

**Reading Municipal Light Board of Commissioners**  
**General Manager Committee Minutes**  
**Monday, November 7, 2011**

**Start Time of Committee Meeting:** 7:00 p.m.  
**End Time of Committee Meeting:** 7:35 p.m.

**Attendees:**

**Commissioners:** Chair Mr. Pacino, and Ms. O'Neill

**RMLD Staff:** Mr. Cameron  
**Commissioners:** Mr. Hahn (participated by telephone)

**Public:** Mr. Joseph Zimbone

Acting Chairman Pacino called the meeting to order at 7:00 pm.

**Phoenix Business Trip**

Ms. O'Neill had a question on the expense report for two RMLD employees who traveled to Phoenix on September 15, 2011. Ms. O'Neill said that she questioned the fact that these two employees traveled to Arizona a day earlier than when the Itron Conference started and did not know why. Mr. Cameron sent an itinerary of the entire trip on October 6, 2011. Ms. O'Neill said that it was not necessary to send the entire itinerary when she only wanted to know why the MRLD employers went out a day early and rented a car.

Mr. Cameron stated that the two employees went to Tucson Electric Power Company to see their fixed network meter reading system, which the RMLD is also planning to install. Ms. O'Neill said that a memo should have been included with the expenses reports explaining this fact. Mr. Cameron said that these items will be included in the future.

Ms. O'Neill also said that the receipts from the hotel where the two employees stayed did not indicate that their bills had been paid. The Department had contacted the hotel and the hotel had sent a receipt that both hotel rooms were paid in full.

Ms. O'Neill said that she was satisfied with the outcome.

**NStar Radial Line Support**

Mr. Pacino asked Mr. Cameron to summarize what occurred with respect to the NStar Radial Line Support Payment issue. Mr. Cameron said that the RMLD had stopped paying the NStar Radial Line Support bill in June, 2011, which it had been paying for transmission service to NStar since 1979. The payments were stopped because in 2003 the designation of the NStar transmission lines was changed to Pool Transmission Facilities (PTF). The RMLD was not alerted to this change by either ISO-NE or NStar. Because of the change in the designation of the NStar lines to PTF the RMLD should have no longer been billed by NStar for the Radial Line Support. Mr. Cameron had these payments stopped and the RMLD was able to recover seventeen months of payments or about \$198,000. Mr. Cameron said that the payments between 2003 and 2009 were about \$1.1 million. Mr. Cameron has had extensive discussions concerning the recovery of the payments between 2003 and 2009 with Duncan and Allen, the RMLD's legal counsel on transmission issues, Duncan and Allen said that it was their opinion that the RMLD would probably be unsuccessful in recovering these payments based on the wording of FERC Rate 125 under which the payments were made. Mr. Cameron said that the detail of this issue are contained in his memo sent to the RMLD Board on October 12, 2011 and is attached to the agenda. Mr. Cameron stated that it was an operational issue. In hindsight Mr. Cameron acknowledged he should have brought the issue to the RMLD Board before any action was taken.

Mr. Cameron has had subsequent conversations with legal counsel at both Duncan and Allen and Rubin and Rudman concerning this issue. It was concluded from these discussion that the RMLD and counsel would meet with NStar to discuss this issue and ask some very direct questions concerning the Radial Line Support Billings.

Ms. O'Neill stated that she is very unhappy that this issue wasn't brought to the Board sooner. The Board may have advocated for a different approach. Ms. O'Neill feels that the Board should give Mr. Cameron a written warning concerning this issue.

Mr. Hahn stated that it may have been very difficult for the RMLD to determine if the NStar transmission facilities had become PTF and therefore, stopped the billings in 2003 or at some point after that. Mr. Hahn feels that the issue should have been brought to the Board when it was discovered. Mr. Hahn went on to say that Rate 125, which is the rate on which the transmission charges were being paid, states in line 3 that these charges are for non-PTF transmission facilities. Mr. Hahn feels that this wording could mean the rate was null and void when the lines became PTF and the RMLD should investigate this further.

Ms. O'Neill agrees with Mr. Hahn's point that the Rate 125 wording should nullify the rate.

Mr. Pacino asked about the timetable of the discovery of the error. Mr. Cameron replied that it was the RMLD's Manager of Engineering and Operations, who had discovered the billing error while reviewing the payables in the excused absence of Mr. Cameron. The Manager worked at NStar prior to joining the RMLD. The Manager does not on a regular basis review these particular payables. Mr. Pacino asked if the transmission bill was charged monthly. Mr. Cameron replied yes. Mr. Pacino also felt that this issue should have come to the Board when it was discovered.

Discussion followed.

Ms. O'Neill made a motion seconded by Mr. Pacino that the General Manager's Committee recommend to the RMLD Board of Commissioners that Mr. Cameron receive a verbal reprimand relating to his not bringing the NStar Radial Line Support issue to the RMLD Board when it was discovered.

**Motion carried 2:0:0.**

#### **Motion to Adjourn**

At 7:35 p.m. Ms. O'Neill made a motion seconded by Mr. Pacino to adjourn the General Manager's Committee Meeting.

**Motion carried 2:0:0.**