

Reading Municipal Light Board of Commissioners

Regular Session

230 Ash Street

Reading, MA 01867

September 25, 2013

Start Time of Regular Session: 7:31 p.m.

End Time of Regular Session: 9:20 p.m.

Commissioners:

John Stempeck, Chairman - Absent Philip B. Pacino, Vice Chair
Robert Soli, Commissioner David Talbot, Commissioner
David Mancuso, Secretary

Staff:

Coleen O'Brien, General Manager	Beth Ellen Antonio, Human Resources Manager
Jeanne Foti, Executive Assistant	Bob Fournier, Accounting/Business Manager
Priscilla Gottwald, Community Relations Manager	Stephen Kazanjian, Accounting Supervisor
Jane Parenteau, Energy Services Manager	David Polson, Facilities Manager
William Seldon, Senior Energy Analyst	Kevin Sullivan, Engineering and Operations Manager

Citizens' Advisory Board:

Dave Nelson, Member

Reading Climate Advisory Committee:

Joan Boegel, Chairman	Ron D'Addario, Secretary
David Williams, Member	Gina Snyder, Member
Laurie Ann Sylvia, Member	

Melanson Heath & PC

Frank Biron and Karen Snow

Call Meeting to Order

Vice Chair Pacino called the meeting to order and stated that the meeting was being videotaped, it is live in Reading only.

Opening Remarks

Vice Chair Pacino read the RMLD Board of Commissioners Code of Conduct. The RMLD Board of Commissioners recognizes the importance of hearing public comment, at the discretion of the Chair, on items on the official agenda as well as on item(s) not on the official agenda. We ask that all questions or comments from the public be directed to the Chair and that all parties, including members of the RMLD Board, act in a professional and courteous manner when addressing the Board or responding to comments. Once recognized by the Chair, all persons addressing the Board shall state their name and address prior to speaking. It is the role of the Chair to maintain order in all public comment or ensuing discussion.

Vice Chair Pacino stated that Chairman Stempeck would not be present at the meeting, as he is away on business.

Introductions

Vice Chair Pacino asked CAB member Dave Nelson if he had anything. Mr. Nelson said that he was attending the meeting as the Lynnfield CAB liaison and is also on the Board of Selectmen in Lynnfield. Vice Chair Pacino commented that Public Comment will be addressed after the Presentations.

Presentations (Attachment 1)

Presentation of Fiscal Year 2013 Audit - Melanson Heath & PC – Mr. Frank Biron and Ms. Karen Snow

Mr. Fournier introduced Ms. Snow from Melanson Heath & Company to present the Audited Financials for fiscal year (FY) 2013. Ms. Snow stated that the RMLD received a clean opinion for the audit for 2013.

Ms. Snow reported that on the Balance Sheet as of June 30, 2013 there is one change that the Restricted Cash and Investments is down \$1.1 million. This is because in fiscal year 2013 the money that the RMLD had set aside to fund its Other Post Employment Benefits liability has been moved to a trust fund. It is now reported in a separate financial statement. A change in Restricted Cash has been offset by a change in the Other Post Employment Benefits liability. The Board voted to set up a Trust Fund and has fully funded the amount determined by the actuary.

Presentations (Attachment 1)

Presentation of Fiscal Year 2013 Audit - Melanson Heath & PC – Mr. Frank Biron and Ms. Karen Snow

Ms. Snow mentioned that the change in Net Position is a positive \$1.783 million. The biggest change was \$442,000 in the Operating Expenses due to legal services. Expenses were up 2.1%, revenues were up 1%. The Operating Income was \$3.2 million. Operating Revenues are covering Operating Costs.

Ms. Snow pointed out that what is in this fiscal year that is on last year's statement, is the Purchase Power Refund which is found under Non-Operating Revenues and Expenses \$328,000. This is a refund received from Middleton Municipal Electric Department for some overcharges on Purchase Power that were discovered in Fiscal Year 2013. Middleton made good on those overcharges by refunding the money in full to the RMLD.

Ms. Snow reported that in Fiscal Year 2013, the RMLD contributed \$1 million to the Pension Trust and paid out \$1.3 million to the Town of Reading to cover the pension costs for the current retirees. The assets at the end of the year totaled \$5.1 million which represents a solid amount of money to offset that obligation over the upcoming years. The RMLD has contributed annually to the Pension Trust. The RMLD has set money aside to fund that liability.

Ms. Snow added that at the Audit Committee meeting, the audit results were discussed in more detail. Ms. Snow asked if there were further questions. Mr. Pacino asked Ms. Snow what will be the coming attractions. Ms. Snow explained that in fiscal year 2015, the Governmental Accounting Standards (GASB) Number 68 is going to require the RMLD to report on its Balance Sheet its portion of the Town of Reading's unfunded pension liability. As of January 1, 2012, which is when the last actuarial valuation was performed, the unfunded liability that applies to RMLD only was \$12.3 million. It is a very large liability that will have to be recognized in full on the Balance Sheet, June 30, 2015. It will increase the liability significantly and decrease net assets significantly. An actuarial valuation will be performed so that liability can either go up or down depending on the return and other factors. It will be very significant. To put it in context, all governmental entities will have to report these unfunded liabilities. Mr. Talbot asked how RMLD's shortfall compares to other agencies. Ms. Snow replied that it is a large number, but compared to most municipalities it is much smaller. The Town of Reading will be higher; most municipalities are facing very large liabilities. Mr. Talbot asked, for RMLD's size, is that small? Ms. Snow responded that she is not sure how RMLD compares to other municipal electric utilities. Reading is unique in that it has been set aside in a Pension Trust, without that additional \$5 million it would be \$17 million. She is guessing that the liability is smaller than most that have not done that same type of funding.

Report of the Audit Committee – Vice Chair Pacino

Mr. Pacino reported that the RMLD Board of Commissioners as well as the Town of Reading Audit Committee met before the Board of Commissioner's meeting which was well attended. The Town of Reading Audit Committee recommended that the RMLD Board accept the audit as presented with three adjustments: 1. A chart added with the Renewable Energy Certificates (RECs) 2. Footnote on the Pension Liability for GASB, and 3. Question on one of the numbers in the footnote that is going to be checked.

Mr. Pacino and Mr. Soli who are members of the RMLD Board Audit Committee recommend that the RMLD Board of Commissioners accept the Audit with the three additions.

Mr. Soli made a motion seconded by Mr. Mancuso that the RMLD Board accept the audit as presented by Melanson Heath & PC with the three revisions on the recommendation of the Town of Reading Audit Committee and the RMLD Board Audit Committee.

Motion carried 4:0:0.

Presentation of Local Energy Action Plan (Attachment 1)

Metropolitan Area Planning Council (MAPC) – Mr. Ani Krishnan

Mr. Pacino introduced Mr. Ani Krishnan, who works for the Metropolitan Area Planning Council (MAPC) as an energy planner. Mr. Krishnan's presentation revolved around recommendations to revamp RMLD's current website with the goal of increasing participation in RMLD's energy efficiency programs. MAPC became involved with the RMLD when they participated with the Local Energy Action Plan (LEAP) Program with four towns it serves. Mr. Krishnan indicated that a revamped website could help increase participation in RMLD's energy efficiency programs. One of the barriers on RMLD's website, is difficulty for the average customer to understand what time-of-use is, what demand response is, and what is a smart meter.

Mr. Krishnan demonstrated National Grid's website feature for its bill explanation, NSTAR's MassSave explanation page (RMLD does not qualify for this) and Pacific Gas & Electric's (PG&E's) comprehensive home website.

Presentation of Local Energy Action Plan (Attachment 1)

Metropolitan Area Planning Council (MAPC) – Mr. Ani Krishnan

Mr. Krishnan said that it is not necessary that the RMLD migrate to a massive redesign of its website. The Energy Efficiency page can be redesigned to make it more accessible and user friendly. Another suggestion is to create separate tabs for each product offering - explicitly mention the benefits and provide a link to sign up for such programs.

Mr. Talbot asked if there was any data to support an increase in the use of the efficiency programs based on improved website designs. Mr. Krishnan said that it is a great question. He has not had a chance to research this for a before and after scenario for traffic. Mr. Krishnan cautions about a massive redesign because he does not have the numbers. Mr. Krishnan said that if the information is more presentable then it is common sense that it would increase traffic to the website. Mr. Krishnan suggested putting a bubble on the bills directing customers to RMLD's website. Mr. Talbot asked about PG&E if they have a page for the super-hot days and code-red days. Mr. Krishnan replied he is not sure if there is a separate page, but PG&E offers a smart grid program with rates for those types of dates.

Mr. Soli asked if PG&E can cycle air conditioners remotely with the smart meters. Mr. Krishnan replied, yes.

Mr. Talbot said that everyone would like to improve RMLD's web page, with a cleaner reader friendly approach. Mr. Talbot suggested once the changes are made to inform RMLD customers through various communication channels. The traffic to the website will be driven by our efforts. Mr. Talbot asked if RMLD's website is mobile enabled. Ms. O'Brien responded that according to Mr. Uvanni, RMLD's MIS Manager, the RMLD is migrating to the same upgrade as the Town of Reading with a mobile application.

Mr. Krishnan pointed out that MAPC does not have the specific skills in web design or development. MAPC can assist with the framing of the content in order to communicate more effectively to RMLD's customers. RMLD does have flyers at local appliance stores and that is another avenue to capitalize on this. Mr. Talbot clarified that Mr. Krishnan can provide draft text. Mr. Krishnan agreed.

Mr. D'Addario praised the LEAP program. Mr. D'Addario suggested utilizing their Green Senses section of the newspaper to encourage participation in RMLD's energy programs. Also another venue that could be utilized is RCTV to promote such items as the time-of-use. Once the website is redesigned, the question is how you get customers to use the website.

Mr. Krishnan said that in working with the other communities, a Board of Selectmen member allowed filming of his home energy audit. This is a means of getting people on board. Mr. Talbot said that the programs can be promoted and if someone wants to do a local television program, go for it. Mr. Mancuso said that it is great to get the information out, however if it represents the RMLD there needs to be some control of that information in order that it should be accurate and informative. Mr. Soli suggested utilizing the local cable in all four towns the RMLD serves.

Public Comment

There was no public comment.

Report of the Chairman

Consideration of Ad Hoc Power & Rate Committee

Commissioner Soli will Chair this Committee with Chairman Stempeck as the second member.

Mr. Pacino said that in Chairman Stempeck's absence, he has asked the Board to form an Ad Hoc Power & Rate Committee to address the issue of the NYPA credit.

Mr. Soli said that there are a number of questions on the NYPA Credit and Ms. Parenteau will be speaking to this. Mr. Soli commented that it would be good to have an Ad Hoc Committee to address the NYPA credit and report the findings to RMLD Board.

Ms. Parenteau said that currently, the RMLD receives preferential power, which is hydro power from New York. This was based on a FERC ruling and it only goes to municipalities within the New England region. Part of the ruling was that any benefit associated with the NYPA power would be returned back to the residential constituents of the municipal light department. On a monthly basis, the RMLD performs a calculation which uses replacement cost methodology if we did not have this power what would we purchase in its replacement. The calculation is performed and comes up with a sum of dollars. Those dollars are allocated based on projected kilowatt hour sales for solely residential customers and it is then added up on an after the fact basis. The NYPA Credit is accounted for as contra revenue against our fuel charge.

Ms. Parenteau said that is the current methodology the RMLD utilizes. Other municipalities utilize various methodologies and hybrid methodologies. There is not one pure methodology that comes with the rule.

Report of the Chairman

Consideration of Ad Hoc Power & Rate Committee

Commissioner Soli will Chair this committee with Chairman Stempeck as the second member.

Mr. Mancuso asked what would be the purpose of the committee. Mr. Soli responded that it would be to look at the NYPA Credit itself; there are a couple of algorithms and make a recommendation to the Board. Mr. Soli read from the 2009 RMLD Annual Report. The Department purchases power from the Power Authority of the State of New York, whose power is generated at Niagara, is less expensive than most other purchased power. Federal regulations require that only residential customers get the benefit of this lower cost. Reduction in residential customer bills, compared to nonresidential customers is known as the NYPA credit. Contained within there is a powerful word, only. Only means there is one. If somehow there are a whole bunch of algorithms out there that are computing these credits unless they provide the same answer, then some of them are wrong. The requirement is only the residential customers that benefit and the algorithm RMLD utilizes does not demonstrate that. The Ad Hoc Committee can review this and make its recommendation to the Board.

New York Power Authority (NYPA) Credit

Ms. O'Brien said that Ms. Parenteau and her group have done a great job in addressing the algorithm that Mr. Soli had proposed.

Ms. Parenteau explained that Table 1 represents the period January to August 2013, using the current RMLD NYPA calculation that has been used at the RMLD since she has been here. This algorithm looks at the monthly NYPA cost as it comes in and looks at replacement costs. Replacement costs look at the capacity component and its benefit, transmission portion of that, as well as the energy. It takes the difference between the two costs and there is a monthly adjustment for the estimated kilowatt hour sales because this is not known until after the preceding month. The calculation takes the difference divided by the total kilowatt hours and allocates that pool of dollars. The second methodology on Table 2 looks at RMLD total Fuel Charges for all our resources, which determines the amount of kilowatt hours allocated through RMLD's SCADA system of what RMLD is actual purchasing and arrives at an average dollars per megawatt hour. Then the NYPA power is received in the amount of generation for kilowatt hours purchased. It looks at the portion of the NYPA fuel dollars associated with that which is taken out of the fuel costs to arrive at the non NYPA Purchase Power and is divided by the non NYPA kilowatt hours generated to get a rate. The overall Purchase Power costs increase because it is inexpensive Purchase Power. The second methodology takes that amount and subtracts the NYPA Power which is approximately \$5 per megawatt hour to compare to our average which is \$45 per megawatt hour; it gets the delta, multiplies the delta by the number of kilowatt hours received by NYPA, and that translates into dollars.

Ms. Parenteau said that Table 3 compares the current methodology to the alternative methodology. There are months where the current methodology yields more savings and months it yield fewer savings. In this situation because the residential RMLD kilowatt hours sales represent 36% of RMLD's average sales, 64% would represent non residential, the delta difference represents what would be made up for that percentage of nonresidential. It is looking at the different methodologies and determining which one is appropriate for the RMLD.

Mr. Mancuso clarified that the deciding factor is which method the RMLD would use to bring the best benefit to the customer. Ms. O'Brien answered, as Ms. Parenteau mentioned, a number of utilities use a number of different methodologies and the task at hand was to compare the existing methodology to that of Mr. Soli's. Ms. O'Brien added that the RMLD had not polled every utility; however, a study was performed by Melanson Heath & PC which addressed both of the methodologies as meeting the federal intent of providing the benefit to the residential customer. Ms. O'Brien reiterated that the comparison generated by Ms. Parenteau demonstrated that some months the current method yielded a better benefit and other months the alternative method yielded a better benefit. The summary for the period studied in Ms. Parenteau's presentation indicated that in the 8 month period studied, the alternative method yielded an extra \$2 per customer over the eight months. Ms. O'Brien said that the Ad Hoc Committee could go into this.

Mr. Pacino asked if there is a problem with forming an Ad Hoc Committee. Ms. O'Brien said that she was under the impression that this issue was heavily reviewed when the MH&PC Report was generated and it had been agreed to continue at that time to utilize the current methodology. Ms. O'Brien said that she has no problem with the Committee, but that it should be created to address Mr. Soli's concern specifically without precedence for evaluating every calculation that operations performs. Hypothetically, a committee could review transformer load losses, etc. Mr. Pacino said that two of the members sitting on the Board had already looked at this.

Mr. Talbot asked that the vote can be deferred until Chairman Stempeck has the opportunity to voice his view. Mr. Talbot asked Mr. Soli if deferring a vote is problematic. Mr. Soli replied that it could be costing residents money. Mr. Mancuso added that he has a significant enough concern that the algorithm they are using is incorrect. Mr. Soli reiterated as he pointed out only residential customers get the benefit of the NYPA credit, although there were other algorithms presented. Mr. Soli said that the committee will address this.

New York Power Authority (NYPA) Credit

Ms. O'Brien added, to speak to Mr. Talbot's delay request, the sample for eight months, this alternative method is a positive change to the customer, it was \$2 net savings over eight months. It is not representative of a significant difference and there was no guarantee that the alternative method would yield a positive change rather a negative change.

Mr. Pacino added that this issue has come up again. Mr. Pacino is in agreement with the methodology the RMLD is using. Mr. Pacino said that this issue once reviewed by the Committee, it will be put to bed once and for all.

Mr. Soli made a motion seconded by Mr. Mancuso to establish an Ad Hoc Committee, with the members to be Commissioners Soli and Chairman Stempeck for the sole purpose of studying the NYPA Credit and to report the findings of the study back to the RMLB of Commissioners.

Motion carried 4:0:0.

General Manager's Report – Ms. O'Brien – General Manager

Ms. O'Brien reported that on the following:

Public Power Open House at the RMLD – October 10

This will take place on Thursday, October 10, 2-5 pm at the RMLD's Garage. The focus will be on the education of electric safety, RMLD services and programs. In conjunction with that RMLD is currently working with Home Depot. There will be an incentive through a lottery to win up to \$500 of an LED replacement for your home. In addition that working with Home Depot working with other stores to offer discounts on LED bulbs through RMLD. She said that Ms. Gottwald is doing a great job. Ms. O'Brien said that in addition to the lottery, customers can for the month of October purchase discounted LEDs from Home Depot as a collaborative effort. Customers can find the discount notice at the store and on the light bulb shelving. The display will also point to the RMLD's website.

Policy Committee Meeting

Ms. O'Brien is requesting a Policy Committee meeting in October with revisions to the existing Travel Policy and the new Non Commercial Driver's License Alcohol Policy along with a discussion on the separation of all operational policies governed by Chapter 164 from Board governing policies.

Power Supply Report – August 2013 – Ms. Parenteau (Attachment 2)

Ms. Parenteau presented the August Power Supply Report provided in the Commissioner packets covering power supply charges, energy costs, fuel charges and collections, fuel reserve balance, spot market purchases, capacity costs, as well as the percentage of RMLD's hydro projects and energy efficiency measures installed.

Ms. Parenteau reported that RMLD's load for August was 67.3 million kilowatt hours which was approximately a 11% decrease compared to August 2012. RMLD's energy cost came in at approximately \$2.8 million that is equivalent to approximately \$.040 per kilowatt hour. Ms. Parenteau stated that the Fuel Charge adjustment was set at \$.050 per kilowatt hour for the month of August; the sales totaled 68 million kilowatt hours, the RMLD over collected by approximately \$583,000 which resulted in a Deferred Fuel Cash Reserve balance of \$2.6 million. The Fuel Charge for September went down to \$.045 per kilowatt hour. The Fuel Charge is projected to decrease to \$.040 for the remainder of the year in order to keep the Deferred Fuel Cash Reserve at the \$2.5 to \$3.0 million level.

On the Spot Market, the RMLD purchased about 9.5% of its energy requirements from the ISO New England Spot Market at an average cost of about \$42 per megawatt hour. Ms. Parenteau reported on the capacity side, the RMLD hit a peak demand of 140 megawatts on August 21, 2013 at 5:00 p.m. the peak demand for last year of 150 megawatts August 3 at 4:00 p.m. The RMLD's monthly capacity requirement which is based on the prior year peak was set at 214 megawatts; the total dollars paid for capacity totaled \$1.49 million which is equivalent to approximately a little less than \$7.00 per kilowatt month.

Ms. Parenteau reported that the month of August, 4% of energy came from hydro generation. The RMLD receives Renewable Energy Certificates (RECs) from four hydro projects. For the first quarter there were approximately 4,800 banked RECs as well as projected 9,400 for quarters two and three for 2013. The current market value of the RECs is approximately \$693,000. Quarter one RECs were sold to EDF Trading for \$246,000, pricing out at \$53 per REC. Transmission costs for the month of August were \$1 million, which is a 3% increase from July.

Engineering and Operations Report – August 2013 – Mr. Sullivan (Attachment 3)

Mr. Sullivan presented the report included in the Commissioner packets covering the monthly capital projects, an update on the metering project, and reliability reporting.

Engineering and Operations Report – August 2013 – Mr. Sullivan (Attachment 3)

Mr. Sullivan provided a synopsis in Fiscal Year 2013 that were time detractors from the capital plan projects:

- Hurricane Sandy presented challenges due to 4 days storm prep, 4 days restoration and 12 days of clean-up which included temp to perm work.
- Thirty poles needed replacing, 8 struck in September 2012 and 4 in June 2013.
- Eighteen days of ninety plus weather.
- Reduction of one First Class Lineman for 9.5 months.

While the work is tracked, they like to complete what they start. Project 11 which currently reads 4W9 will be carried into Fiscal Year 2014 and work will be completed on Project 9 from fiscal year 2013. The cable was purchased in Fiscal Year 2013, for a savings of \$80,000. This was also reported at the Citizen's Advisory Board meeting.

Mr. Sullivan added that there are two commercial services involving Dunkin Donuts Salem Street and Walkers Brook Drive in Reading. North Reading High School was also worked on.

Mr. Sullivan reported the Customer Average Interruption Duration Index (CAIDI) for July; monthly average value was down to 35.78 minutes compared to 70 minutes for June. The CAIDI rolling average shows stability at approximately 60 minutes of outage. In August, data from 2008-2012 was used because it was leveled. The average System Average Interruption Frequency (SAIFI) is considerably lower than the rolling average. The average July SAIFI is aligned with the average July SAIFI. Months Between Interruptions (MBTI) is at 28.6 months for July.

Mr. Sullivan reported the Customer Average Interruption Duration Index (CAIDI) for August; monthly average value was 10 minutes above the average due to a tree contact at 6:00 a.m., Sunday August 25, Andover Street, Wilmington. Two crews had to be called in with repairs made to overhead wires prior to restoration. There are six factors that impact CAIDI: cause of outage, time of outage, weather, crew availability, number of daylight hours and the nature of the work. The average System Average Interruption Frequency (SAIFI) is considerably lower than the rolling average due to the low number of customers out .506. The average August SAIFI is aligned with the average August SAIFI. Months Between Interruptions (MBTI) is at 27 months for August.

Considerations for optimum placement of the fixed network repeaters are continuing. Commercial meters 80% have been replaced; commercial billing of Lynnfield will take place in November. Residential reads from the fixed network is at 99.5%.

Mr. Sullivan provided a comparison of the outage Tuesday, August 13, 12:30 p.m. there was an outage a tree that broke a pole with Verizon involvement in which power was restored in 108 minutes due to crews being onsite. The August 25 outage 109 minutes power was restored which demonstrates the difference of what the day can make on restoration time when crews are already at the RMLD.

Mr. Pacino asked about the tree contact outage on August 25. Mr. Sullivan replied that it was due to a vine that had grown into a phase.

Financial Report – June 2013 – Mr. Fournier (Attachment 4)

Mr. Fournier wanted to thank the managers for all their assistance during the audit with their timely cutoffs and getting things ready for the auditors. Mr. Fournier thanked Mr. Kazanjian for his extra assistance during an employee absence during the audit timeframe.

Mr. Fournier said that he has already addressed the June numbers on the Financial Report and would like to move on to the next report. Vice Chair Pacino polled the Board if discussion was required on the June Financials. The sense of the Board there was none.

BerryDunn Report on RMLD's Power Supply

Mr. Fournier reported that in January 2013, RMLD was informed by Middleton Municipal Electric Department that they had been overcharging the RMLD on their bills for several years.

