Reading Municipal Light Board of Commissioners
Regular Session
230 Ash Street
Reading, MA 01867
July 28, 2010

Start Time of Regular Session: 7:30 p.m.
End Time of Regular Session: 9:42 p.m.

Attendees:
Commissioners:
Mary Ellen O'Neill, Chairman
Philip B. Pacino, Secretary
Robert Soli, Commissioner
Richard Hahn, Vice Chair
Gina Snyder, Commissioner

Staff:
Vinnie Cameron, General Manager
Robert Fournier, Accounting/Business Manager
Kevin Sullivan, E&O Manager
Jeanne Foti, Executive Assistant
Jane Parenteau, Energy Services Manager

Citizens' Advisory Board
Arthur Carakatsane, Chairman

Guest
Larry Stone, Stone Consulting, Inc.

Chairman O'Neill called the meeting to order, stated that, this meeting of the Reading Municipal Light Department (RMLD) Board of Commissioners July 28, 2010, is being broadcast live at the RMLD's office at 230 Ash Street, Reading, MA. Live broadcasts are available only in Reading due to technology constraints. This meeting is being video taped for distribution to the community television stations in North Reading, Wilmington and Lynnfield.

Opening Remarks/Approval of Meeting Agenda
Chairman O'Neill asked the Board if there were additional changes to the agenda, there were none.

Introductions
Chairman O'Neill introduced Citizens' Advisory Board Chairman, Arthur Carakatsane.

Approval of June 30, 2010 Board Minutes
Mr. Hahn made a motion seconded by Mr. Pacino to approve the Regular Session meeting minutes of June 30, 2010 with the changes presented by Chairman O'Neill, page one change, North Reading Board of Selectmen in paragraph two, page two sentence to read "The DPU recognizes that even if someone has a medical condition, the customer needs to pay their bills.", page three changes, first paragraph should read kilowatt "hour" sales, $.0025 for the Fuel Charge, delta change that to "difference", and spell out LSP.
Motion carried 4:0:1. Ms. Snyder abstained as she was not present at the meeting.

Actuarial Valuation – Mr. Stone, Stone Consulting, Inc. (Attachment 1)
Draft Actuarial Study
Mr. Cameron stated that Mr. Larry Stone has performed the Actuarial Valuation on the Pension Trust for the RMLD in the past. Mr. Cameron said that Mr. Stone will be presenting his findings to the full Board. Mr. Cameron pointed out that Mr. Stone had presented the Actuarial Valuation to the Budget Committee prior to the Board meeting this evening.

Mr. Stone presented the Reading Municipal Light Department, Draft Actuarial Valuation as of January 1, 2010. Mr. Stone explained that he used a 7.25% discounted interest rate and 4.75% salary assumptions in the study. Since the 2008 study the assets have decreased 19%.

Discussion ensued.

The fiscal year 2010 actuarial study shows that the RMLD should contribute $1.4 million into the Pension Trust.

Discussion ensued.

Budget Committee – Secretary Pacino
Mr. Pacino reported that the Budget Committee had met this evening, to review the presentation on the assumptions, and had requested a full copy of the actuarial valuation. Mr. Pacino said that the Department recommended transferring $200,000 into the Pension Trust Fund in which the Budget Committee was in agreement with. The Budget Committee voted at its meeting to recommend to the Board to transfer $200,000 for fiscal year 2010, into the Pension Trust Fund, the motion carried 3:0:0.

Mr. Soli asked what the contributions will be in the future. Mr. Stone replied the first year will be $1.4 million and the second year will be slightly higher due to the payroll increase.

Mr. Soli asked what will happen in fiscal year 2011 because the budget process has already taken place. Mr. Cameron replied that the RMLD needs to see how fiscal year 2011 plays out; because there is $150,000 budgeted.

Chairman O'Neill asked what was in the fiscal year 2010 budget. Mr. Cameron replied $100,000. Mr. Hahn pointed out that the discussion at the committee level is how the $1.4 million gap will be addressed. Mr. Hahn said that the $1.4 million will have to be put into rates. Mr. Hahn explained that this was not in the Cost of Service Study, nor the fiscal year 2011 budget. Mr. Hahn said that in four years they will run out of money in the Pension Trust Fund if there is not a dramatic improvement in the market. There is a need to do something about the lack of funding. Mr. Hahn pointed out that $200,000 was approved because that is what the RMLD has.

Mr. Stone said that he will be sending a final report based on their input he received. Mr. Hahn said that it does not matter on the assumptions because the range of funding runs from $1.1 million to $1.5 million annually. Mr. Hahn stated that the issue is not the assumptions but the bigger question of how to address the shortfall. Mr. Hahn suggested utilizing the first set of assumptions that come up at $1.4 million. Mr. Stone said that he can get a full report together within three weeks.

Discussion ensued.

Ms. Snyder made a motion seconded by Mr. Pacino that the RMLD Board of Commissioners authorize the General Manager to transfer $200,000 into the RMLD Pension Trust Fund for the fiscal year ending June 30, 2010.
Motion carried 5:0:0.

Report from RMLD Board Committees Power & Rate Committee – Vice Chair Hahn (Attachment 2)
Fiscal Year 2011 Cost of Service Study (COSS)
Mr. Cameron reported that the Cost of Service Study (COSS) was performed in house based on the fiscal year 2011 budgeted numbers in expected sales. Mr. Cameron explained that the overall proposed rate increase is 2.78% that is required based on the fiscal year 2011 budget, Operations & Maintenance budget with adjustments for one time expenditures.

Mr. Cameron reported that as in the last COSS, some rate classes showed that they needed an increase such as the Residential A Rate, Residential A Rate Water Heater, and Commercial whereas the rest of the rates showed a decrease, but instead remained stable in this part of the COSS. Mr. Cameron said that the monies that account for the reduction in the rates is $850,000 that was allocated to the three classes that called for a rate increase and it abated the rate increases in those classes. This resulted in rate increases of 3.65% Residential A Rate, 3.96% Residential A Rate Water Heater and 4.27% Commercial Rate. Mr. Cameron explained that there is another component to the COSS which is the Purchased Power Adjustment. Mr. Cameron said that the Purchase Power Adjustment is a portion of the bill that adjusts the base rates to account for increases in the base purchase power costs. Since the last COSS, the Purchase Power base adjustment is $.0072 per kilowatt hour. In addition to the rate increase to the three rate classes, the Purchase Power Adjustment rate of $.0072 per kilowatt hour will be rolled into each rate. The result is the base rates make up 40% to 45% of the overall rate. The overall rate increase including the fuel charge comes in with the COSS increase represents approximately 2.6% for the three rate classes.

Mr. Cameron commented that the Residential A Rate under the existing rate is $99.49 under the new rate it will be $102.08. Mr. Cameron explained that the customers who had no rate increase, but had an increase due to the PPA being rolled in is the Residential Time of Use rate with the overall increase .6% which represents $.0072 being rolled into the base energy rate. Mr. Cameron said that under the existing rate they would pay $108.21 however under the new rate would pay $108.86. The COSS also takes into account the $2.5 million return on investment which is less than half of the RMLD's return which is a little over $5 million. In the COSS the RMLD's targeted return is $2.5 million.

Mr. Carakatsane stated that the Citizens' Advisory Board voted to recommend to the Reading Municipal Light Department Board of Commissioners that the Cost of Service Study be accepted as presented to the CAB at its meeting on July 12, 2010. The motion was approve unanimously at that meeting.

Report from RMLD Board Committees Power & Rate Committee – Vice Chair Hahn (Attachment 2)
Fiscal Year 2011 Cost of Service Study (COSS)
Mr. Hahn reported that the COSS has already been discussed at the Budget Committee meeting as well as discussion on potential changes to Massachusetts regulations defining renewable energy resources particularly in regards to biomass projects. These resources could still qualify to meet certain thresholds. Also discussed at this meeting was the potential purchase of biomass projects which are still under development with additional buyers besides the RMLD. Other issues discussed were net metering with the concept of behind the meter generation. It was the sense of the committee that the pursuit of the output from renewable energy sources is still something the committee recommends to the Board and would direct the RMLD to pursue renewable energy, but do not buy renewables at any price. The general consensus of the committee is if there is a renewable project above market at a reasonable price that receives the environmental benefits the Department should bring this to the committee.

Mr. Pacino asked if the discount rate could be decreased and has the same effect as a rate increase. Mr. Cameron said that lowering the discount rate would increase rates, but it would not constitute an across the board increase and he has not looked at the increase from a Cost of Service perspective.

Mr. Soli said that he has given out a handout and proceeded to explain the handout.

(Attachment - Addendum 1)
Addendum to the minutes submitted by Mr. Soli.

Chairman O'Neill said that Mr. Soli had submitted several motions. Chairman O'Neill asked Mr. Soli if he had any questions, Mr. Soli said that Mr. Hahn did not report on the vote of the Budget Committee.

Mr. Hahn reported that the committee voted to approve the COSS, 2 in favor, 1 against this motion with no abstentions.

Mr. Hahn made a motion seconded by Ms. Snyder that the RMLD Board of Commissioners approve the RMLD's Fiscal Year 2011 Cost of Service Study based on the recommendations of the RMLD Power and Rate Committee and the Citizens' Advisory Board.
Motion carried 4:1:0. Mr. Soli voted against this motion.

Chairman O'Neill stated that they will handle questions relative to the presentation then address Mr. Soli's motions.

Mr. Pacino asked where certain numbers in Mr. Soli's analysis came from. Mr. Soli said that it is in the spreadsheet but could not clarify exactly how it was calculated.

Mr. Hahn said that they have requested several times that spreadsheets should be submitted in advance of meetings in order that they can be studied. Mr. Hahn commented that Mr. Soli could e-mail the spreadsheet with the formulas and this could be addressed at a Rate & Power Committee meeting or the next Board meeting.

Discussion ensued.

Mr. Hahn pointed out that a statement was made this evening that the school demand amount is too high, which is not true. Mr. Hahn stated that the assertion that the amount of demand costs allocated to the schools is too high has not been verified therefore cannot be accepted until the spreadsheet has been reviewed.

Mr. Hahn emphasized you cannot let that statement stand on the record without rebuttal. Mr. Hahn said that he would be willing to address this at a Power & Rate Committee meeting in the future. Mr. Cameron said that he completely agrees with Mr. Hahns' comments.

On another matter, Mr. Cameron stated that the RMLD performs a calculation on a monthly basis of what the benefit of receiving NYPA power is and then it is credited to all residential customers. This point needed to be clarified.

Chairman O'Neill told Mr. Soli to provide this information in a readable fashion so it can be sent to the committee to be discussed because there are many questions.

Mr. Soli made a motion seconded by Ms. Snyder that the RMLD General Manager provide to the RMLD Board the cost projections and revenue results for the 2008 COSS rate changes that went into effect.
Motion failed 2:2:1. Messrs. Hahn and Pacino voted against this motion. Ms. Snyder abstained.

Report from RMLD Board Committees Power & Rate Committee – Vice Chair Hahn (Attachment 2)
Fiscal Year 2011 Cost of Service Study (COSS)
Mr. Soli included several motions as part of his package that requires the General Manager to perform certain tasks. Mr. Cameron suggested that the Board not make the motion, but just direct the General Manager to perform the tasks. The Board agreed.

Chairman O'Neill said that she would put Mr. Soli's requests in the minutes as a matter of record and they can be evaluated prior to the next COSS. Mr. Pacino suggested looking into a legal opinion on church rates.

Commissioner Soli's Motions:

Some COSS-related Motions

1. **Move that the RMLD GM provide to the RMLB the cost projections & revenue results for the 2008 COSS rate changes went into effect. (This motion did not carry.)**
2. **Move that the RMLD GM provide to the RMLB the cost projections & revenue results for the 12 months after COSS rate changes enacted after 30 June 2010 go into effect.**

Improved RMLD Metering

3. **Move that all metering for Industrial TOU be of the type to record hourly data.**
4. **Move that the metering for at least 100 randomly selected Commercial customers (non house of worship) be of the type to record hourly data.**
5. **Move that the metering for at least 25% randomly selected houses of worship be of the type to record hourly data.**

Basis of Charges from Demand & Transmission Vendors

6. **Move that basis of charges, i.e., on what basis are the charges computed and what could the RMLD do to decrease the charge by 5%, be obtained from Demand and Transmission vendors.**

General Manager Committee – Chairman O'Neill
Chairman O'Neill reported that this year a new form for the General Manager's evaluation is being used which has been e-mailed to all Board members and is to be completed by Monday, August 2.

Survalent Contract
Mr. Cameron reported that the RMLD uses Survalent Technology program in real time in its system for the Supervisory Control and Data Acquisition (SCADA) system. Mr. Cameron explained that Survalent has offered the RMLD a five year contract that will provide for a twenty five percent discount for a cost savings of $12,200. Mr. Cameron explained that under Chapter 30B rules since the contract is longer than three years the RMLD must ask permission from Town Meeting. The motion will go on the warrant for Subsequent Town Meeting in November.

Chairman O'Neill said that the motion is to place the full article on the fall Subsequent Town Meeting.

Chairman O'Neill made a motion seconded by Ms. Snyder that the RMLD Board of Commissioners place the following article on the warrant of the fall 2010 Town of Reading Subsequent Town Meeting:

To see if the Town will vote to authorize the General Manager of the Reading Municipal Light Department, on the recommendation of the RMLD Board of Commissioners, to enter into a five-year contract, including all extensions, renewals, and options, for maintenance of the Supervisory Control and Data Acquisition (SCADA) program at the RMLD or to take any other action with respect thereto.
Motion carried 5:0:0.

Mr. Cameron reported that the RMLD went out for an RFP for power supply in early June in which JP Morgan was awarded the bid for 2011 to 2014.

Financial Highlights - June, 2010 (Attachment 3)
Mr. Fournier reported that he is in the process of closing out the fiscal year and the annual audit will be starting on August 9. Mr. Fournier will have the pre-audit figures the first week of August. Mr. Fournier said the kilowatt sales for the fiscal year are 684 million which are down 11.5 million or 1.7% compared to last year's total of 696 million.

The DPU has notified the RMLD that the 2% depreciation rate has been approved in fiscal year 2010. Mr. Hahn asked if the depreciation rate will default back to the 3% in the future. Mr. Fournier replied that it will go back to 3% if the RMLD does not notify the DPU.

Financial Highlights - June, 2010 (Attachment 3)
Chairman O'Neill said that for the next Board book Mr. Fournier would have draft numbers for June. Mr. Fournier said that he will have the June numbers and some July estimates. Mr. Fournier said that the kilowatt hour sales for June were 60 million and 72 million for July.

Power Supply Report – June, 2010– Ms. Parenteau (Attachment 4)
Ms. Parenteau reported on the Power Supply Report for June. The RMLD's load for June 2010 was 66 million kilowatt hours which is a 16.4% increase compared to June 2009, energy costs were $3.6 million which is equivalent to $.0548 per kilowatt hour, the June Fuel Charge Adjustment was $.0465 per kilowatt hour, the kilowatt sales were 59.6 million kilowatt hours and as a result of that differential the RMLD undercollected by $950,000 resulting in a Deferred Cash Fuel Reserve of $2.688 million.

Ms. Parenteau said that the Fuel Charge for July was $.049 with anticipating increasing the Fuel Charge for August to $.054 which is an increase of $.005 per kilowatt hours.

Ms. Parenteau then reported on the power supply purchases, costs and peak demand. Mr. Pacino asked if a new peak was hit in July due to the heat. Ms. Parenteau replied we were at 168 whereas the historical high is 172.

Engineering and Operations Report – June, 2010 - Mr. Sullivan (Attachment 5)
Gaw Update
Mr. Sullivan reported that there are no changes in Gaw this month on the milestones. Mr. Sullivan reported that there is an increase of $113,000 total contractor labor for the cubicle manufacturer for installation and $11,000 in RMLD labor.

Chairman O'Neill asked about the soil remediation. Mr. Sullivan said that $1.1 million for paid and unpaid invoices to date for soil remediation. Mr. Sullivan commented that the soil remediation will have a mid August completion based on the information from the Licensed Site Professional.

Mr. Sullivan then reported on the variance report Projects worked on in June: 22 – Main Street, Wilmington, 3 – Station 4 Getaway Feeder, 6 – Haverhill Street, 7 – URD Completions, 8 Salem Street to Glen Road Feeder Tie, Project 8 – Salem Street to Glen Road Feeder Tie is complete. Projects 22, 3, 6 will be completed in mid August. Project 7 will be completed in the fall.

Mr. Sullivan reported for the month of June service installations 35 residential services changed out, under routine construction 23 cutouts were changed out for a total of 663 which is 118% planned or 562 cutouts. There are 1,200 to 1,400 cutouts to be replaced. Chairman O'Neill asked the timeline for completion. Mr. Sullivan replied two years.

Mr. Sullivan then reported on the CAIDI, SAIFI and MBTI numbers. Mr. Sullivan provided information from the APPA survey that involved 89 utilities that the average CAIDI was 86.75 minutes whereas the RMLD is at 54.2 minutes for the same timeframe. The average SAIFI was .88 incidents for APPA whereas the RMLD was at 1.13 incidents. The RMLD CAIDI was in the upper quartile whereas for the SAIFI the RMLD was in the lower quartile.

Mr. Sullivan said that many of the respondents have midstream devices and it would behoove the RMLD to look into this. Chairman O'Neill asked Mr. Sullivan is that something that he proposes for the capital budget for the following year. Mr. Sullivan replied affirmatively.

M.G.L. Chapter 30B Bid – Material (Attachment 6)
2010-23 – Residential High Powered ERT Meters
Mr. Sullivan stated that bid 2010-23 for Residential High Powered ERT Meters is being rejected for the public good on the recommendation of the General Manager. Mr. Sullivan explained that the bid was sent to nine bidders and three were returned, however, not all prospective bidders received the invitation to bid. The RMLD is recommending rejection of the bid in the best interest of the public good.

Mr. Hahn clarified that the bid was sent to nine participants, but not all prospective bidders received the invitation. Mr. Sullivan said that it his understanding that eleven to twelve prospective bidders should have received the bid and did not; however, it was due to an RMLD error. Mr. Hahn asked is this why Ms. Ahearn disagrees with the recommendation.

M.G.L. Chapter 30B Bid – Material (Attachment 6)
2010-23 – Residential High Powered ERT Meters
Mr. Sullivan stated that the disagreement is based on two separate things; Ms. Ahearn believes that enough bidders received the IFB, and the second thing is that she is concerned with the delay of resubmission. Mr. Hahn said that he is unsure of the delay as it appears to be a valid process. Mr. Cameron said that under Chapter 30B rejection of the bid is in the best interest of the public good which is permitted.

Discussion followed.

Mr. Pacino made a motion seconded by Ms. Snyder that bid 2010-23 for Residential High Power ERT Watt-Hour Meters be rejected on the recommendation of the General Manager.
Motion carried 3:1:1. Mr. Hahn voted against the motion. Mr. Soli abstained.

General Discussion
Ms. Snyder said that the Cities for Climate Protection (CCP) is seeking a representative from the RMLD and would like Mr. Cameron to speak to staff.

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED (Attachment 7)
Rate Comparisons, June 2010
E-Mail responses to Account Payable/Payroll Questions

Upcoming Meetings

RMLD Board Meetings

Wednesday, August 25, 2010, Tour of Wildwood Station will take place at 6:30 p.m.

Wednesday, September 29, 2010

RMLD Committee Meeting

RMLD General Manager Committee Meeting, Monday, August 9, 2010, 7:30 p.m.

Adjournment
At 9:42 p.m. Mr. Pacino made a motion seconded by Mr. Soli to adjourn the Regular Session.
Motion carried 5:0:0.

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

Philip B. Pacino, Secretary
RMLD Board of Commissioners

Reading Municipal Light Department

January 1, 2010 Actuarial Valuation

RMLD Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

Review of Assumptions, Methods, and Preliminary Results

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Medfield, MA 02052
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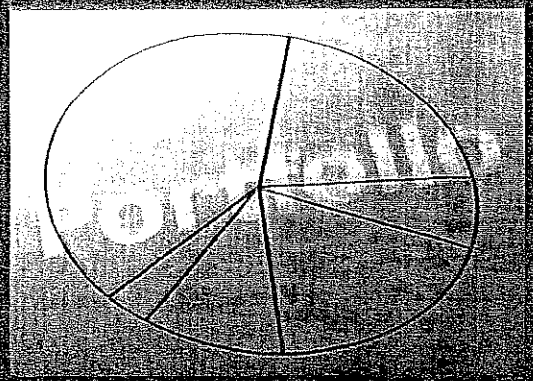
STONE
CONSULTING, INC.

ATTACHMENT 1

Overview

- Current funding schedule based on 1/1/2008 valuation
- 1/1/2010 results used starting Fiscal 2010
- Preliminary results
  - Asset loss

Overview (Cont'd)



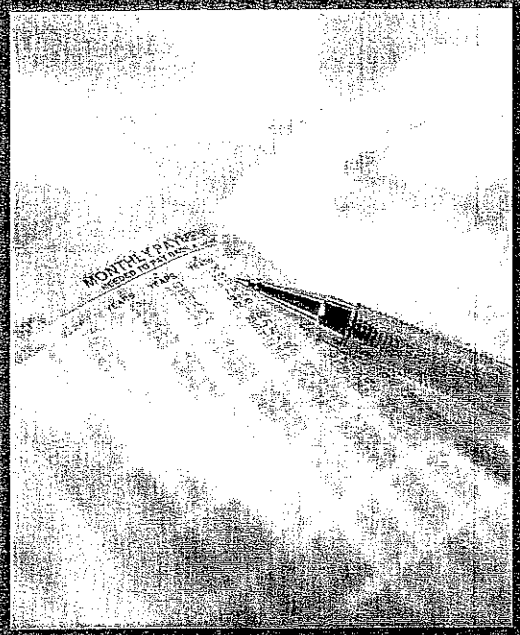
Assumptions:

- 7.25% interest rate
- 4.75% salary assumption
- Use market value of assets
- RP2000 projected to 2010

Comment:

- Portfolio is based on RMLD assets and Reading Retirement System Assets
  - RMLD: fixed income
  - Reading Retirement System: mostly equities

Fiscal 2010 Contribution



- Contribution (7.25%, 4.75%, Market Value)
  - Fiscal 2010 $1,403,636
  - Prior contribution: $0
  - Finalize assumptions
    - Interest rate
    - Mortality
    - Salary assumption

Interest Rate Assumption

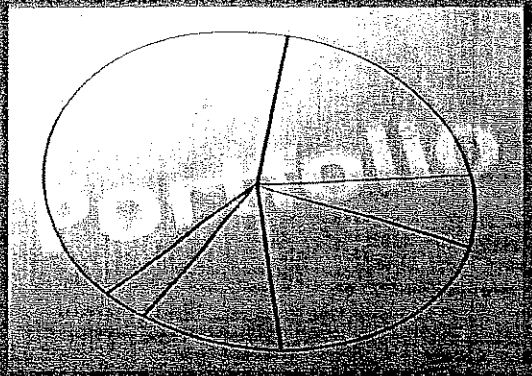
- Build interest rate from allocation
- Rate is net of expenses
- Asset allocation: equities/fixed or from each pool of assets

RMLD	Reading Retirement	Total
4.00%	8.00%	7.29%
4.00%	7.75%	7.08%
3.75%	7.75%	7.04%

Asset Valuation

- Market value of assets:
  - RMLD Assets $5,743,009 (17.79%)
  - Reading Retirement $26,531,584 (82.21%)
  - Total $32,274,593
    - 32.28% of Reading Retirement System assets are allocated to RMLD liability
    - Market value as of January 1, 2008 was $40,022,466
  - Decrease of 19.4% in assets

Overview (Cont'd)



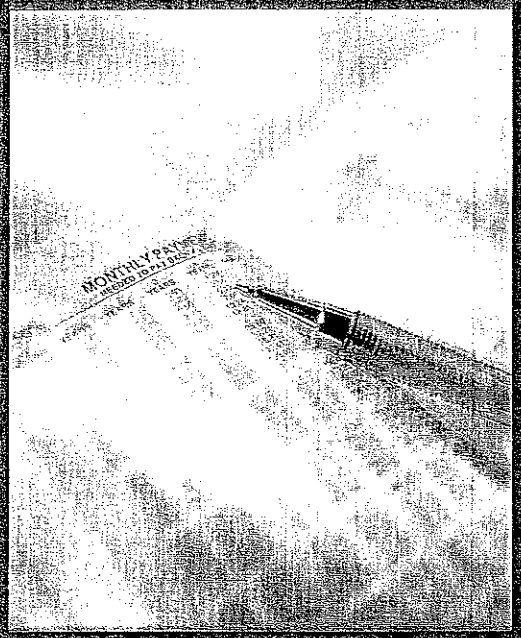
Alternative Assumptions:

- 7.00% Interest Rate
- 4.50% Salary Assumption
- Use asset smoothing
  - $35.2 M Actuarial Value of Assets
  - $3.23 M of loss not recognized
- RP2000 projected to 2010

Comment:

- Lowered salary assumption to reflect future expectations
  - Salary assumption projects an individual's salary
  - Derived from inflation + steps + promotions + longevity
- Change in interest rate and salary assumption increase PVFB by $1.1 M

Fiscal 2010 Contribution

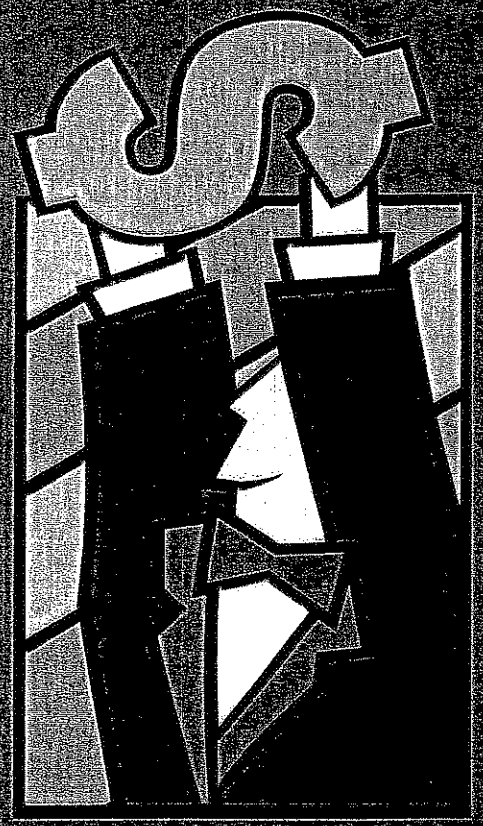


- Contribution based on alternative assumptions
  - Fiscal 2010 $1,151,564
  - Without asset smoothing:
    - $1,532,251

Additional Assumptions

- Noneconomic assumptions
  - Changed mortality increased PVFB by $980k

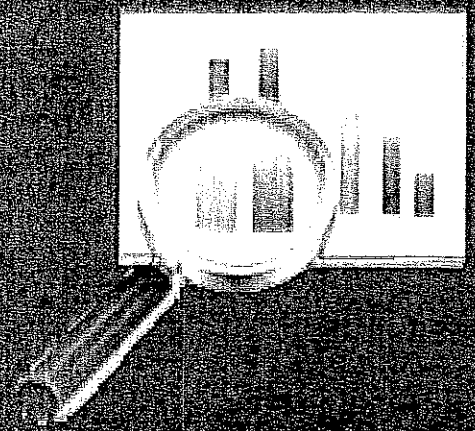
Summary



Assumption Set	Fiscal 2010 Contribution
7.25% Interest Rate 4.75% Salary Increase Market Value of Assets	$1,403,636
7.00% Interest Rate 4.50% Salary Increase Smoothed Value of Assets	$1,151,564
7.00% Interest Rate 4.50% Salary Increase Market Value of Assets	$1,532,251

- Contributions assumed to be at the end of the fiscal year

Observations



- Significant decrease in assets
- Significant increase in contribution requirement
- Recognize loss all at once?
- Not contributing the full amount creates a liability on the balance sheet
- Other changes
  - Post-retirement medical
  - Changes in funding requirements

READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board, Citizens' Advisory Board

Date: June 29, 2010

From: Vinnie Cameron

Subject: FY 2011 Cost of Service Study

Attached is the FY 2011 Cost of Service Study (FY11 COSS) performed by the Reading Municipal Light Department (RMLD). The RMLD performed this study internally using the FY11 Operating and Capital Budget approved by the RMLD Board of Commissioners and the Citizens' Advisory Board (CAB).

