RMLD
Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

230 Ash Street
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Reading, MA 01867-0250

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AGENDA
RMLD CITIZENS' ADVISORY BOARD (CAB)
WEDNESDAY, MAY 18, 2011
7:00 P.M.
at
READING MUNICIPAL LIGHT DEPARTMENT
SPURR/AV ROOM
230 ASH STREET
READING, MA 01867

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

2. Power Supply Strategy

3. 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 discuss power supply strategy, approve minutes, and return to regular session.
   Note: Polling of the CAB members is required.

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

5. Street Light Rates – V. Cameron (Attachment)

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

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

8. Green Choice Program – Next Phase – V. Cameron (Attachment)

9. Other Items for Discussion
   NEPPA Key Issues at Legislative Rally – A. Carakatsane (Attachment)

10. Schedule Next Meeting

11. 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 Meetings:
Wednesday, May 25, 2011 – Regular RMLD Board Meeting - CAB Representative: John Norton

RMLD Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

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

Reference Information - Appropriate topics for

SECTION 21. [EXECUTIVE SESSIONS]

(a) A public body may meet in executive session only for the following purposes:

1. To discuss the reputation, character, physical condition or mental health, rather than professional competence, of an individual, or to discuss the discipline or dismissal of, or complaints or charges brought against, a public officer, employee, staff member or individual. The individual to be discussed in such executive session shall be notified in writing by the public body at least 48-hours prior to the proposed executive session; provided, however, that notification may be waived upon written agreement of the parties. A public body shall hold an open session if the individual involved requests that the session be open. If an executive session is held, such individual shall have the following rights:
   i. to be present at such executive session during deliberations which involve that individual;
   ii. to have counsel or a representative of his own choosing present and attending for the purpose of advising the individual and not for the purpose of active participation in the executive session;
   iii. to speak on his own behalf; and
   iv, to cause an independent record to be created of said executive session by audio recording or transcription, at the individual's expense. The rights of an individual set forth in this paragraph are in addition to the rights that he may have from any other source, including, but not limited to, rights under any laws or collective bargaining agreements and the exercise or non-exercise of the individual rights under this section shall not be construed as a waiver of any rights of the individual.
2. To conduct strategy sessions in preparation for negotiations with nonunion personnel or to conduct collective bargaining sessions or contract negotiations with nonunion personnel;
3. To discuss strategy with respect to collective bargaining or litigation if an open meeting may have a detrimental effect on the bargaining or litigating position of the public body and the chair so declares;
4. To discuss the deployment of security personnel or devices, or strategies with respect thereto;
5. To investigate charges of criminal misconduct or to consider the filing of criminal complaints;
6. To consider the purchase, exchange, lease or value of real property if the chair declares that an open meeting may have a detrimental effect on the negotiating position of the public body;
7. To comply with, or act under the authority of, any general or special law or federal grant-in-aid requirements;
8. To consider or interview applicants for employment or appointment by a preliminary screening committee if the chair declares that an open meeting will have a detrimental effect in obtaining qualified applicants; provided, however, that this clause shall not apply to any meeting, including meetings of a preliminary screening committee, to consider and interview applicants who have passed a prior preliminary screening;
9. To meet or confer with a mediator, as defined in section 23C of chapter 233, with respect to any litigation or decision on any public business within its jurisdiction involving another party, group or entity, provided that:
   i. any decision to participate in mediation shall be made in an open session and the parties, issues involved and purpose of the mediation shall be disclosed; and
   ii. no action shall be taken by any public body with respect to those issues which are the subject of the mediation without deliberation and approval for such action at an open session; or
10. to discuss trade secrets or confidential, competitively-sensitive or other proprietary information provided in the course of activities conducted by a governmental body as an energy supplier under a license granted by the department of public utilities pursuant to section IF of chapter 164, in the course of activities conducted as a municipal aggregator under section 134 of said chapter 164 or in the course: Of activities conducted by a cooperative consisting of governmental entities organized pursuant to section 136 of said chapter 164, when such governmental body, municipal aggregator or cooperative determines that such disclosure will adversely affect its ability to conduct business in relation to other entities making, selling or distributing electric power and energy.

(b) A public body may meet in closed session for 1 or more of the purposes enumerated in subsection (a) provided that:

1. the body has first convened in an open session pursuant to section 21;
2. a majority of members of the body have voted to go into executive session and the vote of each member is recorded by roll call and entered into the minutes;
3. before the executive session, the chair shall state the purpose for the executive session, stating all subjects that may be revealed without compromising the purpose for which the executive .session was called;
4. the chair shall publicly announce whether the open session will reconvene at the conclusion of the executive session; and
5. accurate records of the executive session shall be maintained pursuant to section 23.

Revised in accordance with G.L.c.30A, §§18-25 and the Open Meeting Law Guide, Office of Attorney General, July 1, 2010

Chapter 164: Section 47D. Exemption from public records and open meeting requirements in certain instances

Section 47D. A municipal lighting plant created pursuant to the provisions of this chapter or any special law shall be exempt from the public record requirements of section 10 of chapter 66 and the open meeting requirements of section 23B of chapter 39 in those instances when necessary for protecting trade secrets, confidential, competitively sensitive or other proprietary information provided in the course of proceedings conducted pursuant to this chapter when such municipal lighting plant board determines that such disclosure will adversely affect its ability to conduct business in relation to other entities making, selling, or distributing electric power and energy pursuant to this chapter.

