the year ended June 30, 2012 which collectively comprise the Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, and the aggregate remaining fund information of the Town of Reading Municipal Light Department as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, appearing on the following pages, and the supplementary information, appearing on page 29, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the

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

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Department's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

Andover, Massachusetts
_____, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Town of Reading Municipal Light Department's ("the Department") annual financial report, management provides a narrative discussion and analysis of the financial activities for the year ended June 30, 2012. The Department's performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include (1) the proprietary fund statements of net assets, (2) the proprietary fund statements of revenues, expenses and changes in net assets, (3) the proprietary fund statements of cash flows, (4) the fiduciary fund statements of net assets, (5) the fiduciary fund statements of changes in fiduciary net assets and (6) notes to financial statements.

The Statements of Net Assets is designed to indicate our financial position as of a specific point in time. At June 30, 2012, it shows our net worth of \$ 96,534,060 which comprises \$ 68,670,917 invested in capital assets, \$ 2,635,206 restricted for depreciation fund, \$ 1,344,829 restricted for other post-employment benefits trust and \$ 23,883,108 unrestricted.

The Statements of Revenues, Expenses and Changes in Net Assets summarize our operating results and reveal how much, if any, of a profit was earned for the year. As discussed in more detail below, our net profit for the year ended June 30, 2012 was \$ 2,930,478.

The Statements of Cash Flows provide information about cash receipts, cash payments, investing, and financing activities during the accounting period. A review of our Statements of Cash Flows indicates that cash receipts from operating activities adequately covered our operating expenses in fiscal year 2012.

The following is a summary of the Department's financial data for the current and prior fiscal years.

Summary of Net Assets

	<u>2012</u>	<u>2011</u>
Current assets	\$ 20,331,949	\$ 17,685,849
Noncurrent assets	<u>87,919,610</u>	<u>86,223,649</u>
Total assets	108,251,559	103,909,498
Current liabilities	7,515,556	6,262,115
Noncurrent liabilities	<u>4,201,943</u>	<u>4,043,801</u>
Total liabilities	11,717,499	10,305,916
Net assets:		
Invested in capital assets, net of related debt	68,670,917	67,560,509
Restricted for depreciation fund	2,635,206	4,265,768
Restricted for OPEB trust	1,344,829	1,169,499
Unrestricted	<u>23,883,108</u>	<u>20,607,806</u>
Total net assets	<u>96,534,060</u>	<u>93,603,582</u>
Total liabilities and net assets	<u>\$ 108,251,559</u>	<u>\$ 103,909,498</u>

Summary of Changes in Net Assets

	<u>2012</u>	<u>2011</u>
Operating revenues	\$ 81,764,964	\$ 89,295,501
Operating expenses	<u>(77,383,674)</u>	<u>(84,943,671)</u>
Operating income	4,381,290	4,351,830
Non-operating revenues (expenses)	<u>(1,450,812)</u>	<u>(1,568,112)</u>
Change in net assets	2,930,478	2,783,718
Beginning net assets	<u>93,603,582</u>	<u>90,819,864</u>
Ending net assets	<u>\$ 96,534,060</u>	<u>\$ 93,603,582</u>

B. FINANCIAL HIGHLIGHTS

Electric sales (net of discounts) were \$ 82,546,941 in fiscal year 2012, a decrease of 5.7% from the prior year. In fiscal year 2012, kilowatt hours sold decreased by 3.3% to 685,978,955, compared to 709,213,661 in fiscal year 2011. In fiscal year 2012, ratepayers were credited with \$ (785,180) in fuel charge adjustments, compared to charges of \$ 729,113 in fiscal year 2011. In fiscal year 2012, ratepayers were charged purchase power adjustments of \$ 3,203, compared to \$ 1,055,105 in fiscal year 2011. This decrease was due

to an adjustment in base rates, which essentially eliminated the necessity for purchase power adjustments to customer bills.

Operating expenses were \$ 77,383,674 in fiscal year 2012, an overall decrease of 8.9% from fiscal year 2011. The largest portion of this total, \$ 60,361,614 was for purchase power expenses. Other operating expenses included \$ 12,118,162 for general operating and maintenance costs, \$1,351,568 for voluntary payments to Towns, and depreciation expense of \$ 3,552,330. In fiscal year 2012, the depreciation rate was 3.0%.

In fiscal year 2012, the Department contributed \$ 1,000,000 to the Reading Municipal Light Department Employees' Pension Trust (the "Trust"). In addition, the Trust contributed \$ 1,336,326 to the Town of Reading Contributory Retirement System on behalf of the Department's employees.

In fiscal year 2012, the Department contributed \$ 169,289 towards its other postemployment benefits (OPEB) liability, which was equal to its annual funding requirement. To date, the Department has set aside OPEB contributions totaling \$ 1,335,089, which is equal to its actuarially determined OPEB liability as of June 30, 2012. These contributions, along with accumulated investment earnings, are included in the Department's restricted cash and short-term investments balance at June 30, 2012. Additional information on the Department's OPEB liability can be found in Note 16 on pages 21-22 of this report.

C. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in land at year end amounted to \$ 1,265,842; there was no change from the prior year. Total investment in depreciable capital assets at year end amounted to \$ 67,405,075 (net of accumulated depreciation), an increase of \$ 1,110,408 from the prior year. This investment in depreciable capital assets includes structures and improvements, equipment and furnishings, and infrastructure assets.

REQUESTS FOR INFORMATION

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

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

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT

BUSINESS-TYPE PROPRIETARY FUND
STATEMENTS OF NET ASSETS

JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Current:		
Unrestricted cash and short-term investments	\$ 9,957,960	\$ 6,596,634
Receivables, net of allowance for uncollectable	8,115,722	8,749,838
Prepaid expenses	762,930	753,132
Inventory	1,495,337	1,586,245
Total current assets	<u>20,331,949</u>	<u>17,685,849</u>
Noncurrent:		
Restricted cash and short-term investments	19,187,119	16,385,677
Restricted investments	-	2,200,000
Investment in associated companies	61,574	77,463
Land and construction in progress	1,265,842	1,265,842
Capital assets, net of accumulated depreciation	67,405,075	66,294,667
Total noncurrent assets	<u>87,919,610</u>	<u>86,223,649</u>
TOTAL ASSETS	108,251,559	103,909,498
LIABILITIES		
Current:		
Accounts payable	4,934,861	4,997,392
Customer deposits	631,268	561,385
Customer advances for construction	363,459	255,980
Accrued liabilities	469,906	390,660
Due to retirement trust	1,000,000	-
Current portion of long-term liabilities:		
Accrued employee compensated absences	116,062	56,698
Total current liabilities	<u>7,515,556</u>	<u>6,262,115</u>
Noncurrent:		
Accrued employee compensated absences	2,866,854	2,878,001
Other post-employment benefits	1,335,089	1,165,800
Total noncurrent liabilities	<u>4,201,943</u>	<u>4,043,801</u>
TOTAL LIABILITIES	11,717,499	10,305,916
NET ASSETS		
Invested in capital assets, net of related debt	68,670,917	67,560,509
Restricted for depreciation fund	2,635,206	4,265,768
Restricted for other post-employment benefits trust	1,344,829	1,169,499
Unrestricted	<u>23,883,108</u>	<u>20,607,806</u>
TOTAL NET ASSETS	\$ <u>96,534,060</u>	\$ <u>93,603,582</u>

See notes to financial statements

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT

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

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Operating Revenues:		
Electric sales, net of discounts of \$ 4,229,951 and \$ 4,323,198, respectively	\$ 82,546,941	\$ 87,511,283
Purchase power and fuel charge adjustments:		
Fuel charge adjustment	(785,180)	729,113
Purchase power adjustment	<u>3,203</u>	<u>1,055,105</u>
Total Operating Revenues	81,764,964	89,295,501
Operating Expenses:		
Purchase power	60,361,614	66,822,546
Operating	9,882,934	9,762,601
Maintenance	2,235,228	2,189,310
Environmental remediation (Gaw Substation)	-	1,386,395
Depreciation	3,552,330	3,452,749
Voluntary payments to towns	<u>1,351,568</u>	<u>1,330,070</u>
Total Operating Expenses	<u>77,383,674</u>	<u>84,943,671</u>
Operating Income	4,381,290	4,351,830
Nonoperating Revenues (Expenses):		
Contributions in aid of construction	17,226	65,692
Interest income	88,705	103,765
Interest expense	(1,460)	(2,005)
MMWEC refund	516,183	571,635
FEMA grant	325,007	-
Loss on disposal of capital assets	(563,957)	(371,491)
Return on investment to Town of Reading	(2,205,957)	(2,171,880)
Other	<u>373,441</u>	<u>236,172</u>
Total Nonoperating Revenues (Expenses), Net	<u>(1,450,812)</u>	<u>(1,568,112)</u>
Change in Net Assets	2,930,478	2,783,718
Net Assets at Beginning of Year	<u>93,603,582</u>	<u>90,819,864</u>
Net Assets at End of Year	<u>\$ 96,534,060</u>	<u>\$ 93,603,582</u>

See notes to financial statements.

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT

BUSINESS-TYPE PROPRIETARY FUND
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>Cash Flows From Operating Activities:</u>		
Receipts from customers and users	\$ 83,250,940	\$ 86,647,569
Payments to vendors and employees	(72,408,534)	(82,392,991)
Customer purchase power and fuel charge adjustments	<u>(781,977)</u>	<u>1,784,218</u>
Net Cash Provided By (Used For) Operating Activities	10,060,429	6,038,796
<u>Cash Flows From Noncapital Financing Activities:</u>		
Return on investment to Town of Reading	(2,205,957)	(2,171,880)
MMWEC refund	516,183	571,635
FEMA grant	325,007	-
Other	<u>373,441</u>	<u>236,171</u>
Net Cash Provided By (Used For) Noncapital Financing Activities	(991,326)	(1,364,074)
<u>Cash Flows From Capital and Related Financing Activities:</u>		
Acquisition and construction of capital assets	(5,226,695)	(4,503,250)
Interest expense	(1,460)	(2,005)
Contributions in aid of construction	<u>17,226</u>	<u>65,693</u>
Net Cash Provided By (Used For) Capital and Related Financing Activities	(5,210,929)	(4,439,562)
<u>Cash Flows From Investing Activities:</u>		
Investment income	88,705	103,765
(Increase) decrease in restricted cash and investments	<u>(585,553)</u>	<u>(1,910,065)</u>
Net Cash Provided By (Used For) Investing Activities	<u>(496,848)</u>	<u>(1,806,300)</u>
Net Change in Cash and Short-Term Investments	3,361,326	(1,571,140)
Unrestricted Cash and Short Term Investments, Beginning of Year	<u>6,596,634</u>	<u>8,167,774</u>
Unrestricted Cash and Short Term Investments, End of Year	<u>\$ 9,957,960</u>	<u>\$ 6,596,634</u>
<u>Reconciliation of Operating Income to Net Cash:</u>		
Operating income	\$ 4,381,290	\$ 4,351,830
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation expense	3,552,330	3,452,749
Other post-employment benefits	169,289	352,339
Changes in assets and liabilities:		
Accounts receivable	634,116	(925,903)
Prepaid and other assets	(9,798)	3,822
Inventory	90,908	48,326
Accounts payable	(62,531)	(1,190,866)
Accrued liabilities	127,463	(37,750)
Due to retirement trust	1,000,000	-
Other liabilities	<u>177,362</u>	<u>(15,751)</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 10,060,429</u>	<u>\$ 6,038,796</u>

See notes to financial statements.

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT

FIDUCIARY FUND - RETIREMENT TRUST
STATEMENTS OF FIDUCIARY NET ASSETS

JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and short-term investments	\$ 4,476,777	\$ 4,787,498
Investments	-	1,000,000
Due from proprietary fund	<u>1,000,000</u>	<u>-</u>
TOTAL ASSETS	<u>5,476,777</u>	<u>5,787,498</u>
NET ASSETS		
Net assets held in trust for pension benefits	\$ <u>5,476,777</u>	\$ <u>5,787,498</u>

See notes to financial statements.

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT

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

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Additions:		
Contributions from Reading Municipal Light Department	\$ 1,000,000	\$ 1,000,000
Interest and dividend income	<u>25,605</u>	<u>48,514</u>
Total additions	1,025,605	1,048,514
Deductions:		
Paid to Reading Contributory Retirement System	<u>1,336,326</u>	<u>1,278,695</u>
Total deductions	<u>1,336,326</u>	<u>1,278,695</u>
Net increase (decrease) in net assets	(310,721)	(230,181)
Net Assets Available for Benefits, Beginning of Year	<u>5,787,498</u>	<u>6,017,679</u>
Net Assets Available for Benefits, End of Year	<u><u>\$ 5,476,777</u></u>	<u><u>\$ 5,787,498</u></u>

See notes to financial statements.

Town of Reading, Massachusetts Municipal Light Department

Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

- E. Revenues - Revenues are based on rates established by the Department and filed with the DPU. Revenues from sales of electricity are recorded on the basis of bills rendered from monthly meter readings taken on a cycle basis and are stated net of discounts. Recognition is given to the amount of sales to customers which are unbilled at the end of the fiscal period.
- F. Cash and Short-term Investments - For the purposes of the Statement of Cash Flows, the Department considers both restricted and unrestricted cash on deposit with the Town Treasurer to be cash or short-term investments. For purpose of the Statement of Net Assets, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.
- G. Investments - State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from date of purchase.

Investments for the Department and the Trust consist of shares in the Massachusetts Municipal Depository Trust (MMDT) and money market mutual funds. Because of their immediate liquidity, these funds are classified as cash and short-term investments in the accompanying financial statements.

- H. Inventory - Inventory consists of parts and accessories purchased for use in the utility business for construction, operation, and maintenance purposes and is stated at average cost. Meters and transformers are capitalized when purchased.

- I. Capital Assets and Depreciation - Capital assets, which include property, plant, equipment, and utility plant infrastructure, are recorded at historical cost or estimated historical cost when purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

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

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

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

- J. Accrued Compensated Absences - Employee vacation leave is vested annually but may only be carried forward to the succeeding year with supervisor approval and, if appropriate, within the terms of the applicable Department policy or union contract. Generally, sick leave may accumulate according to union and Department contracts and policy, and is paid upon normal termination at the current rate of pay. The Department's policy is to recognize vacation costs at the time payments are made. The Department records accumulated, unused, vested sick pay as a liability. The amount recorded is the amount to be paid at termination at the current rate of pay.
- K. Long-Term Obligations - The proprietary fund financial statements report long-term debt and other long-term obligations as liabilities in the proprietary fund statement of net assets.
- L. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenues and expenses during the fiscal year. Actual results could vary from estimates that were used.
- M. Rate of Return - The Department's rates must be set such that earnings attributable to electric operations do not exceed eight percent of the net cost of plant. The audited financial statements are prepared in accord-

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

2. **Cash and Short-Term Investments**

Cash and short-term investments as of June 30, 2012 are classified in the accompanying financial statements as follows:

Statement of net assets:

Unrestricted cash and short-term investments	\$ 9,957,960
Restricted cash and short-term investments	19,187,119

Fiduciary funds:

Cash and short-term investments	<u>4,476,777</u>
Total cash and investments	\$ 33,621,856

Cash and short-term investments at June 30, 2012 consist of the following:

Cash on hand	\$ 2,024
Deposits with financial institutions	<u>33,619,832</u>
Total cash investments	\$ 33,621,856

Disclosures Relating to Interest Rate Risk

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

over time as necessary to provide the cash flow and liquidity needed for operations.

As of June 30, 2012, all Department (including the Pension Trust) monies were held in pooled investments with the Massachusetts Municipal Depository Trust (MMDT) and other money market mutual funds. Because of their immediate liquidity, these funds are classified as cash and short-term investments in the accompanying financial statements and are not considered to be exposed to significant interest rate risk.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assigning of a rating by a nationally recognized statistical rating organization. As of June 30, 2012, none of the Department's (including Pension Trust) short-term investments were exposed to significant credit risk.

Concentration of Credit Risk

The Department follows the Town of Reading's investment policy, which does not limit the amount that can be invested in any one issuer beyond that stipulated by Massachusetts General Laws. At June 30, 2012, the Department's (including Pension Trust) short-term investments were held in MMDT's investment pool and the Federated Prime Cash Obligations Fund, an open-end money market fund which invests primarily in a portfolio of short-term, high-quality, fixed income securities issued by banks, corporations, and the U.S. government.

Custodial Credit Risk

Custodial Credit Risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the Department will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Department will not be able to recover the value of its investments or collateral securities that are in the possession of another party. Massachusetts General Laws, Chapter 44, Section 55, limits deposits "in a bank or trust company or banking company to an amount not exceeding sixty per cent of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." The Department follows the Massachusetts statute as written, as well as the Town of Reading's deposit policy for custodial credit risk.

Because the Department pools its cash with the Town of Reading, the specific custodial credit risk of the Department's deposits could not be determined at June 30, 2012.

As of June 30, 2012, none of the Department's (including Pension Trust) short-term mutual fund investments were exposed to custodial credit risk.

3. **Restricted Cash and Investments**

Restricted cash and investments consist of the following at June 30, 2012:

	<u>Cash</u>
Depreciation fund	\$ 2,635,206
Construction fund	2,000,000
Deferred fuel reserve	2,270,044
Deferred energy conservation reserve	293,161
OPEB reserve	1,344,829
Rate stabilization	6,679,695
Reserve for uncollectible accounts	200,000
Sick leave benefits	2,982,916
Hazardous waste fund	150,000
Customer deposits	<u>631,268</u>
Total	<u>\$ 19,187,119</u>

The Department maintains the following restricted cash accounts:

- Depreciation fund - The Department is normally required to reserve 3.0% of capital assets each year to fund capital improvements.
- Construction fund - This represents additional funds set aside to fund capital expenditures.
- Deferred fuel reserve - The Department transfers the difference between the customers' monthly fuel charge adjustment and actual fuel costs into this account to be used in the event of a sudden increase in fuel costs.
- Deferred energy conservation reserve - This account is used to reserve monies collected from a special energy charge added to customer bills. Customers who undertake measures to conserve and improve energy efficiency can apply for rebates that are paid from this account.
- OPEB reserve - This account is used to account for the Department's contributions to fund its actuarially determined Other Post-Employment Benefits (OPEB) liability.

- Rate stabilization - This represents amounts set aside to help stabilize cost increases resulting from fluctuations in purchase power costs.
- Reserve for uncollectible accounts - This account was set up to offset a portion of the Department's bad debt reserve.
- Sick leave benefits - This account is used to offset the Department's actuarially determined compensated absence liability.
- Hazardous waste fund - This reserve was set up by the Board of Commissioners to cover the Department's insurance deductible in the event of a major hazardous materials incident.
- Customer deposits - Customer deposits that are held in escrow.

4. **Accounts Receivable**

Accounts receivable consists of the following at June 30, 2012:

Customer Accounts:

Billed	\$ 2,646,502	
Less allowances:		
Uncollectible accounts	(200,000)	
Sales discounts	<u>(249,097)</u>	
Total billed		2,197,405
Unbilled, net		<u>4,915,937</u>
Total customer accounts		<u>7,113,342</u>

Other Accounts:

Merchandise sales	118,886	
MMWEC flush	516,183	
FEMA grant	325,007	
Liens and other	<u>42,304</u>	
Total other accounts		<u>1,002,380</u>
Total net receivables		<u>\$ 8,115,722</u>

5. **Prepaid Expenses**

Prepaid expenses consist of the following:

Insurances	\$ 303,507
Purchase power	54,868
PASNY prepayment fund	241,849
WC Fuel - Watson	<u>162,706</u>
Total	<u>\$ 762,930</u>

6. Inventory

Inventory is comprised of supplies and materials at June 30, 2012, and is valued using the average cost method.

7. Investment in Associated Companies

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

Investment in associated companies consists of the following, at June 30, 2012:

New England Hydro-Transmission Electric Company, Inc.	\$ 2,976
New England Hydro-Transmission Corporation	<u>58,598</u>
Total	<u>\$ 61,574</u>

8. Capital Assets

The following is a summary of fiscal year 2012 activity in capital assets (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Structures and improvements	\$ 13,667	\$ 367	\$ -	\$ 14,034
Equipment and furnishings	30,364	252	(145)	30,471
Infrastructure	<u>74,662</u>	<u>4,608</u>	<u>(1,588)</u>	<u>77,682</u>
Total capital assets, being depreciated	118,693	5,227	(1,733)	122,187
Less accumulated depreciation for:				
Structures and improvements	(7,158)	(391)	-	(7,549)
Equipment and furnishings	(17,617)	(969)	145	(18,441)
Infrastructure	<u>(27,624)</u>	<u>(2,192)</u>	<u>1,024</u>	<u>(28,792)</u>
Total accumulated depreciation	<u>(52,399)</u>	<u>(3,552)</u>	<u>1,169</u>	<u>(54,782)</u>
Total capital assets, being depreciated, net	66,294	1,675	(564)	67,405
Capital assets, not being depreciated:				
Land	<u>1,266</u>	<u>-</u>	<u>-</u>	<u>1,266</u>
Total capital assets, not being depreciated	<u>1,266</u>	<u>-</u>	<u>-</u>	<u>1,266</u>
Capital assets, net	<u>\$ 67,560</u>	<u>\$ 1,675</u>	<u>\$ (564)</u>	<u>\$ 68,671</u>

9. Accounts Payable

Accounts payable represent fiscal 2012 expenses that were paid after June 30, 2012.

10. Customer Deposits

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

11. Customer Advances for Construction

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

12. Accrued Liabilities

Accrued liabilities consist of the following at June 30, 2012:

Accrued payroll	\$ 268,823
Accrued sales tax	188,244
Other	<u>12,839</u>
Total	<u>\$ 469,906</u>

13. Due to Retirement Trust

This balance represents the Department's fiscal year 2012 contribution to the Reading Municipal Light Department Employees' Pension Trust, which was a cash transfer in transit at June 30, 2012.

14. Accrued Employee Compensated Absences

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

15. Restricted Net Assets

The proprietary fund financial statements report restricted net assets when external constraints are placed on net assets. Specifically, restricted net

assets represent depreciation fund reserves, which are restricted for future capital costs.

16. Post-Employment Health Care and Life Insurance Benefits

Other Post-Employment Benefits

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

A. Plan Description

In addition to providing the pension benefits described in Note 17, the Department provides post-employment health and life insurance benefits for retired employees through the Town of Reading's Massachusetts Inter-local Insurance Association (MIIA) Health Benefits Trust. Benefits, benefit levels, employee contributions and employer contributions are governed by Chapter 32 of the Massachusetts General Laws. As of June 30, 2011, the actuarial valuation date, approximately 73 retirees and 50 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

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

C. Funding Policy

As of the June 30, 2011, the actuarial valuation date, retirees were required to contribute 29% of the cost of the medical and prescription drug plan, as determined by the MIIA Health Benefits Trust. Retirees also contribute 50% of the premium for a \$ 5,000 life insurance benefit. The Department contributes the remainder of the medical, prescription drug, and life insurance plan costs on a pay-as-you-go basis

D. Annual OPEB Costs and Net OPEB Obligation

The Department's fiscal 2012 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of twenty years. The following table shows the components of the Department's annual OPEB cost for the year ending June 30, 2012, the amount actually contributed to the plan, and the change in the Department's net OPEB obligation based on an actuarial valuation as of June 30, 2011.

Annual Required Contribution (ARC)	\$ 494,220
Interest on net OPEB obligation	<u>93,725</u>
Annual OPEB cost	587,945
Contributions made	<u>(418,656)</u>
Increase in net OPEB obligation	169,289
Net OPEB obligation - beginning of year	<u>1,165,800</u>
Net OPEB obligation - end of year	<u>\$ 1,335,089</u>

The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2012 and the two preceding fiscal years were as follows:

<u>Fiscal year ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 587,945	71.21%	\$ 1,335,089
2011	\$ 905,981	61.11%	\$ 1,165,800
2010	\$ 878,668	57.09%	\$ 813,461

The Department's net OPEB obligation as of June 30, 2012 is recorded as a component of the "noncurrent liabilities" line item in the Statements of Net Assets.

E. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 8,643,438
Actuarial value of plan assets	<u>1,167,161</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 7,476,277</u>
Funded ratio (actuarial value of plan assets/AAL)	13.5%
Covered payroll (active plan members)	N/A
UAAL as a percentage of covered payroll	N/A

In fiscal year 2010, the Department's Board of Commissioners voted to accept the provisions of Massachusetts General Law Chapter 32B §20, to create an *Other Post Employment Benefits Liability Trust Fund* as a mechanism to set aside monies to fund its OPEB liability. In fiscal year 2012, the department contributed \$ 169,289 to this fund, which was equal to its actuarially determined annual contribution. Because these monies are not held in an irrevocable trust supported by a trust instrument, as required by GASB 45, they are reported as restricted net assets on the Department's Statements of Net Assets. However, the monies set aside by the Department are actuarially considered to be Department plan assets in the June 30, 2011 OPEB actuarial valuation report.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

F. Actuarial Methods and Assumptions

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

In the June 30, 2011 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The Department's actuarial value of assets was

\$ 1,167,161. The actuarial assumptions included a 7.75% investment rate of return and an initial annual health care cost trend rate of 9.0% which decreases to a 5.0% long-term rate for all health care benefits after seven years. The amortization costs for the initial UAAL is a level percentage of payroll amortization, with amortization payments increasing at 2.5% per year for a period of 20 years.

17. **Pension Plan**

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

A. Plan Description

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

B. Funding Policy

Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Department is required to pay into the System its share of the remaining system wide actuarially determined contribution plus administration costs which are apportioned among the employers based on active covered payroll. The contributions of plan members and the Department are governed by Chapter 32 of the Massachusetts General Laws. The Department's contributions to the System for the years ended June 30, 2012, 2011, and 2010 were \$ 1,336,326, \$ 1,278,695, and \$ 919,336, respectively, which were equal to its annual required contributions for each of these years.

18. Participation in Massachusetts Municipal Wholesale Electric Company

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

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

MMWEC has issued separate issues of revenue bonds for each of its eight Projects, which are payable solely from, and secured solely by, the revenues derived from the Project to which the bonds relate, plus available funds pledged under MMWEC's Amended and Restated General Bond Resolution (GBR) with respect to the bonds of that Project. The MMWEC revenues derived from each Project are used solely to provide for the payment of the bonds of any bond issue relating to such Project and to pay MMWEC's cost of owning and operating such Project and are not used to provide for the payment of the bonds of any bond issue relating to any other Project.

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

nuclear unit. The operating license for the Millstone Unit 3 nuclear unit extends to November 25, 2045.

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

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

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

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

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

Total capital expenditures for MMWEC's Projects amounted to \$ 1,586,581,000, of which \$ 113,528,000 represents the amount associated with the Department's share of Project Capability of the Projects in which it participates, although such amount is not allocated to the Department. MMWEC's debt outstanding for the Projects includes Power Supply Project Revenue Bonds totaling \$ 284,005,000, of which \$ 12,913,000 is associated with the Department's share of Project Capability of the Projects in which it participates, although such amount is not allocated to the Department. After the July 1, 2012 principal payment, MMWEC's total future debt service requirement on outstand-

ing bonds issued for the Projects is \$ 308,241,000, of which \$ 13,478,000 is anticipated to be billed to the Department in the future.

The estimated aggregate amount of Reading Municipal Light Department's required payments under the PSAs and PPAs, exclusive of the Reserve and Contingency Fund billings, to MMWEC at June 30, 2012 and estimated for future years is shown below.

	<u>Annual Costs</u>
For years ended June 30, 2013	\$ 4,042,000
2014	3,552,000
2015	2,574,000
2016	2,700,000
2017	1,472,000
2018 - 2020	<u>(862,000)</u>
Total	<u>\$ 13,478,000</u>

In addition, under the PSAs, the Department is required to pay to MMWEC its share of the Operation and Maintenance (O&M) costs of the Projects in which it participates. The Department's total O&M costs including debt service under the PSAs were \$ 12,596,000 and \$ 14,350,000 for the years ended June 30, 2012 and 2011, respectively.

19. Renewable Energy Certificates

In 2003, the Massachusetts Department of Energy and Environmental Affairs adopted the Massachusetts Renewable Energy Portfolio Standard (RPS), a regulation that requires Investor Owned Utilities (IOUs) to purchase mandated amounts of energy generated by renewable resources (Green Energy) as a percentage of their overall electricity sales. The Massachusetts RPS applies only to IOUs, so the Department is currently exempt from this mandate.

Energy suppliers meet their annual RPS obligations by acquiring a sufficient quantity of RPS-qualified renewable energy certificates (RECs) that are created and recorded at the New England Power Pool (NEPOOL) Generation Information System (GIS). Suppliers can purchase RECs from electricity generators or from other utilities that have acquired RECs.

As part of its ongoing commitment to Green Energy, the Department has entered into Purchase Power Agreements (PPAs) with Swift River Hydro LLC and Concord Steam Corporation to purchase power generated from renewable energy resources. These PPA's include the Department taking title to RECs, which certify that the energy produced was the product of a renewable resource. Because the Department is exempt from the RPS

provisions, it has the option of holding these RECs until they expire or selling them through the NEPOOL GIS.

In fiscal year 2012, the Department sold all of its 2011 Connecticut Class I REC holdings and retired all of its 2011 Connecticut Class II REC holdings, which expired on June 15, 2012. Proceeds totaling \$ 344,470 from the sale of the Class I REC holdings were netted against the Department's fiscal year 2012 purchased power fuel charge.