During the FY11 budget discussion, the RMLD believed that a 5.2% increase in Base Rates was necessary for the RMLD to meet its revenue requirements during FY11. Adjustments to the revenue requirements and an increase in kWh sales during the last of quarter of FY10 resulted in a Base Rate increase of 2.78%

The results of the FY11 COSS show that only the Residential A-Rate, Residential Hot Water Rate, and the Commercial C-Rate require Base Rate increases. As in the 2008 COSS, the RMLD recommends increasing the Base Rates of the above mentioned rate classes and keep the remainder of the rate classes at their present levels. The Base Rate increases are recommended for the Residential A-Rate (3.65%), Residential Hot Water Rate (3.96%), and the Commercial C-Rate (4.27%).

In addition, the RMLD recommends the FY10 average Purchased Power Adjustment (PPA) of $.0072/kWh be rolled into the Base Rate energy charges. The RMLD also recommends the FY11 PPA be re-adjusted to average $.00073/kWh, which will recover additional power supply costs above the FY10 level. In doing so, all rate classes will see a Base Rate increase whether it is from the FY11 COSS, or the PPA being rolled into the Base Energy Rates, or both.

The FY11 COSS was based on a revenue requirement of $45,892,928, which is derived from the FY11 Operating Budget with adjustments for one time expenditures and known and measureable differences in the budget since its approval.

The FY11 COSS also include a Rate of Return of $2.5 million, which represents approximately 3.79% of the Net Plant. (The RMLD is allowed to earn up to 8% of its Net Plant.)

Table 4 and Exhibit 1 in the attached report shows the rate increases for each rate class by either Base Rate Increase or the PPA being rolled into the Base Energy Rates.

ATTACHMENT 2

READING MUNICIPAL LIGHT DEPARTMENT

2011 COST OF SERVICE STUDY

June 29, 2010

1.0 EXECUTIVE SUMMARY

The Reading Municipal Light Department (RMLD) has performed the Fiscal Year 2011 Cost of Service Study (FY11 COSS) to address increases in the RMLD's Operation and Maintenance Expenses and decreasing sales over the last two years. The combination of these two impacts to the RMLD's financial operation has created the need for a Base Rate increase.

The RMLD's FY11 Operations and Maintenance Expense minus the Fuel Expense, and Miscellaneous Revenues and Expenses are projected to be $45,250,297, which is an increase of 3.1% as compared to the FY10 expenses of $43,882,744, as shown in Table 1.

Table 1

Operations, Maintenance (minus Fuel Expense)

	FY10	FY11
Power Supply	$19,687,248	$19,032,105
Transmission	$7,524,890	$8,679,469
Oper. & Maint.	$10,811,091	$11,751,723
Depreciation	$3,366,058	$3,500,000
Town Payments	$1,253,746	$1,320,000
Misc. Ded.	$1,239,711	$967,000
Total	$43,882,744	$45,250,297

The increase in the FY11 expenses is $1,367,553 over the FY10 projected (ten months actual and two months projected) expenses. The FY11 Power Supply and Transmission expenses increase $499,436, which are recovered through the PPA. The remaining cost increases in FY11 of $868,117 need to be recovered through increases in the Base Rates.

The reason for the increase in transmission expense is due to transmission construction activity throughout New England. The transmission construction costs are passed onto all load serving entities in the New England Power Pool. The transmission construction activity is expected to go on for a few more years; therefore the PPA is expected to increase.

The FY11 COSS was developed based on the RMLD's fully allocated FY11 Operating Budget and $2 million of Return on Net Plant. The COSS methodology uses the Twelve Coincident Peak Demand (12CP) method. A 12CP methodology uses the average of the monthly coincident peak demand in each customer class to allocate demand related costs. This is done to equitably allocate costs to customers so that seasonal usage patterns are taken into consideration in the cost allocation process. The 12CP COSS methodology was used in the last COSS performed by Virchow & Krause in 2008. In addition to the 12CP allocator, there are several other allocators used to assign costs to their correct functions and rate classes. Fuel cost is not included in this study since it is passed through to the customer.

Table 2 shows the FY11 Operating Budget and the items that were approved by the RMLD Board of Commissioners. The FY11 Revenue Requirement approved by the RMLD Board is $84,522,091 ($83,555,091-$1,270,000+$2,237,000). After taking out the Purchased Power - Fuel Expense ($39,271,794) the Total Base Expense is $45,250,297.

For the purposes of the COSS the Base Expenses are adjusted for the following items.

- Hazardous Materials Expense is non-recurring and will be recovered through a Hazardous Waste Charge.

- Energy Efficiency Expenses are recovered through the Energy Conservation Charge.

- Return on Net Plant is not included in the Operating Budget.

- Depreciation expense decreased based on revised gross plant in FY11.

TABLE 2

FISCAL YEAR 2011 OPERATING BUDGET

	Draft 1 Operating Budget		Budget Comm. Approved Operating Budget	
OPERATING REVENUE				
SALES OF ELEC. - BASE	45,890,283	(341,000)	45,549,283	
SALES OF ELEC. - FUEL	39,271,794		39,271,794	
FORFEITED DISCOUNTS	876,838	(6,479)	870,359	
ENERGY CONSERVATION	533,228		533,228	
PURCHASED POWER ADJSUTMENT	259,071		259,071	
HAZ AMT CHARGE		300,000	300,000	
	86,831,214	(47,479)	86,783,735	
OPERATING EXPENSES				
PURCHASED POWER - BASE	27,711,574		27,711,574	
PURCHASED POWER - FUEL	39,271,794		39,271,794	
OPERATION EXPENSE	8,720,671	(135,545)	8,585,126	
MAINTENANCE EXPENSE	2,541,597	625,000	3,166,597	
DEPRECIATION EXPENSE	3,500,000		3,500,000	
TOWN PAYMENTS	1,320,000		1,320,000	
TOTAL OPERATING EXPENSES	83,065,636	489,455	83,555,091	Approved
TOTAL OPERATING INCOME	3,765,578	(536,934)	3,228,644	
NON-OPERATING REVENUES				
MDSE AND JOBBING	120,000		120,000	
INTEREST INCOME	450,000		450,000	
MMWEC REFUND AND ADV. IN AID	700,000		700,000	
TOTAL NON-OPERATING REVENUES	1,270,000	-	1,270,000	Approved
NON-OPERATING EXPENSES				
CUSTOMER DEPOSIT INTEREST EXP	12,000		12,000	
BOND INTEREST EXP				
AMORTIZATION OF DEBT EXP				
PORJECTED RATE REFUND	2,225,000		2,225,000	
TOTAL NON-OPERATING EXPENSES	2,237,000	-	2,237,000	Approved
NET INCOME	2,798,578	(536,934)	2,261,644	

- Forfeited discounts are a credit to expenses.

- MMWEC Flush of Funds was estimated at $700,000, however the actual came in at $384,497, with the result being a $315,503 adjustment.

The adjustments to the FY11 Operating Budget are shown below.

Approved O&M Budget	$45,250,297
Hazardous Material Expense	($600,000)
Energy Efficiency Expense	($643,730)
Demolition of Station	($25,000)
Return on Net Plant	$2,500,000
Depreciation	($33,783)
Forfeited Discounts	($870,359)
MMWEC Flush of Funds	$315,503
Revenue Requirement	$45,892,928

The result of the adjustments shows that the Revenue Requirement for FY11 COSS is $45,892,928.

Table 3 shows the proposed Cost of Service for FY11 for each customer class, which totals $45,892,928. The Forecast Revenues at Current Rates for FY11 is $44,618,035 and is discussed later in the report. The expected shortfall is $1,274,893 or 2.86%. The Effective Rate Changes are either positive or negative depending on rate class. The RMLD recommends increasing the Residential A-Rate, Residential A-Rate Water Heater, and the Commercial C Rate, since the FY11 COSS indicates that these customer classes should have their rates increased. The RMLD also recommends keeping the remainder of the customer classes at their present rate levels. In doing so, the over-recovery in the remaining rate

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Comparison of Current Revenue to Cost of Service

TABLE 3

Return on Ratebase	**3.79%**

Customer Class	Cost of Service FY2011	Forecasted Revenues at Current Rates - FY2011	%Over/(Under) Cost of Service	$ Difference to Cost of Service	Effective Rate Change	Rate Change?	Kwh	Reallocate $ Based on KWh	Reallocated Revenue Requirement	Reallocated Effective Rate Change
RESIDENTIAL A-RATE	$ 19,245,231	$ 18,094,669	-6.4%	$ (1,150,562)	6.4%	yes	237,638,230	54.7%	$ 18,779,544	3.65%
RESIDENTIAL A-RATE WATER HEATER	470,563	438,000	-7.4%	(32,563)	7.4%	yes	7,407,034	1.7%	456,048	3.96%
RESIDENTIAL TOU	113,918	116,382	2.1%	2,464	-1.0%	no	1,808,521	0.0%	116,382	0.00%
COMMERCIAL	13,755,540	12,812,841	-7.4%	(942,699)	8.6%	yes	189,181,753	43.6%	13,384,811	4.27%
INDUSTRIAL TOU	10,939,672	11,412,028	4.1%	472,357	-4.1%	no	224,822,454	0.0%	11,412,028	0.00%
STREETLIGHTS	246,083	557,890	55.9%	311,807	-55.9%	no	3,747,728	0.0%	557,890	0.00%
COOP-RESALE	235,428	268,089	12.2%	32,661	-11.2%	no	3,798,265	0.0%	268,089	0.00%
SCHOOL	886,493	918,136	3.4%	31,643	-3.2%	no	14,652,336	0.0%	918,136	0.00%
Total	**$ 45,892,928**	**$ 44,618,035**	**-2.86%**	**$ (1,274,893)**			**683,056,320**	$ 850,931	$ 45,892,928	2.78%

classes, $850,931, would be used to lower the amount of the rate increase to 2.78%, as shown in the last column of Table 3. The RMLD recommends increasing the Residential A – Rate 3.65%, the Residential A - Rate Water Heating Rate 3.96%, and the Commercial C – Rate 4.27%.

In addition to the proposed rate increase, the Purchased Power Adjustment (PPA) is being readjusted to $.00073/kWh and the FY10 PPA of $.0072/kWh be rolled into the Base Rates in all the rate classes. The readjusted PPA is expected to recover the additional power supply expenses in FY11 of $499,436.

Table 4 shows the average monthly bills for each customer class for both the Existing Rate and the Proposed Rate. The Overall Increase shows the total increase between the Existing Rate and the Proposed Rate. The Overall Increase also includes a rate increase, a PPA increase, or both. In the case of the Residential A-Rate the Overall Increase was 2.601%, and is comprised of the Rate Increase of 2.105% and the PPA Increase of .496%. Since the Base Rates make up approximately 50% to 60% of the total electric bill the overall rate increases are less than what is shown on Table 3. The Residential Time of Use Rate is expected to have an Overall Increase of .608%, which is solely attributable to the PPA increase. The rates that remain at their former levels only experience a PPA increase.

Exhibits 1A through 1G show the detail of the figures on Table 4 for each rate class.

2.0 DATA COLLECTION

The revenue requirement of $45,892,928 for FY11 is based on the FY11 Capital and Operating budget and includes Base Power Supply Expense, Operating and Maintenance Expense, Depreciation Expense, and the Town Payments, Non-operating Expense, Non-operating Revenues, and Return on Net Plant.

Table 5 shows the Bill Frequency used in the FY11 COSS and includes the amount of customers and energy and demand projected to be billed in FY11. The total kWh for FY11 is

TABLE 4

Rate Class	Existing Rate	Proposed Rate	Overall Increase	Rate Increase	PPA Increase
Residential A-Rate	$99.49	$102.08	2.601%	2.105%	0.496%
Residential A-Rate Water Heating	$116.59	$119.63	2.607%	1.942%	0.665%
Residential Time of Use Rate	$108.21	$108.86	0.608%	0.000%	0.608%
Commerical C-Rate	$905.12	$929.88	2.736%	2.205%	0.531%
Industrial Time of Use Rate	$51,567.86	$51,876.01	0.598%	0.000%	0.598%
School Rate	$3,724.24	$3,744.32	0.539%	0.000%	0.539%
Coop Resale Rate	$252.76	$254.08	0.521%	0.000%	0.521%

TABLE 5

KWH SALES — FY 2011 BILL FREQUENCY

RMLD BILL FREQ. REPORT	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	TOTAL
RESIDENTIAL													
A-RATE	20,727,068	24,614,087	22,893,788	17,751,180	17,257,512	18,007,841	23,696,259	20,477,357	17,605,359	18,731,990	16,365,601	19,510,188	237,638,230
A-RATE WATER HEATER	592,763	662,537	622,523	541,248	554,221	583,571	821,476	729,927	605,830	638,358	523,112	531,468	7,407,034
TOU ON PEAK	46,510	61,095	56,923	39,431	37,170	41,644	47,053	40,832	42,087	44,755	38,229	46,354	542,083
TOU OFF PEAK	101,645	119,192	114,792	96,426	89,779	96,839	108,242	93,714	98,213	100,991	88,686	103,383	1,211,902
TOU WATER HEATER	4,366	4,733	4,699	3,637	3,614	4,501	6,916	6,871	4,078	3,505	3,489	4,127	54,536
SUB TOTAL	21,472,352	25,461,644	23,692,725	18,431,922	17,942,296	18,734,396	24,679,946	21,348,701	18,355,567	19,519,599	17,019,117	20,195,520	246,853,785
Commercial													
Demand	58,592	62,608	63,697	58,250	57,199	57,785	61,421	61,709	57,191	58,442	59,186	62,272	718,351
Energy	16,708,978	17,131,511	17,955,207	14,868,176	14,219,645	14,120,439	17,073,274	16,792,881	14,114,190	14,513,853	15,177,799	16,505,800	189,181,753
School Demand	4,007	3,726	4,145	4,415	4,346	4,447	4,581	4,555	4,430	4,338	4,359	4,627	51,976
School Energy	990,211	877,368	1,101,901	1,223,808	1,288,698	1,289,861	1,408,854	1,475,831	1,241,819	1,311,344	1,181,759	1,260,882	14,652,336
TOU Demand	37,614	39,942	40,273	36,491	34,364	34,646	34,482	34,698	34,434	36,026	36,792	40,470	440,231
TOU On-Peak	6,954,202	6,744,500	7,005,356	5,995,045	5,409,039	5,320,848	5,193,851	5,542,499	5,398,724	5,933,944	6,305,855	6,791,345	72,595,208
TOU Off-Peak	14,190,952	13,307,904	14,739,588	12,443,676	12,388,112	11,608,677	11,813,516	12,124,583	11,311,880	11,847,415	12,268,398	14,182,544	152,227,246
SUB TOTAL	38,844,343	38,061,283	40,802,052	34,530,705	33,305,494	32,339,825	35,489,496	35,935,794	32,066,613	33,606,556	34,933,811	38,740,571	428,656,542
PUBLIC	237,183	237,183	237,183	237,205	237,223	237,395	236,914	236,934	239,797	241,407	286,083	238,853	2,903,360
PRIVATE	72,049	70,720	70,628	70,576	71,162	71,314	70,553	70,596	68,516	68,688	68,668	70,898	844,368
SUB TOTAL	309,232	307,903	307,811	307,781	308,385	308,709	307,467	307,530	308,313	310,095	354,751	309,751	3,747,728
COOP-RESALE	318,804	369,895	400,086	252,179	271,518	266,369	387,408	345,196	308,552	275,651	281,246	321,361	3,798,265
LOSSES	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL KWH	60,944,731	64,200,725	65,202,674	53,522,587	51,827,693	51,649,299	60,864,317	57,937,221	51,039,045	53,711,901	52,588,925	59,567,203	683,056,320
	60,944,731	64,200,725	65,202,674	53,522,587	51,827,693	51,649,299	60,864,317	57,937,221	51,039,045	53,711,901	52,588,925	59,567,203	683,056,320
TOTAL DEMAND	100,213	106,276	108,115	99,156	95,909	96,878	100,483	100,961	96,055	98,806	100,337	107,369	1,210,558

forecast to be 683,056,320 and is approximately the same as the expected total sales for FY10 684 million kWh. It should be noted that the kWh sales in FY09 were 696 million kWh, which shows a decreasing trend in sales over the last two fiscal years due to the economy and energy conservation. The RMLD believes the economic impact on the RMLD's sales has leveled off; however, the RMLD will continue its efforts in the energy conservation area.

The demand for the Commercial and Industrial classes is expected to be 1,210,558 kW for FY11, which is also very similar to the expected billed demand for FY10.

2.1 Residential Customer Class

Residential electric sales are from Table 5 of the Bill Frequency report. The coincident and non-coincident peak demand was calculated using demand and customer data on feeders 3W7 (North Street, Haverhill, and Marblehead Streets, and lateral streets in North Reading) and 3W14 (Park and Elm Streets and lateral streets in North Reading). These two feeders are largely residential load with the commercial load removed from the total load in order to reflect residential demand. The monthly coincident and non-coincident peak demands were determined using the monthly peak demand days on each feeder and the number of customers on the feeders. This data was used to develop the coincident and non-coincident demand allocators.

The coincident and non-coincident peak demand for the Residential Time of Use class and the Water Heating class were based on the data collected from the feeders mentioned above with adjustments to the load factors to account for more efficient peak demand usage.

2.2 Commercial C-Rate

The energy and demand for the Commercial C-Rate was taken from the Bill Frequency for FY11. The coincident and non-coincident load factors for this customer class were based on the load factors similar to that which were used in the 2008 Cost of Service Study.

2.3 Industrial Time of Use Rate

The energy and demand for the Industrial Time of Use Rate was taken from the Bill Frequency for FY11. The coincident and non-coincident peak demands for these customers were calculated using hourly load data for twenty-six of the forty customers in this rate class. These twenty-six customers have TOU metering that also stores hourly load data.

2.4 School Rate

The energy and demand data for this rate class is taken from the FY11 Bill Frequency. The coincident and non-coincident peak demands for the schools were calculated using hourly load data to formulate the monthly load factors for this rate class.

2.5 Coop/Resale Rate

Commercial monthly demand was developed using load factors based on monthly energy and demand billing.

3.0 METHODOLOGY

Initially, costs in the FY11 COSS were functionalized in order to properly assign the allocators used to define the cost responsibility in each rate class. In doing so, each expense item included in the total revenue requirement is assigned an allocator. The allocators used in the FY11 COSS are based on energy sales, monthly peak demand, number of customers, street lights, meters, forfeited discounts, net plant, and rate of return.

Exhibit 2 shows the number of customers, annual energy, revenue, load factors, and non-coincident and coincident peak demands, calculated for each customer class based on the data collection discussed above. The information in Exhibit 2 was used to develop many of the allocators used in the FY11 COSS.

Table 6 is a list and description of the allocators used in the FY11 COSS. Table 7 shows the allocators used in the COSS along with the information used to develop many of the

Table 6

Description of Allocators

A&G Expense - Blended allocator based on CP-12 (60%), Energy (25%), Cust-Sec (15%).

Billing.wgt - Number of customers adjusted by the time it takes to bill each customer in the class (weightings used in study: Residential: 1, Commercial/Schools: 3, Industrial: 10).

CP-12 - Average of customer peaks with system peaks during each month of the year. (Used to allocate demand related purchase power expenses).

Customer - Total number of customers in each class.

Cust.Sec - Weighted average number of customers served at the secondary voltage level.

Cust.Wgt - Number of customers in each class adjusted by a weighting factor to compensate for the additional time and expense to serve each customer class.

Direct.SL - Costs allocated directly to street light class.

Forfeited.Disc - 3 year average of forfeited discounts taken by customer class.

Meter.rd.wgt - Number of customers adjusted for the time it takes to read each type of meter (weightings used in study: Residential:1, Commercial/Schools: 3, Industrial: 10).

Meter.rd - Number of customers adjusted for the time it takes to read each type of meter.

Meters.wgt - Number of customers adjusted for the cost to purchase meters and associated equipment.

NBV - Net Book Value blended allocator based on net plant values.

NCP-Input - Peak of each customer class, adjusted for system losses.

NCP-Sec - Peak of each customer class, adjusted for losses occurring in the secondary distribution system.

ROR - Rate of Return blended allocator based on class associated assets and allowable rate of return on investment.

