

AGENDA

REGULAR SESSION

**READING MUNICIPAL LIGHT DEPARTMENT
CITIZENS' ADVISORY BOARD (CAB) MEETING**

WEDNESDAY, MAY 15, 2013

6:30 PM

at

230 Ash Street

Reading, MA 01867

Winfred Spurr/Audio Visual Room

1. Call Meeting to Order: J. Norton, Chairman
2. Approval of Minutes: J. Norton, Chairman
 - May 18, 2011
 - June 13, 2011
 - October 4, 2011
 - May 9, 2012
 - March 13, 2013
 - April 3, 2013
 - April 10, 2013
3. Discussion on Future Handling of Budget Meetings: J. Norton, Chairman
4. Review of FY14 Capital Budget Recommendations by RMLD Budget Committee: K. Sullivan

Suggested Motion: MOVE that the RMLD Citizens' Advisory Board (CAB) accept Draft 2 of the Fiscal Year 2014 Capital Budget in the amount of \$6,102,008 to include, Capital Project 29: Master Site Plan and Photovoltaic Generation Installation in the amount of \$150,000, as recommended by the RMLD Commissioners Budget Committee.
5. Station 1 Renovations: Future Use/Recommendation to the RMLD Board: D. Polson
6. March 2013 Reliability Report: K. Sullivan

7. March 2013 Financial Report: B. Fournier
8. March 2013 Power Supply Report: J. Parenteau
9. Strategic Power Supply Plan – Annual Power Supply Request for Proposals: J. Parenteau

Suggested Motion: MOVE that the RMLD Citizens' Advisory Board (CAB) recommend to the RMLD Board of Commissioners to authorize the Interim General Manager to execute one or more Power Supply Agreements in accordance with RMLD's Strategic Power Supply Plan for power supply purchases for a period not to exceed 2014 through 2017 and in amounts not to exceed 22 megawatts in 2014, 21 megawatts in 2015, 21 megawatts in 2016, and 21 megawatts in 2017, as presented by the Interim General Manager and Staff.

10. Update on RMLD General Manager Position: G. Hooper
11. 2013 Northeast Public Power Association (NEPPA) Annual Conference: J. Norton, Chairman
12. Next Meeting: J. Norton, Chairman
13. Executive Session

Suggested Motion: MOVE that the CAB go into Executive Session based on Chapter 164, Section 47D exemption from public records and open meeting requirements in certain instances, to approve Executive Session Minutes, approve the release of Executive Session Minutes, discuss competitively sensitive issue, and to return to regular session for the release of Executive Session Minutes, and adjournment. *Note Roll call vote required.*

14. Return to Regular Session for the Purpose of Releasing Executive Session Minutes – J. Norton.
15. Release of Executive Session Minutes: J. Norton

Suggested Motion: MOVE that the Citizens' Advisory Board release Executive Session Minutes from December 8, 2004, March 2, 2005, July 12, 2010, January 19, 2011, April 14, 2011, May 18, 2011, June 13, 2011, October 4, 2011, January 23, 2013, and March 13, 2013.
Note Roll call vote required.

16. Adjournment

This Agenda has been prepared in advance and does not necessarily include all matters which may be taken up at this meeting.

Upcoming RMLD Board of Commissioners Meeting:

Wednesday, May 29, 2013 – CAB Representative: John Norton

**CITIZENS' ADVISORY BOARD (CAB)
MEETING MINUTES
REGULAR SESSION**

TIME: 7:00 P.M.
DATE: Wednesday, May 18, 2011
PLACE: Reading Municipal Light Department (RMLD) 230 Ash Street, Reading, MA Spurr/AV Room
PRESENT: CAB: A. Carakatsane, Chairman (Lynnfield), G. Hooper (Wilmington), T. Ollila (Wilmington), T. Capobianco (Reading)
RMLD Board: R. Hahn
RMLD Staff: V. Cameron, J. Parenteau, Bill Seldon, J. Carpenter, P. O'Leary
Absent: J. Norton (North Reading)

1. Call Meeting to Order – A. Carakatsane, Chairman

Chairman Carakatsane called the meeting to order at 7:04 P.M.

2. Power Supply Strategy

Mr. Cameron stated that there are two things in Power Supply 1) a Long Term Contract to discuss in Executive Session; and 2) the Annual RFP to discuss in Open Session.

3. Executive Session

Mr. Hooper made the following motion seconded by Mr. Capobianco:

MOVE that the CAB go into Executive Session based on Chapter 164, Section 47D exemption from public records and open meeting requirements in certain instances, to discuss power supply strategy, approve minutes, and return to regular session.

Motion carried: 4:0:0. Mr. Capobianco-Aye; Mr. Ollila-Aye; Mr. Carakatsane-Aye; Mr. Hooper-Aye.
(Mr. Norton was absent)

Note: Regular Session re-convened at 7:25 P.M.

4. Annual RFP – V. Cameron, J. Parenteau

Ms. Parenteau explained to new CAB members the Energy Services Division's (ESD's) development of RMLD's Strategic Power Supply Plan in 2007 by using a laddering and layering approach and also having a portion of RMLD's power supply in the spot market (buying from the ISO-Independent Systems Operators), which benefits the RMLD during low gas price periods. She noted it was RMLD's fifth year using this process. She stated that there is diversity within power suppliers as well as type of contracts. ESD looks for two types of pricing: Fixed and Heat Rate Index.

Ms. Parenteau referred to an attached graph (RMLD Proposed Power Contract Timeline 2012-2015) and explained. She noted that the electricity market has changed considerable over the past ten years.

Mr. Capobianco asked what percentage of the portfolio is on the spot market. Ms. Parenteau replied on average 20% with summer and winter running 10-15% and March, April, September, and October about 25%.

Discussion ensued.

Mr. Hooper made the following motion seconded by Mr. Ollila:

MOVE that the Reading Municipal Light Department Citizens' Advisory Board (CAB) recommend to the RMLD Board of Commissioners to authorize the General Manager to execute one or more Power Supply Agreements in accordance with the RMLD's Strategic Power Supply Plan for power supply purchases for a period not to exceed 2012 through 2015 and in amounts not to exceed 22.050 MW in 2012, 16.750 MW in 2013, 17.600 MW in 2014, and 15.925 MW in 2015 as presented by the General Manager and Staff.

Mr. Carakatsane asked Mr. Hahn if the RMLD Power and Rate Committee had discussed it yet. Mr. Hahn replied yes, and the Committee will be recommending it to the full board who will act on it on May 25, 2011.
Motion carried unanimously with those present: 4:0:0.

5. Street Light Rates – V. Cameron

Mr. Cameron explained that when the Cost of Service Study was done last year, some rates were over collected, and as a result those rates remained the same. Mr. Cameron was asked to specifically look at the streetlight rate. He gathered data and asked what would it cost to replace all the streetlights on the system now? He then asked what would it look like if he took the maintenance cost and apportioned that cost over all the street light rates? After analyzing the data, he came out with a replacement cost rate for the streetlights, which was substantially lower than the rate that the streetlight customers are paying now. Mr. Cameron's recommendation is to change the rate from the existing rate to the proposed rate (a closer cost of service figure). This will decrease the revenues that the RMLD will get from the streetlights, approximately \$330,000, and lower the streetlight expenses in all four towns and the private streetlights.

Mr. Hahn noted that the Power and Rate Committee accepted the proposed rate by a vote of 2:1.

Discussion ensued.

Mr. Capobianco asked if there were any LED streetlights. Mr. Cameron stated no, and believed the LED's are still being tested for streetlights.

Mr. Hooper made the following motion seconded by Mr. Ollila:

MOVE that the Reading Municipal Light Department Citizens' Advisory Board (CAB) recommend to the RMLD Board of Commissioners the adoption of the streetlight rate as proposed by the General Manager and staff.

Motion carried unanimously with those present: 4:0:0. (Mr. Norton was absent.)

6. Commercial C Rate (Change in the Contract Demand on-Peak and Off Peak rates) – V. Cameron

Mr. Cameron stated that when the RMLD changed the Industrial and Residential Time-of-Use (TOU) rates, the optional contract demand rate, which is included in the Commercial C Rate was overlooked. The rate was changed to match what the industrial on peak and off peak rates are and the hours were changed. If accepted by the RMLD Board, the rate would be filed on June 1, 2013.

Mr. Hahn noted that the Power and Rate Committee will recommend the rate to the RMLD Board by a vote of 2:1.

Mr. Hooper made the following motion seconded by Mr. Ollila:

MOVE that the Reading Municipal Light Department Citizens' Advisory Board (CAB) recommend to the RMLD Board of Commissioners the adoption of the Commercial C rate changes as presented by the General Manager and staff.

Motion carried unanimously 4:0:0. (Mr. Norton was absent.)

7. Net Metering (Technical and Rate guidelines for customer owned generation) – V. Cameron

Mr. Hahn noted that members of the Power and Rate Committee felt the language in some of the sections needs to be clarified, and asked the General Manager to have it reviewed once again and take it up again. The Committee did not vote on it. Mr. Cameron will bring it back after legal review.

Discussion ensued.

NOTE: No action was taken. Item will be taken up at a future meeting after clarification.

8. Green Choice Program – Next Phase – V. Cameron. W. Seldon

Mr. Seldon explained that the Green Choice Program, which began in 2005, is still in effect. It allows a customer the ability to buy into renewable energy certificates (RECs). The Department goes out at the end of the year after the money is collected and retires a block of certificates. Since the program began, roughly 250 customers participate. It collects about \$15,000 annually. It allows the customers to do something green; however, now that the RMLD has purchased into the Concord Steam project and the Swift River projects, the RMLD has renewable projects that are in its portfolio that all the ratepayers pay for, and the amount of RECs that RMLD is going to be able to retire through those projects more than satisfies the need for the Green Choice Program. The ESD is trying to come up with a renewable project, probably local, for people that are still interested in keeping a local renewable energy project going that RMLD can offer them. He added that ESD hopes to have in the near future a menu of projects to present to the Board and the CAB to satisfy that type of need.

Ms. Parenteau stated that ESD would like to get a sense of the Board and the CAB if the program should be phased out and what the Boards think customers would be interested in (possibly something tangible in the service territory). It would be something contributing to the green renewable direction that the Board and CAB wants the Department to go in. ESD would do its own brainstorming and come up with options.

Discussion ensued.

Mr. Capobianco asked what it meant to retire RECs.

Mr. Seldon responded that in any renewable project one of the ancillaries of that project, which makes it more cost competitive, are RECs. Most of the IOU's in New England and definitely Massachusetts are required to have a certain percentage within their portfolio. As a municipal, RMLD is not required to have them. He added that some people purchase and then sell them on the market as a commodity. The RMLD retires its recs from the Green Choice Program.

Discussion ensued.

9. Other Items for Discussion

NEPPA Key Issues at Legislative Rally – A. Carakatsane

Mr. Carakatsane highlighted events of this year's rally, where groups met with various Congressman and staff to discuss public power issues.

NEPPA Conference

Ms. O'Leary reminded members to make room reservations sooner rather than later. Mr. Carakatsane, Mr. Hooper, and Mr. Ollila will attend.

10. Schedule Next Meeting

To be determined.

11. Adjournment

A motion was made at 8:27 P.M. by Mr. Hooper and seconded by Mr. Ollila to adjourn the meeting.

Motion carried unanimously with those present: 4:0:0.

Respectfully submitted,

John Norton, Secretary

/pmo

Minutes approved on: 5/15/2013

**CITIZENS' ADVISORY BOARD (CAB)
MEETING MINUTES
REGULAR SESSION**

TIME: 7:00 P.M.
DATE: Monday, June 13, 2011
PLACE: Reading Municipal Light Department (RMLD) 230 Ash Street, Reading, MA Spurr/AV Room
PRESENT: CAB: A. Carakatsane, Chairman (Lynnfield), G. Hooper (Wilmington), T. Ollila (Wilmington),
T. Capobianco (Reading); J. Norton (North Reading)
RMLD Board: R. Hahn
RMLD Staff: V. Cameron, J. Parenteau, Bill Seldon, P. O'Leary

1. Call Meeting to Order – A. Carakatsane, Chairman

Chairman Carakatsane called the meeting to order at 7:00 P.M.

2. Executive Session

Mr. Norton made the following motion seconded by Hooper:

MOVE that the CAB go into Executive Session based on Chapter 164, Section 47D exemption from public records and open meeting requirements in certain instances, to discuss power supply strategy, and return to regular session.

Motion carried: 5:0:0. Mr. Capobianco-Aye; Mr. Ollila-Aye; Mr. Carakatsane-Aye; Mr. Norton – Aye; Mr. Hooper-Aye.

3. Swift River Trading Company, LLC – Indian River Hydroelectric Power

Mr. Norton made the following motion seconded by Mr. Hooper:

Swift River Trading Company, LLC – Indian River Hydroelectric Power Supply

MOVE that the CAB recommend to the RMLD Board of Commissioners to authorize the General Manager of the Reading Municipal Light Department to finalize negotiations and execute a contract with Swift River Trading Company, LLC for the output of the Indian River Hydroelectric facility owned and operated by Swift River Trading Company, LLC.

Motion carried unanimously 5:0:0.

4. Other Items for Discussion

None

5. Schedule Next Meeting

To be determined.

6. Adjournment

A motion was made at 7:15 P.M. by Mr. Norton and seconded by Mr. Hooper to adjourn the meeting.

Motion carried unanimously with those present: 5:0:0.

Respectfully submitted,

John Norton, Secretary

Minutes approved on: 5/15/2013

/pmo



**CITIZENS' ADVISORY BOARD (CAB)
MEETING MINUTES
REGULAR SESSION**

TIME: 7:00 P.M.
DATE: Tuesday, October 4, 2011
PLACE: Reading Municipal Light Department (RMLD) 230 Ash Street, Reading, MA Spurr/AV Room
PRESENT: CAB: A. Carakatsane, Chairman (Lynnfield), G. Hooper (Wilmington), T. Ollila (Wilmington),
T. Capobianco (Reading);
RMLD Board: P. Pacino
RMLD Staff: V. Cameron, J. Carpenter, W. Seldon, P. O'Leary
ABSENT: J. Norton (North Reading)

1. Call Meeting to Order – A. Carakatsane, Chairman

Chairman Carakatsane called the meeting to order at 7:04 P.M.

2. Minutes of Meetings – April 14, 2011 and April 26, 2011

Mr. Hooper made a motion seconded by Mr. Ollila to accept the minutes of April 14, 2011 and April 26, 2011 meetings.

Motion carried unanimously with those present: 4:0:0

3. Energy Services Update – W. Seldon

Mr. Seldon noted that all of these items are currently "works in progress".

a. Sustainable Energy Policy

Mr. Seldon stated that the Energy Services Division (ESD) is attempting to develop some type of approach to methodically and practically fill the needs of the ratepayers, the RMLD Board, and the CAB by adding renewable energy to RMLD's portfolio, and to do it as economically as possible. The policy is an attempt to come up with some type of guidelines that give the Department a good approach on how to bring renewable and sustainable projects as they become available into the portfolio. Sustainable Energy would include a variety of types such as hydro, solar, wind, geothermal, bio-energy, tidal, etc. He stated that the goal from the Department standpoint is to try to get a policy in place by the end of the year, so there is direction going forward. He noted there are many proposals on the plate right now, and it would be good to have something solid to work from not only immediately, but also into the future. The Board's Power and Rate Committee had met, and big items left open were the total amount of sustainable to be in the mix, the cost, and what to do with the RECs. He noted that solar owners claim they need the solar RECs to make the project viable. He stressed that nothing is cast in stone at the moment, and is looking to the Boards for parameters to make it easier. If a project is out there, and it exceeds a specific cost then ESD would not look at it, but if it meets certain criteria that can be brought to the boards and diversify the portfolio, ESD would evaluate it.

Discussion ensued.

Mr. Carakatsane applauded the Department's effort in drafting a policy, and commented to keep pursuing it.

b. Environmental Policy

Mr. Carpenter stated that this is the Energy Efficiency Policy for the RMLD. This is a quest to figure out what RMLD needs to have, and he offered to put some ideas together. He noted there are many items in the attachment that need direction. Some items are taken from the LEED (Leadership in Energy and Environmental Design) standards, ASHRAE (American Society of Heating, Refrigeration and Air Conditioning Engineers) standards, and the EPA's (Environmental Protection Agency's) Energy Star standards. Long term objectives include reducing dependence on fossil fuels by at least 20% by January 1, 2014 through energy conservation and efficiency practices and reducing pollution, particularly CO2 emissions, by reducing energy from less greenhouse intensive sources.

Mr. Carakatsane clarified that this policy is to do with RMLD's physical plant.

Mr. Seldon noted that this was also discussed at the Power and Rate Committee meeting. The Committee did not know whether or not to split this into a policy as well as an implementation plan. He believed the Committee directed the General Manager to speak to the Town Manager, because the Town may have a similar policy.

Mr. Carpenter stated that often a problem with the Town is that no one monitors the reduction in energy, and he would be willing to teach the Towns how best to do that.

Mr. Ollila stated that he thought measurement and benchmarks are important with a focus on progress and quarterly updates.

Mr. Hooper would like to see benchmarks of improvements. He noted that right now the town (Wilmington) does conservation measures, but don't really see the difference that is being accomplished. They just see the overall reduction. Mr. Carpenter said he could help.

Mr. Carakatsane again applauded the Department's effort, and stated to have something on paper like this is immeasurable.

c. Net Metering Rate

Mr. Seldon explained that in May a Net Metering rate was discussed by both the Power and Rate Committee and the CAB. At the time it was requested to have legal review the rate, and bring it back to the Committee and CAB. Mr. Seldon stated that a few things were changed, and noted that the CAB meeting packet included both a Residential and Commercial Rate identified as Residential Customer Owned Renewable Generation and Commercial/Industrial Owned Renewable Generation. He added that one correction to be made to the Customer Owned Renewable Generation Terms and Conditions is that it should be "Less Than 20kW not 10kW".

Mr. Cameron stated that the RMLD has generators on the system, and a rate for the generators has never been filed. He explained that there were configurations as to how customers have to connect to the RMLD. RMLD would only pay the fuel charge, and the Terms and Conditions are fairly standard for the industry. Although the RMLD is not under the State's Net Metering Law, the Department felt that a rate should be filed so that people who want to put a generator in their house could just go to RMLD's rate structure.

Mr. Ollila questioned paying only the fuel charge, not the kW hour. Mr. Cameron responded that the metering is set up so that the RMLD can determine what was generated onto RMLD's system, and whatever kWhs they generate onto the system is multiplied by the fuel charge for the month. That amount would be paid to the customer. The customer is being treated as a generator that the RMLD is buying energy from. Mr. Cameron said the RMLD is formalizing what is already being done.

Mr. Seldon commented that the customer can also apply for a rebate. Mr. Carpenter said the rebate would be about \$5,000 for the installation of a generator.

Mr. Carakatsane asked about third parties, i.e., Solar City. Mr. Seldon stated the RMLD will not deal with a lease company or a third party, only a customer. Mr. Carpenter commented that none have been leases; however, there has been discussion on whether or not to allow lease agreements so as not to inhibit customers. RMLD would have to monitor any lease agreements and adjust the rebates. He noted it is a complicated process to keep it as fair as possible and yet encourage solar.

4. Renewable Energy Certificates (RECs) – V. Cameron, W. Seldon

Mr. Capobianco had asked why the RMLD chooses to allow RECs to expire if there is a secondary market where the RECs would have value. Mr. Cameron responded that the Department has been instructed by the Power and Rate Committee to retire the RECs because under state statute regarding a Renewable Portfolio Standard (RPS), projects that produce RECs are not considered green if the RECs are sold. Mr. Cameron and Mr. Seldon commented that this is the philosophy of some of the members of the RMLD

Board. Mr. Cameron added that what the RMLD should do is sell the RECs until such time as the RMLD has a RPS, which means you cannot sell the RECs after that because a project isn't considered green under the RPS and according to state statute. Mr. Cameron said what the RMLD should do is keep on schedule with whatever the RMLD should be buying for green power, sell the RECs, and use part of the RECs in the Green Choice Program instead of selling RECs and buying more. He added that more discussion with the Power and Rate Committee and CAB is needed.

Mr. Capobianco commented that the RECs could be sold for a significant value and put into the Green Choice Program, and then from there within the communities execute "green" power generation such as solar panels on the high school.

Mr. Carakatsane is concerned that the RMLD is leaving an asset on the table, basically foregoing an asset, and even if it's small it does not make sense since the RMLD is not under a portfolio standard.

Mr. Cameron stated that it is an on-going discussion with the Power and Rate Committee.

Mr. Carakatsane asked if the CAB should invite the Power and Rate Committee to one of its meetings. He stated that since it affects rates and income, the CAB should take a position on it, but would like to hear the other side of it first.

Mr. Pacino stated that the topic has not come before the RMLD Board and is with the Power and Rate Committee.

Mr. Capobianco made the following motion seconded by Mr. Hooper:

MOVE that the CAB request a meeting with the Power and Rate Committee regarding retiring RECs.
Motion carried unanimously with those present: 4:0:0

5. FY11 Audited Financials – R. Fournier

Mr. Fournier explained that RMLD's auditors, Melanson and Heath, came out the week of August 8, 2011 to do their field work. He noted the RMLD Board approved the audited financials at its last meeting 5:0:0. He highlighted the following:

- RMLD made \$2.783 million or 6.43% of the allowable 8% return
- kWhs sold increased by 3.63%
- Cash is still strong. Transferred \$650,000 from the Operating Fund to the Rate Stabilization Fund to have the RSF over \$6 million, and the ending balance as of June 30, 2011, is \$6,046,000.
- On the receivable side, the ending balance was \$3.3 million, and of that about 7.5% or \$250,000 was over sixty days, which in this economy is good. Bad debt expense was down, and the Department only had to write off \$37,000 as compared to previous years that were \$180,000 to over \$200,000. More shut offs were done, and the Department is working with the ratepayers.
- Depreciation rate was 3%, which is the standard amount the DPU allows. Last year it was 2% and the RMLD paid off its final bond payable amount so in FY11, the Department is bond debt free.
- The Gaw soil remediation expense came in at \$2,482,000 for two years. Since the new Hazmat rate went into effect in September of 2010, the Department collected \$607,000, which is 25% of the actual expense and leaves about \$1.875 million balance of expense still out there and whether it is all collected over the next few years is still to be determined.
- Pension expense contribution is \$1M so even with the \$1M contribution the Department still made \$2.7 million on the bottom line.
- OPEB (Other Post Employment Benefit) – This is the third year, and there is about \$1.165 million funded based on the actuarial that the Department shares with the Town of Reading.
- Energy Conservation – Began in October 2008, and as of June 30, 2011, \$1.475 million has been collected. \$1.3 million has been spent, and over collected about \$170,000, which Mr. Carpenter is trying to address and come up with energy conservation programs.
- CAB and RMLB Budgets - CAB's budget was \$15,000; only \$4,600 was spent making it 70% under budget. The Board's budget was \$7,500, spent \$3,600 or 51% under budget.

