

**READING MUNICIPAL
LIGHT DEPARTMENT**

**BOARD
OF
COMMISSIONERS**

REGULAR SESSION

JANUARY 29, 2014



READING MUNICIPAL LIGHT DEPARTMENT
BOARD OF COMMISSIONERS MEETING

230 Ash Street
Reading, MA 01867
January 29, 2014
7:30 p.m.

1. Call Meeting to Order
2. Opening Remarks
3. Introductions
4. Public Comment
5. Approval of Board Minutes (Tab A)
December 12, 2013 ACTION ITEM
6. Report of the Chairman
 - a. Update on Charter Committee
Note: Report will be given by Vice Chair Pacino
7. General Manager's Report – Ms. O'Brien – General Manager
 - a. Organizational Study RFP
8. Power Supply Report – December 2013 – Ms. Parenteau (Tab B)
9. Financial Report – December 2013 – Mr. Fournier (Tab C)
10. M.G.L. Chapter 30B Bids (Tab D) ACTION ITEM
 - a. IFB 2014-12 Single Phase Pad Mounted FR3 Transformers
Suggested Motion:
Move that bid 2014-12 for Single Phase Pad Mounted FR3 Transformers be awarded to WESCO for a total cost of \$149,855.00 as the lowest qualified bidder on the recommendation of the General Manager.
 - b. IFB 2014-13 Single Phase Pole Mounted Transformers
Suggested Motion:
Move that bid 2014-13 for Single Phase Pole Mounted Transformers be awarded to WESCO for a total cost of \$99,792.00 as the lowest qualified bidder on the recommendation of the General Manager.
 - c. IFB 2014-14 Three Phase Pad Mounted Transformers
Suggested Motion:
Move that bid 2014-14 for Three Phase Pad Mounted Transformers be awarded to WESCO for a total cost of \$143,869.00 as the lowest qualified bidder on the recommendation of the General Manager.
 - d. IFB 2014-15 Three Phase Pole Mounted Transformers
Suggested Motion:
Move that bid 2014-15 for Three Phase Pole Mounted Transformers be awarded to WESCO for a total cost of \$62,625.00 as the lowest qualified bidder on the recommendation of the General Manager.

10. M.G.L. Chapter 30B Bids (Tab D)

e. IFB 2014-16 15kV Aerial Spacer Cable

Suggested Motion:

Move that bid 2014-16 for 15kV Aerial Spacer Cable be awarded to Arthur Hurley for a total cost of \$58,275.00 as the lowest qualified bidder on the recommendation of the General Manager.

11. Cost of Service Study – Consideration of Rate Adjustment Ms. O’Brien – General Manager (Tab E) ACTION ITEM

- Public Input
- Final Vote

a. Informational Items

- i. MDPU Tariff Filings Numbers 228 through 235
- ii. Memo from General Manager
- iii. Memo from Mr. Mayhew Seavey, PLM Electric Power Engineering
- iv. Rate Comparison – Proposed RMLD Rates vs. Other Local Utilities
- v. Legal Opinion on PILOT – Rubin and Rudman

Suggested Motion:

Move that the Reading Municipal Light Department Board of Commissioners approve the adoption of the rates MDPU numbers #228, 229, 230, 231, 232, 233, 234, 235 dated to be filed January 30, 2014 on the recommendation of the General Manager.

Rate	Tariff #
Residential Schedule A	MDPU #228
Residential Schedule RW	MDPU #229
Residential Time-of-Use Schedule A2 Rate	MDPU #230
Commercial Schedule C	MDPU #231
Industrial Time-of-Use Schedule I	MDPU #232
School Schedule SCH	MDPU #233
Street Lighting Rate Schedule D	MDPU #234
Cooperative Resale Schedule G	MDPU #235

12. General Discussion

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED
Rate Comparisons, January 2014
E-Mail responses to Account Payable/Payroll Questions

RMLD Board Meetings

Thursday, February 27, 2014
Wednesday, March 26, 2014

Citizens’ Advisory Board Meeting

Wednesday, March 12, 2014 - Tentative
Fiscal Year 2015 Budget Meetings
April 2, 2014 – Lynnfield – April 9, 2014

13. Executive Session

ACTION ITEM

Suggested Motion:

Move that the Board go into Executive Session to approve the Executive Session meeting minutes, based on Chapter 164, Section 47D exemption from public records and open meeting requirements in certain instances, to discuss mediation and union negotiations update, and return to Regular Session for the sole purpose of adjournment.

14. Adjournment

ACTION ITEM

Suggested Motion:

Move to adjourn the Regular Session.



REGULAR SESSION MEETING
MINUTES
BOARD REFERENCE TAB A



Reading Municipal Light Board of Commissioners

Regular Session

230 Ash Street

Reading, MA 01867

December 12, 2013

Start Time of Regular Session: 7:30 p.m.

End Time of Regular Session: 9:45 p.m.

Commissioners:

John Stempeck, Chairman

Robert Soli, Commissioner

David Mancuso, Commissioner

Philip B. Pacino, Vice Chair

David Talbot, Secretary

Staff:

Coleen O'Brien, General Manager

Jeanne Foti, Executive Assistant

Priscilla Gottwald, Community Relations Manager

Beth Ellen Antonio, Human Resources Manager

Bob Fournier, Accounting/Business Manager

Jane Parenteau, Energy Services Manager

Citizens' Advisory Board:

Tom Ollila

Rubin and Rudman LLP:

Diedre T. Lawrence

PLM:

Mayhew Seavey

Public:

Marsie West

Call Meeting to Order

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

Opening Remarks

Chairman Stempeck welcomed Tom Ollila Citizens' Advisory Board (CAB) member and then read the RMLD Board of Commissioners Code of Conduct. The RMLD Board of Commissioners recognizes the importance of hearing public comment, at the discretion of the Chair, on items on the official agenda as well as on item(s) not on the official agenda. We ask that all questions or comments from the public be directed to the Chair and that all parties, including members of the RMLD Board, act in a professional and courteous manner when addressing the Board or responding to comments. Once recognized by the Chair, all persons addressing the Board shall state their name and address prior to speaking. It is the role of the Chair to maintain order in all public comment or ensuing discussion.

Chairman Stempeck asked Mr. Talbot to perform the duties of Secretary for the meeting.

Approval of Board Minutes (Attachment 1)

September 25, 2013

Mr. Pacino made a motion seconded by Mr. Soli that the RMLD Board of Commissioners approve the Regular Session meeting minutes of September 25, 2013, as presented.

Motion carried: 4:0:1. Chairman Stempeck abstained; he was not present at the meeting.

October 30, 2013

Mr. Soli made a motion seconded by Mr. Pacino that the RMLD Board of Commissioners approve the Regular Session meeting minutes of October 30, 2013, as presented.

Motion carried: 5:0:0.

Report of the Chairman (Attachment 2)

Town of Reading Subsequent Town Meeting

Chairman Stempeck reported that he and General Manager Coleen O'Brien presented information on five items at the Town of Reading's Town Meeting: 1. The Impact of Gas Within Our Northeastern Environment; which has been very helpful when the generators are running on gas, unfortunately the flip side is gas constraints exist during the winter months driving up the gas rates dramatically. Chairman Stempeck said that the constraint is due to the pipelines and that the pipeline suppliers are not planning on increasing capacity anytime in the near future. 2. Renewable Energy Credits; which the RMLD has sold in accordance with policy and will continue to do so. 3. Energy Conservation; the impact of energy conservation focused on peak shaving is a very tangible savings in terms of RMLD. 4. Return on Investment to Reading; which was approximately \$2.5 million. 5. The RMLD's successful General Manager Search: this resulted in hiring Ms. Coleen O'Brien. Chairman Stempeck asked Ms. O'Brien if she had anything to add. Ms. O'Brien thanked Chairman Stempeck, she stated that at the Town Meeting she provided a brief overview of her charge to develop a long term strategic plan aimed at reliability, organizational structure, and keeping rates low. Ms. O'Brien stated that she was glad to have been introduced to the Meeting body and appreciated Chairman Stempeck's comments.

Chairman Stempeck recognized Selectman West who was in attendance at the meeting.

Report of the Chairman

Town of Reading Home Rule Charter Changes

Chairman Stempeck stated that the Town of Reading Home Rule Charter changes are being brought up in open session with three attachments: 1. Letter dated November 25, 2013, from Laura Gemme, Town Clerk; in the April 2013 Town Meeting there was an instructional meeting to create a committee to examine the Home Rule Charter and to suggest changes to that charter. Chairman Stempeck said that the meeting was originally scheduled for December 4 and moved to December 2. Chairman Stempeck stated that the reason he asked that this be on the agenda this evening was his concern that changes were being suggested at that meeting. The RMLD was unaware of them, and these changes might impact us or play a role outside of the purview of the Town of Reading. Chairman Stempeck wanted to be sure that the Committee and the Board of Commissioners were in sync with making suggestions that were appropriate and could be fulfilled. Chairman Stempeck expressed his surprise when Commissioner Pacino was called to attend the meeting and to find that Commissioners Pacino and Mancuso were already on that committee. Chairman Stempeck stated that they were unaware as a Commission that this was happening and as a result had a few questions to ask. Chairman Stempeck reported that he had written a note to the Town Clerk to be distributed then read the note aloud.

Dear Sirs: The Reading Municipal Light Board of Commissioners has not had an opportunity to review the content within the suggested proposed changes. As such, any suggested changes in the present document are premature and need to be approved via the entire Municipal Light Board. At this time, they must take exception to any and all changes until they are determined to fall within Home Rule Charter versus Massachusetts state law. Thank you.

Chairman Stempeck stated that they are just trying to coordinate things and opened the floor to Commissioners Pacino and Mancuso to give a heads up of why the entire Board was not involved in the process. Mr. Pacino reported that this was an instructional motion that came from Town Meeting to review and update the language in the Charter it was not to make any substantive changes at this point. Mr. Pacino stated that the motion was to have one representative from each of the eight precincts in town and said that the idea was to bring it up in accordance with reality or what is really going on. Mr. Pacino said that in terms of not knowing, his assumption was that everyone knows what is going on in Town Meeting. Mr. Pacino reported on the changes that have been made, in the second paragraph the reference there was removed and it is now covered under Chapter 164, there is an update on changing the name to Municipal Light Board of Commissioners which is the official stated name in Chapter 164 and in the fourth paragraph under the School Committee the change would be that they would set the duties in terms of employment instead of adding all the extra wording.

Mr. Pacino said that this is all tentative and they are a long way from being done, many of the changes have already been reviewed by the Town Counsel and at the end of this process Reading Town Counsel will review the entire process again. The meeting was originally scheduled for December 4 the original memo before you was an error sent with the wrong date. Mr. Pacino stated that the committee meets every two weeks and will be meeting next Monday night, all are welcome to attend. Mr. Pacino said that if there are any comments to certainly get them back to the committee to make whatever changes need to be made. Mr. Pacino reported that this information was conveyed to the CAB at their last meeting and that all this information is available on the Town of Reading's website under Bylaws. Mr. Pacino said that nothing is in stone and welcomes any comments. Mr. Pacino reported that there are some controversial issues that they are proposing; decreasing the size of Town Meeting, making the Board of Assessors and the Board of Library Trustees elected.