TABLE 7

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Allocators

	1	2	3	4	5	6	7	8	
Allocator	RESIDENTIAL A-RATE	RESIDENTIAL A-RATE WATER HEATER	RESIDENTIAL TOU	Commercial	INDUSTRIAL TOU	Streetlights	COOP-RESALE	SCHOOL	Total
Number of Customers	291,492	8,064	1,572	36,000	480	-	240	480	338,328
Energy at Meter	237,638,230	7,407,034	1,808,521	189,181,753	224,822,454	3,747,728	3,798,265	14,652,336	683,056,320
Revenue	$ 16,891,598	$ 477,057	$ 107,953	$ 11,156,462	$ 10,124,618	$ 609,041	$ 244,899	$ 851,922	$ 40,463,551
Load Factor	35.02%	41.94%	36.67%	35.64%	65.55%	93.49%	38.52%	36.15%	
Demand kW	-	-	-	632,429	400,877	-	-	51,976	1,085,281
Group Coincidence Factor	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
System Coincidence Factor	83.33%	60.90%	62.50%	83.33%	94.31%	0.00%	83.33%	72.92%	
Individual NCP	77,471	2,016	563	60,595	39,150	458	1,126	4,627	186,006
NCP at Meter for Group	77,471	2,016	563	60,595	39,150	458	1,126	4,627	186,006
NCP at Primary for Group	79,020	2,056	574	61,807	39,933	467	1,148	4,720	189,726
NCP at Input for Group	80,699	2,100	586	63,120	40,781	477	1,173	4,820	193,756
Coincidence Peak at Input Voltage	64,559	1,228	352	50,496	36,922	-	938	3,374	157,869
kWh at Input Voltage	247,539,823	7,715,660	1,883,876	197,064,326	234,190,056	3,903,883	3,956,526	15,262,850	711,517,000
LF Group	36.48%	41.94%	38.20%	37.12%	68.29%	93.49%	38.52%	36.15%	
LF at Peak Input	43.77%	71.74%	61.11%	44.55%	72.41%	0.00%	48.15%	51.64%	4
Customer Weighting Factor	1	1	1	3	10	1	1	3	
Weighted # of Customers	291,492	8,064	1,572	108,000	4,800	-	240	1,440	415,608
Cost to Install Meter	$ 100	$ 100	$ 100	$ 300	$ 1,000	$ 0	$ 1	$ 300	$ 1,901
Total Meter Installation Cost	$ 2,429,100	$ 67,200	$ 13,100	$ 900,000	$ 40,000	$ -	$ 20	$ 12,000	$ 3,461,420
CP-12	36.18%	0.82%	0.21%	31.65%	28.22%	0.16%	0.59%	2.16%	100.00%
	155007.74			189,181,753	224,822,454	3,747,728		14,652,336	
Energy Res	95%	3%	1%	0%	0%	0%	2%	0%	
	80,699	2,100	586	63,120	40,781	477	1,173	4,820	193,756
NCP-Input	41.65%	1.08%	0.30%	32.58%	21.05%	0.25%	0.61%	2.49%	100.00%
	1	1	1	3	10	1	1	3	
	291,492	8,064	1,572	108,000	4,800	-	240	1,440	415,608
Cust-Wgt	70.14%	1.94%	0.38%	25.99%	1.15%	0.00%	0.06%	0.35%	100.00%
	$ 784,984	$ 21,339	$ 4,591	$ 374,866	$ 114,951	$ 19,197	$ 3,390	$ 14,891	$ 1,338,210
	59%	2%	0%	28%	9%	1%	0%		
ROR	58.66%	1.59%	0.34%	28.01%	8.59%	1.43%	0.25%	1.11%	100.00%
	$ 100	$ 100	$ 100	$ 300	$ 1,000	$ 0	$ 1	$ 300	
	291,492	8,064	1,572	108,000	4,800	-	240	1,440	415,608
Meters-Wgt	70.18%	1.94%	0.38%	26.00%	1.16%	0.00%	0.00%	0.35%	100.00%
Direct.SL	0%	0%	0%	0%	0%	100%	0%	0%	100.00%
	$ 35,512,354	$ 965,367	$ 207,703	$ 16,958,757	$ 5,200,332	$ 868,464	$ 153,374	$ 673,671	60,540,023
NBV	58.66%	1.59%	0.34%	28.01%	8.59%	1.43%	0.25%	1.11%	100.00%
	$ 1,287,652	$ 36,366	$ 8,229	$ 918,744	$ 216,206	$ 2,319	$ 6,886	$ 363	
Forfeited.Disc	51.99%	1.47%	0.33%	37.09%	8.73%	0.09%	0.28%	0.01%	
	291,492	8,064	1,572	108,000	4,800	-	240	1,440	415,608
Meter.rd.wgt	70.14%	1.94%	0.38%	25.99%	1.15%	0.00%	0.06%	0.35%	100.00%
	291,492	8,064	1,572	108,000	4,800	-	240	1,440	415,608
Billing.wgt	70.14%	1.94%	0.38%	25.99%	1.15%	0.00%	0.06%	0.35%	100.00%
	3,501,300.84	89,938.08	21,408.43	2,550,364.97	2,167,213.99	20,162.49	43,110.36	161,080.64	
A&G Expense	40.93%	1.05%	0.25%	29.81%	25.33%	0.24%	0.50%	1.88%	

allocators. As stated earlier the allocators were developed using the information from Exhibit 2.

4.0 PLANT IN SERVICE

Exhibit 3 shows the Forecasted Ratebase, which includes Gross and Net Plant and Depreciation Expenses for FY10 through FY11. The Capital Additions for FY10 are based on ten months of actual data and two months forecast data. The retirements are estimated to be approximately $1 million, which is based on recent historical trends. The Net and Gross Plant is also sub-allocated to demand and energy related functions. These sub-allocations result in splitting the depreciation expenses into either demand or energy costs.

The Gross Plant in Service for FY11 is projected to be $121,268,618, which is shown on Page 2 of Exhibit 3. The FY11 Net Plant is expected to be $66,910,490 and the Depreciation Expenses of $3,466,217, which are shown on Page 4 of Exhibit 3. These balances are based on present Gross and Net Plant for FY10 and increases in plant according to the FY11 Capital Budget. The projection of Net Plant and Depreciation Expense include 2% depreciation in FY10 and 3% depreciation in FY11.

5.0 OPERATION AND MAINTENANCE EXPENSES

Exhibit 4 shows the Operation and Maintenance Expenses for FY11, which includes the Power Production Expense, Transmission Expense, Distribution Operation Expense, Customer Account Expense, Administrative and General Expense, Depreciation Expense, and Other Expenses and Revenues. There are sub-allocations for the Distribution Operation and Maintenance Expense and the Depreciation Expense. The Forecast FY11 Total Revenue Requirement is $43,392,928 as shown on page 4 of Exhibit 4 and does not include the Rate of Return (ROR) of $2,500,000.

6.0 REVENUE REQUIREMENT ALLOCATION

Exhibit 5 shows the FY11 Allocated Total Revenue Requirement, which includes the allocated costs of Operation and Maintenance Expense for FY11. The Total Revenue

Requirement for FY11 is forecast to be $45,892,928 and includes the $2,500,000 Rate of Return, which is 3.79% of Net Plant. The RMLD is allowed to earn 8% of its Net Plant. The allocators used to determine the Cost of Service for each line item are shown in Column 4. The Total Revenue Requirement for each rate class is shown at the bottom of Exhibit 5, page 6 and is also on Table 3.

7.0 REVENUE PROOF

Exhibit 6 shows the Revenue Proof for FY11 at the current rates and at the Potential New Rate. The Current Rates calculation includes the RMLD's electric rates presently in effect, the PPA of $.0072/kWh, and the energy and demand usage in Table 5 – Bill Frequency. Each customer class has a Forecast Class Total, which is the calculated revenue for FY11 without the base rate increase. The Forecast Class Total at Current Rates is $44,618,035 and is shown at the bottom of Page 4 of Exhibit 6.

The Potential New Rate for each customer class represents the rates from the Current Rates plus the Reallocated Effective Rate Change suggested in Table 3 for the Residential A-Rate (3.65%), Residential A-Rate Water Heating (3.96%), and the Commercial C-Rate (4.27%). Also included in the energy rates for all classes is the average FY10 PPA of $.0072 being rolled into the Energy Charge. At the bottom of Exhibit 6 the Forecast Class Total is $45,741,164 with the Reallocated Revenue Req. Class Total being $45,892,928, which is a minimal difference of $124,863 or .33% due to rounding.

8.0 RECOMMENDED NEW RATES

The changes in the electric rates recommended by the RMLD are shown below. In addition to these rates there will also be a Fuel Charge, an Energy Conservation Charge, a Hazardous Materials charge, Purchased Power Adjustment (PPA), and a 10% Prompt Payment Discount.

The Fuel Charge is charged to each rate class and represents the average monthly cost of fuel from the RMLD's power suppliers. The cost of fuel was not included in the FY11 COSS and the fuel expenses are directly passed through to each customer.

The Energy Conservation Charge is the same as was introduced in the last rate increase in 2008 and recovers the Energy Conservation Expense. The Energy Conservation Expense was not included in the COSS. The Energy Conservation Charge in FY10 was $.0005/kWh for the residential customers and $.001/kWh for the commercial customers.

The Hazardous Materials (HAZMAT) Charge is intended to recover the cost of the soil remediation at the Gaw Sub Station due to the Poly Chlorinated Biphenyls (PCB) contamination and will be charged to each customer on a kWh basis and which will fluctuate from time to time. The RMLD estimates that it may recover $300,000 of HAZMAT cost during FY11. The RMLD believes that the remediation costs may reach $2,000,000. The HAZMAT Charge will only be used to recover hazardous material charges and will be adjusted to $.00/kWh when the there are no outstanding Hazardous Material costs.

As stated earlier the PPA is a component of the bill that is adjusted monthly to recover fluctuations in power supply costs during the year.

The Prompt Payment Discount is 10% and is applied to the non-fuel expenses on a customer's electric bill. The customer will receive the Prompt Payment Discount if the bill is paid within the seventeen day discount period.

The recommended rates discussed below are taken from Exhibit 6.

8.1 Residential A Rate

The typical residential customer in the RMLD service territory uses approximately 9,200 kWh annually.

Residential - A Rate

Customer Charge	$3.47/Month
Energy Charge	$.0836/kWh

Under the recommended rates a typical residential customer, using an average of 750 kWh per month, would pay $102.08 under the new rates as compared to $99.49 under the existing rates, as shown on Table 4 and Exhibit 1A. The overall increase is 2.601% of which 2.105% is due to the rate increase and .496% due to the readjusted PPA.

8.2 Residential Hot Water Rate

Under this rate the residential water heaters are automatically shut-off peak 2 PM to 4 PM each day through the use of special meters and time clocks. This is not a mandatory rate.

Residential Water Heating

(100 kW through 433 kWh)

Customer Charge	$3.48
<100 kWh	$.0807
100 - 433 kWh	$.0366
>433 kWh	$.0807

It is estimated that water heating usage averages 333 kWh per month. According to Table 4 and Exhibit 1B the Water Heating Rate will cost the average customer $119.63, which is an overall increase of 2.607% as compared to the existing rate of $116.59. The increase in this rate is due to the rate increase of 1.942% and .665% from the readjusted PPA.

8.3 Residential Time of Use Rate

The Residential Time of Use (RTOU) Rate gives the customer the choice of moving a portion of their energy usage from the On-Peak to the Off-Peak period and take advantage of an overall lower kWh rate.

Residential Time of Use Rate

Customer Charge	$5.51/month
On-Peak Energy Charge	$.0826/kWh
Off-Peak Energy Charge	$.0614/kWh
TOU Water Heater Rate	$.0350/kWh

The On-Peak period is defined as the hours between 10 AM and 8 PM Monday through Friday except for major holidays. The Off-Peak period is defined as the hours between 8 PM and 10 AM Monday through Friday and all hours Saturday, Sunday and holidays.

The average customer on this rate uses approximately 1,000 kWh a month based on usage patterns. The average monthly bill under the recommended rate is projected to be $108.86, which is an increase of .608% over the existing rate of $108.21, which is due to the readjusted PPA.

8.4 Commercial C-Rate

The Commercial Rate C-Rate was developed based on the cost of service for all the existing commercial customers except for the Industrial Time of Use Customers and the Schools in Reading, Wilmington, North Reading, and Lynnfield.

Commercial C -Rate

Customer Charge	$5.97/Month
Demand Charge	$6.25/kW-Month
Energy Charge	$.0519/kWh

Based on an average monthly usage of 25 kW and 7,300 kWh (40% load factor) the monthly energy cost is estimated to be $905.12 under the existing rate and $929.88 under the recommended rate, which is approximately 2.736% higher than the existing rate with the rate increase being 2.205% and the PPA increase being .531%.

8.5 Industrial Time of Use Rate

The Industrial Time of Use (ITOU) Rate is presently being billed to twenty-six of the RMLD's larger customers. Due to the structure of this rate and the metering used to bill it, a customer must remain on this rate for a minimum of one year. It is not economically beneficial for a customer to be on this rate unless it has an annual load factor of at least 55% and uses 60% or more of its electricity usage Off-Peak.

The On-Peak period is defined as 10 AM to 8 PM during week days excluding holidays with the Off-Peak period being the remaining hours.

Industrial Time of Use Rate

Customer Charge	$27.54/Month
Demand Charge	$7.90/kW-Month
On-Peak Energy Charge	$.0484/kWh
Off-Peak Energy Charge	$.0362/kWh

Based on an average monthly usage of 914 kW and 462,864 kWh (68% load factor) an average electric bill will be $51,567.86 under the existing rates and $51,876.01 under the recommended rate or an increase of .598% due to the readjusted PPA.

Customers electing to be billed under this rate will be required to have electronic metering installed at their facility with the capability to record fifteen minute demand data that can be retrieved in order to determine the amount of load that was used at any given time.

8.6 Schools

The School Rate was developed in 2008 and reflects usage in the school in the RMLD's service territory. The usage patterns for the schools are very similar because they all exhibit winter peaks and reduced summer usage due to school vacation.

School Rate

Customer Charge	$5.51/Month
Demand Charge	$5.76/kW-Month
Energy Charge	$.0483/kWh

The School Rate is lower than the Commercial C-Rate and the Industrial Time of Use Rate because the school usage, both demand and energy, is lower during the summer months, when the RMLD experiences its peak demand usage.

An average school uses 108 kW and 30,406 kWh on an average monthly basis. The average monthly bill under the recommended rate is projected to be $3,744.32 or an increase of .539% over the existing rate of $3,724.24, due to the readjusted PPA.

8.7 Coop/Resale

The Coop/Resale Rate is charged to neighboring utilities for power resale at the franchise boundary. There are customers adjacent to the RMLD's service territory, which are served by the Department because of the system configuration. These sales are classified under the Coop/Resale category.

Coop/Resale Rate

Customer Charge	$3.20/Month
Energy Charge	$.0766/kWh

The average monthly cost under the existing rates is $252.76 and is expected to increase, due to the readjusted PPA, .521% to $254.08 under the recommended rates.

8.8 Streetlights

The Street Lights rates have been increased by the PPA and will have no other adjustments made to them.

EXHIBIT 1

EXHIBIT 1A

RESIDENTIAL A RATE - RATE COMPARISON

EXISTING RATE			
CUSTOMER CHARGE		$3.35	$3.35
KWH CONSUMPTION	750	$0.0735	$55.13
PURCHASED POWER ADJUSTMENT		$0.0072	$5.40
TOTAL BASE CHARGES			$63.88
FUEL CHARGE ADJUSTMENT		$0.0600	$45.00
NYPA CREDIT		$0.0040	-$3.00
10% PROMPT PAYMENT DISCOUNT		10%	-$6.39
AVERAGE COST	$0.1327		$99.49

PROPOSED RATE			
CUSTOMER CHARGE			$3.47
KWH CONSUMPTION	750	$0.0837	$62.74
PURCHASED POWER ADJUSTMENT		$0.0007	$0.55
TOTAL BASE CHARGES			$66.76
FUEL CHARGE ADJUSTMENT		$0.0600	$45.00
NYPA CREDIT		$0.0040	-$3.00
10% PROMPT PAYMENT DISCOUNT		10%	-$6.68
AVERAGE COST		0.1361	$102.08

	%	$
OVERALL INCREASE	2.601%	$2.59
PPA INCREASE	0.496%	$0.49
RATE INCREASE	2.105%	$2.09

EXHIBIT 1B

RESIDENTIAL HOT WATER RATE - RATE COMPARISON

EXISTING RATE				
CUSTOMER CHARGE			$3.35	$3.35
KWH CONSUMPTION		1000		
	100 KWH	100	$0.0705	$7.05
	333 KWH	333	$0.0280	$9.33
	567 KWH	567	$0.0705	$39.95
PURCHASED POWER ADJUSTMENT			$0.0072	$7.20
TOTAL BASE CHARGES				$66.87
FUEL CHARGE ADJUSTMENT			$0.0600	$60.00
NYPA CREDIT			$0.0040	-$4.00
10% PROMPT PAYMENT DISCOUNT			10%	-$6.29
AVERAGE COST		$0.1166		$116.59

PROPOSED RATE				
CUSTOMER CHARGE			$3.48	$3.48
KWH CONSUMPTION		1000		
	100 KWH	100	$0.0807	$8.07
	333 KWH	333	$0.0366	$12.20
	567 KWH	567	$0.0807	$45.77
PURCHASED POWER ADJUSTMENT			$0.0007	$0.73
TOTAL BASE CHARGES				$70.25
FUEL CHARGE ADJUSTMENT			$0.0600	$60.00
NYPA CREDIT			$0.0040	-$4.00
10% PROMPT PAYMENT DISCOUNT			10%	-$6.63
AVERAGE COST		$0.1196		$119.63

	%	$
OVERALL INCREASE	2.607%	$3.04
PPA INCREASE	0.665%	$0.66
RATE INCREASE	1.942%	$2.38

EXHIBIT 1C

RESIDENTIAL TIME OF USE RATE - RATE COMPARISON

EXISTING RATE			
CUSTOMER CHARGE		$5.51	$5.51
KWH CONSUMPTION	1000		
ON PEAK	289	$0.0754	$21.79
OFF PEAK	378	$0.0542	$20.47
WATER HEATER	333	$0.0278	$9.26
PURCHASED POWER ADJUSTMENT		$0.0072	$7.20
TOTAL BASE CHARGES			$64.23
FUEL CHARGE ADJUSTMENT		$0.0600	$60.00
NYPA CREDIT		$0.0040	-$4.00
10% PROMPT PAYMENT DISCOUNT		10%	-$12.02
AVERAGE COST	$0.1082		$108.21

PROPOSED RATE			
CUSTOMER CHARGE		$5.51	$5.51
KWH CONSUMPTION	1000		
ON PEAK	289	$0.0826	$23.87
OFF PEAK	378	$0.0614	$23.19
WATER HEATER	333	$0.0350	$11.66
PURCHASED POWER ADJUSTMENT		$0.0007	$0.73
TOTAL BASE CHARGES			$64.96
FUEL CHARGE ADJUSTMENT		$0.0600	$60.00
NYPA CREDIT		$0.0040	-$4.00
10% PROMPT PAYMENT DISCOUNT		10%	-$12.10
AVERAGE COST		$0.1089	$108.86

	%	$
OVERALL INCREASE	0.608%	$0.66
PPA INCREASE	0.608%	$0.66
RATE INCREASE	0.000%	$0.00

EXHIBIT 1D

COMMERCIAL C RATE - RATE COMPARISON

EXISTING RATE			
CUSTOMER CHARGE		$5.73	$5.73
CONSUMPTION			
DEMAND	25	$5.9900	$149.75
ENERGY	7,300	$0.0426	$310.98
PURCHASED POWER ADJUSTMENT		$0.0072	$52.56
TOTAL BASE CHARGES			$519.02
FUEL CHARGE ADJUSTMENT		$0.0600	$438.00
10% PROMPT PAYMENT DISCOUNT		10%	-$51.90
AVERAGE COST	$0.1240		$905.12

PROPOSED RATE			
CUSTOMER CHARGE		$5.97	$5.97
KWH CONSUMPTION			
100 KWH	25	$6.2460	$156.15
333 KWH			
567 KWH	7,300	$0.0519	$379.08
PURCHASED POWER ADJUSTMENT		$0.0007	$5.34
TOTAL BASE CHARGES			$546.54
FUEL CHARGE ADJUSTMENT		$0.0600	$438.00
10% PROMPT PAYMENT DISCOUNT		10%	-$54.65
AVERAGE COST	$0.1274		$929.88

	%	$
OVERALL INCREASE	2.736%	$24.76
PPA INCREASE	0.531%	$4.80
RATE INCREASE	2.205%	$19.96

EXHIBIT 1E

INDUSTRIAL TIME OF USE RATE - RATE COMPARISON

EXISTING RATE			
CUSTOMER CHARGE		$27.54	$27.54
CONSUMPTION			
DEMAND (kW)	917	$7.9000	$7,245.47
ON PEAK (kWh)	151,240	$0.0412	$6,223.53
OFF PEAK (kWh)	317,140	$0.0290	$9,203.41
PURCHASED POWER ADJUSTMENT		$0.0072	$3,372.34
TOTAL BASE CHARGES			$26,072.28
FUEL CHARGE ADJUSTMENT		$0.0600	$28,102.81
10% PROMPT PAYMENT DISCOUNT		10%	-$2,607.23
AVERAGE COST	$0.1101		$51,567.86
	468,380		
	629.54		

PROPOSED RATE			
CUSTOMER CHARGE		$27.54	$27.54
KWH CONSUMPTION			
DEMAND (kW)	917	$7.9000	$7,245.47
ON PEAK (kWh)	151,240	$0.0484	$7,312.45
OFF PEAK (kWh)	317,140	$0.0362	$11,486.81
PURCHASED POWER ADJUSTMENT		$0.0007	$342.39
TOTAL BASE CHARGES			$26,414.67
FUEL CHARGE ADJUSTMENT		$0.0600	$28,102.81
10% PROMPT PAYMENT DISCOUNT		10%	-$2,641.47
AVERAGE COST	$0.1108		$51,876.01

	%	$
OVERALL INCREASE	0.598%	$308.15
PPA INCREASE	0.598%	$308.15
RATE INCREASE	0.000%	$0.00

EXHIBIT 1F

SCHOOL RATE - RATE COMPARISON

EXISTING RATE			
CUSTOMER CHARGE		$5.51	$5.51
CONSUMPTION			
DEMAND (kW)	108.2828	$5.7600	$623.71
ON PEAK (kWh)	30,526	$0.0411	$1,254.00
PURCHASED POWER ADJUSTMENT		$0.0072	$219.79
TOTAL BASE CHARGES			$2,103.00
FUEL CHARGE ADJUSTMENT		$0.0600	$1,831.54
10% PROMPT PAYMENT DISCOUNT		10%	-$210.30
AVERAGE COST	$0.1220		$3,724.24

PROPOSED RATE			
CUSTOMER CHARGE		$5.51	$5.51
KWH CONSUMPTION			
DEMAND (kW)	108.28275	$5.7600	$623.71
ON PEAK (kWh)	30,526	$0.0483	$1,473.78
PURCHASED POWER ADJUSTMENT		$0.0007	$22.31
TOTAL BASE CHARGES			$2,125.31
FUEL CHARGE ADJUSTMENT		$0.0600	$1,831.54
10% PROMPT PAYMENT DISCOUNT		10%	-$212.53
AVERAGE COST	$0.1227		$3,744.32

	%	$
OVERALL INCREASE	0.539%	$20.08
PPA INCREASE	0.539%	$20.08
RATE INCREASE	0.000%	$0.00

EXHIBIT 1G

COOP RESALE RATE - RATE COMPARISON

EXISTING RATE			
CUSTOMER CHARGE		$3.20	$3.20
KWH CONSUMPTION	2000	$0.0694	$138.80
PURCHASED POWER ADJUSTMENT		$0.0072	$14.40
TOTAL BASE CHARGES			$156.40
FUEL CHARGE ADJUSTMENT		$0.0600	$120.00
NYPA CREDIT		$0.0040	-$8.00
10% PROMPT PAYMENT DISCOUNT		10%	-$15.64
AVERAGE COST	$0.12638		$252.76

PROPOSED RATE			
CUSTOMER CHARGE			$3.20
KWH CONSUMPTION	2000	$0.0766	$153.20
PURCHASED POWER ADJUSTMENT		$0.0007	$1.46
TOTAL BASE CHARGES			$157.86
FUEL CHARGE ADJUSTMENT	$0.0600		$120.00
NYPA CREDIT	$0.0040		-$8.00
10% PROMPT PAYMENT DISCOUNT	10%		-$15.79
AVERAGE COST	0.1270		$254.08

	%	$
OVERALL INCREASE	0.521%	$1.32
PPA INCREASE	0.521%	$1.32
RATE INCREASE	0.000%	$0.00

EXHIBIT 2

EXHIBIT 2

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Reconciliation of Load Data

RESIDENTIAL A-RATE	Total	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Number of Customers	291,492	24,291	24,291	24,291	24,291	24,291	24,291	24,291	24,291	24,291	24,291	24,291	24,291
Energy at Meter	237,638,230	20,727,068	24,614,087	22,893,788	17,751,180	17,257,512	18,007,841	23,696,259	20,477,357	17,805,359	18,731,990	16,365,601	19,510,188
Revenue	$ 16,891,598	$ 1,496,230	$ 1,752,748	$ 1,639,220	$ 1,299,840	$ 1,267,261	$ 1,316,778	$ 1,692,177	$ 1,479,751	$ 1,262,245	$ 1,240,030	$ 1,196,010	$ 1,249,308
Load Factor	35.02%	42.70%	42.70%	62.28%	64.36%	56.17%	46.57%	54.85%	78.86%	71.11%	58.35%	46.51%	62.76%
Demand kW	-	-	-	-	-	-	-	-	-	-	-	-	-
Group Coincidence Factor	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
System Coincidence Factor	83.33%	80%	80%	70%	70%	80%	85%	90%	90%	80%	70%	75%	80%
Individual NCP	77,471	65,237	77,471	51,053	37,070	42,674	51,975	58,064	38,639	33,278	44,585	47,292	43,175
NCP at Meter for Group	77,471	65,237	77,471	51,053	37,070	42,674	51,975	58,064	38,639	33,278	44,585	47,292	43,175
NCP at Primary for Group	79,020	66,542	79,020	52,074	37,812	43,528	53,015	59,226	39,412	33,943	45,476	48,238	44,039
NCP at Input for Group	80,699	67,955	80,699	53,180	38,615	44,452	54,141	60,484	40,249	34,664	46,442	49,262	44,974
Coincidence Peak at Input Voltage	64,559	54,364	64,559	37,226	27,030	35,562	46,020	54,435	36,224	27,731	32,510	36,947	35,979
kWh at Input Voltage	247,539,823	21,590,696	25,639,674	23,847,696	18,490,813	17,976,575	18,758,168	24,683,603	21,330,580	18,338,916	19,512,490	17,047,501	20,323,113
LF Group	36.48%	45.34%	45.34%	63.99%	68.33%	57.71%	49.44%	58.23%	75.62%	75.49%	59.95%	49.38%	64.48%
LF at Peak Input	43.77%	54.40%	54.40%	87.76%	93.71%	69.25%	55.84%	62.12%	80.66%	90.59%	82.22%	63.21%	77.38%

