

The power of progress

Reading Municipal Light Department

Annual Report

FY 2012



Reading Municipal Light Department is a municipal electric utility serving Reading, North Reading, Wilmington, and Lynnfield Center. Founded in 1894, RMLD is nonprofit, locally owned and operated. A Board of Light Commissioners elected by Reading voters governs the utility. A Citizens' Advisory Board, appointed by the four communities we serve, makes recommendations to the Board of Commissioners.

Board of Commissioners



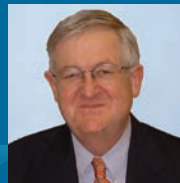
Richard S. Hahn,
Chairman
(until April 2012)



Philip B. Pacino,
Vice Chairman



Mary Ellen
O'Neill,
Secretary
(through May
2012)



Robert Soli,
Commissioner



Gina Snyder,
Commissioner



Marsie West,
Commissioner
(from April 2012)

Citizens' Advisory Board

Chairman Arthur Carakatsane, Lynnfield

Secretary John Norton, North Reading

Tony Capobianco, Reading

George Hooper, Wilmington

Thomas Ollila, Wilmington

*RMLD's original
Ash Street power station*



From the General Manager

To our customers:

The focus of this year's RMLD Annual Report is the history of RMLD, its milestones, and the amazing progress made possible by electric power. In 1894, the Town of Reading had great foresight to create an electric department and take advantage of the many benefits of owning a municipal electric utility. Many milestones have marked the years since then:

Between 1909 and 1912 electric service was extended to the towns of Wilmington, North Reading, and a portion of Lynnfield, creating a service territory that still remains.

In 1925, RMLD connected with Boston Edison at the Stoneham town line. This connection allowed RMLD to meet its growing demand for electricity, as uses for electricity expanded.

During the 1930s and 1940s, RMLD installed underground service to the downtown area of Reading, which esthetically improved the areas of High, Haven, Linden, Woburn, and Sanborn Streets. And RMLD was practicing load management and energy conservation almost 60 years ago when a water heater rate was introduced in 1956.

The Northeast Blackout of 1966 caused a sea change in the electric industry. As a result of this catastrophic electric outage, the New England Power Pool was formed in 1975 to make the six New England states one interconnected electric system.

In the late 1990s, deregulation brought competition to the electric industry, which caused some utilities to raise prices dramatically. RMLD's rates have remained stable. In the last decade, RMLD has focused on energy conservation and diversifying our power supply so that renewable energy resources serve a portion of our energy needs.

Since RMLD's inception, and throughout all the changes our utility has seen, we have remained a reliable provider of energy to our customers, a healthy financial entity that has kept rates competitive within the New England electric industry, and a responsible member of our community.

I would like to thank all our customers since 1894 for their support, goodwill, and patience as RMLD continues to deliver electricity in an affordable, reliable, and responsible manner.

Sincerely,



Vincent F. Cameron Jr.
General Manager



Vinnie Cameron,
General Manager

The power of progress

When the first street lamp in Reading lit up the night sky more than a century ago, it was a breathtaking technological advance for the community. In 1895, Reading's new generating station powered not only 123 street arc lamps, but also 1,550 incandescent lamps at 81 customers' homes. It was a true milestone in our area's history.

Today we know that those streetlights and home lamps were just the beginning of a powerful technological explosion to come. The decades that followed saw enormous social and technological changes fueled by the increasingly sophisticated use of electric power. And those changes continue.

This report – while by no means a complete history – contains some of the large and small milestones in the development and use of electric power, both at RMLD and in the larger world. Through it all, RMLD has remained an integral part of the fabric of local life, sharing the hopes and dreams of our customers as we work together to improve the quality of local life.

Milestones for electricity



1882 – Edison Effect

Thomas A. Edison discovers how to control the flow of electric current through a light bulb. This discovery is the basic principle on which electron tubes operate. Electron vacuum tubes, invented in 1904, were necessary for all electronic equipment until the transistor was invented in 1947.

1880-1899

Milestones for RMLD

May 21, 1894 – RMLD is founded

Special Town Meeting voters in Reading unanimously approve the establishment of an electric light plant along with \$50,000 to finance its construction. The action is fueled by the townspeople's dissatisfaction with service from a private utility, and a belief that electric service should be locally owned and controlled.

Lineman James Winthrop Sias, circa 1905, drives an RMLD sled.





1880s-1890s – AC power systems

George Westinghouse, an American engineer, inventor and businessman, develops high-voltage AC (alternating current) electrical systems. Electrical engineer William Stanley also did pioneering work, independently and with Westinghouse, with AC central power systems. AC electrical systems are better for commercial use than Thomas Edison's DC (direct current) systems because they allow longer-distance power transmission.

1902 – Commercial air conditioning

Willis H. Carrier, a U.S. industrialist and mechanical engineer, designs and has installed an electric cooling and dehumidifying system for a New York printing plant in 1902. During the 1920s, motion-picture theaters, office buildings, department stores and hospitals begin to install air conditioning. The first room air conditioners for home use become available about 1947.

1907 – Electric washing machine

A Chicago Company develops “Thor,” the first self-contained electric clothes washer. It's part of a growing selection of new electric appliances, including General Electric's first electric range in 1906, and the first home refrigerator in 1913.

1900-1909

1895 – Local generation begins

Reading's own generating station begins operation, serving 81 customers with 1,550 incandescent lamps, and powering 123 street arc lamps. Streetlights are not lit on nights when the moon is bright. Income for 1895: \$1,117.67.

“The street lamps have been lighted 117 hours more than during 1899 as there was a demand from the citizens for the light a little earlier in the evening and on nights that were cloudy during what is known as the moonlight schedule.”

— 1900 Annual Report

1908 – Legislation allows expansion

Special legislation is enacted to allow the Town of Reading to distribute and sell electricity in Lynnfield, North Reading and Wilmington. Lynnfield Center residents take action to apply for electric service.

1909 – Lynnfield center joins RMLD

RMLD extends electric service to Lynnfield Center on December 10, with 17 customers and a promise of streetlighting service.





1912 – High-vacuum electron tube

Early electron vacuum tubes contained gas. In 1912, Bell Telephone Laboratories and General Electric invent electron tubes having a greater vacuum than other tubes and no gas. The higher vacuum makes possible better amplification, a key to radio's development. This led to the first commercial AM radio broadcast in 1920 by radio station KDKA in Pittsburgh.

1913 – Electrified assembly line

Henry Ford introduces the electrified assembly line. It makes building automobiles much more efficient and less costly so they become affordable for millions of people. The availability of small electric motors makes manufacturing many other products much more efficient as well.

1925 – Electric phonograph

J.P. Maxfield and H.C. Harrison of Bell Laboratories produce a successful all-electric phonograph in 1925, although experiments with electronic amplifiers in phonographs had begun as early as 1912. Thomas A. Edison had invented the first acoustical phonograph, which had no electric parts, in 1877.

1910-1919

“The records at the office show that the following cooking and heating appliances have been connected to the service during the past year: four electric ranges, one fireless cooker, twenty-three small stoves and toasters, eighty-three flat irons, five radiators, six heating pads and seven vacuum cleaners.”

— 1911 Annual Report

1910 – North Reading joins service area

Electric service begins in North Reading with 87 public streetlights, followed by additions in 1911 of 42 customer connections, 9-horsepower in engines, and 38 tungsten streetlights.

1911 – Wilmington joins service area

Electric service is extended to Wilmington.

1915 – Electric rate drops

Under the direction of RMLD General Manager Arthur Sias, the cost of electricity drops from 15 cents to 9 cents per kilowatt-hour, a move aimed at making electricity affordable to all.

1920-1929

1925 – First outside power purchase

RMLD buys power from Boston Edison to supplement its generating station due to growing demand for electricity. In 1926, RMLD contracts with Boston Edison for all its required electricity.



From left: Early interior of the Ash Street power station; RMLD vehicle circa 1930s; the RMLD office circa 1930s, including an appliance showroom

electricity



1926 – Pop-up electric toaster

The Toastmaster Company markets the first home electric pop-up toaster in 1926. Charles Strite, a master mechanic at a Stillwater, Minnesota, war plant during World War I, had invented the device in the fall of 1918.

1935 – Electric typewriter

International Business Machines Corporation introduces the first practical and successful electric typewriter in 1935.

1936 – TV broadcasting

England's British Broadcasting Corporation begins the first television broadcasts in 1936. America's DuMont Corporation follows in 1938 with the first commercial television sets in the U.S. The first coast-to-coast U.S. television program broadcasts in 1946.

Early television



1930-1939

1928 – Residential rate established

A residential rate – a local innovation – makes national and even international news. Other utilities and regulatory bodies soon follow suit, but RMLD offers the lowest rate in the state: 2.33 cents per kilowatt-hour.

1931 – Underground service

An underground distribution system is installed in Reading Square.

1938 – Hurricane damage

RMLD's entire system sustains extensive damage in a devastating hurricane in September. The Blue Hill Observatory in Milton registers sustained winds of 121 mph and a peak gust of 186 mph during what is called The Great Hurricane.

1939 – Haven Street office

The utility's business office and appliance showroom moves to the Haven Street area known as Black's Block. The 25,573 sq. ft. building costs \$36,000. Since 1928, the business office had been at 565 Main St. where customers could conveniently pay bills and purchase new electric appliances. The Haven Street showroom operated until 1976, and appliance service work stopped at the end of 1977.