Report of the Chairman

Town of Reading Home Rule Charter Changes

Chairman Stempeck asked if Mr. Mancuso had anything to add. Mr. Mancuso stated that he only mentioned this to Chairman Stempeck as they were walking down the hall, but will try and make sure that as a new Board member and as these kinds of things come up he will do it in writing so that there is a record of it. Mr. Mancuso said that it is important to keep in mind that the Town Charter process is somewhat separate from this Board in terms of authority and responsibility and while he is sure that there is going to be open door input at the end of the day it is beyond the scope of what he and Mr. Pacino have as two members of that committee to guarantee any outcome as it will be of the will of the larger body of fifteen people. Mr. Mancuso stated that as Mr. Pacino said, that the important thing for them as Commissioners is that they are simply trying to make sure that there is no confusion in the Town Charter about the authority that our General Manager has or the authority that this Board has that is relative to the town and that they are really trying to do what they can to polish up the language to make sure that it is really clear of who is responsible for what, that is the only goal.

Chairman Stempeck said that as a Commission it is awkward to have two of our commissioners on a committee and we are not made aware of, to be suggesting changes that are right, wrong or indifferent as a courtesy they rest of the Board should have been made aware before it was presented to the committee. Chairman Stempeck stated that it was awkward and maybe even stretched to a conflict of interest because you are involved in us so intimately and yet the entire Board did not know what was being presented to the town. Chairman Stempeck said that some of the items here may be portrayed straight forward or quite innocent, however when you look into them a little bit further there are questions of the Board not being able to set the compensation of the General Manager or to be removed by a vote of majority. Chairman Stempeck stated that there is only one person that reports to the Board and that is our General Manager, so any change in those abilities of the Board to govern are pretty significant, it is the one thing that they do outside of identifying and hiring the General Manager other than setting policy. Chairman Stempeck would like the Board to be more coordinated and would appreciate if they could do that together as opposed to separately, perhaps from this point forward. Chairman Stempeck said that he did ask Diedre Lawrence to chat about the difference of what can be done in terms of making suggestions in this manner versus what cannot be done under state law. Chairman Stempeck stated that the reason for this is that he does not want the Board to appear foolish by making suggestions that they cannot implement for which come up later and find that it is not appropriate. Mr. Mancuso said that there was not any intention on his or Mr. Pacino's part to not have this conversation and so it is completely acceptable and appropriate and both are happy to cooperate. Mr. Mancuso stated that many of these things that they will be discussing on another item are a matter of timing and so they are crystal clear that there was no intention on our part accept to act in good faith as citizens of this town in our capacity on that committee and as members of this commission respecting both of those roles. Chairman Stempeck said he was sure that was the case. Mr. Pacino stated that the changes that you see here were not proposed by himself or Mr. Mancuso. Mr. Mancuso said that they are all on board with the need to communicate and that later on this evening there will actually be an agenda item that will make your point.

Mr. Soli said that it sounds to him like this is an Ad Hoc Committee and wondered when the Selectmen approved membership on both the Ad Hoc Committee and other town boards and commissions. Mr. Pacino replied that this is not appointed by the Selectmen this is appointed by the Moderator, this is a committee of Town Meeting. Mr. Soli said however, this is not Town Meeting and understands that one may be a Town Meeting member and cannot belong to another board or commission without approval for example, when he was working at the elections all the election workers had to get approval from the Board of Selectmen that they could be both an election worker and hold some other position in town. Mr. Pacino asked Mr. Soli what his point was. Mr. Soli replied that it was not acting as Town Meeting they were acting as another body and asked does acting as another body in addition to being a commissioner require Selectmen approval. Mr. Pacino replied that for this committee his is not aware that this is the case. Chairman Stempeck stated that they should get clarification for this after the meeting just to make sure that they are doing things appropriately and if anything it is good that commissioners participate in the town. Chairman Stempeck reiterated that for the courtesy of knowing that you are doing it, knowing what is being said so that they can all agree so they do not have to chase you downstream and that they were not violating anything in terms of a Charter in one organization or another.

Chairman Stempeck asked if there was any comment from the public in terms of this, there was none.

Report of the Chairman

Remote Participation Policy – Town of Reading

Chairman Stempeck said that this is an excellent thing to have been approved by the Board of Selectmen and it ties into the electronic format these days of being able to participate. Mr. Pacino stated that it was an excellent idea and wondered how they would work it in this room to have remote participation. Mr. Pacino asked if there was a phone that they could call into here and asked if a conference system like that in the General Manager's conference room could be installed here to call in. Chairman Stempeck wanted to make everyone aware that the policy is in place and all are welcomed to use it. Mr. Pacino said that the only thing that he had noticed was if you had more than one person on the phone and one was to lose the connection then the conference call would have to stop.

Report of the Chairman

Remote Participation Policy – Town of Reading

Mr. Mancuso asked if they would have to adopt this policy as a separate Board, it has been adopted by the Town and the Board of Selectmen is it something that would they have to procedurally adopt. Mr. Mancuso said that it is a great idea and is personally all for it, allowing for broader participation with everybody's busy schedule and wondering how they would adopt it. Mr. Pacino's thought was that it would be up to the Department to implement it. Ms. West stated that this was discussed at great length with the Board of Selectmen and since they adopted the policy it applies to all the rest of the Boards, Committees and Commissions within the town. The RMLD should have actually gotten something in the mail that said this was now policy and that there is no need for you to adopt it separately. Ms. West said that she did participate remotely in a meeting so they have actually had that happen on more than one occasion. Mr. Pacino asked Ms. West if this only covers meetings held in the Town of Reading so if the CAB met outside the Town of Reading this would not apply to them. Ms. West replied that she was not sure about that and asked if the CAB was a Reading group or not and was not sure how that would necessarily apply and that this would be a good thing to bring up with Counsel.

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

Retrofit for customer Jack Devir

Ms. O'Brien reported that during National Public Power Week the RMLD had an Open House that was successful and as part of that the RMLD provided, as a lottery, one home retrofit for LEDs up to \$500; a collaboration with Home Depot. Mr. Jack Devir of Reading won the retrofit. Ms. O'Brien indicated that Mr. Devir was asked, if RMLD could retrieve savings data after his conversion so that the data could be shared with other homeowners on the typical savings of a LED replacement project. The data would be provided under "Saving Energy and Money" on the RMLD website; a January or February target date was given by Mr. Devir.

Organizational Study RFP

Ms. O'Brien reported that the RMLD is currently working with Cotte and Associates and are at the final draft stage on the RFP, looking at a possible January bid. Ms. O'Brien stated that the Organizational Study would require a number of input components; A Long Term Reliability Study, which would be a component of the RFP and an independent Cost of Service Study, along with a six year Financial Plan. Ms. O'Brien said that it typically takes about 1.5 to 2 months to perform a preliminary Reliability Study, then inputted into the ongoing Organizational Study as a parallel effort, Ms. O'Brien indicated that she was hopeful to have a late spring presentation. Ms. O'Brien reported that all of the components are integral and key to the Final Strategic Plan.

Power Supply Report – October 2013 – Ms. Parenteau (Attachment 3)

Ms. Parenteau presented the October Power Supply Report provided in the Commissioner packets covering power supply charges, energy costs, fuel charges and collections, fuel reserve balance, spot market purchases, capacity costs, as well as the percentage of RMLD's hydro projects and energy efficiency measures installed.

Ms. Parenteau reported that the RMLD's load for October was approximately 55.3 million kWhs and which is a 0.4% decrease from October 2012. RMLD's energy cost came in at approximately \$1.7 million and that is equivalent to approximately \$.03 per kilowatt hour. Ms. Parenteau stated that the Fuel Charge adjustment was set at \$.04 per kilowatt hour for the month of October and the RMLD sales totaled 53.7 million kilowatt hours, as a result the RMLD over collected by approximately \$130,000 resulting in a Deferred Fuel Cash Reserve balance of \$3.6 million. The November and December Fuel Charge adjustment remained at \$.04 and the Deferred Fuel Cash Reserve is projected to be a little over \$2.7 million at the end of the calendar year.

The RMLD purchased about 8% of its energy requirements from the ISO New England Spot Market and the average cost of \$39 per megawatt hour. Ms. Parenteau reported on the Capacity side the RMLD hit a peak demand of 99.6 megawatts on October 7 at 8:00 p.m., the temperature was 71 degrees and this compares to a peak demand of 4 megawatts lower in October 15, 2012 at 7:00 p.m. when the temperature was 49 degrees. The RMLD's monthly capacity requirement was 215 megawatts of capacity equivalent to \$1.48 million or just under \$7 kilowatt month.

Ms. Parenteau reported that for capacity and energy costs as well as energy generated in kilowatt hours for the month of October, RMLD capacity and energy costs came in at just under \$.057 per kilowatt hour. In addition, for the month of October, 4.3% of our energy purchases were generated from hydro generation.

Power Supply Report – October 2013 – Ms. Parenteau (Attachment 3)

The RMLD has received approximately 10,000 RECs from Purchase Power Agreements for the January through October frame. There were 4,600 RECs that sold for \$245,000 which was included in the October fuel, the market value of the remaining RECs is about \$491,000. Ms. Parenteau reported that the RMLD is currently reviewing a sales agreement with a buyer to purchase the second quarter RECs which is about 6,400 RECs for a total of about \$340,000.

Ms. Parenteau reported that the RMLD's total transmission cost for the month of October was \$1.1 million which is approximately a 14% increase from September 2013.

The RMLD processed ten commercial lighting rebates totaling \$38,000 bringing the fiscal year total to \$67,000. The RMLD calculates the capacity savings to be approximately 187 kilowatts and the energy savings to be approximately 846 megawatt hours. On the residential side the RMLD calculates 87 kilowatts of capacity savings and 65 megawatt hours of energy savings. To date the RMLD has processed 507 residential rebates totaling \$23,700 and 131 RMLD customers have received audits totaling \$26,200.

Mr. Talbot said that there was a question from the public over the past month that he had sent on to you and Ms. O'Brien, asking for a breakdown of how much of the RMLD supply is renewable and nuclear, what the percentage is right now. Ms. Parenteau said that if you look at the graph below Table 2, it lists the projects by resources. Mr. Talbot stated that it looked as though 16% to 17% would be nuclear. Ms. Parenteau said that would be Seabrook and Millstone #3. Mr. Talbot asked what the simple answer was adding up the asterisked ones. Ms. O'Brien replied 4.34%. Mr. Talbot asked plus 16% that is nuclear would add it up to 20%. Ms. Parenteau replied that is correct. Mr. Talbot asked with the recent contracts signed would that move it up too? Ms. Parenteau replied that was two hydro projects and the RMLD is looking at another wind project that will be presented to the Board in Executive Session this evening. The RMLD is also looking at some additional hydro projects in 2014 as well as another wind project. RMLD has residential solar that is growing and looking for commercial opportunities. Mr. Talbot asked if all of those come to fruition what would they add up to. Ms. Parenteau replied that it is really fluid and volatile with these projects after going through the motions with interconnecting and permitting they may or may not come to fruition. Currently given what we have in our queue if all those projects came online in 2015 it would be around 18%. Ms. Parenteau reported that the big kicker to that is the Concord Steam Project which was about 6% of the overall portfolio and that may or may not happen. The RMLD should know within the next couple of days. Mr. Talbot asked that it would then be 18% plus the 16% nuclear. Ms. Parenteau replied correct.