ITEM 5.

Streetlight Rates

READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board of Commissioners Date: April 14, 2011

From: Vinnie Cameron

Subject: Proposed Street Light Rate

The Reading Municipal Light Department (RMLD) filed a rate increase in August, 2010 and received approval from the Massachusetts Department of Public Utilities (MDPU) for a rate increase that became effective on September 1, 2010. At this time, the RMLD decided to assess the Street Light Rate to see if there could be changes to its structure, which would more closely reflect the cost of service included in the FY11 Cost of Service Study (FY11 COSS).

The FY11 COSS showed that the allocated Cost of Service was $246,083, which represents the allocated capital and operating costs of the street lights in the RMLD's service territory. According to the FY11 COSS, the existing street light revenues are expected to be $619,877, which represents an over recovery of $373,795.

Table 1 shows the Street Light Cost Components, which include the bracket, arm, fixture, photo cell, and bulb. The brackets only apply to the 400 Watt Mercury and 400 Watt High Pressure Sodium lights. The poles are charged separately.

Table 2 shows the Street Light Capital and Operating Costs, which includes the capital and operating costs allocated to each type of street light the RMLD provides to the four towns. Column 1 shows the type of street light the RMLD offers to the four towns. The Capital Costs of each street light represents the cost of the street light is shown in Column 2. The Annual Carrying Charge (8%), which represents the depreciation, discount rate, insurance, etc., is used to calculate the Annual Capital Cost of each street light. This Annual Capital Cost represents the amount per kWh the RMLD should recover annually to pay for the capital cost of each type of street light on the system.

Column 3 shows the Annual Capital Cost of the street light type and is calculated by multiplying the Total Capital Cost by the Annual Carrying Charge. Column 4 is the Annual Energy each of the street light types uses annually. Column 5 shows the Capital Cost per kWh, which is the Annual Capital Cost, divided by the Annual Energy.

The Number of Street Lights in the next column represents the amount of each type of street light installed within the four towns the RMLD serves. The Total kWh is the Number of Street Lights multiplied times the Annual Energy. The Total Capital Costs for each street light type is derived by multiplying the Annual Capital Cost times the Number of Street Lights.

The next set of columns is used to determine the maintenance cost for each street light type. The Maintenance Factor is a factor assigned to each street light type and represents an estimate of the activity the RMLD expends annually to maintain the street lights on the RMLD system. The next column is the Allocated Maintenance Costs for each street light type, which is calculated by applying the Maintenance Factor to the Budgeted Maintenance Costs of $169,118 and Number of Street Lights. The total Allocated Maintenance Cost is $169,181, which is .04% higher than the Budgeted Maintenance Costs shown at the top of the page. The Budgeted Maintenance Costs have been adjusted to account for depreciation expense component of the Street Light Rate that is in the Annual Carrying Charge. The Maintenance Cost per kWh is calculated by dividing the Allocated Maintenance Costs by the Total kWh.

The Annual Cost per Street Light is calculated by summing the Annual Capital Cost and the Allocated Maintenance Costs and dividing it by the Number of Street Lights. The Annual Cost per kWh is the Annual Cost per Street Light divided by the Annual Energy. The average Annual Cost per kWh is $.0686.

The Annual Cost per Street Light is used to calculate the Street Light Rate and appears in the filed Street Light Rate.

There is an alternative rate structure that the RMLD could charge for its street lights. Chapter 164 of the Massachusetts General Laws, which largely govern the municipal electric utilities in Massachusetts, has made an exception for street light rates in Section 58, shown below.

Section 58. There shall be fixed schedules of prices for gas and electricity, which shall not be changed oftener than once in three months. Any change shall take effect on the first day of a month, and shall first be advertised in a newspaper, if any, published in the municipality. No price in said schedules shall, without the written consent of the department, be fixed at less than production cost as it may be defined from time to time by order of the department. Such schedules of prices shall be fixed to yield not more than eight per cent per annum on the cost of the plant, as it may be determined from time to time by order of the department, after the payment of all operating expenses, interest on the outstanding debt, the requirements of the serial debt or sinking fund established to meet said debt, and also depreciation of the plant reckoned as provided in section fifty-seven, and losses; but any losses exceeding three per cent of the investment in the plant may be charged in succeeding years at not more than three per cent per annum. **The gas and electricity used by the municipality for any purpose except street lighting shall be charged for in accordance with the prices in the fixed schedules. The gas and electricity used by the municipality for street lighting shall be charged for at a cost to be determined as follows: the sum of all operating expenses, interest on the outstanding debt, the requirements of the serial debt or sinking fund established to meet said debt, and also depreciation of the plant reckoned as provided in section fifty-seven, and losses, shall be the dividend; the kilowatt hours sold including those supplied for street**

lighting shall be the divisor, and the resulting quotient multiplied by the kilowatt hours supplied for street lighting shall be the cost to be charged to the municipality for street lighting. In lieu of the method of determining charges for electricity used by the municipality for street lighting, as set forth in the preceding sentence, electricity so used may be charged for at a cost in accordance with a street lighting schedule filed with and approved by the department.