Mr. Fournier noted that Footnote 20 and the Return on Investment to the Town were two major topics discussed during the Board's Audit Committee meeting last Wednesday night.

Mr. Cameron explained there was an issue discovered in May FY2011. NSTAR was billing the RMLD for radial line support, and the RMLD did not realize that back in 2003, NSTAR had changed the designation and configuration of these transmission lines that they own and come across the street over Rt. 93 and connect to RMLD lines. The RMLD paid about \$12,000-\$13,000 a month for this radial line support, which is basically the operation and maintenance (O&M) charges for those lines. When the designation changed in 2003, the RMLD was not notified. Had the RMLD known that NSTAR had made this change, the RMLD could have done one of two things: 1) Stopped paying those bills; or 2) Could have taken those bills and put them into a revenue requirement to ISO New England where the RMLD would have been paid back. He added that when this was discovered, Mr. Cameron spoke to RMLD's lawyers, who said there is relief under the radial line support agreement of 12 months of going back respectively. There is also an 18 month look back in the ISO New England agreement for pool transmission facilities. Mr. Cameron also looked at litigation, because the total amount came to almost \$1.3 million between May of 2011 and July 2003. In looking at litigation, it would cost a lot to fight a case in Washington D.C. He said the 18 month look back would mean \$198,000 worth of credits would come back to RMLD through the Pool Transmission Facility (PTF) between now and 2013. When he looked at it the best the RMLD could get is the credit going back two years. The net amount is \$1.1 million that the RMLD paid between 2003 and 2009 that the RMLD cannot recover. He added that back in 2002/2003 NEPOOL had a big change with respect to transmission. RMLD did not find out nor was it notified that NSTAR changed the configuration and became a PTF. When the auditors were notified, they put a footnote into the audited financial statements. Mr. Cameron stated that there are two changes in the footnote: 1) Page 28 - Seventh line from bottom, the date should read June 30, 2013 not 2012; 2) Page 28- Fifth line from the bottom the figure should be about \$198,000 not \$220,968. He noted that the RMLD has applied for the credit.

Mr. Ollila asked how it was discovered in May of this year.

Mr. Cameron responded that an employee that worked at NSTAR who looked at the invoice brought it to his attention. The employee told Mr. Cameron that he thought the configuration had changed, and RMLD should not be paying this bill. RMLD then contacted NSTAR who confirmed it was changed.

Discussion ensued.

Mr. Pacino stated that the General Manager has been asked to write a report as to how it happened and about the notification to the Board and submit it to the General Manager's evaluation committee. Mr. Carakatsane asked that the report be shared with the CAB.

Mr. Fournier stated that the auditor, Frank Byron, e-mailed him today stating that in regards to the Return-On-Investment payment (Payment to the Town of Reading) no adjustment would be required and no receivable needs to be booked.

Mr. Pacino explained that at the Audit Committee Meeting he realized that between FY10 and FY11 the payment decreased \$14,790, and he had thought that the payment was not supposed to decrease; however, since that meeting he received a copy of the approved formula and realized that the wording is that the payment "changes" by the amount of the CPI index the previous calendar year, whether it is an increase or decrease. He wasn't sure that was the intent, and said a meeting of the Payment to the Town of Reading Committee, made up of one Reading Selectmen, two CAB members, and two RMLD Board members may re-convene.

6. August 2011 P & L Financials – R. Fournier

Mr. Fournier noted that the books are not closed for the previous fiscal year until the final audit and Board approval, but the P&L statement can be produced, and when the first quarter report is ready everything will be back on schedule. The first two months of FY12 are before the CAB tonight. Highlights include:

- Change in Net Assets - A positive change in net assets with \$770,000 bringing the year-to-date income to \$1.4 million. The budgeted amount is about \$1.9 million, the difference being about \$425,000 or 22% under budget. On the fuel side the year-to date fuel expenses exceeded fuel revenues by \$84,000.
- Revenues - Year to date base revenues are under budget by \$450,000 or 4.75%. The actual base revenues came in at \$9 million compared to the budgeted amount of \$9.4 million.
- Expenses - Year to date purchased power base expense was \$291,000 or 5.82% under budget. Actual purchased power base costs were \$4.7 million compared to the budgeted amount of \$5 million. On the Operating and maintenance (O&M) expenses combined were over by about \$14,000 or less than 1%. Actual O&M expenses were \$1.94 million compared to the budgeted amount of \$1.926 million. Depreciation expense and voluntary payments to the Towns were on budget.
- General Information – Year to date kWh sales were 138,858,489, which is 1.1 million kWh or .77% behind last year's actual figures.
- Budget Variance – Cumulatively, the five divisions were over budget by a little less than \$4,000.

7. Engineering and Operations Update – V. Cameron

Mr. Cameron highlighted the following:

- Gaw substation is complete. It came in about \$1 million under the original budget.
- Soil remediation is complete. It came in about \$2.5 million. The ratepayers are being assessed a hazardous waste charge of about a mil per kWh, and it will be in place for about three years.
- The total construction project, as of August, was \$252,000 most of which was in Routine Construction. The actual amount for July and August was about \$463,000, where \$400,000 was in Routine Construction. He noted some of the Routine Construction projects were carry overs from the previous year.
- Reliability Report – The 12 month system average outage duration is about 56.75 minutes. The four year average is about 50.98 minutes, so it means the RMLD customers experience an outage less than an hour on average. The system average interruption frequency index measures how many outages each customer experience on an annual basis. The RMLD is at .47 outages a year for the 12 month average and for the four year average, .82, which means that the average customer experiences an outage a little over every two years. If more than 15% of the system is out at one time, it is not included in these indices, i.e. Hurricane Irene is not included.

He noted that an \$8 million project was done with \$7 million internally generated. There is no debt.

The CAB thanked the department for its restoration of power after Hurricane Irene, and Mr. Carakatsane noted that the municipal response is so much quicker than the IOUs.

8. Other Items for Discussion

a. NEPPA Conference – A. Carakatsane

Mr. Carakatsane stated that three CAB members went, and he discussed interesting points made by the speakers. Mr. Carakatsane congratulated Mr. Pacino on a 25 year award he received from NEPPA.

b. Approving Executive Session Minutes in Regular Session – V. Cameron

Mr. Cameron explained that he had spoken to Peter Hechenbleikner, the Reading Town Manager, and he had seen one of the RMLD's agendas, and he told Mr. Cameron that when the Town approves minutes for executive session, if there is no discussion or edits to the minutes, they can be approved in open session. He said it can be done according to Open Meeting Laws. The RMLD Board did that at the last meeting, and it worked out well. He said the CAB could do this at future meetings.

9. Schedule Next Meeting

Scheduling a joint meeting with the Power and Rate Committee.

Mr. Carakatsane asked if a CAB member could substitute for him at the RMLD Board meeting on October 26, 2013. Mr. Hooper will let Ms. O'Leary know if he is available.

Mr. Carakatsane asked about a tour of the Pepperell Hydro facility. Ms. O'Leary said the next possible date is Saturday, October 22, 2013. She will send out an e-mail relative to the new date and time.

Mr. Carakatsane brought up the Time of Use Rate and the marketing thereof that was discussed at the last RMLD Board meeting. Mr. Carpenter noted that there are currently 229 users, and that there was a rise this year probably due to advertising.

Discussion ensued.

10. Executive Session

Mr. Hooper made the following motion at 8:36 P.M. seconded by Mr. Ollila:

MOVE that the CAB go into Executive Session based on Chapter 164, Section 47D exemption from public records and open meeting requirements in certain instances, to discuss power supply strategy, renewable energy projects, approve minutes, and return to regular session for the sole purpose of adjournment.

Motion carried by a poll of the Board: 4:0:0. Mr. Carakatsane – Aye; Mr. Hooper – Aye; Mr. Capobianco – Aye; Mr. Ollila – Aye.

11. Adjournment

A motion was made at 8:53 P.M. by Mr. Hooper and seconded by Mr. Ollila to adjourn the meeting.

Motion carried unanimously with those present: 4:0:0.

Respectfully submitted,

George Hooper

/pmo

Minutes approved on: 5/15/2013

**CITIZENS' ADVISORY BOARD
MEETING MINUTES
Joint Meeting with the RMLD Board Budget Committee**

TIME: 7:05 P.M.
DATE: May 9, 2012
PLACE: Reading Municipal Light Department, 230 Ash Street, Reading, MA, GM Conference Room
PRESENT: CAB: A. Carakatsane (Lynnfield), J. Norton (North Reading), G. Hooper (Wilmington),
T. Capobianco (Reading), T. Ollila (Wilmington)
RMLD Board Budget Committee: P. Pacino, M. O'Neill, M. West
RMLD Staff: V. Cameron, J. Parenteau, R. Fournier, K. Sullivan, T. O'Connor, N. D'Alleva
J. Carpenter, M. Uvanni, P. O'Leary

1. Call Meeting to Order – A. Carakatsane, Chairman

Chairman Carakatsane called the meeting to order at 7:02 P.M.

2. FY13 Capital Budget – V. Cameron

Note: Budget discussion will be held jointly with RMLD Board Budget Committee

Mr. Cameron suggested that Project #'s 26, 27, and 28, be taken first, so that the respective managers could present and leave thereafter. The CAB agreed.

Project 26

Mr. Carpenter explained that new technology for electric water heaters will give the RMLD the ability to adjust the heater on and off during emergencies and peak demand times remotely.

Mr. Capobianco asked if the residents have WiFi. Mr. Carpenter responded that each customer has to have the internet.

Mr. Hooper asked if there were an incentive for customers to partake in this. Mr. Carpenter responded that presently customers save about \$200 per year, and it would be about the same savings; however, RMLD would no longer have to maintain them anymore or go out and adjust the clocks, so there would be a potential to save \$60,000 to \$70,000 per year that would have been spent just to maintain and adjust them.

Mr. Carakatsane had two questions: 1) Regarding the licensed electrician, he assumed that there is no licensed electrician on staff, and would the RMLD go out and hire one. Mr. Carpenter responded that Fischbach & Moore has a contract with the RMLD to do this kind of work, and they will use them for now; 2) In speaking of savings, he asked for a guesstimate of how long it would take to pay off the \$336,000 cost. Mr. Carpenter noted that the RMLD won a grant for \$50,000 for this project, and Mr. Carpenter's math is somewhere around 2.8 years.

Ms. O'Neill asked if the \$50,000 would come off the budgeted amount. Mr. Carpenter responded, yes. Mr. Cameron noted that the Department had not yet received the grant.

Mr. Hooper asked if the Department went out to bid. Mr. Carpenter responded yes.

Project 27

Mr. Uvanni stated the General Hardware purchases are for failed or obsolete equipment and printers. In FY2013 the amount will cover some dual monitors for employees to run dual applications. He added that Item 2) on the Budget Cost sheet is for an upgraded firewall, and the next three items are to set up for virtual servers to run multiple servers on one piece of hardware. He stated it saves money on hardware, is better for disaster recovery, and would lend well for the future if the IT hardware infrastructure were ever outsourced.

Mr. Pacino asked for comparison he would like to see last year's budgeted amount. Mr. Cameron stated that last year's budgeted amount was \$40,000.

Mr. Carakatsane asked what the major item(s) was to cause the bump up from last year. He assumed it was the EMC item and the firewall. Mr. Uvanni agreed, and noted the firewall is done every three to five years.

Discussion ensued.

Project 28

Mr. Uvanni stated that Item 1) goes along with the Hardware in Project 27, with a certain amount of money put aside for miscellaneous purchases, i.e., upgrading from Windows 2003 to Windows 2010. The #2) item, Custom Programming specific to GIS/Om/CIS Integration, Mr. Uvanni stated that it's complicated to integrate these systems. He noted that there is now an employee on board who is a Systems Administrator and making progress. The custom programming is specifically to integrate the other programs with GIS.

Mr. Carakatsane noticed that in prior years the budgeted amount was usually in the \$90,000 range, and this budget is for \$119,000, and asked for an explanation. Mr. Uvanni responded that more was included in the Custom Programming for the Fixed Network, which is Item 3) and Item 4) the Vmware, is new this year.

Project 15

Mr. Sullivan stated this application will be integrated with other applications such as the Customer Information System, Outage Management System, Fixed Network System, etc. This Project represents the Systems Administrator refining the data not only in the attributes of each of the points connected in GIS, but also refining the data for placement. After the GAP analysis was completed by CDM, they advised that the Department look for someone who could be a Systems Administrator, and his salary is included in this Project.

Ms. O'Neill noted that the scope is the same as last year and asked if what was to be accomplished last year was accomplished for the \$8,700 spent. Mr. Sullivan responded yes, an outside contractor was used before the Systems Administrator was in place.

Ms. O'Neill asked if we now have all the information and this person will pull it all together. Mr. Sullivan responded exactly and that the integration of these processes has begun.

Mr. Pacino asked about the labor being capitalized. Mr. Sullivan responded that when the Systems Administrator is working on a capital project, his time is capitalized, and noted the person was hired in February, 2012.

Ms. West asked what the employee would be doing at the end of this project. Mr. Cameron responded that he would be administering the system, which means his labor would then be in the operating budget. He explained that labor is capitalized only when it is directly related to a capital project.

Ms. O'Neill wanted to address the issue of the funding sources of the capital budget first, and then the overall questions.

Ms. O'Neill had raised a question relative to the Six Year Plan and the difference in the amounts for the Capital Budget between the FY2012 and FY2013 sums. Mr. Cameron explained that the Six Year Plan done in March 2011 was for the FY2012 budget. Mr. Cameron forecasts the Six Year Plan in March each year, approximately 15 months out from the end result. Items that affected the difference in the forecasts included the Meter Upgrade Project, the Fixed Network Project, the Station One project, vehicle purchases, and some underground work.

Mr. Cameron addressed the funding sources of the capital budget and referred to Page 4 of the monthly financial statement. He noted that the two main sources of funding for the capital budget are the construction fund and the depreciation fund. A third source is bonding.

Ms. O'Neill had one last overall question regarding the variance in the Six Year plan included in the FY2013 budget from the FY2013 list before them. Mr. Cameron explained that the bottom line numbers are the same, but there are different headings for the Six Year Capital Plan versus the budget.

Discussion ensued.

Projects 1, 2, 3, 5, 6, 9, 12, and 13

Mr. O'Connor outlined these projects.

Mr. Sullivan noted that Project 3 has approximately \$165,000 to be added as a carryover. He clarified that a portion of Phase One not completed in FY2012 will be done in FY2013.

Mr. Cameron noted that there will be a Draft 2 that will include the corrected sheets with the approved changes.

Mr. Pacino asked that the methodology for calculating Project 12 be sent to him.

Board members expressed concern that the corrected sheets were not available.

Discussion ensued.

Project 4

Mr. Sullivan stated that the labor piece of \$80,653 will be carried over to FY2013.

Project 8

Mr. Sullivan explained that this is also a carryover project with materials being purchased in FY2012, and the installation being done in FY2013.

Chairman Pacino asked for a spreadsheet outlining in columns the FY2012 Carryover Amounts and any additions/deletions, and the final FY2013 Budget Amount. Ms. O'Leary will create and distribute.

Project 10

Mr. D'Alleva explained that this project is similar to the upgrade in Station 4. The equipment is outdated with very little support and no parts. The RTU is the communication link between the equipment in the substation and the SCADA control device in the Control Center.

Project 14

Mr. Sullivan stated that this number is determined by historical data. Looking at the data he has, the RMLD spends about \$1.3 million every year. This project covers all capital items that are not a defined project, such as pole settings, street lights, etc. It also covers storm damage.

Ms. O'Neill noted that currently this Project is way over budget, and questioned why not budget more for it? Mr. Sullivan responded that he thought this year was an anomaly. He noted the two big storms (August and October) had a huge impact on Routine Construction.

Discussion ensued.

Project 16

Mr. Sullivan stated this is the annual purchase of Transformers. Ms. O'Neil asked if FR3 transformers are included, and Mr. Sullivan responded, yes.

Projects 17A, B, and C

Mr. D'Alleva stated that 17A is the annual purchase of mainly residential meters including time-of-use (TOU) meters for replacements of meters that fail and for new customers.

Mr. Sullivan noted that 17B is the fourth carryover project, and stated that the carryover is included in the \$564,416 and is comprised of labor, installation and testing of collectors and repeaters, additional splicing and terminating locations, and additional equipment locations.

Mr. Sullivan stated that 17C is not a carryover; it is a new project. Mr. Sullivan stated that this is the upgrade of the commercial meters. Mr. D'Alleva explained that the current commercial meters need to be read on site, whereas with the new meters the data will be obtained through the Fixed Network System. The Department will be able to get hourly reads, and these meters will also help with Demand Side Management in the future. The Department will be able to monitor the load and decrease load if necessary.

Projects 18 and 19

Mr. Sullivan outlined these projects and the need for replacement vehicles. Ms. O'Neill asked about hybrid and/or low emission vehicles. Mr. Cameron stated the Facilities Manager will be evaluating hybrids.

Project 20

Mr. O'Connor explained that this pole dolly has a cargo bed, break-away brake system, and the lights. The Line Department currently has one, and would like a second one.

Project 21

Mr. Sullivan stated that this is a budget number for replacement of the controlling building system. This proposed system would handle the entire building. It is computerized and offers the opportunity to have accessories such as security cameras, access control, etc. built into it.

Project 22

Mr. Sullivan stated that this entire project is being carried over. Mr. D'Alleva stated that it is a purchase of Engineering and Analysis Software and Data Conversion that will give the Engineering Department the ability to calculate fault currents, arc flashes, load flows, will help balance the system, and make it easier to see where problems may occur.

Project 23

Mr. D'Alleva noted that there is no generator at the Gaw Station, the RMLD's largest substation.

Project 24

Mr. Sullivan noted that Station One is on the National Historical Register, and that currently there is an architect doing an assessment on the building to determine the immediate needs of any repair work on the roof, gutters, or mortar. The Department does not want any deterioration to continue.

Mr. Carakatsane asked if the building is used for storage. Mr. Cameron replied, yes, light storage.

Project 25

Mr. Sullivan stated that this is a budgetary item to begin replacing worn carpeting.

Mr. Cameron stated that the changes discussed will be made on the project sheets and distributed for members to put in their books.

Ms. West stated that what she would like to see on the new summary is the line item, what it currently is, what the new amount is, and the reason for the change. She asked if it would be possible to get last year's and this year's on the summary page and also the amount of the carryover. Mr. Cameron said, yes.

3. Other Items for Discussion

NEPPA Annual Conference 2012 – September 16-September 19

Ms. O'Leary asked the CAB members to review the information that is attached, and to make a reservation if they think they will be attending. She will put it on the June meeting for a vote.

4. Next Meeting– May 16, 2012 – Wilmington Town Hall, Room 9 (to include an Executive Session)

5. Adjournment

At 9:12 p.m. Mr. Norton made a motion seconded by Mr. Hooper to adjourn the Regular Session.

Motion carried 5:0:0.

Mr. Norton – Aye; Mr. Hooper – Aye; Mr. Carakatsane – Aye; Mr. Ollila – Aye; and Mr. Capobianco; Aye.

Respectfully submitted,

John Norton, Secretary

Minutes approved on: 5/15/2013

**READING MUNICIPAL LIGHT DEPARTMENT
CITIZENS' ADVISORY BOARD (CAB) MEETING**

**MINUTES
Regular Session**

Time: 6:30 P.M.

Date: Wednesday, March 13, 2013

Place: RMLD, 230 Ash Street, Reading, MA, Winfred Spurr/Audio Visual Room

CAB Members Present:

Mr. Tony Capobianco (Reading), Mr. George Hooper, Vice Chairman (Wilmington), Mr. David Nelson (Lynnfield), Mr. John Norton, Chairman (North Reading), Mr. Thomas Ollila, Secretary (Wilmington)

CAB Members Absent:

None.

RMLD Commissioner(s) Present:

Ms. Marsie West

RMLD Staff Present:

Mr. Robert Fournier, Ms. Jane Parenteau, Ms. Kathleen Rybak, Mr. Kevin Sullivan

1. Call Meeting to Order – J. Norton, Chairman

Chairman Norton called the meeting to order at 6:30 p.m.

2. Approval of Minutes – J. Norton, Chairman

Chairman Norton asked for a motion to approve the minutes of the January 23, 2013, meeting as presented in the Agenda packet.

Mr. Hooper made a motion to approve the minutes of the January 23, 2013, meeting, seconded by Mr. Capobianco. Hearing no further discussion, ***Motion carried 5:0 (5 in favor, 0 opposed).***

3. January 2013 Financials – B. Fournier

Mr. Fournier presented the January 31, 2013, Financials (distributed at the meeting). Overall, for the first seven months the RMLD is doing very well. Mr. Fournier reported that beginning March 15th, the DPU will allow us to again begin full collections. Over the winter months, the RMLD makes a concerted effort to keep our customers current with their payments. Customers are treated fairly and consistently, which has allowed us to keep write-offs at a minimum this year.

4. January 2013 Reliability Report – K. Sullivan

Mr. Sullivan reviewed the January Engineering and Operations report as presented in the Agenda packet. Of note, we anticipate that there will be two capital projects carried over into FY14 (Project 3 and Project 8). The expectation is that approximately \$5.2 to 5.4m of the \$6.4m Capital Budget (for FY13) will be spent.

The SAIFI value remains very low. In January the four-year average was reduced to 0.62 due to favorable SAIFI figures month over month. Mr. Sullivan reported that there are approximately 1,000 residential meter installations remaining in Lynnfield. We shifted to commercial meter installations (inside work) in January due to the snow. We will transition back to the residential meter upgrade project weather permitting. The commercial meter project will continue into FY14.

In January there were 226 customers out of service, and 12 outage incidents (including two separate wind incidents). There were nine (9) tree related incidents due to wind storms in January.

Mr. Nelson questioned why SAIFI (frequency of outages) is down and the time to restore power is up. Mr. Sullivan noted that with large outages, service can be restored to a large number of consumers in a short period of time. However, with small outages and depending on the circumstances (i.e., time of day or night, availability of crews on duty, etc.) service restoration in certain instances may take longer. When there are a fewer number of outages, the CAIDI number really stands out.

5. January 2013 Energy Services Report – J. Parenteau

Ms. Parenteau reviewed the Purchase Power Summary for January, which was included in the Agenda packet. Ms. Parenteau noted that the numbers reported are tentative as we have not received the final MMWEC project billing.

