Town of Reading
Meeting Minutes

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2016-04-27 Time: 6:30 PM

Building: Reading Municipal Light Building Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

Purpose: General Business Session: General Session

Attendees: **Members - Present:**

Mr. George Hooper, Chair (Wilmington); Mr. David Nelson, Vice Chair (Lynnfield); Mr. David Mancuso, Secretary (Reading); Mr. Mark Chrisos (North Reading); Mr. Dennis Kelley (Wilmington)

Members - Not Present:

Others Present:

Mr. Thomas O'Rourke, Board of Commissioners
Mr. Chris Pollart, Rubin and Rudman, LLP
Ms. Coleen O'Brien, Mr. Robert Fournier, Ms. Wendy Markiewicz, Mr. Paul McGonagle, Ms. Jane Parenteau, Ms. Kathleen Rybak

Minutes Respectfully Submitted By: Mr. George Hooper, Chair

Topics of Discussion:

1. Call Meeting to Order – G. Hooper, Chair

   Chair Hooper called the meeting of the Citizens' Advisory Board to order at 6:30 pm and noted that the meeting was being audio recorded.

2. FY17 Capital Budget – C. O'Brien General Manager
   Materials: FY2017 Capital Budget, CAB & RMLD Board Presentation Slides

   Ms. O'Brien began the FY17 Capital Budget presentation with an overview of the Capital Improvements spreadsheet and the changes that have been included for FY17 (addition of Total Estimated Project Cost and Projected Project Variance columns). Ms. O'Brien then provided an update on the status of the major FY16 Capital projects (Slide 3) including a comparison of budget to actual (Slide 4 and 5). Projects not completed in FY16 are either rolled into FY17 or have been put on hold.

   The group discussed the economic development initiatives in Reading, which may have an impact on the Ash Street campus. The Master Facilities Site plan and any major renovations to the buildings are on hold pending the outcome of the Town discussions.

   Ms. O'Brien then provided a brief overview of the major capital projects planned for FY17. Slide 8 provides a status update for the Distributor Generator. The project budget has increased from $2.164m to $2.720m to accommodate an option to increase the unit from 2.0 to 2.5 megawatts and to include the cost to bring gas to the site. Staff reiterated that this project is a pilot. For the long-term, we will be evaluating all available options (such as battery storage) to shave the peak.

Ms. O'Brien concluded the presentation with a review of the projected project variances and the Plant Values and Depreciation fund balances.

3. Proposed Rate Adjustment – C. O'Brien, General Manager and J. Parenteau, Director of Integrated Resources (this Agenda item was taken out of order)
Materials: FY2017 Proposed Base Rate Increase spreadsheet; Rate Schedules MDPU#259 – 267.

Ms. Parenteau provided an overview of the proposed rate increase. In FY16, RMLD projected a 1% decrease in sales. For FY16 year-to-date (through February), sales are down 2.5%. In FY17, capacity costs are estimated to be increasing by $2m, transmission approximately $800k, and energy cost should be flat.

As a result of declining sales and the anticipated increases in power supply costs, RMLD is proposing a rate increase of between 5-7% in order to achieve the FY17 budgeted Operating Revenue of $25.5m. Ms. Parenteau reviewed Slide 9 which outlines the impact of the proposed rate increase on the various classes of customers (based on monthly usage assumptions). Ms. Parenteau noted that staff met with town administrators and selectmen from the four towns earlier this year, and at that time we had projected a 7-9% increase.

The group discussed the plan to communicate the new rates (including the Terms and Conditions) to commercial and residential customers, and the pros and cons of including rate comparisons to IOU's and other municipals in our communication to customers.

4. Revised Terms and Conditions – C. O'Brien, General Manager
Materials: Draft General Terms and Conditions for Electric Service

Ms. O'Brien stated that RMLD is working on a service requirements handbook, which is intended as a reference tool for customers, vendors, electricians and employees. The handbook will include the revised Terms and Conditions and will be presented to the CAB at an upcoming meeting. Ms. O'Brien introduced Attorney Chris Pollart from Rubin and Rudman to review the proposed changes to the Terms and Conditions.

Mr. Pollart noted that the Terms and Conditions is the governing document between RMLD and its customers. The draft has been restructured and reformatted to comply with current regulatory and legal requirements. The rights and responsibilities of the RMLD and its customers have been clarified. Mr. Pollart highlighted some of the changes:

- Customer fees have been removed and will be included as a schedule in the service requirements handbook.
- Net metering provisions have been eliminated from the General Terms and Conditions; RMLD has separate Net Metering Terms and Conditions.
- Clarification that the Terms and Conditions are effective when filed with the DPU. Previously, they stated that they were not effective with the customer until service commenced.
- A provision that prohibits customers from purchasing power from a third party in order to protect RMLD's exclusive franchise service territory.
- Additional provisions that address service to border customers.
- Additional language relative to security deposits.
- More comprehensive provisions as to when RMLD is required to provide service.
- Clarification of RMLD's right to refuse a new service.
- Language regarding RMLD's right to utilize a Cromwell waiver.
- A new section with provisions that address new services and imposes a requirement on customers to maintain their wiring in good condition.
- Clarified that RMLD is only required to provide an existing type of service.