Financial Report – June 2013 – Mr. Fournier (Attachment 4)

BerryDunn Report on RMLD's Power Supply

Mr. Fournier informed the auditors who strongly urged having a separate evaluation done where this was the second instance in three years in order to get a clean audit opinion.

Mr. Fournier stated that BerryDunn was hired to review purchase power expenses. They checked the contracts and reconciled one month. They found no further discrepancies. They made some suggestions and the RMLD has a good baseline going forward.

Mr. Mancuso commented that there was some discussion at the Board level, not sure if this part of the organizational planning, to look at the operations of the organization to ensure that we do not find ourselves in a similar situation in the future. Mr. Mancuso said that there was discussion on the root cause. While the audit came in that we came clean, and we are where we should be, he did not hear what happened in our system to what caused the situation in the first place. Will this be part of the organizational study?

Ms. O'Brien responded that the organizational study will look at RMLD's job positions and organizational structure to determine suitability for current and future utility operational functions. As well, that each of the positions is properly trained or provides input to development of career training paths. The study will look at overall processes as a function of jobs. While the study will not be looking at specific calculations, it will help to support the inherent shared responsibility that overlapping Divisions like energy services and engineering should have. Mr. Mancuso said that he wants to look at this organizationally; this error was not caught so we do not find ourselves in this situation again because we have a clean slate.

Mr. Fournier added that one thing that came out as a result of the Middleton situation is that there was a lack of back up for the invoices from Middleton. One of the first things the RMLD did was to supply back up documentation to verify the numbers. Why it happened, it was unfortunate, it was an error. The good thing is that the RMLD was made whole.

Mr. Mancuso wanted to ensure that systems were put in place so this does not happen again. Mr. Fournier said that BerryDunn read the contracts and made sure that they came back clean. They had a recommendation on Hydro Quebec. They reconciled everything. Purchase Power is one of the biggest expenses; it is clean and good to go. New contracts going forward, the same principles will be applied, to provide backup in order that this does not happen again. Mr. Mancuso asked there is no change in the process. Mr. Fournier said that additional back up is on the invoices that the RMLD may have taken for granted. Middleton was the exception. There is more back up that support the contracts.

Ms. O'Brien stated that the RMLD obtained additional data which makes it easier for staff to verify that the charge is appropriate.

Mr. Pacino said that the report is addressed to the Board of Commissioners. He would like a letter of response from the Department on what steps have been taken so there is something on record.

Mr. Mancuso will be the Secretary for this meeting.

M.G.L. Chapter 30B Bids (Attachment 5)

2014-05 Pickup Truck with Bed Cover

Mr. Polson reported that 13 companies were sent the bid, 2 submitted bids. The 11 non responders were contacted, 3 companies responded, 1 illness, 1 too busy and 1 did not want to participate in the bid process.

Mr. Mancuso made a motion seconded by Mr. Soli that bid 2014-05 for one Pick Up Truck with Bed Cover be awarded to Stoneham Motor Co., Inc. for \$29,965.00 as the lowest qualified and responsive bidder on the recommendation of the General Manager.

Motion carried 4:0:0.

2014-06 Pickup Truck with Tool Boxes

Mr. Polson reported that 13 companies were sent the bid, 2 submitted bids. The 11 non responders were contacted, 3 companies responded, 1 illness, 1 too busy and 1 did not want to participate in the bid process.

Mr. Mancuso made a motion seconded by Mr. Soli that bid 2014-06 for one Pick Up Truck with Tool Boxes be awarded to Stoneham Motor Co., Inc. for \$30,397.00 as the lowest qualified and responsive bidder on the recommendation of the General Manager.

Motion carried 4:0:0.

M.G.L. Chapter 30B Bids (Attachment 5)

2014-06 Pickup Truck with Tool Boxes

Mr. Polson pointed out that when these vehicles are purchased, two vehicles will be retired due to age and high maintenance costs.

Mr. Talbot asked isn't there a State program for the routine purchase of vehicles with a discount. Mr. Polson responded that the State has a couple of sites, however, limited vendors which have been explored in the past with not much success. Some of the bidders sent the bids, are in fact on the state bidders list, and did not respond. The state bid is limited; it is geared more towards public safety, fire and police vehicles. Mr. Polson added that Mr. Soli suggested exploring the state contracts. The RMLD is exploring them as well as using them.

General Discussion

There was none.

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED

Rate Comparisons, August and September 2013

E-Mail responses to Account Payable/Payroll Questions

RMLD Board Meetings

Wednesday, October 30, 2013

Monday, November 12, 2013 – Town of Reading, Subsequent Town Meeting

Vice Chair Pacino said that Chairman Stempeck will be making that presentation.

Wednesday, December 11, 2013

Thursday, January 14, 2014 – T-Shirt Award Ceremony

Citizens' Advisory Board Meeting

Wednesday, October 23, 2013

Fiscal Year 2015 Budget Meetings

April 2, 2014 – Lynnfield – April 9, 2014

Executive Session

At 9:08 pm. Mr. Mancuso made a motion seconded by Mr. Soli that the Board go into Executive Session to discuss mediation and union negotiations and return to Regular Session for the sole purpose of adjournment.

Vice Chair Pacino polled the Board. Motion carried by a polling of the Board:

Mr. Mancuso Aye; Mr. Soli, Aye; Mr. Pacino; Aye; and Mr. Talbot; Aye.

Motion carried 4:0:0.

Adjournment

At 9:20 p.m. Mr. Mancuso made a motion seconded by Mr. Soli to adjourn the Regular Session.

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

David Mancuso, Secretary
RMLD Board of Commissioners

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

Annual Financial Statements

For the Year Ended June 30, 2013

DRAFT

Reading Municipal Light Department

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INDEPENDENT AUDITORS' REPORT

To the Municipal Light Board
Town of Reading Municipal Light Department

Report on the Financial Statements

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, Massachusetts), as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The Department's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and

fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and Schedule of Funding Progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Andover, Massachusetts
_____, 2013

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 Department's financial activities for the year ended June 30, 2013. 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 Position, (2) the Proprietary Fund Statements of Revenues, Expenses and Changes in Net Position, (3) the Proprietary Fund Statements of Cash Flows, (4) the Fiduciary Funds Statements of Net Position, (5) the Fiduciary Funds Statements of Changes in Fiduciary Net Position, and (6) Notes to Financial Statements.

The Proprietary Fund Statements of Net Position is designed to indicate our financial position as of a specific point in time. At June 30, 2013, it shows our net worth of \$98,317,179 which comprises \$70,194,418 invested in capital assets, \$2,733,147 restricted for depreciation fund, and \$25,389,614 unrestricted.

The Proprietary Fund Statements of Revenues, Expenses and Changes in Net Position 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, 2013 was \$1,783,119.

The Proprietary Fund 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 2013.

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

Summary of Net Position

	<u>2013</u>	<u>2012</u>
Current assets	\$ 19,793,703	\$ 20,331,949
Noncurrent assets	88,266,629	87,919,610
Total assets	<u>\$ 108,060,332</u>	<u>\$ 108,251,559</u>
Current liabilities	\$ 6,996,149	\$ 7,515,556
Noncurrent liabilities	2,747,004	4,201,943
Total liabilities	<u>\$ 9,743,153</u>	<u>\$ 11,717,499</u>

(continued)

(continued)

Net position:		
Net investment in capital assets	70,194,418	68,670,917
Restricted for depreciation fund	2,733,147	2,635,206
Restricted for OPEB trust	-	1,344,829
Unrestricted	<u>25,389,614</u>	<u>23,883,108</u>
Total net position	<u>98,317,179</u>	<u>96,534,060</u>
Total liabilities and net position	<u>\$ 108,060,332</u>	<u>\$ 108,251,559</u>

Summary of Changes in Net Position

	<u>2013</u>	<u>2012</u>
Operating revenues	\$ 82,294,531	\$ 81,764,964
Operating expenses	<u>(79,045,634)</u>	<u>(77,383,674)</u>
Operating income	<u>3,248,897</u>	<u>4,381,290</u>
Non-operating revenues (expenses)	<u>(1,465,778)</u>	<u>(1,450,812)</u>
Change in net position	<u>1,783,119</u>	<u>2,930,478</u>
Beginning net position	<u>96,534,060</u>	<u>93,603,582</u>
Ending net position	<u>\$ 98,317,179</u>	<u>\$ 96,534,060</u>

B. FINANCIAL HIGHLIGHTS

Electric sales (net of discounts) were \$80,816,527 in fiscal year 2013, a decrease of 2.1% from the prior year. In fiscal year 2013, kilowatt hours sold increased by 2.3% to 701,896,340, compared to 685,978,955 in fiscal year 2012. In fiscal year 2013, customers were charged \$339,810 in fuel charge adjustments, compared to credits of \$(785,180) in fiscal year 2012. In fiscal year 2013, customers were charged purchase power adjustments of \$1,138,194, compared to \$3,203 in fiscal year 2012.

Operating expenses were \$79,045,634 in fiscal year 2013, an overall increase of 2.1% from fiscal year 2012. The largest portion of this total, \$61,423,332, was for purchase power expenses. Other operating expenses included \$12,580,772 for general operating and maintenance costs, \$1,375,900 for voluntary payments to Towns, and depreciation expense of \$3,665,630. In fiscal year 2013, the depreciation rate was 3.0%.

In fiscal year 2013, the Department contributed \$1,000,000 to the Reading Municipal Light Department Employees' Pension Trust (the "Pension Trust") and the Pension Trust contributed \$1,288,076 to the Town of Reading Contributory Retirement System on behalf of the Department's employees.

In fiscal year 2013, the Department contributed \$1,483,007 to an Other Post-Employment Benefits Trust (the "OPEB Trust"), which was equal to its actuarially determined liability at June 30, 2013. As a result, the Department had no OPEB liability at June 30, 2013. Additional information on the Department's OPEB contributions can be found in Note 15 on pages 20-22 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 \$68,928,575 (net of accumulated depreciation), an increase of \$1,523,500 from the prior year. This investment in depreciable capital assets includes structures and improvements, equipment and furnishings, and infrastructure assets.

Long-term debt. At the end of the current fiscal year, the Department has no outstanding bonded debt.

Additional information on capital assets and long-term debt can be found in the Notes to Financial Statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Reading Municipal Light Department's finances for all those with an interest in the Department'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 POSITION

JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Current:		
Unrestricted cash and short-term investments	\$ 9,151,851	\$ 9,957,960
Receivables, net of allowance for uncollectable	8,381,377	8,115,722
Prepaid expenses	691,445	762,930
Inventory	1,569,030	1,495,337
Total current assets	<u>19,793,703</u>	<u>20,331,949</u>
Noncurrent:		
Restricted cash and short-term investments	18,035,438	19,187,119
Investment in associated companies	36,774	61,574
Land and construction in progress	1,265,842	1,265,842
Capital assets, net of accumulated depreciation	<u>68,928,575</u>	<u>67,405,075</u>
Total noncurrent assets	<u>88,266,629</u>	<u>87,919,610</u>
TOTAL ASSETS	<u>108,060,332</u>	<u>108,251,559</u>
LIABILITIES		
Current:		
Accounts payable	4,978,818	4,934,861
Accrued liabilities	527,638	469,906
Customer deposits	700,021	631,268
Customer advances for construction	405,154	363,459
Due to retirement trust	-	1,000,000
Current portion of long-term liabilities:		
Accrued employee compensated absences	<u>384,518</u>	<u>116,062</u>
Total current liabilities	<u>6,996,149</u>	<u>7,515,556</u>
Noncurrent:		
Accrued employee compensated absences	2,747,004	2,866,854
Other post-employment benefits	-	1,335,089
Total noncurrent liabilities	<u>2,747,004</u>	<u>4,201,943</u>
TOTAL LIABILITIES	<u>9,743,153</u>	<u>11,717,499</u>
NET POSITION		
Net investment in capital assets	70,194,418	68,670,917
Restricted for depreciation fund	2,733,147	2,635,206
Restricted for other post-employment benefits	-	1,344,829
Unrestricted	<u>25,389,614</u>	<u>23,883,108</u>
TOTAL NET POSITION	<u>\$ 98,317,179</u>	<u>\$ 96,534,060</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT

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

FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Operating Revenues:		
Electric sales, net of discounts of \$4,380,927 and \$4,229,951, respectively	\$ 80,816,527	\$ 82,546,941
Purchase power and fuel charge adjustments:		
Fuel charge adjustment	339,810	(785,180)
Purchase power adjustment	1,138,194	3,203
Total Operating Revenues	<u>82,294,531</u>	<u>81,764,964</u>
Operating Expenses:		
Purchase power	61,423,332	60,361,614
Operating Maintenance	10,325,066	9,882,934
Depreciation	2,255,706	2,235,228
Voluntary payments to towns	3,665,630	3,552,330
	1,375,900	1,351,568
Total Operating Expenses	<u>79,045,634</u>	<u>77,383,674</u>
Operating Income	3,248,897	4,381,290
Nonoperating Revenues (Expenses):		
Interest income	24,435	88,705
Contributions in aid of construction	30,965	17,226
MMWEC surplus	445,278	516,183
Purchased power refunds	327,297	-
Intergovernmental grants	53,074	325,007
Return on investment to Town of Reading	(2,265,427)	(2,205,957)
Loss on disposal of capital assets	(385,199)	(563,957)
Other	303,799	371,981
Total Nonoperating Revenues (Expenses), Net	<u>(1,465,778)</u>	<u>(1,450,812)</u>
Change in Net Position	1,783,119	2,930,478
Net Position at Beginning of Year	<u>96,534,060</u>	<u>93,603,582</u>
Net Position at End of Year	<u>\$ 98,317,179</u>	<u>\$ 96,534,060</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT

BUSINESS-TYPE PROPRIETARY FUND
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>Cash Flows From Operating Activities:</u>		
Receipts from customers and users	\$ 80,619,625	\$ 83,250,940
Payments to vendors and employees	(77,467,006)	(72,408,534)
Customer purchase power and fuel charge adjustments	<u>1,478,004</u>	<u>(781,977)</u>
Net Cash Provided By (Used For) Operating Activities	4,630,623	10,060,429
<u>Cash Flows From Noncapital Financing Activities:</u>		
Return on investment to Town of Reading	(2,265,427)	(2,205,957)
MMWEC surplus	445,278	516,183
Intergovernmental revenues	53,074	325,007
Other	<u>631,096</u>	<u>371,981</u>
Net Cash Provided By (Used For) Noncapital Financing Activities	(1,135,979)	(992,786)
<u>Cash Flows From Capital and Related Financing Activities:</u>		
Acquisition and construction of capital assets	(5,574,329)	(5,226,695)
Contributions in aid of construction	<u>72,660</u>	<u>17,226</u>
Net Cash Provided By (Used For) Capital and Related Financing Activities	(5,501,669)	(5,209,469)
<u>Cash Flows From Investing Activities:</u>		
Investment income	24,435	88,705
(Increase) decrease in restricted cash and investments	<u>1,176,481</u>	<u>(585,553)</u>
Net Cash Provided By (Used For) Investing Activities	<u>1,200,916</u>	<u>(496,848)</u>
Net Change in Cash and Short-Term Investments	(806,109)	3,361,326
Unrestricted Cash and Short Term Investments, Beginning of Year	<u>9,957,960</u>	<u>6,596,634</u>
Unrestricted Cash and Short Term Investments, End of Year	<u>\$ 9,151,851</u>	<u>\$ 9,957,960</u>
<u>Reconciliation of Operating Income to Net Cash:</u>		
Operating income	\$ 3,248,897	\$ 4,381,290
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation expense	3,665,630	3,552,330
(Increase) decrease in:		
Accounts receivable	(265,655)	634,116
Prepaid and other assets	71,485	(9,798)
Inventory	(73,693)	90,908
Accounts payable and accrued liabilities	250,295	64,932
Due to pension trust	(1,000,000)	1,000,000
Other post-employment benefits	(1,335,089)	169,289
Other liabilities	<u>68,753</u>	<u>177,362</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 4,630,623</u>	<u>\$ 10,060,429</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT

FIDUCIARY FUNDS
STATEMENTS OF FIDUCIARY NET POSITION

JUNE 30, 2013 AND 2012

	Pension Trust		OPEB Trust
	<u>2013</u>	<u>2012</u>	<u>2013</u>
<u>ASSETS</u>			
Cash and short-term investments	\$ 5,197,092	\$ 4,476,777	\$ 1,495,511
Due from proprietary fund	-	1,000,000	-
TOTAL ASSETS	<u>5,197,092</u>	<u>5,476,777</u>	<u>1,495,511</u>
<u>NET POSITION</u>			
Total net position held in trust	<u>\$ 5,197,092</u>	<u>\$ 5,476,777</u>	<u>\$ 1,495,511</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT

FIDUCIARY FUNDS
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	Pension Trust		OPEB Trust
	<u>2013</u>	<u>2012</u>	<u>2013</u>
Additions:			
Contributions from Reading Municipal Light Department	\$ 1,000,000	\$ 1,000,000	\$ 1,483,007
Interest and dividend income	<u>8,391</u>	<u>25,605</u>	<u>12,504</u>
Total additions	1,008,391	1,025,605	1,495,511
Deductions:			
Paid to Reading Contributory Retirement System	<u>1,288,076</u>	<u>1,336,326</u>	<u>-</u>
Total deductions	1,288,076	1,336,326	-
Net increase (decrease) in net position	(279,685)	(310,721)	1,495,511
Net position:			
Net Position, Beginning of Year	<u>5,476,777</u>	<u>5,787,498</u>	<u>-</u>
Net Position, End of Year	<u>\$ 5,197,092</u>	<u>\$ 5,476,777</u>	<u>\$ 1,495,511</u>

The accompanying notes are an integral part of these 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, Massachusetts) 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 "Pension Trust") was established on December 30, 1966, by the Reading Municipal Light Board pursuant to Chapter 164 of the General Laws of the Commonwealth of Massachusetts.

The Pension 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. Other Post-Employment Benefits Trust - The Other Post-Employment Benefits Liability Trust Fund (the "OPEB Trust") was established by the Reading Municipal Light Board pursuant to Chapter 32B, Section 20 of the General Laws of the Commonwealth of Massachusetts.

The OPEB Trust constitutes the principal instrument of a plan established by the Municipal Light Board for the purpose of funding the Department's annual actuarially determined OPEB contribution for future retirees.

- F. 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.

- G. 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 Position, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

- H. 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). Because of their

immediate liquidity, these funds are classified as cash and short-term investments in the accompanying financial statements.

- I. 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.
- J. 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.

- K. 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.
- L. 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 Position.
- M. 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.

N. Rate of Return - The Department's rates must be set such that earnings attributable to electric operations do not exceed eight percent of the net cost of plant. The audited financial statements are prepared in accordance with auditing standards generally accepted in the United States of America. To determine the net income subject to the rate of return, the Department performs the following calculation. Using the net income per the audited financials, the return on investment to the Town of Reading is added back, the fuel charge adjustment is added or deducted, and miscellaneous debits/credits (i.e., gain/loss on disposal of fixed assets, etc.) are added or deducted, leaving an adjusted net income figure for rate of return purposes. Investment interest income and bond principal payments are then deducted from this figure to determine the net income subject to the rate of return. The net income subject to the rate of return is then subtracted from the allowable eight percent rate of return, which is calculated by adding the book value of net plant and the investment in associated companies less the contributions in aid of construction multiplied by eight percent. From this calculation, the Municipal Light Board will determine what cash transfers need to be made at year end.

O. Comparative Financial Information - The financial statements include certain prior-year 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, 2012, from which the summarized information was derived.

2. Cash and Short-Term Investments

Cash and short-term investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Statements of net position:

Unrestricted cash and short-term investments	\$ 9,151,851
Restricted cash and short-term investments	18,035,438

Fiduciary funds:

Cash and short-term investments - Pension Trust	5,197,092
Cash and short-term investments - OPEB Trust	<u>1,495,511</u>
Total cash and investments	<u>\$ 33,879,892</u>

Cash and short-term investments at June 30, 2013 consist of the following:

Cash on hand	\$ 3,000
Deposits with financial institutions	<u>33,876,892</u>
Total cash and investments	<u>\$ 33,879,892</u>

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that the fair value of an investment will be adversely affected by changes in market interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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, 2013, all Department (including the Pension Trust and OPEB Trust) investments were held in pooled investments with the Massachusetts Municipal Depository Trust (MMDT). 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, 2013, none of the Department's (including Pension Trust and OPEB 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, 2013, the Department's (including Pension Trust and OPEB Trust) short-term investments were held in MMDT's investment pool.

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, 2013.

As of June 30, 2013, none of the Department's (including Pension Trust and OPEB Trust) short-term investments were exposed to custodial credit risk.

3. Restricted Cash and Investments

Restricted cash and investments consist of the following at June 30, 2013:

	<u>Cash</u>
Depreciation fund	\$ 2,733,147
Construction fund	1,500,000
Deferred fuel reserve	2,609,487
Deferred energy conservation reserve	319,022
Rate stabilization	6,692,239
Reserve for uncollectible accounts	200,000
Sick leave benefits	3,131,522
Hazardous waste fund	150,000
Customer deposits	<u>700,021</u>
Total	<u>\$ 18,035,438</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.
- 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, 2013:

Customer Accounts:		
Billed	\$ 4,107,834	
Less allowances:		
Uncollectible accounts	(200,000)	
Sales discounts	(298,829)	
Total billed		3,609,005
Unbilled net		<u>4,158,023</u>
Total customer accounts		7,767,028
Other Accounts:		
Merchandise sales	121,089	
MMWEC surplus	433,900	
Intergovernmental grants	21,536	
Liens and other	<u>37,824</u>	
Total other accounts		<u>614,349</u>
Total net receivables		<u>\$ 8,381,377</u>

5. Prepaid Expenses

Prepaid expenses consist of the following:

Insurance and other	\$ 295,899
Purchase power	10,474
NYPA prepayment fund	242,261
WC Fuel - Watson	<u>142,811</u>
Total	<u>\$ 691,445</u>

6. Inventory

Inventory is comprised of supplies and materials at June 30, 2013, 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, 2013:

New England Hydro-Transmission (NEH & NHH) \$ 36,774

8. Capital Assets

The following is a summary of fiscal year 2013 activity in capital assets (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities.				
Capital assets, being depreciated:				
Structures and improvements	\$ 13,847	\$ 332	\$ -	\$ 14,179
Equipment and furnishings	30,471	1,290	(402)	31,359
Infrastructure	77,682	3,952	(1,185)	80,449
Total capital assets, being depreciated	122,000	5,574	(1,587)	125,987
Less accumulated depreciation for:				
Structures and improvements	(7,362)	(386)	-	(7,748)
Equipment and furnishings	(18,441)	(920)	402	(18,959)
Infrastructure	(28,792)	(2,360)	800	(30,352)
Total accumulated depreciation	(54,595)	(3,666)	1,202	(57,059)
Total capital assets, being depreciated, net	67,405	1,908	(385)	68,928
Capital assets, not being depreciated:				
Land	1,266	-	-	1,266
Total capital assets, not being depreciated	1,266	-	-	1,266
Capital assets, net	\$ 68,671	\$ 1,908	\$ (385)	\$ 70,194

9. Accounts Payable

Accounts payable represent fiscal 2013 expenses that were paid after June 30, 2013.

10. Accrued Liabilities

Accrued liabilities consist of the following at June 30, 2013:

Accrued payroll	\$ 289,204
Accrued sales tax	174,374
Other	<u>64,060</u>
Total	<u>\$ 527,638</u>

11. Customer Deposits

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

12. 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.

