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AGENDA

REGULAR SESSION

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

WEDNESDAY, SEPTEMBER 18, 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. General Manager Introduction and Remarks: Coleen O'Brien
3. June and July 2013 Reliability Report: K. Sullivan
4. July 2013 Power Supply Report: J. Parenteau
5. Approval of Minutes from May 15, 2013: J. Norton, Chairman
6. Review of CAB Policies: D. Nelson
 - Policy # 1: Citizens' Advisory Board
 - Policy #2: Release of Executive Session Minutes
7. CAB Code of Conduct – Consideration: D. Nelson
8. CAB Annual Goals – Consideration: D. Nelson
9. Discussion - RMLD Policy on Payment in Lieu of Taxes: D. Nelson
10. Discussion – RMLD REC's Policy: D. Nelson
11. Report on 2013 Northeast Public Power Association Annual Conference: T. Ollila

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 of May 15, 2013, and to return to regular session for the sole purpose of adjournment. *Note Roll call vote required.*

14. 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, September 25, 2013 – CAB Representative: John Norton

READING MUNICIPAL LIGHT DEPARTMENT
FY 13 CAPITAL BUDGET VARIANCE REPORT
FOR PERIOD ENDING JUNE 30, 2013

#	PROJECT DESCRIPTION	TOWN	ACTUAL COST JUNE	FY 13 CAPITAL EXPENDITURES	ANNUAL BUDGET AMOUNT	REMAINING BALANCE
<u>E&O Construction-System Projects</u>						
1	Essex Street - Reconductoring	LC	37,190	59,951	197,855	137,904
2	4W13 OH Reconductoring - West Street	W	985	20,396	188,193	167,797
3	Upgrading of Old Lynnfield Center URDs (Partial CARRYOVER)	LC	116,692	253,665	492,143	238,478
5	Shady Lane Area - Reconductoring	W		139,811	199,042	59,231
6	Federal Street - Reconductoring	W	2,759	163,492	175,565	12,073
Total System Projects						
<u>Station Upgrades</u>						
Station #4						
8	Relay Replacement Project - (Partial CARRYOVER)	R			119,309	119,309
9	Station 4 Getaway Replacement - 4W13	R		4,430	161,779	157,349
Total Station Projects						
<u>SCADA Projects</u>						
10	Station 5 RTU (Remote Terminal Unit) Replacement	W		22,670	56,163	33,493
4	Station 4 RTU (Remote Terminal Unit) Replacement (Partial CARRYOVER)	R	21,798	179,988	80,653	(99,335)
Total SCADA Projects						
<u>New Customer Service Connections</u>						
12	Service Installations-Commercial/Industrial Customers	ALL	3,506	24,958	63,074	38,117
13	Service Installations - Residential Customers	ALL	17,892	238,214	207,923	(30,291)
Total Service Connections						
14	<u>Routine Construction</u>					
	Various Routine Construction	ALL	(3,495)	1,815,559	988,211	(827,348)
Total Construction Projects			197,327	2,923,135	2,929,910	6,776
<u>Other Projects</u>						
15	GIS		5,683	93,048	97,495	4,447
16	Transformers/Capacitors Annual Purchases			462,799	284,000	(178,799)
17A	Meter Annual Purchases			78,997	49,710	(29,287)
17B	Meter Upgrade Project - (Partial CARRYOVER)		80,152	656,457	564,416	(92,042)
17C	Meter Upgrade Project - Commercial		4,446	438,208	551,853	113,645
18	Purchase Vehicles		59,853	59,853	65,000	5,147
19	Purchase Line Department Vehicles			474,861	570,000	95,139
20	Purchase New Pole Dolly			14,771	12,000	(2,771)
21	Automated Building Systems				150,000	150,000
22	Engineering Analysis software & data conversion - (CARRYOVER)				76,789	76,789
23	Gaw Station Generator				55,000	55,000
24	Capital Repairs - Station One				400,000	400,000
25	New Carpeting				35,000	35,000
26	Water Heater Demand Response Technology			200,088	336,611	136,523
27	Hardware Upgrades			74,581	126,629	52,048
28	Software and Licensing		8,891	97,532	119,002	21,470
Total Other Projects			159,024	2,651,195	3,493,505	842,310
TOTAL FY 13 CAPITAL PROJECT EXPENDITURES			356,351	5,574,330	6,423,416	849,086

* Completed

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

FY 2013 Capital Plan

E&O Construction – System Projects

- 1 Reconductoring of Essex Street, Lynnfield Center:** *Line Department: pull in messenger, install “p” line, install pole-to-pole guy, pull in rope, clip in messenger, install tri-rollers, prep for cutover and energize.*
- 2 4W13 OH Reconductoring Project, West Street, Wilmington:** *Engineering: labor.*
- 3 Upgrading of Old Lynnfield Center URDs:** *Engineering: labor. Underground Crew: run new underground primary, install new pull box and set new street light box, set manhole, install conduit and vault, rack in cables, build and mount three-point junctions and crab boards. Line Department: make ready work and install new primary and neutral.*
- 5 Shady Lane Drive Area, Wilmington:** *Project Completed in May.*
- 6 Federal Street, Wilmington – Reconductoring:** *Line Department: transfer service. Project Completed.*

Station Upgrades

- 8 Station 4 Relay Replacement Project – Reading –** *No Activity Fiscal Year to Date.*
- 9 Station 4 Getaway Replacement – 4W13 –** *No Activity in June.*

SCADA Projects

- 10 Station 5 RTU Replacement, Wilmington:** *No Activity in June.*
- 4 Station 4 RTU Replacement:** *Senior Tech: labor. Engineering: labor. Project Completed.*

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. Includes new commercial building at 235 Andover Street and North Reading High School temp service.*

- 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>	\$368,949
<i>Maintenance Overhead/Underground</i>	\$468,240
<i>Projects Assigned as Required</i>	\$317,283
<i>Pole Damage (includes knockdowns) some reimbursable</i>	\$87,297
<i>Station Group</i>	\$15,368
<i>Hazmat/Oil Spills</i>	\$2,908
<i>Porcelain Cutout Replacement Program</i>	\$624
<i>Lighting (Street Light Connections)</i>	\$28,812
<i>Storm Trouble</i>	\$139,920
<i>Underground Subdivisions</i>	\$52,361
<i>Animal Guard Installation</i>	\$36,315
<i>Miscellaneous Capital Costs</i>	\$297,482
TOTAL	\$1,815,559

*In the month of June zero (0) cutouts were charged under this program. Approximately 6 cutouts were installed new or replaced because of damage making a total of 6 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.