Section 58 allows a municipal electric utility to base the street light rate on an average rate as an alternative to a cost of service rate. The average rate for street lights is the RMLD's average cost per kWh that is calculated by dividing the RMLD's annual operating expenses by the annual kWh sales. (See the bold area of the Section 58 above.)

Table 3 shows the calculation for the Average Street Light Rate, which is based on the FY11 Operating Budget. The law states that the costs for the street light rate should include the "sum of all operating expenses". Table 3 shows the Total Operating Expense minus the Fuel Expense because fuel is charged separately.

The Total Operating Expense reflects the FY11 Operating Budget minus the Purchased Power Fuel Expense.

Table 3
Average Cost per kWh Street Light Cost

Operating Expense	$83,555,091
Fuel Expense	($39,271,794)
Total Operating Expense	$44,283,297
Total kWh Sales	683,056,320
Average Cost per kWh	$.064831

The Total kWh Sales is from the revenue projection also included in the FY11 Cost of Service Study and the resulting Cost per kWh is $.064831.

Table 4 shows the comparison of the proposed Cost of Service Street Light Rate and the Average Street Light Rate. The Existing Street Light Rate is what the RMLD presently has on file at the Massachusetts Department of Public Utilities (MDPU) and is in the RMLD's Street Light rate. The Proposed COSS Rate is taken from the Annual Cost per Street Light shown in Column 12 of Table 2. The Average Rate is the Annual Energy shown in Column 4 of Table 2 multiplied by $.064831, which is the RMLD's Average Cost per kWh shown on Table 3.

Table 4
Comparison of the Street Light Rates
Cost of Service Rate versus the Average Rate

Light Type	Existing COSS Rate	Proposed COSS Rate	Average Rate
58 Watt Incandescent	$24.09	$50.83	$15.04
95 Watt Incandescent	$34.47	$50.83	$23.86
50 Watt HPS	$60.69	$27.50	$15.82
100 Watt HPS	$63.86	$27.55	$32.93
100 Watt Merc. Vapor	$63.98	$37.96	$33.71
100 Watt Merc. Vapor U/G	$92.30	$37.96	$33.71
175 Watt Mercury Vapor	$100.93	$38.28	$55.75
250 Watt HPS Flood	$109.48	$50.66	$79.61
400 Watt Merc. Flood	$165.65	$49.71	$119.29
400 Watt HPS	$165.52	$49.76	$118.51

Note: HPS - High Pressure Sodium
U/G – Underground

The result shows that the Proposed COSS Rates, in most instances, are less than the existing rates. (The Existing COSS Rates were developed in 1985 and have been escalated in several rate filings since then. The back-up detail to the Street Light Rate from the 1985 COSS is not available.) Table 4 also shows that the Average Cost Rates are lower than the Existing COSS Rate and, in some instances, lower than the Proposed COSS Rates.

Table 5A is the Revenue Proof of the Existing Street Light Rate, which shows that the Revenue Requirement Class Total is $246,083, which is also reflected in the FY11 Cost of Service Study. The Forecast Class Total using the Existing Street Light Rates is $619,877 or an over recovery of $373,795 against the Revenue Requirement Class Total.

Table 5B shows the Revenue Proof using the Proposed Cost of Service Street Light Rates, which results in Forecast Class Total revenues of $259,834, which is lower than the Existing Street Light Forecast Class Total in Table 5A by $619,877. The difference between the two rates is $360,043, which is a negative impact on the RMLD's income. The Proposed Street Light Rate revenue is $13,751 higher than the Revenue Requirement Class Total of $246,083, however, the caulculation of this rate more closely represents the Cost of Service of the street lights.

Table 5C shows the Revenue Proof for the Average Street Light Rate, which is $245,709 and is $374 lower than the Revenue Requirement Class Total. The Average Street Light

Rate would have an estimated negative affect on income of $374,168, which would translate into savings for the four towns and the customers who have private street lights.

In summary, the Existing Street Light Rates over recover the Revenue Requirement Class Total by $373,795. The Proposed Street Light Rate is based on the present capital cost of the street lights in the four towns and the maintenance costs in the FY11 Cost of Service Study, which results in an over recovery of $13,751 as shown in Table 5B. The Average Cost Street Light Rate is based on the RMLD's average (non-fuel) cost of a kWh and is close to the Forecast Class Total revenues in the Cost of Service Study; however, it is not a fair representation of the Street Light Cost of Service.

The RMLD recommends the Proposed Cost of Service Street Light Rate, which as stated above, more closely reflects the cost of service rate and provides savings to customers on the street light rate.