Ms. O'Brien reported that the RMLD was trying to target some renewables in our service territory and asked Ms. Parenteau to speak to the Wilmington Project. Ms. Parenteau said that over the last two years the RMLD has been working with several developers on a project in Wilmington. This project started out as a 3.4 megawatt project and is down right now to 1.7 megawatts due to structural issues on the roof. Mr. Talbot asked if this is the project that the Town of Wilmington wanted to tax. Ms. Parenteau stated that there was issue with that but the developer was able to overcome those issues and we were at the final stages of the Purchase Power Agreement when she received a message on Friday that there was a high probability that the project will not go online because Integrys who ultimately was going to be the holder of the contract, when doing their due diligence found restrictions with the mortgage on the property, if the owner was to foreclose then the mortgagor would have the ability to liquidate all equipment at the site which would include the solar capital. Ms. Parenteau stated that Integrys will not move forward with a multi-million dollar investment given that circumstance, the two developers that we are working with are trying to see if they can work around that, but they say it is highly unlikely. Circumstances of that nature tend to happen when working with these developers. Ms. Parenteau said that we try to do our due diligence and then have to rely on them.

Financial Report – October 2013 – Mr. Fournier (Attachment 4)

Mr. Fournier presented the October Financial Report provided in the Commissioner packets for the first four months of this fiscal year; the negative change in Net Assets or Net Income of \$175,000, decreasing the year to date Net Income to \$1.7 million. Year to date kilowatt hour sales were 255,000,000 kilowatt hours sold which is 2.9 million kilowatt hours or 1.1% behind last year's actual figure. Mr. Fournier pointed out that the total revenues from the Gaw project from inception are \$2.2 million with the cost at \$2.5 million. By January or February the \$2.5 million will be recovered.

Mr. Fournier reported that the year to date budgeted Net Income was approximately \$2.7 million with the resulting Net Income being under budget by \$1 million or about 36%. Actual year to day fuel revenues exceeded fuel expenses by \$1 million.

Year to date base revenues were under budget by \$554,000 or about 3%, actual base revenues were \$16.6 million compared to the budgeted amount of \$17.2 million. Year to date purchased power base expenses were under budget by \$200,000 or about 2%, actual purchased power base costs were \$10 million compared to the budgeted amount of \$10.2 million.

Financial Report – October 2013 – Mr. Fournier (Attachment 4)

Year to day operating and maintenance (O&M) expenses combined were over budget by \$100,000 or just over 2%, actual O&M expenses were \$4.4 million compared to the budgeted amount of \$4.3 million. Depreciation expense and voluntary payments to the Towns were on budget.

Operating Fund was at \$8.9 million, Capital Fund \$4.3 million, Rate Stabilization Fund \$6.7 million, Deferred Fuel Fund \$3.6 million and the Energy Conservation Fund at \$440,000.

The five divisions came in over budget by \$101,000 or 1.5%.

General Discussion

Ms. O'Brien stated that Ms. Gottwald will be presenting updates from activities on the calendar.

Tree Lighting – December 1

Ms. Gottwald reported that the RMLD has been donating holiday lights for the past five years for a conversion program in order that all the holiday lights in the towns will be LED lighting. The RMLD gives forty strings to Lynnfield and Wilmington and to Reading and North Reading through the Reading/North Reading Chamber of Commerce. RMLD is an intricate part of the lighting ceremony which took place on December 1 in Reading. Participating employees included; Maureen Hanifan, Michelle Lamson, Scott Williams, Tom Williamson, Steve DeFerrari, Joe Bilicki and Priscilla Gottwald who made sure that the lights were switched on when Santa came to town. Ms. Gottwald thanked Tom O'Connor for coordinating his staff that makes sure the lights go on every night at 4:15 p.m.

T-Shirt Awards – January 9

Ms. Gottwald said that the T-Shirts were collected and judged today by RMLD employees, Linemen; Dan Follis and Tom MacRae, Technical Services Manager Nick D'Alleva and Engineering Project Manager Vaughan Bryan. The T-Shirts are being prepared to send off to the photographer/designer who will put them in a poster calendar format. The winners will be presented on January 9, 2014, Ms. O'Brien and the Chairman are usually expected to speak and stated that usually another Commissioner attends. Mr. Pacino said that is one of his more enjoyable events to attend.

North Reading Rotary Christmas Caroling

Ms. Gottwald stated that as part of the North Reading Rotary they went Christmas Caroling and presented calendars to the residents at Peabody Court in North Reading. They were also joined by the North Reading High School Interact Club a Junior Rotarian Club sponsored by the North Reading Rotary.

Distributive Education Clubs of America (DECA) Conference – December 19

Ms. Gottwald reported that on December 19 as a Board member of the Wilmington School Business Partnership, she will be a judge at their Distributive Education Clubs of America (DECA) Conference. DECA prepares emerging leaders and entrepreneurs for careers in marketing, finance, hospitality and management in high schools and colleges around the globe. This judging will take place in Boxboro and twelve high schools in our district will be there to be judged.

A Taste of Metro North

Ms. Gottwald reported that the as a North Reading Rotarian they are working with the Reading Rotary Club to put on A Taste of Metro North, which involves restaurants in our area who present some of their samplings and menus. This has been very successful over the past few years.

Trains in RMLD's Lobby

Ms. O'Brien gave special thanks to Paul Carson who was a previous Chief Engineer at the RMLD who is instrumental in arranging and setting up the trains in the lobby. Ms. O'Brien said that the trains this year are now elevated up on some blocks, Customer Service Manager; Maureen Hanifan sewed the entire skirt that wraps around it. Ms. Gottwald stated that Tom Schibilio from the Facilities Department created the structure that holds the tracks that will be stored here at the RMLD.

General Discussion

Cost of Service Study

Ms. O'Brien reported that there was an absence of a current formal Six-Year Financial Plan that provided the level of detail that was needed. Previous projected data assumed overall sales growth, which based on current data, had not come to fruition and that preliminary findings are showing a potential negative income. No six year plan was prepared or included for the FY14 Budget. Ms. O'Brien stated that it was her fiduciary duty to ensure that the RMLD continue with a stable financial plan and that most likely she would be seeking a prompt rate increase to ensure that the RMLD complete the FY14 year stable with all commitments paid.

General Discussion

Cost of Service Study

Ms. O'Brien stated that a 9% increase to the base rate only, (an approximately 5% overall increase) or a \$3 increase to a 500 kwhr bill, effective February 2014, would return financial stability and ensure a positive net income. The full Cost of Service will review the financials and split the cost of production between the rate classes. Ms. O'Brien reported that immediately, when the erosion of overall sales was determined, a preliminary six year plan was generated and a full Cost of Service/Cost Allocation and Rate Design Study was called for. Ms. O'Brien stated that Mr. Seavey will speak to the Cost of Service Study process. Ms. O'Brien said that last week a training seminar was held where Mr. Seavey gave a more formal presentation prior to the CAB meeting. Ms. O'Brien stated that this evening she will be looking for a motion to defer to the Citizens' Advisory Board, then introduced Mr. Seavey who is employed by PLM of Hopkinton, MA. Mr. Seavey is well known throughout the industry for Power Supply and Rate Economics.

Mr. Seavey introduced himself as Principal of Power Line Models, PLM in Hopkinton, MA. Mr. Seavey reported that he has done Cost of Service and Rate Studies for more than half of the power systems in Massachusetts and New England and has been doing them for close to thirty years.

Mr. Seavey stated that he has been retained by the RMLD to perform a thorough Cost of Service Study and Rate Analysis. Mr. Seavey had the pleasure of speaking to a group last week about the fundamentals of principles of the cost of service analysis and rate design and presented the preliminary results of the Cost of Service Study. Mr. Seavey said that he had reviewed the present rates in terms of the structure of the rates and looked at some ways that they might be restructured to be more in line with best practices in the industry these days. Also performed, was the first stage of the rate study which is called a historic test of your Cost of Service Study where actual expenses and revenues are taken from a previous year, in this case fiscal 2013 and then allocate the expenses of the plant to the various customer classes to see how the rates are performing in terms of what rate of return to each customer class is producing and what are the rates overall producing in terms of a rate of return.

Mr. Seavey reported that the preliminary findings were what is really typical with municipalities is that the rate of return across the classes was fairly uneven, that can be dealt with, but the immediate concern is that the overall level of net income rate of return was lower than intended and all the indications were that this was a result of declining sales and sales not keeping up with expenses. Mr. Seavey said that as a result the net income has eroded. The result is that there is a need for an immediate increase in revenues in order to meet your commitments for this year and while that happens we will conduct a future test to the cost of service to determine where the rates need to be going forward. Also, a six year projection out to the future will be done to see how sustainable any rate design recommendation is over the long term. Mr. Seavey stated that this is going to require some assumptions of what is going to happen with sales in the future and will have to test that under a variety of different sensitivity conditions with the idea that they will come back with a recommendation for rates that the RMLD will be able to implement probably the beginning of the next fiscal year July 1, although the results should be ready in two to three months. Mr. Seavey said that in light of the 9% increase if that takes place February 1 as is recommended, it is not at all clear at this point whether the change on July 1 will actually be another increase or a decrease. Mr. Seavey stated that they are compressing 12 months of revenue shortfall into five or six months which is why the increase needs to be 9% and not three or four percent. Mr. Seavey stated that it may be that the RMLD can adjust rates downward July 1, but is too soon to tell if the RMLD is looking at an increase or a decrease. There will be a range of options and recommendations before that time.

Mr. Talbot asked as part of the proposed or rate increase is there any thought on how to structure a change in rates to encourage behavior that we want to encourage. That is, to reduce peak demand. Mr. Seavey replied, that would be part of whatever rate changes that result from the Cost of Service Study those sorts of changes in terms of increasing block rates or more extreme time-of-use rates and things like that we could consider and make recommendations to be effective later in the year. Mr. Seavey does not believe that is part of the initial recommendation. Ms. O'Brien stated that Mr. Seavey's scope of work includes for the long term to address LED streetlight rates. Chairman Stempeck said that in general what we are seeing is that the overall demand is actually shrinking which is more than interesting to us because we have commitments. When the demand shrinks and the cost remains stable and you have fixed expenses that is very difficult to reduce it means that your bottom line reduces so somehow one needs to make up for that if you want to make the same commitment for the bottom line.

Mr. Talbot said in looking at the overall business model of RMLD, all the electricity that we provide is bought from elsewhere. And we pay these increasingly soaring transmission costs. Meanwhile the cost of producing energy locally keeps dropping, principally PV if it is done right, and any of the fuel cells coming on. Mr. Talbot asked when is the point when RMLD says we need to as we did 100 years ago, tweak the business model and start being in the business of generation, not just subsidizing third parties to do it, but do it directly and efficiently as a core part of our business.

General Discussion

Cost of Service Study

Mr. Talbot said this would be a substantial change, but one that the Board should start thinking about. Increasingly the economics are making a lot of sense instead of handing all these subsidies to the middleman, we could think about bringing it in-house. Mr. Talbot stated that this was probably way outside the scope of what Mr. Seavey was looking at, but at some point our current model starts to look a little creaky. Mr. Seavey replied, that it is not exactly outside the scope of what is being looked at and that these are policy issues and this is precisely the body to make decisions like that. Mr. Seavey said that he has done a lot of work with other municipal utilities developing rates for renewable generation that really reflect the value of what Mr. Talbot is talking about, being able to avoid some of the purchase capacity and transmission costs that you are subject to. This carries on with a very powerful incentive for customers to do that in terms of the economics because so much of the value of it right now is in the form of tax credits which do not provide any value to the RMLD as a tax exempt entity, but there are plenty of models for public private partnership that could make good use of those benefits under your umbrella and encouragement through public buildings, schools, etc. Mr. Seavey said that he could give examples of what has worked in other communities along those lines.

Mr. Talbot said that as we are talking about increasing rates to bring in more revenue, another way to make revenue is to go to these businesses directly. Chairman Stempeck stated that it is appropriate to consider this. Mr. Talbot said this is something to consider over the long term.