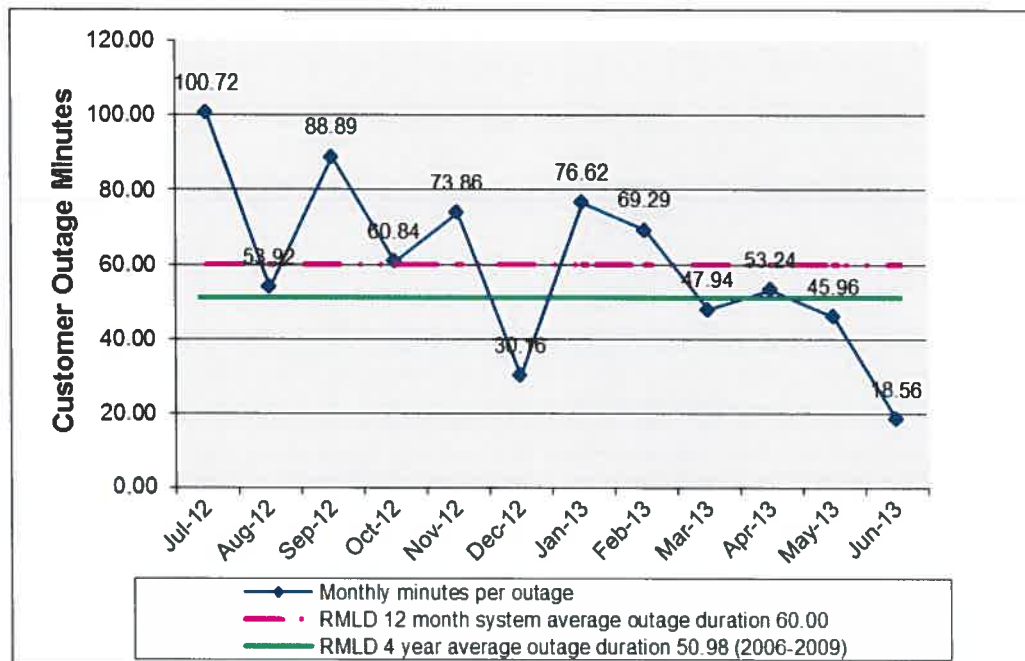
Customer Average Interruption Duration Index (CAIDI) measures how quickly the RMLD restores power to customers when their power goes out.

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

RMLD 12-month system average outage duration: 60.00 minutes

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

On average, RMLD customers that experience an outage are restored in 60.00 minutes.



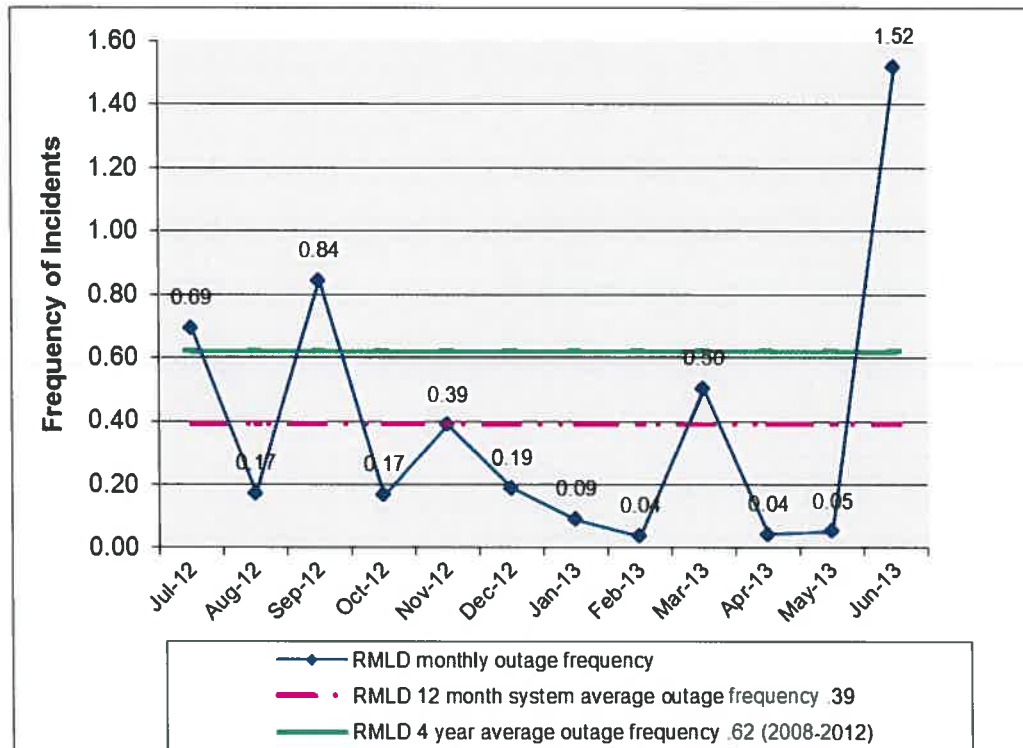
System Average Interruption Frequency (SAIFI) – Measures how many outages each customer experiences per year on average.

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

RMLD 12-month system average: 0.39 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 30.8 months.

**Reading Municipal Light Department
Engineering and Operations
Monthly Report
July 2014**

FY 2014 Capital Plan

E&O Construction – System Projects

- 1 5W9 Reconductoring – Wildwood Street:** *Project not yet scheduled.*
- 2 4W4 Reconductoring: *Project not yet scheduled.***
- 3 Upgrading of Old Lynnfield Center URDs (Trog Hawley - Partial Carryover):**
Install loud break elbows for temp feed. Put up cable racks in manhole and install lugs. Rack primary cables and splice on new primary upgrade. Paint transformers and switches. Padmount change out. Pull in section of service cable for new upgrade. Replace transformer. Install URD secondary cable.
- 4 Upgrading of Old Lynnfield Center URDs (Cook's Farm):** *Project not yet scheduled.*
- 5 4W5-4W6 Tie: *Project not yet scheduled.***
- 6 URD Upgrades – All Towns:** *No charges in July.*
- 7 Stepdown Area Upgrades – All Towns:** *No charges in July.*

Station Upgrades

- 8 Station 4 (Gaw) Relay Replacement Project (Partial Carryover):** Project not yet scheduled.
- 9 Station 4 (Gaw) 35kv Potential Transformer Replacement:** Project not yet scheduled.
- 10 Station 3 – Replacement of Service Cutouts:** Project not yet scheduled.
- 11 Station 4 (Gaw) Getaway Replacement – 4W9:** Project not yet scheduled.
- 15 Station 5 – Getaway Replacements 5W9 and 5W10:** Project not yet scheduled.

