

**READING MUNICIPAL  
LIGHT DEPARTMENT**

**BOARD  
OF  
COMMISSIONERS**

**REGULAR SESSION**

**SEPTEMBER 24, 2015**

**READING MUNICIPAL LIGHT DEPARTMENT  
BOARD OF COMMISSIONERS MEETING**

230 Ash Street  
Reading, MA 01867  
September 24, 2015  
7:30 p.m.

1. Call Meeting to Order
2. Opening Remarks
3. Introductions
4. Public Comment
  - RMLD Citizens' Advisory Board
  - Liaisons to RMLD Board
  - Public Comment
5. Report of the Chairman
  - a. Northeast Public Power Association (NEPPA) Conference
6. Approval of Board Minutes (Attachment 1)  
May 28, 2015 and June 25, 2015 ACTION ITEM
7. General Manager's Report – Ms. O'Brien – General Manager
  - a. Organizational and Reliability Studies Recommendations Update
8. Power Supply Report – July 2015 – Ms. Parenteau (Attachment 2)
  - a. Time of Use Rate Discussion
9. Engineering and Operations Report – July 2015 – Mr. Jaffari (Attachment 3)
10. Financial Update – Mr. Fournier
11. MGL Chapter 30B Bids (Attachment 4) ACTION ITEM
  - a. IFB 2016-02 Preventative Maintenance and Repair Services for all HVAC Equipment, including Ice Machines, Plant Wide  
Suggested Motion:  
Move that bid 2016-02 for Preventative Maintenance and Repair Services for all HVAC Equipment, including Ice Machines, Plant Wide be awarded to Ambient Temperature Corporation for a total cost of \$71,368.00 as the lowest qualified and responsive bidder on the recommendation of the General Manager.
  - b. IFB 2016-07 S&C SCADA-Mate CX Switch  
Suggested Motion:  
Move that bid 2016-07 for S&C SCADA-Mate CX Switch be awarded to Yale Electric East LLC for a total cost of \$55,748.00 as the lowest qualified bidder on the recommendation of the General Manager.
  - c. IFB 2016-08 Relay Test Set  
Suggested Motion:  
Move that bid 2016-08 for Relay Test Set be awarded to Omicron for a total cost of \$51,640.00 as the lowest qualified bidder on the recommendation of the General Manager.

**11. MGL Chapter 30B Bids (Attachment 4)**

- d. **IFB 2016-09 60KW Diesel Substation Generator with 400 AMP Automatic Transfer Switch**

**Suggested Motion:**

Move that bid 2016-09 for 60KW Diesel Substation Generator with 400 AMP Automatic Transfer Switch be awarded to Authorized Services of New England for a total cost of \$30,235.00 as the lowest qualified bidder on the recommendation of the General Manager.

- e. **IFB 2016-10 Hourly Rates for Line Construction Work as Needed, Storm Management Line Construction and Restoration**

**Suggested Motion:**

Move that bid 2016-10 for Hourly Rates for Line Construction Work as Needed, Storm Management Line Construction and Restoration be awarded to Maverick Construction Corporation as the lowest qualified bidder on the recommendation of the General Manager.

**12. General Discussion**

**BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED**

**E-Mail responses to Account Payable/Payroll Questions**

**Rate Comparisons, August and September 2015**

**RMLD Board Meetings**

Thursday, October 29, 2015

Thursday, December 10, 2015

**Audit Committee Meeting**

Thursday, October 29, 2015

**General Manager Committee**

Thursday, October 14, 2015

**Policy Committee Meeting**

To Be Determined.

**CAB Meeting**

Wednesday, October 21, 2015

**13. Executive Session**

**Suggested Motion:**

Move that the Board go into Executive Session to approve the Executive Session meeting minutes of June 25, 2015, discuss strategy with respect to collective bargaining, Verizon pole agreement and return to Regular Session for the sole purpose of adjournment.

**ACTION ITEM**

**14. Adjournment**

**Suggested Motion:**

Move to adjourn the Regular Session.

**ACTION ITEM**

REGULAR SESSION MEETING  
MINUTES  
ATTACHMENT 1

**Reading Municipal Light Department Board of Commissioners**

**Regular Session**

**230 Ash Street**

**Reading, MA 01867**

**May 28, 2015**

**Start Time of Regular Session: 6:47 p.m.**

**End Time of Regular Session: 8:25 p.m.**

**Commissioners:**

**Thomas O'Rourke, Chairman  
Philip B. Pacino, Commissioner  
Dave Hennessy, Commissioner**

**David Talbot, Vice Chair  
John Stempeck, Commissioner – Secretary Pro Tem**

**Staff:**

**Coleen O'Brien, General Manager  
Hamid Jaffari, Director of Engineering & Operations  
Jane Parenteau, Director of Integrated Resources**

**Jeanne Foti, Executive Assistant  
Peter Price, Chief Engineer  
Robert Fournier, Accounting/Business Manager**

**Call Meeting to Order**

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

**Opening Remarks**

Chairman O'Rourke read the RMLD Board of Commissioners Code of Conduct.

**Introductions**

Commissioner Stempeck will be the Secretary this evening.

**Citizens' Advisory Board**

Normally there is Citizens' Advisory Board representation at the meeting. Mr. Nelson is absent due to a last minute illness and the other CAB members had prior commitments.

**Public Comment**

There was no one present.

**Review of RMLD's Fiscal Year 2016 Operating Budget (Attachment 1)**

Ms. O'Brien stated that the Citizens' Advisory Board voted and approved to recommend both, the Capital and Expense Operating Budgets. This meeting completes the second phase of the RMLD budget. Ms. O'Brien reminded the Board that the budget was changed to a six year plan last year, which shows Fiscal Year 2015 year to date, Fiscal Year 2016, which will be voted on along with four additional years up to Fiscal Year 2020. This is intended to match our long term strategic plan, capital improvement plan and shows what to expect by going out five years. Ms. O'Brien noted that after the Organizational Study presentation, in addition to some comments she made at the meeting in April, the operating ratio which ensures sufficient margin when sales are down, was not where it should be. Instead of setting the rate of return around five to six and one half percent it is set closer to eight percent to ensure that the operating ratio is at the correct level. Ms. O'Brien commented that the efficiencies of the work processes, were also part of the Organizational Study. Tremendous strides have been made in improving those, as well as reducing costs with six vacancies. There is not a question of whether RMLD's expenses are too high because of inefficiencies, many of those are being addressed and worked on. Ms. O'Brien said that she feels confident that these increases are necessary next year. Ms. O'Brien stated that we are now having financial meetings monthly to look at the budget to actual which was in nonexistent in the past. Ms. O'Brien stated that there was also a minus one percent load growth from 675 kilowatt hours to 668 kilowatt hours.

Ms. Parenteau began her review of the Fiscal Year (FY) 2016 Operating Budget by noting the driving factor for RMLD to achieve the bottom line or rate of return is driven by the base revenues. Purchase power in terms of base, capacity, transmission and energy is a pass through to the customers. Whenever those costs come in they are passed right through directly back to the customers and there is no return made. The RMLD makes its return on the base revenues. Ms. Parenteau stated that when this budget was developed for FY 2015 the base revenue is anticipated to come in around \$21.4 million. When that is followed through to the bottom line the rate of return is a little over six percent. As Ms. O'Brien mentioned, in order for RMLD to increase that operating reserve margin in the event of decreased sales, it is necessary to achieve base revenue of around \$23 million. Our group reviewed all the different rate classes and applied the increase to the base portion as well as to the purchase power capacity, transmission and energy, depending upon the rate class because how much energy is used and what the demand is it varies amongst customer class and usage. Ms. Parenteau stated that when looking at all the rate classes in order to achieve the \$23 million, the average across all the rate classes is around a three percent overall rate increase.

### **Review of RMLD's Fiscal Year 2016 Operating Budget (Attachment 1)**

Ms. Parenteau explained that number is critical in flowing through the balance of the expenses to achieve the net income of a little over \$3 million. Going out for the next four or five years, it will be necessary for additional base increases because our expenses are going up: insurance, gasoline, fuel, non purchased power, purchased power, as well as transmissions which is going to increase significantly. The RMLD will track and develop programs to minimize the impact for the increases, in order that the pass through is as small as it can be. There definitely will be an increase to our customers and we are trying to maintain those in an efficient manner.

Mr. Stempeck commented that the range of three percent is much smaller than the investor owned utilities such as NSTAR and Eversource that are going up twenty to thirty percent. Ms. O'Brien noted that she lives in a National Grid area, for 771 kilowatt hours after an LED conversion the electric bill decreased from \$120.00 to \$80.00. With the recent increases by National Grid she is currently paying \$170.00 for the same kilowatt hours. This provides you an idea as to how much their rates have increased. Ms. O'Brien stated that proactively in order to convey this information, we had meetings with all four towns, the Town Managers/Administrators as well as the Selectmen, where they were told for budget purposes in March, that RMLD would be having a three to five percent increase. We informed them of the rate increase in order that it could be incorporated into their budget and not be a surprise.

Mr. Hennessy asked Ms. Parenteau for clarification purposes, if the base has gone up by seven and a quarter percent, the net of that will be a lot less. Ms. Parenteau agreed noting that the base portion represents only about twenty percent of all the over line items within an electric bill. Purchased power is the majority of that cost when there is that magnitude of an increase purchased power from this current fiscal year to FY 2016 is flatter, capacity costs are going down. In advance of a significant increase for FY 2017, the transmission went up by \$1.3 million and the capacity went down \$1.2 million that is pretty flat. The energy is within \$200,000 to \$500,000. For an overall \$65,000,000 expense budget that is pretty flat. By being able to maintain that larger portion static the smaller increase resulted in the overall increase of approximately three percent.

Mr. Fournier summarized the Operating Budget, not to over simplify it, but to show the detail. First and foremost, Mr. Fournier reiterated that the RMLD Operating Budget is not a line item budget, the detail is given to see where the expenses are coming from within the budget. Mr. Fournier noted that \$86.5 million represents the expenses that is submitted for approval this evening. The fixed cost portion, they are very highly fixed costs, looking at the capacity transmission and fuel, RMLD has no say in those costs, they are itemized.

Mr. Fournier highlighted the following: depreciation is based on the gross plant and that is a fixed number in which three percent is utilized, the Town Payments are locked into that per the Twenty Year Agreement, return on investment for the Town of Reading RMLD is locked into that agreement and the disposal losses which are net assets that have been disposed of prior to depreciation. Mr. Fournier commented that when you look at the \$86.5 million in expenses, approximately \$72 million of that RMLD really has no say as to where those costs are. Of the variable costs, the biggest piece is the labor which is broken up into the capital and expense side. Approximately \$5.5 million is the labor expense side. The next big expense is employee pension benefits that as Trustee of the Pension with the annual contribution, in addition to the health and life insurance benefits that go to the employees. The next big item, \$1.8 million represents the fact that each department has unique expenses to itself, all the departments are grouped together such as Meter, Station, Line, Accounting, Customer Service, etc. Mr. Fournier explained, for example, in Accounting the Town Treasurer or town services would be part of that cost. For example for the Integrated Resources Division conservation expenses there were about \$816,000 budgeted for that expense. A separate rate is on the RMLD bill to cover those conservation expenses.

Ms. Parenteau explained that all of RMLD's conservation programs are funded with a line item on the budget where Mr. Fournier accounts for the monies collected. Any expenses for commercial rebates, appliance rebates, or residential audits all get passed through that conservation fund. Mr. Fournier added that the monthly financials allows him to report on the energy conservation fund balance which represents the difference of the monies we collect, but have not spent, which is at a little over \$500,000. Ms. Parenteau added that the Efficiency Engineer position that was vacant for over two years was filled last week. It is our hope that we will be more proactive with the programs and that the balance of the energy conservation fund will not be at a high level going forward.

Chairman O'Rourke asked Mr. Fournier, the total operating expense number shows as \$83,967,423 which is approximately \$2.5 million dollars less than stated. Mr. Fournier explained that if you look at the non-operating expenses at the bottom of the budget, at the six year plan, and add that total together to get the \$86.5 million

Mr. Fournier continued with his review noting the next big ticket item RMLD has is the Tree Trimming Program. Currently, there are three crews right now that will be performing the tree trimming. Recently, there was a change in vendors, the new processes are working very well.

Mr. Fournier reported that the overtime expense is the expense portion where a little over \$500,000 is allocated. This also includes any storm emergency overtime that may be incurred. Mr. Fournier emphasized that this is a budgeted figure, it does not mean we will spend all that money, but it is needs to be set aside.

### **Review of RMLD's Fiscal Year 2016 Operating Budget (Attachment 1)**

Mr. Fournier reported as far as the budget, the property insurance is a little less than \$500,000, professional services which are legal, accounting, audit or any consultant that may be performing services for RMLD are found on the expense side. Office supplies include (customer credit card fees), Federal Energy Regulatory Commission (FERC), and bank fees. This amount represents all the credit card fees that are incurred when the customer uses their credit card and RMLD gets charged, it appears as a hefty number. It enables the RMLD to do carry out credit and collections with the customer, it allows us to get their credit card to pay rather than us setting up payment plans, mailing out collection agency notices, rolling out a truck to do a shutoff, etc. Mr. Fournier stated that when letting a customer know they are on a credit watch they will use their credit card. Although that number is significant the amount we save is actually enormous.

In the budget, Vehicle, represents the maintenance of the fleet, approximately \$28,000 budgeted, maintenance expense for the Barbas building behind the main offices, training expenses for RMLD employees \$225,000 for the whole company that also includes tuition reimbursement because employees are allowed per Board Policy.

The transformer expense has to do with hazardous material in the event a transformer leaks; \$300,000 is budgeted. Bad debt expense of about \$120,000, for FY 2015 is well below that. Injuries and damages in the event a claim is put in by our customers or the RMLD causes damage on their personal property. The RMLD and CAB expenses are not significant. In summary, there is about eighty four percent or almost \$72 million which is fixed, there is about seventeen percent or \$14.5 million which is wiggle room, but even those expenses are previously set. If you cut the budget there is the possibility of problems with liability or services. The \$86.5 million is on the table for approval tonight in Operating Expenses.

Mr. Stempeck said that the only observation is that the labor in the three unions is negotiated for multi years and the overtime is structured and laid out. Mr. Fournier explained that the labor represents all the RMLD employees, less the capital portion that is allocated out and that some of the overtime is contractual.

Chairman O'Rourke stated that at the last meeting there were the presentations of the recommendations from the two studies. When the recommended action items are implemented this will probably incur some costs either staff increases or changes in compensation if appropriate. Chairman O'Rourke wondered if that gets reflected here in this budget because obviously the Board wants to be supportive of the changes. Do those costs get reflected in this operating budget or are they handled separately as we move forward through the year? Ms. O'Brien answered that the organizational charts that were recommended are still being vetted. Since there are six vacancies right now and have changes that are already happening we are looking at those vacancies first. The study recommended another four employees, but that still needs to be reviewed. Maybe for the next year there will be a give and take, but probably the following year's budget there will be an impact.

Chairman O'Rourke stated that he was asking if there is a particular change that the staff felt would make a huge difference in the operations, efficiencies or productivity or adding on benefits. Does the Board have the opportunity to approve those outside the normal budget process? Ms. O'Brien answered, a midyear approval process could occur. Mr. Fournier said that some of the recommendations made have been incorporated into the budget. Ms. O'Brien said that the immediate needs have been addressed. Chairman O'Rourke asked hypothetically if we want to build a substation in Wilmington, if property is found and not budgeted, would we come forward and ask for an addendum to the budget. Ms. O'Brien replied that she does not see anything significant this year, but if something should come up we would follow the process.

Chairman O'Rourke commented that one of the questions raised by the consultant, from the Board's point of view is to make sure that the budget as stated does it have sufficient operating funds to accomplish what Ms. O'Brien wants to get done this fiscal year based on their recommendations. Chairman O'Rourke asked if Ms. O'Brien and her staff feel reasonably comfortable with the budget numbers as presented. Ms. O'Brien responded that the budget does take into consideration some of the maintenance being worked on, the labor costs for capital projects, training and the corporate organizational structure. Ms. O'Brien stated that she feels comfortable with the budget as it is outlined to capture at least getting the system where it needs to be in fiscal year 2016 according to the recommendations of the Reliability and Organizational Studies.

Mr. Stempeck made a motion seconded by Mr. Hennessy that the RMLD Board of Commissioners based on the recommendations of the CAB approve the Fiscal Year 2016 Operating Budget with a net income of three million twelve thousand seventy dollars, as presented.

**Motion carried 4:0:0. Commissioner Pacino was not present for the vote.**

Chairman O'Rourke suggested that moving forward the budgets be approved in the same meeting. In principal it makes sense although both are big budgets to go thorough at one time. Mr. Stempeck replied that he has no bias either way, but it is a lot of material to go through. The question is whether there is a reason to separate the two. Ms. Foti stated that past precedence is that the budgets were separated out. There were budget committee meetings prior to the Board meeting. Chairman O'Rourke stated that another compromise is to review the capital budget, but defer the actual approval process to review and answer questions. Once review of the operating budget is complete, both budgets can be voted on with one motion.

**Review of RMLD's Fiscal Year 2016 Operating Budget (Attachment 1)**

**General Manager's Report – Ms. O'Brien – General Manager**

Ms. O'Brien stated that the Town of Reading Community Development Department is having an Economic Development Meeting on the evening of June 3. Included in that discussion is the zoning and economic development of the back area behind 230 Ash Street which includes the Barbas building. RMLD pays a monthly rental fee at the Barbas building for stock/inventory. Ms. O'Brien noted that part of the budget is the usage study of our facilities which includes the Barbas building along with the operations building. Part of that study includes an appraisal of this building, Station One and the operations building. This will determine what the best usage of these buildings are. Also, RMLD will obtain an appraisal of the Barbas building which will be incorporated into the study. Ms. O'Brien will provide information relative to the Economic Development Meeting.