1945 – All-electronic computer

The first computer built with electron vacuum tubes instead of mechanical parts is completed during the winter of 1944-45. Called ENIAC (Electronic Numerical Integrator and Computer), this computer performs more complex calculations than a mechanical computer and does them faster. In 1950, Sperry Corporation introduces UNIVAC I, the first general-purpose, commercial electronic computer.

1947 – Microwave oven

U.S. Scientist Percy Spencer accidentally discovers microwave cooking when microwave signals melted a candy bar in his pocket. The first commercial microwave oven becomes available in 1947, but compact versions aren't introduced until 1967.

1956 – Nuclear power plant

The nuclear power industry is born in 1956 when the 4.2-megawatt Calder Hall reactor in England begins generating electricity. The first U.S. nuclear electric power plant goes into operation in 1957 at Shippingport, Pennsylvania.

1940-1949

"On April 14, 1946 the Town was saddened when Mr. Arthur G. Sias, Manager of the Municipal Light Department for over a third of a century, passed away. Mr. Sias will be remembered for having successfully guided the department of the plant from the early pioneering phase of the electric utility field through the intervening years to it present comparatively vast and complex status."

— 1946 Annual Report

1940-41 – Underground is extended

The underground distribution system in Reading is extended in the areas of High, Lowell, Linden, Woburn and Sanborn Streets, while the Ash Street garage and storeroom building in Reading is expanded to meet the growing customer demand. In the same period, RMLD completes its first residential underground development, Westcroft Park.

1948 – Record-setting growth

By 1948, RMLD has 8,270 customers using 18,774,600 kilowatt-hours per year. Peak demand hits a record 7,000 kilowatts, a 21% increase over 1947. Since the end of the war in 1945, RMLD has spent nearly \$333,000 on plant expansion for everything from substation equipment to new meters.

1950-1959

"The impact of (hurricanes) 'Carol' and 'Edna' inflicted the worst blow in the Department's history, leaving in its wake 10,200 customers out of service...Up to 103 men – 38 Light Department employees and 68 outside men – worked from dawn to dark for weeks using twenty line vehicles of various types to restore service on a temporary basis."

— 1954 Annual Report

RMLD



RMLD's office, circa 1965

electricity

1958 – Integrated circuit

Americans Robert Noyce and Gordon Moore at Intel and Jack Kilby at Texas Instruments independently develop the first integrated circuits, made of germanium. The integrated circuit is a tiny wafer of semiconducting material on which thousands of transistors and other electronic components are etched or imprinted. Computers, mobile phones, and other digital home appliances are now inextricable parts of the structure of modern societies, made possible by the low cost of producing integrated circuits.

1960s – Fuel cells for U.S. spacecraft

Fuel cells generate onboard electricity for the Gemini, Apollo and Skylab spacecraft during the 1960s and 1970s, and later for the Space Shuttles. A fuel cell works like a battery, using chemicals to make electricity, but in a fuel cell the chemical supply is external, and the cell continues to produce current as long as the chemicals are fed into it.

1967 – Solid-state color TV

Although a solid-state electronic device uses semiconductors (transistors, integrated circuits, etc.) instead of electron vacuum tubes, the first color television sets using solid-state technology in 1967 still have vacuum picture tubes. A battery-operated, transistorized, black and white television had been marketed in the U.S. in 1960.

1960-1969

1956 – Off-peak water heating

The first off-peak rate for water heating is introduced, using time switches installed at customers' homes. This saves money for customers and helps RMLD shift electric load – an important goal during a time of rapid growth in electric use.

1959 – Explosive growth

Annual kilowatt-hour consumption rises to 88,322,112, an increase of 30.4% over 1958, and more than double the 1955 consumption figure. New mercury streetlights are installed in much of Reading, and skating areas are lit at Memorial Park, Sturges Pond and Birch Meadow.

"The only major interruption to service...occurred during the infamous 'Northeast Blackout' on November 9, 1965. At 5:21 p.m. on this date, all power coming into our system ceased due to a failure in the Northeast Grid System. Power was restored to the Ash Street Station at 9:38 p.m. and redistributed to all customers by 10:04 p.m."

— 1965 Annual Report

1965 – Office remodeled

A three-year project to renovate RMLD's Haven Street offices is completed in December. The changes improve offices and counter areas for workers and customers. The popular appliance sales showroom is also transformed.

1969 – Computer billing

In February, for the first time, RMLD produces all commercial and industrial invoices by computer.



1972 – Video games

Nolan Bushnell invents the wildly popular Pong video game in 1972. For the first time, video games allow viewers to interact with their television screens.

1975 – Personal computers

The Altair computer is an instant success when first marketed in the U.S. in 1975. By 1977, the TRS-80, Apple II, and PET microcomputers are being marketed. The IBM Personal Computer is first marketed in 1981.



Pong video game

1981 – Commercial wind turbines

While windmills have been used to make electricity on a small scale since the 1890s, the use of wind turbines to generate electricity commercially begins in 1981.

That year, 144 mid-size turbines, mostly in California, have a combined capacity of 7 megawatts. By 1989, the world's total wind turbine generating capacity reaches an estimated 2,797 megawatts, with 76 percent of it in California.

1970-1979

“Blizzard of 1978...The first trouble calls started coming in via telephone and alarms from the Department’s six stations at 3:30 p.m., February 6th, with the snow falling and the temperature at 28 degrees F. The last blizzard related problem was received the 10th of February at 11:45 a.m. and repairs completed at noon that same day.”

– 1978 Annual Report

1970 – New substation completed

A new substation at Causeway Road in Reading is completed, part of the largest plant expansion project in RMLD’s history. The new substation increases Reading’s primary power supply from 13,800 volts to 115,000 volts. It’s named the Kenneth E. Gaw Station to honor RMLD’s Manager who died unexpectedly in 1971.

1971 – New England Power Pool

In a historic change triggered by the 1965 Northeast Blackout, the six New England states become one interconnected power pool. This provides profound economic and technical benefits to the operations of all electric utilities in New England.

1974 – Energy crisis

An oil embargo by the Organization of Arab Petroleum Exporting Companies in 1973 causes fuel costs to skyrocket, pushing up the cost of electricity and increasing interest in conservation. In 1974, for the first time in 41 years, sales of electricity at RMLD are less than that of the previous year – falling by 3.6%.

1976 – Wholesale power changes

A contract signed in November with Boston Edison will eventually allow RMLD to purchase wholesale power from other suppliers. This comes after years of ongoing litigation over Edison’s wholesale power charges, and sets the stage for an independent power supply based on contracts with different suppliers.

1980-1989

1980 – Energy audits introduced

RMLD signs a contract with MASS-SAVE, Inc. to provide energy audits to homes and small apartment buildings. Customers are charged \$10 per audit, while the cost to RMLD is \$128. The move complies with a new state law designed to encourage energy conservation.



RMLD vehicles, circa 1980s



1982 – Hybrid-electric vehicle

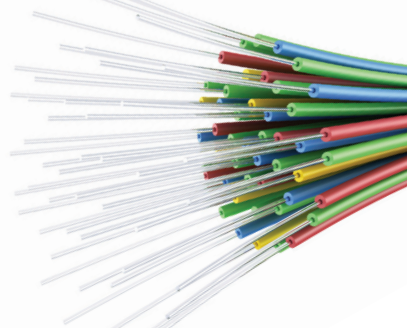
Dr. Andrew Burke develops the first computer-controlled hybrid-electric vehicle (fueled by gasoline and electricity) in 1982 as part of the “Joint Feasibility Study of the Hybrid Vehicle” funded by the U.S. government and General Electric. The hybrid-electric vehicle does not become widely available in the U.S. until 1999 with the introduction of the Toyota Prius.

Early 1990s – Personal networks

Cellular phone technology makes it possible for people to carry small personal cell phones rather than depending on telephones at fixed locations. By 1993, a “smartphone” marketed by BellSouth can handle a few basic functions besides telephone service, including email.

Late 1990s – Fiber optics

By the end of the 1990s, fiber optic technology is used to carry vast amounts of communications data by sending pulses of light through an optical fiber. This makes available an array of new options for data, voice and video communications, as the technology is used in everything from cable television to electric distribution systems.



1990-1999

1985 – Good Neighbor Energy Fund

RMLD joins a statewide voluntary effort to raise money to help those in financial need pay their winter energy bills. Good Neighbor Energy Fund envelopes are inserted in bill envelopes in January, a tradition that continues today.

1994 – Move to Ash Street

For the first time in more than 50 years, RMLD moves to a new facility at 230 Ash St. The new building is completely networked for computers, and contains improved space for staff, customers, and community use.

1997 – Deregulation

Massachusetts legislators pass a law to restructure and deregulate the electric industry. Effective in 1998, the new law sets in motion a series of changes that dramatically change the way electricity is bought and sold by unbundling the component parts of electric service and introducing the concept of market-based pricing.



electricity

Lighting technologies continue to improve to produce better quality light with less energy. LED – light emitting diode – bulbs join compact fluorescent lighting as practical, money-saving lighting options. To encourage lighting efficiency, the U.S. government begins a three-year phase-out of incandescent bulb production in 2012.