At June 30, 2012, the Department held a total of 13,192 additional Class I and Class II RECs with an estimated market value of \$ 401,980. Because there are no clear accounting guidelines for RECs and the Department does not have a formal policy for the future disposition of these RECs, they are not reported as an asset on the Statements of Net Assets.

20. Leases

Related Party Transaction - Property Sub-Lease

The Department is sub-leasing facilities to the Reading Town Employees Federal Credit Union. The original sub-lease agreement commenced in December 2000 and was extended by various amendments through November 30, 2011. An additional amendment, effective December 1, 2011, extends the lease through November 30, 2014. The following is the future minimum rental income for the years ending June 30:

2013	\$ 8,712
2014	8,712
2015	<u>3,630</u>
Total	<u>\$ 21,054</u>

READING, MASSACHUSETTS, MUNICIPAL LIGHT DEPARTMENT

SCHEDULE OF FUNDING PROGRESS

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2012

(Unaudited)

Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
06/30/08	\$ -	\$ 8,085,388	\$ 8,085,388	0.0%	N/A	N/A
06/30/11	\$ 1,167,161	\$ 8,643,438	\$ 7,476,277	13.5%	N/A	N/A

See Independent Auditors' Report.



RMLD Board of Commissioners Committees and Assignments March 2012 to March 2013
August 29, 2012

Budget Committee

Philip Pacino, Chair
Marsie West
Vacant

Recommend Operating and Capital Budgets to the Board.
Recommend actuaries and actuary findings to the Board.
Make recommendation to RMLD Board for legal counsel.

Power & Rate Committee (All Board Members)

Recommend power contracts to the Board.
Recommend rate changes to the Board.

Audit (Including Town of Reading Audit)

Marsie West
Robert Soli

Recommend audit findings to the Board.
One member of Audit Committee meets at least semiannually with the Accounting/Business Manager on RMLD financial issues.

Town of Reading Audit Committee – Sit on the Town of Reading Audit Committee and select firm that performs annual financial audit or RMLD pension trust.

This term expires on June 30, 2013.

General Manager Committee

Philip Pacino, Chair
Gina Snyder
Vacant

Review GM evaluation process.

General Manager Search Committee

Philip Pacino, Chair
Marsie West

Recommend the RMLD General Manager.

Policy Committee

Robert Soli, Chair
Gina Snyder
Marsie West

Recommend changes of Board policies to RMLB.

Public Relations Committee

John Stempeck
Marsie West

From time to time review press releases and public relations programs.

Joint Committee-Payment to the Town of Reading

Philip Pacino
Robert Soli
Two RMLD Board of Commissioners
Two Citizens' Advisory Board Members
One Reading Selectmen

Recommend to the RMLD Board payment to the Town of Reading.

Assignments

Accounts Payable

John Stempeck
Philip Pacino
Marsie West
Gina Snyder (First Backup)
Robert Soli (Second Backup)

Review and approve payables on a weekly basis. This position is rotational. It requires three primary signers and one back up. No Commissioner may serve more than three consecutive years on this Committee and must take a year leave before returning to this Committee.

Assignments

Payroll – Four Month Rotation

Marsie West, April-July
Philip Pacino, August-November
John Stempeck, December-March
Gina Snyder (First Backup)

Review and approve payroll. This position is rotational every four months. It requires primary signer and one back-up. No Commissioner can serve more than three consecutive years on this Committee and must take a year leave before returning to this Committee.



To: Vincent Cameron

From: Energy Services

Date: September 11, 2012

Subject: Purchase Power Summary – July, 2012

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

ENERGY

The RMLD's total metered load for the month was 73,790,509 kwh, which is a 1.75% decrease from the July, 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	3,673,174	\$6.99	4.97%	\$25,667	0.72%
Seabrook	4,967,044	\$8.13	6.72%	\$40,362	1.13%
Stonybrook Intermediate	4,547,885	\$47.54	6.15%	\$216,194	6.04%
JP Morgan	12,749,000	\$56.10	17.25%	\$715,224	19.97%
NextEra	13,280,000	\$46.61	17.97%	\$618,988	17.28%
NYPA	1,773,483	\$4.92	2.40%	\$8,726	0.24%
ISO Interchange	8,535,238	\$42.85	11.55%	\$365,735	10.21%
NEMA Congestion	0	\$0.00	0.00%	-\$36,692	-1.02%
Coop Resales	102,036	\$131.86	0.14%	\$13,455	0.38%
MacQuarie	22,398,000	\$66.08	30.31%	\$1,480,063	41.32%
Summit Hydro	186,856	\$7,920.88	0.25%	\$10,410	0.29%
Braintree Watson Unit	1,289,489	\$58.03	1.75%	\$74,832	2.09%
Swift River Projects	249,535	\$97.76	0.34%	\$24,395	0.68%
Stonybrook Peaking	140,362	\$173.52	0.19%	\$24,356	0.68%
Monthly Total	73,892,102	\$48.47	100.00%	\$3,581,715	100.00%

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

Table 2

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP *	10,235,335	49.42	13.85%
Settlement			
RT Net Energy **	-1,700,098	82.98	-2.30%
Settlement			
ISO Interchange (subtotal)	8,535,238	42.85	11.55%

* Independent System Operator Day-Ahead Locational Marginal Price

** Real Time Net Energy

CAPACITY

The RMLD hit a demand of 163,785 kW, which occurred on July 17, 2012 at 5 pm. The RMLD's monthly UCAP requirement for July, 2012 was 210,706 kW.

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

Table 3

Source	Amount (kW)	Cost (\$/kW-month)	Total Cost \$	% of Total Cost
Millstone #3	4,991	51.71	\$258,076	16.68%
Seabrook	7,742	51.01	\$394,926	25.53%
Stonybrook Peaking	24,981	1.95	\$48,837	3.16%
Stonybrook CC	42,925	3.85	\$165,276	10.68%
NYP&A	4,019	3.57	\$14,347	0.93%
Hydro Quebec	4,584	4.75	\$21,794	1.41%
Nextera	60,000	5.50	\$330,000	21.33%
Braintree Watson Unit	10,520	10.98	\$115,535	7.47%
ISO-NE Supply Auction	50,944	3.89	\$198,283	12.82%
Total	210,706	\$7.34	\$1,547,074	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	\$25,667	\$258,076	\$283,742	5.53%	3,673,174	0.0772
Seabrook	\$40,362	\$394,926	\$435,288	8.49%	4,967,044	0.0876
Stonybrook Intermediate	\$216,194	\$165,276	\$381,470	7.44%	4,547,885	0.0839
Hydro Quebec	\$0	\$21,794	\$21,794	0.42%	-	0.0000
JP Morgan	\$715,224	\$0	\$715,224	13.95%	12,749,000	0.0561
NextEra	\$618,988	\$330,000	\$948,988	18.50%	13,280,000	0.0715
* NYPA	\$8,726	\$14,347	\$23,073	0.45%	1,773,483	0.0130
ISO Interchange	\$365,735	\$198,283	\$564,019	11.00%	8,535,238	0.0661
Nema Congestion	-\$36,692	\$0	-\$36,692	-0.72%	-	0.0000
MacQuarie	\$1,480,063	\$0	\$1,480,063	28.86%	22,398,000	0.0661
* Summit Hydro	\$10,410	\$0	\$10,410	0.20%	186,856	0.0557
Braintree Watson Unit	\$74,832	\$115,535	\$190,367	3.71%	1,289,489	0.1476
* Swift River Projects	\$24,395	\$0	\$24,395	0.48%	249,535	0.0978
Coop Resales	\$13,455	\$0	\$13,455	0.26%	102,036	0.1319
Stonybrook Peaking	\$24,356	\$48,837	\$73,193	1.43%	140,362	0.5215
Monthly Total	\$3,581,715	\$1,547,074	\$5,128,789	100.00%	73,892,102	0.0694

* Renewable Resources

TRANSMISSION

The RMLD's total transmission costs for the month of July were \$1,140,284. This is a increase of 76.7% from the June transmission cost of \$645,305. In July, 2011 the transmission cost were \$855,671.

Table 5

	Current Month	Last Month	Last Year
Peak Demand (kW)	163,785	163,070	170,351
Energy (kWh)	73,892,102	62,753,418	75,197,704
Energy (\$)	\$3,581,715	\$3,017,804	\$4,131,397
Capacity (\$)	\$1,547,074	\$1,519,690	\$1,391,058
Transmission (\$)	\$1,140,284	\$645,305	\$855,671
Total	\$6,269,073	\$5,182,799	\$6,378,125



To: Vincent Cameron

From: Energy Services

Date: September 26, 2012

Subject: Purchase Power Summary – August, 2012

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

ENERGY

The RMLD's total metered load for the month was 74,716,651 kwh, which is a 6.9% increase from the August, 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	3,649,222	\$6.99	4.86%	\$25,499	0.71%
Seabrook	4,994,451	\$8.12	6.66%	\$40,577	1.13%
Stonybrook Intermediate	4,387,167	\$37.67	5.85%	\$165,248	4.62%
JP Morgan	18,380,760	\$53.32	24.50%	\$980,146	27.39%
NextEra	12,933,000	\$47.16	17.24%	\$609,904	17.04%
NYPA	1,847,224	\$4.92	2.46%	\$9,088	0.25%
ISO Interchange	3,523,239	\$25.98	4.70%	\$91,543	2.56%
NEMA Congestion	0	\$0.00	0.00%	-\$40,460	-1.13%
Coop Resales	104,841	\$131.85	0.14%	\$13,823	0.39%
MacQuarie	23,114,000	\$66.84	30.81%	\$1,545,029	43.17%
Summit Hydro	240,613	\$6,421.22	0.32%	\$13,539	0.38%
Braintree Watson Unit	1,465,902	\$49.96	1.95%	\$73,230	2.05%
Swift River Projects	191,251	\$96.15	0.25%	\$18,389	0.51%
Stonybrook Peaking	189,152	\$174.75	0.25%	\$33,054	0.92%
Monthly Total	75,020,822	\$47.70	100.00%	\$3,578,611	100.00%

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

Table 2

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP *	4,839,306	38.96	6.45%
Settlement			
RT Net Energy **	-1,316,068	73.70	-1.75%
Settlement			
ISO Interchange (subtotal)	3,523,239	25.98	4.70%

* Independent System Operator Day-Ahead Locational Marginal Price

** Real Time Net Energy

CAPACITY

The RMLD hit a demand of 153,945 kW, which occurred on August 3, 2012 at 4 pm. The RMLD's monthly UCAP requirement for August, 2012 was 210,736 kW.

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

Table 3

Source	Amount (kW)	Cost (\$/kW-month)	Total Cost \$	% of Total Cost
Millstone #3	4,991	51.70	\$258,031	16.97%
Seabrook	7,742	51.02	\$394,980	25.97%
Stonybrook Peaking	24,981	1.94	\$48,542	3.19%
Stonybrook CC	42,925	3.81	\$163,614	10.76%
NYP&A	4,019	3.57	\$14,347	0.94%
Hydro Quebec	4,584	3.95	\$18,116	1.19%
Nextera	60,000	5.50	\$330,000	21.70%
Braintree Watson Unit	10,520	10.52	\$110,639	7.27%
ISO-NE Supply Auction	50,974	3.58	\$182,574	12.00%
Total	210,736	\$7.22	\$1,520,844	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	\$25,499	\$258,031	\$283,530	5.56%	3,649,222	0.0777
Seabrook	\$40,577	\$394,980	\$435,557	8.54%	4,994,451	0.0872
Stonybrook Intermediate	\$165,248	\$163,614	\$328,863	6.45%	4,387,167	0.0750
Hydro Quebec	\$0	\$18,116	\$18,116	0.36%	-	0.0000
JP Morgan	\$980,146	\$0	\$980,146	19.22%	18,380,760	0.0533
NextEra	\$609,904	\$330,000	\$939,904	18.43%	12,933,000	0.0727
* NYPA	\$9,088	\$14,347	\$23,436	0.46%	1,847,224	0.0127
ISO Interchange	\$91,543	\$182,574	\$274,117	5.38%	3,523,239	0.0778
Nema Congestion	-\$40,460	\$0	-\$40,460	-0.79%	-	0.0000
MacQuarie	\$1,545,029	\$0	\$1,545,029	30.30%	23,114,000	0.0668
* Summit Hydro	\$13,539	\$0	\$13,539	0.27%	240,613	0.0563
Braintree Watson Unit	\$73,230	\$110,639	\$183,869	3.61%	1,465,902	0.1254
* Swift River Projects	\$18,389	\$0	\$18,389	0.36%	191,251	0.0962
Coop Resales	\$13,823	\$0	\$13,823	0.27%	104,841	0.1318
Stonybrook Peaking	\$33,054	\$48,542	\$81,596	1.60%	189,152	0.4314
Monthly Total	\$3,578,611	\$1,520,844	\$5,099,455	100.00%	75,020,822	0.0680

* Renewable Resources

TRANSMISSION

The RMLD's total transmission costs for the month of August were \$1,065,565. This is a decrease of 6.55% from the July transmission cost of \$1,140,284. In August, 2011 the transmission cost were \$960,534.

Table 5

	Current Month	Last Month	Last Year
Peak Demand (kW)	153,945	163,785	144,051
Energy (kWh)	75,020,822	73,892,102	69,647,480
Energy (\$)	\$3,578,611	\$3,581,715	\$3,795,608
Capacity (\$)	\$1,520,844	\$1,547,074	\$1,412,039
Transmission (\$)	\$1,065,565	\$1,140,284	\$960,534
Total	\$6,165,020	\$6,269,073	\$6,168,181

ENERGY EFFICIENCY

Table 6 shows the comprehensive results from the Energy Conservation program. The amount of savings is broken down by both demand and energy for the Commercial and Residential sectors.

2013 Preliminary Data:

Commercial	Year	Total \$			Total \$		
		Capacity Saved (kWh)	Energy Saved (kWh)	\$/kW	Energy	\$/kWh	Rebate
Total to date	FY07-12	7,597	32,061,914	\$ 664,001	187,3797	\$ 1,059,834	\$ 0.03
Current	FY13	288	1,364,189	\$ 31,130	54,568	\$ 0.04	\$ 0.06
				\$ 9.00		\$ 79,723	\$ 276.59
							\$ 5,974

Total to date	FY07-12	1,157	1,104,935	\$ 104,014	59,037	\$ 423,996	\$ 0.38
Current	FY13	39	14,597	\$ 4,249	584	\$ 8,125	\$ 0.56
				\$ 9.00		\$ 206.50	\$ (3,292)
							\$ (260,944.83)

Total to date	FY07-12	8,754	33,166,849	\$ 768,016	1,932,834	\$ 1,508,830	\$ 0.05
Current	FY13	328	1,378,786	\$ 35,379	55,151	\$ 87,848	\$ 0.06
				\$ 9.00		\$ 268.17	\$ 1,192,020.07
							\$ 2,683

Table 7 shows the breakdown for residential appliance rebates by type and year.

Year	Washing Machine		Refrigerator		Dishwasher		Dehumidifier		Central A/C		Window A/C		Thermostat		Audits		Renewable		HP Water Heater		Fan	
	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars
2007																						
2008	86	\$ 4,300	47	\$ 2,350	55	\$ 2,750	7	\$ 175	17	\$ 1,700	10	\$ 250	23	\$ 230	107	\$ 14,940						
2009	406	\$ 20,300	259	\$ 12,950	235	\$ 11,750	40	\$ 1,000	41	\$ 4,100	50	\$ 1,250	114	\$ 1,140	107	\$ 14,940						
2010	519	\$ 25,950	371	\$ 18,550	382	\$ 19,100	37	\$ 925	64	\$ 6,400	49	\$ 1,225	127	\$ 1,270	64	\$ 8,960	6	\$ 20,700				
2011	425	\$ 21,250	383	\$ 19,150	313	\$ 15,650	47	\$ 1,175	57	\$ 5,700	65	\$ 1,625	118	\$ 1,180	180	\$ 26,960	4	\$ 18,000				
2012	339	\$ 16,950	354	\$ 17,700	289	\$ 14,450	38	\$ 950	44	\$ 4,400	56	\$ 1,400	105	\$ 1,050	219	\$ 32,731	3	\$ 14,000	9	\$ 2,250	3	\$ 30
2013	44	\$ 2,200	52	\$ 2,600	28	\$ 1,400	8	\$ 200	6	\$ 600	23	\$ 575	5	\$ 50	0	\$ -	0	\$ -	2	\$ 500	0	\$ -
Total	1819	\$ 90,950	1466	\$ 73,300	1302	\$ 65,100	177	\$ 4,425	229	\$ 22,900	253	\$ 6,325	492	\$ 4,920	677	\$ 98,531	13	\$ 52,700	11	\$ 2,750	3	\$ 30

ENERGY SERVICES DIVISION

TO: VINCENT CAMERON
FROM: ENERGY SERVICES *WS*
SUBJECT: 2012 RENEWABLE ENERGY CERTIFICATES UPDATE
DATE: 9/27/2012

The attached spreadsheet summarizes the Renewable Energy Certificates (RECs) currently being held by RMLD (quarter 1, 2012) and RECs which will be transferred to RMLD on 10/15/2012 (quarter 2, 2012). All RECs were generated by the Swift River Hydro units currently in the RMLD power supply portfolio. All of the RECs currently being held by the RMLD are from 2012.

The RECs currently being generated by the Swift River Hydro projects are qualified for sale in markets in several different states. Woronoco RECs are qualified for sale in Connecticut and Massachusetts. Pepperell is qualified in Connecticut and Rhode Island. Indian River is qualified in Connecticut. Turners Falls is only qualified for Connecticut CEO RECs which have no market value.

The Swift River Hydro Projects under agreement with RMLD have generated a total of 13,192 RECs through June, 2012. The estimated value of the RECs is \$569,854. This amount is based on the latest market information available for REC sales (9/21/12 attached). The estimated value is a maximum dollar estimate. Different combinations of sales in different markets would yield a different dollar outcome.

Q1 & Q2 Rec Summary for RMLD

			\$53.00	\$0.45	\$62.50	\$24.75
			Co-Qualified RECS			
			37.50%	62.50%	36.66%	63.34%
Woronoco			CT	CT	MA	MA
Month	kWh	Rec Total	<u>Class I</u>	<u>Class II</u>	<u>Class I</u>	<u>Class II</u>
January	1,365,000	1,365	512	853	500	865
February	1,219,000	1,219	457	762	447	772
March	1,287,000	1,287	483	804	472	815
April 2012	711,926	712	267	445	261	451
May 2012	1,398,879	1,399	525	874	513	886
June 2012	848,105	848	318	530	311	537
Total Q1	3,871,000	3,871	1,452	2,419 0	1,419	2,452
Total Q2	2,958,910	2,959	1,110	1,849	1,085	1,874
Total	6,829,910	6,830	2,561	4,269	2,504	4,326
Est. Value			\$135,744	\$1,921	\$156,490	\$107,070

			\$53.00	\$62.75	\$0.63
			Co-Qualified RECS		
			100%	53%	47%
Pepperell			CT-1	RI New	RI Existing
Month	kWh	Rec	<u>CT-1</u>	<u>RI New</u>	<u>RI Existing</u>
January	730,000	730	730	387	343
February	627,000	627	627	332	295
March	703,000	703	703	373	330
April 2012	447,541	448	448	237	210
May 2012	659,656	660	660	350	310
June 2012	512,244	512	512	271	241
Total Q1	2,060,000	2060	2060	1,092	968
Total Q2	1,619,441	1619	1619	858	761
Total	3,679,441	3679	3679	1950	1729
Est. Value			\$195,010	\$122,369	\$1,081

			\$53.00
Indian River			100%
Month	kWh	Rec	<u>CT-1</u>
January	303,000	303	303
February	332,000	332	332
March	436,000	436	436
April 2012	243,256	243	243
May 2012	480,611	481	481
June 2012	304,824	305	305
Total Q1	1,071,000	1071	1071
Total Q2	1,028,691	1029	1029
Total	2,099,691	2100	2100
Est. Value			\$111,284

			\$
Turner's Falls			100%
Month	kWh	Rec	<u>CT-CEO</u>
January	43000	43	43
February	0	0	0
March	284000	284	284
April 2012	151,770	152	152
May 2012	104,677	105	105
June 2012	0	0	0
Total Q1	327,000	327	327
Total Q2	256,447	256	256
Total	583,447	583	583
Est. Value			\$

Total	13,192	Total	Est. Value	\$569,854
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September 21, 2012

ICAP United, Inc

Ph: 281.340.8300

Fax: 281.340.8308

www.icapenergy.com/us/emissions

Emissions			PJM			NEPOOL		
CSAPR Annual NOx	Bid	Offer	NY Class I	Bid	Offer	MA Class I	Bid	Offer
2012	10	65	RY 2011	2.60	-	2012	62.00	63.00
2013	-	-	RY 2012	3.50	3.70	2013	61.25	62.50
CSAPR Seasonal NOx	Bid	Offer	RY 2013	3.60	3.75	2014	55.50	56.50
2012	10	65	RY 2014	3.60	3.90	2015	45.50	48.00
2013	-	-	RY 2013-2015	-	-	2016	40.50	43.00
CSAPR SO2 Group 1	Bid	Offer	NY Class II	Bid	Offer	MA Class II Waste	Bid	Offer
2012	10	65	RY 2012	1.85	2.10	2012	6.00	7.50
2013	-	-	RY 2013	2.40	3.50	2013	6.50	8.00
CSAPR SO2 Group 2	Bid	Offer	RY 2014	2.50	3.55	MA Class II Non-Waste	Bid	Offer
2012	10	65	PA Tier I	Bid	Offer	2012	23.50	26.00
2013	-	-	RY 2010	2.00	-	2013	-	26.50
CAIR Annual NOx	Bid	Offer	RY 2011	2.60	-	2014	-	-
2011	15	40	RY 2012	3.50	3.70	MA APS	Bid	Offer
2012	25	50	RY 2013	3.60	3.75	2012	19.25	-
CAIR Seasonal NOx	Bid	Offer	RY 2014	3.60	3.90	2013	19.75	-
2012	10.00	20.00	PA Tier II	Bid	Offer	CT Class I	Bid	Offer
CAIR SO2	Bid	Offer	RY 2010	-	0.08	Q1 2012	55.00	60.00
2009	1.00	2.50	RY 2011	-	0.10	2012	52.00	54.00
2012	0.50	1.00	RY 2012	-	0.15	2013	51.50	52.50
RGGI	Bid	Offer	DE New	Bid	Offer	2014	45.50	48.00
Dec'12 v'12	1.92	1.98	CY 2010	1.75	-	2015	32.00	38.00
HGB NOx	Bid	Offer	CY 2011	3.45	3.75	CT Class II	Bid	Offer
2010	250	500	CY 2012	3.60	3.90	2012	0.30	0.60
10-perp	30,000	90,000	DE Existing	Bid	Offer	2013	0.35	0.75
Solar			CY 2009	0.50	0.80	CT Class III	Bid	Offer
NJ Solar	Bid	Offer	CY 2010	0.50	0.85	2012	10.00	10.75
RY 2012	70	80	CY 2011	0.50	0.90	2013	10.00	11.40
RY 2013	80	90	DC Tier I	Bid	Offer	RI New	Bid	Offer
RY 2014	90	105	2010	2.25	-	2012	62.00	63.50
RY 2015	100	115	2011	2.60	3.60	2013	61.50	63.00
RY 2013-2014	85	105	2012	3.45	3.75	2014	55.50	57.00
RY 2013-2015	90	107	2013	3.60	3.90	2015	43.00	45.50
RY 2014-2015	95	110	DC Tier II	Bid	Offer	2016	40.50	44.00
RY 2014-2016	95	115	2011	0.50	0.60	RI Existing	Bid	Offer
PA Solar	Bid	Offer	2012	0.50	0.75	2011	0.50	0.75
RY 2012	20	25	MD Tier I	Bid	Offer	2012	-	0.75
RY 2013	23	27	2010	2.00	-	ME New	Bid	Offer
MD Solar	Bid	Offer	2011	2.60	-	2012	40.00	45.00
2012	180	200	2012	3.35	3.65	2013	37.00	40.00
2013	155	175	2013	3.20	3.60	ME Existing	Bid	Offer
2013-2015	140	165	2014	3.10	3.85	2012	-	0.25
DC Solar	Bid	Offer	MD Tier II	Bid	Offer	2013	-	0.50
2011	300	320	2010	0.05	0.20	NH Class I	Bid	Offer
2012	305	325	2011	0.20	0.70	2012	62.00	63.50
2013-2014	320	350	2012	0.30	0.75	2013	54.00	55.50
DE Solar	Bid	Offer	IL Wind	Bid	Offer	2014	54.00	56.50
CY 2011	35	50	BH 2012	0.85	0.95	NH Class II	Bid	Offer
NC Solar Out-of-State	Bid	Offer	FH 2013	0.95	1.05	2012	50.00	75.00
2010	4.00	11.00	BH 2013	1.00	1.20	NH Class III	Bid	Offer
MA Solar	Bid	Offer	CAL 2013	1.00	1.15	2012	27.00	-
2012	225	250	Ohio Sited	Bid	Offer	2013	27.25	-
2013	160	170	2011	2.00	3.00	NH Class IV	Bid	Offer
2014	150	170	2012	2.50	-	2012	27.00	30.00
2015	145	185	Ohio Adjacent	Bid	Offer	California Carbon Allowances - Program Contingent		
2012-2014	175	200	2011	-	1.50	CCA	Bid	Offer
2012-2015	150	190	2012	-	2.00	ICE - Dec'13 v'13	15.50	16.00
2013-2015	150	175	VOLUNTARY and GREEN-e			ICE - Dec'14 v'14	14.00	15.50
OH-Sited Certified Solar	Bid	Offer	MRO Green-e Wind	Bid	Offer	ICE - Dec'15 v'15	13.75	14.50
2011	-	200	BH 2011	0.70	0.75	Climate Reserve Tonnes		
2012	110	140	FH 2012	0.75	0.85	ODS	Bid	Offer
2013-2015	100	150	BH 2012	0.85	0.92	2010	8.50	9.50
OH-Adj Certified Solar	Bid	Offer	CAL 2012	0.85	0.90	Ag Methane	Bid	Offer
2011	20	25	CAL 2013	0.95	1.10	2010	-	9.25
2012	27.5	37.5	National Green-e Any	Bid	Offer	LFG	Bid	Offer
TX RECs Green-e	Bid	Offer	G-e RY 2011	0.10	0.50	2009	2.00	4.00
FH 2011	2.35	2.50	G-e RY 2012	0.60	0.77	Michigan		
BH 2011	2.40	2.55	G-e RY 2013	0.65	0.80	MI-RECs	Bid	Offer
CAL 2011	2.40	2.55	National Green-e Wind	Bid	Offer	2011	-	1.00
FH 2012	2.50	2.55	CAL 2012	0.80	0.95	2012	0.85	1.15
BH 2012	2.50	2.60	CAL 2013	-	-	CEC REC	Bid	Offer
CAL 2012	2.50	2.60	NAR Wind	Bid	Offer	Call for pricing		
CAL 2013	2.55	2.75	BH 2010	0.60	0.70	CA RPS Power & REC	Bid	Offer
CAL 2014	2.60	2.80	CAL 2011	0.60	0.75	Call for pricing		
TX Compliance RECs	Bid	Offer	WECC			PNW Wind	Bid	Offer
2010	2.30	-	WECC REC	Bid	Offer	FH 2011	-	1.00
2011	2.40	2.55	FH 2010	-	3.00			
2012	2.50	2.60	BH 2010	-	5.00			
2013	2.55	2.75	FH 2011	-	7.00			
			BH 2011	-	10.00			

For market analysis, news, and price data, visit the all NEW
Environmental Market Website:
www.icapenergy.com/us/emissions

Thomas Gibson
Rob Lawrence

Susan Cecilia
Andrew Carr

Green-e Certified Broker

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**Reading Municipal Light Department
Engineering and Operations
Monthly Report
July 2012**

FY 2013 Capital Plan

E&O Construction – System Projects

1. **Reconductoring of Essex St. Lynnfield Ctr.**– *No activity*
2. **4W13 OH Reconductoring Project, West St., Wilmington** – *No activity*
3. **Upgrading of Old Lynnfield Center URDs** – *(Continuation of phase 1)
Installed conduit, built riser, terminated wire, and underground manhole work.*
5. **Shady Lane Drive Area, Wilmington – Reconductoring** – *No activity*
6. **Federal Street, Wilmington – Reconductoring** – *No activity*

Station Upgrades

8. **Station 4 Relay Replacement Project – Reading** – *No activity*
9. **Station 4 Getaway Replacement – 4W13** – *No activity*

SCADA Projects

10. **Station 5 RTU Replacement, Wilmington** – *No activity*
4. **Station 4 RTU Replacement** – *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: 10 Burlington Avenue, Wilmington – Temp three-phase service.*

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>	
<i>Maintenance Overhead/Underground</i>	
<i>Projects Assigned as Required</i>	
<i>Pole Damage (includes knockdowns) some reimbursable</i>	
<i>Station Group</i>	
<i>Hazmat/Oil Spills</i>	
<i>Porcelain Cutout Replacement Program</i>	
<i>Lighting (Street Light Connections)</i>	
<i>Storm Trouble</i>	
<i>Underground Subdivisions</i>	
<i>Animal Guard Installation</i>	
<i>Miscellaneous Capital Costs</i>	
TOTAL	

Note: End of the year figures are not approved, and FY13 will be reported at a later date.

*In the month of July zero (0) cutouts were charged under this program. Approximately 12 cutouts were installed new or replaced because of damage making a total of 12 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.