Chairman O'Rourke clarified if there are any thoughts relative to the plan and to continue with that arrangement. Ms. O'Brien stated that it is prudent for an organization with buildings of this size that the worth be assessed and properly maintained. More importantly, with a \$1.5 million upgrade of the HVAC system and ongoing maintenance costs being made to the building. The operations building has not been updated in a long time, it is time to take a look at the worth. RMLD is spending \$212,000 annually in rent for a facility that it previously considered to purchase, it is time again to look at the best usage of the properties in a study format, but we have to obtain the appraisals in order to present something with validity to it. Chairman O'Rourke asked how much space in the Barbas building RMLD utilizes. Ms. O'Brien stated that RMLD rents approximately sixty six percent the Barbas building for stock inventory.

Mr. Pacino entered the meeting at this point.

Mr. Talbot asked why RMLD cannot just vacate the building and find a lower rent building. Ms. O'Brien replied, that would be part of the usage study and is one of the items to be looked at, it would be in the scope of work it says, "we rent this, is it better to buy it, is it better to vacate it, do we have too much stock, should we only be renting ten percent of this space rather than sixty six percent", all of those types of questions will be answered in a typical facility usage study.

Mr. Talbot stated that he was under the impression that there was a lot of dead storage there. Ms. O'Brien stated that for security purposes she does not want to provide too much detail, however, the transformers are not stored outside. There is a right-of-way behind this building at the end of the deck, we do not own beyond that. Only a minimal amount of inventory can be put outside at the operations building area because the space also comprises of the employee parking lot. RMLD is a substantial system for four towns, we do have some inventory at substations, but that is limited, as well. All those questions will be looked at and the Board will be provided with an update on that after the meeting. We are continuing interviews on the Facilities Manager position, who would be in charge of that project.

On another matter, Ms. O'Brien stated that relative to the Organizational and Reliability Studies the scope will be broadened to include staff career development and training. Under the purchasing laws we are able to continue with Leidos to perform the next steps which are the leadership assessment and the support in generation of the new strategic plan. Also, this encompasses the development and support of the change in management that goes along with "to be vetted" recommendations on the organizational restructuring. Ms. O'Brien stated that she will provide the Board with an update as each piece of those phases are completed which should be within about six months, each piece is about six mini phases.

**Power Supply Report – March and April 2015 – Ms. Parenteau (Attachment 2)**

Ms. Parenteau stated that although March and April reports are in the book she will report on April and entertain any questions on March. Ms. Parenteau said that a while back RMLD looked at the annual purchases over a ten year period, Mr. Talbot had read that historically energy use was declining, but peak usage was actually increasing. Ms. Parenteau said that they compiled findings for a ten year period and put that against peak usage. The trending showed that it was going up in the early 2004, 2005 and 2006 period then there was some decline in 2009, back up through 2010 and 2011 and subsequently has gone down. RMLD's peak for last year was a little over 157 megawatts. A lot of that is weather dependent, hot summer, etc., but the hope is between the economies, the efficiency programs and the weather we can make maintain a lower peak. Many of our PASNY and transmission costs on the wholesale side are driven by the peak demand. All of the efficiency programs are targeting reduction of that peak demand. Mr. Talbot asked if it was the monthly or annual peak. Ms. Parenteau responded that it is the annual peak.

Mr. Talbot added that the day's peak is higher than the average, such as four to five in the afternoon is getting higher as opposed to the whole day. Mr. Talbot asked if that is true at the RMLD. Ms. Parenteau said that they need to look at that. Typically, it has always been like that. Mr. Talbot pointed out that spread is growing.

Ms. Parenteau said that the next item looked at was a decrease or flat sales. Ms. Parenteau explained that they looked at the same ten year period, 2004 through 2014. This involved looking at the residential customers, it is just below 250 million kilowatt hours per year with a marginal increase in residential sales. For non-residential that included commercial, industrial, and municipal rates as well as streetlights started around 450 million kilowatts per year in 2004 and dropped to 410 million kilowatts in 2015. There has been an overall decrease in commercial sales of approximately one percent.



**Power Supply Report – March and April 2015 – Ms. Parenteau (Attachment 2)**

Ms. Parenteau reported on the April Power Supply Report. She stated that this is typical for the shoulder month of April because the nuclear projects are still online and they typically take outages for refueling in October, it is coming this current calendar year for Seabrook. The interchange is about thirteen percent which is average. Ms. Parenteau then explained that the next cost is our average energy costs over a three year period by month. Ms. Parenteau stated that with the national gas constraints in New England during January and February RMLD's costs have been rising maintaining a high level of about six cents during February from 2013 to 2015. In March during 2013 the costs were little over four cents because of the gas constraints that jumped up to just below six cents in 2014 and is just a little over five cents in 2015. April tends to be a lower cost under five cents and this particular month that we just closed the cost came in at around three cents. Ms. Parenteau said that one of the big driving factors for that is ISO New England based on their winter reliability requirement. This requires dual fuel generators that can operate on either natural gas or oil to fill up their oil tanks. Due to the fact that the RMLD has long term contracts in the Stony Brook plant which is located in Ludlow, Massachusetts, as well as Braintree Watson Plant in Braintree, those plant owners put in bids to participate in that. As a result, RMLD received \$800,000 back that was credited in the April Fuel Charge.

As a reminder this is a pass through to all the customers, the costs came in just under three cents. Again, Ms. Parenteau noted, RMLD tries not to spike the costs in the winter period when the prices tend to be in the six cent range, we try to levelize that to around five and have done a good job within the last three years.

**Engineering and Operations Report – March and April 2015 – Mr. Jaffari (Attachment 3)**

Mr. Jaffari stated that the capital improvement projects cost to date is \$529,263. Under the maintenance programs for the aged overloaded transformer replacement program breaks out as follows: thirteen percent of the single phase padmount transformers have been completed, eight percent of the three phase, ten percent of the overhead single phase transformers and three percent for the three phase.

The pole testing by law are required to test ten percent of the poles RMLD owns on the system. Last year 625 poles were tested, 390 passed and 233 failed. Out of the failures 77 have been replaced, 22 that have been condemned and replaced, 30 out of the 99 transfers are completed. Progress is being made with this program.

The 13.8kV and 35kV feeder's quarterly inspections look for degradation and failure. The manhole inspections are pending, porcelain cutout replacements with 284 polymers remaining to be replaced, which represents ninety percent completion. Substation maintenance and infrared scanning for the month of April at the three substations exposed some minor issues that we are working to fix.

The system reliability report for the three indices, System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI). Customer Average Interruption Duration Index (CAIDI) are below national and regional average. The outage causes overall are ranked from the highest to lowest: equipment, tree and wildlife.

**Fiber Optic Presentation – Mr. Price**

Mr. Price provided a history of the fiber optics reporting that in the 1980's the RMLD decided to install a SCADA system. A SCADA system is a Supervisory Control and Data Acquisition System that provides the control center operator remote control and communication from substations. When this was first installed the method of installation the phone lines were the means of communication. Over the years, the cost of those leased lines went up. In late 1993, the RMLD formed a task force, a Fiber Optic Task Force. Mr. Price provided the names of the members on the task force consisting of a commission member, two RMLD employees and a representative from FMS Communications as the consultant. The recommendation was made for RMLD to install a fiber optic network to all the substations and certain switching points; this would be seventy two fiber, six, two and twelve, RMLD Linemen installed the fiber. A contractor was used for the splicing and in terminating at the substations. Out of the seventy two fibers, sixty two were two tubes dedicated just for RMLD. Four tubes, forty eight fibers that is dark fiber that the RMLD is not using. Mr. Talbot asked if that with the two tubes would be twenty four strands just for RMLD. Mr. Price responded, yes. Mr. Talbot commented that is a lot is it all used. Mr. Price explained that one tube is for direct connection to the substation as well as one tube for remote point nodes RMLD's AMI System. Mr. Price added that RMLD's fiber loop goes through the four towns.

Mr. Price stated that in 2007, Mr. Dion was the E&O Manager he contacted LeaseCom and they developed a lease. All of RMLD's fiber goes through the four towns. Mr. Price said that Mr. Dion decided to do was to enter into an agreement with LeaseCom to lease out some of that fiber and in order to do that there had to be a connection on the south side Industrial Way and Woburn Street. They had another tie point near Lowell Road and Main Street in Reading.

Mr. Price said that they entered into an agreement that is called an IRU, an Indisputable Right of Use, that Rubin and Rudman was involved in the creation of this agreement. It spelled out a lease for RMLD to be able to lease dark fiber to this company. At first, the leases involved were just straight pass throughs, they brought in a 144 fiber cable on 288 into our fiber. They would in turn lease out 48 fibers in one direction on the west side of Woburn and they could lease out 48 fibers on the east side of Woburn, to get through our system out through North Reading.

### **Fiber Optic Presentation – Mr. Price**

Mr. Talbot asked whether there was any third party who looked into this at the time who knows about these types of deals with utilities or expertise to help make the best deal. Mr. Price stated he was not involved with this at the time, it was Mr. Dion who had some knowledge of fiber leases because he came from NSTAR.

Ms. O'Brien stated that if Rubin and Rudman were involved, in the telecomm industry that must be able to attach whether it's their attachment or RMLD's attachment. Based on the safety and capacity of the pole, we have to allow them attach and are looking into that. If they request it RMLD does not need to go out and solicit, but if Rubin and Rudman drafted the contract it was probably compared in cost to anybody else who is leasing out dark fiber. Ms. O'Brien explained to Mr. Talbot because he asked that question not too long ago, Mr. Price called municipalities and private companies that lease out dark fiber. We explained to them that we resell dark fiber and got five or six prices and RMLD was right there with the price per mile. Mr. Price added that the pricing received fluctuated based on the infrastructure.

Mr. Talbot stated that this agreement should still be set to an independent person to review although the lawyers do a great job drafting contracts, but it probably needs expertise looking at these contracts. Mr. Talbot said that maybe a presentation to the Board before we entered into anything significant new agreements.

Ms. O'Brien stated that the contract is continued every three years. Mr. Price said there is an initial term with the IRU and range three to five years. Ms. O'Brien stated that there are a number of IRUs. Ms. O'Brien stated that those are still in the loop because only five miles go through Reading. This is a loop that goes through all four towns but the ones that are in the queue because this is part of a business that RMLD is operating out of electric fiber even the money financially goes into the electric business. Ms. O'Brien stated that even the ones in queue are \$500,000 annually in revenue and asked Mr. Talbot for clarification about what he means by, "there are no large projects", he is including the potential large project that was going to build through the middle and not the continuation of these stands that are already in queue. Mr. Talbot stated that these deals should probably come through the Board at some level. Mr. Price clarified that the IRU was approved by the current Board at the time. Mr. Pacino remembered it was discussed at some point by the Board at the time.

Mr. Price continued noting that RMLD has nine leases in force right now, three pending agreements that are in queue and are working on a project right now that is a four mile lateral expansion through North Reading. Mr. Price explained that whenever the fiber is expanded it is not done with ratepayer money, the contractor provides the materials, money for the line crews, engineering and framing design as well as they install the fiber piece. Ms. O'Brien pointed out that the property becomes RMLD's.

Mr. Talbot said that at a high level, we are letting companies use our poles and infrastructure to run a very profitable business for themselves. Mr. Talbot pointed out that we should be aware of our opportunities more than we have done historically and asked what can the RMLD do that these other companies are doing. Mr. Price replied that these companies have large networks where the RMLD has twenty five to twenty six miles, these companies have thousands of miles that they aggregate different networks. Chairman O'Rourke said that Mr. Talbot has made some interesting points, the Board can have periodic updates, but not enough knowledge to make any decisions. Mr. Stempeck said that indirectly the businesses are getting the advantage of the fiber from within the four towns which helps with the economic development.

Mr. Talbot said that on July 8 there is an event for interested municipal light plants about this at Harvard Law School about this whole business. Mr. Talbot commented that when a job like that is being done have them put up more fiber than they are for their own purposes. Mr. Price added that there is a minimum of thirty six that RMLD asks for. The North Reading project that Mr. Price spoke about, the RMLD is going to take some of that fiber to help with AMI distribution automation project. Mr. Talbot said that to go at least five or ten times that. Mr. Talbot pointed out that at City of Holyoke for its data center from Chicopee to Holyoke, hired Holyoke Gas and Electric Department to put in the fiber, they were the contractor for the data center. They put up ten times more with the incremental costs at pennies per foot. Now Holyoke Gas and Electric has twenty extra miles of fiber that cost them a few thousand more. The data center needed twelve strands, they put up one hundred forty four. Mr. Talbot said that people need more data and there is opportunity to lease more out in the future. Mr. Price added that the RMLD may incur an expense for the extra fiber. Mr. Talbot stated that it is a good investment for minimal cost.

Mr. Price reported that all the leases nine in force and three pending, with quotes on seven other projects, the potential revenue is over \$500,000 for all the leases. Mr. Talbot added that is the growth area not particularly electric sales. Ms. O'Brien thanked Mr. Price.

### **Financial Report – March and April 2015 – Mr. Fournier (Attachment 4)**

Mr. Fournier stated that the change in net assets for the month of April shows a net profit or positive change in net assets of \$666,000 which increases the year to date net income to about \$2.6 million. The budgeted net income for this period is \$2.4 million, which results in net income over budget by about \$146,000 or six percent. Fuel revenues exceeded fuel expenses by about \$305,000. Purchase power, capacity and transmission revenues exceeded the expenses by about \$355,000. Mr. Fournier stated that the year to date base revenues were under budget by about \$375,000 or two percent. The actual base revenues came in at \$18.1 million compared to the budgeted amount of \$18.5 million.

**Financial Report – March and April 2015 – Mr. Fournier (Attachment 4)**

The expenses, year to date purchase power base was over budget by \$771,000 or about 3.2%; the actual purchase power base cost came in at \$24.3 million versus budgeted power costs of \$23.6 million. The operating and maintenance combined overall expenses were over budget by \$59,000 or .5%, the actual expenses were \$28 million. The depreciation expense and the voluntary payments to the town were on budget. The payments to the towns will be made in June. The operating funds were at \$10.5 million, capital fund balance at \$5.8 million, rate stabilization \$6.6 million, deferred fuel \$4.5 million, energy conservation at \$590,000. The kilowatt hour sales were 580 million which is about \$3.7 million or little more than .05% behind last year's actual. Cumulatively, the five divisions are over budget by \$2,500.

Mr. Fournier reported that last November, the RMLD was contacted by the Commonwealth of Massachusetts Sales Tax Division who performed a sales tax audit. The audit was completed in April. They audited the monthly reporting and the documentation is correct. Residential customers are tax exempt this only applies to commercial customers. The RMLD received a positive report in that there is no interest or penalty cost, the paper work was fine. Mr. Fournier thanked the Customer Service Department especially Maureen Hanifan.

Mr. Fournier added that the auditors will be coming to the RMLD on June 22 and June 23 to perform some field work such as account payable invoices, payroll as well as journal entries. Physical inventory will be performed at the RMLD June 27 and June 28. The audit is scheduled for the week of August 10.

Mr. Fournier presented a graph containing operating and maintenance expenses for fiscal years 2011 to 2015. Mr. Fournier stated that he is willing to provide any graphic representation that the Board may be looking for. Mr. Stempeck said that he more interested in the implication behind the numbers, what they mean.

**Report of the Chairman of the Board – Chairman O'Rourke  
Account Payable Warrant and Payroll Process for RMLD Board of Commissioners**

Mr. Pacino stated that there are no exceptions for the account payable warrant. He commented as to whether the approval of the warrant could be performed electronically. Payroll information should not be handled in the same manner due to the sensitive nature of it, however, the warrant could be done electronically. After discussing all the options including a spreadsheet, the sense of the Board is that there is no way to streamline the payables/warrant electronically because it is too variable. Mr. Talbot suggested for the phones to consider voice over IP for the future. Ms. O'Brien added that the RMLD is covered by the town for long distance. Mr. Stempeck suggested taking this issue up at a Policy Committee meeting. Mr. Hennessy asked if a bill is pulled by a commission member will not be paid. Ms. O'Brien replied, yes. Chairman O'Rourke said that it would be good if the commission members had access to a SharePoint site. Ms. O'Brien said that she will discuss setting up the SharePoint for Board access with the IT Department.

**MGL Chapter 30B Bids (Attachment 5)**

Mr. Jaffari explained the Lynnfield project as well as similar projects which results in the need for IFB 2015-33.

**IFB 2015-23 Electric Utility Excavation**

Mr. Pacino made a motion seconded by Mr. Stempeck to move that bid 2015-23 for the Electrical Utility Excavation Including Emergency Excavation and Construction Services be awarded to Tim Zanelli Excavation, LLC for \$39,583.02 as the lowest qualified bidder on the recommendation of the General Manager.

**Motion carried 5:0:0.**

**IFB 2015-25 Tier II Residential Energy Audits**

Ms. Parenteau explained that the residential energy audits came in lower than the current vendor RMLD has in place. The RMLD is currently paying \$200 per residential audit the successful bidder charges \$175. Over the three year period with the current auditor, the RMLD has spent \$198,000 year to date. This cost is anticipated to decrease.

Chairman O'Rourke asked how residential customers apply for an audit. Ms. Parenteau responded that residential customers can go to RMLD's website. Chairman O'Rourke asked how long in between audit requests. Ms. Parenteau explained that if the timeframe is less than eighteen months the RMLD will not pay for a second audit. Ms. Parenteau said that there will be an internal review to see what customers are doing post audit.

Mr. Pacino made a motion seconded by Mr. Stempeck move that bid 2015-25 for Residential Energy Audits be awarded to Healthy Homes Energy LLC as the lowest responsive and responsible bidder for a three year period at a total cost of \$185,625.00 on the recommendation of the General Manager.

**Motion carried 5:0:0.**

**MGL Chapter 30B Bids (Attachment 5)  
IFB 2015-27 HVAC Improvements 230 Ash Street**

Mr. Jaffari explained the total cost for the entire project is \$1.2 million, which is a three year project to upgrade to the HVAC System for this building. Mr. Jaffari reported that in fiscal year 2017; \$400,000 and fiscal year 2018; \$200,000 for this project. The boilers, chillers, air handlers and control systems will be replaced as well a cleaning the air ducts.

Mr. Pacino asked if the word “eligible” in the motion had any significance. Mr. Jaffari replied, no.

