

**Reading Municipal Light Board of Commissioners**

**Regular Session**

**230 Ash Street**

**Reading, MA 01867**

**January 29, 2014**

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

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

**Commissioners:**

**John Stempeck, Chairman**

**Robert Soli, Secretary Pro Tem**

**David Mancuso, Commissioner**

**Philip B. Pacino, Vice Chair**

**David Talbot, Commissioner**

**Staff:**

**Coleen O'Brien, General Manager**

**Bob Fournier, Accounting/Business Manager**

**William Seldon, Senior Energy Analyst**

**Jeanne Foti, Executive Assistant**

**Jane Parenteau, Energy Services Manager**

**Citizens' Advisory Board:**

**George Hooper, Vice Chairman**

**Rubin and Rudman LLP:**

**Chris Pollart, Partner**

**North Reading Board of Selectmen:**

**Joseph Foti, Clerk**

**Michael Prisco, Member**

**Call Meeting to Order**

Chairman Stempeck called the meeting to order and stated that the meeting was being videotaped; it is live in Reading only.

**Opening Remarks**

Chairman Stempeck read the RMLD Board of Commissioners Code of Conduct.

**Introductions**

Chairman Stempeck welcomed CAB Vice Chairman George Hooper and Town of North Reading Board of Selectmen, Joseph Foti and Michael Prisco.

Chairman Stempeck stated that Commissioner Soli will be the Secretary at this meeting.

**Public Comment**

There was no public comment.

**Regular Session Minutes December 12, 2013**

Mr. Pacino made a motion seconded by Mr. Mancuso to approve the Regular Session meeting minutes of December 12, 2013, as corrected.

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

**Report of the Chairman (Attachment 1)**

**Update on Charter Committee – Report by Vice Chair Pacino**

Mr. Pacino reported that as he mentioned at the last Board meeting, the Town of Reading formed a committee to look at the Home Rule Charter. Mr. Pacino stated that he has handed out the proposed changes in the Charter that affect the Board. Mr. Pacino highlighted the proposed changes in section 3-5 Municipal Light Board in the Charter since he is a member of the Charter Committee.

Mr. Pacino stated that the changes are as follows: under Chapter 164, the proper name should be Municipal Light Board of Commissioners, the second paragraph was removed because that is defined under Chapter 164, the fourth paragraph adds that the Municipal Light Board of Commissioners shall hire the General Manager of the Municipal Light Department and set the duties and terms of employment, with the word compensation stricken because it is not necessary due to the fact that the Board sets the duties and terms of employment. The proposed changes to the Home Rule Charter can be found on the Town of Reading's website. Chairman Stempeck clarified that Mr. Pacino's impression is that compensation is inclusive of the duties and terms. Mr. Pacino concurred.

## **Report of the Chairman (Attachment 1)**

### **Update on Charter Committee – Report by Vice Chair Pacino**

Chairman Stempeck asked if the Charter states that the Municipal Light Board of Commissioners shall employ the Auditor appointed by the Town of Reading Audit Committee. Chairman Stempeck said that he was under the understanding that the RMLD had the freedom and flexibility to use the auditor of their choice. Mr. Pacino said that he would have to explain the history on how this came into place. Based on the Inspector General's Report in 2001, there were a couple of changes recommended by a special committee. One of the things they reviewed was that the Board would have direct hiring of the Accounting Manager and Chief Accountant. It was based on the committee's feedback that the Accounting Manager could not come to the Board to bring the items discussed in the Inspector General's Report forward. The line was created in order that the Accounting Manager could bring such items to the Board instead of the General Manager. In terms of Chapter 30B, the RMLD was in disagreement, but the Town of Reading insisted it would be in there. Mr. Pacino said that he has read the 2013 memo from Rubin and Rudman and believes it came out in 2001. Basically, the RMLD does not have to follow 30B, however, at that time; there was discussion among the town to make this commission appointed. The outside towns would have not been particularly pleased with that outcome. Mr. Pacino said that he can go back ask for the removal of 30B and bring back the opinions or any other changes.

Chairman Stempeck said that it is one of the issues that Rubin and Rudman had commented on referring to 30B, Chapter 164 and the level of independence of the RMLD. Whether it is the town's Human Resources person, auditor or law firm, these impact the independence of the RMLD. Based on that, he would like to reexamine these changes offline.

Mr. Pacino pointed out that under 4-10 Other Committees, there is language to appoint long standing Ad Hoc committees. Mr. Pacino reported under 4-11 they voted at their meeting on Monday evening to have a Charter Review Committee that would meet every ten years. The members would include one from the Board of Selectmen, one member from the Library trustees, one member from RMLD Board or designee, one member from the School Committee, and three Town Meeting members. There was discussion if representation from the Light Board was necessary; he abdicated for representation from the Board. Chairman Stempeck added that they do not want the Charter committee to have recommendations that are unfulfillable or unsustainable or illegal. The only way to influence that is to look at this while it is being developed. Mr. Pacino pointed out that much of RMLD's load is outside of the Town of Reading. Mr. Pacino said that it has been pointed out to him that this is Reading's Light Department, but has corrected them to point out that it is customers of the system Light Department.

Mr. Pacino added that under 4-12 Permanent Building Committee that has been referred to the Board of Selectmen. The proposal is to add a Permanent Building Committee for any building such as the library that is being built. The Committee would consist of an engineer and individuals who are familiar with the projects.

Chairman Stempeck polled the members of the Board to see if they had any comments to the proposed Charter changes, there were none. Mr. Pacino mentioned that they are in the interim process.

Chairman Stempeck asked what the timeframe is. Mr. Pacino replied that they are hoping to have this ready for the April Town Meeting. Mr. Pacino said that once this is completed, the Town of Reading legal counsel needs to review this. Chairman Stempeck suggested once this is ready for printing, a copy should be provided to the RMLB for review by Rubin and Rudman.

### **General Manager's Report – Ms. O'Brien – General Manager Organizational Study RFP**

Ms. O'Brien reported on the Organizational Study, which includes a long term system reliability study that is in its final draft stage. The matrix and benefits have been completed for evaluating qualified consultants. Releasing the RFP in February is anticipated and Ms. O'Brien is awaiting the arrival of the new Director of Engineering and Operations to review the package before it is sent out for bid. The study looks at overall staffing levels, skill sets, career development, succession planning, productivity, and efficiency improvements, market wages as well as the long term reliability plan to provide capital layout and prioritization of these projects for over the next twenty years. Both components of the organizational study are intended to align with RMLD staff and the required technology to reach the next generation of electric industry challenges. The bid will be advertised and in the registry for potential consultants to bid on within the next couple of months.

Mr. Mancuso asked for a sense for what kind of inputs you would be providing to the organization compared to the study relative to goals and efficiency improvement as well as the types of technology. Would they be looking at the organization blindly or do we provide them with guidance?

**General Manager's Report – Ms. O'Brien – General Manager  
Organizational Study RFP**

Ms. O'Brien explained that they usually begin with the reliability study; however, this may be two consultants. One consultant that has expertise both fields would be optimal. When you start with the reliability, you are looking at power supply in the industry and what shape and flexibility your system needs to have for the next twenty five years. As has been discussed on a number of occasions, peak shaving for voltage readings at the end of the system, you want the system to be flexible enough to allow different customers to provide generation back onto the system and to have those types of communication networks in order that we can send signals as well as get signals back so we are communicating with our system and our customers. In addition, the reliability study also looks at all of your equipment to ensure any major capital improvement such as substation overhauls or circuit feeders or system coordination protection is performed. They will take everything that needs to be done and lay it over twenty years with prioritization; based on the recommendations, it's possible that outside staff augmentation may be required. The consultant will provide cost estimates for all recommendations, along with a timeline to support funding schedules. The reliability study will be inputted into the six year plan and aligned with the financials. Our message to the consultant will be that RMLD needs to have a system that is flexible for peak shaving and have engineers, energy services and the correct customer service staff to promote programs that will ensure RMLD successes for the future industry challenges. Those components will be integrated into the organizational study. It will reflect what RMLD needs currently, within 10 years, by 20 years. The skill sets and processes for this size utility to meet the demands of this New England area. You might find that the job descriptions are consolidated or may change employees may need additional training.

Ms. O'Brien asked if this is what Mr. Mancuso is seeking. Mr. Mancuso replied that the RMLD will be providing them some sense of the kind of goals we want to set for peak shaving and what we have for demand response. Ms. O'Brien said that you can get into as much detail as you would like in a study, but the optimal means is to have the recommendations focus on the overall strategic roadmap. The more detail, the more costly the study. Ms. O'Brien stated that there are issues presently that she has already deemed focus areas for FY14/15 which provide the foundation for system planning. This includes both the evaluation and completion of the GIS and the development of a qualified substation and testing group. Ms. O'Brien said that she cannot express enough the importance of predictive and preventative maintenance and its impact on safety. As well, she wants in-house expertise to perform the maintenance which reduces costs and increases accountability, responsibility and ownership. Mr. Mancuso asked if the study would comment on the Energy Efficiency position and if there will be a return on investment. Ms. O'Brien replied, exactly.

Mr. Talbot asked when this study will be put out to bid. Ms. O'Brien replied that she hopes to get this out to bid the first week of February however; she would like to complete the preliminary system assessment prior to releasing the RFP.

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

Ms. Parenteau presented the December Power Supply Report. Ms. Parenteau reported that the RMLD's load for December was approximately 60.8 million kWhs which is a 2.7% increase from December 2012. RMLD's energy cost was approximately \$3.67 million, roughly equivalent to \$.06 per kilowatt hour. Ms. Parenteau stated that the Fuel Charge adjustment was \$.04 per kilowatt hour for December and the RMLD sales totaled 51.6 million kilowatt hours, as a result the RMLD under collected by approximately \$1.6 million resulting in a Deferred Fuel Cash Reserve balance of \$2.375 million. The January Fuel Charge was set at \$.045 and is projected in February to go to \$.05 per kilowatt hour.

The RMLD purchased about 15% of its energy requirements from the ISO New England Spot Market at the average cost of \$131 per megawatt hour. Ms. Parenteau said that because of the cold weather in December and January, New England is faced with a natural gas constraint. The generators do not have firm contracts to import the gas into the region.

Ms. Parenteau explained that the ISO had taken this up in the fall and procured with several of the generators to have dual fuel and many of the generators are burning oil which is at a much higher cost with the average price have ranged in the \$200 to \$300 range per megawatt hour. On December 14, it hit a high of \$800. RMLD is in the market for only 15% of Spot Market power. The RMLD has a portfolio of generators such as StonyBrook that is running in excess of RMLD's requirement, therefore the RMLD will receive a credit for that generation at the average LMP to offset the average cost of the fuel burned.

Chairman Stempeck commented that the natural gas situation is also impacting NSTAR and the other ISO owned facilities. Ms. Parenteau stated that with RMLD's Fuel Charge they have a portfolio of resources to secure its requirement, whereas NSTAR or National Grid go out to bid every six months. As a result of that, their rates have increased significantly for the whole six month period. Chairman Stempeck added that the cost to those customers represent a 24% to 37% whose rates are almost double RMLD.

### **Power Supply Report – December 2013 – Ms. Parenteau (Attachment 2)**

Mr. Mancuso asked if the ISO has found sufficient reserves. Ms. Parenteau responded that there was a shortage event called on the 14<sup>th</sup>, in which they enacted demand response and had over 90% of the demand response show up.

Ms. Parenteau reported on the capacity side in which the RMLD hit a peak demand of 116 megawatts on December 16 at 6:00 p.m., the temperature was 16 degrees. The RMLD's monthly capacity requirement was 215 megawatts of capacity, equivalent to \$1.47 million or just under \$7 kilowatt month.

Because of the upcoming retirement of three power plants, it is highly probable that these capacity auctions are going to clear based on new generation which is going to be significantly higher than the current market. The current market is around \$3.50 a kilowatt month. The Salem Harbor closure is causing the NEMA Load Zone which Reading is a part of to go to \$15 a kilowatt month and this will only exacerbate those costs. Ms. Parenteau said that they are working diligently to see what kind of program that they can implement to manage those peak demands that is the only way we are able to hedge those future higher costs.

Ms. Parenteau reported that for capacity and energy costs as well as energy generated in kilowatt hours for the month of December, RMLD capacity and energy costs came in at just over \$.08 per kilowatt hour. In addition, for the month of December, 6.6% of our energy purchases were generated from hydro generation.

Ms. Parenteau commented that the RMLD has 16,400 RECs for the calendar year 2013. RMLD has sold approximately 4,600 RECs for a total of \$245,000 which was credited against the fuel costs in October. The current market value for the remaining RECs is approximately \$562,000.

Ms. Parenteau reported that the RMLD's total transmission cost for the month of December was \$805,000 which is approximately a 19% increase from November 2013.

Ms. Parenteau reported that the RMLD processed nine commercial lighting rebates for November and December totaling a little less than \$70,000 bringing the fiscal year total to \$138,000. The RMLD calculates the capacity savings to be approximately 433 kilowatts and the energy savings to be approximately 1,500 megawatt hours. On the residential side the RMLD calculates 102 kilowatts of capacity savings and 80 megawatt hours of energy savings. To date the RMLD has processed 662 residential rebates totaling \$31,600 and 199 RMLD customers have received audits totaling \$39,800.

### **Financial Report – December 2013 – Mr. Fournier (Attachment 3)**

Mr. Fournier presented the December Financial Report provided in the Commissioner packets for the first six months of this fiscal year; the negative change in Net Assets or Net Income for December was \$1.8 million, decreasing the year to date Net Income to \$161,000. Fuel Expenses have exceeded Fuel Revenues by \$234,000.

Year to date base revenues were under budget by \$1.1 million or about 4.5%, actual base revenues were \$23.6 million. Year to date purchased power base expenses were over budget by \$73,707 or less than .5%, actual purchased power base costs were \$14.8 million.

Year to date operating and maintenance (O&M) expenses combined were over budget by \$300,000 or just over 4.5%, actual O&M expenses were \$6.1 million. Depreciation expense and voluntary payments to the Towns were on budget.

Operating Fund is at \$10 million, Capital Fund \$4.5 million, Rate Stabilization Fund \$6.7 million, Deferred Fuel Fund \$2.3 million and the Energy Conservation Fund at \$411,000. Year to date kilowatt hours sales are 362 million kilowatt hours, which is 1.1% behind last year.

Mr. Soli asked if the Net Income is missing by 95%. Mr. Fournier replied if compared to budget that is correct.

### **M.G.L. Chapter 30B Bids (Attachment 4)**

Mr. Hooper commented that when the RMLD goes out for bid is it apples to apples. Chairman Stempeck replied that is correct. Mr. Soli reported that he had never been to a bid opening, however, was in attendance the agenda and the RMLD runs a tight ship relative to the bid process and required paperwork.

### **IFB 2014-12 Single Phase Pad Mounted FR3 Transformers**

Mr. Pacino made a motion seconded by Mr. Soli that bid 2014-12 for Single Phase Pad Mounted FR3 Transformers be awarded to WESCO for a total cost of \$149,855.00 as the lowest qualified bidder on the recommendation of the General Manager.

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

**M.G.L. Chapter 30B Bids (Attachment 4)**

**IFB 2014-13 Single Phase Pole Mounted Transformers**

Mr. Pacino made a motion seconded by Mr. Talbot that bid 2014-13 for Single Phase Pole Mounted Transformers be awarded to WESCO for a total cost of \$99,792.00 as the lowest qualified bidder on the recommendation of the General Manager.

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

**IFB 2014-14 Three Phase Pad Mounted Transformers**

Mr. Pacino made a motion seconded by Mr. Soli that bid 2014-14 for Three Phase Pad Mounted Transformers be awarded to WESCO for a total cost of \$143,869.00 as the lowest qualified bidder on the recommendation of the General Manager.

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

**IFB 2014-15 Three Phase Pole Mounted Transformers**

Mr. Pacino made a motion seconded by Mr. Soli that bid 2014-15 for Three Phase Pole Mounted Transformers be awarded to WESCO for a total cost of \$62,625.00 as the lowest qualified bidder on the recommendation of the General Manager.

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

**IFB 2014-16 15kV Aerial Spacer Cable**

Mr. Pacino made a motion seconded by Mr. Soli that bid 2014-16 for 15kV Aerial Spacer Cable be awarded to Arthur Hurley for a total cost of \$58,275.00 as the lowest qualified bidder on the recommendation of the General Manager.

**Motion carried 4:0:1. Vice Chair Pacino abstained from the vote.**

Mr. Pacino explained that his abstention from this vote is because this vendor obtains insurance bonds from one of his clients, and he wishes to avoid the slightest possibility of conflict of interest.

**Cost of Service Study – Consideration of Rate Adjustment Ms. O'Brien – General Manager (Attachment 5)**

Ms. O'Brien stated that she was seeking an approximate 5% rate increase. This past Friday, the January revenues came in which provided seven months of actuals and five months of projected. The December sales income is down from last year. However, the shift to capital outlay projects and the vacancies resulted in a savings of \$300,000. As Mr. Fournier mentioned, all five divisions are under budget. With the \$300,000 savings the rate increase recommendation will be approximately 4.5%. The approximate increase will vary on the rate class and usage. The increase is due to unrealized projected sales over the past several years. The RMLD by law must cover its production costs as well as maintain sound financial positioning with low risk credit rating for attracting low cost power supply in meeting its financial commitments. The RMLD has not had an increase in well over three years and with the increase, the rates will still remain amongst the lowest in the state. The increase insures an acceptable financial standing for the remainder of the fiscal year and is projected to come in at approximately \$500,000 less than the approved budget. Expenses were evaluated and lessened without adversely impacting our excellent reliability. Unfortunately, for this situation we have five months to cover costs therefore, a gradual increase is not an option. To mitigate any further unexpected rate increases, RMLD has begun a full Cost of Service Study and is formulating a six year forecast plan. The six year plan will be made available to all CAB members and town managers so we all can work proactively to ensure successful budgets. The Cost of Service Study is due later this spring and if there is any further increase that is determined the information can be disseminated appropriately into the fiscal year 2015 budget process. Contingencies in everyone's budget to address these fluctuations are prudent. Over the last several years, fuel costs have decreased most likely from natural gas prices. However, Ms. O'Brien needs to caution that the power fuel prices are beginning to escalate and all of New England electric customers will see a larger impact in several years. This is based on a number of imminent charges as Ms. Parenteau mentioned from the ISO electric grid system including transmission bills in the absence of sufficient area generators.

Mr. Pacino said that he wanted to revisit how RMLD works (he proceeded to a drawing board where his highlights follows). From the rates, there is power supply coupled with transmission and distribution costs, operating expenses from that is the depreciation fund, the RMLD is allowed 3%, the depreciation fund is used for construction to maintain the reliability of the system, the above line payments are made to the four towns that were put in place by special legislation with the Twenty Year Agreement. It is based on the amount of plant that is in each town and the usage which gives you a net allowable up to 8%. RMLD is not achieving 8%. If the economy should turn around, and more than 8% is returned then the Board can refund money to the customers which it has done in the past. From the 8% there are two places it goes. The return on investment to the Town of Reading is for the initial investment and for bearing the liabilities. That number at the time of the twenty Year Agreement was capped at that plus an annual adjustment based on the CPI formula. What does not go back to the Town of Reading goes into construction. The risk of not doing anything in terms to rate increase negatively affects the reliability of the system. There is a mechanism/process in the agreement for evaluating the calculation method.

Chairman Stempeck polled all those in attendance to see if anyone wanted to make a statement.

**Cost of Service Study – Consideration of Rate Adjustment Ms. O'Brien – General Manager (Attachment 5)**

Mr. Prisco said that he wanted to take the opportunity to congratulate the Board on the selection of Ms. O'Brien as General Manager. She was nice enough to come and visit the Board at one of their meetings, had a great conversation and could tell right away that you definitely made the right choice. He thanked Ms. O'Brien for listening to their concerns and taking them back. Chairman Stempeck and Ms. O'Brien thanked Mr. Prisco and hope all goes well.

Mr. Prisco wanted to clarify because when Mr. Norton originally told them about the rate increase it was slightly more than what you are going to approve. Mr. Prisco clarified that the 4.5% is for this year only and next year will there be a similar increase. Ms. O'Brien explained that the RMLD could not wait for the cost of service to address the needs between now and the end of the fiscal year. The cost of service will take the production costs and everything that Commissioner Pacino has gone over. The cost of service splits the pie and allocates appropriately in a variety of different rate designs including a new low income rate, as well as an LED streetlight rate. That Cost of Service Study is due later in the spring. Ms. O'Brien stated that to clarify the larger percentage, at the onset on the discussion of this rate increase, when explaining how the 5% was derived this 9% came up as it affected the base portion – the embedded portions of the rate.

Mr. Prisco commented that this is an understandable increase now that you have explained it. He as well as Mr. Foti understands the rate increase of 4.5%. Ms. O'Brien clarified that she had spoken to Ms. Willis in the North Reading School system and advised her that the school increase was only 3.9%. Mr. Prisco added the low income rate, it is something the RMLD does not currently offer and is one of the reasons he is at the meeting. In North Reading, they have a sizeable senior community and an increase on our seniors who are on a fixed income is going to be pretty significant. He urges the Board to find creative ways, perhaps a senior rate exemption, we offer all the seniors in all our communities it would go a long way. Those outside of the senior age group if they have to take a little more on, he would rather see that. If that could be given consideration before you make your vote. Ms. O'Brien said that the Board voted at the last meeting to include it in the Cost of Service Study and she is confident that is something that will be voted on when that is completed. Ms. O'Brien stated that Commissioner Soli had mentioned to her earlier that if that could be pulled out of that even in a preliminary way and vote on that, we are limiting the increase to those customers. Coming up with the administration and the logistics of the program, how you qualify people and the related paperwork to qualify needs to be set up.

Ms. O'Brien thanked Mr. Prisco for his input as well as his kind words.

Mr. Talbot said that he has circulated an op ed that he will be putting in the papers tomorrow that builds on some of the things we are trying to do in terms of peak shaving. It tries to promote the ideas and explains how important they are. In North Reading one thing they can do is if they have an electric water heater, customers can save \$200 annually if they allow the RMLD to shut off the water heaters for a couple of hours. It helps the RMLD save a large amount of money. The time of use in his own home he saves \$15-\$20 monthly by shifting some of his outside of the 12-7 bracket. If he was on the flat rate he would be paying \$15-\$20 more. Mr. Talbot thanked Ms. Parenteau for their information on summer peak information that will be contained in the article. Peak shaving is a crucial factor and Ms. O'Brien is working on that. Mr. Talbot said that looking at the rates considering the small amount of customers that take part in this rate, exempting the off peak portion, it would send a powerful signal because the press coverage on the rate increase, this one part (time of use savings) makes it better.

Chairman Stempeck said that the intent of the article is to encourage customers to adopt this program. Mr. Talbot added to adopt a program we know works. By not changing the rate and exempting the off peak portion it would draw a lot of attention to this rate. Chairman Stempeck said that without the spreadsheet we cannot make a determination. Ms. O'Brien added that we have 514 in the hot water rate and 350 in the time-of-use rate. Ms. O'Brien said that it has been estimated that between 2,000 to 4,000 meters are to be addressed. Ms. O'Brien said that in Mr. Talbot's op ed the RMLD will provide contact names for customers who are interested in these programs.

Mr. Tabot said that for the proposed rate increase this evening, he would like to exempt the off peak portion on the time of use for the residential customers. With 300 it equates to half a cent which does not negatively impact the numbers.

Mr. Pacino raised the point of logistics because the proposed change brought forward by Mr. Talbot would need to go back to the CAB for review per the Twenty Year Agreement. Mr. Pacino appreciates what Mr. Talbot is doing which is a great idea in the Cost of Service Study. Mr. Pacino commented that he thinks that Mr. Talbot's suggestions are great and the Board is behind them.

Mr. Soli said that one good item relative to customer's bills is that the hazardous waste charge 1/10 penny per kilowatt hour will be ending, very small, but in the right direction. Mr. Soli pointed out that had the Board had not been so busy hiring a General Manager, and dealing with all that, they would have seen this in the budget for the whole year.

**Cost of Service Study – Consideration of Rate Adjustment Ms. O'Brien – General Manager (Attachment 5)**

Mr. Soli said that as pointed out earlier, the RMLD is behind in its revenue and there is only five months to make up this deficit. When we adopted last year's budget if we looked a little harder, we could have said we needed to raise prices. It would have been about a 2% change. The money that the customers are going to pay because it is a twelve month period differs. For next year, 4.5% will revert to 2%. Mr. Soli said it depends on the Cost of Service Study results.