13. 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.

14. 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.

15. 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 Position 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 Position over time.

A. Plan Description

In addition to providing the pension benefits described in Note 16, 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 2013 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 State-

ment 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, 2013, 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)	\$ 506,576
Interest on net OPEB obligation	98,411
Annual OPEB cost	604,987
Projected benefit payments	(457,069)
Increase in net OPEB obligation	147,918
Net OPEB obligation - beginning of year	1,335,089
Contributions to OPEB Trust	(1,483,007)
(1) Net OPEB obligation - end of year	\$ -

(1) See Part E for additional information

The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2013 and the two preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 604,987	100.00%	\$ -
2012	\$ 587,945	75.55%	\$ 1,335,089
2011	\$ 905,981	61.11%	\$ 1,165,800

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	1,167,161
Unfunded actuarial accrued liability (UAAL)	\$ 7,476,277
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 2013, the Board of Commissioners voted to create an OPEB trust instrument in alignment with the Town of Reading. In fiscal year 2013, the Department contributed \$1,483,007 to this trust, which was equal to all of its actuarially determined annual contributions through June 30, 2013. The assets and net position of this trust are reported in the Department's Statement of Fiduciary Net Position.

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.

16. 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, 2013, 2012, and 2011 were \$1,288,076, \$1,336,326, and \$1,278,695, respectively, which were equal to its annual required contributions for each of these years.

17. 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, 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), the majority owner and an indirect subsidiary of NextEra Energy Resources 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.

Total capital expenditures for MMWEC's Projects amounted to \$1,599,051,000, of which \$114,471,000 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 \$12,912,000 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, 2013 principal payment, MMWEC's total future debt service requirement on outstanding bonds issued for the Projects is \$253,040,000, of which \$10,488,000 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, 2013 and estimated for future years is shown below.

		<u>Annual Costs</u>
For years ended June 30,	2014	\$ 3,552,000
	2015	2,574,000
	2016	2,700,000
	2017	1,472,000
	2018	<u>190,000</u>
	Total	<u>\$ 10,488,000</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 \$12,353,000 and \$12,596,000 for the years ended June 30, 2013 and 2012, respectively.

18. 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 PPAs 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 2013, the Department sold 16,337 calendar year 2012 RECs. Proceeds totaling \$775,677 from the sale of these RECs were netted against the Department's fiscal year 2013 purchased power fuel charge.

At June 30, 2013, the Department held 7,555 RECs (4,024 MA Class 2 RECs and 3,272 CT Class 1 RECs) with an estimated market value of \$286,581. In addition, at June 30, 2013 RMLD was in the process of selling 4,606 Quarter 1 2013 RECs with an estimated value of \$286,581. 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 Position.

19. 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:

2014	\$ 8,712
2015	<u>3,630</u>
Total	<u>\$ 12,342</u>

TOWN OF READING, MASSACHUSETTS, MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF FUNDING PROGRESS
REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2013
(Unaudited)

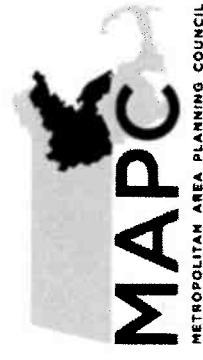
Other Post-Employment Benefits						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
06/30/08	\$	\$ 8,085,388	\$ 8,085,388	0.0%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



Reading Municipal Light Department Website Redesign

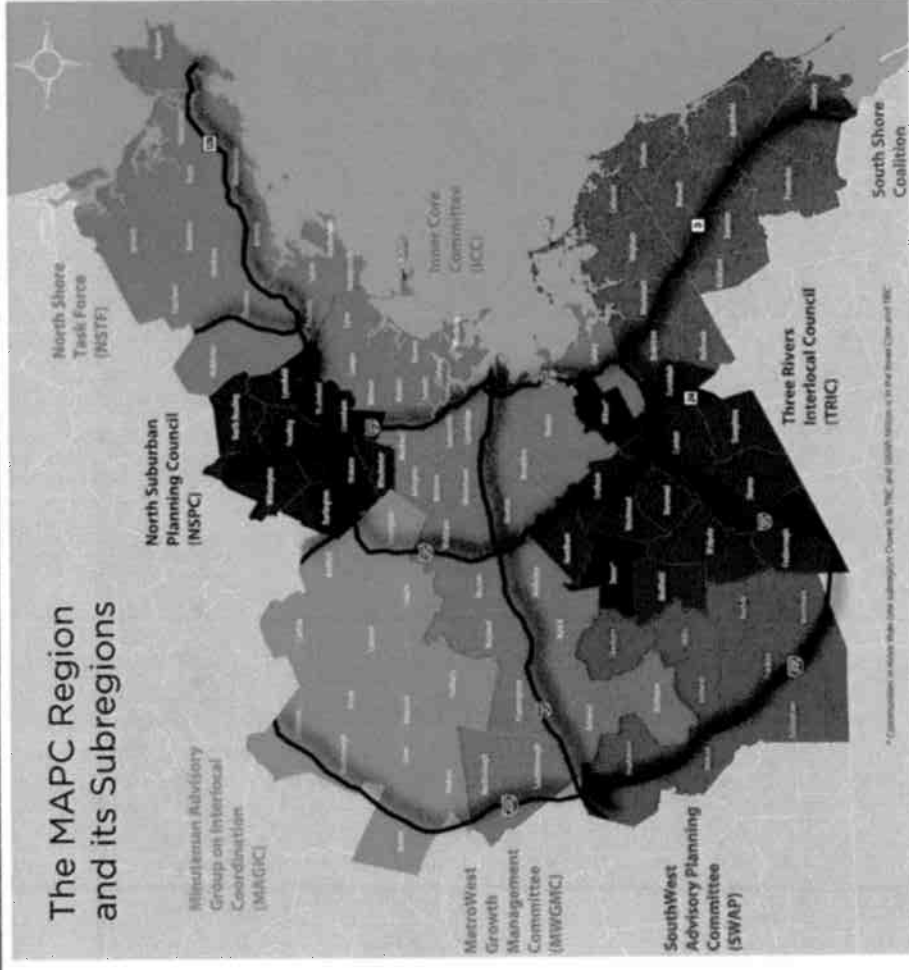
September 25, 2013



Metropolitan Area Planning Council



MAPC serves 101 cities and towns
in the Greater Boston Region.



MAPC Clean Energy

1. Regional Energy Projects

- ESCO Procurement
- Regional Solar Initiative
- LED Streetlight Purchasing Program

2. Local Energy Action Program

- Community Energy Baselineing
- Outreach and Visioning
- Connecting municipalities with utilities & incentives

3. Energy Technical Assistance



MAPC & RMLD

The RMLD – Four Towns Local Energy Action Plan

- Energy profile for all four towns
- Assess current energy efforts
- Identify strategies to increase impact

Reading Municipal Light Department (RMLD) Program Successes (as of January 2013)

- Electric water heaters will save \$70k/year
- New Residential Program has saved \$16k/year
- New Renewable Portfolio Standards: 15% by 2015, 25% by 2025

Energy Efficiency & Demand Response	Customers
Energy Audit Requests	680
Audits Completed – Oil Heat Customers	200
Audits Completed – Natural Gas Customers	81
Weatherization Projects	4
Renewable Energy	Customers
Residential Solar Projects	16
Commercial Solar Projects	2
Green Choice Subscribers	230

Energy Efficiency Programs at RMLD

29,000+ Customers in Reading, North Reading, Lynnfield, Wilmington

680 Energy Audit Requests

281 Audits Completed

245 DR Water Heater Controls

300 Time-of-use Rate Subscribers

Numbers accurate as of January 2013

Barriers to Low Participation Rates

- Customers are generally not well-informed about energy efficiency concepts like DR or TOU
- Customers are not aware of the programs offered by their utility
- Customers are not aware of program costs and benefits



ENERGY EFFICIENCY

[Printer-Friendly Version](#)

Address: PO Box 150
Reading, MA 01867-0250
Alternate Phone: 781-944-1340

RESIDENTIAL

[Residential Audit Request Form](#)

[Appliance Rebates](#)

[Home Energy Evaluation](#)

[Residential Renewable Energy Rebate Program](#)

[Time Of Use Explanation](#)

[Time Of Use Savings Chart](#)

[Net Metering Application](#)

[Efficiency Rebate Terms & Conditions](#)

[Smart Strip Power Strip](#)

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[Useful Links](#)

Links

[Massachusetts Electricity Suppliers Map](#)
[U.S. Department of Energy](#)
[Utilities and Energy Efficiency](#)

Examples of Well-Designed Utility Websites

National Grid: Bill Explanation Page

https://www.nationalgridus.com/masselectric/home/rates/4_bill_demo.asp

Nstar's MassSave Explanation Page

http://www.nstar.com/residential/energy_efficiency/electric_programs/masssave.asp

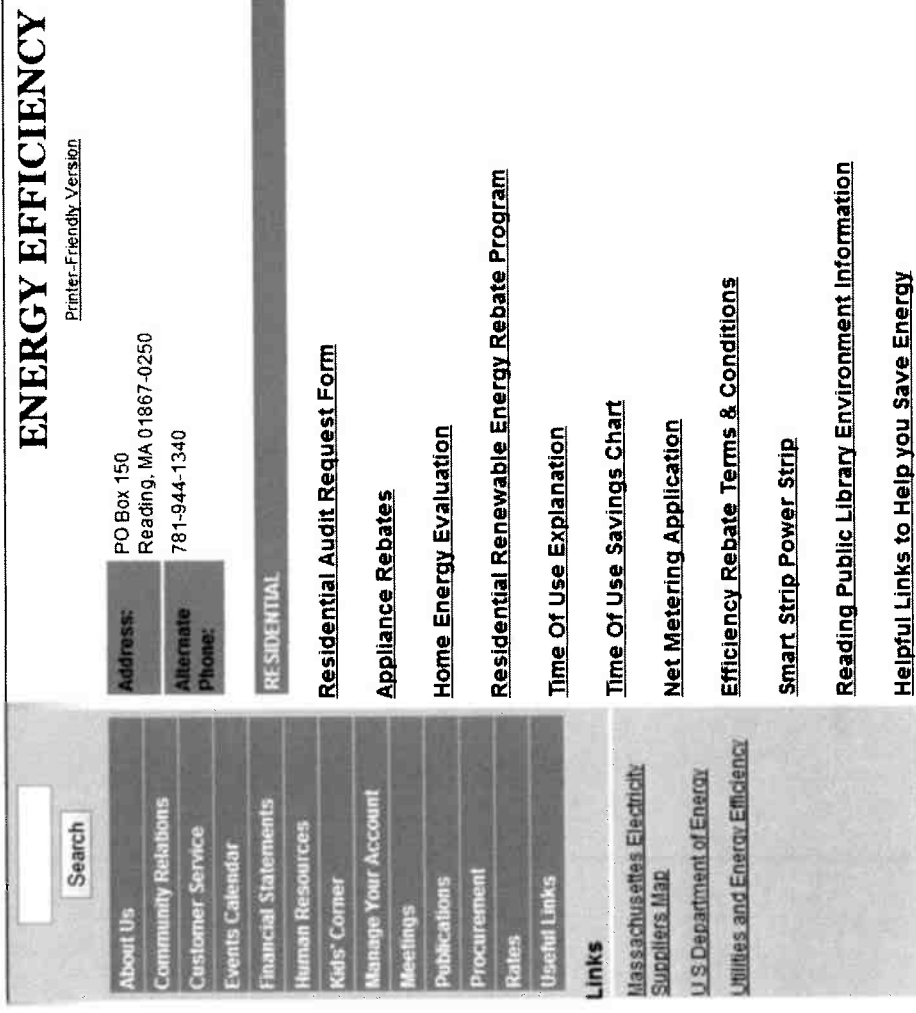
PG&E: Comprehensive 'Home' website

<http://www.pge.com/myhome/>

<http://www.pge.com/myhome/saveenergymoney/>

Potential Solutions

- Redesign RMLD's Energy Efficiency Page to be more accessible and user-friendly
- Create separate tabs/pages for every program offering
- Provide brief descriptions of each of the programs, explicitly mentioning the benefits



Next Steps

Ani Krishnan

Energy Planner, MAPC

akrishnan@mapc.org | 617-933-0715



To: Coleen O'Brien

From: Maureen McHugh, Jane Parenteau

Date: September 12, 2013

Subject: Purchase Power Summary – July, 2013

Energy Services Division (ESD) has completed the Purchase Power Summary for the month of July, 2013.

ENERGY

The RMLD's total metered load for the month was 78,729,610 kWh, which is a 6.3% increase from the July, 2012 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	3,672,042	\$6.99	4.66%	\$25,659	0.74%
Seabrook	5,886,340	\$8.22	7.47%	\$48,368	1.40%
Stonybrook Intermediate	4,508,341	\$66.65	5.72%	\$300,463	8.67%
JP Morgan	10,538,000	\$59.15	13.38%	\$623,346	17.99%
NextEra	11,972,400	\$49.13	15.20%	\$588,151	16.98%
NYPA	1,593,593	\$4.92	2.02%	\$7,840	0.23%
ISO Interchange	10,843,247	\$52.88	13.76%	\$573,339	16.55%
NEMA Congestion	0	\$0.00	0.00%	-\$138,253	-3.99%
Coop Resales	21,917	\$135.91	0.03%	\$2,979	0.09%
MacQuarie	11,488,000	\$41.78	14.58%	\$479,937	13.85%
Summit Hydro	794,068	\$59.68	1.01%	\$47,393	1.37%
Braintree Watson Unit	1,511,760	\$67.39	1.92%	\$101,878	2.94%
Swift River Projects	1,400,912	\$101.76	1.78%	\$142,555	4.11%
Exelon	14,352,400	\$43.77	18.22%	\$628,157	18.13%
Stonybrook Peaking	198,442	\$163.96	0.25%	\$32,537	0.94%
Monthly Total	78,781,462	\$43.97	100.00%	\$3,464,349	100.00%

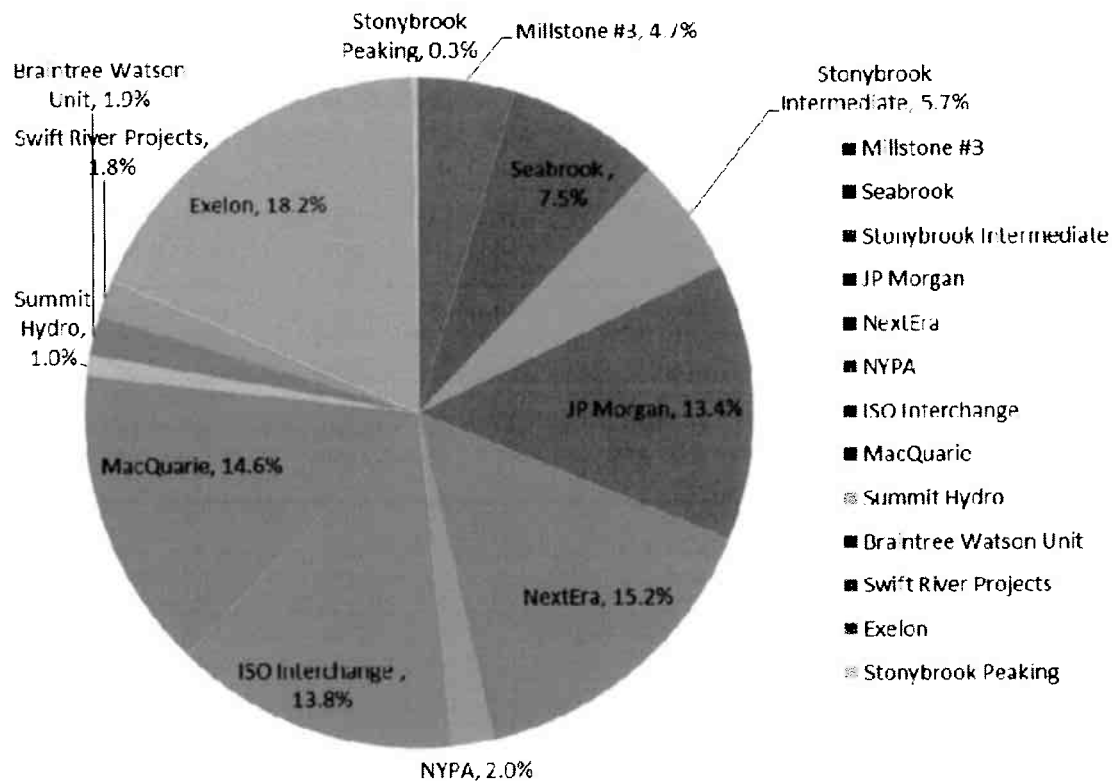
Table 2 breaks down the ISO interchange between the DA LMP Settlement and the RT Net Energy for the month of July, 2013.

Table 2			
Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP *	14,503,454	63.40	18.41%
RT Net Energy **	-3,660,207	86.58	-4.65%
ISO Interchange (subtotal)	10,843,247	52.90	13.76%

* Independent System Operator Day-Ahead Locational Marginal Price

** Real Time Net Energy

JULY 2013 ENERGY BY RESOURCE



CAPACITY

The RMLD hit a demand of 167,759 kW, which occurred on July 19, at 4 pm. The RMLD's monthly UCAP requirement for July, 2013 was 214,413 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	4,950	49.21	\$243,569	16.39%
Seabrook	7,903	46.99	\$371,349	24.98%
Stonybrook Peaking	24,981	2.00	\$49,910	3.36%
Stonybrook CC	42,925	3.22	\$138,298	9.30%
NYPA	4,019	4.02	\$16,172	1.09%
Hydro Quebec	4,683	4.45	\$20,829	1.40%
Nextera	60,000	5.50	\$330,000	22.20%
Braintree Watson Unit	10,520	10.99	\$115,647	7.78%
ISO-NE Supply Auction	54,432	3.69	\$200,723	13.50%
Total	214,413	\$6.93	\$1,486,497	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	\$25,659	\$243,569	\$269,228	5.44%	3,672,042	0.0733
Seabrook	\$48,368	\$371,349	\$419,717	8.48%	5,886,340	0.0713
Stonybrook Intermediate	\$300,463	\$138,298	\$438,761	8.86%	4,508,341	0.0973
Hydro Quebec	\$0	\$20,829	\$20,829	0.42%	-	0.0000
JP Morgan	\$623,346	\$0	\$623,346	12.59%	10,538,000	0.0592
NextEra	\$588,151	\$330,000	\$918,151	18.55%	11,972,400	0.0767
* NYPA	\$7,840	\$16,172	\$24,013	0.49%	1,593,593	0.0151
ISO Interchange	\$573,339	\$200,723	\$774,062	15.63%	10,843,247	0.0714
Nema Congestion	-\$138,253	\$0	-\$138,253	-2.79%	-	0.0000
MacQuarie	\$479,937	\$0	\$479,937	9.69%	11,488,000	0.0418
* Summit Hydro	\$47,393	\$0	\$47,393	0.96%	794,068	0.0597
Braintree Watson Unit	\$101,878	\$115,647	\$217,524	4.39%	1,511,760	0.1439
* Swift River Projects	\$142,555	\$0	\$142,555	2.88%	1,400,912	0.1018
Coop Resales	\$2,979	\$0	\$2,979	0.06%	21,917	0.1359
Constellation Energy	\$628,157	\$0	\$628,157	12.69%	14,352,400	0.0438
Stonybrook Peaking	\$32,537	\$49,910	\$82,447	1.67%	198,442	0.4155
Monthly Total	\$3,464,349	\$1,486,497	\$4,950,846	100.00%	78,781,462	0.0628
* Renewable Resources				4.81%		

RENEWABLE ENERGY CERTIFICATES (RECs)

Table 5 shows the amount of banked and projected RECs for the Swift River Hydro Projects through August, 2013, as well as their estimated market value.

Table 5
Swift River RECs Summary
Period - January 2013 - August 2013

	Banked RECs	Projected RECs	Total RECs	Est. Dollars
Woronoco	3,018	4,275	7,293	\$397,469
Pepperell	434	2283	2717	\$148,077
Indian River	1152	1561	2713	\$147,859
Turners Falls	194	1,248	1442	\$0
Grand Total	4,798	9,367	14,165	\$693,404

TRANSMISSION

The RMLD's total transmission costs for the month of July were \$1,183,000. This is an increase of 14.8% from the June transmission cost of \$1,030,696. In July, 2012 the transmission costs were \$1,140,284.

Table 6

	Current Month	Last Month	Last Year
Peak Demand (kW)	167,759	162,059	163,785
Energy (kWh)	78,781,462	64,889,690	73,892,102
Energy (\$)	\$3,464,349	\$2,465,567	\$3,581,715
Capacity (\$)	\$1,486,497	\$1,472,596	\$1,547,074
Transmission(\$)	\$1,183,000	\$1,030,696	\$1,140,284
Total	\$6,133,846	\$4,968,858	\$6,269,073

Table 7 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.

[illegible]

Table 8 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	285	\$ 14,250	336	\$ 16,800	311	\$ 15,550	29	\$ 725	24	\$ 2,400	54	\$ 1,350	57	\$ 570	375	\$ 75,000	3	\$ 15,000	4	\$ 1,000	5	\$ 50
2014	13	\$ 650	15	\$ 750	10	\$ 500	3	\$ 75	2	\$ 200	5	\$ 125	5	\$ 75	26	\$ 5,200	0	\$ -	0	\$ -	2	\$ 20
Total	2073	\$ 103,650	1765	\$ 88,250	1595	\$ 79,750	201	\$ 5,025	249	\$ 24,900	289	\$ 7,225	549	\$ 5,515	1078	\$ 178,731	16	\$ 67,700	13	\$ 3,250	10	\$ 100



To: Coleen O'Brien

From: Maureen McHugh, Jane Parenteau

Date: September 19, 2013

Subject: Purchase Power Summary – August, 2013

Energy Services Division (ESD) has completed the Purchase Power Summary for the month of August, 2013.