Mr. Pacino made a motion seconded by Mr. Hennessy to move that bid 2015-27 for the HVAC Improvements be awarded to Falite Bros., Inc. for \$571,243 as the lowest responsible and eligible bidder on the recommendation of the General Manager.

**Motion carried: 5:0:0.**

**BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED  
E-Mail responses to Account Payable/Payroll Questions  
Rate Comparisons, May 2015**

**RMLD Board Meetings**  
Thursday, June 25, 2015  
Thursday, July 30, 2015  
Thursday, September 24, 2015

**Policy Committee Meeting**  
Tuesday, June 2, 2015 moved to Tuesday, June 23, 2015

**CAB Meeting**  
Wednesday, June 17, 2015

**Adjournment**

At 8:25 p.m. Mr. Pacino made a motion seconded by Mr. Stempeck to adjourn the Regular Session.

**Motion carried 5:0:0.**

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

John Stempeck, Secretary Pro Tem

**Reading Municipal Light Board of Commissioners**

**Regular Session**  
**230 Ash Street**  
**Reading, MA 01867**  
**June 25, 2015**

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

**End Time of Regular Session: 9:43 p.m.**

**Commissioners:**

**Thomas O'Rourke, Chairman**  
**Dave Hennessy, Commissioner**  
**John Stempeck, Commissioner**

**David Talbot, Vice Chairman, Secretary Pro Tem**  
**Philip B. Pacino, Commissioner**

**Staff:**

**Coleen O'Brien, General Manager**  
**Hamid Jaffari, Director of E&O**  
**Patricia Mellino, Operational Assistant**

**Bob Fournier, Accounting/Business Manager**  
**Jane Parenteau, Director of Integrated Resources**

**Citizens' Advisory Board:**

**David Mancuso**

**Public:**

**None Present**

**Call Meeting to Order**

Chairman O'Rourke called the meeting to order and stated that the meeting was being videotaped, it is live in Reading only.

**Opening Remarks**

Chairman O'Rourke read the RMLD Board of Commissioners Code of Conduct.

**Introductions**

Chairman O'Rourke welcomed David Mancuso Citizens' Advisory Board (CAB) member.

Commissioner Talbot will be the secretary this evening.

**Report of the Chairman**

**Report on Public Forum sponsored by the Town of Reading – Coleen O'Brien**

Ms. O'Brien reported that she had participated in the second meeting with the Metropolitan Area Planning Council (MAPC) on the Public Forum for the Economic Development Action Plan, there was one prior that she was not aware of. The meeting consisted of various stations where architects showed potential conceptual drawings of this area.

Ms. O'Brien said that when she had received the invitation, the 230 Ash Street complex was not within the parameter of the study area but when she arrived at the meeting it was. Ms. O'Brien stated that she had spoken with one of the architects where the conceptual water colored drawing showed RMLD over to the far right side of the drawing, the current RMLD site displayed housing/apartment units, commercial use and a park in the rear. The architect said that while the analysis had shown this area was good for housing because of the close proximity to the train, at the first meeting it was said that this area was good for commercial and this was more of a concept of a mixed use.

Ms. O'Brien reported that Mr. Ollila from RMLD and Mr. Barbas were also in attendance. Ms. O'Brien asked the architect if he was aware that the RMLD rented a large portion of the warehouse out back, and stated that there are over fifty-one company vehicles and seventy employees. When you look at the physical area in question the RMLD almost takes up half.

Mr. Talbot asked if there was an actual rezoning proposal that Ms. O'Brien was aware of. Chairman O'Rourke replied that the town is engaged with the Metropolitan Area Planning Council to create an Economic Development Plan. Ms. O'Brien said that there were more questions than answers and that all nine owners of this area were invited to speak.

### **Report of the Chairman**

#### **Report on Public Forum sponsored by the Town of Reading – Coleen O'Brien**

Ms. O'Brien said that the next step for the RMLD will be to try and arrange a sit down with Jean Delios, Bob LeLacheur, Tom Ollila, and Jane Parenteau before the next meeting which is in September and before the next town department head meeting that she will be hosting on July 9. Ms. O'Brien stated that she would share the information from those meetings with the Board. Chairman O'Rourke asked what the date of the September meeting. Ms. O'Brien replied that she would forward the date to the Board.

Ms. O'Brien summarized the meeting as being more of a discussion type meeting as she wanted the architects to be aware of the physical space that the RMLD uses for its daily operations, especially when you have to consider the radius turns for the large deliveries made by tractor trailer trucks as well as other factors that have to do with the operations of the Department. Ms. O'Brien said that she is glad to sit with the town to talk about where the RMLD would be located in the conceptual designs for this complex. Ms. O'Brien stated that in addition to that we are still actively looking to fill the Facilities Manager's position, who will be preparing the Facility Study for best use of this building, Station 1, and the garage, hopefully to consolidate and be greener. Ms. O'Brien said that at this point until we find out the state of Station 1, if there are any hazards it is hard to tell. Ms. O'Brien stated that some of the assumptions that will go into the study will include appraisals of this building, the Barbas area as well as the parking lots.

Chairman O'Rourke asked if there was any feedback. Mr. Stempeck replied that the town should take into consideration activities such as loading and unloading trucks that would certainly impact the residential buildings that they want to put up and said that he could not imagine that would be very interesting to a lot of people. Mr. Stempeck stated that given that the RMLD is producing significant revenue for all four communities that we need to make sure that they are all aware that the RMLD has these needs for their asset.

Chairman O'Rourke stated that a couple of actions items for Ms. O'Brien are to let the Board know when the next Economic Development Action Plan meeting is and asked if it is open to the public. Ms. O'Brien replied that she could not speak to that but did receive an invitation and was not sure if it was just the owners. Ms. O'Brien said that she would get back to the Board on that.

Mr. Talbot asked what the next meeting was about. Chairman O'Rourke replied that it is a follow up to the June 13 meeting. Mr. Talbot asked why that would not be open to the public. Mr. Pacino replied that per the Open Meeting Law it should be open to the public. Chairman O'Rourke asked Ms. O'Brien to get back to the Board on the date of the next meeting and if open to the public if the members would be interested in attending. Ms. O'Brien stated that she would report back to the Board in email as soon as she meets with Bob LeLacheur and Jean Delios.

Mr. Pacino stated that the next step would be to meet and talk with the town. Ms. O'Brien said that she had met with Bob and Jean and that she had told them that the RMLD was going to perform a Master Facilities Plan for best usage and that we wanted to be more efficient. Ms. O'Brien stated that not to be misunderstood that we were not vacating this building but we are studying all options.

### **Report of the Chairman**

#### **Update on RMLD Citizens' Advisory Board Meeting – Commissioner Pacino**

Chairman O'Rourke stated that a member of the RMLD Commissioners attend the CAB meetings as they do for us and thought that good practice going forward would be to have the commissioner in attendance report back on any information appropriate or valuable.

Mr. Pacino reported that he had attended the June 17, 2015 CAB meeting. At this meeting the CAB did vote to approve the rate changes and there was a very interesting discussion about economic development that was originally raised by Mr. Mancuso. Mr. Pacino said that it would be to help the towns to foster economic development within the towns which could potentially lead to more revenue for the RMLD which may lead to less rate increases going forward as to potentially each year maybe a one or two percent increase, if there is more growth then we would not need one. Mr. Pacino stated that Ms. O'Brien was going to be in touch with the towns with a letter to let them know that the RMLD can help them in this area. Mr. Pacino said that he is not sure exactly how the RMLD can help with economic development and that the RMLD could not be the forefront.

Mr. Mancuso said that the idea is to address the communication issue with the towns, by looking to generate more revenue as they realize that there is less state funding. In Reading he has heard folks refer to how critical that is and that the initial thought is what we do to sell electricity is that we can help the towns understand what an asset RMLD is and help them inspire how they sell RMLD as an asset. Whatever the economic development plans are help them to steer the development plans to empower them to be able to do a better job in saying "Why do you want to be in our territory" and maybe provide some guidance maybe about where would be a good place to put a server farm based on the network. This is really just trying to figure out how to have that conversation.

Mr. Pacino asked if this is something that should have on the agenda on a regular basis, the Board was in agreement. Ms. O'Brien asked if the Board would like to review the letter that she is going to send to the Town Managers. Ms. O'Brien said that she would send the letter to the Board for review and comment, all comments should be sent back to Jeanne Foti.

### **Report of the Chairman**

#### **Update on RMLD Citizens' Advisory Board Meeting – Commissioner Pacino**

Ms. O'Brien stated that the intent of the letter is not to steer their economic development but to reiterate the benefit of the RMLD, what it has to offer to the towns, services, programs that are offered and to keep in mind as they work with their economic development that this is quite a benefit that only certain towns get to realize. Ms. O'Brien said that she would also include that there has not been a new municipal since about 1930. Chairman O'Rourke asked Ms. O'Brien to send the letter with a response time where it needs to be back.

### **Report of the Committee – Commissioner Pacino**

#### **RMLD's Travel (Overnight/Day Travel) Policy 5, Revision 8**

Mr. Pacino reported that the Policy Committee met this past Tuesday to discuss the Travel Policy, Revision 8. Mr. Pacino stated that the committee extensively discussed the policy and changes with a recommendation for the Board to adopt and accept the policy with the changes. Chairman O'Rourke stated that this policy mirrors a policy that you might find in the private sector, overall it is consistent and with the few tweaks it is a good policy.

Mr. Pacino made a motion seconded by Mr. Stempeck that based on the recommendation of the RMLD Board of Commissioners Policy Committee that the RMLD Board of Commissioners approve the RMLD's Travel (Overnight/Day Travel) Policy 5, Revision 8 be adopted as presented.

**Motion carried 5:0:0.**

#### **Approval of the Board Minutes November 21, 2014 and December 18, 2014**

Mr. Pacino made a motion seconded by Mr. Stempeck that the RMLD Board of Commissioners approve the Regular Session meeting minutes of November 21, 2014 and December 18, 2014 as presented.

**Motion carried 5:0:0. Mr. Hennessy was not a commissioned member at that time.**

### **General Manager's Report – Ms. O'Brien – General Manager**

Ms. O'Brien reported that both the Reliability and Organizational Studies went well when presented at the CAB meeting. Ms. O'Brien stated that both Mr. Mancuso and Mr. Chrisos had suggested to take all of the recommendations from both reports and put together a slide presentation to show what the RMLD is going to do and not going to do with an explanatory narrative. Ms. O'Brien said that updates will be given as we move along and continue. Ms. O'Brien reported that the update will be given in September.

Chairman O'Rourke stated that the Board was given both presentations, the Organizational Study had an executive summary but not the Reliability Study. Chairman O'Rourke asked if that was something that was available. Ms. O'Brien replied that they will take the recommendations from the report, put them on chart and update the members. Ms. O'Brien noted that the emergency immediate safety electrical recommendations have already been taken care of and addressed.

Ms. O'Brien reported that Leidos is supporting the RMLD with the completion of the Career Development Plans for each of the employees as well as salary evaluations and updated job descriptions. There are over seventy employees, a good chunk has already been completed, but like the policies there is a lot to do. Leidos is going to come in with training on leadership skills assessment and the last piece is creating the Strategic Plan. Mr. Talbot asked if Leidos was delivering the Leadership Training or do they outsource it. Ms. O'Brien replied that they subcontract someone who does an independent review and they blend with the outcome of that. They have a company that specializes in Leadership Skills Assessment and the outcome of it will go back into the recommendations of what we may need for further training.

Ms. O'Brien stated that they are helping to coordinate by providing the management training to make this process go through so that we can get to the Strategic Plan. Based out of these Leadership Committees that are put together it will be the employees who will create the Strategic Plan. Chairman O'Rourke said that if there is any assistance that is appropriate from the Board in terms of how you interface with Leidos or any calibration they would be happy to do so. Chairman O'Rourke asked if his assumption is that based on the current organization that any organizational design changes would probably not happen this fiscal year. Ms. O'Brien replied that they are still vetting the organizational charts where some ideas make sense and are moving in that direction while this plan was written in a twenty year time plan and based on succession planning there are some things that make sense right away, others five or ten years or when people retire. This is what they are trying to put together in a more realistic schedule when working around all the unions and who you physically have here. Ms. O'Brien stated that the objective is to have a certain amount of jobs in a utility that have to be done and people have to be trained to do those jobs. We just to make sure that people are placed most efficiently and have the skillsets to do their job accurately and safely.

Chairman O'Rourke asked if there were any questions, there were none.

**Power Supply Report – May 2015 – Ms. Parenteau**

**Approval of RMLD rates to be filed effective July 1, 2015**

Ms. Parenteau reported as discussed in May when reviewing the operating budget that there was extensive discussion on the current eight month actual four months budgeted revenues, with base revenues of \$21.4M increasing to \$23M for FY2016. Ms. Parenteau stated that in order to achieve that increase the RMLD can either increase the kilowatt hour sales which is equivalent to load growth or increase the current rates. RMLD's load (sales) over the past 10 years has been flat to declining. As discussed during the review of the operating budget, RMLD assumed a 1% decrease in sales. In order to achieve that \$23M in base revenue, a base rate increase is necessary. Ms. Parenteau stated that depending on rate class and usage, the average increase for customers is between two to four percent. The average residential customer who uses 750 kilowatt hours per month would see a 3.3% increase, a commercial or large industrial time-of-use customer would see an increase of about 2.07%. It fluctuates based on the demand they use and total kilowatt hours per month and the on the residential side it is basically their kilowatt hours. Ms. Parenteau apologized that this should have been tied to the budget where it was part and parcel of the decision in approving the operating budget. Ms. Parenteau assured that going forward when the budgets are put together for both the CAB and Board of Commissioners if any base rate increase is necessary this portion of it will be tied to the operating budget. This will be a cleaner process that will allow more time to advertise for our constituents of the increase. Ms. Parenteau stated that these rate increases would be effective July 1, 2015.

RATE	TARIFF #
Residential Schedule A	MDPU #250
Residential Schedule RW	MDPU #251
Residential Time-of-Use Schedule A2	MDPU #252
Commercial Schedule C	MDPU #253
Industrial Time-of-Use Schedule I	MDPU #254
School Schedule SCH	MDPU #255
Private Lighting Schedule D	MDPU #256
Municipal LED Street Lighting	MDPU #257
Cooperative Resale Schedule G	MDPU #258

Mr. Pacino made a motion seconded by Mr. Hennessy that the Reading Municipal Light Department Board of Commissioners approve the rates MDPU numbers #250, 251, 252, 253, 254, 255, 256, 257, 258 dated to be effective July 1, 2015 on the recommendation of the General Manager and RMLD's Citizens' Advisory Board.

**Motion carried 5:0:0.**

Chairman O'Rourke noted that this was presented to the Citizens' Advisory Board on June 17.

Mr. Talbot asked that they study next year why they should or shouldn't make the Time-of-Use Program opt out instead of opt in. Make the rate being dependent on when the costs are actually being incurred by the Department. Mr. Talbot stated that if people do not want the Time-of-Use they could opt out, the customer will be told with lots of warning that they do not have to take it but it would make it so much easier if time-of-use was just the default rate. Ms. Parenteau asked if this would apply to only new customers. Mr. Talbot replied no, stating that we are all facing a tsunami of peak costs, we have been hearing this for months/years. Why not just take a bold step next year obviously not now, we have a whole year to think about this.

Mr. Hennessy asked if everyone would have to pay that rate. Mr. Talbot replied that everyone would get a cheaper rate from seven to noon and pay the higher rate from noon to seven and opt out if they choose not to take it. The customer would have to take the appropriate step to not get the Time-of-Use. Mr. Talbot said that other utilities around the world do this where the rate is different depending on the time of day by default. Ms. Parenteau stated from an administrative point of view the RMLD would need to generate service orders for 25,000 customers and change 25,000 meters because the Time-of-Use meters are different than the residential meters. Ms. Parenteau reported that it is not as simple as clicking a button and changing the rate.

Mr. Talbot said that it could be implemented over a period of years. Mr. Talbot stated that if we want people to do it, and it is economical for the Department, why are we not just doing this.

Ms. O'Brien asked if Mr. Talbot was aware of what Braintree is doing with their Time-of-Use for commercial. Ms. Parenteau said that this has to be studied, Braintree is now changing their commercial rate so that they are charging their customers the demand charge coincident with the system peak. Ms. Parenteau stated that in theory one would think that would be great however, the RMLD has a lot of customers who may not coincide with our system peak in terms of the demand and this could reduce the revenue that we may receive from those customers.



**Power Supply Report – May 2015 – Ms. Parenteau**

**Approval of RMLD rates to be filed effective July 1, 2015**

RMLD records the highest demand in any thirty day period which includes any fifteen minute increment, Ms. Parenteau stated that it was her belief that it could be an actual loss of revenue for the RMLD, but without analyzing the data she would be very reluctant to impose that on our service system for our customers.

Mr. Stempeck stated that it would be good to look at the data and analyze it then suggested to table the subject until it could be looked at further. Mr. Talbot said that this was not a motion just a discussion on the rates, a whole year to chew on this and think why would we not do this.

Chairman O'Rourke asked if this was something that the Department could study and look at over some reasonable time. Ms. Parenteau replied that right now we can get hourly data from the current meters, we would have to be able to analyze that data. Chairman O'Rourke said that before getting into super number crunching maybe it's an in-house discussion over what are the advantages and disadvantages and to get an update at the September meeting.

Ms. O'Brien asked Ms. Parenteau what some reasons might be that the residential customers would not sign up for this. Ms. Parenteau replied, life style changes, some people do not want to be told when they can or can't do their laundry. Mr. Talbot stated then they can opt out. Mr. Stempeck stated that there is an asset that the Department would have to buy which is new meters and install them which is a service cost, we would have this differential. Mr. Talbot stated that they would pay it back two dollars a month, when you have the Time-of-Use rate you pay an extra couple dollars a month. Ms. Parenteau said that currently when customers sign up for the Time-of-Use they have to stay on the rate for a year to try and control some of the administration costs. Ms. Parenteau stated that they will come up with some thoughts as suggested and report back to the Board at the September meeting. Chairman O'Rourke asked to also have some background to understand what it means Time-of-Use, the implications and how we deal with our customers today.