RESIDENTIAL A-RATE WATER HEATER	Total	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Number of Customers	8,064	672	672	672	672	672	672	672	672	672	672	672	672
Energy at Meter	7,407,034	592,763	662,537	622,523	541,248	554,221	583,571	821,476	729,927	605,830	638,358	523,112	531,468
Revenue	$ 477,057	$ 38,423	$ 43,068	$ 40,404	$ 34,993	$ 35,857	$ 37,811	$ 53,650	$ 47,655	$ 40,010	$ 38,353	$ 34,255	$ 32,679
Load Factor	41.94%	47.01%	44.17%	55.22%	57.31%	52.08%	56.15%	56.20%	60.64%	57.28%	54.53%	58.74%	59.08%
Demand kW	-	-	-	-	-	-	-	-	-	-	-	-	-
Group Coincidence Factor	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
System Coincidence Factor	60.90%	60%	55%	50%	50%	70%	60%	60%	60%	55%	55%	50%	50%
Individual NCP	2,016	1,695	2,016	1,566	1,269	1,478	1,397	1,965	1,791	1,422	1,626	1,197	1,249
Coincidence Peak at Input Voltage	1,228	1,059	1,155	815	661	1,078	873	1,228	1,119	814	932	623	651
kWh at Input Voltage	7,715,660	617,481	690,143	648,461	563,800	577,314	607,886	855,704	760,341	631,073	684,956	544,908	553,613
LF Group	41.94%	47.92%	45.02%	54.46%	58.41%	51.37%	57.23%	57.28%	55.82%	58.38%	53.78%	59.87%	58.27%
LF at Peak Input	71.74%	79.86%	81.85%	108.93%	116.81%	73.38%	95.38%	95.47%	93.04%	106.15%	97.78%	119.73%	116.53%

RESIDENTIAL TOU	Total	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Number of Customers	1,572	131	131	131	131	131	131	131	131	131	131	131	131
Energy at Meter	1,808,521	152,521	185,020	176,414	139,494	130,563	142,984	182,211	141,417	144,378	149,251	130,404	153,864
Revenue	$ 107,953	$ 9,591	$ 11,538	$ 11,015	$ 8,800	$ 8,298	$ 9,002	$ 10,035	$ 8,847	$ 7,613	$ 7,672	$ 7,506	$ 8,035
Load Factor	36.67%	47.01%	44.17%	55.22%	57.31%	52.08%	56.15%	56.20%	60.64%	57.28%	54.53%	58.74%	59.08%
Demand kW	-	-	-	-	-	-	-	-	-	-	-	-	-
Group Coincidence Factor	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
System Coincidence Factor	62.50%	60%	60%	60%	50%	50%	60%	70%	70%	55%	55%	60%	70%
Individual NCP	563	436	563	444	327	348	342	388	347	339	380	298	362
Coincidence Peak at Input Voltage	352	273	352	277	170	181	214	283	253	194	218	186	264
kWh at Input Voltage	1,883,876	158,876	192,729	183,765	145,306	136,003	148,942	188,970	147,309	150,394	155,470	135,838	160,275
LF Group	38.20%	49.91%	46.89%	56.73%	60.84%	53.51%	59.81%	59.67%	58.15%	60.81%	56.02%	62.36%	60.69%
LF at Peak Input	61.11%	79.86%	75.03%	90.77%	116.81%	102.73%	95.38%	81.83%	79.75%	106.15%	97.78%	99.78%	83.24%

Commercial	Total	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Number of Customers	36,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Energy at Meter	189,181,753	16,708,978	17,131,511	17,955,207	14,868,176	14,219,645	14,120,439	17,073,274	16,792,881	14,114,190	14,513,853	15,177,799	16,505,800
Revenue	$ 11,156,462	$ 970,345	$ 1,008,101	$ 1,045,458	$ 898,106	$ 867,652	$ 867,009	$ 999,488	$ 990,314	$ 889,642	$ 884,359	$ 884,629	$ 851,460
Load Factor	35.64%	38.00%	38.00%	42.00%	40.00%	40.00%	40.00%	45.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Demand kW	632,429	59,101	60,595	57,460	49,960	47,781	47,448	50,995	56,428	47,427	48,770	51,001	55,463
Group Coincidence Factor	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
System Coincidence Factor	83.33%	70%	80%	60%	60%	60%	55%	50%	60%	70%	70%	70%	70%
Individual NCP	60,595	59,101	60,595	57,460	49,960	47,781	47,448	50,995	56,428	47,427	48,770	51,001	55,463
Coincidence Peak at Input Voltage	50,496	43,094	50,496	35,913	31,225	29,863	27,184	26,560	35,267	34,582	35,561	37,188	40,442
kWh at Input Voltage	197,064,326	17,405,185	17,845,324	18,703,341	15,487,683	14,812,130	14,708,791	17,784,661	17,492,584	14,702,281	15,118,597	15,810,207	17,193,542
LF Group	37.12%	40.34%	40.34%	44.59%	42.47%	42.47%	42.47%	47.77%	42.47%	42.47%	42.47%	42.47%	42.47%
LF at Peak Input	44.55%	55.33%	48.41%	71.34%	67.95%	67.95%	74.12%	91.73%	67.95%	58.24%	58.24%	58.24%	58.24%

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Reconciliation of Load Data

INDUSTRIAL TOU	Total	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Number of Customers	480	40	40	40	40	40	40	40	40	40	40	40	40
Energy at Meter	224,822,454	21,145,154	20,052,404	21,744,944	18,438,721	17,797,151	16,929,525	17,007,367	17,667,083	16,710,604	17,781,359	18,574,253	20,973,889
Revenue	$ 10,124,618	$ 941,524	$ 926,532	$ 978,410	$ 847,925	$ 807,734	$ 785,034	$ 784,487	$ 808,187	$ 749,714	$ 781,305	$ 851,551	$ 862,216
Load Factor	65.55%	74.00%	66.00%	83.00%	71.00%	75.00%	70.00%	74.00%	82.00%	67.00%	63.00%	68.00%	70.00%
Demand kW	400,877	36,354	35,927	34,893	34,984	32,187	31,053	31,451	30,414	30,257	39,150	30,675	33,532
Group Coincidence Factor	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
System Coincidence Factor	94.31%	98%	98%	95%	95%	90%	85%	85%	85%	85%	85%	95%	98%
Individual NCP	39,150	36,354	35,927	34,893	34,984	32,187	31,053	31,451	30,414	30,257	39,150	30,675	33,532
Coincidence Peak at Input Voltage	36,922	36,922	36,488	34,530	34,620	30,175	27,495	27,847	26,929	26,790	34,664	30,355	34,231
kWh at Input Voltage	234,180,056	22,026,202	20,887,921	22,650,983	19,207,001	18,538,699	17,634,922	17,716,007	18,403,211	17,406,879	18,522,248	19,348,180	21,847,801
LF Group	68.29%	74.00%	66.00%	83.00%	71.00%	75.00%	70.00%	74.00%	82.00%	67.00%	63.00%	68.00%	70.00%
LF at Peak Input	72.41%	81.72%	78.42%	89.86%	76.00%	84.18%	87.86%	87.15%	93.82%	89.01%	73.20%	87.31%	87.43%

Streetlights	Total	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Number of Customers	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy at Meter	3,747,726	309,232	307,903	307,811	307,781	308,385	308,709	307,467	307,530	308,313	310,095	354,751	309,751
Revenue	$ 609,041	$ 50,880	$ 50,768	$ 50,760	$ 50,760	$ 50,813	$ 50,858	$ 50,703	$ 50,711	$ 50,710	$ 50,685	$ 50,710	$ 50,685
Load Factor	93.49%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Demand kW	-	-	-	-	-	-	-	-	-	-	-	-	-
Group Coincidence Factor	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
System Coincidence Factor	0.00%	0%	0%	0%	0%	100%	100%	100%	100%	100%	0%	0%	0%
NCP at Input for Group	477	-	-	-	-	446	432	430	477	432	-	-	-
Coincidence Peak at Input Voltage	-	-	-	-	-	446	432	430	477	432	-	-	-
kWh at Input Voltage	3,903,883	322,117	320,732	320,636	320,605	321,234	321,572	320,278	320,343	321,159	323,016	369,532	322,657

COOP-RESALE	Total	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Number of Customers	240	20	20	20	20	20	20	20	20	20	20	20	20
Energy at Meter	3,798,265	318,804	369,895	400,086	252,179	271,518	268,369	387,408	345,198	308,552	275,651	281,248	321,361
Revenue	$ 244,899	$ 20,973	$ 24,324	$ 26,304	$ 16,604	$ 17,872	$ 17,534	$ 25,473	$ 22,704	$ 19,710	$ 18,979	$ 16,562	$ 17,860
Load Factor	38.52%	42.70%	44.17%	55.22%	57.31%	52.08%	56.15%	56.20%	60.64%	57.28%	54.53%	58.74%	59.08%
Demand kW	-	-	-	-	-	-	-	-	-	-	-	-	-
Group Coincidence Factor	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
System Coincidence Factor	83.33%	80%	80%	70%	70%	80%	85%	90%	90%	80%	70%	75%	80%
NCP at Input for Group	1,173	1,045	1,173	1,048	616	754	664	965	882	754	731	670	787
Coincidence Peak at Input Voltage	938	836	938	734	431	603	565	869	794	603	512	503	630
kWh at Input Voltage	3,956,526	332,088	385,307	416,756	262,686	282,831	277,468	403,550	359,579	321,408	287,136	292,965	334,751
LF Group	38.52%	43.52%	45.02%	54.46%	58.41%	51.37%	57.23%	57.28%	55.82%	58.38%	53.78%	59.87%	58.27%
LF at Peak Input	48.15%	54.40%	56.27%	77.81%	83.44%	64.21%	67.33%	63.65%	62.03%	72.98%	76.83%	79.82%	72.83%

SCHOOL	Total	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Number of Customers	480	40	40	40	40	40	40	40	40	40	40	40	40
Energy at Meter	14,652,336	990,211	877,368	1,101,901	1,223,808	1,288,698	1,289,861	1,408,854	1,475,831	1,241,819	1,311,344	1,181,759	1,260,882
Revenue	$ 851,922	$ 60,460	$ 54,550	$ 65,547	$ 71,749	$ 73,892	$ 74,487	$ 79,835	$ 82,295	$ 72,924	$ 76,914	$ 68,618	$ 70,651
Load Factor	36.15%	52.95%	52.90%	43.31%	47.97%	46.08%	49.76%	49.79%	46.24%	49.67%	43.82%	46.49%	42.90%
Demand kW	51,976	4,007	3,726	4,145	4,415	4,346	4,447	4,581	4,555	4,430	4,338	4,359	4,627
Group Coincidence Factor	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
System Coincidence Factor	72.92%	50%	55%	50%	50%	50%	50%	50%	50%	50%	50%	70%	70%
NCP at Input for Group	4,820	4,174	3,881	4,318	4,599	4,527	4,632	4,772	4,745	4,615	4,519	4,541	4,820
Coincidence Peak at Input Voltage	3,374	2,087	2,135	2,159	2,299	2,264	2,316	2,386	2,372	2,307	2,259	3,178	3,374
kWh at Input Voltage	15,262,850	1,031,470	913,925	1,147,814	1,274,800	1,342,394	1,343,605	1,467,556	1,537,324	1,293,561	1,365,983	1,230,999	1,313,419
LF Group	36.15%	33.85%	32.26%	36.42%	37.97%	40.62%	39.73%	42.13%	44.38%	38.40%	41.41%	37.14%	37.33%
LF at Peak Input	51.64%	67.70%	58.65%	72.83%	75.94%	81.24%	79.47%	84.26%	88.77%	76.80%	82.82%	53.05%	53.33%

EXHIBIT 3

EXHIBIT 3

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Forecasted Ratebase

Account	Plant Cost Year End FY09	Capital Additions FY10	Retirements FY10	Depreciation Expense FY10	Suballocate FY10	Forecast Plant Cost Year End FY10	Capital Additions 2011	Retirements 2011	Depreciation Expense 2011	Suballocate Capital Additions 2011	Forecasted YE 2011
Plant in Service Section											
Transmission Plant											
Land & Land Rights	$ 25,015	$ -	$ -	$ -	$ -	$ 25,015	$ -	$ -	$ -	$ -	$ 25,015
[Reserved]	-	-	-	-	-	-	-	-	-	-	-
Structures & Improvements	1,584,213	-	-	-	-	1,584,213	232,298	-	-	-	1,816,511
Station Equip.	5,948,824	-	-	-	(5,948,824)	-	639,824	-	-	-	639,824
Demand		-	-		3,569,294	3,569,294	-	-	-	-	3,569,294
Customer		-	-		2,379,530	2,379,530	-	-	-	-	2,379,530
Towers & Fixtures	86,169	-	-	-	(86,169)	-	-	-	-	-	-
Demand		-	-		56,010	56,010	-	-	-	-	56,010
Customer		-	-		30,159	30,159	-	-	-	-	30,159
Poles & Fixtures	105,937	-	-	-	(105,937)	-	-	-	-	-	-
Demand		-	-		68,859	68,859	-	-	-	-	68,859
Customer		-	-		37,078	37,078	-	-	-	-	37,078
Overhead Conductors and Devices	84,890	-	-	-	(84,890)	-	-	-	-	-	-
Demand		-	-		55,179	55,179	-	-	-	-	55,179
Customer		-	-		29,712	29,712	-	-	-	-	29,712
Underground Conduit	44,049	-	-	-	(44,049)	-	-	-	-	-	-
Demand		-	-		28,632	28,632	-	-	-	-	28,632
Customer		-	-		15,417	15,417	-	-	-	-	15,417
Underground Conductors and Devices	38,469	-	-	-	(38,469)	-	-	-	-	-	-
Demand		-	-		25,005	25,005	-	-	-	-	25,005
Customer		-	-		13,464	13,464	-	-	-	-	13,464
Roads and Trails	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Plant	$ 7,917,567	$ -	$ -	$ -	$ -	$ 7,917,567	$ 872,122	$ -	$ -	$ -	$ 8,789,689
Distribution Plant											
Land & Land Rights	$ 843,454	$ -	$ -	$ -	$ -	$ 843,454	$ -	$ -	$ -	$ -	$ 843,454
Structures & Improvements	4,585,578	-	-	-	-	4,585,578	-	-	-	-	4,585,578
Station Equip.	8,259,482	1,319,615	(333,127)	-	(9,245,970)	-	394,765	(380,076)	-	(14,689)	-
Demand		-	-		6,472,179	6,472,179	-	-	-	10,282	6,482,461
Customer		-	-		2,773,791	2,773,791	-	-	-	4,407	2,778,198
Storage Bat. Equip.	33,722	-	-	-	-	33,722	-	-	-	-	33,722
Poles & Towers	19,811,267	1,520,176	(185,269)	-	(21,146,174)	-	250,276	(211,836)	-	(38,440)	-
Demand		-	-		6,343,852	6,343,852	-	-	-	11,532	6,355,384
Customer		-	-		14,802,322	14,802,322	-	-	-	26,908	14,829,230
Overhead Conductors	15,220,681	616,401	(176,827)	-	(15,660,255)	-	1,808,542	(201,749)	-	(1,606,793)	-
Demand		-	-		4,698,076	4,698,076	-	-	-	482,038	5,180,114
Customer		-	-		10,962,178	10,962,178	-	-	-	1,124,755	12,086,934
Underground Conduit	7,233,737	68,683	(18,655)	-	(7,283,765)	-	-	(21,284)	-	21,284	-
Demand		-	-		2,185,129	2,185,129	-	-	-	(6,385)	2,178,744
Customer		-	-		5,098,635	5,098,635	-	-	-	(14,899)	5,083,736
Undg Conductors	7,352,568	298,374	(57,469)	-	(7,593,472)	-	406,070	(65,568)	-	(340,502)	-
Demand		-	-		2,278,042	2,278,042	-	-	-	102,150	2,380,192
Customer		-	-		5,315,431	5,315,431	-	-	-	238,351	5,553,782

EXHIBIT 3

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Forecasted Ratebase

Account	Plant Cost Year End FY09	Capital Additions FY10	Retirements FY10	Depreciation Expense FY10	Suballocate FY10	Forecast Plant Cost Year End FY10	Capital Additions 2011	Retirements 2011	Depreciation Expense 2011	Suballocate Capital Additions 2011	Forecasted YE 2011
Line Transformers	8,941,723	64,935	(60,692)	-	(8,945,966)	-	190,167	(69,246)	-	(120,921)	-
Demand		-	-		2,683,790	2,683,790	-	-	-	36,276	2,720,066
Customer		-	-		6,262,176	6,262,176	-	-	-	84,645	6,346,821
Services	5,115,283	101,202	(22,103)	-	(5,194,382)	-	255,400	(25,219)	-	(230,181)	-
Demand		-	-		1,558,315	1,558,315	-	-	-	69,054	1,627,369
Customer		-	-		3,636,067	3,636,067	-	-	-	161,127	3,797,194
Meters	4,238,267	-	(26,109)	-	-	4,212,158	765,876	(29,789)	-	-	4,948,245
Inst. Cust. Premises	-	25,916	-	-	-	25,916	-	-	-	-	25,916
Leased Property on Customers' Premises	-	-	-	-	-	-	-	-	-	-	-
Street Lights & Signal System	2,400,719	22,735	(6,169)	-	-	2,417,284	40,012	(7,039)	-	-	2,450,256
Street Lights & Signal System Overhead	-	-	-	-	-	-	-	-	-	-	-
Street Lights & Signal System Underground	-	-	-	-	-	-	-	-	-	-	-
Install Security Lights	-	-	-	-	-	-	-	-	-	-	-
Total Distribution Plant	$ 84,036,480	$ 4,038,037	$ (886,420)	$ -	$ (0)	$ 87,188,096	$4,111,108	$(1,011,807)	$ -	$ (0)	$ 90,287,398
Total Plant Before General Plant	$ 91,954,047	$ 4,038,037	$ (886,420)	$ -	$ (0)	$ 95,105,663	$4,983,230	$(1,011,807)	$ -	$ (0)	$ 99,077,087
General Plant											
Land & Land Rights	$ 397,372	$ -	$ -	$ -	$ -	$ 397,372	$ -	$ -	$ -	$ -	$ 397,372
Structures and Improvements	7,342,458	8,302	(21,280)	-	-	7,329,480	33,175	(24,279)	-	-	7,338,376
	-	-	-	-	-	-	-	-	-	-	-
Structures & Improvements (new)	-	-	-	-	-	-	-	-	-	-	-
Office Furniture & Equipment	6,487,719	26,969	(17,931)	-	-	6,496,757		(20,458)	-	-	6,476,299
Computer (hardware, software, labor)	-	-	-	-	-	-	150,176	-	-	-	150,176
Transportation Equip.	3,790,624	409,712	(76,108)	-	-	4,124,228	439,000	(86,835)	-	-	4,476,393
Stores Equip.	105,377	-	-	-	-	105,377	-	-	-	-	105,377
Tools, Shop & Garage	505,779	-	-	-	-	505,779	-	-	-	-	505,779
Laboratory Equipment	338,051	-	-	-	-	338,051	-	-	-	-	338,051
Power Operated Equipment	-	-	-	-	-	-	-	-	-	-	-
Communication Equipment	2,273,664	16,980	-	-	-	2,290,644	-	-	-	-	2,290,644
Misc. Equipment	113,064	-	-	-	-	113,064	-	-	-	-	113,064
Training Equipment	-	-	-	-	-	-	-	-	-	-	-
Total General Plant	$ 21,354,108	$ 461,963	$ (115,319)	$ -	$ -	$ 21,700,752	$ 622,351	$ (131,571)	$ -	$ -	$ 22,191,532
Total Plant In Service	$ 113,308,155	$ 4,500,000	$ (1,001,740)	$ -	$ (0)	$ 116,806,415	$5,605,581	$(1,143,378)	$ -	$ -	$ 121,268,618
Accumulated Depreciation Section											
Transmission Plant											
Land & Land Rights	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
[Reserved]	-	-	-	-	-	-	-	-	-	-	-
Structures & Improvements	714,546	-	-	31,684	-	746,230	-	-	47,526	-	793,757
Station Equip.	1,203,117	-	-	118,976	(1,322,093)	-	-	-	-	-	-
Demand		-	-		793,256	793,256	-	-	107,079	-	900,335
Customer		-	-		528,837	528,837	-	-	71,386	-	600,223

EXHIBIT 3

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Forecasted Ratebase

Account	Plant Cost Year End FY09	Capital Additions FY10	Retirements FY10	Depreciation Expense FY10	Suballocate FY10	Forecast Plant Cost Year End FY10	Capital Additions 2011	Retirements 2011	Depreciation Expense 2011	Suballocate Capital Additions 2011	Forecasted YE 2011
Towers & Fixtures	86,168	-	-	1,723	(87,891)	-	-	-	-	-	-
Demand		-	-		57,129	57,129	-	-	1,680	-	58,810
Customer		-	-		30,762	30,762	-	-	905	-	31,667
Poles & Fixtures	105,937	-	-	2,119	(108,056)	-	-	-	-	-	-
Demand		-	-		70,236	70,236	-	-	2,066	-	72,302
Customer		-	-		37,820	37,820	-	-	1,112	-	38,932
Overhead Conductors and Devices	59,852	-	-	1,698	(61,550)	-	-	-	-	-	-
Demand		-	-		40,007	40,007	-	-	1,655	-	41,663
Customer		-	-		21,542	21,542	-	-	891	-	22,434
Underground Conduit	90,187	-	-	881	(91,068)	-	-	-	-	-	-
Demand		-	-		59,194	59,194	-	-	859	-	60,053
Customer		-	-		31,874	31,874	-	-	463	-	32,336
Underground Conductors and Devices	30,762	-	-	769	(31,531)	-	-	-	-	-	-
Demand		-	-		20,495	20,495	-	-	750	-	21,246
Customer		-	-		11,036	11,036	-	-	404	-	11,440
Roads and Trails	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Plant	$ 2,290,569	$ -	$ -	157,851	$ (0)	$ 2,448,420	$ -	$ -	$ 236,777	$ -	$ 2,685,197
				-							
Distribution Plant				-							
Land & Land Rights	$ -	$ -	$ -	-	$ -	$ -	$ -	$ -	-	$ -	$ -
Structures & Improvements	1,738,306	-	-	91,712	-	1,830,018	-	-	137,567	-	1,967,585
Station Equip.	4,452,476	-	-	165,190	(4,617,666)	-	-	-	-	-	-
Demand		-	-		3,232,366	3,232,366	-	-	194,165	-	3,426,531
Customer		-	-		1,385,300	1,385,300	-	-	83,214	-	1,468,513
Storage Bat. Equip.	17,196	-	-	674	-	17,870	-	-	1,012	-	18,882
Poles & Towers	5,972,098	-	-	396,225	(6,368,323)	-	-	-	-	-	-
Demand		-	-		1,910,497	1,910,497	-	-	190,316	-	2,100,813
Customer		-	-		4,457,826	4,457,826	-	-	444,070	-	4,901,896
Overhead Conductors	2,071,696	-	-	304,414	(2,376,110)	-	-	-	-	-	-
Demand		-	-		712,833	712,833	-	-	140,942	-	853,775
Customer		-	-		1,663,277	1,663,277	-	-	328,865	-	1,992,142
Underground Conduit	3,519,036	-	-	144,675	(3,663,711)	-	-	-	-	-	-
Demand		-	-		1,099,113	1,099,113	-	-	65,554	-	1,164,667
Customer		-	-		2,564,598	2,564,598	-	-	152,959	-	2,717,557
Undg Conductors	3,618,384	-	-	147,051	(3,765,435)	-	-	-	-	-	-
Demand		-	-		1,129,631	1,129,631	-	-	68,341	-	1,197,972
Customer		-	-		2,635,805	2,635,805	-	-	159,463	-	2,795,268
Line Transformers	4,042,478	-	-	178,834	(4,221,312)	-	-	-	-	-	-
Demand		-	-		2,954,919	2,954,919	-	-	80,514	-	3,035,432
Customer		-	-		1,266,394	1,266,394	-	-	187,865	-	1,454,259
Services	2,859,641	-	-	102,306	(2,961,947)	-	-	-	-	-	-
Demand		-	-		888,584	888,584	-	-	46,749	-	935,333
Customer		-	-		2,073,363	2,073,363	-	-	109,082	-	2,182,445
Meters	1,792,212	-	-	84,765	-	1,876,977	-	-	126,365	-	2,003,342
Inst. Cust. Premises	-	-	-	-	-	-	-	-	777	-	777
Leased Property on Customers' Premises	-	-	-	-	-	-	-	-	-	-	-
Street Lights & Signal System	1,514,144	-	-	48,014	-	1,562,158	-	-	72,519	-	1,634,677
Street Lights & Signal System Overhead	-	-	-	-	-	-	-	-	-	-	-
Street Lights & Signal System Underground	-	-	-	-	-	-	-	-	-	-	-