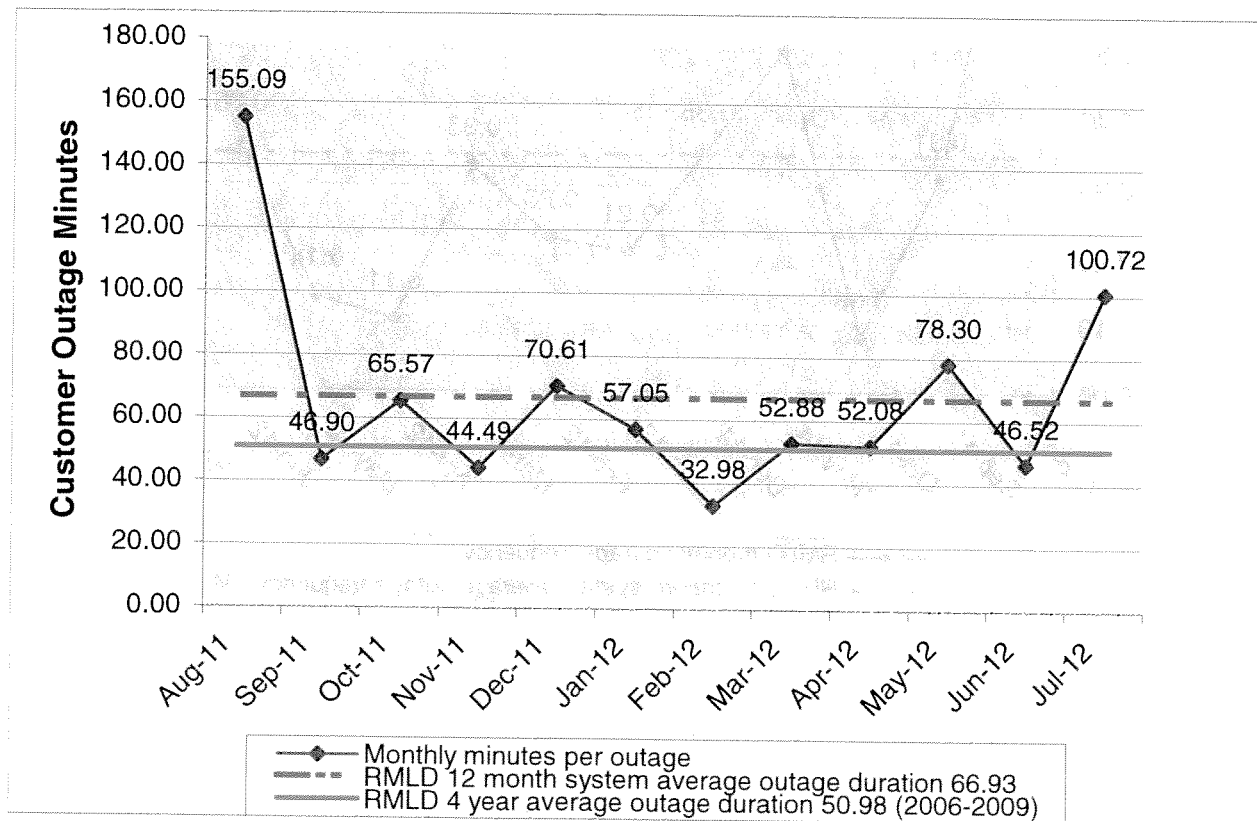
Customer Average Interruption Duration Index (CAIDI) – Measures how quickly the RMLD restores power to customers when their power goes out.

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

RMLD 12 month system average outage duration – 66.93 minutes

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

On average, RMLD customers that experience an outage are restored in 66.93 minutes.



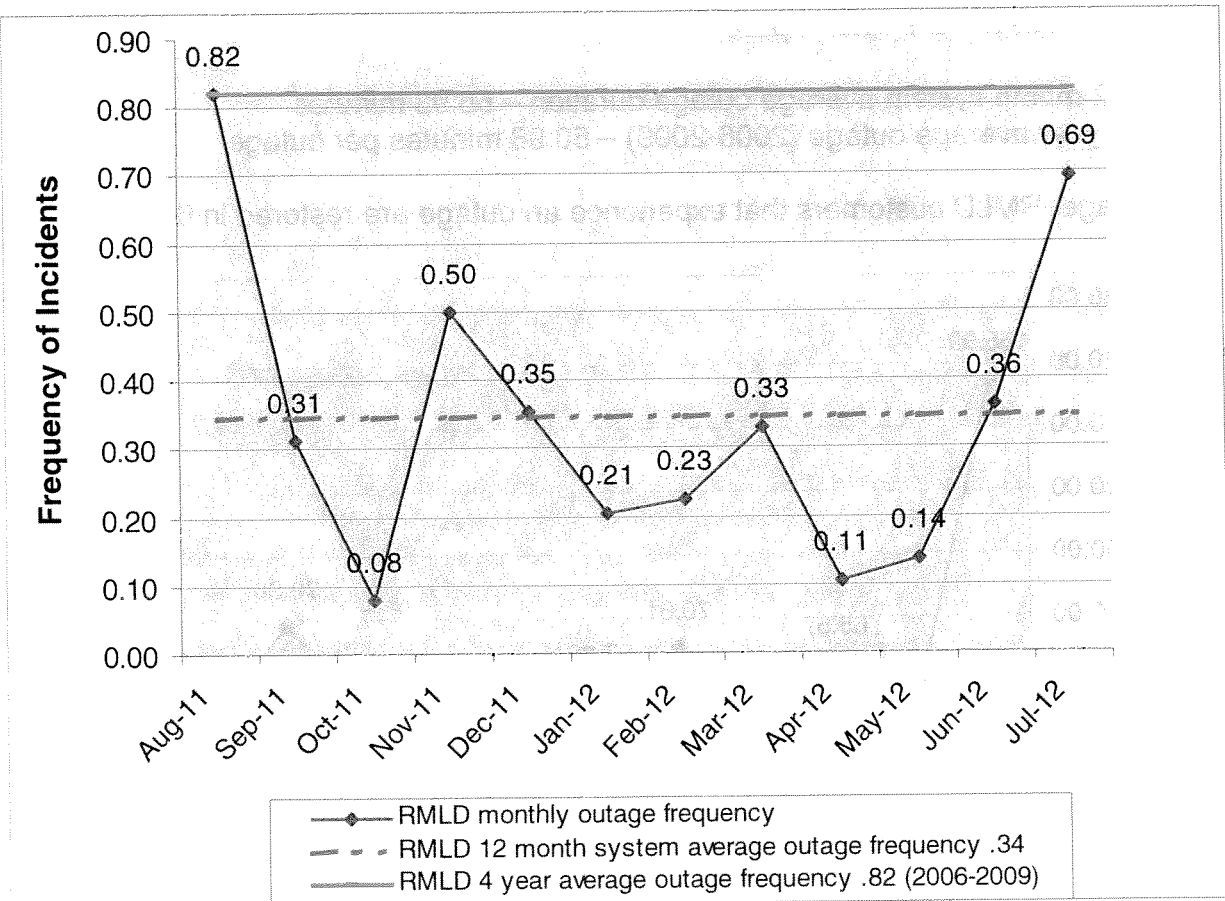
System Average Interruption Frequency (SAIFI) – Measures how many outages each customer experiences per year on average.

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

RMLD 12 month system average - .34 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 35 months.

**Reading Municipal Light Department
Engineering and Operations
Monthly Report
August 2012**

FY 2013 Capital Plan

E&O Construction – System Projects

1. Reconductoring of Essex St. Lynnfield Ctr.– *No activity*
2. 4W13 OH Reconductoring Project, West St., Wilmington – *No activity*
3. Upgrading of Old Lynnfield Center URDs – *(Continuation of phase 1)*
Installed conduit, built riser, terminated wire, and underground manhole work.
5. Shady Lane Drive Area, Wilmington – Reconductoring – *No activity*
6. Federal Street, Wilmington – Reconductoring – *No activity*

Station Upgrades

8. Station 4 Relay Replacement Project – Reading – *No activity*
9. Station 4 Getaway Replacement – 4W13 – *No activity*

SCADA Projects

10. Station 5 RTU Replacement, Wilmington – *No activity*
4. Station 4 RTU Replacement – *Senior Tech Labor*

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. *Nothing notable this month.*

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>	
<i>Maintenance Overhead/Underground</i>	
<i>Projects Assigned as Required</i>	
<i>Pole Damage (includes knockdowns) some reimbursable</i>	
<i>Station Group</i>	
<i>Hazmat/Oil Spills</i>	
<i>Porcelain Cutout Replacement Program</i>	
<i>Lighting (Street Light Connections)</i>	
<i>Storm Trouble</i>	
<i>Underground Subdivisions</i>	
<i>Animal Guard Installation</i>	
<i>Miscellaneous Capital Costs</i>	
TOTAL	

Note: End of the year figures are not approved, and FY13 will be reported at a later date.

*In the month of August zero (0) cutouts were charged under this program. Approximately ten (10) cutouts were installed new or replaced because of damage making a total of ten (10) 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.

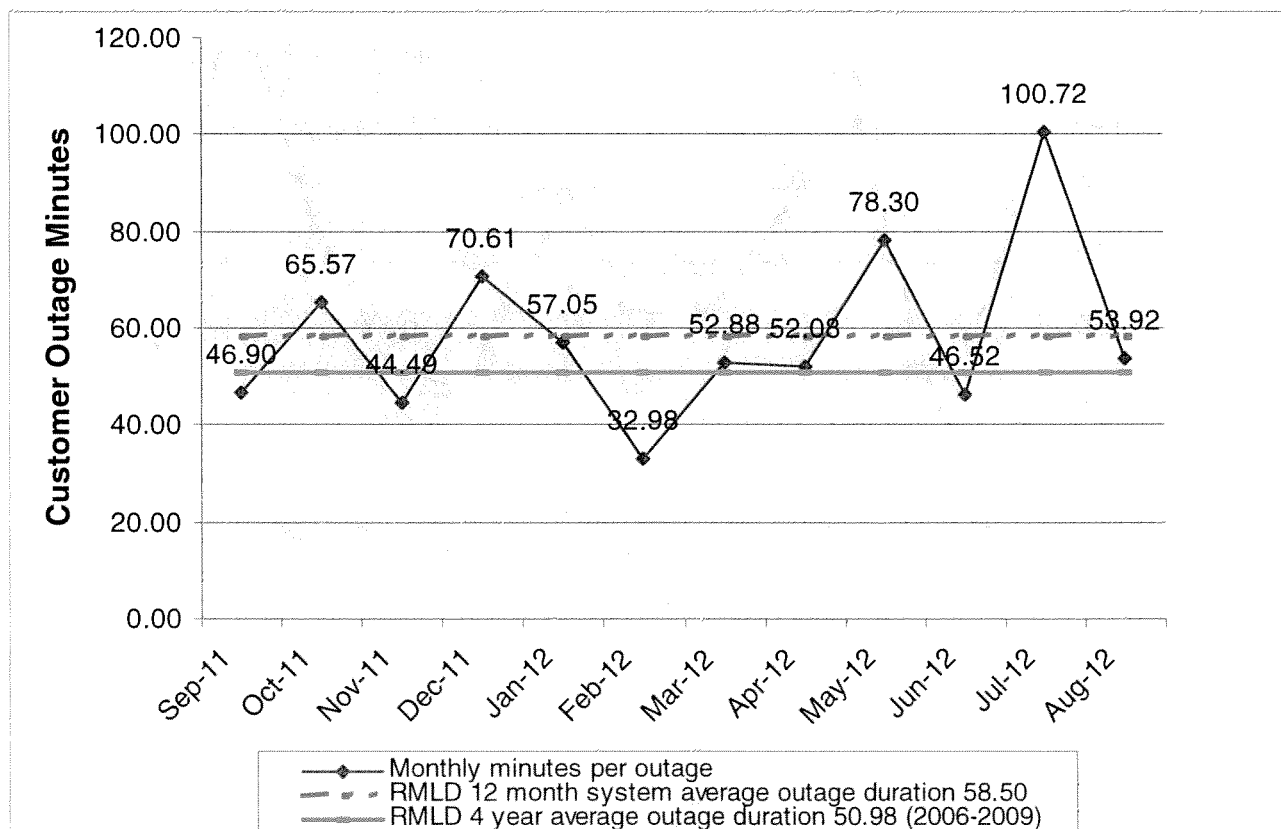
Customer Average Interruption Duration Index (CAIDI) – Measures how quickly the RMLD restores power to customers when their power goes out.

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

RMLD 12 month system average outage duration – 58.50 minutes

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

On average, RMLD customers that experience an outage are restored in 58.50 minutes.



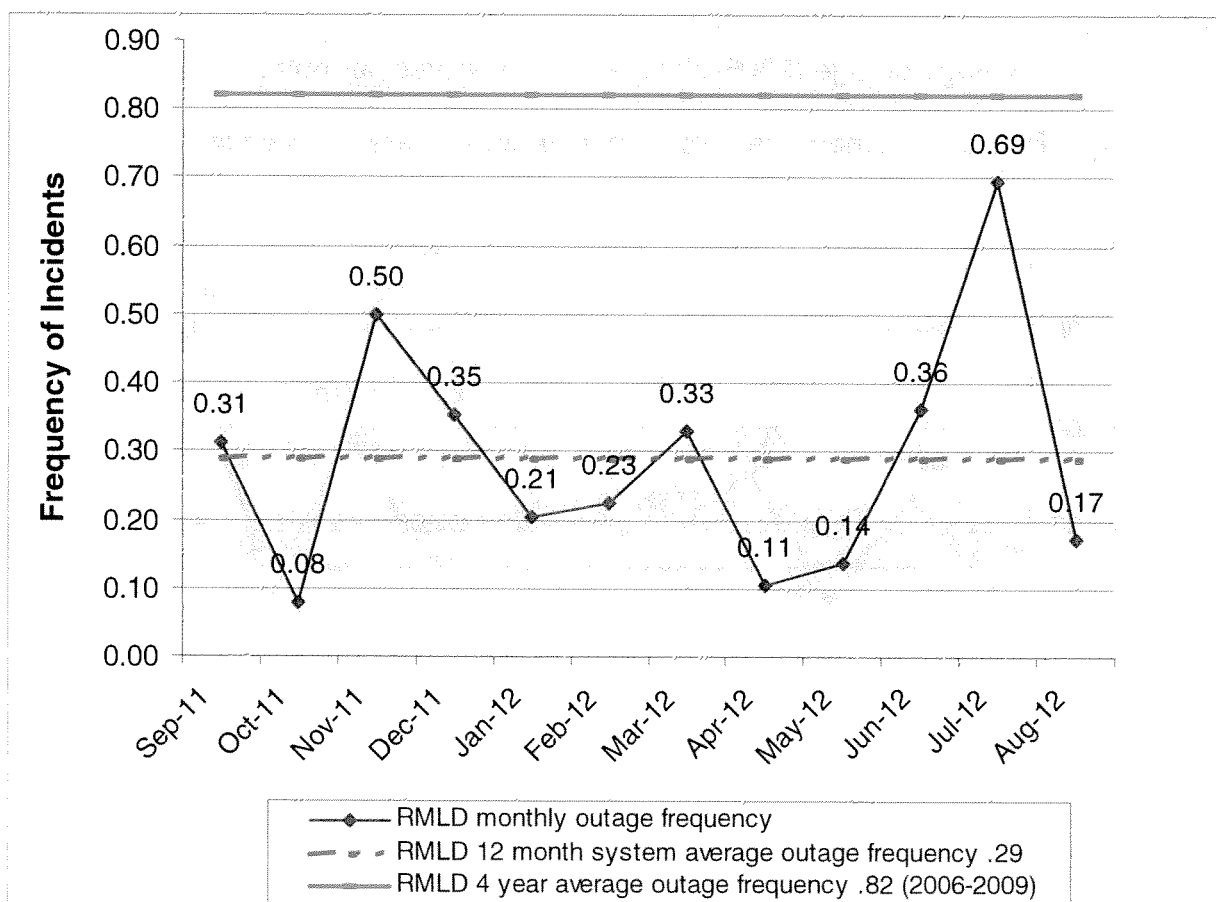
System Average Interruption Frequency (SAIFI) – Measures how many outages each customer experiences per year on average.

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

RMLD 12 month system average - .29 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 41 months.

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ATTACHMENT 5

FINANCIAL REPORT

JUNE 30, 2012

ISSUE DATE: AUGUST 15, 2012



TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF NET ASSETS
6/30/12

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		PREVIOUS YEAR	CURRENT YEAR
ASSETS			
CURRENT			
UNRESTRICTED CASH	(SCH A P.9)	6,596,634.36	12,561,955.29
RESTRICTED CASH	(SCH A P.9)	16,385,677.05	16,583,123.66
RESTRICTED INVESTMENTS	(SCH A P.9)	2,200,000.00	0.00
RECEIVABLES, NET	(SCH B P.10)	8,749,837.53	8,115,722.20
PREPAID EXPENSES	(SCH B P.10)	753,131.81	762,930.57
INVENTORY		1,586,245.50	1,495,336.70
TOTAL CURRENT ASSETS		<u>36,271,526.25</u>	<u>39,519,068.42</u>
NONCURRENT			
INVESTMENT IN ASSOCIATED CO	(SCH C P.2)	77,462.71	61,574.36
CAPITAL ASSETS, NET	(SCH C P.2)	67,560,509.59	68,670,916.71
TOTAL NONCURRENT ASSETS		<u>67,637,972.30</u>	<u>68,732,491.07</u>
TOTAL ASSETS		<u>103,909,498.55</u>	<u>108,251,559.49</u>
LIABILITIES			
CURRENT			
ACCOUNTS PAYABLE		5,168,511.21	6,401,494.17
CUSTOMER DEPOSITS		561,385.03	631,268.04
CUSTOMER ADVANCES FOR CONSTRUCTION		255,979.94	363,459.17
ACCRUED LIABILITIES		1,385,341.32	1,338,362.36
TOTAL CURRENT LIABILITIES		<u>7,371,217.50</u>	<u>8,734,583.74</u>
NONCURRENT			
ACCRUED EMPLOYEE COMPENSATED ABSENCES		2,934,698.58	2,982,915.76
TOTAL NONCURRENT LIABILITIES		<u>2,934,698.58</u>	<u>2,982,915.76</u>
TOTAL LIABILITIES		<u>10,305,916.08</u>	<u>11,717,499.50</u>
NET ASSETS			
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT		67,560,509.59	68,670,916.71
RESTRICTED FOR DEPRECIATION FUND (P.9)		4,297,944.13	2,635,205.70
UNRESTRICTED		21,745,128.75	25,227,937.58
TOTAL NET ASSETS	(P.3)	<u>93,603,582.47</u>	<u>96,534,059.99</u>
TOTAL LIABILITIES AND NET ASSETS		<u>103,909,498.55</u>	<u>108,251,559.49</u>

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TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
NONCURRENT ASSET SCHEDULE
6/30/12

SCHEDULE C

	PREVIOUS YEAR	CURRENT YEAR
SCHEDULE OF INVESTMENTS IN ASSOCIATED COMPANIES		
NEW ENGLAND HYDRO ELECTRIC	15,747.64	12,631.19
NEW ENGLAND HYDRO TRANSMISSION	61,715.07	48,943.17
TOTAL INVESTMENTS IN ASSOCIATED COMPANIES	<u>77,462.71</u>	<u>61,574.36</u>
SCHEDULE OF CAPITAL ASSETS		
LAND	1,265,842.23	1,265,842.23
STRUCTURES AND IMPROVEMENTS	6,508,872.34	6,484,964.13
EQUIPMENT AND FURNISHINGS	12,747,396.84	12,030,469.52
INFRASTRUCTURE	47,038,398.18	48,889,640.83
TOTAL CAPITAL ASSETS, NET	<u>67,560,509.59</u>	<u>68,670,916.71</u>
TOTAL NONCURRENT ASSETS	<u>67,637,972.30</u>	<u>68,732,491.07</u>

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TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
6/30/12

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
OPERATING REVENUES: (SCH D P.11)					
BASE REVENUE	4,239,816.68	3,968,217.51	45,869,025.88	44,840,877.02	-2.24%
FUEL REVENUE	3,991,248.66	2,672,286.86	40,977,048.75	35,325,693.31	-13.79%
PURCHASED POWER CAPACITY	(263,583.72)	122,271.09	1,055,104.64	3,203.09	-99.70%
FORFEITED DISCOUNTS	77,706.97	71,526.78	1,012,284.31	900,930.15	-11.00%
ENERGY CONSERVATION REVENUE	40,512.69	73,343.05	500,567.71	630,594.39	25.98%
GAW REVENUE	96,431.82	63,111.42	607,175.64	689,910.25	13.63%
NYPA CREDIT	(42,914.14)	(30,059.41)	(725,705.81)	(626,243.95)	-13.71%
TOTAL OPERATING REVENUES	8,139,218.96	6,940,697.30	89,295,501.12	81,764,964.26	-8.43%
OPERATING EXPENSES: (SCH E P.12)					
PURCHASED POWER BASE	2,118,845.13	2,169,002.71	27,300,316.76	24,876,984.89	-8.88%
PURCHASED POWER FUEL	3,185,276.88	3,017,804.27	39,522,230.25	35,484,629.66	-10.22%
OPERATING MAINTENANCE	1,515,985.70	1,481,696.26	9,290,513.09	9,328,204.60	0.41%
DEPRECIATION	455,767.70	259,758.60	4,047,792.77	2,789,957.37	-31.07%
VOLUNTARY PAYMENTS TO TOWNS	287,729.00	296,027.41	3,452,748.55	3,552,329.58	2.88%
	124,185.00	112,382.00	1,330,070.00	1,351,568.00	1.62%
TOTAL OPERATING EXPENSES	7,687,789.41	7,336,671.25	84,943,671.42	77,383,674.10	-8.90%
OPERATING INCOME	451,429.55	(395,973.95)	4,351,829.70	4,381,290.16	0.68%
NONOPERATING REVENUES (EXPENSES)					
CONTRIBUTIONS IN AID OF CONST	634,864.23	879,587.27	696,748.89	934,552.81	34.13%
RETURN ON INVESTMENT TO READING	(552,480.77)	(747,786.27)	(2,543,370.77)	(2,769,913.52)	8.91%
INTEREST INCOME	5,485.78	11,569.09	103,764.43	88,704.74	-14.51%
INTEREST EXPENSE	11,306.42	5,774.19	(2,004.69)	(1,460.31)	-27.16%
OTHER (MDSE AND AMORT)	(2,522.12)	(15,923.09)	176,750.30	297,303.64	68.21%
TOTAL NONOPERATING REV (EXP)	96,653.54	133,221.19	(1,568,111.84)	(1,450,812.64)	-7.48%
CHANGE IN NET ASSETS	548,083.09	(262,752.76)	2,783,717.86	2,930,477.52	5.27%
NET ASSETS AT BEGINNING OF YEAR			90,819,864.61	93,603,582.47	3.07%
NET ASSETS AT END OF JUNE			93,603,582.47	96,534,059.99	3.13%

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TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
6/30/12

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	44,840,877.02	46,996,126.00	(2,155,248.98)	-4.59%
FUEL REVENUE	35,325,693.31	40,368,819.00	(5,043,125.69)	-12.49%
PURCHASED POWER CAPACITY	3,203.09	(133,400.00)	136,603.09	-102.40%
FORFEITED DISCOUNTS	900,930.15	1,033,915.00	(132,984.85)	-12.86%
ENERGY CONSERVATION REVENUE	630,594.39	520,321.00	110,273.39	21.19%
GAW REVENUE	689,910.25	693,761.00	(3,850.75)	-0.56%
NYPA CREDIT	(626,243.95)	(600,000.00)	(26,243.95)	4.37%
TOTAL OPERATING REVENUES	81,764,964.26	88,879,542.00	(7,114,577.74)	-8.00%
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	24,876,984.89	27,402,177.00	(2,525,192.11)	-9.22%
PURCHASED POWER FUEL	35,484,629.66	39,768,817.00	(4,284,187.34)	-10.77%
OPERATING	9,328,204.60	8,823,105.00	505,099.60	5.72%
MAINTENANCE	2,789,957.37	2,817,401.00	(27,443.63)	-0.97%
DEPRECIATION	3,552,329.58	3,600,000.00	(47,670.42)	-1.32%
VOLUNTARY PAYMENTS TO TOWNS	1,351,568.00	1,356,000.00	(4,432.00)	-0.33%
TOTAL OPERATING EXPENSES	77,383,674.10	83,767,500.00	(6,383,825.90)	-7.62%
OPERATING INCOME	4,381,290.16	5,112,042.00	(730,751.84)	-14.29%
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	934,552.81	800,000.00	134,552.81	16.82%
RETURN ON INVESTMENT TO READING	(2,769,913.52)	(2,270,000.00)	(499,913.52)	22.02%
INTEREST INCOME	88,704.74	180,000.00	(91,295.26)	-50.72%
INTEREST EXPENSE	(1,460.31)	(6,000.00)	4,539.69	-75.66%
OTHER (MDSE AND AMORT)	297,303.64	120,000.00	177,303.64	147.75%
TOTAL NONOPERATING REV (EXP)	(1,450,812.64)	(1,176,000.00)	(274,812.64)	23.37%
CHANGE IN NET ASSETS	2,930,477.52	3,936,042.00	(1,005,564.48)	-25.55%
NET ASSETS AT BEGINNING OF YEAR	93,603,582.47	93,603,582.47	0.00	0.00%
NET ASSETS AT END OF JUNE	96,534,059.99	97,539,624.47	(1,005,564.48)	-1.03%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
RECONCILIATION OF CAPITAL FUNDS
6/30/12

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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	11,627.20
DEPRECIATION TRANSFER FY 12	3,552,329.58
FORCED ACCOUNTS REIMBURSEMENT	0.00
GAW SUBSTATION (FY 12)	<u>0.00</u>
TOTAL SOURCE OF CAPITAL FUNDS	7,861,900.91

USE OF CAPITAL FUNDS:

PAID ADDITIONS TO PLANT THRU JUNE	5,241,695.21
PAID ADDITIONS TO GAW THRU JUNE	<u>(15,000.00)</u>
TOTAL USE OF CAPITAL FUNDS	5,226,695.21

GENERAL LEDGER CAPITAL FUNDS BALANCE 6/30/12	<u><u>2,635,205.70</u></u>
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PAID ADDITIONS TO GAW FROM FY 12	(15,000.00)
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>6,922,399.00</u></u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SALES OF KILOWATT HOURS
6/30/12

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SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	20,315,820	19,752,189	260,162,737	247,978,766	-4.68%
COMM. AND INDUSTRIAL SALES	34,806,223	36,793,064	416,495,791	407,234,398	-2.22%
PRIVATE STREET LIGHTING	72,739	72,793	865,495	877,001	1.33%
TOTAL PRIVATE CONSUMERS	<u>55,194,782</u>	<u>56,618,046</u>	<u>677,524,023</u>	<u>656,090,165</u>	-3.16%
 MUNICIPAL SALES:					
STREET LIGHTING	239,052	237,586	2,866,675	2,863,449	-0.11%
MUNICIPAL BUILDINGS	791,409	796,277	9,929,182	9,536,658	-3.95%
TOTAL MUNICIPAL CONSUMERS	<u>1,030,461</u>	<u>1,033,863</u>	<u>12,795,857</u>	<u>12,400,107</u>	-3.09%
SALES FOR RESALE	1,111,696	279,759	4,284,194	3,239,961	-24.37%
SCHOOL	1,254,086	1,298,649	14,609,587	14,248,722	-2.47%
TOTAL KILOWATT HOURS SOLD	<u>58,591,025</u>	<u>59,230,317</u>	<u>709,213,661</u>	<u>685,978,955</u>	-3.28%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
KILOWATT HOURS SOLD BY TOWN
6/30/12

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MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	19,752,189	6,191,138	3,043,369	4,291,630	6,226,052
COMM & IND	36,793,064	4,380,923	277,351	5,437,988	26,696,802
PVT ST LIGHTS	72,793	13,433	1,360	21,296	36,704
PUB ST LIGHTS	237,586	80,536	32,480	40,043	84,527
MUNI BLDGS	796,277	174,688	138,449	171,387	311,753
SALES/RESALE	279,759	279,759	0	0	0
SCHOOL	1,298,649	480,339	280,949	165,040	372,321
TOTAL	<u>59,230,317</u>	<u>11,600,816</u>	<u>3,773,958</u>	<u>10,127,384</u>	<u>33,728,159</u>

YEAR TO DATE

RESIDENTIAL	247,978,766	78,053,511	35,004,848	57,596,528	77,323,879
COMM & IND	407,234,398	51,319,564	3,239,951	62,750,459	289,924,424
PVT ST LIGHTS	877,001	166,160	16,320	258,712	435,809
PUB ST LIGHTS	2,863,449	965,932	389,502	479,215	1,028,800
MUNI BLDGS	9,536,658	2,449,582	1,629,604	1,868,560	3,588,912
SALES/RESALE	3,239,961	3,239,961	0	0	0
SCHOOL	14,248,722	5,100,183	3,089,312	1,827,240	4,231,987
TOTAL	<u>685,978,955</u>	<u>141,294,893</u>	<u>43,369,537</u>	<u>124,780,714</u>	<u>376,533,811</u>

LAST 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
TOTAL	<u>709,213,661</u>	<u>145,687,944</u>	<u>45,526,482</u>	<u>128,184,104</u>	<u>389,815,131</u>