The fuel charge adjustment for January was set at \$0.055. Our sales totaled 55.9m kWh. As a result, the RMLD over-collected by about \$482,000 (actual), resulting in a deferred fuel cash reserve value of \$2.45m. The fuel charge adjustment decreased to \$0.05 in February and increased to \$0.055 in March; it is projected to decrease in April and May. The RMLD purchased approximately 5.8% of its energy requirement from the spot market at an average cost of approximately \$60 per mWh.

Ms. Parenteau reported that 183 RMLD customers have received audits totaling approximately \$36,600. Additionally, approximately 81 gas audits were performed by National Grid saving the RMLD \$16,200 in fees. There are over 680 requests for audits from interested customers. However, the audits are currently on hold pending review of internal processes. A meeting with the auditors to determine the next steps is scheduled.

Mr. Fournier noted that the \$582,098 received from the sale of RECS in January, combined with the \$344,000 (roughly) received in June, totals \$926,090 received by the RMLD from the sale of RECS.

6. Other Items for Discussion: - J. Norton, Chairman

Chairman Norton did not have any other items for discussion. Mr. Capobianco questioned whether the CAB would be revisiting the use of LED street lights. Chairman Norton suggested that the item be returned to the Agenda for further exploration once we resolve some outstanding issues and complete the budget process for FY14.

Mr. Sullivan updated the CAB on some items that were discussed at the February 27th Board of Commissioners meeting including Other Post-Employment Benefits (OPEB) and FERC Order 719.

7. Schedule of Upcoming Meetings – J. Norton, Chairman:

Chairman Norton confirmed the upcoming budget review meetings. The April 3 meeting will be held at North Reading Town Hall to review the Operating Budget, and the April 10 meeting will be held at the RMLD to review the Capital Budget. Both meetings will begin at 7:00 p.m.

8. Executive Session - J. Norton, Chairman

Mr. Nelson made a motion that the CAB go into Executive Session based on Chapter 164, Section 47D, exemption from public records and open meeting requirements in certain instances, to approve the January 23, 2013, Executive Session Minutes and return to regular session for the sole purpose of adjournment, seconded by Mr. Hooper. ***Motion carried 5:0 (5 in favor, 0 opposed), by a poll of members present:*** Mr. Ollila, aye; Mr. Hooper, aye; Chairman Norton, aye; Mr. Capobianco, aye; Mr. Nelson, aye.

9. Motion to Adjourn – J. Norton, Chairman

Motion to Adjourn made by Mr. Hooper, seconded by Mr. Nelson. Hearing no further discussion,
Motion carried 5:0 (5 in favor, 0 opposed).

Meeting adjourned at 7:02 p.m.

Respectfully submitted,

Thomas Ollila, Secretary

Minutes approved on: _____

**CITIZENS' ADVISORY BOARD (CAB) MEETING
JOINT MEETING WITH
RMLD BOARD OF COMMISSIONERS**

**MINUTES
Regular Session**

Time: 7:00 P.M.

Date: Wednesday, April 3, 2013

Place: North Reading Town Hall, Room 14, 235 North Street, North Reading, MA

CAB Members Present:

Mr. Tony Capobianco (Reading), Mr. George Hooper, Vice Chairman (Wilmington), Mr. David Nelson (Lynnfield), Mr. John Norton, Chairman (North Reading), Mr. Thomas Ollila, Secretary (Wilmington)

RMLD Commissioner(s) Present:

Mr. Philip Pacino, Chairman, Mr. Robert Soli, Mr. John Stempeck, Mr. David Talbot, Ms. Marsie West

RMLD Staff Present:

Ms. Beth Ellen Antonio, Ms. Jeanne Foti, Mr. Robert Fournier, Ms. Jane Parenteau, Mr. David Polson, Ms. Kathleen Rybak, Mr. William Seldon, Mr. Kevin Sullivan

1. Call Meeting to Order – J. Norton, Chairman

Chairman Norton called the meeting of the Citizens' Advisory Board to order at 7:00 p.m.

Chairman Pacino called the RMLD Board of Commissioners meeting to order at 7:01 p.m.

2. Fiscal Year 2014 (FY14) Operating Budget – K. Sullivan

Mr. Sullivan reviewed the highlights of the FY14 Operating Budget as outlined in his March 29, 2013, memo included with the Board packet. For the entire Budget, there is an increase of 2.2% bringing the Operating Budget to \$81.4 million. There is a base increase of 1.19% within Power Supply, and a Fuel increase of 2.18% within Purchase Power. Combined divisions increase by a sum total of 3.7%. There is an addition of one tree crew and one Apprentice Lineman.

Mr. Fournier then distributed and reviewed a one page summary sheet of the FY14 Operating Budget. Upon review of the "detail of total," Mr. Fournier noted that as per FERC (Federal Energy Regulatory Commission) accounting regulations, included in Office Supplies are credit card and bank charges (approximately \$240,000).

Mr. Fournier pointed out that although the budget does have separate line items, it is not a line-item budget. The Budget is prepared based on our best estimate; however, we must provide services to our ratepayers and may exceed budget based on unforeseen circumstances such as storms. Throughout the year, monthly financials are presented (to the Board and CAB) which summarize year-to-date (YTD) actual versus budget.

Mr. Fournier noted that there were some minor adjustments made to the Budget distributed with the Board packet which resulted in a net increase of approximately \$2,000. A summary of these changes will be distributed at the end of the presentation.

Chairman Norton entertained questions. As there were no questions, Mr. Fournier continued with a review of the budget documents that were included in the Board packet. Mr. Soli requested edits to Page 4 to show the information in a columnar format showing the project and columns for the capacity, transmission and energy numbers. It was also noted that PASNY should be changed to NYPA (New York Power Authority). Mr. Talbot asked if the average annual rates paid to the peaking plants could be included on the report.

Mr. Stempeck noted (on Page 1) that there have been some fairly substantial swings in the purchase power adjustments (PPA) in the past, and asked what is expected in the future. Ms. Parenteau stated that the purchase power adjustments are in place to make any adjustments with the capacity and transmission portions of our overall costs. When we look at the six-year plan, we track those costs and as they increase, rather than keeping them in the PPA, we do a cost of service study and roll those into the base rate. It is a mechanism that allows us to make adjustments rather than do rate increases or decreases every year.

Mr. Stempeck questioned the percentage increase in the maintenance expense. Mr. Fournier replied that a portion of the increase is for an additional tree trimming crew (rolled into account 593). Mr. Sullivan added that maintenance expense will fluctuate year to year based on the split between the capital and operating work (budgets). Mr. Stempeck requested more detail on the projected split for FY14.

Mr. Soli questioned the increase in the underground line expense (page 5). Mr. Sullivan reported that a portion of the increase is due to the expense portion of work (excavation at \$400,000) anticipated for the two Capital projects related to the Lynnfield URD.

Mr. Stempeck questioned the increase in property insurance (up 12.42%). Mr. Polson replied that we actually anticipate an overall decrease in premiums from the budgeted amount in FY13 to FY14. However, based on the 7/5 projected figure it appears as an increase. Mr. Sullivan noted that for FY13 we budgeted \$471,000 for insurance. The 2013 YTD projection is only at \$409,703. Therefore, we may have overlooked (in our projection) an invoice which we can expect to receive.

Mr. Stempeck questioned the increase in maintenance of the garage and stockroom (up 24%). Mr. Polson replied that YTD is higher than anticipated due to snow removal expenses. Next year we anticipate an increase in radio costs, HVAC and other miscellaneous costs.

Mr. Nelson asked about miscellaneous general expense (up 31.86%). Mr. Fournier reported that this includes anything that does not fall within other FERC accounts such as upper management expenses (APPA dues, NEPPA dues, community relations activities, education and training, CAB and Board expenses, etc.)

Mr. Talbot asked about the budget process. Chairman Pacino gave a brief overview of the current budget process. Discussion included the current process, the role of the CAB, and the budget and purchase of power from peaking plants.

Mr. Soli asked about the NYPA credit variance as reported on Page 2. He noted a disparity between these figures and the figures in the Department of Public Utilities (DPU) Report (Page 55, Line 18) (not included in attachments for this meeting). As the DPU report was not available at the meeting, Mr. Fournier agreed to follow-up on this issue.

Mr. Fournier continued with his review of the summary documents; Page 5 shows expenses, and Page 6 is a further breakout of the maintenance expenses. Review then moved into divisional detail.

Energy Services Division (Page 2):

Ms. Parenteau reviewed the detail for Energy Services Division (Page 2). Energy Services, based on FY13 seven-month actuals, is projected to come in at \$1.3 million, and the FY14 Budget is \$1.1 million. The decrease is due to elimination of positions within the department.

Chairman Norton entertained questions. Mr. Stempeck questioned what positions were eliminated. Mr. Sullivan noted that the position eliminated was the Key Accounts Manager. This need would be looked at once a permanent General Manager is in place and would be discussed at that time. Mr. Stempeck questioned why we would not want to include the position in the Budget. Mr. Sullivan noted that for the past two and half years we have had one Key Account Manager. The need would really represent whether or not that position should be in the Budget, and that would be done by the permanent General Manager. Mr. Stempeck asked if that would be a Board recommendation. Mr. Sullivan stated that it is an operational issue and that the General Manager would make that recommendation. Ms. West asked if that Key Account position has not been there, how is the number going down. Mr. Sullivan stated, that a replacement Key Account Manager was hired mid-2013, so that salary is represented in the 7/5 budget projection for FY13. The senior of the two current positions will be retiring in June, so moving into FY14 we have a less senior staff to fill the position. Therefore, the delta between the salaries is evident in the numerical values. Mr. Soli wanted to clarify that the head count does not change. Mr. Sullivan confirmed.

Ms. Parenteau stated that in the FY13 Budget there were two (2) Key Account Managers. In the FY14 Budget, there is one Key Account Manager so there is a reduction of one. Mr. Sullivan noted that in the FY13 Budget there were two (2) Key Account Managers, but only one was present in the position for six (6) months to get up to speed to fill the position. Ms. Parenteau stated that she submitted a budget that had two positions, and one was removed. Mr. Stempeck stated that the question is whether there is a need for one or two account managers; management needs to determine the needs of the communities. Mr. Sullivan agreed, and if there is a need the position will be filled. It is an operational issue, one with which the General Manager should weigh in on. Mr. Stempeck questioned if once a General Manager starts, will the GM be able to influence the budget if he/she believes there is a need. Mr. Sullivan stated that he believes so.

Mr. Stempeck stated that he understands that any new General Manager will want to build the team in whatever way he/she wishes, but he hopes it is not doing a disservice to the organization by waiting. Mr. Sullivan reiterated that we have not had a Key Account Manager for two and a half years; the need has to be vetted.

Hearing no further questions on Energy Services, Mr. Sullivan began the presentation of the General Manager Division (Page 3).

General Manager Division (Page 3):

Mr. Sullivan reported that for Cost Center 51, there is an increase of 7% due largely to an increase in outside services necessary for legal counsel and consultants in the Massachusetts Municipal Wholesale Electric Company (MMWEC) matter. Mr. Sullivan gave a brief overview of the issue involving MMWEC.

Ms. Antonio presented the budget for Human Resources (Cost Center 52). There is a 4.84% reduction from the FY13 budgeted amount with most of the savings in outside services for legal costs. As negotiations should be complete, this expense should decrease.

Ms. Antonio reported that Community Relations (Cost Center 54) has a 3% increase due to increases for membership and participation fees for chamber and rotary clubs, as well as an increase in fees for the children's website that we sponsor through CULVER.

Mr. Talbot asked if there is a way of assessing the success of the public relations activities. Ms. Antonio reviewed the various programs sponsored by the RMLD. Discussion ensued. Mr. Talbot offered his assistance in this area as it is of particular interest to him. Chairman Pacino stated that it is his hope that we would review the public relations area over the next year.

Mr. Sullivan reviewed the CAB (Cost Center 56) and Board (Cost Center 58) budgets. The budgeted amounts for FY13 and FY14 remain the same. YTD (FY13) is tracking lower than budget for both the CAB and the Board.

Mr. Stempeck questioned why the CAB is budgeted at double the Board. Chairman Pacino explained that the budgeted amount for the CAB is set by the 20-Year Agreement. Funds (miscellaneous general) are available in these budgets for conference and seminars for board members (both CAB and BOC). Mr. Nelson asked about the labor expense charged against the CAB budget. Mr. Fournier stated that this is for the Operational Assistant support to the CAB.

Facility Manager Division (Page 4):

Mr. Polson reported on General Benefits (Cost Center 53). General Benefits is tracking at 0.47% under budget compared to the FY13 Budget. *Labor Regular* appears to be higher, but that is because of the allocation of certain salaries that need to be broken out into different areas. *Employee Education* is increased to accommodate tuition reimbursement for one employee. *Outside Services* has been increased for legal counsel related to any bid or contract management issues. *Property Insurance* was discussed earlier. For the most part, premiums remain the same with slight increases in fiduciary liability and employee practices liability, but overall, we are trending to be under budget. *Injuries and Damages* will be increased by \$1,587 between the FY13 and FY14 budgets. *Pension and Benefits* is trending under budget. *Miscellaneous General Expenses* shows a slight increase for dues and licenses, code manuals, etc. *Rent* is trending close to budget.

Mr. Soli questioned how *Pension and Benefits* is decreasing. Mr. Fournier reported that part of that number is our loaded hourly rate for employees (working on Capital projects). There is an overhead credit that flows through that account (926); we increase our capital and reduce the expense for the loaded rate. For FY14, that figure is \$581,000, and last year it was \$625,000. Other Post Employment Contributions dropped approximately \$35,000 to \$115,000 per the actuarial that was done; we are holding the pension contribution at \$1 million. Mr. Fournier agreed to provide additional detail on this item.

Mr. Talbot asked what the plans are for the storage garage. Mr. Polson reported that we would ultimately like to move out of the leased storage facility and transition to our own building. Additional information regarding plans for facilities and storage will be included as part of the Capital Budget presentation.

Moving onto Transportation (Cost Center 63), Mr. Polson reported that this account is essentially a holding account which is why you see a zero subtotal. Charges go into the account and then get allocated to other departments that have vehicles, labor, or supplies, in their areas. It is a dynamic number, but overall we are on budget with the Transportation account; some is capitalized and some is allocated to different groups.

Mr. Polson reviewed Building Maintenance (Cost Center 64). The increase of 20% is based on the FY13 actual projection. However, comparing the FY13 budgeted amount to the FY14 budgeted amount, we are actually projecting to be under budget by \$42,000. Items that will be adjusted are *Outside Services* and *Labor*. *Overtime Labor* is increased for storm costs and snow removal. *General Supplies* is reduced by \$30,000.

Mr. Stempeck pointed out that *Supplies* has increased each year by a fairly significant amount; and questioned why that is happening? Mr. Polson replied that there are some costs that we have been able

to keep down; heating fuel is one. However, increases have been seen in HVAC costs, as well as contract services for electric and plumbing work which have been necessary. Mr. Polson noted that he continues to work to drive these costs down.

Mr. Talbot asked what sites were included in Building Maintenance. Mr. Polson reported that all facilities owned by RMLD including the Ash Street campus, substations, (in Reading, North Reading and Wilmington), and land in Lynnfield. Mr. Talbot asked how much of the expense is attributed to Ash Street. Mr. Polson said more than half is for the Ash Street property. Discussion ensued about the efficiency of the Ash Street building. Mr. Polson stated that he is very focused on making the Ash Street facility more energy efficient. Mr. Talbot stated that he feels that the RMLD should be setting an example for energy efficiency with the Ash Street facility.

Mr. Polson reported on Materials Management (Cost Center 60) which increased 17.95%. Drivers on this increase include a plan to centralize our copier and printer costs; rather than budgeting it in each individual department, costs have been moved into Materials Management to centralized management of purchases and to ensure the best pricing. Additionally, *Office Supplies* will be centralized and managed in Materials Management rather than within the individual departments.

Mr. Soli asked for clarification on Miscellaneous Distribution Expense. Mr. Fournier stated that this is a FERC account associated with materials management and distribution. Mr. Sullivan reported that this category includes phone expenses, copier leasing and maintenance, toner, etc.

Business Division (Page 5):

Mr. Fournier reported on the Business Division. There have been no major changes in the Division. Of note, the purchase order with Melanson Health & Company (the auditors) has expired. The Town has renewed with Melanson Heath for three more years, and as per the Town Charter we must use the same auditors as the Town. Therefore, Melanson Health will be our auditors for the next three years.

Mr. Fournier reported that Accounting (Cost Center 59) went up 0.25%; no real change. Mr. Stempeck asked for clarification on the difference between *Supplies* and *Office Supplies*. Mr. Fournier explained that per FERC, Account 921-*Office Supplies*, is used to capture all banking charges and expenses as well as credit card fees, which are budgeted in the Accounting department. The *Office Supplies* account will be centralize within Materials Management for the purchase and management of office supplies for all departments.

Mr. Fournier continued with Customer Service (Cost Center 62). Significant changes include an increase in labor due to some part-time employees moving to full-time. Additionally, we have reclassified some energy conservation activity. Some of Customer Service labor was previously charged to the Energy Conservation Fund for calls related to energy conservation. However, this year we are not allocating as many hours to Energy Conservation.

Bad debt (*Uncollected Accounts*) has been increased by \$26,000; this is very subjective. Credit and collections has been very good to date, however, one bad commercial account can be significant.

Mr. Capobianco asked if the discount for early payment is available to credit card customers. Mr. Fournier noted that auto payments are set-up for credit card customers so that they can take advantage of the discount. Discussion ensued.

Mr. Fournier continued with MIS (Cost Center 61) which basically remains the same. However, labor does show an increase due to the Capital split. One MIS staff member had most of his time allocated to the Capital Budget for the GIS project in FY13. Most of the project has been completed so that labor is being expensed in FY14.

Mr. Fournier reviewed Miscellaneous Deductions (Cost Centers 57/77). Depreciation is set at 3% which is the standard that the Department of Public Utilities allows. *Voluntary Payments* represents the payments to the four towns as set by the 20-Year Agreement. *Other Deductions* represents the return on investment to the Town of Reading. The amount (\$2.3 million), based on the Consumer Price Index, has been confirmed with the Town. Also included in *Depreciation* is \$150,000 for loss on disposal of assets that are not fully-depreciated.

Chairman Pacino stated that the 3% in depreciation is what is being used to fund the capital improvements. Mr. Fournier confirmed.

E&O Division (Page 6-7):

Mr. Sullivan presented the E&O Division beginning with E&O Manager (Cost Center 55). Drivers for the 20.9% increase include staffing changes. The E&O Assistant moved to the Materials Manager position in June which impacts the value in the 7/5 projection. *Employee Education* is trending low, but does not include recent expenses. Also, the E&O Assistant is new, requiring additional education.

Engineering (Cost Center 65) shows a negative 2.82% between the 7/5 projection and the FY14 Budget. *Labor Regular* is negative 5% between the 7/5 actual budget due to the capital/operating split in the projects. *Labor OT* is less due to a reduction in projects requiring OT on the expense side. *Employee Education* is being increased to accommodate training for a new engineering analysis system.

Mr. Stempeck noted that the labor over-time costs (for both Engineering and the Line Department) are routinely questioned when published in the Reading Patch and wondered if there was a way to explain this in a coherent way to people, because it is a big number. Discussion ensued. Mr. Sullivan agreed that we should find a way to defuse this issue.

Mr. Sullivan reported on the Line Department (Cost Center 66) which is up 16.2%. Drivers for this increase include a new Apprentice Lineman and the addition of a tree crew (\$204,000 for one crew and a truck). *Maintenance of Lines* at negative 27.3% (as well as *Labor Regular Maintenance* and *Labor OT Maintenance*) is again due to the capital/operating split. Vehicle maintenance is increased; the Department has decided to maintain, rather than replace, for this year which is why there is an uptick in those costs. *Maintenance of Underground Lines* represents the additional underground project expense discussed earlier.

Mr. Stempeck commented that in this particular category, regular labor versus overtime is trending down (89% two years ago, to 84% projected this year, and down to projected 58%) which shows that the trend is going in the right direction.

Mr. Sullivan moved onto (Page 7) for Technical Services (Cost Center 80), which is part of the Line Meter Station group. The driver in this negative 30% is *Labor Regular* which reflects less time necessary for reading meters due to the implementation of the fixed network system.

Meter Technical (Cost Center 67) shows an increase of 4%. The increase is spread throughout the various line items. Of note is the reduction in *Labor OT*.

Mr. Soli asked if there were any head count changes. Mr. Sullivan answered no.

For Station (Cost Center 68), Mr. Sullivan reported a decrease of 7%. Drivers include *Labor Regular* for the supervisor which is reduced; 75% of the labor of the supervisor is in the Operating Budget. In FY12, 100% of the salary was in Operating. For *Labor Regular*, in the fall, we hired a couple of new staff to backstop for employees who had retired from that particular department, so there is a reduction in the 7/5 projection in *Labor Regular*. Conversely, there was an increase in the overtime during the training and transition period and to fill open shifts.

The next section (also Cost Center 68) increased by almost 4%. Drivers include an increase to *Transformer Maintenance*. There is an additional \$20,000 between what has been spent 7/5 and what has been budgeted for FY14. However, in FY13, we had budgeted almost \$189,000; for FY14 we will reduce that amount to \$160,000 due to low spending.

Mr. Soli asked for an explanation of what is done for transformer maintenance. Mr. Sullivan gave a brief overview of the various testing performed on transformers in the field and resulting maintenance.

Chairman Norton asked for additional questions.

Mr. Fournier, as reported earlier in the evening, noted that there had been some minor changes to the budget which increase the net income by \$2,190. He distributed a brief summary of the changes and agreed to create a Draft 2 which would reflect these changes.

Chairman Norton stated that traditionally the CAB votes on the draft and forwards the vote to the Board for their deliberation. If there are any substantial changes to the draft approved by the CAB, it would need to be returned to the CAB for reconsideration and revote.

Chairman Pacino noted that the Board of Commissioners was not prepared to take a vote on the Budget.

Chairman Norton asked for a motion on the proposed Operating Budget of \$2,474,100 to be passed onto the Board.

Motion to recommend to the RMLD Board of Commissioners the FY14 Operating Budget with an Adjusted Net Income of \$2,474,100, as presented, made by Mr. Hooper, seconded by Mr. Capobianco. Hearing no further discussion, ***Motion carried 5:0 (5 in favor, 0 opposed).***

Chairman Norton stated that the CAB had concluded Agenda item two and asked if there was any further discussion before calling for adjournment.