EXHIBIT 3

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Forecasted Ratebase

Account	Plant Cost Year End FY09	Capital Additions FY10	Retirements FY10	Depreciation Expense FY10	Suballocate FY10	Forecast Plant Cost Year End FY10	Capital Additions 2011	Retirements 2011	Depreciation Expense 2011	Suballocate Capital Additions 2011	Forecasted YE 2011
Install Security Lights	-	-	-	-	-	-	-	-	-	-	-
Total Distribution Plant	$ 31,597,667	$ -	$ -	1,663,861	$ (0)	$ 33,261,528	$ -	$ -	$ 2,590,339	$ -	$ 35,851,867
				-							
Total Plant Before General Plant	$ 33,888,236	$ -	$ -	1,821,712	$ (0)	$ 35,709,948	$ -	$ -	$ 2,827,116	$ -	$ 38,537,063
				-							
General Plant				-							
Land & Land Rights	$ -	$ -	$ -	-	$ -	$ -	$ -	$ -	-	$ -	$ -
Structures and Improvements	4,061,982	-	-	146,849	-	4,208,831	-	-	219,884	-	4,428,716
	-	-	-	-	-	-	-	-	-	-	-
Structures & Improvements (new)	-	-	-	-	-	-	-	-	-	-	-
Office Furniture & Equipment	5,712,896	-	-	129,754	-	5,842,650	-	-	194,903	-	6,037,553
Computer (hardware, software, labor)	-	-	-	-	-	-	-	-	-	-	-
Transportation Equip.	2,968,838	-	-	75,812	-	3,044,650	-	-	123,727	-	3,168,377
Stores Equip.	64,608	-	-	2,108	-	66,716	-	-	3,161	-	69,877
Tools, Shop & Garage	478,352	-	-	10,116	-	488,468	-	-	15,173	-	503,641
Laboratory Equipment	256,313	-	-	6,761	-	263,074	-	-	10,142	-	273,216
Power Operated Equipment	-	-	-	-	-	-	-	-	-	-	-
Communication Equipment	1,111,401	-	-	45,473	-	1,156,874	-	-	68,719	-	1,225,594
Misc. Equipment	108,439	-	-	2,261	-	110,700	-	-	3,392	-	114,092
Training Equipment	-	-	-	-	-	-	-	-	-	-	-
Total General Plant	$ 14,762,829	$ -	$ -	$ 419,135	$ -	$ 15,181,964	$ -	$ -	$ 639,101	$ -	$ 15,821,065
Total Accumulated Depreciation	$ 48,651,065	$ -	$ -	$ 2,240,846	$ (0)	$ 50,891,911	$ -	$ -	$ 3,466,217	$ -	$ 54,358,128
Working Capital Section											
Working Capital Purchased Power and Fuel	$ -					$ -	$ -	$ -	$ -	$ -	$ -
Working Capital Other Op. and Maint. Expenses	-					-	-	-	-	-	-
Total Materials and Supplies (Inventories)	-					-	-	-	-	-	-
Unused	-					-	-	-	-	-	-
Total Working Capital	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Rate Base	$ 64,657,090	$ 4,500,000	$ (1,001,740)	$ 2,240,846	$ (0)	$ 65,914,504	$5,605,581	$(1,143,378)	$ (3,466,217)	$ -	$ 66,910,490

EXHIBIT 4

EXHIBIT 4

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Operation and Maintenance Expenses
Forecasted Year Ending June 30th, 2011

Account	Budgeted Expenses FY11	Adjustments: Suballocate	Suballocate	Adj 1	Suballocate Adj 1	Forecast FY11
Operation and Maintenenance Expenses						
Power Production Expenses						
Other Power Supply Expenses						
Purchased Power	$ 27,711,574	$ -	$ -	$ -	$ -	$ 27,711,574
System Control and Load Dispatching	-	-	-	-	-	-
PASNY Costs	-	-	-	-	-	-
Unused	-	-	-	-	-	-
Total Other Power Supply Expenses	$ 27,711,574	$ -	$ -	$ -	$ -	$ 27,711,574
Total Power Production Expenses	$ 27,711,574	$ -	$ -	$ -	$ -	$ 27,711,574
Transmission Expenses						
Transmission Maintenance Expenses						
Maintenance Supervision and Engineering	$ 3,000	$ -	$ -	$ -	$ -	$ 3,000
Maintenance of Structures	-	-	-	-	-	-
Maintenenace of Station Equipment	-	-	-	-	-	-
Demand		-	-	-	-	-
Customer		-	-	-	-	-
Maintenenace of Overhead Lines	-	-	-	-	-	-
Demand		-	-	-	-	-
Customer		-	-	-	-	-
Maintenance of Underground Lines	-	-	-	-	-	-
Demand		-	-	-	-	-
Customer		-	-	-	-	-
Maintenenace of Misc. Transmission Plant	-	-	-	-	-	-
Unused	-	-	-	-	-	-
Total Transmission Maintenance Expenses	$ 3,000	$ -	$ -	$ -	$ -	$ 3,000
Total Transmission Expenses	$ 3,000	$ -	$ -	$ -	$ -	$ 3,000
Distribution Expenses						
Distribution Operation Expenses						
Operation Supervision and Engineering	441,931	$ -	$ -	$ -	$ -	$ 441,931
Load Dispatching	619,609	-	-	-	-	619,609
Station Expenses	426,490	(426,490)	-	-	-	-
Demand		298,543	-	-	-	298,543
Customer		127,947	-	-	-	127,947
Overhead Line Expenses	-	-	-	-	-	-
Demand		-	-	-	-	-
Customer		-	-	-	-	-
Underground Line Expenses	-	-	-	-	-	-
Demand		-	-	-	-	-
Customer		-	-	-	-	-
Street Lighting and Signal System Expenses	67,892	-	-	-	-	67,892
Meter Expenses	483,082	-	-	-	-	483,082
Customer Installation Expenses	-	-	-	-	-	-
Misc. Distribution Expenses	347,115	-	-	-	-	347,115
Rents	-	-	-	-	-	-
Unused	-	-	-	-	-	-
Total Distribution Operation Expenses	$ 2,386,119	$ -	$ -	$ -	$ -	$ 2,386,119

EXHIBIT 4

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Operation and Maintenance Expenses
Forecasted Year Ending June 30th, 2011

Account	Budgeted Expenses FY11	Adjustments: Suballocate	Suballocate	Adj 1	Suballocate Adj 1	Forecast FY11
Distribution Maintenance Expenses						
Maintenance Supervision and Engineering	$ 187,456	$ -	$ -	$ -	$ -	$ 187,456
Maintenance of Structures	-	-	-	-	-	-
Maintenenace of Station Equipment	-	-	-	-	-	-
Demand		-	-	-	-	-
Customer		-	-	-	-	-
Maintenenace of Overhead Lines	1,211,643	(1,211,643)	-	-	-	-
Demand		363,493	-	-	-	363,493
Customer		848,150	-	-	-	848,150
Maintenance of Underground Lines	190,362	(190,362)	-	-	-	-
Demand		57,109	-	-	-	57,109
Customer		133,253	-	-	-	133,253
Maintenenace of Line Transformers	93,500	(93,500)	-	-	-	-
Demand		65,450	-	-	-	65,450
Customer		28,050	-	-	-	28,050
Maintenance of Street Lighting and Signal System	8,909	-	-	-	-	8,909
Maintenance of Meters	3,875	-	-	-	-	3,875
Maintenenace of Misc. Distribution Plant	-	-	-	-	-	-
Maintenance of Rental Lights	-	-	-	-	-	-
Total Distribution Maintenance Expenses	$ 1,695,745	$ (0)	$ -	$ -	$ -	$ 1,695,745
Total Distribution Expenses	$ 4,081,864	$ (0)	$ -	$ -	$ -	$ 4,081,864
Total Expenses Before Administration	$ 31,796,438	$ (0)	$ -	$ -	$ -	$ 31,796,438
Customer Accounts Expenses						
Supervision	$ -	$ -	$ -	$ -	$ -	$ -
Meter Reading Expenses	64,512	-	-	-	-	64,512
Customer Records & Collection Expenses	1,398,088	-	-	-	-	1,398,088
Uncollectible Accounts	180,000	-	-	-	-	180,000
Misc. Customer Accounts Expenses	-	-	-	-	-	-
Unused	-	-	-	-	-	-
Total Customer Accounts Expenses	$ 1,642,600	$ -	$ -	$ -	$ -	$ 1,642,600
Customer Service and Information Expenses						
Supervision	$ -	$ -	$ -	$ -	$ -	$ -
Customer Assistance Expenses	-	-	-	-	-	-
Informational and Instructional Advertising Expenses	-	-	-	-	-	-
Misc. Customer Service and Informational Expenses	-	-	-	-	-	-
Unused	-	-	-	-	-	-
Unused	-	-	-	-	-	-
Total Customer Service and Information Expenses	$ -	$ -	$ -	$ -	$ -	$ -
Sales Expenses						
Supervision	$ -	$ -	$ -	$ -	$ -	$ -
Demonstrating and Selling Expenses	-	-	-	-	-	-
Advertising Expenses	-	-	-	-	-	-
Miscellaneous Sales Expenses	494,776	-	-	-	-	494,776
Unused	-	-	-	-	-	-
Total Sales Expenses	$ 494,776	$ -	$ -	$ -	$ -	$ 494,776
Administrative and General Expenses						
Administrative and General Salaries	$ 776,849	$ -	$ -	$ -	$ -	$ 776,849
Office Supplies and Expenses	278,100	-	-	-	-	278,100
Utility Office Salary Elec. Share	-	-	-	-	-	-
Outside Services Employed	293,500	-	-	-	-	293,500
Property Insurance	478,900	-	-	-	-	478,900
Injuries and Damages	64,805	-	-	-	-	64,805
Employee Pensions and Benefits	1,188,607	-	-	-	-	1,188,607
Energy conservation Residential	-	-	-	-	-	-
Energy conservation Non-Residential	-	-	-	-	-	-
Duplicate Charges--Cr.	-	-	-	-	-	-
Miscellaneous Advertising Expense	-	-	-	-	-	-
Miscellaneous General Expenses	212,303	-	-	-	-	212,303
Interest	-	-	-	-	-	-
Rents	212,000	-	-	-	-	212,000
Maintenance of General Plant	755,689	-	-	-	-	755,689
Insurance General	-	-	-	-	-	-
Total Administrative and General Expenses	$ 4,260,753	$ -	$ -	$ -	$ -	$ 4,260,753

EXHIBIT 4

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Operation and Maintenance Expenses
Forecasted Year Ending June 30th, 2011

Account	Budgeted Expenses FY11	Adjustments: Suballocate	Suballocate	Adj 1	Suballocate Adj 1	Forecast FY11
Total Administration Expenses	$ 6,398,129	$ -	$ -	$ -	$ -	$ 6,398,129
Total O&M Expenses	$ 38,194,567	$ (0)	$ -	$ -	$ -	$ 38,194,567
Depreciation Expenses						
Transmission Plant						
Land & Land Rights	$ -	$ -	$ -	$ -	$ -	$ -
	-	-	-	-	-	-
Structures & Improvements	47,526	-	-	-	-	47,526
Station Equip.	178,465	(178,465)	-	-	-	-
Demand		107,079	-	-	-	107,079
Customer		71,386	-	-	-	71,386
Towers & Fixtures	2,585	(2,585)	-	-	-	-
Demand		1,680	-	-	-	1,680
Customer		905	-	-	-	905
Poles & Fixtures	3,178	(3,178)	-	-	-	-
Demand		2,066	-	-	-	2,066
Customer		1,112	-	-	-	1,112
Overhead Conductors and Devices	2,547	(2,547)	-	-	-	-
Demand		1,655	-	-	-	1,655
Customer		891	-	-	-	891
Underground Conduit	1,321	(1,321)	-	-	-	-
Demand		859	-	-	-	859
Customer		463	-	-	-	463
Underground Conductors and Devices	1,154	(1,154)	-	-	-	-
Demand		750	-	-	-	750
Customer		404	-	-	-	404
Roads and Trails	-	-	-	-	-	-
Total Transmission Plant	$ 236,777	$ -	$ -	$ -	$ -	$ 236,777
Distribution Plant						
Land & Land Rights	$ -	$ -	$ -	$ -	$ -	$ -
Structures & Improvements	137,567	-	-	-	-	137,567
Station Equip.	277,379	(277,379)	-	-	-	-
Demand		194,165	-	-	-	194,165
Customer		83,214	-	-	-	83,214
Storage Bat. Equip.	1,012	-	-	-	-	1,012
Poles & Towers	634,385	(634,385)	-	-	-	-
Demand		190,316	-	-	-	190,316
Customer		444,070	-	-	-	444,070
Overhead Conductors	469,808	(469,808)	-	-	-	-
Demand		140,942	-	-	-	140,942
Customer		328,865	-	-	-	328,865
Underground Conduit	218,513	(218,513)	-	-	-	-
Demand		65,554	-	-	-	65,554
Customer		152,959	-	-	-	152,959
Undg Conductors	227,804	(227,804)	-	-	-	-
Demand		68,341	-	-	-	68,341
Customer		159,463	-	-	-	159,463
Line Transformers	268,379	(268,379)	-	-	-	-
Demand		187,865	-	-	-	187,865
Customer		80,514	-	-	-	80,514
Services	155,831	(155,831)	-	-	-	-
Demand		46,749	-	-	-	46,749
Customer		109,082	-	-	-	109,082
Meters	126,365	-	-	-	-	126,365
Inst. Cust. Premises	777	-	-	-	-	777
Leased Property on Customers' Premises	-	-	-	-	-	-
Street Lights & Signal System	72,519	-	-	-	-	72,519
Street Lights & Signal System Overhead	-	-	-	-	-	-
Street Lights & Signal System Underground	-	-	-	-	-	-
Install Security Lights	-	-	-	-	-	-
Total Distribution Plant	$ 2,590,339	$ (0)	$ -	$ -	$ -	$ 2,590,339
Total Plant Before General Plant	$ 2,827,116	$ (0)	$ -	$ -	$ -	$ 2,827,116

EXHIBIT 4

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Operation and Maintenance Expenses
Forecasted Year Ending June 30th, 2011

Account	Budgeted Expenses FY11	Adjustments: Suballocate	Suballocate	Adj 1	Suballocate Adj 1	Forecast FY11
General Plant						
Land & Land Rights	$ -	$ -	$ -	$ -	$ -	$ -
Structures and improvements	219,884	-	-	-	-	219,884
	-	-	-	-	-	-
Structures & Improvements (new)	-	-	-	-	-	-
Office Furniture & Equipment	194,903	-	-	-	-	194,903
Computer (hardware, software, labor)	-	-	-	-	-	-
Transportation Equip.	123,727	-	-	-	-	123,727
Stores Equip.	3,161	-	-	-	-	3,161
Tools, Shop & Garage	15,173	-	-	-	-	15,173
Laboratory Equipment	10,142	-	-	-	-	10,142
Power Operated Equipment	-	-	-	-	-	-
Communication Equipment	68,719	-	-	-	-	68,719
Misc. Equipment	3,392	-	-	-	-	3,392
Training Equipment	-	-	-	-	-	-
Total General Plant	$ 639,101	$ -	$ -	$ -	$ -	$ 639,101
Total Depreciation	$ 3,466,217	$ (0)	$ -	$ -	$ -	$ 3,466,217
Other						
Customer Deposit Interest Expense	$ 12,000	$ -	$ -	$ -	$ -	$ 12,000
Bond Interest Expense	-	-	-	-	-	-
Amortization Expense	-	-	-	-	-	-
Other Deductions (incl. ROI)	2,225,000	-	-	-	-	2,225,000
Town Payments	1,320,000	-	-	-	-	1,320,000
Purchased Power Adjustment	-	-	-	-	-	-
Debt Retirement	-	-	-	-	-	-
Not Used	-	-	-	-	-	-
Not Used	-	-	-	-	-	-
Total Other	$ 3,557,000	$ -	$ -	$ -	$ -	$ 3,557,000
Total Expense	$ 44,578,683					
Less: Other Revenues						
Forfeited Discounts	$ (870,359)	$ -	$ -	$ -	$ -	$ (870,359)
P.I.L.O.T Customer	-	-	-	-	-	-
Fuel Reimbursements	-	-	-	-	-	-
Generating Credits	-	-	-	-	-	-
Transmission Wheeling	-	-	-	-	-	-
Rent	-	-	-	-	-	-
MMWEC Refund	(384,497)	-	-	-	-	(384,497)
Other Electric Revenues	(120,000)	-	-	-	-	(120,000)
Interest Income	(450,000)	-	-	-	-	(450,000)
Total Other Revenues	$ (1,824,856)	$ -	$ -	$ -	$ -	$ (1,824,856)
Total Revenue Requirement (Excluding ROR)	$ 43,392,928	$ (0)	$ -	$ -	$ -	$ 43,392,928

EXHIBIT 5

EXHIBIT 5

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Classification and Allocation of Revenue Requirements

Account	Year End 2011	Reallocated Year End 2011	Allocator	RESIDENTIAL A-RATE	RESIDENTIAL A-RATE WATER HEATER	RESIDENTIAL TOU	Commercial	INDUSTRIAL TOU	Streetlights	COOP-RESALE	SCHOOL
Operation and Maintenenance Expenses											
Power Production Expenses											
Other Power Supply Expenses											
Purchased Power	$ 27,711,574	$ 27,711,574	CP-12	$ 10,027,393	$ 225,943	$ 58,808	$ 8,771,113	$ 7,820,287	$ 45,505	$ 164,545	$ 597,981
Unused	-	-	CP-12	-	-	-	-	-	-	-	-
Total Other Power Supply Expenses	$ 27,711,574	$ 27,711,574		$ 10,027,393	$ 225,943	$ 58,808	$ 8,771,113	$ 7,820,287	$ 45,505	$ 164,545	$ 597,981
Total Power Production Expenses	$ 27,711,574	$ 27,711,574		$ 10,027,393	$ 225,943	$ 58,808	$ 8,771,113	$ 7,820,287	$ 45,505	$ 164,545	$ 597,981
Transmission Maintenance Expenses											
Maintenance Supervision and Engineering	$ 3,000	$ 3,000	NCP-Input	$ 1,249	$ 33	$ 9	$ 977	$ 631	$ 7	$ 18	$ 75
Maintenance of Structures	-	-	NCP-Input	-	-	-	-	-	-	-	-
Maintenenace of Station Equipment	-	-	NCP-Input	-	-	-	-	-	-	-	-
Demand	-	-	NCP-Input	-	-	-	-	-	-	-	-
Customer	-	-	Cust-wgt	-	-	-	-	-	-	-	-
Maintenenace of Overhead Lines	-	-	NCP-Input	-	-	-	-	-	-	-	-
Demand	-	-	NCP-Input	-	-	-	-	-	-	-	-
Customer	-	-	Cust-wgt	-	-	-	-	-	-	-	-
Maintenance of Underground Lines	-	-	NCP-Input	-	-	-	-	-	-	-	-
Demand	-	-	NCP-Input	-	-	-	-	-	-	-	-
Customer	-	-	Cust-wgt	-	-	-	-	-	-	-	-
Maintenenace of Misc. Transmission Plant	-	-	NCP-Input	-	-	-	-	-	-	-	-
Unused	-	-	NCP-Input	-	-	-	-	-	-	-	-
Total Transmission Maintenance Expenses	$ 3,000	$ 3,000		$ 1,249	$ 33	$ 9	$ 977	$ 631	$ 7	$ 18	$ 75
Total Transmission Expenses	$ 3,000	$ 3,000		$ 1,249	$ 33	$ 9	$ 977	$ 631	$ 7	$ 18	$ 75
Distribution Expenses											
Distribution Operation Expenses											
Operation Supervision and Engineering	$ 441,931	$ 441,931	NCP-Input	$ 184,063	$ 4,790	$ 1,338	$ 143,968	$ 93,017	$ 1,087	$ 2,674	$ 10,993
Load Dispatching	619,609	619,609	NCP-Input	258,066	6,716	1,876	201,851	130,414	1,524	3,750	15,413
Station Expenses	-	-	N/A	-	-	-	-	-	-	-	-
Demand	298,543	298,543	NCP-Input	124,342	3,236	904	97,257	62,837	735	1,807	7,426
Customer	127,947	127,947	Cust-wgt	89,737	2,483	484	33,248	1,478	-	74	443
Overhead Line Expenses	-	-	N/A	-	-	-	-	-	-	-	-
Demand	-	-	NCP-Input	-	-	-	-	-	-	-	-
Customer	-	-	Cust-wgt	-	-	-	-	-	-	-	-
Underground Line Expenses	-	-	N/A	-	-	-	-	-	-	-	-
Demand	-	-	NCP-Input	-	-	-	-	-	-	-	-
Customer	-	-	Cust-wgt	-	-	-	-	-	-	-	-
Street Lighting and Signal System Expenses	67,892	67,892	Direct.sl	-	-	-	-	-	67,892	-	-
Meter Expenses	483,082	483,082	Meters-Wgt	339,010	9,379	1,828	125,606	5,582	-	3	1,675
Customer Installation Expenses	-	-	NCP-Input	-	-	-	-	-	-	-	-
Misc. Distribution Expenses	347,115	347,115	NCP-Input	144,573	3,762	1,051	113,080	73,060	854	2,101	8,635

EXHIBIT 5

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Classification and Allocation of Revenue Requirements

Account	Year End 2011	Reallocated Year End 2011	Allocator	RESIDENTIAL A-RATE	RESIDENTIAL A-RATE WATER HEATER	RESIDENTIAL TOU	Commercial	INDUSTRIAL TOU	Streetlights	COOP-RESALE	SCHOOL
Rents	-	-	N/A	-	-	-	-	-	-	-	-
Unused	-	-	N/A	-	-	-	-	-	-	-	-
Total Distribution Operation Expenses	$ 2,386,119	$ 2,386,119		$ 1,139,791	$ 30,366	$ 7,480	$ 715,010	$ 366,387	$ 72,092	$ 10,408	$ 44,586
Distribution Maintenance Expenses											
Maintenance Supervision and Engineering	$ 187,456	$ 187,456	NCP-Input	$ 78,075	$ 2,032	$ 567	$ 61,068	$ 39,455	$ 461	$ 1,134	$ 4,663
Maintenance of Structures	-	-	NCP-Input	-	-	-	-	-	-	-	-
Maintenenace of Station Equipment	-	-	N/A	-	-	-	-	-	-	-	-
Demand	-	-	NCP-Input	-	-	-	-	-	-	-	-
Customer	-	-	Cust-wgt	-	-	-	-	-	-	-	-
Maintenenace of Overhead Lines	-	-	N/A	-	-	-	-	-	-	-	-
Demand	363,493	363,493	NCP-Input	151,394	3,940	1,100	118,416	76,507	894	2,200	9,042
Customer	848,150	848,150	Cust-wgt	594,861	16,457	3,208	220,400	9,796	-	490	2,939
Maintenance of Underground Lines	-	-	N/A	-	-	-	-	-	-	-	-
Demand	57,109	57,109	NCP-Input	23,786	619	173	18,604	12,020	141	346	1,421
Customer	133,253	133,253	Cust-wgt	93,459	2,586	504	34,627	1,539	-	77	462
Maintenenace of Line Transformers	-	-	N/A	-	-	-	-	-	-	-	-
Demand	65,450	65,450	NCP-Input	27,260	709	198	21,322	13,776	161	396	1,628
Customer	28,050	28,050	Cust-wgt	19,673	544	106	7,289	324	-	16	97
Maintenance of Street Lighting and Signal System	8,909	8,909	Direct.sl	-	-	-	-	-	8,909	-	-
Maintenance of Meters	3,875	3,875	Meters-Wgt	2,719	75	15	1,008	45	-	0	13
Maintenenace of Misc. Distribution Plant	-	-	NCP-Input	-	-	-	-	-	-	-	-
Maintenance of Rental Lights	-	-	Rental-Lgt	-	-	-	-	-	-	-	-
Total Distribution Maintenance Expenses	$ 1,695,745	$ 1,695,745		$ 991,227	$ 26,962	$ 5,871	$ 482,734	$ 153,461	$ 10,566	$ 4,659	$ 20,265
Total Distribution Expenses	$ 4,081,864	$ 4,081,864		$ 2,131,018	$ 57,327	$ 13,351	$ 1,197,744	$ 519,848	$ 82,658	$ 15,066	$ 64,850
Total Expenses Before Administration	$ 31,796,438	$ 31,796,438		$ 12,159,660	$ 283,302	$ 72,168	$ 9,969,835	$ 8,340,766	$ 128,170	$ 179,629	$ 662,906

