

Reading Municipal Light Department (RMLD) Board of Commissioners
Power & Rate Committee
Regular Session
April 20, 2011

Start Time: 6:30 p.m.

End Time: 9:15 p.m.

Attendees:

Committee Members:

Messrs. Hahn and Soli, Ms. O'Neill

RMLD Staff:

Mr. Cameron, Ms. Parenteau, and Mr. Seldon

Mr. Hahn called the meeting to order at 6:30 p.m.

Executive Session

At 6:31 pm. Mr. Soli made a motion seconded by Ms. O'Neill that the Power & Rate Committee go into Executive Session to discuss issues related to Chapter 164 Section 47D, exemption from public records and open meeting requirements in certain instances, and return to Regular Session.

Motion carried 3:0:0.

Mr. Soli, Aye; Ms. O'Neill, Aye; and Mr. Hahn, Aye.

Ms. Parenteau provided an update to the Power & Rate Committee on the RMLD's intention to go out for power supply Request for Proposal (RFP). Ms. Parenteau explained that the RMLD is following its Power Supply Strategy of layering and laddering of the RMLD power supply portfolio formulated several years ago. Ms. Parenteau said that this presentation was for information only and no action was necessary by the Power & Rate Committee. Mr. Cameron suggested that a final presentation be made to the Power & Rate Committee in May and at that time a recommendation to the RMLD Board could be made.

Discussion followed.

The members of the Power & Rate Committee agreed that they would meet in May and take up the Power Supply RFP and make a recommendation to the RMLD Board.

Street Light Rate

Mr. Cameron presented the Street Light Cost of Service memo to the Committee. Mr. Cameron said that the RMLD requested that Mr. Cameron review the Street Light Rate from the FY11 COSS. Mr. Cameron did so and found that the RMLD's present rate is higher than the cost of service according to the FY11 COSS. When Mr. Cameron performed a Cost of Service analysis of the Street Light Rate based on the replacement cost for the present street lights in the service territory he found that the rate should be decrease. Mr. Cameron also found that according to MGL Chapter 164, Section 58, street light rates can be set at the average cost of electricity for a municipal light department. Mr. Cameron said the he calculated the average price cost of street light rate and found that they were marginally lower than the proposed cost of service rate.

Mr. Cameron said that the RMLD will have their revenues reduced by about \$300,000 annually if the proposed street light rates or the average street light rates are adopted by the RMLD Board.

Mr. Soli said that he thought the rates could be lowered even more than what is proposed by Mr. Cameron because the capital cost of the rates do not equal the Net Plant of the street lights according to the FY11 COSS. Mr. Cameron reminded Mr. Soli that his analysis is based on replacement cost of the present street lights on the system and not historical Net Plant of the street lights.

Discussion followed.

Mr. Hahn made a motion seconded by Ms. O'Neill to recommend to the RMLD Board of Commissioners to accept the Proposed Street Light Rate as presented by the General Manager.

Motion passed 2:1:0. Mr. Soli opposed.

Commercial C-Rate

The RMLD needed to change the On-Peak and Off-peak Rate in the Optional Contract demand portion of the C commercial C-Rate. This was not done when the Industrial time of Use Rate was filed on April 1, 2011.

Mr. Hahn made a motion seconded by Ms. O'Neill to recommend to the RMLD Board of Commissioners to accept the Commercial C-Rate as presented by the General Manager.

Motion passed 3:0:0.

Net Metering Rate

Mr. Cameron started out by stating that there is a Net Metering Rate that is law however this applies to the Investor Owned utilities, not the municipal electric utilities and Mr. Cameron has this in writing from the RMLD's General Counsel. Mr. Cameron went on to explain that the RMLD has Net Metering requirements on its website that residential customers must follow in order to install generation in their homes. This generation is mostly solar installations and in one instance a customer installed a Combined Heat and Power system. The Net Metering requirements the RMLD is proposing to file as a rate includes what the customer must do in order for their generation not to back feed the RMLD's distribution system in the event of an power outage, how the metering scheme will work, and what the customer will be paid for energy generated onto the RMLD's distribution system.

Discussion followed.

The committee was concerned that the Net Metering information was not in rate form. The committee said that the Net Metering rate should be brought back to the committee in rate form in May. Mr. Cameron said that he would do that.

Terms and Conditions

Mr. Cameron said that the RMLD's Terms and Conditions is a rate that includes many items that apply to all RMLD customers. The Terms and Conditions were included on the agenda for possible changes to the re-connect charges; however, after assessing the charges, Mr. Cameron is not proposing any changes to them.

Discussion followed.

Green Choice Program

Mr. Seldon explained that since the RMLD signed the Swift River Contract for hydro power the RMLD has been receiving renewable Energy Certificates (RECs). Mr. Seldon pointed out that the RECs received from Swift River are more than the amount of RECs being sold to RMLD customers in the Green Choice program. Mr. Seldon said that the RMLD is considering changing the Green Choice program. Mr. Seldon stated there could be several options, one of which could be building a solar installation on a roof at the RMLD.

Discussion followed.

Water Heater Rate Update

Mr. Cameron said that the RMLD is preparing to go out for qualifications for companies that could provide systems that would control water heaters and other appliances in homes and businesses.

Discussion followed

Motion to Adjourn

At 9:15 p.m. Ms. O'Neill made a motion seconded by Mr. Hahn to adjourn.
Mr. Hahn, Aye; Ms. O'Neill, Aye, Mr. Soli, Aye.

Motion carried 3:0:0.