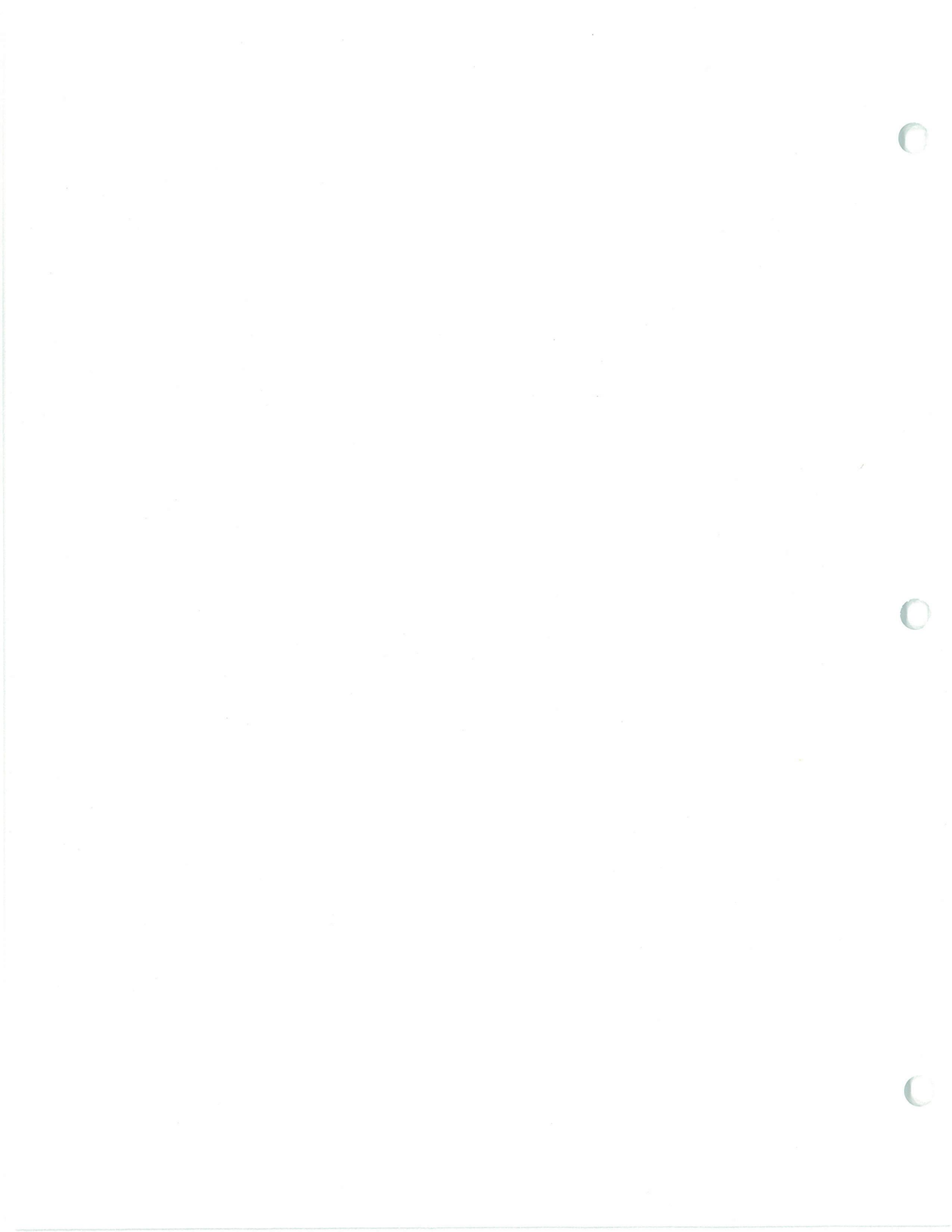


**READING MUNICIPAL
LIGHT DEPARTMENT**

**BOARD
OF
COMMISSIONERS**

REGULAR SESSION

DECEMBER 18, 2014



READING MUNICIPAL LIGHT DEPARTMENT
BOARD OF COMMISSIONERS MEETING

230 Ash Street
Reading, MA 01867
December 18, 2014
8:00 a.m.

1. Call Meeting to Order
2. Opening Remarks
3. Introductions
4. Public Comment
5. Report of the Chairman ACTION ITEM
 - a. Update on Vacancy RMLD Board
 - b. Charter Review Changes
 - c. Update on Town of Reading Finance Committee Investigation
6. Approval of Board Minutes (Tab A) ACTION ITEM
May 8 and May 15, 2014
7. General Manager's Report – Ms. O'Brien – General Manager
 - a. Update on Six Year Plan
8. Power Supply Report – October 2014 – Ms. Parenteau (Tab B)
9. Engineering and Operations Report – October 2014 – Mr. Jaffari (Tab C)
10. Financial Report – October 2014 – Mr. Fournier (Tab D)
11. M.G.L. Chapter 30B Bids (Tab E) ACTION ITEM
 - a. IFB 2015-14 Power Factor Test Set
Suggested Motion:
Move that bid 2015-14 for Power Factor Test Set be awarded to OMICROM electronics Corp. USA for a total cost of \$82,025.00 as the lowest qualified bidder on the recommendation of the General Manager.
 - b. IFB 2015-15 Tree Trimming and Power Line Clearance
Suggested Motion:
Move that bid 2015-15 for Tree Trimming and Power Line Clearance Services be awarded to Mayer Tree Service, Inc. as the lowest responsive and responsible bidder on the recommendation of the General Manager. This is a three year contract based on per 8 foot span cut for a total cost of \$868,000.
12. General Discussion

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED
E-Mail responses to Account Payable/Payroll Questions
Rate Comparisons, November and December

RMLD Board Meetings
T-Shirt Award Ceremony, Thursday, January 8, 2015
Thursday, January 29, 2015 and Thursday, February 26, 2015
13. Adjournment ACTION ITEM
Suggested Motion:
Move to adjourn the Regular Session.



REGULAR SESSION MEETING
MINUTES
BOARD REFERENCE TAB A



**Reading Municipal Light Board of Commissioners
Joint Meeting with the Citizens' Advisory Board
Regular Session
230 Ash Street
Reading, MA 01867
May 8, 2014**

**Start Time of Regular Session: 6:31 p.m.
End Time of Regular Session: 7:57 p.m.**

Commissioners:

John Stempeck, Chairman	Philip B. Pacino, Vice Chair
Robert Soli, Commissioner	David Talbot, Secretary
Thomas O'Rourke, Commissioner	

Staff:

Coleen O'Brien, General Manager	Jeanne Foti, Executive Assistant
Bob Fournier, Accounting/Business Manager	Hamid Jaffari, Engineering and Operations Manager
Priscilla Gottwald, Community Relations Manager	Jane Parenteau, Integrated Resources Manager
Kathleen Rybak, E&O Operational Assistant	William Seldon, Senior Energy Analyst

Citizens' Advisory Board:

John Norton, Chairman	George Hooper, Vice Chairman
David Nelson, Secretary	Tony Capobianco, Member
Dennis Kelley, Member	

**Town of Reading Board of Selectmen Liaison to the Board:
Marsie West**

Guest: Mayhew Seavey, Principal, Power Line Models

Call Meeting to Order

Chairman Stempeck called the meeting to order and stated that the meeting was being videotaped; it is live in Reading only.

Opening Remarks

Chairman Stempeck read the RMLD Board of Commissioners Code of Conduct.

Chairman Stempeck reported that Commissioner Talbot will be the Secretary this evening.

Introductions

Chairman Stempeck welcomed Selectwoman Marsie West and the Citizens' Advisory Board. Chairman Stempeck also introduced the new RMLD Board member, Tom O'Rourke. Mr. O'Rourke thanked Chairman Stempeck for the introduction.

Chairman Stempeck introduced Mayhew Seavey who has performing the Cost of Service Study for the RMLD.

Ms. O'Brien welcomed the Board and the CAB. She explained that approximately every two to three years, utilities should conduct a Cost of Service Study to ensure that their allocations remain in or at the utility industry standards. A Cost of Service Study has now been performed, a little differently from previous studies at the RMLD. Only budget and revenue requirements were provided to PLM, Mayhew Seavey, to ensure that fully independent results could be achieved. Ms. O'Brien stated that Mayhew has established a Cost of Service modeling system that includes baseline data from other municipals and Independent Operating Utilities (IOU's) in the commonwealth of Massachusetts.

Cost of Service Study (COSS) Presentation – Mayhew Seavey (Attachment 1)

Mr. Seavey stated that he performed a Cost of Service Study, and is reporting on the results on behalf of the RMLD using fiscal year 2015 data as the basis. Mr. Seavey said that he will be making recommendations with respect to rate design and discuss what the next steps are then discussion.

Mr. Seavey explained that the process began by conducting a historic test year Cost of Service Study. This was performed with actual data from fiscal year 2013, expenses and revenues, and then allocated across the various customer classes to determine how the existing classes were performing. This was also done to verify that the model was working correctly such as calculating revenues correctly; they provide a snap shot on how the present rates look.

Presentation – Mayhew Seavey (Attachment 1) Cost of Service Study (COSS)

Mr. Seavey explained that the model was updated with fiscal year 2015 data provided by RMLD in terms of expenses then calculated what the revenue should be using the present rates and made sure that those revenues were consistent with what the RMLD has projected. Then determine what was required to meet the revenue requirements to cover expenses and to provide sufficient net income. The bottom line is that it was determined that an overall increase of 1.3% was all that was necessary to meet the budget expenses for fiscal year 2015 based on the projected sales that were looked at.

Mr. Seavey stated that the model indicates that the existing rates of return by customer class are at the limit of what is considered the standard municipal utility practice, they are not outside of the range, but are at the outer edge of the range of rates of return. The residential rates' rates of return are fairly low whereas the commercial industrial are fairly high. However, the RMLD's existing rates are extremely competitive with other municipal and private utilities across all customer classes. It is to note that one of RMLD's main objectives is to attract and retain commercial load which helps to support competitive rates for everyone and keeps rates stable.

Mr. Seavey reported that two cases were considered, the first with an across the board 1.3% increase. It is the easiest approach to take by adding approximately 1.3% to the total rates that customers are being charged which produces enough revenue to meet expenses. Every customer class has the same impact. The second case is to slightly smooth out the rates of return within the same general constraint of 1.3% to move the individual class rates of return within the standard range. In order to do that, it would require a 5% increase in residential rates, 1.3% increase in industrial rates and 3% decrease in the commercial and school rates. This would have a fairly significant impact on the difference between the lowest rate of return and the highest rate of return. Each customer class would see a slightly different impact.

Mr. Seavey pointed out that a third commercial class was considered, a small commercial class. Typically private utilities and larger municipal utilities have three commercial classes or general service classes. A small customer class which deals with small businesses that use less than 10,000 kilowatt hours per month which are the majority of RMLD's commercial customers. There is a medium size commercial class which consists of a demand charge and energy charge class. The RMLD is already demand metering all those small customers. If you were to take approximately 2,000 small commercial customers off the demand rate and put them onto an energy only rate a significant amount of them would see a 20% increase. This was a surprise to him because of when you think of small commercial customers as being fairly uniform. Some of RMLD's small commercial customers towards the higher end of the usage have very good load factors. For every kilowatt of demand they put on the system, they are using quite a few kilowatt hours. Those customers are doing quite well under the current rate. If you put them onto an energy only rate, they would be hurt and pay quite a bit more. Also, it would not be an accurate way of billing them because they are not imposing a lot of demand on the system and the present rate structure rewards them for that. Similarly, there would be decreases for the low load factor customers, but they are considered to be bad customers because they would have high demand relative to the number of kilowatt hours they are using. Those customers would get sizeable decreases. It would not be consistent with the goal of sending the message of accurate price signal to the customer. He is not recommending RMLD adopt a small commercial class.

Mr. Seavey added that another rate looked into was a residential low income rate. All private utilities have this rate and many municipals have adopted them voluntarily as well. There is a state mandate that calls for the private utilities to have the low income rate. This rate applies to customers who are receiving any type of means tested assistance from the commonwealth of Massachusetts. There are two approaches that are currently widely used. Many municipal light departments have chosen to eliminate the customer charge for customers who qualify for a low income rate. One advantage of this is provides the same benefit to all customers. It is particularly beneficial on a percentage basis to small customers. It provides a fixed benefit in dollars and a different benefit in percent depending on usage. For a customer using 250 kilowatt hours it will be a 9% reduction, a 500 kilowatt hour customer which is a more typical customer it is a 5% reduction. The other option used by the private utilities is a flat percentage discount on the entire bill exclusive of the purchase power charge. In the case of private utilities their delivery services, in RMLD's case it would be the distribution charge. The IOU's discounts are that National Grid uses 25% and NSTAR uses 27%. Mr. Seavey calculated that if the RMLD replace the prompt payment discount that is currently 10% with a 25% low income discount that would reduce the total bill by 6%. He did not add the prompt payment discount to the low income discount because that is duplicative. Those are the two options he has suggested. They are fairly equivalent overall as to the amount of revenue the RMLD would spend putting a rate like that into place. The only difference is that the flat customer charge would benefit low usage customers more. Since there is no data available for the customers who qualify for that there is no way to estimate the impact on the customers or revenue.

Mr. Pacino asked one question to Mr. Seavey and the other is for the Department. The discount on the lower rate what is the offset at this point. The offset has to be made up by some other customers. Where would be the offset be? Mr. Pacino's second question is what would be the cost to administrate this and how would it be handled by the Department if this was to be put in place. Mr. Seavey responded it is not possible to estimate what the revenue loss would be. Initially, the revenue would come out of net income. Once you gain a year's experience, you would adjust the rates to make up for the lost income.

Cost of Service Study (COSS) Presentation – Mayhew Seavey (Attachment 1)

Mr. Seavey said that the presumption he has going into this is that we are not talking about a huge amount of revenue that will be lost that would make a material impact on meeting the revenue in the system. In terms of implementation the way the rate is implemented by private utilities or other municipals is to require documentation from the customer that they are eligible to receive some sort of means tested assistance. That would be a simple process to sign up a customer and put that rate code into the billing system.

Ms. O'Brien commented that the RMLD has payment plans with its customers that require documentation and already have that process. With the new Cogsdale update the RMLD can add that rate structure. Chairman Stempeck inquired that RMLD's customers will know what means tested assistance or will it be published. Mr. Seavey responded that it is typically identified in the tariff. Mr. Pacino said that this would be taken out of the 8% or the bottom line in the short term. As time goes on other customers would be making up for this. Mr. Seavey responded that he believes that is correct. Mr. Hooper asked if this could benefit some of the seniors. Mr. Seavey replied presumably that is correct.

Mr. Seavey reported that the next item is the unbundling of the rate structure and creating rates that essentially take all the purchased power costs out of the base rates. There is approximately four cents of purchased power costs embedded in the base rates and the rest of the purchased power costs come through the purchased power adjustment. The fuel adjustment recovers all the energy costs. They are proposing collapsing those three pieces into a single purchase power charge which includes all purchase power costs and would be billed on the basis of estimates then trued up after the fact to actuals. It is fairly standard practice in the industry by now to break out the distribution rate which covers all the costs of owning, operating and maintaining your distribution system plus all of your profit and net income. Putting that into what essentially is the base rate which will be called distribution rate and all the purchase power and transmission costs will be covered by a purchase power charge. That makes it much more transparent and easier to account for purchase power collection whether you are accurately collecting all your purchase power costs or whether your base rates are performing properly. If you end up with more revenue than expected at the end of the year, it is difficult to tell right now if you overcollected on your base rate or purchase power costs. Breaking into these two components makes it possible to do that. The one downside to this is the prompt payment discount applies to the entire base rate would no longer apply to the four cents of purchase power that is built into the base rate. While the percentage discount will remain at ten percent, the dollar discount to the customer will be smaller. The purchase power charge is a pass through cost; you cannot discount it because if you discount it incorrectly you will under recover your costs. The proposal would be to keep the prompt payment discount at ten percent, but would apply to a smaller piece of the rate.

Mr. Seavey demonstrated the rate for a residential customer noting that the results would be similar. The customer charge remains the same. The base rate charge would drop by approximately four and a half cents because it would take that base rate purchase power charge out. In place of the four cents that is in the base rate plus the five cent fuel adjustment plus the two mill purchase power adjustment you would have a nine and a half cent purchase power charge which recovers all the purchase power costs (capacity, energy plus transmission). These designs reflect fiscal year 2015 projected. The typical five hundred kilowatt hour bill, 1.3% higher overall the energy conservation charge and NYPA credit will remain the same. The ten percent prompt payment discount would only apply on the four and a half cent distribution charge plus the \$3.73 customer charge. The discount is built into the rate. The bill will have one fewer line item on it. It might be easier for the customer to understand. It would be easier to compare to a National Grid or NSTAR bill because it will have the same terminology. It will have a distribution charge on it to compare RMLD's to the investor owned utilities. Increasingly, municipal utilities have the same structure so that comparisons can also be made with other municipal utilities.

Mr. Kelley asked that 2013 numbers were utilized and the multipliers were not the same as what has been presented. Mr. Seavey replied that in the presentation, it is for forecasted fiscal year 2015 which is based on estimated purchased power costs. Mr. Kelley pointed out that the fuel adjustment is .05167 however, on his bill it is .06 not quite a penny difference which is 2014. Mr. Seavey explained that this is the problem doing this type of comparison. What this compares is what the bill would be if you did not change the rates to this new structure, but you have the costs that you have next year. It is not what the bill is now, it is would be on July 1 if the rate change was not performed. Mr. Kelley added on top of the rate increase they just had, it will be another 1.3%. Mr. Seavey added that it is probably going to be a decrease.

Ms. O'Brien responded that the RMLD performs purchase power fuel adjustment analysis every month that fluctuates. You are trying to hit a moving target. Purchase Power costs are a pass through, no profit is made.

Ms. O'Brien stated that purchase power by law, must be recovered. You are projecting forward and reconciling because it changes every month and you have to recover this. By unbundling this, the not for profit percent return, goes on to the distribution side so the RMLD is clear that it is covering all of its purchase power costs.

Cost of Service Study (COSS) Presentation – Mayhew Seavey (Attachment 1)

Mr. O'Rourke commented that this depends on a lot of factors, in general for an average bill taking out the purchase power charge what does that ten percent become nine percent, eight and a half percent. Mr. Seavey clarified ten percent of the discount. Mr. O'Rourke explained that the current bill is discounted ten percent. Mr. Seavey responded that the fuel does not get discounted. Mr. O'Rourke wants to understand from a customer's perspective they will not get a ten percent that they are currently receiving. Mr. Seavey stated that on a five hundred kilowatt bill instead of a \$4.50 discount it will be approximately \$2.25 based on the ten percent discount. Mr. O'Rourke stated that in terms of the description on the bill it will need to be clear to delineate this. Mr. Seavey said that he is not sure how the bill is structured and community education is one avenue to deal with this. Ms. O'Brien asked Mr. Seavey to speak to the utilities that have gone to unbundling and how they have dealt with the prompt payment discount. Has the percentage on the prompt payment discount has it been increased. Mr. Seavey said that there is one municipal that he has knowledge of that increased the prompt payment discount in order to try to maintain the same level of dollar discount. Most municipals these days are realizing that the prompt payment discount may not be that useful of a tool as it use to be before. There is some indication that in essence it is a tax on customers who don't have cash to pay their bills quickly. He does not know of any municipals that have done a controlled experiment. The only situation that he is aware of is that ten years ago, Concord added a prompt payment discount and showed a fairly sharp drop in their receivables. The customers who do not take advantage of the discount are paying for those who do.

Mr. Pacino said that this committee had discussed the ten percent discount, is the ten percent common, and is it standard. Mr. Seavey replied that it is very widespread; at least eighty percent of municipal utilities have the ten percent prompt payment discount. Some of them have five percent for some groups of customers, such as businesses who pay promptly. Mr. Pacino explained that there was discussion about fifteen years ago with Peabody Light avoided a rate increase by lowering their prompt payment discount. Mr. Pacino said that he does make the deadline and pays the extra ten percent. Chairman Stempeck said that this could be considered in another session. Chairman Stempeck added that the water department also has a significant discount if you pay ahead of time. Mr. O'Rourke asked approximately how many customers take advantage of the discount. Mr. Seavey replied that the number is high because he has not seen a utility in which its customers did not take advantage of it. Mr. Fournier reported that on an annual basis, the RMLD will see approximately \$1 million in forfeited discounts. However, on the discount dates the RMLD is inundated with payments. The options that the RMLD offers is automatic pay and auto pay to ensure customers meet the discount. Chairman Stempeck commented there is a balance to having the discount or not having the discount. From an economic perspective is that you get your money faster, and have knowledge that you are going to receive it. If the RMLD were to take the prompt payment discount away or lower it would have an economic impact. Mr. O'Rourke said that to speak to the other side, is there any penalty if you are ninety days late on your payment. Chairman Stempeck asked how long until the RMLD shuts off power. Mr. Fournier responded that there are regulations that dictate when you can shut off customers. When customers are past due, they receive two notices; it does not get to the ninety day timeframe. There are methods and processes that the RMLD follows that are dictated by the Department of Public Utilities. Chairman Stempeck pointed out that nonpayment by RMLD's customers is the exception, not the rule. Chairman Stempeck pointed out that it his understanding that the RMLD bends over backwards to work with its customers. Mr. O'Rourke added that what he is touching upon is if did eliminate the prompt payment totally that it disincentives the customer to pay more expeditiously. Mr. Seavey added that the prompt payment discount has a positive effect on cash flow.

Mr. Pacino clarified that the RMLD can put a lien on a customer's home for nonpayment. Mr. Fournier commented that the RMLD does place liens on residential customers for nonpayment.