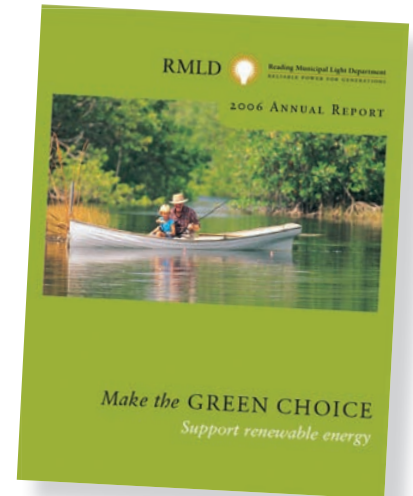
In the new millennium, power plants using renewable and sustainable fuels begin to contribute more energy to regional power grids. Advantages include environmental benefits and protection from potential price and availability issues with fossil fuels.



2000+

Deregulation's impact has been marked by rising wholesale power costs that have pushed up bills across the region. Yet despite the challenges of new power markets that can be both volatile and costly, RMLD has successfully maintained rates that are among the lowest in the state. At the same time, we have made significant investments in our infrastructure to keep our system efficient and reliable.

As environmental awareness has grown, RMLD has supported a number of "green" programs. We introduced a GREEN CHOICE option in 2006 to offer customers a simple, affordable way to support electricity production from green power sources such as wind, hydro, solar and biomass. We added hybrid vehicles to our fleet, and work with customers and the community on many energy-saving initiatives. Renewable energy sources throughout our region are always under consideration, as we evaluate potential power sources with an eye toward balancing environmental impact, price, and the stability of the supplier.

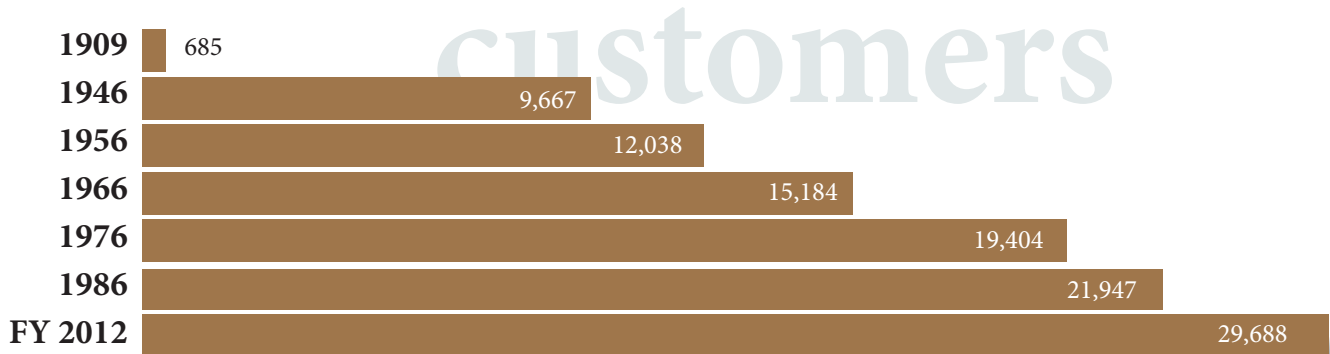


RMLD

Sources include: Edison Electric Institute, RMLD annual reports

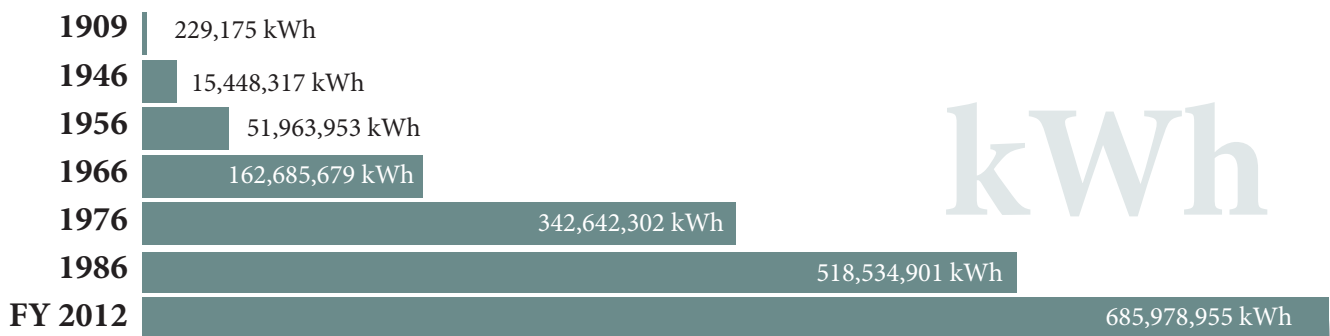
In 1909, 14 years after RMLD began, each customer averaged less than 30 kilowatt-hours of electric use per month. Today, our average residential customer uses 800 kilowatt-hours per month.

Number of Customers

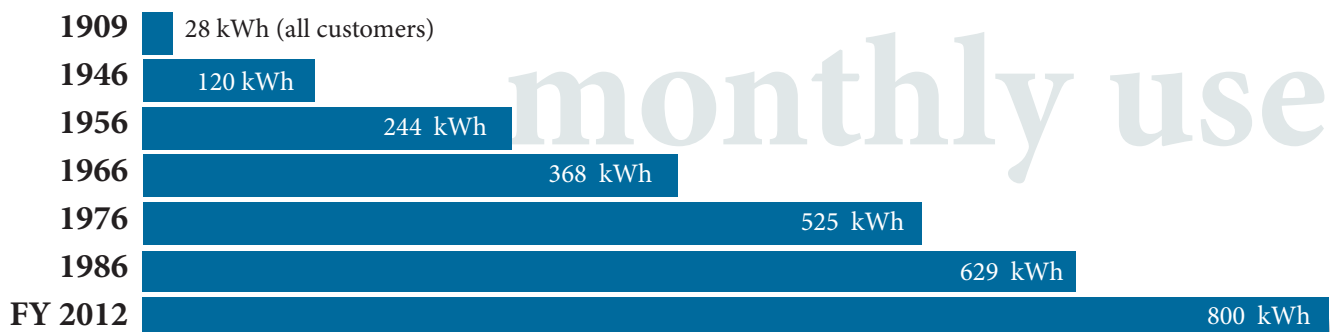


Growth in Electric Use

Total kilowatt-hours sold



Average Residential Customer Use/Month



FY 2012 Construction Highlights

Line Construction

Line construction throughout the system is performed to provide reliability enhancement, to connect new loads, or to address areas needing upgrades. This work includes both overhead and underground cable installation, service installation and upgrades, installation and removal of poles, transfers of electrical equipment, and performing work related to Massachusetts Highway Projects.

Reading

Circuit Upgrades:

Numerical values for the projects below are approximate.

1,500 feet of underground secondary cable was installed on Springvale Road as part of an area upgrade project.

2,500 circuit feet of primary and secondary cable were installed on Forest Street as part of an area upgrade project.

2,000 feet of primary and secondary cable were installed on Pearl Street as part of an area upgrade project.

5,300 feet of primary cable was installed in the Beaver Road area as part of an area upgrade project.

2,300 feet of primary cable was installed in the Timberneck and Richards Road area as part of an area upgrade project.

1,800 feet of primary cable was installed in the Pine, Warren, and Maple Street area as part of an area upgrade project.

Extension of Circuit 3W8: One gang-operated switch and approximately 2,500 circuit feet of primary spacer cable were installed on Franklin Street as part of the 3W8/4W17 high capacity tie project.

Commercial/Industrial

Notable examples of new service additions or upgrades:

E-Cars, 281 Main St.

Commercial Building, 198 Haven St.

Calareso's, 122 Main St.

Condos, 30 Haven St.

Wilmington

Circuit Extensions: Extension of Circuit 4W24: Two gang-operated switches and approximately 2,800 circuit feet of primary spacer cable were installed on Woburn Street as part of the 4W24 circuit extension project.

Circuit Upgrades:

Numerical values for the projects below are approximate.

5,000 circuit feet of primary spacer cable was installed on Ballardvale Street as part of the 5W9 circuit upgrade project.

1,200 circuit feet of primary underground power cable was installed on West Street as part of the 4W24 circuit upgrade project.

5,500 feet of primary and secondary cable were installed in the Old Shawsheen Ave and Grand Street as part of an area upgrade project.

1,200 feet of primary cable was installed on Houghton Road and Hardin Street as part of an area upgrade project.

Commercial/Industrial

Notable examples of new service additions or upgrades:

Silver Lake Dental, 96 Main St.

Service Upgrade, 55 Jonspin Road

Commercial Building, 1 Cornell Place

Commercial Building, 917 Main St.

Panera Bread, 240 Main St.



North Reading

Circuit Upgrades:

Numerical values for the projects below are approximate.

3,500 circuit feet of primary cable was installed in the Tower Hill Road area as part of an area upgrade project.

3,200 circuit feet of primary and secondary cable were installed on Nutter Road as part of an area upgrade project.

Circuit Extensions:

Primary Extension: 450 feet of feet of primary cable were installed on Plymouth Street.

Commercial/Industrial

Notable examples of new service additions or upgrades:

Heav'nly Donut, 66 Winter St.

Milton CAT, 84 Concord St.

Lynnfield Center

Circuit Upgrades:

In June, the Department began an upgrade of the underground infrastructure on Needham and Townsend Road. This is a multi-phase project concentrating on the older installations and will span several years.