Chairman Stempeck commented just from the data that he had looked at that it has been 3½ years since the RMLD has had a rate increase, July 2010. Chairman Stempeck asked who else hasn't had a salary increase, cost of living increase or social security increase in 3½ years stating that is quite commendable that the RMLD has not had to do a rate increase for 3½ years. Chairman Stempeck stated that his understanding is that at the beginning of the year our competitors such as NSTAR are asking for over a 30% increase, compare that to the 9% that we are asking for. Everything in life is relative and when you put in on that kind of a scale it is pretty impressive that if given it is just 9% it may be less over a period of time.

Mr. Ollila asked if the new chart that came out with the agenda included the new National Grid rates. Ms. Parenteau replied that the NSTAR rates are effective January 1 and that those would be NSTAR's old rates. Mr. Ollila asked if NSTAR's rates were going up more than the rates listed. Ms. Parenteau replied yes, in January. Mr. Ollila asked then National Grid is already the higher rate. Ms. Parenteau replied correct. Mr. Ollila stated that it is a lot higher. Chairman Stempeck stated that it is 30% to 40% higher. Chairman Stempeck said that it may seem dramatic that the RMLD is asking for 9%, but in a relative world, if you step outside the boundaries of our communities and you are paying significantly more. Mr. Ollila said that the only one that is not is Peabody, and asked if there was any particular reason why they are more comparable to us. Ms. O'Brien replied that they have the generation that Commissioner Talbot was speaking about and if we could talk Middleton into building the facility inside of our NEMA zone, that would be the optimum solution. Ms. O'Brien said that National Grid goes out and purchases every six months so they may go up 30% and as the gas constraints are tighter during the winter time that 30% may come down when they go out for their next purchase, it may not stay at 30%. Mr. Seavey said that he would try not to make too much of that 27% increase it is a seasonal phenomenon of the gas delivery issues that the Chairman was referring to earlier and when you get to the summer those are less of a problem. It is also based on another value which is stability, 3½ years without a change and they are reflecting in large part the six month market price for 100% of the energy requirement. Chairman Stempeck said that even if they were 10% versus 40% on average then they are about 25%. Mr. Seavey said that the RMLD has a built in permanent advantage at this point.

Mr. Mancuso stated his appreciation for pointing out that the RMLD is not as a municipal exactly the same thing as one of the IOUs, there are some fundamental differences in terms of rate of return in. The goal is to make the RMLD whole with this increase and coming from the perspective of not having received any information up to this point. Mr. Mancuso said he has not seen any data, while 9% is not a big number relative to 40%, if you want to throw out the apples and oranges comparison it is a significant number and that he wants to make sure that we really understand that we have a public conversation about all those details. Mr. Mancuso asked that we are trying to make ourselves whole relative in our rate adjustment to what, our costs, our commitments in the Twenty Year Plan, what are we making ourselves whole too? Ms. O'Brien replied what is being made whole is to have a consistent net income based on what you voted on as a budget and what is considered to be a stable financial positioning, which is around five to six percent. Ms. O'Brien stated that we are allowed to make up to eight percent. RMLD targets an appropriate financially strong income, one which balances low rates with meeting financial obligations, including all of the town payments and PILOT to Reading. That number has historically been in the general range of 5-6.7%. Ms. O'Brien asked Mr. Fournier if the payment of the Gaw Substation is ending and asked what the offset of that is for a customer's bill. Ms. Parenteau replied one mil.

General Discussion

Cost of Service Study

Mr. Mancuso asked what the variables are in this that we are looking at, stating that we have a twenty year payment and cost of operations. This is coming on relatively sudden and realizes that there has not been a formal plan from what has been said, presumably the organization is going to be looking at this periodically, what are the variables involved in us having to think about this. Ms. O'Brien asked if he was talking the immediate one or the long term. Mr. Mancuso asked what variables are driving us to have to do this immediately. Ms. O'Brien replied that it was to ensure that we make a sufficient net income by the end of FY14. Chairman Stempeck said to address this using the spreadsheet model that was used during the presentation last week and Mr. Mancuso was unable to attend the meeting where it did cover many of the different variables. Chairman Stempeck stated that the fact that the demand is dropping it is predictable and has been historically predictable and dropping then when you are proactive in projecting that forward it has some consequences in terms of not being able to meet the bottom line. Mr. Mancuso said that is always going to be the case as we increase people to be more efficient we are going to run out of more and more money we are going to have to find ways to replace that revenue or adjust the model because we are going to be successful at doing what we say we want to do. Chairman Stempeck said people are becoming more efficient much more rapidly than one would ever suspect, people are actually putting in the LED lights very quickly and the cost of the LED lights has dropped hugely and people are actually implementing them. Industries are putting in adjustable frequency drives which use a fraction of the power of the previous drives, everyone is adopting this and when that happens this is not a linear type of thing it is a very sharp drop off.

Mr. Mancuso said that he did not see a spreadsheet in the packet and did not receive any details before this so it would be helpful to have someone walk him through whatever is that you have available in terms of data. Mr. Seavey said that he could provide a copy of the presentation that was made last week. Chairman Stempeck asked that a copy of the presentation be provided to everyone and any follow up questions that the Commissioners would have be directed through the General Manager to Mr. Seavey.

Mr. Seavey stated that he would caution against attributing the reduction in sales and revenues to energy efficiency improvements alone, we have been through an economic crisis here and seeing a lot of municipal utilities in similar situations that have seen declining sales over the last three or four years and also in the same situation. Mr. Seavey said that most of them have no energy efficiency programs at all and certainly a portion of that has to be attributable to energy efficiency but suspects that it is a relatively small piece.

Mr. Seavey stated that it is not something where you need to be concerned as seen with water utilities where you can get into a spiraling situation where the more people that conserve the higher the price goes then the more you conserve. Essentially the customers that do not conserve end up paying more that is almost a problem that you would like to have on the electric side.

Mr. Ollila asked isn't the main driver for the financial problem the first item in Mr. Fournier's report which is that the year to date fuel revenue has exceeded fuel expenses by \$1 million or is this not the issue either. Mr. Fournier replied that eventually during the course of year that will catch itself up, it really is the lack of base revenues. Ms. O'Brien stated that if you are possibly thinking that you probably need to reduce your expenses, part of the point of the Organizational Study is that it looks at the reliability of your system and that you may have some shift of operating and maintenance costs going over to capital costs, it has been very heavy on the expense side. Ms. O'Brien said that the study will be looking at the amount of employees specific for the size of the RMLD, the long term improvement plans, programs and processes, and determine the skill sets and appropriate organizational structure. A lot will come out of the report directed at costs and processes that are appropriate for this size utility or they need to be more or less. Ms. O'Brien stated that is the whole point of these things will all coming together, the financial and reliability plans will be inserted into the Organizational Study to get a full picture of why it is happening. It may just be that the RMLD has not had a rate increase in a long time, prices are going up, the cost of electricity is going up, capacity and transmission is going to be going up and the RMLD is not selling enough and then you have to adjust your rates to make sure that you are recovering the needs. Ms. O'Brien said when the whole picture gets presented it will speak to the expenses, the power supply costs, rates, structure and everything will come together and make sense.

Mr. Seavey stated that one of the things that can come out of this long term projection is that it gives you the ability to revisit the question of how much net income do you really need to make, that is a decision that was made in the past and put into policy. With better information about the long term financial situation you can look at what your capital and funding needs are to expand, maintain and replace equipment. Mr. Seavey said that is really other than commitments for payments in lieu of taxes the only other use of that net income is to invest in your plant.

General Discussion

Cost of Service Study

Mr. Seavey stated that if your projection shows that you can maintain a stable financial position and do the necessary investment with a lower rate of return than that is something that can come out of that study. In the absence of good information commissions have a tendency to want to keep the rate of return a little bit higher to be on the safe side, it is a good opportunity to look at it from zero base budgeting.

Chairman Stempeck stated that there is a historical precedent for that too, the Rate Stabilization Fund as he understands is that way back in history was that it was set at \$14 million and what is the purpose of having a fund if you are not tapping into the fund. This has been reduced significantly to basically half at around \$7 million, so if you can operate an organization like this as basically a nonprofit and saying one percent or close to zero than you should do it. The problem is that this is not a lean manufacturing organization, there are lots of variables including the cost of power that we have absolutely no control over and one has to have buffers in place so you need some kind of rate of return to buffer that.

Mr. Talbot said that as we all know one of the main ways that we can reduce expenses is to cut the peak and one of the tools that we have is the time-of-use meter which exists in name, but adoption is around one percent. Mr. Talbot stated that when looking at something like this we really need to ramp up how we are promoting that particular program. Mr. Talbot said if that page of the website was something comprehensible and user friendly where it was simple, it was a click to act, a button on the website where we could be sending that around, Ms. Gottwald could be sending that around, it could be in the newspapers and online. Then the RMLD could start getting people to know about the program and adopting time-of-use meters to start chopping off that peak to a much greater extent. Mr. Talbot said that even before we do a whole website redesign, that one page right now is a text heavy explanation of the costs and benefits, but there is nowhere to go to say that you want one. This is something that we need on the website immediately, promote it heavily and get the adoption of above one percent for time-of-use meters in this district. Mr. Talbot stated that you cannot say we need a 9% increase without pushing that as hard as we can.

Mr. Soli said that we probably need a motion. Mr. Pacino asked that they discuss the process first. Chairman Stempeck stated that there is a five step process; 1. Initiate a Cost of Service Study or at least take the preliminary results from the Cost of Service Study and try and be proactive in terms of getting most of it headed off at the pass. 2. The RMLD Board makes a recommendation to the CAB. 3. The CAB has 30 days to approve, disapprove or ignore with regard to the recommendation. 4. The RMLD Board accepts or rejects results of the CAB. 5. If accepted the rates get posted. Chairman Stempeck said that it is about a two month period of time before the rates actually get implemented.

Ms. West asked if the Chairman was taking questions from the public. Chairman Stempeck replied that they were going to take them at the end. Ms. West said that she had a question about the process. Ms. West stated that it sounds like you are asking the RMLD Board to take a recommendation to move to do something without actually having provided them with the data, in other words people did not get the numbers in the package that they needed to be able to really assess what was said, is that correct. Chairman Stempeck replied that we did see the numbers. Ms. West said the numbers were not in the package but maybe it came later. Ms. West stated that she looked at the package before the meeting wanting to have some of the background. Ms. West asked for this RMLD Board of Commissioner's meeting, not the CAB, and was this data provided? Chairman Stempeck replied that the initial data was provided. Mr. Mancuso stated that he has not seen a thing and said that he is trying to understand the urgency because at the end of the day the question on the table can we live up to the budget that we have set and can we meet the commitments that we have. All the things that Ms. O'Brien has stated in terms of the future look of the organization and all of that are wonderful variables that we should be looking at so what is the urgency, what is driving the need to do this. Is it the end of the fiscal year, are we trying to close the gap, have we suddenly come to the realization that our numbers up to this date have not been accurate, what was missing beforehand. Ms. Parenteau replied that it appears to be based on the actuals to the way they are coming in, the net revenue will be \$1.7 million lower than what was budgeted that trickles down to the bottom line based on the preliminaries when that gets adjusted net revenue can be negative at the end of the fiscal year or slightly positive and that is after the town payments. Ms. Parenteau stated that without a rate increase there is the potential of finishing the fiscal year in the red. Mr. Mancuso said that could then be compensated for when we do the full rate study in July and realize that we do not necessarily need to make that adjustment it may actually be refunded so there may be a period of time when we would be operating in the red. Chairman Stempeck said that even the perspective of operating in the red is not acceptable at all for the RMLD which has never operated in the red and will put us in more of an emergency situation in July.