SCADA Projects

- 30 Station 3 - RTU Replacement:** *Project not yet scheduled.*

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. *Projects of note include Dunkin Donuts (2 locations) on Salem Street and on Walkers Brook Drive in Reading, and North Reading Middle and High School.*
- 13 Service Installations – Residential Customers** – This item includes new or upgraded overhead and underground services, temporary overhead services.

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.

Pole Setting/Transfers	10,971.38
Maintenance Overhead/Underground	75,250.59
Projects Assigned as Required	40,838.78
Pole Damage/Knockdowns - Some Reimbursable	7,193.64
Station Group	2,042.66
Hazmat/Oil Spills	17,150.56
Porcelain Cutout Replacement Program (1)	-
Lighting (Street Light Connections)	1,022.52
Storm Trouble	6,421.38
Underground Subdivisions (new construction)	2,102.99
Animal Guard Installation	-
Miscellaneous Capital Costs	10,408.44
*YTD TOTAL:	<u>\$173,402.94</u>

*Preliminary number.

- (1) In July (0) cutouts were charged under this program.
Approximately 25 cutouts were installed new or replaced because of damage making a total of 25 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.

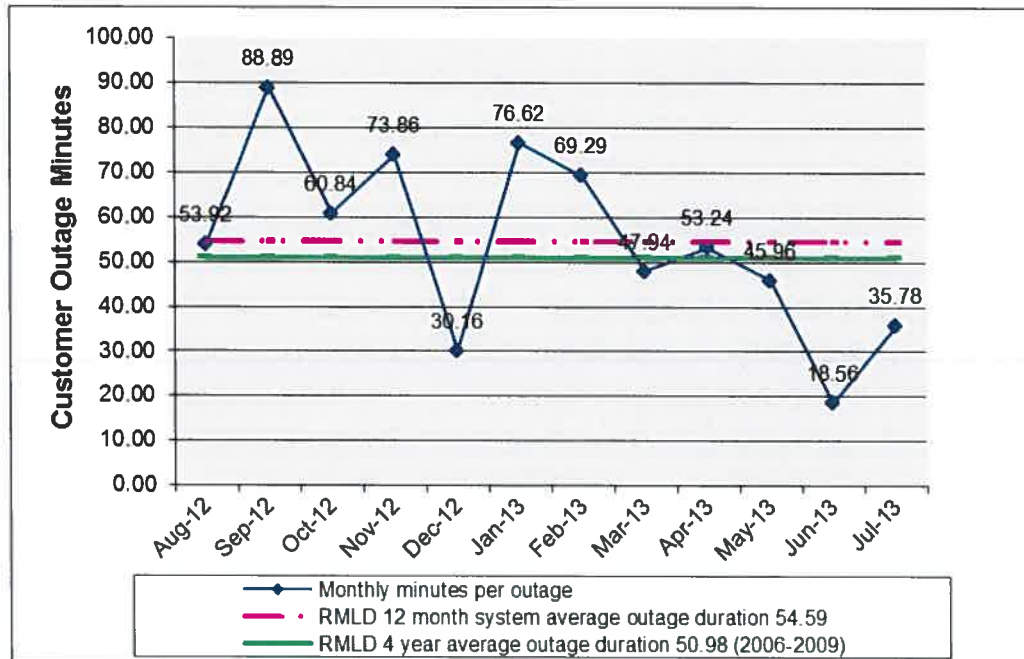
Customer Average Interruption Duration Index (CAIDI) measures how quickly the RMLD restores power to customers when their power goes out.

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

RMLD 12-month system average outage duration: 54.59 minutes

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

On average, RMLD customers that experience an outage are restored in 54.59 minutes.



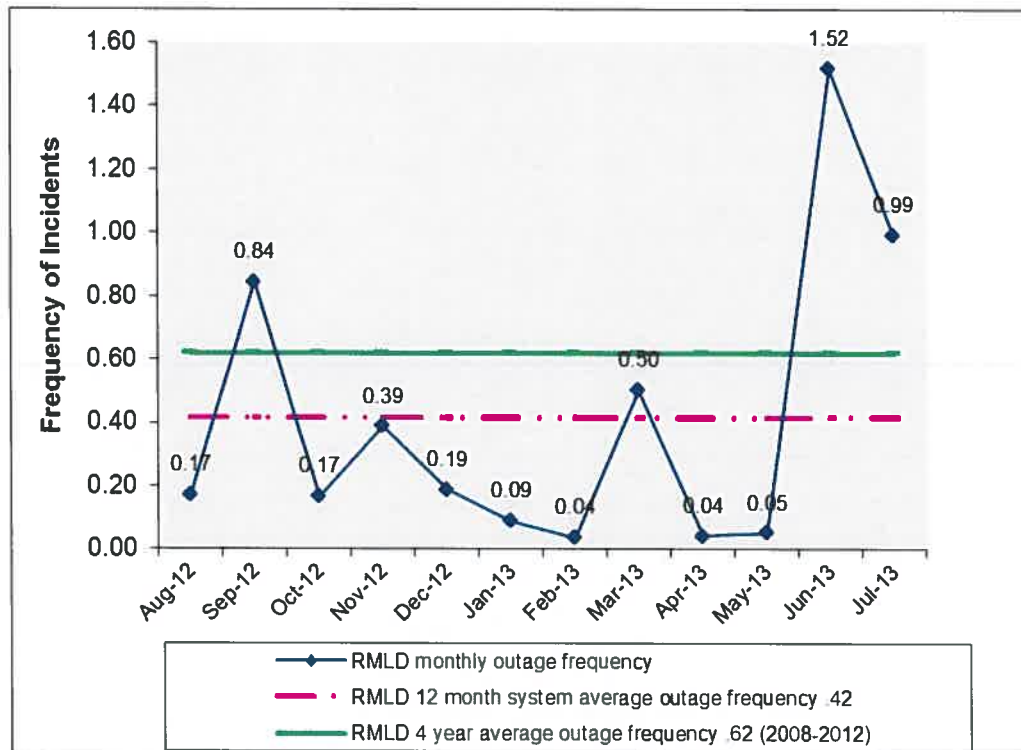
System Average Interruption Frequency (SAIFI) – Measures how many outages each customer experiences per year on average.

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

RMLD 12-month system average: 0.42 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 28.6 months.