Mr. Hooper added that he is in agreement with Mr. Soli if it was picked up and we were able to do this much earlier. The timing is part of this, no one likes to be the new General Manager and bring this bad news. Mr. Hooper is pleased that the rate increase has been dropped to 4.5% because it shows that you are exploring and identifying some other areas. Mr. Hooper clarified that Chairman Stempeck is aware of what the CAB put forth on its recommendation. Mr. Hooper said that at the CAB meeting he made a comment on the CPI on the payment to the Town of Reading with his concern with that if the RMLD is not performing well fiscally that payment will still be going out. Perhaps, this is something that needs to be looked at. Chairman Stempeck said that we can take that under consideration, it is a good suggestion.

Ms. O'Brien said that the RMLD needs to maintain a rate of return that allows us to make our commitments and also provides enough of a buffer to augment the fuel fund or assist with the depreciation fund should there be a catastrophic event affecting critical infrastructure or power supply. The RMLD has been targeting a rate of return in the 5% range; a return which allows the commitments to be made, is less than the allowable 8% to keep rates the low, and provides the said buffer. Chairman Stempeck said that we can table this discussion to another time.

Mr. Hooper said that it is important that we communicate better to other communities including Wilmington. One of the things is that they perform their fiscal budgets even though we deal with residential ratepayers and commercial ratepayers they also deal with school and as well as municipal buildings. Ratepayers are also taxpayers and are affected by this. We should communicate better to these communities when for consideration when they do their budgets.

Chairman Stempeck stated that on behalf of all the commission members, he would like to thank everyone involved in this very difficult process involving the rate increase. He would like to thank the Selectmen in all the towns because of the timing of this issue, the budgets, the constituencies, etc. No one wants a rate increase and they are customers as well. Chairman Stempeck wanted to thank the CAB for their consideration and the staff at the RMLD for their efforts trying to get to something reasonable. At the end of the day the RMLD has to be fiscally sound and that overrules everything else we do. It is a good teaching tool to do it better if there is a next time.

Mr. Pacino made a motion seconded by Mr. Soli that the Reading Municipal Light Department Board of Commissioners approve the adoption of the rates MDPU numbers #228, 229, 230, 231, 232, 233, 234, 235 dated to be filed January 30, 2014 on the recommendation of the General Manager.

**Motion carried 5:0:0, unanimously.**

**General Discussion**

There was none.

**BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED**

**Rate Comparisons, January 2014**

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

**RMLD Board Meetings**

**Thursday, February 27, 2014**

**Thursday, March 27, 2014**

**Citizens' Advisory Board Meeting**

**Wednesday, March 12, 2014 - Tentative**

**Fiscal Year 2015 Budget Meetings**

**April 2, 2014 – Lynnfield – April 9, 2014**

**Executive Session**

At 9:20 p.m. Mr. Pacino made a motion seconded by Mr. Soli that the Board go into Executive Session to approve the Executive Session meeting minutes, based on Chapter 164, Section 47D exemption from public records and open meeting requirements in certain instances, to discuss mediation and union negotiations update, and return to Regular Session for the sole purpose of adjournment.

**Chairman Stempeck polled the Board. Motion carried by a polling of the Board:  
Mr. Talbot; Aye, Mr. Pacino; Aye, Mr. Mancuso; Aye, Mr. Soli; Aye, and Chairman Stempeck, Aye.  
Motion carried 5:0:0.**

**Adjournment**

At 9:45 p.m. Mr. Mancuso made a motion seconded by Mr. Soli move to adjourn the Regular Session to adjourn.

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

Robert Soli, Secretary Pro Tem  
RMLD Board of Commissioners



To: Coleen O'Brien

From: Maureen McHugh, Jane Parenteau

Date: January 27, 2014

Subject: Purchase Power Summary – December, 2013

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

### **ENERGY**

The RMLD's total metered load for the month was 60,836,967 kWh, which is a 2.7% increase from the December, 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	3,701,611	\$7.37	6.08%	\$27,268	0.74%
Seabrook	5,895,553	\$7.87	9.69%	\$46,400	1.27%
Stonybrook Intermediate	1,412,632	\$188.84	2.32%	\$266,756	7.28%
JP Morgan	7,336,000	\$58.50	12.06%	\$429,175	11.71%
NextEra	8,956,000	\$59.83	14.72%	\$535,878	14.62%
NYPA	2,365,170	\$4.92	3.89%	\$11,637	0.32%
ISO Interchange	8,882,836	\$131.27	14.60%	\$1,166,032	31.80%
NEMA Congestion	0	\$0.00	0.00%	\$16,441	0.45%
Coop Resales	14,317	\$88.20	0.02%	\$1,263	0.03%
MacQuarie	9,204,000	\$42.33	15.13%	\$389,622	10.63%
Summit Hydro/Collins/Pioneer	660,249	\$65.30	1.09%	\$43,112	1.18%
Braintree Watson Unit	560,887	\$149.75	0.92%	\$83,991	2.29%
Swift River Projects	1,010,705	\$99.63	1.66%	\$100,697	2.75%
Exelon	10,785,600	\$49.84	17.72%	\$537,509	14.66%
Stonybrook Peaking	65,575	\$162.77	0.11%	\$10,673	0.29%
Monthly Total	60,851,135	\$60.25	100.00%	\$3,666,453	100.00%

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

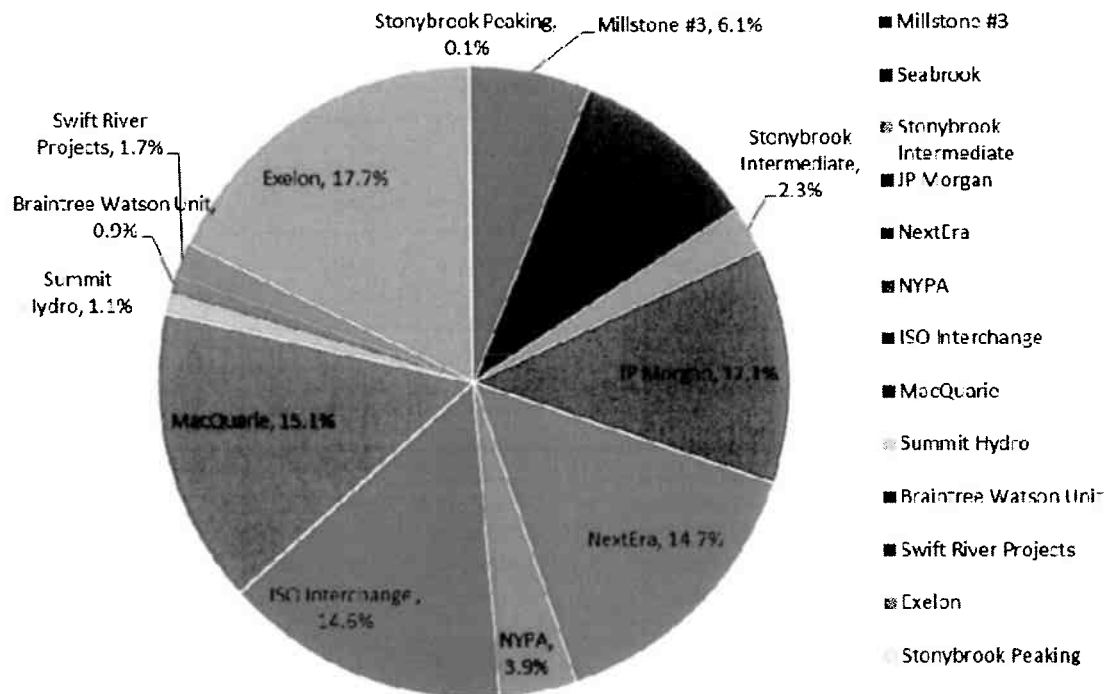
**Table 2**

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP *	9,581,622	128.65	15.75%
Settlement			
RT Net Energy **	-678,786	95.43	-1.12%
Settlement			
ISO Interchange (subtotal)	8,882,836	131.27	14.60%

\* Independent System Operator Day-Ahead Locational Marginal Price

\*\* Real Time Net Energy

### DECEMBER 2013 ENERGY BY RESOURCE



## CAPACITY

The RMLD hit a demand of 115,912 kW, which occurred on December 17, at 6 pm. The RMLD's monthly UCAP requirement for December, 2013 was 215,700 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	49.25	\$243,771	16.56%
Seabrook	7,903	46.99	\$371,357	25.23%
Stonybrook Peaking	24,981	1.96	\$48,973	3.33%
Stonybrook CC	42,925	3.24	\$139,227	9.46%
NYP&A	4,019	4.49	\$18,041	1.23%
Hydro Quebec	4,683	4.14	\$19,391	1.32%
NextEra	60,000	5.50	\$330,000	22.42%
Braintree Watson Unit	10,520	11.28	\$118,696	8.06%
ISO-NE Supply Auction	55,719	3.28	\$182,670	12.41%
<b>Total</b>	<b>215,700</b>	<b>\$6.82</b>	<b>\$1,472,126</b>	<b>100.00%</b>

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	\$27,268	\$243,771	\$271,039	5.27%	3,701,611	0.0732
Seabrook	\$46,400	\$371,357	\$417,757	8.13%	5,895,553	0.0709
Stonybrook Intermediate	\$266,756	\$139,227	\$405,983	7.90%	1,412,632	0.2874
Hydro Quebec	\$0	\$19,391	\$19,391	0.38%	-	0.0000
JP Morgan	\$429,175	\$0	\$429,175	8.35%	7,336,000	0.0585
NextEra	\$535,878	\$330,000	\$865,878	16.85%	8,956,000	0.0967
* NYP&A	\$11,637	\$18,041	\$29,677	0.58%	2,365,170	0.0125
ISO Interchange	\$1,166,032	\$182,670	\$1,348,702	26.25%	8,882,836	0.1518
Nema Congestion	\$16,441	\$0	\$16,441	0.32%	-	0.0000
MacQuarie	\$389,622	\$0	\$389,622	7.58%	9,204,000	0.0423
* Summit Hydro/Collins/Pioneer	\$43,112	\$0	\$43,112	0.84%	660,249	0.0653
Braintree Watson Unit	\$83,991	\$118,696	\$202,687	3.94%	560,887	0.3614
* Swift River Projects	\$100,697	\$0	\$100,697	1.96%	1,010,705	0.0996
Coop Resales	\$1,263	\$0	\$1,263	0.02%	14,317	0.0882
Constellation Energy	\$537,509	\$0	\$537,509	10.46%	10,785,600	0.0498
Stonybrook Peaking	\$10,673	\$48,973	\$59,646	1.16%	65,575	0.9096
<b>Monthly Total</b>	<b>\$3,666,453</b>	<b>\$1,472,126</b>	<b>\$5,138,580</b>	<b>100.00%</b>	<b>60,851,135</b>	<b>0.0844</b>
<b>* Renewable Resources</b>					<b>6.63%</b>	

## **RENEWABLE ENERGY CERTIFICATES (RECs)**

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

**Table 5**  
**Swift River RECs Summary**  
**Period - January 2013 - December 2013**

	<b>Banked RECs</b>	<b>Projected RECs</b>	<b>Total RECs</b>	<b>Est. Dollars</b>
<b>Woronoco</b>	3,652	1,598	5,250	\$274,437
<b>Pepperell</b>	1,483	1,510	2,993	\$173,594
<b>Indian River</b>	1,251	707	1,958	\$113,564
<b>Turners Falls</b>	1,172	422	1,594	\$0
<b>RECs Sold</b>			4,605	\$245,712
<b>Grand Total</b>	7,558	4,237	16,400	\$807,307

## **TRANSMISSION**

The RMLD's total transmission costs for the month of December were \$805,214. This is an increase of 18.8% from the November transmission cost of \$678,034. In December, 2012 the transmission costs were \$738,628.

**Table 6**

	<b>Current Month</b>	<b>Last Month</b>	<b>Last Year</b>
<b>Peak Demand (kW)</b>	115,912	102,274	108,921
<b>Energy (kWh)</b>	60,841,227	55,217,486	59,364,911
<b>Energy (\$)</b>	\$3,666,453	\$1,738,646	\$2,868,713
<b>Capacity (\$)</b>	\$1,472,126	\$1,805,123	\$1,528,363
<b>Transmission(\$)</b>	\$805,214	\$678,034	\$738,628
<b>Total</b>	\$5,943,794	\$4,221,803	\$5,135,703

## ENERGY EFFICIENCY

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.

Commercial	Year	Capacity Saved (kW)		Energy Saved (kwh)		Total \$		Total		Total \$		Rebate		Rebate/kWh		Rebate/kW		Cost Benefit	
		QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars
Total to date	FY07-13			11,346		46,338,741		1,053,256		259,299		\$ 1,455,819		\$ 0.03		\$ 128.31		\$ 2,190,431	
Current	FY14			433		1,528,893		59,528	\$11.45	76,445	\$ 0.05	\$ 135,870		\$ 0.09		\$ 313.61		\$ 103	
<b>Residential</b>																			
Total to date	FY07-13			1,795		1,593,066		168,790		83,191		\$ 588,591		\$ 0.36		\$ 316.79		\$ (316,610)	
Current	FY14			102		79,834		14,030	\$11.45	3,992	\$ 0.05	\$ 88,615		\$ 1.11		\$ 867.85		\$ (70,594)	
<b>Total</b>																			
Total to date	FY07-13			13,141		47,931,807		1,222,046		2,676,184		\$ 2,049,410		\$ 0.04		\$ 155.96		\$ 1,848,820.24	
Current	FY14			535		1,608,727		73,558	\$11.45	80,436	\$ 0.05	\$ 224,485		\$ 0.14		\$ 419.32		\$ (70,491)	

Table 8 shows the breakdown for residential appliance rebates by type and year.

Table 8																								
Year	Washing Machine		Refrigerator		Dishwasher		Dehumidifier		Central A/C		Window A/C		Thermostat		Audits		Renewable		Air Source Heat Pump		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	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	\$ 19	\$ 1,900	4	\$ 1,000	5	\$ 50
2014	167	\$ 8,350	183	\$ 9,150	139	\$ 6,950	20	\$ 500	27	\$ 2,700	64	\$ 1,600	45	\$ 675	199	\$ 39,800	4	\$ 17,250	\$ 11	\$ 1,100	2	\$ 500	4	\$ 40
total	2227	\$ 111,350	1933	\$ 96,650	1724	\$ 86,200	218	\$ 5,450	274	\$ 27,400	348	\$ 8,700	589	\$ 6,115	1251	\$ 213,331	20	\$ 84,950	30	\$ 3,000	15	\$ 3,750	12	\$ 120



Dt: January 27, 2014

To: RMLB, Coleen O'Brien, Jeanne Foti

Fr: Bob Fournier

**Sj: December 31, 2013 Report**

The results for the first six months ending December 31, 2013, for the fiscal year 2014 will be summarized in the following paragraphs.

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

For the month of December, the net loss or the negative change in net assets was \$1,789,371 decreasing the year to date net income to \$161,162. The year to date budgeted net income was \$2,970,944, resulting in net income being under budget by \$2,809,781 or 94.6%. Actual year to date fuel expenses exceeded fuel revenues by \$234,358.

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

Year to date base revenues were under budget by \$1,121,993 or 4.5%. Actual base revenues were \$23.6 million compared to the budgeted amount of \$24.7 million.

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

\*Year to date purchased power base expense was over budget by \$73,707 or .50%. Actual purchased power base costs were \$14.8 million compared to the budgeted amount of \$14.7 million.

\*Year to date operating and maintenance (O&M) expenses combined were under budget by \$291,051 or 4.5%. Actual O&M expenses were \$6.1 million compared to the budgeted amount of \$6.4 million.

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

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

- \*Operating Fund was at \$10,247,798.
- \* Capital Fund balance was at \$4,555,865.
- \* Rate Stabilization Fund was at \$6,701,132.
- \* Deferred Fuel Fund was at \$2,375,129.
- \* Energy Conservation Fund was at \$411,548.

**5) General Information:**

Year to date kwh sales (Page 5) were 362,553,798 which is 5.4 million kwh or 1.5%, behind last year's actual figure. GAW revenues collected ytd were \$362,332, bringing the total collected since inception to \$2,406,884.

**6) Budget Variance:**

Cumulatively, the five divisions were under budget by \$289,315 or 2.8%.





# **FINANCIAL REPORT**

**DECEMBER 31, 2013**

**ISSUE DATE: JANUARY 28, 2014**



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUSINESS-TYPE PROPRIETARY FUND  
STATEMENT OF NET ASSETS  
12/31/13

		PREVIOUS YEAR	CURRENT YEAR
<b>ASSETS</b>			
<b>CURRENT</b>			
UNRESTRICTED CASH	(SCH A P.9)	11,174,080.97	10,250,798.40
RESTRICTED CASH	(SCH A P.9)	17,677,388.65	17,148,700.97
INVESTMENTS	(SCH A P.9)	0.00	850,000.00
RECEIVABLES, NET	(SCH B P.10)	7,923,202.02	6,856,319.03
PREPAID EXPENSES	(SCH B P.10)	1,989,659.10	1,529,593.74
INVENTORY		1,456,654.48	1,519,286.11
<b>TOTAL CURRENT ASSETS</b>		<u>40,220,985.22</u>	<u>38,154,698.25</u>
<b>NONCURRENT</b>			
INVESTMENT IN ASSOCIATED CO	(SCH C P.2)	46,958.35	31,379.32
CAPITAL ASSETS, NET	(SCH C P.2)	69,851,692.15	69,875,363.39
<b>TOTAL NONCURRENT ASSETS</b>		<u>69,898,650.50</u>	<u>69,906,742.71</u>
<b>TOTAL ASSETS</b>		<u>110,119,635.72</u>	<u>108,061,440.96</u>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
ACCOUNTS PAYABLE		6,467,113.58	5,526,407.06
CUSTOMER DEPOSITS		659,170.42	719,656.51
CUSTOMER ADVANCES FOR CONSTRUCTION		394,781.15	399,624.15
ACCRUED LIABILITIES		1,388,110.36	52,044.21
<b>TOTAL CURRENT LIABILITIES</b>		<u>8,909,175.51</u>	<u>6,697,731.93</u>
<b>NONCURRENT</b>			
ACCRUED EMPLOYEE COMPENSATED ABSENCES		2,986,360.21	2,885,367.88
<b>TOTAL NONCURRENT LIABILITIES</b>		<u>2,986,360.21</u>	<u>2,885,367.88</u>
<b>TOTAL LIABILITIES</b>		<u>11,895,535.72</u>	<u>9,583,099.81</u>
<b>NET ASSETS</b>			
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT		69,851,692.15	69,875,363.39
RESTRICTED FOR DEPRECIATION FUND (P.9)		3,458,260.56	4,555,865.98
UNRESTRICTED		24,914,147.29	24,047,111.78
<b>TOTAL NET ASSETS</b>	(P.3)	<u>98,224,100.00</u>	<u>98,478,341.15</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u>110,119,635.72</u>	<u>108,061,440.96</u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
NONCURRENT ASSET SCHEDULE  
12/31/13

SCHEDULE C

	PREVIOUS YEAR	CURRENT YEAR
SCHEDULE OF INVESTMENTS IN ASSOCIATED COMPANIES		
NEW ENGLAND HYDRO ELECTRIC	2,975.74	3,261.87
NEW ENGLAND HYDRO TRANSMISSION	43,982.61	28,117.45
TOTAL INVESTMENTS IN ASSOCIATED COMPANIES	<u>46,958.35</u>	<u>31,379.32</u>
 SCHEDULE OF CAPITAL ASSETS		
LAND	1,265,842.23	1,265,842.23
STRUCTURES AND IMPROVEMENTS	6,762,569.28	6,430,835.66
EQUIPMENT AND FURNISHINGS	13,008,885.40	12,562,608.11
INFRASTRUCTURE	<u>48,814,395.24</u>	<u>49,616,077.39</u>
TOTAL CAPITAL ASSETS, NET	<u>69,851,692.15</u>	<u>69,875,363.39</u>
 TOTAL NONCURRENT ASSETS	<u>69,898,650.50</u>	<u>69,906,742.71</u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUSINESS-TYPE PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
12/31/13

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
OPERATING REVENUES: (SCH D P.11)					
BASE REVENUE	3,553,437.52	3,407,106.78	23,799,712.30	23,596,135.94	-0.86%
FUEL REVENUE	2,987,105.82	2,053,822.16	18,010,954.68	15,837,781.93	-12.07%
PURCHASED POWER CAPACITY	164,559.67	29,218.12	1,114,191.34	164,733.73	-85.21%
FORFEITED DISCOUNTS	73,051.41	88,653.57	510,820.16	461,368.36	-9.68%
ENERGY CONSERVATION REVENUE	53,466.50	61,730.97	362,244.05	356,854.83	-1.49%
GAW REVENUE	54,323.79	51,361.77	367,799.21	362,332.15	-1.49%
NYPA CREDIT	(68,965.36)	(45,701.57)	(293,264.30)	(272,672.30)	-7.02%
<b>TOTAL OPERATING REVENUES</b>	<b>6,816,979.35</b>	<b>5,646,191.80</b>	<b>43,872,457.44</b>	<b>40,506,534.64</b>	<b>-7.67%</b>
OPERATING EXPENSES: (SCH E P.12)					
PURCHASED POWER BASE	2,268,056.90	2,293,610.22	14,443,198.80	14,800,423.31	2.47%
PURCHASED POWER FUEL	2,868,712.69	3,666,453.24	18,015,541.22	15,799,467.37	-12.30%
OPERATING	842,340.12	628,919.09	4,943,799.84	4,775,785.43	-3.40%
MAINTENANCE	233,815.92	231,917.37	1,252,805.90	1,392,435.79	11.15%
DEPRECIATION	305,469.18	314,969.55	1,832,815.08	1,889,817.30	3.11%
VOLUNTARY PAYMENTS TO TOWNS	107,383.00	115,183.65	677,383.00	698,517.00	3.12%
<b>TOTAL OPERATING EXPENSES</b>	<b>6,625,777.81</b>	<b>7,251,053.12</b>	<b>41,165,543.84</b>	<b>39,356,446.20</b>	<b>-4.39%</b>
<b>OPERATING INCOME</b>	<b>191,201.54</b>	<b>(1,604,861.32)</b>	<b>2,706,913.60</b>	<b>1,150,088.44</b>	<b>-57.51%</b>
NONOPERATING REVENUES (EXPENSES)					
CONTRIBUTIONS IN AID OF CONST	0.00	0.00	46,478.95	23,066.88	-50.37%
RETURN ON INVESTMENT TO READING	(188,785.60)	(191,768.41)	(1,132,713.50)	(1,150,610.50)	1.58%
INTEREST INCOME	2,466.56	5,819.92	17,274.18	23,380.78	35.35%
INTEREST EXPENSE	(1,317.73)	(1,394.32)	(2,607.85)	(2,685.91)	2.99%
OTHER (MDSE AND AMORT)	2,127.00	2,833.00	54,694.63	117,922.67	115.60%
<b>TOTAL NONOPERATING REV (EXP)</b>	<b>(185,509.77)</b>	<b>(184,509.81)</b>	<b>(1,016,873.59)</b>	<b>(988,926.08)</b>	<b>-2.75%</b>
<b>CHANGE IN NET ASSETS</b>	<b>5,691.77</b>	<b>(1,789,371.13)</b>	<b>1,690,040.01</b>	<b>161,162.36</b>	<b>-90.46%</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>			<b>96,534,059.99</b>	<b>98,317,178.79</b>	<b>1.85%</b>
<b>NET ASSETS AT END OF DECEMBER</b>			<b>98,224,100.00</b>	<b>98,478,341.15</b>	<b>0.26%</b>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUSINESS-TYPE PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
12/31/13