Chairman Stempeck stated that it is imperative for this Board to be proactive using what the historical past observances in terms of trends that are happening to try and head off any kind of issue and not wait until the last minute where it is an emergency situation. Then the entire town or all the towns may get involved, we are here to provide insurance basically that this is a very operational group and we are trying to provide the right thing for the right people.

General Discussion

Cost of Service Study

Chairman Stempeck said that we go back to no rate increases for 3½ years then we want to extend that to four years and is suggesting that based on expert testimony which is what Mr. Seavey is providing to us that we need to do something relatively quickly to at least fill in the gap. Then we can adjust it just like the fuel adjustment does it basically fills in the gap on a month to month basis that is basically what we are doing here with the rates. Mr. Mancuso stated that he would agree with everything that the Chairman had just said but also has an obligation to understand the decisions that he is making walking in having a motion before him on this table when he has not seen any of the information and has not had a chance to take advantage of Mr. Seavey's knowledge and experience.

Mr. Mancuso said it would be inappropriate for him to vote on that and that he is trying to get the information in order to catch up with the rest of the Board who have already gone through this. Chairman Stempeck understands but to delay this to the January meeting which drops them back to another thirty days for the CAB to consider it keeps pushing it further down the road and does not think that is appropriate either. Chairman Stempeck said that they should act when they think they can act and can always drop back if needed. Chairman Stempeck stated that there is enough of a history here to be able to do that and encourages all to re-look at the data at the next meeting and if they are not satisfied with that then they can make a change at that point in time. In this point in time it is his belief that they need to move this forward to get it on track.

Mr. Pacino said that he went to the training session last week and quite truthfully was surprised that at the beginning of the training session there was a recommendation for a rate increase. Mr. Pacino stated that he would have liked to have known that beforehand, it was not on the agenda. Mr. Pacino said that he heard similar comments from some of the CAB members that they really got ambushed at that meeting. Mr. Pacino stated that one thing that they need to do is to move forward on this to at least refer it to the CAB in order to move forward. Mr. Pacino said that he had a different motion and is not crazy about the word approved that means that we actually approved it and substituted it with the word refer, give them the thirty days to get the information and then we have the thirty days to get all that information. Mr. Pacino stated that he was surprised that Mr. Seavey's presentation was not on the agenda and criticizes whoever made that decision and hopes going forward that it becomes part of the agenda going forward.

Mr. Pacino stated that there were two motions and recommended doing each as a separate motion. Chairman Stempeck asked the opinion of the other Commissioners to changing the word approve to refer. Chairman Stempeck asked if it were 8.5% would it still be a referral. Mr. Pacino replied yes, if it were one percent it would still be a referral and would like to hear the CAB recommendation before voting on a final approval. That would be the process and feels that they owe the CAB members the right to get their opinion. Mr. Pacino suggested advisory recommendation in accordance with the Twenty Year Agreement and at the end within thirty days of this date December 12, 2013, so that it actually starts the clock running and then there is no question as to when that clock would stop running. Chairman Stempeck said that would give the CAB enough time to have their meeting and consider.

Mr. Pacino made a motion move that the Commission refer to the CAB a 9% rate increase for all customers for the following charges, base charge, demand charge and customer charge for their advisory recommendation in accordance with the Twenty Year Agreement within 30 days of this date December 12, 2013.

Chairman Stempeck asked when the next CAB meeting was scheduled. Mr. Ollila replied that they have not set the January date. The December 19 meeting was cancelled. Mr. Pacino said that the motion could say that the CAB make their recommendations before the next Board of Commissioners Meeting.

Mr. Talbot stated that he wished he had attended the informational meeting and that for a large rate increase he would like to see the RMLD to be far more aggressive with the peak shaving with time of use, take a second look at some of the capital projects recalling that at a couple of meetings ago that there were a bunch of circuit upgrades that were approved but had not been done. Mr. Talbot wondered if they needed to be done especially with load going down. With demand side management, do we have ways to save money that have not been looked at aggressively enough? Mr. Talbot asked if the increase had to be 9% if we might be scaling it back down in July why don't we do 6%. Mr. Talbot said that he was sure that there were good answers to these questions but was not sure what they are. Chairman Stempeck asked Mr. Seavey if he was correct in saying that as a result of the meeting last week in his spreadsheet analysis that has been run for many municipalities using all the variables, that he had suggested that a 9% increase is what was needed projecting forward to be able to meet the needs.

Mr. Seavey replied that the detailed analysis of the 9% increase on base were based on current projections. Mr. Seavey indicated that his COS had not yet reached a point where he was projecting revenues and expenses for the current fiscal year at RMLD. Ms. Parenteau stated that was based on the actuals from July through November and a flat no load growth from December through June would put us in a potentially negative net income position. Ms. O'Brien indicated that Mr. Seavey had concurred at the training seminar that based on the RMLD projections that the increase seemed appropriate and reiterated the industry trend in sluggish sales, etc.

General Discussion

Cost of Service Study

Chairman Stempeck stated that it was based on projections from historical data and that it is actually not one year. Chairman Stempeck said that he has been looking over the data and that it has actually been dropping one percent per year in terms of demand growth. Chairman Stempeck agrees that they need to look at real data but in the meantime would like to move forward on this motion and get the ball rolling, stating that they could always back out of it if they disagree when they examine the data or have other questions they do not have to do it. Chairman Stempeck said if they do not do it and get it posted then we would get into a very awkward situation in March or April or May and people would ask why didn't you proactively do this, in any industry or business if you have been there for ten years you can see certain trends happening and you proactively adjust to manage it and that is what the expectation is here, we are doing exactly that. Chairman Stempeck stated that if that is not the case let's look at the data and prove that it is not the case and back out of it.

Mr. Talbot asked if it goes to the CAB can it be changed at that point. Mr. Pacino replied that the CAB could look at that same data and come back with a different recommendation. Mr. Talbot said that the idea here is to overshoot initially by design to give us room to maneuver over the next couple of months. Mr. Pacino stated that it moves the ball forward. Chairman Stempeck commented that part of this is unbeknownst to us if the demand dropped off significantly in February and March and had a very warm winter we cannot predict our future. Mr. Talbot said that he would defer to Commissioner Pacino. Ms. O'Brien stated that she would take full responsibility and agrees with Commissioner Mancuso that the training data should have been in the packet. Ms. O'Brien said that she is trying to be more proactive and was in dismay looking at the numbers going forward, when you are having that type of load growth or lack of load growth, you start to look at the numbers working with staff to bring in budget to actuals to get all the groups communicating and as this has started to come together it just appeared. Ms. O'Brien stated that not being familiar with the CAB process in the future will do a much better job providing the data. Ms. O'Brien reported that she had recently spoken with three CAB members at a recent Rotary meeting and told them this was going to happen. Ms. O'Brien had asked the Board if a training session would help them to understand which is why she had Mr. Seavey come in with his presentation. Not all Commissioners or CAB members were able to make the training session. If in the future there are Commissioners that are unable to make the training that she would make sure that she reaches out to them personally and bring them up to speed with that training. Ms. O'Brien apologized to the Board reiterating that she was unaware of the process and stated if they had to make an adjustment now that as we roll forward with the formal Cost of Service will make sure that it goes through the formal process. Chairman Stempeck stated that he and Commissioner Pacino had discussed that the five step process is not specifically delineated anywhere so for anybody to come in and try to figure out what the process is would be ambiguous and that is one of the policy things that we are going to change. Chairman Stempeck said that they are going to make it unambiguous so the next person does not stumble over this for example if the CAB does not take any action on it we can consider it to be approved. It is the little nuances that float through this and unless you read in between the lines it is very difficult to pull it out.

Mr. Soli said that he would like to offer an amendment to add the following to the end of the previous motion "and establishes a new rate class for residential customers with eligibility for the Low Income Home Energy Assistance Program and who show eligibility each year for the Low Income Home Energy Assistance Program such that the new rate class is not subject to the rate increase of the main motion". Mr. Soli reported that the RMLD has a few customers that live on Social Security under \$20,000 and some who get assistance for their oil heating where someone else determines their eligibility and they are able to show it. This motion says if someone comes in here showing eligibility for that heating assistance program then they will not be at this rate increase. Mr. Soli stated that it is a modest rate increase and it is only a modest amount of people but there are folks out there that are really hurting and believes that the RMLD should do something for them.

Mr. Pacino would like to suggest to Mr. Soli that this should be a separate motion and not to mix it into what they are referring to the CAB. Mr. Pacino said that it clouds what the referral is and should be a separate motion not an amendment to the previous motion. Mr. Soli stated that this would have to go to the CAB. Mr. Pacino said that he has wording to refer it to the CAB as two separate motions. Chairman Stempeck agreed with Mr. Pacino that it is a valid motion and something that is very appropriate. Mr. Soli said since his motion had not been seconded. Mr. Talbot seconded the motion. Mr. Pacino stated that he would like to see the motion with the rate increase to move that ball forward and would hate to see it slowed down based upon a new rate.

Mr. Talbot asked why that would slow anybody down it is going to be a very small number of people. Chairman Stempeck replied that he does not know the number of people that's the problem, if it is 20% of the people that means that you have to have a 1.2 times increase for the rest of the group to make up for the fact that you did not carry it. Chairman Stempeck said the point that was made earlier where is the data to support it and is 100% in favor of this it just needs to be kept as a separate motion.

General Discussion Cost of Service Study

Ms. O'Brien asked Mr. Seavey wouldn't this be that the rate would affect everyone and then you could look at your heating program. Mr. Seavey replied that it is a fairly established practice to have a residential low income separate rate schedule all the private utilities have them and many of the municipal utilities have them as well. Mr. Seavey stated that you could easily develop a separate rate schedule completely divorced from the temporary 9% rate increase and prepare that within the same time frame. Mr. Seavey said that it is cleaner to do it that way rather than to bundle it together as part of the rate increase to establish a separate rate schedule or rate classification with the notion that it would be roughly 10% lower than the base residential rate. Then you would establish the eligibility requirements which you could copy directly from a National Grid tariff because it is well established and has been well vetted.

Mr. Soli moved to establish a new rate class for residential customers. Mr. Pacino asked if the second motion had been withdrawn. Mr. Talbot replied if the main motion is revised he would withdraw.

Mr. Pacino made a motion move that the Commission refer to the CAB the establishing of a new rate class for residential customers with eligibility for the LIHEAP Program and those customers show eligibility each year for the LIHEAP Program such that a new rate class is not subject to the rate increase of the previous motion for their advisory recommendation in accordance with the Twenty Year Agreement and to report that recommendation to the Board of Commissioners at its January 2014 meeting.

Ms. O'Brien stated that if a customer was eligible for the low income rate, then it is not clear whether the rate increase would even be applicable to that new rate class.