- Added provisions that require the customer to provide space for the RMLD meter and equipment, and prohibits customers from hindering access to meters and equipment.
- Information regarding the duty of the customer to protect sensitive appliances and computers. Legally, RMLD's responsibility ends at the meter.

If approved by the Board, the Terms and Conditions will be filed with the DPU as part of the rates. Once filed, the Terms and Conditions take the effect of law.

Chair Hooper asked for motions relative to the Capital Budget, Operating Budget and Proposed Rate Changes.

Mr. Nelson made a motion that the Citizens' Advisory Board recommend to the RMLD Board of Commissioners the Fiscal Year 2017 Capital Budget dated March 31, 2016, in the amount of $9,406,217 as presented. Any significant changes are to be submitted to the CAB for review and recommendation, seconded by Mr. Kelley. Hearing no further discussion, **Motion carried 5:0:0** (5 in favor, 0 opposed, 0 absent).

Mr. Nelson made a motion that the Citizens' Advisory Board recommend to the RMLD Board of Commissioners the Fiscal Year 2017 Operating Budget with a Net Income of $3,935,097 as presented at the April 6, 2016, meeting, seconded by Mr. Mancuso. Hearing no further discussion, **Motion carried 5:0:0** (5 in favor, 0 opposed, 0 absent).

Mr. Nelson made a motion that the Citizens' Advisory Board recommend to the RMLD Board of Commissioners the approval of rates including revised Terms and Conditions, MDPU numbers 259, 260, 261, 262, 263, 264, 265, 266, 267 and 268 effective July 1, 2016, on the recommendation of the General Manager. Seconded by Mr. Chrisos. Hearing no further discussion, **Motion carried 5:0:0** (5 in favor, 0 opposed, 0 absent).

5. Public Comment – G. Hooper, Chair
   Chair Hooper asked if there were any comments. Mr. O'Rourke commented that he was glad to see both the Capital and Operating Budgets together and noted that he liked the process.

6. Adjournment – G. Hooper, Chair
   Mr. Nelson made a motion to adjourn the Citizens' Advisory Board meeting, seconded by Mr. Chrisos. Hearing no further discussion, **Motion carried 5:0:0** (5 in favor, 0 opposed, 0 absent).

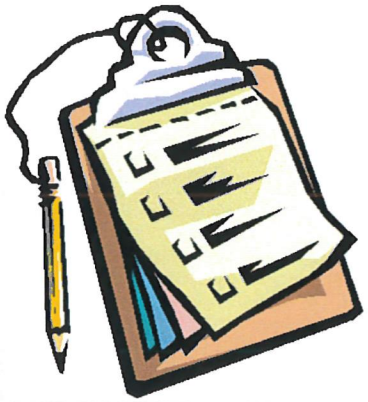
The Citizens' Advisory Board Meeting adjourned at 7:57 pm.

As approved October 12, 2016.

FY 2017 Capital Budget CAB & RMLD Board Presentation

Coleen O'Brien, General Manager
Hamid Jaffari, Director of E&O
Jane Parenteau, Director of IRD
Bob Fournier, Business Manager

Agenda



- FY 2017 Capital Budget
- Distributed Generation Project Updates
- RMLD Rates
- RMLD Terms & Conditions
- Questions & Answers

FY 2016 Capital Authorization Major Spending

	Projects	Amount
✓	Sub 4 Switchgear's Breaker Replacement	$508K
➢	Distributed Generation	$2,164K
✓	Substation Equipment Upgrade	$254K
✓	LED Street Lights	$1,200K
✓	HVAC System Upgrade	$600K
➢	GIS	$420K
✓	Step-Down Upgrades	$250K
✓	URD Upgrade (Cooks farm)	$340K
✓	Routine Constructions	$1,000K
✓	Transformers/Capacitors	$668K
✓	Rolling Stock (Trucks, Fork Lift, Spreader)	$448K
✓	AMI/Metering (500 Club)	$219K
✓	MIS	$451K
➢	Power Quality Meters (EVSE, Data Loggers, Efficiency Meter	$60K
✓	Other (Facility Site Plan, Lowell St Project, West St, Fiber Optics)	$2,014K
	Total	$10,596K

■ Booth & Associates Study Recommendations

■ Not Completed

FY16 Budget vs. Actual

- Budget vs. Actual Comparison:

Budgeted: $10,596,000 Estimated to Spend: $7,227,000

Breakdown of Difference:

- **Roll Over Amount to FY2017:**
  - *Distributed Gen* *$2,100,000*
  - *GIS* *$330,000*
  - *Power Quality Meters* *$25,000*

  Subtotal=$2,455,000
- **Projects On Hold:**
  - *Master Facilities* *$150,000*
  - *5W9 Circuit* *$100,000*
  - *Relay Replacement* *$73,000*

  Subtotal=$323,000
- **Lower Bids** (Gaw Gen, Cogsdale, etc) *$155,000*
- **Others** *$436,000*

FY 2016

FY2016 Budget	Estimated Spending	Variance
$10,596,000	$7,227,000	$3,369,000

Project	FY16 Budgeted	Spent	Variance
Distributed Gen	$2,164,000	$64,000	$2,100,000
Master Facilities	$150,000	0	$150,000
LED Street Lights	$1,200,000	$804,000	$396,000
GIS	$420,000	$90,000	$330,000
URD Upgrades	$340,000	$50,000	$290,000
13.8kV Upgrade	$352,000	$50,000	$302,000
Routine Const	$1,000,000	$1,568,000	($568,000)
5W9 Circuit Upgrade	$100,000	0	$100,000
BKR Replacement	$508,000	$601,000	($93,000)
Lowell St	$113,000	$147,000	($34,000)
Old Lynnfield Ctr	$42,000	$300,000	($258,000)
Comm Equipment	$98,000	$17,000	$81,000
Relay Replacement	$73,000	0	$73,000
Cogsdale	$127,000	$29,000	$98,000
Gaw Sub GEN	$107,000	$50,000	$57,000
Others			$345,000
			$3,369,000

FY 2017 Capital Authorization Major Spending

Projects	Amount
Distributed Generation	$2,720K
New Wilmington Substation	$250K
Relay replacement @ substation 4	$49K
LED Street Lights	$804K
HVAC System Upgrade	$500K
Grid Modernization	$284K
GIS	$360K
Step-Down Upgrades	$106K
URD Upgrade	$150K
Routine Constructions	$1,013K
PM Switchgear Replacement @ various parks	$195K
Transformers/Capacitors	$668K

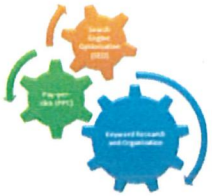
- Booth & Associates Study Recommendations

FY 2017 Capital Authorization….Continued

Projects	Amount
➢ Rolling Stock	$310K
➢ AMI/Mesh Expansion	$220K
➢ Sub 3: Relay Upgrades & SCADA Integration	$252K
➢ MIS (Software licensing/Hardware)	$343K
➢ IRD (EVSE)	$10K
➢ Others (Facility Site Plan, 4w9 circuit upgrade, PM Switch Upgrade, Fiber Optics)	$1,172K
Total	$9,406K

- Booth & Associates Study Recommendations

DG Pilot Project Status: N.Reading



- **Engineering Specification**
  - ✓ Technical Specification reviewed by Booth & Associates & Finalized
- **Studies**
  - ✓ Noise Study completed
  - ✓ Environmental (Soil Testing) completed
- **Permitting**
  - ✓ Site Plan Preparation
  - ➢ Town of N. Reading Building Dept. Review & Approval
  - ➢ N.Reading Public Meeting
- **Bidding Process**
  - ➢ Bid to go out in May/June 2016
  - ➢ Construction to be completed by June 15, 2017
- **Cost**
  - ➢ Spent-to-date (FY16) $14.1K
  - ➢ Engine 2MW (FY17) $2.2M 2.5MW (+$300K)
  - ➢ Site preparation (FY17) $285.9K
  - ➢ Gas (FY17) $123K
  - ➢ Misc. $97K

Estimated Total Cost = $2,720K

FY16 did not include gas and bid engine came in higher on preliminary bid

Rates

FY 2017 - Proposed Base Rate Increase
Comparative Rates Present/Proposed

Residential

	500 kWh	750 kWh	1000 kWh
Present	$72.49	$106.99	$141.48
Proposed	$77.30	$114.02	$150.75
Difference	$4.81	$7.03	$9.27
% Change	6.64%	6.57%	6.55%
Cost per kWh Present	$0.14498	$0.14265	$0.14148
Cost per kWh Proposed	$0.15460	$0.15203	$0.15075

Residential Hot Water

	1000 kWh	1500 kWh	2000 kWh
Present	$130.86	$194.55	$258.22
Proposed	$139.06	$206.67	$274.27
Difference	$8.20	$12.12	$16.05
% Change	6.27%	6.23%	6.22%
Cost per kWh Present	$0.13086	$0.12970	$0.12911
Cost per kWh Proposed	$0.13906	$0.13778	$0.13714