To: Coleen O'Brien

From: Maureen McHugh, Jane Parenteau

Date: September 12, 2013

Subject: Purchase Power Summary – July, 2013

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

ENERGY

The RMLD's total metered load for the month was 78,729,610 kWh, which is a 6.3% increase from the July, 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	3,672,042	\$6.99	4.66%	\$25,659	0.74%
Seabrook	5,886,340	\$8.22	7.47%	\$48,368	1.40%
Stonybrook Intermediate	4,508,341	\$66.65	5.72%	\$300,463	8.67%
JP Morgan	10,538,000	\$59.15	13.38%	\$623,346	17.99%
NextEra	11,972,400	\$49.13	15.20%	\$588,151	16.98%
NYPA	1,593,593	\$4.92	2.02%	\$7,840	0.23%
ISO Interchange	10,843,247	\$52.88	13.76%	\$573,339	16.55%
NEMA Congestion	0	\$0.00	0.00%	-\$138,253	-3.99%
Coop Resales	21,917	\$135.91	0.03%	\$2,979	0.09%
MacQuarie	11,488,000	\$41.78	14.58%	\$479,937	13.85%
Summit Hydro	794,068	\$59.68	1.01%	\$47,393	1.37%
Braintree Watson Unit	1,511,760	\$67.39	1.92%	\$101,878	2.94%
Swift River Projects	1,400,912	\$101.76	1.78%	\$142,555	4.11%
Exelon	14,352,400	\$43.77	18.22%	\$628,157	18.13%
Stonybrook Peaking	198,442	\$163.96	0.25%	\$32,537	0.94%
Monthly Total	78,781,462	\$43.97	100.00%	\$3,464,349	100.00%

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

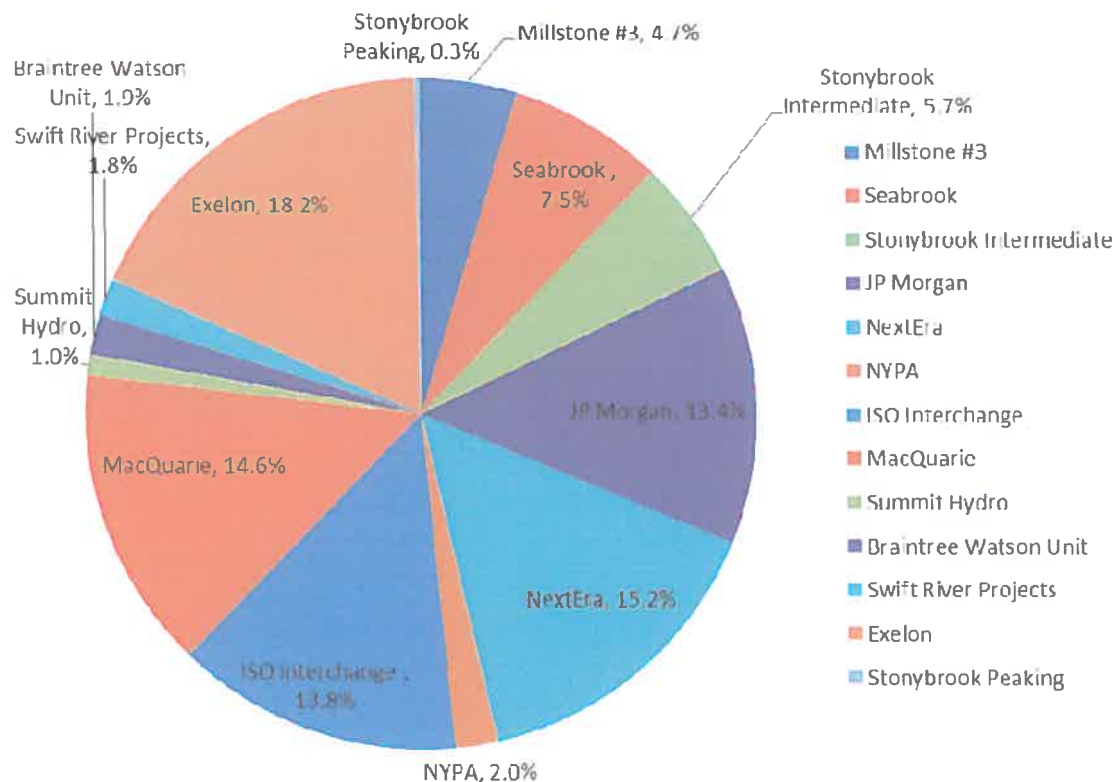
Table 2

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP *	14,503,454	63.40	18.41%
Settlement			
RT Net Energy **	-3,660,207	86.58	-4.65%
Settlement			
ISO Interchange (subtotal)	10,843,247	52.90	13.76%

* Independent System Operator Day-Ahead Locational Marginal Price

** Real Time Net Energy

JULY 2013 ENERGY BY RESOURCE



CAPACITY

The RMLD hit a demand of 162,059 kW, which occurred on July 19, at 4 pm. The RMLD's monthly UCAP requirement for July, 2013 was 214,413 kW.

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

Table 3

Source	Amount (kWs)	Cost (\$/kW-month)	Total Cost \$	% of Total Cost
Millstone #3	4,950	49.21	\$243,569	16.39%
Seabrook	7,903	46.99	\$371,349	24.98%
Stonybrook Peaking	24,981	2.00	\$49,910	3.36%
Stonybrook CC	42,925	3.22	\$138,298	9.30%
NYPA	4,019	4.02	\$16,172	1.09%
Hydro Quebec	4,683	4.45	\$20,829	1.40%
Nextera	60,000	5.50	\$330,000	22.20%
Braintree Watson Unit	10,520	10.99	\$115,647	7.78%
ISO-NE Supply Auction	54,432	3.69	\$200,723	13.50%
Total	214,413	\$6.93	\$1,486,497	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	\$25,659	\$243,569	\$269,228	5.44%	3,672,042	0.0733
Seabrook	\$48,368	\$371,349	\$419,717	8.48%	5,886,340	0.0713
Stonybrook Intermediate	\$300,463	\$138,298	\$438,761	8.86%	4,508,341	0.0973
Hydro Quebec	\$0	\$20,829	\$20,829	0.42%	-	0.0000
JP Morgan	\$623,346	\$0	\$623,346	12.59%	10,538,000	0.0592
NextEra	\$588,151	\$330,000	\$918,151	18.55%	11,972,400	0.0767
* NYPA	\$7,840	\$16,172	\$24,013	0.49%	1,593,593	0.0151
ISO Interchange	\$573,339	\$200,723	\$774,062	15.63%	10,843,247	0.0714
Nema Congestion	-\$138,253	\$0	-\$138,253	-2.79%	-	0.0000
MacQuarie	\$479,937	\$0	\$479,937	9.69%	11,488,000	0.0418
* Summit Hydro	\$47,393	\$0	\$47,393	0.96%	794,068	0.0597
Braintree Watson Unit	\$101,878	\$115,647	\$217,524	4.39%	1,511,760	0.1439
* Swift River Projects	\$142,555	\$0	\$142,555	2.88%	1,400,912	0.1018
Coop Resales	\$2,979	\$0	\$2,979	0.06%	21,917	0.1359
Constellation Energy	\$628,157	\$0	\$628,157	12.69%	14,352,400	0.0438
Stonybrook Peaking	\$32,537	\$49,910	\$82,447	1.67%	198,442	0.4155
Monthly Total	\$3,464,349	\$1,486,497	\$4,950,846	100.00%	78,781,462	0.0628
* Renewable Resources					4.81%	