Chairman O'Rourke asked if there was any other discussion, there was none.

**Power Supply Report – May 2015 – Ms. Parenteau**

Ms. Parenteau reported on three slides one of which showed how the May 25 market statistics looks at the day ahead versus real time average cost for the month by day. There was a slight spike on May 10 which happened to be Mother's Day at hour 21 which was around 9 p.m. real time prices increased to \$1,000 per megawatt hour. Ms. Parenteau said that it was most likely the result of an import constraint as it was only for that one hour and then it dropped significantly after that.

Ms. Parenteau stated that day ahead cleared around \$25 per megawatt hour or 2.5 cents and real time cleared at \$27, they were relatively low. May is a shoulder month where there is not a lot of hot weather and prices were relatively low for the month. The day ahead market prices for years 2013 through 2015 show that the 2015 prices were significantly lower than the prior two years. Ms. Parenteau said that this most likely had a lot to do with the price of natural gas and that it is extremely low right now.

The final graph showed the resources by mix and percentage, stating it is pretty typical that in May on the ISO market interchange the average of \$27 where the RMLD purchased about 14% of our power supply from that resource. The Millstone and Seabrook units were online and noted that Seabrook is scheduled for refueling in the fall. Ms. Parenteau said that RMLD's energy costs are referenced in the entire portfolio which looks at March through May the March costs were a little over five cents where May is just under four cents. This helps to keep the fuel charge low to the customers which represents half of the power supply costs.

Mr. Stempeck asked about the gas being used for residential heating. Ms. Parenteau replied January through February New England is at the end of the pipeline and that the ISO is working on restructuring to increase that capacity to alleviate some of those prices, but someone is going to have to pay for that capacity if they do that.

**Engineering & Operations Report – May 2015 – Mr. Jaffari**

Mr. Jaffari stated that they are making steady progress on the Capital Improvements including Construction Projects, New Customer Service Connections and Special Projects/Capital Purchases.

Mr. Jaffari reported that Construction Project 102 – Pole Line Upgrade – Lowell Street, Wilmington – 70% complete, Project 104 – Upgrading Old Lynnfield Center URDs (Cook's Farm) – 50% complete, Project 212 – 4W5 – West Street – Force Account, Reading – 55% complete.

Mr. Jaffari reported that new Customer Service Connections for the month of May including the new Customer Service installations for Residential Customers and new or upgraded overhead and underground services is on-going.

### **Engineering & Operations Report – May 2015 – Mr. Jaffari**

With regards to the routine maintenance program: Mr. Jaffari reported on the Aged/Overloaded Transformer Replacement Program Padmount Single-Phase replacement – 13% complete and Padmount Three-Phase replacement – 8% complete, Overhead Single-Phase replacement – 10% complete and Overhead Three-Phase replacement – 3.3% complete.

Pole Testing System-wide 645 poles were tested system-wide for FY15, 390 passed, 233 failed of which 83 have been replaced, 22 condemned of which all 22 were replaced. Mr. Jaffari reported that the failed poles were retested to prioritize them for the replacement process. Mr. Jaffari reported that 46 of the 105 poles that were replaced transfers have been completed.

Mr. Jaffari stated that upon inspection of the eighteen overhead feeders, a number of tree branches and vines were found on the lines and removed. Manhole inspections are pending, but there has been progress at Cook's Farm underground construction project. The Porcelain Cutout Replacement (with Polymer) Program; as of May 31, 2015 – 90% complete, there are 284 remaining porcelain cutouts to be replaced.

Mr. Jaffari reported that the Infrared Scanning of the substations for the month of May found no problems. There was also infrared scanning at River Park, Analog Devices and the Ballardvale area. Mr. Jaffari stated that a minor problem was found at Analog Devices which will be taken care of the week of July 4 as part of the proactive maintenance program.

Mr. Stempeck asked how the tree trimming program was going. Mr. Jaffari reported to date 1,325 pole spans have been completed and that the program is going very well.

Mr. Jaffari reported on the three reliability indices that the RMLD tracks. SAIDI (System Average Interruption Duration Index), SAIFI (System Average Interruption Frequency Index), and CAIDI (Customer Average Interruption Duration Index) which are all well below the National and Regional averages. The RMLD is doing very well reliability wise.

Mr. Jaffari reported on the Outage Causes and stated that the majority of the outages are equipment related – 37%, trees – 28%, wildlife – 23%, others factors which are a very small portion of the outages are vehicle accidents, weather and human error. Mr. Jaffari stated that the maintenance programs as well as the capital improvement projects will address all of these areas. The trees are now being maintained and cut back eight feet as opposed to five feet and the RMLD should start to see the benefit from all of these programs and improvements that were recently initiated.

Mr. Hennessy asked why the 2015 CAIDI figure was so low. Mr. Jaffari replied that this year we are doing really well and the system is holding very well. Instrumental to this figure being so low are the improvements and implementation of the new maintenance programs. Mr. Jaffari stated that another factor is where a storm hits and added that so far we have been lucky. The winter was harsh and we survived, but if a tornado was to come to the town depending on where it hits it could change these numbers. Mr. Jaffari said that the trend should be going down over time and that is what we want. The way that we capture the problem and allocate money to address the problem is tracking the trends of what causes the outages.

Mr. Jaffari stated that with the GIS operating and updated we will be able to target specific locations down the road when we have the technological tools (i.e. SCADA, Outage Management, and GIS) necessary to perform the feeder analysis. This analysis will allow the RMLD to see which feeders are experiencing the most outages. Mr. Jaffari said that right now we are only addressing the ones in the red zone, the ones that need to be taken care of immediately to avoid unnecessary spending such as oil remediation.

### **MGL Chapter 30B Bids**

Mr. Jaffari reported that RFP 2015-26 GIS/GPS Field Inventory was sent out with a list of attributes to be collected from the field. The RFP was sent to forty-two firms and only six firms had submitted proposals. The proposals were evaluated and only one of the submittals gave pricing for the two options. Mr. Jaffari reported that one of the options was to prepare the data for Milsoft and the other option was to take it onto the next level right at the meter base. Chairman O'Rourke asked if Davey was the only one with the cost associated with an option. Mr. Jaffari replied no, other submittals gave option pricing but they were not as complete as the Davey's submittal. Chairman O'Rourke asked if any other submittals gave the option for the meter. Mr. Jaffari replied no, only Davey submitted that option.

### **RFP 2015-26 GIS/GPS Field Inventory**

Mr. Pacino made a motion seconded by Mr. Stempeck that RFP 2015-26 for a GIS/GPS Field Inventory be awarded to Davey Resource Group, a division of The Davey Tree Expert Company, as the most advantageous responsive and responsible proposer for \$395,434 including all options (Milsoft and Meter Locations) on the recommendation of the General Manager.

**Motion carried 5:0:0.**

Mr. Jaffari stated that the next three bids are for transformers, for the transformer replacement program as well as for the commercial and residential new services.

**MGL Chapter 30B Bids**

**IFB 2015-30 Three Phase Pole Mounted Transformers**

Mr. Pacino made a motion seconded by Mr. Stempeck that bid 2015-30 for Three Phase Pole Mounted Transformers be awarded to WESCO for a total cost of \$60,341.00 as the lowest qualified bidder on the recommendation of the General Manager.

**Motion carried 5:0:0.**

Mr. Talbot asked about how many submittals are we getting for these bids. Mr. Jaffari replied that on the first page of each bid it describes how many companies received the bid and how many submittals were received. For this particular bid twelve companies were sent the bid documents with two submittals. Mr. Talbot asked why only two companies submitted bids. Mr. Jaffari replied that some of the distributors have a longer lead time than requested. Mr. Stempeck said that he suspects that companies like WESCO with ties to a manufacturing army have the advantage over some distributors where they are able to carry the available stock.

**IFB 2015-32 Three Phase Pad Mounted Transformers (Dead Front)**

Mr. Pacino made a motion seconded by Mr. Stempeck that bid 2015-32 for Three Phase Pad Mounted Transformers be awarded to WESCO for a total cost of \$78,650.00 as the lowest qualified bidder on the recommendation of the General Manager.

**Motion carried 5:0:0.**

Mr. Pacino asked why the other two bidders with lower pricing were excluded, what had they not met. Mr. Jaffari replied that they did not meet the specification requirements. Mr. Stempeck stated that there are notes on the second page for non-responsive bidders. Mr. Jaffari stated that WESCO did not meet the technical specifications and Graybar did not meet dimensional specifications. Some of the transformers are of a special design for the RMLD.

**IFB 2015-33 Three Phase Pad Mounted Transformers (Dead Front Loop Feed)**

Mr. Pacino made a motion seconded by Mr. Stempeck that bid 2015-33 for Three Phase Pad Mounted Transformers be awarded to Power Sales for a total cost of \$54,617.00 as the lowest qualified bidder on the recommendation of the General Manager.

**Motion carried 5:0:0.**

**Financial Report – May 2015 – Mr. Fournier**

Mr. Fournier presented the May Financial Report which represents the first eleven months of fiscal year 2015; the positive change in Net Assets of \$800,000, increasing the year to date Net Income to \$3.4M.

Year to date budgeted Net Income was approximately \$2.5 million with the resulting Net Income being over budget by approximately \$900,000 or 36%. Actual year to date fuel revenues exceeded fuel expenses by about \$1.2 million.

Purchase Power Capacity and Transmission (PPCT) revenues exceed PPCT expenses by approximately \$350,000.

Year to date base revenues were under budget by \$340,000 or less than 2%, actual base revenues were \$19.7 million compared to the budgeted amount of \$20.6 million.

Year to date purchased power base expense was over budget by \$400,000 or about 1.6%, actual purchased power base costs were \$26.5 million compared to the budgeted power base cost of \$26.1 million.

Year to date operating and maintenance (O&M) expenses combined were over budget by \$150,000 or 1.2%, actual O&M expenses were \$13.0 million compared to the budgeted amount of \$12.9 million. Depreciation expense and voluntary payments to the Towns were on budget.

Operating Fund was at \$9.4 million, Capital Fund \$5.7 million, Rate Stabilization Fund \$6.7 million, Deferred Fuel Fund \$5.3 million and the Energy Conservation Fund at \$625,000.

Year to date kilowatt hour sales were 634 million kilowatt hours sold which is 1.3 million kilowatt hours or .21% ahead of last year's actual figure.

Mr. Fournier reported that cumulatively the five divisions were over budget by \$115,000 or .58%.

Mr. Fournier stated that this weekend staff will be performing the physical count and the auditors will be in on Monday to verify those counts. The auditors were in this past week performing field work which went well. Mr. Fournier said that during the first week or two in July the Department will be sending out the account receivable confirmations to selected customers so that they can confirm their balances to us. The audit is scheduled for the week of August 10.

### **Financial Report – May 2015 – Mr. Fournier**

Mr. Fournier reported that for the first eleven months there are no surprises, in looking at the Rate of Return the RMLD had budgeted 6.85%. We are allowed to make 8%. When the final numbers come in we are probably looking at a 6.2 or 6.3% Rate of Return. Mr. Pacino asked if there would be excess money to put into the pension reserve at the end of June. Mr. Fournier replied that we have not made the actual payment. The \$1.5 million was budgeted for the contribution and depending on how the final numbers look the RMLD will probably fund the whole amount or some portion of that. Another Actuarial Study will be performed in FY16 to see what the contribution should be.

### **General Discussion**

Mr. Talbot said that at the last meeting there was discussion around the new two megawatt gas generator. If we wired half of the remaining electric water heaters with timers there would be a guaranteed peak cut in that same range. Mr. Talbot stated that the cost might be very little and the challenge is to identify who has them and then approach them. Mr. Talbot said that it was his belief that there are vendors that have software that could analyze load profiles and tell you which customers have these water heaters. Mr. Talbot asked if it was feasible that maybe in September to get a report on whether the Department could do a push to identify them and proactively go out and do far more on that very successful program.

Ms. O'Brien asked for clarification asking if there were systems out there that were not hooked up. Ms. Parenteau replied that Mr. Talbot is asking the Department to determine who has the electric water heaters and to approach them to add them to the water heater program.

Mr. Talbot said that there is an estimate out there that we have four thousand or so electric water heaters in the district of which three hundred are under our program. Ms. Parenteau stated that the RMLD has a total of about six hundred devices of which approximately 300 have been installed and about another three hundred devices to potentially install without procuring additional stock. Mr. Talbot said that there are about three thousand water heaters out there that are not controlled right now.

Ms. Parenteau stated that would have to be determined. GDS did a study in 2008 and they estimated based on saturation studies that there was a potential to have approximately two thousand customers with electric water heaters depending on when the homes were built and what they installed.

Chairman O'Rourke asked what the device does. Ms. Parenteau replied that the device is hooked up to the internet and is programmed to turn the water heater off for two hours. During the summer this occurs between the hours of 2-4 p.m. Additionally, the RMLD has the ability to turn it off if we are going to peak a little later. In the wintertime it occurs between the hours of 5-7 p.m. Ms. Parenteau stated that typically during the summertime we do not have a problem because people are outside. However, there have been calls in the wintertime because it is closer to dinner time or bath time for families with small children. There have been a few instances where it had not worked for the lifestyle of the customer.

Mr. Talbot said that right now we reliably cut half of a megawatt of peak demand because we have the three hundred wired up. Ms. Parenteau replied that is correct. Mr. Talbot stated that this data is not theoretical and there is another two thousand or fifteen hundred or so water heaters that are not wired up, so there is an opportunity to cut another two megawatts or so.

Mr. Stempeck said that he supports Mr. Talbot's idea but rather than try to identify who is using the electricity because we could be wrong about a lot of things, is there a way to send a coupon along with the bill that says if you have an electric water heater would you respond. Mr. Talbot stated that the RMLD does that now. Ms. Parenteau said that when we go out for residential audits the vendor that we currently use has a form and when speaking with the customer they indicate what they heat with, natural gas or oil and if they have an electric water heater, so that we do have some data.

Mr. Talbot stated that the problem is that people do not sit down, read, react and fill out the form and tell us. Mr. Talbot said that his understanding is that there are companies out there that can analyze load profile from meters and tell you where the electric water heaters are. Mr. Stempeck asked what is it worth to us to have them let us know in the scheme of things for the year. Ms. Parenteau replied that if we put the other 300 in we could potentially save another 500 kilowatts. Mr. Stempeck asked in terms of dollars what would the Department save. Mr. Stempeck asked if it would be worthwhile putting a five dollar bill in the envelope with the survey and asking the customer to fill it out and send it back. This might be a lot less expensive than using a survey firm and you will know exactly where you are going rather than some electronic mechanism tallying spikes.

Mr. Talbot stated that there are a lot of ways that they can analyze the data and they can see who has electric water heaters. We know how much the peak cutting is worth. Ms. O'Brien said that the first step is that we need to finish putting in the ones that we have in inventory. Mr. O'Rourke asked what the consumer's cost is in return. Ms. Parenteau replied the RMLD gets an electrician to install the device so that there is no cost to the consumer to get onto the rate. Mr. O'Rourke asked what the customer saves. Ms. Parenteau replied that the customer saves approximately \$100-\$120 per year by being on this rate so it is advantageous.

### **General Discussion**

There are some customers who do not have the internet so that became a problem but when we get the new meters we will be able to offer the program to those customers without internet access.

Chairman O'Rourke said that maybe we should think about Mr. Stempeck's idea. Ms. Parenteau stated that it is a great idea but administratively it is a lot of work to coordinate customer's availability, for them to be there for an hour, schedule the electrician, get approval by the wire inspector and added that there are a lot of little nuances. Ms. Parenteau said that we are happy to do it and have the program, it is a fabulous idea but we need to make sure that we have the manpower and administrative support to help with the scheduling. Mr. Stempeck asked what is the break-even analysis when considering that you pay to have it installed, the cost of the meter, the monitoring and the solicitation. It is all kinds of money and if it doesn't look like there is going to be a good payback. Ms. Parenteau replied that it will be significant next year because of the capacity market in the NEMA zone. Capacity is going up from three dollars to fifteen dollars per kw-month.

Mr. Talbot stated that we just voted a \$2 million budget for the gas generator. Mr. Jaffari said that the budgeted amount was \$2.164 million. Mr. Talbot said that they just voted a \$2.1 million capital cost to get the ability to cut a two megawatt reliably, we already reliably cut half a megawatt with three hundred water heaters wired, so if you wired twelve hundred you would have the same two megawatt guarantee peak cut. Mr. Talbot stated that this will not cost \$2.1 million to wire up one thousand water heaters with a timer, it is going to be a lot less than that. Ms. Parenteau said that there are costs and it is a whole other avenue that we can look at. We can install, service or rent electric water heaters there's a whole other niche but it all takes manpower and resources.

Mr. Talbot stated that there are three hundred of these timers sitting in the Barbas building, so why don't we hire a software company that can tell us which houses have the electric water heaters so we can go out and do it. Mr. Talbot said that what we need is a better communications strategy with our customers because right now we do not know which houses have them and the people are not surfacing and saying give me the timer. Mr. Jaffari stated that the new meters that the Department is installing, the Eaton system has that capability and we will be able to know the load, what's going on and be able to perform more analysis of this type. With the current Itron Metering we do not have that capability. Mr. Jaffari said that maybe if we were to go aggressively and knock at every door and try to encourage more people to participate in the program the people could opt out at any minute. With distributive generation we do not have to rely on anyone and whether they are going to opt in or out, that's the big difference it is something that is within our control.

Mr. Talbot asked how many people who have them now decide that they do not want to have them anymore. Ms. Parenteau replied that there has been a handful. Mr. Talbot said that this suggests that there is not a big number that fall out. Chairman O'Rourke stated that this is worth looking at and before we jump too quickly, Mr. Stempeck has raised an interesting question how we could get information. Hire a software company, put a five dollar bill in an envelope, put advertisements in the Chronicle, not every idea is going to be feasible. Chairman O'Rourke asked that maybe at the July meeting or the following depending on the Department's workload Ms. Parenteau could update the Board on how it is going so that the topic does not fall off the table.