KILOWATT HOURS SOLD TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	33.36%	10.45%	5.14%	7.25%	10.52%
COMM & IND	62.12%	7.40%	0.47%	9.18%	45.07%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
PUB ST LIGHTS	0.40%	0.14%	0.05%	0.07%	0.14%
MUNI BLDGS	1.34%	0.29%	0.23%	0.29%	0.53%
SALES/RESALE	0.47%	0.47%	0.00%	0.00%	0.00%
SCHOOL	2.19%	0.81%	0.47%	0.28%	0.63%
TOTAL	<u>100.00%</u>	<u>19.58%</u>	<u>6.36%</u>	<u>17.11%</u>	<u>56.95%</u>

YEAR TO DATE

RESIDENTIAL	36.15%	11.38%	5.10%	8.40%	11.27%
COMM & IND	59.36%	7.48%	0.47%	9.15%	42.26%
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	1.39%	0.36%	0.24%	0.27%	0.52%
SALES/RESALE	0.47%	0.47%	0.00%	0.00%	0.00%
SCHOOL	2.08%	0.74%	0.45%	0.27%	0.62%
TOTAL	<u>100.00%</u>	<u>20.59%</u>	<u>6.32%</u>	<u>18.20%</u>	<u>54.89%</u>

LAST 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%
TOTAL	<u>100.00%</u>	<u>20.53%</u>	<u>6.41%</u>	<u>18.07%</u>	<u>54.99%</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
FORMULA INCOME
6/30/12

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TOTAL OPERATING REVENUES	(P.3)	81,764,964.26
ADD:		
POLE RENTAL		79,277.23
INTEREST INCOME ON CUSTOMER DEPOSITS		1,483.44
LESS:		
OPERATING EXPENSES	(P.3)	(77,383,674.10)
CUSTOMER DEPOSIT INTEREST EXPENSE		(1,460.31)
FORMULA INCOME (LOSS)		<u>4,460,590.52</u>

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TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
GENERAL STATISTICS
6/30/12

		MONTH OF JUNE 2011	MONTH OF JUNE 2012	% CHANGE		YEAR JUNE 2011	THRU JUNE 2012
				2011	2012		
SALE OF KWH	(P.5)	58,591,025	59,230,317	3.63%	-3.28%	709,213,661	685,978,955
KWH PURCHASED		62,221,830	62,753,418	2.60%	-2.51%	733,695,140	715,297,247
AVE BASE COST PER KWH		0.034053	0.034564	-3.71%	-6.53%	0.037209	0.034779
AVE BASE SALE PER KWH		0.072363	0.066996	13.19%	1.07%	0.064676	0.065368
AVE COST PER KWH		0.085245	0.082654	-4.24%	-7.35%	0.091077	0.084387
AVE SALE PER KWH		0.140483	0.112113	3.91%	-4.56%	0.122454	0.116864
FUEL CHARGE REVENUE (P.3)		3,991,248.66	2,672,286.86	-1.75%	-13.79%	40,977,048.75	35,325,693.31
LOAD FACTOR		57.44%	52.72%				
PEAK LOAD		148,391	163,070				

kwh analysis

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

\$0.085

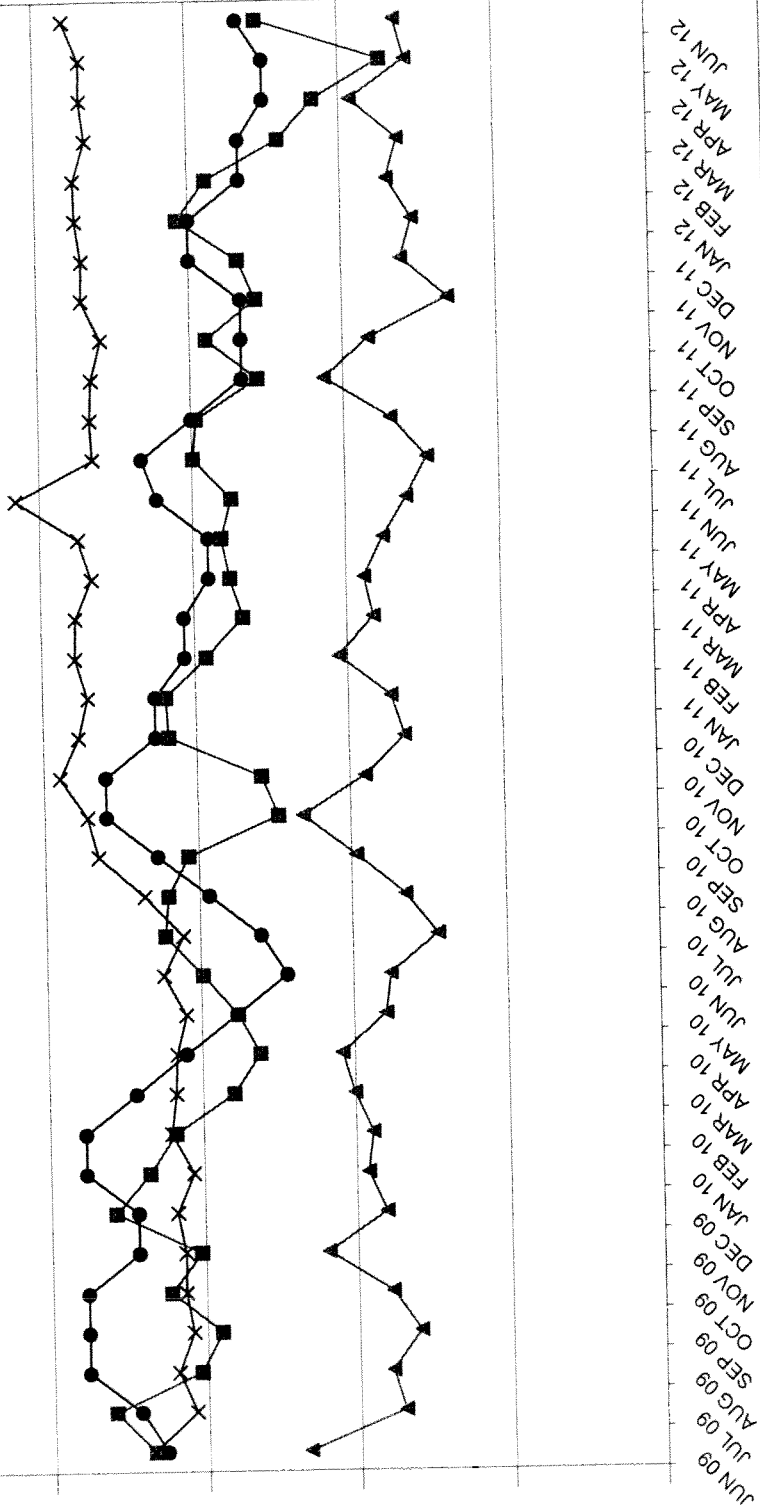
\$0.070

\$0.055

\$0.040

\$0.025

\$0.010



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TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF CASH AND INVESTMENTS
6/30/12

SCHEDULE A

	PREVIOUS YEAR	CURRENT YEAR
UNRESTRICTED CASH:		
CASH - OPERATING FUND	6,593,634.36	12,559,930.85
CASH - PETTY CASH	3,000.00	2,024.44
TOTAL UNRESTRICTED CASH	<u>6,596,634.36</u>	<u>12,561,955.29</u>
RESTRICTED CASH:		
CASH - DEPRECIATION FUND	4,297,944.13	2,635,205.70
CASH - DEFERRED FUEL RESERVE	3,055,224.78	2,270,044.48
CASH - RATE STABILIZATION FUND	5,046,137.19	6,075,699.92
CASH - UNCOLLECTIBLE ACCTS RESERVE	200,000.00	200,000.00
CASH - SICK LEAVE BENEFITS	1,934,698.58	2,982,915.76
CASH - HAZARD WASTE RESERVE	150,000.00	150,000.00
CASH - CUSTOMER DEPOSITS	561,385.03	631,268.04
CASH - ENERGY CONSERVATION	170,788.28	293,161.03
CASH - OPEB	969,499.06	1,344,828.73
TOTAL RESTRICTED CASH	<u>16,385,677.05</u>	<u>16,583,123.66</u>
RESTRICTED INVESTMENTS:		
RATE STABILIZATION *	1,000,000.00	0.00
SICK LEAVE BUYBACK **	1,000,000.00	0.00
OPEB ***	200,000.00	0.00
TOTAL RESTRICTED INVESTMENTS	<u>2,200,000.00</u>	<u>0.00</u>
TOTAL CASH BALANCE	<u>25,182,311.41</u>	<u>29,145,078.95</u>

JUNE 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
6/30/12

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SCHEDULE B

	PREVIOUS YEAR	CURRENT YEAR
SCHEDULE OF ACCOUNTS RECEIVABLE		
RESIDENTIAL AND COMMERCIAL	3,607,974.10	2,646,502.46
ACCOUNTS RECEIVABLE - OTHER	722,738.09	973,101.80
ACCOUNTS RECEIVABLE - LIENS	84,405.83	28,386.06
ACCOUNTS RECEIVABLE - EMPLOYEE ADVANCES	892.14	892.14
SALES DISCOUNT LIABILITY	(296,467.02)	(249,097.09)
RESERVE FOR UNCOLLECTIBLE ACCOUNTS	(200,000.00)	(200,000.00)
TOTAL ACCOUNTS RECEIVABLE BILLED	<u>3,919,543.14</u>	<u>3,199,785.37</u>
UNBILLED ACCOUNTS RECEIVABLE	4,830,294.39	4,915,936.83
TOTAL ACCOUNTS RECEIVABLE, NET	<u><u>8,749,837.53</u></u>	<u><u>8,115,722.20</u></u>

SCHEDULE OF PREPAYMENTS

PREPAID INSURANCE	277,479.11	303,507.05
PREPAYMENT PURCHASED POWER	82,487.02	40,344.56
PREPAYMENT PASNY	238,330.65	241,849.32
PREPAYMENT WATSON	140,311.33	162,705.94
PURCHASED POWER WORKING CAPITAL	14,523.70	14,523.70
TOTAL PREPAYMENT	<u><u>753,131.81</u></u>	<u><u>762,930.57</u></u>

ACCOUNTS RECEIVABLE AGING JUNE 2012:

RESIDENTIAL AND COMMERCIAL	2,646,502.46
LESS: SALES DISCOUNT LIABILITY	(249,097.09)
GENERAL LEDGER BALANCE	<u><u>2,397,405.37</u></u>

CURRENT	1,263,833.32	79.05%
30 DAYS	206,918.02	12.94%
60 DAYS	47,951.00	3.00%
90 DAYS	14,219.51	0.89%
OVER 90 DAYS	65,925.84	4.12%
TOTAL	<u><u>1,598,847.69</u></u>	<u><u>100.00%</u></u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE
6/30/12

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SCHEDULE D

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	2,903,450.90	2,572,078.33	34,668,682.31	32,376,072.60	-6.61%
COMM AND INDUSTRIAL SALES	4,877,695.44	3,729,064.53	47,996,063.13	44,155,862.56	-8.00%
PRIVATE STREET LIGHTING	12,201.47	2,749.63	128,543.62	73,962.56	-42.46%
TOTAL PRIVATE CONSUMERS	<u>7,793,347.81</u>	<u>6,303,892.49</u>	<u>82,793,289.06</u>	<u>76,605,897.72</u>	-7.47%
MUNICIPAL SALES:					
STREET LIGHTING	51,382.30	17,384.84	560,891.14	357,668.44	-36.23%
MUNICIPAL BUILDINGS	114,167.66	87,739.00	1,233,096.09	1,138,809.67	-7.65%
TOTAL MUNICIPAL CONSUMERS	<u>165,549.96</u>	<u>105,123.84</u>	<u>1,793,987.23</u>	<u>1,496,478.11</u>	-16.58%
SALES FOR RESALE	109,566.01	98,280.20	502,243.45	457,720.16	-8.86%
SCHOOL	162,601.56	133,207.84	1,756,554.89	1,606,474.34	-8.54%
SUB-TOTAL	8,231,065.34	6,640,504.37	86,846,074.63	80,166,570.33	-7.69%
FORFEITED DISCOUNTS	77,706.97	71,526.78	1,012,284.31	900,930.15	-11.00%
PURCHASED POWER CAPACITY	(263,583.72)	122,271.09	1,055,104.64	3,203.09	-99.70%
ENERGY CONSERVATION - RESIDENTIAL	16,424.44	26,074.42	151,631.25	230,978.28	52.33%
ENERGY CONSERVATION - COMMERCIAL	24,088.25	47,268.63	348,936.46	399,616.11	14.52%
GAW REVENUE	96,431.82	63,111.42	607,175.64	689,910.25	13.63%
NYPA CREDIT	(42,914.14)	(30,059.41)	(725,705.81)	(626,243.95)	-13.71%
TOTAL REVENUE	<u>8,139,218.96</u>	<u>6,940,697.30</u>	<u>89,295,501.12</u>	<u>81,764,964.26</u>	-8.43%

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TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE BY TOWN
6/30/12

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	2,572,078.33	811,885.61	359,168.36	599,516.81	801,507.55
INDUS/MUNI BLDG	3,816,803.52	527,071.76	48,621.35	608,799.06	2,632,311.35
PUB. ST. LIGHTS	17,384.84	5,585.93	2,170.60	3,142.40	6,485.91
PRV. ST. LIGHTS	2,749.63	510.89	50.14	851.57	1,337.03
CO-OP RESALE	98,280.20	98,280.20	0.00	0.00	0.00
SCHOOL	133,207.85	47,933.18	28,392.25	17,537.71	39,344.71
TOTAL	6,640,504.37	1,491,267.57	438,402.70	1,229,847.55	3,480,986.55
THIS YEAR TO DATE					
RESIDENTIAL	32,376,072.60	10,219,621.71	4,521,036.84	7,546,426.37	10,088,987.68
INDUS/MUNI BLDG	45,294,672.22	6,254,852.41	576,998.05	7,224,724.47	31,238,097.29
PUB. ST. LIGHTS	357,668.44	114,922.63	44,657.04	64,650.33	133,438.44
PRV. ST. LIGHTS	73,962.56	13,742.59	1,348.76	22,906.34	35,964.87
CO-OP RESALE	457,720.16	457,720.16	0.00	0.00	0.00
SCHOOL	1,606,474.35	578,069.78	342,407.88	211,503.12	474,493.57
TOTAL	80,166,570.33	17,638,929.28	5,486,448.55	15,070,210.64	41,970,981.86
LAST YEAR TO DATE					
RESIDENTIAL	34,668,682.31	10,946,948.21	4,826,110.87	8,103,989.04	10,791,634.19
INDUS/MUNI BLDG	49,229,159.22	6,684,254.99	626,767.09	7,693,618.55	34,224,518.59
PUB. ST. LIGHTS	560,891.14	196,263.72	68,329.79	92,520.19	203,777.44
PRV. ST. LIGHTS	128,543.62	24,255.05	2,407.47	39,755.58	62,125.52
CO-OP RESALE	502,243.45	502,243.45	0.00	0.00	0.00
SCHOOL	1,756,554.89	624,581.94	366,831.25	236,279.69	528,862.01
TOTAL	86,846,074.63	18,978,547.36	5,890,446.47	16,166,163.05	45,810,917.75

PERCENTAGE OF OPERATING INCOME TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	38.73%	12.23%	5.41%	9.03%	12.06%
INDUS/MUNI BLDG	57.48%	7.94%	0.73%	9.17%	39.64%
PUB. ST. LIGHTS	0.26%	0.08%	0.03%	0.05%	0.10%
PRV. ST. LIGHTS	0.04%	0.01%	0.00%	0.01%	0.02%
CO-OP RESALE	1.48%	1.48%	0.00%	0.00%	0.00%
SCHOOL	2.01%	0.72%	0.43%	0.26%	0.60%
TOTAL	100.00%	22.46%	6.60%	18.52%	52.42%
THIS YEAR TO DATE					
RESIDENTIAL	40.39%	12.75%	5.64%	9.41%	12.59%
INDUS/MUNI BLDG	56.50%	7.80%	0.72%	9.01%	38.97%
PUB. ST. LIGHTS	0.45%	0.14%	0.06%	0.08%	0.17%
PRV. ST. LIGHTS	0.09%	0.02%	0.00%	0.03%	0.04%
CO-OP RESALE	0.57%	0.57%	0.00%	0.00%	0.00%
SCHOOL	2.00%	0.72%	0.43%	0.26%	0.59%
TOTAL	100.00%	22.00%	6.84%	18.80%	52.35%
LAST YEAR TO DATE					
RESIDENTIAL	39.92%	12.61%	5.56%	9.33%	12.42%
INDUS/MUNI BLDG	56.69%	7.70%	0.72%	8.86%	39.41%
PUB. ST. LIGHTS	0.65%	0.23%	0.08%	0.11%	0.27%
PRV. ST. LIGHTS	0.15%	0.03%	0.00%	0.05%	0.00%
CO-OP RESALE	0.58%	0.58%	0.00%	0.00%	0.00%
SCHOOL	2.01%	0.72%	0.42%	0.27%	0.60%
TOTAL	100.00%	21.87%	6.78%	18.62%	52.73%

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TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED REVENUE VARIANCE REPORT
6/30/12

SCHEDULE F

SALES OF ELECTRICITY:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
RESIDENTIAL	19,558,341.42	20,601,455.00	(1,043,113.58)	-5.06%
COMM AND INDUSTRIAL SALES PRIVATE STREET LIGHTING MUNICIPAL BUILDINGS	23,913,408.81	24,697,499.00	(784,090.19)	-3.17%
PUBLIC STREET LIGHTING	211,261.50	514,496.00	(303,234.50)	-58.94%
SALES FOR RESALE	276,139.58	276,928.00	(788.42)	-0.28%
SCHOOL	<u>881,725.71</u>	<u>905,748.00</u>	<u>(24,022.29)</u>	-2.65%
TOTAL BASE SALES	44,840,877.02	46,996,126.00	(2,155,248.98)	-4.59%
TOTAL FUEL SALES	<u>35,325,693.31</u>	<u>40,368,819.00</u>	<u>(5,043,125.69)</u>	-12.49%
TOTAL OPERATING REVENUE	80,166,570.33	87,364,945.00	(7,198,374.67)	-8.24%
FORFEITED DISCOUNTS	900,930.15	1,033,915.00	(132,984.85)	-12.86%
PURCHASED POWER CAPACITY	3,203.09	(133,400.00)	136,603.09	-102.40%
ENERGY CONSERVATION - RESIDENTIAL	230,978.28	191,293.00	39,685.28	20.75%
ENERGY CONSERVATION - COMMERCIAL	399,616.11	329,028.00	70,588.11	21.45%
GAW REVENUE	689,910.25	693,761.00	(3,850.75)	-0.56%
NYPA CREDIT	(626,243.95)	(600,000.00)	(26,243.95)	4.37%
TOTAL OPERATING REVENUES	<u><u>81,764,964.26</u></u>	<u><u>88,879,542.00</u></u>	<u><u>(7,114,577.74)</u></u>	-8.00%

* () = ACTUAL UNDER BUDGET

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TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING EXPENSES
6/30/12

SCHEDULE E

OPERATION EXPENSES:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
PURCHASED POWER BASE EXPENSE	2,118,845.13	2,169,002.71	27,300,316.76	24,876,984.89	-8.88%
OPERATION SUPER AND ENGIN-TRANS	0.00	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	46,512.64	38,726.93	458,910.29	512,405.47	11.66%
STATION SUP LABOR AND MISC	1,328.52	6,356.63	102,280.25	110,505.93	8.04%
LINE MISC LABOR AND EXPENSE	54,524.93	61,000.95	629,473.96	704,157.68	11.86%
STATION LABOR AND EXPENSE	43,294.97	33,790.24	453,587.79	459,683.42	1.34%
STREET LIGHTING EXPENSE	7,306.26	7,288.69	91,738.67	117,220.36	27.78%
METER EXPENSE	25,672.25	13,993.65	309,371.25	232,324.46	-24.90%
MISC DISTRIBUTION EXPENSE	33,040.11	37,578.91	333,707.63	349,937.87	4.86%
METER READING LABOR & EXPENSE	6,953.43	6,003.62	72,071.55	90,457.24	25.51%
ACCT & COLL LABOR & EXPENSE	115,954.78	107,171.10	1,282,901.03	1,413,955.12	10.22%
UNCOLLECTIBLE ACCOUNTS	(128,272.22)	(72,104.21)	36,727.78	103,895.79	182.88%
ENERGY AUDIT EXPENSE	48,896.67	45,514.78	402,481.41	447,682.76	11.23%
ADMIN & GEN SALARIES	66,934.48	49,796.83	704,330.48	747,309.18	6.10%
OFFICE SUPPLIES & EXPENSE	32,440.71	34,605.73	282,334.18	237,267.70	-15.96%
OUTSIDE SERVICES	131,154.85	120,505.12	370,503.38	481,157.74	29.87%
PROPERTY INSURANCE	31,705.43	31,678.42	374,593.70	386,560.47	3.19%
INJURIES AND DAMAGES	30,002.46	13,332.46	70,436.03	35,229.58	-49.98%
EMPLOYEES PENSIONS & BENEFITS	894,042.45	881,705.42	2,334,831.51	2,026,825.65	-13.19%
MISC GENERAL EXPENSE	8,533.08	9,583.33	155,476.29	166,650.35	7.19%
RENT EXPENSE	1,456.43	12,864.36	186,094.02	196,756.19	5.73%
ENERGY CONSERVATION	64,503.47	42,303.30	638,661.89	508,221.64	-20.42%
TOTAL OPERATION EXPENSES	1,515,985.70	1,481,696.26	9,290,513.09	9,328,204.60	0.41%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	227.10	227.10	2,725.02	2,725.00	0.00%
MAINT OF STRUCT AND EQUIPMT	(3,876.21)	4,942.27	145,089.55	219,062.68	50.98%
MAINT OF LINES - OH	231,509.29	157,916.17	1,500,129.08	1,617,433.33	7.82%
MAINT OF LINES - UG	29,130.20	40,044.45	176,329.52	207,203.54	17.51%
MAINT OF LINE TRANSFORMERS	112,158.87	7,897.13	1,447,447.52	55,348.74	-96.18%
MAINT OF ST LT & SIG SYSTEM	16.66	14.53	(145.69)	(346.85)	138.07%
MAINT OF GARAGE AND STOCKROOM	71,530.71	43,055.71	632,316.62	522,478.89	-17.37%
MAINT OF METERS	4,254.98	2,981.81	33,821.22	77,591.87	129.42%
MAINT OF GEN PLANT	10,816.10	2,679.43	110,079.93	88,460.17	-19.64%
TOTAL MAINTENANCE EXPENSES	455,767.70	259,758.60	4,047,792.77	2,789,957.37	-31.07%
DEPRECIATION EXPENSE	287,729.00	296,027.41	3,452,748.55	3,552,329.58	2.88%
PURCHASED POWER FUEL EXPENSE	3,185,276.88	3,017,804.27	39,522,230.25	35,484,629.66	-10.22%
VOLUNTARY PAYMENTS TO TOWNS	124,185.00	112,382.00	1,330,070.00	1,351,568.00	1.62%
TOTAL OPERATING EXPENSES	7,687,789.41	7,336,671.25	84,943,671.42	77,383,674.10	-8.90%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
6/30/12

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SCHEDULE G

OPERATION EXPENSES:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
PURCHASED POWER BASE EXPENSE	24,876,984.89	27,402,177.00	(2,525,192.11)	-9.22%
OPERATION SUPER AND ENGIN-TRANS	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	512,405.47	438,974.00	73,431.47	16.73%
STATION SUP LABOR AND MISC	110,505.93	62,909.00	47,596.93	75.66%
LINE MISC LABOR AND EXPENSE	704,157.68	692,484.00	11,673.68	1.69%
STATION LABOR AND EXPENSE	459,683.42	441,924.00	17,759.42	4.02%
STREET LIGHTING EXPENSE	117,220.36	85,338.00	31,882.36	37.36%
METER EXPENSE	232,324.46	152,130.00	80,194.46	52.71%
MISC DISTRIBUTION EXPENSE	349,937.87	352,508.00	(2,570.13)	-0.73%
METER READING LABOR & EXPENSE	90,457.24	76,220.00	14,237.24	18.68%
ACCT & COLL LABOR & EXPENSE	1,413,955.12	1,427,255.00	(13,299.88)	-0.93%
UNCOLLECTIBLE ACCOUNTS	103,895.79	192,000.00	(88,104.21)	-45.89%
ENERGY AUDIT EXPENSE	447,682.76	414,098.00	33,584.76	8.11%
ADMIN & GEN SALARIES	747,309.18	745,939.00	1,370.18	0.18%
OFFICE SUPPLIES & EXPENSE	237,267.70	265,700.00	(28,432.30)	-10.70%
OUTSIDE SERVICES	481,157.74	454,250.00	26,907.74	5.92%
PROPERTY INSURANCE	386,560.47	465,000.00	(78,439.53)	-16.87%
INJURIES AND DAMAGES	35,229.58	55,859.00	(20,629.42)	-36.93%
EMPLOYEES PENSIONS & BENEFITS	2,026,825.65	1,441,637.00	585,188.65	40.59%
MISC GENERAL EXPENSE	166,650.35	203,091.00	(36,440.65)	-17.94%
RENT EXPENSE	196,756.19	212,000.00	(15,243.81)	-7.19%
ENERGY CONSERVATION	508,221.64	643,789.00	(135,567.36)	-21.06%
TOTAL OPERATION EXPENSES	9,328,204.60	8,823,105.00	505,099.60	5.72%
MAINTENANCE EXPENSES:				
MAINT OF TRANSMISSION PLANT	2,725.00	3,000.00	(275.00)	-9.17%
MAINT OF STRUCT AND EQUIPMENT	219,062.68	107,072.00	111,990.68	104.59%
MAINT OF LINES - OH	1,617,433.33	1,419,953.00	197,480.33	13.91%
MAINT OF LINES - UG	207,203.54	214,037.00	(6,833.46)	-3.19%
MAINT OF LINE TRANSFORMERS	55,348.74	188,500.00	(133,151.26)	-70.64%
MAINT OF ST LT & SIG SYSTEM	(346.85)	9,636.00	(9,982.85)	-103.60%
MAINT OF GARAGE AND STOCKROOM	522,478.89	662,139.00	(139,660.11)	-21.09%
MAINT OF METERS	77,591.87	85,444.00	(7,852.13)	-9.19%
MAINT OF GEN PLANT	88,460.17	127,620.00	(39,159.83)	-30.68%
TOTAL MAINTENANCE EXPENSES	2,789,957.37	2,817,401.00	(27,443.63)	-0.97%
DEPRECIATION EXPENSE	3,552,329.58	3,600,000.00	(47,670.42)	-1.32%
PURCHASED POWER FUEL EXPENSE	35,484,629.66	39,768,817.00	(4,284,187.34)	-10.77%
VOLUNTARY PAYMENTS TO TOWNS	1,351,568.00	1,356,000.00	(4,432.00)	-0.33%
TOTAL OPERATING EXPENSES	77,383,674.10	83,767,500.00	(6,383,825.90)	-7.62%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
6/30/12

DRAFT

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	24,876,984.89	2,525,192.11	9.22%
OPERATION SUPER AND ENGIN-TRANS	KS	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	KS	438,974.00	512,405.47	(73,431.47)	-16.73%
STATION SUP LABOR AND MISC	KS	62,909.00	110,505.93	(47,596.93)	-75.66%
LINE MISC LABOR AND EXPENSE	KS	692,484.00	704,157.68	(11,673.68)	-1.69%
STATION LABOR AND EXPENSE	KS	441,924.00	459,683.42	(17,759.42)	-4.02%
STREET LIGHTING EXPENSE	KS	85,338.00	117,220.36	(31,882.36)	-37.36%
METER EXPENSE	KS	152,130.00	232,324.46	(80,194.46)	-52.71%
MISC DISTRIBUTION EXPENSE	JD	352,508.00	349,937.87	2,570.13	0.73%
METER READING LABOR & EXPENSE	KS	76,220.00	90,457.24	(14,237.24)	-18.68%
ACCT & COLL LABOR & EXPENSE	RF	1,427,255.00	1,413,955.12	13,299.88	0.93%
UNCOLLECTIBLE ACCOUNTS	RF	192,000.00	103,895.79	88,104.21	45.89%
ENERGY AUDIT EXPENSE	JP	414,098.00	447,682.76	(33,584.76)	-8.11%
ADMIN & GEN SALARIES	VC	745,939.00	747,309.18	(1,370.18)	-0.18%
OFFICE SUPPLIES & EXPENSE	VC	265,700.00	237,267.70	28,432.30	10.70%
OUTSIDE SERVICES	VC	454,250.00	481,157.74	(26,907.74)	-5.92%
PROPERTY INSURANCE	JD	465,000.00	386,560.47	78,439.53	16.87%
INJURIES AND DAMAGES	JD	55,859.00	35,229.58	20,629.42	36.93%
EMPLOYEES PENSIONS & BENEFITS	JD	1,441,637.00	2,026,825.65	(585,188.65)	-40.59%
MISC GENERAL EXPENSE	VC	203,091.00	166,650.35	36,440.65	17.94%
RENT EXPENSE	JD	212,000.00	196,756.19	15,243.81	7.19%
ENERGY CONSERVATION	JP	643,789.00	508,221.64	135,567.36	21.06%
TOTAL OPERATION EXPENSES		8,823,105.00	9,328,204.60	(505,099.60)	-5.72%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	KS	3,000.00	2,725.00	275.00	9.17%
MAINT OF STRUCT AND EQUIPMT	KS	107,072.00	219,062.68	(111,990.68)	-104.59%
MAINT OF LINES - OH	KS	1,419,953.00	1,617,433.33	(197,480.33)	-13.91%
MAINT OF LINES - UG	KS	214,037.00	207,203.54	6,833.46	3.19%
MAINT OF LINE TRANSFORMERS	KS	188,500.00	55,348.74	133,151.26	70.64%
MAINT OF ST LT & SIG SYSTEM	JD	9,636.00	(346.85)	9,982.85	103.60%
MAINT OF GARAGE AND STOCKROOM	JD	662,139.00	522,478.89	139,660.11	21.09%
MAINT OF METERS	KS	85,444.00	77,591.87	7,852.13	9.19%
MAINT OF GEN PLANT	RF	127,620.00	88,460.17	39,159.83	30.68%
TOTAL MAINTENANCE EXPENSES		2,817,401.00	2,789,957.37	27,443.63	0.97%
DEPRECIATION EXPENSE	RF	3,600,000.00	3,552,329.58	47,670.42	1.32%
PURCHASED POWER FUEL EXPENSE	JP	39,768,817.00	35,484,629.66	4,284,187.34	10.77%
VOLUNTARY PAYMENTS TO TOWNS	RF	1,356,000.00	1,351,568.00	4,432.00	0.33%
TOTAL OPERATING EXPENSES		83,767,500.00	77,383,674.10	6,383,825.90	7.62%

