



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2017-05-24

Time: 6:30 PM

Building: Reading Municipal Light Building

Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version: Final

Attendees: **Members - Present:**

Mr. George Hooper, Chair (Wilmington); Mr. Dennis Kelley, Secretary (Wilmington); Mr. Jason Small (North Reading)

Members - Not Present:

Mr. Neil Cohen (Reading)

Others Present:

Mr. Philip Pacino, Board of Commissioners
Ms. Coleen O'Brien, Ms. Wendy Markiewicz, Ms. Jane Parenteau,
Ms. Kathleen Rybak, Mr. Mayhew Seavey, Principal, PLM Electric Power Engineering

Minutes Respectfully Submitted By: Mr. Dennis Kelley, Secretary

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. Proposed Rate Adjustment – J. Parenteau, Director of Integrated Resources and M. Seavey, Principal, PLM
Materials: Electric Rate Design Strategies Presentation to the Citizens' Advisory Board May 24, 2017; and FY18 – Proposed Rate Increase- Comparative Rates Present/Proposed (handout)

In follow-up to the April 12th CAB presentation on the Cost of Service Study, Mr. Seavey presented the recommended Electric Rate Design Strategies. Ms. Parenteau distributed and reviewed the FY2018 – Proposed Rate Increase – Comparative Rates Present/Proposed spreadsheet, which illustrates the impact of the recommendations on the various rate classes. Ms. Parenteau noted that usage will have an impact depending on the rate class. To clarify the "phasing-in" of the rate, in order to get to the zero percent rate of return (for residential), a 4.4% increase in the residential base rate is needed. That 4.4% increase is spread over five years. For FY18, the increase in base rates only (distribution rates) is 1%. The purchase power cost (a pass-through) represents 60% of the bill and increases approximately 5%.

Ms. O'Brien stated that RMLD will aim to align all subsidies over the next three-five years. The Board will vote on FY18 rates, with a strategy in place to correct the subsidies over time. RMLD must also adjust for solar generation - the concept of a customer being completely off the grid is not a reality when RMLD must maintain the

poles and the structures. We must constantly move to see how the franchise is being impacted by what's happening in the industry. Therefore, we move it in a granular way so that when things start happening we won't require a large increase.

Chair Hooper asked Commissioner Pacino if he could provide any input from the Board of Commissioners. Commissioner Pacino stated that the Board has gotten a presentation, but has not taken any action. At the meeting, the Board was generally in favor of moving forward with the recommendations. No one spoke negatively against it.

Mr. Kelley expressed concern with the increases, but acknowledged there is not much control over the pass-through costs.

Ms. O'Brien asked Ms. Parenteau to address the factors that led to the redesign. Ms. Parenteau stated that the Department is undertaking long-term strategic planning. Debt service from the long-term contracts, (Seabrook and Millstone) is scheduled to be paid off in 2018, which will result in approximately \$1m worth of decreases. Capacity is peaking, but is projected to go down. Transmission costs continue to climb significantly. Fuel costs are projected to come down and stabilize. Natural gas is at an all-time low. We cannot look at any one "bucket" in isolation. When you put all the factors together, the hope is that in the next 1-3 years there will be either relatively minor increases or some decreases depending on the overall picture. We are trying to be transparent by unbundling our rates and looking at the different components.

Chair Hooper stated that he understood the need for the rate adjustments completely, but noted that this has an impact across the board; the rate payers are seeing residential increases and paying the tax dollars for the schools that are going up as well. The group discussed how the rates compare to both the IOUs and other municipals. Chair Hooper then called for a motion.

Mr. Small made a motion that the RMLD Citizens' Advisory Board recommend to the RMLD Board of Commissioners the adoption the rates MDPU numbers #269, 270, 271, 272, 273, 274, 275 and 276 effective July 1, 2017, on the recommendation of the General Manager, seconded by Mr. Kelley. Hearing no further discussion, **motion carried 3:0:1** (3 in favor, 0 opposed, 1 absent).

3. Selection of Vice Chair – G. Hooper, Chair
Item tabled until all members are present.
4. Northeast Public Power Association (NEPPA) Annual Conference – G. Hooper, Chair

The group discussed the availability of CAB members to attend this conference.

Mr. Small made a motion to approve all four CAB members to attend the 2017 NEPPA Conference, seconded by Mr. Kelley. Hearing no further discussion, **motion carried 3:0:1** (3 in favor, 0 opposed, 1 absent).

5. Next meeting – G. Hooper, Chair
The next CAB meeting was scheduled for June 21, 2017, at 6:30 PM.
6. Executive Session – G. Hooper, Chair

Mr. Kelley made a motion that the Citizens' Advisory Board go into Executive Session based on Chapter 164, Section 47D exemption from public records and open meeting requirements in certain instances, to discuss competitively sensitive issues and return to regular session for the sole purpose of adjournment, seconded by Mr. Small. Hearing no further discussion, **motion carried 3:0:1** (3 in favor, 0 opposed, 1 absent), by a poll of members present: Mr. Small aye; Chair Hooper, aye; Mr. Kelley, aye. Mr. Cohen was not present

7. Adjournment – G. Hooper, Chair
Mr. Kelley made a motion to adjourn the Citizens' Advisory Board meeting, seconded by Mr. Small. Hearing no further discussion, **motion carried 3:0:1** (3 in favor, 0 opposed, 1 absent).