Mr. Stempeck wanted to commend the Department for putting in the RMLD online store, where light bulbs are being sold below retail price. Ms. Parenteau stated they are being sold at 50% off. Ms. O'Brien said that maybe the water heaters could go on the online store for free. Mr. Talbot commented that was a good idea -- another marketing strategy.

### **BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED**

**E-Mail responses to Account Payable/Payroll Questions**

**Rate Comparisons, June 2015**

#### **RMLD Board Meetings**

**Thursday, July 30, 2015**

**Thursday, September 24, 2015**

#### **Policy Committee Meeting**

**To Be Determined.**

#### **CAB Meeting**

**Wednesday, August 12, 2015 – Dave Hennessy**

Regular Session Meeting Minutes  
June 25, 2015

**Executive Session**

Mr. Pacino made a motion seconded by Mr. Stempeck that the Board go into Executive Session to approve the Executive Session meeting minutes of November 21, 2014; to consider the purchase, exchange, lease or value of real property if the chair declares that an open meeting may have a detrimental effect on the negotiating position of the public body and return to the Regular Session for the sole purpose of adjournment.

**Chairman O'Rourke called for a poll of the vote:**

Mr. Pacino; Aye, Mr. Talbot; Aye, Mr. Stempeck; Aye, Mr. Hennessy; Aye, and Chairman O'Rourke; Aye.

**Motion carried by a polling of the Board 5:0:0.**

**Adjournment**

At 9:43 p.m. Mr. Pacino made a motion seconded by Mr. Stempeck that the RMLD Board of Commissioners move to adjourn the Regular Session.

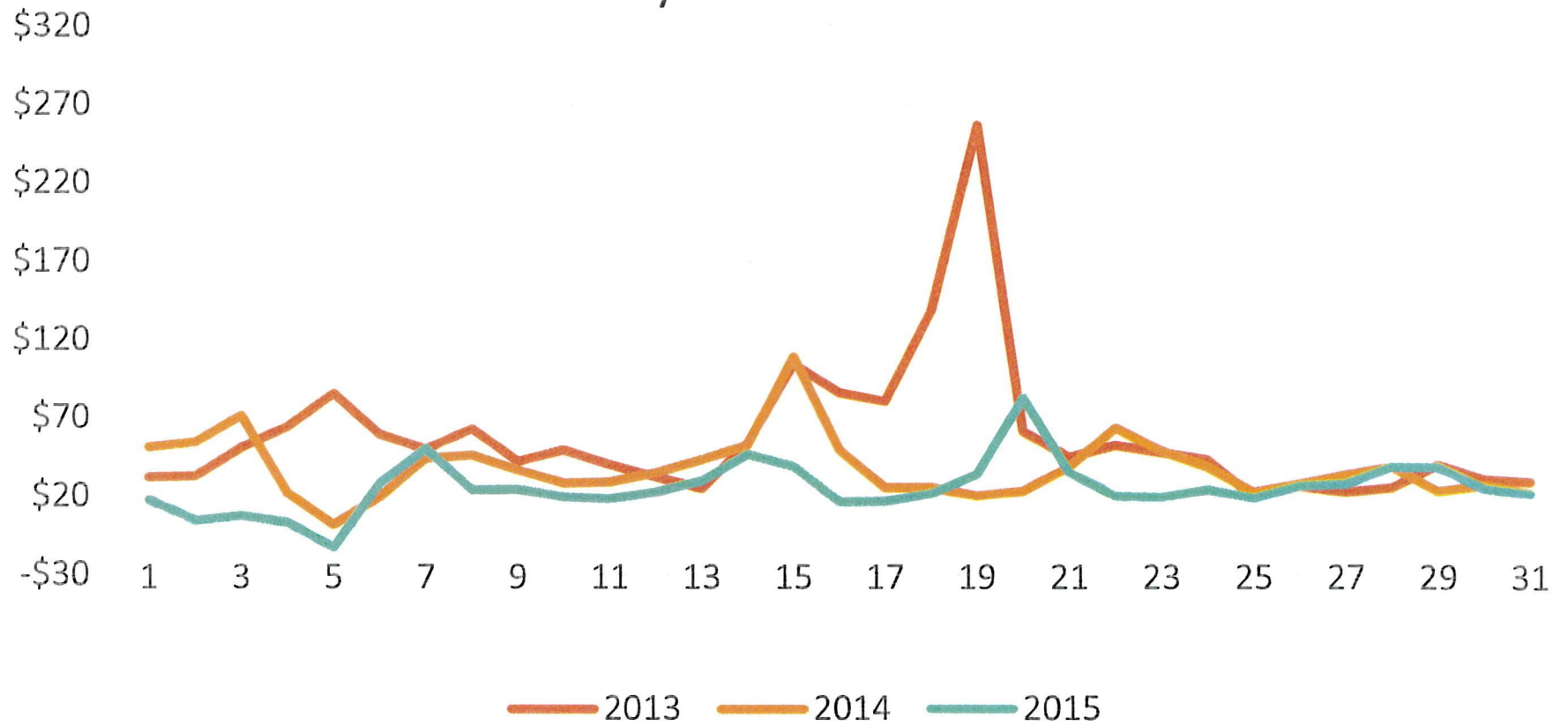
**Motion carried 5:0:0.**

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

Dave Talbot, Secretary Pro Tem  
RMLD Board of Commissioners

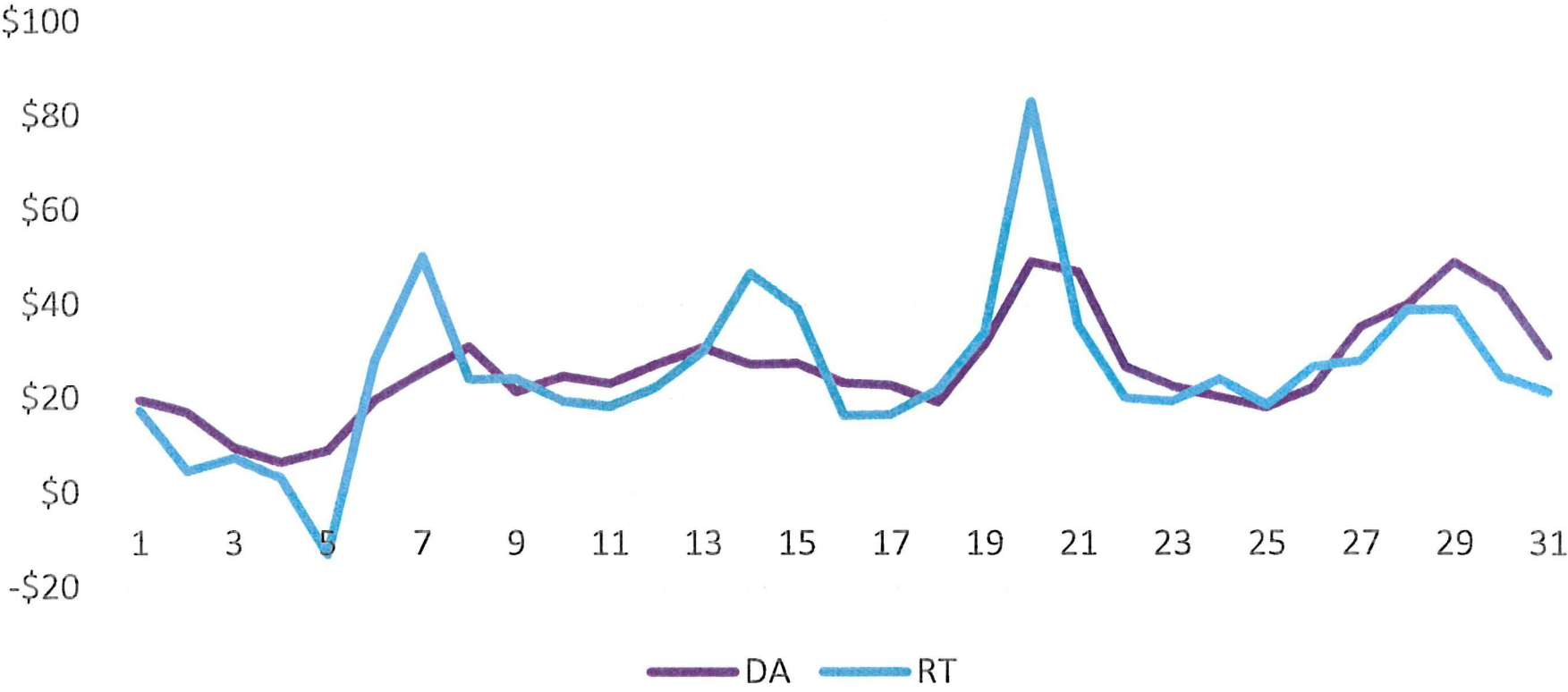
POWER SUPPLY REPORT  
ATTACHMENT 2

# Real Time Clearing Prices July 2013 - 2015

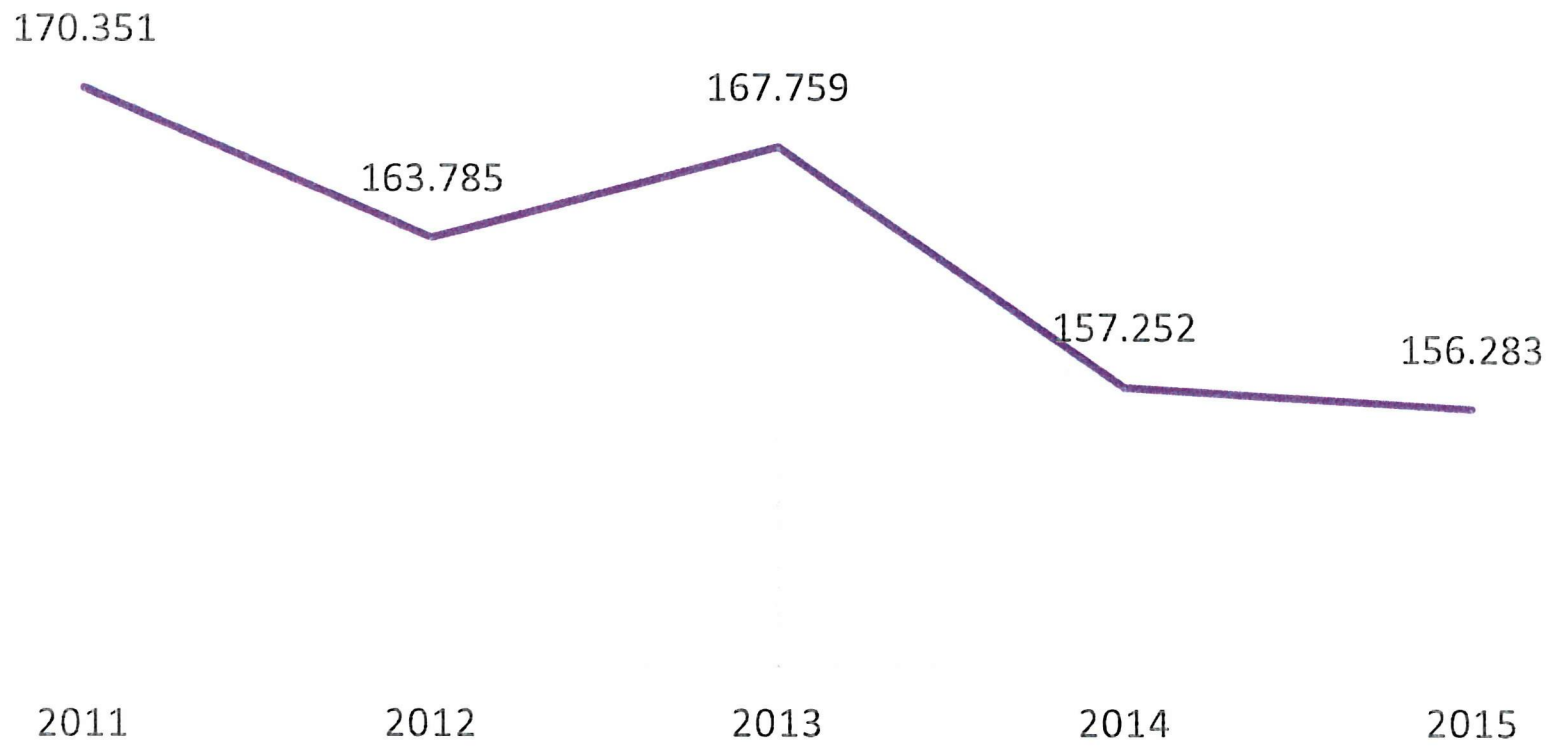






# Day Ahead vs. Real Time Pricing July 2015



## Historical Peak Demand (mW) for July 2011 - 2015



To: Coleen O'Brien

From:  Maureen McHugh, Jane Parenteau 

Date: September 3, 2015

Subject: Purchase Power Summary – July, 2015

Energy Services Division (ESD) has completed the Purchase Power Summary for the month of July, 2015.

**ENERGY**

The RMLD's total metered load for the month was 72,139,379 kWh, which is a .57% decrease from the July, 2014 figures.

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

**Table 1**

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy	Total \$ Costs	\$ as a %
Millstone #3	3,674,197	\$6.71	5.09%	\$24,654	0.71%
Seabrook	5,881,768	\$6.69	8.15%	\$39,326	1.13%
Stonybrook Intermediate	4,702,416	\$31.80	6.52%	\$149,519	4.28%
Shell Energy	16,072,400	\$71.82	22.27%	\$1,154,271	33.05%
NextEra	11,630,000	\$59.52	16.12%	\$692,237	19.82%
NYPA	1,842,999	\$4.92	2.55%	\$9,068	0.26%
ISO Interchange	1,847,004	\$66.12	2.56%	\$122,132	3.50%
NEMA Congestion	0	\$0.00	0.00%	-\$56,503	-1.62%
Coop Resales	20,114	\$153.52	0.03%	\$3,088	0.09%
BP Energy	12,378,800	\$47.73	17.15%	\$590,840	16.92%
Hydro Projects*	2,140,659	\$92.93	2.97%	\$198,936	5.70%
Braintree Watson Unit	329,456	\$16.03	0.46%	\$5,283	0.15%
Saddleback Wind	152,255	\$76.93	0.21%	\$11,713	0.34%
Exelon	11,491,000	\$47.72	15.92%	\$548,386	15.70%
Stonybrook Peaking	0	\$0.00	0.00%	\$0	0.00%
Monthly Total	72,163,068	\$48.40	100.00%	\$3,492,950	100.00%

\*Pepperell, Woronoco, Indian River, Turner Falls, Collins, Pioneer, Hosiery Mills, Summit Hydro

Table 2 breaks down the ISO interchange between the DA LMP Settlement and the RT Net Energy for the month of July, 2015.

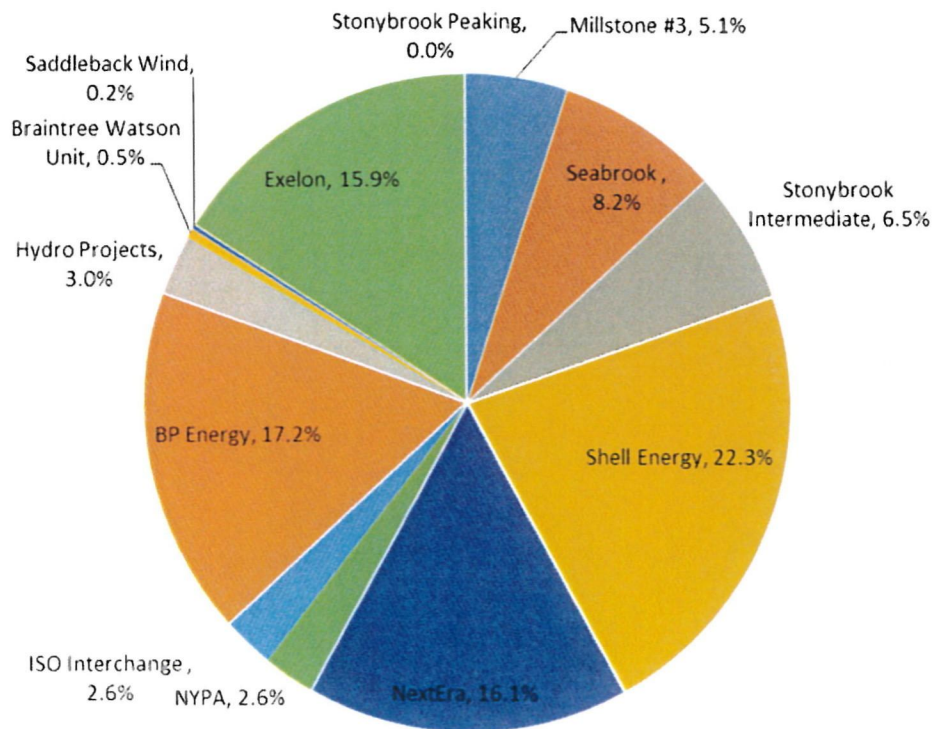
**Table 2**

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP *	3,081,929	32.70	4.27%
Settlement			
RT Net Energy **	-1,234,574	20.71	-1.71%
Settlement			
ISO Interchange (subtotal)	1,847,355	66.11	2.56%

\* Independent System Operator Day-Ahead Locational Marginal Price

\*\* Real Time Net Energy

**JULY 2015 ENERGY BY RESOURCE**



## CAPACITY

The RMLD hit a demand of 158,283 kW, which occurred on July 20, at 4 pm. The RMLD's monthly UCAP requirement for July, 2015 was 222,905 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	34.69	\$171,720	11.18%
Seabrook	7,910	39.35	\$311,219	20.26%
Stonybrook Peaking	24,981	1.82	\$45,543	2.96%
Stonybrook CC	42,925	7.65	\$328,414	21.38%
NYPA	4,019	4.19	\$16,834	1.10%
Hydro Quebec	0	0	\$17,673	1.15%
Nextera	60,000	5.90	\$354,000	23.04%
Braintree Watson Unit	10,520	10.86	\$114,258	7.44%
ISO-NE Supply Auction	65,598	2.69	\$176,550	11.49%
Hydro Projects	2,002	0.00	\$0	0.00%
<b>Total</b>	<b>222,905</b>	<b>\$6.89</b>	<b>\$1,536,212</b>	<b>100.00%</b>

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	\$24,654	\$171,720	\$196,374	3.90%	3,674,197	0.0534
Seabrook	\$39,326	\$311,219	\$350,545	6.97%	5,881,768	0.0596
Stonybrook Intermediate	\$149,519	\$328,414	\$477,934	9.50%	4,702,416	0.1016
Hydro Quebec	\$0	\$17,673	\$17,673	0.35%	-	0.0000
Shell Energy	\$1,154,271	\$0	\$1,154,271	22.95%	16,072,400	0.0718
NextEra	\$692,237	\$354,000	\$1,046,237	20.80%	11,630,000	0.0900
* NYPA	\$9,068	\$16,834	\$25,901	0.52%	1,842,999	0.0141
ISO Interchange	\$122,132	\$176,550	\$298,682	5.94%	1,847,004	0.1617
Nema Congestion	-\$56,503	\$0	-\$56,503	-1.12%	-	0.0000
BP Energy	\$590,840	\$0	\$590,840	11.75%	12,378,800	0.0477
* Hydro Projects	\$198,936	\$0	\$198,936	3.96%	2,140,659	0.0929
Braintree Watson Unit	\$5,283	\$114,258	\$119,540	2.38%	329,456	0.3628
* Saddleback Wind	\$11,713	\$0	\$11,713	0.23%	152,255	0.0769
Coop Resales	\$3,088	\$0	\$3,088	0.06%	20,114	0.1535
Exelon Energy	\$548,386	\$0	\$548,386	10.90%	11,491,000	0.0477
Stonybrook Peaking	\$0	\$45,543	\$45,543	0.91%	-	0.0000
Monthly Total	\$3,492,950	\$1,536,212	\$5,029,161	100.00%	72,163,068	0.0697
<b>* Renewable Resources</b>					<b>5.73%</b>	

## RENEWABLE ENERGY CERTIFICATES (RECs)

Table 5 shows the amount of banked and projected RECs for the Swift River Hydro Projects through July 2015, as well as their estimated market value.