Meters

In the Meter Department new construction and renovations resulted in a grand total of 101 new overhead and underground residential and commercial/industrial services:

Reading – 25 residential; 10 commercial/industrial

Lynnfield – 5 residential; 0 commercial/industrial

North Reading – 14 residential; 8 commercial/industrial

Wilmington – 26 residential; 13 commercial/industrial

A total of 70 new residential services in FY12 represent a 10% decrease from the 77 new residential services in FY11. There were a total of 31 commercial/industrial new services in FY12, which represents a 41% increase over the previous year's total of 22. Total new meters installed for the year throughout the service area was 161.

Special Projects

As part of the ongoing Station 4 maintenance and upgrade program, the Department replaced the remaining four 115 kV disconnects. As a prelude to automating the distribution system, RMLD installed 10 capacitor banks on feeders throughout the system that will be remotely operated from RMLD's Control Room.

New Renewable/Green Energy Customers:

RMLD continues to work with customers who wish to install renewable/green energy products. During the year, one residential customer on Magnolia Road and one commercial customer in Riverpark, North Reading, installed solar photovoltaic systems. These customers have added to the generation of green energy into RMLD's power grid.



*First Class Lineman
Chuck Helmka, left,
and Leader Lineman
Steve DeFerrari*

Preventive Maintenance Tree Trimming

During FY12, RMLD continued its preventive maintenance tree-trimming program in each of the four towns. A specific concentration was performed for Ballardvale Street, Wilmington and the Town of North Reading, removing tree hazards over and around feeders.

Facilities

A Ford hybrid Escape was purchased in FY12, becoming RMLD's eighth hybrid vehicle. The Line Department received a 50-foot material handler and a 55-foot bucket truck to augment the Department's vehicles. Based on this, vehicles are identified as surplus equipment. Two new rooftop HVAC units were installed, replacing units in operation at the Ash Street facility for the past 17 years.

The old RCTV building was razed, creating a more appealing view of the historical Ash Street substation while creating additional space to be used. The Department hired a professional firm to perform a structural assessment of the substation's condition and define its future use for RMLD.

FY 2012 statistics

System peak demand: 170,351 kilowatts on Friday, July 22, 2011, at 2 p.m. This is 1.24% lower than the overall peak demand of 172,493 kW set in FY 2007.

Retail sales: 733,889,697 kilowatt-hours, up .09% over FY 2011.

Customer calls: 1,854 trouble calls that were of a routine or emergency nature for house service difficulties, trees interfering with power lines, animal contact with energized lines, and transformer and equipment problems.

2,500+ calls related to three separate events: Hurricane Irene, the Halloween snow storm, and the loss of the NSTAR transmission line supplying the Gaw Substation.

Poles damaged by motor vehicles: 44

Poles replaced and installed: 51

DigSafe requests: 3,358 locations marked for underground equipment

*First Class Lineman
Peter Ducey*



**TOWN OF READING, MASSACHUSETTS
READING MUNICIPAL LIGHT DEPARTMENT
Annual Financial Statements For the Year Ended June 30, 2012**

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INDEPENDENT AUDITORS' REPORT

To the Municipal Light Board
Town of Reading Municipal Light Department
Reading, Massachusetts

We have audited the accompanying financial statements of the business-type activities, and the aggregate remaining fund information of the Town of Reading Municipal Light Department ("the Department") (an enterprise fund of the Town of Reading), as of and for the year ended June 30, 2012 which collectively comprise the Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, and the aggregate remaining fund information of the Town of Reading Municipal Light Department as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, appearing on the following pages, and the supplementary information, appearing on page 34, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Department's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

Melanson, Heath + Company P.C.
Andover, Massachusetts
October 1, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Town of Reading Municipal Light Department's ("the Department") annual financial report, management provides a narrative discussion and analysis of the financial activities for the year ended June 30, 2012. The Department's performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include (1) the proprietary fund statements of net assets, (2) the proprietary fund statements of revenues, expenses and changes in net assets, (3) the proprietary fund statements of cash flows, (4) the fiduciary fund statements of net assets, (5) the fiduciary fund statements of changes in fiduciary net assets and (6) notes to financial statements.

The Statements of Net Assets is designed to indicate our financial position as of a specific point in time. At June 30, 2012, it shows our net worth of \$ 96,534,060 which comprises \$ 68,670,917 invested in capital assets, \$ 2,635,206 restricted for depreciation fund, \$ 1,344,829 restricted for other post-employment benefits trust and \$ 23,883,108 unrestricted.

The Statements of Revenues, Expenses and Changes in Net Assets summarize our operating results and reveal how much, if any, of a profit was earned for the year. As discussed in more detail below, our net profit for the year ended June 30, 2012 was \$ 2,930,478.

The Statements of Cash Flows provide information about cash receipts, cash payments, investing, and financing activities during the accounting period. A review of our Statements of Cash Flows indicates that cash receipts from operating activities adequately covered our operating expenses in fiscal year 2012.

The following is a summary of the Department's financial data for the current and prior fiscal years.

Summary of Net Assets

	<u>2012</u>	<u>2011</u>
Current assets	\$ 20,331,949	\$ 17,685,849
Noncurrent assets	<u>87,919,610</u>	<u>86,223,649</u>
Total assets	<u>\$ 108,251,559</u>	<u>\$ 103,909,498</u>
Current liabilities	\$ 7,515,556	\$ 6,262,115
Noncurrent liabilities	<u>4,201,943</u>	<u>4,043,801</u>
Total liabilities	\$ 11,717,499	\$ 10,305,916
Net assets:		
Invested in capital assets,		
net of related debt	68,670,917	67,560,509
Restricted for depreciation fund	2,635,206	4,265,768
Restricted for OPEB trust	1,344,829	1,169,499
Unrestricted	<u>23,883,108</u>	<u>20,607,806</u>
Total net assets	<u>96,534,060</u>	<u>93,603,582</u>
Total liabilities and net assets	<u>\$ 108,251,559</u>	<u>\$ 103,909,498</u>

Summary of Changes in Net Assets

	<u>2012</u>	<u>2011</u>
Operating revenues	\$ 81,764,964	\$ 89,295,501
Operating expenses	<u>(77,383,674)</u>	<u>(84,943,671)</u>
Operating income	4,381,290	4,351,830
Non-operating revenues (expenses)	<u>(1,450,812)</u>	<u>(1,568,112)</u>
Change in net assets	2,930,478	2,783,718
Beginning net assets	<u>93,603,582</u>	<u>90,819,864</u>
Ending net assets	<u><u>\$ 96,534,060</u></u>	<u><u>\$ 93,603,582</u></u>

B. FINANCIAL HIGHLIGHTS

Electric sales (net of discounts) were \$ 82,546,941 in fiscal year 2012, a decrease of 5.7% from the prior year. In fiscal year 2012, kilowatt hours sold decreased by 3.3% to 685,978,955, compared to 709,213,661 in fiscal year 2011. In fiscal year 2012, customers were credited with \$ (785,180) in fuel charge adjustments, compared to charges of \$ 729,113 in fiscal year 2011. In fiscal year 2012, customers were charged purchase power adjustments of \$ 3,203, compared to \$ 1,055,105 in fiscal year 2011. This decrease was due to an adjustment in base rates, which essentially eliminated the necessity for purchase power adjustments to customer bills.

Operating expenses were \$ 77,383,674 in fiscal year 2012, an overall decrease of 8.9% from fiscal year 2011. The largest portion of this total, \$ 60,361,614 was for purchase power expenses. Other operating expenses included \$ 12,118,162 for general operating and maintenance costs, \$1,351,568 for voluntary payments to Towns, and depreciation expense of \$ 3,552,330. In fiscal year 2012, the depreciation rate was 3.0%.

In fiscal year 2012, the Department contributed \$ 1,000,000 to the Reading Municipal Light Department Employees' Pension Trust (the "Trust"). In addition, the Trust contributed \$ 1,336,326 to the Town of Reading Contributory Retirement System on behalf of the Department's employees.

In fiscal year 2012, the Department contributed \$ 169,289 towards its other postemployment benefits (OPEB) liability, which was equal to its annual funding requirement. To date, the Department has set aside OPEB contributions totaling \$ 1,335,089, which is equal to its actuarially determined OPEB liability as of June 30, 2012. These contributions, along with accumulated investment earnings, are included in the Department's restricted cash and short-term investments balance at June 30, 2012. Additional information on the Department's OPEB liability can be found in Note 16 on pages 21-24 of this report.

C. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in land at year end amounted to \$ 1,265,842; there was no change from the prior year. Total investment in depreciable capital assets at year end amounted to \$ 67,405,075 (net of accumulated depreciation), an increase of \$ 1,110,408 from the prior year. This investment in depreciable capital assets includes structures and improvements, equipment and furnishings, and infrastructure assets.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Reading Municipal Light Department's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Accounting/Business Manager
Town of Reading Municipal Light Department
230 Ash Street
Reading, Massachusetts 01867

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT

BUSINESS-TYPE PROPRIETARY FUND
STATEMENTS OF NET ASSETS

JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Current:		
Unrestricted cash and short-term investments	\$ 9,957,960	\$ 6,596,634
Receivables, net of allowance for uncollectable	8,115,722	8,749,838
Prepaid expenses	762,930	753,132
Inventory	1,495,337	1,586,245
Total current assets	<u>20,331,949</u>	<u>17,685,849</u>
Noncurrent:		
Restricted cash and short-term investments	19,187,119	16,385,677
Restricted investments	-	2,200,000
Investment in associated companies	61,574	77,463
Land and construction in progress	1,265,842	1,265,842
Capital assets, net of accumulated depreciation	67,405,075	66,294,667
Total noncurrent assets	<u>87,919,610</u>	<u>86,223,649</u>
TOTAL ASSETS	108,251,559	103,909,498
LIABILITIES		
Current:		
Accounts payable	4,934,861	4,997,392
Customer deposits	631,268	561,385
Customer advances for construction	363,459	255,980
Accrued liabilities	469,906	390,660
Due to retirement trust	1,000,000	-
Current portion of long-term liabilities:		
Accrued employee compensated absences	116,062	56,698
Total current liabilities	<u>7,515,556</u>	<u>6,262,115</u>
Noncurrent:		
Accrued employee compensated absences	2,866,854	2,878,001
Other post-employment benefits	1,335,089	1,165,800
Total noncurrent liabilities	<u>4,201,943</u>	<u>4,043,801</u>
TOTAL LIABILITIES	11,717,499	10,305,916
NET ASSETS		
Invested in capital assets, net of related debt	68,670,917	67,560,509
Restricted for depreciation fund	2,635,206	4,265,768
Restricted for other post-employment benefits trust	1,344,829	1,169,499
Unrestricted	23,883,108	20,607,806
TOTAL NET ASSETS	<u>\$ 96,534,060</u>	<u>\$ 93,603,582</u>

See notes to financial statements

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT

BUSINESS-TYPE PROPRIETARY FUND
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Operating Revenues:		
Electric sales, net of discounts of \$ 4,229,951 and \$ 4,323,198, respectively	\$ 82,546,941	\$ 87,511,283
Purchase power and fuel charge adjustments:		
Fuel charge adjustment	(785,180)	729,113
Purchase power adjustment	<u>3,203</u>	<u>1,055,105</u>
Total Operating Revenues	81,764,964	89,295,501
Operating Expenses:		
Purchase power	60,361,614	66,822,546
Operating	9,882,934	9,762,601
Maintenance	2,235,228	2,189,310
Environmental remediation (Gaw Substation)	-	1,386,395
Depreciation	3,552,330	3,452,749
Voluntary payments to towns	<u>1,351,568</u>	<u>1,330,070</u>
Total Operating Expenses	<u>77,383,674</u>	<u>84,943,671</u>
Operating Income	4,381,290	4,351,830
Nonoperating Revenues (Expenses):		
Contributions in aid of construction	17,226	65,692
Interest income	88,705	103,765
Interest expense	(1,460)	(2,005)
MMWEC refund	516,183	571,635
FEMA grant	325,007	-
Loss on disposal of capital assets	(563,957)	(371,491)
Return on investment to Town of Reading	(2,205,957)	(2,171,880)
Other	<u>373,441</u>	<u>236,172</u>
Total Nonoperating Revenues (Expenses), Net	<u>(1,450,812)</u>	<u>(1,568,112)</u>
Change in Net Assets	2,930,478	2,783,718
Net Assets at Beginning of Year	<u>93,603,582</u>	<u>90,819,864</u>
Net Assets at End of Year	<u>\$ 96,534,060</u>	<u>\$ 93,603,582</u>

See notes to financial statements.

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT

BUSINESS-TYPE PROPRIETARY FUND
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>Cash Flows From Operating Activities:</u>		
Receipts from customers and users	\$ 83,250,940	\$ 86,647,569
Payments to vendors and employees	(72,408,534)	(82,392,991)
Customer purchase power and fuel charge adjustments	<u>(781,977)</u>	<u>1,784,218</u>
Net Cash Provided By (Used For) Operating Activities	10,060,429	6,038,796
<u>Cash Flows From Noncapital Financing Activities:</u>		
Return on investment to Town of Reading	(2,205,957)	(2,171,880)
MMWEC refund	516,183	571,635
FEMA grant	325,007	-
Other	<u>373,441</u>	<u>236,171</u>
Net Cash Provided By (Used For) Noncapital Financing Activities	(991,326)	(1,364,074)
<u>Cash Flows From Capital and Related Financing Activities:</u>		
Acquisition and construction of capital assets	(5,226,695)	(4,503,250)
Interest expense	(1,460)	(2,005)
Contributions in aid of construction	<u>17,226</u>	<u>65,693</u>
Net Cash Provided By (Used For) Capital and Related Financing Activities	(5,210,929)	(4,439,562)
<u>Cash Flows From Investing Activities:</u>		
Investment income	88,705	103,765
(Increase) decrease in restricted cash and investments	<u>(585,553)</u>	<u>(1,910,065)</u>
Net Cash Provided By (Used For) Investing Activities	<u>(496,848)</u>	<u>(1,806,300)</u>
Net Change in Cash and Short-Term Investments	3,361,326	(1,571,140)
Unrestricted Cash and Short Term Investments, Beginning of Year	<u>6,596,634</u>	<u>8,167,774</u>
Unrestricted Cash and Short Term Investments, End of Year	<u><u>\$ 9,957,960</u></u>	<u><u>\$ 6,596,634</u></u>
<u>Reconciliation of Operating Income to Net Cash:</u>		
Operating income	\$ 4,381,290	\$ 4,351,830
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation expense	3,552,330	3,452,749
Other post-employment benefits	169,289	352,339
Changes in assets and liabilities:		
Accounts receivable	634,116	(925,903)
Prepaid and other assets	(9,798)	3,822
Inventory	90,908	48,326
Accounts payable	(62,531)	(1,190,866)
Accrued liabilities	127,463	(37,750)
Due to retirement trust	1,000,000	-
Other liabilities	<u>177,362</u>	<u>(15,751)</u>
Net Cash Provided By (Used For) Operating Activities	<u><u>\$ 10,060,429</u></u>	<u><u>\$ 6,038,796</u></u>
See notes to financial statements.		

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT

FIDUCIARY FUND - RETIREMENT TRUST
STATEMENTS OF FIDUCIARY NET ASSETS

JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and short-term investments	\$ 4,476,777	\$ 4,787,498
Investments	-	1,000,000
Due from proprietary fund	<u>1,000,000</u>	<u>-</u>
TOTAL ASSETS	<u>5,476,777</u>	<u>5,787,498</u>
 NET ASSETS		
Net assets held in trust for pension benefits	\$ <u>5,476,777</u>	\$ <u>5,787,498</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT

FIDUCIARY FUND - RETIREMENT TRUST
STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Additions:		
Contributions from Reading Municipal Light Department	\$ 1,000,000	\$ 1,000,000
Interest and dividend income	<u>25,605</u>	<u>48,514</u>
Total additions	1,025,605	1,048,514
 Deductions:		
Paid to Reading Contributory Retirement System	<u>1,336,326</u>	<u>1,278,695</u>
Total deductions	<u>1,336,326</u>	<u>1,278,695</u>
Net increase (decrease) in net assets	(310,721)	(230,181)
Net Assets Available for Benefits, Beginning of Year	<u>5,787,498</u>	<u>6,017,679</u>
Net Assets Available for Benefits, End of Year	\$ <u>5,476,777</u>	\$ <u>5,787,498</u>

Town of Reading, Massachusetts Municipal Light Department

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The significant accounting policies of the Town of Reading Municipal Light Department (“the Department”) (an enterprise fund of the Town of Reading) are as follows:

- A. Business Activity - The Department purchases electricity which it dis-tributes to consumers within the towns of Reading, North Reading, Wilmington, and Lynnfield.
- B. Regulation and Basis of Accounting - Under Massachusetts General Laws, the Department’s electric rates are set by the Municipal Light Board. Electric rates, excluding the fuel charge, cannot be changed more often than once every three months. Rate schedules are filed with the Massa-chusetts Department of Public Utilities (DPU). While the DPU exercises general supervisory authority over the Department, the Department’s rates are not subject to DPU approval. The Department’s policy is to prepare its financial statements in conformity with generally accepted accounting principles.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in the proprietary fund finan-cial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Department has elected not to follow subsequent private-sector guidance.

- C. Concentrations - The Department operates within the electric utility indus-try which has undergone signifi-cant restructuring and deregulation. Legis-lation was enacted by the Commonwealth of Massachusetts in 1998 which changed the electric industry. The law introduced competition and pro-vided consumers with choices while assuring continued reliable service. Municipal utilities are not currently subject to this legislation.
- D. Retirement Trust - The Reading Municipal Light Department Employees’ Pension Trust (the “Trust”) was established on December 30, 1966, by the Town of Reading’s Municipal Light Board pursuant to Chapter 164 of the General Laws of the Commonwealth of Massachusetts.

The Trust constitutes the principal instrument of a plan established by the Municipal Light Board for the purpose of funding the Department’s annual required contribution to the Town of Reading Contributory Retirement System (the System), a cost sharing, multi-employer public employee retirement system.

- E. Revenues - Revenues are based on rates established by the Department and filed with the DPU. Revenues from sales of electricity are recorded on the basis of bills rendered from monthly meter readings taken on a cycle basis and are stated net of discounts. Recognition is given to the amount of sales to customers which are unbilled at the end of the fiscal period.
- F. Cash and Short-term Investments - For the purposes of the Statement of Cash Flows, the Department considers both restricted and unrestricted cash on deposit with the Town Treasurer to be cash or short-term invest-ments. For purpose of the Statement of Net Assets, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.
- G. Investments - State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from date of purchase.