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	23,596,135.94	24,718,129.00	(1,121,993.06)	-4.54%
FUEL REVENUE	15,837,781.93	17,128,980.00	(1,291,198.07)	-7.54%
PURCHASED POWER CAPACITY	164,733.73	552,607.00	(387,873.27)	-70.19%
FORFEITED DISCOUNTS	461,368.36	543,799.00	(82,430.64)	-15.16%
ENERGY CONSERVATION REVENUE	356,854.83	371,928.00	(15,073.17)	-4.05%
GAW REVENUE	362,332.15	371,928.00	(9,595.85)	-2.58%
NYPA CREDIT	(272,672.30)	(349,998.00)	77,325.70	-22.09%
<b>TOTAL OPERATING REVENUES</b>	<b>40,506,534.64</b>	<b>43,337,373.00</b>	<b>(2,830,838.36)</b>	<b>-6.53%</b>
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	14,800,423.31	14,726,716.00	73,707.31	0.50%
PURCHASED POWER FUEL	15,799,467.37	15,685,546.00	113,921.37	0.73%
OPERATING MAINTENANCE	4,775,785.43	4,853,919.00	(78,133.57)	-1.61%
DEPRECIATION	1,392,435.79	1,605,354.00	(212,918.21)	-13.26%
VOLUNTARY PAYMENTS TO TOWNS	1,889,817.30	1,887,600.00	2,217.30	0.12%
	698,517.00	699,996.00	(1,479.00)	-0.21%
<b>TOTAL OPERATING EXPENSES</b>	<b>39,356,446.20</b>	<b>39,459,131.00</b>	<b>(102,684.80)</b>	<b>-0.26%</b>
<b>OPERATING INCOME</b>	<b>1,150,088.44</b>	<b>3,878,242.00</b>	<b>(2,728,153.56)</b>	<b>-70.35%</b>
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	23,066.88	100,000.00	(76,933.12)	-76.93%
RETURN ON INVESTMENT TO READING	(1,150,610.50)	(1,150,800.00)	189.50	-0.02%
INTEREST INCOME	23,380.78	25,002.00	(1,621.22)	-6.48%
INTEREST EXPENSE	(2,685.91)	(1,500.00)	(1,185.91)	79.06%
OTHER (MDSE AND AMORT)	117,922.67	120,000.00	(2,077.33)	-1.73%
<b>TOTAL NONOPERATING REV (EXP)</b>	<b>(988,926.08)</b>	<b>(907,298.00)</b>	<b>(81,628.08)</b>	<b>9.00%</b>
<b>CHANGE IN NET ASSETS</b>	<b>161,162.36</b>	<b>2,970,944.00</b>	<b>(2,809,781.64)</b>	<b>-94.58%</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>98,317,178.79</b>	<b>98,317,178.79</b>	<b>0.00</b>	<b>0.00%</b>
<b>NET ASSETS AT END OF DECEMBER</b>	<b>98,478,341.15</b>	<b>101,288,122.79</b>	<b>(2,809,781.64)</b>	<b>-2.77%</b>

\* ( ) = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
RECONCILIATION OF CAPITAL FUNDS  
12/31/13

SOURCE OF CAPITAL FUNDS:

DEPRECIATION FUND BALANCE 7/1/13	2,733,146.78
CONSTRUCTION FUND BALANCE 7/1/13	1,500,000.00
INTEREST ON DEPRECIATION FUND FY 14	3,664.98
DEPRECIATION TRANSFER FY 14	<u>1,889,817.30</u>
TOTAL SOURCE OF CAPITAL FUNDS	6,126,629.06

USE OF CAPITAL FUNDS:

LESS PAID ADDITIONS TO PLANT THRU DECEMBER	1,570,763.08
GENERAL LEDGER CAPITAL FUNDS BALANCE 12/31/13	<u><u>4,555,865.98</u></u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SALES OF KILOWATT HOURS  
12/31/13

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	20,523,493	19,444,759	137,688,875	136,078,198	-1.17%
COMM. AND INDUSTRIAL SALES	31,171,712	29,616,270	215,145,891	211,200,809	-1.83%
PRIVATE STREET LIGHTING	73,981	75,285	439,836	446,206	1.45%
<b>TOTAL PRIVATE CONSUMERS</b>	<u>51,769,186</u>	<u>49,136,314</u>	<u>353,274,602</u>	<u>347,725,213</u>	-1.57%
 MUNICIPAL SALES:					
STREET LIGHTING	238,739	240,021	1,427,862	1,438,286	0.73%
MUNICIPAL BUILDINGS	774,496	767,060	4,810,821	4,721,667	-1.85%
<b>TOTAL MUNICIPAL CONSUMERS</b>	<u>1,013,235</u>	<u>1,007,081</u>	<u>6,238,683</u>	<u>6,159,953</u>	-1.26%
SALES FOR RESALE	230,686	196,018	1,808,233	1,784,940	-1.29%
SCHOOL	1,297,382	1,257,107	6,605,841	6,883,692	4.21%
<b>TOTAL KILOWATT HOURS SOLD</b>	<u>54,310,489</u>	<u>51,596,520</u>	<u>367,927,359</u>	<u>362,553,798</u>	-1.46%



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
KILOWATT HOURS SOLD BY TOWN  
12/31/13

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	19,444,759	5,821,370	2,841,844	4,317,459	6,464,086
COMM & IND	29,616,270	3,626,678	259,959	4,088,551	21,641,082
PVT ST LIGHTS	75,285	13,129	1,470	22,468	38,218
PUB ST LIGHTS	240,021	80,702	32,500	42,132	84,687
MUNI BLDGS	767,060	228,172	152,669	116,864	269,355
SALES/RESALE	196,018	196,018	0	0	0
SCHOOL	1,257,107	421,572	288,125	160,320	387,090
TOTAL	<u>51,596,520</u>	<u>10,387,641</u>	<u>3,576,567</u>	<u>8,747,794</u>	<u>28,884,518</u>

YEAR TO DATE

RESIDENTIAL	136,078,198	42,364,763	19,578,083	31,553,350	42,582,002
COMM & IND	211,200,809	25,831,508	1,718,672	32,421,331	151,229,298
PVT ST LIGHTS	446,206	78,774	8,270	133,298	225,864
PUB ST LIGHTS	1,438,286	484,032	195,000	251,232	508,022
MUNI BLDGS	4,721,667	1,172,195	946,931	890,094	1,712,447
SALES/RESALE	1,784,940	1,784,940	0	0	0
SCHOOL	6,883,692	2,477,598	1,582,622	824,360	1,999,112
TOTAL	<u>362,553,798</u>	<u>74,193,810</u>	<u>24,029,578</u>	<u>66,073,665</u>	<u>198,256,745</u>

LAST YEAR  
TO DATE

RESIDENTIAL	137,688,875	42,694,379	20,030,501	31,932,213	43,031,782
COMM & IND	215,145,891	26,622,060	1,647,273	33,112,087	153,764,471
PVT ST LIGHTS	439,836	81,510	8,160	128,292	221,874
PUB ST LIGHTS	1,427,862	483,216	194,960	242,524	507,162
MUNI BLDGS	4,810,821	1,141,751	857,999	991,280	1,819,791
SALES/RESALE	1,808,233	1,808,233	0	0	0
SCHOOL	6,605,841	2,336,285	1,445,590	828,800	1,995,166
TOTAL	<u>367,927,359</u>	<u>75,167,434</u>	<u>24,184,483</u>	<u>67,235,196</u>	<u>201,340,246</u>

KILOWATT HOURS SOLD TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	37.69%	11.28%	5.51%	8.37%	12.53%
COMM & IND	57.39%	7.03%	0.50%	7.92%	41.94%
PVT ST LIGHTS	0.14%	0.03%	0.00%	0.04%	0.07%
PUB ST LIGHTS	0.47%	0.16%	0.06%	0.08%	0.17%
MUNI BLDGS	1.49%	0.44%	0.30%	0.23%	0.52%
SALES/RESALE	0.38%	0.38%	0.00%	0.00%	0.00%
SCHOOL	2.44%	0.82%	0.56%	0.31%	0.75%
TOTAL	<u>100.00%</u>	<u>20.14%</u>	<u>6.93%</u>	<u>16.95%</u>	<u>55.98%</u>

YEAR TO DATE

RESIDENTIAL	37.54%	11.69%	5.40%	8.70%	11.75%
COMM & IND	58.25%	7.12%	0.47%	8.94%	41.72%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
PUB ST LIGHTS	0.40%	0.13%	0.05%	0.07%	0.15%
MUNI BLDGS	1.30%	0.32%	0.26%	0.25%	0.47%
SALES/RESALE	0.49%	0.49%	0.00%	0.00%	0.00%
SCHOOL	1.90%	0.68%	0.44%	0.23%	0.55%
TOTAL	<u>100.00%</u>	<u>20.45%</u>	<u>6.62%</u>	<u>18.23%</u>	<u>54.70%</u>

LAST YEAR  
TO DATE

RESIDENTIAL	37.42%	11.60%	5.44%	8.68%	11.70%
COMM & IND	58.48%	7.24%	0.45%	9.00%	41.79%
PVT ST LIGHTS	0.11%	0.02%	0.00%	0.03%	0.06%
PUB ST LIGHTS	0.39%	0.13%	0.05%	0.07%	0.14%
MUNI BLDGS	1.31%	0.31%	0.23%	0.27%	0.50%
SALES/RESALE	0.49%	0.49%	0.00%	0.00%	0.00%
SCHOOL	1.80%	0.63%	0.39%	0.23%	0.55%
TOTAL	<u>100.00%</u>	<u>20.42%</u>	<u>6.56%</u>	<u>18.28%</u>	<u>54.74%</u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
FORMULA INCOME  
12/31/13

TOTAL OPERATING REVENUES	(P.3)	40,506,534.64
ADD:		
POLE RENTAL		77,296.08
INTEREST INCOME ON CUSTOMER DEPOSITS		893.87
LESS:		
OPERATING EXPENSES	(P.3)	(39,356,446.20)
CUSTOMER DEPOSIT INTEREST EXPENSE		(2,685.91)
FORMULA INCOME (LOSS)		<u><u>1,225,592.48</u></u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
GENERAL STATISTICS  
12/31/13

		MONTH OF DEC 2012	MONTH OF DEC 2013	% CHANGE		YEAR DEC 2012	THRU DEC 2013
				2012	2013		
SALE OF KWH	(P.5)	54,310,489	51,596,520	1.43%	-1.46%	367,927,359	362,553,798
KWH PURCHASED		59,364,911	60,841,227	2.37%	-1.76%	382,882,746	376,133,944
AVE BASE COST PER KWH		0.038205	0.037698	8.84%	4.31%	0.037722	0.039349
AVE BASE SALE PER KWH		0.065428	0.066034	-0.30%	0.61%	0.064686	0.065083
AVE COST PER KWH		0.086529	0.097961	-2.05%	-4.04%	0.084775	0.081354
AVE SALE PER KWH		0.120429	0.105839	-4.05%	-4.29%	0.113638	0.108767
FUEL CHARGE REVENUE (P.3)		2,987,105.82	2,053,822.16	-7.29%	-12.07%	18,010,954.68	15,837,781.93
LOAD FACTOR		74.66%	71.90%				
LOAD		108,921	115,912				

# kwh analysis

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

\$0.085

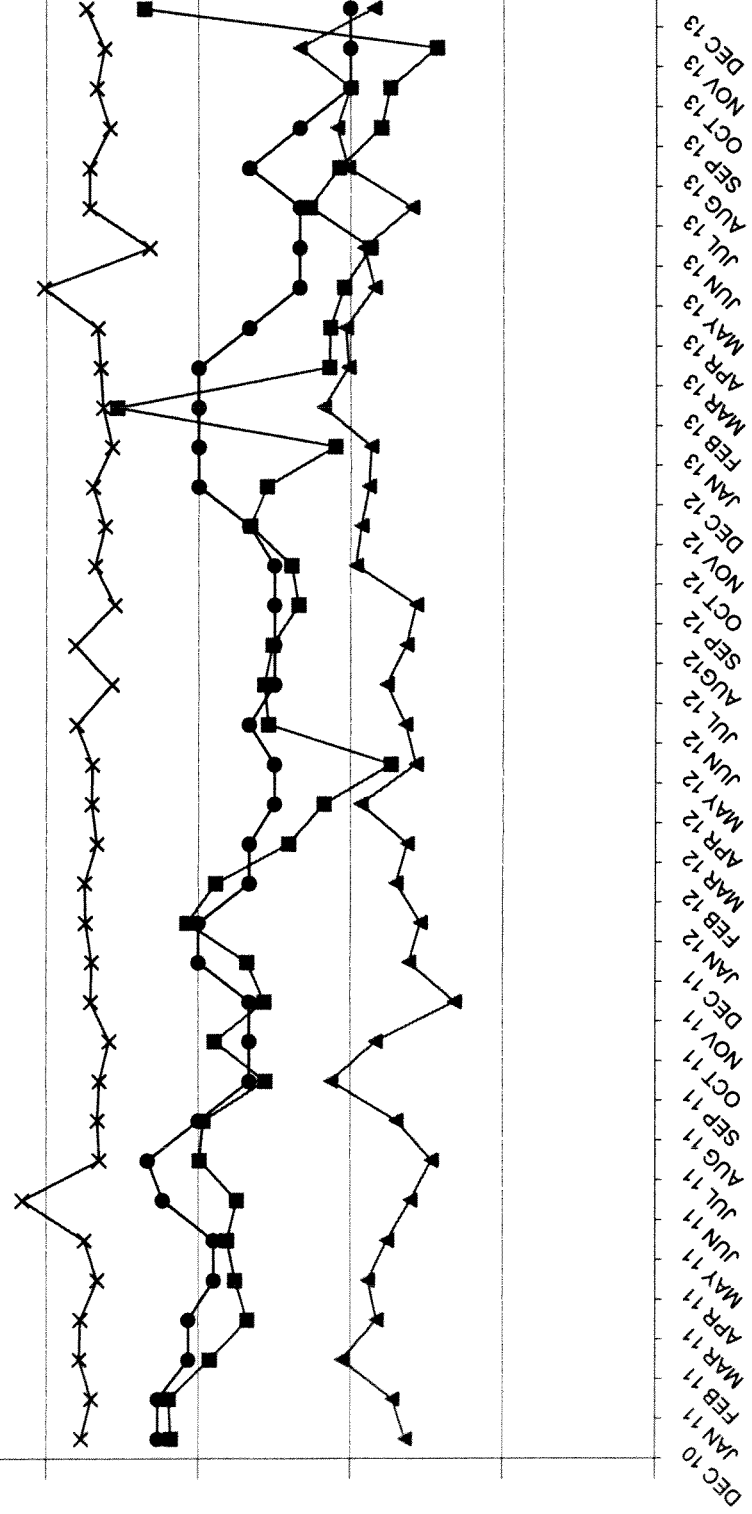
\$0.070

\$0.055

\$0.040

\$0.025

\$0.010



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF CASH AND INVESTMENTS  
12/31/13

SCHEDULE A

	PREVIOUS YEAR	CURRENT YEAR
UNRESTRICTED CASH		
CASH - OPERATING FUND	11,171,080.97	10,247,798.40
CASH - PETTY CASH	3,000.00	3,000.00
TOTAL UNRESTRICTED CASH	<u>11,174,080.97</u>	<u>10,250,798.40</u>
RESTRICTED CASH		
CASH - DEPRECIATION FUND	3,458,260.56	4,555,865.98
CASH - DEFERRED FUEL RESERVE	1,972,193.64	2,375,129.64
CASH - RATE STABILIZATION FUND	6,686,773.58	6,701,132.09
CASH - UNCOLLECTIBLE ACCTS RESERVE	200,000.00	200,000.00
CASH - SICK LEAVE BENEFITS	2,986,360.21	2,035,367.88
CASH - HAZARD WASTE RESERVE	150,000.00	150,000.00
CASH - CUSTOMER DEPOSITS	659,170.42	719,656.51
CASH - ENERGY CONSERVATION	218,231.21	411,548.87
CASH - OPEB	1,346,399.03	0.00
TOTAL RESTRICTED CASH	<u>17,677,388.65</u>	<u>17,148,700.97</u>
INVESTMENTS		
SICK LEAVE BUYBACK	<u>0.00</u>	<u>850,000.00</u>
TOTAL CASH BALANCE	<u>28,851,469.62</u>	<u>28,249,499.37</u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF ACCOUNTS RECEIVABLE  
12/31/13

SCHEDULE B

SCHEDULE OF ACCOUNTS RECEIVABLE	PREVIOUS YEAR	CURRENT YEAR
RESIDENTIAL AND COMMERCIAL	3,355,859.22	2,970,327.56
ACCOUNTS RECEIVABLE - OTHER	136,408.86	174,697.25
ACCOUNTS RECEIVABLE - LIENS	46,198.20	37,169.47
ACCOUNTS RECEIVABLE - EMPLOYEE ADVANCES	892.14	892.14
SALES DISCOUNT LIABILITY	(278,023.29)	(256,649.05)
RESERVE FOR UNCOLLECTIBLE ACCOUNTS	<u>(254,069.94)</u>	<u>(228,140.84)</u>
TOTAL ACCOUNTS RECEIVABLE BILLED	3,007,265.19	2,698,296.53
UNBILLED ACCOUNTS RECEIVABLE	4,915,936.83	4,158,022.50
TOTAL ACCOUNTS RECEIVABLE, NET	<u><u>7,923,202.02</u></u>	<u><u>6,856,319.03</u></u>

SCHEDULE OF PREPAYMENTS

PREPAID INSURANCE	1,317,946.94	1,301,586.22
PREPAYMENT PURCHASED POWER	230,424.89	(182,311.68)
PREPAYMENT NYPA	241,849.32	242,260.90
PREPAYMENT WATSON	184,914.25	153,534.60
PURCHASED POWER WORKING CAPITAL	14,523.70	14,523.70
TOTAL PREPAYMENT	<u><u>1,989,659.10</u></u>	<u><u>1,529,593.74</u></u>

ACCOUNTS RECEIVABLE AGING DECEMBER 2013:

RESIDENTIAL AND COMMERCIAL	2,970,327.56
LESS: SALES DISCOUNT LIABILITY	<u>(256,649.05)</u>
GENERAL LEDGER BALANCE	<u><u>2,713,678.51</u></u>

CURRENT	2,244,131.09	82.70%
30 DAYS	292,202.96	10.77%
60 DAYS	89,396.23	3.29%
90 DAYS	45,283.42	1.67%
OVER 90 DAYS	<u>42,664.81</u>	<u>1.57%</u>
TOTAL	<u><u>2,713,678.51</u></u>	<u><u>100.00%</u></u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF OPERATING REVENUE  
12/31/13

SCHEDULE D

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
<b>SALES OF ELECTRICITY:</b>					
RESIDENTIAL SALES	2,729,606.47	2,304,281.88	17,433,342.06	16,596,559.56	-4.80%
COMM AND INDUSTRIAL SALES	3,503,166.95	2,894,470.89	22,663,569.84	21,194,792.60	-6.48%
PRIVATE STREET LIGHTING	6,312.61	5,310.21	34,976.18	32,996.98	-5.66%
<b>TOTAL PRIVATE CONSUMERS</b>	<b>6,239,086.03</b>	<b>5,204,062.98</b>	<b>40,131,888.08</b>	<b>37,824,349.14</b>	<b>-5.75%</b>
<b>MUNICIPAL SALES:</b>					
STREET LIGHTING	29,316.83	25,915.65	169,102.13	160,116.25	-5.31%
MUNICIPAL BUILDINGS	94,302.63	82,592.19	556,189.90	522,497.85	-6.06%
<b>TOTAL MUNICIPAL CONSUMERS</b>	<b>123,619.46</b>	<b>108,507.84</b>	<b>725,292.03</b>	<b>682,614.10</b>	<b>-5.88%</b>
<b>SALES FOR RESALE</b>	<b>28,558.73</b>	<b>21,353.23</b>	<b>212,524.20</b>	<b>201,562.25</b>	<b>-5.16%</b>
<b>SCHOOL</b>	<b>149,279.12</b>	<b>127,004.89</b>	<b>740,962.67</b>	<b>725,392.38</b>	<b>-2.10%</b>
<b>SUB-TOTAL</b>	<b>6,540,543.34</b>	<b>5,460,928.94</b>	<b>41,810,666.98</b>	<b>39,433,917.87</b>	<b>-5.68%</b>
<b>FORFEITED DISCOUNTS</b>	<b>73,051.41</b>	<b>88,653.57</b>	<b>510,820.16</b>	<b>461,368.36</b>	<b>-9.68%</b>
<b>PURCHASED POWER CAPACITY</b>	<b>164,559.67</b>	<b>29,218.12</b>	<b>1,114,191.34</b>	<b>164,733.73</b>	<b>-85.21%</b>
<b>ENERGY CONSERVATION - RESIDENTIAL</b>	<b>20,537.34</b>	<b>19,456.48</b>	<b>137,763.53</b>	<b>136,150.72</b>	<b>-1.17%</b>
<b>ENERGY CONSERVATION - COMMERCIAL</b>	<b>32,929.16</b>	<b>42,274.49</b>	<b>224,480.52</b>	<b>220,704.11</b>	<b>-1.68%</b>
<b>GAW REVENUE</b>	<b>54,323.79</b>	<b>51,361.77</b>	<b>367,799.21</b>	<b>362,332.15</b>	<b>-1.49%</b>
<b>NYPA CREDIT</b>	<b>(68,965.36)</b>	<b>(45,701.57)</b>	<b>(293,264.30)</b>	<b>(272,672.30)</b>	<b>-7.02%</b>
<b>TOTAL REVENUE</b>	<b>6,816,979.35</b>	<b>5,646,191.80</b>	<b>43,872,457.44</b>	<b>40,506,534.64</b>	<b>-7.67%</b>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF OPERATING REVENUE BY TOWN  
12/31/13

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	2,304,281.88	694,253.90	334,516.40	511,468.98	764,042.60
INDUS/MUNI BLDG	2,977,063.08	413,246.20	44,625.15	443,897.35	2,075,294.38
PUB. ST. LIGHTS	25,915.65	8,409.03	3,316.03	4,621.45	9,569.14
PRV. ST. LIGHTS	5,310.21	913.53	100.44	1,646.32	2,649.92
CO-OP RESALE	21,353.23	21,353.23	0.00	0.00	0.00
SCHOOL	127,004.89	43,271.25	28,296.11	16,792.12	38,645.41
TOTAL	<u>5,460,928.94</u>	<u>1,181,447.14</u>	<u>410,854.13</u>	<u>978,426.22</u>	<u>2,890,201.45</u>

THIS YEAR TO DATE

RESIDENTIAL	16,596,559.56	5,193,848.19	2,374,662.43	3,848,620.33	5,179,428.61
INDUS/MUNI BLDG	21,717,290.45	2,920,532.11	292,158.92	3,457,590.47	15,047,008.95
PUB. ST. LIGHTS	160,116.25	52,046.58	20,548.13	28,422.34	59,099.20
PRV. ST. LIGHTS	32,996.98	5,765.57	599.63	10,212.97	16,418.81
CO-OP RESALE	201,562.25	201,562.25	0.00	0.00	0.00
SCHOOL	725,392.38	262,793.76	163,641.43	89,980.61	208,976.58
TOTAL	<u>39,433,917.87</u>	<u>8,636,548.46</u>	<u>2,851,610.52</u>	<u>7,434,826.73</u>	<u>20,510,932.16</u>

LAST YEAR TO DATE

RESIDENTIAL	17,433,342.06	5,427,399.50	2,520,672.58	4,038,048.41	5,447,221.57
INDUS/MUNI BLDG	23,219,759.74	3,130,326.92	287,025.32	3,699,297.06	16,103,110.44
PUB. ST. LIGHTS	169,102.13	54,663.12	21,629.72	31,007.29	61,802.00
PRV. ST. LIGHTS	34,976.18	6,392.22	639.08	10,564.41	17,380.47
CO-OP RESALE	212,524.20	212,524.20	0.00	0.00	0.00
SCHOOL	740,962.67	264,439.69	160,141.19	95,717.76	220,664.03
TOTAL	<u>41,810,666.98</u>	<u>9,095,745.65</u>	<u>2,990,107.89</u>	<u>7,874,634.93</u>	<u>21,850,178.51</u>

PERCENTAGE OF OPERATING INCOME TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	42.20%	12.71%	6.13%	9.37%	13.99%
INDUS/MUNI BLDG	54.51%	7.57%	0.82%	8.13%	37.99%
PUB. ST. LIGHTS	0.47%	0.15%	0.06%	0.08%	0.18%
PRV. ST. LIGHTS	0.10%	0.02%	0.00%	0.03%	0.05%
CO-OP RESALE	0.39%	0.39%	0.00%	0.00%	0.00%
SCHOOL	2.33%	0.79%	0.52%	0.31%	0.71%
TOTAL	<u>100.00%</u>	<u>21.63%</u>	<u>7.53%</u>	<u>17.92%</u>	<u>52.92%</u>