ENERGY

The RMLD's total metered load for the month was 67,344,668 kWh, which is a 11% decrease from the August, 2012 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	3,038,210	\$6.99	4.51%	\$21,230	0.77%
Seabrook	5,893,305	\$8.22	8.75%	\$48,421	1.75%
Stonybrook Intermediate	594,595	\$54.38	0.88%	\$32,336	1.17%
JP Morgan	10,538,000	\$59.15	15.64%	\$623,346	22.53%
NextEra	11,999,000	\$49.25	17.81%	\$591,006	21.36%
NYPA	1,722,875	\$4.92	2.56%	\$8,477	0.31%
ISO Interchange	6,425,791	\$41.91	9.54%	\$269,317	9.73%
NEMA Congestion	0	\$0.00	0.00%	-\$32,123	-1.16%
Coop Resales	18,441	\$136.60	0.03%	\$2,519	0.09%
MacQuarie	11,488,000	\$40.13	17.05%	\$461,059	16.66%
Summit Hydro	385,623	\$58.15	0.57%	\$22,423	0.81%
Braintree Watson Unit	319,532	\$78.47	0.47%	\$25,074	0.91%
Swift River Projects	600,801	\$100.44	0.89%	\$60,346	2.18%
Exelon	14,296,600	\$43.80	21.22%	\$626,145	22.63%
Stonybrook Peaking	42,936	\$178.74	0.06%	\$7,674	0.28%
Monthly Total	67,363,709	\$41.08	100.00%	\$2,767,250	100.00%

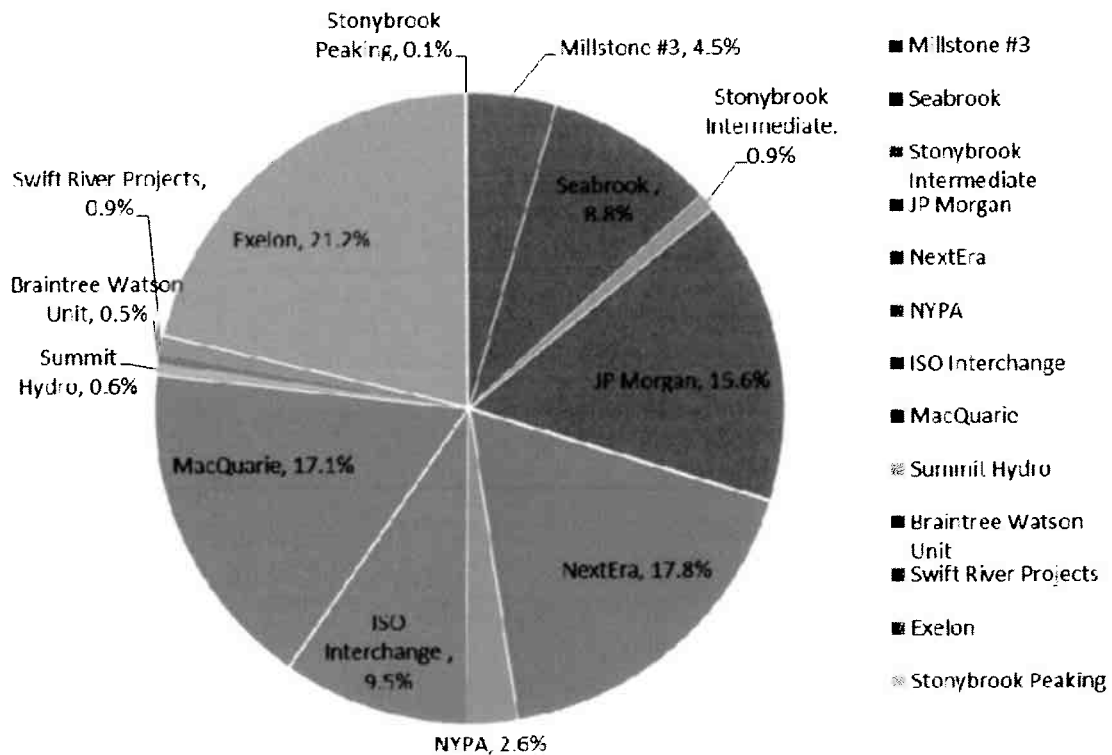
Table 2 breaks down the ISO interchange between the DA LMP Settlement and the RT Net Energy for the month of August, 2013.

Table 2			
Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP *	6,805,567	44.76	10.10%
Settlement			
RT Net Energy **	-379,775	71.69	-0.56%
Settlement			
ISO Interchange (subtotal)	6,425,791	41.91	9.54%

* Independent System Operator Day-Ahead Locational Marginal Price

** Real Time Net Energy

AUGUST 2013 ENERGY BY RESOURCE



CAPACITY

The RMLD hit a demand of 140,045 kW, which occurred on August 21, at 5 pm. The RMLD's monthly UCAP requirement for August, 2013 was 214,413 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	4,950	49.21	\$243,575	16.38%
Seabrook	7,903	46.99	\$371,345	24.97%
Stonybrook Peaking	24,981	2.02	\$50,389	3.39%
Stonybrook CC	42,925	3.30	\$141,455	9.51%
NYPA	4,019	4.02	\$16,172	1.09%
Hydro Quebec	4,683	5.17	\$24,202	1.63%
Nextera	60,000	5.50	\$330,000	22.19%
Braintree Watson Unit	10,520	10.76	\$113,246	7.62%
ISO-NE Supply Auction	54,432	3.61	\$196,754	13.23%
Total	214,413	\$6.94	\$1,487,138	100.00%

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

Table 4

Resource	Energy	Capacity	Total cost	% of Total Cost	Amt of Energy (kWh)	Cost of Power (\$/kWh)
Millstone #3	\$21,230	\$243,575	\$264,805	6.22%	3,038,210	0.0872
Seabrook	\$48,421	\$371,345	\$419,767	9.87%	5,893,305	0.0712
Stonybrook Intermediate	\$32,336	\$141,455	\$173,791	4.08%	594,595	0.2923
Hydro Quebec	\$0	\$24,202	\$24,202	0.57%	-	0.0000
JP Morgan	\$623,346	\$0	\$623,346	14.65%	10,538,000	0.0592
NextEra	\$591,006	\$330,000	\$921,006	21.65%	11,999,000	0.0768
* NYPA	\$8,477	\$16,172	\$24,649	0.58%	1,722,875	0.0143
ISO Interchange	\$269,317	\$196,754	\$466,072	10.96%	6,425,791	0.0725
Nema Congestion	-\$32,123	\$0	-\$32,123	-0.76%	-	0.0000
MacQuarie	\$461,059	\$0	\$461,059	10.84%	11,488,000	0.0401
* Summit Hydro	\$22,423	\$0	\$22,423	0.53%	385,623	0.0581
Braintree Watson Unit	\$25,074	\$113,246	\$138,320	3.25%	319,532	0.4329
* Swift River Projects	\$60,346	\$0	\$60,346	1.42%	600,801	0.1004
Coop Resales	\$2,519	\$0	\$2,519	0.06%	18,441	0.1366
Constellation Energy	\$626,145	\$0	\$626,145	14.72%	14,296,600	0.0438
Stonybrook Peaking	\$7,674	\$50,389	\$58,063	1.36%	42,936	1.3523
Monthly Total	\$2,767,250	\$1,487,138	\$4,254,388	100.00%	67,363,709	0.0632
* Renewable Resources				4.02%		

RENEWABLE ENERGY CERTIFICATES (RECs)

Table 5 shows the amount of banked and projected RECs for the Swift River Hydro Projects through August, 2013, as well as their estimated market value.

Table 5
Swift River RECs Summary
Period - January 2013 - August 2013

	Banked RECs	Projected RECs	Total RECs	Est. Dollars
Woronoco	3,018	4,275	7,293	\$397,469
Pepperell	434	2283	2717	\$148,077
Indian River	1152	1561	2713	\$147,859
Turners Falls	194	1,248	1442	\$0
Grand Total	4,798	9,367	14,165	\$693,404

TRANSMISSION

The RMLD's total transmission costs for the month of August were \$1,223,588. This is an increase of 3.4% from the July transmission cost of \$1,183,000. In August, 2012 the transmission costs were \$1,065,565.

Table 6

	Current Month	Last Month	Last Year
Peak Demand (kW)	140,045	167,759	153,945
Energy (kWh)	67,363,709	78,781,462	75,020,822
Energy (\$)	\$2,767,250	\$3,464,349	\$3,578,611
Capacity (\$)	\$1,487,138	\$1,486,497	\$1,520,844
Transmission(\$)	\$1,223,588	\$1,183,000	\$1,065,565
Total	\$5,477,977	\$6,133,846	\$6,165,020

Table 7 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.

[illegible]

Table 8

	Washing Machine		Refrigerator		Dishwasher		Dehumidifier		Central A/C		Window A/C		Thermostat		Audits		Renewable		HP Water Heater		Fan	
Year	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	\$ 1,75	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	285	\$ 14,250	336	\$ 16,800	311	\$ 15,550	29	\$ 725	24	\$ 2,400	54	\$ 1,350	57	\$ 570	375	\$ 75,000	3	\$ 15,000	4	\$ 1,000	5	\$ 50
2014	47	\$ 2,350	48	\$ 2,400	40	\$ 2,000	12	\$ 300	7	\$ 700	32	\$ 800	10	\$ 150	56	\$ 11,200	0	\$ -	3	\$ 450	2	\$ 20
Total	2107	\$ 105,350	1798	\$ 89,900	1625	\$ 81,250	210	\$ 5,250	254	\$ 25,400	316	\$ 7,900	554	\$ 5,590	1108	\$ 184,731	16	\$ 67,700	16	\$ 3,700	10	\$ 100



Energy Services Division

To: Coleen O'Brien

From: Jane Parenteau
Bill Seldon

Date: September 24, 2013

Subject: New York Power Authority (NYPA) Credit

The NYPA Credit is a Federal Power Commission mandate and is related to the allocation of Preference Power to the neighboring states of New York.

RMLD calculates the monthly NYPA credit by comparing the actual cost of the NYPA power (capacity, transmission and energy) and the Replacement Power Costs (RPC). The RPC represents what RMLD would replace the NYPA power if the RMLD did not receive its NYPA allocation (capacity, transmission, energy). The difference between these two cost structures result in a pool of dollars that is allocated to the residential customers on a per kWh basis.

The NYPA credit only applies to RMLD's residential customers.

Table 1 summaries the RMLD's current monthly NYPA credit for the January, 2013 – August, 2013.

CURRENT NYPA Credit Calculation Summary:					
Replacement Cost Methodology					
2013 Month	NYPA Cost *	Replacement Cost**	Monthly Adjustment ***	NYPA Credit	
January	\$31,378	\$112,486	\$488	\$80,620	
February	\$55,414	\$109,470	\$6,000	\$48,056	
March	\$60,186	\$181,412	\$5,289	\$115,936	
April	\$92,684	\$214,302	\$14,910	\$106,708	
May	\$143,428	\$170,227	\$7,376	\$19,423	
June	\$57,175	\$96,860	\$13,703	\$25,982	
July	\$45,116	\$99,935	(\$1,719)	\$56,537	
August	\$43,817	\$77,607	\$2,956	\$30,833	
Total	\$529,200	\$1,062,299	\$49,003	\$484,096	

* NYPA Cost - Actual Costs from Monthly NYPA Invoice.

** Replacement Cost - Calculated Monthly Using NYPA Credit Calculation Procedure.

*** Adjustment - Determined by truing up Estimated kWh Sales vs Actual kWh Sales.

In February, 2009, Melanson Heath & Co. reviewed RMLD's procedures for the calculation and recording of NYPA credits. The report is attached to this memo.

The Melanson Heath report indicates that other municipal utilities use the cost per kWh of actual non-NYPA purchase power, instead of replacement power. This would result in a different NYPA credit, depending on whether the replacement power (ISO-NE) is more or less expensive than the average of all purchased non-NYPA power. A legitimate argument could be made for calculating the NYPA credit by either alternative.

Table 2 represents an alternative methodology that removes the NYPA fuel costs from the purchase power cost to determine the NYPA Credit for the same period, January, 2013 – August, 2013.

ALTERNATIVE NYPA Credit Calculation

Summary: Non-NYPA Purchase Cost Methodology

Month	Fuel Expense (Including NYPA)	Fuel Expense (\$/kWh)	NYPA Fuel (\$)	Fuel Expense minus NYPA	kWh Purchase	NYPA kWh Purchase	kWh - NYPA	Fuel Expense minus NYPA (\$/kWh)	Total kWh sales	NYPA (\$/kWh)	Difference	NYPA Credit
January	\$ 2,523,167	0.04145	\$9,547	2,513,619	60,866,668	1,940,647	58,926,021	\$ 0.04266	55,932,366	\$0.00492	\$ 0.03774	\$ 73,235
February	\$ 3,397,710	0.06302	\$6,941	3,390,769	53,918,775	1,709,545	52,209,230	\$ 0.06495	60,625,074	\$0.00406	\$ 0.06089	\$ 104,087
March	\$ 2,393,560	0.04200	\$10,179	2,383,382	56,991,111	2,068,825	54,922,286	\$ 0.04340	54,245,355	\$0.00492	\$ 0.03848	\$ 79,599
April	\$ 2,220,542	0.04198	\$9,401	2,211,141	52,896,791	1,910,786	50,986,005	\$ 0.04337	54,011,626	\$0.00492	\$ 0.03845	\$ 73,465
May	\$ 2,289,286	0.04058	\$9,848	2,279,438	56,418,457	2,001,569	54,416,888	\$ 0.04189	50,204,742	\$0.00492	\$ 0.03697	\$ 73,995
June	\$ 2,465,567	0.03800	\$7,941	2,457,626	64,889,690	1,614,088	63,275,602	\$ 0.03884	58,949,817	\$0.00492	\$ 0.03392	\$ 54,750
July	\$ 3,464,349	0.04397	\$7,840	3,456,509	78,781,462	1,593,593	77,187,869	\$ 0.04478	65,642,499	\$0.00492	\$ 0.03986	\$ 63,521
August	\$ 2,767,250	0.04108	\$8,477	2,758,774	67,363,709	1,722,875	65,640,834	\$ 0.04203	67,681,752	\$0.00492	\$ 0.03711	\$ 63,933
	\$ 21,521,432	0.04373	\$70,174	\$ 21,451,258	492,126,663	14,561,928	477,564,735	\$ 0.04492	467,293,231	\$0.00482	\$ 0.04010	\$ 586,586

Table 2 removes the NYPA Fuel dollars from the fuel expense as well as the kWhs generated from NYPA from the kWh purchase. The NYPA credit is calculated by taking the difference between the non-NYPA Fuel Expense and cost of NYPA multiplied by the amount of generation received from NYPA.

The alternative methodology defines the RMLD's benefit of receiving NYPA power by taking into account only the energy portion of the NYPA power costs. The monthly NYPA costs include, in addition to the energy cost, a capacity component that represents the cost of generating NYPA Power and a transmission component that represents the cost of transmitting the NYPA Power from New York to Massachusetts.

Table 3 shows the impact of the Fuel Revenue with both the current replacement cost methodology as well as the alternative methodology.

2013 Comparison

2013 Month	Current			Alternative			NYPA Credit Difference
	Fuel Revenue	NYPA Credit	Net Fuel Revenue Fuel Rev - NYPA Credit	Fuel Revenue	NYPA Credit	Net Fuel Revenue Fuel Rev - NYPA Credit	
January	\$ 2,318,620	\$80,620	\$ 2,238,000	\$ 2,311,236	\$ 73,235	\$ 2,238,000	(\$7,384)
February	\$ 3,820,309	\$48,056	\$ 3,772,254	\$ 3,876,341	\$ 104,087	\$ 3,772,254	\$56,031
March	\$ 2,278,242	\$115,936	\$ 2,162,305	\$ 2,241,905	\$ 79,599	\$ 2,162,305	(\$36,337)
April	\$ 2,267,342	\$106,708	\$ 2,160,633	\$ 2,234,099	\$ 73,465	\$ 2,160,633	(\$33,243)
May	\$ 2,037,153	\$19,423	\$ 2,017,730	\$ 2,091,725	\$ 73,995	\$ 2,017,730	\$54,572
June	\$ 2,239,874	\$25,982	\$ 2,213,891	\$ 2,268,641	\$ 54,750	\$ 2,213,891	\$28,768
July	\$ 2,886,574	\$56,537	\$ 2,830,037	\$ 2,893,558	\$ 63,521	\$ 2,830,037	\$6,984
August	\$ 2,780,315	\$30,833	\$ 2,749,482	\$ 2,813,415	\$ 63,933	\$ 2,749,482	\$33,100
	\$ 20,628,429	\$ 484,096	\$ 20,144,333	\$ 20,730,919	\$ 586,586	\$ 20,144,333	\$ 102,490
Residential	\$ 7,692,268	\$ 484,096	\$ 7,208,172	\$ 7,730,486	\$ 586,586	\$ 7,143,900	\$ (64,272)
Other	\$ 12,936,161	\$ -	\$ 12,936,161	\$ 13,000,433	\$ -	\$ 13,000,433	\$ 64,272
Total	\$ 20,628,429	\$ 484,096	\$ 20,144,333	\$ 20,730,919		\$ 20,144,333	

RMLD's Fuel Revenue less the NYPA credit represents RMLD's Net Fuel Revenue.

It should be noted that this alternative methodology could result in an increased or decreased NYPA credit compared to the current methodology depending on whether the replacement power cost is more or less expensive than the average of all non-NYPA power. This NYPA credit would in turn increase or decrease the fuel revenue requirement. Since all customer classes are charged the Fuel Charge Adjustment (FCA), the net effect of any differential will impact all customers.

For the period January, 2013 – August, 2013, the alternative methodology increases the NYPA credit by approximately 21%. This increase would need to be recovered by the Fuel Charge Adjustment (FCA).

The residential customer sales are equivalent to approximately 36% of RMLD's total sales, with 64% representing the nonresidential sales. Since the net fuel revenue remains constant, any increase or decrease in the NYPA credit results in an equivalent increase or decrease in Fuel Revenue. The net effect of any differential will be approximately 64% of the calculated difference.

Utilizing the alternative methodology to calculate the NYPA credit, for the period of January, 2013 – August 2013, a residential customer with an average monthly usage of 700 kWh, would have realized a \$2.00 net savings over the 8 month period. This takes into account the increase in the FCA as well as the increase in the NYPA credit. It should be noted that the NYPA credit differential between the Replacement Pricing methodology and the alternative methodology will result in either an increase or decrease depending on the replacement cost pricing.



READING MUNICIPAL LIGHT DEPARTMENT

**Agreed-Upon Procedures for the
Calculation and Recording of PASNY Credits**

February 20, 2009

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Mr. Vinnie Cameron
General Manager
Reading Municipal Light Department
230 Ash Street
Reading, MA 01867-0250

Dear Mr. Cameron:

We have performed the procedures described below, which were agreed to by the Reading Municipal Light Department (RMLD) solely to provide specific services to the Department related to the calculation and recording of the PASNY credit. The Department's management is responsible for the Department's records and procedures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the Agreed-Upon Procedures report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose of which this report has been requested or for any other purpose.

Our procedures were as follows:

1. We reviewed the process and calculations used by RMLD to determine the residential PASNY credit.
2. We reviewed the methodology for recording the PASNY credit in the RMLD's accounting records and annual Massachusetts Department of Public Utilities report.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the financial statements of the RMLD. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the RMLD and is not intended to be and should not be used by anyone other than this specified party.

We are presenting for your consideration the results of our agreed-upon procedures and our recommendations. The recommendations were developed during the course of our performing these agreed-upon procedures.

After you have had an opportunity to consider our recommendations, we would be pleased to discuss them with you.

Melanson, Heath + Company P.C.

Andover, Massachusetts

February 20, 2009

BACKGROUND

RMLD purchases power from the Power Authority of the State of New York (PASNY). This power, which is generated at Niagara, is less expensive than most other purchased power. Federal regulations require that only residential customers get the benefit of this lower cost. The reduction in residential customer bills, compared to non-residential customers is known as the PASNY credit. The calculation of this benefit is not specified in the Federal regulations, therefore, it tends to be calculated differently by various utilities. The important point is that the residential rate payers get the benefit of the lower power costs from PASNY.

RMLD CALCULATION OF RESIDENTIAL RATE

RMLD calculates the residential rate (including the PASNY credit) as follows:

1. Fuel charge rate
2. - PASNY credit
- = Residential rate

1. Fuel Charge Rate

RMLD calculates a single fuel charge rate for all (residential and non-residential customers). The rate attempts to recover the cost of all purchased power (including power from PASNY and all other suppliers) as well as recovering the cost of the PASNY credit. It is calculated by dividing the cost of all purchased power, plus the amount of the PASNY credit, by the KWH's purchased. This fuel charge rate is the same for residential and non-residential customers.

Including the PASNY credit as a power cost component is necessary so that RMLD does not lose money as a result of the PASNY credit given to residential customers. If it were not included, the rates would not recover the cost of the PASNY credit offered to residential customers. Although it may appear that residential customers are being back-charged for a portion of the PASNY credit, in reality, it results in the same residential rates (after the PASNY credit) as if RMLD had instead calculated separate fuel charge rates for residential (including PASNY power costs) and non-residential customers (not including PASNY power costs).

2. PASNY Credit

The PASNY credit, which reduces residential customer bills, is calculated by comparing the KWH cost of power from PASNY to the cost of replacement power that would have been needed if PASNY power was not available. RMLD uses the ISO-NE market cost for this replacement cost.

It should be noted that other utilities use the cost per KWH of actual non-PASNY purchased power, instead of replacement power. This would result in a different PASNY credit, depending on whether the replacement power (ISO-NE) is more or less expensive than the average of all purchased non-PASNY power. A legitimate argument could be made for calculating the PASNY credit by either alternative.

Accounting for PASNY Credit

RMLD records the PASNY credit as a purchase power cost in its accounting records and in the Massachusetts Department of Public Utilities annual report. This classification does not appear to be appropriate since the PASNY credit is not actually a purchase power cost. We instead recommend the PASNY credit be recorded as a contra-revenue account, similar to the treatment of other customer discounts and refunds.

CONCLUSION

RMLD's calculation of the fuel rates achieves two benefits: 1) the residential customers get the benefit of the lower PASNY power costs, and 2) rates are sufficient to cover overall power costs. As a result, we believe the current calculation is reasonable and appropriate. However, we recommend RMLD amend its accounting chart of accounts to report the PASNY credit as a contra-revenue in its financial reports, budget, and DPU report, instead of a purchase power cost. This will be more appropriate accounting treatment.

**Reading Municipal Light Department
Engineering and Operations
Monthly Report
July 2013 - Revised**

FY 2014 Capital Plan

E&O Construction – System Projects

- 1 **5W9 Reconductoring – Wildwood Street:** *Project not yet scheduled.*
- 2 **4W4 Reconductoring:** *Project not yet scheduled.*
- 3 **Upgrading of Old Lynnfield Center URDs (Trog Hawley - Partial Carryover):**
Install load break elbows for temp feed. Put up cable racks in manhole and install lugs. Rack primary cables and splice on new primary upgrade. Paint transformers and switches. Padmount change out. Pull in section of service cable for new upgrade. Replace transformer. Install URD secondary cable.
- 4 **Upgrading of Old Lynnfield Center URDs (Cook's Farm):** *Project not yet scheduled.*
- 5 **4W5-4W6 Tie:** *Project not yet scheduled.*
- 6 **URD Upgrades – All Towns:** *No charges in July.*
- 7 **Stepdown Area Upgrades – All Towns:** *No charges in July.*

Station Upgrades

- 8 **Station 4 (Gaw) Relay Replacement Project (Partial Carryover):** Project not yet scheduled.
- 9 **Station 4 (Gaw) 35kv Potential Transformer Replacement:** Project not yet scheduled.
- 10 **Station 3 – Replacement of Service Cutouts:** Project not yet scheduled.
- 11 **Station 4 (Gaw) Getaway Replacement – 4W9:** Project not yet scheduled.
- 15 **Station 5 – Getaway Replacements 5W9 and 5W10:** Project not yet scheduled.

SCADA Projects

- 30 **Station 3 - RTU Replacement:** *Project not yet scheduled.*

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 replacements/installations, primary or secondary cable replacements/installations, etc. This portion of the project comes under routine construction. *Projects of note include Dunkin Donuts (2 locations) on Salem Street and on Walkers Brook Drive in Reading, and North Reading Middle and High School.*
- 13 Service Installations – Residential Customers** – This item includes new or upgraded overhead and underground services, temporary overhead services.

Routine Construction

- 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.