Table 1

Street Light Cost Components

	Bracket ($)	Arm ($)	Fixture ($)	Photo Cell ($)	Bulb ($)	Total Cost
58 Watt Incandescent		$42.98	$40.00	$4.23	$2.23	$89.44
92 Watt Incandescent		$42.98	$40.00	$4.23	$2.23	$89.44
50 Watt HPS		$42.98	$75.69	$4.23	$7.92	$130.82
100 Watt HPS		$42.98	$76.49	$4.23	$7.71	$131.41
100 Watt Mercury Vapor		$42.98	$79.00	$4.23	$7.08	$133.29
100 Watt Mercury Vapor U/G		$42.98	$79.00	$4.23	$7.08	$133.29
175 Watt Mercury		$42.98	$84.00	$4.23	$6.05	$137.26
250 Watt HPS		$153.46	$125.95	$4.23	$8.39	$292.03
400 Watt Mercury	$52.88		$215.42	$4.23	$7.62	$280.15
400 Watt HPS	$52.88		$215.42	$4.23	$8.28	$280.81

Street Light Capital and Operating Costs

Annual Carrying Charge	8.00%

Budgeted Maintenance Costs	$169,118

	Total Capital Cost	Annual Capital Cost	Annual Energy	Capital Cost per kWh	Number of Streetlights	Total kWh	Total Capital Costs	Maintenace Factor	Allocated Maint. Costs	Maintenance Cost per kWh	Annual Cost per Street Light	Annual Cost per kWh
58 Watt Incandescent	$89.44	$7.16	232	$0.0308	479	111,128	$3,427	2.00	$20,921.36	$0.1883	$50.83	$0.2191
92 Watt Incandescent	$89.44	$7.16	368	$0.0194	137	50,416	$980	2.00	$5,983.77	$0.1187	$50.83	$0.1381
50 Watt HPS	$130.82	$10.47	244	$0.0429	3,260	795,440	$34,118	0.78	$55,531.15	$0.0698	$27.50	$0.1127
100 Watt HPS	$131.41	$10.51	508	$0.0207	1,836	932,688	$19,302	0.78	$31,274.60	$0.0335	$27.55	$0.0542
100 Watt Mercury Vapor	$133.29	$10.66	520	$0.0205	1,292	671,840	$13,777	1.25	$35,269.31	$0.0525	$37.96	$0.0730
100 Watt Mercury Vapor U/G	$133.29	$10.66	520	$0.0205	59	30,680	$629	1.25	$1,610.60	$0.0525	$37.96	$0.0730
175 Watt Mercury	$137.26	$10.98	860	$0.0128	6	5,160	$66	1.25	$163.79	$0.0317	$38.28	$0.0445
250 Watt HPS	$292.03	$23.36	1,228	$0.0190	147	180,516	$3,434	1.25	$4,012.84	$0.0222	$50.66	$0.0413
400 Watt Mercury	$280.15	$22.41	1,840	$0.0122	55	101,200	$1,233	1.25	$1,501.40	$0.0148	$49.71	$0.0270
400 Watt HPS	$280.81	$22.46	1,828	$0.0123	473	864,644	$10,626	1.25	$12,912.06	$0.0149	$49.76	$0.0272
					7,744	3,743,712	$87,592		$169,181			$0.0686

Table 5A
Revenue Proof
Exisitng Street Light Rate

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

Streetlights		Forecasted Revenues at Current Rates			Potential New Rate		
		Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate ($)	Test Year Units	Estimated Revenue
Customer:	0.00%						
Total Customers		-	$ -	$ -	$ -	-	$ -
Demand:	0.00%						
Total Demand		-	-	-	-	-	-
Energy:	0.00%						
Total Energy		3,747,728	-	-	-	3,747,728	-
Public Street Lights		2,903,360	0.18	522,605	0.1872	2,903,360	543,509
Private Street Lights		844,368	0.08	67,549	0.0872	844,368	73,629
PPA		3,747,728	0.0079	29,723	$ 0.00073	3,747,728	2,740
Energy Conservation Charge		3,747,728	-	-			
Discounts			0.1000	(61,988)	10%		(61,988)
		Forecast Class Total		$ 557,890		Forecast Class Total	$ 619,877
		Rev. Req. Class Total		$ 246,083		Rev. Req. Class Total	$ 246,083
		Change in Rate Required (%)		-55.89%		Difference ($)	(373,795)

Revenue Proof
Proposed COSS Street Light Rate

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

Streetlights

		Forecasted Revenues at Current Rates			Potential New Rate		
		Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate ($)	Test Year Units	Estimated Revenue
Customer:	0.00%						
Total Customers		-	$ -	$ -	$ -	-	$ -
Demand:	0.00%						
Total Demand		-	-	-	-	-	-
Energy:	0.00%						
Total Energy		3,747,728	-	-	0.0686	3,747,728	257,094
Public Street Lights		2,903,360	0.18	522,605	-	2,903,360	-
Private Street Lights		844,368	0.08	67,549	-	844,368	-
PPA		3,747,728	0.0007	2,740	$ 0.00073	3,747,728	2,740
Energy Conservation Charge		3,747,728	-	-			
Discounts			0.1000	(59,289)	10%		(25,983)
		Forecast Class Total		$ 533,604		Forecast Class Total	$ 259,834
		Rev. Req. Class Total		$ 246,083		Rev. Req. Class Total	$ 246,083
		Change in Rate Required (%)		-53.88%		Difference ($)	(13,751)