RENEWABLE ENERGY CERTIFICATES (RECs)

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

Table 5
Swift River RECs Summary
Period - January 2013 - August 2013

	Banked RECs	Projected RECs	Total RECs	Est. Dollars
Woronoco	3,018	4,275	7,293	\$397,469
Pepperell	434	2283	2717	\$148,077
Indian River	1152	1561	2713	\$147,859
Turners Falls	194	1,248	1442	\$0
Grand Total	4,798	9,367	14,165	\$693,404

TRANSMISSION

The RMLD's total transmission costs for the month of July were \$1,183,000. This is an increase of 14.8% from the June transmission cost of \$1,030,696. In July, 2012 the transmission costs were \$1,140,284.

Table 6

	Current Month	Last Month	Last Year
Peak Demand (kW)	167,759	162,059	163,785
Energy (kWh)	78,781,462	64,889,690	73,892,102
Energy (\$)	\$3,464,349	\$2,465,567	\$3,581,715
Capacity (\$)	\$1,486,497	\$1,472,596	\$1,547,074
Transmission(\$)	\$1,183,000	\$1,030,696	\$1,140,284
Total	\$6,133,846	\$4,968,858	\$6,269,073

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

**MINUTES
Regular Session**

Time: 6:30 P.M.
Date: Wednesday, May 15, 2013
Place: RMLD, 230 Ash Street, Reading, MA, Winfred Spurr/Audio Visual Room

CAB Members Present:

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

CAB Members Absent:

Mr. Tony Capobianco (Reading), Mr. Thomas Ollila, Secretary (Wilmington)

RMLD Commissioner(s) Present:

Mr. John Stempeck, Chairman

RMLD Staff Present:

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 6:30 p.m.

Chairman Norton noted that we would be moving out of order on the Agenda. Item number five will be moved after Approval of the Minutes.

2. Approval of Minutes – J. Norton, Chairman

Chairman Norton asked for a motion to approve the minutes.

Mr. Hooper made a motion to approve the minutes of the May 18, 2011, meeting, seconded by Mr. Nelson. Hearing no further discussion, ***Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent).***

Mr. Hooper made a motion to approve the minutes of the June 13, 2011, meeting, seconded by Mr. Nelson. Hearing no further discussion, ***Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent).***

Mr. Hooper made a motion to approve the minutes of the October 4, 2011, meeting, seconded by Mr. Nelson. Hearing no further discussion, ***Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent).***

Mr. Nelson made a motion to approve the minutes of the May 9, 2012, meeting, seconded by Mr. Hooper. Hearing no further discussion, ***Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent).***

Mr. Nelson made a motion to approve the minutes of the March 13, 2013, meeting, seconded by Mr. Hooper. Hearing no further discussion, ***Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent).***

Mr. Nelson made a motion to approve the minutes of the April 3, 2013, meeting, seconded by Mr. Hooper. Hearing no further discussion, ***Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent).***

Mr. Hooper made a motion to approve the minutes of the April 10, 2013, meeting, seconded by Mr. Nelson. Hearing no further discussion, ***Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent).***

**3. Station 1 Renovations: Future Use/Recommendation to the RMLD Board – D. Polson
(Item Taken Out of Order)**

Mr. Polson presented the report of Menders, Torrey & Spencer who were hired last year to evaluate the condition of Station 1 and make recommendations. Recommendations include repairs to the exterior and interior as well as two options for use - either as storage space or occupied space. Option 1 (storage only) would provide approximately 34,000 cubic feet of storage with use of a rack storage system. Part of the Capital Plan is to build another covered storage area and move equipment out of the leased space (Barbas building). This additional building combined with the Station 1 storage would allow us to eliminate the Barbas building lease. Option 2 would be mixed use combining storage and some type of occupied space, either office or meeting space, but substantially less storage space (3,000 feet of occupied space and 19,000 feet of storage space) than Option 1. Option 2 would provide a challenge in the effort to eliminate the use of the Barbas building. Option 2 versus Option 1 would cost approximately \$1M more because of the amount of interior work and additional exterior work that would be needed.

Mr. Nelson asked if we had out grown the office space. Mr. Polson stated that he did not see a need to use Station 1 for RMLD office space. The recommendation would be to repair the existing exterior structure to prevent further deterioration and evaluate the use of the building as storage, which would reduce our lease costs and increase material and equipment storage within the RMLD owned facilities. Mr. Polson noted that we would explore grants from the Massachusetts Historical Commission to fund some of the work. The goal would be to address the roof and exterior in FY14. We would then hire a design company to provide a detailed design. Mr. Polson noted that this is a multi-year project. The lease on the Barbas building expires in May 2014.

4. Discussion of Future Handling of Budget Meetings – J. Norton, Chairman

Chairman Norton stated that he would like to recommend that for future budget meetings that the CAB separate the discussion (from the Board discussions), as was done prior to 2012, with a member from the Board of Light Commissioners attending the meetings (as is usual practice). Any other Commissioner could attend as a member of the public. It is also his recommendations to schedule the 2014 meetings for the first two Wednesdays of April (the 2nd and 9th). The location of the first meeting (in accordance with the 20-year agreement) would be in Lynnfield.

5. Review of FY14 Capital Budget Recommendations by RMLD Budget Committee – K. Sullivan

Mr. Sullivan presented Capital Project 29: Master Site Plan and Photovoltaic Generation Installation included with the Agenda. This project was requested by the Budget Committee and will increase the FY14 Capital Plan by \$150,000. The Committee felt that it was a good idea to look at the campus strategy given all of the proposed projects. Commissioner Talbot was a proponent of expanding the Master Site Plan to include a photovoltaic array installation if feasible. This project does not increase the Capital Budget significantly, but is a new project and hence the approval or entertaining of the project by the CAB.