EXHIBIT 5

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Classification and Allocation of Revenue Requirements

Account	Year End 2011	Reallocated Year End 2011	Allocator	RESIDENTIAL A-RATE	RESIDENTIAL A-RATE WATER HEATER	RESIDENTIAL TOU	Commercial	INDUSTRIAL TOU	Streetlights	COOP-RESALE	SCHOOL
Customer Accounts Expenses											
Supervision	$ -	$ -	Meter.rd.wgt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Meter Reading Expenses	64,512	64,512	Meter.rd.wgt	45,246	1,252	244	16,764	745	-	37	224
Customer Records & Collection Expenses	1,398,088	1,398,088	Customer	1,204,545	33,323	6,496	148,764	1,984	-	992	1,984
Uncollectible Accounts	180,000	180,000	billing.wgt	126,245	3,493	681	46,775	2,079	-	104	624
Misc. Customer Accounts Expenses	-	-	billing.wgt	-	-	-	-	-	-	-	-
Unused	-	-	N/A	-	-	-	-	-	-	-	-
Total Customer Accounts Expenses	$ 1,642,600	$ 1,642,600		$ 1,376,037	$ 38,067	$ 7,421	$ 212,303	$ 4,807	$ -	$ 1,133	$ 2,831
Sales Expenses											
Supervision	$ -	$ -	N/A	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Demonstrating and Selling Expenses	-	-	N/A	-	-	-	-	-	-	-	-
Advertising Expenses	-	-	N/A	-	-	-	-	-	-	-	-
Miscellaneous Sales Expenses	494,776	494,776	A&G Expense	202,507	5,202	1,238	147,507	125,346	1,166	2,493	9,317
Unused	-	-	N/A	-	-	-	-	-	-	-	-
Total Sales Expenses	$ 494,776	$ 494,776	N/A	$ 202,507	$ 5,202	$ 1,238	$ 147,507	$ 125,346	$ 1,166	$ 2,493	$ 9,317
Administrative and General Expenses											
Administrative and General Salaries	$ 776,849	$ 776,849	A&G Expense	$ 317,956	$ 8,167	$ 1,944	$ 231,601	$ 196,807	$ 1,831	$ 3,915	$ 14,628
Office Supplies and Expenses	278,100	278,100	A&G Expense	113,823	2,924	696	82,910	70,454	655	1,401	5,237
Utility Office Salary Elec. Share	-	-	A&G Expense	-	-	-	-	-	-	-	-
Outside Services Employed	293,500	293,500	A&G Expense	120,127	3,086	735	87,501	74,355	692	1,479	5,527
Property Insurance	478,900	478,900	A&G Expense	196,009	5,035	1,198	142,774	121,324	1,129	2,413	9,018
Injuries and Damages	64,805	64,805	A&G Expense	26,524	681	162	19,320	16,418	153	327	1,220
Employee Pensions and Benefits	1,188,607	1,188,607	A&G Expense	486,485	12,496	2,975	354,358	301,121	2,801	5,990	22,381
Energy conservation Residential	-	-	Energy Res	-	-	-	-	-	-	-	-
Energy conservation Non-Residential	-	-	Energy Non-Res	-	-	-	-	-	-	-	-
Duplicate Charges--Cr.	-	-	A&G Expense	-	-	-	-	-	-	-	-
Miscellaneous Advertising Expense	-	-	A&G Expense	-	-	-	-	-	-	-	-
Miscellaneous General Expenses	212,303	212,303	A&G Expense	86,893	2,232	531	63,294	53,785	500	1,070	3,998
Interest	-	-	A&G Expense	-	-	-	-	-	-	-	-
Rents	212,000	212,000	A&G Expense	86,769	2,229	531	63,203	53,708	500	1,068	3,992
Maintenance of General Plant	755,689	755,689	A&G Expense	309,296	7,945	1,891	225,293	191,446	1,781	3,808	14,229
Insurance General	-	-	A&G Expense	-	-	-	-	-	-	-	-
Total Administrative and General Expenses	$ 4,260,753	$ 4,260,753		$ 1,743,882	$ 44,795	$ 10,663	$ 1,270,252	$ 1,079,418	$ 10,042	$ 21,472	$ 80,229
Total Administration Expenses	$ 6,398,129	$ 6,398,129		$ 3,322,426	$ 88,064	$ 19,322	$ 1,630,063	$ 1,209,571	$ 11,208	$ 25,098	$ 92,376
Total O&M Expenses	$ 38,194,567	$ 38,194,567		$ 15,482,086	$ 371,367	$ 91,490	$ 11,599,897	$ 9,550,338	$ 139,379	$ 204,727	$ 755,282
Depreciation Expenses											
Transmission Plant											
Land & Land Rights	$ -	$ -	NCP-Input	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	-	-	NCP-Input	-	-	-	-	-	-	-	-
Structures & Improvements	47,526	47,526	NCP-Input	19,795	515	144	15,483	10,003	117	288	1,182
Station Equip.	-	-	N/A	-	-	-	-	-	-	-	-
Demand	107,079	107,079	NCP-Input	44,598	1,161	324	34,883	22,538	263	648	2,664
Customer	71,386	71,386	Cust-wgt	50,067	1,385	270	18,550	824	-	41	247

EXHIBIT 5

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Classification and Allocation of Revenue Requirements

Account	Year End 2011	Reallocated Year End 2011	Allocator	RESIDENTIAL A-RATE	RESIDENTIAL A-RATE WATER HEATER	RESIDENTIAL TOU	Commercial	INDUSTRIAL TOU	Streetlights	COOP-RESALE	SCHOOL
Towers & Fixtures	-	-	N/A	-	-	-	-	-	-	-	-
Demand	1,680	1,680	NCP-Input	700	18	5	547	354	4	10	42
Customer	905	905	Cust-wgt	635	18	3	235	10	-	1	3
Poles & Fixtures	-	-	N/A	-	-	-	-	-	-	-	-
Demand	2,066	2,066	NCP-Input	860	22	6	673	435	5	13	51
Customer	1,112	1,112	Cust-wgt	780	22	4	289	13	-	1	4
Overhead Conductors and Devices	-	-	N/A	-	-	-	-	-	-	-	-
Demand	1,655	1,655	NCP-Input	689	18	5	539	348	4	10	41
Customer	891	891	Cust-wgt	625	17	3	232	10	-	1	3
Underground Conduit	-	-	N/A	-	-	-	-	-	-	-	-
Demand	859	859	NCP-Input	358	9	3	280	181	2	5	21
Customer	463	463	Cust-wgt	324	9	2	120	5	-	0	2
Underground Conductors and Devices	-	-	N/A	-	-	-	-	-	-	-	-
Demand	750	750	NCP-Input	312	8	2	244	158	2	5	19
Customer	404	404	Cust-wgt	283	8	2	105	5	-	0	1
Roads and Trails	-	-	N/A	-	-	-	-	-	-	-	-
Total Transmission Plant	$ 236,777	$ 236,777		$ 120,028	$ 3,210	$ 773	$ 72,181	$ 34,885	$ 398	$ 1,021	$ 4,281

EXHIBIT 5

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Classification and Allocation of Revenue Requirements

Account	Year End 2011	Reallocated Year End 2011	Allocator	RESIDENTIAL A-RATE	RESIDENTIAL A-RATE WATER HEATER	RESIDENTIAL TOU	Commercial	INDUSTRIAL TOU	Streetlights	COOP-RESALE	SCHOOL
Distribution Plant											
Land & Land Rights	$ -	$ -	NCP-Input	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Structures & Improvements	137,567	137,567	NCP-Input	57,296	1,491	416	44,816	28,955	338	832	3,422
Station Equip.	-	-	N/A	-	-	-	-	-	-	-	-
Demand	194,165	194,165	NCP-Input	80,869	2,105	588	63,254	40,867	478	1,175	4,830
Customer	83,214	83,214	Cust-wgt	58,363	1,615	315	21,624	961	-	48	288
Storage Bat. Equip.	1,012	1,012	NCP-Input	421	11	3	330	213	2	6	25
Poles & Towers	-	-	N/A	-	-	-	-	-	-	-	-
Demand	190,316	190,316	NCP-Input	79,266	2,063	576	61,999	40,057	468	1,152	4,734
Customer	444,070	444,070	Cust-wgt	311,454	8,616	1,680	115,396	5,129	-	256	1,539
Overhead Conductors	-	-	N/A	-	-	-	-	-	-	-	-
Demand	140,942	140,942	NCP-Input	58,702	1,528	427	45,915	29,665	347	853	3,506
Customer	328,865	328,865	Cust-wgt	230,654	6,381	1,244	85,459	3,798	-	190	1,139
Underground Conduit	-	-	N/A	-	-	-	-	-	-	-	-
Demand	65,554	65,554	NCP-Input	27,303	711	198	21,356	13,798	161	397	1,631
Customer	152,959	152,959	Cust-wgt	107,280	2,968	579	39,748	1,767	-	88	530
Undg Conductors	-	-	N/A	-	-	-	-	-	-	-	-
Demand	68,341	68,341	NCP-Input	28,464	741	207	22,264	14,384	168	414	1,700
Customer	159,463	159,463	Cust-wgt	111,841	3,094	603	41,438	1,842	-	92	553
Line Transformers	-	-	N/A	-	-	-	-	-	-	-	-
Demand	187,865	187,865	NCP-Sec	78,245	2,036	569	61,201	39,541	462	1,137	4,673
Customer	80,514	80,514	Cust-Sec	56,469	1,562	305	20,922	930	-	46	279
Services	-	-	N/A	-	-	-	-	-	-	-	-
Demand	46,749	46,749	NCP-Sec	19,471	507	142	15,230	9,840	115	283	1,163
Customer	109,082	109,082	Cust-Sec	76,506	2,117	413	28,346	1,260	-	63	378
Meters	126,365	126,365	Meters-Wgt	88,678	2,453	478	32,856	1,460	-	1	438
Inst. Cust. Premises	777	777	NCP-Input	324	8	2	253	164	2	5	19
Leased Property on Customers' Premises	-	-	N/A	-	-	-	-	-	-	-	-
Street Lights & Signal System	72,519	72,519	Direct.SL	-	-	-	-	-	72,519	-	-
Street Lights & Signal System Overhead	-	-	Direct.SL	-	-	-	-	-	-	-	-
Street Lights & Signal System Underground	-	-	Direct.SL	-	-	-	-	-	-	-	-
Install Security Lights	-	-	NCP-Input	-	-	-	-	-	-	-	-
Total Distribution Plant	$ 2,590,339	$ 2,590,339		$ 1,471,608	$ 40,006	$ 8,743	$ 722,406	$ 234,630	$ 75,061	$ 7,038	$ 30,848
Total Plant Before General Plant	$ 2,827,116	$ 2,827,116		$ 1,591,636	$ 43,216	$ 9,517	$ 794,587	$ 269,515	$ 75,458	$ 8,059	$ 35,128
General Plant											
Land & Land Rights	$ -	$ -	A&G Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Structures and Improvements	219,884	219,884	A&G Expense	89,996	2,312	550	65,554	55,705	518	1,108	4,140
	-	-	A&G Expense	-	-	-	-	-	-	-	-
Structures & Improvements (new)	-	-	A&G Expense	-	-	-	-	-	-	-	-
Office Furniture & Equipment	194,903	194,903	A&G Expense	79,772	2,049	488	58,106	49,377	459	982	3,670
Computer (hardware, software, labor)	-	-	A&G Expense	-	-	-	-	-	-	-	-
Transportation Equip.	123,727	123,727	A&G Expense	50,640	1,301	310	36,887	31,345	292	624	2,330
Stores Equip.	3,161	3,161	A&G Expense	1,294	33	8	942	801	7	16	60
Tools, Shop & Garage	15,173	15,173	A&G Expense	6,210	160	38	4,524	3,844	36	76	286
Laboratory Equipment	10,142	10,142	A&G Expense	4,151	107	25	3,023	2,569	24	51	191
Power Operated Equipment	-	-	A&G Expense	-	-	-	-	-	-	-	-
Communication Equipment	68,719	68,719	A&G Expense	28,126	722	172	20,487	17,409	162	346	1,294
Misc. Equipment	3,392	3,392	A&G Expense	1,388	36	8	1,011	859	8	17	64
Training Equipment	-	-	A&G Expense	-	-	-	-	-	-	-	-

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Classification and Allocation of Revenue Requirements

Account	Year End 2011	Reallocated Year End 2011	Allocator	RESIDENTIAL A-RATE	RESIDENTIAL A-RATE WATER HEATER	RESIDENTIAL TOU	Commercial	INDUSTRIAL TOU	Streetlights	COOP-RESALE	SCHOOL
Total General Plant	$ 639,101	$ 639,101		$ 261,578	$ 6,719	$ 1,599	$ 190,534	$ 161,910	$ 1,506	$ 3,221	$ 12,034
Total Depreciation	$ 3,466,217	$ 3,466,217		$ 1,853,214	$ 49,935	$ 11,116	$ 985,121	$ 431,425	$ 76,965	$ 11,280	$ 47,162
Other											
Customer Deposit Interest Expense	$ 12,000	$ 12,000	A&G Expense	$ 4,911	$ 126	$ 30	$ 3,578	$ 3,040	$ 28	$ 60	$ 226
Bond Interest Expense	-	-	A&G Expense	-	-	-	-	-	-	-	-
Amortization Expense	-	-	A&G Expense	-	-	-	-	-	-	-	-
Other Deductions (incl. ROI)	2,225,000	2,225,000	A&G Expense	910,669	23,392	5,568	663,336	563,681	5,244	11,213	41,896
Town Payments	1,320,000	1,320,000	A&G Expense	540,262	13,878	3,303	393,530	334,408	3,111	6,652	24,855
Purchased Power Adjustment	-	-	A&G Expense	-	-	-	-	-	-	-	-
Debt Retirement	-	-	A&G Expense	-	-	-	-	-	-	-	-
Not Used	-	-	N/A	-	-	-	-	-	-	-	-
Not Used	-	-	N/A	-	-	-	-	-	-	-	-
Total Other	$ 3,557,000	$ 3,557,000		$ 1,455,843	$ 37,396	$ 8,902	$ 1,060,443	$ 901,129	$ 8,384	$ 17,925	$ 66,977
Less: Other Revenues											
Forfeited Discounts	(870,359)	(870,359)	Forfeited.Disc	$ (452,493)	$ (12,779)	$ (2,892)	$ (322,855)	$ (75,977)	$ (815)	$ (2,420)	$ (128)
P.I.L.O.T Customer	-	-	NBV	-	-	-	-	-	-	-	-
Fuel Reimbursements	-	-	CP-12	-	-	-	-	-	-	-	-
Generating Credits	-	-	CP-12	-	-	-	-	-	-	-	-
Transmission Wheeling	-	-	NBV	-	-	-	-	-	-	-	-
Rent	-	-	NBV	-	-	-	-	-	-	-	-
MMWEC Refund	(384,497)	(384,497)	NBV	(225,543)	(6,131)	(1,319)	(107,707)	(33,028)	(5,516)	(974)	(4,279)
Other Electric Revenues	(120,000)	(120,000)	NBV	(70,391)	(1,914)	(412)	(33,615)	(10,308)	(1,721)	(304)	(1,335)
Interest Income	(450,000)	(450,000)	NBV	(263,967)	(7,176)	(1,544)	(126,056)	(38,655)	(6,455)	(1,140)	(5,007)
Total Other Revenues	$ (1,824,856)	$ (1,824,856)		$ (1,012,395)	$ (28,000)	$ (6,167)	$ (590,233)	$ (157,967)	$ (14,507)	$ (4,838)	$ (10,749)
Total Revenue Requirement	$ 43,392,928	$ 43,392,928		$ 17,778,748	$ 430,698	$ 105,341	$ 13,055,228	$ 10,724,924	$ 210,220	$ 229,095	$ 858,673
Return on Ratebase		$ 2,500,000	ROR	$ 1,466,483	$ 39,865	$ 8,577	$ 700,312	$ 214,748	$ 35,863	$ 6,334	$ 27,819
Total Revenue Requirement		$ 45,892,928		$ 19,245,231	$ 470,563	$ 113,918	$ 13,755,540	$ 10,939,672	$ 246,083	$ 235,428	$ 886,493

EXHIBIT 6

EXHIBIT 6

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Revenue Proof

RESIDENTIAL A-RATE

	Forecasted Revenues at Current Rates				Potential New Rate			
	Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue		Rate ($)	Test Year Units	Estimated Revenue	
Customer:	0.00%							
Total Customers	291,492	$ -	$ -				$	-
Customer Charge	291,492	3.35	976,498		3.47	291,492		1,011,477
Energy:								
Total Energy	237,638,230	0.0735	17,468,786		0.08365	237,638,230		19,879,253
Adjustments:								
PPA	237,638,230	0.0079	1,884,709	$	0.00073	237,638,230		173,714
Energy Audit		-	-					
Pasny Credit	237,638,230	0.00095	(224,806)		0.00095	237,638,230		(224,806)
Discounts		10%	(2,010,519)		10%			(2,083,964)
	Forecast Class Total		$ 18,094,669			Forecast Class Total	$	18,755,674
	Revenue Req. Class Total		$ 19,245,231			Reallocated Revenue Req. Class Total	$	18,779,544
	Change in Rate Required (%)		6.36%			Difference ($)		23,870

RESIDENTIAL A-RATE WATER HEATER

	Forecasted Revenues at Current Rates				Potential New Rate			
	Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue		Rate ($)	Test Year Units	Estimated Revenue	
Customer:	0.00%							
Total Customers	8,064	$ -	$ -		$ -	8,064	$	-
Customer Charge	8,064	3.35	27,014		3.48	8,064		28,083
Energy:								
Total Energy	7,407,034	-	-		-	7,407,034		-
100-433 kWh	2,685,312	0.028030	75,269		0.036624	2,685,312		98,347
<100 / >433 kWh	4,721,722	0.070450	332,645		0.080723	4,721,722		381,151
Adjustments:								
PPA	7,407,034	0.0079	58,745	$	0.00073	7,407,034		5,415
Energy Audit	7,407,034	-	-		-	7,407,034		-
Pasny Credit	7,407,034	0.00095	(7,007)		0.000946	7,407,034		(7,007)
Discounts		10%	(48,667)		10%			(50,599)
	Forecast Class Total		$ 438,000			Forecast Class Total	$	455,391
	Revenue Req. Class Total		$ 470,563			Reallocated Revenue Req. Class Total	$	456,048
	Change in Rate Required (%)		7.43%			Difference ($)		657

EXHIBIT 6

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Revenue Proof

RESIDENTIAL TOU

		Forecasted Revenues at Current Rates			Potential New Rate		
		Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate ($)	Test Year Units	Estimated Revenue
Customer:	0.00%						
Total Customers		1,572	$ -	$ -	$ -	1,572	$ -
Customer Charge		1,572	5.51	8,662	5.51	1,572	8,662
Energy:							
Total Energy		1,808,521	-	-	-	1,808,521	-
On-Peak Energy		542,083	0.07541	40,878	0.0826	542,083	44,781
Off-Peak Energy		1,211,902	0.05415	65,624	0.0614	1,211,902	74,350
TOU Water Heater		54,536	0.02780	1,516	0.0350	54,536	1,909
Adjustments:							
PPA		1,808,521	0.0079	14,343	$ 0.00073	1,808,521	1,322
Energy Audit		1,808,521	-	-	-	1,808,521	-
Pasny Credit		1,808,521	0.00095	(1,711)	0.00095	1,808,521	(1,711)
Discounts			10%	(12,931)	10%		(12,931)
		Forecast Class Total		$ 116,382		Forecast Class Total	$ 116,382
		Revenue Req. Class Total		$ 113,918		Reallocated Revenue Req. Class Total	$ 116,382
		Change in Rate Required (%)		-2.12%		Difference ($)	-

Commercial

		Forecasted Revenues at Current Rates			Potential New Rate		
		Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate ($)	Test Year Units	Estimated Revenue
Customer:	0.00%						
Total Customers		36,180	$ 5.73	$ 207,311	$ 5.97	36,180	$ 216,170
Demand:							
Total Demand		189,181,753	-	-	-	189,181,753	-
Firm Demand Charge		718,351	5.99	4,302,924	6.25	718,351	4,486,800
Energy:							
Total Energy		189,181,753	0.04260	8,059,143	0.0519	189,181,753	9,823,848
Adjustments:Energy Conservation Charge		189,181,753	-	-			
PPA		189,181,753	0.0079	1,500,400	$ 0.00073	189,181,753	138,292
Discounts		1	10%	(1,256,938)	10%		(1,466,511)
		Forecast Class Total		$ 12,812,841		Forecast Class Total	$ 13,198,599
		Revenue Req. Class Total		$ 13,755,540		Reallocated Revenue Req. Class Total	$ 13,384,811
		Change in Rate Required (%)		7.36%		Difference ($)	186,212

EXHIBIT 6

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Revenue Proof

INDUSTRIAL TOU

	Forecasted Revenues at Current Rates				Potential New Rate			
		Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate ($)	Test Year Units		Estimated Revenue
Customer:	0.00%							
Total Customers		516	$ -	$ -	$ -	516	$	-
Customer Charge		516	27.54	14,211	27.54	516		14,211
Demand:	94.54%							
Total Demand		440,231	7.90	3,477,827	7.90	440,231		3,477,827
Energy:								
Total Energy		224,822,454	-	-	-	224,822,454		-
On-Peak Energy		72,595,208	0.04115	2,987,293	0.04835	72,595,208		3,509,978
Off-Peak Energy		152,227,246	0.02902	4,417,635	0.03622	152,227,246		5,513,671
Energy Conservation Charge		224,822,454	-	-				
PPA		224,822,454	0.0079	1,783,067	$ 0.00073	224,822,454		164,345
Discounts		1	10%	(1,268,003)	10%			(1,268,003)
		Forecast Class Total		$ 11,412,028		Forecast Class Total	$	11,412,028
		Revenue Req. Class Total		$ 10,939,672		Reallocated Revenue Req. Class Total	$	11,412,028
		Change in Rate Required (%)		-4.14%		Difference ($)		-

Streetlights

	Forecasted Revenues at Current Rates				Potential New Rate			
		Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate ($)	Test Year Units		Estimated Revenue
Customer:	0.00%							
Total Customers		-	$ -	$ -	$ -	-	$	-
Demand:	0.00%							
Total Demand		-	-	-	-	-		-
Energy:	0.00%							
Total Energy		3,747,728	-	-	-	3,747,728		-
Public Street Lights		2,903,360	0.18	522,605	0.1872	2,903,360		543,509
Private Street Lights		844,368	0.08	67,549	0.0872	844,368		73,629
PPA		3,747,728	0.0079	29,723	$ 0.00073	3,747,728		2,740
Energy Conservation Charge		3,747,728	-	-				
Discounts			0.1000	(61,988)	10%			(61,988)
		Forecast Class Total		$ 557,890		Forecast Class Total	$	619,877
		Revenue Req. Class Total		$ 246,083		Reallocated Revenue Req. Class Total	$	557,890
		Change in Rate Required (%)		-55.89%		Difference ($)		(61,988)

EXHIBIT 6

Reading Municipal Light Department
Electric Cost of Service/Unbundling Study
Forecasted Test Year Ending June 30th, 2011
Revenue Proof

COOP-RESALE

		Forecasted Revenues at Current Rates				Potential New Rate			
		Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue		Rate ($)	Test Year Units	Estimated Revenue
Customer:	0.00%							
Total Customers		252	$ -	$ -		$ -	252	$ -
Customer Charge		252	3.20	806		3.20	252	806
Energy:	0.00%							
Total Energy		3,798,265	0.0694	263,600		0.0766	3,798,265	290,947
Adjustments:								
Energy Audit		3,798,265	-	-		-	3,798,265	-
PPA		3,798,265	0.0079	30,124		$ 0.00073	3,798,265	2,777
Discounts		1	10%	(26,441)		10%		(29,453)
		Forecast Class Total		$ 268,089			Forecast Class Total	$ 265,077
		Revenue Req. Class Total		$ 235,428			Reallocated Revenue Req. Class Total	$ 268,089
		Change in Rate Required (%)		-12.18%			Difference ($)	3,012