Pole Setting/Transfers	10,971.38
Maintenance Overhead/Underground	75,250.59
Projects Assigned as Required	40,838.78
Pole Damage/Knockdowns - Some Reimbursable	7,193.64
Station Group	2,042.66
Hazmat/Oil Spills	17,150.56
Porcelain Cutout Replacement Program (1)	-
Lighting (Street Light Connections)	1,022.52
Storm Trouble	6,421.38
Underground Subdivisions (new construction)	2,102.99
Animal Guard Installation	-
Miscellaneous Capital Costs	10,408.44
*YTD TOTAL:	<u>\$173,402.94</u>

*Preliminary number.

- (1) In July (0) cutouts were charged under this program.
Approximately 25 cutouts were installed new or replaced because of damage making a total of 25 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.

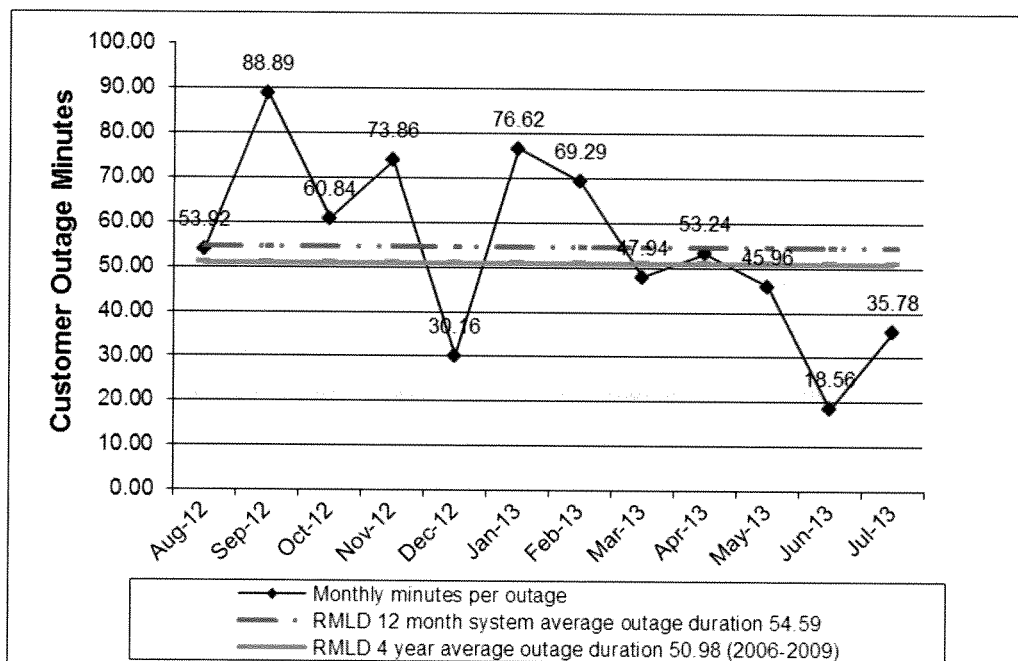
Customer Average Interruption Duration Index (CAIDI) measures how quickly the RMLD restores power to customers when their power goes out.

CAIDI = Total of Customer Interruption Duration for the Month in Minutes ÷ Total Number of Customers Interrupted.

RMLD 12-month system average outage duration: 54.59 minutes

RMLD four-year average outage (2006-2009): 50.98 minutes per outage

On average, RMLD customers that experience an outage are restored in 54.59 minutes.



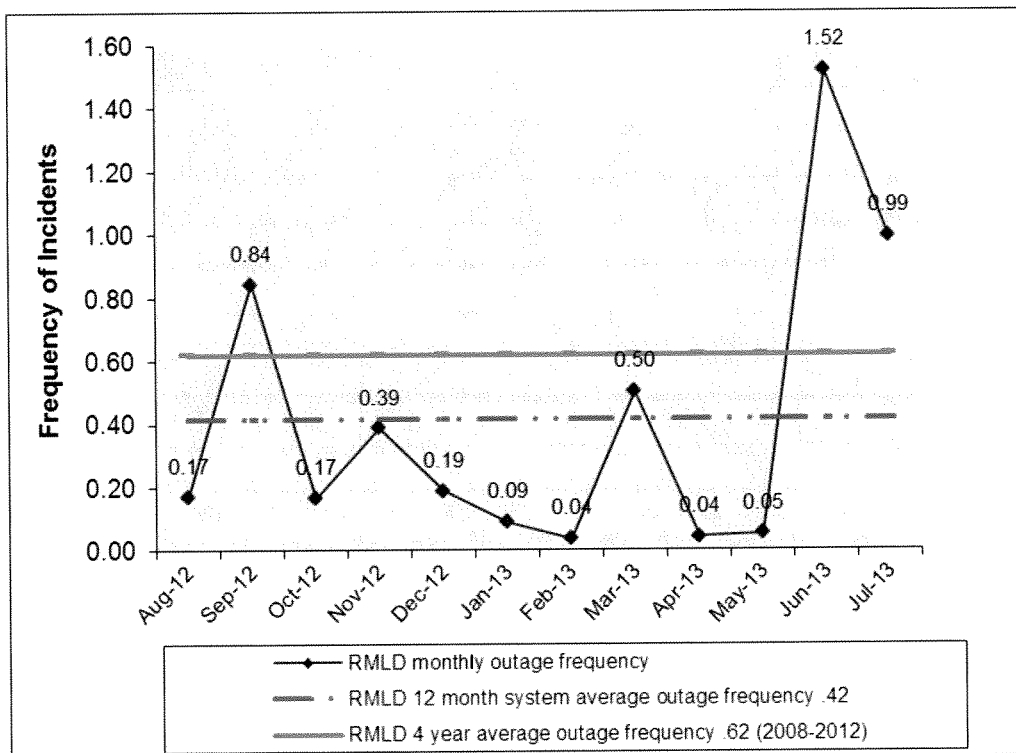
System Average Interruption Frequency (SAIFI) – Measures how many outages each customer experiences per year on average.

$$\text{SAIFI} = \text{Total Number of Customers Interrupted} \div \text{Total Number of Customers}$$

RMLD 12-month system average: 0.42 outages per year

RMLD four-year average outage frequency: 0.62

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 RMLD customers have no interruptions. At this time, the average RMLD customer experiences an outage approximately every 28.6 months.

**Reading Municipal Light Department
Engineering and Operations
Monthly Report
August 2013**

FY 2014 Capital Plan

E&O Construction – System Projects

- 1 5W9 Reconductoring – Wildwood Street:** *Project not yet scheduled.*
- 2 4W4 Reconductoring:** *Project not yet scheduled.*
- 3 Upgrading of Old Lynnfield Center URDs (Trog Hawley - Partial Carryover):**
Underground crew changed out underground padmount transformer. Installed load break elbows on primary. Installed new 1/0 primary. Line crew installed new URD primary cable, jet lined new primary conduit.
- 4 Upgrading of Old Lynnfield Center URDs (Cook's Farm):** *Project not yet scheduled.*
- 5 4W5-4W6 Tie:** *Project not yet scheduled.*
- 6 URD Upgrades – All Towns:** *No charges for the month.*
- 7 Stepdown Area Upgrades – All Towns:** *No charges for the month.*

Station Upgrades

- 8 Station 4 (Gaw) Relay Replacement Project (Partial Carryover):** Project not yet scheduled.
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SCADA Projects

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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 replacements/installations, primary or secondary cable replacements/installations, etc. This portion of the project comes under routine construction. *Projects of note include 235 Andover Street, Wilmington, and 72 Main Street, North Reading.*
- 13 Service Installations – Residential Customers** – This item includes new or upgraded overhead and underground services, temporary overhead services.

Routine Construction

- 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.

Pole Setting/Transfers	43,527.41
Maintenance Overhead/Underground	95,432.16
Projects Assigned as Required	60,311.36
Pole Damage/Knockdowns - Some Reimbursable	7,745.75
Station Group	2,042.66
Hazmat/Oil Spills	39,786.56
Porcelain Cutout Replacement Program (1)	-
Lighting (Street Light Connections)	3,266.61
Storm Trouble	6,421.38
Underground Subdivisions (new construction)	2,102.99
Animal Guard Installation	549.54
Miscellaneous Capital Costs	16,891.93
*YTD TOTAL:	<u>\$278,078.35</u>

*Preliminary number.

- (1) In August (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.

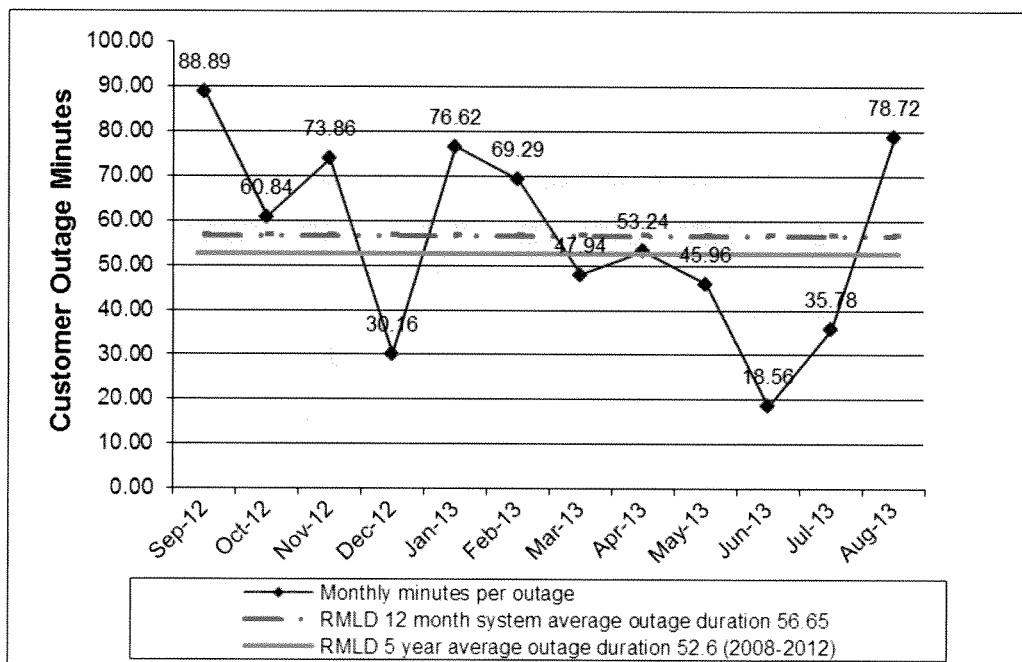
Customer Average Interruption Duration Index (CAIDI) measures how quickly the RMLD restores power to customers when their power goes out.

CAIDI = Total of Customer Interruption Duration for the Month in Minutes ÷ Total Number of Customers Interrupted.

RMLD 12-month system average outage duration: 56.65 minutes

RMLD five-year average outage (2008-12): 52.6 minutes per outage

On average, RMLD customers that experience an outage are restored in 56.65 minutes.



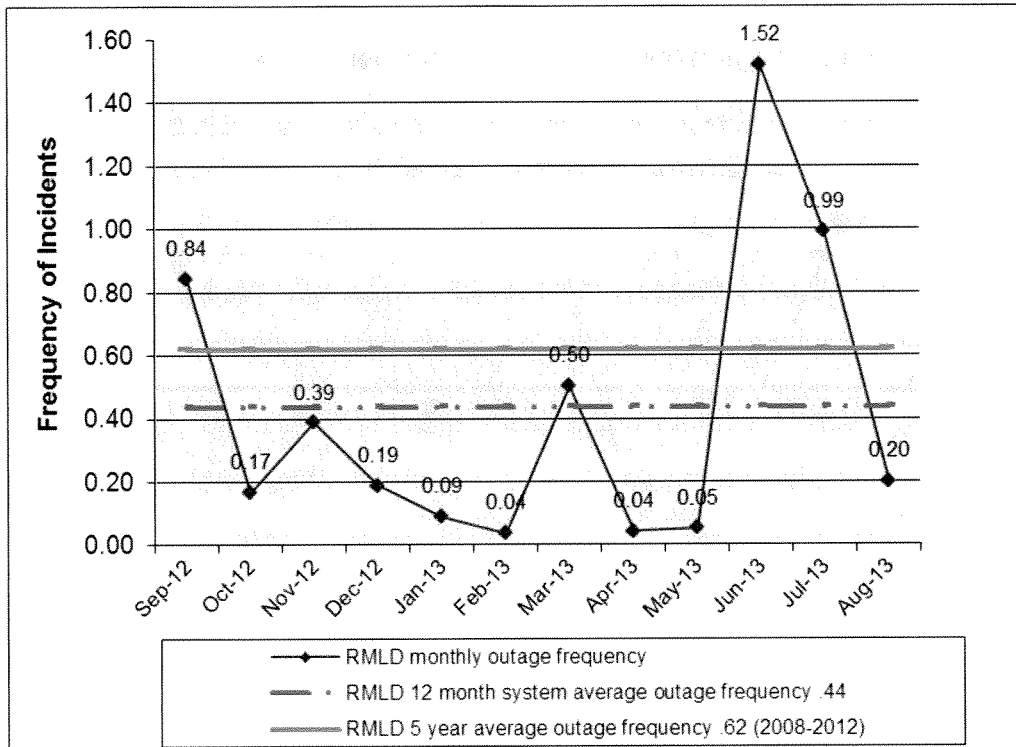
System Average Interruption Frequency (SAIFI) – Measures how many outages each customer experiences per year on average.

$$\text{SAIFI} = \text{Total Number of Customers Interrupted} \div \text{Total Number of Customers}$$

RMLD 12-month system average: 0.44 outages per year

RMLD five-year average outage frequency (2008-12): 0.62

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 RMLD customers have no interruptions. At this time, the average RMLD customer experiences an outage approximately every 27 months.

Dt: September 19, 2013

To: RMLB, Coleen O'Brien, Jeanne Foti

Fr: Bob Fournier

Sj: June 30, 2013 Report

The results for the month of June, 2013, and for the fiscal year 2013 will be summarized in the following paragraphs.

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

For the month of June, the net loss or the negative change in net assets was \$652,318, decreasing the year to date net income to \$1,783,119. The year to date budgeted net income was \$3,280,715 resulting in net income being under budget by \$1,497,596 or 45.7%. Actual year to date fuel revenues exceeded fuel expenses by \$339,443.

2) Revenues: (Page 11B)

Year to date base revenues were under budget by \$2,108,762 or 4.5%. Actual base revenues were \$45.2 million compared to the budgeted amount of \$47.3 million.

3) Expenses: (Page 12A)

*Year to date purchased power base expense was under budget by \$1,984,783 or 6.6%. Actual purchased power base costs were \$28.1 million compared to the budgeted amount of \$30.1 million.

*Year to date operating and maintenance (O&M) expenses combined were over budget by \$478,314 or 4.0%. Actual O&M expenses were \$12.6 million compared to the budgeted amount of \$12.1 million.

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

4) Cash: (Page 9)

- *Operating Fund was at \$9,148,851.
- * Capital Fund balance was at \$4,233,147.
- * Rate Stabilization Fund was at \$6,692,239.
- * Deferred Fuel Fund was at \$2,609,487.
- * Energy Conservation Fund was at \$319,021.

5) General Information:

Year to date kwh sales (Page 5) were 701,896,339 which is 15.9 million kwh or 2.3%, ahead last year's actual figure. GAW revenues collected ytd were \$696,142, bringing the total collected since inception to \$1,993,225.

6) Budget Variance:

Cumulatively, the five divisions were over budget by \$854,724 or 4.4%.



FINANCIAL REPORT

JUNE 30, 2013

ISSUE DATE: SEPTEMBER 19, 2013

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF NET ASSETS
6/30/13

		PREVIOUS YEAR	CURRENT YEAR
ASSETS			
CURRENT			
UNRESTRICTED CASH	(SCH A P.9)	9,957,960.29	9,151,851.22
RESTRICTED CASH	(SCH A P.9)	19,187,118.66	18,035,438.15
RECEIVABLES, NET	(SCH B P.10)	8,115,722.20	8,381,376.55
PREPAID EXPENSES	(SCH B P.10)	762,930.57	691,444.96
INVENTORY		1,495,336.70	1,569,029.60
TOTAL CURRENT ASSETS		<u>39,519,068.42</u>	<u>37,829,140.48</u>
NONCURRENT			
INVESTMENT IN ASSOCIATED CO	(SCH C P.2)	61,574.36	36,774.35
CAPITAL ASSETS, NET	(SCH C P.2)	68,670,916.71	70,194,417.61
TOTAL NONCURRENT ASSETS		<u>68,732,491.07</u>	<u>70,231,191.96</u>
TOTAL ASSETS		<u>108,251,559.49</u>	<u>108,060,332.44</u>
LIABILITIES			
CURRENT			
ACCOUNTS PAYABLE		6,401,494.17	5,455,911.74
CUSTOMER DEPOSITS		631,268.04	700,021.24
CUSTOMER ADVANCES FOR CONSTRUCTION		363,459.17	405,154.15
ACCRUED LIABILITIES		1,338,362.36	50,544.21
TOTAL CURRENT LIABILITIES		<u>8,734,583.74</u>	<u>6,611,631.34</u>
NONCURRENT			
ACCRUED EMPLOYEE COMPENSATED ABSENCES		2,982,915.76	3,131,522.31
TOTAL NONCURRENT LIABILITIES		<u>2,982,915.76</u>	<u>3,131,522.31</u>
TOTAL LIABILITIES		<u>11,717,499.50</u>	<u>9,743,153.65</u>
NET ASSETS			
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT		68,670,916.71	70,194,417.61
RESTRICTED FOR DEPRECIATION FUND (P.9)		2,635,205.70	2,733,146.78
UNRESTRICTED		25,227,937.58	25,389,614.40
TOTAL NET ASSETS	(P.3)	<u>96,534,059.99</u>	<u>98,317,178.79</u>
TOTAL LIABILITIES AND NET ASSETS		<u>108,251,559.49</u>	<u>108,060,332.44</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
NONCURRENT ASSET SCHEDULE
6/30/13

SCHEDULE C

SCHEDULE OF INVESTMENTS IN ASSOCIATED COMPANIES	PREVIOUS YEAR	CURRENT YEAR
NEW ENGLAND HYDRO ELECTRIC	12,631.19	2,975.74
NEW ENGLAND HYDRO TRANSMISSION	48,943.17	33,798.61
TOTAL INVESTMENTS IN ASSOCIATED COMPANIES	<u>61,574.36</u>	<u>36,774.35</u>
SCHEDULE OF CAPITAL ASSETS		
LAND	1,265,842.23	1,265,842.23
STRUCTURES AND IMPROVEMENTS	6,484,964.13	6,430,606.91
EQUIPMENT AND FURNISHINGS	12,030,469.52	12,400,432.28
INFRASTRUCTURE	<u>48,889,640.83</u>	<u>50,097,536.19</u>
TOTAL CAPITAL ASSETS, NET	<u>68,670,916.71</u>	<u>70,194,417.61</u>
TOTAL NONCURRENT ASSETS	<u>68,732,491.07</u>	<u>70,231,191.96</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
6/30/13

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
OPERATING REVENUES: (SCH D P.11)					
BASE REVENUE	3,968,217.51	3,525,132.61	44,840,877.02	45,208,258.29	0.82%
FUEL REVENUE	2,672,286.86	2,298,694.08	35,325,693.31	34,351,756.83	-2.76%
PURCHASED POWER CAPACITY	122,271.09	(39,081.90)	3,203.09	1,138,193.86	35434.25%
FORFEITED DISCOUNTS	71,526.78	42,577.74	900,930.15	921,639.26	2.30%
ENERGY CONSERVATION REVENUE	73,343.05	52,532.51	630,594.39	685,480.70	8.70%
GAM REVENUE	63,111.42	53,415.91	689,910.25	696,142.24	0.90%
NYPA CREDIT	(30,059.41)	(17,574.39)	(626,243.95)	(706,940.49)	12.89%
TOTAL OPERATING REVENUES	6,940,697.30	5,915,696.56	81,764,964.26	82,294,530.69	0.65%
OPERATING EXPENSES: (SCH E P.12)					
PURCHASED POWER BASE	2,169,002.71	2,508,946.87	24,876,984.89	28,117,958.83	13.03%
PURCHASED POWER FUEL	3,017,804.27	2,465,566.94	35,484,629.66	33,305,373.44	-6.14%
OPERATING	1,481,696.26	962,032.09	9,328,204.60	9,812,541.25	5.19%
MAINTENANCE	259,758.60	275,416.47	2,789,957.37	2,768,230.98	-0.78%
DEPRECIATION	296,027.41	305,469.22	3,552,329.58	3,665,630.20	3.19%
VOLUNTARY PAYMENTS TO TOWNS	112,382.00	128,517.00	1,351,568.00	1,375,900.00	1.80%
TOTAL OPERATING EXPENSES	7,336,671.25	6,645,948.59	77,383,674.10	79,045,634.70	2.15%
OPERATING INCOME	(395,973.95)	(730,252.03)	4,381,290.16	3,248,895.99	-25.85%
NONOPERATING REVENUES (EXPENSES)					
CONTRIBUTIONS IN AID OF CONST	879,587.27	791,969.92	934,552.81	946,040.42	1.23%
RETURN ON INVESTMENT TO READING	(747,786.27)	(693,100.33)	(2,769,913.52)	(2,769,741.73)	-0.01%
INTEREST INCOME	11,569.09	(7,709.94)	88,704.74	24,434.64	-72.45%
INTEREST EXPENSE	5,774.19	2,725.50	(1,460.31)	(1,145.29)	-21.57%
OTHER (MDSE AND AMORT)	(15,923.09)	(15,951.06)	297,303.64	334,634.77	12.56%
TOTAL NONOPERATING REV (EXP)	133,221.19	77,934.09	(1,450,812.64)	(1,465,777.19)	1.03%
CHANGE IN NET ASSETS	(262,752.76)	(652,317.94)	2,930,477.52	1,783,118.80	-39.15%
NET ASSETS AT BEGINNING OF YEAR			93,603,582.47	96,534,059.99	3.13%
NET ASSETS AT END OF JUNE			96,534,059.99	98,317,178.79	1.85%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
6/30/13

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	45,208,258.29	47,317,020.00	(2,108,761.71)	-4.46%
FUEL REVENUE	34,351,756.83	31,200,000.00	3,151,756.83	10.10%
PURCHASED POWER CAPACITY	1,138,193.86	2,134,600.00	(996,406.14)	-46.68%
FORFEITED DISCOUNTS	921,639.26	1,040,974.00	(119,334.74)	-11.46%
ENERGY CONSERVATION REVENUE	685,480.70	704,661.00	(19,180.30)	-2.72%
GAM REVENUE	696,142.24	704,660.00	(8,517.76)	-1.21%
NYPA CREDIT	(706,940.49)	(700,000.00)	(6,940.49)	0.99%
TOTAL OPERATING REVENUES	82,294,530.69	82,401,915.00	(107,384.31)	-0.13%
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	28,117,958.83	30,102,742.00	(1,984,783.17)	-6.59%
PURCHASED POWER FUEL	33,305,373.44	30,500,000.00	2,805,373.44	9.20%
OPERATING MAINTENANCE	9,812,541.25	9,400,061.00	412,480.25	4.39%
DEPRECIATION	2,768,230.98	2,702,397.00	65,833.98	2.44%
VOLUNTARY PAYMENTS TO TOWNS	3,665,630.20	3,650,000.00	15,630.20	0.43%
	1,375,900.00	1,368,000.00	7,900.00	0.58%
TOTAL OPERATING EXPENSES	79,045,634.70	77,723,200.00	1,322,434.70	1.70%
OPERATING INCOME	3,248,895.99	4,678,715.00	(1,429,819.01)	-30.56%
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	946,040.42	800,000.00	146,040.42	18.26%
RETURN ON INVESTMENT TO READING	(2,769,741.73)	(2,415,000.00)	(354,741.73)	14.69%
INTEREST INCOME	24,434.64	100,000.00	(75,565.36)	-75.57%
INTEREST EXPENSE	(1,145.29)	(3,000.00)	1,854.71	-61.82%
OTHER (MDSE AND AMORT)	334,634.77	120,000.00	214,634.77	178.86%
TOTAL NONOPERATING REV (EXP)	(1,465,777.19)	(1,398,000.00)	(67,777.19)	4.85%
CHANGE IN NET ASSETS	1,783,118.80	3,280,715.00	(1,497,596.20)	-45.65%
NET ASSETS AT BEGINNING OF YEAR	96,534,059.99	96,534,059.99	0.00	0.00%
NET ASSETS AT END OF JUNE	98,317,178.79	99,814,774.99	(1,497,596.20)	-1.50%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
RECONCILIATION OF CAPITAL FUNDS
6/30/13