Investments for the Department and the Trust consist of shares in the Massachusetts Municipal Depository Trust (MMDT) and money market mutual funds. Because of their immediate liquidity, these funds are classified as cash and short-term investments in the accompanying financial statements.

H. Inventory - Inventory consists of parts and accessories purchased for use in the utility business for construction, operation, and maintenance purposes and is stated at average cost. Meters and transformers are capitalized when purchased.

I. Capital Assets and Depreciation - Capital assets, which include property, plant, equipment, and utility plant infrastructure, are recorded at historical cost or estimated historical cost when purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as they are acquired or constructed. Interest incurred during the construction phase of proprietary fund capital assets is included as part of the capitalized value of the constructed asset. When capital assets are retired, the cost of the retired asset, less accumulated depreciation, salvage value and any cash proceeds, is charged to the Department's unrestricted net assets account.

Massachusetts General Laws require utility plant in service to be depreciated at an annual rate of 3%. To change this rate, the Department must obtain approval from the DPU. Changes in annual depreciation rates may be made for financial factors relating to cash flow for plant expansion, rather than engineering factors relating to estimates of useful lives.

J. Accrued Compensated Absences - Employee vacation leave is vested annually but may only be carried forward to the succeeding year with supervisor approval and, if appropriate, within the terms of the applicable Department policy or union contract. Generally, sick leave may accumulate according to union and Department contracts and policy, and is paid upon normal termination at the current rate of pay. The Department's policy is to recognize vacation costs at the time payments are made. The Department records accumulated, unused, vested sick pay as a liability. The amount recorded is the amount to be paid at termination at the current rate of pay.

K. Long-Term Obligations - The proprietary fund financial statements report long-term debt and other long-term obligations as liabilities in the proprietary fund statement of net assets.

L. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenues and expenses during the fiscal year. Actual results could vary from estimates that were used.

M. Rate of Return - The Department's rates must be set such that earnings attributable to electric operations do not exceed eight percent of the net cost of plant. The audited financial statements are prepared in accordance with auditing standards generally accepted in the United States of America. To determine the net income subject to the rate of return, the Department performs the following calculation. Using the net income per the audited financials, the return on investment to the Town of Reading is added back, the fuel charge adjustment is added or deducted, and miscellaneous debits/credits (i.e., gain/loss on disposal of fixed assets, etc.) are added or deducted, leaving an adjusted net income figure for rate of return purposes. Investment interest income and bond principal payments are then deducted from this figure to determine the net income subject to the rate of return. The net income subject to the rate of return is then subtracted from the allowable eight percent rate of return, which is calculated by adding the book value of net plant and the investment in associated companies less the contributions in aid of construction multiplied by eight percent. From this calculation, the Municipal Light Board will determine what cash transfers need to be made at year end.

2. Cash and Short-Term Investments

Cash and short-term investments as of June 30, 2012 are classified in the accompanying financial statements as follows:

Statement of net assets:

Unrestricted cash and short-term investments	\$ 9,957,960
Restricted cash and short-term investments	19,187,119

Fiduciary funds:

Cash and short-term investments	<u>4,476,777</u>
Total cash and investments	<u>\$ 33,621,856</u>

Cash and short-term investments at June 30, 2012 consist of the following:

Cash on hand	\$ 2,024
Deposits with financial institutions	<u>33,619,832</u>
Total cash investments	<u>\$ 33,621,856</u>

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that the fair value of an investment will be adversely affected by changes in market interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Department manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of June 30, 2012, all Department (including the Pension Trust) monies were held in pooled investments with the Massachusetts Municipal Depository Trust (MMDT) and other money market mutual funds. Because of their immediate liquidity, these funds are classified as cash and short-term investments in the accompanying financial statements and are not considered to be exposed to significant interest rate risk.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assigning of a rating by a nationally recognized statistical rating organization. As of June 30, 2012, none of the Department's (including Pension Trust) short-term investments were exposed to significant credit risk.

Concentration of Credit Risk

The Department follows the Town of Reading's investment policy, which does not limit the amount that can be invested in any one issuer beyond that stipulated by Massachusetts General Laws. At June 30, 2012, the Department's (including Pension Trust) short-term investments were held in MMDT's investment pool and the Federated Prime Cash Obligations Fund, an open-end money market fund which invests primarily in a portfolio of short-term, high-quality, fixed income securities issued by banks, corporations, and the U.S. government.

Custodial Credit Risk

Custodial Credit Risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the Department will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Department will not be able to recover the value of its investments or collateral securities that are in the possession of another party. Massachusetts General Laws, Chapter 44, Section 55, limits deposits "in a bank or trust company or banking company to an amount not exceeding sixty per cent of the capital and surplus of such bank or trust company or banking company, unless

satisfactory security is given to it by such bank or trust company or banking company for such excess.” The Department follows the Massachusetts statute as written, as well as the Town of Reading’s deposit policy for custodial credit risk.

Because the Department pools its cash with the Town of Reading, the specific custodial credit risk of the Department’s deposits could not be determined at June 30, 2012.

As of June 30, 2012, none of the Department’s (including Pension Trust) short-term mutual fund investments were exposed to custodial credit risk.

3. **Restricted Cash and Investments**

Restricted cash and investments consist of the following at June 30, 2012:

	<u>Cash</u>
Depreciation fund	\$ 2,635,206
Construction fund	2,000,000
Deferred fuel reserve	2,270,044
Deferred energy conservation reserve	293,161
OPEB reserve	1,344,829
Rate stabilization	6,679,695
Reserve for uncollectible accounts	200,000
Sick leave benefits	2,982,916
Hazardous waste fund	150,000
Customer deposits	<u>631,268</u>
Total	<u>\$ 19,187,119</u>

The Department maintains the following restricted cash accounts:

- Depreciation fund - The Department is normally required to reserve 3.0% of capital assets each year to fund capital improvements.
- Construction fund - This represents additional funds set aside to fund capital expenditures.
- Deferred fuel reserve - The Department transfers the difference between the customers’ monthly fuel charge adjustment and actual fuel costs into this account to be used in the event of a sudden increase in fuel costs.
- Deferred energy conservation reserve - This account is used to reserve monies collected from a special energy charge added to customer bills. Customers who undertake measures to conserve and improve energy efficiency can apply for rebates that are paid from this account.
- OPEB reserve - This account is used to account for the Department’s contributions to fund its actuarially determined Other Post-Employment Benefits (OPEB) liability.
- Rate stabilization - This represents amounts set aside to help stabilize cost increases resulting from fluctuations in purchase power costs.
- Reserve for uncollectible accounts - This account was set up to offset a portion of the Department’s bad debt reserve.
- Sick leave benefits - This account is used to offset the Department’s actuarially determined compensated absence liability.
- Hazardous waste fund - This reserve was set up by the Board of Commissioners to cover the Department’s insurance deductible in the event of a major hazardous materials incident.
- Customer deposits - Customer deposits that are held in escrow.

4. Accounts Receivable

Accounts receivable consists of the following at June 30, 2012:

Customer Accounts:

Billed	\$ 2,646,502	
Less allowances:		
Uncollectible accounts	(200,000)	
Sales discounts	<u>(249,097)</u>	
Total billed		2,197,405
Unbilled, net		<u>4,915,937</u>
Total customer accounts		7,113,342

Other Accounts:

Merchandise sales	118,886	
MMWEC refund	516,183	
FEMA grant	325,007	
Liens and other	<u>42,304</u>	
Total other accounts		<u>1,002,380</u>
Total net receivables		<u>\$ 8,115,722</u>

5. Prepaid Expenses

Prepaid expenses consist of the following:

Insurances	\$ 303,507
Purchase power	54,868
NYPA prepayment fund	241,849
WC Fuel - Watson	<u>162,706</u>
Total	<u>\$ 762,930</u>

6. Inventory

Inventory is comprised of supplies and materials at June 30, 2012, and is valued using the average cost method.

7. Investment in Associated Companies

Under agreements with the New England Hydro-Transmission Electric Company, Inc. (NEH) and the New England Hydro-Transmission Corporation (NHH), the Department has made the following advances to fund its equity requirements for the Hydro-Quebec Phase II interconnection. The Department is carrying its investment at cost, reduced by shares repurchased. The Department's equity position in the Project is less than one-half of one percent.

Investment in associated companies consists of the following, at June 30, 2012:

New England Hydro-Transmission Electric Company, Inc.	\$ 2,976
New England Hydro-Transmission Corporation	<u>58,598</u>
Total	<u>\$ 61,574</u>

8. Capital Assets

The following is a summary of fiscal year 2012 activity in capital assets (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Structures and improvements	\$ 13,667	\$ 367	\$ -	\$ 14,034
Equipment and furnishings	30,364	252	(145)	30,471
Infrastructure	74,662	4,608	(1,588)	77,682
Total capital assets, being depreciated	118,693	5,227	(1,733)	122,187
Less accumulated depreciation for:				
Structures and improvements	(7,158)	(391)	-	(7,549)
Equipment and furnishings	(17,617)	(969)	145	(18,441)
Infrastructure	(27,624)	(2,192)	1,024	(28,792)
Total accumulated depreciation	(52,399)	(3,552)	1,169	(54,782)
Total capital assets, being depreciated, net	66,294	1,675	(564)	67,405
Capital assets, not being depreciated:				
Land	1,266	-	-	1,266
Total capital assets, not being depreciated	1,266	-	-	1,266
Capital assets, net	\$ 67,560	\$ 1,675	\$ (564)	\$ 68,671

9. Accounts Payable

Accounts payable represent fiscal 2012 expenses that were paid after June 30, 2012.