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TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
PROFESSIONAL SERVICES
06/30/2012

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	3,380.00	6,000.00	(2,620.00)
3 LEGAL- FERC/ISO ISSUES	ENERGY SERVICE	0.00	18,000.00	(18,000.00)
4 LEGAL- POWER SUPPLY ISSUES	ENERGY SERVICE	94,810.90	45,000.00	49,810.90
5 PROFESSIONAL SERVICES	ENERGY SERVICE	7,484.32	24,000.00	(16,515.68)
6 NERC COMPLIANCE	E & O	20,354.90	15,000.00	5,354.90
7 LOAD CAPACITY STUDY/GIS	ENGINEERING	0.00	15,000.00	(15,000.00)
8 LEGAL SERVICES- GENERAL	GM	111,576.57	50,000.00	61,576.57
9 LEGAL SERVICES-GENERAL	HR	85,642.03	42,000.00	43,642.03
10 LEGAL SERVICES-NEGOTIATIONS	HR	16,037.52	10,500.00	5,537.52
11 LEGAL GENERAL	BLDG. MAINT.	6,845.90	1,500.00	5,345.90
12 SURVEY RIGHT OF WAY	BLDG. MAINT.	0.00	5,000.00	(5,000.00)
13 ENVIRONMENTAL	BLDG. MAINT.	7,350.69	5,000.00	2,350.69
14 STATION 1 STRUCTURAL FEASIBILITY	BLDG. MAINT.	27,800.08	75,000.00	(47,199.92)
15 DEMOLITION OF CONTROL CENTER	BLDG. MAINT.	57,982.50	100,000.00	(42,017.50)
16 INSURANCE CONSULTANT	GEN. BENEFIT	6,458.33	5,000.00	1,458.33
17 LEGAL	GEN. BENEFIT	0.00	5,000.00	(5,000.00)
18 LEGAL	BUSINESS DIV.	494.00	0.00	494.00
TOTAL		481,157.74	454,250.00	26,907.74

PROFESSIONAL SERVICES BY VENDOR

	ACTUAL
ROMARKE INSURANCE	6,041.66
RUBIN AND RUDMAN	196,895.03
UTILITY SERVICES INC.	19,669.17
MELANSON HEATH & COMPANY	44,153.62
DUNCAN AND ALLEN	9,847.87
CHOATE HALL AND STEWART	101,679.55
WILLIAM F. CROWLEY ATTORNEY AT LAW	2,175.75
PROFESSIONAL ENVIRONMENTAL SERVICES	2,240.00
CMEEC	4,169.32
STONE CONSULTING INC.	3,000.00
FRANCESCO DEMOLITION INC.	56,800.00
MENDERS, TORREY & SPENCER INC.	27,135.08
COVINO ENVIRONMENTAL ASSOCIATION	7,350.69
TOTAL	481,157.74

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RMLD
BUDGET VARIANCE REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2012

DIVISION	ACTUAL	BUDGET	VARIANCE	CHANGE
ENGINEERING AND OPERATIONS	4,622,076	4,205,861	416,215	9.90%
ENERGY SERVICES	1,058,280	1,145,387	(87,108)	-7.61%
GENERAL MANAGER	821,966	717,922	104,043	14.49%
FACILITY MANAGER	3,701,469	3,489,524	211,946	6.07%
BUSINESS DIVISION	9,589,663	9,313,811	275,852	2.96%
SUB-TOTAL	<u>19,793,453</u>	<u>18,872,505</u>	<u>920,948</u>	4.88%
PURCHASED POWER - BASE	24,876,985	27,402,177	(2,525,192)	-9.22%
PURCHASED POWER - FUEL	35,484,630	39,768,817	(4,284,187)	-10.77%
TOTAL	<u><u>80,155,067</u></u>	<u><u>86,043,499</u></u>	<u><u>(5,888,432)</u></u>	-6.84%

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RMLD
DEFERRED FUEL CASH RESERVE ANALYSIS
06/30/12

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
Feb-12	2,879,936.88	2,594,141.71	(62,465.74)	(348,260.91)	2,103,928.87
Mar-12	2,585,840.21	2,644,228.46	(62,960.97)	(4,572.72)	2,099,356.15
Apr-12	2,154,729.79	2,528,368.89	(39,924.10)	333,715.00	2,433,071.15
May-12	2,098,550.90	2,344,120.24	(33,019.19)	212,550.15	2,645,621.30
Jun-12	3,017,804.27	2,672,286.86	(30,059.41)	(375,576.82)	2,270,044.48

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RMLD
STAFFING REPORT
FOR FISCAL YEAR ENDING JUNE, 2012

	12 BUD TOTAL	JUNE 12
<u>GENERAL MANAGER</u>		
GENERAL MANAGER	2.00	2.00
HUMAN RESOURCES	1.00	1.00
COMMUNITY RELATIONS	1.00	1.00
TOTAL	<u>4.00</u>	<u>4.00</u>
<u>BUSINESS</u>		
ACCOUNTING	2.00	2.00
CUSTOMER SERVICE *	7.75	7.75
MGMT INFORMATION SYS *	6.25	6.00
MISCELLANEOUS	1.00	1.00
TOTAL	<u>17.00</u>	<u>16.75</u>
<u>ENGINEERING & OPERATIONS</u>		
AGM E&O	2.00	2.00
ENGINEERING	5.00	5.00
LINE	21.00	21.00
METER	4.00	4.00
STATION	8.00	7.00
TOTAL	<u>40.00</u>	<u>39.00</u>
<u>PROJECT</u>		
BUILDING	2.00	2.00
GENERAL BENEFITS	2.00	1.00
TRANSPORTATION	-	-
MATERIALS MGMT	4.00	3.00
TOTAL	<u>8.00</u>	<u>6.00</u>
<u>ENERGY SERVICES</u>		
ENERGY SERVICES *	5.50	4.50
TOTAL	<u>5.50</u>	<u>4.50</u>
RMLD TOTAL	<u>74.50</u>	<u>70.25</u>
<u>CONTRACTORS</u>		
UG LINE	2.00	2.00
TOTAL	<u>2.00</u>	<u>2.00</u>
GRAND TOTAL	<u><u>76.50</u></u>	<u><u>72.25</u></u>

* part time employee

*# part time employee and a coop student

*^ part time employee and a temp

**PARTIAL
FINANCIAL REPORT**

JULY 31, 2012

ISSUE DATE: AUGUST 30, 2012



TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
7/31/12

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
OPERATING REVENUES: (SCH D P.11)					
BASE REVENUE	4,371,583.69	4,673,267.11	4,371,583.69	4,673,267.11	6.90%
FUEL REVENUE	4,049,745.45	3,492,843.61	4,049,745.45	3,492,843.61	-13.75%
PURCHASED POWER CAPACITY	(12,824.73)	222,789.26	(12,824.73)	222,789.26	-1837.18%
FORFEITED DISCOUNTS	68,144.18	80,220.08	68,144.18	80,220.08	17.72%
ENERGY CONSERVATION REVENUE	46,563.18	72,583.71	46,563.18	72,583.71	55.88%
GAW REVENUE	67,510.59	73,547.15	67,510.59	73,547.15	100.00%
NYP&A CREDIT	(79,163.65)	(61,106.90)	(79,163.65)	(61,106.90)	-22.81%
TOTAL OPERATING REVENUES	8,511,558.71	8,554,144.02	8,511,558.71	8,554,144.02	0.50%
OPERATING EXPENSES: (SCH E P.12)					
PURCHASED POWER BASE	2,249,492.04	2,692,174.01	2,249,492.04	2,692,174.01	19.68%
PURCHASED POWER FUEL	4,131,396.83	3,581,715.28	4,131,396.83	3,581,715.28	-13.30%
OPERATING	719,532.80	714,757.20	719,532.80	714,757.20	-0.66%
MAINTENANCE	123,703.06	110,035.51	123,703.06	110,035.51	-11.05%
DEPRECIATION	296,027.47	305,469.18	296,027.47	305,469.18	3.19%
VOLUNTARY PAYMENTS TO TOWNS	113,000.00	114,000.00	113,000.00	114,000.00	0.88%
TOTAL OPERATING EXPENSES	7,633,152.20	7,518,151.18	7,633,152.20	7,518,151.18	-1.51%
OPERATING INCOME	878,406.51	1,035,992.84	878,406.51	1,035,992.84	17.94%
NONOPERATING REVENUES (EXPENSES)					
CONTRIBUTIONS IN AID OF CONST	120.00	16,479.98	120.00	16,479.98	13633.32%
RETURN ON INVESTMENT TO READING	(185,000.00)	(188,785.58)	(185,000.00)	(188,785.58)	2.05%
INTEREST INCOME	2,478.89	3,366.38	2,478.89	3,366.38	35.80%
INTEREST EXPENSE	(503.71)	(259.15)	(503.71)	(259.15)	-48.55%
OTHER (MD&E AND AMORT)	2,363.00	2,268.00	2,363.00	2,268.00	-4.02%
TOTAL NONOPERATING REV (EXP)	(180,541.82)	(166,930.37)	(180,541.82)	(166,930.37)	-7.54%
CHANGE IN NET ASSETS	697,864.69	869,062.47	697,864.69	869,062.47	24.53%
NET ASSETS AT BEGINNING OF YEAR			90,819,864.61	93,603,582.47	3.07%
NET ASSETS AT END OF JULY			91,517,729.30	94,472,644.94	3.23%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
7/31/12

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	4,673,267.11	4,492,499.00	180,768.11	4.02%
FUEL REVENUE	3,492,843.61	3,015,550.00	477,293.61	15.83%
PURCHASED POWER CAPACITY	222,789.26	206,314.00	16,475.26	7.99%
FORFEITED DISCOUNTS	80,220.08	98,835.00	(18,614.92)	-18.83%
ENERGY CONSERVATION REVENUE	72,583.71	68,107.00	4,476.71	6.57%
GAW REVENUE	73,547.15	68,107.00	5,440.15	7.99%
NYPA CREDIT	(61,106.90)	(58,333.00)	(2,773.90)	4.76%
TOTAL OPERATING REVENUES	8,554,144.02	7,891,079.00	663,065.02	8.40%
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	2,692,174.01	2,819,076.00	(126,901.99)	-4.50%
PURCHASED POWER FUEL	3,581,715.28	3,667,101.00	(85,385.72)	-2.33%
OPERATING	714,757.20	843,973.00	(129,215.80)	-15.31%
MAINTENANCE	110,035.51	223,926.00	(113,890.49)	-50.86%
DEPRECIATION	305,469.18	304,167.00	1,302.18	0.43%
VOLUNTARY PAYMENTS TO TOWNS	114,000.00	114,000.00	0.00	0.00%
TOTAL OPERATING EXPENSES	7,518,151.18	7,972,243.00	(454,091.82)	-5.70%
OPERATING INCOME	1,035,992.84	(81,164.00)	1,117,156.84	-1376.42%
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	16,479.98	100,000.00	(83,520.02)	-83.52%
RETURN ON INVESTMENT TO READING	(188,785.58)	(188,750.00)	(35.58)	0.02%
INTEREST INCOME	3,366.38	8,333.00	(4,966.62)	-59.60%
INTEREST EXPENSE	(259.15)	(250.00)	(9.15)	3.66%
OTHER (MDSE AND AMORT)	2,268.00	10,000.00	(7,732.00)	-77.32%
TOTAL NONOPERATING REV (EXP)	(166,930.37)	(70,667.00)	(96,263.37)	136.22%
CHANGE IN NET ASSETS	869,062.47	(151,831.00)	1,020,893.47	-672.39%
NET ASSETS AT BEGINNING OF YEAR	93,603,582.47	93,603,582.47	0.00	0.00%
NET ASSETS AT END OF JULY	94,472,644.94	93,451,751.47	1,020,893.47	1.09%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE
7/31/12

SCHEDULE D

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	3,516,789.59	3,540,097.64	3,516,789.59	3,540,097.64	0.66%
COMM AND INDUSTRIAL SALES	4,558,320.47	4,350,004.65	4,558,320.47	4,350,004.65	-4.57%
PRIVATE STREET LIGHTING	10,995.30	5,704.62	10,995.30	5,704.62	-48.12%
TOTAL PRIVATE CONSUMERS	<u>8,086,105.36</u>	<u>7,895,806.91</u>	<u>8,086,105.36</u>	<u>7,895,806.91</u>	-2.35%
MUNICIPAL SALES:					
STREET LIGHTING	47,420.59	27,914.05	47,420.59	27,914.05	-41.14%
MUNICIPAL BUILDINGS	112,075.89	96,263.97	112,075.89	96,263.97	-14.11%
TOTAL MUNICIPAL CONSUMERS	<u>159,496.48</u>	<u>124,178.02</u>	<u>159,496.48</u>	<u>124,178.02</u>	-22.14%
SALES FOR RESALE	46,015.95	38,629.59	46,015.95	38,629.59	-16.05%
SCHOOL	129,711.35	107,496.20	129,711.35	107,496.20	-17.13%
SUB-TOTAL	8,421,329.14	8,166,110.72	8,421,329.14	8,166,110.72	-3.03%
FORFEITED DISCOUNTS	68,144.18	80,220.08	68,144.18	80,220.08	17.72%
PURCHASED POWER CAPACITY	(12,824.73)	222,789.26	(12,824.73)	222,789.26	-1837.18%
ENERGY CONSERVATION - RESIDENTIAL	17,875.21	28,432.36	17,875.21	28,432.36	59.06%
ENERGY CONSERVATION - COMMERCIAL	28,687.97	44,151.35	28,687.97	44,151.35	53.90%
GAW REVENUE	67,510.59	73,547.15	67,510.59	73,547.15	8.94%
NYPA CREDIT	(79,163.65)	(61,106.90)	(79,163.65)	(61,106.90)	-22.81%
TOTAL REVENUE	<u>8,511,558.71</u>	<u>8,554,144.02</u>	<u>8,511,558.71</u>	<u>8,554,144.02</u>	0.50%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE BY TOWN
7/31/12

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	3,540,097.64	873,288.23	640,992.75	683,881.56	1,341,935.10
INDUS/MUNI BLDG	4,446,268.62	560,924.38	47,628.96	683,669.14	3,154,046.14
PUB. ST. LIGHTS	27,914.05	8,976.30	3,548.79	5,229.50	10,159.46
PRV. ST. LIGHTS	5,704.62	1,041.47	104.25	1,718.62	2,840.28
CO-OP RESALE	38,629.59	38,629.59	0.00	0.00	0.00
SCHOOL	107,496.20	38,201.22	23,258.94	13,651.47	32,384.57
TOTAL	8,166,110.72	1,521,061.19	715,533.69	1,388,150.29	4,541,365.55

THIS YEAR TO DATE

RESIDENTIAL	3,540,097.64	873,288.23	640,992.75	683,881.56	1,341,935.10
INDUS/MUNI BLDG	4,446,268.62	560,924.38	47,628.96	683,669.14	3,154,046.14
PUB. ST. LIGHTS	27,914.05	8,976.30	3,548.79	5,229.50	10,159.46
PRV. ST. LIGHTS	5,704.62	1,041.47	104.25	1,718.62	2,840.28
CO-OP RESALE	38,629.59	38,629.59	0.00	0.00	0.00
SCHOOL	107,496.20	38,201.22	23,258.94	13,651.47	32,384.57
TOTAL	8,166,110.72	1,521,061.19	715,533.67	1,388,150.30	4,541,365.56

LAST YEAR TO DATE

RESIDENTIAL	3,516,789.59	1,019,576.61	571,011.96	733,916.98	1,192,284.04
INDUS/MUNI BLDG	4,670,396.36	630,754.92	55,956.96	759,634.77	3,224,049.71
PUB. ST. LIGHTS	47,420.59	16,557.30	5,782.59	7,848.88	17,231.82
PRV. ST. LIGHTS	10,995.30	2,070.71	204.00	3,375.13	5,345.46
CO-OP RESALE	46,015.95	46,015.95	0.00	0.00	0.00
SCHOOL	129,711.35	47,594.38	29,377.02	16,726.41	36,013.54
TOTAL	8,421,329.14	1,762,569.87	662,332.53	1,521,502.17	4,474,924.57

PERCENTAGE OF OPERATING INCOME TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	43.35%	10.69%	7.85%	8.37%	16.44%
INDUS/MUNI BLDG	54.45%	6.87%	0.58%	8.37%	38.63%
PUB. ST. LIGHTS	0.34%	0.11%	0.04%	0.06%	0.13%
PRV. ST. LIGHTS	0.07%	0.01%	0.00%	0.02%	0.04%
CO-OP RESALE	0.47%	0.47%	0.00%	0.00%	0.00%
SCHOOL	1.32%	0.47%	0.28%	0.17%	0.40%
TOTAL	100.00%	18.62%	8.75%	16.99%	55.64%

THIS YEAR TO DATE

RESIDENTIAL	43.35%	10.69%	7.85%	8.37%	16.44%
INDUS/MUNI BLDG	54.45%	6.87%	0.58%	8.37%	38.63%
PUB. ST. LIGHTS	0.34%	0.11%	0.04%	0.06%	0.13%
PRV. ST. LIGHTS	0.07%	0.01%	0.00%	0.02%	0.04%
CO-OP RESALE	0.47%	0.47%	0.00%	0.00%	0.00%
SCHOOL	1.32%	0.47%	0.28%	0.17%	0.40%
TOTAL	100.00%	18.62%	8.75%	16.99%	55.64%

LAST YEAR TO DATE

RESIDENTIAL	41.76%	12.11%	6.78%	8.71%	14.16%
INDUS/MUNI BLDG	55.46%	7.49%	0.66%	9.02%	38.29%
PUB. ST. LIGHTS	0.56%	0.20%	0.07%	0.09%	0.20%
PRV. ST. LIGHTS	0.13%	0.02%	0.00%	0.04%	0.07%
CO-OP RESALE	0.55%	0.55%	0.00%	0.00%	0.00%
SCHOOL	1.54%	0.57%	0.35%	0.20%	0.42%
TOTAL	100.00%	20.94%	7.86%	18.06%	53.14%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED REVENUE VARIANCE REPORT
7/31/12

SCHEDULE F

SALES OF ELECTRICITY:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
RESIDENTIAL	2,190,172.02	2,062,474.00	127,698.02	6.19%
COMM AND INDUSTRIAL SALES PRIVATE STREET LIGHTING MUNICIPAL BUILDINGS	2,381,854.69	2,315,905.00	65,949.69	2.85%
PUBLIC STREET LIGHTING	16,628.65	16,884.00	(255.35)	-1.51%
SALES FOR RESALE	22,840.05	29,077.00	(6,236.95)	-21.45%
SCHOOL	<u>61,771.70</u>	<u>68,159.00</u>	<u>(6,387.30)</u>	-9.37%
TOTAL BASE SALES	4,673,267.11	4,492,499.00	180,768.11	4.02%
TOTAL FUEL SALES	<u>3,492,843.61</u>	<u>3,015,550.00</u>	<u>477,293.61</u>	15.83%
TOTAL OPERATING REVENUE	8,166,110.72	7,508,049.00	658,061.72	8.76%
FORFEITED DISCOUNTS	80,220.08	98,835.00	(18,614.92)	-18.83%
PURCHASED POWER CAPACITY	222,789.26	206,314.00	16,475.26	7.99%
ENERGY CONSERVATION - RESIDENTIAL	28,432.36	25,766.00	2,666.36	10.35%
ENERGY CONSERVATION - COMMERCIAL	44,151.35	42,341.00	1,810.35	4.28%
GAW REVENUE	73,547.15	68,107.00	5,440.15	7.99%
PASNY CREDIT	(61,106.90)	(58,333.00)	(2,773.90)	4.76%
TOTAL OPERATING REVENUES	<u><u>8,554,144.02</u></u>	<u><u>7,891,079.00</u></u>	<u><u>663,065.02</u></u>	8.40%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING EXPENSES
7/31/12

SCHEDULE E

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
OPERATION EXPENSES:					
PURCHASED POWER BASE EXPENSE	2,249,492.04	2,692,174.01	2,249,492.04	2,692,174.01	19.68%
OPERATION SUPER AND ENGIN-TRANS	0.00	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	39,648.01	43,962.16	39,648.01	43,962.16	10.88%
STATION SUP LABOR AND MISC	10,634.70	6,887.81	10,634.70	6,887.81	-35.23%
LINE MISC LABOR AND EXPENSE	43,476.57	50,245.76	43,476.57	50,245.76	15.57%
STATION LABOR AND EXPENSE	35,375.09	38,012.69	35,375.09	38,012.69	7.46%
STREET LIGHTING EXPENSE	6,019.00	5,023.60	6,019.00	5,023.60	-16.54%
METER EXPENSE	15,701.29	10,199.47	15,701.29	10,199.47	-35.04%
MISC DISTRIBUTION EXPENSE	24,224.88	20,553.76	24,224.88	20,553.76	-15.15%
METER READING LABOR & EXPENSE	7,773.33	9,467.67	7,773.33	9,467.67	21.80%
ACCT & COLL LABOR & EXPENSE	88,234.98	116,579.63	88,234.98	116,579.63	32.12%
UNCOLLECTIBLE ACCOUNTS	16,000.00	8,333.33	16,000.00	8,333.33	-47.92%
ENERGY AUDIT EXPENSE	36,610.79	30,480.08	36,610.79	30,480.08	-16.75%
ADMIN & GEN SALARIES	54,467.07	49,841.94	54,467.07	49,841.94	-8.49%
OFFICE SUPPLIES & EXPENSE	5,800.08	5,878.57	5,800.08	5,878.57	1.35%
OUTSIDE SERVICES	416.67	(115.00)	416.67	(115.00)	-127.60%
PROPERTY INSURANCE	31,794.75	31,678.42	31,794.75	31,678.42	-0.37%
INJURIES AND DAMAGES	729.39	3,940.15	729.39	3,940.15	440.20%
EMPLOYEES PENSIONS & BENEFITS	211,606.36	185,058.22	211,606.36	185,058.22	-12.55%
MISC GENERAL EXPENSE	8,165.03	15,077.85	8,165.03	15,077.85	84.66%
RENT EXPENSE	26,891.26	34,754.29	26,891.26	34,754.29	29.24%
ENERGY CONSERVATION	55,963.55	48,896.80	55,963.55	48,896.80	-12.63%
TOTAL OPERATION EXPENSES	719,532.80	714,757.20	719,532.80	714,757.20	-0.66%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	227.10	227.10	227.10	227.10	0.00%
MAINT OF STRUCT AND EQUIPMT	13,102.07	6,324.81	13,102.07	6,324.81	-51.73%
MAINT OF LINES - OH	71,789.65	61,773.56	71,789.65	61,773.56	-13.95%
MAINT OF LINES - UG	14,213.99	(1,063.59)	14,213.99	(1,063.59)	-107.48%
MAINT OF LINE TRANSFORMERS	0.00	0.00	0.00	0.00	0.00%
MAINT OF ST LT & SIG SYSTEM	(120.93)	(96.40)	(120.93)	(96.40)	-20.28%
MAINT OF GARAGE AND STOCKROOM	11,880.40	29,049.19	11,880.40	29,049.19	144.51%
MAINT OF METERS	4,878.54	1,573.02	4,878.54	1,573.02	-67.76%
MAINT OF GEN PLANT	7,732.24	12,247.82	7,732.24	12,247.82	58.40%
TOTAL MAINTENANCE EXPENSES	123,703.06	110,035.51	123,703.06	110,035.51	-11.05%
DEPRECIATION EXPENSE	296,027.47	305,469.18	296,027.47	305,469.18	3.19%
PURCHASED POWER FUEL EXPENSE	4,131,396.83	3,581,715.28	4,131,396.83	3,581,715.28	-13.30%
VOLUNTARY PAYMENTS TO TOWNS	113,000.00	114,000.00	113,000.00	114,000.00	0.88%
TOTAL OPERATING EXPENSES	7,633,152.20	7,518,151.18	7,633,152.20	7,518,151.18	-1.51%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
7/31/12

SCHEDULE G

OPERATION EXPENSES:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
PURCHASED POWER BASE EXPENSE	<u>2,692,174.01</u>	<u>2,819,076.00</u>	<u>(126,901.99)</u>	-4.50%
OPERATION SUPER AND ENGIN-TRANS	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	43,962.16	39,293.00	4,669.16	11.88%
STATION SUP LABOR AND MISC	6,887.81	8,127.00	(1,239.19)	-15.25%
LINE MISC LABOR AND EXPENSE	50,245.76	55,884.00	(5,638.24)	-10.09%
STATION LABOR AND EXPENSE	38,012.69	36,971.00	1,041.69	2.82%
STREET LIGHTING EXPENSE	5,023.60	6,513.00	(1,489.40)	-22.87%
METER EXPENSE	10,199.47	9,746.00	453.47	4.65%
MISC DISTRIBUTION EXPENSE	20,553.76	28,496.00	(7,942.24)	-27.87%
METER READING LABOR & EXPENSE	9,467.67	8,479.00	988.67	11.66%
ACCT & COLL LABOR & EXPENSE	116,579.63	105,544.00	11,035.63	10.46%
UNCOLLECTIBLE ACCOUNTS	8,333.33	8,333.00	0.33	0.00%
ENERGY AUDIT EXPENSE	30,480.08	37,783.00	(7,302.92)	-19.33%
ADMIN & GEN SALARIES	49,841.94	58,442.00	(8,600.06)	-14.72%
OFFICE SUPPLIES & EXPENSE	5,878.57	21,282.00	(15,403.43)	-72.38%
OUTSIDE SERVICES	(115.00)	36,469.00	(36,584.00)	-100.32%
PROPERTY INSURANCE	31,678.42	39,293.00	(7,614.58)	-19.38%
INJURIES AND DAMAGES	3,940.15	5,163.00	(1,222.85)	-23.68%
EMPLOYEES PENSIONS & BENEFITS	185,058.22	240,426.00	(55,367.78)	-23.03%
MISC GENERAL EXPENSE	15,077.85	21,076.00	(5,998.15)	-28.46%
RENT EXPENSE	34,754.29	17,667.00	17,087.29	96.72%
ENERGY CONSERVATION	48,896.80	58,986.00	(10,089.20)	-17.10%
TOTAL OPERATION EXPENSES	<u>714,757.20</u>	<u>843,973.00</u>	<u>(129,215.80)</u>	-15.31%
MAINTENANCE EXPENSES:				
MAINT OF TRANSMISSION PLANT	227.10	250.00	(22.90)	-9.16%
MAINT OF STRUCT AND EQUIPMENT	6,324.81	11,445.00	(5,120.19)	-44.74%
MAINT OF LINES - OH	61,773.56	95,892.00	(34,118.44)	-35.58%
MAINT OF LINES - UG	(1,063.59)	13,704.00	(14,767.59)	-107.76%
MAINT OF LINE TRANSFORMERS	0.00	31,957.00	(31,957.00)	-100.00%
MAINT OF ST LT & SIG SYSTEM	(96.40)	754.00	(850.40)	-112.79%
MAINT OF GARAGE AND STOCKROOM	29,049.19	53,188.00	(24,138.81)	-45.38%
MAINT OF METERS	1,573.02	5,810.00	(4,236.98)	-72.93%
MAINT OF GEN PLANT	12,247.82	10,926.00	1,321.82	12.10%
TOTAL MAINTENANCE EXPENSES	<u>110,035.51</u>	<u>223,926.00</u>	<u>(113,890.49)</u>	-50.86%
DEPRECIATION EXPENSE	305,469.18	304,167.00	1,302.18	0.43%
PURCHASED POWER FUEL EXPENSE	3,581,715.28	3,667,101.00	(85,385.72)	-2.33%
VOLUNTARY PAYMENTS TO TOWNS	114,000.00	114,000.00	0.00	0.00%
TOTAL OPERATING EXPENSES	<u>7,518,151.18</u>	<u>7,972,243.00</u>	<u>(454,091.82)</u>	-5.70%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
7/31/12

OPERATION EXPENSES:	RESPONSIBLE SENIOR MANAGER	2013 ANNUAL BUDGET	ACTUAL YEAR TO DATE	REMAINING BUDGET BALANCE	REMAINING BUDGET %
PURCHASED POWER BASE EXPENSE	JP	<u>30,102,742.00</u>	<u>2,692,174.01</u>	<u>27,410,567.99</u>	91.06%
OPERATION SUPER AND ENGIN-TRANS	KS	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	KS	468,949.00	43,962.16	424,986.84	90.63%
STATION SUP LABOR AND MISC	KS	79,813.00	6,887.81	72,925.19	91.37%
LINE MISC LABOR AND EXPENSE	KS	671,309.00	50,245.76	621,063.24	92.52%
STATION LABOR AND EXPENSE	KS	448,249.00	38,012.69	410,236.31	91.52%
STREET LIGHTING EXPENSE	KS	83,106.00	5,023.60	78,082.40	93.96%
METER EXPENSE	KS	197,329.00	10,199.47	187,129.53	94.83%
MISC DISTRIBUTION EXPENSE	JD	366,489.00	20,553.76	345,935.24	94.39%
METER READING LABOR & EXPENSE	KS	69,946.00	9,467.67	60,478.33	86.46%
ACCT & COLL LABOR & EXPENSE	RF	1,385,210.00	116,579.63	1,268,630.37	91.58%
UNCOLLECTIBLE ACCOUNTS	RF	100,000.00	8,333.33	91,666.67	91.67%
ENERGY AUDIT EXPENSE	JP	479,013.00	30,480.08	448,532.92	93.64%
ADMIN & GEN SALARIES	VC	761,068.00	49,841.94	711,226.06	93.45%
OFFICE SUPPLIES & EXPENSE	VC	253,950.00	5,878.57	248,071.43	97.69%
OUTSIDE SERVICES	VC	507,125.00	(115.00)	507,240.00	100.02%
PROPERTY INSURANCE	JD	471,500.00	31,678.42	439,821.58	93.28%
INJURIES AND DAMAGES	JD	56,619.00	3,940.15	52,678.85	93.04%
EMPLOYEES PENSIONS & BENEFITS	JD	1,889,623.00	185,058.22	1,704,564.78	90.21%
MISC GENERAL EXPENSE	VC	200,785.00	15,077.85	185,707.15	92.49%
RENT EXPENSE	JD	212,000.00	34,754.29	177,245.71	83.61%
ENERGY CONSERVATION	JP	697,983.00	48,896.80	649,086.20	92.99%
TOTAL OPERATION EXPENSES		<u>8,823,105.00</u>	<u>714,757.20</u>	<u>8,685,308.80</u>	98.44%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	KS	3,000.00	227.10	2,772.90	92.43%
MAINT OF STRUCT AND EQUIPMT	KS	114,120.00	6,324.81	107,795.19	94.46%
MAINT OF LINES - OH	KS	1,250,421.00	61,773.56	1,188,647.44	95.06%
MAINT OF LINES - UG	KS	285,371.00	(1,063.59)	286,434.59	100.37%
MAINT OF LINE TRANSFORMERS	KS	188,500.00	0.00	188,500.00	100.00%
MAINT OF ST LT & SIG SYSTEM	JD	9,684.00	(96.40)	9,780.40	101.00%
MAINT OF GARAGE AND STOCKROOM	JD	672,589.00	29,049.19	643,539.81	95.68%
MAINT OF METERS	KS	47,392.00	1,573.02	45,818.98	96.68%
MAINT OF GEN PLANT	RF	131,320.00	12,247.82	119,072.18	90.67%
TOTAL MAINTENANCE EXPENSES		<u>2,817,401.00</u>	<u>110,035.51</u>	<u>2,592,361.49</u>	92.01%
DEPRECIATION EXPENSE	RF	3,650,000.00	305,469.18	3,344,530.82	91.63%
PURCHASED POWER FUEL EXPENSE	JP	30,500,000.00	3,581,715.28	26,918,284.72	88.26%
VOLUNTARY PAYMENTS TO TOWNS	RF	1,368,000.00	114,000.00	1,254,000.00	91.67%
TOTAL OPERATING EXPENSES		<u>83,767,500.00</u>	<u>7,518,151.18</u>	<u>70,205,053.82</u>	83.81%

Dt: September 28, 2012

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

Fr: Bob Fournier

*RF 9/18/12
822*

Sj: August 31, 2012 Report

The partial results for the first two months ending August 31, 2012, for the fiscal year 2013 will be summarized in the following paragraphs.