Ms. O'Brien said that it would be two motions, one to put forward the need of rate increase and the second would be to develop the low income rate which you could become eligible every year. Ms. O'Brien asked if we were looking to do that before as part of the rate studies that Mr. Seavey is being asked to do or prior, do you want to implement it prior or as part of perhaps the new rates that Mr. Seavey is going to present. Chairman Stempeck replied that it should probably be included in the entirety of the rate study itself, it makes it cleaner, it is bundled together and we accomplish exactly what we are trying to recommend. Mr. Pacino agreed with what Ms. O'Brien stated that it should be added to Mr. Seavey's work load when he does the July Cost of Service Study. Ms. O'Brien said that when Mr. Seavey is done with his presentation that we could have a formal presentation with all of the different rate structures, you could vote then to implement that before July for the low income that way they would be coming out of the proposed rate increase quicker. Ms. O'Brien stated that Mr. Seavey would do his presentation March or April. Chairman Stempeck asked that if everything were to work correctly and the 9% on base charges, if approved, would go in the end of February. Ms. O'Brien replied it would go in for the February billing and if anything changes when Mr. Seavey is done with the presentation then we would go through another process to make the change whether it is to go down, stay the same or whatever and we would also implement the new rate structure so people could hop onto the low income. Chairman Stempeck said at the most it will be a month carry and asked Mr. Soli if that was acceptable. Mr. Soli replied that would be a Board vote.

Mr. Mancuso wanted to clarify that the way this reads is that it states the base charge, demand charge and customer charge is that 9% inclusive. Ms. O'Brien replied that it is just the base charges only, base energy charge and customer charge, which is why it is approximately \$3. Mr. Pacino asked that the demand and customer charges should not be in the motion. Ms. O'Brien asked Ms. Parenteau that the demand and customer charges are not in the motion it is just 9% of the base charges. Ms. Parenteau replied correct.

Mr. Soli said that as a residential customer he is paying base and demand charges all under the basis of kilowatt hours, his base charge includes money that goes for demand. Ms. Parenteau stated that she spoke incorrectly it is the demand, customer and base charges. Mr. Mancuso asked then it is all inclusive. Ms. Parenteau replied yes. Mr. Mancuso said that he wanted to reiterate something that Commissioner Talbot had said that as we go through this public conversation we make sure that we are clear about all of the thinking that we have done so other temporary reductions in cost might mitigate the need for a rate increase, what are all the options on the table so that folks have a very clear understanding that we have gone through every single line to consider what to do keep from going from this rate increase and having to come back in July to revisit it again. Mr. Mancuso said to prepare to articulate the details publicly.

Mr. Ollila said from the CAB point of view it is very important to have more in the package of what the options are and here the data. Even with the preliminary discussions with their Selectmen they are already asking the same questions, have you looked at expenses, what's the projection, etc. Mr. Ollila stated that they want to see the same data, hopefully within the next week or two we could have that package of common data that we can present to all of our Selectmen and be able to say these are the reasons for the increase and here are the projections and we will revisit with a formal study in April.

General Discussion

Cost of Service Study

Mr. Ollila stated that assuming you are going to approve this that the CAB is going to need that information. Chairman Stempeck said that was a reasonable request.

Mr. Pacino made a motion seconded by Mr. Soli that the Commission refer a 9% rate increase for all customers for the base charge to the CAB for their advisory recommendation in accordance with the Twenty Year Agreement and to present that recommendation to the Board of Commissioners at its January 2014 meeting.

Motion carried 5:0:0.

Mr. Pacino made a motion seconded by Mr. Soli to instruct the Department to look into the feasibility of establishing a new rate class for residential customer's eligibility for the LIHEAP Program.

Motion carried 5:0:0.

Ms. Foti stated that the Policy Committee has to meet sometime in January and that she will send out emails the second or third week to get that scheduled.

Public Comment

Chairman Stempeck asked if anyone from the public would like to speak. Ms. West said that it is clear that there is probably a need for a rate increase and that she even asked about that when they were going through the audit process. Ms. West wanted to make sure that as Mr. Talbot had stated that all of the information is there and she finds it surprising that there were not figures for the Commissioners before they voted. Ms. West reiterated that there is no doubt that there is a need for this we need to have all of the data and all of the information. Chairman Stempeck stated to make it very clear that three of the Commissioners did see some of the data so it was not that all of them did not see it. Ms. West asked that information included what has been done to mitigate costs as well. Chairman Stempeck replied, no. Ms. West said when she refers to the data that is what she would be looking for all of the data. Mr. Talbot said that he did not go to the meeting last week that was optional.

Chairman Stempeck stated that the December 19 CAB meeting has been cancelled.

Mr. Pacino reported that the CAB would like the RMLD Board to meet consistently on the fourth Wednesday of the month if they could because of coverage issues. Chairman Stempeck asked Ms. Foti to comment. Ms. Foti stated that it depends on what the date is and that they do not have the financial figures until the 17th or 18th of the month, if it is the fourth Wednesday you may not have information that is why we push it out to the 5th Wednesday. Chairman Stempeck said that they will try and accommodate the CAB as best as they can.

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED

Rate Comparisons, December 2013

E-Mail responses to Account Payable/Payroll Questions

RMLD Board Meetings

T-Shirt Award Ceremony, Thursday, January 9, 2014

RMLD Board Meeting, Wednesday, January 29, 2014

RMLD Board Meeting, Wednesday, February 26, 2014

Citizens' Advisory Board Meeting

To Be Determined

Fiscal Year 2015 Budget Meetings

April 2, 2014 – Lynnfield – April 9, 2014

Executive Session

At 9:15 pm. Mr. Pacino made a motion seconded by Mr. Mancuso that the Board go into Executive Session to approve the Executive Session meeting minutes from August 14, 2013 and September 25, 2013, to discuss mediation and union negotiations update, based on Chapter 164: Section 47D Exemption from public records and open meeting requirements in certain instances and return to Regular Session for the sole purpose of adjournment.

Chairman Stempeck polled the Board. Motion carried by a polling of the Board:

Mr. Talbot; Aye, Mr. Pacino; Aye, Mr. Mancuso; Aye, Mr. Soli; Aye, and Chairman Stempeck, Aye.

Motion carried 5:0:0.

Adjournment

At 9:24 p.m. Mr. Mancuso made a motion seconded by Mr. Soli move to adjourn the Regular Session.

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


David Talbot, Secretary
RMLD Board of Commissioners




POWER SUPPLY REPORT BOARD REFERENCE TAB B

Power Supply Report for December 2013 will be made available prior to the RMLD Board meeting.



To: Coleen O'Brien 

From:  Maureen McHugh, Jane Parenteau

Date: January 27, 2014

Subject: Purchase Power Summary – December, 2013

Energy Services Division (ESD) has completed the Purchase Power Summary for the month of December, 2013.

ENERGY

The RMLD's total metered load for the month was 60,836,967 kWh, which is a 2.7% increase from the December, 2012 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	3,701,611	\$7.37	6.08%	\$27,268	0.74%
Seabrook	5,895,553	\$7.87	9.69%	\$46,400	1.27%
Stonybrook Intermediate	1,412,632	\$188.84	2.32%	\$266,756	7.28%
JP Morgan	7,336,000	\$58.50	12.06%	\$429,175	11.71%
NextEra	8,956,000	\$59.83	14.72%	\$535,878	14.62%
NYPA	2,365,170	\$4.92	3.89%	\$11,637	0.32%
ISO Interchange	8,882,836	\$131.27	14.60%	\$1,166,032	31.80%
NEMA Congestion	0	\$0.00	0.00%	\$16,441	0.45%
Coop Resales	14,317	\$88.20	0.02%	\$1,263	0.03%
MacQuarie	9,204,000	\$42.33	15.13%	\$389,622	10.63%
Summit Hydro/Collins/Pioneer	660,249	\$65.30	1.09%	\$43,112	1.18%
Braintree Watson Unit	560,887	\$149.75	0.92%	\$83,991	2.29%
Swift River Projects	1,010,705	\$99.63	1.66%	\$100,697	2.75%
Exelon	10,785,600	\$49.84	17.72%	\$537,509	14.66%
Stonybrook Peaking	65,575	\$162.77	0.11%	\$10,673	0.29%
Monthly Total	60,851,135	\$60.25	100.00%	\$3,666,453	100.00%

Table 2 breaks down the ISO interchange between the DA LMP Settlement and the RT Net Energy for the month of December, 2013.

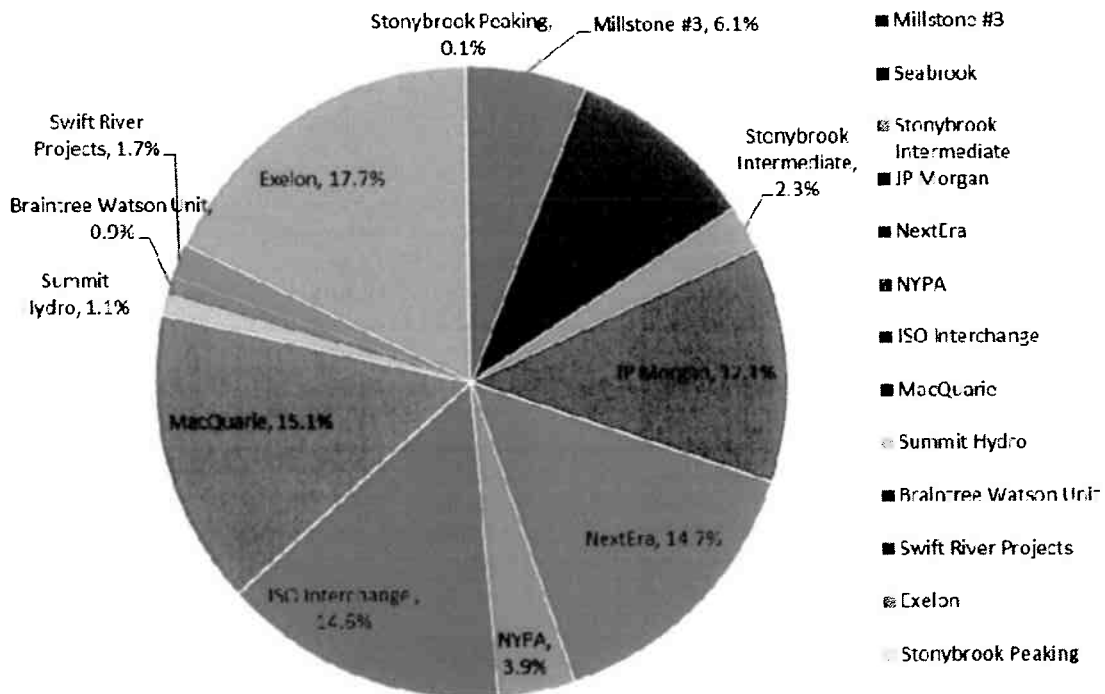
Table 2

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP *	9,581,622	128.65	15.75%
RT Net Energy Settlement	-678,786	95.43	-1.12%
ISO Interchange (subtotal)	8,882,836	131.27	14.60%

* Independent System Operator Day-Ahead Locational Marginal Price

** Real Time Net Energy

DECEMBER 2013 ENERGY BY RESOURCE



CAPACITY

The RMLD hit a demand of 115,912 kW, which occurred on December 17, at 6 pm. The RMLD's monthly UCAP requirement for December, 2013 was 215,700 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	49.25	\$243,771	16.56%
Seabrook	7,903	46.99	\$371,357	25.23%
Stonybrook Peaking	24,981	1.96	\$48,973	3.33%
Stonybrook CC	42,925	3.24	\$139,227	9.46%
NYPA	4,019	4.49	\$18,041	1.23%
Hydro Quebec	4,683	4.14	\$19,391	1.32%
Nextera	60,000	5.50	\$330,000	22.42%
Braintree Watson Unit	10,520	11.28	\$118,696	8.06%
ISO-NE Supply Auction	55,719	3.28	\$182,670	12.41%
Total	215,700	\$6.82	\$1,472,126	100.00%