**Table 5**  
**Swift River RECs Summary**  
**Period - January 2015 - July 2015**

	Banked RECs	Projected RECs	Total RECs	Est. Dollars
Woronoco	0	2,098	2,098	\$100,704
Pepperell	0	3,863	3,863	\$185,424
Indian River	0	2,165	2,165	\$103,920
Turners Falls	<u>0</u>	<u>1,185</u>	<u>1,185</u>	<u>\$0</u>
<b>Sub total</b>	0	9,311	9,311	\$390,048
<b>RECs Sold</b>			0	\$0
<b>Grand Total</b>	0	9,311	9,311	\$390,048

## TRANSMISSION

The RMLD's total transmission costs for the month of July, 2015 were \$1,180,976. This is increase of 7.91% from the June transmission cost of \$1,094,390. In July, 2014 the transmission costs were \$1,238,157.

**Table 6**

	Current Month	Last Month	Last Year
Peak Demand (kW)	156,283	133,390	157,252
Energy (kWh)	72,163,068	60,483,802	72,817,931
Energy (\$)	\$3,492,950	\$2,572,724	\$3,287,590
Capacity (\$)	\$1,536,212	\$1,439,583	\$1,397,243
Transmission(\$)	\$1,180,976	\$1,094,390	\$1,238,157
Total	\$6,210,137	\$5,106,698	\$5,922,990

ENGINEERING AND OPERATIONS  
REPORT  
ATTACHMENT 3



# Engineering & Operations Report

September 24, 2015, RMLD Board of Commissioners Meeting

July 2015 Reporting Period

Hamid Jaffari, Director of Engineering & Operations





# Capital Improvement Projects

## ► Construction Projects

- Pole Line Upgrade – Lowell Street Wilmington – 80% complete
- Upgrade Old Lynnfield Center URDs (Cook's Farm) – 70% complete
- West Street – Force Account, Reading – 90% complete

## ► Special Projects/Capital Purchases

- Oil Containment Facility Construction – 40% Complete
- LED Street Light Conversion – 420 (of 2,450) installed as of 9/6/15

## ► Routine Construction

July: \$109,975

YTD: \$109,975

# Routine Maintenance

## ► Transformer Replacement

Pad mount 12.18%      Overhead 9.93%

## ► Pole Inspection

119 poles have been replaced      64 of 119 transfers have been completed

## ► Double Poles

Total # of Double Poles: 498      Pending RMLD Transfer: 51  
Lynnfield – 39    Reading – 134    North Reading – 127      Wilmington – 198

## ► Visual Inspection of OH Lines

Inspected circuits 5W8, 5W9, 5W5, 4W10, 5W4, 4W28, 4W5, 4W6, 3W8, 3W18, 4W13 (as of September 15, 2015).



## Routine Maintenance (continued)

- ▶ **Manhole Inspection**

Pending

- ▶ **Porcelain Cutout Replacements**

90% complete      279 remaining to be replaced

- ▶ **Tree Trimming**

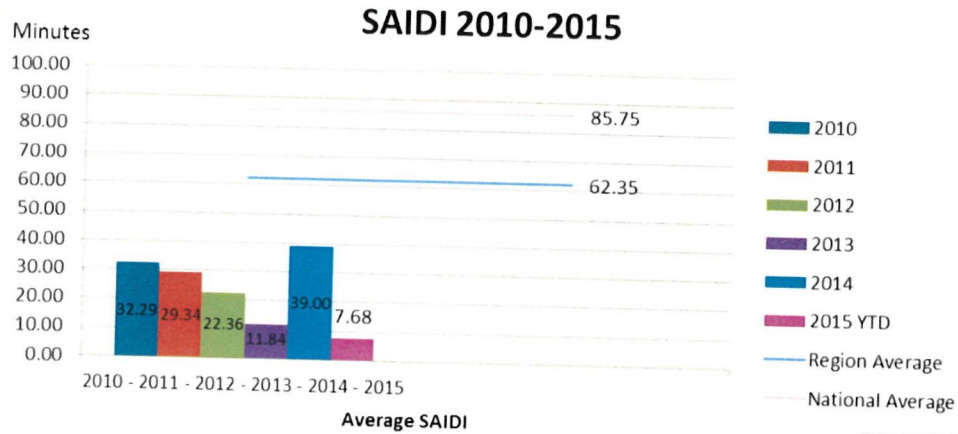
July: 317 spans

YTD: 317 spans

- ▶ **Substation Maintenance**

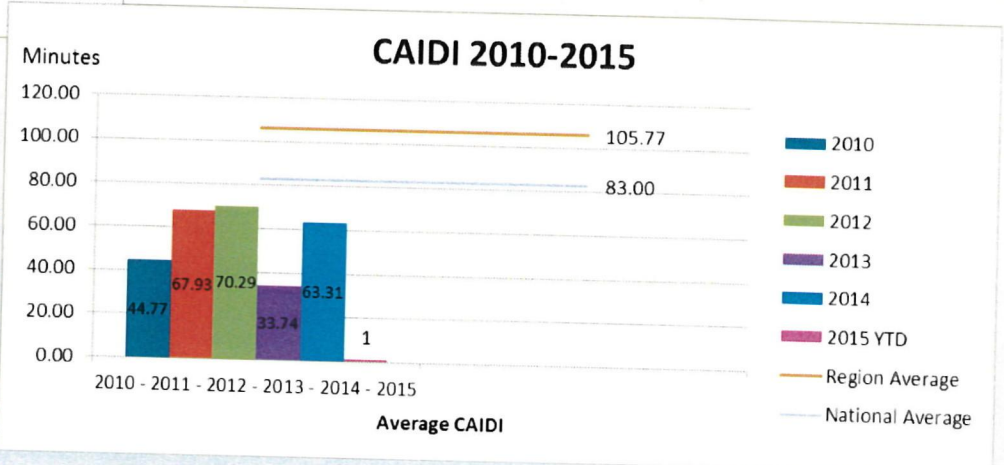
Infrared Scanning – July complete - no hot spots found

# Reliability exceeds regional and local indices . . .

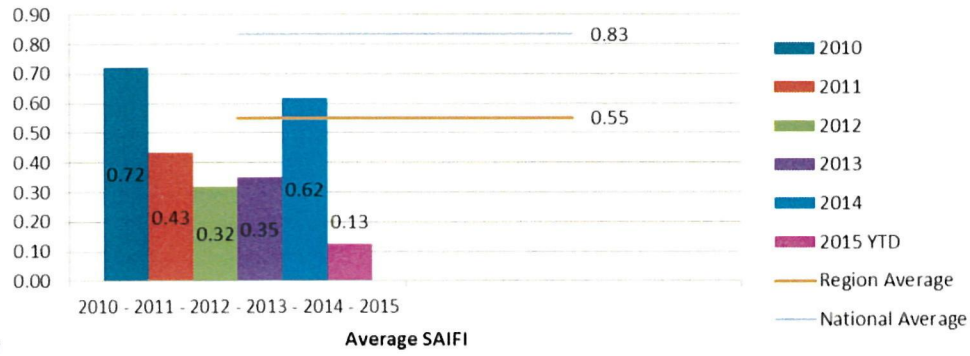


$$SAIDI (Minutes) = \frac{\text{Total Duration of Customer Interruptions}}{\text{Total Number of Customers Served}}$$

$$CAIDI (Minutes) = \frac{\text{Total Duration of Customer Interruptions}}{\text{Total Number of Customers Interruptions}}$$



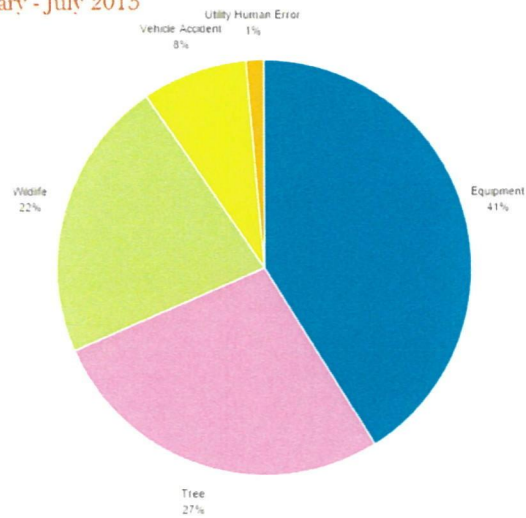
### SAIFI 2010-2015



$$SAIFI = \frac{\text{Total Number of Customer Interruptions}}{\text{Total Number of Customers Served}}$$

### Outages Causes Calendar YTD (from eReliability website)

January - July 2015



Outage Cause	Count
Equipment	30
Tree	20
Wildlife	16
Vehicle Accident	6
Utility Human Error	1
<b>Total</b>	<b>73</b>

# Questions ?



**READING MUNICIPAL LIGHT DEPARTMENT  
FY 15 CAPITAL BUDGET VARIANCE REPORT  
FOR PERIOD ENDING JULY 31, 2015**

PROJ	DESCRIPTION	TOWN	ACTUAL COST JUL	YTD ADDITIONS	ANNUAL BUDGET	REMAINING BALANCE
<b><u>CONSTRUCTION:</u></b>						
101	5W9 Reconductoring - Ballardvale Area	W			100,000	100,000
102	Pole Line Upgrade - Lowell Street, W	W	14,353	14,353	113,000	98,647
104	Upgrade Old Lynnfield Center URDs (Cook's Farm)	LC	30,449	30,449	42,000	11,551
106	URD Upgrades	ALL			340,000	340,000
107	Step-down Area Upgrades	ALL			352,000	352,000
110	Pole Line Upgrade - Woburn Street, W	W			91,000	91,000
212	Force Account West Street	R	44,240	44,240	150,000	105,760
	<b>SUB-TOTAL</b>		<b>89,042</b>	<b>89,042</b>	<b>1,188,000</b>	<b>1,098,958</b>
<b><u>STATION UPGRADES:</u></b>						
96	Station 4 (GAW) Back-up Generator	R			107,000	107,000
108	Station 4 (GAW) Relay Replacement Project	R			73,000	73,000
109	Station 4 (GAW) Transformer Replacement	R			41,000	41,000
111	Station Equipment Upgrade (all)	ALL			254,000	254,000
112	Station 4 (GAW) Switchgear/Breaker Replacement	R			508,000	508,000
113	Station 4 (GAW) Battery Bank Upgrade	R			57,000	57,000
130	Station 3 - Remote Terminal Unit (RTU) Replacement	NR			94,000	94,000
	<b>SUB-TOTAL</b>		<b>-</b>	<b>-</b>	<b>1,134,000</b>	<b>1,134,000</b>
<b><u>NEW CUSTOMER SERVICES:</u></b>						
112	New Service Installations (Commercial / Industrial)	ALL			34,000	34,000
113	New Service Installations (Residential)	ALL	14,452	14,452	164,000	149,548
	<b>SUB-TOTAL</b>		<b>14,452</b>	<b>14,452</b>	<b>198,000</b>	<b>183,548</b>
<b><u>ROUTINE CONSTRUCTION:</u></b>						
114	Routine Construction	ALL	109,975	109,975	1,000,000	890,025
<b><u>SPECIAL PROJECTS / CAPITAL PURCHASES:</u></b>						
100	Distributed Generation	ALL			2,164,000	2,164,000
103	Distribution Protection and Automation	ALL			70,000	70,000
114	Fiber Optic Test Equipment	ALL			15,000	15,000
115	Fault Indicators	aLL			50,000	50,000
116	Transformers and Capacitors	ALL			668,000	668,000
117	Meter Purchases (including "500 Club")	ALL			219,000	219,000
122	Engineering Analysis Software and Data Conversion	ALL			73,000	73,000
125	GIS	ALL			420,000	420,000
126	Communication Equipment (Fiber Optic)	ALL			98,000	98,000
131	LED Street Light Implementation	ALL	15,270	15,270	1,200,000	1,184,730
134	Substation Test Equipment	ALL			100,000	100,000
	<b>SUB-TOTAL</b>		<b>15,270</b>	<b>15,270</b>	<b>5,077,000</b>	<b>5,061,730</b>
<b><u>OTHER CAPITAL PROJECTS:</u></b>						
95	230 Ash St Building	R			80,000	80,000
97	HVAC Roof Units - Garage	R			50,000	50,000
98	IRD hardware	R			10,000	10,000
99	Electric Vehicle Supply Equipment	R			50,000	50,000
118	Rolling Stock Replacement	ALL			448,000	448,000
119	Security Upgrades All Sites	ALL			50,000	50,000
120	Great Plains / Cogsdale Upgrade	ALL			127,000	127,000
121	HVAC System Upgrade - 230 Ash Street	R			600,000	600,000
123	Oil Containment Facility Construction	LC	4,735	4,735	59,000	54,265
127	Hardware Upgrades	ALL			152,000	152,000
128	Software and Licensing	ALL	5,495	5,496	172,000	166,504
129	Master Facilities Site Plan	R			150,000	150,000
136	Voltage Data Recorders	ALL			50,000	50,000
	<b>SUB-TOTAL</b>		<b>10,230</b>	<b>10,231</b>	<b>1,998,000</b>	<b>1,987,769</b>
<b>TOTAL CAPITAL BUDGET</b>			<b>\$ 238,968</b>	<b>\$ 238,969</b>	<b>\$ 10,595,000</b>	<b>\$ 10,356,031</b>

# READING MUNICIPAL LIGHT DEPARTMENT

## Engineering and Operations Monthly Report

July 2015

### ***CAPITAL IMPROVEMENTS***

<b>Construction Projects:</b>		<b>% Complete Status</b>	<b>Month</b>	<b>YTD</b>
102	Pole Line Upgrade - Lowell Street, Wilmington	80%	\$14,353	\$14,353
104	Upgrade Old Lynnfield Center URDs (Cook's Farm)	70%	\$30,449	\$30,449
212	West Street – Force Account, Reading	90%	\$44,240	\$44,240
<b>New Customer Service Connections:</b>				
113	Service Installations – Residential: This item includes new or upgraded overhead and underground services.	On-going	\$14,452	\$14,452
<b>Special Projects/Capital Purchases:</b>				
123	Oil Containment Facility Construction	40%	\$4,735	\$4,735
131	LED Street Light Conversion	9%	\$15,270	\$15,270



<b>ROUTINE CONSTRUCTION</b>	<b>Jul</b>	<b>YTD</b>
Pole Setting/Transfers	21,404	21,404
Overhead/Underground	31,879	31,879
Projects Assigned as Required <ul style="list-style-type: none"> <li>• Cumberland Farms, Salem Street, Reading</li> <li>• Main Street, North Reading (trailer park area upgrade)</li> <li>• Killiam School (portable classroom), Reading</li> <li>• Clark Terrace, Wilmington</li> <li>• WCTV, Wilmington</li> </ul>	21,043	21,043
Pole Damage/Knockdowns <ul style="list-style-type: none"> <li>• Work was done to repair or replace six (6) damaged poles.</li> </ul>	9,019	9,019
Station Group	0	0
Hazmat/Oil Spills	0	0
Porcelain Cutout Replacement Program	1,257	1,257
Lighting (Street Light Connections)	271	271
Storm Trouble	0	0
Underground Subdivisions (new construction)	4,001	4,001
Animal Guard Installation	484	484
Miscellaneous Capital Costs	20,617	20,617
<b>TOTAL:</b>	<b><u>\$ 109,975</u></b>	<b><u>\$ 109,975</u></b>

---

## MAINTENANCE PROGRAMS

---

### **Aged/Overloaded Transformer Replacement through July 31, 2015**

#### *Padmount:*

*Single-Phase: 12.99% replaced (of those over 20 years old)*

*Three-Phase: 8.97% replaced (of those over 20 years old)*

#### *Overhead:*

*Single-Phase: 10.77% replaced (of those over 20 years old)*

*Three-Phase: 3.89% replaced (of those over 20 years old)*

---

### **Pole Testing System-wide (600-1,000 poles/year) (as of 9/15/2015)**

Year-one inspection complete: 645 poles tested (~10%)

- 390 silver tag (PASSED)
- 191\* red tag (FAILED): **97 have been replaced**
- 22 double red tag (CONDEMNED): **22 have been replaced**

**64 of 119 transfers have been completed**

\*42 red tag (failed) poles were reevaluated and removed from the list.