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

For the month of August, the net loss or the negative change in net assets was \$371,004, decreasing the year to date net income to \$498,058. The year to date budgeted net income was \$526,234, resulting in net income being under budget by \$28,176 or 5.35%. Actual year to date fuel expenses exceeded fuel revenues by \$857,977.

2) Revenues: (Page 11B)

Year to date base revenues were under budget by \$480,485 or 5.18%. Actual base revenues were \$8.8 million compared to the budgeted amount of \$9.3 million.

3) Expenses: (Page 12A)

*Year to date purchased power base expense was under budget by \$168,731 or 3.1%. Actual purchased power base costs were \$5.3 million compared to the budgeted amount of \$5.4 million.

*Year to date operating and maintenance (O&M) expenses combined were under budget by \$165,352 or 8.22%. Actual O&M expenses were \$1.8 million compared to the budgeted amount of \$2.0 million.

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

4) General Information:

Year to date kwh sales (Page 5) were 134,898,313 which is 4.0 million kwh or 2.85%, behind last year's actual figure. GAW revenues collected ytd were \$134,928 bringing the total collected since inception to \$1,432,014.

Dt: September 28, 2012

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

Fr: Bob Fournier

[Handwritten signature]
9/18/12
grr

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**PARTIAL
FINANCIAL REPORT**

AUGUST 31, 2012

ISSUE DATE: SEPTEMBER 28, 2012



TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
8/31/12

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
OPERATING REVENUES: (SCH D P.11)					
BASE REVENUE	4,635,891.43	4,118,808.89	9,007,475.12	8,792,076.00	-2.39%
FUEL REVENUE	3,924,541.80	2,914,978.35	7,974,287.25	6,407,821.96	-19.64%
PURCHASED POWER CAPACITY	(13,558.46)	185,944.21	(26,383.19)	408,733.47	-1649.22%
FORFEITED DISCOUNTS	100,479.75	105,341.07	168,623.93	185,561.15	10.04%
ENERGY CONSERVATION REVENUE	49,245.10	60,359.50	95,808.28	132,943.21	38.76%
GAW REVENUE	71,367.85	61,381.54	138,878.44	134,928.69	-2.84%
NYPA CREDIT	(52,328.74)	(44,365.80)	(131,492.39)	(105,472.70)	-19.79%
TOTAL OPERATING REVENUES	8,715,638.73	7,402,447.76	17,227,197.44	15,956,591.78	-7.38%
OPERATING EXPENSES: (SCH E P.12)					
PURCHASED POWER BASE	2,470,472.10	2,587,580.40	4,719,964.14	5,279,754.41	11.86%
PURCHASED POWER FUEL	3,795,607.97	3,578,611.20	7,927,004.80	7,160,326.48	-9.67%
OPERATING	780,688.60	830,900.32	1,500,221.40	1,545,657.52	3.03%
MAINTENANCE	316,881.59	190,701.03	440,584.65	300,736.54	-31.74%
DEPRECIATION	296,027.47	305,469.18	592,054.94	610,938.36	3.19%
VOLUNTARY PAYMENTS TO TOWNS	113,000.00	114,000.00	226,000.00	228,000.00	0.88%
TOTAL OPERATING EXPENSES	7,772,677.73	7,607,262.13	15,405,829.93	15,125,413.31	-1.82%
OPERATING INCOME	942,961.00	(204,814.37)	1,821,367.51	831,178.47	-54.37%
NONOPERATING REVENUES (EXPENSES)					
CONTRIBUTIONS IN AID OF CONST	3,566.00	4,837.60	3,686.00	21,317.58	478.34%
RETURN ON INVESTMENT TO READING	(182,659.50)	(188,785.58)	(367,659.50)	(377,571.16)	2.70%
INTEREST INCOME	2,512.27	3,275.93	4,991.16	6,642.31	33.08%
INTEREST EXPENSE	(506.83)	(260.11)	(1,010.54)	(519.26)	-48.62%
OTHER (MDSE AND AMORT)	3,435.00	14,742.34	5,798.00	17,010.34	193.38%
TOTAL NONOPERATING REV (EXP)	(173,653.06)	(166,189.82)	(354,194.88)	(333,120.19)	-5.95%
CHANGE IN NET ASSETS	769,307.94	(371,004.19)	1,467,172.63	498,058.28	-66.05%
NET ASSETS AT BEGINNING OF YEAR			93,603,582.47	93,603,582.47	0.00%
NET ASSETS AT END OF AUGUST			95,070,755.10	94,101,640.75	-1.02%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
8/31/12

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	8,792,076.00	9,272,561.00	(480,485.00)	-5.18%
FUEL REVENUE	6,407,821.96	6,203,533.00	204,288.96	3.29%
PURCHASED POWER CAPACITY	408,733.47	424,425.00	(15,691.53)	-3.70%
FORFEITED DISCOUNTS	185,561.15	203,996.00	(18,434.85)	-9.04%
ENERGY CONSERVATION REVENUE	132,943.21	140,109.00	(7,165.79)	-5.11%
GAW REVENUE	134,928.69	140,109.00	(5,180.31)	-3.70%
NYPA CREDIT	(105,472.70)	(116,666.00)	11,193.30	-9.59%
TOTAL OPERATING REVENUES	15,956,591.78	16,268,067.00	(311,475.22)	-1.91%
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	5,279,754.41	5,448,486.00	(168,731.59)	-3.10%
PURCHASED POWER FUEL	7,160,326.48	7,203,933.00	(43,606.52)	-0.61%
OPERATING	1,545,657.52	1,586,434.00	(40,776.48)	-2.57%
MAINTENANCE	300,736.54	425,312.00	(124,575.46)	-29.29%
DEPRECIATION	610,938.36	608,334.00	2,604.36	0.43%
VOLUNTARY PAYMENTS TO TOWNS	228,000.00	228,000.00	0.00	0.00%
TOTAL OPERATING EXPENSES	15,125,413.31	15,500,499.00	(375,085.69)	-2.42%
OPERATING INCOME	831,178.47	767,568.00	63,610.47	8.29%
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	21,317.58	100,000.00	(78,682.42)	-78.68%
RETURN ON INVESTMENT TO READING	(377,571.16)	(377,500.00)	(71.16)	0.02%
INTEREST INCOME	6,642.31	16,666.00	(10,023.69)	-60.14%
INTEREST EXPENSE	(519.26)	(500.00)	(19.26)	3.85%
OTHER (MDSE AND AMORT)	17,010.34	20,000.00	(2,989.66)	-14.95%
TOTAL NONOPERATING REV (EXP)	(333,120.19)	(241,334.00)	(91,786.19)	38.03%
CHANGE IN NET ASSETS	498,058.28	526,234.00	(28,175.72)	-5.35%
NET ASSETS AT BEGINNING OF YEAR	93,603,582.47	93,603,582.47	0.00	0.00%
NET ASSETS AT END OF AUGUST	94,101,640.75	94,129,816.47	(28,175.72)	-0.03%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SALES OF KILOWATT HOURS
8/31/12

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	28,745,853	25,199,927	54,281,938	53,617,529	-1.22%
COMM. AND INDUSTRIAL SALES	40,107,331	33,838,249	79,473,872	76,493,721	-3.75%
PRIVATE STREET LIGHTING	72,799	73,097	145,578	146,345	0.53%
 TOTAL PRIVATE CONSUMERS	<u>68,925,983</u>	<u>59,111,273</u>	<u>133,901,388</u>	<u>130,257,595</u>	-2.72%
 MUNICIPAL SALES:					
STREET LIGHTING	239,052	237,586	478,104	475,172	-0.61%
MUNICIPAL BUILDINGS	900,447	819,320	1,786,999	1,671,978	-6.44%
 TOTAL MUNICIPAL CONSUMERS	<u>1,139,499</u>	<u>1,056,906</u>	<u>2,265,103</u>	<u>2,147,150</u>	-5.21%
 SALES FOR RESALE	392,652	403,854	749,286	736,265	-1.74%
 SCHOOL	900,987	794,682	1,942,712	1,757,303	-9.54%
 TOTAL KILOWATT HOURS SOLD	<u>71,359,121</u>	<u>61,366,715</u>	<u>138,858,489</u>	<u>134,898,313</u>	-2.85%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
KILOWATT HOURS SOLD BY TOWN
8/31/12

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	25,199,927	8,558,876	3,284,328	6,515,106	6,841,617
COMM & IND	33,838,249	4,805,439	296,202	5,694,105	23,042,503
PVT ST LIGHTS	73,097	13,585	1,360	21,448	36,704
PUB ST LIGHTS	237,586	80,536	32,480	40,043	84,527
MUNI BLDGS	819,320	189,603	149,809	170,040	309,868
SALES/RESALE	403,854	403,854	0	0	0
SCHOOL	794,682	309,212	168,543	87,360	229,567
TOTAL	<u>61,366,715</u>	<u>14,361,105</u>	<u>3,932,722</u>	<u>12,528,102</u>	<u>30,544,786</u>

YEAR TO DATE

RESIDENTIAL	53,617,529	15,505,490	8,466,695	11,989,516	17,655,828
COMM & IND	76,493,721	9,734,741	575,518	11,973,982	54,209,480
PVT ST LIGHTS	146,345	27,170	2,720	42,744	73,711
PUB ST LIGHTS	475,172	161,072	64,960	80,086	169,054
MUNI BLDGS	1,671,978	374,772	292,556	364,111	640,539
SALES/RESALE	736,265	736,265	0	0	0
SCHOOL	1,757,303	644,672	378,285	206,600	527,746
TOTAL	<u>134,898,313</u>	<u>27,184,182</u>	<u>9,780,734</u>	<u>24,657,039</u>	<u>73,276,358</u>

LAST YEAR
TO DATE

RESIDENTIAL	54,281,938	16,575,944	8,333,721	12,098,109	17,274,164
COMM & IND	79,473,872	9,973,869	645,164	12,388,132	56,466,707
PVT ST LIGHTS	145,578	28,162	2,720	42,556	72,140
PUB ST LIGHTS	478,104	160,872	64,874	79,760	172,598
MUNI BLDGS	1,786,999	394,507	312,029	384,917	695,546
SALES/RESALE	749,286	749,286	0	0	0
SCHOOL	1,942,712	705,988	458,340	234,280	544,104
TOTAL	<u>138,858,489</u>	<u>28,588,628</u>	<u>9,816,848</u>	<u>25,227,754</u>	<u>75,225,259</u>

KILOWATT HOURS SOLD TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	41.06%	13.95%	5.35%	10.62%	11.14%
COMM & IND	55.14%	7.83%	0.48%	9.28%	37.55%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.03%	0.07%
PUB ST LIGHTS	0.39%	0.13%	0.05%	0.07%	0.14%
MUNI BLDGS	1.34%	0.31%	0.24%	0.28%	0.51%
SALES/RESALE	0.66%	0.66%	0.00%	0.00%	0.00%
SCHOOL	1.29%	0.50%	0.27%	0.14%	0.38%
TOTAL	<u>100.00%</u>	<u>23.40%</u>	<u>6.39%</u>	<u>20.42%</u>	<u>49.79%</u>

YEAR TO DATE

RESIDENTIAL	39.75%	11.49%	6.28%	8.89%	13.09%
COMM & IND	56.70%	7.22%	0.43%	8.88%	40.17%
PVT ST LIGHTS	0.11%	0.02%	0.00%	0.03%	0.06%
PUB ST LIGHTS	0.35%	0.12%	0.05%	0.06%	0.12%
MUNI BLDGS	1.24%	0.28%	0.22%	0.27%	0.47%
SALES/RESALE	0.55%	0.55%	0.00%	0.00%	0.00%
SCHOOL	1.30%	0.48%	0.28%	0.15%	0.39%
TOTAL	<u>100.00%</u>	<u>20.16%</u>	<u>7.26%</u>	<u>18.28%</u>	<u>54.30%</u>

LAST YEAR
TO DATE

RESIDENTIAL	39.09%	11.94%	6.00%	8.71%	12.44%
COMM & IND	57.23%	7.18%	0.46%	8.92%	40.67%
PVT ST LIGHTS	0.10%	0.02%	0.00%	0.03%	0.05%
PUB ST LIGHTS	0.36%	0.12%	0.05%	0.06%	0.13%
MUNI BLDGS	1.28%	0.28%	0.22%	0.28%	0.50%
SALES/RESALE	0.54%	0.54%	0.00%	0.00%	0.00%
SCHOOL	1.40%	0.51%	0.33%	0.17%	0.39%
TOTAL	<u>100.00%</u>	<u>20.59%</u>	<u>7.06%</u>	<u>18.17%</u>	<u>54.18%</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE
8/31/12

SCHEDULE D

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	3,806,148.25	3,148,073.59	7,322,937.84	6,688,171.23	-8.67%
COMM AND INDUSTRIAL SALES	4,450,916.14	3,620,534.33	9,009,236.61	7,970,538.98	-11.53%
PRIVATE STREET LIGHTING	6,287.79	5,705.10	17,283.09	11,409.72	-33.98%
TOTAL PRIVATE CONSUMERS	<u>8,263,352.18</u>	<u>6,774,313.02</u>	<u>16,349,457.54</u>	<u>14,670,119.93</u>	-10.27%
MUNICIPAL SALES:					
STREET LIGHTING	30,425.08	27,914.05	77,845.67	55,828.10	-28.28%
MUNICIPAL BUILDINGS	109,257.10	93,693.07	221,332.99	189,957.04	-14.18%
TOTAL MUNICIPAL CONSUMERS	<u>139,682.18</u>	<u>121,607.12</u>	<u>299,178.66</u>	<u>245,785.14</u>	-17.85%
SALES FOR RESALE	48,694.01	46,919.59	94,709.96	85,549.18	-9.67%
SCHOOL	108,704.86	90,947.51	238,416.21	198,443.71	-16.77%
SUB-TOTAL	8,560,433.23	7,033,787.24	16,981,762.37	15,199,897.96	-10.49%
FORFEITED DISCOUNTS	100,479.75	105,341.07	168,623.93	185,561.15	10.04%
PURCHASED POWER CAPACITY	(13,558.46)	185,944.21	(26,383.19)	408,733.47	-1649.22%
ENERGY CONSERVATION - RESIDENTIAL	20,120.83	25,218.26	37,996.04	53,650.62	41.20%
ENERGY CONSERVATION - COMMERCIAL	29,124.27	35,141.24	57,812.24	79,292.59	37.16%
GAW REVENUE	71,367.85	61,381.54	138,878.44	134,928.69	-2.84%
NYPA CREDIT	(52,328.74)	(44,365.80)	(131,492.39)	(105,472.70)	-19.79%
TOTAL REVENUE	<u>8,715,638.73</u>	<u>7,402,447.76</u>	<u>17,227,197.44</u>	<u>15,956,591.78</u>	-7.38%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE BY TOWN
8/31/12

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	3,148,073.59	1,070,359.03	409,430.07	811,278.28	857,006.21
INDUS/MUNI BLDG	3,714,227.40	556,343.22	51,148.29	633,032.53	2,473,703.36
PUB.ST.LIGHTS	27,914.05	8,976.30	3,548.79	5,229.50	10,159.46
PRV.ST.LIGHTS	5,705.10	1,049.07	104.25	1,733.24	2,818.54
CO-OP RESALE	46,919.59	46,919.59	0.00	0.00	0.00
SCHOOL	90,947.51	35,044.62	19,146.97	10,582.55	26,173.37
TOTAL	7,033,787.24	1,718,691.83	483,378.37	1,461,856.10	3,369,860.94

THIS YEAR TO DATE

RESIDENTIAL	6,688,171.23	1,943,647.26	1,050,422.82	1,495,159.84	2,198,941.31
INDUS/MUNI BLDG	8,160,496.02	1,117,267.60	98,777.25	1,316,701.67	5,627,749.50
PUB.ST.LIGHTS	55,828.10	17,952.60	7,097.58	10,459.00	20,318.92
PRV.ST.LIGHTS	11,409.72	2,090.54	208.50	3,451.86	5,658.82
CO-OP RESALE	85,549.18	85,549.18	0.00	0.00	0.00
SCHOOL	198,443.71	73,245.84	42,405.91	24,234.02	58,557.94
TOTAL	15,199,897.96	3,239,753.02	1,198,912.04	2,850,006.40	7,911,226.50

LAST YEAR TO DATE

RESIDENTIAL	7,322,937.84	2,240,812.91	1,120,664.76	1,630,210.45	2,331,249.72
INDUS/MUNI BLDG	9,230,569.60	1,244,441.98	116,222.44	1,481,976.06	6,387,929.12
PUB.ST.LIGHTS	77,845.67	26,147.75	9,580.23	13,367.44	28,750.25
PRV.ST.LIGHTS	17,283.09	3,261.02	318.90	5,303.78	8,399.39
CO-OP RESALE	94,709.96	94,709.96	0.00	0.00	0.00
SCHOOL	238,416.21	87,513.60	54,761.67	29,716.35	66,424.59
TOTAL	16,981,762.37	3,696,887.22	1,301,548.00	3,160,574.08	8,822,753.07

PERCENTAGE OF OPERATING INCOME TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	44.75%	15.22%	5.82%	11.53%	12.18%
INDUS/MUNI BLDG	52.81%	7.91%	0.73%	9.00%	35.17%
PUB.ST.LIGHTS	0.40%	0.13%	0.05%	0.07%	0.15%
PRV.ST.LIGHTS	0.08%	0.01%	0.00%	0.02%	0.05%
CO-OP RESALE	0.67%	0.67%	0.00%	0.00%	0.00%
SCHOOL	1.29%	0.50%	0.27%	0.15%	0.37%
TOTAL	100.00%	24.44%	6.87%	20.77%	47.92%

THIS YEAR TO DATE

RESIDENTIAL	43.99%	12.79%	6.91%	9.84%	14.45%
INDUS/MUNI BLDG	53.69%	7.35%	0.65%	8.66%	37.03%
PUB.ST.LIGHTS	0.37%	0.12%	0.05%	0.07%	0.13%
PRV.ST.LIGHTS	0.08%	0.01%	0.00%	0.02%	0.05%
CO-OP RESALE	0.56%	0.56%	0.00%	0.00%	0.00%
SCHOOL	1.31%	0.48%	0.28%	0.16%	0.39%
TOTAL	100.00%	21.31%	7.89%	18.75%	52.05%

LAST YEAR TO DATE

RESIDENTIAL	43.12%	13.20%	6.60%	9.60%	13.72%
INDUS/MUNI BLDG	54.36%	7.33%	0.68%	8.73%	37.62%
PUB.ST.LIGHTS	0.46%	0.15%	0.06%	0.08%	0.17%
PRV.ST.LIGHTS	0.10%	0.02%	0.00%	0.03%	0.05%
CO-OP RESALE	0.56%	0.56%	0.00%	0.00%	0.00%
SCHOOL	1.40%	0.52%	0.32%	0.17%	0.39%
TOTAL	100.00%	21.78%	7.66%	18.61%	51.95%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED REVENUE VARIANCE REPORT
8/31/12

SCHEDULE F

SALES OF ELECTRICITY:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
RESIDENTIAL	4,140,978.50	4,367,919.00	(226,940.50)	-5.20%
COMM AND INDUSTRIAL SALES PRIVATE STREET LIGHTING MUNICIPAL BUILDINGS	4,452,291.83	4,681,878.00	(229,586.17)	-4.90%
PUBLIC STREET LIGHTING	33,257.30	33,768.00	(510.70)	-1.51%
SALES FOR RESALE	50,576.55	60,823.00	(10,246.45)	-16.85%
SCHOOL	<u>114,971.82</u>	<u>128,173.00</u>	<u>(13,201.18)</u>	-10.30%
TOTAL BASE SALES	8,792,076.00	9,272,561.00	(480,485.00)	-5.18%
TOTAL FUEL SALES	<u>6,407,821.96</u>	<u>6,203,533.00</u>	<u>204,288.96</u>	3.29%
TOTAL OPERATING REVENUE	15,199,897.96	15,476,094.00	(276,196.04)	-1.78%
FORFEITED DISCOUNTS	185,561.15	203,996.00	(18,434.85)	-9.04%
PURCHASED POWER CAPACITY	408,733.47	424,425.00	(15,691.53)	-3.70%
ENERGY CONSERVATION - RESIDENTIAL	53,650.62	54,771.00	(1,120.38)	-2.05%
ENERGY CONSERVATION - COMMERCIAL	79,292.59	85,338.00	(6,045.41)	-7.08%
GAW REVENUE	134,928.69	140,109.00	(5,180.31)	-3.70%
PASNY CREDIT	(105,472.70)	(116,666.00)	11,193.30	-9.59%
TOTAL OPERATING REVENUES	<u><u>15,956,591.78</u></u>	<u><u>16,268,067.00</u></u>	<u><u>(311,475.22)</u></u>	-1.91%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING EXPENSES
8/31/12

SCHEDULE E

OPERATION EXPENSES:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
PURCHASED POWER BASE EXPENSE	2,470,472.10	2,587,580.40	4,719,964.14	5,279,754.41	11.86%
OPERATION SUPER AND ENGIN-TRANS	0.00	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	59,163.62	45,227.41	98,811.63	89,189.57	-9.74%
STATION SUP LABOR AND MISC	12,670.96	6,206.81	23,305.66	13,094.62	-43.81%
LINE MISC LABOR AND EXPENSE	64,480.84	46,385.73	107,957.41	96,631.49	-10.49%
STATION LABOR AND EXPENSE	44,153.54	42,374.79	79,528.63	80,387.48	1.08%
STREET LIGHTING EXPENSE	8,570.00	8,082.21	14,589.00	13,105.81	-10.17%
METER EXPENSE	31,136.28	16,582.78	46,837.57	26,782.25	-42.82%
MISC DISTRIBUTION EXPENSE	32,164.04	31,550.67	56,388.92	52,104.43	-7.60%
METER READING LABOR & EXPENSE	10,588.52	9,363.44	18,361.85	18,831.11	2.56%
ACCT & COLL LABOR & EXPENSE	132,563.58	130,969.11	220,798.56	247,548.74	12.12%
UNCOLLECTIBLE ACCOUNTS	16,000.00	8,333.33	32,000.00	16,666.66	-47.92%
ENERGY AUDIT EXPENSE	45,436.78	44,985.13	80,207.57	75,465.21	-5.91%
ADMIN & GEN SALARIES	74,049.78	67,932.65	128,516.85	117,774.59	-8.36%
OFFICE SUPPLIES & EXPENSE	17,165.72	22,539.10	22,965.80	28,417.67	23.74%
OUTSIDE SERVICES	32,853.14	30,524.72	33,269.81	30,409.72	-8.60%
PROPERTY INSURANCE	31,778.71	31,678.42	63,573.46	63,356.84	-0.34%
INJURIES AND DAMAGES	744.29	2,436.14	1,473.68	6,376.29	332.68%
EMPLOYEES PENSIONS & BENEFITS	103,019.13	207,617.48	314,625.49	392,675.70	24.81%
MISC GENERAL EXPENSE	22,135.78	9,648.41	30,300.81	24,726.26	-18.40%
RENT EXPENSE	780.89	13,747.40	27,672.15	48,501.69	75.27%
ENERGY CONSERVATION	41,233.00	54,714.59	99,036.55	103,611.39	4.62%
TOTAL OPERATION EXPENSES	780,688.60	830,900.32	1,500,221.40	1,545,657.52	3
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	227.10	227.10	454.20	454.20	0.00%
MAINT OF STRUCT AND EQUIPMT	22,316.09	6,119.58	35,418.16	12,444.39	-64.86%
MAINT OF LINES - OH	203,891.02	106,557.57	275,680.67	168,331.13	-38.94%
MAINT OF LINES - UG	(171.86)	15,298.11	14,042.13	14,234.52	1.37%
MAINT OF LINE TRANSFORMERS	635.03	4,152.55	635.03	4,152.55	0.00%
MAINT OF ST LT & SIG SYSTEM	(17.44)	(40.87)	(138.37)	(137.27)	-0.79%
MAINT OF GARAGE AND STOCKROOM	74,838.55	45,150.90	86,718.95	74,200.09	-14.44%
MAINT OF METERS	7,892.75	5,181.15	12,771.29	6,754.17	-47.11%
MAINT OF GEN PLANT	7,270.35	8,054.94	15,002.59	20,302.76	35.33%
TOTAL MAINTENANCE EXPENSES	316,881.59	190,701.03	440,584.65	300,736.54	-31.74%
DEPRECIATION EXPENSE	296,027.47	305,469.18	592,054.94	610,938.36	3.19%
PURCHASED POWER FUEL EXPENSE	3,795,607.97	3,578,611.20	7,927,004.80	7,160,326.48	-9.67%
VOLUNTARY PAYMENTS TO TOWNS	113,000.00	114,000.00	226,000.00	228,000.00	0.88%
TOTAL OPERATING EXPENSES	7,772,677.73	7,607,262.13	15,405,829.93	15,125,413.31	-1.82%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
8/31/12