THIS YEAR TO DATE

RESIDENTIAL	42.09%	13.17%	6.02%	9.76%	13.14%
INDUS/MUNI BLDG	55.07%	7.41%	0.74%	8.77%	38.15%
PUB. ST. LIGHTS	0.41%	0.13%	0.05%	0.07%	0.16%
PRV. ST. LIGHTS	0.08%	0.01%	0.00%	0.03%	0.04%
CO-OP RESALE	0.51%	0.51%	0.00%	0.00%	0.00%
SCHOOL	1.84%	0.67%	0.41%	0.23%	0.53%
TOTAL	<u>100.00%</u>	<u>21.90%</u>	<u>7.22%</u>	<u>18.86%</u>	<u>52.02%</u>

LAST YEAR TO DATE

RESIDENTIAL	41.70%	12.98%	6.03%	9.66%	13.03%
INDUS/MUNI BLDG	55.54%	7.49%	0.69%	8.85%	38.51%
PUB. ST. LIGHTS	0.40%	0.13%	0.05%	0.07%	0.15%
PRV. ST. LIGHTS	0.08%	0.02%	0.00%	0.03%	0.03%
CO-OP RESALE	0.51%	0.51%	0.00%	0.00%	0.00%
SCHOOL	1.77%	0.63%	0.38%	0.23%	0.53%
TOTAL	<u>100.00%</u>	<u>21.76%</u>	<u>7.15%</u>	<u>18.84%</u>	<u>52.25%</u>



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUDGETED REVENUE VARIANCE REPORT  
12/31/13

SCHEDULE F

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
SALES OF ELECTRICITY:				
RESIDENTIAL	10,616,317.06	11,172,639.00	(556,321.94)	-4.98%
COMM AND INDUSTRIAL SALES				
PRIVATE STREET LIGHTING	12,328,303.01	12,878,525.00	(550,221.99)	-4.27%
MUNICIPAL BUILDINGS				
PUBLIC STREET LIGHTING	97,794.74	99,950.00	(2,155.26)	-2.16%
SALES FOR RESALE	123,159.92	148,263.00	(25,103.08)	-16.93%
SCHOOL	<u>430,561.21</u>	<u>418,752.00</u>	<u>11,809.21</u>	2.82%
TOTAL BASE SALES	23,596,135.94	24,718,129.00	(1,121,993.06)	-4.54%
TOTAL FUEL SALES	<u>15,837,781.93</u>	<u>17,128,980.00</u>	<u>(1,291,198.07)</u>	-7.54%
TOTAL OPERATING REVENUE	39,433,917.87	41,847,109.00	(2,413,191.13)	-5.77%
FORFEITED DISCOUNTS	461,368.36	543,799.00	(82,430.64)	-15.16%
PURCHASED POWER CAPACITY	164,733.73	552,607.00	(387,873.27)	-70.19%
ENERGY CONSERVATION - RESIDENTIAL	136,150.72	138,689.00	(2,538.28)	-1.83%
ENERGY CONSERVATION - COMMERCIAL	220,704.11	233,239.00	(12,534.89)	-5.37%
GAW REVENUE	362,332.15	371,928.00	(9,595.85)	-2.58%
PASNY CREDIT	(272,672.30)	(349,998.00)	77,325.70	-22.09%
TOTAL OPERATING REVENUES	<u>40,506,534.64</u>	<u>43,337,373.00</u>	<u>(2,830,838.36)</u>	-6.53%

\* ( ) = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF OPERATING EXPENSES  
12/31/13

SCHEDULE E

OPERATION EXPENSES:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
PURCHASED POWER BASE EXPENSE	<u>2,268,056.90</u>	<u>2,293,610.22</u>	<u>14,443,198.80</u>	<u>14,800,423.31</u>	2.47%
OPERATION SUP AND ENGINEERING EXP	36,686.24	39,095.46	259,584.04	257,164.91	-0.93%
STATION SUP LABOR AND MISC	2,107.19	8,481.58	36,396.42	54,298.17	49.19%
LINE MISC LABOR AND EXPENSE	63,980.57	76,771.06	338,015.00	381,212.33	12.78%
STATION LABOR AND EXPENSE	38,082.30	38,488.54	273,878.81	249,717.13	-8.82%
STREET LIGHTING EXPENSE	8,139.05	6,094.62	39,078.71	36,602.86	-6.34%
METER EXPENSE	14,166.04	18,399.52	92,169.77	103,874.05	12.70%
MISC DISTRIBUTION EXPENSE	28,025.96	33,668.17	170,903.21	174,751.63	2.25%
METER READING LABOR & EXPENSE	6,867.90	1,707.63	45,286.59	15,236.98	-66.35%
ACCT & COLL LABOR & EXPENSE	136,721.81	132,397.95	755,193.40	760,121.83	0.65%
UNCOLLECTIBLE ACCOUNTS	8,333.33	10,500.00	49,999.98	63,000.00	26.00%
ENERGY AUDIT EXPENSE	35,891.84	32,763.47	234,891.04	216,549.81	-7.81%
ADMIN & GEN SALARIES	65,415.46	65,872.59	379,930.17	430,365.11	13.27%
OFFICE SUPPLIES & EXPENSE	19,916.46	24,842.59	118,339.90	137,227.11	15.96%
OUTSIDE SERVICES	16,089.47	55,789.68	199,101.09	208,516.70	4.73%
PROPERTY INSURANCE	31,678.32	29,925.89	190,317.42	179,555.99	-5.65%
INJURIES AND DAMAGES	3,940.15	3,384.53	23,202.29	19,803.15	-14.65%
EMPLOYEES PENSIONS & BENEFITS	272,348.48	(71,993.48)	1,096,174.21	1,059,076.00	-3.38%
MISC GENERAL EXPENSE	17,819.61	25,781.43	100,413.74	98,406.29	-2.00%
RENT EXPENSE	13,827.16	13,786.36	103,750.18	95,835.68	-7.63%
ENERGY CONSERVATION	22,302.78	83,161.50	437,173.87	234,469.70	-46.37%
TOTAL OPERATION EXPENSES	<u>842,340.12</u>	<u>628,919.09</u>	<u>4,943,799.84</u>	<u>4,775,785.43</u>	-3.40%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	227.00	227.10	1,362.50	1,362.50	0.00%
MAINT OF STRUCT AND EQUIPMT	10,836.54	13,825.02	65,231.98	91,852.94	40.81%
MAINT OF LINES - OH	135,935.15	153,912.28	764,349.42	799,319.22	4.58%
MAINT OF LINES - UG	19,639.61	13,433.93	78,872.00	90,673.27	14.96%
MAINT OF LINE TRANSFORMERS	14,483.32	421.52	33,987.15	85,797.53	0.00%
MAINT OF ST LT & SIG SYSTEM	(5.67)	(17.77)	(250.07)	(404.41)	61.72%
MAINT OF GARAGE AND STOCKROOM	43,061.80	40,654.54	238,782.38	242,616.46	1.61%
MAINT OF METERS	1,106.94	263.66	18,897.55	10,420.67	-44.86%
MAINT OF GEN PLANT	8,531.23	9,197.09	51,572.99	70,797.61	37.28%
TOTAL MAINTENANCE EXPENSES	<u>233,815.92</u>	<u>231,917.37</u>	<u>1,252,805.90</u>	<u>1,392,435.79</u>	11.15%
DEPRECIATION EXPENSE	305,469.18	314,969.55	1,832,815.08	1,889,817.30	3.11%
PURCHASED POWER FUEL EXPENSE	2,868,712.69	3,666,453.24	18,015,541.22	15,799,467.37	-12.30%
VOLUNTARY PAYMENTS TO TOWNS	107,383.00	115,183.65	677,383.00	698,517.00	3.12%
TOTAL OPERATING EXPENSES	<u>6,625,777.81</u>	<u>7,251,053.12</u>	<u>41,165,543.84</u>	<u>39,356,446.20</u>	-4.39%

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUDGETED OPERATING EXPENSE VARIANCE REPORT  
12/31/13

SCHEDULE G

OPERATION EXPENSES:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
PURCHASED POWER BASE EXPENSE	14,800,423.31	14,726,716.00	73,707.31	0.50%
OPERATION SUP AND ENGINEERING EXP	257,164.91	233,042.00	24,122.91	10.35%
STATION SUP LABOR AND MISC	54,298.17	44,318.00	9,980.17	22.52%
LINE MISC LABOR AND EXPENSE	381,212.33	376,018.00	5,194.33	1.38%
STATION LABOR AND EXPENSE	249,717.13	219,908.00	29,809.13	13.56%
STREET LIGHTING EXPENSE	36,602.86	45,592.00	(8,989.14)	-19.72%
METER EXPENSE	103,874.05	98,909.00	4,965.05	5.02%
MISC DISTRIBUTION EXPENSE	174,751.63	197,228.00	(22,476.37)	-11.40%
METER READING LABOR & EXPENSE	15,236.98	23,014.00	(7,777.02)	-33.79%
ACCT & COLL LABOR & EXPENSE	760,121.83	777,657.00	(17,535.17)	-2.25%
UNCOLLECTIBLE ACCOUNTS	63,000.00	63,000.00	0.00	0.00%
ENERGY AUDIT EXPENSE	216,549.81	208,491.00	8,058.81	3.87%
ADMIN & GEN SALARIES	430,365.11	395,392.00	34,973.11	8.85%
OFFICE SUPPLIES & EXPENSE	137,227.11	134,100.00	3,127.11	2.33%
OUTSIDE SERVICES	208,516.70	228,904.00	(20,387.30)	-8.91%
PROPERTY INSURANCE	179,555.99	230,250.00	(50,694.01)	-22.02%
INJURIES AND DAMAGES	19,803.15	29,348.00	(9,544.85)	-32.52%
EMPLOYEES PENSIONS & BENEFITS	1,059,076.00	996,148.00	62,928.00	6.32%
MISC GENERAL EXPENSE	98,406.29	128,226.00	(29,819.71)	-23.26%
RENT EXPENSE	95,835.68	106,002.00	(10,166.32)	-9.59%
ENERGY CONSERVATION	234,469.70	318,372.00	(83,902.30)	-26.35%
TOTAL OPERATION EXPENSES	4,775,785.43	4,853,919.00	(78,133.57)	-1.61%
MAINTENANCE EXPENSES:				
MAINT OF TRANSMISSION PLANT	1,362.50	1,500.00	(137.50)	-9.17%
MAINT OF STRUCT AND EQUIPMENT	91,852.94	52,555.00	39,297.94	74.77%
MAINT OF LINES - OH	799,319.22	798,988.00	331.22	0.04%
MAINT OF LINES - UG	90,673.27	242,740.00	(152,066.73)	-62.65%
MAINT OF LINE TRANSFORMERS	85,797.53	80,402.00	5,395.53	6.71%
MAINT OF ST LT & SIG SYSTEM	(404.41)	5,266.00	(5,670.41)	-107.68%
MAINT OF GARAGE AND STOCKROOM	242,616.46	321,669.00	(79,052.54)	-24.58%
MAINT OF METERS	10,420.67	29,832.00	(19,411.33)	-65.07%
MAINT OF GEN PLANT	70,797.61	72,402.00	(1,604.39)	-2.22%
TOTAL MAINTENANCE EXPENSES	1,392,435.79	1,605,354.00	(212,918.21)	-13.26%
DEPRECIATION EXPENSE	1,889,817.30	1,887,600.00	2,217.30	0.12%
PURCHASED POWER FUEL EXPENSE	15,799,467.37	15,685,546.00	113,921.37	0.73%
VOLUNTARY PAYMENTS TO TOWNS	698,517.00	699,996.00	(1,479.00)	-0.21%
TOTAL OPERATING EXPENSES	39,356,446.20	39,459,131.00	(102,684.80)	-0.26%

\* ( ) = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUDGETED OPERATING EXPENSE VARIANCE REPORT  
12/31/13

OPERATION EXPENSES:	RESPONSIBLE SENIOR MANAGER	2014 ANNUAL BUDGET	ACTUAL YEAR TO DATE	REMAINING BUDGET BALANCE	REMAINING BUDGET %
PURCHASED POWER BASE EXPENSE	JP	29,123,336.00	14,800,423.31	14,322,912.69	49.18%
OPERATION SUP AND ENGINEERING EXP	KS	467,978.00	257,164.91	210,813.09	45.05%
STATION SUP LABOR AND MISC	KS	90,088.00	54,298.17	35,789.83	39.73%
LINE MISC LABOR AND EXPENSE	KS	729,521.00	381,212.33	348,308.67	47.74%
STATION LABOR AND EXPENSE	KS	446,308.00	249,717.13	196,590.87	44.05%
STREET LIGHTING EXPENSE	KS	90,729.00	36,602.86	54,126.14	59.66%
METER EXPENSE	KS	218,064.00	103,874.05	114,189.95	52.37%
MISC DISTRIBUTION EXPENSE	KS	396,379.00	174,751.63	221,627.37	55.91%
METER READING LABOR & EXPENSE	KS	46,322.00	15,236.98	31,085.02	67.11%
ACCT & COLL LABOR & EXPENSE	RF	1,570,864.00	760,121.83	810,742.17	51.61%
UNCOLLECTIBLE ACCOUNTS	RF	126,000.00	63,000.00	63,000.00	50.00%
ENERGY AUDIT EXPENSE	JP	416,982.00	216,549.81	200,432.19	48.07%
ADMIN & GEN SALARIES	CO	794,002.00	430,365.11	363,636.89	45.80%
OFFICE SUPPLIES & EXPENSE	CO	268,000.00	137,227.11	130,772.89	48.80%
OUTSIDE SERVICES	CO	419,150.00	208,516.70	210,633.30	50.25%
PROPERTY INSURANCE	KS	460,600.00	179,555.99	281,044.01	61.02%
INJURIES AND DAMAGES	KS	58,206.00	19,803.15	38,402.85	65.98%
EMPLOYEES PENSIONS & BENEFITS	KS	1,870,479.00	1,059,076.00	811,403.00	43.38%
MISC GENERAL EXPENSE	CO	219,695.00	98,406.29	121,288.71	55.21%
RENT EXPENSE	KS	212,000.00	95,835.68	116,164.32	54.79%
ENERGY CONSERVATION	JP	636,761.00	234,469.70	402,291.30	63.18%
TOTAL OPERATION EXPENSES		9,538,128.00	4,775,785.43	4,762,342.57	49.93%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	KS	3,000.00	1,362.50	1,637.50	54.58%
MAINT OF STRUCT AND EQUIPMT	KS	105,738.00	91,852.94	13,885.06	13.13%
MAINT OF LINES - OH	KS	1,604,829.00	799,319.22	805,509.78	50.19%
MAINT OF LINES - UG	KS	485,432.00	90,673.27	394,758.73	81.32%
MAINT OF LINE TRANSFORMERS	KS	160,000.00	85,797.53	74,202.47	46.38%
MAINT OF ST LT & SIG SYSTEM	KS	10,487.00	(404.41)	10,891.41	103.86%
MAINT OF GARAGE AND STOCKROOM	KS	668,507.00	242,616.46	425,890.54	63.71%
MAINT OF METERS	KS	41,160.00	10,420.67	30,739.33	74.68%
MAINT OF GEN PLANT	RF	145,480.00	70,797.61	74,682.39	51.34%
TOTAL MAINTENANCE EXPENSES		3,224,633.00	1,392,435.79	1,832,197.21	56.82%
DEPRECIATION EXPENSE	RF	3,775,200.00	1,889,817.30	1,885,382.70	49.94%
PURCHASED POWER FUEL EXPENSE	JP	31,789,470.00	15,799,467.37	15,990,002.63	50.30%
VOLUNTARY PAYMENTS TO TOWNS	RF	1,400,000.00	698,517.00	701,483.00	50.11%
TOTAL OPERATING EXPENSES		78,850,767.00	39,356,446.20	39,494,320.80	50.09%

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
PROFESSIONAL SERVICES  
12/31/2013

PROFESSIONAL SERVICES BY PROJECT

ITEM	DEPARTMENT	ACTUAL	BUDGET	VARIANCE
1 RMLD AND PENSION TRUST AUDIT FEES	ACCOUNTING	32,500.00	32,250.00	250.00
2 PENSION ACTUARIAL EVALUATION	ACCOUNTING	0.00	0.00	0.00
3 LEGAL- FERC/ISO ISSUES	ENERGY SERVICE	0.00	9,000.00	(9,000.00)
4 LEGAL- POWER SUPPLY ISSUES	ENERGY SERVICE	45,397.74	22,500.00	22,897.74
5 PROFESSIONAL SERVICES	ENERGY SERVICE	6,445.00	12,000.00	(5,555.00)
6 NERC COMPLIANCE AND AUDIT	E & O	8,364.50	7,000.00	1,364.50
7 LEGAL	ENGINEERING	0.00	7,500.00	(7,500.00)
8 LEGAL-GENERAL	GM	71,299.56	75,000.00	(3,700.44)
9 LEGAL SERVICES- OTHER	HR	4,126.43	21,000.00	(16,873.57)
10 LEGAL SERVICES-NEGOTIATIONS	HR	15,947.26	0.00	15,947.26
11 LEGAL SERVICES-ARBITRATION	HR	4,629.73	21,900.00	(17,270.27)
12 LEGAL GENERAL	BLDG. MAINT.	0.00	750.00	(750.00)
13 SURVEY RIGHT OF WAY	BLDG. MAINT.	0.00	2,502.00	(2,502.00)
14 ENVIRONMENTAL	BLDG. MAINT.	0.00	2,502.00	(2,502.00)
15 INSURANCE CONSULTANT	GEN. BENEFIT	0.00	4,998.00	(4,998.00)
16 LEGAL	GEN. BENEFIT	64.60	2,502.00	(2,437.40)
17 LEGAL MATS MGMT	GEN. BENEFIT	950.00	7,500.00	(6,550.00)
18 DSA BASIC CLIENT SERVICE	ENGINEERING	1,249.98	0.00	1,249.98
19 ORGANIZATIONAL STUDY	GM	17,541.90	0.00	17,541.90
TOTAL		208,516.70	228,904.00	(20,387.30)

PROFESSIONAL SERVICES BY VENDOR

	ACTUAL
MELANSON HEATH & COMPANY	32,500.00
UTILITY SERVICES, INC.	7,012.50
DUNCAN AND ALLEN	16,918.81
RUBIN AND RUDMAN	108,523.97
DOBLE ENGINEERING	1,249.98
CHOATE HALL & STEWART	24,703.42
WILLIAM CROWLEY	2,080.00
ENERGY NEW ENGLAND	1,400.00
BERRYDUNN	6,445.00
PLM	2,426.00
HUDSON RIVER ENERGY GROUP	2,249.72
COTTE MANAGEMENT CONSULTING LLC	3,007.30
TOTAL	208,516.70

RMLD  
DEFERRED FUEL CASH RESERVE ANALYSIS  
12/31/13

DATE	GROSS CHARGES	REVENUES	NYPA CREDIT	MONTHLY DEFERRED	TOTAL DEFERRED
Jun-13					2,609,487.38
Jul-13	3,464,349.32	2,953,072.91	(53,841.00)	(565,117.41)	2,044,369.97
Aug-13	2,767,250.13	3,385,440.39	(33,645.12)	584,545.14	2,628,915.11
Sep-13	2,168,234.24	3,096,134.62	(61,811.13)	866,089.25	3,495,004.36
Oct-13	1,994,534.42	2,147,543.67	(23,964.99)	129,044.26	3,624,048.62
Nov-13	1,738,646.02	2,201,768.18	(53,708.49)	409,413.67	4,033,462.29
Dec-13	3,666,453.24	2,053,822.16	(45,701.57)	(1,658,332.65)	2,375,129.64

RMLD  
BUDGET VARIANCE REPORT  
FOR PERIOD ENDING DECEMBER 31, 2013

DIVISION	ACTUAL	BUDGET	VARIANCE	CHANGE
ENGINEERING AND OPERATIONS	2,301,506	2,370,490	(68,984)	-2.91%
ENERGY SERVICES	500,994	570,365	(69,371)	-12.16%
GENERAL MANAGER	430,454	455,488	(25,034)	-5.50%
FACILITY MANAGER	1,866,131	1,974,763	(108,632)	-5.50%
BUSINESS DIVISION	4,810,768	4,828,061	(17,293)	-0.36%
 SUB-TOTAL	 <u>9,909,854</u>	 <u>10,199,168</u>	 <u>(289,315)</u>	 -2.84%
 PURCHASED POWER - BASE	 14,800,423	 14,726,716	 73,707	 0.50%
PURCHASED POWER - FUEL	15,799,467	15,685,546	113,921	0.73%
 TOTAL	 <u>40,509,744</u>	 <u>40,611,430</u>	 <u>(101,686)</u>	 -0.25%

RMLD  
STAFFING REPORT  
FOR FISCAL YEAR ENDING JUNE, 2014

	14 BUD TOTAL	JUL 13	AUG 13	SEP 13	OCT 13	NOV 13	DEC 13
<u>GENERAL MANAGER</u>							
GENERAL MANAGER	2.00	2.00	2.00	2.00	2.00	2.00	2.00
HUMAN RESOURCES	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
TOTAL	4.00	4.00	4.00	4.00	4.00	4.00	4.00
<u>BUSINESS</u>							
ACCOUNTING	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
MGMT INFORMATION SYS	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
TOTAL	16.75	16.75	16.75	16.75	16.75	16.75	16.75
<u>ENGINEERING &amp; OPERATIONS</u>							
AGM E&O	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
LINE	22.00	21.00	21.00	21.00	21.00	21.00	21.00
METER	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
TOTAL	40.00	39.00	39.00	39.00	39.00	39.00	39.00
<u>PROJECT</u>							
BUILDING	2.00	2.00	2.00	2.00	2.00	2.00	2.00
GENERAL BENEFITS	2.00	2.00	2.00	2.00	2.00	2.00	2.00
TRANSPORTATION	-	-	-	-	-	-	-
MATERIALS MGMT	4.00	4.00	4.00	4.00	4.00	4.00	4.00
TOTAL	8.00	8.00	8.00	8.00	8.00	8.00	8.00
<u>ENERGY SERVICES</u>							
ENERGY SERVICES	4.50	3.50	3.50	3.50	3.50	3.50	3.50
TOTAL	4.50	3.50	3.50	3.50	3.50	3.50	3.50
RMLD TOTAL	73.25	71.25	71.25	71.25	71.25	71.25	71.25
<u>CONTRACTORS</u>							
UG LINE	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
GRAND TOTAL	75.25	73.25	73.25	73.25	73.25	73.25	73.25



**RMLD****Reading Municipal Light Department**  
RELIABLE POWER FOR GENERATIONS230 Ash Street  
P.O. Box 150  
Reading, MA 01867-0250Tel: (781) 944-1340  
Fax: (781) 942-2409  
Web: www.rmlld.com

January 22, 2014

Town of Reading Municipal Light Board

Subject: Single Phase Pad Mounted FR3 Transformers

On December 11, 2013 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Single Phase Pad Mounted FR3 Transformers for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Power Sales Group	WESCO	Graybar Electric Company
EDI	Yale Electric Supply	Shamrock Power Sales
Hughes Supply	Ward Transformer Sales	Jordan Transformer
IF Gray	Metro West Electric Sales, Inc.	Power Tech-UPSC
Hasgo Power	Robinson Sales	Stuart C. Irby
HD Supply	HD Industrial Services	

Bids were received from WESCO, Graybar Electric Company, Power Sales Group, HD Supply and Stuart C. Irby.

The bids were publicly opened and read aloud at 11:00 a.m. January 8, 2014 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

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

Move that bid 2014-12 for Single Phase Pad Mounted FR3 Transformers be awarded to:

**WESCO for a total cost of \$149,855.00**

<u>Item (desc.)</u>	<u>Qty</u>	<u>Manufacturer</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 (25 kVa)	10	ERMCO	\$1,894.00	\$18,940.00
2 (37 ½ kVa)	35	ERMCO	\$2,089.00	\$73,115.00
3 (50 kVa)	25	ERMCO	\$2,312.00	\$57,800.00

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

RMLD



Reading Municipal Light Department  
RELIABLE POWER FOR GENERATIONS

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

The FY14 Capital Budget allocation for the purchase of these units under the Transformer project was estimated at \$48,000 for 30 units. This quantity was intended to bring the RMLD inventory back up to the necessary level. The increase in the quantity of units is a direct result of the single phase pad-mount transformer inspection program that took place in the Fall of 2013. A majority of the materials and labor associated with the installation of these units will be captured within Project #6 of the Capital Budget.