Mr. Pacino stated that it is his understanding as explained that the 1.3% increase of the 4.5% from the prior rate increase, but Mr. Seavey has said previously that it actually has decreased. Mr. Seavey clarified it is the function of the fact that the 1.3% increase is with all things being equal on July 1. Mr. Seavey pointed out that July 1 the bill will be 1.3% higher than it would have been. What it has relative to the June bill is a function of purchase power costs that are being billed in June versus purchase power costs that are being forecasted for July. Mr. Seavey said that he is not sure where that is going to fall right now. Given the increase, it is not a large adjustment one way or the other. Mr. Pacino said that potentially under the purchase power adjustment that could be a 1.3% increase no matter what. Mr. Seavey explained that purchase power costs can swing the bill much more than that 1.3% very easily. Mr. Seavey commented that we are dealing with some costs the RMLD has control over going up 1.3% the others will swing either way. Mr. Pacino said that if we do nothing than we will end up with a 1.3% increase that is his understanding. Chairman Stempeck pointed out that is beyond our control that is external; the purchase of power can go anywhere, we are dependent on our internal power pool to find the lowest possible cost. It is an advantage that the RMLD has. Chairman Stempeck said that we need to look at different variations on the theme of the discount which will be looked at and come up with a reasonable assumption.

Cost of Service Study (COSS) Presentation – Mayhew Seavey (Attachment 1)

Ms. West stated that her question is what percentage of purchase power, which she believes is a pretty high percentage, is variable. Mr. Seavey pointed out that purchase power is nine and a half cents versus four and a half cents for everything else which is two thirds. Ms. West asked is there any way to try to make that variability less are there any strategies to make that variability less on the purchase power or to make purchase power lower as a total percentage. Ms. O'Brien replied that this is the function of Integrated Resources and Planning group. By creating a power supply portfolio that has the lowest cost power, and risk management for power supply. That is how we are able to have the second lowest rate in the state. Ms. O'Brien is not sure other than performing an analysis on the portfolio almost on a daily basis that you could get it much lower than that. Ms. West commented that there is no way to decrease the fluctuation. Ms. O'Brien said that when you perform purchase power and fuel adjustment analysis you generally are looking ahead six months and reconciling six months then you strategize to even that out the best you can. You are forecasting ahead. If you know it is going to go up then you might do something a little different if you know it is going down in order to keep as stable a rate as possible within that pass through and getting all your money back. Ms. West stated that the reason she is asking this is that two thirds of the power can go up and down; you have the potential for things to bounce around. Chairman Stempeck agreed. Chairman Stempeck stated that others in different industries when presented with that kind of variability they try to track it historically, and know such in July and August when air conditioning goes on it will go up you try to do longer term contracts to lower costs to try help that or shave the peak power if you can do that. Chairman Stempeck pointed out that the RMLD is trying to get programs in place to shave its peak, which takes time to make that happen.

Mr. Seavey then addressed the structure of the hydropower credit. Presently, the hydropower credit is calculated on the basis of market value of the capacity and energy that the RMLD receives from New York Power Authority. The recommendation is to change that methodology to a formula that is tied to the average cost of the energy which RMLD receives from all its other sources compared to the cost of energy from NYPA if the average cost of energy which is basically the same number as the current fuel adjustment. As that goes up, the value of the hydro power credit will increase and if it goes down the value of the hydropower credit will decrease. Since we are in a period of time where energy prices have gone up significantly in the last year and projected to go up, this change in methodology should produce a larger credit for the residential customers through the hydropower credit. Chairman Stempeck pointed out that this is an excellent approach to help the residential customers.

Mr. Seavey said that they are looking at the streetlighting rate and in the process of reviewing the present streetlight rate to determine if there is a need to adjust the rates which is not quite completed. It is looking however, that the present streetlight rate are acceptable and they are not going to recommend any change in the present rates. They are looking at instituting a new rate for LED streetlights as they come on stream that will help reflect the greater efficiencies being offset by the higher costs of the fixtures. They will develop a rate that is consistent with the other rates, but will reflect that greater efficiency in the rate. Hopefully, the cost to the communities will not increase as a result of that new technology in the short run and decrease over time as the cost of those new fixtures get amortized over the expected longer life. It is anticipated that those rates should be completed within the next week or so.

Mr. Soli asked if Mr. Seavey is going to discuss the spreadsheets. Mr. Seavey responded that he was not planning on it. Mr. Soli said that he had a question, power is a big part between demand, transmission and energy, it is approximately \$78 million of the total budget. Mr. Soli said that with energy the RMLD meters which are new and should be in calibration. However, \$40 million for demand and transmission are based on RMLD's estimates. If the estimate perhaps is off two and a half percent, this translates to \$1 million. Mr. Soli said that he looked at the metering and ran the numbers; you need to get every meter, every fifteen minutes. Mr. Soli noted that he ran a year's worth that is eighteen months of data measured every fifteen minutes. The data rate looked like that a kilobit per second which is very modest. For a dial up modem, the peak rate is fifty six kilo per second, it is vastly greater at a kilobit per second. Mr. Soli stated that being on the Board we have never seen really good data. The schools have fancy meters for the school rate. They have never really seen the demand that they have relative to what the percentage states. Mr. Soli said that he would be reluctant to go \$40 million just on the basis of an estimate when it seems, just get the data. A kilobit per second, eighteen months of data, taken every fifteen minutes, the hardware is modest with some software.

Mr. Seavey added that there are many utilities that have already installed smart meters on all their accounts and are now in the process of building that data. This modeling benefits from that data. While the data in here is not of the residential customer of RMLD, it is the residential customers of National Grid because they are performing that type of research and are required to publish residential class loads hourly for an entire year on their website for the use of competitive electric supply. Mr. Seavey reported that is the data he uses when he determines what residential customers are contributing to the monthly system peak and therefore how much of the transmission cost gets allocated to them. How much residential customers are contributing to the summer annual peak and therefore how much capacity costs gets allocated to them.

Cost of Service Study (COSS) Presentation – Mayhew Seavey (Attachment 1)

Mr. Seavey said that he would not guarantee that these allocations are accurate to within one to two percent, there is a very high degree of confidence particularly with the residential class consists of 20,000 customers which is an enormous amount of diversity. There will not be many outliers that will throw the results off that happen with large industrial customers.

Mr. Seavey said that he is a little more leery about typical load shapes for large commercial industrial customers because they can have different usage patterns from one utility to another. Mr. Seavey said that he is comfortable with the data that was utilized to allocate the capacity and transmission costs are representative. Can you do a better job by sending correct price signals to customers, be careful what you wish for. If every residential customer has a smart meter you have the potential to bill them for their contribution to the summer peak and it will have a varying effect on customers. Currently, all the residential customers are lumped together and are socialized for the cost of the class. All are treated exactly the same for contribution to your costs. If you disaggregate them as in the small commercial class there will be winners and losers. The winners are going to win small and the losers are going to lose big. It is the nature of a probability distribution like that. The data is getting more available, more affordable. It is a matter of what you decide to do with that data. Chairman Stempeck added that this may be a unique case in which you both can be right. Chairman Stempeck said that we would like to use real time data. There is no question that when you use real time data it would help the analysis tremendously. Chairman Stempeck asked what RMLD's penetration of smart meters is. Mr. Jaffari responded that RMLD's 500 club which consists of commercial and industrial that need to be completed. Chairman Stempeck commented that the question is how we get the right algorithm in place to real time measurements. Chairman Stempeck pointed out that doing things on an individual basis could be positive for load reduction. Chairman Stempeck asked how difficult is it to obtain real time data as Mr. Soli pointed out in order that this is fed into the model to see what the dichotomy is. Chairman Stempeck said that if we have the mechanism why not do this because decisions may be made differently if we had the actual data.

Mr. Kelley said that what is being discussed and is in agreement that we are making assumptions, but should be taking real data to make sure it is not an assumption. Mr. Kelley said that we are speaking about another 1.3% increase to the end user. Chairman Stempeck commented that it is going to take time to figure out what the algorithms are to write the software then perform another analysis. Chairman Stempeck pointed out RMLD is a month to two months behind on the real data for purchase power, etcetera and that needs to be readjusted in the following invoice. The RMLD then has to readjust for this time lag in the following invoice which could be off one or two percent. Mr. Kelley stated that we just had a rate increase where it was 5% or 9%. Chairman Stempeck pointed out that he wanted to make it clear the increase was not 9%. Chairman Stempeck explained that the 9% was on a sub category; the increase on the entire bill was 5%. Mr. Kelley said that there was a 5% increase now; it will be going up 1.3%. Chairman Stempeck responded that is correct. Chairman Stempeck explained that we are going up to what our cost of power is because by law we are required to do so. Chairman Stempeck asked if this was clear. Mr. Kelley responded, no. Chairman Stempeck said that otherwise the RMLD can send documentation. Mr. Kelley said that he is asking a question in that the rates have gone 5% and are going up another 1.3%. Mr. Kelley said that's what the statement was, and he will go back to the minutes, and that part of the reason was that the things done for energy savings have affected the net profit so this was the change. The net profit to him is what RMLD is making, that is all he is asking. Chairman Stempeck explained that the way the analysis for the rate increase was presented it was clearly indicated that there was going to be a rate increase in the July timeframe. They were doing an estimate at that time, but projected the 5% increase and with the Cost of Service it is 1.3% which is incredibly accurate. Chairman Stempeck pointed out that it has been three and a half years since there has been a rate increase. People have received salary increases over the last three years and a half years, if not they have had cost of living increases. Mr. Kelley added that he disagreed because there companies out there in which employees do not get one every year. Chairman Stempeck said that Mr. Kelley could share the companies with him offline because they are probably going out of business.

Ms. O'Brien said that she will ask Mr. Jaffari to work with Mr. Fournier to look at the data channels of what those meters can bring back hourly. We could analyze if residential assumption is correct.

Mr. Talbot said that Mr. Soli is on the right track the more data you have the more efficient things become. Mr. Talbot said that he is impressed by how much revenue it can save and generate by dealing with that peak. Mr. Talbot said that if he understands it correctly, we can't change the rates in a manner to influence the peak because the RMLD does not have tiered real-time pricing for almost all customers. Rates cannot be raised from 3:00 pm to 6:00 pm for some of them to send them a price signal to chop the peak, is that correct. Ms. O'Brien replied that the RMLD is hoping to work with the larger commercial customers to have real time pricing at some point. Mr. Talbot said that the RMLD does not have a tiered structure, however, when the RMLD has the data it will be able to say which customers contributed more to the peak which resulted in hundreds of thousands of dollars extra per year because of the high monthly peaks in the summer.

Cost of Service Study (COSS) Presentation – Mayhew Seavey (Attachment 1)

Mr. Talbot pointed out that if each month's peak hour could be cut, it would be a large cost savings for RMLD and its customers, five percent translates into \$1 million for the organization it is amazing how powerful that is. The data will help us with that. Mr. Talbot said that the people contributing to the peak need to know they have to do something and will be charged if they do not. In the meantime, as we head into the heat wave season and there is a hot day in June or July, the weather forecast will show this, if everyone is contributing to some larger communication strategy that day at 10:00 am there are e-mails going all over the place, radio announcements and Facebook postings that customers are getting the message it gets done that day. Real financial savings will be garnered if we implement a communications strategy in that manner. It is not that difficult to do this. Mr. Talbot added that he learned that newspapers are not as efficient for this purpose. He wrote an op ed laying this out and suggesting people get a time of use meter and save money on their bills, but only a few customers called to get one. There were front page articles in the *Reading Chronicle* and the Wilmington newspaper with almost no effect. The lesson is that when press releases are done to the newspapers it has little impact on consumer behavior. The viral strategy is the way to go on hot weather days with customers until the RMLD has the data and deals with the commercial customers, July is coming up and we can do it this year.

Mr. Hooper asked based on the conservation charge, what constitutes that has the RMLD thought of a flat rate, other utilities charge thirty six cents for their conservation charge. Ms. Parenteau replied that it is a rate design. Initially, the conservation charge is self-funded so any moneys that are collected, for that go out for that purpose. Examples of use of this use of the conservation charge are the residential appliance rebate, energy audits and commercial incentive programs. The rate designs for the IOU's or private companies are set up on a per kilowatt hour charge likewise it is three times higher than what RMLD charges. That is why the RMLD elected to choose that rate design. You can design the rate any way you want to. Historically, the RMLD use to charge residential fifty cents per bill. Today, the conservation charge brings in estimated revenue of \$700,000. It is a matter of achieving the revenue requirements and set the rate appropriately in order to collect those revenues. Mr. Hooper asked if the RMLD is generating sufficient funds to cover this. Ms. Parenteau replied that is correct. Mr. Seavey added that from a rate design perspective, charging on a flat per customer basis is considered to be fairly regressive because it affects small users more highly than high users. Mr. Seavey said that someone using two hundred kilowatt hours per month is going to pay the same conservation charge as someone using two thousand kilowatt hours a month.

Mr. Pacino said that if we do nothing with the purchase power adjustment, the 1.3% will be coming into place if we do nothing. That is what he is taking away from this. Mr. Seavey explained that if the 1.3% comes in from the purchase power adjustment, it will not flow to your bottom line, not reach net income and will not help you meet your revenue target. Mr. Seavey pointed out that it is really important that the 1.3% happens to the base rates regardless of what happens to purchase power. Mr. Pacino asked if we are trading a variable under the purchase power adjustment for a steady 1.3%. Mr. Seavey responded it is not trading because the variable still has to be recovered. Those expenses and revenues are off in a different part of the world. The part that is over here 1.3% increase needs the 1.3%, you cannot use purchase power revenues to subsidize. Mr. Pacino said that the purchase power adjustment goes away until another rate study is performed, that is his understanding and will be replaced by the 1.3% increase. Ms. O'Brien explained that when the rate increase discussion back in November there would be a five percent in January or February and another two percent in July. The RMLD was estimating on a revenue requirement. There is a little bit of confusion because the purchase power and the fuel are pass throughs. The 1.3% is required for the revenue requirement which has anything to do with purchase power. Mr. Kelley asked that the RMLD is taking the pass through numbers and bundling those together because the discount only are the part that you make revenue on. Ms. O'Brien explained that currently, you have an embedded purchase power piece that is a pass through that is part of the base rate. The base rate consists of purchase power, operating and maintenance expenses, and as purchase power and fuel fluctuates from what you have in the embedded rate as it goes up and down this is adjusted every month, to collect by law what you have to collect. When you unbundle the rate, you have your expenses and your purchase power. It is lot easier to do a budget to actuals, to make sure that you are collecting for your expenses, purchase power you are collecting for that. Ms. O'Brien pointed out that most utilities are going towards a transparent unbundled rate. Mr. Kelley said that at the last commission meeting he attended, Mr. Soli asked to take the pass through money and keep it in a separate that is what you are working towards that. Ms. O'Brien replied that is correct. Mr. Kelley said that the budgets will show those as separate line items. Ms. O'Brien agreed. Ms. O'Brien clarified that her answer at that meeting is that the RMLD is going to an unbundled rate and the reason it is not there is because the billing software is being upgraded. The RMLD is doing the Cost of Service and unbundling it. As soon as Cogsdale billing is capable to handle this, then it will be unbundled on the bill. That is the direction the RMLD is going.

Mr. Soli said that the current purchase power adjustment the value is a little more than half a cent per kilowatt hour. On five hundred kilowatt hours, it would be \$2.50 as opposed there is an eighty five cent differential as shown in the presentation. Ms. Parenteau pointed out that the current billing adds the fuel to account for the purchase power charge. Mr. Seavey pointed out in the presentation it is not the present today, it is the present July 1, based on budget estimates.

Cost of Service Study (COSS) Presentation – Mayhew Seavey (Attachment 1)

Mr. Soli added as of his May bill it is half a cent a kilowatt month. Mr. Pacino added that the point Mr. Soli is trying to make that it is a real possibility that if the 1.3% is put in place that is based on estimates that we could be possibly decreasing this to the customer as opposed to doing nothing. Mr. Seavey added that if purchase power costs go down, at the same time it goes down. Mr. Seavey commented that it is really important to do this if purchase power costs are entangled together with base rates it is far too easy for the utility to do essentially a back door rate increase by overcollecting purchase power costs and flowing it through the bottom line because you cannot account for them. That is what municipalities have done for decades as soon as they had the ability to do a purchase power adjustment rather than increasing the rates they would increase the purchase power adjustment. They would do that in order to make their three to four percent, for the rate of return. It was not possible for their auditors to tear that apart, you did not actually earn a four percent return for the year, and you actually overcollected \$500,000 in purchased power costs. With it broken out and unbundled then this is not a possibility. You as a customer can look at the numbers and see that the correct amount of money was collected from the base rates and recovered all the purchased power costs. It is much more transparent.

Ms. O'Brien said that when the RMLD went through the 4.5% in February, the schools were 3.9% it varied for the rate classes. When we went through that conversation and Ms. Parenteau discussed that realistically that if you looked at the fuel, the customer's bill had down. With the 4.5% increase, realistically the purchase power had gone down more than what the RMLD was increasing into base. However, purchase power can go up, if one of your nuclear plants shuts down and you have to go the market for replacement power. The RMLD tries to stabilize that over time or to soften that so there are no rate spikes and tries to do this on a daily basis. Purchase power goes up and we have to recover it.

Mr. Pacino asked where we go from here where we have had the presentation, what is the next step. Chairman Stempeck said that we need some refinement on the LED streetlighting before we can provide the final acceptance. Mr. Seavey added that you will need actual rate schedules that you can vote on. Chairman Stempeck said that the rate schedules will be available at the next meeting. Chairman Stempeck said that the next step would be a recommendation on the adoption of the policies that have been just walked through. An agreement of each of the proposals, in terms of breakouts on how to structure the mix question and then approval for 1.3% increase. There are three things different things that need to happen.

Chairman Norton pointed out this needs to occur before it comes to the CAB. Mr. Pacino said that he is trying to establish the timetable. Chairman Stempeck said that the Board hopes to have a recommendation before its next meeting. Mr. Pacino said that the RMLD Board needs to meet in order to make the recommendation and refer it to the CAB. Mr. Pacino noted that the CAB has a thirty day time review. Ms. O'Brien said that June 18 is the deadline for Cogsdale billing changes for a July bill.

Chairman Stempeck said that all the data will be available for the next meeting, Thursday, May 15.

Mr. Talbot asked that the customer charge goes up when customers get a special meter and stays on the bill for \$2 forever such as the time of use meters, is there a payback for that charge. Mr. Fournier replied that it does not matter if it is a time of use meter or not. Mr. Talbot said that remains even for forty years. Mr. Fournier explained that will stay on as long until the customer charge is changed again. Mr. Seldon said that you try to time that out so for the next generation of metering comes in you will have a brand new meter.

Ms. O'Brien clarified the data that will be needed. Mr. Seavey said that it would be a complete set of rate schedules on either option. Chairman Stempeck said that the outcome of the May 15 meeting will be forwarded to the CAB. Mr. Pacino said that if any commission member needs information to communicate to the department tomorrow. Ms. O'Brien said that the recommendation to the CAB is up to thirty days.

RMLD Board Meetings

Thursday, May 15, 2014, 6:30 pm

Citizens' Advisory Board Meeting

Citizens' Advisory Board will continue to meet after this meeting and determine their next CAB meeting date.

Adjournment

At 7:57 p.m. Mr. Soli made a motion seconded by Mr. Pacino to adjourn the Regular Session to adjourn.

A true copy of the RMLD Board of Commissioners minutes
as approved by a majority of the Commission.
David Talbot, Secretary Pro Tem
RMLD Board of Commissioners

Reading Municipal Light Board of Commissioners

Regular Session

230 Ash Street

Reading, MA 01867

May 15, 2014

Start Time of Regular Session: 6:31 p.m.

End Time of Regular Session: 7:14 p.m.

Commissioners:

John Stempeck, Chairman

Philip B. Pacino, Vice Chair

Robert Soli, Commissioner

David Talbot, Commissioner

Thomas O'Rourke, Secretary

Staff:

Coleen O'Brien, General Manager

Jeanne Foti, Executive Assistant

Bob Fournier, Accounting/Business Manager

Hamid Jaffari, Director Engineering and Operations

Priscilla Gottwald, Community Relations Manager

Jane Parenteau, Integrated Resources and Planning Manager

William Seldon, Senior Energy Analyst

Citizens' Advisory Board:

Dave Nelson, Secretary

Call Meeting to Order

Chairman Stempeck called the meeting to order and stated that the meeting was being videotaped; it is live in Reading only.

Opening Remarks

Chairman Stempeck read the RMLD Board of Commissioners Code of Conduct.

Introductions

Chairman Stempeck welcomed RMLD's Citizens' Advisory Board Secretary, Dave Nelson.

Chairman Stempeck said that the purpose of this meeting is to review the Cost of Service Study recommendations and obtain votes on the various options presented at the last meeting.

Ms. O'Brien stated that she would like to turn over the staff recommendations to Jane Parenteau, the Director of Integrated Resources and Planning.

Ms. Parenteau said that the results of the Cost of Service Study and rate design were presented to the Board of Commissioners Thursday, May 8 by Mayehew Seavey. Included in the results were various options regarding cost of service and rate design. This evening's presentation will be staff's recommendation on the Cost of Service. As presented, the RMLD can meet a 1.3% increase in its revenue requirement by implementing two options; Case 1 looked at a uniform increase of 1.3% across all customer classes and Case 2 was accomplished by adjusting each customer class to smooth out the rate of return by class. Staff is recommending Case 1, the uniform increase, and this will maintain the current rate of return by customer class at the range of the standard municipal utility practice. The proposed rate increase will be competitive with other municipals as well as private utilities.

Motion to vote on the type of Proposed Rate Increase, Case 1 or Case 2 or Other.

Mr. Pacino wanted to make it clear that if we do nothing, there still could be an increase because of the Purchase Power Adjustment going forward. Ms. Parenteau stated that purchase power charges have to be recovered by law. Part of the presentation demonstrated the unbundling and those costs will be accounted for and passed through to the customer. Whether they go up or down is a complete pass through- the Department does not earn any return on those expenses. Chairman Stempeck commented that it is impossible to predict if they are going to go up or down. Ms. Parenteau said that based on the current budget, there was an assumption of a little over nine and a half cents for the capacity, transmission and energy portion of purchase power. That amount was included in the budget which was approved by the RMLD Board and CAB, which totaled approximately \$65 million.