Prior to adjournment, Ms. West asked to address the meeting. Ms. West stated that she had been elected to the Board of Selectmen and is not able to continue as Commissioner. Ms. West will submit her resignation and a new Commissioner will be appointed. Ms. West stated that she has really enjoyed participating in the Commission and working with the staff at Reading Light Department who are very knowledgeable and committed to providing the communities with reliable energy. Ms. West noted regret that the staff are not always treated with the respect they deserve. This does not mean there should never be any questions for the staff but the way they are phrased may not be ideal.

Ms. West went on to note that she was concerned about the last Board meeting. While she was not present at the meeting last week, she did watch a broadcast of the meeting and was concerned with the process of the final motion. Ms. West stated that it did not appear to be consistent with open and transparent government to propose a major change in the final minutes as a member of a board without any advance notice of the topic. She noted that the Commissioners did not appear to have a full, open discussion of the proposed change to the interim general manager at the meeting with a very short period of time between the proposal and the vote. There was no discussion about the reason for the change or potential impact to the Light Department.

Chairman Pacino added that he was dismayed with what took place at the end of the last meeting. He stated that he has some questions about whether it was even legal or not. Chairman Pacino further stated that we are not here to discuss this issue tonight and he did not want to go any further with it. Mr. Stempeck stated that he needed to speak up; for both Ms. West and Mr. Pacino to speak without any rebuttal is totally inappropriate. Chairman Pacino agreed. Mr. Stempeck stated that he thinks this

discussion is inappropriate for this particular meeting. Mr. Stempeck stated that he thought what happened was absolutely appropriate, and certainly within the purview of the Board. Mr. Stempeck stated, feel whatever you may, but it still is a democracy and people will go by votes, and that is exactly what happened. Mr. Stempeck stated that he feels it is unfortunate that others feel the way they do, but he feels differently and thinks other members of the Board feel differently as well.

Mr. Hooper asked to address the meeting. Mr. Hooper stated that as a member of the CAB we all need to be totally transparent; we do what is best for our community and the ratepayers in our communities. The Board has a job that they do very well, but we need to be fully transparent and that is something that needs to be brought out and discussed. Mr. Hooper stated that he agrees with Ms. West. Mr. Hooper oversaw the meeting where it came in at the very last minute by someone who was leaving, on her very last day. It was unexpected, thrown out there, and he did not think that it was done correctly, in his opinion.

3. **Motion to Adjourn – J. Norton, Chairman**
Motion to Adjourn the Citizens’ Advisory Board meeting made by Mr. Nelson, seconded by Mr. Hooper. Hearing no further discussion, ***Motion carried 5:0 (5 in favor, 0 opposed).***

Motion to Adjourn the RMLD Board of Commissioners meeting made by Ms. West, seconded, by Mr. Stempeck. Hearing no further discussion, ***Motion carried 5:0 (5 in favor, 0 opposed).***

Meeting adjourned at 8:52 p.m.

Respectfully submitted,

Thomas Ollila, Secretary

Minutes approved on: _____

**READING MUNICIPAL LIGHT DEPARTMENT
CITIZENS' ADVISORY BOARD (CAB) MEETING
JOINT MEETING WITH
RMLD BOARD OF COMMISSIONERS**

**MINUTES
Regular Session**

Time: 7:00 P.M.
Date: Wednesday, April 10, 2013
Place: RMLD, 230 Ash Street, Reading, MA, Winfred Spurr/Audio Visual Room

CAB Members Present:

Mr. Tony Capobianco (Reading), Mr. George Hooper, Vice Chairman (Wilmington), Mr. David Nelson (Lynnfield), Mr. John Norton, Chairman (North Reading)

CAB Members Absent :

Mr. Thomas Ollila, Secretary (Wilmington)

RMLD Commissioner(s) Present:

Mr. Philip Pacino, Vice Chairman; Mr. Robert Soli, Mr. John Stempeck, Chairman; Mr. David Talbot

RMLD Staff Present:

Ms. Beth Ellen Antonio, Mr. Nick D'Alleva, Ms. Jeanne Foti, , Mr. Tom O'Connor, Ms. Jane Parenteau, Mr. David Polson, Mr. Peter Price, Ms. Kathleen Rybak, Mr. Kevin Sullivan, Mr. Mark Uvanni

1. Call Meeting to Order – J. Norton, Chairman

Chairman Norton called the meeting of the Citizens' Advisory Board to order at 7:11 p.m.

2. Fiscal Year 2014 (FY14) Capital Budget – K. Sullivan

Mr. Sullivan gave a brief overview of the proposed FY2014 Capital Budget which is at \$5.9 million, approximately 7% below the FY2013 Capital Budget of \$6.4 million. Mr. Sullivan introduced four managers who are not very familiar to the Board; Mr. Mark Uvanni, MIS Manager; Mr. Peter Price, Chief Engineer; Mr. Tom O'Connor, General Line Foreman; and Mr. Nick D'Alleva, Technical Services Station Manager. These managers presented much of what is included in the Capital Budget.

Ms. Foti noted that the Board of Commissioners meeting had not been called to order.

Mr. Van Magness pointed out that at the earlier meeting there was not an opportunity for public comment and asked if there would be an opportunity for public comment at this meeting.

Chairman Stempeck called the meeting of the RMLD Board of Commissioners to order at 7:14 pm.

Chairman Norton stated, by way of explanation, that the CAB will conduct its second half of the budget review (the Capital Budget) tonight. At the conclusion of that review, there will be a motion made to be passed onto the Light Board of Commissions for the bottom line, if that is agreed upon by the CAB. At that point, the CAB will conclude their portion of the meeting of which there will be no public input. It will be turned back over the Board of Light Commissions for their Agenda. Chairman Norton asked Mr. Sullivan to begin.

Mr. Talbot asked why we would not have public input. Chairman Norton stated that not during budget discussions, we do not have public input. Mr. Van Magness noted that his comment was not relevant to the CAB it was relative to the Municipal Light Board. He stated that he had served on the CAB and

doesn't ever recall having a public meeting where public comment was specifically excluded, if there was any. He further stated that it certainly takes away the reason for having a public meeting, but that is obviously at the will of the Chair. Chairman Norton asked Mr. Sullivan to begin the presentation. Mr. Sullivan introduced Mr. Mark Uvanni to present Project 27 (Hardware Upgrades) and Project 28 (Software Upgrades).

Mr. Uvanni reported that the MIS areas are pretty standard each year to accommodate necessary upgrades to hardware and software systems. Beginning with Project 27, Item 27a) is about the same amount each year and includes, but is not limited to upgrades and/or replacements for monitors, printers, etc. Item 27b) creates an additional virtualized cluster at the North Reading substation for redundancy, load balancing and disaster recovery. This will literally be a duplicate of the Ash Street cluster, which has worked well. Item 27c) is to replace the current digital phone system.

Mr. Talbot asked about the security protections in place. Mr. Uvanni provided a brief overview of the security measures in place.

Mr. Talbot asked about the procurement process. Mr. Sullivan responded that we go out to bid for purchases \$25,000-\$100,000 as per M.G.L. Chapter 30B.

Mr. Uvanni moved onto Project 28: Software and Licensing. Some of these items are directly related to the hardware projects. Item 28a) is for routine software purchases and user licenses. 28b) is in conjunction with item B on the hardware side. 28c) is for development work that we cannot do and which is contracted out to local developers. Item 28d) is a product that allows the cluster replication to take place. 28e) is the licensing fee for some antivirus and malware.

Chairman Norton asked if there were any questions.

Mr. Capobianco asked if we were going to deploy Windows 8 workstations. Mr. Uvanni replied that we have done some. However, it is a huge learning curve for users.

Mr. Soli asked if Item 28d) was new. Mr. Uvanni answered that this is the license for the new (second) cluster.

Mr. Soli asked about 28c). He had thought GIS was done. Mr. Uvanni stated that it is an ongoing process. We are trying to build the base map which would be the jumping off point for all other systems. We do have a GIS administrator who has made huge inroads on getting the base map and the electrical connectivity model built. Mr. Uvanni noted that this is a lot of work, but that we are going in the right direction.

Mr. Sullivan introduced Mr. Peter Price and Mr. Tom O'Connor to present System Upgrade Projects.

Mr. Price reviewed Project 1: 5W9 Reconductoring-Wildwood Street, Wilmington. This circuit has seen a lot of load growth and approximately a megawatt of additional load is anticipated over the next fiscal year with the addition of a Target and a mini-mall in that area. Mr. Hooper asked if this will double the current carrying capability into that area. Mr. Price answered, yes, on that circuit. Mr. Hooper noted that this is one of Wilmington's industrial areas and feels this upgrade makes perfect sense considering the growth in that area. Chairman Stempeck asked if it should be even higher than what we are projecting; will we need to go back there because of the growth? Mr. Price responded that we can only max out the circuits to 15 megawatts and this will bring that circuit up to 15 megawatts. If there are additional needs, we will need to bring in another circuit. We do have two other circuits up there, so there are things that we can do if we have to add a circuit.

Mr. Talbot noted that he had forwarded a memo (referencing this project). Mr. Talbot questioned if there is a strategy, when we know we are at a limit with a particular circuit, for how demand response in that particular area could be deployed to relieve what's happening. Mr. Talbot commented that when he

raised the issue, he was not aware that there was a Target and mini-mall going into that area, which changes the thinking. However, as a philosophy, has that ever happened; we see something cresting or peaking, and consider demand response or other programs in that particular area. Mr. Sullivan noted that it is not something that we have considered, but it may bode consideration in the future.

Mr. O'Connor presented Project 2: 4W4 Reconductoring – Wilmington. This feeder is approximately 40 years old. The upgrade will double the capacity that is there now and the materials will be more storm hardened and resistant to weather. It also gives us options if we need to move load in the summer. Mr. Hooper noted this is also a commercial area, and asked if this is proactive in terms of the aging areas. Mr. O'Connor confirmed, this is near the end of its life and the upgrade gives us a lot more options if we need to switch load. Every year at this time we look for vulnerability, develop our priority list, and address those areas.

Mr. Soli asked what happens to the old wire. Mr. O'Connor replied that it goes to a scrap dealer for recycling.

Mr. Price presented Project 3: Upgrading of Old Lynnfield Center URDs. This is a carryover for the Trog Hawley area. There is always a carryover in these projects; we start work in May and the work runs through the summer into September (the next fiscal year). Mr. Price went onto Project 4: Upgrading of Old Lynnfield Center URDs (Cook's Farm). This is the last of the three Lynnfield Center URD upgrade projects.

Mr. Price presented Project 5: 4W5 – 4W6 Tie. This project will create a tie to allow more flexibility to move load around in this area. We don't have that capability now which was not required until they started developing the Addison Wesley Property.

Mr. Price presented Item 6: URD Upgrades. In talking with Mr. Sullivan, we decided to create capital projects as a catch-all for URD projects (and Step-down Area Upgrades) rather than having them done under routine construction. This project will address some of the older underground subdivisions which need to be upgraded due to bad transformers, cable failure, or voltage complaints.

Mr. O'Connor presented Item 7: Step-down Area Upgrades. This is similar to the URD upgrades presented by Mr. Price. These are older overhead subdivisions. Some examples include Haverhill Street (Anthony and Peter Roads) area; in Lynnfield, the Essex Street area near Evans Drive; in Reading, the West and South Street areas.

Chairman Stempeck inquired, if by getting rid of the step-down transformers, do we eliminate a point of failure. Mr. Price confirmed; if we lose a step-down area, we could lose power to 300-400 customers.

Mr. Price reported that items 8, 9 and 10 will be presented by Mr. D'Alleva.

Mr. O'Connor presented Project 11: Station 4 Getaway Replacement 4W9. This is an underground getaway which runs out of Station 4. We will replace this underground cable which will increase capacity.

Mr. Soli asked if there is an outage associated with this work. Mr. O'Connor stated no, we switch the circuit to another circuit and then do the work.

Mr. Price presented Project 15: Station 5 – Getaway Replacements 5W9 and 5W10. The getaway is the underground cable coming out of the sub-station. The 5W9 upgrade goes hand-and-hand with Project 1 to get to a 15 megawatt rating. 5W10 is an old direct buried underground circuit; that breaker position is open and that cable has been taken out of service. This project will allow us to create an extra spare breaker position in the 5W10 position and create more flexibility. We already have conduit and a breaker; it is just a matter of pulling in the wire.

Mr. Price presented Project 16: Transformers. This item is budgeted annually to replenish transformer stock.

Chairman Stempeck questioned what the typical life is for a transformer; are there any manufacturers that produce a premium quality transformer that will last longer that you pay a little bit more for, but you get extra life out of them. Mr. Price replied that we have had old transformers that last forever; the only thing wrong with them is that they are rusting. There are new ones and they have lightning strikes that wipe them out.

Mr. Soli noted that three years ago, between Katrina and China, transformer prices skyrocketed; are the prices more reasonable now or are they still high. Mr. Price responded that due to metal (copper) costs and the cost of petroleum, prices are still high, but not as bad as it was then.

Mr. Price presented Project 22: Engineering Analysis Software and Data Conversion, which was approved with the FY13 budget. We got a late start on this project. The vendor is currently working on the data conversion, but this project will carry over into FY14.

Project 26: Communication Equipment. Mr. Price reported that as we connect to our fiber loop for better communications between our devices in the field and our SCADA systems, we will need certain equipment. This is a line item for that purpose.

Chairman Stempeck asked are there any limitations on the fiber optic cable in terms of capacity. Mr. Price answered that we have not run into it with the projects that we have been working on.

Mr. Talbot noted there is a lot of talk about regionalization of procurement; is that done by RMLD. Mr. Sullivan stated that it has been discussed, but in situations like this it would not work. We realize there are synergies out there that would make it more efficient to get together with other municipalities to make purchase in volume.

Mr. Sullivan introduced Mr. Nick D'Alleva, Technical Services Manager.

Mr. D'Alleva reviewed Project 30: Remote Terminal Unit Replacement – Station 3. Mr. D'Alleva noted that we recently had some issues with the SCADA system and we could not get the system back up and running until we found the missing piece of the puzzle that was broken. We realized that it would not work with the existing system.

Chairman Stempeck asked if there are more of these out at the stations that we should get rid of. Mr. D'Alleva responded that Station 4 has just been upgraded. Station 5 is in this year's (FY13) budget and we anticipate having it done. Station 5 is a lot smaller and not as involved as Station 3 or 4. This (Station 3) would be the last.

Mr. Sullivan presented Project 12: Service Installations – Commercial/Industrial. Last year's budgeted amount was \$63,074. We have not seen many upgraded or new services within FY13 due to the economic situation. However, we do need to budget this item in expectation of projects that will come up.

Mr. Sullivan continued with Project 13: Service Installations Residential Customers. Last year's budget was \$207,923. This item has been affected by the economy year of over year. As of the beginning of March, we are at about \$160,000-\$170,000 in expenditures.

Mr. Sullivan presented Project 14: Routine Construction. This is the project where we carved out our underground and step-down areas (as reported earlier) to have more specificity. Routine Construction had become a catch-all and many times we end up eclipsing what we have in the budget. We hope that the tact that we have taken will yield the way it should. Last year's budgeted amount for this item was just under a \$1 million.

Moving back to Project 8: Relay Replacement Project – Gaw Station, Mr. D’Alleva reported that this is a partial carryover. We have purchased all the relays, and the carryover is for labor related to the installation, testing and commissioning of the relays on approximately 16 circuits. There may be some incidental material in addition to what has been purchased.

Chairman Stempeck stated that he understands that these are solid state relays replacing electro-mechanical and questioned the reliability of solid state versus electro-mechanical. Mr. D’Alleva stated that they are newer technology. If you are going to replace one for one you are replacing a 30-year old relay with a 30-year old relay. The new relays are in a box, rather than individual relays. They are programmable with a lot more features that you can program into them and a lot more information that you can get out.

Mr. D’Alleva continued with Project 9: Gaw Station 34kv Potential Transformer Replacement. The current transformers are 30 plus years old and are oil filled. The new transformers would be solid dielectric; there would not be any oil in them. There are currently no leaks on these transformers, but they are old.

Mr. Hooper asked if the transformers contain PCBs. Mr. D’Alleva responded that it is unknown; there is no way of sampling them while they are in service. They contain very little oil, maybe two gallons at most. When they are taken down they will be tested prior to disposal.

Project 10: Station 3 – Replacement of Service Cutouts. This is a small equipment upgrade. We have not had any problems with these cutouts, but they are similar construction to the line cutouts that we have issues with in the field. We would like to be pro-active with these.

Mr. D’Alleva continued to Project 17 (A, C and D) related to the meter upgrade project. *Note: 17B will be completed by the end of FY13.* 17A is a line item for meters purchased for stock. Mr. Talbot asked how many TOU meters are currently in use. Mr. Sullivan answered that there are approximately 300 residential meters in place.

Mr. D’Alleva stated that 17C is a partial carryover. We anticipate that the commercial upgrade will not be completed by the end of this fiscal year. We will carry over some of the installations to larger customers that might need outages. 17D is the upgrade of the “500 Club.” This is a small number of meters, but they are the large revenue customers. This will be the last of the meter upgrades.

Mr. Soli asked Mr. Sullivan for an explanation of the “500 Club.” Mr. Sullivan stated the “500 Club” consists of customers over 500KW, or the larger users of power. There are currently approximately 65 “500 Club” customers.

Mr. Sullivan introduced Mr. David Polson, Facilities Manager. Mr. Polson presented Project 18: Purchase of New Pick-up Trucks. Chairman Stempeck asked if the 4x4 was all-wheel drive. Mr. Polson replied that the vehicles are two-wheel drive with four-wheel over-drive.

Mr. Talbot asked how the vehicles are purchased; is there a State program. Mr. Polson reported we look at the State contract and we go out to competitive bid as well to get the best pricing. Mr. Talbot asked for clarification on the State contract. Mr. Polson replied that the State has a number of dealers with whom they feel they have leveraged the best price; they do recommend though that you look around to confirm that you are getting the best price.

Project 19: Line Department Vehicles. Mr. Polson noted that this item is similar to a carry-over. The process to order and receive these vehicles is in excess of 240 days. We will be presenting to the Board at the end of the month the purchase of these two vehicles, which will be received in FY14. This project ensures that we have funds appropriated for the vehicles when they arrive.

Mr. Talbot noted that it is his understanding that much of the time the diesel engine is running to power the bucket truck equipment. He questioned if we have looked into hybrid bucket trucks. Mr. Polson stated that we have done a very exhaustive search, meeting with different vendors and users of the hybrid vehicles. There are different types of vehicles; some that are higher maintenance, some that are truly hybrid (they recharge the battery system through the engine.) The technology for these vehicles really isn't fully developed; the batteries don't live up to the advertised life and there are issues with the transmissions. These vehicles are more expensive and they really don't live up to expectations.

Mr. Hooper asked about the age of the trucks being replaced, and what we are doing with the vehicles we are replacing. Mr. Polson answered that the vehicles being replaced are approximately 10 years old. These vehicles will move back into the fleet as a spare or used less frequently. If these vehicles are the vehicles with the highest maintenance and are unreliable, we may move them off the fleet and surplus them. Mr. Hooper asked if they had any value that could be used for a trade-in or put out to auction for another community that may be looking for something. Mr. Polson noted that we have not traded vehicles, but we have tried to sell them; depending on the vehicle, we may offer them to one of the towns.

Mr. Polson reviewed Project 20: Build Covered Storage, which is a multi-year project. The building would be 80x120 feet and used for storage as we start to move out of the Barbas building. It would be located on the northerly portion of the lot by the garage and would provide approximately 9,600 square feet of storage space. It would be covered storage with sides, to keep our material out of the weather. Mr. Polson reported that this would cost approximately \$88.50 per square foot to build.

Chairman Stempeck asked if we have looked at alternatives; for inventory storage, this seems like a large number on a square footage basis. Chairman Stempeck noted that if it is for specialized needs and proximity he certainly understands, but stated that he had looked at storage space not nearly as large, but in the \$14-20 per square foot range. Mr. Polson responded that we would keep the materials that we use frequently in this building; we want to make sure we have something on the property so that the trucks can go in and out. Mr. Polson noted that the cost comparison was lease space versus cost to build. Chairman Stempeck noted that amortized over time, it would drop down. Mr. Polson confirmed and added that we would be getting out of leased space.

Mr. Capobianco asked how much equipment is currently lost or degraded because we don't have appropriate storage. Mr. Polson reported that almost everything is under cover either in the garage or the leased space with the exception of some items at Station 3.

Mr. Soli noted that this is the first he has heard of this; when does this go out to bid so that we can hear more about it. Mr. Sullivan responded that this is really an open building with a façade in the front to match the front of the buildings on Ash Street. It has a roofing system that has a beefed up capacity to carry a solar array in the future. We are also trying to make a move to get out of the leased space and the rent we pay. The design on this is planned for Q4. Mr. Soli asked if the Board would get more information on this prior to bid. Mr. Sullivan said, yes. This is a multi-year project. The expectation is that we would move out of the Barbas building FY16 (July 1, 2015).

Mr. Polson reviewed Project 21: HVAC system Upgrade (Multi-year Project). Mr. Polson noted that there was concern raised about the replacement of these items. This project is tied into making the building more energy efficient. There are some changes in technology and some things that we can do to improve efficiency. An energy audit will be done by Energy NE (there was one done in 2007). The building's control system needs to be updated and replaced; lighting changes, water conservation, insulation, and other work also needs to be done.

Mr. Talbot thanked Mr. Polson for the detail and noted that there are three big projects happening on the campus: a garage (with excavation), station one, and the main building. Mr. Talbot wondered if there was a comprehensive overview of how to have the whole campus tied in; since we are doing excavation any way, can we look at a ground source system that would tie all three together. Mr. Talbot

noted that it seems like there is an opportunity to do it once, do it deeply, and do it so that we save huge amounts of energy for many decades. Mr. Polson agreed; the plan is to hire an engineering company to come up with a design and make recommendations on what we should do; we can certainly bring that into the design and evaluation. Mr. Polson noted, however, that we should not delay the mechanical system work on these two items in this building. Mr. Polson stated that he has been trying, since beginning at RMLD eight months ago, to get a grasp on all the systems that need improvement and to address energy efficiencies, but the systems are at risk right now. The plan would be to hire a company, come up with design recommendations, and come back to the Board with a plan.

Mr. Talbot stated that that would be great; that by approving this budget we are not setting in motion a plan to put just boilers and chillers out to bid and that gets done in the absence of a larger plan that we have all reviewed. There is a huge opportunity for great public relations for RMLD and to set an example to other companies and building.

Mr. Sullivan noted that we are cognizant that this really needs a comprehensive analysis and that Mr. Polson is going to head that up. Mr. Polson noted his goal would be that over a three year period everything in the building would be addressed, HVAC, lighting, water conservation. We will have a building and a campus that we can be very proud of.