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

Table 4

Resource	Energy	Capacity	Total cost	% of Total Cost	Armt of Energy (kWh)	Cost of Power (\$/kWh)
Millstone #3	\$27,268	\$243,771	\$271,039	5.27%	3,701,611	0.0732
Seabrook	\$46,400	\$371,357	\$417,757	8.13%	5,895,553	0.0709
Stonybrook Intermediate	\$266,756	\$139,227	\$405,983	7.90%	1,412,632	0.2874
Hydro Quebec	\$0	\$19,391	\$19,391	0.38%	-	0.0000
JP Morgan	\$429,175	\$0	\$429,175	8.35%	7,336,000	0.0585
NextEra	\$535,878	\$330,000	\$865,878	16.85%	8,956,000	0.0967
* NYPA	\$11,637	\$18,041	\$29,677	0.58%	2,365,170	0.0125
ISO Interchange	\$1,166,032	\$182,670	\$1,348,702	26.25%	8,882,836	0.1518
Nema Congestion	\$16,441	\$0	\$16,441	0.32%	-	0.0000
MacQuarie	\$389,622	\$0	\$389,622	7.58%	9,204,000	0.0423
* Summit Hydro/Collins/Pioneer	\$43,112	\$0	\$43,112	0.84%	660,249	0.0653
Braintree Watson Unit	\$83,991	\$118,696	\$202,687	3.94%	560,887	0.3614
* Swift River Projects	\$100,697	\$0	\$100,697	1.96%	1,010,705	0.0996
Coop Resales	\$1,263	\$0	\$1,263	0.02%	14,317	0.0882
Constellation Energy	\$537,509	\$0	\$537,509	10.46%	10,785,600	0.0498
Stonybrook Peaking	\$10,673	\$48,973	\$59,646	1.16%	65,575	0.9096
Monthly Total	\$3,666,453	\$1,472,126	\$5,138,580	100.00%	60,851,135	0.0844
* Renewable Resources					6.63%	

RENEWABLE ENERGY CERTIFICATES (RECs)

Table 5 shows the amount of banked and projected RECs for the Swift River Hydro Projects through December, 2013, as well as their estimated market value.

Table 5
Swift River RECs Summary
Period - January 2013 - December 2013

	Banked RECs	Projected RECs	Total RECs	Est. Dollars
Woronoco	3,652	1,598	5,250	\$274,437
Pepperell	1,483	1,510	2,993	\$173,594
Indian River	1,251	707	1,958	\$113,564
Turners Falls	1,172	422	1,594	\$0
RECs Sold			4,605	\$245,712
Grand Total	7,558	4,237	16,400	\$807,307

TRANSMISSION

The RMLD's total transmission costs for the month of December were \$805,214. This is an increase of 18.8% from the November transmission cost of \$678,034. In December, 2012 the transmission costs were \$738,628.

Table 6

	Current Month	Last Month	Last Year
Peak Demand (kW)	115,912	102,274	108,921
Energy (kWh)	60,841,227	55,217,486	59,364,911
Energy (\$)	\$3,666,453	\$1,738,646	\$2,868,713
Capacity (\$)	\$1,472,126	\$1,805,123	\$1,528,363
Transmission(\$)	\$805,214	\$678,034	\$738,628
Total	\$5,943,794	\$4,221,803	\$5,135,703

ENERGY EFFICIENCY

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

Table 7		Total \$		Total \$		Total \$	
Commercial	Year	Capacity Saved (kWh)	Energy Saved (kwh)	Capacity	\$/kWh	Energy	\$/kWh
Total to date	FY07-13	11,346	46,338,741	\$ 1,053,256		2592993	\$ 0.03
Current	FY14	433	1,528,893	\$ 59,528	\$11.45	76445	\$ 0.05
Residential							
Total to date	FY07-13	1,795	1,593,066	\$ 168,790		83,191	\$ 0.36
Current	FY14	102	79,834	\$ 14,030	\$11.45	3,992	\$ 0.05
Total							
Total to date	FY07-13	13,141	47,931,807	\$ 1,222,046		2,676,184	\$ 0.04
Current	FY14	535	1,608,727	\$ 73,558	\$11.45	80,436	\$ 0.05
				Total \$		Rebate	
						\$ 1,455,819	
						\$ 135,870	
						\$ 313.61	
						\$ 2,190,431	
						\$ 103	
						\$ 316.79	
						\$ (316,610)	
						\$ 867.85	
						\$ (70,594)	
						\$ 419.32	
						\$ 155.96	
						\$ 1,848,820.24	
						\$ (70,491)	

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

Table 8		Refrigerator		Dishwasher		Dehumidifier		Central A/C		Window A/C		Thermostat		Audits		Renewable		Air Source Heat Pump		HP Water Heater		Fan		
Year	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars		
2007																								
2008	86	\$ 4,300	47	\$ 2,350	55	\$ 2,750	7	\$ 175	17	\$ 1,700	10	\$ 250	23	\$ 230	107	\$ 14,940								
2009	406	\$ 20,300	259	\$ 12,950	235	\$ 11,750	40	\$ 1,000	41	\$ 4,100	50	\$ 1,250	114	\$ 1,140	107	\$ 14,940								
2010	519	\$ 25,950	371	\$ 18,550	382	\$ 19,100	37	\$ 925	64	\$ 6,400	49	\$ 1,225	127	\$ 1,270	64	\$ 8,960	6	\$ 20,700						
2011	425	\$ 21,250	383	\$ 19,150	313	\$ 15,650	47	\$ 1,175	57	\$ 5,700	65	\$ 1,625	118	\$ 1,180	180	\$ 25,960	4	\$ 18,000						
2012	339	\$ 16,950	354	\$ 17,700	289	\$ 14,450	38	\$ 950	44	\$ 4,400	56	\$ 1,400	105	\$ 1,050	219	\$ 32,731	3	\$ 14,000	9	\$ 2,250	3	\$ 30		
2013	285	\$ 14,250	336	\$ 16,800	311	\$ 15,550	29	\$ 725	24	\$ 2,400	54	\$ 1,350	57	\$ 570	375	\$ 75,000	3	\$ 15,000	4	\$ 1,900	4	\$ 1,000		
2014	167	\$ 8,350	183	\$ 9,150	139	\$ 6,950	20	\$ 500	27	\$ 2,700	64	\$ 1,600	45	\$ 675	199	\$ 39,800	4	\$ 17,250	2	\$ 1,100	2	\$ 500		
Total	2227	\$ 111,350	1933	\$ 96,650	1724	\$ 86,200	218	\$ 5,450	274	\$ 27,400	348	\$ 8,700	589	\$ 6,115	1251	\$ 213,331	20	\$ 84,950	30	\$ 3,000	15	\$ 3,750	12	\$ 120



FINANCIAL REPORT BOARD REFERENCE TAB C

Financial Report for December 2013 will be made available prior to the RMLD Board meeting.



Dt: January 27, 2014

To: RMLB, Coleen O'Brien, Jeanne Foti

Fr: Bob Fournier

Sj: December 31, 2013 Report

The results for the first six months ending December 31, 2013, for the fiscal year 2014 will be summarized in the following paragraphs.

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

For the month of December, the net loss or the negative change in net assets was \$1,789,371 decreasing the year to date net income to \$161,162. The year to date budgeted net income was \$2,970,944, resulting in net income being under budget by \$2,809,781 or 94.6%. Actual year to date fuel expenses exceeded fuel revenues by \$234,358.

2) Revenues: (Page 11B)

Year to date base revenues were under budget by \$1,121,993 or 4.5%. Actual base revenues were \$23.6 million compared to the budgeted amount of \$24.7 million.

3) Expenses: (Page 12A)

*Year to date purchased power base expense was over budget by \$73,707 or .50%. Actual purchased power base costs were \$14.8 million compared to the budgeted amount of \$14.7 million.

*Year to date operating and maintenance (O&M) expenses combined were under budget by \$291,051 or 4.5%. Actual O&M expenses were \$6.1 million compared to the budgeted amount of \$6.4 million.

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

4) Cash: (Page 9)

*Operating Fund was at \$10,247,798.

* Capital Fund balance was at \$4,555,865.

* Rate Stabilization Fund was at \$6,701,132.

* Deferred Fuel Fund was at \$2,375,129.

* Energy Conservation Fund was at \$411,548.

5) General Information:

Year to date kwh sales (Page 5) were 362,553,798 which is 5.4 million kwh or 1.5%, behind last year's actual figure. GAW revenues collected ytd were \$362,332, bringing the total collected since inception to \$2,406,884.

6) Budget Variance:

Cumulatively, the five divisions were under budget by \$289,315 or 2.8%.



FINANCIAL REPORT

DECEMBER 31, 2013

ISSUE DATE: JANUARY 28, 2014



TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF NET ASSETS
12/31/13

	PREVIOUS YEAR	CURRENT YEAR
ASSETS		
CURRENT		
UNRESTRICTED CASH (SCH A P.9)	11,174,080.97	10,250,798.40
RESTRICTED CASH (SCH A P.9)	17,677,388.65	17,148,700.97
INVESTMENTS (SCH A P.9)	0.00	850,000.00
RECEIVABLES, NET (SCH B P.10)	7,923,202.02	6,856,319.03
PREPAID EXPENSES (SCH B P.10)	1,989,659.10	1,529,593.74
INVENTORY	1,456,654.48	1,519,286.11
TOTAL CURRENT ASSETS	40,220,985.22	38,154,698.25
NONCURRENT		
INVESTMENT IN ASSOCIATED CO (SCH C P.2)	46,958.35	31,379.32
CAPITAL ASSETS, NET (SCH C P.2)	69,851,692.15	69,875,363.39
TOTAL NONCURRENT ASSETS	69,898,650.50	69,906,742.71
TOTAL ASSETS	110,119,635.72	108,061,440.96
 LIABILITIES		
CURRENT		
ACCOUNTS PAYABLE	6,467,113.58	5,526,407.06
CUSTOMER DEPOSITS	659,170.42	719,656.51
CUSTOMER ADVANCES FOR CONSTRUCTION	394,781.15	399,624.15
ACCRUED LIABILITIES	1,388,110.36	52,044.21
TOTAL CURRENT LIABILITIES	8,909,175.51	6,697,731.93
NONCURRENT		
ACCRUED EMPLOYEE COMPENSATED ABSENCES	2,986,360.21	2,885,367.88
TOTAL NONCURRENT LIABILITIES	2,986,360.21	2,885,367.88
TOTAL LIABILITIES	11,895,535.72	9,583,099.81
 NET ASSETS		
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	69,851,692.15	69,875,363.39
RESTRICTED FOR DEPRECIATION FUND (P.9)	3,458,260.56	4,555,865.98
UNRESTRICTED	24,914,147.29	24,047,111.78
TOTAL NET ASSETS (P.3)	98,224,100.00	98,478,341.15
TOTAL LIABILITIES AND NET ASSETS	110,119,635.72	108,061,440.96

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
NONCURRENT ASSET SCHEDULE
12/31/13

SCHEDULE C

	PREVIOUS YEAR	CURRENT YEAR
SCHEDULE OF INVESTMENTS IN ASSOCIATED COMPANIES		
NEW ENGLAND HYDRO ELECTRIC	2,975.74	3,261.87
NEW ENGLAND HYDRO TRANSMISSION	43,982.61	28,117.45
	<u>46,958.35</u>	<u>31,379.32</u>
SCHEDULE OF CAPITAL ASSETS		
LAND	1,265,842.23	1,265,842.23
STRUCTURES AND IMPROVEMENTS	6,762,569.28	6,430,835.66
EQUIPMENT AND FURNISHINGS	13,008,885.40	12,562,608.11
INFRASTRUCTURE	<u>48,814,395.24</u>	<u>49,616,077.39</u>
	<u>69,851,692.15</u>	<u>69,875,363.39</u>
TOTAL CAPITAL ASSETS, NET		
	<u>69,898,650.50</u>	<u>69,906,742.71</u>
TOTAL NONCURRENT ASSETS		