Mr. Stempeck asked, if it were feasible to install the photovoltaic array (for instance) on the office building, what mega-wattage would be anticipated? Mr. Sullivan stated that he and Ms. Parenteau had discussed the installation of a photovoltaic array on the proposed covered storage building which is approximately 80' x 120' and estimated it would produce approximately 50 kW. A rough estimate would be about the same or a bit more if it were installed on the office building at Ash Street.

Mr. Hooper asked if the roofs were getting toward the end of their life expectancy. Mr. Sullivan stated that it would be determined if a viable roof exists on the premises that could handle the installation. If the timing of the lifespan of the roof equals the timing of the lifespan of the photovoltaic array then it's a win-win.

Mr. Hooper made a motion that the RMLD Citizens' Advisory Board 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, seconded by Mr. Nelson. Hearing no further discussion, ***Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent).***

6. March 2013 Reliability Report – K. Sullivan

Mr. Sullivan presented the March 2013 Engineering & Operations report which was included in the Agenda packet. Mr. Sullivan noted that as of this meeting both Project 5 and 6 are coming to a close. In reviewing Routine Construction, Mr. Sullivan noted that the YTD total for Porcelain Cutouts is 153. This project has been ongoing for several years and is winding down.

Mr. Sullivan reported that the CAIDI annual average in March was a bit lower than February due to a feeder outage in North Reading. SAIFI values for the month climbed due to the number of customers affected by the feeder outage (1,266). Mr. Sullivan provided an update on the meter project. At this point in time (May) the residential project is almost complete. The commercial meter upgrade is underway and will be ongoing into FY14. Other updates for March include: number of calls - 74; outage incidents - 10; customers affected by outage(s) - 1,266. There was one feeder outage, five area outages and four service outages.

7. March 2013 Financial Report – R. Fournier

Mr. Fournier presented the March 31 Financials which were included in the Agenda packet. Mr. Fournier reported that during the month of May we made our annual pension contribution of \$1M as well as our payment to the post-employment benefit fund of \$150,000. Next month (June) we will be making the payment to the four towns which is based on 2% of the net plant with distribution based on kilowatt hours sold in each town. (Reading, \$143,000; Lynnfield, \$44,000; North Reading, \$126,000; and Wilmington \$383,000) We have about \$1.4M to distribute between June and December.

8. March 2013 Power Supply Report – J. Parenteau

Ms. Parenteau presented the March Purchase Power Summary which was included in the Agenda packet. Energy Costs were equivalent to a little over \$0.04 per kilowatt hour; the fuel charge in March was set at \$0.055 and sales totaled 54.3M kilowatt hours. As a result, RMLD over collected by approximately \$473,000, resulting in a deferred fuel cash reserve balance of about \$2.5M. The April fuel charge was decreased to about \$0.05, and May is currently set at \$0.045. Ms. Parenteau went on to review Capacity, RECs, Transmission and Energy Efficiency. As of the writing of the report 207 RMLD customers have received audits totaling \$41,400.

9. Strategic Power Supply Plan/Annual Power Supply Requests for Proposals – J. Parenteau and W. Seldon

Ms. Parenteau provided an update on the Strategic Power Supply Plan and overview of the RFP Process. The Plan looks out four years and picks up approximately 25% of the energy that we are going to need. As we do not know the best time to purchase, we developed this layering and laddering approach to the bid. Because the market is so dynamic we have to negotiate power supply contracts prior to going out for final bid; when we receive the bids from the suppliers they usually hold them for about an hour.

Ms. Parenteau reviewed the Proposed Power Contract Timeline which includes preliminary kilowatt amounts for the period from 2014 through 2017. We look at the monthly requirements; for every month we have a portfolio of resources that we currently have to meet our demand - we have energy that we rely on the spot market for and then depending on the time of the year (in the summer time or winter time when prices can be more volatile) we want less on the spot market and we want to lock in or secure more power at a fixed price and for less exposure. However, in shoulder months when prices tend to be lower or less volatile, we take a little greater stance and have about 20-30% open on that market. We are always trying to balance the load with the generation behind it. We look on a monthly basis at an average on-peak and off-peak and structure those blocks so suppliers can give us indicative fixed and heat rate index pricing.

The RFP asks for two types of products: firm pricing, which we lock in the price for and then we also ask for a heat rate index product. We've had some luck with that type of product and that usually is beneficial when gas prices tend to be high. What that does is lock in the heat rate component (a fuel index times a heat rate to get a dollars-per-megawatt-hour price.) In New England, natural gas is what really drives electricity prices currently. So we have developed this heat rate index product where we can tie the indices to the Henry Hub and break that up into tranches. We then monitor the natural gas market and have the ability, based on a strategy that we've developed (a time and price strategy), so that if it hits a certain price, we lock it in and if we get to a certain time within the contract we lock in a portion - it's either value price or time value. Based on that, we look out the four years and secure those four tranches going out.

Ms. Parenteau stated that we will go out to probably 10-12 suppliers in the beginning of June and get indicative pricing for both products. Based on that pricing, we'll narrow it down to four or five suppliers. We negotiate PPAs (Purchase Power Agreements) for both the firm pricing as well as the heat rate index with each of those suppliers. We then pick a day as we are monitoring the natural gas market when we go out for final bids. We create a matrix that looks at other factors other than pricing. We spend a lot of time and effort to be sure these contracts really service what we're trying to do - protect our customers from exposure. Every contract that we negotiate has slight variations; some will post more collateral than others, and we weigh that in the matrix so when we're making that final decision it's not just who's providing the lowest cost power to us. We look at contract stipulations, the credit support and rating, their environmental benefits and the financial component. The contracts are evaluated and then we have the General Manager sign the contract the day we go out for final pricing. We are bringing this here to get the authority to do it; we do our due diligence and then we'll come back and tell you what we've done on that.

Mr. Nelson said thank you, from a municipality and representing Lynnfield on the CAB, it sounds like you are really looking out for the customers; we appreciate that.

Mr. Stempeck noted that he was very impressed; there is a lot of work behind all of this and it reflects obviously.

Ms. Parenteau noted that the process is in the seventh year and has worked well. By taking this approach it allows us to look at long-term contracts, incorporate some renewable projects, and it gives us that flexibility instead of that all-or-nothing approach.

Chairman Norton and Mr. Hooper thanked Ms. Parenteau and noted that she does a very nice job. Ms. Parenteau stated it was a team effort.