Mr. Talbot stated that this would not go out to bid until we have a larger report and a presentation to the Board. Mr. Polson confirmed.

Mr. Hooper asked what type of fuel is used for the boilers. Mr. Polson replied, gas. Mr. Hooper noted that condensing boilers might be an option to consider. Geo-thermo would be a great option, but where there is an urgency, condensing boilers may be something we want to consider.

Mr. Polson presented Project 23: New Radio System. Mr. Polson noted that the current system is about 20 years old and uses old technology. We are currently evaluating a digital system that we have had good luck with so far. We are looking at leasing a radio system; we would buy the equipment the first year and after that it would be substantially less (we would pay just a leasing fee thereafter).

Mr. Talbot asked if this goes out to bid. Mr. Polson responded that this company is on the State bidder's list, and that there are limited vendors that provide this service. We would be able to leverage the State pricing.

Chairman Stempeck asked if the system communicates with fire and police. Mr. Polson was not aware of that capability; it depends if we are tied to the same network. Mr. Hooper asked if we utilize cell phones or direct connect. Mr. Polson said that we do use Sprint with direct connect. This new radio system has multiple channels where people can talk in group talk and there are individual frequencies, or they can use direct connect; the system offers a lot of flexibility. Mr. Hooper noted that he uses direct connect to communicate with staff and just wondered if this is something that is needed or is it going to be outdated over time.

Mr. Polson presented Project 24: Repairs – 226 Ash Street, Station One. There has been an architectural evaluation performed and they recommend that, in order to maintain the building from further deterioration, we should repair the roof as well as the exterior masonry, and windows. We can then determine the best use of the building and the cost associated with that. This budget item is a multiyear project to start the exterior work. In FY14 we would start the masonry work and in FY15 we would do some windows and the roof. Over a period of two years, we are looking at \$1.5 million for the exterior work, with additional cost for the interior work.

Mr. Polson clarified the cost structure; the exterior renovation would be \$1.5; the (additional) interior renovation cost would be \$1.1 million if the building were used for storage, or \$2 million if the building was used for occupied space.

Mr. Talbot asked about the process to determine the use of the building. Discussion ensued. Chairman Norton stated, with all due respect, this discussion would be more appropriate for an RMLD Board meeting. Mr. Talbot agreed. Mr. Soli noted that he would be anxious to hear from the CAB members on this issue because it may look too much like we are doing wonderful things for Reading and we're going to make you outside guys pay for it.

Mr. Hooper stated that he thinks preservation of the building exterior before it deteriorates beyond repair is a smart move as it can deteriorate pretty fast. Mr. Hooper questioned the bidding process used for anything over \$100,000; do we go d-cam certification. Mr. Polson replied that we do. Mr. Hooper further stated that if you are using the building for storage that's one thing, but if we are planning to lease it out as office space that is something totally different. Mr. Hooper stated that he can understand the need for storage

Mr. Nelson stated the preservation of old buildings is a great thing and if the Town of Reading wants to preserve the building that is something they should really consider. What you do with the building; if it is going to be used for storage space or public presentations and public learning remains to be seen. The focus is, do the right thing for Reading because it is in Reading and it is a possibility that it is good overall.

Mr. Capobianco questioned the cost of removing the building and putting up a new structure; is that significantly more expensive than renovating an older building. Mr. Polson did not have that information. He did not know if that had been evaluated.

Chairman Norton noted that Mr. Soli's point was well taken, but that it would be better if at the next CAB meeting the CAB has a presentation from Mr. Polson and a discussion of this issue. The CAB can then make a recommendation to the Board of Commissioners. Mr. Soli said that they would appreciate the CAB input. Chairman Norton stated that he believes the building is on the National Register of Historic Places so it could not be demolished.

This concluded Mr. Polson's presentation.

Chairman Norton asked for a motion on the Capital Budget.

Mr. Hopper made a motion that the Citizens' Advisory Board recommend to the RMLD Board of the Commissioners Draft One of the FY14 Capital Budget dated March 29, 2013, in the amount of \$5,952,008, as presented. Any significant changes are to be submitted to the CAB for review and recommendation. Motion was seconded by Mr. Nelson. Hearing no further discussion, ***Motion carried 4:0:1 (4 in favor; 0 opposed; 1 absent).***

3. Scheduling of May Meeting – J. Norton, Chairman

After discussion the CAB members agreed to meet on May 15, 2013, at 6:30 pm, at the RMLD.

4. Motion to Adjourn – J. Norton, Chairman

Motion to Adjourn the Citizens' Advisory Board meeting was made by Mr. Hooper, seconded by Mr. Nelson. Hearing no further discussion, ***Motion carried 4:0:1 (4 in favor; 0 opposed; 1 absent).***

The Citizens' Advisory Board Meeting adjourned at 8:41 p.m.

Respectfully submitted,

John Norton, Chairman

Minutes approved on: _____

Fiscal 2014 CAPITAL BUDGET REQUEST SUMMARY

Capital Project Name: 29. Master Site Plan and Photo-voltaic Generation Installation

Reason for Expenditures:
The RMLD expects to be performing work throughout the Ash St. campus for the next several years. Beyond a standard plot plan and traffic flow analysis, a Master Site Plan will include building use/storage allocation needs assessment with the understanding that the RMLD will eventually be no longer renting the Barbas building. The Master Site Plan will also aid in the coordination of this work and include the viability for the installation of a photo-voltaic generator somewhere on the premises.

- Brief Description/Scope:**
- Create a plot plan complete with traffic flow and building use analysis including recommendation for changes where suitable.
 - Determine the best alternative(s) for materials storage on the property from the following possibilities:
 1. Build a suitable covered storage building adjacent to the garage to resemble the other Ash Street facing buildings (Project 20).
 2. Refine the existing storage in the garage, the main building and Station 1 (see Station 1 Assessment and Feasibility study) to support the RMLD’s storage needs
 3. Other
 - Determine if on the Ash St. premises, a viable roof exists for the installation of a photo-voltaic array based on the following: If an existing roof can sustain the loading of the installation, the lifespan of the roof matches the lifespan of the photo-voltaic array and the roofing materials do not require complete replacement prior to the installation, procure the resources necessary to perform the installation in FY14 with the funds allocated to this project.

Cash Requirements:						
	Quarter 1	Quarter 2	Quarter 3	Quarter 4		TOTAL
Fiscal 2014	\$10,000	\$46,667	\$46,667	\$46,667		\$150,000

TOTAL PROJECT COST: \$150,000

CAPITAL PROJECT NAME:

Master Site Plan and Photovoltaic Generation Installation

CAPITAL PROJECT NUMBER:

29

PROJECT NUMBER:

14-

ITEM	CREW WEEKS	RMLD CREW LABOR COST	RMLD CREW VEHICLE COST	OTHER LABOR	OTHER VEHICLE	NEW MATERIAL & MISC	TOTAL
Master Site Plan: Consultant hired.						\$10,000	\$10,000
	Unit Cost						\$10,000 for study
Installation of Photovoltaic Generation at the Ash Street Campus						\$140,000	\$140,000
	Unit Cost						\$140,000
	Unit Cost						
	Unit Cost						
	Unit Cost						
Police Details (if applicable)							
	Unit Cost						

Total RMLD Crew Weeks

Total U/G Crew Weeks

TOTAL

\$150,000

TOTAL PROJECT COST:

\$150,000

FISCAL YEAR 2014 - CAPITAL BUDGET SUMMARY - DRAFT 2

PROJECT DESCRIPTION	TOWN	AMOUNT	TOTAL
E&O Construction-System Projects			
1 5W9 Reconductoring - Wildwood Street	Wilmington	\$ 169,494	
2 4W4 Reconductoring	Wilmington	\$ 166,340	
3 Upgrading Old Lynnfield Center URDs (Trog Hawley) (Partial Carryover)	Lynnfield	\$ 140,827	
4 Upgrading Old Lynnfield Center URDs (Cook's Farm)	Lynnfield	\$ 410,983	
5 4W5 - 4W6 Tie	Reading	\$ 96,596	
6 URD Upgrades - All Towns	All Towns	\$ 210,005	
7 Stepdown Area Upgrades - All Towns	All Towns	\$ 232,817	
Total System Projects			\$ 1,427,062
Station Upgrades			
8 Relay Replacement Project - Gaw Station (Carryover)	Reading	\$ 117,181	
9 Gaw Station 35 kv Potential Transformer (PT) Replacement	Reading	\$ 40,288	
10 Station 3 - Replacement of Service Cutouts	North Reading	\$ 30,126	
11 Station 4 Getaway Replacement - 4W9	Reading	\$ 245,147	
15 Station 5 - Getaway Replacements 5W9 and 5W10	Wilmington	\$ 95,343	
Total Station Projects			\$ 528,085
SCADA Projects			
30 RTU Replacement - Station 3	N. Reading	\$ 84,109	
Total SCADA Projects			\$ 84,109
New Customer Service Connections			
12 Service Installations-Commercial/Industrial	All Towns	\$ 55,549	
13 Service Installations - Residential Customers	All Towns	\$ 200,302	
Total Service Connections			\$ 255,851
Routine Construction			
14 Routine Construction	All Towns		
a. Capital Construction		\$ 305,287	
b. Street Light Installations		\$ 63,653	
c. Pole Setting/Transfers		\$ 188,172	
d. Engineering Labor		\$ 28,322	
e. General Line Foreman Labor		\$ 83,517	
f. U/G Construction		\$ 110,760	
g. Police Details		\$ 48,000	
h. Overtime		\$ 186,595	
Total Routine Construction			\$ 1,014,306
TOTAL E&O Construction		\$ 3,309,414	\$ 3,309,414
Other Projects			
16 Transformers		\$ 284,000	
17A Meter Purchases		\$ 138,000	
17C AMR High-Powered ERT Comm. Meter Upgrade Project (Partial Carryover)		\$ 114,601	
17D AMR High-Powered ERT 500 Club Meter Upgrade Project		\$ 92,713	
18 Purchase New Pick-up Trucks		\$ 70,000	
19 Purchase Two New Line Department Vehicles		\$ 400,000	
20 Build Covered Storage (Multi-year Project)		\$ 150,000	
21 HVAC System Upgrade (Multi-year Project)		\$ 275,000	
22 Engineering Analysis Software and Data Conversion (Partial Carryover)		\$ 37,081	
23 New Radio System (Multi-year Project)		\$ 100,000	
24 Repairs - 226 Ash Street, Station 1 (Multi-year Project)		\$ 520,000	
26 Communication Equipment		\$ 100,000	
27 Hardware Upgrades		\$ 181,000	
28 Software and Licensing		\$ 180,200	
29 Master Site Plan and Photovoltaic Generation Installation		\$ 150,000	
Total Other Projects		\$ 2,792,594	\$ 2,792,594
TOTAL CAPITAL BUDGET		\$ 6,102,008	\$ 6,102,008

FISCAL YEAR 2014 CAPITAL PROJECTS - QUARTERLY PROJECTION - DRAFT 2

#	E&O Construction-System Projects	1st	2nd	3rd	4th	Total
1	5W9 Reconductoring - Wildwood Street	-	84,747	84,747	-	169,494
2	4W4 Reconductoring	-	83,170	83,170	-	166,340
3	Upgrading Old Lynnfield Center URDs (Trog Hawley) (Partial Carryover)	140,827	-	-	-	140,827
4	Upgrading Old Lynnfield Center URDs (Cook's Farm)	-	-	5,000	405,983	410,983
5	4W5 - 4W6 Tie	-	24,149	72,447	-	96,596
6	URD Upgrades - All Towns	70,002	70,002	70,002	-	210,005
7	Stepdown Area Upgrades - All Towns	77,606	77,606	77,606	-	232,817
Total: \$		288,435	\$ 339,674	\$ 392,971	\$ 405,983	\$ 1,427,062

#	Station Upgrades	1st	2nd	3rd	4th	Total
8	Relay Replacement Project - Gaw Station (Carryover)	19,529	58,590	39,061	0	117,181
9	Gaw Station 35 kv Potential Transformer (PT) Replacement	0	40,288	0	0	40,288
10	Station 3 - Replacement of Service Cutouts	0	0	0	30,126	30,126
11	Station 4 Getaway Replacement - 4W9	245,147	0	0	0	245,147
15	Station 5 - Getaway Replacements 5W9 and 5W10	0	0	95,343	0	95,343
Total: \$		264,677	\$ 98,878	\$ 134,404	\$ 30,126	\$ 528,085

#	SCADA Projects	1st	2nd	3rd	4th	Total
30	RTU Replacement - Station 3	\$ -	\$ -	\$ 84,109	\$ -	\$ 84,109

#	New Consumer Service Connections	1st	2nd	3rd	4th	Total
12	Service Installations-Commercial/Industrial	13,887	13,887	13,887	13,887	55,549
13	Service Installations - Residential Customers	50,076	50,076	50,076	50,076	200,302
Total: \$		63,963	\$ 63,963	\$ 63,963	\$ 63,963	\$ 255,851

#	Routine Construction	1st	2nd	3rd	4th	Total
14	a. Capital Construction	76,322	76,322	76,322	76,322	305,287
	b. Street Light Installations	15,913	15,913	15,913	15,913	63,653
	c. Pole Setting/Transfers	47,043	47,043	47,043	47,043	188,172
	d. Engineering Labor	7,081	7,081	7,081	7,081	28,322
	e. General Line Foreman Labor	20,879	20,879	20,879	20,879	83,517
	f. U/G Construction	27,690	27,690	27,690	27,690	110,760
	g. Police Details	12,000	12,000	12,000	12,000	48,000
	h. Overtime	46,649	46,649	46,649	46,649	186,595
Total: \$		253,576	\$ 253,576	\$ 253,576	\$ 253,576	\$ 1,014,306

Total Construction Projects: \$ 870,650 \$ 756,091 \$ 929,024 \$ 753,648 \$ 3,309,414

#	Other Projects	1st	2nd	3rd	4th	Total
16	Transformers	-	-	142,000	142,000	284,000
17A	Meter Purchases	-	69,000	-	69,000	138,000
17C	AMR High-Powered ERT Comm. Meter Upgrade Project (Partial Carryover)	57,301	57,301	-	-	114,601
17D	AMR High-Powered ERT 500 Club Meter Upgrade Project	-	-	92,713	-	92,713
18	Purchase New Pick-up Trucks	-	-	70,000	-	70,000
19	Purchase Two New Line Department Vehicles	-	-	400,000	-	400,000
20	Build Covered Storage (Multi-year Project)	-	-	-	150,000	150,000
21	HVAC System Upgrade (Multi-year Project)	-	150,000	-	125,000	275,000
22	Engineering Analysis Software and Data Conversion (Partial Carryover)	18,540	18,540	-	-	37,081
23	New Radio System (Multi-year Project)	-	100,000	-	-	100,000
24	Repairs - 226 Ash Street, Station 1 (Multi-year Project)	200,000	320,000	-	-	520,000
26	Communication Equipment	25,000	25,000	25,000	25,000	100,000
27	Hardware Upgrades	45,250	45,250	45,250	45,250	181,000
28	Software and Licensing	45,050	45,050	45,050	45,050	180,200
29	Master Site Plan and Photovoltaic Generation Installation	10,000.00	46,666.67	46,666.67	46,666.67	150,000.00

Total Other Projects: \$ 401,141 \$ 876,807 \$ 866,680 \$ 647,966 \$ 2,792,594

TOTAL FY14: \$ 1,271,791 \$ 1,632,899 \$ 1,795,704 \$ 1,401,614 \$ 6,102,008

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

FY 2013 Capital Plan

E&O Construction – System Projects

- 1** **Reconductoring of Essex Street, Lynnfield Center – *No Activity.***
- 2** **4W13 OH Reconductoring Project, West Street, Wilmington – *No Activity.***
- 3** **Upgrading of Old Lynnfield Center URDs – *(Phase 1 Completed). No Activity.***
- 5** **Shady Lane Drive Area, Wilmington – Reconductoring – *Make ready work. Install poles, and primary and secondary cable, and upgrade transformers. Energized new secondaries.***
- 6** **Federal Street, Wilmington – Reconductoring – *Line Department: Pole framing and wiring for reconductoring. Transfer new primaries onto new poles.***

Station Upgrades

- 8** **Station 4 Relay Replacement Project – Reading – *No Activity.***
- 9** **Station 4 Getaway Replacement – 4W13 – *No Activity.***

SCADA Projects

- 10** **Station 5 RTU Replacement, Wilmington – *No Activity.***
- 4** **Station 4 RTU Replacement – *Engineering time.***

New Customer Service Connections

- 12** **Service Installations – Commercial/Industrial Customers – This item includes new service connections, upgrades, and service replacements for the commercial and industrial customers. This represents the time and materials associated with the replacement of an existing or installation of a new overhead service, the connection of an underground service, etc. This does not include the time and materials associated with pole replacements/installations, transformer replacements/installations, primary or secondary cable replacements/installations, etc. This portion of the project comes under routine construction. *No Activity.***

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

Routine Construction:

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

<i>Pole Setting/Transfers</i>	\$275,817
<i>Maintenance Overhead/Underground</i>	\$347,259
<i>Projects Assigned as Required</i>	\$250,377
<i>Pole Damage (includes knockdowns) some reimbursable</i>	\$72,000
<i>Station Group</i>	\$14,199
<i>Hazmat/Oil Spills</i>	\$1,638
<i>Porcelain Cutout Replacement Program</i>	\$0
<i>Lighting (Street Light Connections)</i>	\$19,491
<i>Storm Trouble</i>	\$134,368
<i>Underground Subdivisions</i>	\$44,051
<i>Animal Guard Installation</i>	\$33,442
<i>Miscellaneous Capital Costs</i>	\$216,583
TOTAL	\$1,409,225

*In the month of March, zero (0) cutouts were charged under this program.
Approximately 13 cutouts were installed new or replaced because of damage making a total of 13 cutouts replaced this month.

Reliability Report

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

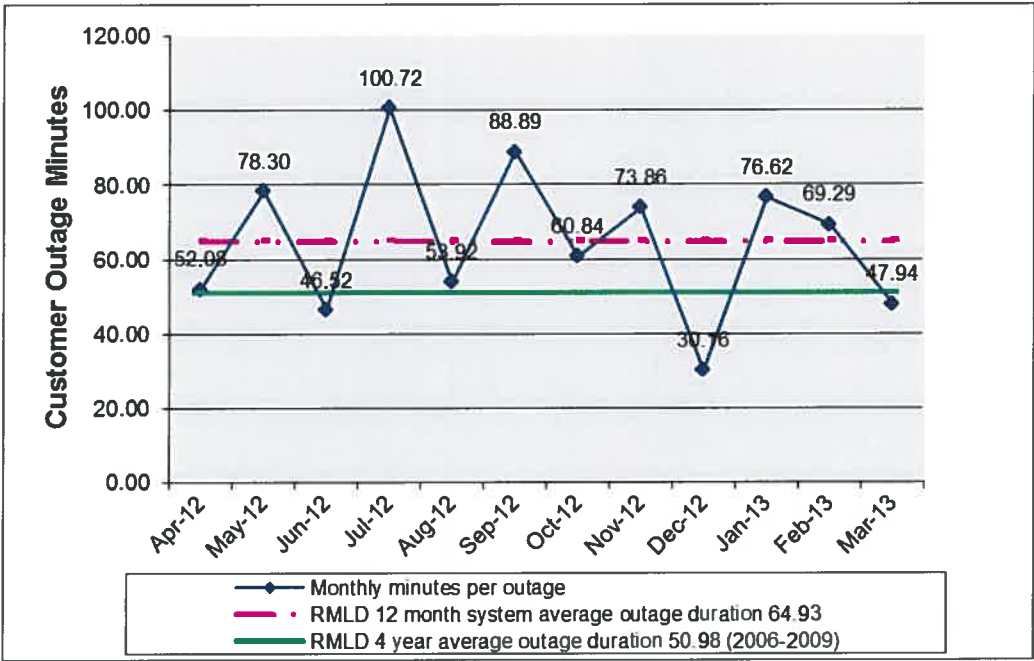
Customer Average Interruption Duration Index (CAIDI) measures how quickly the RMLD restores power to customers when their power goes out.

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

RMLD 12-month system average outage duration: 64.93 minutes

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

On average, RMLD customers that experience an outage are restored in 64.93 minutes.

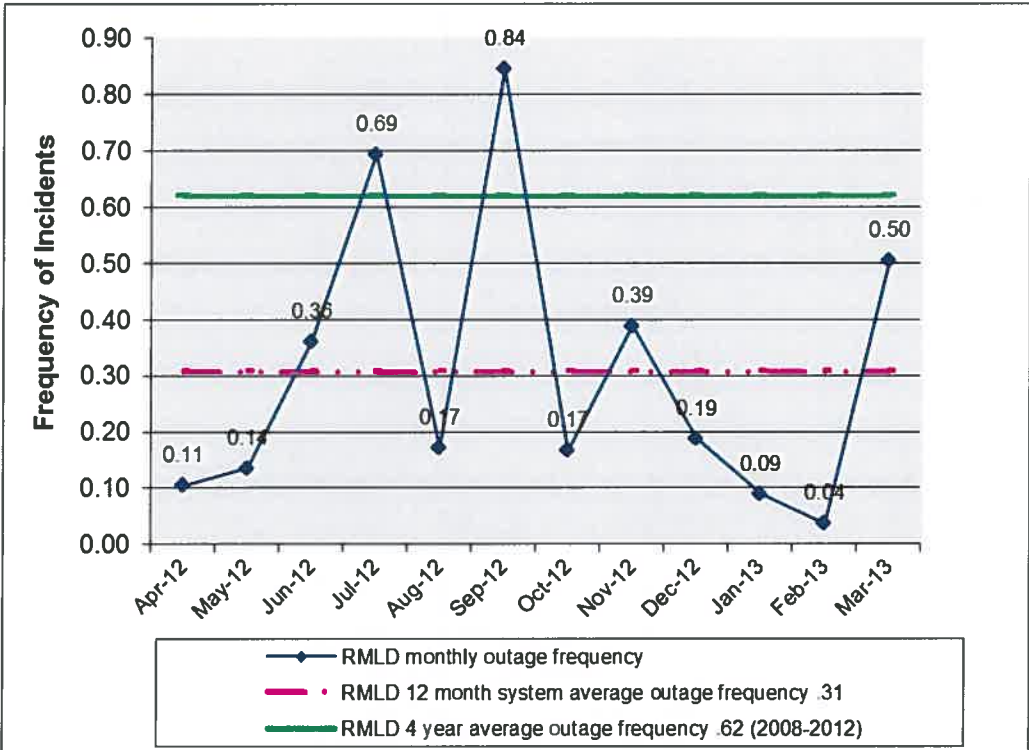


System Average Interruption Frequency (SAIFI) – Measures how many outages each customer experiences per year on average.