The Citizens' Advisory Board Meeting adjourned at 8:02 PM.

As approved January 17, 2018

FY 2018 - Proposed Rate Increase
Comparative Rates Present/Proposed

Residential	500 kWh	750 kWh	1000 kWh
Present	\$76.81	\$113.29	\$149.78
Proposed	\$81.89	\$120.78	\$159.69
Difference	\$5.07	\$7.49	\$9.91
% Change	6.60%	6.61%	6.62%
Cost per kWh Present	\$0.15363	\$0.15105	\$0.14978
Cost per kWh Proposed	\$0.16377	\$0.16104	\$0.15969

Residential Time of Use	1000 kWh	1500 kWh	2000 kWh
Present	\$135.06	\$199.56	\$264.89
Proposed	\$145.47	\$215.05	\$284.63
Difference	\$10.41	\$15.49	\$19.74
% Change	7.71%	7.76%	7.80%
Cost per kWh Present	\$0.13506	\$0.13304	\$0.13244
Cost per kWh Proposed	\$0.14547	\$0.14336	\$0.14232

Residential Low Income	500 kWh	750 kWh	1000 kWh
Present	\$72.98	\$109.46	\$145.94
Proposed	\$77.80	\$116.69	\$155.60
Difference	\$4.81	\$7.24	\$9.66
% Change	6.60%	6.61%	6.62%
Cost per kWh Present	\$0.14596	\$0.14594	\$0.14594
Cost per kWh Proposed	\$0.15559	\$0.15559	\$0.15560

Residential Time of Use Low Income	1000 kWh	1500 kWh	2000 kWh
Present	\$128.99	\$193.48	\$257.97
Proposed	\$139.15	\$208.73	\$278.31
Difference	\$10.17	\$15.24	\$20.34
% Change	7.88%	7.88%	7.88%
Cost per kWh Present	\$0.12899	\$0.12899	\$0.12899
Cost per kWh Proposed	\$0.13915	\$0.13915	\$0.13916

Commercial	Small	Medium	Large
Present	\$2,119.85	\$11,097.19	\$45,094.22
Proposed	\$2,201.52	\$11,493.49	\$46,938.89
Difference	\$81.67	\$396.30	\$1,844.67
% Change	3.85%	3.57%	4.09%
Cost per kWh Present	\$0.14020	\$0.14563	\$0.12540
Cost per kWh Proposed	\$0.14560	\$0.15083	\$0.13053

Industrial Time of Use	Small	Medium	Large
Present	\$29,566.36	\$59,080.75	\$599,380.25
Proposed	\$31,171.37	\$64,250.94	\$629,562.93
Difference	\$1,605.01	\$5,170.18	\$30,182.68
% Change	5.43%	8.75%	5.04%
Cost per kWh Present	\$0.11069	\$0.12067	\$0.10877
Cost per kWh Proposed	\$0.11669	\$0.13123	\$0.11425

School Rate	Small	Medium	Large
Present	\$4,013.87	\$11,780.64	\$25,156.98
Proposed	\$4,192.03	\$12,371.78	\$26,425.51
Difference	\$178.16	\$591.14	\$1,268.53
% Change	4.44%	5.02%	5.04%
Cost per kWh Present	\$0.13066	\$0.12210	\$0.12177
Cost per kWh Proposed	\$0.13646	\$0.12823	\$0.12791

Street Lights (Formula Rate)	Reading	Lynnfield	North Reading	Wilmington
Present	\$6,372.12	\$2,727.23	\$3,800.18	\$5,580.14
Proposed	\$6,381.33	\$2,731.17	\$3,805.68	\$5,588.20
Difference	\$9.21	\$3.94	\$5.49	\$8.06
% Change	0.14%	0.14%	0.14%	0.14%
Cost per kWh Present	\$0.13841	\$0.13841	\$0.13841	\$0.13841
Cost per kWh Proposed	\$0.13861	\$0.13861	\$0.13861	\$0.13861

Street Lights (LEDs)	Reading	Lynnfield	North Reading	Wilmington
Present	\$3,296.69	\$916.01	\$1,357.02	\$3,047.09
Proposed	\$3,356.68	\$932.74	\$1,381.99	\$3,102.51
Difference	\$59.99	\$16.74	\$24.97	\$55.41
% Change	1.82%	1.83%	1.84%	1.82%
Cost per kWh Present	\$0.34567	\$0.34423	\$0.34190	\$0.34587
Cost per kWh Proposed	\$0.35196	\$0.35052	\$0.34819	\$0.35216

Co-Op Resale	500 kWh
Present	\$74.17
Proposed	\$77.32
Difference	\$3.15
% Change	4.24%
Cost per kWh Present	\$0.14834
Cost per kWh Proposed	\$0.15463

Note: Proposed Rate Structure to Take Effect July 1, 2017. All Rate Classes Include the Fifteen Percent Prompt Payment Discount except Street Lights