Mr. Soli said that what this does to the current rates is that all portions would be increased 1.3%. Ms. Parenteau stated that RMLD customers will see a 1.3% increase.

Motion to vote on the type of Proposed Rate Increase, Case 1 or Case 2 or Other.

Ms. Parenteau said that obviously, the rates vary by customer class, usage and whether they take or do not take the prompt payment discount which all factor in. On average, in order to achieve an increase of 1.3% net revenue this will accomplish that. Mr. Soli commented that on his current bill there is a customer charge, and this will make it go up by 1.3%. Ms. Parenteau explained that the proposed rates that were given for the Cost of Service have different components to them. The customer charges will remain the same. Mr. Soli said that this is quite different from this motion. Chairman Stempeck said that this is not called out in the motion itself; there are no specific items as customer charge; it is not called out separately. Chairman Stempeck explained that the motion calls for an overall net increase that is composed of a mix of different pieces, Ms. Parenteau concurred. Chairman Stempeck said that some may be higher or lower in terms of a usage perspective. Mr. Soli said that he has not seen the details for the proposed adjustment to the rates. Mr. Soli commented that if the customer charge went up 1.3%, base charge went up 1.3%, clean energy 1.3% he would understand that. Ms. Parenteau explained that as has been indicated, the Cost of Service had many recommendations and part of that was unbundling in order to promote the transparency so when Mr. Soli is saying that each line item goes up 1.3% that will not be the case because the RMLD is unbundling the rates. Mr. Soli commented that is another motion. Ms. Parenteau responded that is correct. Mr. Soli commented that unless he sees some detail he is not going to vote this. He added that we have not seen anything. Chairman Stempeck said that all the data is available for us to look at any time, the data is there. Chairman Stempeck commented that for the purposes of moving us along, and get this to the CAB, he is recommending to have a vote. Mr. Soli said that we are really changing things and unbundling, he has not seen that least bit that it is going to be fair.

Mr. Pacino said that with Mr. Seavey's chart the residential rates are what the bill is going to look like when it is all said and done. The chart for the residential rate that states present and proposed, is what the bill is going to look like. Ms. Parenteau explained that based on some of the discussion at the last meeting and some of the recommendations as part of the presentation there are slight variations to that. Ms. Parenteau stated that they took some of the comments made during the presentation on the Cost of Service and ran several analyses. The Cost of Service has to be tweaked in order to accomplish certain things. In particular, there was discussion relative to the prompt payment discount. Because of the unbundling, the distribution charge was going to be decreasing and the prompt payment discount relates to the distribution and customer charge. One of the concerns she heard at that meeting last Thursday, was what is the effect of the bottom line to the customer. Ms. Parenteau said that they went back and worked with the consultant to achieve an overall increase of 1.3% on average for the customers. There are some slight variations in order to incorporate that change. That chart Mr. Pacino is referring to - there are some slight variations to that. Mr. O'Rourke asked by customer class. Ms. Parenteau responded that is correct. Chairman Stempeck said that categorically it will not look exactly like this. You do not know what it is going to be. It could change by the time it comes out, by definition it will be slightly different, the point is the target is 1.3%, is that correct? Ms. Parenteau agreed that is correct. Chairman Stempeck said that at a future date if it is not 1.3% then we can ask why not. Chairman Stempeck commented that not to sound cavalier, 1.3% is extremely modest, in terms of what we have seen over the last three years. This can be revisited at a date when the first invoice comes out to see if the increase is 1.3% or not, but the Department is in control of what that is. That is the purpose of the whole exercise, and can be corrected if he is wrong. Mr. O'Rourke commented that he would say so. Mr. Pacino suggested taking an average bill for each of the rate classes. He is in favor of moving this along because it needs to go to the CAB. One of the things he is concerned about, and Mr. Soli has touched upon some of these, is that he does not fully understand what the bottom line effect is on each of the rate bills. He would like to ask the Department to take each of the rate increases and show what the bill would look like with and without the rate increase going forward, best estimates.

Mr. Pacino made a motion seconded by Mr. Soli that the RMLD Board of Commissioners recommend to the RMLD Citizens' Advisory Board the overall net increase of 1.3% in revenues for all customer classes based on the recommendation of the General Manager.

Motion carried 4:1:0. Mr. Soli voted against the motion.

Motion to accept a Residential Low Income Rate of a specific type.

Mr. Talbot asked if this was Option 1. Chairman Stempeck replied that it was Option 1.

Mr. Pacino made a motion seconded by Mr. O'Rourke that the RMLD Board of Commissioners recommend to the RMLD Citizens' Advisory Board to accept a Residential Low Income Rate that eliminates the customer charge for customers who meet eligibility for Low Income Home Energy Assistance Programs (LIHEAP) or its successor program based on the recommendation of the General Manager.

Motion carried 5:0:0.

Motion to continue the 'Prompt Payment Discount' for RMLD customers.

Messrs. Pacino and Talbot asked for the explanation for the increase in the prompt payment discount. Ms. Parenteau explained that the change in the prompt payment discount was a result of the concerns they heard and the effects of the unbundling resulted in this increase. The result of the unbundling the purchase power costs out of the base rate charge and it affects the prompt payment discount.

Motion to continue the 'Prompt Payment Discount' for RMLD customers

Ms. Parenteau commented that currently, on customers' bills the base rate charge will become the distribution charge if that is the way the Board determines to proceed. That number will be cut in half because a portion of the capacity and transmission costs are currently embedded in the base rate. Mr. Talbot said that the increase in the prompt payment discount will be effectively what it has been.

Ms. Parenteau responded that is correct. It was a concern that they heard at the last presentation. Ms. Parenteau said that they had Mr. Seavey perform some analysis in order to maintain the 1.3% overall and if the prompt payment is increased from 10% to 15% this would provide an equivalent benefit to the customer. Mr. O'Rourke said that at the last meeting we wanted that outcome, just not sure it would translate into 15%, but the effect is what we were looking for. Chairman Stempeck added that he assumes that is something that can be modified or changed if it was significantly different than anticipated one way or another. Mr. Talbot added is there an argument for not increasing the prompt payment discount. Ms. Parenteau said that the reason for not doing this is as Mr. Seavey had discussed at the last presentation, the customers who do not take advantage of the prompt payment discount end up paying more. Chairman Stempeck recommended to RMLD's customers to take advantage of the prompt payment discount program. Mr. Talbot commented that the dollar value is the same as it is currently. Ms. Parenteau said that on average it will be equivalent. It is dependent on customer class and usage. The Board has to be clear that it is not a one for one dollar, if you use more, because of the rate structure it has varying percentage differences. It was the closest the Department could get to maintaining the 1.3% and keeping the average increase at that level across all customer classes. Mr. O'Rourke asked if there is any additional penalty by doing this to those who do not take the prompt payment discount. Ms. Parenteau replied no, because the Cost of Service assumes all RMLD's customers take this. It will be the forfeited discount amount. Mr. O'Rourke added that the other last point they made at the last meeting is that it will be important to explain to customers that they are not losing the benefit, but do not want it to look like they are giving more discount than they really are getting. Is this handled through some communication on the bill? Ms. Parenteau said that Ms. O'Brien is planning on extensive education for our customers if the Board determines that we do this. Chairman Stempeck said that we should be very specific and have clear communications to all our customers along with the literature that goes along with the bill. The customers should know that the prompt payment discount has been retained and the net effect will be the same. Any means to make this simple, clear and transparent is the way to handle this change.

Mr. Talbot asked is there an average dollar figure that the prompt payment discount takes off customer bills such as \$2 or \$4. Ms. Parenteau replied that it is based on the distribution charge, base rate charge which is a per kilowatt hour charge, it is fully tied into a customer's usage. The Department can go through the billing system to determine what the average is. Mr. Talbot said that on the proposed low income rate, the prompt payment discount will be a flat amount, it does not penalize those who are frugal and conserving. Ms. Parenteau said that a lot of RMLD's commercial customers take advantage of the prompt payment discount which helps RMLD's cash flow. Ms. Parenteau said that the RMLD has various customer classes with different usage. Mr. O'Rourke mentioned that it is a consumption issue that the RMLD is sensitive to such as the peak consumption; it is primarily a cash flow issue. Mr. O'Rourke said that this may not be the correct vehicle for solving a peak issue. Chairman Stempeck said that the prompt payment does increase cash flow. Mr. Soli said that Mr. Talbot was asking the amount for the prompt payment discount. In his May bill, 455 kilowatt hours, the prompt payment discount was \$4.75. Mr. O'Rourke said that the issue is that if a customer is consuming so many kilowatt hours per month by not offering the prompt payment discount, the money will not come in. Mr. Talbot suggested to have a flat amount of \$5 or \$8, right now we are rewarding the customer that has a high kilowatt consumption. Mr. O'Rourke commented that if it is only \$5 then someone may not be inclined to take advantage of the discount. Chairman Stempeck pointed out that we want customers to use more kilowatt hours and encourage paying on time for cash flow. Ms. Parenteau commented that the examples Mr. Pacino has requested will show dollar amounts associated with that and get a better sense. Mr. Talbot said that having customers use more kilowatts goes against other variables. Chairman Stempeck stated that we do want customers to use more kilowatt hours off peak. Mr. Pacino added that there is a trade off with the cash flow. If the discount rate was left at 10% would the rates still have to go up the 1.3%? Ms. Parenteau responded that the 1.3% revenue requirement is necessary to meet expenses. Mr. Pacino said that our bottom line is zero. The discount is being built into the rate somewhere, as to how we are doing this; it is not affecting the bottom line. We are actually building this discount into the rate somehow. He is not seeing the fact it is the same amount, as opposed to the percentage. Ms. O'Brien replied that is correct. Mr. Pacino said that as long as we stay within the flat amount we are not increasing. Chairman Stempeck said that is something we can track on a monthly basis. Mr. O'Rourke added it is a bigger percentage of a smaller amount. Chairman Stempeck agreed. Mr. Pacino said that if we had a smaller amount discounted it would have a lesser increase in the rate. Chairman Stempeck said at the next meeting some of these questions should be answered, he would like to review some of the different rate classes. Mr. Pacino said that Peabody avoided a rate increase by changing their discount. Chairman Stempeck commented that by lowering the discount rate on a majority of the consumers that use the discount is effectively a rate increase.

Mr. Soli said that for what we are doing here right here and now, there is no free lunch. It is part of the Cost of Service Study. You are adding up stuff and are giving them a discount which is added in as a cost and when you get to the bottom line you take that out, net zero. When Peabody lowered the prompt payment discount they did not do Cost of Service as with his discount it is \$4.50 instead under the methodology Peabody utilized it is \$2.50, it would be a rate increase of \$2.

Motion to continue the 'Prompt Payment Discount' for RMLD customers.

Mr. O'Rourke said that for transparency, we are trying to show the customers what the real costs for the different items are, purchase power, cost of service and when you tinker with the prompt payment discount you move away from that transparency. A 1.3% on average is required, it should be clear where it is and we are not trying to affect the prompt payment discount because it is working well. Chairman Stempeck reiterated that the prompt payment discount is a good benefit from a cash flow perspective.

Mr. Pacino made a motion seconded by Mr. O'Rourke that the RMLD Board of Commissioners recommend to the RMLD Citizens' Advisory Board to increase RMLD's prompt payment discount from 10% to 15% based on the recommendation of the General Manager.

Motion carried 5:0:0.

Motion to accept the format of Unbundled Rate structure.

Chairman Stempeck said that in order to do the right thing you have to take steps forward. Mr. Soli added if you have the data. Mr. O'Rourke commented that the answer is going to be based over the next period of months; the heart of the issue is that unbundling provides the best transparency. If everything is put together and we give a discount it is not really clear to the consumer what is going on. By doing this we may find things are not in order and unbundling will provide us the mechanism to see that. It is an answer to the issue rather than causing an issue. Mr. O'Rourke pointed out two meetings ago that we were driving towards the unbundling issue.

Mr. Pacino made a motion seconded by Mr. O'Rourke that the RMLD Board of Commissioners recommend to the RMLD Citizens' Advisory Board to accept the format of a unbundled rate structure for the RMLD on the recommendation of the General Manager.

Motion carried 4:1:0. Mr. Soli voted against the motion.

Motion to accept the New York Power Authority (NYPA) calculation.

Mr. Pacino made a motion seconded by Mr. Soli that the RMLD Board of Commissioners recommend to the RMLD Citizens' Advisory Board to accept that the RMLD change its New York Power Authority (NYPA) calculation to equal the difference between the average cost of energy excluding NYPA and the average cost of NYPA energy multiplier by the total kilowatts of NYPA received based on the recommendation of the General Manager.

Motion carried 5:0:0.

On another matter, Mr. Pacino said that the Town of Reading Audit Committee asked if he was going to be reappointed. He needs to let them know. Chairman Stempeck asked if there were any other commission members interested in sitting on this committee, there was no response.

Mr. Soli made a motion seconded by Mr. O'Rourke to appoint Philip Pacino to the Town of Reading Audit Committee.

Motion carried 5:0:0.

LED Streetlighting

Ms. O'Brien stated that the LED Streetlighting rate motion is missing from the agenda. Chairman Stempeck said that the LED streetlighting rate was on the package from the last session. Ms. Parenteau apologized for this because she was going through the presentation and neglected to give the motion to Ms. Foti.

Mr. Talbot asked if there is a meeting law issue with that. Ms. Foti replied that it is what you reasonably expect forty eight hours in advance, there is no reason this cannot be taken up. Chairman Stempeck clarified that this is not an open meeting issue because it was discussed at the last meeting in open session. Ms. Foti commented that when the agenda is posted, it is what you reasonably expect to put on the agenda. Since we are discussing rates, this is not something unrelated to what has been discussed.

Mr. Pacino made a motion seconded by Mr. O'Rourke that the RMLD Board of Commissioners recommend to the RMLD Citizens' Advisory Board to adopt the formula rate in Chapter 164 Section 58 for municipal streetlights on the recommendation of the General Manager.

Motion carried 5:0:0.

RMLD Board Meetings

Thursday, June 12, 2014
Thursday, July 31, 2014

Citizens' Advisory Board Meeting
Tuesday, June 3, 2014

r. Pacino will cover the CAB meeting.

Mr. O'Rourke will be the Secretary for this evening.

Executive Session:

Executive Session was posted in the event discussion relative to competitively sensitive issues relative to power issues arose. There was no discussion, therefore there was no Executive Session held.

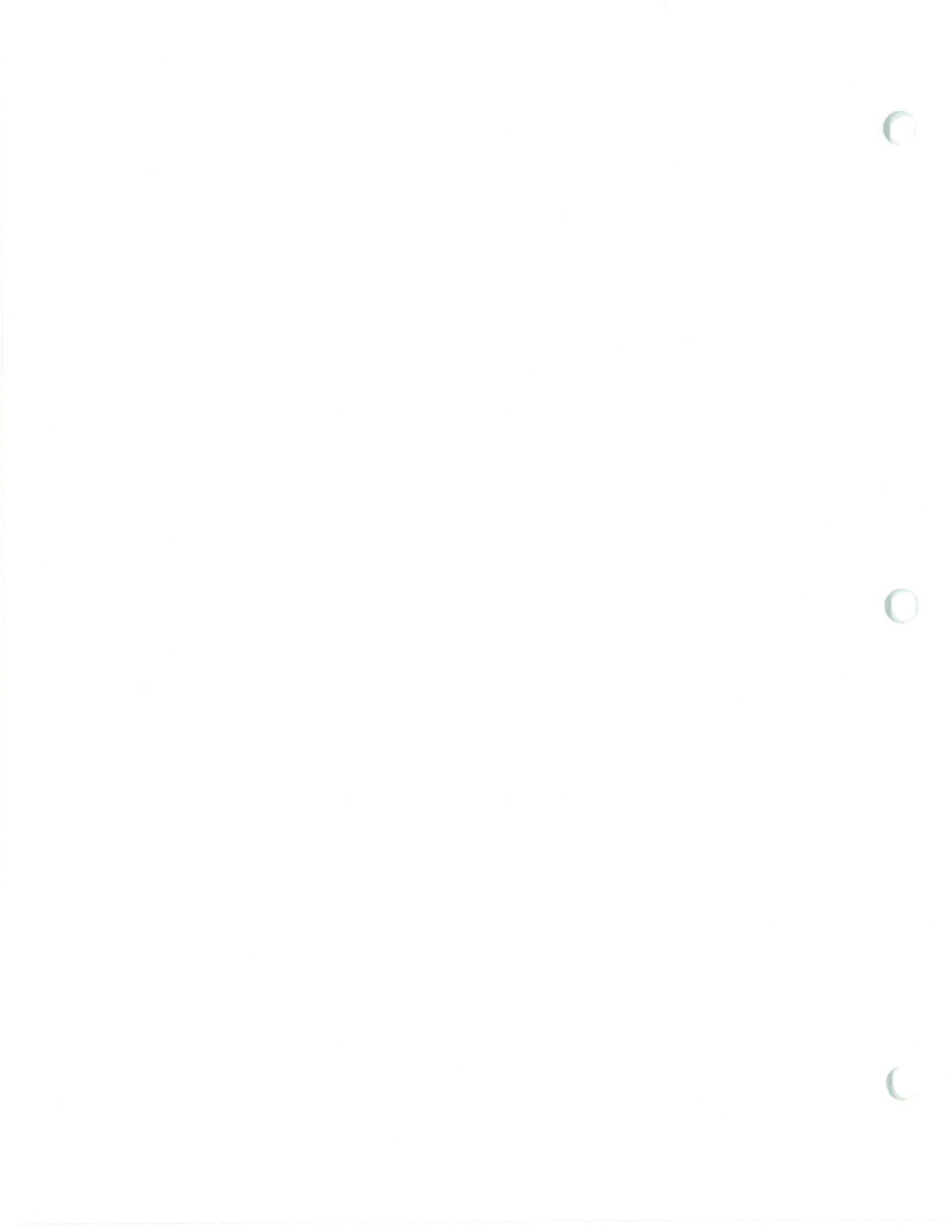
Adjournment

At 7:14 p.m. Mr. Pacino made a motion seconded by Mr. Soli move to adjourn the Regular Session to adjourn.

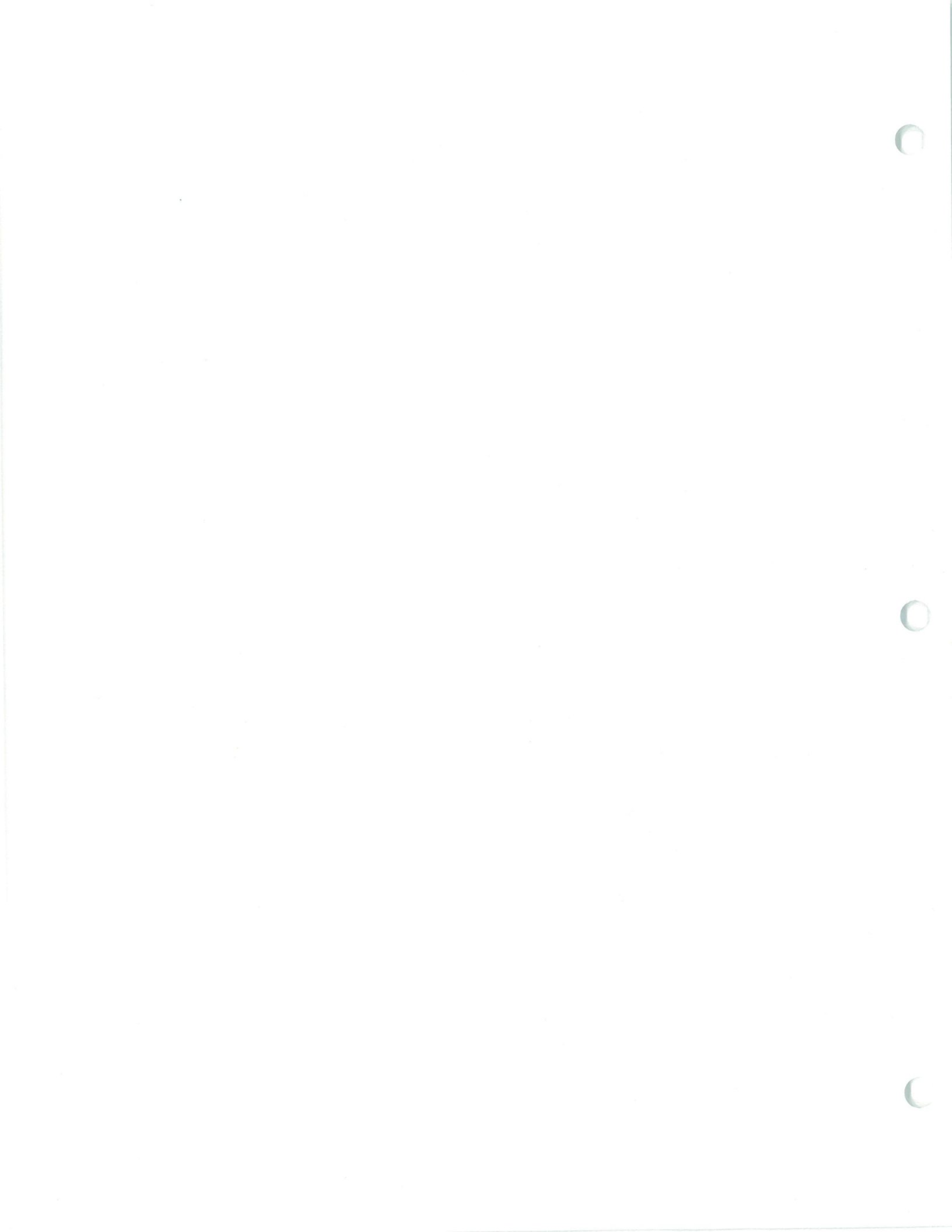
Motion carried 5:0:0.