Table 5C
Revenue Proof
Average Cost Street Light Rate

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

Streetlights

		Forecasted Revenues at Current Rates			Potential New Rate		
		Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate ($)	Test Year Units	Estimated Revenue
Customer:	0.00%						
Total Customers		-	$ -	$ -	$ -	-	$ -
Demand:	0.00%						
Total Demand		-	-	-	-	-	-
Energy:	0.00%						
Total Energy		3,747,728	-	-	0.0648	3,747,728	242,969
Public Street Lights		2,903,360	0.18	522,605	-	2,903,360	-
Private Street Lights		844,368	0.08	67,549	-	844,368	-
PPA		3,747,728	0.0079	29,723	$ 0.00073	3,747,728	2,740
Energy Conservation Charge		3,747,728	-	-			
Discounts			0.1000	(61,988)	10%		(24,571)
		Forecast Class Total		$ 557,890		Forecast Class Total	$ 245,709
		Rev. Req. Class Total		$ 246,083		Rev. Req. Class Total	$ 246,083
		Change in Rate Required (%)		-55.89%		Difference ($)	374

ITEM 6.

Commercial C Rate

Commercial Schedule C Rate

Designation:
Commercial C Rate

Available in:
Reading, Lynnfield Center, North Reading, and Wilmington

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

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

Character of service:
AC 60 cycles: single phase or three phase.

Customer Charge:
$5.97 per month.

Firm Demand Charge:
$6.25 per Kilowatt for all demand usage.

Energy Charge:
$.05190 per Kilowatt-hour for all Kilowatt-hours usage.

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

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

Rate Filed: **June 1, 2011**
Effective: **On Billings on or After July 1, 2011**
Filed By: **Vincent F. Cameron Jr., General Manager**

Commercial Schedule C Rate (cont'd)

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

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

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

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

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

Non-Firm Demand:
A Customer under this rate may designate any amount of load, in kilowatts, as Non-Firm. Any amount so designated shall be capable of being removed from service during any On-Peak hour as may be requested by the Department. A customer will be charged $4.02 per kW-month for each kilowatt of demand designated as Non-Firm demand. A failure to remove load designated as Non-Firm load shall result in a charge of $13.27 per kW of Non-Firm demand for that bill month.

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

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

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

Rate Filed: June 1, 2011
Effective: On Billings on or After July 1, 2011
Filed By: Vincent F. Cameron Jr., General Manager

Commercial Schedule C Rate (cont'd)

Optional Contract Demand:
The customer may contract for a specific demand requirement on the Optional Contract Demand rate. The customer shall select a demand level, which will cover its highest annual peak. The cost of the Contract Demand rate is $7.37 per kilowatts. The customer will be billed for that amount of kilowatts each month for the entire year. If in any month the customer exceeds the contract demand amount then, the contract demand will be billed at a rate of $13.27 per kilowatt. The contract demand level will be re-established at the higher billing amount.

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

$.08448 per kilowatt-hour for all kilowatt-hours used between 12:00 Noon and 7:00 P.M., Monday through Friday, excluding holidays.

$.02535 per kilowatt-hour for all kilowatt-hours used between 7:00 P.M. and 1200 Noon, Monday through Friday and all hours Saturday, Sunday and holidays as listed in the General Terms and Conditions.

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

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

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

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

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

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

Rate Filed: **June 1, 2011**
Effective: **On Billings on or After July 1, 2011**
Filed By: **Vincent F. Cameron Jr., General Manager**

Commercial Schedule C Rate (cont'd)

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

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

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

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

ITEM 7.

Net Metering

READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board of Commissioners

Date: April 13, 2011

From: Vinnie Cameron

Subject: Net Metering Rate

The Reading Municipal Light Department (RMLD) has customers that have installed generation such as solar and combined heat and power systems that assist customers in meeting their energy requirements. In doing so, these customers need to install an interconnection system that is required by the RMLD in order to correctly record kWh produced and ensure that the distribution system is not back fed in the event of an outage. These interconnection requirements are similar to what is required by the electric utility. In addition, the RMLD pays the Monthly Fuel Charge for kWhs a customer produces and are transmitted onto the RMLD's electric system.

Attached is the RMLD's Simplified Interconnection Application (SIA) and Service Agreement for Facilities with Inverter Capacity of 10 kW and Under (Residential), which is on the RMLD's Web Site and outlines the RMLD's requirements for interconnection of customer generation.

The RMLD would like to file the Simplified Interconnection Application (SIA); including its Terms and Conditions in order that prospective customer installing their own generation will understand it is a filed rate.

In addition, the RMLD will add to the filed rate that any kWh generated onto its system will be paid the Monthly Fuel Charge applicable at the time the energy was generated.

c: Jane Parenteau – RMLD
Kevin Sullivan – RMLD
Peter Price – RMLD
Brian Smith - RMLD
William Seldon - RMLD
Jared Carpenter – RMLD
Joe Bilicki - RMLD

RMLD Terms and Conditions for Customer Owned Generation Less Than 10 kW

1. Construction of the Facility. The Interconnecting Customer may proceed to construct the Facility once the RMLD has received the completed Attachment 1 - Application for Customer Owned Generation Under 10 kW has been completed and approval to install the Facility has been signed by the RMLD.