SAIFI = Total Number of Customers Interrupted ÷ Total Number of Customers

RMLD 12-month system average: 0.31 outages per year
RMLD four-year average outage frequency: 0.62

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



Months Between Interruptions (MBTI)

Another view of the SAIFI data is the number of months RMLD customers have no interruptions. At this time, the average RMLD customer experiences an outage approximately every 38.7 months.

Dt: May 6, 2013

To: RMLB, Kevin Sullivan., Jeanne Foti

Fr: Bob Fournier

Sj: March 31, 2013 Report

The results for the first nine months ending March 31, 2013, for the fiscal year 2013 will be summarized in the following paragraphs.

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

For the month of March, the net income or the positive change in net assets was \$233,233, increasing the year to date net income to \$2,669,995. The year to date budgeted net income was \$2,104,650 resulting in net income being over budget by \$565,345 or 26.86%. Actual year to date fuel revenues exceeded fuel expenses by \$208,857.

2) Revenues: (Page 11B)

Year to date base revenues were under budget by \$1,463,943 or 4.0%. Actual base revenues were \$34.8 million compared to the budgeted amount of \$36.3 million.

3) Expenses: (Page 12A)

*Year to date purchased power base expense was under budget by \$1,452,916 or 6.37%. Actual purchased power base costs were \$21.3 million compared to the budgeted amount of \$22.8 million.

*Year to date operating and maintenance (O&M) expenses combined were over budget by \$344,138 or 3.79%. Actual O&M expenses were \$9.4 million compared to the budgeted amount of \$9.1 million.

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

4) Cash: (Page 9)

- *Operating Fund was at \$10,910,067.
- * Capital Fund balance was at \$2,913,997.
- * Rate Stabilization Fund was at \$6,689,233.
- * Deferred Fuel Fund was at \$2,478,901.
- * Energy Conservation Fund was at \$263,663.

5) General Information:

Year to date kwh sales (Page 5) were 538,730,154 which is 14.5 million kwh or 2.8%, ahead last year's actual figure. GAW revenues collected ytd were \$538,556 bringing the total collected since inception to \$1,835,639.

6) Budget Variance:

Cumulatively, the five divisions were over budget by \$350,674 or 2.41%.

FINANCIAL REPORT

MARCH 31, 2013

ISSUE DATE: MAY 6, 2013

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF NET ASSETS
3/31/13

		PREVIOUS YEAR	CURRENT YEAR
ASSETS			
CURRENT			
UNRESTRICTED CASH	(SCH A P.9)	9,507,736.92	10,913,067.17
RESTRICTED CASH	(SCH A P.9)	18,546,164.27	18,615,555.42
RECEIVABLES, NET	(SCH B P.10)	6,892,486.82	8,399,705.45
PREPAID EXPENSES	(SCH B P.10)	1,619,841.27	1,122,245.62
INVENTORY		1,432,476.25	1,483,275.62
TOTAL CURRENT ASSETS		<u>37,998,705.53</u>	<u>40,533,849.28</u>
NONCURRENT			
INVESTMENT IN ASSOCIATED CO	(SCH C P.2)	61,574.36	46,958.35
CAPITAL ASSETS, NET	(SCH C P.2)	67,982,049.08	70,397,286.67
TOTAL NONCURRENT ASSETS		<u>68,043,623.44</u>	<u>70,444,245.02</u>
TOTAL ASSETS		<u>106,042,328.97</u>	<u>110,978,094.30</u>
LIABILITIES			
CURRENT			
ACCOUNTS PAYABLE		4,895,437.89	6,287,891.86
CUSTOMER DEPOSITS		609,885.37	676,900.53
CUSTOMER ADVANCES FOR CONSTRUCTION		348,479.94	434,025.95
ACCRUED LIABILITIES		1,222,183.70	1,388,860.36
TOTAL CURRENT LIABILITIES		<u>7,075,986.90</u>	<u>8,787,678.70</u>
NONCURRENT			
ACCRUED EMPLOYEE COMPENSATED ABSENCES		2,934,698.58	2,986,360.21
TOTAL NONCURRENT LIABILITIES		<u>2,934,698.58</u>	<u>2,986,360.21</u>
TOTAL LIABILITIES		<u>10,010,685.48</u>	<u>11,774,038.91</u>
NET ASSETS			
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT		67,982,049.08	70,397,286.67
RESTRICTED FOR DEPRECIATION FUND (P.9)		3,885,277.84	2,913,997.27
UNRESTRICTED		24,164,316.57	25,892,771.45
TOTAL NET ASSETS	(P.3)	<u>96,031,643.49</u>	<u>99,204,055.39</u>
TOTAL LIABILITIES AND NET ASSETS		<u>106,042,328.97</u>	<u>110,978,094.30</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
NONCURRENT ASSET SCHEDULE
3/31/13

SCHEDULE C

	PREVIOUS YEAR	CURRENT YEAR
SCHEDULE OF INVESTMENTS IN ASSOCIATED COMPANIES		
NEW ENGLAND HYDRO ELECTRIC	12,631.19	2,975.74
NEW ENGLAND HYDRO TRANSMISSION	48,943.17	43,982.61
TOTAL INVESTMENTS IN ASSOCIATED COMPANIES	<u>61,574.36</u>	<u>46,958.35</u>
 SCHEDULE OF CAPITAL ASSETS		
LAND	1,265,842.23	1,265,842.23
STRUCTURES AND IMPROVEMENTS	6,644,019.24	6,792,724.53
EQUIPMENT AND FURNISHINGS	12,938,744.32	13,097,181.31
INFRASTRUCTURE	<u>47,133,443.29</u>	<u>49,241,538.60</u>
TOTAL CAPITAL ASSETS, NET	<u>67,982,049.08</u>	<u>70,397,286.67</u>
 TOTAL NONCURRENT ASSETS	<u>68,043,623.44</u>	<u>70,444,245.02</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
3/31/13

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
OPERATING REVENUES: (SCH D P.11)					
BASE REVENUE	3,439,365.28	3,507,589.44	34,155,202.66	34,871,638.11	2.10%
FUEL REVENUE	2,644,228.46	2,979,311.50	27,780,917.32	27,097,366.84	-2.46%
PURCHASED POWER CAPACITY	(10,047.68)	164,132.52	(99,577.55)	1,631,463.68	-1738.39%
FORFEITED DISCOUNTS	68,675.63	73,059.56	705,625.96	744,575.31	5.52%
ENERGY CONSERVATION REVENUE	52,033.30	53,326.09	456,264.18	530,383.52	16.24%
GAW REVENUE	52,898.11	54,181.85	524,194.67	538,556.53	2.74%
NYPA CREDIT	(62,960.97)	(116,734.96)	(523,241.25)	(558,532.26)	6.74%
TOTAL OPERATING REVENUES	6,184,192.13	6,714,866.00	62,999,385.99	64,855,451.73	2.95%
OPERATING EXPENSES: (SCH E P.12)					
PURCHASED POWER BASE	1,929,265.12	2,290,711.93	18,784,769.55	21,346,162.35	13.64%
PURCHASED POWER FUEL	2,585,840.21	2,393,560.37	28,213,544.70	26,329,977.97	-6.68%
OPERATING	725,216.29	913,479.50	6,482,006.72	7,393,272.84	14.06%
MAINTENANCE	185,279.42	291,097.47	2,155,550.13	2,040,007.99	-5.36%
DEPRECIATION	296,027.47	305,469.18	2,664,247.23	2,749,222.62	3.19%
VOLUNTARY PAYMENTS TO TOWNS	113,000.00	114,000.00	1,013,186.00	1,019,383.00	0.61%
TOTAL OPERATING EXPENSES	5,834,628.51	6,308,318.45	59,313,304.33	60,878,026.77	2.64%
OPERATING INCOME	349,563.62	406,547.55	3,686,081.66	3,977,424.96	7.90%
NONOPERATING REVENUES (EXPENSES)					
CONTRIBUTIONS IN AID OF CONST	0.00	7,471.88	45,744.84	112,771.77	146.52%
RETURN ON INVESTMENT TO READING	(183,829.75)	(188,785.58)	(1,654,467.75)	(1,699,070.24)	2.70%
INTEREST INCOME	5,336.60	2,280.43	69,821.38	23,352.71	-66.55%
INTEREST EXPENSE	(501.11)	(253.88)	(6,229.49)	(3,363.12)	-46.01%
OTHER (MDSE AND AMORT)	4,493.24	5,971.93	287,110.38	258,879.32	-9.83%
TOTAL NONOPERATING REV (EXP)	(174,501.02)	(173,315.22)	(1,258,020.64)	(1,307,429.56)	3.93%
CHANGE IN NET ASSETS	175,062.60	233,232.33	2,428,061.02	2,669,995.40	9.96%
NET ASSETS AT BEGINNING OF YEAR			93,603,582.47	96,534,059.99	3.13%
NET ASSETS AT END OF MARCH			96,031,643.49	99,204,055.39	3.30%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
3/31/13

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	34,871,638.11	36,335,582.00	(1,463,943.89)	-4.03%
FUEL REVENUE	27,097,366.84	24,070,493.00	3,026,873.84	12.58%
PURCHASED POWER CAPACITY	1,631,463.68	1,646,822.00	(15,358.32)	-0.93%
FORFEITED DISCOUNTS	744,575.31	799,382.00	(54,806.69)	-6.86%
ENERGY CONSERVATION REVENUE	530,383.52	543,639.00	(13,255.48)	-2.44%
GAW REVENUE	538,556.53	543,639.00	(5,082.47)	-0.93%
NYPA CREDIT	(558,532.26)	(524,997.00)	(33,535.26)	6.39%
TOTAL OPERATING REVENUES	64,855,451.73	63,414,560.00	1,440,891.73	2.27%
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	21,346,162.35	22,799,079.00	(1,452,916.65)	-6.37%
PURCHASED POWER FUEL	26,329,977.97	24,422,183.00	1,907,794.97	7.81%
OPERATING	7,393,272.84	7,172,868.00	220,404.84	3.07%
MAINTENANCE	2,040,007.99	1,916,274.00	123,733.99	6.46%
DEPRECIATION	2,749,222.62	2,737,503.00	11,719.62	0.43%
VOLUNTARY PAYMENTS TO TOWNS	1,019,383.00	1,026,000.00	(6,617.00)	-0.64%
TOTAL OPERATING EXPENSES	60,878,026.77	60,073,907.00	804,119.77	1.34%
OPERATING INCOME	3,977,424.96	3,340,653.00	636,771.96	19.06%
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	112,771.77	300,000.00	(187,228.23)	-62.41%
RETURN ON INVESTMENT TO READING	(1,699,070.24)	(1,698,750.00)	(320.24)	0.02%
INTEREST INCOME	23,352.71	74,997.00	(51,644.29)	-68.86%
INTEREST EXPENSE	(3,363.12)	(2,250.00)	(1,113.12)	49.47%
OTHER (MDSE AND AMORT)	258,879.32	90,000.00	168,879.32	187.64%
TOTAL NONOPERATING REV (EXP)	(1,307,429.56)	(1,236,003.00)	(71,426.56)	5.78%
CHANGE IN NET ASSETS	2,669,995.40	2,104,650.00	565,345.40	26.86%
NET ASSETS AT BEGINNING OF YEAR	96,534,059.99	96,534,059.99	0.00	0.00%
NET ASSETS AT END OF MARCH	99,204,055.39	98,638,709.99	565,345.40	0.57%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
RECONCILIATION OF CAPITAL FUNDS
3/31/13

SOURCE OF CAPITAL FUNDS:

DEPRECIATION FUND BALANCE 7/1/12	2,635,205.70
CONSTRUCTION FUND BALANCE 7/1/12	2,000,000.00
INTEREST ON DEPRECIATION FUND FY 13	5,161.53
DEPRECIATION TRANSFER FY 13	<u>2,749,222.62</u>
TOTAL SOURCE OF CAPITAL FUNDS	7,389,589.85

USE OF CAPITAL FUNDS:

LESS PAID ADDITIONS TO PLANT THRU MARCH	<u>4,475,592.58</u>
GENERAL LEDGER CAPITAL FUNDS BALANCE 3/31/13	<u><u>2,913,997.27</u></u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SALES OF KILOWATT HOURS
3/31/13

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	18,459,107	19,228,009	193,936,516	201,487,139	3.89%
COMM. AND INDUSTRIAL SALES	31,765,922	32,162,730	307,109,139	313,611,078	2.12%
PRIVATE STREET LIGHTING	74,107	73,415	657,990	659,301	0.20%
TOTAL PRIVATE CONSUMERS	<u>50,299,136</u>	<u>51,464,154</u>	<u>501,703,645</u>	<u>515,757,518</u>	2.80%
MUNICIPAL SALES:					
STREET LIGHTING	237,506	238,921	2,150,771	2,144,401	-0.30%
MUNICIPAL BUILDINGS	816,142	981,517	7,274,291	7,553,774	3.84%
TOTAL MUNICIPAL CONSUMERS	<u>1,053,648</u>	<u>1,220,438</u>	<u>9,425,062</u>	<u>9,698,175</u>	2.90%
SALES FOR RESALE	247,963	247,255	2,545,358	2,555,131	0.38%
SCHOOL	1,283,637	1,313,508	10,494,176	10,719,330	2.15%
TOTAL KILOWATT HOURS SOLD	<u>52,884,384</u>	<u>54,245,355</u>	<u>524,168,241</u>	<u>538,730,154</u>	2.78%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
KILOWATT HOURS SOLD BY TOWN
3/31/13

MONTH		TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
	RESIDENTIAL	19,228,009	6,247,836	2,440,413	4,559,538	5,980,222
	COMM & IND	32,162,730	4,360,677	258,550	5,114,512	22,428,991
	PVT ST LIGHTS	73,415	13,433	1,360	21,640	36,982
	PUB ST LIGHTS	238,921	80,536	32,500	41,238	84,647
	MUNI BLDGS	981,517	278,598	242,139	150,294	310,486
	SALES/RESALE	247,255	247,255	0	0	0
	SCHOOL	1,313,508	459,106	282,973	176,000	395,429
	TOTAL	54,245,355	11,687,441	3,257,935	10,063,222	29,236,757

YEAR TO DATE	RESIDENTIAL	201,487,139	63,057,051	28,856,017	46,176,699	63,397,372
	COMM & IND	313,611,078	39,487,763	2,447,179	48,627,072	223,049,064
	PVT ST LIGHTS	659,301	122,113	12,240	192,108	332,840
	PUB ST LIGHTS	2,144,401	724,824	292,460	366,134	760,983
	MUNI BLDGS	7,553,774	1,975,087	1,403,661	1,406,618	2,768,408
	SALES/RESALE	2,555,131	2,555,131	0	0	0
	SCHOOL	10,719,330	3,770,557	2,336,832	1,378,680	3,233,261
	TOTAL	538,730,154	111,692,526	35,348,389	98,147,311	293,541,928

LAST YEAR TO DATE	RESIDENTIAL	193,936,516	60,846,925	27,426,612	45,346,317	60,316,662
	COMM & IND	307,109,139	39,105,171	2,480,135	47,367,987	218,155,846
	PVT ST LIGHTS	657,990	125,405	12,240	194,184	326,161
	PUB ST LIGHTS	2,150,771	724,324	292,062	359,166	775,219
	MUNI BLDGS	7,274,291	1,900,127	1,239,233	1,400,669	2,734,262
	SALES/RESALE	2,545,358	2,545,358	0	0	0
	SCHOOL	10,494,176	3,739,195	2,290,284	1,346,560	3,118,137
	TOTAL	524,168,241	108,986,505	33,740,566	96,014,883	285,426,287

KILOWATT HOURS SOLD TO TOTAL		TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
MONTH	RESIDENTIAL	35.45%	11.52%	4.50%	8.41%	11.02%
	COMM & IND	59.29%	8.04%	0.48%	9.43%	41.34%
	PVT ST LIGHTS	0.14%	0.02%	0.00%	0.04%	0.08%
	PUB ST LIGHTS	0.44%	0.15%	0.06%	0.08%	0.15%
	MUNI BLDGS	1.80%	0.51%	0.45%	0.28%	0.56%
	SALES/RESALE	0.46%	0.46%	0.00%	0.00%	0.00%
	SCHOOL	2.42%	0.85%	0.52%	0.32%	0.73%
	TOTAL	100.00%	21.55%	6.01%	18.56%	53.88%

YEAR TO DATE	RESIDENTIAL	37.40%	11.70%	5.36%	8.57%	11.77%
	COMM & IND	58.21%	7.33%	0.45%	9.03%	41.40%
	PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
	PUB ST LIGHTS	0.40%	0.13%	0.05%	0.07%	0.15%
	MUNI BLDGS	1.40%	0.37%	0.26%	0.26%	0.51%
	SALES/RESALE	0.47%	0.47%	0.00%	0.00%	0.00%
	SCHOOL	2.00%	0.70%	0.44%	0.26%	0.60%
	TOTAL	100.00%	20.72%	6.56%	18.23%	54.49%

LAST YEAR TO DATE	RESIDENTIAL	37.00%	11.61%	5.23%	8.65%	11.51%
	COMM & IND	58.59%	7.46%	0.47%	9.04%	41.62%
	PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
	PUB ST LIGHTS	0.41%	0.14%	0.06%	0.07%	0.14%
	MUNI BLDGS	1.39%	0.36%	0.24%	0.27%	0.52%
	SALES/RESALE	0.49%	0.49%	0.00%	0.00%	0.00%
	SCHOOL	2.00%	0.71%	0.44%	0.26%	0.59%
	TOTAL	100.00%	20.79%	6.44%	18.33%	54.44%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
FORMULA INCOME
3/31/13

TOTAL OPERATING REVENUES	(P.3)	64,855,451.73
ADD:		
POLE RENTAL		0.00
INTEREST INCOME ON CUSTOMER DEPOSITS		982.52
LESS:		
OPERATING EXPENSES	(P.3)	(60,878,026.77)
CUSTOMER DEPOSIT INTEREST EXPENSE		(3,363.12)
FORMULA INCOME (LOSS)		<u>3,975,044.36</u>

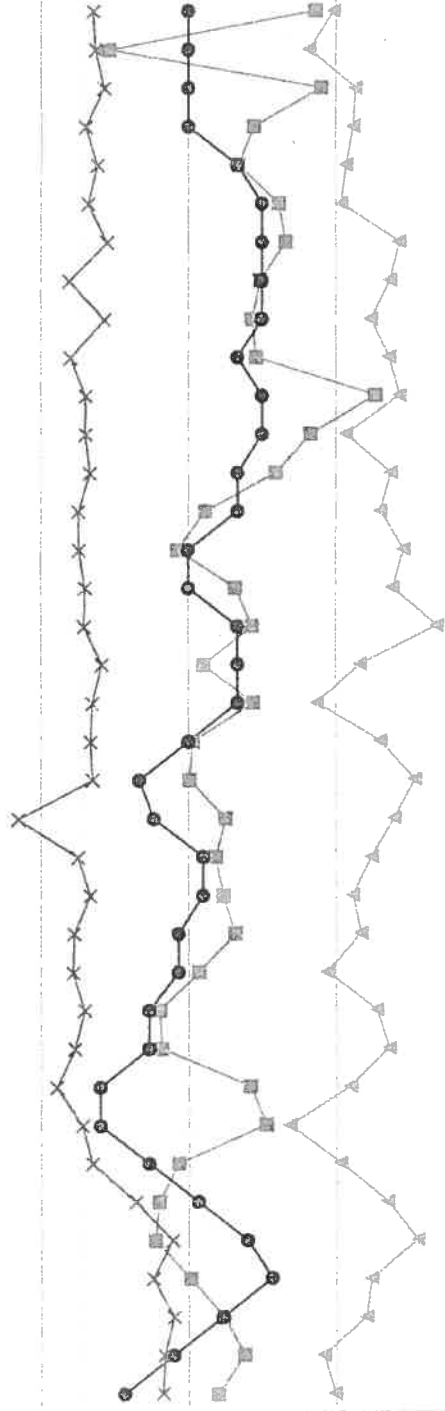
TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
GENERAL STATISTICS
3/31/13

		MONTH OF MAR 2012	MONTH OF MAR 2013	% CHANGE		YEAR MAR 2012	THRU MAR 2013
				2012	2013		
SALE OF KWH	(P.5)	52,884,384	54,245,355	-3.68%	2.78%	524,168,241	538,730,154
KWH PURCHASED		56,054,267	56,991,111	-2.96%	2.01%	543,710,814	554,659,300
AVE BASE COST PER KWH		0.034418	0.040194	-7.12%	11.39%	0.034549	0.038485
AVE BASE SALE PER KWH		0.065036	0.064662	2.34%	-0.66%	0.065161	0.064729
AVE COST PER KWH		0.080549	0.082193	-5.80%	-0.56%	0.086440	0.085956
AVE SALE PER KWH		0.115036	0.119584	-2.49%	-2.65%	0.118161	0.115028
FUEL CHARGE REVENUE (P.3)		2,644,228.46	2,979,311.50	-11.23%	-2.46%	27,780,917.32	27,097,366.84
LOAD FACTOR		76.11%	77.71%				
PEAK LOAD		100,894	100,465				

kwh analysis

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

\$0.085
\$0.070
\$0.055
\$0.040
\$0.025
\$0.010



TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF CASH AND INVESTMENTS
3/31/13

SCHEDULE A

	PREVIOUS YEAR	CURRENT YEAR
UNRESTRICTED CASH		
CASH - OPERATING FUND	9,504,736.92	10,910,067.17
CASH - PETTY CASH	3,000.00	3,000.00
TOTAL UNRESTRICTED CASH	<u>9,507,736.92</u>	<u>10,913,067.17</u>
RESTRICTED CASH		
CASH - DEPRECIATION FUND	3,885,277.84	2,913,997.27
CASH - TOWN PAYMENT	1,192,000.00	908,356.50
CASH - DEFERRED FUEL RESERVE	2,099,356.15	2,478,901.09
CASH - RATE STABILIZATION FUND	6,071,504.39	6,689,233.79
CASH - UNCOLLECTIBLE ACCTS RESERVE	200,000.00	200,000.00
CASH - SICK LEAVE BENEFITS	2,954,366.95	2,987,557.34
CASH - HAZARD WASTE RESERVE	150,000.00	150,000.00
CASH - CUSTOMER DEPOSITS	609,885.37	676,900.53
CASH - ENERGY CONSERVATION	210,142.67	263,663.84
CASH - OPEB	1,173,630.90	1,346,945.06
TOTAL RESTRICTED CASH	<u>18,546,164.27</u>	<u>18,615,555.42</u>
TOTAL CASH BALANCE	<u>28,053,901.19</u>	<u>29,528,622.59</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF ACCOUNTS RECEIVABLE
3/31/13