A true copy of the RMLD Board of Commissioners minutes
as approved by a majority of the Commission.

Thomas O'Rourke, Secretary
RMLD Board of Commissioners



POWER SUPPLY REPORT
BOARD REFERENCE TAB B



To: Coleen O'Brien

From:  Maureen McHugh, Jane Parenteau 

Date: December 1, 2014

Subject: Purchase Power Summary – October, 2014

Energy Services Division (ESD) has completed the Purchase Power Summary for the month of October, 2014.

ENERGY

The RMLD's total metered load for the month was 54,473,226 kWh, which is a 1.42% decrease from the October, 2013 figures.

Table 1 is a breakdown by source of the energy purchases.

Table 1

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy	Total \$ Costs	\$ as a %
Millstone #3	1,254,842	\$5.57	2.30%	\$6,992	0.31%
Seabrook	5,887,946	\$6.69	10.80%	\$39,367	1.72%
Stonybrook Intermediate	1,236,017	\$39.47	2.27%	\$48,789	2.13%
JP Morgan	7,302,600	\$61.93	13.40%	\$452,218	19.74%
NextEra	6,711,000	\$50.20	12.32%	\$336,867	14.71%
NYPA	2,157,202	\$4.92	3.96%	\$10,613	0.46%
ISO Interchange	5,135,161	\$43.12	9.42%	\$221,424	9.67%
NEMA Congestion	0	\$0.00	0.00%	\$28,543	1.25%
Coop Resales	3,709	\$160.19	0.01%	\$594	0.03%
BP Energy	10,052,200	\$48.27	18.45%	\$485,210	21.18%
Summit Hydro/Collins/Pioneer	935,821	\$72.46	1.72%	\$67,807	2.96%
Braintree Watson Unit	302,256	\$59.73	0.55%	\$18,053	0.79%
Swift River Projects	796,345	\$104.77	1.46%	\$83,430	3.64%
Exelon	12,719,400	\$38.57	23.34%	\$490,527	21.42%
Stonybrook Peaking	0	\$0.00	0.00%	\$0	0.00%
Monthly Total	54,494,499	\$42.03	100.00%	\$2,290,434	100.00%

Table 2 breaks down the ISO interchange between the DA LMP Settlement and the RT Net Energy for the month of October, 2014.

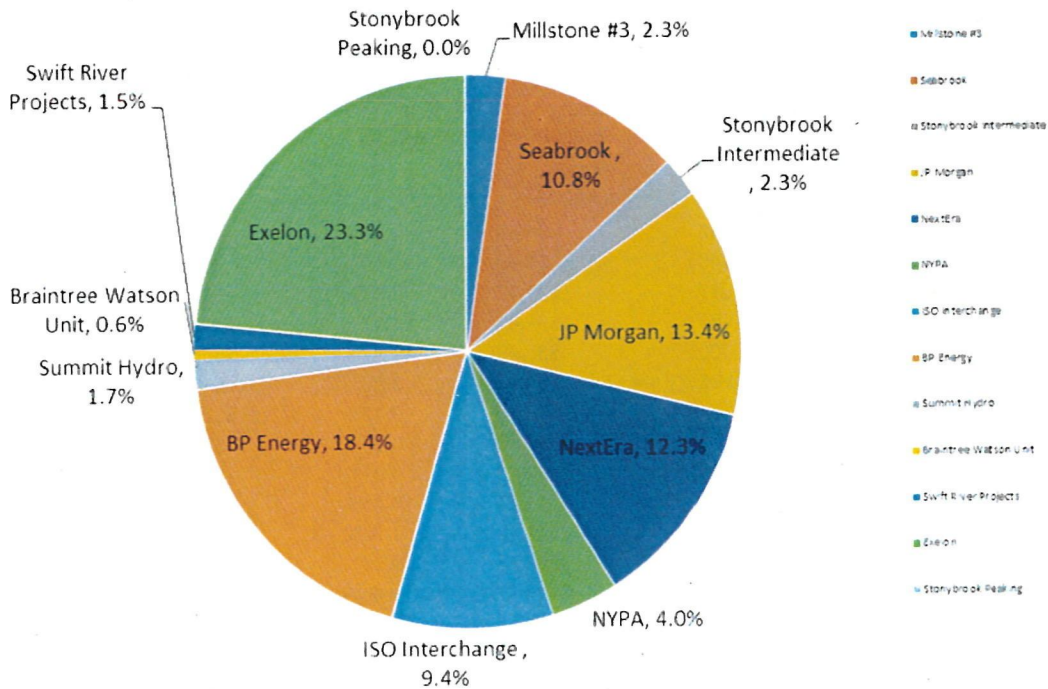
Table 2

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP *	6,435,873	41.72	11.81%
Settlement			
RT Net Energy **	-1,300,712	34.57	-2.39%
Settlement			
ISO Interchange (subtotal)	5,135,161	43.12	9.42%

* Independent System Operator Day-Ahead Locational Marginal Price

** Real Time Net Energy

OCTOBER 2014 ENERGY BY RESOURCE



CAPACITY

The RMLD hit a demand of 99,181 kW, which occurred on October 15, at 8 pm. The RMLD's monthly UCAP requirement for October, 2014 was 209,193 kW.

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

Table 3

Source	Amount (kW)	Cost (\$/kW-month)	Total Cost \$	% of Total Cost
Millstone #3	4,950	14.42	\$71,367	5.66%
Seabrook	7,919	41.75	\$330,638	26.22%
Stonybrook Peaking	24,981	1.89	\$47,275	3.75%
Stonybrook CC	42,925	3.50	\$150,210	11.91%
NYPA	4,019	4.19	\$16,834	1.33%
Hydro Quebec	4,673	4.29	\$20,032	1.59%
Nextera	60,000	5.65	\$339,000	26.88%
Braintree Watson Unit	10,520	10.83	\$113,945	9.03%
ISO-NE Supply Auction	49,206	3.49	\$171,905	13.63%
Total	209,193	\$6.03	\$1,261,207	100.00%

Table 4 shows the dollar amounts for energy and capacity per source.

Table 4

Resource	Energy	Capacity	Total cost	% of Total Cost	Amt of Energy (kWh)	Cost of Power (\$/kWh)
Millstone #3	\$6,992	\$71,367	\$78,360	2.21%	1,254,842	0.0624
Seabrook	\$39,367	\$330,638	\$370,005	10.42%	5,887,946	0.0628
Stonybrook Intermediate	\$48,789	\$150,210	\$198,999	5.60%	1,236,017	0.1610
Hydro Quebec	\$0	\$20,032	\$20,032	0.56%	-	0.0000
JP Morgan	\$452,218	\$0	\$452,218	12.73%	7,302,600	0.0619
NextEra	\$336,867	\$339,000	\$675,867	19.03%	6,711,000	0.1007
* NYPA	\$10,613	\$16,834	\$27,447	0.77%	2,157,202	0.0127
ISO Interchange	\$221,424	\$171,905	\$393,328	11.07%	5,135,161	0.0766
Nema Congestion	\$28,543	\$0	\$28,543	0.80%	-	0.0000
BP Energy	\$485,210	\$0	\$485,210	13.66%	10,052,200	0.0483
* Summit Hydro/Collins/Pioneer	\$67,807	\$0	\$67,807	1.91%	935,821	0.0725
Braintree Watson Unit	\$18,053	\$113,945	\$131,999	3.72%	302,256	0.4367
* Swift River Projects	\$83,430	\$0	\$83,430	2.35%	796,345	0.1048
Coop Resales	\$594	\$0	\$594	0.02%	3,709	0.1602
Constellation Energy	\$490,527	\$0	\$490,527	13.81%	12,719,400	0.0386
Stonybrook Peaking	\$0	\$47,275	\$47,275	1.33%	-	0.0000
Monthly Total	\$2,290,434	\$1,261,207	\$3,551,641	100.00%	54,494,499	0.0652
* Renewable Resources						7.14%

RENEWABLE ENERGY CERTIFICATES (RECs)

Table 5 shows the amount of banked and projected RECs for the Swift River Hydro Projects through October 2014, as well as their estimated market value.

Table 5
Swift River RECs Summary
Period - January 2014 - October 2014

	Banked RECs	Projected RECs	Total RECs	Est. Dollars
Woronoco	3,613	148	3,761	\$180,528
Pepperell	3,179	1,699	4,878	\$234,144
Indian River	1,711	825	2,536	\$121,728
Turners Falls	1,389	324	1,713	\$0
RECs Sold			0	\$0
Grand Total	9,892	2,996	12,888	\$536,400

TRANSMISSION

The RMLD's total transmission costs for the month of October, 2014 were \$1,248,904. This is an increase of 8.69% from the September transmission cost of \$1,149,000. In October, 2013 the transmission costs were \$1,059,828.

Table 6

	Current Month	Last Month	Last Year
Peak Demand (kW)	99,181	150,405	99,578
Energy (kWh)	54,494,499	58,968,269	55,270,986
Energy (\$)	\$2,290,434	\$2,358,566	\$1,994,534
Capacity (\$)	\$1,261,207	\$1,419,977	\$1,148,645
Transmission(\$)	\$1,248,904	\$1,149,000	\$1,059,828
Total	\$4,800,544	\$4,927,542	\$4,203,008

ENERGY EFFICIENCY

Table 7 shows the comprehensive results from the Energy Conservation program. The amount of savings is broken down by both demand and energy for the Commercial and Residential sectors.

Table 7	Year	Total \$			Total			Total \$			
		Capacity Saved (kW)	Energy Saved (kwh)	Capacity	\$/kW	Energy	\$/kWh	Rebate	Rebate/kWh	Rebate/kW	Cost Benefit
Commercial											
Total to date	FY07-14	16,169	63,959,276	\$ 1,561,065		3,543,375	\$ 0.03	\$ 1,732,385	\$ 0.03	\$ 107.14	\$ 3,372,054
Current	FY15	68	94,098	\$ 9,323	\$11.45	5,646	\$ 0.06	\$ 69,288	\$ 0.74	\$ 1,021.16	\$ (54,319)
Residential											
Total to date	FY07-14	2,609	2,252,774	\$ 257,422		117,229	\$ 0.32	\$ 718,531	\$ 0.32	\$ 275.42	\$ (343,881)
Current	FY15	62	52,893	\$ 8,587	\$11.45	3,174	\$ 0.06	\$ 42,005	\$ 0.79	\$ 672.09	\$ (30,244)
Total											
Total to date	FY07-14	18,778	66,212,049	\$ 1,818,487		3,660,603	\$ 0.04	\$ 2,475,916	\$ 0.04	\$ 131.85	\$ 3,003,173.54
Current	FY15	130	146,991	\$ 17,910	\$11.45	8,819	\$ 0.06	\$ 111,293	\$ 0.76	\$ 853.79	\$ (84,563)

Table 8 shows the breakdown for residential appliance rebates by type and year.

Table 8	Year	Washing Machine		Refrigerator		Dishwasher		Dehumidifier		Central A/C		Window A/C		Thermostat		Audits		Renewable		Air Source Heat Pump		HP Water Heater		Fan			
		QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars		
2007																											
2008	86	\$ 4,300	47	\$ 2,350	55	\$ 2,750	7	\$ 175	17	\$ 1,700	10	\$ 250	23	\$ 230	107	\$ 14,940											
2009	406	\$ 20,300	259	\$ 12,950	235	\$ 11,750	40	\$ 1,000	41	\$ 4,100	50	\$ 1,250	114	\$ 1,140	107	\$ 14,940											
2010	519	\$ 25,950	371	\$ 18,550	382	\$ 19,100	37	\$ 925	64	\$ 6,400	49	\$ 1,225	127	\$ 1,270	64	\$ 8,960	6	\$ 20,700									
2011	425	\$ 21,250	383	\$ 19,150	313	\$ 15,650	47	\$ 1,175	57	\$ 5,700	65	\$ 1,625	118	\$ 1,180	180	\$ 26,960	4	\$ 18,000									
2012	339	\$ 16,950	354	\$ 17,700	289	\$ 14,450	38	\$ 950	44	\$ 4,400	56	\$ 1,400	105	\$ 1,050	219	\$ 32,731	3	\$ 14,000					9	\$ 2,250	3	\$ 30	
2013	285	\$ 14,250	336	\$ 16,800	311	\$ 15,550	29	\$ 725	24	\$ 2,400	54	\$ 1,350	57	\$ 570	375	\$ 75,000	3	\$ 15,000					1,900	\$ 4	\$ 1,000	5	\$ 50
2014	322	\$ 16,100	333	\$ 16,650	298	\$ 14,900	27	\$ 675	38	\$ 3,800	76	\$ 1,900	83	\$ 1,245	363	\$ 72,600	4	\$ 17,250					2,000	\$ 11	\$ 2,750	7	\$ 70
2015	67	\$ 3,350	85	\$ 4,250	76	\$ 3,800	10	\$ 250	14	\$ 1,400	24	\$ 600	13	\$ 195	93	\$ 18,600	3	\$ 8,500					800	\$ 1	\$ 250	1	\$ 10
Total	2,449	\$ 122,450	2,168	\$ 108,400	1,959	\$ 97,950	235	\$ 5,875	299	\$ 29,900	384	\$ 9,600	640	\$ 6,880	1,508	\$ 264,731	23	\$ 93,450	47	\$ 4,700	25	\$ 6,250	16	\$ 160			



ENGINEERING AND OPERATIONS
REPORT
BOARD REFERENCE TAB C



**READING MUNICIPAL LIGHT DEPARTMENT
FY 15 CAPITAL BUDGET VARIANCE REPORT
FOR PERIOD ENDING OCTOBER 31, 2014**

PROJ	DESCRIPTION	TOWN	ACTUAL COST OCT	YTD ADDITIONS	ANNUAL BUDGET	REMAINING BALANCE
CONSTRUCTION:						
101	5W9 Reconductoring - Ballardvale Area	W		9,862	253,000	243,138
102	Pole Line Upgrade Lowell Street	W			173,000	173,000
104	Upgrade Old Lynnfield Center URDs (Cook's Farm)	LC			217,000	217,000
105	4W5 - 4W6 Tie	R			70,000	70,000
106	URD Upgrades	ALL	4,965	39,510	319,000	279,490
107	Step-down Area Upgrades	ALL	3,375	18,517	203,000	184,483
212	Force Account West Street	R			224,000	224,000
	SUB-TOTAL		8,340	67,889	1,459,000	1,391,111
STATION UPGRADES:						
108	Relay Replacement Project - Gaw Station #4	R			50,000	50,000
110	Station 3 - Replacement of Service Cutouts	NR	-	711		
130	Remote Terminal Unit (RTU) Replacement - Station 3	NR			85,000	85,000
	SUB-TOTAL		-	711	135,000	135,000
NEW CUSTOMER SERVICES:						
112	New Service Installations (Commercial / Industrial)	ALL	3,233	9,675	57,000	47,325
113	New Service Installations (Residential)	ALL	13,816	58,164	260,000	201,836
	SUB-TOTAL		17,049	67,839	317,000	249,161
ROUTINE CONSTRUCTION:						
114	Routine Construction	ALL	166,220	709,060	947,000	237,941
SPECIAL PROJECTS / CAPITAL PURCHASES:						
103	Distribution Protection and Automation	ALL			69,000	69,000
116	Transformers and Capacitors	ALL			444,000	444,000
117	Meter Purchases (including "500 Club")	ALL		44,671	127,000	82,329
122	Engineering Analysis Software and Data Conversion	ALL			55,000	55,000
125	GIS	ALL			150,000	150,000
126	Communication Equipment (Fiber Optic)	ALL			30,000	30,000
131	LED Street Light Pilot Program	ALL	24,915	26,250	37,000	10,751
132	Outage Management Software and Integration	ALL			85,000	85,000
133	Predictive Asset Management Program	ALL			80,000	80,000
134	Substation Test Equipment	ALL			121,000	121,000
135	Arc Flash Study	ALL			35,000	35,000
137	SCADA System Upgrade - Hardware	ALL	7,500	20,332	63,000	42,668
	SUB-TOTAL		32,415	91,253	1,296,000	1,204,748
OTHER CAPITAL PROJECTS:						
118	Rolling Stock Replacement	ALL			434,000	434,000
119	Security Upgrades All Sites	ALL	618	1,458	61,000	59,542
120	Great Plains / Cogsdale Upgrade	ALL			350,000	350,000
121	HVAC System Upgrade - 230 Ash Street	R			399,000	399,000
123	Oil Containment Facility Construction	LC		5,140	80,000	74,860
127	Hardware Upgrades	ALL		14,337	102,000	87,663
128	Software and Licensing	ALL	12,716	15,926	122,000	106,074
129	Master Facilities Site Plan	R			50,000	50,000
136	Organizational / Reliability Studies	ALL			100,000	100,000
	SUB-TOTAL		13,334	36,861	1,698,000	1,661,139
TOTAL CAPITAL BUDGET			\$ 237,357	\$ 973,612	\$ 5,852,000	\$ 4,879,098



READING MUNICIPAL LIGHT DEPARTMENT

Engineering and Operations Monthly Report

October 2014

CAPITAL IMPROVEMENTS

		% Complete FY14-15 Status	Month	YTD
Construction Projects:				
	URD Upgrades – All Towns:			
106	<ul style="list-style-type: none">Todd Lane, LCleek Court, NRThe Greens, NRBelmont Street, NR	On-going	\$4,965	\$39,510
107	Step-down Area Upgrades – All Towns: <ul style="list-style-type: none">Vine Street, R	On-going	\$3,375	\$18,517
New Customer Service Connections:				
112	Service Installations – Commercial/Industrial: <ul style="list-style-type: none">Main Street, NRResearch Drive, W	On-going	\$3,233	\$9,675
113	Service Installations – Residential: This item includes new or upgraded overhead and underground services.	On-going	\$13,816	\$58,164
Special Projects/Capital Purchases:				
131	LED Street Light Pilot Program	100%	\$24,915	\$26,250
137	SCADA System Upgrade – Hardware	100%	\$7,500	\$20,332

Routine Construction:	Month	YTD
Pole Setting/Transfers	36,884	96,329
Overhead/Underground	51,988	240,968
Projects Assigned as Required <ul style="list-style-type: none"> • Ballardvale Street, W (new building) • Chestnut Street, NR (transformer replacement) • Haverhill Street, NR (pole relocations) • 114 West Street, W (new building) • Lynnfield High Athletic Field (lights) 	16,899	177,131
Pole Damage/Knockdowns <ul style="list-style-type: none"> • Work was done to repair or replace four (4) damaged poles. 	9,604	20,365
Station Group	3,958	23,205
Hazmat/Oil Spills		3,831
Porcelain Cutout Replacement Program	968	4,117
Lighting (Street Light Connections)	1,023	5,193
Storm Trouble	5,093	29,324
Underground Subdivisions (new construction) <ul style="list-style-type: none"> • Amherst Road, W • Railroad Ave Condos, N • Cheyenne Estates, W • Rahnden Terrace, N 	12,743	31,822
Animal Guard Installation	1,017	2,780
Miscellaneous Capital Costs	26,042	73,995
TOTAL:	<u>\$166,220</u>	<u>\$709,060</u>

MAINTENANCE PROGRAMS

Aged/Overloaded Transformer Replacement

Padmount:

Single-Phase: 10.71% replaced through 10/31/14

Three-Phase: 6.41% replaced through 10/31/14

Overhead:

Single-Phase: 8.23% replaced through 10/31/14

Three-Phase: 2.22% replaced through 10/31/14

Pole Testing System-wide (600-1,000 poles/year)

Contract awarded to mPower Technologies. Year one inspection complete: 645 poles were inspected.

13.8kV/35kV Feeders – Quarterly Inspections

5W4, 5W8, 5W9, 5W4, 5W5, 4W7, 4W23, 3W8, 3W18, 3W6, 3W13, 3W5, 3W15, 4W5, 4W6, 4W13, 4W10, 4W12, 4W16

Miscellaneous branches and vines were found and removed.

Manhole Inspections

Pending.

Porcelain Cutout Replacements (with Polymer)

A total of 28 cutouts were changed out in October. Nine (9) were charged as part of the Porcelain Cutout Replacement Program and an additional 19 were replaced because of damage. 87% complete.

Substations:

Infrared Scanning (Monthly)

Station 3 Scanning complete through November – no hot spots found

Station 4 Scanning complete through November – no hot spots found

Station 5 Scanning complete through November – no hot spots found

Substation Maintenance Program

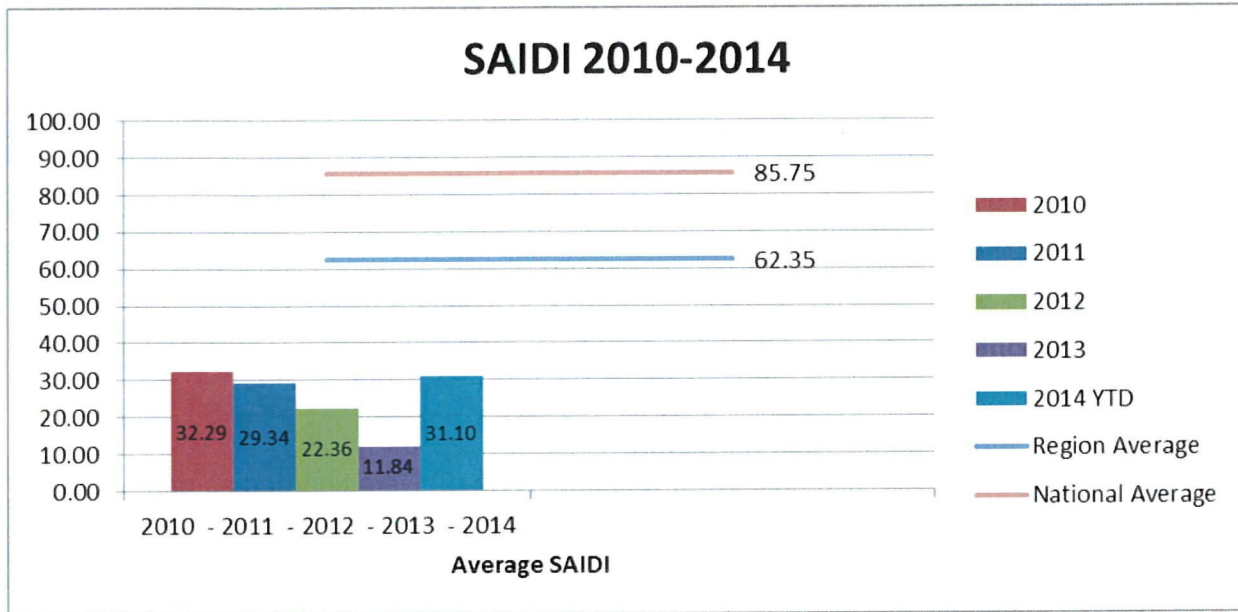
- *Inspection of all three stations by UPG in progress. 95% complete (as of 12/3/14)*
-

SYSTEM RELIABILITY

Key industry standard metrics have been identified to enable the RMLD to measure and track system reliability.