2. Interconnection and Operation. The Interconnecting Customer may operate Facility and interconnect with the RMLD's system once the following has occurred;

2.1 **Municipal Inspection.** Upon completing construction, the Interconnecting Customer will cause the Facility to be inspected or otherwise certified by the local wiring inspector with jurisdiction.

2.2 **Certificate of Completion.** The Interconnecting Customer returns the Certificate of Completion appearing as Attachment 2 of the Agreement to the RMLD, PO Box 150, reading, MA 01867-250.

3. RMLD Right to Inspection. Within ten (10) business days after the receipt of the Certificate of Completion, the RMLD may, upon reasonable notice, and at a mutually convenient time, conduct an inspection of the Facility to ensure that all equipment has been appropriately installed, and that all electric connections have been made in accordance with the RMLD. The RMLD has the right to disconnect the Facility in the event for improper installation or failure to return Certificate of Completion to the RMLD.

4. Safe Operation and Maintenance. The Interconnection Customer shall be fully responsible to operate, maintain, and repair the Facility.

5. Access. The RMLD have access to the disconnect switch (if required) of the Facility at all times.

6. Disconnection. The RMLD may temporarily disconnect the Facility to facilitate planned or emergency RMLD work.

7. Metering and Billing. All Facilities approved under this Agreement qualify for net metering as approved by the RMLD for time to time, and the following is necessary to implement the net metering provisions.

7.1 Interconnecting Customer Provides Meter Sockets. The Interconnecting Customer shall furnish and have installed, if not already in place, the necessary meter socket and wiring in accords acne with accepted electrical standards. The Interconnecting Customer shall have installed a second meter socket and necessary wiring between the output of the generation source and the customer's main electrical service. The meter socket shall be located outside of the approved location. The second meter socket shall be supplied by the RMLD.

7.2 RMLD Installs Net Meter. RMLD shall furnish and install a meter capable of net metering within ten (10) business days after the inspection if completed, if such meter is not in place.

7.3 RMLD Installs Check Meter. The RMLD will install a second meter to record the usage of the customer generated energy. There will be no customer charge associated with this meter.

8. Indemnification. The Town of Reading, RMLD, and all other respective agents and employees shall be afforded the maximum exemption of limitation of liability available under the applicable laws and regulations arising on account of their actions or omissions relating directly or indirectly any provision of electrical service. Without limiting the generality of the forgoing, and except to the extent otherwise expressly provided in MGL Chapter 258:

Neither the Town of Reading, nor the RMLD, nor any of their respective agents, employees shall be liable to any person or agent: all liability, damages, losses, penalties, claims, demands, suits, and proceedings of any nature whatsoever for personal injury (including death) or property damages, to unaffiliated third parties that arise out of, or are in any manner connected, the performance of this agreement by the party, accept to the extent that such injury of damages to unaffiliated third parties may be attributable to the negligence of willful misconduct of the party seeking indemnification.

9. Limitation of Liability. Each parties liability to the other party for any loss, cost, claims, injury, liability, or expenses including reasonable attorney fees, relating to or arising from any act or omissions in its performance of this agreement, shall be limited to the amounts of direct damages actually incurred. In no event shall either party by liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever.

10. **Termination.** This may be terminated under the following conditions.

10.1 By Interconnecting Customer. The Interconnecting Customer may terminate this agreement by providing written notice to RMLD.

10.2 By RMLD. The RMDL may terminate this Agreement (1) if the Facility fails to operate for any consecutive twelve month period or (2) in the event that the Facility impairs the operation of the electric distribution system or service to other customers or materials impairs the local circuit in Interconnecting Customer does not cure the impairment.

11. Assignment/Transfer of Ownership of the Facility. This agreement shall survive the transfer of ownership of the Facility to a new owner when the new owner agrees in writing to comply with the terms of this agreement and so notifies the RMLD.

12. Interconnection Rate. These terms and Conditions are pursuant to RMLD's rate for the Interconnection of Customer owned generating facilities. The rate paid for energy generated onto the RMLD's distribution system from the Interconnecting Customer shall be the RMLD's Monthly Fuel Charge , which may be adjusted by the Standard Fuel Adjustment Clause.