Residential Time of Use

	1000 kWh	1500 kWh	2000 kWh
Present	$128.10	$189.41	$250.69
Proposed	$136.03	$201.02	$265.99
Difference	$7.93	$11.61	$15.30
% Change	6.19%	6.13%	6.10%
Cost per kWh Present	$0.12810	$0.12627	$0.12535
Cost per kWh Proposed	$0.13603	$0.13401	$0.13300

Residential Low Income

	500 kWh	750 kWh	1000 kWh
Present	$66.93	$100.39	$133.85
Proposed	$71.18	$106.76	$142.35
Difference	$4.25	$6.37	$8.50
% Change	6.35%	6.35%	6.35%
Cost per kWh Present	$0.13386	$0.13385	$0.13385
Cost per kWh Proposed	$0.14236	$0.14235	$0.14235

Residential Hot Water Low Income

	1000 kWh	1500 kWh	2000 kWh
Present	$127.36	$191.05	$254.73
Proposed	$135.22	$202.83	$270.42
Difference	$7.86	$11.78	$15.69
% Change	6.17%	6.17%	6.16%
Cost per kWh Present	$0.12736	$0.12737	$0.12737
Cost per kWh Proposed	$0.13522	$0.13522	$0.13521

Residential Time of Use Low Income

	1000 kWh	1500 kWh	2000 kWh
Present	$122.58	$183.88	$245.17
Proposed	$129.96	$194.94	$259.91
Difference	$7.38	$11.06	$14.74
% Change	6.02%	6.01%	6.01%
Cost per kWh Present	$0.12258	$0.12259	$0.12259
Cost per kWh Proposed	$0.12996	$0.12996	$0.12996

Commercial

	Small	Medium	Large
Present	$2,057.52	$10,745.32	$47,713.75
Proposed	$2,175.00	$11,374.96	$50,385.63
Difference	$117.48	$629.64	$2,671.88
% Change	5.71%	5.86%	5.60%
Cost per kWh Present	$0.13608	$0.14102	$0.13269
Cost per kWh Proposed	$0.14385	$0.14928	$0.14012

Industrial Time of Use

	Small	Medium	Large
Present	$28,812.65	$57,583.75	$778,541.95
Proposed	$30,468.68	$60,735.90	$819,355.33
Difference	$1,656.03	$3,152.15	$40,813.38
% Change	5.75%	5.47%	5.24%
Cost per kWh Present	$0.10834	$0.11761	$0.10508
Cost per kWh Proposed	$0.11406	$0.12405	$0.11059

School Rate

	Small	Medium	Large
Present	$3,938.81	$11,630.77	$24,843.82
Proposed	$4,137.59	$12,178.14	$26,009.41
Difference	$198.78	$547.37	$1,165.59
% Change	5.05%	4.71%	4.69%
Cost per kWh Present	$0.12822	$0.12055	$0.12025
Cost per kWh Proposed	$0.13469	$0.12623	$0.12589

Street Lights

	Reading	Lynnfield	North Reading	Wilmington
Present	$9,084.85	$3,453.63	$4,639.77	$9,284.82
Proposed	$9,691.16	$3,684.94	$4,948.51	$9,902.78
Difference	$606.31	$231.31	$308.74	$617.96
% Change	6.67%	6.70%	6.65%	6.66%
Cost per kWh Present	$0.12699	$0.12772	$0.12583	$0.12594
Cost per kWh Proposed	$0.13547	$0.13627	$0.13420	$0.13433

Co-Op Resale

	500 kWh
Present	$71.49
Proposed	$75.89
Difference	$4.40
% Change	6.15%
Cost per kWh Present	$0.14298
Cost per kWh Proposed	$0.15178

Note: Proposed Rate Structure to Take Effect July 1, 2016. All Rate Classes Include the Fifteen Percent Prompt Payment Discount except Street Lights

Terms & Conditions

- Applicability – All Rate Classes
- Initiating Electric Service
- Installation of New Service and Service Connections
- Additional Service Requirements and Limitations
- Installation, Access, & Protection of RMLD's Equipment and Meters
- Additional Customer Responsibilities
- Rates, Charges and Billing
- Suspension or Termination of Service
- Limitations on Liability and Damages and Exclusions

Terms & Conditions

- RMLD's Electric Service Policy & Requirements Handbook – July 1, 2016
  - Benefit to customers, architects, engineers, municipal inspectors, employees and contractors
  - Provides a convenient reference as an informational guide
  - Improve communication and coordination
  - Handbook reflects RMLD's standard practices and procedures and does not necessarily address every requirement, limitation or particular situation.
  - Will be located on RMLD website (www.RMLD.com)

QUESTIONS
And
Answers

thank
you!