---

### **Double Poles (as of 9/9/15)**

Total # of Double Poles: 498

Pending RMLD Transfer: 51

Lynnfield - 39

Reading - 134

North Reading – 127

Wilmington – 198

---

### **Manhole Inspections**

*Pending.*

---

### **Porcelain Cutout Replacements (with Polymer)**

As of July 31, 2015, there are 279 remaining porcelain cutouts to be replaced. 90% complete.

---

### **Tree Trimming**

YTD thru July - 317 spans complete.

---

### **Substations:**

#### **Infrared Scanning (Monthly)**

---

*Station 3* Scanning complete through July – no hot spots found

---

*Station 4* Scanning complete through July – no hot spots found

---

*Station 5* Scanning complete through July – no hot spots found

---

#### **Substation Maintenance Program**

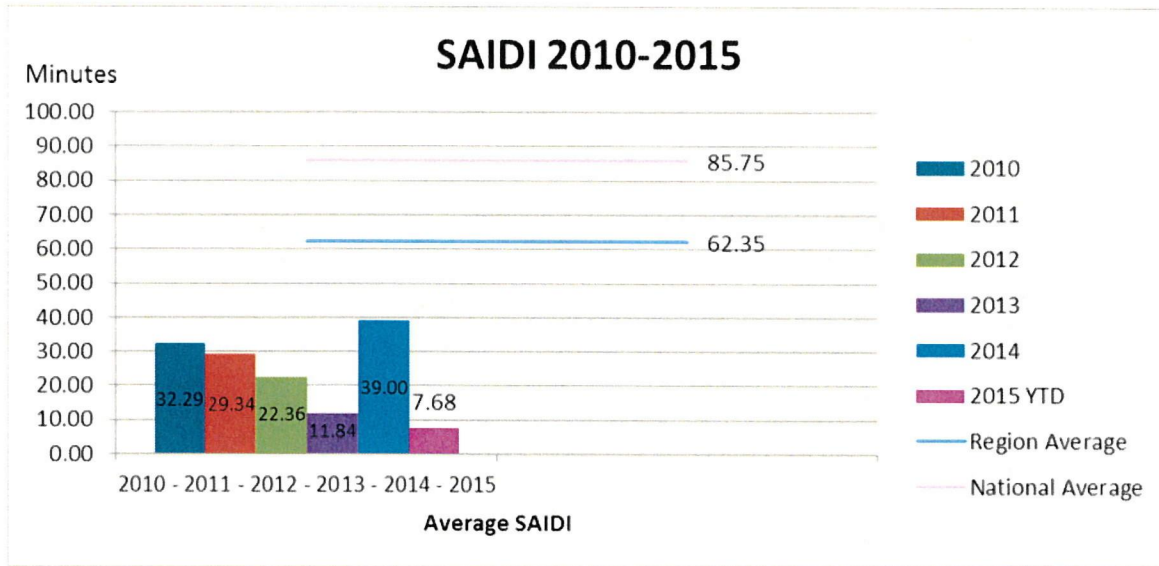
- *Inspection of all three stations by UPG complete.*
-

## SYSTEM RELIABILITY

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

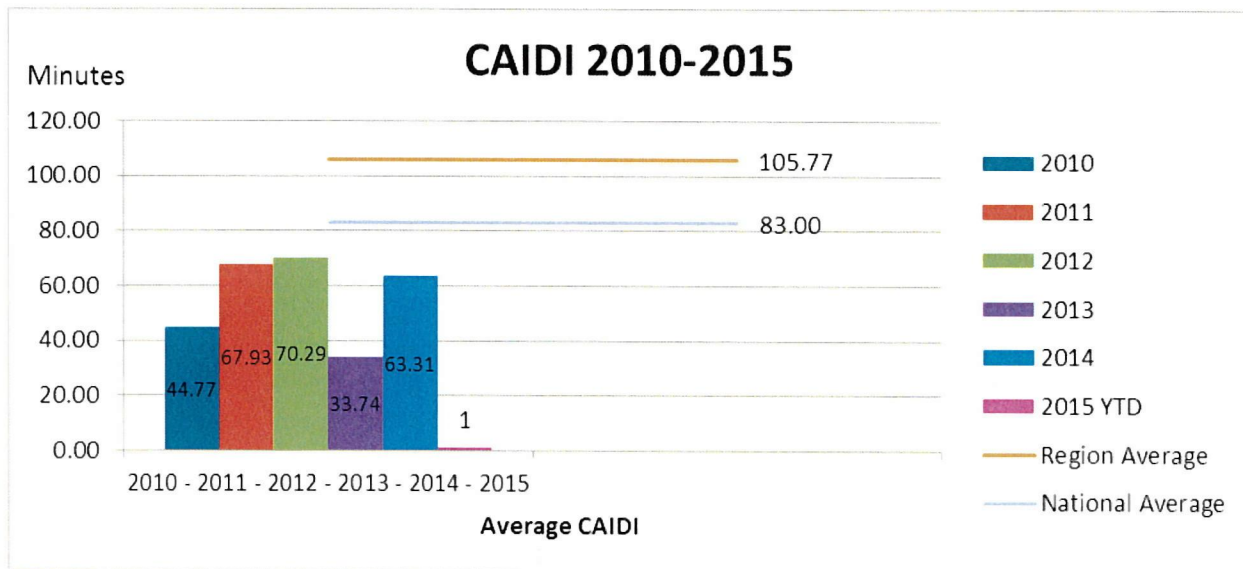
**SAIDI (System Average Interruption Duration Index)** is defined as the average interruption duration (in minutes) for customers served by the utility system during a specific time period.

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



**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.

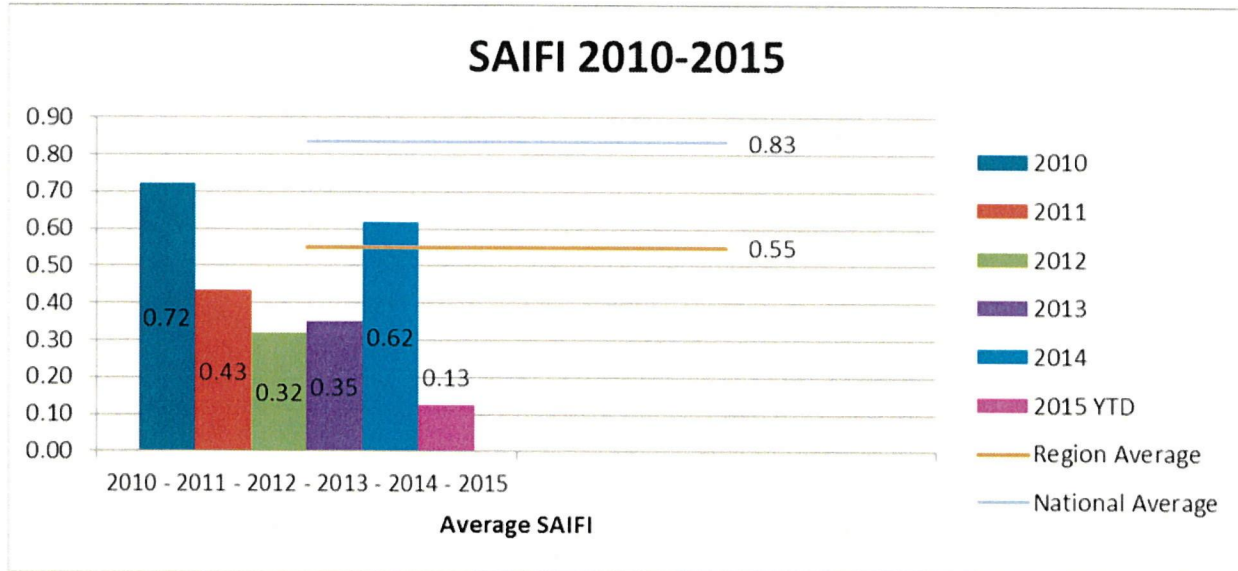
CAIDI = the sum of all customer interruption durations during that time period ÷ the number of customers that experienced one or more interruptions during that time period.



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

**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.

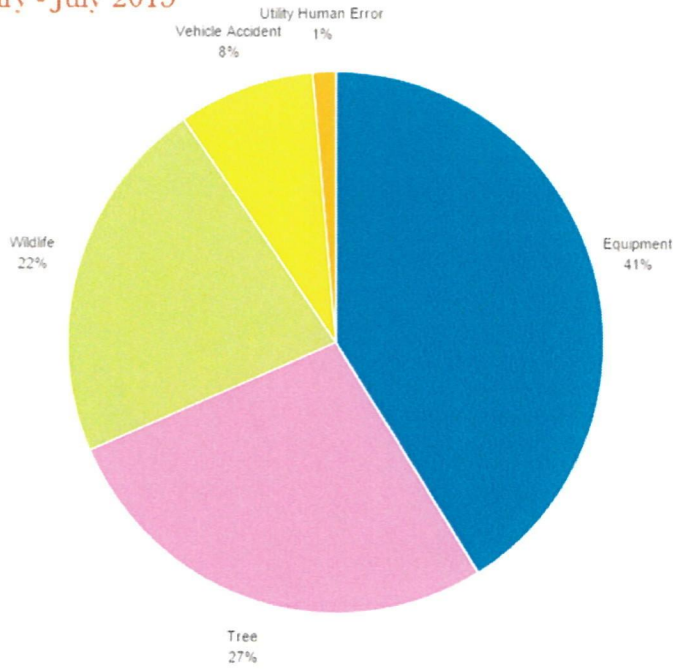
SAIFI = the total number of customer interruptions ÷ average number of customers served during that period.



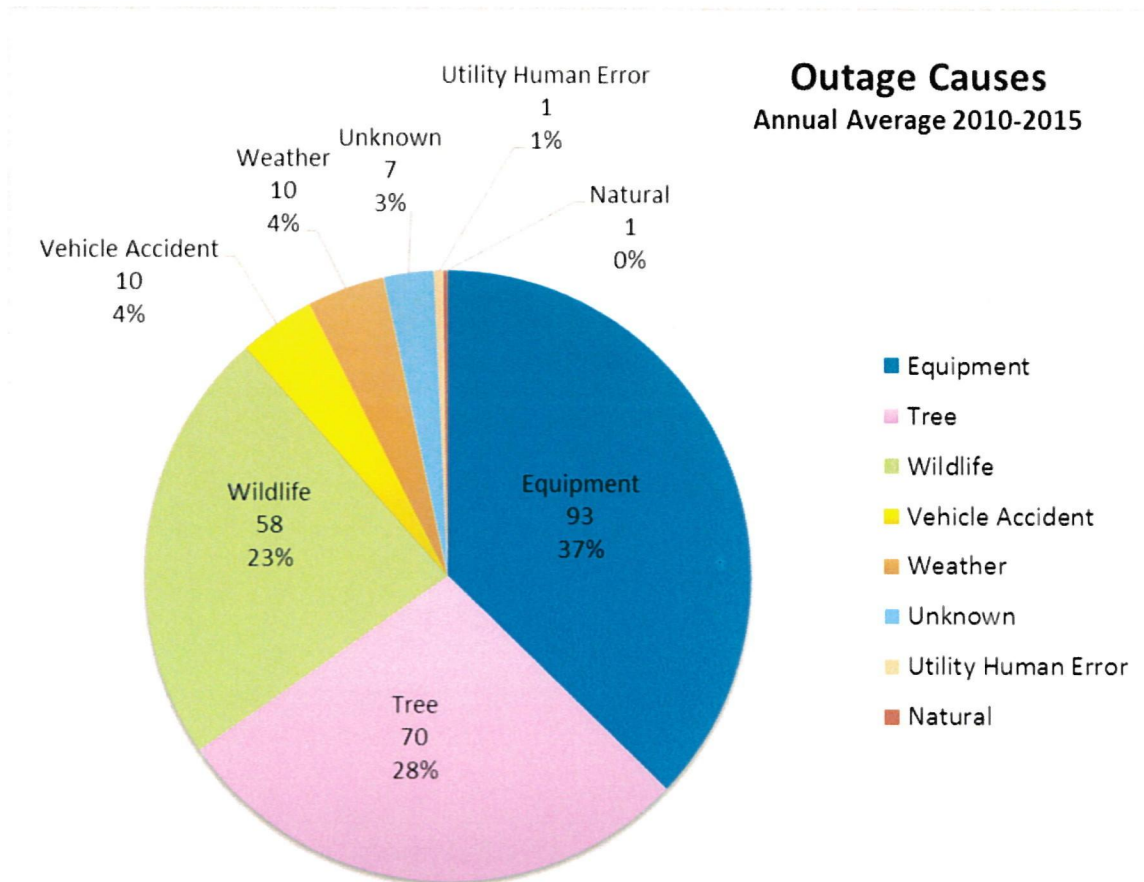
**Note:** Since SAIDI, SAIFI and CAIDI are sustained interruption indices; only outages lasting longer than one minute are included in the calculations.

Outages Causes Calendar YTD (from eReliability website)

January - July 2015



Outage Cause	Count
Equipment	30
Tree	20
Wildlife	16
Vehicle Accident	6
Utility Human Error	1
<b>Total</b>	<b>73</b>



MGL CHAPTER 30B BIDS  
ATTACHMENT 4

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

September 15, 2015

Town of Reading Municipal Light Board

Subject: Preventative Maintenance and Repair Services for all HVAC Equipment, including Ice Machines, Plant Wide

On August 10, 2015 a bid invitation was placed in the Goods and Services Bulletin and on August 12, 2015 placed as a legal notice in the Reading Chronicle, Middlesex East, requesting proposals for HVAC and Ice Machine Preventative Maintenance and Repair Service for the Reading Municipal Light Department.

An invitation to bid was sent to the following nineteen companies:


Ambient Temperature Corporation	Boston Mechanical Services	Breen & Sullivan Mechanical Services, Inc.
Carriere HVAC	Central Cooling & Heating, Inc.	Cooling & Heating Specialists, Inc.
Cooling Unlimited, Inc.	Cranney Companies	Enoch C. Shaw Co., Inc.
Falite Bros., Inc.	Honeywell Corp.	Lake Industries
Lohrman HVAC	Northeast Mechanical	Seaboard Mechanical Contractors
Soracco Plumbing & Heating	Stebbins Duffy	Total Temperature Control, Inc.
Trane Company		

Bids were received from three companies: Ambient Temperature Corporation, Johnson Controls Inc. and N.B. Kenney Company, Inc.

The bids were publicly opened and read aloud at 11:00 a.m. on September 10, 2015, in the Town of Reading Municipal Light Department's General Manager's Conference Room, 230 Ash Street, Reading, Massachusetts.

The bids were reviewed, analyzed and evaluated by staff and recommended to the General Manager. Move that bid 2016-02 for Preventative Maintenance and Repair Services for all HVAC Equipment, including Ice Machines, Plant Wide be awarded to: Ambient Temperature Corporation for \$71,368.00 as the lowest, qualified and responsive bidder on the recommendation of the General Manager.

The FY2016 Operating Budget amount for this item is \$38,000.00. (This is a 3-year contract.)

  
\_\_\_\_\_  
Coleen O'Brien

  
\_\_\_\_\_  
Hamid Jaffari

  
\_\_\_\_\_  
Paula O'Leary

Preventative Maintenance and Repair Services for all HVAC Equipment, including Ice Machines, Plant Wide

**Bid 2016-02**

<u>Bidder</u>	<u>Total 3-Year Cost</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Responsive Bidder</u>	<u>Exceptions</u>
<b>Ambient Temperature Corporation</b>	<b>\$71,368.00</b>	<b>\$12,769.00</b>	<b>\$28,077.00</b>	<b>\$30,522.00</b>	<b>Yes</b>	<b>No</b>
Johnson Controls	\$84,836.65	\$18,319.50	\$32,778.00	\$33,739.15	Yes	No
N.B. Kenney Company, Inc.	\$140,661.44	\$27,897.00	\$55,699.43	\$57,065.01	Yes	No



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

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

September 15, 2015

Town of Reading Municipal Light Board

Subject: S&C SCADA-Mate CX Switch

On August 19, 2015 a bid invitation was placed as a legal notice in the Middlesex East section of the Daily Times Chronicle requesting proposals for S&C SCADA-Mate CX Switch 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 Supply	HD Industrial Services	Genergy Corp.
MVA Power, Inc.	Siemens	

Bids were received from Yale Electric East LLC and WESCO.

The bids were publicly opened and read aloud at 11:00 a.m. September 10, 2015 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 2016-07 for S&C SCADA-Mate CX Switch be awarded to:

**Yale Electric East LLC for a total cost of \$55,748.00**

<u>Item (desc.)</u>	<u>Qty</u>	<u>Total Net Cost</u>
Item 1 - S&C Switch	2	\$55,748.00

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 FY16 Capital Budget allocation for the purchase of these units under the Distribution Protection & Automation project was estimated at \$69,000.

---

Coleen O'Brien

---

Hamid Jaffari

---

Peter Price

**S&C SCADA-Mate CX Switch  
Bid 2016-07**

<b>Bidder</b>	<u>Delivery Date</u>	<u>Total Net Cost</u>	<u>Meet Specification requirement</u>	<u>Firm Price</u>	<u>All forms filled out</u>	<u>Certified Check or Bid Bond</u>	<u>Exceptions to stated bid requirements</u>	<u>Authorized signature</u>
<b>Yale Electric East LLC Item 1 - S&amp;C Switch - quantity 2</b>	<b>14-16 weeks</b>	<b>\$55,748.00</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>no</b>	<b>yes</b>
<b>WESCO Item 1 S&amp;C Switch - quantity 2</b>	<b>14-16 weeks</b>	<b>\$56,860.00</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>no</b>	<b>yes</b>



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

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

September 15, 2015

Town of Reading Municipal Light Board

Subject: Relay Test Set

On August 5, 2015 a bid invitation was placed as a legal notice in the Middlesex East section of the Daily Times Chronicle requesting proposals for Relay Test Set for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

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

A bid was received from Omicron.