Rate Filed:
Effective:
Filed by:

Attachment 1
Application for Customer Owned Generation of Less Than 10 kW

Contact Information
Legal Name and address of Interconnecting Customer applicant

RMLD Customer (print): _____

Address of Interconnection Facility: _____

City: _____ State _____ Zip Code: _____

Telephone (Daytime): _____ (Evening): _____

Facsimile Number: _____ E-Mail Address: _____

Alternative Contact Information (e.g., **system installation contractor** or **coordinating company**)

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Daytime): _____ (Evening): (same) _____

Facsimile Number: _____ E-Mail Address: _____

Facility Information

Electric Service Company: **Reading Municipal Light Department (RMLD)**

Account Number (required – on bill) _____ Meter Number (required – on bill) _____

Inverter Manufacturer: _____ Model Name & #: _____ Quantity Used: _____

Nameplate Rating: _____(kW) _____ (kVA) _____(AC Volts) Single _____ or Three_____ Phase

System Design Capacity: _____ (kW) _____ (kVA)

Electrical Contractor: Name, address, phone # and contact name

_____

Prime Mover: Photovoltaic ☐ Fuel Cell ☐ IC Engine ☐ Other: _____

Energy Source: Solar ☐ Wind ☐ Hydro ☐ Natural Gas ☐ Other: _____

UL1741 Listed? Yes _____ No _____

Estimated Installation Date: _____ Estimated In-Service Date: _____

Customer Signature

I hereby certify that, to the best of my knowledge, all of the information provided in this application is true and I agree to the **RMLD Terms and Conditions for Simplified Process Interconnections** on the following page:

Interconnecting Customer Signature _____ Date_____

Please attach manufacturer's document showing UL1741 listing to this document and mail to above address.

Approval to Install Facility (For RMLD use only)

Installation of the Facility is approved contingent upon the terms and conditions of this Agreement, and agreement to any system modifications, if required (Are system modifications required? Yes____ No____ To be Determined ____).

RMLD Signature: _____ Title: _____ Date: _____

RMLD UA Number: _____ RMLD waives inspection/witness test? Yes_____ No_____

Rate Filed:
Effective:
Filed by:

Attachment 2
Certificate of Completion for Customer Owned Generation of Less Than 10 kW

Certificate of Completion

Installation Information

Interconnecting Customer (Print): _____

Mailing Address: _____

Location of Facility (if different from above): _____

City: _____ State: _____ Zip Code: _____

Telephone (Daytime): _____ (Evening): _____

Facsimile Number: _____ E-Mail Address: _____

Account # (required - on bill) _____ Meter # (required - on bill) _____

Electrician or Electrical Installation Contractor:

Business Name: _____ Contact Name (Print) _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Daytime): _____ (Evening): _____

Facsimile Number: _____ E-Mail Address: _____

License number: _____

RMLD Date of Installation Approval: _____ Signature _____

RMLD Utility Authorization Number: _____

Inspection:

The system has been installed and inspected in compliance with the local Building/Electrical Code of

_____
(City/County)

Signed (Local Electrical Wiring Inspector): _____

Name (printed): _____

Date: _____

As a condition of interconnection you are required to send by USPS mail or Fax a copy of this form along with a copy of the signed electrical permit to:

RMLD
P.O. Box 150
Reading MA 01867-0250

Received by RMLD _____
Date & Initial

Rate Filed:
Effective:
Filed by:

ITEM 8.

Green Choice Program

Energy Services Department

April 12, 2011

Memo To: Vincent Cameron

From: Energy Services

Subject: Green Choice Program – Next Phase

The Reading Municipal Light Department (RMLD) is in the process of revamping the Green Choice program. This program was developed prior to RMLD incorporating renewable energy projects into the power supply mix. RMLD is now purchasing Renewable Energy Certificates (RECs) from the Swift River hydro projects and will be purchasing RECs from the Concord Steam project. Since these projects are incorporated in the power supply mix they are being paid for by all rate payers, the Energy Services Division (ESD) is proposing that the RMLD offer an alternative renewable project to interested Green Choice rate payers as the next step (or phase) of the Green Choice program.

The RMLD developed the Green Choice rate to allow interested customers to support the continuation of renewable generators already in existence, and encourage the growth and use of renewable generated electricity. RMLD customers who choose to participate in the Green Choice program purchase 100 kWh blocks at $3 per block. This is an extra monthly charge on the program participant's bill, annually amounting to $36 per block bought. A customer may purchase any amount of 100 kWh blocks.

The program was initiated in 2005. There are approximately 250 customers participating in the program purchasing 540 blocks monthly. This equates to approximately 650 Renewable Energy Certificates annually. There is currently a balance of $13,017 in the Green Choice fund (June 2010 through February 2011).

Currently, the RMLD purchases and retires Renewable Energy Certificates (RECs) with the money collected in the Green Choice program annually. At the end of the fiscal year the Department determines how many RECs to purchase based on the balance of money collected. The RECs are then purchased from a third party and retired.

Beginning in March, 2011 the Swift River Woronoco hydro project (one of three hydro projects the Department is purchasing energy and attributes from) will be providing enough RECs annually to offset the requirements of the Green Choice program. As stated above Green Choice participants annually generate the need to purchase approximately 650 RECs. The Woronoco hydro project will supply approximately 3,881 RECs annually. This exceeds the REC requirements of the Green Choice program by about six times.

ESD is studying the feasibility of offering an alternative project to replace the current Green Choice program. One possible alternative would be to offer current and new participants to

purchase energy blocks for a Department sponsored renewable project within RMLD's service territory. The project could be a qualifying solar project constructed on either an RMLD owned building (218 or 230 Ash Street), or a municipal building located somewhere within the service territory, whichever location is determined to be the most feasible location. This is just one alternative example.