Mr. Hooper made a motion 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, seconded by Mr. Nelson. Hearing no further discussion, **Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent).**

Chairman Norton asked Ms. Parenteau for an update on Concord Steam. Ms. Parenteau stated that there had been a couple of emails that we received, probably just within the last two weeks. We have about one-third of the project, NH Electric has maybe 40%, and the balance (30% of the contract) was with the State of New Hampshire. There was an article in the Concord Monitor that indicated the State was pulling out of the contract. We contacted Concord Steam and were told that the State had to get a supplier to act as their agent. They have indicated to Concord Steam that they're willing to continue to sign that contract, but they have to go through the provision of the contract. Concord Steam indicated that by the end of this month they should have some updates on their financing, but in all likelihood this

would push back the commercial operations date. The last addendum was September of 2014 and this might bring it into June 2015. They will be coming to talk to us once they secure the financing.

10. Update on RMLD General Manager Position – G. Hooper

Mr. Hooper stated that the GM Search Committee had completed the interview process and is moving forward with recommendations which will be going to the Board of Light Commissioners.

11. 2013 Northeast Public Power Association (NEPPA) Annual Conference – K. Sullivan

Mr. Sullivan presented a preliminary agenda for the NEPPA Annual Conference which will be held August 25-28 in Stowe, Vermont.

Mr. Hooper made a motion to allow up to two CAB members to be reimbursed for attendance at the NEPPA Annual Conference, seconded by Mr. Nelson. Hearing no further discussion, **Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent).**

12. Next Meeting – J. Norton, Chairman

A tentative meeting date was set for July 17, 2013, if necessary.

13. 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 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, seconded by Mr. Hooper. **Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent), by a poll of members present:** Mr. Nelson, aye; Chairman Norton, aye; Mr. Hooper, aye.

14. Return to Regular Session – J. Norton, Chairman

Mr. Hooper made a motion to return to regular session, seconded by Mr. Nelson. **Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent)**

15. Release of Executive Session Minutes – J. Norton, Chairman

Mr. Nelson made a motion 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, seconded by Mr. Hooper. **Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent), by a poll of members present:** Mr. Nelson, aye; Chairman Norton, aye; Mr. Hooper, aye.

16. Motion to Adjourn – J. Norton, Chairman

Mr. Hooper made a Motion to Adjourn the Citizens' Advisory Board meeting, seconded by Mr. Nelson. Hearing no further discussion, **Motion carried 3:0:2 (3 in favor; 0 opposed; 2 absent).**


The Citizens' Advisory Board Meeting adjourned at 8:25 p.m.

Respectfully submitted,

John Norton, Chairman

Minutes approved on: _____

CITIZENS' ADVISORY BOARD


Chairman/Date 12/2/98

Per Board Vote 11/18/98

I. PURPOSE

- A. To establish the role of the Citizens' Advisory Board (CAB) relative to the Ratepayers, the RMLD Commission, and the General Manager.
- B. To establish administrative controls for certain CAB activities.

II. GOVERNING LAWS

- A. M.G.L., Chapter 164 and other applicable federal and state statutes and regulations.
- B. 1990 "20 Year" Agreement between the RMLD and the towns of Lynnfield, Reading, North Reading, and Wilmington.

III. RESPONSIBILITIES

A. CAB Chairman:

- 1. Chairman is responsible for calling regular, emergency, and executive session meetings of the CAB Board as needed.
- 2. Chairman presides over the CAB meetings, sets the agenda and recognizes all speakers, including other Members.
- 3. Chairman nominates Board members to represent the CAB at appropriate functions, events and meetings. Final decision is by a majority of the Board members.
- 4. Chairman nominates Board members to Board Subcommittees. Final appointment is by a majority of the Board members. The Secretary serves as the Chairman of any such subcommittees to which he/she is appointed.
- 5. The Chairman may delegate some, none or all of the above responsibilities to the Secretary. Though the final authority for these responsibilities resides with the Chairman, he/she is encouraged to actively consult with the Secretary as appropriate.
- 6. Signs, upon direction of a majority of the Board members, documents and legal settlements on behalf of the CAB. Alternatively any Member may be authorized to perform this function.

B. CAB Secretary:

1. Final review of Board minutes.
2. Certifies, as required by law, votes of the CAB.

C. CAB, as a whole, by majority vote:

1. May provide decision-making inputs to the RMLD Board on issues concerning:
 - a. Significant expansion or retirement of RMLD's transmission, distribution, general plant or generation. "Significant" is defined as any item that is normally submitted for approval to the RMLD Commission under the annual capital budget.
 - b. Long-term power contracts and agreements and their mix. "Long-term" is defined as any energy and/or capacity contracts that exceed all the following conditions:
 - i. 10 megawatts in energy
 - ii. 6 months in duration
 - iii. 1 year in length
 - c. Cost-of-service and rate making practices.
 - d. Significant financial and accounting practices. The following actions are considered "significant".
 - i. Creation of reserve accounts or any alteration to existing reserve accounts. Alterations are defined as a transfer to or from a reserve account that is not a posting of accrued interest.
 - e. Review the RMLD operating and capital budgets and recommend increases, decreases and alterations. The CAB shall review the proposed budgets for both their ability to ensure the proper maintenance and needed improvements to the physical plant of the RMLD, and for its fiscal responsibility and impact on rates.
 - f. Other issues as referred by the RMLD Commission.
 - g. Any and all matters as prescribed under the Twenty-Year Agreement. Twenty-Year Agreement superseded this policy.
2. Approves, in advance, attendance by CAB members at any meeting, conference, training session or similar function that requires RMLD expense compensation or use of RMLD Resources.

B. CAB Subcommittees

1. Serve as a mechanism for the Board to review and consider specific issues. Subcommittees can recommend but not approve unless specifically delegated, a course of action to the Board.

IV. POLICY ELEMENTS

A. It is the policy of the CAB:

1. To operate in accordance with the spirit, as well as the letter of all laws affecting its business and the business of the RMLD.
2. All Members are required to act with the highest level of integrity, business ethics and objectivity in any CAB transaction or where a Member represents the Board or the RMLD. No Member is allowed to misuse the authority or influence of their CAB position.
3. To operate in a businesslike and efficient manner in all aspects of the CAB meetings.
4. To hold regular open and public meetings to allow any and all customers to provide direct input on any open session matter before the Board.

Revision No.

CAB POLICY NO. 2

Effective Date: 8/11/04

RELEASE OF EXECUTIVE SESSION MINUTES


Chairman/Date

Per CAB Vote: 8/11/04
Date

I. PURPOSE

To establish the procedure for Release of Executive Session Minutes.