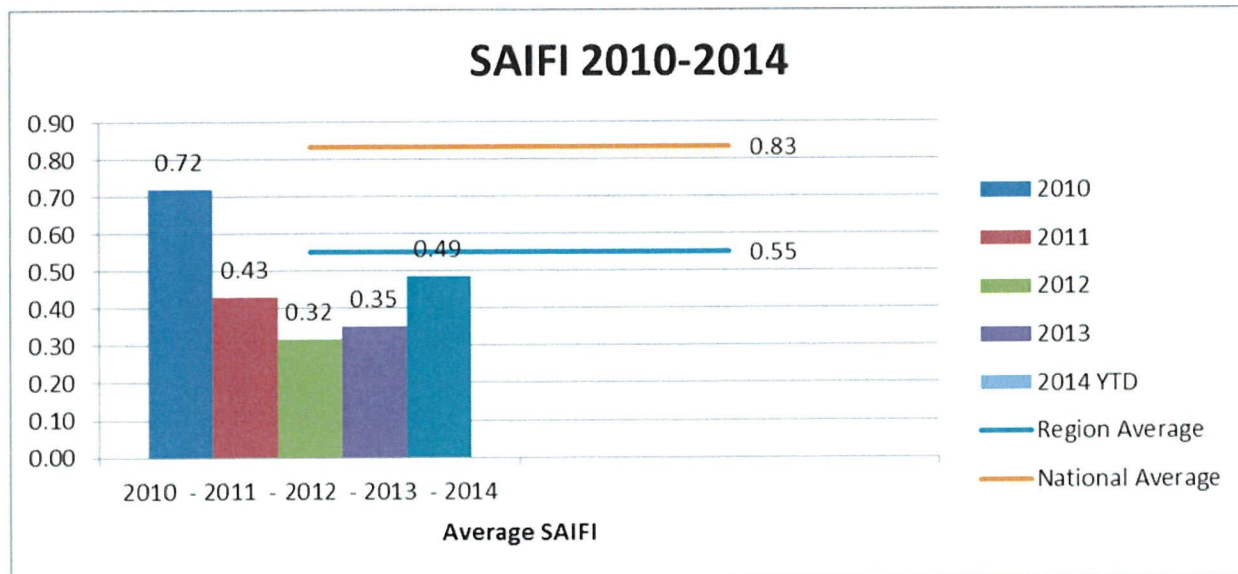
SAIDI (System Average Interruption Duration Index) is defined as the average interruption duration (in minutes) for customers served by the utility system during a specific time period.

SAIDI = the sum of all customer interruption durations within the specified time frame ÷ by the average number of customers served during that period.



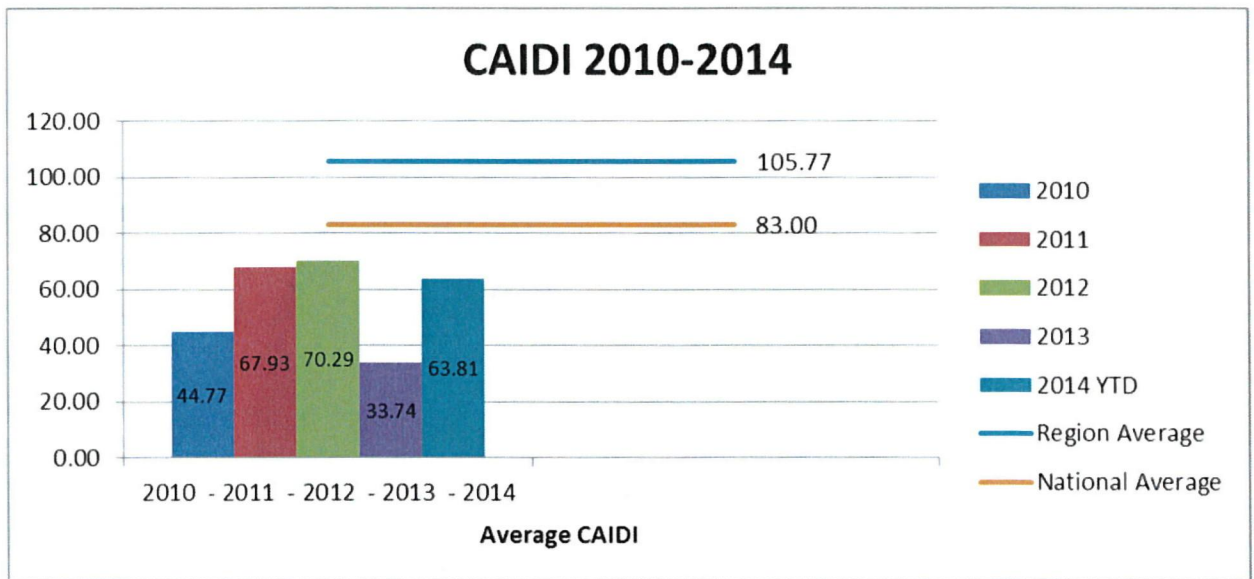
SAIFI (System Average Interruption Frequency) is defined as the average number of instances a customer on the utility system will experience an interruption during a specific time period.

SAIFI = the total number of customer interruptions ÷ average number of customers served during that period.



CAIDI (Customer Average Interruption Duration Index) is defined as the average duration (in minutes) of an interruption experienced by customers during a specific time frame.

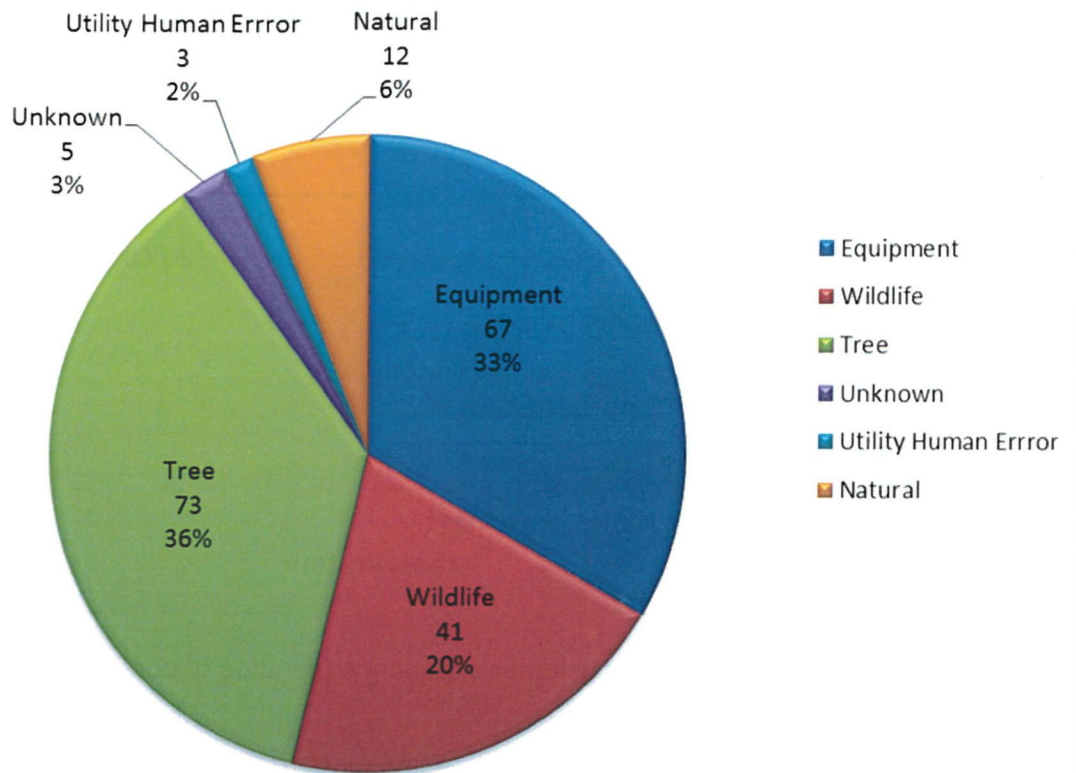
CAIDI = the sum of all customer interruption durations during that time period ÷ the number of customers that experienced one or more interruptions during that time period



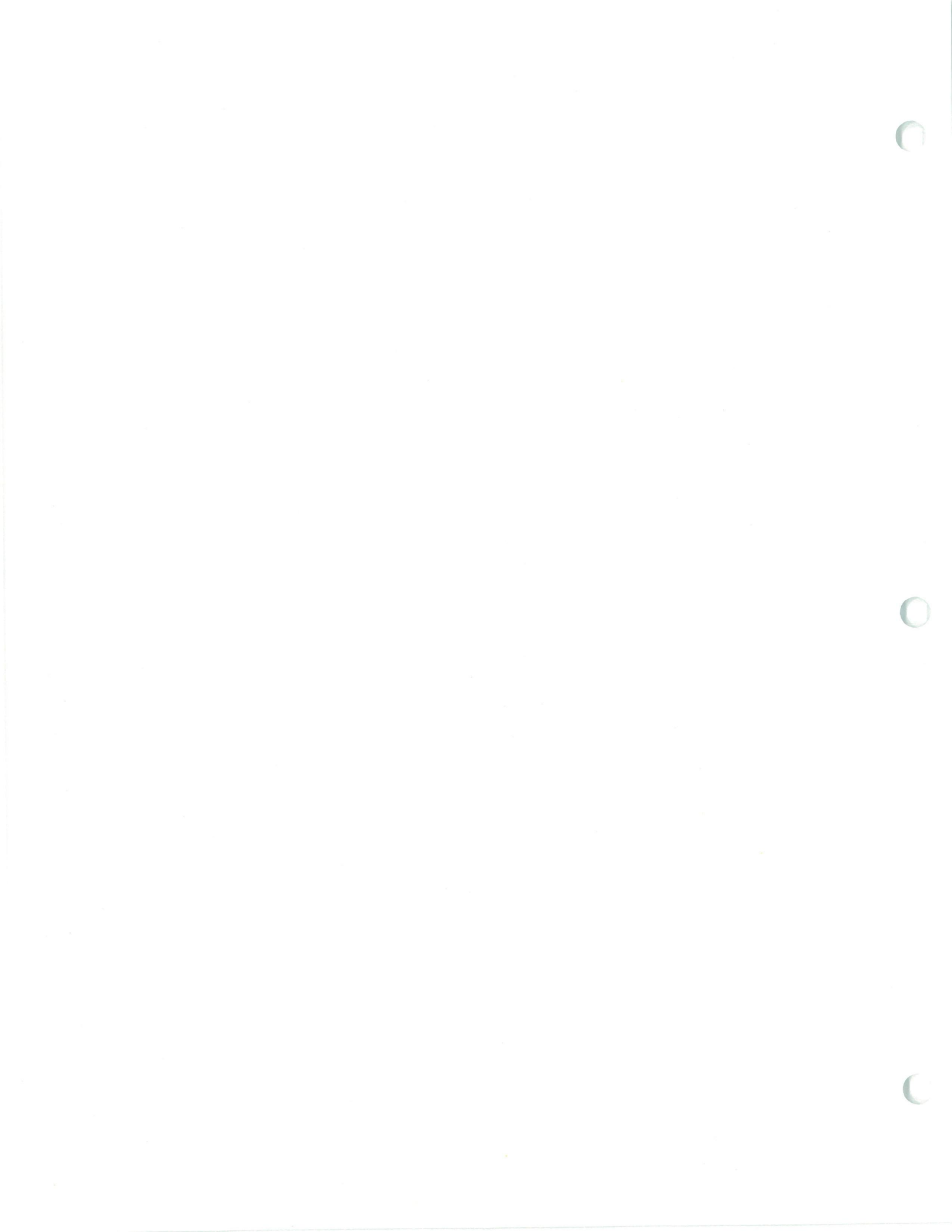
This metric reflects the average customer experience (minutes of duration) during an outage.

Note: Since SAIDI, SAIFI and CAIDI are sustained interruption indices; only outages lasting longer than one minute are included in the calculations.

2014 Outage Causes Types YTD October 31, 2014



FINANCIAL REPORT
BOARD REFERENCE TAB D



Dt: December 11, 2014

To: RMLB, Coleen O'Brien, Jeanne Foti

Fr: Bob Fournier

Sj: October 31, 2014 Report

The results for the first four months ending October 31, 2014, for the fiscal year 2015 will be summarized in the following paragraphs.

1) Change in Net Assets: (Page 3A)

*For the month of October, the net loss or the negative change in net assets was \$445,395, decreasing the year to date net income to \$3,045,283. The year to date budgeted net income was \$4,106,438, resulting in net income being under budget by \$1,061,155 or 25.84%. Actual year to date fuel revenues exceeded fuel expenses by \$1,874,810.

2) Revenues: (Page 3A)

*Year to date base revenues were under budget by \$324,113 or 4.03%. Actual base revenues were \$7.7 million compared to the budgeted amount of \$8.0 million.

3) Expenses: (Page 12A)

*Year to date purchased power base expense was over budget by \$406,588 or 4.06%. Actual purchased power base costs were 10.4 million and budgeted power base costs were \$10.0 million.

*Year to date operating and maintenance (O&M) expenses combined were under budget by \$214,268 or 4.44%. Actual O&M expenses were \$4.6 million compared to the budgeted amount of \$4.8 million.

*Depreciation expense and voluntary payments to the Towns were on budget.

4) Cash: (Page 9)

- *Operating Fund was at \$10,861,293.
- * Capital Fund balance was at \$5,449,143.
- * Rate Stabilization Fund was at \$6,739,112.
- * Deferred Fuel Fund was at \$6,007,504
- * Energy Conservation Fund was at \$556,678.

5) General Information:

*Year to date kwh sales (Page 5) were 249,124,507 which is 6.7 million kwh or 2.6%, behind last year's actual figure.

Budget Variance:

*Cumulatively, the five divisions were under budget by \$224,405 or 3.05%.



FINANCIAL REPORT

OCTOBER 31, 2014

ISSUE DATE: DECEMBER 11, 2014

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF NET ASSETS
10/31/2014

	PREVIOUS YEAR	CURRENT YEAR
ASSETS		
CURRENT		
UNRESTRICTED CASH (SCH A P.9)	8,897,314.37	10,864,293.24
RESTRICTED CASH (SCH A P.9)	20,609,666.59	22,849,476.09
RESTRICTED INVESTMENTS (SCH A P.9)	0.00	1,292,906.26
RECEIVABLES, NET (SCH B P.10)	7,132,879.48	7,355,753.11
PREPAID EXPENSES (SCH B P.10)	1,082,856.98	1,220,648.96
INVENTORY	1,490,293.74	1,405,795.08
TOTAL CURRENT ASSETS	39,213,011.16	44,988,872.74
NONCURRENT		
INVESTMENT IN ASSOCIATED CO (SCH C P.2)	31,379.32	26,993.75
CAPITAL ASSETS, NET (SCH C P.2)	70,058,022.04	69,880,562.00
TOTAL NONCURRENT ASSETS	70,089,401.36	69,907,555.75
TOTAL ASSETS	109,302,412.52	114,896,428.49
 LIABILITIES		
CURRENT		
ACCOUNTS PAYABLE	4,890,583.01	5,770,445.38
CUSTOMER DEPOSITS	759,104.12	808,845.77
CUSTOMER ADVANCES FOR CONSTRUCTION	416,584.15	477,695.98
ACCRUED LIABILITIES	55,107.57	1,953.61
TOTAL CURRENT LIABILITIES	6,121,378.85	7,058,940.74
NONCURRENT		
ACCRUED EMPLOYEE COMPENSATED ABSENCES	3,132,560.84	2,918,870.73
TOTAL NONCURRENT LIABILITIES	3,132,560.84	2,918,870.73
TOTAL LIABILITIES	9,253,939.69	9,977,811.47
 NET ASSETS		
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	70,058,022.04	69,880,562.00
RESTRICTED FOR DEPRECIATION FUND (P.9)	3,995,166.03	5,422,755.74
UNRESTRICTED	25,955,284.76	29,615,299.28
TOTAL NET ASSETS (P.3)	100,048,472.83	104,918,617.02
TOTAL LIABILITIES AND NET ASSETS	109,302,412.52	114,896,428.49

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
NONCURRENT ASSET SCHEDULE
10/31/2014

SCHEDULE C

SCHEDULE OF INVESTMENTS IN ASSOCIATED COMPANIES	PREVIOUS YEAR	CURRENT YEAR
NEW ENGLAND HYDRO ELECTRIC	3,261.87	2,975.74
NEW ENGLAND HYDRO TRANSMISSION	28,117.45	24,018.01
TOTAL INVESTMENTS IN ASSOCIATED COMPANIES	31,379.32	26,993.75
SCHEDULE OF CAPITAL ASSETS		
LAND	1,265,842.23	1,265,842.23
STRUCTURES AND IMPROVEMENTS	6,430,802.65	6,085,971.99
EQUIPMENT AND FURNISHINGS	12,529,390.07	12,333,518.78
INFRASTRUCTURE	49,831,987.09	50,195,229.00
TOTAL CAPITAL ASSETS, NET	70,058,022.04	69,880,562.00
TOTAL NONCURRENT ASSETS	70,089,401.36	69,907,555.75

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
10/31/2014

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
OPERATING REVENUES: (SCH D P.11)					
BASE REVENUE	3,492,589.91	1,642,499.84	16,648,546.49	7,728,027.20	-53.58%
FUEL REVENUE	2,147,543.67	2,425,374.16	11,582,191.59	12,811,927.61	10.62%
PURCHASED POWER CAPACITY	18,256.40	2,251,877.11	86,995.55	10,351,474.40	11798.86%
FORFEITED DISCOUNTS	86,153.82	31,589.93	309,544.92	280,610.15	-9.35%
ENERGY CONSERVATION REVENUE	52,860.87	53,010.11	252,123.73	243,595.56	-3.38%
GAW REVENUE	53,711.38	0.00	255,902.40	0.00	100.00%
NYPA CREDIT	(23,964.99)	(74,545.03)	(173,262.24)	(232,164.44)	34.00%
TOTAL OPERATING REVENUES	5,827,151.06	6,329,806.12	28,962,042.44	31,183,470.48	7.67%
OPERATING EXPENSES: (SCH E P.12)					
PURCHASED POWER BASE	2,210,925.58	2,510,752.09	10,021,951.34	10,420,283.05	3.97%
PURCHASED POWER FUEL	1,994,534.42	2,290,434.18	10,394,368.11	10,704,953.73	2.99%
OPERATING MAINTENANCE	898,222.37	1,051,747.27	3,466,298.53	3,491,507.71	0.73%
DEPRECIATION	297,243.82	292,927.19	970,756.33	1,114,749.78	14.83%
VOLUNTARY PAYMENTS TO TOWNS	314,969.55	321,788.79	1,259,878.20	1,287,155.16	2.17%
	116,666.67	118,000.00	466,666.68	472,000.00	1.14%
TOTAL OPERATING EXPENSES	5,832,562.41	6,585,649.52	26,579,919.19	27,490,649.43	3.43%
OPERATING INCOME	(5,411.35)	(255,843.40)	2,382,123.25	3,692,821.05	55.02%
NONOPERATING REVENUES (EXPENSES)					
CONTRIBUTIONS IN AID OF CONST	12,631.70	0.00	17,569.08	395.20	0.00%
RETURN ON INVESTMENT TO READING	(191,768.42)	(194,405.25)	(767,073.67)	(777,621.00)	1.38%
INTEREST INCOME	7,852.25	3,138.50	15,213.72	35,494.04	133.30%
INTEREST EXPENSE	(257.94)	(256.80)	(1,028.32)	(1,039.46)	1.08%
OTHER (MDSE AND AMORT)	1,395.05	1,972.00	84,489.98	95,233.03	12.72%
TOTAL NONOPERATING REV (EXP)	(170,147.36)	(189,551.55)	(650,829.21)	(647,538.19)	-0.51%
CHANGE IN NET ASSETS	(175,558.71)	(445,394.95)	1,731,294.04	3,045,282.86	75.90%
NET ASSETS AT BEGINNING OF YEAR			98,317,178.79	101,873,334.16	3.62%
NET ASSETS AT END OF OCTOBER			100,048,472.83	104,918,617.02	4.87%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
10/31/2014