Coleen O'Brien.

Peter Price

**Single Phase Pad Mounted FR3 Transformers  
Bid 2014-12**

Bidder	Manufacturer	Delivery Date	Unit Cost	Qty	Total Net Cost	Meet Specification requirement	Specification Data Sheets	Firm Price	All forms filled out	Certified Check or Bid Bond	Exceptions to stated bid requirements	Authorized signature
<b>WESCO</b>												
Item 1 (25 kVa)	ERMCO	8-10 weeks ARO	\$1,894.00	10	\$18,940.00	yes	yes	yes	yes	yes	no	yes
Item 2 (37 1/2 kVa)	ERMCO	8-10 weeks ARO	\$2,089.00	35	\$73,115.00							
Item 3 (50 kVa)	ERMCO	8-10 weeks ARO	\$2,312.00	25	\$57,800.00							
					<u>\$149,855.00</u>							
<b>Power Sales Group</b>												
Item 1 (25 kVa)	Howard	6-8 weeks ARO	\$2,410.00	10	\$24,100.00	yes	yes	yes	yes	yes	yes	yes
Item 2 (37 1/2 kVa)	Howard	6-8 weeks ARO	\$2,544.00	35	\$89,040.00							
Item 3 (50 kVa)	Howard	6-8 weeks ARO	\$2,941.00	25	\$73,525.00							
					<u>\$186,665.00</u>							
<b>Power Sales Group - Amorphous</b>												
Item 1 (25 kVa)	Howard	8-10 weeks ARO	\$2,442.00	10	\$24,420.00	yes	yes	no	yes	yes	yes	yes
Item 2 (37 1/2 kVa)	Howard	8-10 weeks ARO	\$2,659.00	35	\$93,065.00							
Item 3 (50 kVa)	Howard	8-10 weeks ARO	\$3,009.00	25	\$75,225.00							
					<u>\$192,710.00</u>							

**Exemptions as stated:**

Note: We are quoting flip top, single door only. No side panels, no stops.

**Exemptions as stated:**

Note: We are quoting flip top, single door only. No side panels, no stops.

**Non Responsive bidders:**

**Graybar Electric** Bid 2 separate manufacturers  
**HD Supply** GE Terms & Conditions apply.  
**Irby** Price not firm. Manufacturer Terms & Conditions apply.



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

January 22, 2014

Town of Reading Municipal Light Board

Subject: Single Phase Pole Mounted Transformers

On December 11, 2013 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Single Phase Pole Mounted Transformers for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Power Sales Group	WESCO	Graybar Electric Company
EDI	Yale Electric Supply	Shamrock Power Sales
Hughes Supply	Ward Transformer Sales	Jordan Transformer
IF Gray	Metro West Electric Sales, Inc.	Power Tech-UPSC
Hasgo Power	Robinson Sales	Stuart C. Irby
HD Supply	HD Industrial Services	

Bids were received from WESCO, Graybar Electric Company, Power Sales Group, Sutart C. Irby and HD Supply.

The bids were publicly opened and read aloud at 11:00 a.m. January 8, 2014 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

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

Move that bid 2014-13 for Single Phase Pole Mounted Transformers be awarded to:

**WESCO for a total cost of \$99,792.00**

<u>Item (desc.)</u>	<u>Qty</u>	<u>Manufacturer</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 (37 ½ kVa)	30	Cooper	\$1,244.00	\$37,320.00
2 (50 kVa)	40	Cooper	\$1,424.00	\$56,960.00
3 (100 kVa)	2	ERMCO	\$2,756.00	\$5,512.00

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

RMLD



Reading Municipal Light Department

RELIABLE POWER FOR GENERATIONS

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

The FY14 Capital Budget allocation for the purchase of these units under the Transformer project was estimated at \$96,000 for 60 units. This quantity was intended to bring the RMLD inventory back up to the necessary level. The Department will actually need 72 units to bring the inventory up to the necessary level.

Coleen O'Brien

Peter Price

**Single Phase Pole Mounted Transformers**  
**Bid 2014-13**

Bidder	Manufacturer	Delivery Date	Unit	Cost	Qty	Total Net Cost	Meet Specification requirement	Specification Data Sheets	Firm Price	All forms filled out	Certified Check or Bid Bond	Exceptions to stated bid requirements	Authorized signature
<b>WESCO</b>													
Item 1 (37 1/2 Kva)	Cooper	9-11 weeks ARO	\$1,244.00		30	\$37,320.00	yes	yes	yes	yes	yes	no	yes
Item 2 (50 Kva)	Cooper	9-11 weeks ARO	\$1,424.00		40	\$56,960.00							
Item 3 (100 Kva)	ERMCO	8-10 weeks ARO	\$2,756.00		2	\$5,512.00							
						<b>\$99,792.00</b>							
<b>Power Sales Group</b>													
Item 1 (37 1/2 Kva)	Amorphous	8-10 weeks ARO	\$1,406.00		30	\$42,180.00	yes	yes	yes	yes	yes	no	yes
Item 2 (50 Kva)	Howard	8-10 weeks ARO	\$1,696.00		40	\$67,840.00							
Item 3 (100 Kva)	Howard	10-12 weeks ARO	\$3,409.00		2	\$6,818.00							
						<b>\$116,838.00</b>							
<b>Power Sales Group</b>													
Item 1 (37 1/2 Kva)	Howard	6-8 weeks ARO	\$1,436.00		30	\$43,080.00	yes	no	yes	yes	yes	no	yes
Item 2 (50 Kva)	Howard	6-8 weeks ARO	\$1,687.00		40	\$67,480.00							
Item 3 (100 Kva)	Howard	8-10 weeks ARO	\$3,473.00		2	\$6,946.00							
						<b>\$117,506.00</b>							

**Non responsive bidders:**

Graybar Electric Bidding two manufacturers.  
 HD Supply GE General Terms & Conditions apply.  
 Stuart C. Irby Price not firm.





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January 14, 2014

Town of Reading Municipal Light Board

Subject: Three Phase Pad Mounted Transformers

On December 11, 2013 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Three Phase Pad Mounted Transformers for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Power Sales Group	WESCO	Graybar Electric Company
EDI	Yale Electric Supply	Shamrock Power Sales
Hughes Supply	Ward Transformer Sales	Jordan Transformer
IF Gray	Metro West Electric Sales, Inc.	Power Tech-UPSC
Hasgo Power	Robinson Sales	Stuart C. Irby
HD Supply	HD Industrial Services	

Bids were received from Graybar Electric Company, WESCO, Stuart C Irby, HD Supply and Power Sales Group.

The bids were publicly opened and read aloud at 11:00 a.m. January 8, 2014 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

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

Move that bid 2014-14 for Three Phase Pad Mounted Transformers be awarded to:

**WESCO for a total cost of \$143,869.00**

<u>Item (desc.)</u>	<u>Qty</u>	<u>Manufacturer</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 (225 kVa Delta w/taps 120/208)	3	ERMCO	7,098.00	21,294.00
2 (225 kVa Delta w/taps 277/480)	2	ERMCO	6,890.00	13,780.00
3 (300 kVa Delta w/taps 120/208)	2	ERMCO	7,783.00	15,566.00
4 (300 kVa Delta w/taps 277/480)	1	ERMCO	7,365.00	7,365.00
5 (500 kVa Delta w/taps 120/208)	1	ERMCO	9,360.00	9,360.00
6 (500 kVa Delta w/taps 277/480)	4	ERMCO	8,764.00	35,056.00
7 (750 kVa Delta w/taps 277/480)	2	ERMCO	11,780.00	23,560.00
8 (1500 kVa Delta w/taps 277/480)	1	ERMCO	17,888.00	17,888.00

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



Reading Municipal Light Department  
RELIABLE POWER FOR GENERATIONS

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

The FY14 Capital Budget allocation for the purchase of these units under the Transformer project was estimated at \$60,000 for 5 units. This quantity was intended to bring the RMLD inventory back up to the necessary level. Since the time that the budget was first proposed in April of 2013, a number of projects requiring 3 phase pad-mount transformers have begun or are proposed. This required the increase in the number of units to 16. A sampling of these projects is as follows;

Wilmington High School, was on hold because a home owners appeal to the DEP  
North Reading High School, the original plan called for two pad-mount transformers, now the plan calls for three transformers

Target Corporation, 210 Ballardvale Street, W - this project started in November of 2013

Retail mini-mall, 210 Ballardvale Street, W - proposed retail space with anchor restaurant

United Tool and Die, 98 Eames Street, W - new project in November of 2013, service upgrade

Kirkwood Printing, 904 Main Street, W - building addition with possible service upgrade

Self-Storage building, 114 West Street - new service, started site work Summer 2013

Artis Senior Living Center (old Eric's Greenhouse), 1090 Main Street, R - new service, project demo starting next month

100 Research Drive, W - proposed 2 story office building with 1 or 2 service entrances

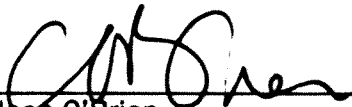
600 Research Drive, W - proposed new service


58 Jonspin Road, W - proposed service upgrade

30 Upton Drive, W - proposed new service

Perfectos, 285 Main Street, R - proposed new service

235 Andover Street, W - new service, completed

  
\_\_\_\_\_  
Coleen O'Brien

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

Three Phase Pad Mounted Transformers  
Bid 2014-14

Bidder	Manufacturer	Delivery Date	Unit Cost	Qty	Total Net Cost	Meet Specification requirement	Specification Data Sheets	Firm Price	All forms filled out	Certified Check or Bid Bond	Exceptions to stated bid requirements	Authorized signature
<b>WESCO</b>												
Item 1 (225 kVa Delta w/taps 120/208)	ERMCO	8-10 weeks ARO	7,098.00	3	21,294.00	yes	yes	yes	yes	yes	no	yes
Item 2 (225 kVa Delta w/taps 277/480)	ERMCO	8-10 weeks ARO	6,890.00	2	13,780.00							
Item 3 (300 kVa Delta w/taps 120/208)	ERMCO	8-10 weeks ARO	7,783.00	2	15,566.00							
Item 4 (300 kVa Delta w/taps 277/480)	ERMCO	8-10 weeks ARO	7,365.00	1	7,365.00							
Item 5 (500 kVa Delta w/taps 120/208)	ERMCO	8-10 weeks ARO	9,360.00	1	9,360.00							
Item 6 (500 kVa Delta w/taps 277/480)	ERMCO	8-10 weeks ARO	8,764.00	4	35,056.00							
Item 7 (750 kVa Delta w/taps 277/480)	ERMCO	8-10 weeks ARO	11,780.00	2	23,560.00							
Item 8 (1500 kVa Delta w/taps 277/480)	ERMCO	8-10 weeks ARO	17,888.00	1	17,888.00							
					<u>143,869.00</u>							
<b>Power Sales</b>												
Item 1 (225 kVa Delta w/taps 120/208)	Howard	6-8 weeks ARO	7,324.00	3	21,972.00	yes	yes	yes	yes	yes	yes	yes
Item 2 (225 kVa Delta w/taps 277/480)	Howard	6-8 weeks ARO	7,159.00	2	14,318.00		<u>Exception as noted:</u>					
Item 3 (300 kVa Delta w/taps 120/208)	Howard	6-8 weeks ARO	8,822.00	2	17,644.00		Please see attached paint spec.					
Item 4 (300 kVa Delta w/taps 277/480)	Howard	6-8 weeks ARO	8,815.00	1	8,815.00							
Item 5 (500 kVa Delta w/taps 120/208)	Howard	6-8 weeks ARO	11,045.00	1	11,045.00		<u>Engineers Note:</u>					
Item 6 (500 kVa Delta w/taps 277/480)	Howard	6-8 weeks ARO	10,359.00	4	41,436.00		Paint specifications are acceptable.					
Item 7 (750 kVa Delta w/taps 277/480)	Howard	8-10 weeks ARO	12,282.00	2	24,524.00							
Item 8 (1500 kVa Delta w/taps 277/480)	Howard	8-10 weeks ARO	20,385.00	1	20,385.00							
					<u>160,139.00</u>							
<b>Amorphous</b>												
Item 1 (225 kVa Delta w/taps 120/208)	Howard	8-10 weeks ARO	7,616.00	3	22,848.00	yes	yes	yes	yes	yes	yes	yes
Item 2 (225 kVa Delta w/taps 277/480)	Howard	8-10 weeks ARO	7,632.00	2	15,264.00		<u>Exception as noted:</u>					
Item 3 (300 kVa Delta w/taps 120/208)	Howard	8-10 weeks ARO	9,166.00	2	18,332.00		Please see attached paint spec.					
Item 4 (300 kVa Delta w/taps 277/480)	Howard	8-10 weeks ARO	9,227.00	1	9,227.00							
Item 5 (500 kVa Delta w/taps 120/208)	Howard	8-10 weeks ARO	11,579.00	1	11,579.00							
Item 6 (500 kVa Delta w/taps 277/480)	Howard	8-10 weeks ARO	11,650.00	4	46,600.00		<u>Engineers Note:</u>					
Item 7 (750 kVa Delta w/taps 277/480)	Howard	10-12 weeks ARO	15,277.00	2	30,554.00		Paint specifications are acceptable.					
Item 8 (1500 kVa Delta w/taps 277/480)	Howard	10-12 weeks ARO	24,092.00	1	24,092.00							
					<u>178,496.00</u>							

**Non-responsive bidders:**

Graybar Electric  
HD Supply  
Stuart C. Irby

bidding 2 manufacturers  
GE Terms & Conditions apply.  
CG Power Systems Terms & Conditions apply.

\*Stuart C. Irby did not list this as an exception, but included it in the bid packet.



230 Ash Street  
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Web: www.rmld.com

January 22, 2014

Town of Reading Municipal Light Board

Subject: Three Phase Pole Mounted Transformers

On December 11, 2013 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Three Phase Pole Mounted Transformers for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Power Sales Group	WESCO	Graybar Electric Company
EDI	Yale Electric Supply	Shamrock Power Sales
Hughes Supply	Ward Transformer Sales	Jordan Transformer
IF Gray	Metro West Electric Sales, Inc.	Power Tech-UPSC
Hasgo Power	Robinson Sales	Stuart C. Irby
HD Supply	HD Industrial Services	

Bids were received from WESCO and Power Sales Group.

The bids were publicly opened and read aloud at 11:00 am January 8, 2014 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

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

Move that bid 2014-15 for Three Phase Pole Mounted Transformers be awarded to:

**WESCO for a total cost of \$62,625.00**

<u>Item (desc.)</u>	<u>Qty</u>	<u>Manufacturer</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 (45 kVa 13800 Δ 120/208)	1	Power Partners	\$3,496.00	\$3,496.00
2 (45 kVa 13800 Δ 277/480)	2	Power Partners	\$3,356.00	\$6,712.00
3 (75 kVa 13800 Δ 120/208)	2	Power Partners	\$4,079.00	\$8,158.00
4 (75 kVa 13800 Δ 277/480)	1	Power Partners	\$3,871.00	\$3,871.00
5 (112 kVa 13800 Δ 120/208)	4	Power Partners	\$5,217.00	\$20,868.00
6 (112 kVa 13800 Δ 277/480)	2	Power Partners	\$4,352.00	\$8,704.00
7 (150 kVa 13800 Δ 120/208)	1	Power Partners	\$5,912.00	\$5,912.00
8 (150 kVa 13800 Δ 277/480)	1	Power Partners	\$4,904.00	\$4,904.00

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

RMLD



Reading Municipal Light Department  
RELIABLE POWER FOR GENERATIONS

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

The FY14 Capital Budget allocation for the purchase of these units under the Transformer project was estimated at \$80,000 for 8 units. This quantity was intended to bring the RMLD inventory back up to the necessary level. The original estimate in the Capital Budget was for 8 of the larger units. The Department will actually need 14 of the smaller units to bring the inventory up to the necessary level.

Coleen O'Brien

Peter Price

**Three Phase Pole Mounted Transformers  
Bid 2014-15**

Bidder	Manufacturer	Delivery Date	Unit Cost	Qty	Total Net Cost	Meet Specification requirement	Specification Data Sheets	Firm Price	All forms filled out	Certified Check or Bid Bond	Exceptions to stated bid requirements	Authorized signature
<b>WESCO</b>												
Item 1 (45 kVa 13800 Delta 120/208)	Power Partners	5 weeks ARO	\$3,496.00	1	\$3,496.00	yes	yes	yes	yes	yes	yes	yes
Item 2 (45 kVa 13800 Delta 277/480)	Power Partners	5 weeks ARO	\$3,356.00	2	\$6,712.00							
Item 3 (75 kVa 13800 Delta 120/208)	Power Partners	5 weeks ARO	\$4,079.00	2	\$8,158.00							
Item 4 (75 kVa 13800 Delta 277/480)	Power Partners	5 weeks ARO	\$3,871.00	1	\$3,871.00							
Item 5 (112 kVa 13800 Delta 120/208)	Power Partners	5 weeks ARO	\$5,217.00	4	\$20,868.00							
Item 6 (112 kVa 13800 Delta 277/480)	Power Partners	5 weeks ARO	\$4,352.00	2	\$8,704.00							
Item 7 (150 kVa 13800 Delta 120/208)	Power Partners	5 weeks ARO	\$5,912.00	1	\$5,912.00							
Item 8 (150 kVa 13800 Delta 277/480)	Power Partners	5 weeks ARO	\$4,904.00	1	\$4,904.00							
					<u>\$62,625.00</u>							
<b>Power Sales Group</b>												
Item 1 (45 kVa 13800 Delta 120/208)	Howard	10-12 weeks ARO	\$4,345.00	1	\$4,345.00	yes	yes	yes	yes	yes	no	yes
Item 2 (45 kVa 13800 Delta 277/480)	Howard	10-12 weeks ARO	\$4,780.00	2	\$9,560.00							
Item 3 (75 kVa 13800 Delta 120/208)	Howard	10-12 weeks ARO	\$5,702.00	2	\$11,404.00							
Item 4 (75 kVa 13800 Delta 277/480)	Howard	10-12 weeks ARO	\$5,415.00	1	\$5,415.00							
Item 5 (112 kVa 13800 Delta 120/208)	Howard	10-12 weeks ARO	\$7,728.00	4	\$30,912.00							
Item 6 (112 kVa 13800 Delta 277/480)	Howard	10-12 weeks ARO	\$5,889.00	2	\$11,778.00							
Item 7 (150 kVa 13800 Delta 120/208)	Howard	10-12 weeks ARO	\$9,582.00	1	\$9,582.00							
Item 8 (150 kVa 13800 Delta 277/480)	Howard	10-12 weeks ARO	\$6,093.00	1	\$6,093.00							
					<u>\$89,089.00</u>							
<b>Power Sales Group</b>												
Item 1 (45 kVa 13800 Delta 120/208)	Amorphous	12-14 weeks ARO	\$4,704.00	1	\$4,704.00	yes	yes	yes	yes	yes	no	yes
Item 2 (45 kVa 13800 Delta 277/480)	Howard	12-14 weeks ARO	\$3,690.00	2	\$7,380.00							
Item 3 (75 kVa 13800 Delta 120/208)	Howard	12-14 weeks ARO	\$4,603.00	2	\$9,206.00							
Item 4 (75 kVa 13800 Delta 277/480)	Howard	12-14 weeks ARO	\$4,366.00	1	\$4,366.00							
Item 5 (112 kVa 13800 Delta 120/208)	Howard	12-14 weeks ARO	\$6,110.00	4	\$24,440.00							
Item 6 (112 kVa 13800 Delta 277/480)	Howard	12-14 weeks ARO	\$5,777.00	2	\$11,554.00							
Item 7 (150 kVa 13800 Delta 120/208)	Howard	12-14 weeks ARO	\$6,857.00	1	\$6,857.00							
Item 8 (150 kVa 13800 Delta 277/480)	Howard	12-14 weeks ARO	\$6,461.00	1	\$6,461.00							
					<u>\$74,968.00</u>							

**Exceptions as stated:**  
Power Partners standard 2 coat electro deposition process will be supplied.  
Stencil height will be 2.5".

**Engineers Note:**  
Exception is acceptable.





**RMLD****Reading Municipal Light Department**  
RELIABLE POWER FOR GENERATIONS230 Ash Street  
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Web: www.rmlld.com

January 22, 2014

Town of Reading Municipal Light Board

Subject: 15kV Aerial Spacer Cable

On December 11, 2013 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for 15kV Aerial Spacer Cable for the Reading Municipal Light Department.

Specifications were emailed to the following:

Wesco	Okonite	General Cable	Pirelli Cables & Systems
Graybar	Power Sales Group	Yusen Assoc	Yale Electrical Supply
Power Tech	USA Power Cable	Shamrock Power	Arthur Hurley Company
HD Supply, Inc.	Hendrix Wire & Cable Corp	EL Flowers	Champion Wire and Cable
Anixter Wire & Cable	Hasgo Power	Eupen Cable	Power & Telephone Enterprise

Bids were received from Arthur Hurley Company, WESCO and Graybar Electric.

The bids were publicly opened and read aloud at 11:00 a.m. January 8, 2014 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

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

Move that bid 2014-16 for 15kV Aerial Spacer Cable be awarded to:

**Arthur Hurley for a total cost of \$58,275.00**

<u>Item</u>	<u>Qty</u>	<u>Description</u>	<u>Total Lump Sum</u>
1	22,500'	795 KCM Single conductor Spacer Cable	\$58,275.00

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

The FY14 Capital budget allocation for the purchase of the 15kV Aerial Spacer Cable for Project 1 - 5W9 Replacement was estimated at \$59,458.

  
\_\_\_\_\_  
Coleen O'Brien  
\_\_\_\_\_  
Peter Price

**15kV Aerial Spacer Cable  
Bid 2014-16**

Bidding Company	Arthur Hurley	Graybar Electric non-responsive	WESCO non-responsive
Item 1 - 22,500' 795 KCM spacer cable Manufacturer total (lump sum) cost	Hendrix \$58,275.00	Hendrix \$63,559.00	Hendrix \$64,230.00
Delivery Date	6 weeks ARO	6-8 weeks ARO	6 weeks ARO
Firm Price	yes	no	no
All forms filled out	yes	yes	yes
Certified Check or Bid Bond	yes	yes	yes
Exceptions to stated bid requirements	no	yes	yes
Authorized signature	yes	yes	yes

**Exceptions:**

**Graybar Electric**

Subject to escalation/de-escalation per the enclosed manufacturer pages.

**WESCO**

Pricing subject to escalation/de-escalation

**Non-Responsive Bidders:**

**Graybar Electric**

**WESCO**

**Residential Schedule A Rate**

**Designation:**

Residential A Rate

**Available in:**

Reading, Lynnfield Center, North Reading, and Wilmington

**Applicable to:**

Individual residential customers for all domestic uses where service is taken through one meter. Incidental commercial use, not exceeding 20% of the total energy used on the same premises is permitted.

**Character of service:**

A.C. 60 cycles: single phase.

**Customer Charge:**

\$3.78 per month

**Energy Charge:**

\$.09118 per Kilowatt-hour for all Kilowatt-hours usage

**Budget Billing:**

The customers under this rate will have available to them a budget billing program under which the customer is required to pay a levelized amount to the Department each billing period during the calendar year. The specifics of this program are outlined in the Department's General Terms and Conditions.

**Farm Discount:**

Customers who meet the eligibility requirements set forth by the Massachusetts Department of Food and Agriculture for being engaged in the business of agriculture or farming, and upon certification to the RMLD by the Massachusetts Department of Food and Agriculture, will be eligible for an additional 10% discount, prior to the RMLD prompt payment discount, on rates and charges applicable on their monthly billing statement.

**Energy Conservation Charge:**

The bill for service hereunder may be increased or decreased as provided by the Energy Conservation Charge.

**Fuel Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Standard Fuel Adjustment Clause.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

ATTACHMENT 4

**Residential Schedule A Rate (cont'd)**

**Purchase Power Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

**Meter Reading and Billing:**

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges and the New York Power Authority credit or charge, only if the entire bill is paid-in-full by the discount due date.

**General Terms and Conditions:**

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

**Residential Schedule RW  
Controlled Water Heater Rate**

**Designation:**

Residential RW Rate

**Available in:**

Reading, Lynnfield Center, North Reading, and Wilmington

**Applicable to:**

Individual residential customers for all domestic uses where service is taken through one meter. Incidental commercial use, not exceeding 20% of the total energy used on the same premises is permitted.