SOURCE OF CAPITAL FUNDS:

DEPRECIATION FUND BALANCE 7/1/12	2,635,205.70
CONSTRUCTION FUND BALANCE 7/1/12	2,000,000.00
INTEREST ON DEPRECIATION FUND FY 13	6,640.74
DEPRECIATION TRANSFER FY 13	3,665,630.20
CONSTRUCTION FUND YEAR END TRANSFER 6/30/13	<u>1,500,000.00</u>
 TOTAL SOURCE OF CAPITAL FUNDS	 9,807,476.64

USE OF CAPITAL FUNDS:

LESS PAID ADDITIONS TO PLANT THRU JUNE	<u>5,574,329.86</u>
 GENERAL LEDGER CAPITAL FUNDS BALANCE 6/30/13	 <u><u>4,233,146.78</u></u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SALES OF KILOWATT HOURS
6/30/13

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	19,752,189	20,601,162	247,978,766	257,311,708	3.76%
COMM. AND INDUSTRIAL SALES	36,793,064	35,716,215	407,234,398	413,298,040	1.49%
PRIVATE STREET LIGHTING	72,793	73,415	877,001	879,850	0.32%
TOTAL PRIVATE CONSUMERS	<u>56,618,046</u>	<u>56,390,792</u>	<u>656,090,165</u>	<u>671,489,598</u>	2.35%
MUNICIPAL SALES:					
STREET LIGHTING	237,586	239,495	2,863,449	2,862,332	-0.04%
MUNICIPAL BUILDINGS	796,277	761,996	9,536,658	9,862,410	3.42%
TOTAL MUNICIPAL CONSUMERS	<u>1,033,863</u>	<u>1,001,491</u>	<u>12,400,107</u>	<u>12,724,742</u>	2.62%
SALES FOR RESALE	279,759	287,709	3,239,961	3,259,299	0.60%
SCHOOL	1,298,649	1,269,825	14,248,722	14,422,700	1.22%
TOTAL KILOWATT HOURS SOLD	<u>59,230,317</u>	<u>58,949,817</u>	<u>685,978,955</u>	<u>701,896,339</u>	2.32%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
KILOWATT HOURS SOLD BY TOWN
6/30/13

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	20,601,162	5,996,063	3,486,235	4,596,583	6,522,281
COMM & IND	35,716,215	4,429,261	245,672	5,268,937	25,772,345
PVT ST LIGHTS	73,415	13,585	1,360	21,944	36,526
PUB ST LIGHTS	239,495	80,662	32,500	41,666	84,667
MUNI BLDGS	761,996	169,032	146,597	154,856	291,511
SALES/RESALE	287,709	287,709	0	0	0
SCHOOL	1,269,825	453,730	276,825	155,240	384,030
TOTAL	<u>58,949,817</u>	<u>11,430,042</u>	<u>4,189,189</u>	<u>10,239,226</u>	<u>33,091,360</u>

YEAR TO DATE

RESIDENTIAL	257,311,708	80,499,011	36,952,676	59,156,821	80,703,200
COMM & IND	413,298,040	51,670,421	3,206,190	63,731,327	294,690,102
PVT ST LIGHTS	879,850	162,564	16,320	257,636	443,330
PUB ST LIGHTS	2,862,332	966,684	389,960	490,724	1,014,964
MUNI BLDGS	9,862,410	2,562,328	1,830,807	1,852,620	3,616,655
SALES/RESALE	3,259,299	3,259,299	0	0	0
SCHOOL	14,422,700	5,079,014	3,169,548	1,850,120	4,324,018
TOTAL	<u>701,896,339</u>	<u>144,199,321</u>	<u>45,565,501</u>	<u>127,339,248</u>	<u>384,792,269</u>

LAST 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>

KILOWATT HOURS SOLD TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	34.95%	10.17%	5.91%	7.80%	11.07%
COMM & IND	60.59%	7.51%	0.42%	8.94%	43.72%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
PUB ST LIGHTS	0.41%	0.14%	0.06%	0.07%	0.14%
MUNI BLDGS	1.29%	0.29%	0.25%	0.26%	0.49%
SALES/RESALE	0.49%	0.49%	0.00%	0.00%	0.00%
SCHOOL	2.15%	0.77%	0.47%	0.26%	0.65%
TOTAL	<u>100.01%</u>	<u>19.39%</u>	<u>7.11%</u>	<u>17.37%</u>	<u>56.13%</u>

YEAR TO DATE

RESIDENTIAL	36.66%	11.47%	5.26%	8.43%	11.50%
COMM & IND	58.88%	7.36%	0.46%	9.08%	41.98%
PVT ST LIGHTS	0.13%	0.02%	0.00%	0.04%	0.07%
PUB ST LIGHTS	0.41%	0.14%	0.06%	0.07%	0.14%
MUNI BLDGS	1.41%	0.37%	0.26%	0.26%	0.52%
SALES/RESALE	0.46%	0.46%	0.00%	0.00%	0.00%
SCHOOL	2.05%	0.72%	0.45%	0.26%	0.62%
TOTAL	<u>100.00%</u>	<u>20.54%</u>	<u>6.49%</u>	<u>18.14%</u>	<u>54.83%</u>

LAST 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>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
FORMULA INCOME
6/30/13

TOTAL OPERATING REVENUES	(P.3)	82,294,530.69
ADD:		
INTEREST INCOME ON CUSTOMER DEPOSITS		1,287.49
LESS:		
OPERATING EXPENSES	(P.3)	(79,045,634.70)
CUSTOMER DEPOSIT INTEREST EXPENSE		(1,145.29)
FORMULA INCOME (LOSS)		<u>3,249,038.19</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
GENERAL STATISTICS
6/30/13

		MONTH OF JUN 2012	MONTH OF JUN 2013	% CHANGE		YEAR JUN 2012	THRU JUN 2013
				2012	2013		
SALE OF KWH	(P.5)	59,230,317	58,949,817	-3.28%	2.32%	685,978,955	701,896,339
KWH PURCHASED		62,753,418	64,889,690	-2.51%	1.90%	715,297,247	728,864,238
AVE BASE COST PER KWH		0.034564	0.038665	-6.53%	10.86%	0.034799	0.038578
AVE BASE SALE PER KWH		0.066996	0.059799	1.07%	-1.47%	0.065368	0.064409
AVE COST PER KWH		0.082654	0.076661	-7.35%	-0.14%	0.084387	0.084273
AVE SALE PER KWH		0.112113	0.098793	-4.56%	-3.01%	0.116864	0.113350
FUEL CHARGE REVENUE (P.3)		2,672,286.86	2,298,694.08	-13.79%	-2.76%	35,325,693.31	34,351,756.83
LOAD FACTOR		52.72%	54.85%				
PEAK LOAD		163,070	162,059				

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF CASH AND INVESTMENTS
6/30/13

SCHEDULE A

	PREVIOUS YEAR	CURRENT YEAR
UNRESTRICTED CASH		
CASH - OPERATING FUND	9,955,935.85	9,148,851.22
CASH - PETTY CASH	2,024.44	3,000.00
TOTAL UNRESTRICTED CASH	<u>9,957,960.29</u>	<u>9,151,851.22</u>
RESTRICTED CASH		
CASH - DEPRECIATION FUND	2,635,205.70	2,733,146.78
CASH - CONSTRUCTION FUND	2,000,000.00	1,500,000.00
CASH - DEFERRED FUEL RESERVE	2,270,044.48	2,609,487.38
CASH - RATE STABILIZATION FUND	6,679,694.92	6,692,238.78
CASH - UNCOLLECTIBLE ACCTS RESERVE	200,000.00	200,000.00
CASH - SICK LEAVE BENEFITS	2,982,915.76	3,131,522.31
CASH - HAZARD WASTE RESERVE	150,000.00	150,000.00
CASH - CUSTOMER DEPOSITS	631,268.04	700,021.24
CASH - ENERGY CONSERVATION	293,161.03	319,021.66
CASH - OPEB	1,344,828.73	0.00
TOTAL RESTRICTED CASH	<u>19,187,118.66</u>	<u>18,035,438.15</u>
TOTAL CASH BALANCE	<u>29,145,078.95</u>	<u>27,187,289.37</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF ACCOUNTS RECEIVABLE
6/30/13

SCHEDULE B

SCHEDULE OF ACCOUNTS RECEIVABLE	PREVIOUS YEAR	CURRENT YEAR
RESIDENTIAL AND COMMERCIAL	2,646,502.46	4,107,834.40
ACCOUNTS RECEIVABLE - OTHER	973,101.80	585,323.97
ACCOUNTS RECEIVABLE - LIENS	28,386.06	28,132.35
ACCOUNTS RECEIVABLE - EMPLOYEE ADVANCES	892.14	892.14
SALES DISCOUNT LIABILITY	(249,097.09)	(298,828.81)
RESERVE FOR UNCOLLECTIBLE ACCOUNTS	(200,000.00)	(200,000.00)
TOTAL ACCOUNTS RECEIVABLE BILLED	<u>3,199,785.37</u>	<u>4,223,354.05</u>
UNBILLED ACCOUNTS RECEIVABLE	4,915,936.83	4,158,022.50
TOTAL ACCOUNTS RECEIVABLE, NET	<u><u>8,115,722.20</u></u>	<u><u>8,381,376.55</u></u>

SCHEDULE OF PREPAYMENTS

PREPAID INSURANCE	303,507.05	295,899.30
PREPAYMENT PURCHASED POWER	40,344.56	(4,050.00)
PREPAYMENT NYPA	241,849.32	242,260.90
PREPAYMENT WATSON	162,705.94	142,811.06
PURCHASED POWER WORKING CAPITAL	14,523.70	14,523.70
TOTAL PREPAYMENT	<u><u>762,930.57</u></u>	<u><u>691,444.96</u></u>

ACCOUNTS RECEIVABLE AGING JUNE 2013:

RESIDENTIAL AND COMMERCIAL	4,107,834.40
LESS: SALES DISCOUNT LIABILITY	(298,828.81)
GENERAL LEDGER BALANCE	<u><u>3,809,005.59</u></u>

CURRENT	3,434,379.58	90.16%
30 DAYS	248,754.00	6.53%
60 DAYS	67,932.23	1.78%
90 DAYS	13,163.96	0.35%
OVER 90 DAYS	44,775.82	1.18%
TOTAL	<u><u>3,809,005.59</u></u>	<u><u>100.00%</u></u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE
6/30/13

SCHEDULE D

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	2,572,078.33	2,421,270.90	32,376,072.60	32,701,962.02	1.01%
COMM AND INDUSTRIAL SALES	3,729,064.53	3,038,226.43	44,155,862.56	43,250,135.99	-2.05%
PRIVATE STREET LIGHTING	2,749.63	5,278.43	73,962.56	70,206.40	-5.08%
TOTAL PRIVATE CONSUMERS	<u>6,303,892.49</u>	<u>5,464,775.76</u>	<u>76,605,897.72</u>	<u>76,022,304.41</u>	-0.76%
 MUNICIPAL SALES:					
STREET LIGHTING	17,384.84	25,639.75	357,668.44	337,058.62	-5.76%
MUNICIPAL BUILDINGS	87,739.00	79,742.46	1,138,809.67	1,124,561.87	-1.25%
TOTAL MUNICIPAL CONSUMERS	<u>105,123.84</u>	<u>105,382.21</u>	<u>1,496,478.11</u>	<u>1,461,620.49</u>	-2.33%
 SALES FOR RESALE	98,280.20	123,648.08	457,720.16	476,102.93	4.02%
 SCHOOL	133,207.84	130,020.64	1,606,474.34	1,599,987.29	-0.40%
 SUB-TOTAL	6,640,504.37	5,823,826.69	80,166,570.33	79,560,015.12	-0.76%
 FORFEITED DISCOUNTS	71,526.78	42,577.74	900,930.15	921,639.26	2.30%
 PURCHASED POWER CAPACITY	122,271.09	(39,081.90)	3,203.09	1,138,193.86	35434.25%
 ENERGY CONSERVATION - RESIDENTIAL	26,074.42	19,921.37	230,978.28	256,789.26	11.17%
ENERGY CONSERVATION - COMMERCIAL	47,268.63	32,611.14	399,616.11	428,691.44	7.28%
 GAM REVENUE	63,111.42	53,415.91	689,910.25	696,142.24	0.90%
 NYPA CREDIT	(30,059.41)	(17,574.39)	(626,243.95)	(706,940.49)	12.89%
 TOTAL REVENUE	<u>6,940,697.30</u>	<u>5,915,696.56</u>	<u>81,764,964.26</u>	<u>82,294,530.69</u>	0.65%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE BY TOWN
6/30/13

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	2,421,270.90	764,918.00	340,352.46	557,469.58	758,530.86
INDUS/MUNI BLDG	3,117,968.89	426,894.68	39,791.20	498,554.95	2,152,728.06
PUB.ST.LIGHTS	25,639.75	8,322.57	3,293.75	4,614.49	9,408.94
PRV.ST.LIGHTS	5,278.43	961.20	96.43	1,597.27	2,623.53
CO-OP RESALE	123,648.08	123,648.08	0.00	0.00	0.00
SCHOOL	130,020.64	46,103.48	28,173.45	17,215.18	38,528.53
TOTAL	5,823,826.69	1,370,848.01	411,707.29	1,079,451.47	2,961,819.92

THIS YEAR TO DATE

RESIDENTIAL	32,701,962.02	10,331,070.02	4,596,839.26	7,529,248.07	10,244,804.67
INDUS/MUNI BLDG	44,374,697.86	6,075,532.81	566,305.40	7,095,396.40	30,637,463.25
PUB.ST.LIGHTS	337,058.62	109,408.03	43,299.38	60,661.86	123,689.35
PRV.ST.LIGHTS	70,206.40	12,784.59	1,282.58	21,244.71	34,894.52
CO-OP RESALE	476,102.93	476,102.93	0.00	0.00	0.00
SCHOOL	1,599,987.29	567,332.88	346,692.40	211,843.75	474,118.26
TOTAL	79,560,015.12	17,572,231.26	5,554,419.00	14,918,394.80	41,514,970.06

LAST 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	5,486,448.57	15,070,210.63	41,970,981.85

PERCENTAGE OF OPERATING INCOME TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	41.58%	13.13%	5.84%	9.57%	13.04%
INDUS/MUNI BLDG	53.54%	7.33%	0.68%	8.56%	36.97%
PUB.ST.LIGHTS	0.44%	0.14%	0.06%	0.08%	0.16%
PRV.ST.LIGHTS	0.09%	0.02%	0.00%	0.03%	0.04%
CO-OP RESALE	2.12%	2.12%	0.00%	0.00%	0.00%
SCHOOL	2.23%	0.79%	0.48%	0.30%	0.66%
TOTAL	100.00%	23.53%	7.06%	18.54%	50.87%

THIS YEAR TO DATE

RESIDENTIAL	41.10%	12.99%	5.78%	9.46%	12.87%
INDUS/MUNI BLDG	55.78%	7.64%	0.71%	8.92%	38.51%
PUB.ST.LIGHTS	0.42%	0.14%	0.05%	0.08%	0.15%
PRV.ST.LIGHTS	0.09%	0.02%	0.00%	0.03%	0.04%
CO-OP RESALE	0.60%	0.60%	0.00%	0.00%	0.00%
SCHOOL	2.01%	0.71%	0.44%	0.27%	0.59%
TOTAL	100.00%	22.10%	6.98%	18.76%	52.16%

LAST YEAR TO DATE

RESIDENTIAL	40.39%	12.75%	5.64%	9.41%	12.59%
INDUS/MUNI BLDG	56.49%	7.80%	0.72%	9.01%	38.96%
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	2.01%	0.72%	0.43%	0.27%	0.59%
TOTAL	100.00%	22.00%	6.85%	18.80%	52.35%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED REVENUE VARIANCE REPORT
6/30/13

SCHEDULE F

SALES OF ELECTRICITY:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
RESIDENTIAL	20,030,704.54	20,690,242.00	(659,537.46)	-3.19%
COMM AND INDUSTRIAL SALES PRIVATE STREET LIGHTING MUNICIPAL BUILDINGS	23,803,431.30	25,255,302.00	(1,451,870.70)	-5.75%
PUBLIC STREET LIGHTING	195,783.23	202,044.00	(6,260.77)	-3.10%
SALES FOR RESALE	293,721.58	273,209.00	20,512.58	7.51%
SCHOOL	<u>884,617.64</u>	<u>896,223.00</u>	<u>(11,605.36)</u>	-1.29%
 TOTAL BASE SALES	 45,208,258.29	 47,317,020.00	 (2,108,761.71)	 -4.46%
TOTAL FUEL SALES	<u>34,351,756.83</u>	<u>31,200,000.00</u>	<u>3,151,756.83</u>	10.10%
TOTAL OPERATING REVENUE	79,560,015.12	78,517,020.00	1,042,995.12	1.33%
 FORFEITED DISCOUNTS	 921,639.26	 1,040,974.00	 (119,334.74)	 -11.46%
PURCHASED POWER CAPACITY	1,138,193.86	2,134,600.00	(996,406.14)	-46.68%
ENERGY CONSERVATION - RESIDENTIAL	256,789.26	255,075.00	1,714.26	0.67%
ENERGY CONSERVATION - COMMERCIAL	428,691.44	449,586.00	(20,894.56)	-4.65%
GAW REVENUE	696,142.24	704,660.00	(8,517.76)	-1.21%
NYPA CREDIT	(706,940.49)	(700,000.00)	(6,940.49)	0.99%
 TOTAL OPERATING REVENUES	 <u>82,294,530.69</u>	 <u>82,401,915.00</u>	 <u>(107,384.31)</u>	 -0.13%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING EXPENSES
6/30/13

SCHEDULE E

OPERATION EXPENSES:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
PURCHASED POWER BASE EXPENSE	2,169,002.71	2,508,946.87	24,876,984.89	28,117,958.83	13.03%
OPERATION SUP AND ENGINEERING EXP	38,726.93	37,936.83	512,405.47	503,570.32	-1.72%
STATION SUP LABOR AND MISC	6,356.63	7,780.20	110,505.93	76,028.77	-31.20%
LINE MISC LABOR AND EXPENSE	61,000.95	56,260.04	704,157.68	699,667.87	-0.64%
STATION LABOR AND EXPENSE	33,790.24	31,127.56	459,683.42	478,286.82	4.05%
STREET LIGHTING EXPENSE	7,288.69	4,285.24	117,220.36	75,447.82	-35.64%
METER EXPENSE	13,993.65	16,423.29	232,324.46	187,867.79	-19.14%
MISC DISTRIBUTION EXPENSE	37,578.91	33,798.82	349,937.87	351,642.28	0.49%
METER READING LABOR & EXPENSE	6,003.62	3,138.19	90,457.24	74,751.62	-17.36%
ACCT & COLL LABOR & EXPENSE	107,171.10	123,938.94	1,413,955.12	1,491,101.81	5.46%
UNCOLLECTIBLE ACCOUNTS	(72,104.21)	(53,746.53)	103,895.79	37,920.10	-63.50%
ENERGY AUDIT EXPENSE	45,514.78	54,942.17	447,682.76	552,916.45	23.51%
ADMIN & GEN SALARIES	49,796.83	74,263.43	747,309.18	768,287.64	2.81%
OFFICE SUPPLIES & EXPENSE	34,605.73	39,650.15	237,267.70	276,073.87	16.36%
OUTSIDE SERVICES	120,505.12	146,947.55	481,157.74	633,341.56	31.63%
PROPERTY INSURANCE	31,678.42	29,925.95	386,560.47	369,873.38	-4.32%
INJURIES AND DAMAGES	13,332.46	4,582.21	35,229.58	45,691.97	29.70%
EMPLOYEES PENSIONS & BENEFITS	881,705.42	287,863.13	2,026,825.65	2,174,071.72	7.26%
MISC GENERAL EXPENSE	9,583.33	9,552.31	166,650.35	159,956.74	-4.02%
RENT EXPENSE	12,864.36	612.61	196,756.19	196,422.65	-0.17%
ENERGY CONSERVATION	42,303.30	52,750.00	508,221.64	659,620.07	29.79%
TOTAL OPERATION EXPENSES	1,481,696.26	962,032.09	9,328,204.60	9,812,541.25	5.19%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	227.10	227.10	2,725.00	2,725.00	0.00%
MAINT OF STRUCT AND EQUIPMT	4,942.27	11,061.00	219,062.68	141,374.24	-35.46%
MAINT OF LINES - OH	157,916.17	155,538.27	1,617,433.33	1,541,147.42	-4.72%
MAINT OF LINES - UG	40,044.45	31,966.71	207,203.54	204,673.71	-1.22%
MAINT OF LINE TRANSFORMERS	7,897.13	10,547.92	55,348.74	145,386.32	162.67%
MAINT OF ST LT & SIG SYSTEM	14.53	(20.08)	(346.85)	(123.41)	-64.42%
MAINT OF GARAGE AND STOCKROOM	43,055.71	53,818.24	522,478.89	571,295.52	9.34%
MAINT OF METERS	2,981.81	3,504.32	77,591.87	42,496.14	-45.23%
MAINT OF GEN PLANT	2,679.43	8,772.99	88,460.17	119,256.04	34.81%
TOTAL MAINTENANCE EXPENSES	259,758.60	275,416.47	2,789,957.37	2,768,230.98	-0.78%
DEPRECIATION EXPENSE	296,027.41	305,469.22	3,552,329.58	3,665,630.20	3.19%
PURCHASED POWER FUEL EXPENSE	3,017,804.27	2,465,566.94	35,484,629.66	33,305,373.44	-6.14%
VOLUNTARY PAYMENTS TO TOWNS	112,382.00	128,517.00	1,351,568.00	1,375,900.00	1.80%
TOTAL OPERATING EXPENSES	7,336,671.25	6,645,948.59	77,383,674.10	79,045,634.70	2.15%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
6/30/13