Energy Services is looking for feedback on a specific direction to go with the Green Choice program. If it is decided internally to pursue a next phase to the program, ESD will compile a short list of proposed renewable projects along with estimated costs and a construction time frame for each within the first quarter of FY 2012.

ITEM 9.

Other Items for Discussion

NORTHEAST PUBLIC POWER ASSOCIATION

Briefing Papers for NEPPA Members attending APPA Legislative Rally and Congressional Meetings

Washington, DC

February 28 – March 2, 2011

Northeast Public Power Association

NEPPA Snapshot of Key Issues
February 2011

Comparable Federal Tax Incentives for Renewable Energy Projects

- NEPPA strongly urges Congress to extend and reform the Clean Renewable Energy Bond (CREBs) program to provide a more effective federal incentive to public power and cooperative electric systems.

- Reform of the CREBs program should include lifting the cap and changing the sunset date to January 1, 2014, - consistent with the expiration date of the Production Tax Credit (PTC) for investor-owned utilities - and modifying the CREB allocation methodology to provide 60% to municipal utilities and 40% to rural electric cooperatives (*i.e.* the 60/40 split).

- NEPPA supports the "direct pay" option included in the CREB program, as it provides a more efficient incentive to the issuer. Without this mechanism, the CREBs program will be less useful to consumer-owned utilities.

Renewable Energy Standards/Clean Energy Standards

- NEPPA supports greater development of renewable resources and increased energy efficiency, but has concerns about a federal Renewable Energy Standard (RES) that would prescribe the same targets, schedule, and eligible resources for all states.

- NEPPA believes that if Congress moves forward with an RES, it should: Recognize Existing State Renewable Requirements; Apply Only to Larger Utilities; and Include "Comparable" Tax Incentives for Public Power.

Incentive Rates for New Transmission Projects

- NEPPA supports the request of Sens. Jeanne Shaheen (D-NH) and Bernie Sanders (I-VT) for an oversight hearing on FERC's implementation of EPAct incentive rates authority (Section 1241) in the Senate Energy and Natural Resources Committee. Congressional oversight is needed to ensure that new transmission projects are not "automatically" given incentives as a matter of course.

- It has been five years since Congress authorized FERC to provide incentive rates of return - on top of a guaranteed Return on Equity (ROEs) – for more difficult and risky transmission projects. NEPPA believes FERC however, has awarded these incentives, without examining the level of risk closely enough. The result is even higher transmission costs, particularly in New England, than would otherwise be incurred.

- For example, the "base" Return on Equity (ROEs) applied to transmission rates often exceed 11 percent. With ROE "adders" associated with new transmission investment, the total return on investment exceeds 13 percent, in some cases. (See enclosed Chart.)

Preserve Municipal Bonding Authority for Public Power

- The 2010 President's Bipartisan Deficit Commission report included a proposal to tax the interest on municipal bonds. NEPPA is concerned that Congressional efforts to reduce the deficit or reform the tax code may include such proposals. Such a proposal would significantly increase the cost of electricity for our consumers at a time when we are working to increase our energy independence, improve our electric grid infrastructure and working to meet, important, but costly, environmental mandates.

- Taxing the interest on municipal bonds would also make these bonds less attractive to investors and increase costs to already strapped state and local governments, including public power utilities.

New England's Regional Greenhouse Gas Initiative (RGGI)

- New England's regional cap-and-trade program – RGGI - took effect in 2009, covering fossil-fueled power plants with a generation capacity of at least 25MW.

- In New England, due to our fuel mix and implementation of the RGGI program, we are likely to be less affected by federal efforts to curtail greenhouse gases than other regions of the country. Nonetheless, if such efforts proceed, we continue to strongly favor new federal legislation to reduce greenhouse gases on an economy-wide basis, instead of EPA regulation under the Clean Air Act.

Dodd-Frank Implementation

- Despite the fact that Congress specifically exempted end users, like NEPPA member utilities, from the requirement to post collateral in over-the-counter derivative markets, we are concerned that the CFTC will impose margin requirements on counterparties to these transactions, which will result in higher costs to end users, in spite of the end user exemption.

- If this occurs, we will have to take money out of our operating budgets, increase rates or reduce (and possibly eliminate) the use of such hedges – which help stabilize energy prices for consumers. Until these rules are complete, and the details are finalized, the derivatives markets we rely on to provide stable electricity prices for our customers are frozen.

Cyber Security of the Transmission Grid

- NEPPA member utilities are actively engaged in cyber security protection, and other reliability measures, because protecting our electric system and keeping the lights on for consumers is our number one priority.

- The electric sector would support granting a single federal agency – the Department of Energy or FERC – new, limited, emergency power to address *imminent* cyber security threats to the Bulk Electric System.

- We also support authorizing the federal government to provide utilities with timely, actionable information on threats, to enable us to respond more effectively.

- However, the entire electric sector opposes measures that would undermine the current NERC process for developing cyber security standards.

For more information, please contact Lori Pickford at Morgan Meguire (lpickford@morganmeguire.com) or Pat Hyland at NEPPA (phyland@neppa.org).