**Character of service:**

A.C. 60 cycles: single phase.

**Terms of Use:**

When a customer regularly uses an electric water heater of a type approved by the Department. Service to the water heater will be controlled by a Department owned time switch in an approved outdoor socket. Internal wiring will be the responsibility of the customer. Water heater with two elements shall be interlocked to prevent simultaneous operation.

**Customer Charge:**

\$3.79 per month.

**Energy Charge:**

\$.08799 per Kilowatt-hour for the first 100 kWh

\$.03992 per Kilowatt-hour for energy in excess of 100 kWh up to 433 kWh

\$.08799 per Kilowatt-hour for energy in excess of 433 kWh

**Budget Billing:**

The customers under this rate will have available to them a budget billing program under which the customer is required to pay a leveled amount to the Department each billing period during the calendar year. The specifics of this program are outlined in the Department's General Terms and Conditions.

**Farm Discount:**

Customers who meet the eligibility requirements set forth by the Massachusetts Department of Food and Agriculture for being engaged in the business of agriculture or farming, and upon certification to the RMLD by the Massachusetts Department of Food and Agriculture, will be eligible for an additional 10% discount, prior to the RMLD prompt payment discount, on rates and charges applicable on their monthly billing statement.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

**Residential Schedule RW  
Controlled Water Heater Rate (Contd.)**

**Energy Conservation Charge:**

The bill for service hereunder may be increased or decreased as provided by the Energy Conservation Charge.

**Fuel Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Standard Fuel Adjustment Clause.

**Purchase Power Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

**Meter Reading and Billing:**

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges and the New York Power Authority credit or charge, only if the entire bill is paid-in-full by the discount due date.

**General Terms and Conditions:**

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

**Residential Time-of-Use Schedule A2 Rate**

**Designation:**

Residential Time-of-Use A2 Rate

**Available in:**

Reading, Lynnfield Center, North Reading, and Wilmington

**Applicable to:**

Individual residential customers for all domestic uses where service is taken through one On-Peak and Off-Peak meter. Incidental commercial use, not exceeding 20% of the total energy used on the same premises is permitted.

**Character of service:**

A.C. 60 cycles: single phase.

**Customer Charge:**

\$6.01 per month.

**Energy Charge:**

\$.14567 per Kilowatt-hour for all Kilowatt-hours usage during the On-Peak hours.

\$.05015 per Kilowatt-hour for all Kilowatt-hours usage during the Off-peak hours.

**Definition of Periods:**

The On-Peak period is defined as the hours between 12:00 Noon and 7:00 P.M. Monday through Friday except holidays as listed under the "Granted Holidays" paragraph listed below. The Off-Peak period is defined as the hours between 7:00 P.M. and 12:00 Noon Monday through Friday and all hours Saturday, Sunday and granted holidays as listed below.

**Controlled Water Heater Allowance:**

When a customer regularly uses an electric water heater of a type approved by the Department, 333 kWh will be credited to usage during the Off-Peak period and will be billed at \$.03815 kWh. All kWh used Off-Peak above 333 kWh will be charged at the regular Off-Peak rate. If less than 333 kWh are used Off-Peak then only that amount of kWh will be billed at \$.03815 per kWh. Water heater with two elements shall be interlocked to prevent simultaneous operation. Service to the water heater will be controlled by a Department owned time switch in an approved outdoor socket.

**Term:**

A customer electing to be billed under this rate must remain on this rate for a minimum of one year. At the end of one year on this rate customer may elect to remain on this rate or be billed under the Residential A Rate.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

**Residential Time-of-Use Schedule A2 Rate (cont'd)**

**Budget Billing:**

The customers under this rate will have available to them a budget billing program under which the customer is required to pay a levelized amount to the Department each billing period during the calendar year. The specifics of this program are outlined in the Department's General Terms and Conditions.

**Farm Discount:**

Customers who meet the eligibility requirements set forth by the Massachusetts Department of Food and Agriculture for being engaged in the business of agriculture or farming, and upon certification to the RMLD by the Massachusetts Department of Food and Agriculture, will be eligible for an additional ten percent discount, prior to the RMLD prompt payment discount, on rates and charges applicable on their monthly billing statement.

**Energy Conservation Charge:**

The bill for service hereunder may be increased or decreased as provided by the Energy Conservation Charge.

**Fuel Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Standard Fuel Adjustment Clause.

**Purchase Power Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

**Meter Reading and Billing:**

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges and the New York Power Authority credit or charge, only if the entire bill is paid-in-full by the discount due date.

**Granted Holidays**

Under the Residential Time-of-Use Schedule A2 Rate the holidays granted for Off-Peak are: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Columbus Day, Veteran's Day and Christmas Day.

**General Terms and Conditions:**

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**



**Commercial Schedule C Rate**

**Designation:**

Commercial C Rate

**Available in:**

Reading, Lynnfield Center, North Reading, and Wilmington

**Applicable to:**

Service under this rate is available to industrial or commercial customers who take all their requirements under this rate. All electricity furnished under this rate will be metered through one service unless it is convenient for the Department to do otherwise.

**Notice:**

All customers taking electric service under the Commercial Schedule C Rate and/or the Industrial Time of Use Rate will be required to give the Department two (2) years prior written notice of its intention to take its energy requirements from other supplier and/or resource other than this Department while remaining on the Department's service territory.

**Character of service:**

AC 60 cycles: single phase or three phase.

**Customer Charge:**

\$6.51 per month.

**Firm Demand Charge:**

\$6.81 per Kilowatt for all demand usage.

**Energy Charge:**

\$.05657 per Kilowatt-hour for all Kilowatt-hours usage.

**Budget Billing:**

The customers under the C Rate may elect the Budget Billing program under which the customer is required to pay the levelized amount to the Department each billing period during the calendar year. This rate is not available to C Rate Customers electing the Contract Demand Rate, or the Non Firm Demand Rate. The specifics of this program are outlined in the Department's General Terms and Conditions.

**Energy Conservation Charge:**

The bill for service hereunder may be increased or decreased as provided by the Energy Conservation Charge.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

**Commercial Schedule C Rate (cont'd)**

**Fuel Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Standard Fuel Adjustment Clause.

**Purchase Power Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

**Measurement of Billing Demand:**

The billing demand shall be the highest of the fifteen minute kilowatt demand established during the billing period, but not less than eighty percent of the maximum demand established during the preceding summer or sixty percent of the maximum demand established during the winter season.

**Definitions of Seasons:**

The summer season is defined as the months of June through September and the winter season is defined as the months of October through May.

**Farm Discount:**

Customers who meet the eligibility requirements set forth by the Massachusetts Department of Food and Agriculture for being engaged in the business of agriculture or farming, and upon certification to the RMLD by the Massachusetts Department of Food and Agriculture, will be eligible for an additional ten percent discount, prior to the RMLD prompt payment discount, on rates and charges applicable on their monthly billing statement.

**Non-Firm Demand:**

A Customer under this rate may designate any amount of load, in kilowatts, as Non-Firm. Any amount so designated shall be capable of being removed from service during any On-Peak hour as may be requested by the Department. A customer will be charged \$4.38 per kW-month for each kilowatt of demand designated as Non-Firm demand. Failure to remove load designated as Non-Firm load shall result in a charge of \$14.46 per kW of Non-Firm demand for that bill month.

The Department shall have the right to limit the requests for curtailment for Non-Firm load. The Department, at its option, may request separate metering for Non-Firm loads.

The energy and fuel portion of this Non-Firm Demand rate will be billed at the normal Commercial C rate levels.

A customer must contract to be on the Non-firm rate for a minimum of one year.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

**Commercial Schedule C Rate (cont'd)**

**Optional Contract Demand:**

The customer may contract for a specific demand requirement on the Optional Contract Demand rate. The customer shall select a demand level, which will cover its highest annual peak. The cost of the Contract Demand rate is \$8.03 per kilowatts. The customer will be billed for that amount of kilowatts each month for the entire year. If in any month the customer exceeds the contract demand amount then, the contract demand will be billed at a rate of \$14.46 per kilowatt. The contract demand level will be re-established at the higher billing amount.

The energy and fuel portion of the Optional Contract Demand will be billed in the same manner as the Industrial Time of Use rate and is described below:

\$0.09208 per kilowatt-hour for all kilowatt-hours used between 12:00 Noon and 7:00 P.M., Monday through Friday, excluding holidays.

\$0.02763 per kilowatt-hour for all kilowatt-hours used between 7:00 P.M. and 1200 Noon, Monday through Friday and all hours Saturday, Sunday and holidays as listed in the General Terms and Conditions.

A customer must contract to be on the Contract Demand rate for a minimum of one year.

The Department may, at its own discretion, move a customer exceeding the contract demand level to the general Commercial C Rate.

**Customer Transformer Ownership:**

A customer requiring a minimal transformer capacity of over 2,000 kW will be required to furnish its own transforming and protective equipment, including mat, vault, primary and secondary cables, conduits, etc., which must comply with the specifications of the Department. The following discounts apply when the above is complied with:

\$0.12 per kilowatt of demand when the service is taken at 2,400/4,160 volts.

\$0.25 per Kilowatt of demand when the service is taken at 13,800 volts.

\$0.375 per Kilowatt of demand when the service is taken at 34,500 volts.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

**Town of Reading, Massachusetts  
Municipal Light Department**

**MDPU # 231 supersedes  
and cancels MDPU # 223**

**Commercial Schedule C Rate (cont'd)**

**Metering:**

The Department may, at its option, meter at the customer's utilization voltage or on the high side of the transformers through which the service is furnished.

In the latter case, or if the customer's utilization voltage requires no transformation, a discount of 1.8% will be applied to the bill exclusive of the fuel charge but in no case will such a discount be allowed if the metering voltage is less than 2,400 volts.

**Meter Reading and Billing:**

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges, only if the entire bill is paid-in-full by the discount due date.

**General Terms:**

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

**Rate Filed: January 30, 2014  
Effective: On Billings on or After February 1, 2014  
Filed By: Coleen M. O'Brien, General Manager**

**Industrial Time-of-Use Schedule I Rate**

**Designation:**

Industrial Time-of-Use Rate

**Available in:**

Reading, Lynnfield Center, North Reading, and Wilmington

**Applicable to:**

Service under this rate is available to industrial or commercial customers who take all their requirements under this rate. All electricity furnished under this rate will be metered using an electronic meter capable of metering On-Peak and Off-Peak energy as well as kW demand.

**Notice:**

All customers taking electric service under the Industrial Time-of-Use I Rate will be required to give the Department two (2) years prior written notice of its intention to take its energy requirements from other supplier and/or resource other than this Department while remaining on the Department's service territory.

**Character of service:**

A.C. 60 cycles: single phase or three phase.

**Customer Charge:**

\$30.02 per month.

**Demand Charge:**

\$8.61 per Kilowatt for all demand usage.

**Energy Charge:**

\$.09208 per Kilowatt-hour for all Kilowatt-hours usage during the On-Peak hours.

\$.02763 per Kilowatt-hour for all Kilowatt-hours usage during the Off-Peak hours.

**Definition of Periods:**

The On-Peak period is defined as the hours between 12:00 Noon and 7:00 P.M., Monday through Friday except holidays as listed below. The Off-Peak period is defined as the hours between 7:00 P.M. and 12:00 Noon, Monday through Friday and all hours Saturday, Sunday and granted holidays as listed below.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

**Industrial Time-of-Use Schedule I Rate (cont'd)**

**Term:**

A customer electing to be billed under this rate must remain on this rate for a minimum of one year. At the end of one year on this rate customer may elect to remain on this rate or be billed under the C Rate.

**Energy Conservation Charge:**

The bill for service hereunder may be increased or decreased as provided by the Energy Conservation Charge.

**Fuel Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Standard fuel Adjustment Clause.

**Purchase Power Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

**Measurement of Billing Demand:**

The Billing demand shall be the highest of the fifteen minute kilowatt demand established during the billing period, but not less than eighty percent of the maximum demand established during the preceding summer or sixty percent of the maximum demand established during the winter period.

**Definitions of Seasons:**

The summer Season is defined as the months of June through September and the Winter Season is defined as the months of October through May.

**Farm Discount:**

Customers who meet the eligibility requirements set forth by the Massachusetts Department of Food and Agriculture for being engaged in the business of agriculture or farming, and upon certification to the RMLD by the Massachusetts Department of Food and Agriculture, will be eligible for an additional ten percent discount, prior to the RMLD prompt payment discount, on rates and charges applicable on their monthly billing statement.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

**Industrial Time-of-Use Schedule I Rate (cont'd)**

**Customer Transformer Ownership:**

A customer requiring a minimal transformer capacity of over 2000 kW will be required to furnish its own transforming and protective equipment, including mat, vault, primary and secondary cables, conduits, etc., which must comply with the specifications of the Department. The following discounts apply when the above is complied with:

\$ .12 per Kilowatt of demand when the service is taken at 2,400/4,160 volts.

\$ .25 per Kilowatt of demand when the service is taken at 13,800 volts.

\$ .375 per Kilowatt of demand when the service is taken at 34,500 volts.

**Metering:**

The Department may, at its option, meter at the customer's utilization voltage or on the high side of the transformer through which the service is furnished. In the latter case, or if the customer's utilization voltage requires no transformation, a discount of 1.8% will be applied to the bill exclusive of the fuel charge but in no case will such discount be allowed if the metering voltage is less than 2,400 voltage

**Meter Reading and Billing:**

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges, only if the entire bill is paid-in-full by the discount due date.

**Granted Holidays**

Under the Industrial Time-of-Use Schedule I Rate the holidays granted for Off-Peak are; New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Columbus Day, Veteran's Day and Christmas Day.

**General Terms and Conditions:**

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

**School Schedule SCH Rate**

**Designation:**

School SCH Rate

**Available in:**

Reading, Lynnfield Center, North Reading, and Wilmington

**Applicable to:**

Applicable to public or private schools offering kindergarten, regular elementary, middle, and high school as approved by the Department, who take all their requirements under this rate. All electricity furnished under this rate will be metered through one service unless it is convenient for the Department to do otherwise.

**Notice:**

All customers taking electric service under the School Rate will be required to give the Department two (2) years prior written notice of its intention to take its energy requirements from other supplier and/or resource other than this Department while remaining on the Department's service territory.

**Character of service:**

AC 60 cycles: single phase or three phase.

**Customer Charge:**

\$6.01 per month.

**Firm Demand Charge:**

\$6.28 per Kilowatt for all demand usage.

**Energy Charge:**

\$.05265 per Kilowatt-hour for all Kilowatt-hours usage.

**Budget Billing:**

The customers under the School Rate may elect the Budget Billing program under which the customer is required to pay levelized amount to the Department each billing period during the calendar year. This rate is not available to School Rate Customers electing the Contract Demand Rate, or the Non Firm Demand Rate. The specifics of this program are outlined in the Department's General Terms and Conditions.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**



**School Schedule SCH Rate (cont'd)**

**Energy Conservation Charge:**

The bill for service hereunder may be increased or decreased as provided by the Energy Conservation Charge.

**Fuel Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Standard Fuel Adjustment Clause.

**Purchase Power Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

**Measurement of Billing Demand:**

The billing demand shall be the highest of the fifteen minute Kilowatt demand established during the billing period, but not less than eighty percent of the maximum demand established during the preceding summer or sixty percent of the maximum demand established during the winter season.

**Definitions of Seasons:**

The summer Season is defined as the months of June through September and the Winter Season is defined as the months of October through May.

**Customer Transformer Ownership:**

A customer requiring a minimal transformer capacity of over 2000 kW will be required to furnish its own transforming and protective equipment, including mat, vault, primary and secondary cables, conduits, etc., which must comply with the specifications of the Department. The following discounts apply when the above is complied with:

\$ .12 per kilowatt of demand when the service is taken at 2,400/4,160 volts.

\$ .25 per Kilowatt of demand when the service is taken at 13,800 volts.

\$ .375 per Kilowatt of demand when the service is taken at 34,500 volts.

**Metering:**

The Department may, at its option, meter at the customer's utilization voltage or on the high side of the transformers through which the service is furnished.

In the latter case, or if the customer's utilization voltage requires no transformation, a discount of 1.8% will be applied to the bill exclusive of the fuel charge but in no case will such a discount be allowed if the metering voltage is less than 2,400 volts.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

**School Schedule SCH Rate (cont'd)**

**Meter Reading and Billing:**

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges, only if the entire bill is paid-in-full by the discount due date.

**General Terms:**

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

**Street Lighting Rate Schedule D**

**Designation:**

Street Light D Rate

**Available:**

Reading, Lynnfield Center, North Reading, and Wilmington

**Applicable to:**

Street Light service on all public, private, and unaccepted streets where the Department has private facilities for supplying electricity and where the installation work involved is limited to the necessary lighting unit and connection on the same pole.

**Energy Charge:**

The rate per year for the standard 4,000-hour schedule is as follows:

<u>Fixture Type</u>	<u>Annual Rate</u>	<u>Annual kWh</u>
58 Watt Incandescent	\$55.40	232
92 Watt Incandescent	\$55.40	368
50 Watt HPS	\$29.98	244
100 Watt HPS	\$30.03	508
100 Watt Mercury	\$41.38	520
100 Watt Mercury UG	\$41.38	520
175 Watt Mercury	\$41.73	860
250 Watt HPS	\$55.22	1,228
400 Watt Mercury	\$54.18	1,840
400 Watt HPS	\$54.24	1,828

**Note:** Incandescent and Mercury lamps will no longer be supplied for new installations.

**Fuel Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Standard fuel Adjustment Clause.

The Fuel Adjustment will appear on the bill as the monthly fuel charge multiplied by one twelfth of the Annual kWh shown above for each Fixture Type.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

**Street Lighting Rate Schedule D (cont'd)**

**Purchase Power Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

The Purchase power Adjustment will appear on the bill as the monthly charge multiplied by one twelfth of the Annual kWh shown above for each Fixture Type.

**Extra Pole Cost**

When an extra pole is required, specifically for street lighting, there will be an extra cost based upon pole size, including up to 100 feet of secondary.

30 foot or 35 foot Class 4 pole	\$44.00 per year
40 foot Class 4 pole	\$48.00 per year

**Meter Reading and Billing:**

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges, only if the entire bill is paid-in-full by the discount due date.

**General Terms and Conditions:**

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

**Cooperative Resale Schedule G Rate**

**Designation:**

Cooperative G Rate

**Available in:**

Available to municipal lighting plants and private companies whose service territory is adjacent to the service territory of the Department and for distribution to such customers that cannot be served from the existing distribution lines, provided that the Department has available facilities for furnishing the service

**Character of Service:**

A.C. 60 cycles: single phase.

**Customer Charge:**

\$3.49 per month.

**Energy Charge:**

\$.08349 per Kilowatt-hour for all Kilowatt-hours usage.

**Fuel Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Standard Fuel Adjustment Clause.

**Purchase Power Adjustment:**

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

**Meter Reading and Billing:**

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges, only if the entire bill is paid-in-full by the discount due date.

**General Terms and Conditions:**

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

**Rate Filed: January 30, 2014**

**Effective: On Billings on or After February 1, 2014**

**Filed By: Coleen M. O'Brien, General Manager**

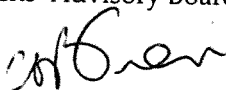


## READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board, Citizens' Advisory Board

Date: January 16, 2014

From: Coleen O'Brien



Subject: RMLD Rate Increase

RMLD is seeking an approximate 5% increase to the overall bill. This increase equates to 9% of the customer and base energy charges on the residential bill, and the customer, base energy and demand charges on the commercial/industrial bill. Attachment 1, as an example, reflects the impact on a residential customer at a net increase of \$3.21 per month for 500 kilowatt hours.

The kilowatt hour sales projections over the last several years assumed unrealistic load growth assumptions, which were not adjusted in the FY 2014 budget. These assumptions supported increased base revenues to cover expenses, including the four town payments, and the annual Reading payment in-lieu-of tax (PILOT) which was approximately \$2.3 million. Attachment 2 addresses the reforecasted sales for fiscal year 2014 which includes four months of actual data.

Massachusetts General Law, Chapter 164, Section 58, does not allow RMLD to have rates that are below production costs. A net loss adversely impacts RMLD's ability to make its payment commitments and increases RMLD's credit risk in qualifying for low cost contracts with power suppliers.

RMLD was in a transition phase during the FY 2014 budget process with an Interim General Manager performing two critical job functions and the RMLD continuing its search for a General Manager. The necessity of the rate increase is a result of a recent diligent review of the budget to actual financials. It is with fiduciary duty that this issue must be addressed proactively to ensure solid financial positioning by the end of the fiscal year; delays only compound the revenue issue.

RMLD has not had a rate increase or an updated Cost of Service Study in over three and a half years. RMLD is developing a long term Strategic Plan which focuses on reliability, rates, staffing and process efficiencies. An RMLD Cost of Service Study model is currently being developed and its resultant study findings and six year projections will be completed and presented later this spring.

Moving forward, the economy combined with the forecasted energy hikes due to transmission and capacity over the next couple of years, will keep electric bill topics in the press for both the municipals and investor-owned utilities alike. RMLD is a not-for-profit municipal and will, with due diligence, remain with rates amongst the lowest in the state.

Attachment 3 reflects all the rate classes which the rate increase will affect: Residential Schedule A Rate, Residential Schedule RW Controlled Water Heater Rate, Residential Time-of-Use Schedule A2 Rate, Commercial Schedule C Rate, Industrial Time-of-Use Schedule I Rate, School Schedule SCH Rate, Streetlighting Rate Schedule D, and the Cooperative Resale Schedule G Rate.