SCHOOL

		Forecasted Revenues at Current Rates				Potential New Rate			
		Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue		Rate ($)	Test Year Units	Estimated Revenue
Customer:	100.00%							
Total Customers		480	$ 5.51	$ 2,645		$ 5.51	480	$ 2,645
Demand:	100.00%							
Total Demand		51,976	-	-		-	51,976	-
Firm Demand Charge		51,976	5.76	299,380.15		5.76	51,976	299,380
Energy:	100.00%							
Total Energy		14,652,336	0.0411	601,918		0.0483	14,652,336	707,415
Adjustments:								
	En. Con. S/C		-	-				
PPA		14,652,336	0.0079	116,207.67		$ 0.00073	14,652,336	10,711
Discounts		1	10%	(102,015)		10%	1	(102,015)
		Forecast Class Total		$ 918,136			Forecast Class Total	$ 918,136
		Revenue Req. Class Total		$ 886,493			Reallocated Revenue Req. Class Total	$ 918,136
		Change in Rate Required (%)		-3.45%			Difference ($)	-

Forecast Class Total at Current Rates	$ 44,618,035	Forecast Class Total at New Rates	$ 45,741,164
		Reallocated Revenue Req. Class Total	$ 45,892,928

READING MUNICIPAL LIGHT DEPARTMENT

2011 BUDGET SUMMARY

DRAFT 1 3/31/10

PURCHASED POWER EXPENSE		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
NUCLEAR MIX #1 - MILLSTONE	C	199,793	183,288	184,831	180,467	176,216	186,285	194,198	194,177	192,985	180,286	194,087	194,170	2,260,783
MILLSTONE - TRANSMISSION	T	1,072	1,072	1,072	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,072	12,936
MILLSTONE - ENERGY	E	8,946	8,946	8,946	8,946	8,946	8,946	8,946	8,080	8,934	8,658	8,946	8,658	105,898
NUCLEAR MIX #1 - SEABROOK	C	19,300	20,850	20,666	21,224	21,831	20,642	20,388	20,334	21,495	28,375	20,344	20,249	255,698
SEABROOK - TRANSMISSION	T	155	155	155	155	155	155	155	155	155	155	155	155	1,860
SEABROOK - ENERGY	E	932	932	932	932	932	932	932	842	931	0	932	902	10,131
PROJECT #3 - DEBT SERVICE	C	119,651	119,664	119,646	119,655	119,661	119,629	119,104	119,070	119,068	119,076	119,084	119,094	1,432,402
PROJECT #3 - TRANSMISSION	T	765	765	765	772	772	772	772	772	772	772	772	765	9,236
PROJECT #3 - ENERGY	E	6,860	6,860	6,860	6,860	6,860	6,860	6,860	6,196	6,851	6,638	6,860	6,638	81,203
PROJECT #4 - DEBT SERVICE	C	373,393	373,353	373,174	373,073	373,065	372,912	373,036	373,090	373,023	246,877	372,938	373,141	4,351,075
PROJECT #4 - TRANSMISSION	T	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	42,168
PROJECT #4 - ENERGY	E	22,878	22,878	22,878	22,878	22,878	22,878	22,878	20,664	22,847	0	22,878	22,140	248,675
PROJECT #5 - DEBT SERVICE	C	49,677	49,673	49,650	49,637	49,637	49,617	49,633	49,638	49,630	33,918	49,619	49,644	579,973
PROJECT #5 - TRANSMISSION	T	433	433	433	433	433	433	433	433	433	433	433	433	5,196
PROJECT #5 - ENERGY	E	2,823	2,823	2,823	2,823	2,823	2,823	2,823	2,550	2,819	0	2,823	2,732	30,685
PASNY - CAPACITY*	C	12,696	12,696	12,696	12,696	12,696	12,696	12,696	12,696	12,696	12,696	12,696	12,696	152,352
PASNY - TRANSMISSION*	T	36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156	433,872
PASNY - ENERGY*	E	9,968	9,968	9,646	9,968	9,660	9,968	10,167	9,183	10,153	9,839	10,167	9,839	118,526
REMVEC**	E	750	750	750	750	750	750	750	750	750	750	750	750	9,000
ISO-NE CAPACITY	C	507,150	507,150	507,150	507,150	507,150	507,150	507,150	507,150	507,150	507,150	507,150	507,150	6,085,800
ISO-NE TRANSMISSION***	T	809,307	914,135	627,981	552,989	584,586	662,418	623,611	629,740	613,968	648,629	661,693	660,560	7,989,617
ISO-NE ENERGY	E	230,547	542,022	175,964	249,362	246,756	561,848	1,045,046	852,252	859,997	878,767	578,974	617,155	6,838,690
NEMA CONGESTION****	E	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(117,000)
HYDRO QUEBEC SUPPORT SERVICES	C	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	284,400
PEAKING PROJECT - CAPACITY	C	50,598	50,590	50,583	50,587	50,591	50,595	50,484	50,784	50,456	50,547	50,435	50,532	606,782
PEAKING PROJECT - TRANSMISSION	T	6,650	6,650	6,650	6,639	6,650	6,650	6,650	6,650	6,734	6,653	6,651	6,650	79,877
PEAKING PROJECT - ENERGY	E	32,480	19,505	19,504	25,992	13,665	42,213	4,352	3,908	4,229	3,945	4,332	4,228	178,353
INTERMEDIATE PROJECT - CAPACITY	C	121,381	101,302	169,702	145,115	176,194	113,279	99,015	106,063	122,967	121,679	123,163	105,753	1,505,613
INTERMEDIATE PROJECT - TRANSMISSION	T	8,035	7,828	7,952	9,681	9,100	9,263	9,164	9,070	9,523	9,330	9,615	6,141	104,702
INTERMEDIATE PROJECT - ENERGY	E	373,674	456,065	444,540	796,603	327,354	520,394	57,772	51,877	56,133	52,368	57,500	56,118	3,250,398
DOMINION	E	1,672,362	1,717,729	1,103,895	899,558	934,443	1,061,377	1,048,565	967,782	902,180	748,962	917,110	1,043,958	13,017,921
CONSTELLATION	E	943,504	960,058	932,760	973,673	973,494	1,064,776	515,797	467,040	505,742	465,498	479,936	469,170	8,751,448
BRAINTREE WATSON	C	126,088	126,088	126,088	126,552	126,552	126,552	126,552	126,552	126,552	126,552	126,552	126,552	1,517,232
BRAINTREE WATSON - ENERGY	E	11,299	11,500	11,230	11,907	12,506	14,062	14,662	13,166	14,247	13,291	14,594	14,243	156,707
COOP / RESALE	E	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
MACQUARIE	E	684,001	697,314	583,585	537,446	536,217	562,461	510,421	467,902	507,582	484,166	571,466	599,468	6,742,029
TOTAL BUDGETED PURCHASED POWER		6,468,288	6,994,162	5,644,627	5,766,724	5,374,774	6,181,537	5,505,213	5,140,767	5,173,203	4,828,211	4,994,856	5,151,876	67,224,238
PURCHASED POWER BASE EXPENSE:														
TOTAL CAPACITY PURCHASED	C	1,603,427	1,568,354	1,637,886	1,609,856	1,637,293	1,583,057	1,575,956	1,583,254	1,599,722	1,450,856	1,599,768	1,582,681	19,032,110
TOTAL TRANSMISSION PURCHASED	T	866,087	970,708	684,678	611,420	642,447	720,442	681,536	687,571	672,336	706,723	720,070	715,446	8,679,464
TOTAL		2,469,514	2,539,062	2,322,564	2,221,276	2,279,740	2,303,499	2,257,492	2,270,825	2,272,058	2,157,579	2,319,838	2,298,127	27,711,574
PURCHASED POWER FUEL EXPENSE:														
TOTAL ENERGY PURCHASED	E	3,998,774	4,455,100	3,322,063	3,545,448	3,095,034	3,878,038	3,247,721	2,869,942	2,901,145	2,670,632	2,675,018	2,853,749	39,512,664

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

from FY 2010 Monthly Power Supply reports

Item	Total	July	August	Sept	Oct	...
NYPA, $	142,752	11,896	11,896	11,896	11,896	...
NYPA, kw	67,141	4,534	4,019	4,533	6,328	...
ISO $, %	32.05%	32.25%	27.22%	31.03%	37.33%	...
ISO Dmd$	6,309,820	515,991	511,784	503,549	537,098	...
ISO Kw	1,543,677	125,958	125,846	125,496	131,553	...
Total Dmnd$	19,687,248	1,600,167	1,880,365	1,622,793	1,438,821	...
Total Kw	2,884,520	228,562	227,926	228,092	250,315	...
$ / Kw	$6.83	$7.00	$8.25	$7.11	$5.75	...
ISO Kw, %	53.52%	55.11%	55.21%	55.02%	52.55%	...

240,377 Average Kw per month in 2010

from 2011 budget summary, reduced by 19,032,105 / 19,033,110 0.9999997

Item	$		$		
Project 3 - Debt	1,432,402	C	1,432,402		
Project 4 - Debt	4,351,075	C	4,351,074		
Project 5 - Debt	579,973	C	579,973		
Hydro - Support	284,400	C	284,400		
Peaking - Capacity	606,782	C	606,782	Sub-total	
Braintree Watson	1,517,232	C	1,517,232		8,771,863
Nuke #1 Millstone	2,260,783	V	2,260,782		
Nuke Mix 1 Seabrook	255,698	V	255,698	Sub-total	
Intermediate - Capacity	1,505,613	V	1,505,613		4,022,093
NYPA Capacity	152,352	X	152,352		
ISO Capacity	6,085,800	Z	6,085,797		
Sum	19,032,110	New Sum	19,032,105		

			% of Kw
Av'g rate	$6.60		100.00%
NYPA rate	$2.27		2.33%

Capacity,	Kw	19,032,105	6,886,739	155,176	40,389	6,023,936	5,370,915	31,252	113,008	410,689
	Percents	100.00%	36.18%	0.82%	0.21%	31.65%	28.22%	0.16%	0.59%	2.16%

Original, Exhibit 5	Total	Res	Res-Water	Res-TOU	Commercial	TOU	Resale	Lights	School
Demand, COSS p. 1									
	19,032,105	6,886,739	155,176	40,389	6,023,936	5,370,915	31,252	113,008	410,689
Estimated Kw	2,788,530	1,009,026	22,736	5,918	882,610	786,931	4,579	16,558	60,173
Percentages	100.00%	36.18%	0.82%	0.21%	31.65%	28.22%	0.16%	0.59%	2.16%
ISO Capacity Cost, $	6,085,800	2,202,138	49,620	12,915	1,926,243	1,717,430	9,993	36,136	131,324

RMLD peak 8/18/09	155,800	
School peak 8/18/09	1,991	
Thus school demand %	1.28%	
School ISO demand am'nt	77,772	
COSS amount too high by	53,552	**68.86%**

		Res	Res-Water	Res-TOU	Commercial	TOU	Resale	Lights	School
Remove old School	5,954,476	2,202,138	49,620	12,915	1,926,243	1,717,430	9,993	36,136	0
Percentages	100.00%	36.98%	0.83%	0.22%	32.35%	28.84%	0.17%	0.61%	0.00%
Spread of School -delta	53,552	19,805	446	116	17,324	15,446	90	325	0
New ISO Spread	6,085,800	2,221,943	50,066	13,031	1,943,567	1,732,876	10,083	36,461	77,772

Some COSS-related Motions

What Are the Impacts of COSS Changes?

Move that the RMLD GM provide to the RMLB the cost & revenue results for the 12 months after the previous COSS rate changes went into effect.

2. Move that the RMLD GM provide to the RMLB the cost & revenue results for the 12 months after COSS rate changes enacted after 30 June 2010 go into effect.

Improved RMLD Metering

3. Move that all metering for Industrial TOU be of the type to record hourly data.

4. Move that the metering for at least 100 randomly selected Commercial customers (non house of worship) be of the type to record hourly data.

5. Move that the metering for at least 25% randomly selected houses of worship be of the type to record hourly data.

Basis of Charges from Demand & Transmission Vendors

6. Move that basis of charges, i.e., on what basis are the charges computed and what could the RMLD do to decrease the charge by 5%, be obtained from Demand and Transmission vendors

READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board of Commissioners

Date: July 21, 2010

From: Vinnie Cameron

Subject: Survalent Technology Maintenance Agreement

The Reading Municipal Light Department (RMLD) has a Supervisory Control and Data Acquisition (SCADA) program that provides real-time data on the RMLD's electrical system. This program was purchased from Survalent Technologies in 2008, which includes an annual maintenance contract for the Survalent software. Survalent recently offered the RMLD a five-year maintenance contract, which would result in a cost savings compared to signing a contract with a shorter time period.

The costs of the contract is shown below with the relative discount amounts. If the RMLD signs a five-year maintenance contract with Survalent the RMLD could save $12,187.50 or 25% of the five-year maintenance cost. The RMLD intends to use this software for the long term, well more than five years. The RMLD's prior SCADA system was installed in the 1980's.

Table 1 shows the contract years, the amount of the contract, and the relative discount.

TABLE 1

Survalent Technology
Gold Service / Annual Software Support / Maintenance

Year(s)	Cost	Multi year Discount	Discount Savings	Total cost
1	9,750.00		0.00	9,750.00
2	19,500.00	10%	-1,950.00	17,550.00
3	29,250.00	15%	-4,387.50	24,862.50
4	39,000.00	20%	-7,800.00	31,200.00
5	48,750.00	25%	-12,187.50	36,562.50

According to Massachusetts General Laws Chapter 30B, Section 12 (attached) a municipal entity cannot sign a contract for more than a three-year period without the approval of Town Meeting. I recommend that the RMLD Board of Commissioners approve the following motion so that an article can be placed on the Subsequent Town Meeting warrant for Town Meeting approval. The recommended RMLD motion is shown below.

RMLD Board Vote

Move that the RMLD Board of Commissioners recommend to the Town Meeting to vote pursuant to Massachusetts General Laws Chapter 30B, Section 12 to authorize the General Manager of the Reading Municipal Light Department to enter into a five year contract, including all extensions renewals and options, in order to save $12,187.50 as compared to signing a one year contract, for maintenance of the Supervisory Control and Data Acquisition (SCADA) program for electric distribution system monitoring Board, upon such terms and conditions determined by the Reading Municipal Light Department General Manager, or take any other action with respect thereto.

I have discussed this issue Reading Town Manager, Peter Hechenbleikner. He is agreeable to include an article on this issue for the fall Subsequent Town Meeting Warrant, if the RMLD approves the motion.

Attachment: 1

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PART I. ADMINISTRATION OF THE GOVERNMENT

TITLE III. LAWS RELATING TO STATE OFFICERS

CHAPTER 30B. UNIFORM PROCUREMENT ACT

Chapter 30B: Section 12. Term of contract; information to be included in solicitation; cancellation of contract

Section 12. (a) Unless otherwise provided by law and subject to paragraph (b), a governmental body may enter into a contract for any period of time which serves the best interests of the governmental body; provided, however, that the procurement officer shall include in the solicitation the term of the contract and conditions of renewal, extension or purchase, if any. The procurement officer shall not enter into a contract unless funds are available for the first fiscal year at the time of contracting. Payment and performance obligations for succeeding fiscal years shall depend on the availability and appropriation of funds.

(b) Unless authorized by majority vote, a procurement officer shall not award a contract for a term exceeding three years, including any renewal, extension, or option. Such authorization may apply to a single contract or to any number or types of contracts, and may specify a uniform limit or different limits on the duration of any such contracts.

(c) The invitation for bids, request for proposals, or other solicitation of any contract for a term exceeding one year, including a renewal, extension or option, shall state, in addition to the other information required by this chapter:

(1) the amount of supplies or services required for the proposed contract period, and whether such amount is the actual amount required or an estimate;

(2) that the bidder or offeror shall give a unit price for each supply or service, and that the unit price shall remain the same throughout the contract, except to the extent that the solicitation and resulting contract provides for price adjustments;

(3) that the procurement officer shall cancel the contract if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal year succeeding the first year;

(4) whether the bidder or offeror shall submit prices for:

(i) the first fiscal year only;

(ii) the entire time of performance only; or

(iii) both the first fiscal year and the entire time of performance; and

(5) how the award will be determined, including, if the contractor submits prices for the first fiscal year and the entire time of performance, how the prices will be compared.

When a contract is to contain an option for renewal, extension, or purchase, the solicitation shall include notice of the provision. The governmental body shall retain sole discretion in exercising the option, and no exercise of an option shall be subject to agreement or acceptance by the contractor.

(d) When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year, the procurement officer shall cancel the contract.

(e) The governmental body shall not exercise an option for renewal, extension or purchase unless the procurement officer, after reasonable investigation of costs and benefits, has determined in writing that the exercise of the option is more advantageous than alternate means of procuring comparable supplies or services.

(f) Notwithstanding the provisions of paragraphs (a), (b), clause (3) of paragraph (c) and paragraph (d) and further notwithstanding any contrary provision of any law or the provisions of any charter, a city or town may, in a contract for the disposal of its garbage, refuse, and offal or treatment or disposal of sewage, septage or sludge, agree that said city or town shall not be exempt from liability on such contract; provided, however, that such disposal shall be in a sanitary manner approved by the department of environmental protection; provided further, that the contract, including any renewal, extension, or option, shall be for a period not exceeding twenty years; and provided, further, that such contract has been authorized by majority vote.

ATTACHMENT 3

Dt: July 22, 2010

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

Fr: Bob Fournier 7/22/10

Sj: June 2010 Memo

The 2010 fiscal year end figures are still being finalized. The audit will begin on Monday, August 9. I will have pre-audit figures during that first week in August.

Kwh sales are 684,400,000, down by 11,600,000 or 1.7 %, compared to last year's total of 696,000,000.

Bad debt expense could be as high as $190k. Last year's write offs were $232k.

ATTACHMENT 4

To: Vincent Cameron

From: Energy Services

Date: July 23, 2010

Subject: Preliminary Purchase Power Summary – June, 2010

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

ENERGY

The RMLD's total metered load for the month was 66,058,595 kWhs, which was an increase of 16.35 % compared to June, 2009 figures.

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

TABLE 1

Resource	Amount of Energy (kWh)	Cost of Energy ($/Mwh)	% of Total Energy	Total $ Costs	$ as a %
Millstone #3	3,584,799	$4.61	5.42%	$16,543	0.46%
Seabrook	5,704,501	$8.86	8.63%	$50,542	1.39%
Stonybrook	5,272,050	$54.36	7.97%	$286,604	7.91%
Constellation	14,400,000	$64.26	21.78%	$925,272	25.53%
PASNY	1,541,403	$4.92	2.33%	$7,584	0.21%
ISO Interchange	8,124,119	$37.29	12.29%	$303,695	8.38%
NEMA Congestion	0	$0.00	0.00%	-$4,560	-0.13%
Coop Resales	67,517	$132.35	0.10%	$8,936	0.25%
Stonybrook Peaking	272,994	$171.74	0.41%	$46,884	1.29%
MacQuarie	26,368,000	$73.22	39.88%	$1,930,781	53.28%
Braintree Watson Unit	789,152	$65.29	1.19%	$51,523	1.42%
Monthly Total	66,124,535	$54.80	100.00%	$3,623,804	100.00%

Table 2

Resource	Amount of Energy (kWh)	Cost of Energy ($/Mwh)	% of Total Energy
ISO DA LMP Settlement	5,619,860	35.08	8.50%
RT Net Energy Settlement	2,504,259	50.28	3.79%
ISO Interchange (subtotal)	8,124,119	39.76	12.29%

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

CAPACITY

The RMLD hit a demand of 152,014 kWs, which occurred on June 28, 2010 at 3 pm. The RMLD's monthly UCAP requirement for June 2010 was 212,197 kWs. Table 3 shows the sources of capacity that the RMLD utilized to meet its requirement.

Table 3

Source	Amount (kWs)	Cost ($/kW-month)	Total Cost $	% of Total Cost
Millstone #3	4,991	$63.49	$316,889	20.32%
Seabrook	7,902	$54.48	$430,479	27.61%
Stonybrook Peaking	24,983	$2.09	$52,163	3.35%
Stonybrook CC	42,925	$3.81	$163,369	10.48%
Pasny	0	$2.96	$11,896	0.76%
HQICC	6,570	$3.46	$22,734	1.46%
ISO-NE Supply Auction	114,306	$4.18	$478,347	30.67%
Braintree Watson Unit	10,520	$7.94	$83,546	5.36%
Total	212,197	$7.35	$1,559,422	100.00%

Table 4

Resource	Energy	Capacity	Total cost	% of Total Cost
Millstone #3	$16,543	$316,889	$333,432	6.43%
Seabrook	$50,542	$430,479	$481,021	9.28%
Stonybrook	$286,604	$163,369	$449,973	8.68%
HQ II	$0	$22,734	$22,734	0.44%
Constellation	$925,272	$0	$925,272	17.85%
PASNY	$7,584	$11,896	$19,479	0.38%
ISO Interchange	$303,695	$478,347	$782,042	15.09%
Nema Congestion	-$4,560	$0	-$4,560	-0.09%
Coop Resales	$8,936	$0	$8,936	0.17%
Stonybrook Peaking	$46,884	$52,163	$99,047	1.91%
Integrys	$1,338,989	$0	$1,338,989	25.83%
MacQuarie	$591,793	$0	$591,793	11.42%
Braintree Watson Unit	$51,523	$83,546	$135,069	2.61%
Monthly Total	$3,623,804	$1,559,422	$5,183,226	100.00%

TRANSMISSION

The RMLD's total transmission costs for the month of June, 2010 are $862,371. This is a 59.6% increase from the May 2010 cost of $540,275. In 2009, the transmission costs for the month of June, 2009 were $491,881.

Table 5

	Current Month	Last Month	Last Year
Peak Demand (kW)	152,014	150,886	112,757
Energy (kWh)	66,124,535	59,563,301	56,820,690
Energy ($)	$3,623,804	$3,058,961	$3,419,957
Capacity ($)	$1,559,422	$1,655,184	$2,061,056
Transmission ($)	$862,371	$540,275	$491,881
Total	$6,045,597	$5,254,420	$5,972,894

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

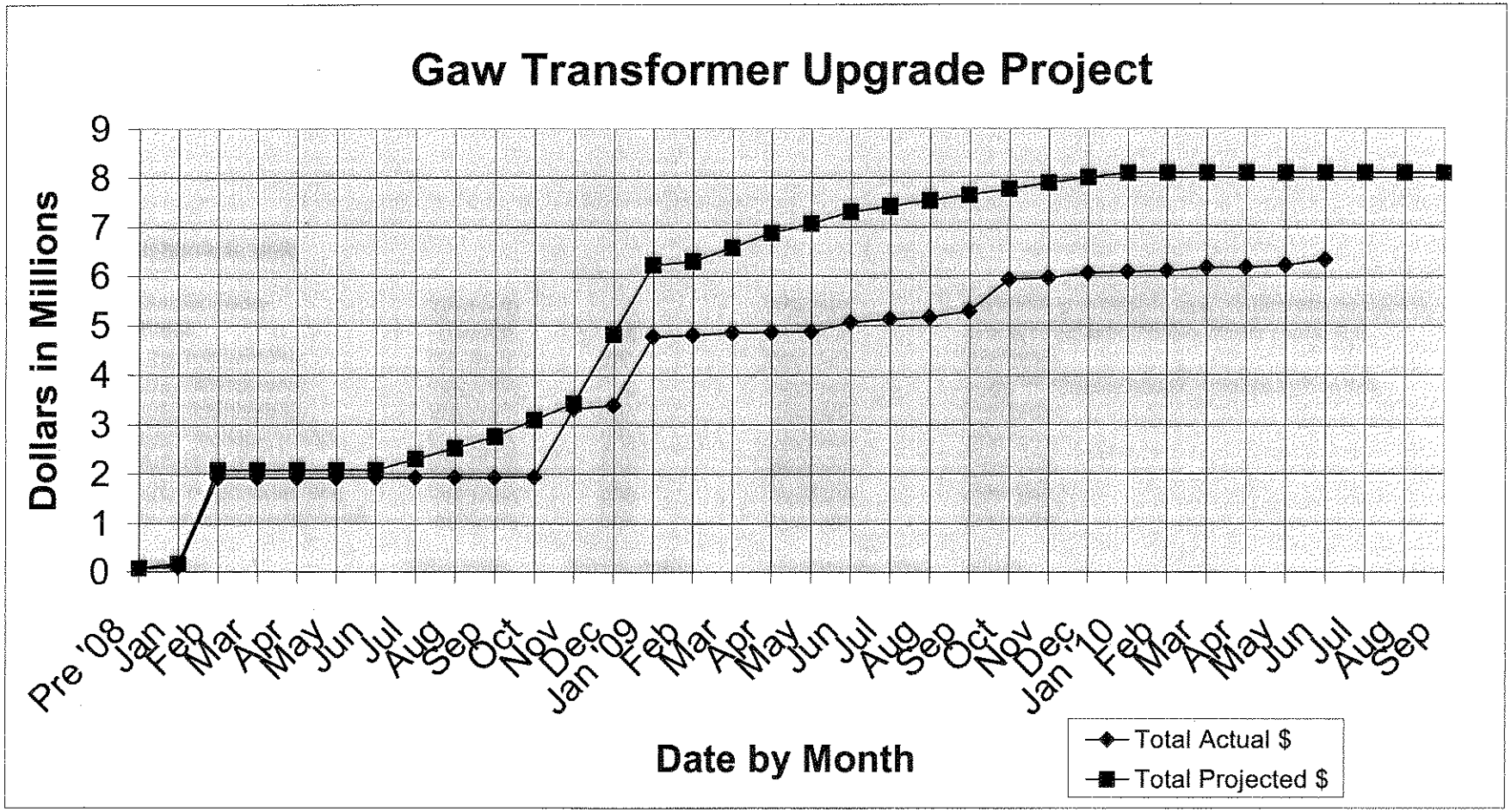
Gaw Transformer Upgrade Project

Schedule Milestones	Start Date	% Complete	Completion Date	Notes
Conceptual Engineering	Jul-08	100	Jun-09	Complete
Major Equipment Procurement	Feb-09	80	Sep-10	Remaining: concrete, land materials
Design Engineering	Jul-08	100	Jun-09	Complete
Scheduled Transformer Delivery	Dec-08	100	Dec-08	Complete
Construction Bid	Jan-09	100	Mar-09	Complete
Construction Contractor	May-09	65	Sep-10	Balance of work after remediation complete
Construction Transformer Replacement	May-09	66	Sep-10	Balance of work on 110A after remediation complete
Construction Switchgear Upgrades	Dec-09	98	Jul-10	Transfer scheme control wiring remaining
Construction RMLD Personnel	Jan-09	80	Sep-10	Remaining: control wiring, panel relocations, feeder