SCHEDULE G

OPERATION EXPENSES:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
PURCHASED POWER BASE EXPENSE	5,279,754.41	5,448,486.00	(168,731.59)	-3.10%
OPERATION SUPER AND ENGIN-TRANS	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	89,189.57	73,696.00	15,493.57	21.02%
STATION SUP LABOR AND MISC	13,094.62	13,854.00	(759.38)	-5.48%
LINE MISC LABOR AND EXPENSE	96,631.49	99,268.00	(2,636.51)	-2.66%
STATION LABOR AND EXPENSE	80,387.48	71,497.00	8,890.48	12.43%
STREET LIGHTING EXPENSE	13,105.81	13,576.00	(470.19)	-3.46%
METER EXPENSE	26,782.25	21,460.00	5,322.25	24.80%
MISC DISTRIBUTION EXPENSE	52,104.43	56,992.00	(4,887.57)	-8.58%
METER READING LABOR & EXPENSE	18,831.11	16,373.00	2,458.11	15.01%
ACCT & COLL LABOR & EXPENSE	247,548.74	214,216.00	33,332.74	15.56%
UNCOLLECTIBLE ACCOUNTS	16,666.66	16,666.00	0.66	0.00%
ENERGY AUDIT EXPENSE	75,465.21	73,066.00	2,399.21	3.28%
ADMIN & GEN SALARIES	117,774.59	116,634.00	1,140.59	0.98%
OFFICE SUPPLIES & EXPENSE	28,417.67	42,389.00	(13,971.33)	-32.96%
OUTSIDE SERVICES	30,409.72	100,313.00	(69,903.28)	-69.69%
PROPERTY INSURANCE	63,356.84	78,586.00	(15,229.16)	-19.38%
INJURIES AND DAMAGES	6,376.29	9,841.00	(3,464.71)	-35.21%
EMPLOYEES PENSIONS & BENEFITS	392,675.70	380,852.00	11,823.70	3.10%
MISC GENERAL EXPENSE	24,726.26	33,849.00	(9,122.74)	-26.95%
RENT EXPENSE	48,501.69	35,334.00	13,167.69	37.27%
ENERGY CONSERVATION	103,611.39	117,972.00	(14,360.61)	-12.17%
TOTAL OPERATION EXPENSES	1,545,657.52	1,586,434.00	(40,776.48)	-2.57%
MAINTENANCE EXPENSES:				
MAINT OF TRANSMISSION PLANT	454.20	500.00	(45.80)	-9.16%
MAINT OF STRUCT AND EQUIPMENT	12,444.39	19,195.00	(6,750.61)	-35.17%
MAINT OF LINES - OH	168,331.13	193,024.00	(24,692.87)	-12.79%
MAINT OF LINES - UG	14,234.52	27,518.00	(13,283.48)	-48.27%
MAINT OF LINE TRANSFORMERS	4,152.55	40,164.00	(36,011.45)	-89.66%
MAINT OF ST LT & SIG SYSTEM	(137.27)	1,563.00	(1,700.27)	-108.78%
MAINT OF GARAGE AND STOCKROOM	74,200.09	109,876.00	(35,675.91)	-32.47%
MAINT OF METERS	6,754.17	11,620.00	(4,865.83)	-41.87%
MAINT OF GEN PLANT	20,302.76	21,852.00	(1,549.24)	-7.09%
TOTAL MAINTENANCE EXPENSES	300,736.54	425,312.00	(124,575.46)	-29.29%
DEPRECIATION EXPENSE	610,938.36	608,334.00	2,604.36	0.43%
PURCHASED POWER FUEL EXPENSE	7,160,326.48	7,203,933.00	(43,606.52)	-0.61%
VOLUNTARY PAYMENTS TO TOWNS	228,000.00	228,000.00	0.00	0.00%
TOTAL OPERATING EXPENSES	15,125,413.31	15,500,499.00	(375,085.69)	-2.42%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
8/31/12

OPERATION EXPENSES:	RESPONSIBLE SENIOR MANAGER	2013 ANNUAL BUDGET	ACTUAL YEAR TO DATE	REMAINING BUDGET BALANCE	REMAINING BUDGET %
PURCHASED POWER BASE EXPENSE	JP	<u>30,102,742.00</u>	<u>5,279,754.41</u>	<u>24,822,987.59</u>	82.46%
OPERATION SUPER AND ENGIN-TRANS	KS	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	KS	468,949.00	89,189.57	379,759.43	80.98%
STATION SUP LABOR AND MISC	KS	79,813.00	13,094.62	66,718.38	83.59%
LINE MISC LABOR AND EXPENSE	KS	671,309.00	96,631.49	574,677.51	85.61%
STATION LABOR AND EXPENSE	KS	448,249.00	80,387.48	367,861.52	82.07%
STREET LIGHTING EXPENSE	KS	83,106.00	13,105.81	70,000.19	84.23%
METER EXPENSE	KS	197,329.00	26,782.25	170,546.75	86.43%
MISC DISTRIBUTION EXPENSE	KS	366,489.00	52,104.43	314,384.57	85.78%
METER READING LABOR & EXPENSE	KS	69,946.00	18,831.11	51,114.89	73.08%
ACCT & COLL LABOR & EXPENSE	RF	1,385,210.00	247,548.74	1,137,661.26	82.13%
UNCOLLECTIBLE ACCOUNTS	RF	100,000.00	16,666.66	83,333.34	83.33%
ENERGY AUDIT EXPENSE	JP	479,013.00	75,465.21	403,547.79	84.25%
ADMIN & GEN SALARIES	VC	761,068.00	117,774.59	643,293.41	84.53%
OFFICE SUPPLIES & EXPENSE	VC	253,950.00	28,417.67	225,532.33	88.81%
OUTSIDE SERVICES	VC	507,125.00	30,409.72	476,715.28	94.00%
PROPERTY INSURANCE	KS	471,500.00	63,356.84	408,143.16	86.56%
INJURIES AND DAMAGES	KS	56,619.00	6,376.29	50,242.71	88.74%
EMPLOYEES PENSIONS & BENEFITS	KS	1,889,623.00	392,675.70	1,496,947.30	79.22%
MISC GENERAL EXPENSE	VC	200,785.00	24,726.26	176,058.74	87.69%
RENT EXPENSE	KS	212,000.00	48,501.69	163,498.31	77.12%
ENERGY CONSERVATION	JP	697,983.00	103,611.39	594,371.61	85.16%
TOTAL OPERATION EXPENSES		<u>8,823,105.00</u>	<u>1,545,657.52</u>	<u>7,277,447.48</u>	89.02%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	KS	3,000.00	454.20	2,545.80	84.86%
MAINT OF STRUCT AND EQUIPMT	KS	114,120.00	12,444.39	101,675.61	89.10%
MAINT OF LINES - OH	KS	1,250,421.00	168,331.13	1,082,089.87	86.54%
MAINT OF LINES - UG	KS	285,371.00	14,234.52	271,136.48	95.01%
MAINT OF LINE TRANSFORMERS	KS	188,500.00	4,152.55	184,347.45	97.80%
MAINT OF ST LT & SIG SYSTEM	KS	9,684.00	(137.27)	9,821.27	101.42%
MAINT OF GARAGE AND STOCKROOM	KS	672,589.00	74,200.09	598,388.91	88.97%
MAINT OF METERS	KS	47,392.00	6,754.17	40,637.83	85.75%
MAINT OF GEN PLANT	RF	131,320.00	20,302.76	111,017.24	84.54%
TOTAL MAINTENANCE EXPENSES		<u>2,817,401.00</u>	<u>300,736.54</u>	<u>2,401,660.46</u>	85.24%
DEPRECIATION EXPENSE	RF	3,650,000.00	610,938.36	3,039,061.64	83.26%
PURCHASED POWER FUEL EXPENSE	JP	30,500,000.00	7,160,326.48	23,339,673.52	76.52%
VOLUNTARY PAYMENTS TO TOWNS	RF	1,368,000.00	228,000.00	1,140,000.00	83.33%
TOTAL OPERATING EXPENSES		<u>83,767,500.00</u>	<u>15,125,413.31</u>	<u>62,597,791.69</u>	74.73%



August 15, 2012

Town of Reading Municipal Light Board

Subject: Engineering Analysis Software

On May 7, 2012 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Engineering Analysis Software for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Yale Electric
Stuart C. Irby
Power Tech UPSC
Robinson Sales

Wesco Distribution
J.F. Gray
Shamrock Power
E.L. Flowers

Graybar Electric
Power Sales
Hasgo Power
HD Supply

A bid was received from Milsoft Utility Solutions.

The bids were publicly opened and read aloud at 11:00 a.m. June 6, 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 2012-26 for Engineering Analysis Software be awarded to:

Milsoft Utility Solutions for a total cost of \$73,250.00

<u>Item (desc.)</u>	<u>Manufacturer</u>	<u>Total Net Cost</u>
1 Engineering Analysis Tool	Milsoft	18,250.00
2 Database Conversion Tool	Milsoft	25,000.00
3 GIS	Milsoft	30,000.00
Total		73,250.00

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

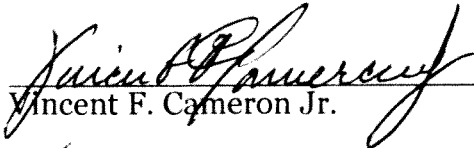
RMLD



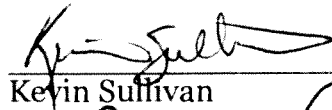
Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

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

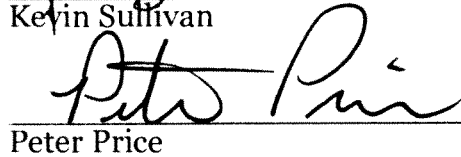
The total FY12 Capital Budget allocation for "Engineering Analysis Software" was \$70,000.



Vincent F. Cameron Jr.



Kevin Sullivan



Peter Price



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

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

September 27, 2012

Town of Reading Municipal Light Board

Subject: Janitorial Services

On August 1, 2012 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Janitorial Services for the Reading Municipal Light Department.

An invitation to bid was mailed to 31 companies, listed below:

A.C.P. Cleaning, Inc.	ABM Janitorial Northeast, Inc.	Advanced Maintenance Solutions, Inc.	All-Pro Cleaning Systems	American Cleaning Company, Inc.
AMPM Facility Services	Boston Cleaning Company, Inc.	Clean Link	Compass Facility Services, Inc.	Consolidated Service Corp.
Coverall	CSI International, Inc.	Empire Cleaning, Inc.	Facilities Mgmt. & Maintenance, Inc.	FMN Services, Inc.
G Associates Corp.	JC Zampell	Jani-King of Boston, Inc.	Janitronics Building Services	McGarr Services Corp.
National Cleaning Corp.	NECC Corp.	Peace Maintenance	Peace Plus Maintenance, Inc.	ResourceOne
S.J. Services	SEC Industrial and Commercial Services	ServiceMaster	State Cleaning Service, Inc.	Swilley Commercial Cleaning
The Cleaning Crew				

Five bids were received from Advanced Maintenance Solutions, Empire Cleaning Inc., Jani-King of Boston, Inc., MP Building Services and S.J. Services.

The bids were publicly opened and read aloud at 11:00 a.m. September 5, 2012 in the Town of Reading Municipal Light Department's Audio Visual/Spurr Room, 230 Ash Street, Reading, Massachusetts.

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

RMLD



Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

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

Move that bid 2013-01 for the Janitorial Services be awarded to:

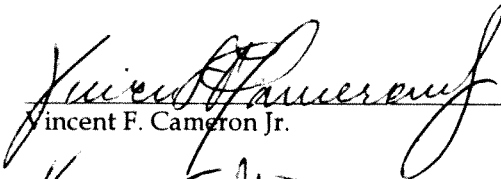
S.J. Services for \$120,780.00

Janitorial Services

\$120,780.00

as the lowest responsive qualified bidder on the recommendation of the General Manager. (This is a three year contract.)

The 2013 Operating Budget amount for this item is \$58,000.00.



Vincent F. Cameron Jr.



Kevin Sullivan



David Polson

<u>Bidder</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Combined 3 Year Total</u>	<u>Bid Form</u>	<u>Responsive to Bid</u>
Advanced Maintenance Solutions, Inc.	\$49,680.00	\$50,184.00	\$50,676.00	\$150,540.00	Yes	¹ No
Empire Cleaning, Inc.	\$47,148.00	\$49,428.00	\$51,756.00	\$148,332.00	Yes	² No
Jani-King of Boston, Inc.	\$42,000.00	\$42,000.00	\$44,100.00	\$128,100.00	Yes	³ No
MP Building Services	\$54,000.00	\$55,200.00	\$56,400.00	\$165,600.00	Yes	⁴ No
S.J. Services	\$38,496.00	\$39,996.00	\$42,288.00	\$120,780.00	Yes	Yes

¹ Advanced Maintenance Solutions, Inc - Missing commitment letter for 50% Performance Bond, Detailed Plan of Services, Scheduled Post Cleaning Services

² Empire Cleaning, Inc - Missing Schedule of pre-cleaning services, Tax Certification, Non-Collusion, FLSA Cert, Certificate of Vote

³ Jani-King of Boston, Inc - Missing Schedule of pre-cleaning services - *Exceptions: Three minor - I-9's and photo IDs

⁴ MP Building Services - Missing two addendums, pricing for Qtrly, Semi-Annual and other services, Non-Collusion Cert, FLSA Cert



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

August 12

	RESIDENTIAL 750 kWh's	RESIDENTIAL TOWN 1500 kWh's 75/25 Split	RES. HOT WATER 1000 kWh's	COMMERCIAL 7,300 kWh's 25,000 kW Demand	SMALL COMMERCIAL 1,080 kWh's 10,000 kW Demand	SCHOOL RATE 35000 kWh's 130.5 kW Demand	INDUSTRIAL TOWN 109,500 kWh's 250,000 kW Demand 80/20 Split
READING MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$97.29	\$172.05	\$112.83	\$866.78	\$168.26	\$4,023.87	\$11,010.02
PER KWH CHARGE	\$0.12972	\$0.11470	\$0.11283	\$0.11874	\$0.15580	\$0.11497	\$0.10055
NATIONAL GRID							
TOTAL BILL	\$116.16	\$194.61	\$139.40	\$1,037.29	\$148.09	\$3,650.32	\$9,914.57
PER KWH CHARGE	\$0.15488	\$0.12974	\$0.13940	\$0.14210	\$0.13712	\$0.10429	\$0.09054
% DIFFERENCE	19.40%	13.11%	23.55%	19.67%	-11.99%	-9.28%	-9.95%
NSTAR COMPANY							
TOTAL BILL	\$118.91	\$216.22	\$156.40	\$1,072.09	\$161.44	\$5,973.40	\$21,730.47
PER KWH CHARGE	\$0.15854	\$0.14414	\$0.15640	\$0.14686	\$0.14948	\$0.17067	\$0.19845
% DIFFERENCE	22.22%	25.67%	38.62%	23.69%	-4.05%	48.45%	97.37%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$85.40	\$164.61	\$111.80	\$885.21	\$149.31	\$4,315.54	\$10,400.20
PER KWH CHARGE	\$0.11386	\$0.10974	\$0.11180	\$0.12126	\$0.13825	\$0.12330	\$0.09498
% DIFFERENCE	-12.22%	-4.32%	-0.91%	2.13%	-11.26%	7.25%	-5.54%
MIDDLETON MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$99.77	\$198.39	\$132.64	\$959.51	\$168.44	\$4,762.93	\$13,330.75
PER KWH CHARGE	\$0.13303	\$0.13226	\$0.13264	\$0.13144	\$0.15596	\$0.13608	\$0.12174
% DIFFERENCE	2.55%	15.31%	17.56%	10.70%	0.10%	18.37%	21.08%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$104.31	\$202.32	\$136.98	\$1,039.27	\$167.49	\$4,864.08	\$13,421.07
PER KWH CHARGE	\$0.13908	\$0.13488	\$0.13698	\$0.14237	\$0.15509	\$0.13897	\$0.12257
% DIFFERENCE	7.22%	17.60%	21.40%	19.90%	-0.46%	20.88%	21.90%



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

September-12

	RESIDENTIAL 750 kWh's	RESIDENTIAL-TOWN 75/25 Split	RES. HOT WATER 1000 kWh's	COMMERCIAL 7,300 kWh's 25,000 kW Demand	SMALL COMMERCIAL 1,080 kWh's 10,000 kW Demand	SCHOOL RATE 35000 kWh's 130.5 kW Demand	INDUSTRIAL - TOWN 109,500 kWh's 250,000 kW Demand 80/20 Split
READING MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$97.36	\$172.20	\$112.93	\$866.78	\$168.26	\$4,023.87	\$11,010.02
PER KWH CHARGE	\$0.12982	\$0.11480	\$0.11293	\$0.11874	\$0.15580	\$0.11497	\$0.10055
NATIONAL GRID							
TOTAL BILL	\$116.16	\$194.61	\$139.40	\$1,037.29	\$148.09	\$3,650.32	\$9,914.57
PER KWH CHARGE	\$0.15488	\$0.12974	\$0.13940	\$0.14210	\$0.13712	\$0.10429	\$0.09054
% DIFFERENCE	19.31%	13.01%	23.44%	19.67%	-11.99%	-9.28%	-9.95%
NSTAR COMPANY							
TOTAL BILL	\$118.91	\$216.22	\$156.40	\$1,072.09	\$161.44	\$5,973.40	\$13,580.39
PER KWH CHARGE	\$0.15854	\$0.14414	\$0.15640	\$0.14686	\$0.14948	\$0.17067	\$0.12402
% DIFFERENCE	22.13%	25.56%	38.49%	23.69%	-4.05%	48.45%	23.35%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$85.40	\$164.61	\$111.80	\$885.21	\$149.31	\$4,315.54	\$10,400.20
PER KWH CHARGE	\$0.11386	\$0.10974	\$0.11180	\$0.12126	\$0.13825	\$0.12330	\$0.09498
% DIFFERENCE	-12.29%	-4.41%	-1.00%	2.13%	-11.26%	7.25%	-5.54%
MIDDLETON MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$99.77	\$198.39	\$132.64	\$959.51	\$168.44	\$4,762.93	\$13,330.75
PER KWH CHARGE	\$0.13303	\$0.13226	\$0.13264	\$0.13144	\$0.15596	\$0.13608	\$0.12174
% DIFFERENCE	2.47%	15.21%	17.45%	10.70%	0.10%	18.37%	21.08%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$104.31	\$202.32	\$136.98	\$1,039.27	\$167.49	\$4,864.08	\$13,421.07
PER KWH CHARGE	\$0.13908	\$0.13488	\$0.13698	\$0.14237	\$0.15509	\$0.13897	\$0.12257
% DIFFERENCE	7.14%	17.49%	21.30%	19.90%	-0.46%	20.88%	21.90%



Account Payable Warrant - July 20

Vincent Cameron

Sent: Wednesday, July 25, 2012 2:08 PM
To: RMLD Board Members Group
Cc: Bob Fournier; Jeanne Foti; Steve Kazanjian; Wendy Markiewicz
Categories: Red Category

Snyder

1. Eagle - Noted sprinklers spraying onto pavement upon arrival, although billing notes they were adjusted.

I will look into the direction of the sprinkler spray and see if it needs further adjustment.

2. Mass Communication - It's hard to tell how this bill lines up with the PO? e.g. set up laser print, machine fold, insert. Are we getting charged for items not on PO?

The amount being charged to the RMLD for these services is in accordance with the approved bid. The PO represents the annual charge for each of the three years. Since the activity varies month to month, each invoice is received against the total bid amount for that year.

West

1. Century Bank - Why are fees dated 6/12 on one page and 7/12 on the other? What are these fees for multiple have same description without details.

The dates were not changed from last month's payments spreadsheet. The total dollar amount paid is correct. These fees represent credit card fees, bounced check fees, eft fees, e-bill fees for RMLD's monthly website activity.

2. Mass Communications - Why is invoice dated 6/2/12 for cycles 01-06 - June 2012 in FY 13 while invoice dated 6/21/12 for cycles 07-09+12 June 12 in FY 12. This appears reversed? Shouldn't all June dates be in FY 12?

If this pertains to the postage wire payment for \$21,000.00, the June dated invoices were only being used as backup to justify the postage used in June and the \$21,000.00 postage monies represent the postage expense to

be used in July and August (FY13).

3. Hannaford + Dumas - Why are we mailing In Brief to Leominster? How many copies were sent for \$75.00?

Mass Communications is in Leominster and the In Brief is inserted in the bills and mailed to our customers.

June 2 and May 25 - Payables Questions

Vincent Cameron

Sent: Wednesday, July 25, 2012 5:11 PM
To: RMLD Board Members Group
Cc: Bob Fournier; Jeanne Foti; Jane Parenteau; Kevin Sullivan
Categories: Red Category

Responses:

1. The RMLD received a copy of NStar's energy conservation program. It is a very large file on a CD. I will put the CD in the GM Conference Room and you can view it on the RMLD Board laptop. I also put a hard copy of the CD content next to the mail slots.
2. The RMLD sent the outside mail service \$10,500 per month for the first two months for mailings to cover the monthly mailing costs. The RMLD recharged the franking machine in \$9,000 increments when we did the in-house billings. The per unit postage cost is the same for the mailing service company as it was for the RMLD when it was done in house. The RMLD is saving on maintenance on the mailing machines and in-house labor used to get the bills out.
3. Yes. It should read December, 2011. As stated in the response there were two separate bids. The first was in November, 2011, which were received in December, 2011. The second bid was done in May, 2012 and paid for in May, 2012. We purchased the second set of relays in May because we had time to complete the relay replacement in FY12. We didn't think we could get to it until FY13.

4. No comment.

-----Original Message-----

From: Bo or Gina [<mailto:bogina03@earthlink.net>]
Sent: Sunday, July 08, 2012 9:09 PM
To: Vincent Cameron
Cc: Phil Pacino; Bob Soli; Marsie West; Bob Fournier; Jeanne Foti
Subject: Re: June 2 and May 25 - Payables Questions

Some clarification please on:

1. Rubin Rudman: The NStar activity had to do with information on their conservation programs.
Please attach the results of the NStar activity.
2. Please clarify Mass Communications as the bill indicates it is an estimate of quantity at \$10,250 and if I recall past postage bills ran \$9,000 a month.
3. Can you also clarify, the Schweitzer purchase was in December, 2012 (I assume you mean 2011) and we're paying just now?
4. For the HVAC, thank you for the information, it's a bit confusing. I'd like to have a clearer indication of why the RMLD facilities do so poorly when compared to other office buildings, which is broader than HVAC.
Thank you,
Gina

On 6/6/2012 11:51 AM, Vincent Cameron wrote:
> June 2, 2012
>

> Snyder
>
> 1. Rubin Rudman - Pls have detail on NSTAR + Hydro Quebec.
>
> This work was performed relating to developing the contracts for the power supply bid on May 18, 2012 and some energy conservation information. The RMLD went out for bid on May 18, 2012 and the bidders contracts have to be in place prior to going out to bid. One of the bidders was Hydro Quebec was one of the bidders.
>
> The NStar activity had to do with information on their conservation programs.
>
> 2. Nat Grid + NE Power - Are #'s switched on list? 16,485 is NE, 23,625 is NGrid. (Also noted by Commissioner West.)
>
> No, they are correct. The invoice for \$16,485.43 lists New England Hydro-Trans Corp on the invoice but the instructions on the bill states "checks should be made payable to National Grid". The invoice for \$23,625.56 is from National Grid but the instructions on the invoice states that "payment by check should go to New England Power Co."
>
> 3. Postage wire form Mass Communications - Where's the bill with this?
>
> Attached is the bill from Mass Communication for the postage. It will be attached to the wire.
>
> 4. HD Supply + Schweitzer - These look like the exact same equipment, w/2 bills from 2 companies for the same thing. Please explain.
>
> The Schweitzer bid was awarded in November, 2011 and the relays were purchased in December, 2012.
>
> The HD supply was bid was awarded in May and the relays were purchased in May, 2012. Two separate bids.
>
> The relay replacement work was not going to be performed at the same
> time do to substation maintenance scheduling, so we did two separate
> bids
>
> 5. Kathleen Good - Please explain.
>
> This is for a court reporter service for an union arbitration. The RMLD splits the cost with the union.
>
> 6. Healthy Air + DNS Alpha Mechanical - Please provide an overview of all the HVAC + what the various contractors do with it. Maintenance, breakdowns versus replacement of the units. I'm interested in cost of O+M whether we'd save \$ in the long term if replaced.
>
> The roof top units that were replaced were 17 years old and in needs of replacement.
>
> I will get the information you requested with regard to HVAC maintenance, replacement, etc.
>
> May 25, 2012
>
> O'Neill
>
> 1. Bryan - Lodging listed Th/Fri on internal form; should be W/Th.
>

- > Yes. The notation has been made on the forms.
- >
- > 2. Evans - Dates not listed on internal form. We are not able to book flights through the RMLD? We were not able to get an invoice, draw up a PO and get prior approval for conference.
- >
- > The dates are now on the form. The flights were paid for by the employee. There was no PO because the conference, flight, and hotel were paid for by the employee. The Engineering and Operations Manager gave prior approval for the trip and signed a travel authorization form prior to the trip.
- >
- > 3. Rubin and Rudman - I thought we had already paid them for DPU PowerPoint, etc. This is for work done in Jan/Feb. Please double check.
- >
- > There were two meetings with the Commonwealth of Massachusetts state officials. The first meeting occurred on December 12, 2012 with Bobbi Garnick Gates who is the Executive Director of was Executive Office of the Energy and Environmental Affairs (EOEEA). The RMLD, Braintree Electric Light Department (BELD), and Energy New England (ENE) set up a meeting through Rubin and Rudman to present the three systems energy conservation and renewable energy programs. The three systems wanted to also obtain some insight as to how the EOEEA viewed municipals with respect to energy conservation and renewable energy. The RMLD paid \$1,500 for Rubin and Rudman's role in setting up the meeting and discussing the presentation content. The meeting was very worthwhile in educating Ms. Garnick Gates where the municipal sector is with respect to energy conservation and renewable energy programs.
- >
- > The Mass. Department of Public Utilities (MDPU) Commissioners, upon hearing about our meeting with Ms. Garnick Gates, asked the RMLD, BELD, and ENE to attend a meeting with them to discuss our energy conservation and renewable energy programs and also discuss the municipalization bill. We were surprised that the MDPU asked us to come before them, which was a signal that they are very interested in the content of the information we provided.
- >
- > This MDPU meeting created a good amount of up front work by Rubin and Rudman work to ensure that our presentation and message to the MDPU Commissioners was appropriate. The meeting took place on February 14, 2012 and lasted for about an hour and fifteen minutes. The meeting was very informative for the MDPU Commissioners and they asked many probing questions about our energy conservation and renewable energy activities. They also asked some very direct questions relating to the municipalization bill.
- >
- > I reported on these meetings at the February Board meetings.
- >
- > In researching this issue I noticed that I wrote on the first Rubin and Rudman Meeting invoice "meeting with Mass DPU Commissioners". This was incorrect and should been noted as "meeting with EOEEA". My error.
- >
- > 4. Please provide a copy of the PowerPoint mentioned in Rubin & Rudman invoice.
- >
- > It is attached.
- >
- >

Account Payable Warrant and Payroll

Jeanne Foti

Sent: Tuesday, July 31, 2012 7:00 AM

To: Accounting Group

Cc: Vincent Cameron; Patricia Mellino

Good morning.

There are no questions for the Account Payable Warrant for July 27 nor the Payroll put out on July 30.

Thanks.

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.

Account Payable Warrant - August 3, 2012

Jeanne Foti

Sent: Monday, August 06, 2012 7:07 AM

To: Accounting Group

Cc: Vincent Cameron; Patricia Mellino

Good morning.

There were no questions for the Account Payable Warrant - August 3, 2012.

Thanks.

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.

Account Payable Warrant August 10 and Payroll August 13

Jeanne Foti

Sent: Tuesday, August 14, 2012 6:42 AM

To: Accounting Group

Cc: Vincent Cameron; Patricia Mellino

Good morning.

There were no questions for the Account Payable Warrant August 10 and Payroll August 13.

Thanks.

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.

Account Payable Warrant - August 17

Jeanne Foti

Sent: Monday, August 20, 2012 7:27 AM

To: Accounting Group

Cc: Vincent Cameron; Patricia Mellino

Good morning.

There were no questions for the Account Payable Warrant - August 17.

Thanks.

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.

FW:

Vincent Cameron

Sent: Tuesday, August 28, 2012 11:36 AM
To: RMLD Board Members Group
Cc: Bob Fournier; Steve Kazanjian; Wendy Markiewicz; Jeanne Foti
Categories: Red Category
Attachments: DOC.PDF (1019 KB)

West

1. Rubin + Rudman - Please send copy of memos on warrants/Board signatures from 7/27 - 30.

The information attached is related to the Warrant Signature payment. It includes a memo from Rubin and Rudman to me and a memo from me to the Board, which Rubin and Rudman researched and reviewed.

Also included in the attachment are the minutes of a Selectmen's meeting in 2000, the Rubin and Rudman opinion and, the Department of Revenue opinion.

2. Town of Reading

a. Why are we paying \$1,132,713.50 due 12/12 now?

The RMLD should have paid only 1/2 the amount (July, 2012.) We will void it and redo the payable amount to reflect the July payment.

b. Why do we pay for checks + postage + envelopes in FY 13 budget + why are there diff. quantities?

The Town of Reading pays all the bills incurred by all Town of Reading departments (RMLD, School Dept., Water and Sewer, DPW, etc) and they bill out the costs proportionately.