Attachments are as follows:

Attachment 1 – Residential Breakout

Attachment 2 – Fiscal Year 2014 Reforecast

Attachment 3 – Salient Points e-mail from RMLD General Manager

Attachment 4 – PowerPoint presentation

## EXISTING JANUARY 2014 RATES

## RESIDENTIAL

CUSTOMER CHARGE				***	\$3.47
BASE RATE CHARGE	500	@	\$0.08365	per kWh***	\$41.83
ENERGY CONSERVATION CHARGE	500	@	\$0.00100	per kWh***	\$0.50
FUEL CHARGE PER KWH	500	@	\$0.04500	per kWh	\$22.50
HAZMAT	500	@	\$0.00100	per kWh***	\$0.50
NYPA CREDIT	500	@	(\$0.00375)	per kWh	(\$1.88)
PURCHASE POWER ADJUSTMENT	500	@	\$0.001270	per kWh***	\$0.64
TOTAL WITHOUT DISCOUNT					\$67.56
10% PROMPT PAYMENT DISCOUNT					(\$4.69)
TOTAL NET					\$62.87

\*\*\*TOTAL BASE for DISCOUNT CALCULATION \$46.94

AVERAGE COST PER KWH \$0.12574

## PROPOSED FEBRUARY 2014 RATES

## RESIDENTIAL

CUSTOMER CHARGE				***	\$3.78	
BASE RATE CHARGE	500	@	\$0.09118	per kWh***	\$45.59	
ENERGY CONSERVATION CHARGE	500	@	\$0.00100	per kWh***	\$0.50	
FUEL CHARGE PER KWH	500	@	\$0.04500	per kWh	\$22.50	
HAZMAT	500	@	\$0.00000	per kWh***	\$0.00	
NYPA CREDIT	500	@	(\$0.00375)	per kWh	(\$1.88)	
PURCHASE POWER ADJUSTMENT	500	@	\$0.001270	per kWh***	\$0.64	
TOTAL WITHOUT DISCOUNT					\$71.13	
10% PROMPT PAYMENT DISCOUNT					(\$5.05)	
TOTAL NET					\$66.08	
***TOTAL BASE for DISCOUNT CALCULATION		\$50.51		\$\$ DIFFERENCE	\$3.21	
					% DIFFERENCE	5.11%
AVERAGE COST PER KWH	\$0.13216					



**READING MUNICIPAL LIGHT DEPARTMENT  
REFORECAST FY 14  
12/16/13**

	BUDGET 2013	AUDITED 2013	BUDGET 2014	REFORECAST W/O 9% FY 14	REFORECAST WITH 9% BASE RATE INC FROM 2/14-6/14	PRE COST OF SERVICE EST WITH ADD'L 3.5% BASE RATE INCREASE FY 15
<b><u>OPERATING REVENUE:</u></b>						
SALES OF ELEC - BASE	47,317,020	45,208,258	47,440,468	45,400,696	47,019,443	51,251,193
SALES OF ELEC - FUEL	31,200,000	34,351,757	32,608,270	29,725,681	29,725,681	30,596,451
PURCHASED POWER ADJUSTMENT	2,134,600	1,138,194	1,050,884	674,000	674,000	0
PASNY	(700,000)	(706,940)	(700,000)	(700,000)	(700,000)	(700,000)
FORFEITED DISCOUNTS	1,040,974	921,639	1,043,690	998,815	1,034,428	1,127,526
ENERGY CONSERVATION	704,661	685,481	707,288	699,200	699,200	699,200
GAW SOIL REVENUE	704,659	696,142	707,287	491,067	491,067	0
<b>TOTAL OPERATING REVENUE</b>	<b>82,401,914</b>	<b>82,294,531</b>	<b>82,857,887</b>	<b>77,289,459</b>	<b>78,943,819</b>	<b>82,974,370</b>
<b><u>OPERATING EXPENSES:</u></b>						
PURCHASED POWER - BASE	30,102,742	28,117,959	29,123,336	28,426,800	28,426,800	30,386,549
PURCHASED POWER - FUEL	30,500,000	33,305,373	31,789,470	29,025,681	29,025,681	29,896,451
OPERATION EXPENSE	9,400,066	9,812,541	9,538,128	9,729,580	9,729,580	10,021,467
MAINTENANCE EXPENSE	2,702,398	2,768,231	3,224,633	3,133,133	3,133,133	3,227,127
DEPRECIATION EXPENSE	3,650,000	3,665,630	3,775,200	3,779,634	3,779,634	3,932,695
TOWN PAYMENTS	1,368,000	1,375,900	1,400,000	1,400,000	1,400,000	1,471,682
<b>TOTAL OPERATING EXPENSES</b>	<b>77,723,206</b>	<b>79,045,635</b>	<b>78,850,767</b>	<b>75,494,828</b>	<b>75,494,828</b>	<b>78,935,971</b>
<b>TOTAL OPERATING INCOME</b>	<b>4,678,708</b>	<b>3,248,896</b>	<b>4,007,120</b>	<b>1,794,631</b>	<b>3,448,991</b>	<b>4,038,399</b>
<b><u>NONOPERATING REVENUES:</u></b>						
MDSE AND JOBBING	120,000	334,635	240,000	240,000	240,000	250,000
INTEREST INCOME	100,000	24,435	50,000	50,000	50,000	150,000
MMWEC REFUND AND ADVANCE IN AID	800,000	946,040	750,000	750,000	750,000	725,000
<b>TOTAL OTHER INCOME</b>	<b>1,020,000</b>	<b>1,305,110</b>	<b>1,040,000</b>	<b>1,040,000</b>	<b>1,040,000</b>	<b>1,125,000</b>
<b><u>NONOPERATING EXPENSES:</u></b>						
CUSTOMER DEPOSIT INTEREST EXP	3,000	1,145	3,000	3,000	3,000	5,000
OTHER DEDUCTIONS (INCLUDING ROI)	2,415,000	2,769,742	2,451,221	2,451,221	2,451,221	2,408,752
<b>TOTAL MISCELLANEOUS DEDUCTIONS</b>	<b>2,418,000</b>	<b>2,770,887</b>	<b>2,454,221</b>	<b>2,454,221</b>	<b>2,454,221</b>	<b>2,413,752</b>
<b>NET INCOME</b>	<b>3,280,708</b>	<b>1,783,119</b>	<b>2,592,899</b>	<b>380,410</b>	<b>2,034,770</b>	<b>2,749,648</b>
<b>ROR %</b>	<b>7.60%</b>	<b>5.22%</b>	<b>6.82%</b>	<b>3.15%</b>	<b>5.71%</b>	<b>6.92%</b>

## Jeanne Foti

---

**From:** Coleen O'Brien  
**Sent:** Monday, December 23, 2013 3:34 PM  
**To:** RMLD Board Members Group; Tom Ollila (taollila@verizon.net); davidnelson@verizon.net; ghooper@townofwilmingtonma.com; tonycapobianco1@gmail.com  
**Cc:** Jane Parenteau; Bob Fournier; Kathleen Rybak; Jeanne Foti; Priscilla Gottwald; jhull@wilmingtonma.gov; gbalukonis@northreadingma.gov; LeLacheur, Bob; william-gustus@town.lynnfield.ma.us  
**Subject:** SALIENT POINTS ADDRESSING THE RMLD RATE INCREASE  
**Attachments:** RESIDENTIAL IMPACT.pdf

Good afternoon: I just sent a copy of a press release (being sent to the local papers today) to you as well as the Selectmen and Town Managers. It was noted in the press release that presentations to the Board of Commissioners and Citizens Advisory Board are scheduled for January. In the interim, I wanted to share the salient points for the rate increase with you.

The laws that govern utility financing can be quite different from regular business structures, as well as the terminology. The intent of this email is to consolidate the salient facts.

### RATE INCREASE

- For a 500 KWHr residential customer, a 9% increase to the base rate which affects only the customer and base rate charge portions of the bill, equates to a 5.3% increase to the overall bill or an increase of \$3.21. The attached delineates this break-out for the residential class only.
- KWHr sales projections over the last several years assumed unrealistic load growth assumptions. These assumptions supported increased base revenues to cover all expenses and commitments. These load growth assumptions were not monitored and did not come to fruition thereby leaving the projected net income for FY14 at \$380K. Realistically, the KWHr sales have trended flat (-.32%) with residential slightly up and commercial slightly down, however, commercial represents approximately 10% of all customers but a 65% of KWHr sales and pulls in a higher Rate of Return than the residential class.

### LEGAL AND OTHER ADVERSE IMPACTS

- Mass General Law (MGL) 164, Section 58, does not allow RMLD to have rates which are below production costs. Ending with a net loss is a violation of MGL 164, S58.
- Pursuant to DPU 85-121, RMLD's voluntary PILOT payment to the Town of Reading must come from net income.
- If the projected net income of \$380K gets depleted by the end of the fiscal year, RMLD would end with a net loss, which is violation of MGL 164, S58. This could affect the PILOT payment made to the Town of Reading.

### CREDIT IMPACT

- Rates which are below production costs will impact RMLD's excellent credit rating and the credit rating of the Town of Reading.
- Rates which are below production costs are deemed a security and credit risk to power suppliers. RMLD's ability to purchase power from suppliers will be adversely impacted.

### PLANNING AND EXPENSES

- Rate Stabilization and Deferred Fuel Funds should be set and used to cover catastrophic events such as the purchase of replacement energy for an unexpected generator shutdown. One month of replacement energy

could cost up to \$1.5M during a peak period. As in the case of Katrina in 2005, RMLD depleted in excess of \$3M fuel reserves within a few months. cash transfer of rate stabilization funds would not affect the net income.

- RMLD has reduced its staff approximately 13% over the last 5 years without a strategic or succession plan. RMLD has a number of key positions currently vacant. The Organizational Study will identify the staffing levels, create movement in positions, and support skill set development to ensure efficient processes and meet current and long term strategic objectives.
- The Long Term Reliability Study will identify and prioritize necessary capital improvements to ensure continued safe and reliable service.
- The Depreciation Fund covers capital construction costs. The capital costs for a given fiscal year should be delineated in an approved long term reliability plan. The base fund should be set to cover a catastrophic event such as the loss of a main transformer, substation or other facility.
- A Cost of Service Study splits the pie by dividing costs by rate classes. RMLD's business model objectives including setting its Rate of Return, as well as the Operating/ Maintenance and Power Supply budgets, are all input values into the COS model. The COS will be done in the early spring.

*Coleen M. O'Brien*

General Manager

Reading Municipal Light Department

230 Ash Street

Reading, MA 01867

# RMLD Rate Change Discussion

Coleen O'Brien  
General Manager  
December 2013

# Overview

- RMLD's rate increase is needed:
  - To ensure the RMLD meets Massachusetts criteria (G.L. c. 164) for meeting the cost to purchase, maintain plant, and deliver electricity
  - To maintain excellent system reliability
  - To meet Reading's Return on Investment needs
  - To maintain RMLD's and Town of Reading's overall bond credit rating

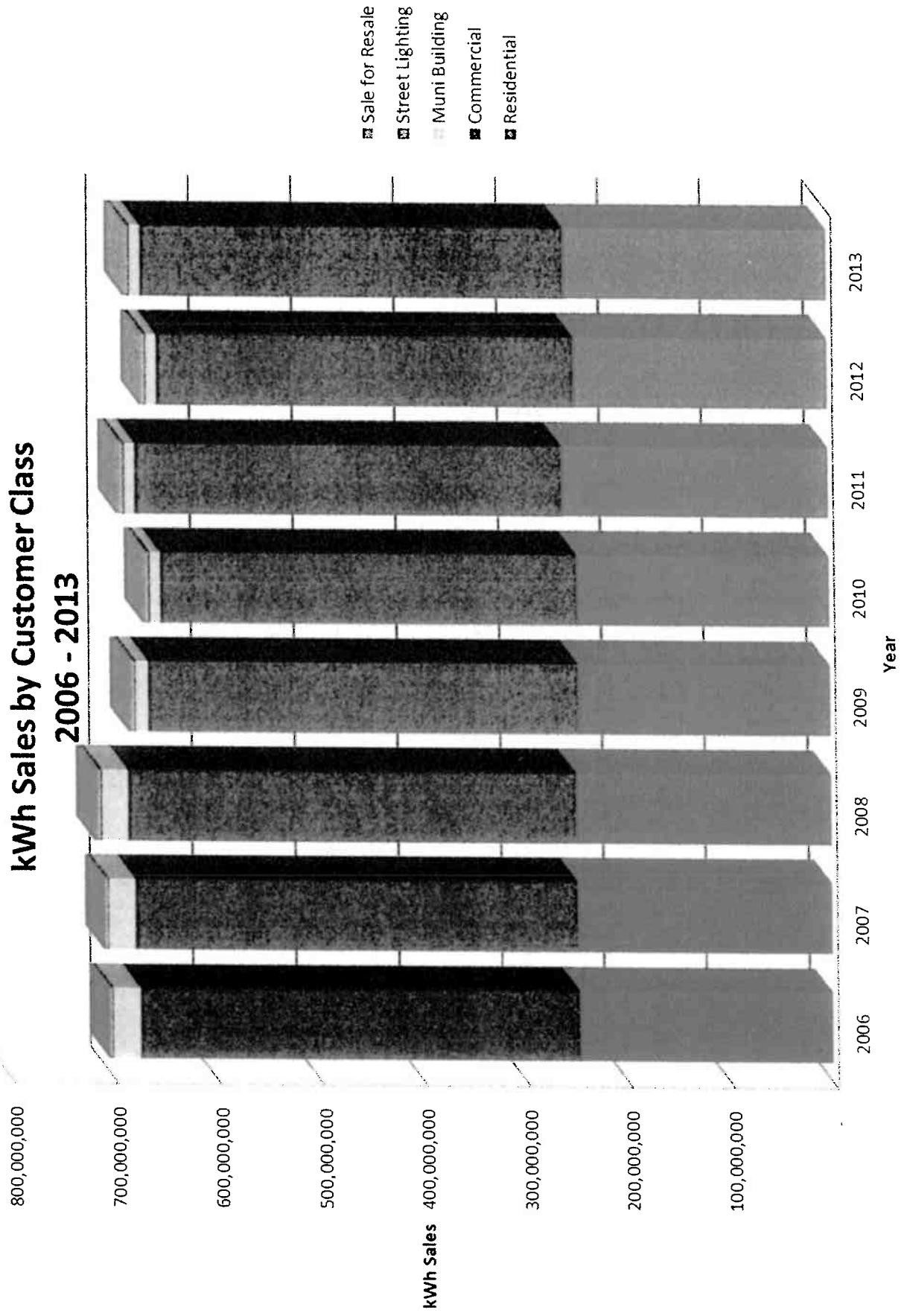
## Background Information

- Under Massachusetts G L c 164, the RMLD must meet the cost of delivering electricity to homes, businesses, and municipalities
- It has been 3 ½ years since the last rate increase
- NSTAR and others are planning on a 30% or greater increase in January
  - Even with the RMLD's requested rate increase, our service area electricity cost will still be much lower than customers served by NSTAR and NGRID

# RMLD

## kWh Sales by Customer Class

2006 - 2013



# Why is kWh usage flat/shrinking?

## Multiple Reasons:

- Weak economy: 2008 through 2010
- Weather greatly influences kWh sales
- Electric conservation efforts; RMLD is proactive to assist all its customer classes reduce their bills
- Change in technology:
  - Residential, Commercial and Industrial customers are moving rapidly to CFL and/or LED lighting, which uses a fraction of incandescent lighting
  - Industrial users have moved to energy efficient devices, such as Adjustable Frequency Drive Motors, which use significantly lower power



## Why Increase Rates Now?

- RMLD should have addressed a rate increase prior to July, 2013.
- Waiting for Cost of Service Study to be completed will result in a larger increase.
- Delays in increase could have adverse credit implications for RMLD and Town of Reading.
- According to Mass GL c 164, rates must cover its cost to purchase, maintain plant and deliver electricity.

## Expenses

- Number of RMLD employees over the past five years has decreased by approximately 13%.
- O&M expenses have been reviewed.
- RMLD is also in the process of an Organizational Study to ensure that all resources are efficient and geared for future needs.

# Rate Stabilization

- If power provided from a low cost source has an outage, RMLD would be forced to buy from the spot market at a much higher rate.
- Cash transfer from rate stabilization will not change net income.
- Replacement of rate stabilization funds would compound rate increase.

# Options

Possible Options	Impact
Delay rate increase	<ul style="list-style-type: none"><li>• Results in a larger increase later.</li><li>• Adverse legal and financial implications.</li><li>• Impacts reliability and customer service.</li></ul>
Implement rate increase	<ul style="list-style-type: none"><li>• Overall increase of approximately 5%.</li><li>• Meet legal and financial obligations.</li><li>• Maintain reliability and customer service.</li></ul>

## Conclusion

- A rate increase is required now to allow RMLD to meet its financial and legal obligations as well as to maintain its excellent system reliability and customer service.
- RMLD is being proactive in:
  - Analyzing the trends to meet future needs
  - Completing Cost of Service Study
  - Performing Organizational and Reliability Studies





## ELECTRIC POWER ENGINEERING

35 MAIN STREET HOPKINTON, MA 01748 TELEPHONE (508) 435-9377

**To:** Coleen O'Brien, General Manager  
**Cc:** Jane Parenteau, Bob Fournier, Bill Selden  
**From:** Mayhew D. Seavey, Jr.  
**Date:** January 17, 2014  
**Subject:** Draft Proforma FY2014 Test Year Cost of Service

---

I have completed the 2014 Proforma Test Year Cost of Service analysis using the data that RMLD has provided. This memorandum summarizes the results of that analysis. The results confirm that, absent an immediate increase in rates, RMLD will have net income for the year, after deducting the Return on Investment payment to the Town of Reading, of less than \$400 thousand.

Starting with the FY2013 Historic Test Year Cost of Service Model that was shown to board members at the training session on December 4, I updated the data as follows:

- Operating expenses, including purchased power, were taken from the "2014 Budget Summary" dated 5/14/2013;
- Kilowatt-hour sales for each customer class were taken from your spreadsheet ***"FY2014\_Jul thru Dec Actual\_Jan thru Jun Same as FY 2013 (no growth)"***. This represents total sales just slightly lower (0.2%) than the actual FY13 sales already in the model;
- I used the Cost of Service model to generate revenues from the existing and proposed rates, rather than using the revenues in your budget. This is the only difference between my results and yours;

The results show that, by our calculation and based on these assumptions, RMLD would have Net Income of \$297 thousand in FY2014. A calculation consistent with the regulations of the Massachusetts Department of Public Utilities yields a rate of return of approximately 3% which is far short of the 8% allowed under statute.

It appears to me that this outcome has resulted from flat or declining sales over the last few years, which will tend to erode earnings if purchased power costs are being passed through directly. It also appears that the decline in earnings was masked somewhat in FY2013 by an over-recovery of purchased power expense that increased revenues above the level that would have been received if all purchased power expenses had been passed through.

Because my Cost of Service model does not include monthly detail, it is not possible for me to calculate the rate increase that would be required to earn the target level of net income. Since my model agrees with RMLD's own projections for the entire fiscal year, I can be confident that RMLD's projections of the increase needed for the remainder of the fiscal year are in line with what I would project.

The next step of my analysis will be to look at FY2015 to determine the level of rates needed to meet budgeted expenses and produce the desired net income. This task can be completed as soon as final 2015 budget information is received.

If there are any questions regarding this, please do not hesitate to contact me.





# READING MUNICIPAL LIGHT DEPARTMENT

## RATE COMPARISON

Proposed RMLD Rates

VS.

Other Local Utilities

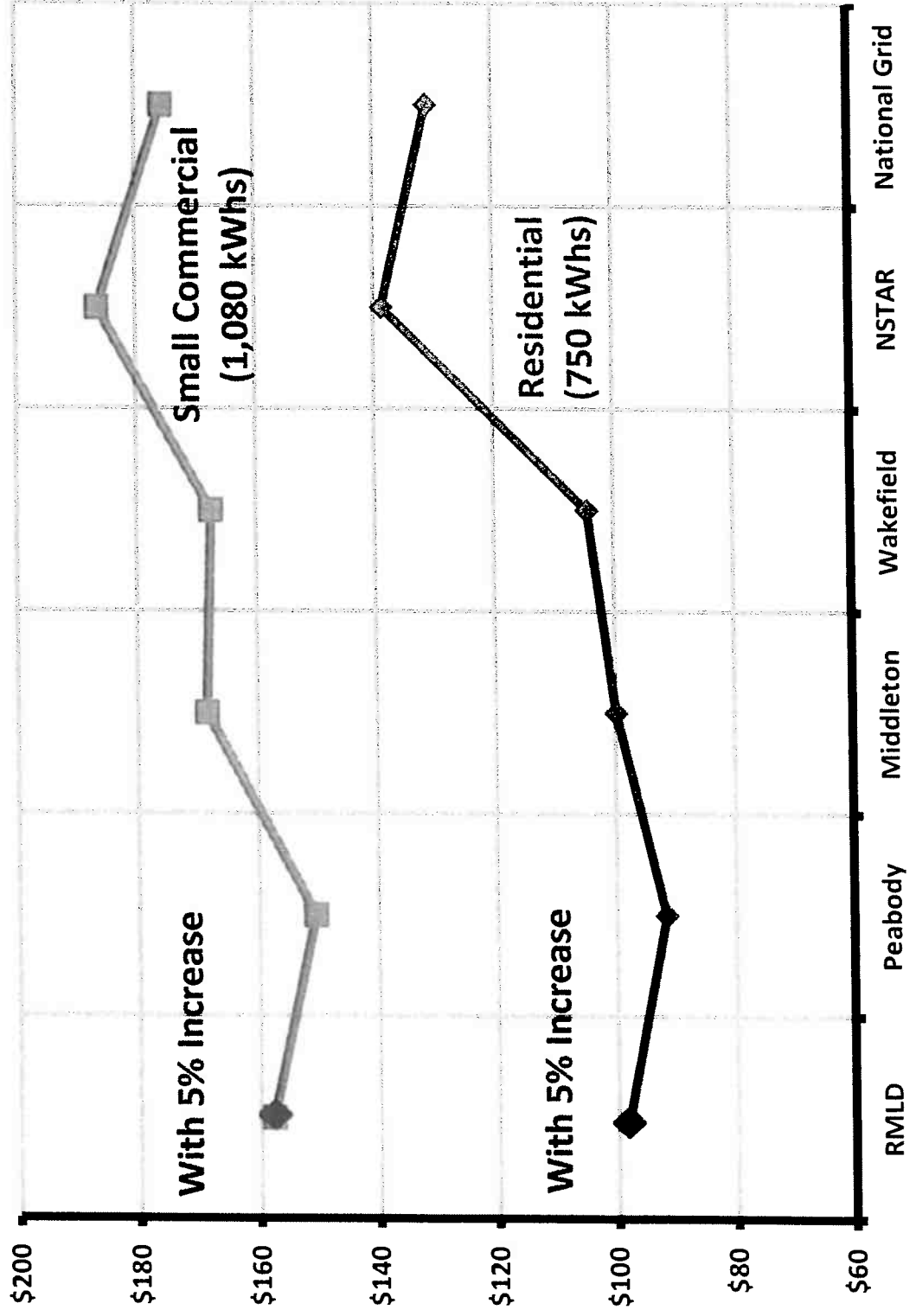
(Based on January 2014)

TOWN OF READING MUNICIPAL LIGHT DEPARTMENT  
RATE COMPARISON READING (WITH PROPOSED RATE INCREASE) & SURROUNDING TOWNS

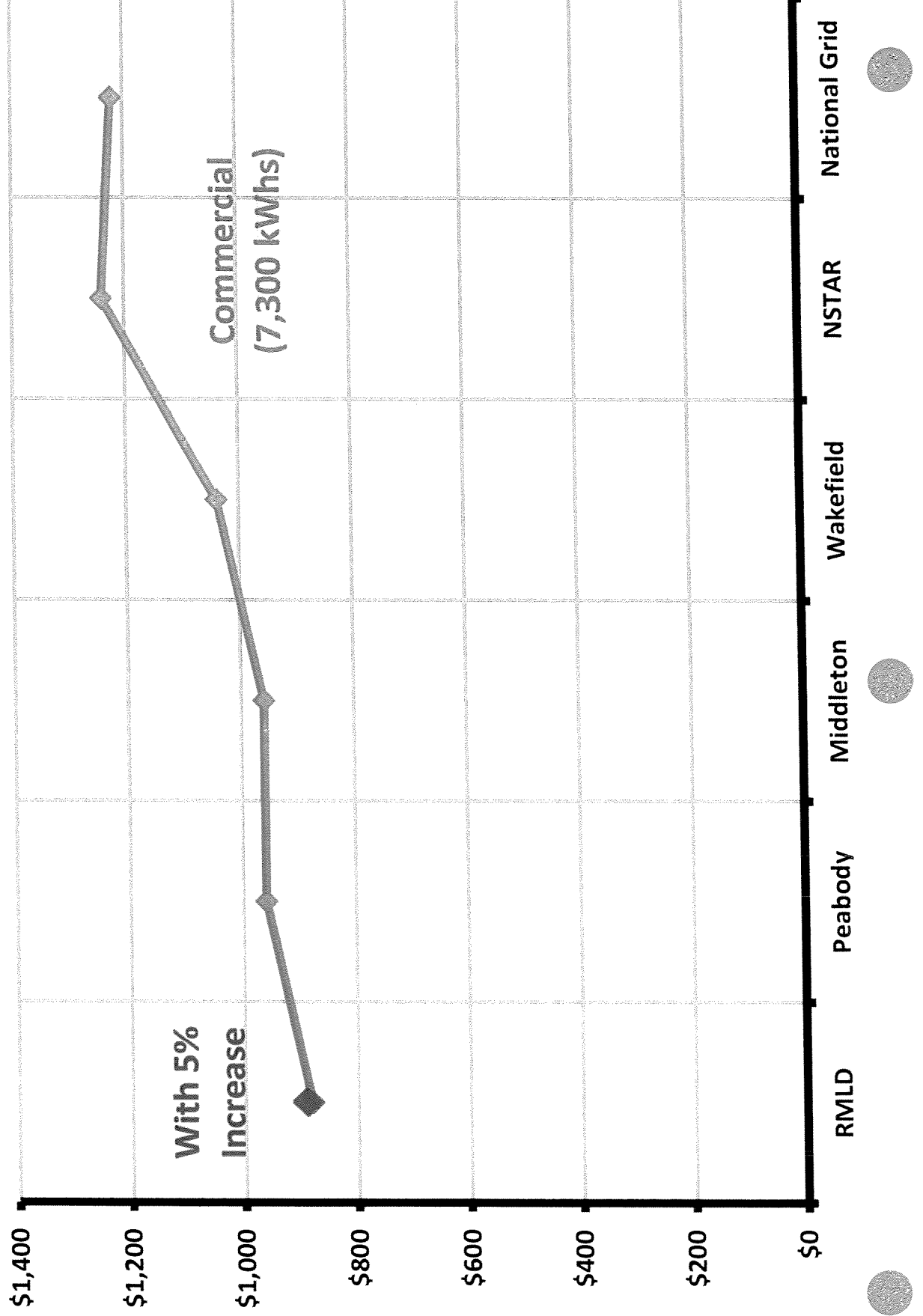
January-14

	RESIDENTIAL 750 kWh's	RESIDENTIAL-TOU 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 35,000 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	\$98.09	\$171.64	\$112.39	\$880.79	\$173.93	\$4,079.19	\$11,046.12
PER KWH CHARGE	\$0.13079	\$0.11442	\$0.11239	\$0.12066	\$0.16105	\$0.11655	\$0.10088
NATIONAL GRID							
TOTAL BILL	\$131.05	\$247.59	\$174.72	\$1,222.57	\$175.50	\$5,282.72	\$14,970.58
PER KWH CHARGE	\$0.17473	\$0.16506	\$0.17472	\$0.16748	\$0.16250	\$0.15093	\$0.13672
% DIFFERENCE	33.59%	44.25%	55.46%	38.80%	0.90%	29.50%	35.53%
NSTAR COMPANY							
TOTAL BILL	\$138.64	\$255.68	\$182.71	\$1,241.23	\$186.47	\$6,784.35	\$20,051.84
PER KWH CHARGE	\$0.18485	\$0.17045	\$0.18271	\$0.17003	\$0.17265	\$0.19384	\$0.18312
% DIFFERENCE	41.33%	48.97%	62.57%	40.92%	7.20%	66.32%	81.53%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$91.56	\$179.15	\$121.36	\$959.18	\$150.56	\$4,742.13	\$10,863.38
PER KWH CHARGE	\$0.12208	\$0.11943	\$0.12136	\$0.13139	\$0.13941	\$0.13549	\$0.09921
% DIFFERENCE	-6.66%	4.38%	7.99%	8.90%	-13.44%	16.25%	-1.65%
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	1.71%	15.59%	18.02%	8.94%	-3.16%	16.76%	20.68%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$104.31	\$202.32	\$136.98	\$1,039.27	\$167.49	\$4,864.08	\$13,421.07
PER KWH CHARGE	\$0.13908	\$0.13488	\$0.13698	\$0.14237	\$0.15509	\$0.13897	\$0.12257
% DIFFERENCE	6.34%	17.88%	21.88%	17.99%	-3.70%	19.24%	21.50%