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	7,728,027.20	8,052,140.00	(324,112.80)	-4.03%
FUEL REVENUE	12,811,927.61	13,620,353.00	(808,425.39)	-5.94%
PURCHASED POWER CAPACITY	10,351,474.40	10,554,089.00	(202,614.60)	100.00%
FORFEITED DISCOUNTS	280,610.15	409,337.00	(128,726.85)	-31.45%
ENERGY CONSERVATION REVENUE	243,595.56	255,874.00	(12,278.44)	-4.80%
NYPA CREDIT	(232,164.44)	(233,332.00)	1,167.56	-0.50%
TOTAL OPERATING REVENUES	31,183,470.48	32,658,461.00	(1,474,990.52)	-4.52%
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	10,420,283.05	10,013,695.00	406,588.05	4.06%
PURCHASED POWER FUEL	10,704,953.73	11,395,182.00	(690,228.27)	-6.06%
OPERATING MAINTENANCE	3,491,507.71	3,727,718.00	(236,210.29)	-6.34%
DEPRECIATION	1,114,749.78	1,092,808.00	21,941.78	2.01%
VOLUNTARY PAYMENTS TO TOWNS	1,287,155.16	1,297,332.00	(10,176.84)	-0.78%
	472,000.00	472,000.00	0.00	0.00%
TOTAL OPERATING EXPENSES	27,490,649.43	27,998,735.00	(508,085.57)	-1.81%
OPERATING INCOME	3,692,821.05	4,659,726.00	(966,904.95)	-20.75%
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	395.20	100,000.00	(99,604.80)	-99.60%
RETURN ON INVESTMENT TO READING	(777,621.00)	(777,620.00)	(1.00)	0.00%
INTEREST INCOME	35,494.04	33,332.00	2,162.04	6.49%
INTEREST EXPENSE	(1,039.46)	(1,000.00)	(39.46)	3.95%
OTHER (MDSE AND AMORT)	95,233.03	92,000.00	3,233.03	3.51%
TOTAL NONOPERATING REV (EXP)	(647,538.19)	(553,288.00)	(94,250.19)	17.03%
CHANGE IN NET ASSETS	3,045,282.86	4,106,438.00	(1,061,155.14)	-25.84%
NET ASSETS AT BEGINNING OF YEAR	101,873,334.16	101,873,334.16	0.00	0.00%
NET ASSETS AT END OF OCTOBER	104,918,617.02	105,979,772.16	(1,061,155.14)	-1.00%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
RECONCILIATION OF CAPITAL FUNDS
10/31/2014

SOURCE OF CAPITAL FUNDS:

DEPRECIATION FUND BALANCE 7/1/14	4,130,584.59
CONSTRUCTION FUND BALANCE 7/1/14	1,000,000.00
INTEREST ON DEPRECIATION FUND FY 15	5,015.99
DEPRECIATION TRANSFER FY 15	<u>1,287,155.16</u>

TOTAL SOURCE OF CAPITAL FUNDS	6,422,755.74
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USE OF CAPITAL FUNDS:

LESS PAID ADDITIONS TO PLANT THRU OCTOBER	973,612.36
GENERAL LEDGER CAPITAL FUNDS BALANCE 10/31/14	<u><u>5,449,143.38</u></u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SALES OF KILOWATT HOURS
10/31/2014

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	17,750,687	18,922,756	97,920,239	93,966,046	-4.04%
COMM. AND INDUSTRIAL SALES	33,478,174	32,824,826	147,943,090	144,901,358	-2.06%
PRIVATE STREET LIGHTING	74,261	79,012	296,264	315,850	6.61%
TOTAL PRIVATE CONSUMERS	<u>51,303,122</u>	<u>51,826,594</u>	<u>246,159,593</u>	<u>239,183,254</u>	-2.83%
MUNICIPAL SALES:					
STREET LIGHTING	239,799	242,669	958,304	971,707	1.40%
MUNICIPAL BUILDINGS	708,382	717,923	3,169,601	3,134,885	-1.10%
TOTAL MUNICIPAL CONSUMERS	<u>948,181</u>	<u>960,592</u>	<u>4,127,905</u>	<u>4,106,592</u>	-0.52%
SALES FOR RESALE	244,313	236,085	1,333,799	1,321,601	-0.91%
SCHOOL	1,207,903	1,331,155	4,252,200	4,513,060	6.13%
TOTAL KILOWATT HOURS SOLD	<u>53,703,519</u>	<u>54,354,426</u>	<u>255,873,497</u>	<u>249,124,507</u>	-2.64%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
KILOWATT HOURS SOLD BY TOWN
10/31/2014

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	18,922,756	6,271,989	2,484,965	4,544,362	5,621,440
COMM & IND	32,824,826	3,859,307	235,689	5,014,719	23,715,111
PVT ST LIGHTS	79,012	13,418	1,524	24,826	39,244
PUB ST LIGHTS	242,669	81,549	32,769	42,644	85,707
MUNI BLDGS	717,923	161,910	158,773	132,579	264,661
SALES/RESALE	236,085	236,085	0	0	0
SCHOOL	1,331,155	420,522	254,452	294,560	361,621
TOTAL	54,354,426	11,044,780	3,168,172	10,053,690	30,087,784

YEAR TO DATE

RESIDENTIAL	93,966,046	29,397,969	13,679,727	21,862,285	29,026,065
COMM & IND	144,901,358	17,813,562	1,144,047	22,572,447	103,371,302
PVT ST LIGHTS	315,850	53,356	6,096	99,106	157,292
PUB ST LIGHTS	971,707	326,543	131,217	170,757	343,190
MUNI BLDGS	3,134,885	708,534	684,645	609,469	1,132,237
SALES/RESALE	1,321,601	1,321,601	0	0	0
SCHOOL	4,513,060	1,628,954	981,167	635,120	1,267,819
TOTAL	249,124,507	51,250,519	16,626,899	45,949,184	135,297,905

LAST YEAR
TO DATE

RESIDENTIAL	97,920,239	30,327,646	14,225,242	22,947,928	30,419,423
COMM & IND	147,943,090	17,783,567	1,201,854	23,186,599	105,771,070
PVT ST LIGHTS	296,264	52,516	5,440	88,556	149,752
PUB ST LIGHTS	958,304	322,648	130,000	166,988	338,668
MUNI BLDGS	3,169,601	720,471	646,868	645,056	1,157,206
SALES/RESALE	1,333,799	1,333,799	0	0	0
SCHOOL	4,252,200	1,531,188	990,961	519,800	1,210,251
TOTAL	255,873,497	52,071,835	17,200,365	47,554,927	139,046,370

KILOWATT HOURS SOLD TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	34.81%	11.54%	4.57%	8.36%	10.34%
COMM & IND	60.39%	7.10%	0.43%	9.23%	43.63%
PVT ST LIGHTS	0.15%	0.02%	0.00%	0.05%	0.08%
PUB ST LIGHTS	0.45%	0.15%	0.06%	0.08%	0.16%
MUNI BLDGS	1.32%	0.30%	0.29%	0.24%	0.49%
SALES/RESALE	0.43%	0.43%	0.00%	0.00%	0.00%
SCHOOL	2.45%	0.77%	0.47%	0.54%	0.67%
TOTAL	100.00%	20.31%	5.82%	18.50%	55.37%

YEAR TO DATE

RESIDENTIAL	37.72%	11.80%	5.49%	8.78%	11.65%
COMM & IND	58.16%	7.15%	0.46%	9.06%	41.49%
PVT ST LIGHTS	0.13%	0.02%	0.00%	0.04%	0.07%
PUB ST LIGHTS	0.39%	0.13%	0.05%	0.07%	0.14%
MUNI BLDGS	1.26%	0.28%	0.27%	0.24%	0.47%
SALES/RESALE	0.53%	0.53%	0.00%	0.00%	0.00%
SCHOOL	1.81%	0.65%	0.39%	0.25%	0.52%
TOTAL	100.00%	20.56%	6.66%	18.44%	54.34%

LAST YEAR
TO DATE

RESIDENTIAL	38.27%	11.85%	5.56%	8.97%	11.89%
COMM & IND	57.82%	6.95%	0.47%	9.06%	41.34%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.03%	0.07%
PUB ST LIGHTS	0.37%	0.13%	0.05%	0.07%	0.12%
MUNI BLDGS	1.24%	0.28%	0.25%	0.25%	0.46%
SALES/RESALE	0.52%	0.52%	0.00%	0.00%	0.00%
SCHOOL	1.66%	0.60%	0.39%	0.20%	0.47%
TOTAL	100.00%	20.35%	6.72%	18.58%	54.35%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
FORMULA INCOME
10/31/2014

TOTAL OPERATING REVENUES	(P.3)	31,183,470.48
ADD:		
POLE RENTAL		0.00
INTEREST INCOME ON CUSTOMER DEPOSITS		1,041.34
LESS:		
OPERATING EXPENSES	(P.3)	(27,490,649.43)
CUSTOMER DEPOSIT INTEREST EXPENSE		(1,039.46)
FORMULA INCOME (LOSS)		<u>3,692,822.93</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
GENERAL STATISTICS
10/31/2014

		MONTH OF OCT 2013	MONTH OF OCT 2014	% CHANGE		YEAR OCT 2013	THRU OCT 2014
				2013	2014		
SALE OF KWH	(P.5)	53,703,519	54,354,426	-1.14%	-2.64%	255,873,497	249,124,507
KWH PURCHASED		55,270,986	54,494,499	-1.54%	-3.45%	260,075,231	251,090,338
AVE BASE COST PER KWH		0.040002	0.046073	1.45%	7.69%	0.038535	0.041500
AVE BASE SALE PER KWH		0.065035	0.030218	0.68%	-52.32%	0.065066	0.031021
AVE COST PER KWH		0.085299	0.088104	-7.57%	7.17%	0.078502	0.084134
AVE SALE PER KWH		0.112671	0.074840	-1.57%	-25.27%	0.110331	0.082449
FUEL CHARGE REVENUE (P.3)		2,147,543.67	2,425,374.16	-5.71%	10.62%	11,582,191.59	12,811,927.61
LOAD FACTOR		81.14%	75.27%				
PEAK LOAD		95,568	99,181				

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF CASH AND INVESTMENTS
10/31/2014

SCHEDULE A

	PREVIOUS YEAR	CURRENT YEAR
UNRESTRICTED CASH		
CASH - OPERATING FUND	8,894,314.37	10,861,293.24
CASH - PETTY CASH	3,000.00	3,000.00
TOTAL UNRESTRICTED CASH	8,897,314.37	10,864,293.24
 RESTRICTED CASH		
CASH - DEPRECIATION FUND	3,995,166.03	5,422,755.74
CASH - CONSTRUCTION FUND	376,517.37	26,387.64
CASH - TOWN PAYMENT	1,233,740.36	1,249,621.00
CASH - DEFERRED FUEL RESERVE	3,624,048.62	6,007,504.40
CASH - RATE STABILIZATION FUND	6,696,777.33	6,739,112.58
CASH - UNCOLLECTIBLE ACCTS RESERVE	200,000.00	200,000.00
CASH - SICK LEAVE BENEFITS	3,133,559.37	1,688,570.26
CASH - HAZARD WASTE RESERVE	150,000.00	150,000.00
CASH - CUSTOMER DEPOSITS	759,104.12	808,845.77
CASH - ENERGY CONSERVATION	440,753.39	556,678.70
TOTAL RESTRICTED CASH	20,609,666.59	22,849,476.09
 INVESTMENTS		
SICK LEAVE BUYBACK	0.00	1,292,906.26
TOTAL CASH BALANCE	29,506,980.96	35,006,675.59

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF ACCOUNTS RECEIVABLE
10/31/2014

SCHEDULE B

SCHEDULE OF ACCOUNTS RECEIVABLE	PREVIOUS YEAR	CURRENT YEAR
RESIDENTIAL AND COMMERCIAL	3,283,947.25	2,168,666.55
ACCOUNTS RECEIVABLE - OTHER	186,435.14	22,506.53
ACCOUNTS RECEIVABLE - LIENS	24,643.21	18,481.86
ACCOUNTS RECEIVABLE - EMPLOYEE ADVANCES	892.14	892.14
SALES DISCOUNT LIABILITY	(280,517.68)	(209,601.78)
RESERVE FOR UNCOLLECTIBLE ACCOUNTS	(240,543.08)	(267,461.47)
TOTAL ACCOUNTS RECEIVABLE BILLED	2,974,856.98	1,733,483.83
UNBILLED ACCOUNTS RECEIVABLE	4,158,022.50	5,622,269.28
TOTAL ACCOUNTS RECEIVABLE, NET	7,132,879.48	7,355,753.11

SCHEDULE OF PREPAYMENTS

PREPAID INSURANCE	629,971.19	640,769.04
PREPAYMENT PURCHASED POWER	17,554.34	20,753.13
PREPAYMENT PASNY	242,260.90	259,957.39
PREPAYMENT WATSON	178,546.85	286,469.29
PURCHASED POWER WORKING CAPITAL	14,523.70	12,700.11
TOTAL PREPAYMENT	1,082,856.98	1,220,648.96

ACCOUNTS RECEIVABLE AGING OCTOBER 2014:

RESIDENTIAL AND COMMERCIAL	2,168,666.55
LESS: SALES DISCOUNT LIABILITY	(209,601.78)
GENERAL LEDGER BALANCE	1,959,064.77

CURRENT	1,608,847.15	82.13%
30 DAYS	238,055.85	12.15%
60 DAYS	47,269.93	2.41%
90 DAYS	15,653.92	0.80%
OVER 90 DAYS	49,237.92	2.51%
TOTAL	1,959,064.77	100.00%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE
10/31/2014

SCHEDULE D

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	2,110,778.50	1,711,405.45	12,072,421.59	9,061,890.86	-24.94%
COMM AND INDUSTRIAL SALES	3,269,240.46	2,146,689.46	15,057,428.86	10,595,914.03	-29.63%
PRIVATE STREET LIGHTING	5,245.44	9,037.52	22,424.23	38,119.71	69.99%
TOTAL PRIVATE CONSUMERS	<u>5,385,264.40</u>	<u>3,867,132.43</u>	<u>27,152,274.68</u>	<u>19,695,924.60</u>	-27.46%
 MUNICIPAL SALES:					
STREET LIGHTING	25,891.70	29,860.45	108,300.96	119,441.80	10.29%
MUNICIPAL BUILDINGS	77,953.77	55,630.96	355,991.54	252,859.43	-28.97%
TOTAL MUNICIPAL CONSUMERS	<u>103,845.47</u>	<u>85,491.41</u>	<u>464,292.50</u>	<u>372,301.23</u>	-19.81%
 SALES FOR RESALE	 26,616.35	 18,857.75	 152,434.94	 114,722.45	 -24.74%
 SCHOOL	 124,407.36	 96,392.41	 461,735.96	 357,006.53	 -22.68%
 SUB-TOTAL	 <u>5,640,133.58</u>	 <u>4,067,874.00</u>	 <u>28,230,738.08</u>	 <u>20,539,954.81</u>	 -27.24%
 FORFEITED DISCOUNTS	 86,153.82	 31,589.93	 309,544.92	 280,610.15	 -9.35%
 PURCHASED POWER CAPACITY	 18,256.40	 2,251,877.11	 86,995.55	 10,351,474.40	 11798.86%
 ENERGY CONSERVATION - RESIDENTIAL	 17,762.21	 18,932.98	 97,968.73	 93,995.92	 -4.06%
ENERGY CONSERVATION - COMMERCIAL	35,098.66	34,077.13	154,155.00	149,599.64	-2.96%
GAW REVENUE	53,711.38	0.00	255,902.40	0.00	-100.00%
NYPA CREDIT	(23,964.99)	(74,545.03)	(173,262.24)	(232,164.44)	34.00%
 TOTAL REVENUE	 <u>5,827,151.06</u>	 <u>6,329,806.12</u>	 <u>28,962,042.44</u>	 <u>31,183,470.48</u>	 7.67%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE BY TOWN
10/31/2014

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	1,711,405.45	569,869.23	223,243.51	409,293.01	508,999.70
INDUS/MUNI BLDG	2,202,320.42	308,664.07	30,701.69	291,192.19	1,571,762.47
PUB. ST. LIGHTS	29,860.45	10,014.23	4,024.08	5,267.05	10,555.09
PRV. ST. LIGHTS	9,037.52	1,504.29	177.54	2,948.23	4,407.46
CO-OP RESALE	18,857.75	18,857.75	0.00	0.00	0.00
SCHOOL	96,392.41	30,878.15	18,624.68	21,170.29	25,719.29
TOTAL	4,067,874.00	939,787.72	276,771.50	729,870.77	2,121,444.01

THIS YEAR TO DATE

RESIDENTIAL	9,061,890.86	2,842,924.77	1,311,206.00	2,101,896.85	2,805,863.24
INDUS/MUNI BLDG	10,848,773.46	1,499,572.29	149,113.08	1,771,578.13	7,428,509.96
PUB. ST. LIGHTS	119,441.80	40,056.92	16,096.32	21,068.20	42,220.36
PRV. ST. LIGHTS	38,119.71	6,338.39	748.26	12,383.03	18,650.03
CO-OP RESALE	114,722.45	114,722.45	0.00	0.00	0.00
SCHOOL	357,006.53	129,648.48	77,171.17	50,683.39	99,503.49
TOTAL	20,539,954.81	4,633,263.30	1,554,334.81	3,957,609.61	10,394,747.09

LAST YEAR TO DATE

RESIDENTIAL	12,072,421.59	3,760,328.38	1,743,641.10	2,829,199.86	3,739,252.25
INDUS/MUNI BLDG	15,413,420.40	2,029,173.48	203,698.16	2,487,634.43	10,692,914.33
PUB. ST. LIGHTS	108,300.96	35,233.88	13,917.08	19,183.61	39,966.39
PRV. ST. LIGHTS	22,424.23	3,938.89	404.84	6,938.03	11,142.47
CO-OP RESALE	152,434.94	152,434.94	0.00	0.00	0.00
SCHOOL	461,735.96	167,632.97	105,769.72	57,797.17	130,536.10
TOTAL	28,230,738.08	6,148,742.54	2,067,430.90	5,400,753.10	14,613,811.54

PERCENTAGE OF OPERATING INCOME TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	42.07%	14.01%	5.49%	10.06%	12.51%
INDUS/MUNI BLDG	54.14%	7.59%	0.75%	7.16%	38.64%
PUB. ST. LIGHTS	0.73%	0.25%	0.10%	0.13%	0.26%
PRV. ST. LIGHTS	0.22%	0.04%	0.00%	0.07%	0.11%
CO-OP RESALE	0.46%	0.46%	0.00%	0.00%	0.00%
SCHOOL	2.37%	0.76%	0.46%	0.52%	0.63%
TOTAL	100.00%	23.10%	6.80%	17.94%	52.15%

THIS YEAR TO DATE

RESIDENTIAL	44.11%	13.84%	6.38%	10.23%	13.66%
INDUS/MUNI BLDG	52.82%	7.30%	0.73%	8.63%	36.16%
PUB. ST. LIGHTS	0.58%	0.20%	0.08%	0.10%	0.20%
PRV. ST. LIGHTS	0.19%	0.03%	0.00%	0.06%	0.10%
CO-OP RESALE	0.56%	0.56%	0.00%	0.00%	0.00%
SCHOOL	1.74%	0.63%	0.38%	0.25%	0.48%
TOTAL	100.00%	22.56%	7.57%	19.27%	50.60%

LAST YEAR TO DATE

RESIDENTIAL	42.76%	13.32%	6.18%	10.02%	13.24%
INDUS/MUNI BLDG	54.60%	7.19%	0.72%	8.81%	37.88%
PUB. ST. LIGHTS	0.38%	0.12%	0.05%	0.07%	0.14%
PRV. ST. LIGHTS	0.08%	0.01%	0.00%	0.02%	0.05%
CO-OP RESALE	0.54%	0.54%	0.00%	0.00%	0.00%
SCHOOL	1.64%	0.59%	0.37%	0.20%	0.48%
TOTAL	100.00%	21.77%	7.32%	19.12%	51.79%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING EXPENSES
10/31/2014

SCHEDULE E

OPERATION EXPENSES:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
PURCHASED POWER BASE EXPENSE	2,210,925.58	2,510,752.09	10,021,951.34	10,420,283.05	3.97%
OPERATION SUP AND ENGINEERING EXP	49,980.89	53,316.31	182,135.58	182,367.23	0.13%
STATION SUP LABOR AND MISC	10,221.00	19,263.24	37,222.79	54,161.54	45.51%
LINE MISC LABOR AND EXPENSE	71,301.38	81,171.77	231,943.18	222,366.16	-4.13%
STATION LABOR AND EXPENSE	52,514.07	44,318.96	174,469.79	153,858.84	-11.81%
STREET LIGHTING EXPENSE	6,364.62	(1,873.59)	22,991.87	26,533.17	15.40%
METER EXPENSE	26,643.74	15,320.59	69,606.83	59,177.15	-14.98%
MISC DISTRIBUTION EXPENSE	35,839.01	54,568.14	117,750.71	140,828.20	19.60%
METER READING LABOR & EXPENSE	1,240.62	1,458.27	12,267.04	6,498.63	-47.02%
ACCT & COLL LABOR & EXPENSE	154,734.61	213,830.84	519,176.60	604,492.66	16.43%
UNCOLLECTIBLE ACCOUNTS	10,500.00	10,000.00	42,000.00	40,000.00	-4.76%
ENERGY AUDIT EXPENSE	41,202.29	44,812.05	148,946.59	137,343.28	-7.79%
ADMIN & GEN SALARIES	80,326.54	73,018.26	306,318.52	277,261.13	-9.49%
OFFICE SUPPLIES & EXPENSE	26,138.99	31,229.10	87,573.13	95,450.17	8.99%
OUTSIDE SERVICES	76,027.61	42,974.07	146,662.00	121,632.52	-17.07%
PROPERTY INSURANCE	29,926.02	29,863.73	119,704.08	119,454.92	-0.21%
INJURIES AND DAMAGES	3,553.51	3,720.93	13,034.11	14,352.85	10.12%
EMPLOYEES PENSIONS & BENEFITS	146,448.48	226,340.56	979,241.91	990,343.67	1.13%
MISC GENERAL EXPENSE	12,213.85	15,158.58	56,505.01	45,357.45	-19.73%
RENT EXPENSE	13,798.14	14,573.76	68,356.79	55,850.28	-18.30%
ENERGY CONSERVATION	49,247.00	78,681.70	130,392.00	144,177.86	10.57%
TOTAL OPERATION EXPENSES	898,222.37	1,051,747.27	3,466,298.53	3,491,507.71	0.73%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	227.08	227.10	908.32	908.40	0.01%
MAINT OF STRUCT AND EQUIPMT	19,624.34	40,284.46	60,592.75	199,266.66	228.86%
MAINT OF LINES - OH	192,386.93	170,884.68	551,853.96	586,835.95	6.34%
MAINT OF LINES - UG	10,141.50	10,328.07	59,995.19	48,073.30	-19.87%
MAINT OF LINE TRANSFORMERS	2,777.18	17,941.59	76,227.73	45,784.55	0.00%
MAINT OF ST LT & SIG SYSTEM	(85.28)	69.59	(320.39)	(68.45)	-78.64%
MAINT OF GARAGE AND STOCKROOM	53,628.51	37,763.77	163,108.91	146,210.17	-10.36%
MAINT OF METERS	1,511.32	0.00	9,113.78	0.00	-100.00%
MAINT OF GEN PLANT	17,032.24	15,427.93	49,276.08	87,739.20	78.06%
TOTAL MAINTENANCE EXPENSES	297,243.82	292,927.19	970,756.33	1,114,749.78	14.83%
DEPRECIATION EXPENSE	314,969.55	321,788.79	1,259,878.20	1,287,155.16	2.17%
PURCHASED POWER FUEL EXPENSE	1,994,534.42	2,290,434.18	10,394,368.11	10,704,953.73	2.99%
VOLUNTARY PAYMENTS TO TOWNS	116,666.67	118,000.00	466,666.68	472,000.00	1.14%
TOTAL OPERATING EXPENSES	5,832,562.41	6,585,649.52	26,579,919.19	27,490,649.43	3.43%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
10/31/2014