SCHEDULE B

SCHEDULE OF ACCOUNTS RECEIVABLE	PREVIOUS YEAR	CURRENT YEAR
RESIDENTIAL AND COMMERCIAL	2,419,056.63	3,721,674.62
ACCOUNTS RECEIVABLE - OTHER	154,010.01	278,065.62
ACCOUNTS RECEIVABLE - LIENS	59,902.43	41,347.58
ACCOUNTS RECEIVABLE - EMPLOYEE ADVANCES	892.14	892.14
SALES DISCOUNT LIABILITY	(247,580.71)	(299,659.60)
RESERVE FOR UNCOLLECTIBLE ACCOUNTS	(324,088.05)	(258,551.74)
TOTAL ACCOUNTS RECEIVABLE BILLED	2,062,192.45	3,483,768.62
UNBILLED ACCOUNTS RECEIVABLE	4,830,294.37	4,915,936.83
TOTAL ACCOUNTS RECEIVABLE, NET	6,892,486.82	8,399,705.45

SCHEDULE OF PREPAYMENTS		
PREPAID INSURANCE	1,037,132.43	986,045.51
PREPAYMENT PURCHASED POWER	174,438.64	(308,556.70)
PREPAYMENT PASNY	238,330.65	241,849.32
PREPAYMENT WATSON	155,415.85	188,383.79
PURCHASED POWER WORKING CAPITAL	14,523.70	14,523.70
TOTAL PREPAYMENT	1,619,841.27	1,122,245.62

ACCOUNTS RECEIVABLE AGING MARCH 2013:

RESIDENTIAL AND COMMERCIAL	3,721,674.62
LESS: SALES DISCOUNT LIABILITY	(299,659.60)
GENERAL LEDGER BALANCE	3,422,015.02

CURRENT	2,916,829.42	85.23%
30 DAYS	356,815.17	10.43%
60 DAYS	73,514.74	2.15%
90 DAYS	17,382.45	0.51%
OVER 90 DAYS	57,473.24	1.68%
TOTAL	3,422,015.02	100.00%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE
3/31/13

SCHEDULE D

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	2,376,697.02	2,564,040.07	25,465,552.38	25,801,868.91	1.32%
COMM AND INDUSTRIAL SALES	3,405,400.85	3,590,950.55	33,730,543.24	33,473,582.95	-0.76%
PRIVATE STREET LIGHTING	6,030.01	6,268.84	59,725.49	53,360.53	-10.66%
TOTAL PRIVATE CONSUMERS	<u>5,788,127.88</u>	<u>6,161,259.46</u>	<u>59,255,821.11</u>	<u>59,328,812.39</u>	0.12%
MUNICIPAL SALES:					
STREET LIGHTING	28,572.25	29,343.26	284,314.46	255,906.69	-9.99%
MUNICIPAL BUILDINGS	95,431.26	114,951.07	879,020.44	877,198.62	-0.21%
TOTAL MUNICIPAL CONSUMERS	<u>124,003.51</u>	<u>144,294.33</u>	<u>1,163,334.90</u>	<u>1,133,105.31</u>	-2.60%
SALES FOR RESALE	29,533.12	30,567.53	311,048.17	303,729.07	-2.35%
SCHOOL	<u>141,929.23</u>	<u>150,779.62</u>	<u>1,205,915.80</u>	<u>1,203,358.18</u>	-0.21%
SUB-TOTAL	6,083,593.74	6,486,900.94	61,936,119.98	61,969,004.95	0.05%
FORFEITED DISCOUNTS	68,675.63	73,059.56	705,625.96	744,575.31	5.52%
PURCHASED POWER CAPACITY	(10,047.68)	164,132.52	(99,577.55)	1,631,463.68	-1738.39%
ENERGY CONSERVATION - RESIDENTIAL	18,474.02	19,244.77	170,591.49	201,611.24	18.18%
ENERGY CONSERVATION - COMMERCIAL	33,559.28	34,081.32	285,672.69	328,772.28	15.09%
GAW REVENUE	52,898.11	54,181.85	524,194.67	538,556.53	2.74%
NYPA CREDIT	(62,960.97)	(116,734.96)	(523,241.25)	(558,532.26)	6.74%
TOTAL REVENUE	<u>6,184,192.13</u>	<u>6,714,866.00</u>	<u>62,999,385.99</u>	<u>64,855,451.73</u>	2.95%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE BY TOWN
3/31/13

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	2,564,040.07	835,526.09	324,553.32	606,934.16	797,026.50
INDUS/MUNI BLDG	3,705,901.62	534,886.40	59,609.79	604,352.44	2,507,052.99
PUB.ST.LIGHTS	29,343.26	9,580.30	3,795.53	5,155.10	10,812.33
PRV.ST.LIGHTS	6,268.84	1,131.31	114.44	1,908.69	3,114.40
CO-OP RESALE	30,567.53	30,567.53	0.00	0.00	0.00
SCHOOL	150,779.62	52,953.03	32,071.00	20,796.46	44,959.13
TOTAL	<u>6,486,900.94</u>	<u>1,464,644.66</u>	<u>420,144.08</u>	<u>1,239,146.85</u>	<u>3,362,965.35</u>

THIS YEAR TO DATE

RESIDENTIAL	25,801,868.91	8,107,280.66	3,672,058.44	5,908,238.23	8,114,291.58
INDUS/MUNI BLDG	34,350,781.57	4,720,523.84	445,022.63	5,496,504.62	23,688,730.48
PUB.ST.LIGHTS	255,906.69	83,001.34	32,853.81	46,254.73	93,796.81
PRV.ST.LIGHTS	53,360.53	9,742.27	975.60	16,100.79	26,541.87
CO-OP RESALE	303,729.07	303,729.07	0.00	0.00	0.00
SCHOOL	1,203,358.18	426,663.71	258,911.32	159,064.89	358,718.26
TOTAL	<u>61,969,004.95</u>	<u>13,650,940.89</u>	<u>4,409,821.78</u>	<u>11,626,163.27</u>	<u>32,282,079.01</u>

LAST YEAR TO DATE

RESIDENTIAL	25,465,552.38	8,009,440.50	3,590,725.78	5,941,152.47	7,924,233.63
INDUS/MUNI BLDG	34,609,563.68	4,799,177.74	443,401.73	5,504,653.65	23,862,330.56
PUB.ST.LIGHTS	284,314.46	91,332.20	35,367.94	51,035.17	106,579.15
PRV.ST.LIGHTS	59,725.49	11,129.02	1,089.20	18,507.15	29,000.12
CO-OP RESALE	311,048.17	311,048.17	0.00	0.00	0.00
SCHOOL	1,205,915.80	433,454.85	258,640.74	158,744.77	355,075.44
TOTAL	<u>61,936,119.98</u>	<u>13,655,582.48</u>	<u>4,329,225.39</u>	<u>11,674,093.21</u>	<u>32,277,218.90</u>

PERCENTAGE OF OPERATING INCOME TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	39.53%	12.88%	5.00%	9.36%	12.29%
INDUS/MUNI BLDG	57.13%	8.25%	0.92%	9.32%	38.64%
PUB.ST.LIGHTS	0.45%	0.15%	0.06%	0.08%	0.16%
PRV.ST.LIGHTS	0.10%	0.02%	0.00%	0.03%	0.05%
CO-OP RESALE	0.47%	0.47%	0.00%	0.00%	0.00%
SCHOOL	2.32%	0.82%	0.49%	0.32%	0.69%
TOTAL	<u>100.00%</u>	<u>22.59%</u>	<u>6.47%</u>	<u>19.11%</u>	<u>51.83%</u>

THIS YEAR TO DATE

RESIDENTIAL	41.64%	13.08%	5.93%	9.53%	13.10%
INDUS/MUNI BLDG	55.43%	7.62%	0.72%	8.87%	38.22%
PUB.ST.LIGHTS	0.41%	0.13%	0.05%	0.07%	0.16%
PRV.ST.LIGHTS	0.09%	0.02%	0.00%	0.03%	0.04%
CO-OP RESALE	0.49%	0.49%	0.00%	0.00%	0.00%
SCHOOL	1.94%	0.69%	0.42%	0.26%	0.57%
TOTAL	<u>100.00%</u>	<u>22.03%</u>	<u>7.12%</u>	<u>18.76%</u>	<u>52.09%</u>

LAST YEAR TO DATE

RESIDENTIAL	41.11%	12.93%	5.80%	9.59%	12.79%
INDUS/MUNI BLDG	55.88%	7.75%	0.72%	8.89%	38.52%
PUB.ST.LIGHTS	0.46%	0.15%	0.06%	0.08%	0.17%
PRV.ST.LIGHTS	0.10%	0.02%	0.00%	0.03%	0.05%
CO-OP RESALE	0.50%	0.50%	0.00%	0.00%	0.00%
SCHOOL	1.95%	0.70%	0.42%	0.26%	0.57%
TOTAL	<u>100.00%</u>	<u>22.05%</u>	<u>7.00%</u>	<u>18.85%</u>	<u>52.10%</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED REVENUE VARIANCE REPORT
3/31/13

SCHEDULE F

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
SALES OF ELECTRICITY:				
RESIDENTIAL	15,666,435.05	16,287,664.00	(621,228.95)	-3.81%
COMM AND INDUSTRIAL SALES PRIVATE STREET LIGHTING MUNICIPAL BUILDINGS	18,224,259.73	19,015,843.00	(791,583.27)	-4.16%
PUBLIC STREET LIGHTING	147,480.24	151,842.00	(4,361.76)	-2.87%
SALES FOR RESALE	175,659.76	215,846.00	(40,186.24)	-18.62%
SCHOOL	<u>657,803.33</u>	<u>664,387.00</u>	<u>(6,583.67)</u>	-0.99%
TOTAL BASE SALES	34,871,638.11	36,335,582.00	(1,463,943.89)	-4.03%
TOTAL FUEL SALES	<u>27,097,366.84</u>	<u>24,070,493.00</u>	<u>3,026,873.84</u>	12.58%
TOTAL OPERATING REVENUE	61,969,004.95	60,406,075.00	1,562,929.95	2.59%
FORFEITED DISCOUNTS	744,575.31	799,382.00	(54,806.69)	-6.86%
PURCHASED POWER CAPACITY	1,631,463.68	1,646,822.00	(15,358.32)	-0.93%
ENERGY CONSERVATION - RESIDENTIAL	201,611.24	201,608.00	3.24	0.00%
ENERGY CONSERVATION - COMMERCIAL	328,772.28	342,031.00	(13,258.72)	-3.88%
GAW REVENUE	538,556.53	543,639.00	(5,082.47)	-0.93%
PASNY CREDIT	(558,532.26)	(524,997.00)	(33,535.26)	6.39%
TOTAL OPERATING REVENUES	<u>64,855,451.73</u>	<u>63,414,560.00</u>	<u>1,440,891.73</u>	2.27%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING EXPENSES
3/31/13

SCHEDULE E

OPERATION EXPENSES:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
PURCHASED POWER BASE EXPENSE	1,929,265.12	2,290,711.93	18,784,769.55	21,346,162.35	13.64%
OPERATION SUP AND ENGINEERING EXP	44,211.19	47,468.68	391,697.39	381,541.37	-2.59%
STATION SUP LABOR AND MISC	8,290.67	5,080.47	83,464.62	56,032.53	-32.87%
LINE MISC LABOR AND EXPENSE	47,787.73	52,724.38	501,125.86	497,413.71	-0.74%
STATION LABOR AND EXPENSE	37,678.02	32,702.52	354,391.90	381,051.25	7.52%
STREET LIGHTING EXPENSE	11,656.54	6,818.22	89,687.16	60,444.46	-32.61%
METER EXPENSE	20,212.22	14,890.47	185,634.06	139,940.31	-24.61%
MISC DISTRIBUTION EXPENSE	32,097.11	34,282.96	253,541.69	258,115.99	1.80%
METER READING LABOR & EXPENSE	8,660.70	5,331.11	69,531.68	62,952.69	-9.46%
ACCT & COLL LABOR & EXPENSE	126,984.75	129,714.92	1,049,674.39	1,115,179.36	6.24%
UNCOLLECTIBLE ACCOUNTS	16,000.00	8,333.33	144,000.00	74,999.97	-47.92%
ENERGY AUDIT EXPENSE	34,475.69	68,289.48	328,694.51	396,802.58	20.72%
ADMIN & GEN SALARIES	69,069.76	70,715.55	563,517.41	579,345.53	2.81%
OFFICE SUPPLIES & EXPENSE	20,539.30	21,988.91	168,967.71	189,755.30	12.30%
OUTSIDE SERVICES	72,354.06	72,658.99	326,194.90	392,314.75	20.27%
PROPERTY INSURANCE	39,391.97	29,926.00	290,338.93	280,095.43	-3.53%
INJURIES AND DAMAGES	3,328.04	2,137.31	14,137.38	33,168.68	134.62%
EMPLOYEES PENSIONS & BENEFITS	87,035.66	229,519.26	964,729.23	1,651,958.25	71.24%
MISC GENERAL EXPENSE	10,648.35	7,500.24	139,239.70	125,423.26	-9.92%
RENT EXPENSE	14,093.53	18,177.14	146,528.41	151,136.71	3.14%
ENERGY CONSERVATION	20,701.00	55,219.56	416,909.79	565,600.71	35.67%
TOTAL OPERATION EXPENSES	725,216.29	913,479.50	6,482,006.72	7,393,272.84	14.06%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	227.08	227.08	2,043.74	2,043.74	0.00%
MAINT OF STRUCT AND EQUIPMT	5,691.58	15,592.93	201,156.37	106,593.18	-47.01%
MAINT OF LINES - OH	103,476.04	136,501.12	1,261,768.10	1,149,905.14	-8.87%
MAINT OF LINES - UG	6,225.61	29,107.51	131,839.00	139,320.89	5.68%
MAINT OF LINE TRANSFORMERS	0.00	27,371.50	32,762.59	120,931.17	269.11%
MAINT OF ST LT & SIG SYSTEM	(82.18)	291.29	(490.50)	2.48	-100.51%
MAINT OF GARAGE AND STOCKROOM	54,848.77	65,744.17	402,318.47	408,324.52	1.49%
MAINT OF METERS	8,535.03	3,737.98	64,686.50	25,477.23	-60.61%
MAINT OF GEN PLANT	6,357.49	12,523.89	59,465.86	87,409.64	46.99%
TOTAL MAINTENANCE EXPENSES	185,279.42	291,097.47	2,155,550.13	2,040,007.99	-5.36%
DEPRECIATION EXPENSE	296,027.47	305,469.18	2,664,247.23	2,749,222.62	3.19%
PURCHASED POWER FUEL EXPENSE	2,585,840.21	2,393,560.37	28,213,544.70	26,329,977.97	-6.68%
VOLUNTARY PAYMENTS TO TOWNS	113,000.00	114,000.00	1,013,186.00	1,019,383.00	0.61%
TOTAL OPERATING EXPENSES	5,834,628.51	6,308,318.45	59,313,304.33	60,878,026.77	2.64%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
3/31/13

SCHEDULE G

OPERATION EXPENSES:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
PURCHASED POWER BASE EXPENSE	21,346,162.35	22,799,079.00	(1,452,916.65)	-6.37%
OPERATION SUP AND ENGINEERING EXP	381,541.37	352,445.00	29,096.37	8.26%
STATION SUP LABOR AND MISC	56,032.53	60,480.00	(4,447.47)	-7.35%
LINE MISC LABOR AND EXPENSE	497,413.71	493,061.00	4,352.71	0.88%
STATION LABOR AND EXPENSE	381,051.25	338,839.00	42,212.25	12.46%
STREET LIGHTING EXPENSE	60,444.46	62,585.00	(2,140.54)	-3.42%
METER EXPENSE	139,940.31	144,205.00	(4,264.69)	-2.96%
MISC DISTRIBUTION EXPENSE	258,115.99	275,004.00	(16,888.01)	-6.14%
METER READING LABOR & EXPENSE	62,952.69	67,951.00	(4,998.31)	-7.36%
ACCT & COLL LABOR & EXPENSE	1,115,179.36	1,043,810.00	71,369.36	6.84%
UNCOLLECTIBLE ACCOUNTS	74,999.97	74,997.00	2.97	0.00%
ENERGY AUDIT EXPENSE	396,802.58	362,371.00	34,431.58	9.50%
ADMIN & GEN SALARIES	579,345.53	571,722.00	7,623.53	1.33%
OFFICE SUPPLIES & EXPENSE	189,755.30	190,488.00	(732.70)	-0.38%
OUTSIDE SERVICES	392,314.75	422,421.00	(30,106.25)	-7.13%
PROPERTY INSURANCE	280,095.43	353,637.00	(73,541.57)	-20.80%
INJURIES AND DAMAGES	33,168.68	42,587.00	(9,418.32)	-22.12%
EMPLOYEES PENSIONS & BENEFITS	1,651,958.25	1,464,159.00	187,799.25	12.83%
MISC GENERAL EXPENSE	125,423.26	163,970.00	(38,546.74)	-23.51%
RENT EXPENSE	151,136.71	159,003.00	(7,866.29)	-4.95%
ENERGY CONSERVATION	565,600.71	529,133.00	36,467.71	6.89%
TOTAL OPERATION EXPENSES	7,393,272.84	7,172,868.00	220,404.84	3.07%
MAINTENANCE EXPENSES:				
MAINT OF TRANSMISSION PLANT	2,043.74	2,250.00	(206.26)	-9.17%
MAINT OF STRUCT AND EQUIPMENT	106,593.18	87,109.00	19,484.18	22.37%
MAINT OF LINES - OH	1,149,905.14	902,956.00	246,949.14	27.35%
MAINT OF LINES - UG	139,320.89	124,454.00	14,866.89	11.95%
MAINT OF LINE TRANSFORMERS	120,931.17	142,613.00	(21,681.83)	-15.20%
MAINT OF ST LT & SIG SYSTEM	2.48	7,292.00	(7,289.52)	-99.97%
MAINT OF GARAGE AND STOCKROOM	408,324.52	504,992.00	(96,667.48)	-19.14%
MAINT OF METERS	25,477.23	46,274.00	(20,796.77)	-44.94%
MAINT OF GEN PLANT	87,409.64	98,334.00	(10,924.36)	-11.11%
TOTAL MAINTENANCE EXPENSES	2,040,007.99	1,916,274.00	123,733.99	6.46%
DEPRECIATION EXPENSE	2,749,222.62	2,737,503.00	11,719.62	0.43%
PURCHASED POWER FUEL EXPENSE	26,329,977.97	24,422,183.00	1,907,794.97	7.81%
VOLUNTARY PAYMENTS TO TOWNS	1,019,383.00	1,026,000.00	(6,617.00)	-0.64%
TOTAL OPERATING EXPENSES	60,878,026.77	60,073,907.00	804,119.77	1.34%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
3/31/13

OPERATION EXPENSES:	RESPONSIBLE SENIOR MANAGER	2013 ANNUAL BUDGET	ACTUAL YEAR TO DATE	REMAINING BUDGET BALANCE	REMAINING BUDGET %
PURCHASED POWER BASE EXPENSE	JP	<u>30,102,742.00</u>	<u>21,346,162.35</u>	<u>8,756,579.65</u>	29.09%
OPERATION SUP AND ENGINEERING EXP	KS	468,949.00	381,541.37	87,407.63	18.64%
STATION SUP LABOR AND MISC	KS	79,813.00	56,032.53	23,780.47	29.80%
LINE MISC LABOR AND EXPENSE	KS	671,309.00	497,413.71	173,895.29	25.90%
STATION LABOR AND EXPENSE	KS	448,249.00	381,051.25	67,197.75	14.99%
STREET LIGHTING EXPENSE	KS	83,106.00	60,444.46	22,661.54	27.27%
METER EXPENSE	KS	197,329.00	139,940.31	57,388.69	29.08%
MISC DISTRIBUTION EXPENSE	KS	366,489.00	258,115.99	108,373.01	29.57%
METER READING LABOR & EXPENSE	KS	69,946.00	62,952.69	6,993.31	10.00%
ACCT & COLL LABOR & EXPENSE	RF	1,385,210.00	1,115,179.36	270,030.64	19.49%
UNCOLLECTIBLE ACCOUNTS	RF	100,000.00	74,999.97	25,000.03	25.00%
ENERGY AUDIT EXPENSE	JP	479,013.00	396,802.58	82,210.42	17.16%
ADMIN & GEN SALARIES	KS	761,068.00	579,345.53	181,722.47	23.88%
OFFICE SUPPLIES & EXPENSE	KS	253,950.00	189,755.30	64,194.70	25.28%
OUTSIDE SERVICES	KS	507,125.00	392,314.75	114,810.25	22.64%
PROPERTY INSURANCE	KS	471,500.00	280,095.43	191,404.57	40.59%
INJURIES AND DAMAGES	KS	56,619.00	33,168.68	23,450.32	41.42%
EMPLOYEES PENSIONS & BENEFITS	KS	1,889,623.00	1,651,958.25	237,664.75	12.58%
MISC GENERAL EXPENSE	KS	200,785.00	125,423.26	75,361.74	37.53%
RENT EXPENSE	KS	212,000.00	151,136.71	60,863.29	28.71%
ENERGY CONSERVATION	JP	697,983.00	565,600.71	132,382.29	18.97%
TOTAL OPERATION EXPENSES		<u>8,823,105.00</u>	<u>7,393,272.84</u>	<u>2,006,793.16</u>	22.74%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	KS	3,000.00	2,043.74	956.26	31.88%
MAINT OF STRUCT AND EQUIPMT	KS	114,120.00	106,593.18	7,526.82	6.60%
MAINT OF LINES - OH	KS	1,250,421.00	1,149,905.14	100,515.86	8.04%
MAINT OF LINES - UG	KS	285,371.00	139,320.89	146,050.11	51.18%
MAINT OF LINE TRANSFORMERS	KS	188,500.00	120,931.17	67,568.83	35.85%
MAINT OF ST LT & SIG SYSTEM	KS	9,684.00	2.48	9,681.52	99.97%
MAINT OF GARAGE AND STOCKROOM	KS	672,589.00	408,324.52	264,264.48	39.29%
MAINT OF METERS	KS	47,392.00	25,477.23	21,914.77	46.24%
MAINT OF GEN PLANT	RF	131,320.00	87,409.64	43,910.36	33.44%
TOTAL MAINTENANCE EXPENSES		<u>2,817,401.00</u>	<u>2,040,007.99</u>	<u>662,389.01</u>	23.51%
DEPRECIATION EXPENSE	RF	3,650,000.00	2,749,222.62	900,777.38	24.68%
PURCHASED POWER FUEL EXPENSE	JP	30,500,000.00	26,329,977.97	4,170,022.03	13.67%
VOLUNTARY PAYMENTS TO TOWNS	RF	1,368,000.00	1,019,383.00	348,617.00	25.48%
TOTAL OPERATING EXPENSES		<u>83,767,500.00</u>	<u>60,878,026.77</u>	<u>16,845,178.23</u>	20.11%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
PROFESSIONAL SERVICES
3/31/2013