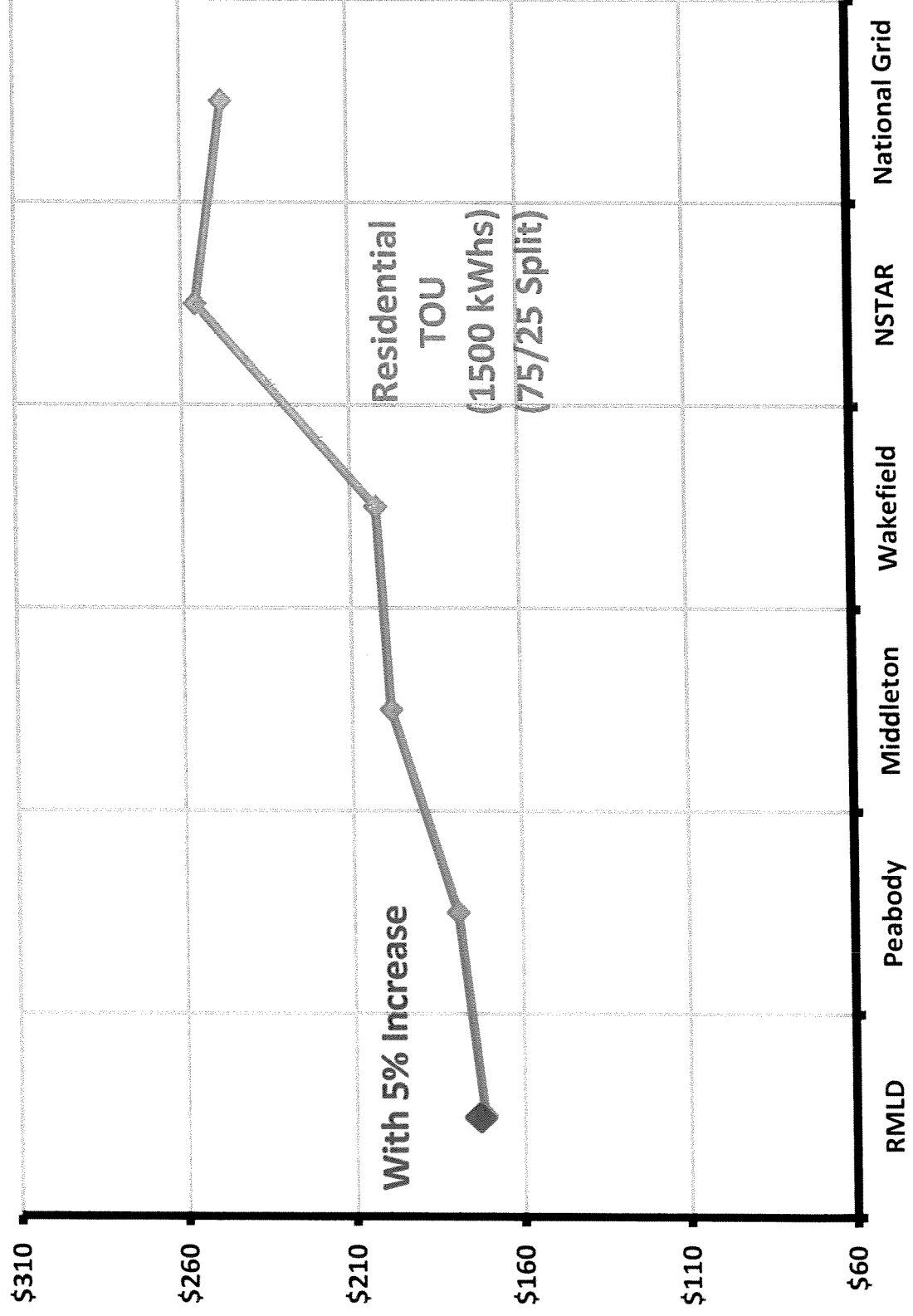
## Residential and Small Commercial



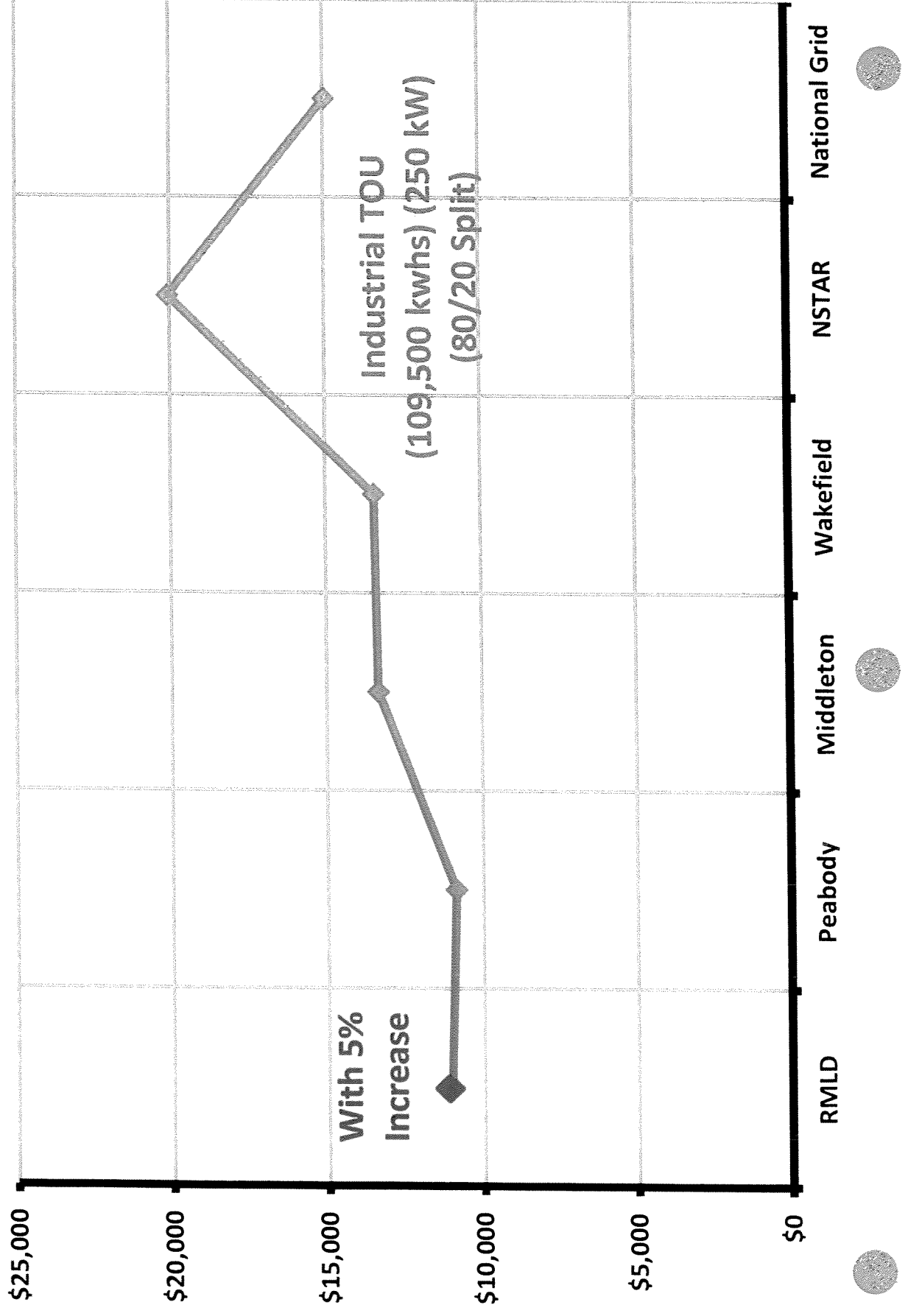
# Commercial



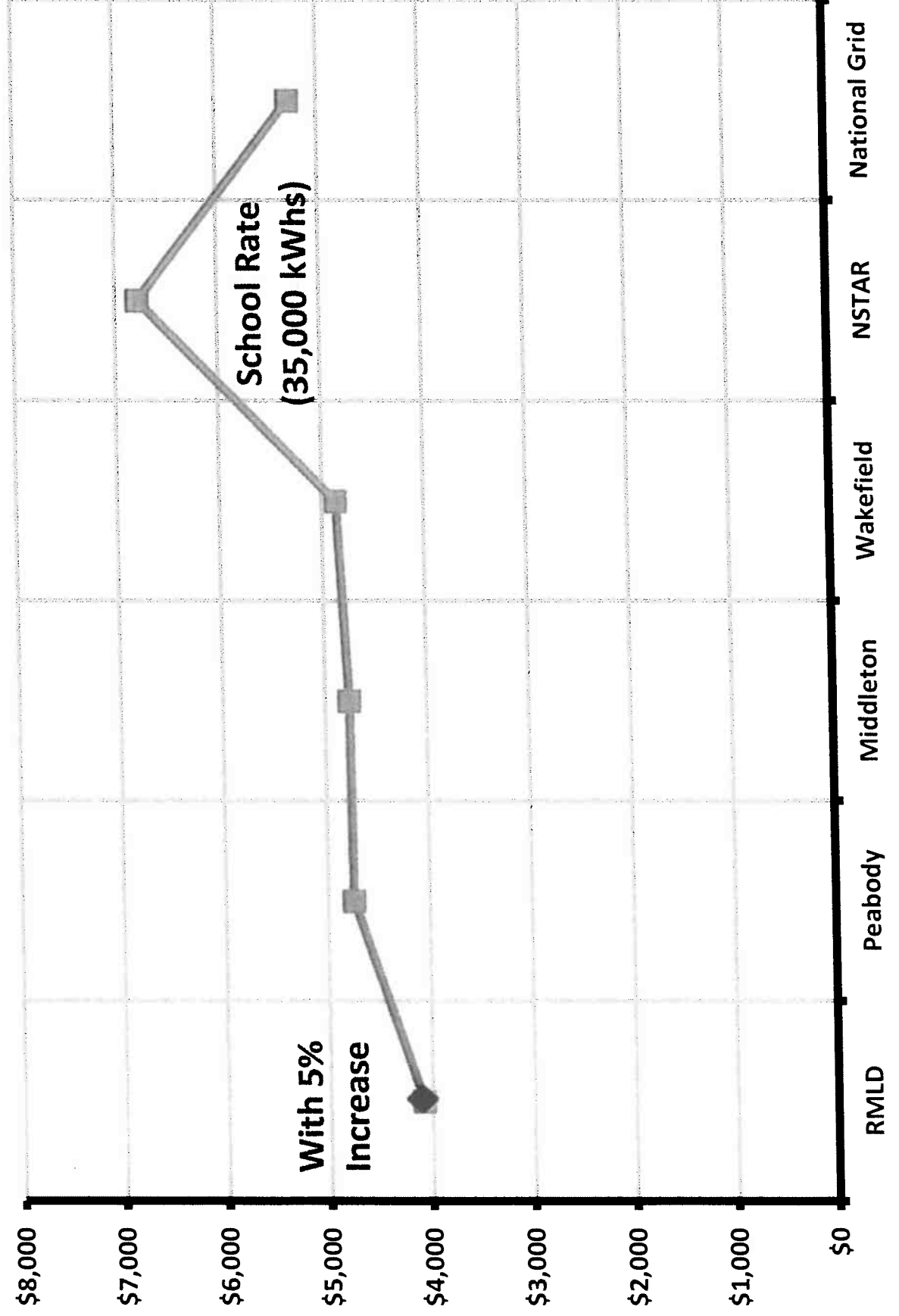
# Residential TOU



# Industrial TOU



# School









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

**MEMORANDUM**

**BY EMAIL**

To: Coleen O'Brien, General Manager  
Reading Municipal Light Department

From: Christopher Pollart and Karla Doukas

Re: Proposed Rate Increase and Issues Related to the 20-Year Agreement

Date: January 16, 2014

---

On behalf of the Reading Municipal Light Department ("RMLD"), you have asked us to address issues raised by the Lynnfield Board of Selectmen in its January 15, 2014 letter regarding RMLD's proposed rate increase for electric service.

At the outset, we note that it is our understanding from discussions with you that the rate increase being considered by RMLD is 5%, or \$3.21 per month on a residential customer's bill who uses 500 kWh per month and not 9% as referenced in the Lynnfield Board of Selectmen's letter. It is also our understanding from discussions with you that RMLD has paid \$2,301,221 to the Town of Reading in fiscal year 2014 for calendar year 2013 as a voluntary payment to the Town of Reading sourced from RMLD's below-the-line earnings or profit.

As you are aware, the Agreement between RMLD and the Towns of Wilmington, Lynnfield and North Reading requires, among other things, that RMLD make in-lieu of tax payments to the Towns for a 20-year term ("20-Year Agreement"). The 20-Year Agreement contemplates two types of payments: (1) payments-in-lieu of taxes made pursuant to special legislation, and (2) voluntary payments made from RMLD's below-the-line earnings as part of its discretionary authority if and to the extent special legislation is not in effect. Section 5 of the 20-Year Agreement specifically requires that RMLD's payments in lieu-of-taxes pursuant to special legislation be treated as expenses for ratemaking purposes. RMLD obtained special legislation, thus authorizing RMLD to include as annual operating expenses and recover through its rates, the in-lieu of tax payments made to the Towns of Reading, Wilmington, North Reading and Lynnfield. *See* St. 1990, c. 405, § 1.

G.L. c.164, § 58 governs the rate practices of municipal light plants such as RMLD. Under this statutory scheme, RMLD has broad discretion to expend money and set rates. *See Bertone v. Department of Pub. Utils.*, 411 Mass. 536, 543 (1992); *Municipal Light Comm'n of*

*Peabody v. Peabody*, 348 Mass. 266, 270-72 (1964). In fact, G.L. c. 164 grants the Department of Public Utilities (“DPU”) only limited power to review the rate practices of municipal light plants. *See e.g., Bertone*, 411 Mass. at 548; *Holyoke Water Power Co. v. Holyoke*, 349 Mass. 442, 445-46 (1965); *Stow Municipal Elec. Department*, D.T.E. 94-176-C, at 20-21 (2001) (stating that the DPU has limited ratemaking authority over municipal light plants); *Reading Municipal Light Department (“Reading”)*, D.P.U. 85-121/85-138/86-28-F (1987) (examining RMLD’s cost data and rate structure). The Court has recognized that municipal light plants do not nearly require the same degree of scrutiny and supervision as investor-owned utilities. *Bertone*, 411 Mass. at 547-48. Thus, the DPU generally defers to the ratemaking authority and policies of the municipal light plant. *Id.* at 543.

G.L. c.164, § 58 authorizes municipal light plants to set rates to earn an 8% return on the cost of plant and allows rate increases as often as every three months. Notably, Section 5(c) of the 20-Year Agreement expressly recognizes that nothing in the 20-Year Agreement precludes RMLD “from earning a return of eight percent per annum on the cost of plant in accordance with G.L. c. 164, § 58...”

In addition, Section 5(c) of the 20-Year Agreement explicitly recognizes RMLD’s right and authority to make additional voluntary payments to the Town of Reading from its unappropriated surplus, *i.e.*, below-the-line earnings. Below-the-line earnings are generated from the allowed return on cost of plant and any extra-period income, *i.e.*, surplus. *See, e.g., Littleton Electric Light Department* (Advisory Opinion), D.P.U. 96-11 (1996); *Reading, supra; In re Paras*, D.P.U. 86-16, at 1-2 (1986). RMLD has considerable authority over the management and use of its surplus funds and may determine the most effective use of the funds. Revenues generated from the return on plant or extra period income may be used for below-the-line items, such as discretionary payments. The DPU has recognized that municipal light plants may use unappropriated earned surplus revenues derived from the return on cost of plant or any “profit” to make voluntary payments to the host Town. *See Reading, supra*, at 15-16; *Peabody Municipal Light Plant*, D.P.U. 89-189, at 7; *In re Paras, supra*, at 2.

The DPU also has sanctioned the practice of budgeting monthly payments to the host Town based on its estimated rate of return as a reasonable exercise of the light plant’s management discretion. *See Peabody Municipal Light Plant, supra*, at 8. In *Peabody Municipal Light Plant*, the Petitioners questioned the light plant’s practice of including a profit estimate in its budget to be transferred to the City of Peabody. *Id.* at 8. The DPU concluded that the light plant could include up to eight percent of the cost of the plant in its net profit estimate in a properly prepared budget. *See id.* The DPU reasoned that in the light plant’s budget, the rate of return estimate appears to be eight percent and the fact that the payments are made on a monthly basis, after a profit is determined, is inconsequential if the cash management procedures followed by both City and the light plant make it more convenient to do so. *Id.*

Accordingly, there is no legal basis to challenge RMLD’s proposed rate increase to increase its rate of return in accordance with G.L. c. 164, § 58 or the making of any additional payments to the Town of Reading from RMLD’s rate of return.

Please do not hesitate to contact us if you have any questions.



# Town of **LYNNFIELD**

PHILIP B. CRAWFORD  
DAVID M. NELSON  
THOMAS D. TERRANOVA, JR.

WILLIAM J. GUSTUS  
Town Administrator

## BOARD OF SELECTMEN

January 15, 2014

Ms. Coleen O'Brien  
General Manager  
Reading Municipal Light Department  
230 Ash Street  
Reading MA 01867

RE: Rate Increase

Dear Ms. O'Brien:

Thank you for having your staff attend the January 6, 2014 meeting of the Lynnfield Board of Selectmen to discuss the proposed increase in rates to be charged for electric service in Lynnfield. The presentation was enlightening, pardon the pun, but concerning as well. On behalf of the Board of Selectmen, I want to express our collective concern in such a large rate increase at this time.

In looking at the documents previously provided, and in listening to the presentation last Monday, it is apparent that there has been a change in policy resulting in the decision to raise rates so dramatically at this time. While we understand that RMLD is allowed to earn up to 8% of net plant each year per state regulation, we are mindful that it is not required that it do so. We are also concerned that the additional PILOT payment made to the Town of Reading is shown as a current year expense rather than as a payment out of last year's unappropriated earned surplus. The whole purpose of the Special Legislation that was passed as a result of the four town agreement was to allow the payments to the four towns to be made out of current year revenue. The four town agreement specifically states that additional payments to Reading, over and above the four town payments, must come from unappropriated earned surpluses. This can only mean that these payments come from the prior year's surplus and are not current year obligations.

The rate increase has been justified by your staff as being required in order to insure that RMLD would have sufficient revenue to cover the cost of restoration of services in the event of a major failure occasioned by weather or other disaster in the current fiscal year. Without the charge for the additional PILOT payment against current year revenue, it

would seem that RMLD should have similar surpluses to those enjoyed in prior fiscal periods. While we understand that this could impact RMLD's ability to make next year's additional PILOT payment to the Town of Reading, we do not think that necessitates a 9% increase at this time.

The additional PILOT payments to Reading are clearly required to come out of earned surpluses as agreed by all four towns in the four town agreement. Reading, as a signatory to this agreement, must have understood that if a surplus did not exist, the payment would not be made. We have not been told of the existence of a formal PILOT agreement requiring these payments and we do not know how they have been calculated in the past. Nevertheless, we believe that the burden of increasing revenue this year to cover not only current year costs but also to generate sufficient surpluses to make additional PILOT payments to Reading next year should be borne not only by the rate payers but also the Town of Reading in the form of a reduced additional PILOT payment next year, if necessary.

In this way, RMLD could raise rates gradually over the course of the next few years in order to implement current policy to improve the revenue performance of RMLD. We think this is a far more equitable way to address this situation and one that will continue to foster the long standing reputation of RMLD as a cost effective energy provider to its customers.

Thank you for your consideration in this matter.

Very truly yours,




William J. Gustus  
Town Administrator

cc. John Stempeck  
CAB  
Board of Selectmen  
Jeffrey Hull  
Gregory Balukonis

## Jeanne Foti

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 **From:** Jeanne Foti  
**Sent:** Wednesday, January 22, 2014 7:56 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 January 29, 2014.

### **Account Payable Warrant – No Questions**

December 6, December 13, December 20, January 3, January 10 and January 17. There was no Account Payable Warrant on December 27.

### **Payroll – No Questions**

December 6, December 30 and January 13.

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

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Please consider the environment before printing this e-mail.



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

January-14

	RESIDENTIAL 750 kWh's	RESIDENTIAL-TOU 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 - TOU 109,500 kWh's 250,000 kW Demand 80/20 Split
READING MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$92.73	\$162.94	\$106.76	\$836.96	\$163.85	\$3,880.93	\$10,562.82
PER KWH CHARGE	\$0.12364	\$0.10862	\$0.10676	\$0.11465	\$0.15171	\$0.11088	\$0.09646
NATIONAL GRID							
TOTAL BILL	\$131.05	\$247.59	\$174.72	\$1,222.57	\$175.50	\$5,282.72	\$14,970.58
PER KWH CHARGE	\$0.17473	\$0.16506	\$0.17472	\$0.16748	\$0.16250	\$0.15093	\$0.13672
% DIFFERENCE	41.32%	51.95%	63.66%	46.07%	7.11%	36.12%	41.73%
NSTAR COMPANY							
TOTAL BILL	\$138.64	\$255.68	\$182.71	\$1,241.23	\$186.47	\$6,784.35	\$20,051.84
PER KWH CHARGE	\$0.18485	\$0.17045	\$0.18271	\$0.17003	\$0.17265	\$0.19384	\$0.18312
% DIFFERENCE	49.51%	56.92%	71.15%	48.30%	13.80%	74.81%	89.83%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$91.56	\$179.15	\$121.36	\$959.18	\$150.56	\$4,742.13	\$10,863.38
PER KWH CHARGE	\$0.12208	\$0.11943	\$0.12136	\$0.13139	\$0.13941	\$0.13549	\$0.09921
% DIFFERENCE	-1.26%	9.95%	13.68%	14.60%	-8.11%	22.19%	2.85%
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	7.59%	21.76%	24.25%	14.64%	2.80%	22.73%	26.20%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$104.31	\$202.32	\$136.98	\$1,039.27	\$167.49	\$4,864.08	\$13,421.07
PER KWH CHARGE	\$0.13908	\$0.13488	\$0.13698	\$0.14237	\$0.15509	\$0.13897	\$0.12257
% DIFFERENCE	12.49%	24.17%	28.31%	24.17%	2.22%	25.33%	27.06%