Tangible Milestones	Start Date	% Complete	Completion Date	Notes
Relocate Station Service transformers	06/22/09	100	07/17/09	Complete
Transformer 110C on concrete pad	06/01/09	100	07/22/09	Complete
115kV circuit switchers replaced	07/25/09	100	08/02/09	Complete
Transformer 110C secondary work	07/27/09	100	10/05/09	Complete
Transformer 110C replacement	08/31/09	100	10/09/09	Complete
Transformer 110A replacement	09/21/09	25	09/30/10	110A decommissioning delayed due to soil
Transformer 110B replacement	02/19/10	100	03/31/10	Complete
Switchgear upgrade	12/01/09	98	07/01/10	Transfer scheme control wiring remaining
Feeder Reassignment work	09/01/10	0	09/30/10	Balances bus section and transformer loading (FY'11)

Changes highlighted in bold

ATTACHMENT 5


Gaw Transformer Upgrade Project
Dollars in Millions
9
8
7
6
5
4
3
2
1
0
Pre '08
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan '09
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan '10
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Date by Month
Total Actual $
Total Projected $

Reconciling the Gaw Upgrade Project

Capital Item		Budget		Expenditure			Delta
Description	Fiscal Yr	Item	Cumulative	Actual	Cumulative	Expected	by FY
Transformer Payment	**2008**	2.080	**2.080**	1.836	**1.836**		**-0.244**
Contract Labor	**2009**	1.380		0.082			
Procured Equipment		0.360		0.102			
RMLD Labor		0.446		0.112			
Feeder Reassignment		0.282		0.000			
Transformer Payments		2.757	**7.305**	2.755	**4.887**		**-2.418**
Contract Labor	**2010**	0.285		0.827			
Procured Equipment		0.195		0.157			
RMLD Labor		0.200		0.380			
Feeder Reassignment		0.110	**8.095**	0.000	**6.251**		**-1.844**
Contract Labor	**2011**	0.000				0.545	
Procured Equipment		0.000				0.030	
RMLD Labor		0.000				0.064	
Feeder Reassignment		0.000	**8.095**		**6.251**	0.236	
Project Sub-Total			**8.095**	6.251	6.251	0.875	
Project Total					**7.126**		**-0.969**

READING MUNICIPAL LIGHT DEPARTMENT
FY10 PRELIM CAPITAL BUDGET VARIANCE REPORT
FOR PERIOD ENDING JUNE 30, 2010

	#	PROJECT DESCRIPTION	TOWN	ACTUAL COST JUNE	YTD ACTUAL COST THRU 6/30/10	ANNUAL BUDGET	REMAINING BALANCE
		4 kV Retirement – Stepdown Areas					
**	1	Reading	R		$78,125	$31,415	($46,710)
	22	Wilmington - Main Street **NEW**	W	$16,209	$25,544	$112,152	$86,608
		System Projects					
**	2	Station #4 Getaway 4W30 Replacements	R		$146,540	$201,712	$55,172
	3	Station #4 Getaway 4W17 Replacements **NEW**	R	$851	$851	$170,779	$169,928
**	4	Salem Street Area	W		$109,129	$171,923	$62,794
	5	High Capacity Tie 4W18/3W8 Franklin Street	R		$300	$129,004	$128,704
	6	Haverhill Street - Reconductoring **NEW**	R	$52,644	$243,114	$184,460	($58,654)
		URD Upgrades					
	7	URD Completions-Sanborn Village, Reading; Perkins Farm, Lynnfield; and Chestnut Village, North Reading	VAR	$5,496	$13,347	$38,496	$25,149
		New Circuits and Circuit Expansions					
	8	Salem Street to Glen Rd 13kV Feeder Tie	W	$34,225	$303,235	$80,063	($223,172)
**	9	Reading Center-Main Street	R		$5,363	$13,932	$8,569
**	10	Reading Center-Haven Street	R			$23,311	$23,311
		Station Upgrades					
		Station #4					
	11	Transformer Replacement-Part 1-Contractual Labor	R	$102,250	$739,125	$1,231,500	$492,375
	11	Transformer Replacement-Part 2-Procured Equipment	R		$157,673	$344,800	$187,127
	11	Transformer Replacement-Part 3-RMLD Labor	R	$11,263	$379,851	$432,405	$52,553
	11	Transformer Replacement-Part 4-Feeder Re-Assignment	R			$228,159	$228,159
		Station #5					
	23	15kV Circuit Breaker Replacement **NEW**	W			$157,528	$157,528
		New Customer Service Connections					
	12	Service Installations-Commercial/Industrial Customers	ALL	$396	$40,653	$54,184	$13,532
	13	Service Installations - Residential Customers	ALL	$15,987	$186,705	$176,623	($10,082)
	14	**Routine Construction**					
		Various Routine Construction	ALL	$101,969	$1,423,638	$1,537,896	$114,258
		Total Construction Projects		$341,290	$3,853,192	$5,320,343	$1,467,151
		Other Projects					
	15	GIS			$44,450	$52,984	$8,534
	16	Transformers/Capacitors Annual Purchases			$16,249	$241,389	$225,140
	17	Meter Annual Purchases			$28,382	$139,360	$110,978
	18	Purchase Two New Small Vehicles			$62,555	$62,000	($555)
	19	Replace Line Department Vehicles			$349,192	$353,823	$4,631
	20	Cooling Towers		$398	$16,099	$200,248	$184,149
	21	Security Upgrades			$3,770	$25,000	$21,230
	27	Hardware Upgrades			$3,590	$43,700	$40,110
	28	Software and Licensing		$5,462	$39,098	$94,410	$55,312
		Total Other Projects		$5,860	$563,385	$1,212,913	$649,528
		TOTAL RMLD CAPITAL PROJECT EXPENDITURES		$347,150	$4,416,577	$6,533,256	$2,116,679

** completed projects

Reading Municipal Light Department
Engineering and Operations
Monthly Report
June, 2010

FY 2010 Capital Plan

4 kV Retirement – Stepdown Areas

1. **Reading** – *Project Complete.*

22. **Main Street – Wilmington** – *Installed transformers, cable, transfer services, and energized new primary and transformer on Lloyd Road. Framed for new primary on Main Street and Marjorie Road.*

System Projects

2. **Station #4 Getaway Feeder 4W30 Replacement – Reading** – *Project complete.*

3. **Station #4 Getaway Feeder 4W17 - Wilmington** – *Engineering labor.*

4. **Salem Street Area - Wilmington** – *Project complete.*

5. **High Capacity Tie 4W18/3W8 Franklin Street – Reading** – *No Activity.*

6. **Haverhill Street – Reading/Lynnfield** – *Framed, installed spacers and spacer cable, and spliced spacer cable.*

URD Upgrades

7. **URD Completions** – Sanborn Village, Reading; Perkins Farm, Lynnfield; and Chestnut Village, North Reading – *Underground - Install new cable, splices, make and install three stress cones for new pole riser, and energize.*

New Circuits and Circuit Expansions

8. **Salem Street to Glen Road 13 kV Feeder Tie – Wilmington** – *Install new cable, spacers, transfer services, framed poles, and pulled in messenger on Everett Street, Wicks Street, and Salem Street.*

9. **Reading Center - Main Street** – *Project complete.*

10. **Reading Center - Haven Street** – *Project complete.*

Substation Upgrade Projects

11. **Transformer Replacement – Station 4 - Reading**
    Part 1 – Contractual Labor – *Manufacture and install switchgear cubicles.*
    Part 2 – Procured Equipment – *No activity.*
    Part 3 – RMLD Labor – *Relay panel relocations and control wire modifications.*
    Part 4 – Feeder Re-Assignment – *No activity.*

23. **15kV Circuit Breaker Replacement – Station 5 – Wilmington** – *No activity.*

New Customer Service Connections

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

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

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

Pole Setting/Transfers	$181,123
Maintenance Overhead/Underground	$472,677
Projects Assigned as Required	$155,251
Pole Damage (includes knockdowns) some reimbursable	$99,494
Station Group	$48,522
Hazmat/Oil Spills	$11,318
Porcelain Cutout Replacement Program	$108,206
Lighting (Street Light Connections)	$23,444
Storm Trouble	$42,510
Underground Subdivisions	$99,727
Miscellaneous Capital Costs	$181,366
TOTAL	$1,423,639

*In the month of June, two cutouts were charged under this program. Approximately 21 cutouts were installed new or replaced because of damage making a total of 23 cutouts replaced this month.

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

No projects scheduled at this time.

Reliability Report

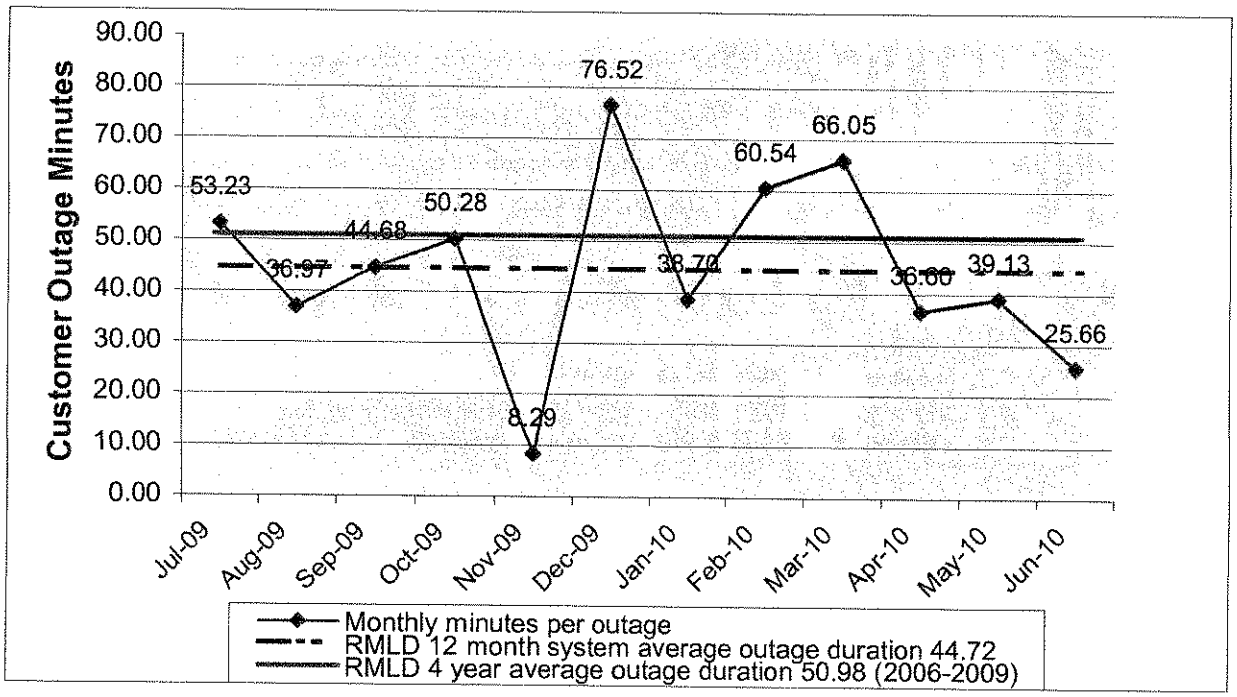
Two key industry standard metrics have been identified to enable the RMLD to measure and track system reliability. A rolling 12-month view is being used for the purposes of this report.

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

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

RMLD 12 month system average outage duration – 44.72 minutes
RMLD 4 year average outage (2006-2009) – 50.98 minutes per outage

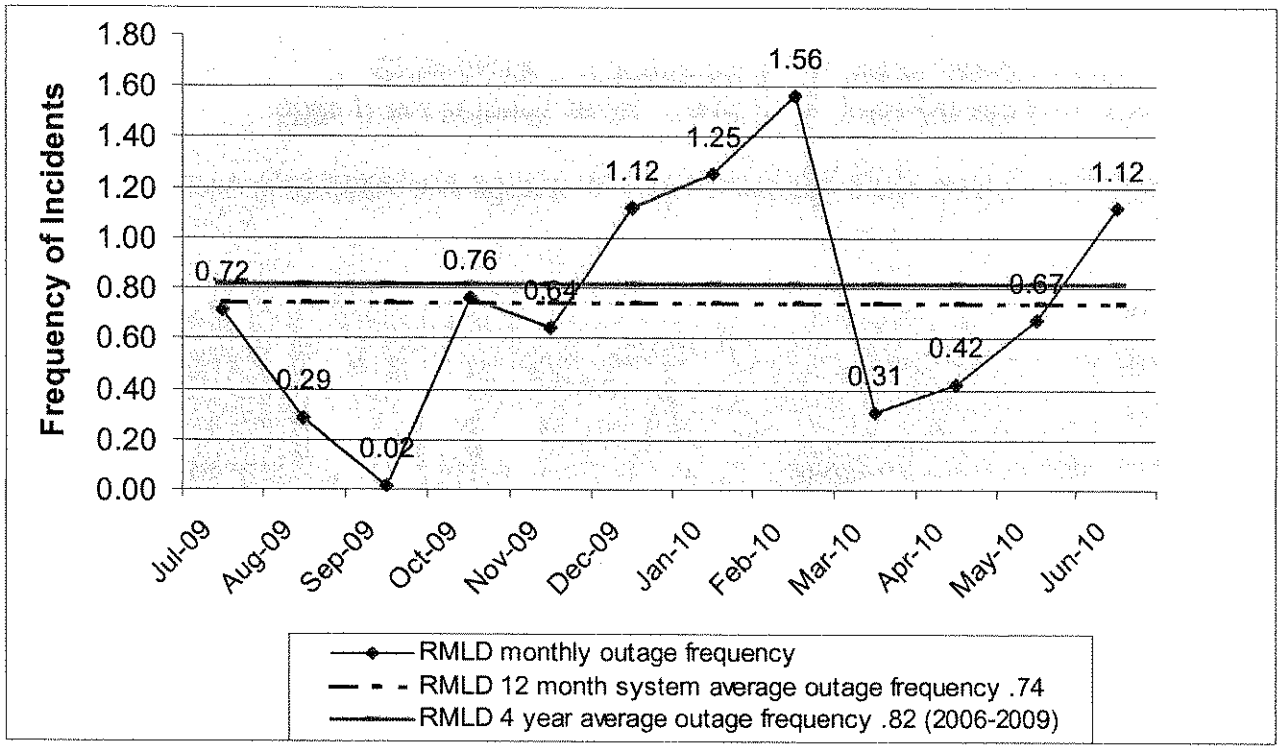
On average, RMLD customers that experience an outage are restored in 44.72 minutes.



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

SAIFI = Total number of customer's interrupted / Total number of customers.
RMLD 12 month system average - .74 outages per year
RMLD 4 year average outage frequency - .82

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



Months Between Interruptions (MBTI)
Another view of the SAIFI data is the number of months Reading customers have no interruptions. At this time, the average RMLD customer experiences an outage every 16.22 months.

RMLD
Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

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

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

ATTACHMENT 6

July 22, 2010

Town of Reading Municipal Light Board

Subject: Residential High Power ERT Watt-Hour Meters

On June 18, 2010 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Residential High Power ERT Watt-Hour Meters for the Reading Municipal Light Department

An invitation to bid was emailed to the following:

WESCO	Graybar Electric Company	Stuart Irby
Holbrook Associates	AvCom Inc.	Sensus Metering Systems
Meterman Supply Inc.	Elster Electricity, LLC	UPSC

Bids were received from Graybar Electric, Itron and Irby.

The bids were publicly opened and read aloud at 11:00 a.m. July 13, 2010 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

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

Not all prospective bidders received the Invitation To Bid therefore, the RMLD is recommending to the RMLD Board of Commissioners to reject this bid in the best interest of the public.

Move that bid 2010-23 for Residential High Power ERT Watt-Hour Meters be rejected on the recommendation of the General Manager.

Vincent F. Cameron, Jr.

Kevin Sullivan

Deirdre Ahearn - do not agree with recommendation

File: Bid/FY10/Meter/2010-23

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

July-10

	RESIDENTIAL 750 kWh's	RESIDENTIAL-TOU 1500 kWh's 60/40 Split	RES. HOT WATER 1000 kWh's	COMMERCIAL 7,300 kWh's 25.000 kW Demand	SMALL COMMERCIAL 1,080 kWh's 10.000 kW Demand	SCHOOL RATE 35000 kWh's 130.5 kW Demand	INDUSTRIAL - TOU 109,500 kWh's 250.000 kW Demand 60/40 Split
READING MUNICIPAL LIGHT DEPT.							
TOTAL BILL	**$92.11**	**$168.50**	**$106.21**	**$832.24**	**$161.49**	**$3,952.89**	**$11,179.59**
PER KWH CHARGE	$0.12282	$0.11233	$0.10621	$0.11401	$0.14953	$0.11294	$0.10210
NATIONAL GRID							
TOTAL BILL	**$108.82**	**$226.77**	**$142.91**	**$1,094.75**	**$156.59**	**$4,284.17**	**$12,005.49**
PER KWH CHARGE	$0.14509	$0.15118	$0.14291	$0.14997	$0.14499	$0.12240	$0.10964
% DIFFERENCE	18.13%	34.58%	34.55%	31.54%	-3.04%	8.38%	7.39%
NSTAR COMPANY							
TOTAL BILL	**$120.05**	**$241.36**	**$157.92**	**$1,129.97**	**$170.70**	**$6,256.21**	**$14,117.67**
PER KWH CHARGE	$0.16006	$0.16091	$0.15792	$0.15479	$0.15805	$0.17875	$0.12893
% DIFFERENCE	30.33%	43.25%	48.69%	35.77%	5.70%	58.27%	26.28%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	**$94.43**	**$147.57**	**$123.90**	**$976.60**	**$162.83**	**$4,753.74**	**$11,335.91**
PER KWH CHARGE	$0.12590	$0.09838	$0.12390	$0.13378	$0.15077	$0.13582	$0.10352
% DIFFERENCE	2.51%	-12.42%	16.66%	17.35%	0.83%	20.26%	1.40%
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	8.31%	17.74%	24.89%	15.29%	4.30%	20.49%	19.24%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	**$102.36**	**$198.42**	**$134.38**	**$1,020.29**	**$164.68**	**$4,773.08**	**$13,136.37**
PER KWH CHARGE	$0.13648	$0.13228	$0.13438	$0.13977	$0.15249	$0.13637	$0.11997
% DIFFERENCE	11.13%	17.76%	26.52%	22.60%	1.98%	20.75%	17.50%

Jeanne Foti

From: Vincent Cameron
Sent: Tuesday, June 29, 2010 10:09 AM
To: Mary Ellen O'Neill; Richard Hahn; Phil Pacino; Bob Soli; Gina Snyder
Cc: Bob Fournier; Lee Ann Fratoni; Jeanne Foti
Subject: Answer to Payables 6/21/10

Snyder

1. Patricia Chambers - No GM signature + what is note about "TOO LATE."

An employee asked another employee not to take an action on an account. The employee responded that it was already done. The work that had to be done on the account were accomplished.

2. Kristina Higgins - Needs GM signature.

Done.

3. William Marshall - GM signature.

Done.

4. Richard Segal - GM signature.

Done.

5. ISO-NE - What is "Transitional Payment?"

The agreed upon payment for the capacity in the New England market prior to the auction process that will calculate capacity price in the future.

O'Neill

1. Reading Police Department - No RMLD signature on one detail sheet, Who signed in officer's line and on RMLD line on last detail sheet - neither match previous signatures of either party.

I looked into the signature issue and the officer did sign both slips.

Payroll Question

O'Neill

1. At about the half-way mark on the calendar year, how does the overtime total amount compare to the last couple of years at the same point?
Will we be trying to come in less than last year at year end?

Overtime Costs as of 6/27/2008 $433,484

Overtime Costs as of 6/20/2009 $337,956

Overtime Costs as of 6/25/2009 $433,967

In the 5/24/10 pay period there was about $48k of O/T costs, much of which was directly related to the reconfiguration of the Gaw Sub Station.

Jeanne Foti

From: Vincent Cameron
Sent: Tuesday, June 29, 2010 11:17 AM
To: Mary Ellen O'Neill; Richard Hahn; Phil Pacino; Bob Soli; Gina Snyder
Cc: Bob Fournier; Lee Ann Fratoni; Jeanne Foti
Subject: FW: Account Payable Question June 25
Hahn

1. Robert Fournier - Why does Bob need to use a credit card for PO box fee? Why can't this be paid like other invoices?

The PO Box fee was needed ASAP because the RMLD did not receive the bill until last week. The RMLD does not have a credit card or petty cash for such purchases. I am looking into a policy for both petty cash and a credit card.

2. MMWEC - Why not wired?

The bill was under $50K and the RMLD had enough time to send a check. Saves wire charges.

3. General Question - What caused large outage last Friday in North Reading and Reading?

Bad connector on Feeder 4W18, which was also carrying Feeder 4W17. These feeders serve a portion of Reading and N. Reading. The outage lasted twenty minutes (1:30 pm to 1:50 pm).

Jeanne Foti

From: Vincent Cameron

Sent: Friday, July 09, 2010 9:03 AM

To: Mary Ellen O'Neill; Richard Hahn; Phil Pacino; Bob Soli; Gina Snyder

Cc: Bob Fournier; Lee Ann Fratoni; Jeanne Foti

Subject: FW: Account Payable Questions - 4/2/10

O'Neill

1. Asplundh - We were charged for 2 people, lift + chipper for 4 hours of overtime on Mon., June 14 but there is no description of work done. Please explain.

Asplundh had their truck maintained for five hours on June 14, for which the RMLD was not charged. They then worked on Davis Road, Wilm. from 12 pm to 4 pm. The Asplundh crews work nine hours a day, the ninth hour being overtime. The four hours overtime for this period is for the ninth hour worked each day (Tuesday through Friday).

2. Mal's - What happened to this vehicle?

The door on Truck 15 was damaged while pulling out of the garage.

3. NE Restrooms - PO never signed? Why would "pd to date" note indicate $945 has been paid to date when there are 11 stamps at $105 each marked on the PO?

The "to date balances" are on an Excel spreadsheet and the total on the sheet needed updating. The $1,155 is correct.

Jeanne Foti

From: Vincent Cameron
Sent: Wednesday, July 14, 2010 3:15 PM
To: Mary Ellen O'Neill; Richard Hahn; Phil Pacino; Bob Soli; Gina Snyder
Cc: Bob Fournier; Lee Ann Fratoni; Jeanne Foti
Subject: FW: Account Payable - July 9

Soli

1. Why 5 sheets to sign?

Some packages were for FY 2010 and others were for FY 2011.

Snyder

1. GM on 35 Green St. Bill?

I will sign.

2. Refunds - 253 Haven + 3 Greenbriar don't have negative balances?

These are the bills that went out, were paid, and are part of the process to determine the overpayment by the customer. Sometimes final bills are paid but by the time the RMLD receives the payment the RMLD has sent the bill out again as a reminder. The customers may pay the reminder bill and that is when the overpayment process starts.

3. Fischbach + Moore - Why do some time sheets have "scrap" on them.

That is to show accounting that the cable pulled out was scrapped (put in dumpster).

4. N. Reading Police Detail 7/2 - Bruce Heerter 7 hours? 7-12 + 1 to 3 pm? + how can date be 6/30/10 when detail in July?

The RMLD booked all activity in the NR Police detail bill in FY 2010 (16 hours in late June and 16 hours in early July).

5. Wilmington Police Detail - 6/30 Krochune 9-3 is 6 hours. Why is Julie Biodo $80/hour? Is that a typo?

If a Police detail works more than four hours then they receive eight hours pay. Officer Biodo worked a detail on July 4th because the RMLD had to replace a cutout on Woburn St. Wilmington. The detail receives double time for holiday pay ($40 hour X 2).

Jeanne Foti
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