PROFESSIONAL SERVICES BY PROJECT

ITEM	DEPARTMENT	ACTUAL	BUDGET	VARIANCE
1 RMLD AND PENSION TRUST AUDIT FEES	ACCOUNTING	32,750.00	32,250.00	500.00
2 PENSION ACTUARIAL EVALUATION	ACCOUNTING	3,750.00	0.00	3,750.00
3 LEGAL- FERC/ISO ISSUES	ENERGY SERVICE	0.00	13,500.00	(13,500.00)
4 LEGAL- POWER SUPPLY ISSUES	ENERGY SERVICE	25,117.85	33,750.00	(8,632.15)
5 PROFESSIONAL SERVICES	ENERGY SERVICE	9,939.80	18,000.00	(8,060.20)
6 NERC COMPLIANCE AND AUDIT	E & O	10,357.50	12,500.00	(2,142.50)
7 LOAD CAPACITY STUDY	ENGINEERING	0.00	11,250.00	(11,250.00)
8 STROM HARDENING STUDY	ENGINEERING	0.00	50,000.00	(50,000.00)
9 LEGAL-GENERAL, MMWEC AUDIT	GM	83,360.81	112,500.00	(29,139.19)
10 LEGAL SERVICES-GENERAL	HR	110,474.80	45,600.00	64,874.80
11 LEGAL SERVICES-NEGOTIATIONS	HR	63,245.17	36,800.00	26,445.17
12 LEGAL GENERAL	BLDG. MAINT.	10,300.90	1,125.00	9,175.90
13 SURVEY RIGHT OF WAY	BLDG. MAINT.	0.00	3,753.00	(3,753.00)
14 ENVIRONMENTAL	BLDG. MAINT.	0.00	3,753.00	(3,753.00)
15 ENGINEERING SERVICES	BLDG. MAINT.	14,118.05	6,390.00	7,728.05
16 REPAIR RAMP AND DECK AREA	BLDG. MAINT.	0.00	30,000.00	(30,000.00)
17 INSURANCE CONSULTANT	GEN. BENEFIT	0.00	7,497.00	(7,497.00)
18 LEGAL	GEN. BENEFIT	899.60	3,753.00	(2,853.40)
19 SITE ASSESSMENT FOR MAJOR UPGRADE	ACCOUNTING	2,056.27	0.00	2,056.27
20 GENERAL BANKRUPTCY	ACCOUNTING	1,444.00	0.00	1,444.00
21 EXECUTIVE SEARCH- GM	GM	24,500.00	0.00	24,500.00
TOTAL		392,314.75	422,421.00	(30,106.25)

PROFESSIONAL SERVICES BY VENDOR

	ACTUAL
MELANSON HEATH & COMPANY	33,500.00
HUDSON RIVER ENERGY GROUP	2,895.80
STONE CONSULTING INC.	3,750.00
RUBIN AND RUDMAN	47,054.23
UTILITY SERVICES INC.	10,357.50
DUNCAN & ALLEN	71,038.93
CHOATE HALL & STEWART	165,658.98
MENDERS TORREY & SPENCER	12,385.55
RICHARD HIGGINS ARBITRATOR	2,710.00
GARRY WOOTERS ARBITRATOR	2,812.00
MICHAEL BROWN ARBITRATOR	2,538.99
WILLIAM F. CROWLEY ATTORNEY	2,280.00
CMEEC	7,044.00
JM ASSOCIATES	1,732.50
DACRI & ASSOCIATES LLC	24,500.00
COGSDALE	2,056.27
TOTAL	392,314.75

RMLD
BUDGET VARIANCE REPORT
FOR PERIOD ENDING MARCH 31, 2013

DIVISION	ACTUAL	BUDGET	VARIANCE	CHANGE
ENGINEERING AND OPERATIONS	3,250,859	3,058,328	192,531	6.30%
ENERGY SERVICES	998,703	957,133	41,570	4.34%
GENERAL MANAGER	732,119	676,129	55,990	8.28%
FACILITY MANAGER	2,916,149	2,934,414	(18,265)	-0.62%
BUSINESS DIVISION	7,006,488	6,927,640	78,848	1.14%
SUB-TOTAL	<u>14,904,318</u>	<u>14,553,644</u>	<u>350,674</u>	2.41%
PURCHASED POWER - BASE	21,346,162	22,799,079	(1,452,917)	-6.37%
PURCHASED POWER - FUEL	26,329,978	24,422,183	1,907,795	7.81%
TOTAL	<u><u>62,580,459</u></u>	<u><u>61,774,906</u></u>	<u><u>805,553</u></u>	1.30%

RMLD
DEFERRED FUEL CASH RESERVE ANALYSIS
3/31/13

DATE	GROSS CHARGES	REVENUES	NYPA CREDIT	MONTHLY DEFERRED	TOTAL DEFERRED
Jun-12					2,270,044.48
Jul-12	3,581,715.28	3,492,843.61	(61,106.90)	(149,978.57)	2,120,065.91
Aug-12	3,578,611.20	2,914,978.35	(44,365.80)	(707,998.65)	1,412,067.26
Sep-12	2,646,309.32	3,486,749.45	(47,478.80)	792,961.33	2,205,028.59
Oct-12	2,595,375.45	2,389,147.98	(48,781.28)	(255,008.75)	1,950,019.84
Nov-12	2,744,817.28	2,740,129.47	(22,566.16)	(27,253.97)	1,922,765.87
Dec-12	2,868,712.69	2,987,105.82	(68,965.36)	49,427.77	1,972,193.64
Jan-13	2,523,166.59	3,076,267.45	(70,691.63)	482,409.23	2,454,602.87
Feb-13	3,397,709.79	3,030,833.21	(77,841.37)	(444,717.95)	2,009,884.92
Mar-13	2,393,560.37	2,979,311.50	(116,734.96)	469,016.17	2,478,901.09

RMLD
STAFFING REPORT
FOR FISCAL YEAR ENDING JUNE, 2013

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

To: Kevin Sullivan

From: Energy Services

Date: May 9, 2013

Subject: Purchase Power Summary – March, 2013

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

ENERGY

The RMLD’s total metered load for the month was 56,989,368 kwh, which is a 1.80% increase from the March, 2012 figures.

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

TABLE 1					
Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy	Total \$ Costs	\$ as a %
Millstone #3	3,712,818	\$6.99	6.51%	\$25,944	1.08%
Seabrook	5,891,415	\$8.22	10.34%	\$48,405	2.02%
Stonybrook Intermediate	944,429	\$109.30	1.66%	\$103,221	4.31%
JP Morgan	6,286,150	\$57.54	11.03%	\$361,696	15.11%
NextEra	6,435,000	\$49.11	11.29%	\$316,015	13.20%
NYPA	2,068,825	\$4.92	3.63%	\$10,179	0.43%
ISO Interchange	10,321,916	\$54.28	18.11%	\$560,306	23.41%
NEMA Congestion	0	\$0.00	0.00%	-\$75,383	-3.15%
Coop Resales	2,152	-\$5,500.22	0.00%	-\$11,836	-0.49%
MacQuarie	8,858,000	\$38.56	15.54%	\$341,548	14.27%
Summit Hydro	1,770,565	\$57.55	3.11%	\$101,893	4.26%
Braintree Watson Unit	443,775	\$150.65	0.78%	\$66,853	2.79%
Swift River Projects	2,027,887	\$102.05	3.56%	\$206,955	8.65%
Constellation Energy	8,194,630	\$40.59	14.38%	\$332,595	13.90%
Stonybrook Peaking	33,549	\$154.11	0.06%	\$5,170	0.22%
Monthly Total	56,991,111	\$42.00	100.00%	\$2,393,560	100.00%

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

Table 2			
Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP *	13,833,426	56.38	24.27%
Settlement			
RT Net Energy **	-3,511,510	58.53	-6.16%
Settlement			
ISO Interchange (subtotal)	10,321,916	54.28	18.11%
* Independent System Operator Day-Ahead Locational Marginal Price			
** Real Time Net Energy			

CAPACITY

The RMLD hit a demand of 100,465 kW, which occurred on March 7, at 7 pm. The RMLD’s monthly UCAP requirement for March, 2013 was 211,828 kW.

Table 3 shows the sources of capacity that the RMLD utilized to meet its requirements.

Table 3				
Source	Amount (kW)	Cost (\$/kW-month)	Total Cost \$	% of Total Cost
Millstone #3	4,991	45.52	\$227,206	15.49%
Seabrook	7,742	49.44	\$382,743	26.09%
Stonybrook Peaking	24,981	1.94	\$48,486	3.31%
Stonybrook CC	42,925	3.81	\$163,409	11.14%
NYP&A	4,019	3.57	\$14,347	0.98%
Hydro Quebec	4,584	4.52	\$20,715	1.41%
Nextera	60,000	5.50	\$330,000	22.50%
Braintree Watson Unit	10,520	11.07	\$116,473	7.94%
ISO-NE Supply Auction	52,066	3.14	\$163,536	11.15%
Total	211,828	\$6.93	\$1,466,915	100.00%

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

Table 4						
Resource	Energy	Capacity	Total cost	% of Total Cost	Amt of Energy (kWh)	Cost of Power (\$/kWh)
Millstone #3	\$25,944	\$227,206	\$253,149	6.56%	3,712,818	0.0682
Seabrook	\$48,405	\$382,743	\$431,148	11.17%	5,891,415	0.0732
Stonybrook Intermediate	\$103,221	\$163,409	\$266,630	6.91%	944,429	0.2823
Hydro Quebec	\$0	\$20,715	\$20,715	0.54%	-	0.0000
JP Morgan	\$361,696	\$0	\$361,696	9.37%	6,286,150	0.0575
NextEra	\$316,015	\$330,000	\$646,015	16.73%	6,435,000	0.1004
* NYPA	\$10,179	\$14,347	\$24,526	0.64%	2,068,825	0.0119
ISO Interchange	\$560,306	\$163,536	\$723,842	18.75%	10,321,916	0.0701
Nema Congestion	-\$75,383	\$0	-\$75,383	-1.95%	-	0.0000
MacQuarie	\$341,548	\$0	\$341,548	8.85%	8,858,000	0.0386
* Summit Hydro	\$101,893	\$0	\$101,893	2.64%	1,770,565	0.0575
Braintree Watson Unit	\$66,853	\$116,473	\$183,326	4.75%	443,775	0.4131
* Swift River Projects	\$206,955	\$0	\$206,955	5.36%	2,027,887	0.1021
Coop Resales	-\$11,836	\$0	-\$11,836	-0.31%	2,152	-5.5002
Constellation Energy	\$332,595	\$0	\$332,595	8.62%	8,194,630	0.0406
Stonybrook Peaking	\$5,170	\$48,486	\$53,656	1.39%	33,549	1.5993
Monthly Total	\$2,393,560	\$1,466,915	\$3,860,475	100.00%	56,991,111	0.0677
* Renewable Resources					10.30%	

RENEWABLE ENERGY CERTIFICATES (RECs)

The RMLD sold 12,613 2012 RECs (Quarter 1 and Quarter 2) for \$582,097.75 in January, 2013. 750 Quarter 1 and 2 RECs remain banked for retirement.

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

Table 5				
Swift River RECs Summary				
Period - January 2012 - March 2013				
	Banked RECs	Projected RECs	Total RECs	Est. Dollars
Woronoco	392	5,184	5,576	\$211,777
Pepperell	384	434	818	\$44,580
Indian River	92	1933	2025	\$105,364
Turners Falls	781	91	872	\$0
Grand Total	1,649	7,642	9,291	\$361,722

TRANSMISSION

The RMLD’s total transmission costs for the month of March were \$875,677. This is an increase of 9.2% from the February transmission cost of \$801,945. In March, 2012 the transmission costs were \$588,790.

Table 6

	Current Month	Last Month	Last Year
Peak Demand (kW)	100,465	104,480	100,894
Energy (kWh)	56,991,111	53,918,775	56,054,267
Energy (\$)	\$2,393,560	\$3,397,710	\$2,585,840
Capacity (\$)	\$1,466,915	\$1,498,056	\$1,337,034
Transmission(\$)	\$875,677	\$801,945	\$588,790
Total	\$4,736,152	\$5,697,711	\$4,511,664

READING MUNICIPAL LIGHT DEPARTMENT

To: Kevin Sullivan

Date: May 9, 2013

From: Jane Parenteau

William Seldon



Subject: **2013 Request For Proposals (RFP) Wholesale Power Supply**

In January 2007, the Reading Municipal Light Department (RMLD) Board of Commissioners approved the RMLD's Strategic Power Supply Plan developed by the Energy Services Division (ESD).

The attached table shows the monthly maximum amounts of energy, in kW, the RMLD is planning to purchase for 2014 through 2017. This table reflects the laddering and layering approach the RMLD presented in the RMLD's Strategic Power Supply Plan to the RMLD in January 2007. Using this approach, RMLD purchases 25% of the projected energy requirement on a monthly basis for the next four years.

The first two lines show the year and month in the planning period.

The next two lines show the On Peak Energy Entitlements (kW) and Off Peak Energy Entitlements (kW) that were purchased from JP Morgan, Nextera, and Exelon in 2010, 2011 and 2012.

The next 2 lines show the maximum amount of monthly kW's that the RMLD is planning to purchase in the 2013 RFP. These amounts are the hourly amount of energy which translate into kWhs by summing the On Peak periods (Hours 08 – Hours 23) and Off Peak periods (Hours 01-07, 24, including all day Saturday and Sunday).

The total amount of energy for the 48 month period from January, 2014 through December, 2017 represents approximately 451,131 Mw's and, based on today's indicative pricing would result in contracts having a value of approximately \$21.9 million which is equivalent to approximately \$48/Mwh.

The Future On Peak and Off Peak Purchases show the amounts that will be purchased in future RFPs, which will occur in the future after further presentation to the RMLD Board and the CAB.

The Total Requirement On Peak and Off Peak shows the sum of the amount of power supply either purchased, proposed to be purchased before the end of 2013, and possible future procurements. It should also be noted that the Total Requirement assumes approximately a 20% annual open position in the ISO-NE Spot Market.

Per the Strategic Power Supply Plan, the ESD will issue an annual RFP for additional power supply. ESD has been monitoring the forward energy prices as well as the NYMEX Natural Gas futures. The NYMEX Natural Gas futures for the balance of calendar year 2013 and beyond are projected to be in the mid \$4.00 range through 2017. Per the ESD strategy, the RMLD would like to continue to monitor the markets and procure the RMLD's energy needs for the period 2014 - 2017 as reflected in the attached table.

RMLD intends to request indicative pricing for fixed and HR Index products from the following suppliers, Nextera, International Power, PSEG, Merrill Lynch, Morgan Stanley, J P Morgan, Dominion, Shell, PPL, Macquarie, Exelon, Hydro Quebec US and BP. These entities have recently been contacted by other municipals for pricing or have produced indicative pricing in the past. After receiving the indicative quotes from the suppliers ESD will analyze the pricing and short list those entities which best fit the RMLD's requirements.

The ESD will monitor the natural gas market and issue an RFP for energy in the near future. In the RFP the ESD will request pricing for both fixed price energy contracts as well as Heat Rate Index pricing. Once the indicative pricing has been submitted, the RMLD will determine whether to purchase fixed price energy or Heat Rate Index pricing. As in the past, the RMLD will have contracts negotiated prior to receiving the indicative pricing.

RMLD Proposed Power Contract Timeline

(Amounts below represent kW proposed to be purchased hourly)

Year Month	75%											
	2015											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
(1) On Peak Entitlements (kW)	48,075	45,300	36,150	34,950	37,950	51,075	63,225	63,225	53,850	48,075	41,100	45,075
(1) Off Peak Entitlements (kW)	30,450	32,400	27,150	30,975	30,825	29,925	39,225	39,225	29,475	33,150	28,425	29,625
(2) RFP On-Peak Purchases (kW)	16,025	15,100	12,050	11,650	12,650	17,025	21,075	21,075	17,950	16,025	13,700	15,025
(2) RFP Off-Peak Purchases (kW)	10,150	10,800	9,050	10,325	10,275	9,975	13,075	13,075	9,825	11,050	9,475	9,875
(3) Future On-Peak Purchases (kW)	0	0	0	0	0	0	0	0	0	0	0	0
(3) Future Off-Peak Purchases (kW)	0	0	0	0	0	0	0	0	0	0	0	0
(4) Total Requirement On Peak (kW)	64,100	60,400	48,200	46,600	50,600	68,100	84,300	84,300	71,800	64,100	54,800	60,100
(4) Total Requirement Off Peak (kW)	40,600	43,200	36,200	41,300	41,100	39,900	52,300	52,300	39,300	44,200	37,900	39,500

50%

Year Month	2016											
	2017											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
(1) On Peak Entitlements (kW)	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
(1) Off Peak Entitlements (kW)	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
(2) RFP On-Peak Purchases (kW)	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
(2) RFP Off-Peak Purchases (kW)	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
(3) Future On-Peak Purchases (kW)	30,400	28,550	22,250	21,450	23,550	32,450	40,700	40,700	34,300	30,350	25,600	28,350
(3) Future Off-Peak Purchases (kW)	20,800	22,150	18,600	21,150	20,000	20,450	26,800	26,800	20,150	22,700	19,450	20,250
(4) Total Requirement On Peak (kW)	60,800	57,100	44,500	42,900	47,100	64,900	81,400	81,400	68,600	60,700	51,200	56,700
(4) Total Requirement Off Peak (kW)	41,600	44,300	37,200	42,300	40,000	40,900	53,600	53,600	40,300	45,400	38,900	40,500

- (1) RFP Purchases in 2010, 2011, & 2012 (JP Morgan, Nextera, & Exelon)
- (2) Proposed RFP #7 - Total kW's - RMLD reserves the right to split up the Requirement between Suppliers and HR Index and Firm Strip Pricing.
- (3) Amount of kW's that RMLD will purchase in subsequent RFP process.
- (4) Total Requirement of energy which represents a 20% open position in ISO-NE Spot Market

On-Peak: Mon - Fri Hours Ending 08-23
Off-Peak: Mon - Fri Hours Ending 24-07, Sat/Sun

Year	Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2010	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2010	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2011	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2011	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2012	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2012	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2013	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2013	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2014	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2014	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2015	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2015	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2016	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2016	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2017	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2017	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2018	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2018	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2019	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2019	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2020	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2020	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2021	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2021	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2022	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2022	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2023	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2023	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2024	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2024	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2025	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2025	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2026	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2026	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2027	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2027	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2028	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2028	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2029	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2029	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2030	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2030	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2031	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2031	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2032	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2032	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2033	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2033	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2034	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2034	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2035	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2035	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2036	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2036	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2037	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2037	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2038	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,175
2038	Off Peak	10,400	11,075	9,300	10,575	10,000	10,225	13,400	13,400	10,075	11,350	9,725	10,125
2039	On Peak	15,200	14,275	11,125	10,725	11,775	16,225	20,350	20,350	17,150	15,175	12,800	14,1



- HOME
- ORGANIZATION
- TO JOIN
- TRAINING & EDUCATION
- GOVERNMENT AFFAIRS
- NEPPA E-NEWSLINE
- EMPLOYMENT
- MUTUAL AID
- AWARDS
- ADVERTISING
- RESOURCES & LINKS

Northeast Public Power Association
200 New Estate Road
Littleton, MA 01460
Tel (978) 540-2200



We've moved
to Littleton, MA!

NEPPA is now at 200 New Estate Road,
Littleton, MA 01460.

Our new phone number is **(978) 540-2200**

Public Power:
the not-for-profit electric
service

In New England, there are over 75 electric light companies that are owned and operated by the communities they serve. They are governed by elected or appointed officials who represent the interests of their customers, and have brought low-cost, reliable electric service to their customers for over 100 years.

In 1965, the Northeast Public Power Association was founded to represent and serve these consumer-owned electric utilities. NEPPA uses the combined strength of its members to:

- Serve as a regional network for information sharing and collective action
- Offer training and educational programs for its members' employees
- Advocate public policies and legislation that benefit its members' interests
- Provide publications and information resources to its members



Rodeo Photos

To view photos of NEPPA's recent
Apprentice Lineworkers Rodeo,
[click here](#)

WESCO Distribution, Elster Vital Connections, and PLI invite you to their *Lunch and Learn* on Wednesday, April 26 from 8:30AM - 3PM at NEPPA's Training Center. For more information and to register, [click here](#)

Cooper Lighting c/o Shamrock Power Sales LLC and WESCO offers *Cooper Lighting LED Roadway Lighting Technical Seminar* on Monday,

Upcoming Events

NEPPA Training Center space is available for rent! If you are interested or want more information, please [click here](#)

April 10-12
November 6-8
Public Utility Management Program 2013
Water's Edge Resort
Westbrook, Conn.

April 23, May 21
October 1, November 13
Customer Service Leadership
NEPPA Training Center
Littleton, MA

May 16 - 17, 2013
Engineering and Operations Conference & Expo
Sturbridge Host Hotel
Sturbridge, MA

Fall of 2013
Customer Service Conference
Old Sturbridge Village
Sturbridge, MA

August 25 -28, 2013
2013 NEPPA Annual Conference
Stowe Mountain Lodge
Stowe, VT
Hotel Reservations can be made by [clicking here](#).
Please make sure to use the booking code: NEPPA13.
**If you need to upgrade your accommodations to a larger space, please contact Kns at knsind@neppa.org



2013 Apprentice Lineworker
Program

Feb 26 - March 1, April 9 - 12
August 20 - 23, October 22 - 25
Apprentice I
8 am to 2 pm
NEPPA Training Center
Littleton, MA

Jan 29 - Feb 1, April 30 - May 3
Sept 10 - 13, Nov 5 - 8
Apprentice II
8 am to 2 pm
NEPPA Training Center
Littleton, MA

March 13 - 15, June 4 - 7
Sept 24 - 27, Nov 19-22
Apprentice III
8 am to 2 pm
NEPPA Training Center
Littleton, MA

April 2 - 5, June 11 - 14
Oct 8 - 11, Dec 3 - 6
Apprentice IV
8 am to 2 pm
NEPPA Training Center
Littleton, MA

2013 Training Programs