SCHEDULE G

OPERATION EXPENSES:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
PURCHASED POWER BASE EXPENSE	<u>10,420,283.05</u>	<u>10,013,695.00</u>	<u>406,588.05</u>	4.06%
OPERATION SUP AND ENGINEERING EXP	182,367.23	191,707.00	(9,339.77)	-4.87%
STATION SUP LABOR AND MISC	54,161.54	35,016.00	19,145.54	54.68%
LINE MISC LABOR AND EXPENSE	222,366.16	215,930.00	6,436.16	2.98%
STATION LABOR AND EXPENSE	153,858.84	129,509.00	24,349.84	18.80%
STREET LIGHTING EXPENSE	26,533.17	27,574.00	(1,040.83)	-3.77%
METER EXPENSE	59,177.15	73,898.00	(14,720.85)	-19.92%
MISC DISTRIBUTION EXPENSE	140,828.20	128,886.00	11,942.20	9.27%
METER READING LABOR & EXPENSE	6,498.63	10,358.00	(3,859.37)	-37.26%
ACCT & COLL LABOR & EXPENSE	604,492.66	565,361.00	39,131.66	6.92%
UNCOLLECTIBLE ACCOUNTS	40,000.00	40,000.00	0.00	0.00%
ENERGY AUDIT EXPENSE	137,343.28	160,364.00	(23,020.72)	-14.36%
ADMIN & GEN SALARIES	277,261.13	273,112.00	4,149.13	1.52%
OFFICE SUPPLIES & EXPENSE	95,450.17	100,400.00	(4,949.83)	-4.93%
OUTSIDE SERVICES	121,632.52	140,540.00	(18,907.48)	-13.45%
PROPERTY INSURANCE	119,454.92	151,136.00	(31,681.08)	-20.96%
INJURIES AND DAMAGES	14,352.85	16,752.00	(2,399.15)	-14.32%
EMPLOYEES PENSIONS & BENEFITS	990,343.67	1,014,832.00	(24,488.33)	-2.41%
MISC GENERAL EXPENSE	45,357.45	123,536.00	(78,178.55)	-63.28%
RENT EXPENSE	55,850.28	70,668.00	(14,817.72)	-20.97%
ENERGY CONSERVATION	144,177.86	258,139.00	(113,961.14)	-44.15%
TOTAL OPERATION EXPENSES	<u>3,491,507.71</u>	<u>3,727,718.00</u>	<u>(236,210.29)</u>	-6.34%
MAINTENANCE EXPENSES:				
MAINT OF TRANSMISSION PLANT	908.40	1,000.00	(91.60)	-9.16%
MAINT OF STRUCT AND EQUIPMENT	199,266.66	159,697.00	39,569.66	24.78%
MAINT OF LINES - OH	586,835.95	553,286.00	33,549.95	6.06%
MAINT OF LINES - UG	48,073.30	43,509.00	4,564.30	10.49%
MAINT OF LINE TRANSFORMERS	45,784.55	78,000.00	(32,215.45)	-41.30%
MAINT OF ST LT & SIG SYSTEM	(68.45)	3,227.00	(3,295.45)	-102.12%
MAINT OF GARAGE AND STOCKROOM	146,210.17	177,149.00	(30,938.83)	-17.46%
MAINT OF METERS	0.00	20,514.00	(20,514.00)	-100.00%
MAINT OF GEN PLANT	87,739.20	56,426.00	31,313.20	55.49%
TOTAL MAINTENANCE EXPENSES	<u>1,114,749.78</u>	<u>1,092,808.00</u>	<u>21,941.78</u>	2.01%
DEPRECIATION EXPENSE	1,287,155.16	1,297,332.00	(10,176.84)	-0.78%
PURCHASED POWER FUEL EXPENSE	10,704,953.73	11,395,182.00	(690,228.27)	-6.06%
VOLUNTARY PAYMENTS TO TOWNS	472,000.00	472,000.00	0.00	0.00%
TOTAL OPERATING EXPENSES	<u>27,490,649.43</u>	<u>27,998,735.00</u>	<u>(508,085.57)</u>	-1.81%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
10/31/2014

OPERATION EXPENSES:	RESPONSIBLE SENIOR MANAGER	2015 ANNUAL BUDGET	ACTUAL YEAR TO DATE	REMAINING BUDGET BALANCE	REMAINING BUDGET %
PURCHASED POWER BASE EXPENSE	JP	<u>28,889,014.00</u>	<u>10,420,283.05</u>	<u>18,468,730.95</u>	63.93%
OPERATION SUP AND ENGINEERING EXP	KS	583,668.00	182,367.23	401,300.77	68.75%
STATION SUP LABOR AND MISC	KS	108,848.00	54,161.54	54,686.46	50.24%
LINE MISC LABOR AND EXPENSE	KS	657,259.00	222,366.16	434,892.84	66.17%
STATION LABOR AND EXPENSE	KS	398,849.00	153,858.84	244,990.16	61.42%
STREET LIGHTING EXPENSE	KS	82,907.00	26,533.17	56,373.83	68.00%
METER EXPENSE	KS	247,938.00	59,177.15	188,760.85	76.13%
MISC DISTRIBUTION EXPENSE	KS	402,885.00	140,828.20	262,056.80	65.05%
METER READING LABOR & EXPENSE	KS	30,922.00	6,498.63	24,423.37	78.98%
ACCT & COLL LABOR & EXPENSE	RF	1,705,333.00	604,492.66	1,100,840.34	64.55%
UNCOLLECTIBLE ACCOUNTS	RF	120,000.00	40,000.00	80,000.00	66.67%
ENERGY AUDIT EXPENSE	JP	488,284.00	137,343.28	350,940.72	71.87%
ADMIN & GEN SALARIES	CO	842,170.00	277,261.13	564,908.87	67.08%
OFFICE SUPPLIES & EXPENSE	CO	301,000.00	95,450.17	205,549.83	68.29%
OUTSIDE SERVICES	CO	351,650.00	121,632.52	230,017.48	65.41%
PROPERTY INSURANCE	KS	453,200.00	119,454.92	333,745.08	73.64%
INJURIES AND DAMAGES	KS	49,059.00	14,352.85	34,706.15	70.74%
EMPLOYEES PENSIONS & BENEFITS	KS	2,746,619.00	990,343.67	1,756,275.33	63.94%
MISC GENERAL EXPENSE	CO	240,727.00	45,357.45	195,369.55	81.16%
RENT EXPENSE	KS	212,000.00	55,850.28	156,149.72	73.66%
ENERGY CONSERVATION	JP	778,812.00	144,177.86	634,634.14	81.49%
TOTAL OPERATION EXPENSES		<u>10,802,130.00</u>	<u>3,491,507.71</u>	<u>7,310,622.29</u>	67.68%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	KS	3,000.00	908.40	2,091.60	69.72%
MAINT OF STRUCT AND EQUIPMT	KS	484,026.00	199,266.66	284,759.34	58.83%
MAINT OF LINES - OH	KS	1,675,794.00	586,835.95	1,088,958.05	64.98%
MAINT OF LINES - UG	KS	130,694.00	48,073.30	82,620.70	63.22%
MAINT OF LINE TRANSFORMERS	KS	156,000.00	45,784.55	110,215.45	70.65%
MAINT OF ST LT & SIG SYSTEM	KS	9,745.00	(68.45)	9,813.45	100.70%
MAINT OF GARAGE AND STOCKROOM	KS	567,531.00	146,210.17	421,320.83	74.24%
MAINT OF METERS	KS	43,290.00	0.00	43,290.00	100.00%
MAINT OF GEN PLANT	RF	170,180.00	87,739.20	82,440.80	48.44%
TOTAL MAINTENANCE EXPENSES		<u>3,240,260.00</u>	<u>1,114,749.78</u>	<u>2,125,510.22</u>	65.60%
DEPRECIATION EXPENSE	RF	3,892,000.00	1,287,155.16	2,604,844.84	66.93%
PURCHASED POWER FUEL EXPENSE	JP	36,249,653.00	10,704,953.73	25,544,699.27	70.47%
VOLUNTARY PAYMENTS TO TOWNS	RF	1,416,000.00	472,000.00	944,000.00	66.67%
TOTAL OPERATING EXPENSES		<u>84,489,057.00</u>	<u>27,490,649.43</u>	<u>56,998,407.57</u>	67.46%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
PROFESSIONAL SERVICES
11/30/2014

PROFESSIONAL SERVICES BY PROJECT

ITEM	DEPARTMENT	ACTUAL	BUDGET	VARIANCE
1 RMLD AND PENSION TRUST AUDIT FEES	ACCOUNTING	33,582.24	35,000.00	(1,417.76)
2 LEGAL-FERC/ISO/POWER/OTHER	INTEGRATED RESOURCES	51,218.38	57,625.00	(6,406.62)
3 NERC COMPLIANCE AND AUDIT	E & O	6,420.00	4,375.00	2,045.00
4 LEGAL	ENGINEERING	0.00	5,625.00	(5,625.00)
5 LEGAL-GENERAL	GM	82,884.15	22,085.00	60,799.15
6 LEGAL SERVICES	HR	16,845.71	26,665.00	(9,819.29)
7 SURVEY RIGHT OF WAY/ ENVIRONMENTAL	BLDG. MAINT.	0.00	4,300.00	(4,300.00)
8 INSURANCE CONSULTANT/OTHER	GEN. BENEFIT	0.00	11,250.00	(11,250.00)
TOTAL		<u>190,950.48</u>	<u>166,925.00</u>	<u>24,025.48</u>

PROFESSIONAL SERVICES BY VENDOR

	ACTUAL
MELANSON HEATH & COMPANY	29,920.00
PIM ELECTRIC POWER COMPANY	2,230.00
RUBIN AND RUDMAN	125,155.29
UTILTIY SERVICES INC.	6,420.00
CHOATE HALL & STEWART	8,834.96
WILLIAM F. CROWLEY- ATTORNEY	2,477.24
HUDSON RIVER ENERGY GROUP	2,925.62
STONE CONSULTING	1,000.00
TRI COUNTY APPRAISAL OF SOUTH FLORIDA	525.00
DUNCAN & ALLEN	11,462.37
TOTAL	<u>190,950.48</u>

RMLD
 DEFERRED FUEL CASH RESERVE ANALYSIS
 10/31/14

DATE	GROSS CHARGES	REVENUES	NYPA CREDIT	MONTHLY DEFERRED	TOTAL DEFERRED
Jun-14					4,132,694.96
Jul-14	3,287,589.94	3,782,699.41	(35,898.34)	459,211.13	4,591,906.09
Aug-14	2,768,364.01	3,844,854.74	(47,884.92)	1,028,605.81	5,620,511.90
Sep-14	2,358,565.60	2,758,999.30	(73,836.15)	326,597.55	5,947,109.45
Oct-14	2,290,434.18	2,425,374.16	(74,545.03)	60,394.95	6,007,504.40

RMLD
BUDGET VARIANCE REPORT
FOR PERIOD ENDING OCTOBER 31, 2014

DIVISION	ACTUAL	BUDGET	VARIANCE	% CHANGE
BUSINESS DIVISION	3,396,975	3,350,629	46,346	1.38%
INTEGRATED RESOURCES AND PLANNING	300,386	464,603	(164,217)	-35.35%
ENGINEERING AND OPERATIONS	1,663,240	1,627,497	35,742	2.20%
FACILITY	1,512,979	1,625,985	(113,006)	-6.95%
GENERAL MANAGER	270,492	299,762	(29,270)	-9.76%
SUB-TOTAL	7,144,072	7,368,477	(224,405)	-3.05%
PURCHASED POWER BASE	10,420,283	10,013,695	406,588	4.06%
PURCHASED POWER FUEL	10,704,954	11,395,182	(690,228)	-6.06%
TOTAL	<u>28,269,309</u>	<u>28,777,354</u>	<u>(508,045)</u>	-1.77%

M.G.L. CHAPTER 30B BIDS
BOARD REFERENCE TAB E



RMLD



Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

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

Tel: (781) 944-1340
Fax: (781) 942-2409
Web: www.rml.com

December 8, 2014

Town of Reading Municipal Light Board

Subject: Power Factor Test Set

On November 5, 2014 a bid invitation was placed as a legal notice in the Middlesex East section of the Daily Times Chronicle requesting proposals for Power Factor Test for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Power Sales Group	WESCO	Shamrock Power
JF Gray & Associates	MetroWest	Power Tech-UPSC
Hasgo Power Sales	Robinson Sales	EL Flowers & Associates
HD Industrial Services	Genergy	MVA Power, Inc.
Siemens		

Bids were received from OMICROM electronics Corp USA and Doble Engineering Company.

The bids were publicly opened and read aloud at 11:00 a.m. November 20, 2014 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

The bids were reviewed, analyzed and evaluated by the General Manager and the staff.

Move that bid 2015-14 for Power Factor Test Set be awarded to:

OMICROM electronics Corp USA for a total cost of **\$82,025.00**

<u>Item (desc.)</u>	<u>Qty</u>	<u>Total Net Cost</u>
Power Factor Test Set	1	\$82,025.00

as the lowest qualified bidder on the recommendation of the General Manager.

RMLD



Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

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

The FY15 Capital Budget allocation for the purchase of this unit under the Substation Test Equipment project was estimated at \$60,000.

A handwritten signature in black ink, appearing to read "CO'Brien", written over a horizontal line.

Coleen O'Brien

A handwritten signature in black ink, appearing to read "Hamid Jaffari", written over a horizontal line.

Hamid Jaffari

A handwritten signature in blue ink, appearing to read "Nick D'Alleva", written over a horizontal line.

Nick D'Alleva

**Power Factor Test Set
Bid 2015-14**

Bidder	OMICRON electronics Corp USA	Doble Engineering
Power Factor Test Set - Qty 1		<i>non-responsive</i>
Delivery Date	3-5 weeks	1-2 weeks
Total Net Cost	\$82,025.00	\$75,740.00
Meet Specification requirement	yes	no
Firm Price	yes	yes
All forms filled out	yes	yes
Certified Check or Bid Bond	yes	yes
Exceptions to stated bid requirements	no	yes
Authorized signature	yes	yes

Exceptions:
"See Appendix A"

Technical Services Note:
All exceptions are not acceptable.
Please see attachment.



November 19, 2014

Ms. Paula O'Leary
Materials Manager
Reading Municipal Light Department
230 Ash Street
Reading MA 01867-0250

**Reading Municipal Light Department IFB Number 2015-14
Appendix A – Bid Exceptions**

Dear Ms. O'Leary:

Doble Engineering Company hereby lists the following exceptions to Reading Municipal Light Department IFB Number 2015-14.

Technical Exceptions

Doble's response does not meet the following items in the IFB:

- A.2 (Entire section)
- A.4 – “Data storage on USB memory stick built into the test instrument is required...”
- A.5 – “...a three way safety switch off/on/off (fully depressed in case of shock) and a front panel on/off safety switch for dual operator control of the outputs...”
- A.5 – “...and a keyed lock out switch.”
- A.5.a (Entire section)
- A.8 – “The heaviest component shall not exceed 64 lbs.”
- A.8.b – ...including automated control of the raise/lower function of the OLTC, bushing... and ground grid testing.”
- B.b. (Entire section)
- B.2.a – “0 – 800A AC”
- B.2.b – “0 – 400 DC, 2500 VA”
- B.2.c – “0 – 6A DC, 360VA”
- D (Entire section)
- E (Entire section)
- F.1.a – “15 – 400 Hz”
- F.1.b – “15 – 400 Hz”

- G (Entire section)
- H.1.a.i – "...and the variable frequency sweep method in the range of 15Hz to 400Hz."
- H.1.b.i – "...and the variable frequency sweep method in the range of 15Hz to 400Hz."
- H.1.h (Entire section)
- H.2 (Entire section)
- H.3 (Entire section)
- H.4 (Entire section)
- H.5 – "...stand alone or..."
- H.6 (Entire section)
- H.7 (Entire section)

Terms & Conditions Exceptions

Doble requests the following changes in the Terms and Conditions of the IFB:

Page 19

Under "Warranty," add, "Seller's maximum, aggregate liability for any claims or causes of action arising under any purchase order issued pursuant to or in connection with this Agreement shall in no event exceed the face value of such purchase order from which the claim or cause of action arose."

Page 20

Strike the sentence beginning, "In such event, RMLD may assume the work..." and the sentence immediately thereafter and beginning with, "In such cases..."

Page 21

Please provide a copy of your tax exempt status.

Page 22

Under "Risk of Loss," strike everything after "delivered" and replace with, ". All deliveries are FOB Watertown, MA.

Under "Extension of Contract," strike "Pricing and"

Miscellaneous Exception

Doble has not provided a completed "Certificate of Vote" document, as we have not taken a formal vote to authorize and empower employees to sign Bid Forms, Agreements, of Bonds on behalf of the Corporation, and we do not employ a Secretary.



Technical Exceptions to IFB Number 2015-14

Section A.2 Entire section

RMLD response: The specification requires DSP technology. – Major Exception

Section A.4 “Data storage on USB memory stick built into the test instrument is required”

RMLD response: The specification requires a USB memory stick built into the test instrument. – Minor Exception

Section A.5 “a three way safety switch off/on/off (fully depressed in case of shock) and a front panel on/off safety switch for dual operator control of the outputs”

RMLD response: The specification calls for a three way safety switch. – Minor Exception

Section A.5 “and a keyed lock out switch”

RMLD response: The specification requires a keyed lock out switch. – Minor Exception

Section A.5.a Entire Section

RMLD response: The specification requires that the test unit have a locking mechanism so the unit can't be turned on inadvertently. – Minor Exception

Section A.8 “The heaviest component shall not exceed 64 lbs.”

RMLD response: The specification requires the test set not exceed 64 lbs. – Minor Exception

Section A.8.b “including automated control of the raise/lower function of the OLTC, bushing... and ground grid testing”

RMLD response: The specification requires automated control of the raise/lower function of the OLTC, bushing, surge arrestors, transmission (power) line and ground grid testing to reduce testing time. – Major Exception

Section B.b Entire section

RMLD response: The specification requires the test set must have the ability to test at variable frequency of between 15 to 400 hertz which is critical to RMLD's future testing needs. - Major Exception

Section B.2.a “0-800A AC”, B.2.b “0-400A DC, 2500 VA”, B.2.c “0-6A DC, 360VA”

RMLD response: The specification requires these current output ranges which is critical to RMLD's future testing needs. – Major Exception

**Section D Entire section**

RMLD response: The specification requires one binary input for wet and dry contacts with voltages up to 300V. Major Exception

Section E Entire Section

RMLD response: The specification requires resistance measurements which is critical to RMLD's future testing needs. – Major Exception

Section F.1a "15-400 Hz", F.1.b "15 -400 Hz"

RMLD response: The specification requires voltage outputs at variable frequency from 15-400 Hz which is critical to RMLD's future testing needs. – Major Exception

Section G Entire Section

RMLD response: The specification requires Power Lines & Ground Impedance measurements which is critical to RMLD's future testing needs. – Major Exception

Section H.1.a.i "and the variable frequency sweep method in the range of 15Hz to 400Hz", H.1.b.i "and the variable frequency sweep method in the range of 15Hz to 400Hz"

RMLD response: The specification requires the test set have the capability to test at variable frequency from 15-400 Hz which is critical to RMLD's future testing needs. – Major Exception

Section H.1.h Entire section

RMLD response: The specification requires DC Winding Resistance measurements which is critical to RMLD's future testing needs. – Major Exception

Section H.2 Entire Section

RMLD response: The specification requires the test set have the capability to test at variable frequency from 15-400 Hz which is critical to RMLD's future testing needs. – Major Exception

Section H.3 Entire section

RMLD response: The specification requires the test set have the ability to provide dynamic LTC diagnostics (OLTC Test) which is critical to RMLD's future testing needs. – Major Exception

Section H.4 Entire Section

RMLD response: The specification requires the test set have the ability to record Frequency Response of Stray Losses (FRSL) which is critical to RMLD's future testing needs. – Major Exception

**Section H.5 “stand alone or”**

RMLD response: The specification requires the test set have the ability to access test templates and test results without a PC. – Minor Exception

Section H.6 Entire Section

RMLD response: The specification requires the test set have the capability to test the following via one connection sequence: TTR, DC Winding Resistance, and dynamic OLTC tests. These test are critical to RMLD’s future testing needs. – Major Exception

Section H.7 Entire Section

RMLD response: The specification requires the test set have the ability to perform multiple PT and CT tests which are critical to RMLD’s future testing needs. – Major Exception

230 Ash Street
P.O. Box 150
Reading, MA 01867-0250Tel: (781) 944-1340
Fax: (781) 942-2409
Web: www.rml.com

December 10, 2014

Town of Reading Municipal Light Board

Subject: IFB 2015-15 – Tree Trimming and Power Line Clearance Services

On, Wednesday, November 5, 2014, a bid invitation was placed as a legal notice in the Daily Times Chronicle, Middlesex East Section, and on Monday, November 3, 2014, a bid invitation was published in the Commonwealth of Massachusetts' Goods and Services Bulletin requesting bids for Tree Trimming and Power Line Clearance Services for the Reading Municipal Light Department.