10. Customer Deposits

This balance represents deposits received from customers that are held in escrow.

11. Customer Advances for Construction

This balance represents deposits received from vendors in advance for work to be performed by the Department. The Department recognizes these deposits as revenue after the work has been completed.

12. Accrued Liabilities

Accrued liabilities consist of the following at June 30, 2012:

Accrued payroll	\$ 268,823
Accrued sales tax	188,244
Other	12,839
Total	\$ 469,906

13. Due to Retirement Trust

This balance represents the Department's fiscal year 2012 contribution to the Reading Municipal Light Department Employees' Pension Trust, which was a cash transfer in transit at June 30, 2012.

14. Accrued Employee Compensated Absences

Department employees are granted sick leave in varying amounts. Upon retirement, termination, or death, employees are compensated for unused sick leave (subject to certain limitations) at their then current rates of pay.

15. Restricted Net Assets

The proprietary fund financial statements report restricted net assets when external constraints are placed on net assets. Specifically, restricted net assets represent depreciation fund reserves, which are restricted for future capital costs.

16. Post-Employment Health Care and Life Insurance Benefits

Other Post-Employment Benefits

The Department follows GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Statement 45 requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the Statements of Revenues, Expenses, and Changes in Net Assets when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statements of Net Assets over time.

A. Plan Description

In addition to providing the pension benefits described in Note 17, the Department provides post-employment health and life insurance benefits for retired employees through the Town of Reading's Massachusetts Inter-local Insurance Association (MIIA) Health Benefits Trust. Benefits, benefit levels, employee contributions and employer contributions are governed by Chapter 32 of the Massachusetts General Laws. As of June 30, 2011, the actuarial valuation date, approximately 73 retirees and 50 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

The Department provides post-employment medical, prescription drug, and life insurance benefits to all eligible retirees and their surviving spouses. All active employees who retire from the Department and meet the eligibility criteria will be eligible to receive these benefits.

C. Funding Policy

As of the June 30, 2011, the actuarial valuation date, retirees were required to contribute 29% of the cost of the medical and prescription drug plan, as determined by the MIIA Health Benefits Trust. Retirees also contribute 50% of the premium for a \$ 5,000 life insurance benefit. The Department contributes the remainder of the medical, prescription drug, and life insurance plan costs on a pay-as-you-go basis.

D. Annual OPEB Costs and Net OPEB Obligation

The Department's fiscal 2012 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB State-ment No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of twenty years. The follow-ing table shows the components of the Department's annual OPEB cost for the year ending June 30, 2012, the amount actually contributed to the plan, and the change in the Department's net OPEB obligation based on an actuarial valuation as of June 30, 2011.

Annual Required Contribution (ARC)	\$ 494,220
Interest on net OPEB obligation	<u>93,725</u>
Annual OPEB cost	587,945
Contributions made	<u>(418,656)</u>
Increase in net OPEB obligation	169,289
Net OPEB obligation - beginning of year	<u>1,165,800</u>
Net OPEB obligation - end of year	<u>\$ 1,335,089</u>

The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2012 and the two preceding fiscal years were as follows:

<u>Fiscal year ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 587,945	71.21%	\$ 1,335,089
2011	\$ 905,981	61.11%	\$ 1,165,800
2010	\$ 878,668	57.09%	\$ 813,461

The Department's net OPEB obligation as of June 30, 2012 is recorded as a component of the "noncurrent liabilities" line item in the Statements of Net Assets.

E. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 8,643,438
Actuarial value of plan assets	<u>1,167,161</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 7,476,277</u>
Funded ratio (actuarial value of plan assets/AAL)	13.5%
Covered payroll (active plan members)	N/A
UAAL as a percentage of covered payroll	N/A

In fiscal year 2010, the Department's Board of Commissioners voted to accept the provisions of Massachusetts General Law Chapter 32B §20, to create an Other Post Employment Benefits Liability Trust Fund as a mechanism to set aside monies to fund its OPEB liability. In fiscal year 2012, the Department contributed \$ 169,289 to this fund, which was equal to its actuarially determined annual contribution. Because these monies are not held in an irrevocable trust supported by a trust instrument, they are reported as restricted net assets on the Department's Statements of Net Assets, rather than in the fiduciary funds. However, the monies set aside by the Department are actuarially considered to be Department plan assets in the June 30, 2011 OPEB actuarial valuation report.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the Department and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Department and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2011 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The Department's actuarial value of assets was \$ 1,167,161. The actuarial assumptions included a 7.75% investment rate of return and an initial annual health care cost trend rate of 9.0% which decreases to a 5.0% long-term rate for all health care benefits after seven years. The amortization costs for the initial UAAL is a level percentage of payroll amortization, with amortization payments increasing at 2.5% per year for a period of 20 years.

17. Pension Plan

The Department follows the provisions of GASB Statement No. 27, (as amended by GASB 50) Accounting for Pensions for State and Local Government Employees, with respect to the employees' retirement funds. Chapter 32 of the Massachusetts General Laws assigns the System the authority to establish and amend benefit provisions of the plan, and the State legislature has the authority to grant cost-of-living increases. The System issues a publicly available financial report which can be obtained through the Town of Reading Contributory Retirement system at Town Hall, Reading, MA.

A. Plan Description

The Department contributes to the Town of Reading Contributory Retirement System (the System), a cost-sharing, multiple-employer, defined benefit pension plan administered by a Town Retirement Board. The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the Massachusetts General Laws assigns the System the authority to establish and amend benefit provisions of the plan, and grant cost-of-living increases.

B. Funding Policy

Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Department is required to pay into the System its share of the remaining system wide actuarially determined contribution plus administration costs which are apportioned among the employers based on active covered payroll. The contributions of plan members and the Department are governed by Chapter 32 of the Massachusetts General Laws. The Department's contributions to the System for the years ended June 30, 2012, 2011, and 2010 were \$ 1,336,326, \$ 1,278,695, and \$ 919,336, respectively, which were equal to its annual required contributions for each of these years.

18. Participation in Massachusetts Municipal Wholesale Electric Company

The Town of Reading, acting through its Light Department, is a participant in certain Projects of the Massachusetts Municipal Wholesale Electric Company (MMWEC).

MMWEC is a public corporation and a political subdivision of the Commonwealth of Massachusetts, created as a means to develop a bulk power supply for its Members and other utilities. MMWEC is authorized to construct, own or purchase ownership interests in, and to issue revenue bonds to finance, electric facilities (Projects). MMWEC has acquired ownership interests in electric facilities operated by other entities and also owns and operates its own electric facilities. MMWEC sells all of the capability (Project Capability) of each of its Projects to its Members and other utilities (Project Participants) under Power Sales Agreements (PSAs). Among other things, the PSAs require each Project Participant to pay its pro rata share of MMWEC's costs related to the Project, which costs include debt service on the revenue bonds issued by MMWEC to finance the Project, plus 10% of MMWEC's debt service to be paid into a Reserve and Contingency Fund. In addition, should a Project Participant fail to make any payment when due, other Project Participants of that Project may be required to increase (step-up) their payments and correspondingly their Participant's share of that Project's Project Capability to an additional amount not to exceed 25% of their original Participant's share of that Project's Project Capability. Project Participants have covenanted to fix, revise and collect rates at least sufficient to meet their obligations under the PSAs.

MMWEC has issued separate issues of revenue bonds for each of its eight Projects, which are payable solely from, and secured solely by, the revenues derived from the Project to which the bonds relate, plus available funds pledged under MMWEC's Amended and Restated General Bond Resolution (GBR) with respect to the bonds of that Project. The MMWEC revenues derived from each Project are used solely to provide for the payment of the bonds of any bond issue relating to such Project and to pay MMWEC's cost of owning and operating such Project and are not used to provide for the payment of the bonds of any bond issue relating to any other Project.

MMWEC operates the Stony Brook Intermediate Project and the Stony Brook Peaking Project, both fossil-fueled power plants. MMWEC has a 3.7% interest in the W.F. Wyman Unit No. 4 plant, which is operated and owned by its majority owner, FPL Energy Wyman IV, LLC, a subsidiary of NextEra Energy Resources LLC (formerly FPL Energy LLC), and a 4.8% ownership interest in the Millstone Unit 3 nuclear unit, operated by Dominion Nuclear Connecticut, Inc. (DNCI), the majority owner and an indirect subsidiary of Dominion Resources, Inc. DNCI also owns and operates the Millstone Unit 2 nuclear unit. The operating license for the Millstone Unit 3 nuclear unit extends to November 25, 2045.

A substantial portion of MMWEC's plant investment and financing program is an 11.6% ownership interest in the Seabrook Station nuclear generating unit operated by NextEra Energy Seabrook, LLC (NextEra Seabrook) (formerly FPL Energy Seabrook LLC), the majority owner and an indirect subsidiary of NextEra Energy Resources LLC (formerly FPL Energy LLC). The operating license for Seabrook Station extends to March, 2030. NextEra Seabrook has submitted an application to extend the Seabrook Station operating license for an additional 20 years.