SCHEDULE G

OPERATION EXPENSES:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
PURCHASED POWER BASE EXPENSE	<u>28,117,958.83</u>	<u>30,102,742.00</u>	<u>(1,984,783.17)</u>	-6.59%
OPERATION SUP AND ENGINEERING EXP	503,570.32	468,950.00	34,620.32	7.38%
STATION SUP LABOR AND MISC	76,028.77	79,813.00	(3,784.23)	-4.74%
LINE MISC LABOR AND EXPENSE	699,667.87	671,311.00	28,356.87	4.22%
STATION LABOR AND EXPENSE	478,286.82	448,246.00	30,040.82	6.70%
STREET LIGHTING EXPENSE	75,447.82	83,106.00	(7,658.18)	-9.21%
METER EXPENSE	187,867.79	197,328.00	(9,460.21)	-4.79%
MISC DISTRIBUTION EXPENSE	351,642.28	366,492.00	(14,849.72)	-4.05%
METER READING LABOR & EXPENSE	74,751.62	69,946.00	4,805.62	6.87%
ACCT & COLL LABOR & EXPENSE	1,491,101.81	1,385,206.00	105,895.81	7.64%
UNCOLLECTIBLE ACCOUNTS	37,920.10	99,996.00	(62,075.90)	-62.08%
ENERGY AUDIT EXPENSE	552,916.45	479,010.00	73,906.45	15.43%
ADMIN & GEN SALARIES	768,287.64	761,071.00	7,216.64	0.95%
OFFICE SUPPLIES & EXPENSE	276,073.87	253,950.00	22,123.87	8.71%
OUTSIDE SERVICES	633,341.56	507,125.00	126,216.56	24.89%
PROPERTY INSURANCE	369,873.38	471,500.00	(101,626.62)	-21.55%
INJURIES AND DAMAGES	45,691.97	56,619.00	(10,927.03)	-19.30%
EMPLOYEES PENSIONS & BENEFITS	2,174,071.72	1,889,623.00	284,448.72	15.05%
MISC GENERAL EXPENSE	159,956.74	200,784.00	(40,827.26)	-20.33%
RENT EXPENSE	196,422.65	212,000.00	(15,577.35)	-7.35%
ENERGY CONSERVATION	659,620.07	697,985.00	(38,364.93)	-5.50%
TOTAL OPERATION EXPENSES	<u>9,812,541.25</u>	<u>9,400,061.00</u>	<u>412,480.25</u>	4.39%
MAINTENANCE EXPENSES:				
MAINT OF TRANSMISSION PLANT	2,725.00	3,000.00	(275.00)	-9.17%
MAINT OF STRUCT AND EQUIPMENT	141,374.24	114,120.00	27,254.24	23.88%
MAINT OF LINES - OH	1,541,147.42	1,250,420.00	290,727.42	23.25%
MAINT OF LINES - UG	204,673.71	285,372.00	(80,698.29)	-28.28%
MAINT OF LINE TRANSFORMERS	145,386.32	188,500.00	(43,113.68)	-22.87%
MAINT OF ST LT & SIG SYSTEM	(123.41)	9,680.00	(9,803.41)	-101.27%
MAINT OF GARAGE AND STOCKROOM	571,295.52	672,591.00	(101,295.48)	-15.06%
MAINT OF METERS	42,496.14	47,394.00	(4,897.86)	-10.33%
MAINT OF GEN PLANT	119,256.04	131,320.00	(12,063.96)	-9.19%
TOTAL MAINTENANCE EXPENSES	<u>2,768,230.98</u>	<u>2,702,397.00</u>	<u>65,833.98</u>	2.44%
DEPRECIATION EXPENSE	3,665,630.20	3,650,000.00	15,630.20	0.43%
PURCHASED POWER FUEL EXPENSE	33,305,373.44	30,500,000.00	2,805,373.44	9.20%
VOLUNTARY PAYMENTS TO TOWNS	1,375,900.00	1,368,000.00	7,900.00	0.58%
TOTAL OPERATING EXPENSES	<u>79,045,634.70</u>	<u>77,723,200.00</u>	<u>1,322,434.70</u>	1.70%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
6/30/13

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>28,117,958.83</u>	<u>1,984,783.17</u>	6.59%
OPERATION SUP AND ENGINEERING EXP	KS	468,949.00	503,570.32	(34,621.32)	-7.38%
STATION SUP LABOR AND MISC	KS	79,813.00	76,028.77	3,784.23	4.74%
LINE MISC LABOR AND EXPENSE	KS	671,309.00	699,667.87	(28,358.87)	-4.22%
STATION LABOR AND EXPENSE	KS	448,249.00	478,286.82	(30,037.82)	-6.70%
STREET LIGHTING EXPENSE	KS	83,106.00	75,447.82	7,658.18	9.21%
METER EXPENSE	KS	197,329.00	187,867.79	9,461.21	4.79%
MISC DISTRIBUTION EXPENSE	KS	366,489.00	351,642.28	14,846.72	4.05%
METER READING LABOR & EXPENSE	KS	69,946.00	74,751.62	(4,805.62)	-6.87%
ACCT & COLL LABOR & EXPENSE	RF	1,385,210.00	1,491,101.81	(105,891.81)	-7.64%
UNCOLLECTIBLE ACCOUNTS	RF	100,000.00	37,920.10	62,079.90	62.08%
ENERGY AUDIT EXPENSE	JP	479,013.00	552,916.45	(73,903.45)	-15.43%
ADMIN & GEN SALARIES	KS	761,068.00	768,287.64	(7,219.64)	-0.95%
OFFICE SUPPLIES & EXPENSE	KS	253,950.00	276,073.87	(22,123.87)	-8.71%
OUTSIDE SERVICES	KS	507,125.00	633,341.56	(126,216.56)	-24.89%
PROPERTY INSURANCE	KS	471,500.00	369,873.38	101,626.62	21.55%
INJURIES AND DAMAGES	KS	56,619.00	45,691.97	10,927.03	19.30%
EMPLOYEES PENSIONS & BENEFITS	KS	1,889,623.00	2,174,071.72	(284,448.72)	-15.05%
MISC GENERAL EXPENSE	KS	200,785.00	159,956.74	40,828.26	20.33%
RENT EXPENSE	KS	212,000.00	196,422.65	15,577.35	7.35%
ENERGY CONSERVATION	JP	697,983.00	659,620.07	38,362.93	5.50%
TOTAL OPERATION EXPENSES		<u>8,823,105.00</u>	<u>9,812,541.25</u>	<u>(412,475.25)</u>	-4.67%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	KS	3,000.00	2,725.00	275.00	9.17%
MAINT OF STRUCT AND EQUIPMT	KS	114,120.00	141,374.24	(27,254.24)	-23.88%
MAINT OF LINES - OH	KS	1,250,421.00	1,541,147.42	(290,726.42)	-23.25%
MAINT OF LINES - UG	KS	285,371.00	204,673.71	80,697.29	28.28%
MAINT OF LINE TRANSFORMERS	KS	188,500.00	145,386.32	43,113.68	22.87%
MAINT OF ST LT & SIG SYSTEM	KS	9,684.00	(123.41)	9,807.41	101.27%
MAINT OF GARAGE AND STOCKROOM	KS	672,589.00	571,295.52	101,293.48	15.06%
MAINT OF METERS	KS	47,392.00	42,496.14	4,895.86	10.33%
MAINT OF GEN PLANT	RF	131,320.00	119,256.04	12,063.96	9.19%
TOTAL MAINTENANCE EXPENSES		<u>2,817,401.00</u>	<u>2,768,230.98</u>	<u>(65,833.98)</u>	-2.34%
DEPRECIATION EXPENSE	RF	3,650,000.00	3,665,630.20	(15,630.20)	-0.43%
PURCHASED POWER FUEL EXPENSE	JP	30,500,000.00	33,305,373.44	(2,805,373.44)	-9.20%
VOLUNTARY PAYMENTS TO TOWNS	RF	1,368,000.00	1,375,900.00	(7,900.00)	-0.58%
TOTAL OPERATING EXPENSES		<u>83,767,500.00</u>	<u>79,045,634.70</u>	<u>(1,322,429.70)</u>	-1.58%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
PROFESSIONAL SERVICES
6/30/2013

PROFESSIONAL SERVICES BY PROJECT

ITEM	DEPARTMENT	ACTUAL	BUDGET	VARIANCE
1 RMLD AND PENSION TRUST AUDIT FEES	ACCOUNTING	32,750.00	32,250.00	500.00
2 PENSION ACTUARIAL EVALUATION	ACCOUNTING	3,750.00	1,475.00	2,275.00
3 LEGAL- FERC/ISO ISSUES	ENERGY SERVICE	0.00	18,000.00	(18,000.00)
4 LEGAL- POWER SUPPLY ISSUES	ENERGY SERVICE	69,843.18	45,000.00	24,843.18
5 PROFESSIONAL SERVICES	ENERGY SERVICE	9,939.80	24,000.00	(14,060.20)
6 NERC COMPLIANCE AND AUDIT	E & O	15,082.50	15,000.00	82.50
7 LOAD CAPACITY STUDY	ENGINEERING	0.00	15,000.00	(15,000.00)
8 STORM HARDENING STUDY	ENGINEERING	0.00	50,000.00	(50,000.00)
9 LEGAL-GENERAL, MMWEC AUDIT	GM	173,597.33	150,000.00	23,597.33
10 LEGAL SERVICES-GENERAL	HR	154,741.83	54,600.00	100,141.83
11 LEGAL SERVICES-NEGOTIATIONS	HR	85,875.64	36,800.00	49,075.64
12 LEGAL GENERAL	BLDG. MAINT.	10,300.90	1,500.00	8,800.90
13 SURVEY RIGHT OF WAY	BLDG. MAINT.	0.00	5,000.00	(5,000.00)
14 ENVIRONMENTAL	BLDG. MAINT.	6,000.00	5,000.00	1,000.00
15 ENGINEERING SERVICES	BLDG. MAINT.	14,118.05	8,500.00	5,618.05
16 REPAIR RAMP AND DECK AREA	BLDG. MAINT.	0.00	30,000.00	(30,000.00)
17 INSURANCE CONSULTANT	GEN. BENEFIT	0.00	9,996.00	(9,996.00)
18 LEGAL	GEN. BENEFIT	1,724.20	5,004.00	(3,279.80)
19 SITE ASSESSMENT FOR MAJOR UPGRADE	ACCOUNTING	2,056.27	0.00	2,056.27
20 GENERAL BANKRUPTCY	ACCOUNTING	3,119.56	0.00	3,119.56
21 EXECUTIVE SEARCH- GM	GM	36,040.00	0.00	36,040.00
22 DSA BASIC CLIENT SERVICE	ENGINEERING	625.00	0.00	625.00
23 STORAGE FACILITY	BLDG. MAINT.	3,800.00	0.00	3,800.00
24 SAFETY SOLUTIONS	ENGINEERING	7,609.05	0.00	7,609.05
25 HAZARD COMMUNICATION PLAN	BLDG. MAINT.	2,368.25	0.00	2,368.25
TOTAL		<u>633,341.56</u>	<u>507,125.00</u>	<u>126,216.56</u>

PROFESSIONAL SERVICES BY VENDOR

	ACTUAL
CHOATE HALL & STEWART	229,980.88
DUNCAN & ALLEN	143,999.32
RUBIN AND RUDMAN	122,124.89
MELANSON HEATH & COMPANY	33,500.00
DACRI & ASSOCIATES LLC	24,500.00
MENDERS TORREY & SPENCER	16,185.55
UTILITY SERVICES INC.	15,082.50
RAINES UTILITY SAFETY SOLUTIONS	7,609.05
CMEEC	7,044.00
ECHO	6,000.00
WILLIAM F. CROWLEY ATTORNEY	3,955.56
STONE CONSULTING INC.	3,750.00
HUDSON RIVER ENERGY GROUP	2,895.80
GARRY WOOTERS ARBITRATOR	2,812.00
RICHARD HIGGINS ARBITRATOR	2,710.00
MICHAEL BROWN ARBITRATOR	2,538.99
CUSHING, JAMMALLO & WHEELER	2,368.25
COGSDALE	2,056.27
SHERRIE TALMADGE ARBITRATOR	1,871.00
JM ASSOCIATES	1,732.50
DOBLE ENGINEERING	625.00
TOTAL	<u>633,341.56</u>

RMLD
DEFERRED FUEL CASH RESERVE ANALYSIS
6/30/13

DATE	GROSS CHARGES	REVENUES	NYPA CREDIT	MONTHLY DEFERRED	TOTAL DEFERRED
Jun-12					2,270,044.48
Jul-12	3,581,715.28	3,492,843.61	(61,106.90)	(149,978.57)	2,120,065.91
Aug-12	3,578,611.20	2,914,978.35	(44,365.80)	(707,998.65)	1,412,067.26
Sep-12	2,646,309.32	3,486,749.45	(47,478.80)	792,961.33	2,205,028.59
Oct-12	2,595,375.45	2,389,147.98	(48,781.28)	(255,008.75)	1,950,019.84
Nov-12	2,744,817.28	2,740,129.47	(22,566.16)	(27,253.97)	1,922,765.87
Dec-12	2,868,712.69	2,987,105.82	(68,965.36)	49,427.77	1,972,193.64
Jan-13	2,523,166.59	3,076,267.45	(70,691.63)	482,409.23	2,454,602.87
Feb-13	3,397,709.79	3,030,833.21	(77,841.37)	(444,717.95)	2,009,884.92
Mar-13	2,393,560.37	2,979,311.50	(116,734.96)	469,016.17	2,478,901.09
Apr-13	2,220,542.42	2,695,077.57	(113,103.56)	361,431.59	2,840,332.68
May-13	2,289,286.11	2,260,618.34	(17,730.28)	(46,398.05)	2,793,934.63
Jun-13	2,465,566.94	2,298,694.08	(17,574.39)	(184,447.25)	2,609,487.38

RMKD
STAFFING REPORT
FOR FISCAL YEAR ENDING JUNE, 2013

	13 BUD TOTAL	JUL 12	AUG 12	SEP 12	OCT 12	NOV 12	DEC 12	JAN 13	FEB 13	MAR 13	APR 13	MAY 13	JUNE 13
GENERAL MANAGER													
GENERAL MANAGER	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
HUMAN RESOURCES	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
COMMUNITY RELATIONS	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00
BUSINESS													
ACCOUNTING	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
CUSTOMER SERVICE	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
MGMT INFORMATION SYS	6.25	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
MISCELLANEOUS	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL	17.00	16.75	16.75	16.75	16.75	16.75	16.75	16.75	16.75	16.75	16.75	16.75	16.75
ENGINEERING & OPERATIONS													
AGM E&O	2.00	2.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
ENGINEERING	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
LINE	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
METER	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
STATION	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
TOTAL	40.00	39.00	38.00	38.00	38.00	38.00	39.00	39.00	39.00	39.00	39.00	39.00	39.00
PROJECT													
BUILDING	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
GENERAL BENEFITS	2.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
TRANSPORTATION	-	-	-	-	-	-	-	-	-	-	-	-	-
MATERIALS MGMT	4.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
TOTAL	8.00	6.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
ENERGY SERVICES													
ENERGY SERVICES	5.50	4.50	4.50	4.50	4.50	4.50	4.50	5.50	5.50	4.50	4.50	4.50	4.50
TOTAL	5.50	4.50	4.50	4.50	4.50	4.50	4.50	5.50	5.50	4.50	4.50	4.50	4.50
RMKD TOTAL	74.50	70.25	71.25	71.25	71.25	71.25	72.25	73.25	73.25	71.25	71.25	71.25	71.25
CONTRACTORS													
UG LINE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
TOTAL	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
GRAND TOTAL	76.50	72.25	73.25	73.25	73.25	73.25	74.25	75.25	75.25	73.25	73.25	73.25	73.25

RMLD
BUDGET VARIANCE REPORT
FOR PERIOD ENDING JUNE 30, 2013

DIVISION	ACTUAL	BUDGET	VARIANCE	CHANGE
ENGINEERING AND OPERATIONS	4,363,087	4,199,712	163,375	3.89%
ENERGY SERVICES	1,293,640	1,264,496	29,144	2.30%
GENERAL MANAGER	1,027,331	864,461	162,870	18.84%
FACILITY MANAGER	3,897,546	3,838,762	58,784	1.53%
BUSINESS DIVISION	9,811,585	9,371,033	440,551	4.70%
 SUB-TOTAL	 <u>20,393,188</u>	 <u>19,538,464</u>	 <u>854,724</u>	 4.37%
 PURCHASED POWER - BASE	 28,117,959	 30,102,742	 (1,984,783)	 -6.59%
PURCHASED POWER - FUEL	33,305,373	30,500,000	2,805,373	9.20%
 TOTAL	 <u>81,816,520</u>	 <u>80,141,206</u>	 <u>1,675,314</u>	 2.09%

RMLD
ENGINEERING AND OPERATIONS DIVISION BUDGET
2013 BUDGET SUMMARY

E&O MGR 55	ACT TOTAL	BUD TOTAL	VAR
01-55-5920-101 LABOR REG	165,638	187,497	-11.66%
01-55-5920-102 LABOR OT	632	1,000	-36.85%
01-55-5921-000 OFFICE SUPPLIES	436	500	-12.84%
01-55-5930-103 EE EDUCATION	4,299	6,000	-28.34%
01-55-5930-106 VEHICLE	(6,800)	4,775	-242.43%
01-55-5923-000 OUTSIDE SERVICES	15,923	15,000	6.15%
01-55-5930-105 MISC GENERAL	1,153	500	130.61%
SUB-TOTAL	181,280	215,272	-15.79%
 ENGINEERING 65			
01-65-5580-101 LABOR REG	426,699	398,174	7.16%
01-65-5580-102 LABOR OT	57,336	40,000	43.34%
01-65-5580-103 EE EDUCATION	12,615	20,000	-36.93%
01-65-5580-105 SUPPLIES	12,374	6,000	106.23%
01-65-5580-106 VEHICLE	(5,454)	4,775	-214.22%
01-65-5921-000 OFFICE SUPPLIES	704	1,000	-29.60%
01-65-5923-000 OUTSIDE SERVICES	7,394	65,000	-88.62%
SUB-TOTAL	511,668	534,949	-4.35%
 LINE 66			
01-66-5568-109 MAINT OF TRANS EXP	2,725	3,000	-9.17%
01-66-5581-101 LABOR MISC	586,060	541,309	8.27%
01-66-5581-109 GENERAL EXP	89,505	80,000	11.88%
01-66-5581-103 EE EDUCATION	24,102	50,000	-51.80%
01-66-5585-109 STREET LIGHT EXP	23,711	25,000	-5.16%
01-66-5585-101 LABOR REG ST LIGHT	31,369	26,233	19.58%
01-66-5585-102 LABOR OT ST LIGHT	6,076	8,000	-24.05%
01-66-5585-106 VEHICLE ST LIGHT	14,292	23,874	-40.14%
01-66-5593-109 MAINT OF LINES	191,756	71,000	170.08%
01-66-5593-101 LABOR REG MAINT LINE	526,875	322,274	63.49%
01-66-5593-102 LABOR OT MAINT LINE	402,749	260,000	54.90%
01-66-5593-106 VEHICLE MAINT OH LIN	12,215	162,342	-92.48%
01-78-5593-110 TREE TRIMMING	407,553	434,805	-6.27%
01-66-5594-109 MAINT UG LINE	208,375	258,203	-19.30%
01-66-5594-101 LABOR REG UG LINES	1,875	15,293	-87.74%
01-66-5594-102 LABOR OT UG LINE	404	5,000	-91.91%
01-66-5594-106 VEHICLE UG LINE	(5,980)	6,875	-186.99%
01-66-5596-109 ST LT & SIG EXP	0	250	-100.00%
01-66-5596-101 LABOR REG ST LT/SG	0	6,797	-100.00%
01-66-5596-102 LABOR OT ST LT/SG	0	250	-100.00%
01-66-5596-106 VEHICLE ST LT/SG	(123)	2,387	-105.17%
01-66-5921-000 OFFICE SUPPLIES	28	500	-94.36%
SUB-TOTAL	2,523,567	2,303,392	9.56%

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RMLD
ENGINEERING AND OPERATIONS DIVISION BUDGET
2013 BUDGET SUMMARY

METER READING	80	ACT TOTAL	BUD TOTAL	VAR
01-80-5902-101	LABOR REG	54,657	60,784	-10.08%
01-80-5902-102	LABOR OT	1,248	1,000	24.83%
01-80-5902-105	SUPPLIES	48	1,000	-95.20%
01-80-5902-106	VEHICLE	18,798	7,162	162.47%
SUB-TOTAL		<u>74,752</u>	<u>69,946</u>	6.87%
METER TECHNICIANS	67			
01-67-5586-109	METER TECH EXP	8,830	15,000	-41.13%
01-67-5586-101	LABOR REG	161,754	155,891	3.76%
01-67-5586-102	LABOR OT	25,806	9,113	183.17%
01-67-5586-103	EE EDUCATION	0	3,000	-100.00%
01-67-5586-106	VEHICLE	(8,450)	14,324	-158.99%
01-67-5921-000	OFFICE SUPPLIES	95	250	-62.00%
SUB-TOTAL		<u>188,036</u>	<u>197,579</u>	-4.83%
STATION	68			
01-68-5581-109	STATION OP	5,439	5,500	-1.10%
01-68-5581-101	LABOR REG SUP	70,589	74,313	-5.01%
01-68-5582-109	STATION SUPPLIES	(5,847)	4,000	-246.17%
01-68-5582-101	LABOR REG	339,751	316,861	7.22%
01-68-5582-102	LABOR OT	146,197	120,000	21.83%
01-68-5582-103	EE EDUCATION	223	5,000	-95.54%
01-68-5582-106	VEHICLE	(2,037)	2,387	-185.32%
SUB-TOTAL		<u>554,316</u>	<u>528,062</u>	4.97%
01-68-5590-109	SENIOR TECH EXP	2,095	7,500	-72.06%
01-68-5590-101	LABOR REG	110,267	93,733	17.64%
01-68-5590-102	LABOR OT	16,451	5,000	229.01%
01-68-5590-103	EE EDUCATION	2,769	2,500	10.78%
01-68-5590-105	SUPPLIES	3,806	3,000	26.87%
01-68-5590-106	VEHICLE	5,912	2,387	147.65%
01-68-5595-000	TRANSFORMER MAINT	145,386	188,500	-22.87%
01-68-5597-109	MAINT METERS	5,365	2,500	114.61%
01-68-5597-101	LABOR REG	1,378	27,409	-94.97%
01-68-5597-102	LABOR OT	35,753	17,484	104.49%
01-68-5921-000	OFFICE SUPPLIES	285	500	-43.00%
SUB-TOTAL		<u>329,468</u>	<u>350,513</u>	-6.00%
GRAND TOTAL		<u>4,363,087</u>	<u>4,199,712</u>	3.89%

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RMLD
ENERGY SERVICES DIVISION BUDGET
2013 BUDGET SUMMARY

ENERGY SERVICES 75	ACT TOTAL	BUD TOTAL	VAR
01-75-5916-000 ENERGY SERV EXP	79,652	24,000	231.89%
01-75-5916-101 LABOR REG	465,000	437,514	6.28%
01-75-5916-102 LABOR OT	3,391	0	100.00%
01-75-5916-103 EE EDUCATION	3,062	16,000	-80.86%
01-75-5916-109 KEY ACCOUNT	1,811	1,500	20.72%
	<u>552,916</u>	<u>479,014</u>	15.43%
01-75-5921-000 OFFICE SUPPLIES	1,321	500	164.15%
01-75-5923-000 OUTSIDE SERVICES	79,783	87,000	-8.30%
		0	
		0	
01-75-5916-402 RES CONSERVE PROG	184,909	271,903	-31.99%
01-75-5916-403 RES CONSERVE OTH	(0)	21,324	-100.00%
01-75-5916-502 COMM CONSERVE PRO	432,935	355,000	21.95%
01-75-5916-503 COMM CONSERVE OTH	41,776	49,756	-16.04%
	<u>659,620</u>	<u>697,983</u>	-5.50%
GRAND TOTAL	<u>1,293,640</u>	<u>1,264,496</u>	2.30%