An invitation to bid was mailed to the following 12 companies:

Asplundh Tree Expert Co.	Lewis Tree Service	Northern Tree Service
Cicoria Tree Service	Lucas Tree Experts	Tree Tech, Inc.
Davey Tree Expert Co.	Mayer Tree Service, Inc.	Valley Tree Service
Favreau Forestry LLC	Nelson Tree Service, Inc.	Viking Tree Service

The following six companies attended the mandatory pre-bid conference:

ARS Corp.	Lewis Tree
Asplundh Tree Expert Co.	Mayer Tree Service, Inc.
Davey Tree Expert Co.	Northern Tree Service

Bids were received from the following three companies: All Reliable Services (ARS), Asplundh Tree Expert Co., and Mayer Tree Service, Inc.

The bids were publicly opened and read aloud at 11:00 A.M. on December 1, 2014, in the Town of Reading Municipal Light Department's Winfred Spurr Room, 230 Ash Street, Reading, MA.

The bids were reviewed, analyzed, and evaluated by the General Manager and staff, and although Asplundh had the lowest price per span, they were determined to be non-responsive for major deviations/exceptions (as deemed by the staff) to the bid specifications. Please see attached sheet for list of deviations/exceptions. Mayer Tree Service took no exceptions. ARS submitted the highest price per span.



Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS


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

Move that bid 2015-15 for Tree Trimming and Line Clearance Services be awarded to Mayer Tree Service, Inc. as the lowest responsive and responsible bidder on the recommendation of the General Manager. This is a three year contract based on an 8 foot per span cut:

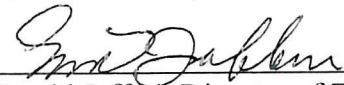
2015-2016:	\$288,000
2016-2017:	\$290,000
2017-2018:	<u>\$290,000</u>
Total:	\$868,000

Note: All work completed other than span work, i.e. miscellaneous tree work or storm work will be paid on an hourly basis.

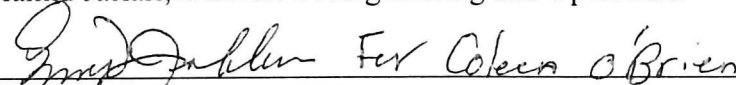
The FY15 Operating Budget amount for this item is \$578,000, which does not include Line Foreman's labor (\$14,069) or Police Details (\$48,000).



Steve DeFerrari, General Line Foreman



Hamid Jaffari, Director of Engineering and Operations



Coleen O'Brien, General Manager



ATTACHMENT

Mayer Tree Service took no exceptions to the bid.

Asplundh took the following exceptions or did not comply with requirement:

IFB 2015-15

Section 1.3 Bid Submission Requirements:

	Requirement	Exception or non-compliance	Minor Deviation "Waived"	Major Deviation "Non Responsive"
C	Submit two copies of Bid	X	X	
C	Documentation which certifies specific qualifications of individual employees involved with the actual daily work force	X		X
D	Acknowledgement of Addendum #1	X	X	

Section 1.4. Mandatory Contractor Requirements:

	Requirement	Exception	Minor Deviation "Waived"	Major Deviation "Non Responsive"
A	...from a fully staffed location within approximately a two hour travel time to the RMLD service territory	Exception: No Reason Listed		X
B	Have on staff or as a subcontractor an ISA Board Certified Master Arborist to prepare IVM Plan	Exception: Would Subcontract	X	
C	Have on staff 3 crew foremen who are certified Arborists	Exception: Would seek to have current foremen become certified		X
D	Have on staff an individual with a Bachelor of Science Degree In Urban Forestry or a related field from a major accredited university	Exception: Have an individual with a Bachelor of Science Degree but not in Forestry		X



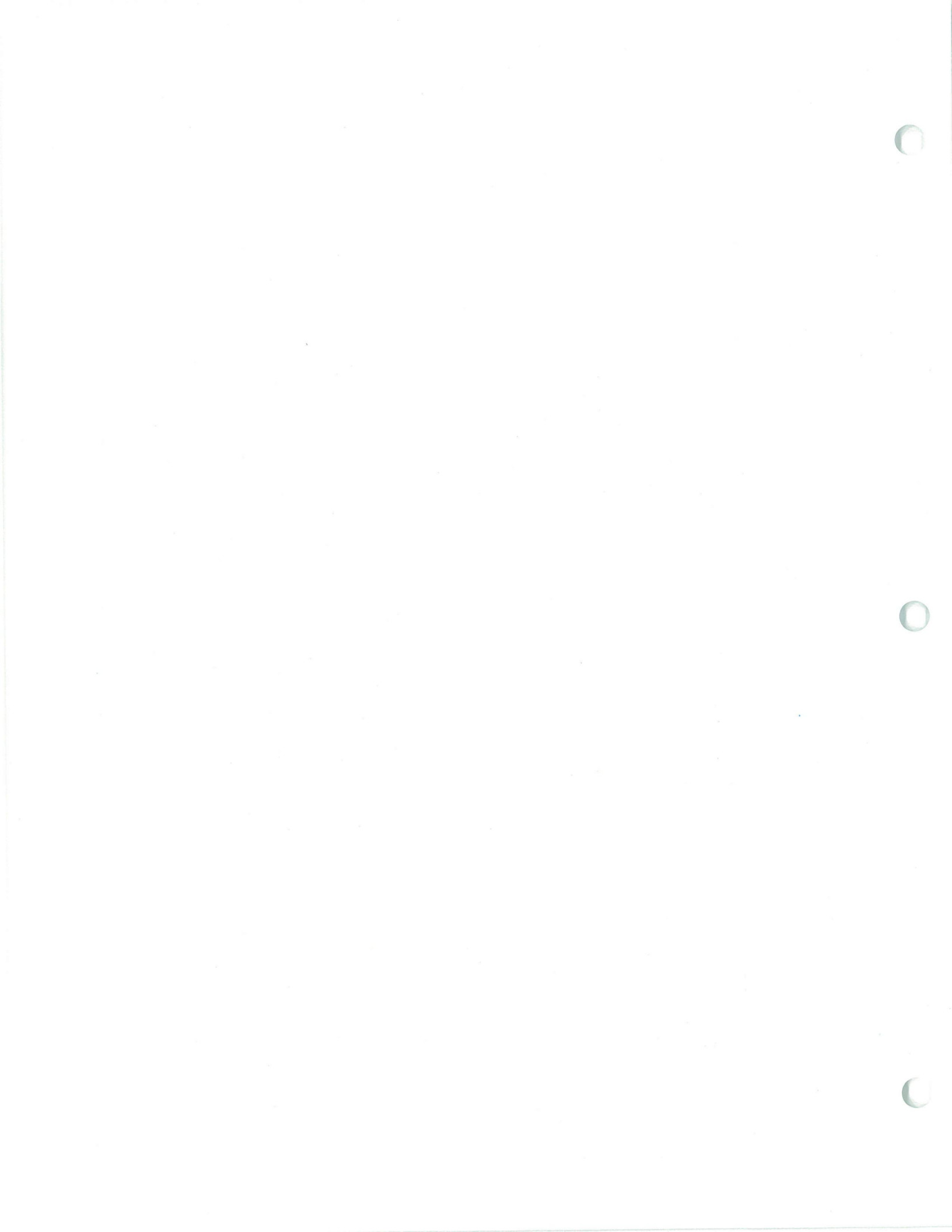
	Requirement	Did not Comply or Took Exception	Minor Deviation "Waived"	Major Deviation "Non Responsive"
E	Have on staff for daily supervision a certified graduate from a sanctioned tree evaluation training school.	Exception: Would seek to have current supervisor certified		X
F	Crew members must hold valid and documented certification of proof that they have completed training as set forth by the most recent version of the 1994 ANSI 300 Pruning Specs Z133 which are to be provided.	Exception: States: Training meets or exceeds the ANZI 300 Specifications Z133		X
G	Provide a completed and signed compliance with regulation 29CFR 1910.269 Line Clearance Tree Trimming Certificate, which documents working training compliance.	Exception: No reason stated		X
H	Crew members must have EHAP Certification. Copies to be included with bid submission.	States: Certification can be furnished.		X
J	Formal documented safety program including wkly tailgate safety meetings, daily written pre job briefing and quarterly safety reviews with a Certified Tree Care Safety Professional on staff. Contractor to provide RMLD with a copy with the bid submittal.	States: Will be furnished upon request.		X
O	Minimum of 4, 14" Chippers Owned or currently leased	Exception: No reason stated		X
U	Required Insurance	Exception: Suggests some language changes to Indemnification Page. Did not evidence umbrella/liability insurance.		X

Pricing based on an 8 foot cut using the following averages:

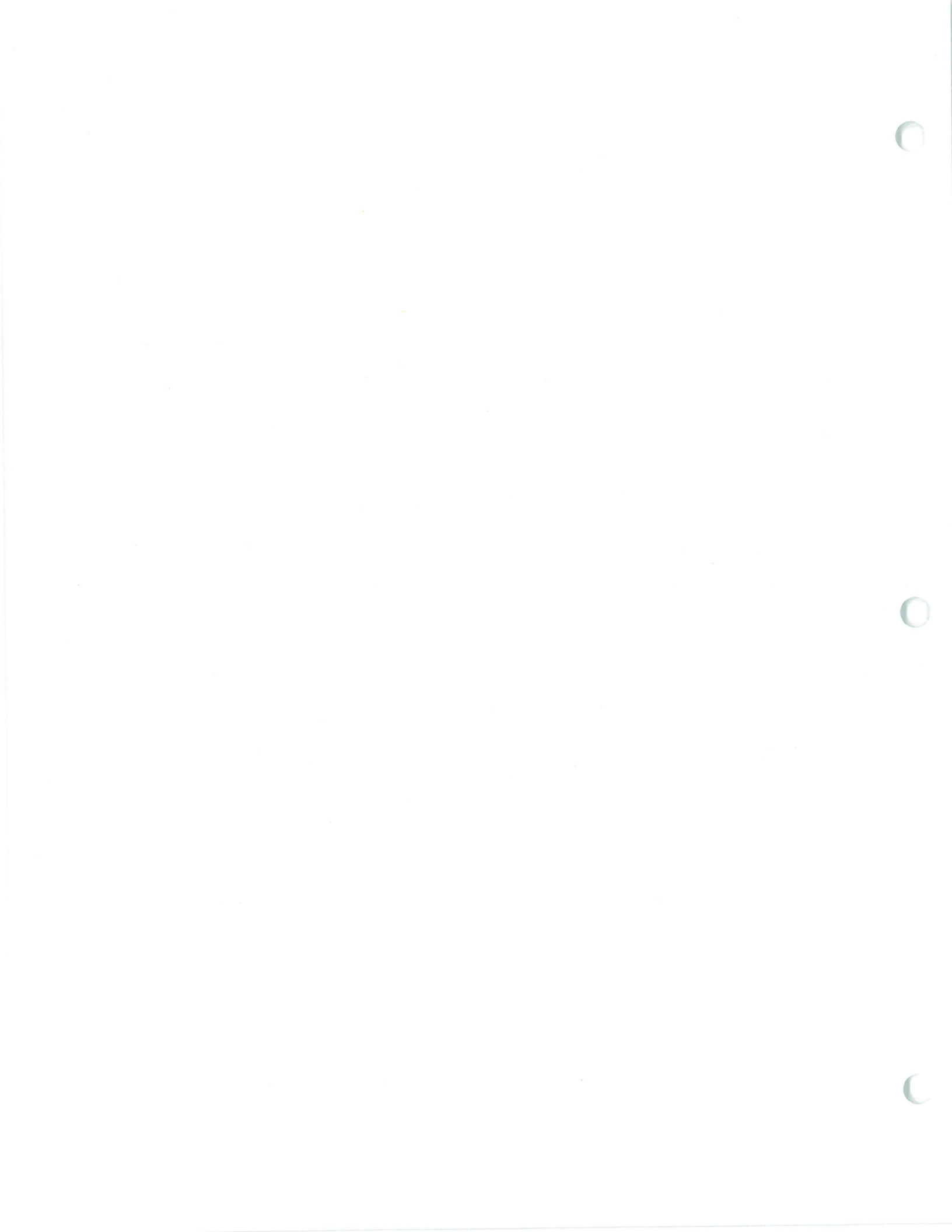
Average Span: 130 feet
 Average Spans done per day: 8
 Average Spans done per week: 40
 Average weeks per year: 50

ALL RELIABLE SERVICES (ARS)		ASPLUNDH		MAYER	
I. UNIT RATES PRICING: 1st Contract Year 2014-2015					
Price per Span w/ 8 foot cut:	\$ 305.00	Price per Span w/ 8 foot cut:	\$ 126.33	Price per Span w/ 8 foot cut:	\$ 144.00
Average price per day:	\$ 2,440.00	Average price per day:	\$ 1,010.64	Average price per day:	\$ 1,152.00
Average price per week:	\$ 12,200.00	Average price per week:	\$ 5,053.20	Average price per week:	\$ 5,760.00
Total for Year 1:	\$ 610,000.00	Total for Year 1:	\$ 252,660.00	Total for Year 1:	\$ 288,000.00
II. UNIT RATES PRICING: 2nd Contract Year 2015-2016					
Price per Span w/ 8 foot cut:	\$ 314.15	Price per Span w/ 8 foot cut:	\$ 135.00	Price per Span w/ 8 foot cut:	\$ 145.00
Average price per day:	\$ 2,513.20	Average price per day:	\$ 1,080.00	Average price per day:	\$ 1,160.00
Average price per week:	\$ 12,566.00	Average price per week:	\$ 5,400.00	Average price per week:	\$ 5,800.00
Total for Year 2:	\$ 628,300.00	Total for Year 2:	\$ 270,000.00	Total for Year 2:	\$ 290,000.00
III. UNIT RATES PRICING: 3rd Contract Year 2016-2017					
Price per Span w/ 8 foot cut:	\$ 323.57	Price per Span w/ 8 foot cut:	\$ 166.63	Price per Span w/ 8 foot cut:	\$ 145.00
Average price per day:	\$ 2,588.56	Average price per day:	\$ 1,333.04	Average price per day:	\$ 1,160.00
Average price per week:	\$ 12,942.80	Average price per week:	\$ 6,665.20	Average price per week:	\$ 5,800.00
Total for Year 3:	\$ 647,140.00	Total for Year 3:	\$ 333,260.00	Total for Year 3:	\$ 290,000.00
SUMMARY OF THREE YEAR CONTRACT w/8 foot cut:		SUMMARY OF THREE YEAR CONTRACT w/8 foot cut:		SUMMARY OF THREE YEAR CONTRACT w/8 foot cut:	
	\$ 1,885,440.00		\$ 855,920.00		\$ 868,000.00

3 Year Vendor Comparison	
ARS	\$ 1,885,440.00
Asplundh	\$ 855,920.00
Mayer	\$ 868,000.00



BOARD MATERIALS AVAILABLE
BUT NOT DISCUSSED



Jeanne Foti

From: Jeanne Foti
Sent: Tuesday, December 09, 2014 1:24 PM
To: RMLD Board Members Group
Subject: Account Payable Warrant and Payroll

Good morning.

In an effort to save paper, the following timeframes had no Account Payable and Payroll questions.

Account Payable Warrant – No Questions

November 14, November 21 and December 5.

November 28 there was no Account Payable Warrant.

Payroll – No Questions

November 17 and December 1.

This e-mail will be printed for the Board Book for the RMLD Board meeting on December 18, 2014.

Jeanne Foti
Reading Municipal Light Department
Executive Assistant
230 Ash Street
Reading, MA 01867

781-942-6434 Phone

781-942-2409 Fax

Please consider the environment before printing this e-mail.



TOWN OF READING MUNICIPAL LIGHT DEPARTMENT
RATE COMPARISONS READING & SURROUNDING TOWNS

November-14

	RESIDENTIAL 750 kWh's	RESIDENTIAL-TOU 1500 kWh's 75/25 Split	RES. HOT WATER 1000 kWh's	COMMERCIAL 7,300 kWh's 25,000 kW Demand	SMALL COMMERCIAL 1,080 kWh's 10,000 kW Demand	SCHOOL RATE 35000 kWh's 130.5 kW Demand	INDUSTRIAL - TOU 109,500 kWh's 250,000 kW Demand 80/20 Split
READING MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$99.41	\$172.80	\$121.83	\$891.06	\$173.49	\$4,154.40	\$673,198.52
PER KWH CHARGE	\$0.13255	\$0.11520	\$0.12183	\$0.12206	\$0.16064	\$0.11870	\$0.09785
NATIONAL GRID							
TOTAL BILL	\$180.78	\$359.65	\$241.03	\$1,742.04	\$252.35	\$8,377.77	\$1,495,629.96
PER KWH CHARGE	\$0.24104	\$0.23977	\$0.24103	\$0.23864	\$0.23366	\$0.23936	\$0.21740
% DIFFERENCE	81.85%	108.13%	97.83%	95.50%	45.46%	101.66%	122.17%
NSTAR COMPANY							
TOTAL BILL	\$144.10	\$254.95	\$189.99	\$1,087.25	\$172.84	\$5,890.40	\$1,026,007.61
PER KWH CHARGE	\$0.19213	\$0.16997	\$0.18999	\$0.14894	\$0.16004	\$0.16830	\$0.14914
% DIFFERENCE	44.95%	47.54%	55.94%	22.02%	-0.37%	41.79%	52.41%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$84.98	\$167.69	\$113.72	\$1,032.39	\$142.32	\$5,093.18	\$714,893.12
PER KWH CHARGE	\$0.11331	\$0.11179	\$0.11372	\$0.14142	\$0.13178	\$0.14552	\$0.10391
% DIFFERENCE	-14.52%	-2.96%	-6.66%	15.86%	-17.97%	22.60%	6.19%
MIDDLETON MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$99.77	\$198.39	\$132.64	\$959.51	\$168.44	\$4,762.93	\$807,171.40
PER KWH CHARGE	\$0.13303	\$0.13226	\$0.13264	\$0.13144	\$0.15596	\$0.13608	\$0.11733
% DIFFERENCE	0.36%	14.80%	8.87%	7.68%	-2.91%	14.65%	19.90%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$122.99	\$228.42	\$154.38	\$1,166.29	\$186.28	\$5,473.08	\$921,561.30
PER KWH CHARGE	\$0.16398	\$0.15228	\$0.15438	\$0.15977	\$0.17249	\$0.15637	\$0.13396
% DIFFERENCE	23.71%	32.18%	26.71%	30.89%	7.37%	31.74%	36.89%



TOWN OF READING MUNICIPAL LIGHT DEPARTMENT
RATE COMPARISONS READING & SURROUNDING TOWNS

December-14

	RESIDENTIAL 750 kWh's	RESIDENTIAL-TOU 1500 kWh's 75/25 Split	RES. HOT WATER 1000 kWh's	COMMERCIAL 7,300 kWh's 25,000 kW Demand	SMALL COMMERCIAL 1,080 kWh's 10,000 kW Demand	SCHOOL RATE 35000 kWh's 130.5 kW Demand	INDUSTRIAL - TOU 109,500 kWh's 250,000 kW Demand 80/20 Split
READING MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$103.38	\$180.74	\$127.12	\$931.14	\$179.42	\$4,346.55	\$710,967.52
PER KWH CHARGE	\$0.13784	\$0.12049	\$0.12712	\$0.12755	\$0.16613	\$0.12419	\$0.10334
NATIONAL GRID							
TOTAL BILL	\$180.78	\$359.65	\$241.03	\$1,742.04	\$252.35	\$8,377.77	\$1,495,629.96
PER KWH CHARGE	\$0.24104	\$0.23977	\$0.24103	\$0.23864	\$0.23366	\$0.23936	\$0.21740
% DIFFERENCE	74.87%	98.99%	89.60%	87.09%	40.65%	92.75%	110.37%
NSTAR COMPANY							
TOTAL BILL	\$144.10	\$254.95	\$189.99	\$1,087.25	\$172.84	\$5,890.40	\$1,026,007.61
PER KWH CHARGE	\$0.19213	\$0.16997	\$0.18999	\$0.14894	\$0.16004	\$0.16830	\$0.14914
% DIFFERENCE	39.39%	41.06%	49.45%	16.77%	-3.67%	35.52%	44.31%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$84.98	\$167.69	\$113.72	\$1,032.39	\$142.32	\$5,093.18	\$714,893.12
PER KWH CHARGE	\$0.11331	\$0.11179	\$0.11372	\$0.14142	\$0.13178	\$0.14552	\$0.10391
% DIFFERENCE	-17.80%	-7.22%	-10.54%	10.87%	-20.68%	17.18%	0.55%
MIDDLETON MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$99.77	\$198.39	\$132.64	\$959.51	\$168.44	\$4,762.93	\$807,171.40
PER KWH CHARGE	\$0.13303	\$0.13226	\$0.13264	\$0.13144	\$0.15596	\$0.13608	\$0.11733
% DIFFERENCE	-3.49%	9.76%	4.34%	3.05%	-6.12%	9.58%	13.53%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$124.86	\$232.17	\$156.88	\$1,184.54	\$188.98	\$5,560.58	\$938,760.30
PER KWH CHARGE	\$0.16648	\$0.15478	\$0.15688	\$0.16227	\$0.17499	\$0.15887	\$0.13646
% DIFFERENCE	20.78%	28.46%	23.41%	27.21%	5.33%	27.93%	32.04%