The bid was publicly opened and read aloud at 11:00 a.m. September 3, 2015 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

The bid was reviewed, analyzed and evaluated by the General Manager and the staff.

Move that bid 2016-08 for Relay Test Set be awarded to:

**Omicron for a total cost of \$51,640.00**

<u>Item (desc.)</u>	<u>Qty</u>	<u>Total Net Cost</u>
Item 1 Relay Test Set	1	\$46,990.00
Optional 5 year warranty		\$4,650.00
	Total	<u>\$51,640.00</u>

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



Reading Municipal Light Department  
RELIABLE POWER FOR GENERATIONS

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

The FY16 Capital Budget allocation for the purchase of these units under the Substation Test Equipment project was estimated at \$100,000.

\_\_\_\_\_  
Coleen O'Brien

\_\_\_\_\_  
Hamid Jaffari

\_\_\_\_\_  
Nick D'Alleva

Relay Test Set  
Bid 2016-08

Bidder	<u>Manufacturer</u>	<u>Delivery Date</u>	<u>Total Cost</u>	<u>Three (3) year warranty</u>	<u>Five (5) year warranty</u>	<u>All forms filled out</u>	<u>Firm Price</u>	<u>Certified Check or Bid Bond</u>	<u>Authorized signature</u>	<u>Exceptions to stated bid requirements</u>	<u>Meet Specification requirement</u>
Omicron Electronics Corp USA						yes	yes	yes	yes	yes	yes
Item 1 Relay Test Set	Omicron electronics GmbH	3-5 weeks	46,990.00	1,550.00	4,650.00						



**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

September 15, 2015

Town of Reading Municipal Light Board

Subject: Diesel Substation Generator

On August 5, 2015 a bid invitation was placed as a legal notice in the Middlesex East section of the Daily Times Chronicle requesting proposals for 60KW Diesel Substation Generator with 400 AMP Automatic Transfer Switch for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Power Sales Group	WESCO	Shamrock Power
Power Tech-UPSC	Hasgo Power Sales	Robinson Sales
EL Flowers & Associates	Genergy Corp.	MVA Power, Inc.
Siemens	JF Gray & Associates	MetroWest
HD Industrial Services	Prime Vendor, Inc.	Graybar Electric Company
Stuart C Irby	Spectrum Industries, Inc.	Power Products
Cummins Northeast	Kraft Power	J&D Power
Bond Brothers	Milton CAT	

Bids were received from Authorized Services of New England, Power Products, Kraft Power and Milton CAT.

The bids were publicly opened and read aloud at 11:00 a.m. September 3, 2015 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 2016-09 for 60KW Diesel Substation Generator with 400 AMP Automatic Transfer Switch be awarded to:

**Authorized Services of New England for a total cost of \$30,235.00**

<u>Item (desc.)</u>	<u>Qty</u>	<u>Total Net Cost</u>
60KW Diesel Substation Generator with 400AMP Automatic Transfer Switch	1	\$29,285.00
Optional 5 year warranty		\$950.00
	<b>Total</b>	<b>\$30,235.00</b>

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 FY16 Capital Budget allocation for the purchase of these units under the Station 4 (Gaw) Back-up Generator project was estimated at \$95,000.

\_\_\_\_\_  
Coleen O'Brien

\_\_\_\_\_  
Hamid Jaffari

\_\_\_\_\_  
Nick D'Alleva



**Diesel Substation Generator  
Bid 2016-08**

Bidder	Manufacturer	Delivery Date	Total Cost	Three (3) year warranty	Five (5) year warranty	All forms filled out	Firm Price	Certified Check or Bid Bond	Authorized signature	Exceptions to stated bid requirements	Meet Specification requirement
<b>Authorized Services of New England</b>						yes	yes	yes	yes	no	yes
60KW Diesel Substation Generator with 400AMP Automatic Transfer Switch	Generac	8 weeks	29,285.00	500.00	950.00	<b>Note:</b>	Additional closed transition switch \$4,857 added to bid form.				
<b>Power Products - non-responsive</b>						yes	yes	yes	yes	yes	yes
60KW Diesel Substation Generator with 400AMP Automatic Transfer Switch	Kohler	9-11 weeks	30,699.00	not available	963.00	<b>Exceptions:</b>	Power Products provides a resistive only load bank, which is not acceptable.				
						<b>Note:</b>	Additional closed transition switch \$4,656 added to bid form.				
<b>Kraft Power</b>						yes	yes	yes	yes	no	yes
60KW Diesel Substation Generator with 400AMP Automatic Transfer Switch	Kohler	8 weeks	31,980.00	not available	337.60						
<b>Milton CAT</b>						yes	yes	yes	yes	no	yes
60KW Diesel Substation Generator with 400AMP Automatic Transfer Switch	Catterpilla	9-12 weeks	34,416.00	1,045.00	1,225.00						

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.rmld.com

September 15, 2015

Town of Reading Municipal Light Board

Subject: IFB 2016-10 - Hourly Rates for Line Construction Work as Needed, Storm Management Line Construction and Restoration

On September 2, 2015, a bid invitation was placed as a legal notice in the Middlesex East section of the Reading Chronicle requesting proposals for hourly rates for line construction work as needed, storm management line construction and restoration for the Reading Municipal Light Department.

An invitation to bid was mailed to the following:

Albanese Brothers, Inc.  
Aqua Line Utility  
ElecComm Corporation  
Fischbach & Moore  
GEOD Consulting  
Grattan Line Construction Corp.  
Hamilton Electric Co., Inc.  
Hawkeye/Halpin Line Construction Co.  
Hi Volt Line Construction & Maintenance  
K.B. Aruda Construction, Inc.

Mass Bay Electric  
Maverick Construction Corporation  
McDonough Electric Construction  
N. Granese & Sons, Inc.  
Northeast Line Construction Corp.  
OSP LLC  
Power Line Contractors  
Thiraul LLC  
Utility Service & Assistance, Inc.

One bid was received from Maverick Construction Corporation.

Bids were publicly opened and read aloud at 11:00 a.m., September 10, 2015, in the Town of Reading Municipal Light Department's Board Room at 230 Ash Street, Reading, Massachusetts.

The bid was reviewed, analyzed and evaluated by the General Manager and the staff.

Move that Bid 2016-10 - Hourly Rates for Line Construction Work as Needed, Storm Management Line Construction and Restoration be awarded to **Maverick Construction Corporation** as the lowest qualified bidder on the recommendation of the General Manager.

Coleen O'Brien, General Manager

Hamid Jafari, Director of Engineering & Operations

Steve DeFerrari, General Line Foreman

**Hourly Rates for Line Construction Work as Needed, Storm Management Line  
Construction and Restoration**

**Bid 2016-10**

**Bidder :** Maverick Construction Corporation

	10/1/2015 thru 9/30/2016	10/1/2016 thru 9/30/2017	10/1/2017 thru 9/30/2018
<b>Regular Hourly Rate - 7:00 am - 3:00 pm</b>			
Leader Lineman or Working Foreman	\$100.00	\$102.50	\$106.00
Lineman Class I/Journeyman	\$96.00	\$97.50	\$100.00
Material Handler	\$48.00	\$48.00	\$49.00
Digger Derrick	\$51.00	\$51.00	\$52.00
<b>Crew Rates:</b>			
<i>Hourly: 2-man crew with material handler</i>	\$244.00	\$248.00	\$255.00
<i>Hourly: 2-man crew with digger derrick</i>	\$247.00	\$251.00	\$258.00
<i>Weekly: 2-man crew with material handler</i>	\$9,760.00	\$9,920.00	\$10,200.00
<i>Weekly: 2-man crew with digger derrick</i>	\$9,880.00	\$10,040.00	\$10,320.00
<b>Overtime Hourly Rate - 3:00 pm - 7:00 am</b>			
Leader Lineman or Working Foreman	\$135.00	\$137.50	\$141.00
Lineman Class I/Journeyman	\$127.00	\$129.50	\$133.00
Material Handler	\$48.00	\$48.00	\$49.00
Digger Derrick	\$51.00	\$51.00	\$52.00
<b>Crew Rates:</b>			
<i>Hourly: 2-man crew with material handler</i>	\$310.00	\$315.00	\$323.00
<i>Hourly: 2-man crew with digger derrick</i>	\$313.00	\$318.00	\$326.00
<b>Emergency Rate (Storms)</b>			
Leader Lineman or Working Foreman	\$176.00	\$187.00	\$192.00
Lineman Class I/Journeyman	\$169.00	\$176.00	\$180.00
Material Handler	\$55.00	\$55.00	\$57.00
Digger Derrick	\$58.00	\$58.00	\$60.00
<b>Crew Rates:</b>			
<i>Hourly: 2-man crew with material handler</i>	\$400.00	\$418.00	\$429.00
<i>Hourly: 2-man crew with digger derrick</i>	\$403.00	\$421.00	\$432.00

**Note:** 2-man crew consists of one Leader Lineman/Working Foreman and one Lineman Class 1/Journeyman

BOARD MATERIAL AVAILABLE  
BUT NOT DISCUSSED

## Jeanne Foti

---

**From:** Jeanne Foti  
**Sent:** Thursday, September 17, 2015 1:09 PM  
**To:** RMLD Board Members Group  
**Cc:** Patricia Mellino  
**Subject:** Account Payable and Payroll Questions

Good morning.

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

### **Account Payable Warrant – No Questions**

July 17, July 24, July 31, August 7, August 21, August 28, September 4 and September 11.

### **Payroll – No Questions**

July 27, August 10, August 24 and September 7, 2015.

This e-mail will be printed for the Board Packet for the RMLD Board meeting on September 24, 2015.

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.

## Jeanne Foti

---

**From:** Coleen O'Brien  
**Sent:** Monday, August 17, 2015 1:36 PM  
**To:** David Talbot  
**Cc:** Dave Hennessy; John Stempeck; Phil Pacino; Tom O'Rourke; Jeanne Foti; Patricia Mellino; Accounting Group; Mark Uvanni; Paula O'Leary; Marianne Fabbri  
**Subject:** Account Payable Warrant Questions - August 14, 2015  
**Categories:** Blue Category

Good afternoon Dave:

The following are Account Payable Warrant Questions - August 14, 2015.

Talbot

1. Fred Davis - (\$140,985 this mo.) Was the \$518,000 for LED fixtures. Put out for a public bid? I don't recall at the moment.

*Since the beginning of the Streetlight Pilot Program, RMLD utilized the OSD Massachusetts State Contract "Maintenance, Repair & Operations (MRO) Products, Supplies and Equipment Statewide Contract" #FAC 76, Cat 6, in lieu of going out to bid, which is acceptable practice under M.G.L., Chapter 30B. Cat 6 of the Contract is specific to Electrical and Lighting including LED Outdoor Lighting.*

*RMLD obtained quotes from three vendors on this state contract vendor listing under Cat 6. The quotes obtained were from Fred Davis, Standard Electric and Graybar.*

*RMLD chose Fred David because they were the lowest vendor and satisfied RMLD's requirements. Graybar Electric was non responsive.*

2. AT&T – Why still paying \$1/minute on "state to state calls" for bills at \$1,280 - \$1,800 per month? The previous answer was that Town Hall controls this, not RMLD. Any update on looking for savings on various radio/telephone charges including these antiquated phone bills?

*The RMLD currently has the capability for voice over IP. RMLD has a meeting with Beacon Communications, Thursday August 20th. Purchasing has been working with AT&T to depart from the current configuration with the town, to consolidate with Verizon for the interim.*

*Coleen M. O'Brien*  
General Manager  
Reading Municipal Light Department  
230 Ash Street  
Reading, MA 01867

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

August-15

	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
<b>READING MUNICIPAL LIGHT DEPT.</b>							
TOTAL BILL	<b>\$105.57</b>	<b>\$182.53</b>	<b>\$128.98</b>	<b>\$924.79</b>	<b>\$180.77</b>	<b>\$4,335.08</b>	<b>\$697,874.72</b>
PER KWH CHARGE	\$0.14076	\$0.12169	\$0.12898	\$0.12668	\$0.16738	\$0.12386	\$0.10144
<b>NATIONAL GRID</b>							
TOTAL BILL	<b>\$128.23</b>	<b>\$250.68</b>	<b>\$170.97</b>	<b>\$1,284.84</b>	<b>\$184.71</b>	<b>\$4,710.12</b>	<b>\$781,925.81</b>
PER KWH CHARGE	\$0.17098	\$0.16712	\$0.17097	\$0.17601	\$0.17103	\$0.13457	\$0.11366
% DIFFERENCE	21.46%	37.34%	32.56%	38.93%	2.18%	8.65%	12.04%
<b>EVERSOURCE(NSTAR)</b>							
TOTAL BILL	<b>\$144.18</b>	<b>\$284.78</b>	<b>\$190.10</b>	<b>\$1,497.67</b>	<b>\$211.31</b>	<b>\$7,259.45</b>	<b>\$905,682.70</b>
PER KWH CHARGE	\$0.19224	\$0.18985	\$0.19010	\$0.20516	\$0.19566	\$0.20741	\$0.13165
% DIFFERENCE	36.57%	56.01%	47.39%	61.95%	16.90%	67.46%	29.78%
<b>PEABODY MUNICIPAL LIGHT PLANT</b>							
TOTAL BILL	<b>\$91.82</b>	<b>\$177.33</b>	<b>\$120.32</b>	<b>\$987.06</b>	<b>\$148.19</b>	<b>\$4,875.83</b>	<b>\$672,170.80</b>
PER KWH CHARGE	\$0.12242	\$0.11822	\$0.12032	\$0.13521	\$0.13722	\$0.13931	\$0.09770
% DIFFERENCE	-13.03%	-2.85%	-6.71%	6.73%	-18.02%	12.47%	-3.68%
<b>MIDDLETON MUNICIPAL LIGHT DEPT.</b>							
TOTAL BILL	<b>\$99.77</b>	<b>\$198.39</b>	<b>\$132.64</b>	<b>\$959.51</b>	<b>\$168.44</b>	<b>\$4,762.93</b>	<b>\$807,171.40</b>
PER KWH CHARGE	\$0.13303	\$0.13226	\$0.13264	\$0.13144	\$0.15596	\$0.13608	\$0.11733
% DIFFERENCE	-5.50%	8.69%	2.84%	3.75%	-6.82%	9.87%	15.66%
<b>WAKEFIELD MUNICIPAL LIGHT DEPT.</b>							
TOTAL BILL	<b>\$126.74</b>	<b>\$235.92</b>	<b>\$159.38</b>	<b>\$1,202.79</b>	<b>\$191.68</b>	<b>\$5,648.08</b>	<b>\$955,959.30</b>
PER KWH CHARGE	\$0.16898	\$0.15728	\$0.15938	\$0.16477	\$0.17749	\$0.16137	\$0.13896
% DIFFERENCE	20.04%	29.25%	23.57%	30.06%	6.04%	30.29%	36.98%

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

September-15

	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
<b>READING MUNICIPAL LIGHT DEPT.</b>							
TOTAL BILL	<b>\$104.74</b>	<b>\$180.87</b>	<b>\$127.87</b>	<b>\$924.79</b>	<b>\$180.77</b>	<b>\$4,335.08</b>	<b>\$697,874.72</b>
PER KWH CHARGE	\$0.13965	\$0.12058	\$0.12787	\$0.12668	\$0.16738	\$0.12386	\$0.10144
<b>NATIONAL GRID</b>							
TOTAL BILL	<b>\$128.23</b>	<b>\$250.68</b>	<b>\$170.97</b>	<b>\$1,284.84</b>	<b>\$184.71</b>	<b>\$4,710.12</b>	<b>\$787,284.64</b>
PER KWH CHARGE	\$0.17098	\$0.16712	\$0.17097	\$0.17601	\$0.17103	\$0.13457	\$0.11444
% DIFFERENCE	22.43%	38.60%	33.71%	38.93%	2.18%	8.65%	12.81%
<b>EVERSOURCE(NSTAR)</b>							
TOTAL BILL	<b>\$144.18</b>	<b>\$284.78</b>	<b>\$190.10</b>	<b>\$1,497.67</b>	<b>\$211.31</b>	<b>\$7,259.45</b>	<b>\$905,682.70</b>
PER KWH CHARGE	\$0.19224	\$0.18985	\$0.19010	\$0.20516	\$0.19566	\$0.20741	\$0.13165
% DIFFERENCE	37.66%	57.45%	48.67%	61.95%	16.90%	67.46%	29.78%
<b>PEABODY MUNICIPAL LIGHT PLANT</b>							
TOTAL BILL	<b>\$91.82</b>	<b>\$177.33</b>	<b>\$120.32</b>	<b>\$987.06</b>	<b>\$148.19</b>	<b>\$4,875.83</b>	<b>\$672,170.80</b>
PER KWH CHARGE	\$0.12242	\$0.11822	\$0.12032	\$0.13521	\$0.13722	\$0.13931	\$0.09770
% DIFFERENCE	-12.34%	-1.95%	-5.90%	6.73%	-18.02%	12.47%	-3.68%
<b>MIDDLETON MUNICIPAL LIGHT DEPT.</b>							
TOTAL BILL	<b>\$99.77</b>	<b>\$198.39</b>	<b>\$132.64</b>	<b>\$959.51</b>	<b>\$168.44</b>	<b>\$4,762.93</b>	<b>\$807,171.40</b>
PER KWH CHARGE	\$0.13303	\$0.13226	\$0.13264	\$0.13144	\$0.15596	\$0.13608	\$0.11733
% DIFFERENCE	-4.75%	9.69%	3.73%	3.75%	-6.82%	9.87%	15.66%
<b>WAKEFIELD MUNICIPAL LIGHT DEPT.</b>							
TOTAL BILL	<b>\$126.74</b>	<b>\$235.92</b>	<b>\$159.38</b>	<b>\$1,202.79</b>	<b>\$191.68</b>	<b>\$5,648.08</b>	<b>\$955,959.30</b>
PER KWH CHARGE	\$0.16898	\$0.15728	\$0.15938	\$0.16477	\$0.17749	\$0.16137	\$0.13896
% DIFFERENCE	21.00%	30.44%	24.64%	30.06%	6.04%	30.29%	36.98%