Pursuant to the PSAs, the MMWEC Seabrook and Millstone Project Participants are liable for their proportionate share of the costs associated with decommissioning the plants, which costs are being funded through monthly Project billings. Also the Project Participants are liable for their proportionate share of the uninsured costs of a nuclear incident that might be imposed under the Price-Anderson Act (Act). Originally enacted in 1957, the Act has been renewed several times. In July 2005, as part of the Energy Policy Act of 2005, Congress extended the Act until the end of 2025.

Reading Municipal Light Department has entered into PSAs and Power Purchase Agreements (PPAs) with MMWEC. Under both the PSAs and PPAs, the Department is required to make certain payments to MMWEC payable solely from Department revenues. Under the PSAs, each Participant is unconditionally obligated to make all payments due to MMWEC, whether or not the Project(s) is completed or operating, and notwithstanding the suspension or interruption of the output of the Project(s).

MMWEC is involved in various legal actions. In the opinion of MMWEC management, the outcome of such actions will not have a material adverse effect on the financial position of the company.

Seven municipal light departments that are Participants under PSAs with MMWEC have submitted a demand for arbitration of a dispute relating to charges under the PSAs. MMWEC cannot predict the outcome of the arbitration demand, but in the opinion of MMWEC management, it will not have a material adverse effect on the financial position of MMWEC.

Total capital expenditures for MMWEC's Projects amounted to \$ 1,586,581,000, of which \$ 113,528,000 represents the amount associated with the Department's share of Project Capability of the Projects in which it participates, although such amount is not allocated to the Department. MMWEC's debt outstanding for the Projects includes Power Supply Project Revenue Bonds totaling \$ 284,005,000, of which \$ 12,913,000 is associated with the Department's share of Project Capability of the Projects in which it participates, although such amount is not allocated to the Department. After the July 1, 2012 principal payment, MMWEC's total future debt service requirement on outstanding bonds issued for the Projects is \$ 308,241,000, of which \$ 13,478,000 is anticipated to be billed to the Department in the future.

The estimated aggregate amount of Reading Municipal Light Department's required payments under the PSAs and PPAs, exclusive of the Reserve and Contingency Fund billings, to MMWEC at June 30, 2012 and estimated for future years is shown below.

	<u>Annual Costs</u>
For years ended June 30, 2013	\$ 4,042,000
2014	3,552,000
2015	2,574,000
2016	2,700,000
2017	1,472,000
2018 - 2020	<u>(862,000)</u>
Total	<u>\$ 13,478,000</u>

In addition, under the PSAs, the Department is required to pay to MMWEC its share of the Operation and Maintenance (O&M) costs of the Projects in which it participates. The Department's total O&M costs including debt service under the PSAs were \$ 12,596,000 and \$ 14,350,000 for the years ended June 30, 2012 and 2011, respectively.

19. Renewable Energy Certificates

In 2003, the Massachusetts Department of Energy and Environmental Affairs adopted the Massachusetts Renewable Energy Portfolio Standard (RPS), a regulation that requires Investor Owned Utilities (IOUs) to purchase mandated amounts of energy generated by renewable resources (Green Energy) as a percentage of their overall electrici-

ty sales. The Massachusetts RPS applies only to IOUs, so the Department is currently exempt from this mandate.

Energy suppliers meet their annual RPS obligations by acquiring a sufficient quantity of RPS-qualified renewable energy certificates (RECs) that are created and recorded at the New England Power Pool (NEPOOL) Generation Information System (GIS). Suppliers can purchase RECs from electricity generators or from other utilities that have acquired RECs.

As part of its ongoing commitment to Green Energy, the Department has entered into Purchase Power Agreements (PPAs) with Swift River Hydro LLC and Concord Steam Corporation to purchase power generated from renewable energy resources. These PPA's include the Department taking title to RECs, which certify that the energy produced was the product of a renewable resource. Because the Department is exempt from the RPS provisions, it has the option of holding these RECs until they expire or selling them through the NEPOOL GIS.

In fiscal year 2012, the Department sold all of its 2011 Connecticut Class I REC holdings and retired all of its 2011 Connecticut Class II REC holdings, which expired on June 15, 2012. Proceeds totaling \$ 344,470 from the sale of the Class I REC holdings were netted against the Department's fiscal year 2012 purchased power fuel charge.

At June 30, 2012, the Department held a total of 13,192 additional Class I and Class II RECs with an estimated market value of \$ 401,980. Because there are no clear accounting guidelines for RECs and the Department does not have a formal policy for the future disposition of these RECs, they are not reported as an asset on the Statements of Net Assets.

20. Leases

Related Party Transaction - Property Sub-Lease

The Department is sub-leasing facilities to the Reading Town Employees Federal Credit Union. The original sub-lease agreement commenced in December 2000 and was extended by various amendments through November 30, 2011. An additional amendment, effective December 1, 2011, extends the lease through November 30, 2014. The following is the future minimum rental income for the years ending June 30:

2013	\$ 8,712
2014	8,712
2015	<u>3,630</u>
Total	<u>\$ 21,054</u>

TOWN OF READING, MASSACHUSETTS, MUNICIPAL LIGHT DEPARTMENT

SCHEDULE OF FUNDING PROGRESS

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2012

(Unaudited)

Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
06/30/08	\$ -	\$ 8,085,388	\$ 8,085,388	0.0%	N/A	N/A
06/30/11	\$ 1,167,161	\$ 8,643,438	\$ 7,476,277	13.5%	N/A	N/A

RMLD STAFF

Beth Ellen Antonio	<i>Human Resources Manager</i>
Joseph Bilicki	<i>Key Accounts Manager – Commercial</i>
Matthew Binda	<i>Customer Specialist</i>
Matt Brown	<i>1st Class Lineman</i>
Vaughan Bryan	<i>Engineering Project Manager</i>
Vincent F. Cameron Jr.	<i>General Manager</i>
Jared Carpenter	<i>Energy Efficiency Engineer</i>
Mike Carroll	<i>Meter Reader/Technician</i>
Ben Christopher	<i>Lineman</i>
John Cussen	<i>Lotus Notes/Web Master</i>
Nick D'Alleva	<i>Technical Service Manager</i>
Tom Davis	<i>Station Operator</i>
Steve DeFerrari	<i>Leader Lineman</i>
Laura DeMone	<i>Customer Specialist</i>
Peter Ducey	<i>1st Class Lineman</i>
Dave Ericson	<i>1st Class Lineman</i>
Ken Evans	<i>Engineering Project Manager</i>
Marianne Fabbri	<i>Purchasing Assistant</i>
William Faller	<i>Station Operator</i>
Ken Finne	<i>Station Operator</i>
Dan Follis	<i>Lineman</i>
Jeanne Foti	<i>Executive Assistant</i>
Bob Fournier	<i>Business Manager</i>
Paul Galvin	<i>Systems Integrator</i>
Bob Gannon	<i>Systems Administrator</i>
Priscilla Gottwald	<i>Community Relations Manager</i>
Ray Graves	<i>Senior Technician</i>
Chris Gray	<i>1st Class Lineman</i>
Jim Green	<i>Leader Lineman</i>
Maureen Hanifan	<i>Customer Service Manager</i>
Brian Hansen	<i>Electrical/Mechanical Maintenance Worker</i>
Scott Hanson	<i>1st Class Lineman</i>
Chuck Helmka	<i>1st Class Lineman</i>
Evelyn Holt	<i>Customer Specialist</i>
Steve Kazanjian	<i>Accounting Supervisor</i>
Ryan Kiley	<i>Lineman</i>

Phil LaFleur	<i>1st Class Lineman</i>
Michelle Lamson	<i>Customer Specialist</i>
Tom MacRae	<i>Lineman</i>
Roberta Maillett	<i>Information Technician</i>
Wendy Markiewicz	<i>Operational Assistant</i>
Bill Marks	<i>Meter Technician/Reader</i>
Mike McDonough	<i>Troubleman</i>
Maureen McHugh	<i>Energy Analyst</i>
Patty Mellino	<i>Operational Assistant</i>
Ray Melvin	<i>Lineman</i>
Sue Mitchell	<i>Customer Specialist</i>
Paul Murphy	<i>Leader Lineman</i>
Roseanne Murphy	<i>Customer Specialist</i>
Tom O'Connor Jr.	<i>General Line Foreman</i>
Fred O'Dea	<i>Stockperson</i>
Paula O'Leary	<i>Materials Manager</i>
Jane Parenteau	<i>Energy Services Manager</i>
Steve Perry	<i>1st Class Lineman</i>
Peter Price	<i>Chief Engineer</i>
Mark Russell	<i>Station Operator</i>
Tom Schibilio	<i>Electrical/Mechanical Maintenance Worker</i>
Bill Seldon	<i>Senior Energy Analyst</i>
John Shea	<i>Stockperson</i>
Brian Smith	<i>Engineering Project Manager</i>
Steve Smith	<i>1st Class Lineman</i>
Rich Stansfield	<i>Station Operator</i>
Kevin Sullivan	<i>Engineering and Operations Manager</i>
Laurie Ann Sylvia	<i>Operational Assistant</i>
Janey Thibodeau	<i>Customer Specialist</i>
Joel Thornton	<i>Senior Meter Technician</i>
Mark Uvanni	<i>Management Information Systems Manager</i>
Paul Vartanian	<i>1st Class Lineman</i>
Scott Williams	<i>Senior Technician</i>
Tom Williamson	<i>Leader Lineman</i>
Teresa Zambella	<i>Information Technician</i>

RMLD



Reading Municipal Light Department

RELIABLE POWER FOR GENERATIONS

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