II. GOVERNING LAWS

- A. M.G.L., Chapter 164 and other applicable federal and state statutes and regulations and guidelines.
- B. 1990 and as extended in 2000 the "20 Year" Agreement between the RMLD and the towns of Lynnfield, Reading, North Reading, and Wilmington.
- C. M.G.L., Chapter 39, §§ 23A, 23B, and 24.

III. RESPONSIBILITIES

- A. The Chairman of the Citizens' Advisory Board will review approved Executive Session minutes in their entirety that are still in confidential status on a regular basis, but not less than once per quarter, and make a recommendation to the members of the Citizens' Advisory Board to release for publication those minutes which need not be confidential due to resolution of the issues discussed and decided upon in Executive Session.
- B. Executive Session minutes, or sections thereof, will be released only by an affirmative majority vote of at least three (3) members of the Citizens' Advisory Board.

IV. POLICY ELEMENTS

- A. Executive Session minutes are available to all members of the Citizens' Advisory Board, who are bound to maintain their confidentiality.
- B. Executive Session minutes will be released in accordance with Massachusetts General Law and the Open Meeting Law Guidelines as outlined by the Middlesex District Attorney's Office Guidelines.
- C. All requests for unreleased executive session minutes will be forwarded to the Chairman of the Citizens' Advisory Board, and placed on the next available CAB meeting agenda for resolution.

From: Bob Fournier
Sent: Thursday, September 05, 2013 4:11 PM
To: Kathleen Rybak
Subject: Town Payments

Hi Kathleen,

The Reading Town Payment (also called the PILOT or ROI) is calculated by using the prior year's total payment and adjusting it by the Consumer Price Index for the Boston Region (Boston-Brockton-Nashua) for the current year.

The voluntary payment to the four Towns is calculated by using the December 31st Net Plant and multiplying that figure by 2% to arrive at the total amount available to be paid to the four towns. The distribution amount to the each town is determined by dividing the calendar year kwh sold to each town to the total kwh sold for that calendar year.

Bob

RMLD
TOWN PAYMENT SCHEDULE
FOR CALENDAR YEAR 2013

12/31/12 NET PLANT ELECTRIC UTILITY	\$69,851,692
MUTIPLYING FACTOR	2.00%
TOTAL DISTRIBUTION AMOUNT FOR TOWN PAYMENTS	<u>\$1,397,034</u>
2012 CALENDAR YEAR SALES OF KILOWATT HOURS	691,149,876

TOWN	SALES OF KWH HOURS	KWH %	KWH % APPLIED TO DISTRIBUTION	6/30/13 PAYMENT	12/31/13 PAYMENT
READING	142,052,218	20.5530%	\$287,132	\$143,566	\$143,566
LYNNFIELD CENTER	43,998,847	6.3660%	\$88,936	\$44,468	\$44,468
ORTH READING	125,578,270	18.1695%	\$253,834	\$126,917	\$126,917
WILMINGTON	379,520,541	54.9115%	\$767,132	\$383,566	\$383,566
TOTAL	691,149,876	100.0000%	\$1,397,034	\$698,517	\$698,517

First of two payments based on the Twenty Year Agreement whereby voluntary payments are made to the four Towns based on their kwh usage on a percentage basis against the total dollar amount calculated at 2% of the net plant figure.

Energy Services Division

To: Coleen O'Brien
CC: Jeanne Foti
From: Jane Parenteau and William Seldon
Date: 9/13/2013
Re: Draft Process for Acquiring Renewable Energy Certificates (RECs) and the Procedures Involved in REC Sales

How Renewable Energy Certificates (RECs) Are Generated in the RMLD Power Supply Portfolio

Renewable Energy Certificates (RECs) are defined as “tradable, non-tangible energy commodities in the united states that represent proof that 1 megawatt hour (MWh) of electricity was generated from an eligible renewable energy resource.” The RECs generated in RMLD’s portfolio specifically meet the Massachusetts Renewable Portfolio Standard (RPS) requirements. The RECs generated are processed through the New England Power Pool Generation Information System (NEPOOL GIS). RECS may be qualified in multiple states, however they must be declared at trade time for a specific state and class and they can only be sold once.

RECs are created six months after the energy associated with the REC has been generated. For example, energy generated in January that is associated with a renewable project will have associated RECs created in June. The Woronoco Hydro plant generated xxxxxx MWhs in January, 2013. XXXX RECs were created for the Woronoco Hydro plant as a result.

The RECs created are initially distributed to the Asset Holder in the NEPOOL GIS system. The Asset Holder then transfers the RECs to the RMLD. A more detailed explanation of how RECs are created can be found in the NEPOOL GIS Operating Rules (attached).

RMLD currently receives RECs the following hydro projects: Woronoco, Indian River, Pepperell and Turners Falls. The RMLD does not receive RECs from any other type of renewable project at this time (wind, solar, etc.).

RMLD verifies that RECs transferred into RMLD's GIS account is equivalent to the MWh generation of each hydro project..

Procedure Used to Sell RECs in RMLD Power Supply Portfolio

Swift River is the initial Account Holder for the RECs generated by all of RMLD's hydro projects (Woronoco, Pepperell, Turners Falls and Indian River). Swift River transfers all associated RECs to the RMLD account within the NEPOOL GIS. At such time as the RECs become available and per the RMLD Sustainability Policy, section III D, RMLD will determine an estimated value for the RECs using available Market Information (see example ICAP sheet – attached). On a monthly basis, RMLD includes the estimated value of the RECs in the Purchase Power Summary for the RMLD Board of Commissioners.

RMLD is developing a matrix which looks at historical REC pricing. RMLD will be establishing a risk management plan based on time and value constraints. This risk management plan will assist ESD personnel with the sale or retirement of RECs.

If the RECs have reached a threshold value they will be sold to an approved buyer before the calendar quarter when they would be retired (June of the following calendar year that the RECs were created). The RECs will be transferred to the approved buyer after payment for the RECs has been received by the RMLD. If the RECs are determined to have no significant monetary value they are allowed to retire at the end of the trading period. An example of RECs that have no monetary value that are in the RMLD portfolio are the Turners Falls RECs. Turners Falls RECs are classified as Connecticut CEO which have no tradable value.

Revenue associated with the sale of RECs in RMLD Power Supply Portfolio

RMLD currently credits any revenue from the sale of RECs to the Fuel Account. This is consistent with the RMLD Sustainability Policy (Section III (D)).