RUBIN AND
RUDMAN^{LLP}
Attorneys at Law

T: 617.330.7000 F: 617.330.7550
50 Rowes Wharf, Boston, MA 02110

MEMORANDUM

By Email

To: Vincent Cameron, General Manager
Reading Municipal Light Plant

From: Kenneth Barna, Diedre Lawrence, Karla Doukas

Re: Signatures Required on Warrants

Date: July 30, 2012

Attached please find a proposed mark-up of your submission to the Board concerning the issue of the required signatures on warrants. Before finalizing the submission, we need to verify the DOR's conclusion in its letter ruling. Our 2000 memo indicates that the DOR determined that the signature of the General Manager and only one Board member is required. If that is the case, we would suggest additional changes to the second paragraph and second bullet. We have not been able to readily locate the DOR ruling. If you have a copy, we would appreciate it if you could forward it to us for review. In addition, we note that G.L. c. 41, § 41 and G.L. c. 41, § 56 do not require a certain number of signatures from boards.

Moreover, please explain the process that the Board follows for approving warrants. For instance, does the Board approve the warrants in an open meeting and the individual Board members sign at their convenience, or does the act of signing constitute approval? There could be open meeting issues involved. If that is the case, then we may suggest further edits to the second to the last bullet.

Please feel free to call if you have any questions or comments.

READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board of Commissioners

July 31, 2012

From: Vinnie Cameron

Subject: Account Payable Warrant Signature Issue

At the July 25, 2012 RMLD Board meeting, the RMLD Board adopted the recommendation of the RMLD Board Policy Committee to refer the Account Payable Warrant Signature issue to the Massachusetts Attorney General's (AG) Office for a determination. I did not comment on this action at the RMLD Board meeting because I needed to analyze the ramifications of this decision. However, after considering the proposed action, I offer the following.

What happened in the past with respect to this issue?

In 1999, the RMLD broached the same issue (one signature on the Account Payable Warrant) with the Town of Reading. In 1997, the Department of Revenue (DOR) had rendered an opinion for West Boylston, stating that municipal light plants need a majority of their Board Members to sign the Account Payable Warrant. In 2000, the RMLD asked Rubin and Rudman for an opinion on this issue, which stated that only the General Manager's signature was required on the Account Payables Warrant. (You were sent copies of both the DOR opinion (7/12/12) and Rubin and Rudman opinion (7/9/12) by e-mail.)

At the September 5, 2000 Reading Selectmen's meeting (minutes attached), the RMLD Board Members and the Town of Reading Selectmen discussed the Account Payable Warrant signature issue and it was agreed that one RMLD Board Member would sign the Account Payable Warrant and the Town Charter would be amended to reflect the change. According to Chairman Pacino, the issue lost traction before it went before Town Meeting.

What is happening presently?

I have discussed the Account Payable Warrant Signature issue with the Reading Town Manager and it is his contention that the Reading Town Charter requires that a majority of the RMLD Board is required to sign the Account Payable Warrant.

The RMLD Policy Committee suggests referring the issue to the AG and the RMLD Board concurred with this action. It is not clear to me that the AG has any specific authority over municipal light plants. The AG's office deals with cities and towns regarding their local laws and charters.

Chapter 161 is the Massachusetts General Law (MGL) that governs municipal light plants in Massachusetts. However, Chapter 164 doesn't specifically address how many signatures are required on an Account Payable Warrant.

The 1997 DOR opinion for the Town Of West Boylston referred to above is still out there and I don't know that any Massachusetts General Laws have changed which would alter that opinion.

Given the facts above, there are a few unanswered questions surrounding this issue. I recommend that the RMED Board reconsider its decision to go to the ACJ with this issue. The RMED Board should meet with the Selectmen and discuss this issue before exploring other avenues of relief.

Vincent Cameron

From: Bo or Gina [bogina03@earthlink.net]
Sent: Sunday, July 08, 2012 9:06 PM
To: Vincent Cameron
Cc: Phil Pacino, Bob Soli, Marsie West, Bob Fournier, Jeanne Foti
Subject: Account Payable Signing from 2000

To follow up on the question of account payables, it appears from the minutes below that the issue was to go to Town Meeting in 2000 - did this happen and what was the outcome?

It also appears that there was a brief from R&R, is that available?

Reading Municipal Light Board
Joint Meeting with Town of Reading Selectmen and RMLD Board of Commissioners
on the Issue of Signatures on RMLD Warrants and Payrolls

Reading Town Hall
16 Lowell Street, Reading, MA 01867
September 5, 2000

Start Time of Meeting: 7:45 p.m.

End Time of Meeting: 8:20 p.m.

Attendees:

Commissioners: Messrs. Ames, Hughes, Pacino, Burditt and Swyter

RMLD Staff: Mr. Rucker and Ms. Cavagnaro

CAB Member: Mr. Roger Lessard

Guests: Attorneys Ken Barna, Diedre Lawrence, and Ted Cohen

Selectmen: Messrs. Nestor, Hines, Cummings*, Mses. Hoyt and Anthony

***Mr. Cummings arrived at the end of the Warrant Signature Issue**

Town Staff: Messrs. Hechenbleikner and Foley, Ms. Schena

Mr. Nestor noted the Reading Municipal Light Board had their counsels present as well as Town Counsel Ted Cohen. He noted that Peter and he had talked about the item on the agenda, and had included information in the package, correspondence, and a legal brief from Rubin and Rudman. Mr. Nestor asked

Mr. Hechenbleikner to summarize the issue before the Selectmen.

Mr. Hechenbleikner stated that the Light Board had requested to meet with the Board of Selectmen, and that the issue is the process required by the Town for approval of Light Department bills and payrolls. Mr. Hechenbleikner noted by order of the Town Charter, the Town Manager signs all the payroll for the Town including schools and light department. Mr. Hechenbleikner noted the interest is in the light department having a similar ability, that is, a more limited sign off rather than having the full membership of the Light Board signing bills payable and payroll. Mr. Hechenbleikner, Len Rucker, Ted Cohen and Richard Foley had met a month or two ago to discuss the issue. One way to accomplish what is requested is an amendment to the Reading Home Rule Charter. Mr. Hechenbleikner noted the legal memorandum from Rubin and Rudman and the contrary letters from the DOR and the further

memorandum giving their opinion that a summary judgement by a court would definitely settle the issue.

Mr. Pacino expressed the Commission position. Mr. Pacino noted the Commission would like to get to the point where the Commissioner rotate among themselves, one signs the bills completely for the paper review each time.

Mr. Rucker pointed out that the Town and the RMLD report to different regulatory agencies with different perspectives and the laws that govern the two entities are somewhat different. Mr. Rucker noted the important factor is logistics. Whereas a week delay in approvals might have been acceptable practice in the past, in the computer age such delays are unacceptable. The Commissioners have jobs and lives and are not always available to RMLD.

Extensive Board and Selectmen discussions ensued.

Mr. Hechenbleikner noted the issue is not of legality, the issue it is a difference of opinion between RMLD's counsel, Town Counsel and the DOR. Mr. Hechenbleikner noted there could be a charter change or a declaratory judgement through the court.

Mr. Hines asked what had changed to bring the issue up at this time.

Mr. Ames explained that the recent West Boylston decision effectively stripped the Light Boards of any power to prevent a payment that had been approved by the light department manager, so that the only reason for review of bills and payroll by Light Boards was one of business prudence.

Mr. Hechenbleikner noted that before the charter change the Selectmen all had to sign the warrants. Mr. Hechenbleikner also noted that the warrant closes September 26th for Fall Town Meeting.

Mr. Nestor asked how we get from here to there.

Mr. Nestor made a motion seconded by Ms. Hoyt that the Board of Selectmen request Town Manager and Town Counsel and Town Accountant to develop language for the subsequent Town Meeting to achieve the change required to allow the Municipal Light Board to have one member and the General Manager to authorize payment of bills and payroll.

Motion carried 4:0:1. Mr. Cummings abstained from this vote, as he was not present for the full discussion.

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

Allan F. Ames
Secretary, RMLD Board of Commissioners

7/31/2012

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COUNSELLORS AT LAW

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MEMORANDUM

By Telecopier

To: Leonard Rucker, General Manager
Linda Bernat, Assistant Manager
Reading Municipal Light Department

From: Kenneth M. Barna, Diedre T. Lawrence, Karla J. Doukas

Re: Process for Payment of Payroll Warrants

Date: February 14, 2000

INTRODUCTION

On behalf of the Reading Municipal Light Department ("RMLD"), you have asked us to render an opinion on the process that RMLD must follow for the payment of payroll and other light plant expenses. On June 16, 1997, the Department of Revenue ("DOR") issued an opinion on this very matter, in which the DOR concluded that the signature of both the Manager and a designated commissioner are required to authorize the payment of warrants for the light plant.

We have researched all relevant statutes and caselaw, and we have reviewed the opinion issued by the DOR as well as the Reading Town Charter with regard to the powers of the municipal light board. Based on our research and our knowledge of the mechanics of municipal light plants, we respectfully disagree with the DOR opinion and conclude that only the Manager's signature is required to authorize the payment of warrants for payroll and other

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expenses on behalf of RMLD. We believe that the DOR opinion is not binding on RMLD. The DOR has no authority over, municipal light plants. *but Jo they over Towns*

This Memorandum is being rendered pursuant to G.L. c. 164, § 56.

DISCUSSION

1. Authority and Responsibilities Under G.L. c. 164

Municipal light plants operate pursuant to authority found in G.L. c. 164, §§ 34-69, not under the laws governing towns and other town departments. The Supreme Judicial Court ("SJC") has recognized G.L. c. 164 as the primary and, in most instances, exclusive statutory authority governing municipal light plant operations. See, e.g., Municipal Light Commission of Taunton v. City of Taunton, 323 Mass. 79, 84 (1948); MacRae v. Concord, 296 Mass. 394 (1937). G.L. c. 164, § 56 expressly assigns the plant manager the obligation to attest to expenses submitted for payment. Here, the statute states, "The manager shall at any time, when required by the mayor, selectmen, municipal light board, if any, or department, make a statement to such officers of his doings, business, receipts, disbursements, balances, and of the indebtedness of the town in his department." G.L. c. 164, § 56 [emphasis added]. Although G.L. c. 164, § 56 refers to G.L. c. 41, it does not invoke all of the requirements of G.L. c. 41. Section 56 only keeps intact the power of town accountants under G.L. c. 41, §§ 55 - 61. As described below, the statutes governing the powers of town accountants do not require the signatures of light plant commissioners or otherwise divest the Manager of any of its authority granted under G.L. c. 164, § 56 over the management of the plant. Accordingly, because G.L. c. 164, § 56 designates the Manager as the person responsible to account for receipts and disbursements, and other financial

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matters, we conclude that only the Manager is required to sign warrants for payroll and other expenses. ✓

In further support, the special statutes creating municipal light plants and the statutory scheme of G.L. c. 164 grant light plant Managers and light plant Commissions exclusive and unrestricted managerial power. See, e.g., Municipal Light Commission of Peabody v. City of Peabody, 348 Mass. 266, 268 (1964); Municipal Light Commission of Taunton, 323 Mass. at 84; Capron v. Taunton, 196 Mass. 41 (1907). In particular, G.L. c. 164, § 56 places the day-to-day operations of the plant into the hands of the Manager, including the hiring of employees, collection of bills, and keeping of accounts. The statute provides in pertinent part:

The mayor of a city, or the selectmen or municipal light board, if any, of a town acquiring a gas or electric plant shall appoint a manager of municipal lighting who shall, under the direction and control of the mayor, selectmen or municipal light board, if any, and subject to this chapter, have full charge of the operation and management of the plant, the manufacture and distribution of gas or electricity, the purchase of supplies, the employment of attorneys and of agents and servants, the method, time, price, quantity and quality of the supply, the collection of bills, and the keeping of accounts ✓

The Court of Appeals in Golubek v. Westfield Gas & Elec. Bd., recognized that this provision expressly allocates the administrative functions of operating the plant to the Manager and not to the Commission. 32 Mass.App.Ct. 954, 955 (1992). In this regard, the court concluded that G.L. c. 164, § 56 only grants the Commission the power to give the Manager general directions. Id. at 955-56. Consequently, when a Commission undertakes a responsibility specifically granted to the Manager, the commission exceeds its authority. Id. } *

As stated above, G.L. c. 164, § 56 expressly subjects the Manager to the attestation process. Thus, under Golubek, only the signature of the Manager is required for payment on a

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warrant.

2. The Manager's Authority Under G.L. c. 41

The court's decision in Golubek also stands for the proposition that the Manager is the appropriate person to attest to payrolls and bills under G.L. c. 41, § 41. That statute provides that:

No treasurer or other fiscal officer of any town or city shall pay any salary or compensation to any person in the service or employment of the town or city unless the payroll, bill or account for such salary or compensation shall be sworn to by the head of the department or the person immediately responsible for the appointment, employment, promotion, or transfer of the persons named therein...

G.L. c. 41, § 41. This provision allows either the department head or person directly responsible for the employees to attest to the payroll. Golubek clearly establishes that the Manager is responsible for hiring employees under G.L. c. 164, § 56. 32 Mass.App.Ct. at 955. Moreover, the Manager's duties and the lack of the Commission's direct administrative authority over RMLD also establish the Manager as the department head. Thus, the Manager's signature is sufficient, and in fact all that is required, to release the payment of payroll expenses under G.L. c. 41, § 41. Given that the Manager is the department head of RMLD, only his signature is required under G.L. c. 41, § 56. That statute states in relevant part:

The selectmen and all boards, committees, heads of departments and officers authorized to expend money shall approve and transmit to the town account as often as once each month all bills, drafts, orders and pay rolls chargeable to the respective appropriations of

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which they have the expenditure. The town accountant may disallow and refuse to approve for payment, in whole or in part, any claim as fraudulent, unlawful or excessive, and in such case he shall file with the town treasurer a written statement of the reasons for such refusal.

G.L. c. 41, § 56. Nowhere does this statute require the signatures of any Commissioner. At best, it only would require their approval. Such approval by the light plant "shall be given only after an examination to determine that the charges are correct and that the goods, materials or services charged for were ordered and that such goods and materials were delivered and that the services were actually rendered to or for [the light plant]." G.L. c. 41, § 56.

The Commissioners initially grant their approval for such expenses when they vote on the budget, which includes employee salaries. Municipal light plants, such as RMLD, are not regulated by Town Meeting or town officials as are other town departments. See Municipal Light Comm'n of Peabody, 348 Mass. at 273. G.L. c. 164, § 57 provides, in relevant part, that RMLD's Manager is to submit, each year, to the Municipal Light Board:

an estimate of the income from sales of ... electricity to private customers and of the expense of plant meaning the gross expenses of operation, maintenance and repair, the interest on the bonds, notes or certificates of indebtedness issued to pay for the plant, an amount of depreciation equal to three per cent of the cost of the plant exclusive of land and any water power appurtenant thereto, or such smaller or larger amount as the department of public utilities may approve, the requirements of the sinking fund or debt incurred for the plant, and the loss, if any, in the operation of the plant during the preceding year, and of the cost, as defined in section fifty-eight, of the ... electricity to be used by the town.

The appropriations necessary to authorize the Town Treasurer to use RMLD funds for the "expense of plant," as defined in G.L. c. 164, § 57, therefore, are made by vote of the RMLD

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Board upon the budget submitted by RMLD's Manager, and not by Town Meeting vote pursuant to the provisions G.L. c. 44. Id. After such expenses are incurred, the implied approval of the Commissioners should satisfy the requirements of G.L. c. 41, § 56. Even the DOR concedes that the commissioners need not approve each and every requisition: the DOR concluded that the statutory requisites would be satisfied if the Commissioners designate the manager to initiate payment of the light plant payroll.

3. Role of the Selectmen

In any event, the auditor, treasurer, or selectmen cannot deny payment under this section for lack of the commissioner's "signature." Payment only may be denied in the case of fraud, illegal or excessive expenses. See G.L. c. 164, § 56; G.L. c. 41, § 56. The Selectmen's role in the warrant process for a municipal light plant is set forth as follows:

...the selectmen...shall approve the payment of all bills or payrolls of such plants before they are paid by the treasurer, and may disallow and refuse to approve for payment, in whole or in part, any claim as fraudulent, unlawful or excessive; and in that case the...selectmen, shall file with the...town treasurer a written statement of the reasons for the refusal, and the treasurer shall not pay any claim or bill so refused.

Although the payment of bills and payrolls of the light department is subject to the prior approval of the Selectmen, the nature or exercise of that power must be consistent with the very restricted role that chapter 164 permits the municipality to play in the affairs of its light department.

Chapter 164 effectively separates light departments from the Selectmen's general authority over the appropriations for town departments under G.L. c. 41, § 56. See, e.g., Taunton, 323 Mass. at

34. Thus, the Selectmen may not make independent evaluations of the necessity or wisdom of

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any such payments, or in any way exercise a business judgment with respect to such payments. See Municipal Light Comm'n of Peabody, supra. Any other interpretation would render the SJC decisions in Taunton and Peabody, and the authority conferred by G.L. c. 164, § 56 upon the commission and manager a nullity. Under this statutory framework, the Selectmen's function clearly is limited to evaluating a request for payment for evidence of fraud or illegality. They are not authorized to mandate procedures for payment more stringent than the statute provides.

In addition, the Selectmen's authority to disapprove payment also is subject to the procedural prerequisite that it be accompanied by a written statement of reasons. Specifically, the statute employs the mandatory "shall" in describing the accountant's obligation to provide such a statement. See City Bank and Trust Co. v. Board of Bank Incorporation, 364 Mass. 29, 31 (1963); Brennan v. Election Commissioners of Boston, 310 Mass. 784, 786 (1942); 1A Sands, Sutherland Statutory Construction, §24.04 (4th ed. 1972). Thus, the Selectmen cannot withhold their approval of the warrant without providing a statement of reasons showing illegality or fraud. The failure to obtain the signatures of a majority of the Commissioners or a designated Commissioner is not sufficient under the statute.

4. School Departments Differ From Municipal Light Plants

Finally, the DOR's comparison of municipal light plants to school departments in reaching its conclusion is misplaced. Municipal light departments and school departments differ in several important respects. First, unlike with schools, towns have no inherent authority to operate light plants. The authority of a municipality to operate an electric light plant is conferred generally by G.L. c. 164, § 34, which provides that a city or town, "may, in accordance with this

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chapter, construct, purchase or lease and maintain within its limits, one or more plants for the manufacture or distribution of gas or electricity...for municipal use or for the use of its inhabitants." See also G.L. c. 164, § 35 (city may not acquire such plant until authorized by vote of its Council or Commission, as specified in the statute). Under G.L. c. 164, § 55, a municipality which has established or votes to establish a light plant "may elect a municipal light board..." G.L. c. 164, § 55. Municipalities were divested, early on, of control over the management of light plant operations. Capron v. Taunton, 196 Mass. 41 (1907); Whiting v. Mayor of Holyoke, 272 Mass. 116 (1930).

Under the statutory scheme of Chapter 164, municipal light departments such as RMLD operate and are managed as commercial enterprises, separate and independent from general town governmental departments and subject to regulatory oversight by the Department of Telecommunications and Energy ("DTE").¹ Taunton, 323 Mass. at 84. As such, municipal light plant officials act under the legislative mandate of G.L. c. 164 and not as agents of the towns. Id. Municipal light plants are "quasicommercial" entities created by special act; municipalities themselves have no inherent rights to own and operate a business in the absence of special legislation and the enabling statutes. found at G.L. c. 164, §§34 et. seq. See e.g., MacRae, 296 Mass. at 396; Spauldina v. Peabody, 153 Mass. 129, 137 (1891). Thus, without G.L. c. 164, a town would not have the right to operate a municipal light plant. MacRae, 296 Mass. at 397

Second, unlike schools, municipal light plants are financially distinct entities. See Middleborough v. Middleborough Gas & Elec. Dept., 422 Mass. at 588. Municipal light plants

Town has
no right to
pr. RMLD

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RATES NOT TAXES

generate revenues from rates, not taxes and the SJC distinguishes these two types of income.

Income from sales to private customers is not subject to the appropriations procedures of G.L. c.

or the control of the Selectmen. Municipal Light Comm'n of Peabody, 348 Mass. at 271.

Although school departments have some degree of autonomy with respect to fiscal matters, the relationship between towns and school departments is much more intertwined. See generally Board of Ed. v. Boston, 386 Mass. 103 (1982).

Accordingly, simply because school departments retain some measure of freedom, that freedom does not equate to that possessed by municipal light plants, nor does it support the proposition that the light plant commissioners should be considered department heads. School departments and light plants operate under two distinct statutory schemes.

5. Reading Town Charter

We also note that the Reading Town Charter does not require the signatures of any of the Commissioners to authorize payment of RMLD's warrants. Section 3-5 expressly gives the municipal light board authority over "all real estate, facilities, personnel and equipment of the Town pertaining to the production and transmission of electrical power." That section also acknowledges the powers given to municipal light boards under G.L. c. 164, § 34 et seq. The Town Charter in no way abridges, nor could it, those powers or the powers of the Manager. As such, the Manager remains the "department head," that person in charge of the day-to-day operations of the plant, especially with regard to the administration of accounts, payroll, and

NOT
Authority
by

¹ The DTE's supervisory authority over municipal light plants also indicates that the DOR has no authority to dictate the warrant procedures to be followed by RMLD or any other municipal light plant.

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other light plant finances. Accordingly, RMLD would not need to seek a modification to the Town Charter to give the Manager the sole authority to sign warrants.

CONCLUSION

In sum, we conclude that only the Manager's signature is required to obtain payment of payroll and other expenses. Our conclusion is supported by G.L. c. 164, § 56, as well as the specific requirements under G.L. c. 41.

Please let us know if you have any questions on this matter.



Massachusetts Department of Revenue Division of Local Services
Mitchell Adams, Commissioner Joseph J. Chessey, Jr., Deputy Commissioner



June 16, 1997

Gary D. Suter, Town Accountant
120 Prescott Street
West Boylston, MA 01583

Re: Approval of Municipal Light Department Expenditures
Our File No. 97-506

Dear Mr. Suter:

You have asked for a legal opinion concerning the necessary signatures on the municipal light department's "weekly warrant". We assume the expenditures on this warrant include both payroll and other bills payable. While not completely free from doubt, we conclude that the signature of the light department manager and a majority of the municipal light board on bills payable vouchers would be required for the town accountant to draw a warrant and for the board of selectmen to approve it, under G.L. Ch. 164, §56 and G.L. Ch. 41, §56. With respect to light department payrolls, however, we think the board may designate one of its members to sign, as permitted by G.L. Ch. 41, §41, along with the light manager. Such a designation does not limit the responsibility of each light board member in the event of an improper payment.

In pertinent part, G.L. Ch. 164, §56 and G.L. Ch. 41, §56 require only the board of selectmen to approve warrants prepared by the town accountant:

...All accounts rendered to or kept in the gas or electric plant ... shall be subject to the inspection of the selectmen. The ... selectmen ... may require any person presenting for settlement an account or claim against such plant to make oath before ... them, in such form as ... they may prescribe, as to the accuracy of such account or claim. The ... selectmen ... shall approve the payment of all bills or payrolls of such plants before they are paid by the treasurer, and may disallow and refuse to approve for payment in whole or in part, any claim as fraudulent, unlawful or excessive; and in that case the ... selectmen ... shall file with the ... town treasurer a written statement of the reasons for the refusal; and the treasurer shall not pay any claim or bill so disallowed. This section shall not abridge the powers conferred on a town accountants by sections fifty-five to sixty-one, inclusive, of chapter forty-one. ... G.L. Ch. 164, §56 (emphasis added).

... The town accountant shall examine all such bills, drafts, orders and pay rolls and, if found correct and approved as herein provided, shall draw a warrant upon the treasury for the payment of the same, and the treasurer shall pay no money from the treasury except upon such warrant approved by the selectmen... G.L. Ch. 41, §56.

Gary D. Suter
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[In the original act authorizing municipal light departments the light manager was given sole authority to expend and approve warrants for payment of light department bills. St. 1891, Ch. 370, §8 ("... and the payment of all bills incurred [by the light department] shall be intrusted ... to one officer ... Such officer shall be known as manager ...). In 1893 towns were authorized to elect light boards which were empowered to appoint light managers. St. 1893, Ch. 454, §10. By St. 1905, Ch. 410, §3 the pertinent statute provided that "[a]ll bills chargeable to the plant or the appropriations therefor shall be paid by the treasurer on requisition by the manager or municipal light board, if any." This language remained in St. 1914, Ch. 742, §113 but was eliminated and replaced with the current clause by St. 1929, Ch. 266.]

Nothing in Chapter 164 currently provides for any specific approval of warrants by the municipal light board or the municipal light manager. However, G.L. Ch. 41, §56 also provides:

... all boards, committees, heads of departments and officers authorized to expend money shall approve and transmit to the town accountant ... all bills, drafts, orders and pay rolls chargeable to the respective appropriations of which they have the expenditure. Such approval shall be given only after an examination to determine that the charges are correct and that the goods, materials or services charged for were ordered and that such goods and materials were delivered and that the services were actually rendered to or for the town as the case may be; ... (emphasis added).

We believe the municipal light board should be considered the head of the municipal light department. G.L. Ch. 164, §55 provides that the light board in a town which has established such an elected body, "shall have authority to construct, purchase or lease a gas or electric plant in accordance with the vote of the town and to maintain and operate the same." However, G.L. Ch. 164, §56 requires that the light board act through a light manager which it must appoint, but who will be under the direction and control of the board. The light manager is an officer authorized to make contracts for the day to day operation of the plant and is therefor authorized to expend money. See Golubek v. Westfield Gas & Electric Light Board, 32 Mass. App. Ct. 954, 955 (1992); Capron v. Taunton, 196 Mass. 41, 43-44 (1907).

This organizational structure is similar to that of a school committee/superintendent in which the school committee retains statutory authority to establish educational policy and to allocate and transfer funds for specific spending purposes. Based on such retained authority, we have indicated that a majority of the school committee must sign requisitions for payment of bills under G.L. Ch. 41, §56, as well as the superintendent and principals when they have been given separate statutory authority to make contracts for the school department. We therefore conclude that the municipal light board as well as the light manager must sign payrolls and bill requisitions in order to initiate expenditures.

Under G.L. Ch. 4, §6, when joint authority is given to a group of officers, a majority of the entire group must vote in order to take action. Thus, a majority of the light board must sign to initiate payment of light department expenditures. An exception to this requirement has been given to municipal commissions, committees or board of trustees when signing a payroll. G.L. Ch. 41, §41 authorizes such a body to designate one of its members to make oath to a payroll. It is not

Gary D. Suter
Page 3

completely clear whether such authority would apply to a municipal light board, given that in some cases the light department is considered a municipal department but not in others. We note also that G.L. Ch. 41, §41 is not incorporated in Chapter 164 as is the case with G.L. Ch. 41, §56, which is incorporated by reference under G.L. Ch. 164, §56. Nevertheless, we believe the mechanism provided in G.L. Ch. 41, §41 provides sufficient protection of light department funds in light of the other safeguards otherwise provided in G.L. Ch. 164, §56 and G.L. Ch. 41, §56. Thus, to the extent the light board specifically votes to designate one of its members to make oath to the payroll, we think the signature of that designee, when combined with that of the light manager, is sufficient to initiate payment of the light department payroll.

We hope this addresses your concerns. If we may be of further service, please do not hesitate to contact us again.

Sincerely,



Joseph J. Chesney, Jr.
Deputy Commissioner

Account Payable Removal Questions - August 31

Vincent Cameron

Sent: Thursday, September 06, 2012 2:32 PM
To: RMLD Board Members Group
Cc: Bob Fournier; Steve Kazanjian; Wendy Markiewicz; Jeanne Foti
Categories: Red Category

Stempeck

1. Century Bank – How often does RMLD review cost of banking, ACH services, etc.?

RMLD uses the same bank as selected by the Town Treasurer. Reviews of banking services and costs are done occasionally by the Town.

2. Itron – Where is \$2,290.66 called out? No explicit number.

Hardware maintenance sub-total of \$1,113.26 (\$1,021.99 for Mobile Collector and \$91.27 for Time of Use Probe) and software maintenance of \$1,127.40 equals \$2,240.66.

3. Police Details – Why are police details considered capital?

Some police details are connected with capital project, therefore, are capitalized. Police details for maintenance projects are expensed. The RMLD auditors agree with that procedure.

West

1. Daily Times Chronicle – How many subscriptions do we have and what is the annual timing for each renewal?

The RMLD has three subscriptions. One for Purchasing, one for Community Relations, and one for Customer Ser

They use it for different information in the their departments. We have annual subscriptions.

Account Payable Warrant - September 7

Jeanne Foti

Sent: Monday, September 10, 2012 6:57 AM

To: Accounting Group

Cc: Vincent Cameron; Patricia Mellino

Good morning.

There were no questions for the Account Payable Warrant - September 7.

Thanks.

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.

Account Payable Question - September 14

Vincent Cameron

Sent: Thursday, September 20, 2012 3:25 PM
To: Phil Pacino; Bob Soli; Gina Snyder; Marsie West; John Stempeck
Cc: Bob Fournier; Jane Parenteau; William Seldon; Steve Kazanjian; Wendy Markiewicz; Jeanne Foti
Categories: Red Category

Stempeck

1. JP Morgan - Why are we paying Venture Energy?

JP Morgan Ventures Energy Corp. is JP Morgans Wholesale Supplier subsidiary , which is the entity that we signed our wholesale agreement with.

Account Payable Warrant - September 21

Jeanne Foti

Sent: Monday, September 24, 2012 6:57 AM

To: Accounting Group

Cc: Vincent Cameron; Patricia Mellino

Good morning.

There were no questions for the Account Payable Warrant - September 21.

Thanks.

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.