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RMLD
GENERAL MANAGER DIVISION BUDGET
2013 BUDGET SUMMARY

GENERAL MANAGER 51	ACT TOTAL	BUD TOTAL	VAR
01-51-5920-101 LABOR REG	230,240	255,384	-9.85%
01-51-5920-102 LABOR OT	1,532	0	100.00%
01-51-5921-000 OFFICE SUPPLIES	1,343	2,500	-46.27%
01-51-5923-000 OUTSIDE SERVICES	207,278	150,000	38.19%
01-51-5930-103 EE EDUCATION	3,486	7,500	-53.52%
01-51-5930-105 MISC GENERAL	64,911	55,000	18.02%
01-51-5930-106 VEHICLE	(6,800)	4,775	-242.43%
SUB-TOTAL	501,989	475,159	5.65%
 HUMAN RESOURCES 52			
01-52-5920-101 LABOR REG	108,987	105,565	3.24%
01-52-5920-102 LABOR OT	567	0	100.00%
01-52-5921-000 OFFICE SUPPLIES	217	200	8.61%
01-52-5923-000 OUTSIDE SERVICES	244,652	91,400	167.67%
01-52-5930-103 EE EDUCATION	6,100	3,900	100.00%
01-52-5930-105 SUPPLIES	2,072	900	130.22%
01-52-5930-109 MISC GENERAL	13,745	13,540	1.51%
SUB-TOTAL	376,340	215,505	74.63%
 COMMUNITY RELATIONS 54			
01-54-5920-101 LABOR REG	74,132	74,307	-0.24%
01-54-5921-000 OFFICE SUPPLIES	0	500	-100.00%
01-54-5930-109 MISC GENERAL	66,811	68,750	-2.82%
01-54-5930-103 EE EDUCATION	0	2,000	-100.00%
01-54-5930-105 SUPPLIES	4,249	5,740	-25.98%
SUB-TOTAL	145,191	151,297	-4.04%
 CAB 56			
01-56-5920-101 LABOR REG	322	5,345	-93.98%
01-56-5920-102 LABOR OT	236	1,200	-80.34%
01-56-5930-109 MISC GENERAL	1,754	8,455	-79.26%
SUB-TOTAL	2,311	15,000	-84.59%
 BOARD 58			
01-58-5930-109 MISC GENERAL	1,499	7,500	-80.01%
SUB-TOTAL	1,499	7,500	-80.01%
 GRAND TOTAL	1,027,331	864,461	18.84%

RMLD
FACILITY MANAGER DIVISION BUDGET
2013 BUDGET SUMMARY

GENERAL BENEFITS 53		ACT TOTAL	BUD TOTAL	VAR
01-53-5920-101	LABOR REG	143,809	93,391	53.99%
01-53-5921-000	OFFICE SUPPLIES	273	1,000	-72.71%
01-53-5930-103	EE EDUCATION	2,367	5,000	-52.65%
01-53-5930-105	SUPPLIES	40	1,000	-95.99%
01-53-5923-000	OUTSIDE SERVICES	1,280	15,000	-91.47%
01-53-5924-000	PROPERTY INSURANCE	369,873	471,500	-21.55%
01-53-5925-000	INJURIES & DAMAGES	45,692	56,619	-19.30%
01-53-5926-000	EE PENS & BENEFIT	2,174,072	1,889,623	15.05%
01-53-5930-109	MISC GENERAL	836	3,050	-72.60%
01-53-5931-000	RENT	196,423	212,000	-7.35%
SUB-TOTAL		2,934,664	2,748,183	6.79%
TRANSPORTATION 63				
01-63-5933-109	MISC GENERAL	801	(226,020)	-100.35%
01-63-5933-101	LABOR REG	68,662	61,238	12.12%
01-63-5933-102	LABOR OT	9,296	8,400	10.67%
01-63-5933-103	EE EDUCATION	0	2,000	-100.00%
01-63-5933-105	SUPPLIES	(407,284)	393,120	-203.60%
	LESS ALLOCATION RECLASS	328,525	(238,738)	-237.61%
SUB-TOTAL		0	0	0.00%
BUILDING MAINTENANCE 64				
01-64-5923-000	OUTSIDE SERVICES	37,032	50,000	-25.94%
01-64-5932-101	LABOR REG	91,678	132,471	-30.79%
01-64-5932-102	LABOR OT	26,827	22,838	17.47%
01-64-5932-103	EE EDUCATION	220	2,000	-89.00%
01-64-5932-105	SUPPLIES	452,571	515,280	-12.17%
SUB-TOTAL		608,327	722,589	-15.81%
MATERIALS MANAGEMENT 60				
01-60-5588-109	MISC DIST EXP	56,551	50,280	12.47%
01-60-5588-101	LABOR REG	271,626	292,369	-7.10%
01-60-5588-102	LABOR OT	10,891	4,240	156.85%
01-60-5588-103	EE EDUCATION	1,369	2,100	-34.81%
01-60-5588-105	SUPPLIES	11,206	16,500	-32.08%
01-60-5588-104	RFP EXPENSES	0	1,000	-100.00%
01-60-5921-000	OFFICE SUPPLIES	2,912	1,500	94.11%
SUB-TOTAL		354,554	367,989	-3.65%
GRAND TOTAL		3,897,546	3,838,762	1.53%

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RMLD
BUSINESS DIVISION BUDGET
2013 BUDGET SUMMARY

ACCOUNTING 59	ACT TOTAL	BUD TOTAL	VAR
01-59-5903-101 LABOR REG	207,401	201,328	3.02%
01-59-5903-102 LABOR OT	719	400	79.85%
01-59-5903-103 EE EDUCATION	0	1,000	-100.00%
01-59-5903-105 SUPPLIES	304,841	291,400	4.61%
01-59-5921-000 OFFICE SUPPLIES	259,046	231,000	12.14%
01-59-5923-000 OUTSIDE SERVICES	40,000	33,725	18.61%
SUB-TOTAL	812,008	758,853	7.00%
 CUSTOMER SERVICE 62			
01-62-5903-101 LABOR REG	461,842	417,289	10.68%
01-62-5903-102 LABOR OT	7,998	2,000	299.89%
01-62-5903-103 EE EDUCATION	3,307	4,000	-17.32%
01-62-5903-105 SUPPLIES	33,183	18,000	84.35%
01-62-5903-106 VEHICLE	(5,737)	4,775	-220.15%
01-62-5904-000 UNCOLLECT ACCOUNTS	37,920	100,000	-62.08%
01-62-5921-000 OFFICE SUPPLIES	897	2,000	-55.14%
SUB-TOTAL	539,410	548,064	-1.58%
 MIS 61			
01-61-5903-101 LABOR REG	450,171	412,218	9.21%
01-62-5903-102 LABOR OT	5,049	800	531.07%
01-61-5903-103 EE EDUCATION	10,003	8,000	25.04%
01-61-5903-105 SUPPLIES	12,325	24,000	-48.65%
01-61-5935-000 MAINT GEN PLANT	119,256	131,320	-9.19%
01-61-5921-000 OFFICE SUPPLIES	8,516	12,000	-29.03%
SUB-TOTAL	605,320	588,338	2.89%
 MISCELLANEOUS DEDUCTIONS 57/77			
01-77-5403-000 DEPRECIATION EXP	3,665,630	3,650,000	0.43%
01-77-5408-000 VOLUNTARY PAYMENTS	1,375,900	1,368,000	0.58%
01-77-5419-000 INTEREST EXP	1,145	3,000	-61.82%
01-77-5426-000 OTHER DEDUCTIONS	2,769,742	2,415,000	14.69%
01-57-5920-101 AC/BUS MGR LABOR REG	42,430	37,379	13.51%
01-57-5930-109 AC/BUS MGR MISC GEN	0	2,400	-100.00%
SUB-TOTAL	7,854,847	7,475,779	5.07%
 GRAND TOTAL	9,811,585	9,371,033	4.70%

Reading Electric Light Department
Board of Commissioners
Reading, MA

BerryDunn was engaged by Reading Municipal Light Department (RMLD) to provide consulting services related to RMLD's internal process of approving and paying purchase power for the month of May 2013. As part of this engagement, BerryDunn was to understand the controls implemented by RMLD and provide any recommendations for improvements. This engagement was not designed to express an opinion on internal controls and accordingly, we do not express such an opinion

We were not engaged to and did not conduct an audit of financial statements or control efficiency of RMLD.

Power Invoices Reviewed

- Massachusetts Municipal Wholesale Electric Company (MMWEC)
- Power Authority of the State of New York (PASNY)
- Macquarie
- JP Morgan
- Hydro Quebec Vermont, New England
- National Grid (NE Hydro)
- ISO New England
- Summit Hydro
- REMVEC (Rhode Island-Eastern Massachusetts-Vermont Energy Control)
- Exelon
- NStar
- Pepperell Hydro
- Turner's Falls
- Woronoco Hydro
- Indian River Hydro
- Braintree Electric Light Department (BELD)
- NextEra
- Middleton

Procedures and Findings

Our procedures and findings are as follows:

We agreed the billed amounts from the power invoices received from vendors to related tariffs and contracts for the month of May 2013. As part of our testing, we verified the usage (kilowatt hours) amounts that were being billed to either contracts or the usages provided by the Connecticut Municipal Electric Energy Cooperative CMARS SMD wholesale load forecast.

- We agreed the power producer listing provided by RMLD's Energy Services department which lists the power vendor and the amount that was billed for the month to the power invoice reconciliation prepared by the Accounting department noting the one month timing difference of the power generation invoices from MMWEC. The reconciliation is used to record revenues for the Company as well as used to agree monthly invoices received from power vendors.

- We traced all kwh rates and usage on the power invoices to contracts and agreements with no exceptions.
- We traced the percentage allocations of MMWEC, PASNY, Hydro Quebec and NE Hydro to the related contracts. We recalculated the percentage allocations to the base amounts billed by the vendors and noted no variances.
- We specifically reviewed the Middleton invoices and agreed the billed amount to the invoice provided by RMLD. The Middleton invoices showed billed usage of 19,167 kwh and RMLD provided related customer invoices that agreed to the kwh usage amount in total.
- We verified with the Engineering department and the Energy Services department that there were no facility circuits such as those that were erroneously being billed by NStar in service or billed during the period of 1/1/2013 to 5/31/2013.

We reviewed the process used by RMLD personnel to approve and pay the power invoices by:

- Inspecting all of the invoices for the month of May and noted that personnel from the Energy Services department had signed off as approvers of the rates paid and usage amounts.
- Inspecting the BELD invoice and noted the Business Manager's approval and his recalculation of the debt service costs to be recorded in energy expense on an accrual basis.
- Inspected the Middleton invoices related to RMLD customers and agreed the account numbers and usage amounts that were being sent by RMLD to be billed by Middleton.
- We recalculated the May 2013 Purchase Power Billing Summary prepared by the Energy Services department which is used as a check against invoices recorded in accounts payable, with no exceptions.

Recommendations

BerryDunn has the following suggestions.

- The Engineering department should meet with the Energy Services department on a least a quarterly to discuss any network changes that could affect billing.
- The Energy Services department should confirm with other partners associated with Hydro Quebec to verify the basis of allocated costs to determine that billed amounts are reasonable and consistent among users.
- The Energy Services department should request audited financial statements from the managing operators of Hydro Quebec to use as a basis of determining if the expenses being billed are reasonably correct.
- The Energy Services department should request Statement on Standards for Attestation Engagements No. 16, Reporting on Controls at a Service Organization, report from ISO NE (ISO) which is a test of the controls of its operations. This report can help document what controls are in place to ensure that information received from the ISO is reasonably correct as asserted to by management of the ISO and attested to by independent auditors.

- The Energy Services department should use the budget to actual for the Middleton and investigate any significant differences as predetermined by the Company.

This consulting report is intended solely for the information and use of RMLD Board of Commissioners and management, and is not intended to be and should not be used by anyone other than these specified parties. It is our understanding that RMLD will share the results of our procedures with the Company's external financial statement auditors.

Sincerely,

A handwritten signature in black ink, appearing to read "Clifford C. Abbott, Jr.", written in a cursive style.

Clifford C. Abbott, Jr. MBA, CPA, CGMA
Principal

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

September 18, 2013

Town of Reading Municipal Light Board

Subject: Pick Up Truck with Bed Cover

On August 7, 2013 a bid invitation was placed as a legal notice in the Middlesex East requesting proposals for one Pick Up Truck with Bed Cover for the Reading Municipal Light Department.

An invitation to bid was sent to the following 13 companies:

Bonnell Motors, Inc.

Central Dodge, Inc.

Colonial Automotive

Imperial Municipal Partners

Inter-State Ford Truck Sales, Inc.

Lannon Chevrolet

Liberty Chevrolet Inc.

MHQ Municipal Vehicles

Moore GMC Truck, Inc.

Place Motors, Inc.

Sentry Ford

Stoneham Motor Co., Inc.

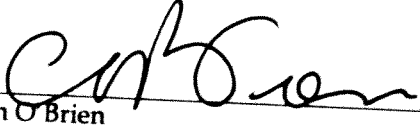
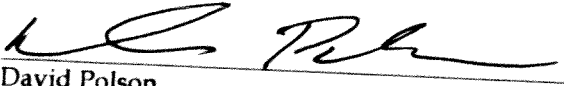
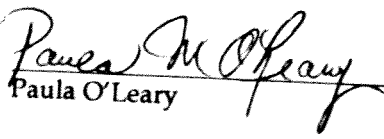
Woburn Foreign Motors

Bids were received from two companies: Liberty Chevrolet Inc., and Stoneham Motor Co., Inc.

The bids were publicly opened and read aloud at 11:00 a.m. September 11, 2013 in the Town of Reading Municipal Light Department's Transmission and Distribution Room, 230 Ash Street, Reading, Massachusetts.

The bids were reviewed, analyzed and evaluated by the General Manager and the staff. Move that bid 2014-05 for: one Pick Up Truck with Bed Cover be awarded to: Stoneham Motor Co., Inc. for \$29,965.00 as the lowest qualified and responsive bidder on the recommendation of the General Manager.

The FY2014 Capital Budget amount for this item is \$35,000.00.


Coleen O'Brien
David Polson
Paula O'Leary

Pick Up Truck with Bed Cover

Bid 2014-05

<u>Bidder</u>	<u>Vehicle Price</u>	<u>Delivery:- Weeks</u>	<u>Exceptions</u>	<u>Responsive Bidder</u>
Stoneham Motor Co., Inc.	\$29,965.00	10-12	Yes ¹	Yes
Liberty Chevrolet Inc.	\$32,758.00	10-12	Yes ²	Yes

Notes:

- 1: Vendor has 1 exception with vehicle offered
2: Vendor has 9 exceptions with vehicle offered

RMLD



Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

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

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

September 18, 2013

Town of Reading Municipal Light Board

Subject: Pick Up Truck with Tool Boxes

On August 7, 2013 a bid invitation was placed as a legal notice in the Middlesex East requesting proposals for one Pick Up Truck with Tool Boxes for the Reading Municipal Light Department.

An invitation to bid was sent to the following 13 companies:

Bonnell Motors, Inc.

Central Dodge, Inc.

Colonial Automotive

Imperial Municipal Partners

Inter-State Ford Truck Sales, Inc.

Lannon Chevrolet

Liberty Chevrolet Inc.

MHQ Municipal Vehicles

Moore GMC Truck, Inc.

Place Motors, Inc.

Sentry Ford

Stoneham Motor Co., Inc.

Woburn Foreign Motors

Bids were received from two companies: Liberty Chevrolet Inc., and Stoneham Motor Co., Inc.

The bids were publicly opened and read aloud at 11:00 a.m. September 11, 2013 in the Town of Reading Municipal Light Department's Transmission and Distribution Room, 230 Ash Street, Reading, Massachusetts.

The bids were reviewed, analyzed and evaluated by the General Manager and the staff. Move that bid 2014-06 for: one Pick Up Truck with Tool Boxes be awarded to: **Stoneham Motor Co., Inc.** for \$30,397.00 as the lowest qualified and responsive bidder on the recommendation of the General Manager.

The FY2014 Capital Budget amount for this item is \$35,000.00.

Coleen O'Brien

David Polson

Paula O'Leary

Pick Up Truck with Tool Boxes

Bid 2014-06

<u>Bidder</u>	<u>Vehicle Price</u>	<u>Delivery- Weeks</u>	<u>Exceptions</u>	<u>Responsive Bidder</u>
Stoneham Motor Co., Inc.	\$30,397.00	9-12	Yes ¹	Yes
Liberty Chevrolet Inc.	\$32,525.00	10-12	Yes ²	Yes

Notes:

1. Vendor has 1 exception with vehicle offered
2. Vendor has 9 exceptions with vehicle offered

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

August-13

	RESIDENTIAL 750 kWh's	RESIDENTIAL-TOU 1500 kWh's 75/25 Split	RES. HOT WATER 1000 kWh's	COMMERCIAL 7,300 kWh's 26,000 kW Demand	SMALL COMMERCIAL 1,080 kWh's 10,000 kW Demand	SCHOOL RATE 35000 kWh's 130.5 kW Demand	INDUSTRIAL - TOU 109,500 kWh's 250,000 kW Demand 80/20 Split
READING MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$97.75	\$172.98	\$113.45	\$867.35	\$168.34	\$4,026.63	\$11,018.67
PER KWH CHARGE	\$0.13034	\$0.11532	\$0.11345	\$0.11882	\$0.15587	\$0.11505	\$0.10063
NATIONAL GRID							
TOTAL BILL	\$108.55	\$202.60	\$144.73	\$976.70	\$139.12	\$4,047.22	\$11,143.89
PER KWH CHARGE	\$0.14474	\$0.13507	\$0.14473	\$0.13380	\$0.12882	\$0.11563	\$0.10177
% DIFFERENCE	11.05%	17.13%	27.57%	12.61%	-17.36%	0.51%	1.14%
NSTAR COMPANY							
TOTAL BILL	\$124.94	\$228.28	\$164.44	\$1,125.89	\$169.40	\$6,231.35	\$15,451.74
PER KWH CHARGE	\$0.16658	\$0.15218	\$0.16444	\$0.15423	\$0.15685	\$0.17804	\$0.14111
% DIFFERENCE	27.81%	31.97%	44.95%	29.81%	0.63%	54.75%	40.23%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$89.49	\$173.19	\$117.39	\$980.86	\$146.27	\$4,846.08	\$11,188.60
PER KWH CHARGE	\$0.11932	\$0.11546	\$0.11739	\$0.13436	\$0.13544	\$0.13846	\$0.10218
% DIFFERENCE	-8.45%	0.12%	3.48%	13.09%	-13.11%	20.35%	1.54%
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	2.06%	14.69%	16.92%	10.62%	0.05%	18.29%	20.98%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$104.99	\$203.67	\$137.88	\$1,045.84	\$168.46	\$4,895.58	\$13,519.62
PER KWH CHARGE	\$0.13998	\$0.13578	\$0.13788	\$0.14327	\$0.15599	\$0.13987	\$0.12347
% DIFFERENCE	7.40%	17.74%	21.53%	20.58%	0.07%	21.58%	22.70%



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

September-13

	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	\$93.10	\$163.68	\$107.25	\$830.85	\$162.94	\$3,851.63	\$10,471.17
PER KWH CHARGE	\$0.12414	\$0.10912	\$0.10725	\$0.11382	\$0.15087	\$0.11005	\$0.09563
NATIONAL GRID							
TOTAL BILL	\$108.55	\$202.60	\$144.73	\$976.70	\$139.12	\$4,047.22	\$11,143.89
PER KWH CHARGE	\$0.14474	\$0.13507	\$0.14473	\$0.13380	\$0.12882	\$0.11563	\$0.10177
% DIFFERENCE	16.60%	23.78%	34.95%	17.55%	-14.62%	5.08%	6.42%
NSTAR COMPANY							
TOTAL BILL	\$124.94	\$228.28	\$164.44	\$1,125.89	\$169.40	\$6,231.35	\$15,451.74
PER KWH CHARGE	\$0.16658	\$0.15218	\$0.16444	\$0.15423	\$0.15685	\$0.17804	\$0.14111
% DIFFERENCE	34.20%	39.47%	53.33%	35.51%	3.96%	61.78%	47.56%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$89.49	\$173.19	\$117.39	\$980.86	\$146.27	\$4,846.08	\$11,188.60
PER KWH CHARGE	\$0.11932	\$0.11546	\$0.11739	\$0.13436	\$0.13544	\$0.13846	\$0.10218
% DIFFERENCE	-3.88%	5.81%	9.46%	18.05%	-10.23%	25.82%	6.85%
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	7.16%	21.21%	23.68%	15.48%	3.37%	23.66%	27.31%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$104.99	\$203.67	\$137.88	\$1,045.84	\$168.46	\$4,895.58	\$13,519.62
PER KWH CHARGE	\$0.13998	\$0.13578	\$0.13788	\$0.14327	\$0.15599	\$0.13987	\$0.12347
% DIFFERENCE	12.76%	24.43%	28.56%	25.87%	3.39%	27.10%	29.11%



Jeanne Foti

From: Jeanne Foti
Sent: Thursday, September 19, 2013 11:43 AM
To: RMLD Board Members Group
Subject: Account Payable Warrant and Payroll - No Questions

Good morning.

In an effort to save paper, the following timeframes had no Account Payable Warrant and Payroll questions. This e-mail will be printed for the Board Book for the RMLD Board meeting on September 25, 2013.

Account Payable Warrant – No Questions

August 9, August 16, August 30, September 6, September 13

Payroll – No Questions

August 12, August 26 and September 9

Jeanne Foti
Reading Municipal Light Department
Executive Assistant
230 Ash Street
Reading, MA 01867

781-942-6434 Phone
781-942-2409 Fax

Please consider the environment before printing this e-mail.

Jeanne Foti

From: Kevin Sullivan
Sent: Monday, August 26, 2013 12:31 PM
To: RMLD Board Members Group
Cc: Coleen O'Brien; Patricia Mellino; Accounting Group; Jeanne Foti
Subject: RE: Account Payable Questions - August 23, 2013
Attachments: AP Removal Sheet - August 23, 2013.pdf

Payables Questions

1. Global Knowledge – The Middleton address on the invoice was the employee's old address.
2. Itron – Bob Fournier and Kevin Sullivan performed an audit of the invoice in question (\$67,361) within the past two weeks.

Kevin Sullivan

Reading Municipal Light Department
Engineering & Operations Manager

From: Jeanne Foti
Sent: Monday, August 26, 2013 7:12 AM
To: Accounting Group
Cc: Coleen O'Brien; Kevin Sullivan; Patricia Mellino
Subject: Account Payable Questions - August 23, 2013

Good morning,

Attached are the Account Payable Questions for August 23, 2013.

Thanks.

Jeanne Foti
Reading Municipal Light Department
Executive Assistant
230 Ash Street
Reading, MA 01867

781-942-6434 Phone
781-942-2409 Fax

Please consider the environment before printing this e-mail.

Reading Municipal Light Department Accounts Payable Removal Sheet

Date	Commissioner	Account Payable Vendor Name	Comment
8/3	TALBOT	"Global knowledge"	This bill shows a billing address of RMLPa. 63 Maple street Middleton - what is this bill?
8/23	TALBOT	"ITRON"	Do we audit these numerous small hourly billings totalling \$67,361? ITRON