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
12/31/13

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
OPERATING REVENUES: (SCH D P.11)					
BASE REVENUE	3,553,437.52	3,407,106.78	23,799,712.30	23,596,135.94	-0.86%
FUEL REVENUE	2,987,105.82	2,053,822.16	18,010,954.68	15,837,781.93	-12.07%
PURCHASED POWER CAPACITY	164,559.67	29,218.12	1,114,191.34	164,733.73	-85.21%
FORFEITED DISCOUNTS	73,051.41	88,653.57	510,820.16	461,368.36	-9.68%
ENERGY CONSERVATION REVENUE	53,466.50	61,730.97	362,244.05	356,854.83	-1.49%
GAW REVENUE	54,323.79	51,361.77	367,799.21	362,332.15	-1.49%
NYPA CREDIT	(68,965.36)	(45,701.57)	(293,264.30)	(272,672.30)	-7.02%
TOTAL OPERATING REVENUES	6,816,979.35	5,646,191.80	43,872,457.44	40,506,534.64	-7.67%
OPERATING EXPENSES: (SCH E P.12)					
PURCHASED POWER BASE	2,268,056.90	2,293,610.22	14,443,198.80	14,800,423.31	2.47%
PURCHASED POWER FUEL	2,868,712.69	3,666,453.24	18,015,541.22	15,799,467.37	-12.30%
OPERATING	842,340.12	628,919.09	4,943,799.84	4,775,785.43	-3.40%
MAINTENANCE	233,815.92	231,917.37	1,252,805.90	1,392,435.79	11.15%
DEPRECIATION	305,469.18	314,969.55	1,832,815.08	1,889,817.30	3.11%
VOLUNTARY PAYMENTS TO TOWNS	107,383.00	115,183.65	677,383.00	698,517.00	3.12%
TOTAL OPERATING EXPENSES	6,625,777.81	7,251,053.12	41,165,543.84	39,356,446.20	-4.39%
OPERATING INCOME	191,201.54	(1,604,861.32)	2,706,913.60	1,150,088.44	-57.51%
NONOPERATING REVENUES (EXPENSES)					
CONTRIBUTIONS IN AID OF CONST	0.00	0.00	46,478.95	23,066.88	-50.37%
RETURN ON INVESTMENT TO READING	(188,785.60)	(191,768.41)	(1,132,713.50)	(1,150,610.50)	1.58%
INTEREST INCOME	2,466.56	5,819.92	17,274.18	23,380.78	35.35%
INTEREST EXPENSE	(1,317.73)	(1,394.32)	(2,607.85)	(2,685.91)	2.99%
OTHER (MDSE AND AMORT)	2,127.00	2,833.00	54,694.63	117,922.67	115.60%
TOTAL NONOPERATING REV (EXP)	(185,509.77)	(184,509.81)	(1,016,873.59)	(988,926.08)	-2.75%
CHANGE IN NET ASSETS	5,691.77	(1,789,371.13)	1,690,040.01	161,162.36	-90.46%
NET ASSETS AT BEGINNING OF YEAR			96,534,059.99	98,317,178.79	1.85%
NET ASSETS AT END OF DECEMBER			98,224,100.00	98,478,341.15	0.26%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
12/31/13

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	23,596,135.94	24,718,129.00	(1,121,993.06)	-4.54%
FUEL REVENUE	15,837,781.93	17,128,980.00	(1,291,198.07)	-7.54%
PURCHASED POWER CAPACITY	164,733.73	552,607.00	(387,873.27)	-70.19%
FORFEITED DISCOUNTS	461,368.36	543,799.00	(82,430.64)	-15.16%
ENERGY CONSERVATION REVENUE	356,854.83	371,928.00	(15,073.17)	-4.05%
GAW REVENUE	362,332.15	371,928.00	(9,595.85)	-2.58%
NYPA CREDIT	(272,672.30)	(349,998.00)	77,325.70	-22.09%
TOTAL OPERATING REVENUES	40,506,534.64	43,337,373.00	(2,830,838.36)	-6.53%
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	14,800,423.31	14,726,716.00	73,707.31	0.50%
PURCHASED POWER FUEL	15,799,467.37	15,685,546.00	113,921.37	0.73%
OPERATING MAINTENANCE	4,775,785.43	4,853,919.00	(78,133.57)	-1.61%
DEPRECIATION	1,392,435.79	1,605,354.00	(212,918.21)	-13.26%
VOLUNTARY PAYMENTS TO TOWNS	1,889,817.30	1,887,600.00	2,217.30	0.12%
	698,517.00	699,996.00	(1,479.00)	-0.21%
TOTAL OPERATING EXPENSES	39,356,446.20	39,459,131.00	(102,684.80)	-0.26%
OPERATING INCOME	1,150,088.44	3,878,242.00	(2,728,153.56)	-70.35%
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	23,066.88	100,000.00	(76,933.12)	-76.93%
RETURN ON INVESTMENT TO READING	(1,150,610.50)	(1,150,800.00)	189.50	-0.02%
INTEREST INCOME	23,380.78	25,002.00	(1,621.22)	-6.48%
INTEREST EXPENSE	(2,685.91)	(1,500.00)	(1,185.91)	79.06%
OTHER (MDSE AND AMORT)	117,922.67	120,000.00	(2,077.33)	-1.73%
TOTAL NONOPERATING REV (EXP)	(988,926.08)	(907,298.00)	(81,628.08)	9.00%
CHANGE IN NET ASSETS	161,162.36	2,970,944.00	(2,809,781.64)	-94.58%
NET ASSETS AT BEGINNING OF YEAR	98,317,178.79	98,317,178.79	0.00	0.00%
NET ASSETS AT END OF DECEMBER	98,478,341.15	101,288,122.79	(2,809,781.64)	-2.77%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
RECONCILIATION OF CAPITAL FUNDS
12/31/13

SOURCE OF CAPITAL FUNDS:

DEPRECIATION FUND BALANCE 7/1/13	2,733,146.78
CONSTRUCTION FUND BALANCE 7/1/13	1,500,000.00
INTEREST ON DEPRECIATION FUND FY 14	3,664.98
DEPRECIATION TRANSFER FY 14	<u>1,889,817.30</u>
TOTAL SOURCE OF CAPITAL FUNDS	6,126,629.06

USE OF CAPITAL FUNDS:

LESS PAID ADDITIONS TO PLANT THRU DECEMBER	1,570,763.08
GENERAL LEDGER CAPITAL FUNDS BALANCE 12/31/13	<u><u>4,555,865.98</u></u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SALES OF KILOWATT HOURS
12/31/13

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	20,523,493	19,444,759	137,688,875	136,078,198	-1.17%
COMM. AND INDUSTRIAL SALES	31,171,712	29,616,270	215,145,891	211,200,809	-1.83%
PRIVATE STREET LIGHTING	73,981	75,285	439,836	446,206	1.45%
TOTAL PRIVATE CONSUMERS	<u>51,769,186</u>	<u>49,136,314</u>	<u>353,274,602</u>	<u>347,725,213</u>	-1.57%
MUNICIPAL SALES:					
STREET LIGHTING	238,739	240,021	1,427,862	1,438,286	0.73%
MUNICIPAL BUILDINGS	774,496	767,060	4,810,821	4,721,667	-1.85%
TOTAL MUNICIPAL CONSUMERS	<u>1,013,235</u>	<u>1,007,081</u>	<u>6,238,683</u>	<u>6,159,953</u>	-1.26%
SALES FOR RESALE	230,686	196,018	1,808,233	1,784,940	-1.29%
SCHOOL	1,297,382	1,257,107	6,605,841	6,883,692	4.21%
TOTAL KILOWATT HOURS SOLD	<u>54,310,489</u>	<u>51,596,520</u>	<u>367,927,359</u>	<u>362,553,798</u>	-1.46%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
KILOWATT HOURS SOLD BY TOWN
12/31/13

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	19,444,759	5,821,370	2,841,844	4,317,459	6,464,086
COMM & IND	29,616,270	3,626,678	259,959	4,088,551	21,641,082
PVT ST LIGHTS	75,285	13,129	1,470	22,468	38,218
PUB ST LIGHTS	240,021	80,702	32,500	42,132	84,687
MUNI BLDGS	767,060	228,172	152,669	116,864	269,355
SALES/RESALE	196,018	196,018	0	0	0
SCHOOL	1,257,107	421,572	288,125	160,320	387,090
TOTAL	51,596,520	10,387,641	3,576,567	8,747,794	28,884,518

YEAR TO DATE	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	136,078,198	42,364,763	19,578,083	31,553,350	42,582,002
COMM & IND	211,200,809	25,831,508	1,718,672	32,421,331	151,229,298
PVT ST LIGHTS	446,206	78,774	8,270	133,298	225,864
PUB ST LIGHTS	1,438,286	484,032	195,000	251,232	508,022
MUNI BLDGS	4,721,667	1,172,195	946,931	890,094	1,712,447
SALES/RESALE	1,784,940	1,784,940	0	0	0
SCHOOL	6,883,692	2,477,598	1,582,622	824,360	1,999,112
TOTAL	362,553,798	74,193,810	24,029,578	66,073,665	198,256,745

LAST YEAR TO DATE	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	137,688,875	42,694,379	20,030,501	31,932,213	43,031,782
COMM & IND	215,145,891	26,622,060	1,647,273	33,112,087	153,764,471
PVT ST LIGHTS	439,836	81,510	8,160	128,292	221,874
PUB ST LIGHTS	1,427,862	483,216	194,960	242,524	507,162
MUNI BLDGS	4,810,821	1,141,751	857,999	991,280	1,819,791
SALES/RESALE	1,808,233	1,808,233	0	0	0
SCHOOL	6,605,841	2,336,285	1,445,590	828,800	1,995,166
TOTAL	367,927,359	75,167,434	24,184,483	67,235,196	201,340,246

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	37.69%	11.28%	5.51%	8.37%	12.53%
COMM & IND	57.39%	7.03%	0.50%	7.92%	41.94%
PVT ST LIGHTS	0.14%	0.03%	0.00%	0.04%	0.07%
PUB ST LIGHTS	0.47%	0.16%	0.06%	0.08%	0.17%
MUNI BLDGS	1.49%	0.44%	0.30%	0.23%	0.52%
SALES/RESALE	0.38%	0.38%	0.00%	0.00%	0.00%
SCHOOL	2.44%	0.82%	0.56%	0.31%	0.75%
TOTAL	100.00%	20.14%	6.93%	16.95%	55.98%

YEAR TO DATE	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	37.54%	11.69%	5.40%	8.70%	11.75%
COMM & IND	58.25%	7.12%	0.47%	8.94%	41.72%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
PUB ST LIGHTS	0.40%	0.13%	0.05%	0.07%	0.15%
MUNI BLDGS	1.30%	0.32%	0.26%	0.25%	0.47%
SALES/RESALE	0.49%	0.49%	0.00%	0.00%	0.00%
SCHOOL	1.90%	0.68%	0.44%	0.23%	0.55%
TOTAL	100.00%	20.45%	6.62%	18.23%	54.70%

LAST YEAR TO DATE	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	37.42%	11.60%	5.44%	8.68%	11.70%
COMM & IND	58.48%	7.24%	0.45%	9.00%	41.79%
PVT ST LIGHTS	0.11%	0.02%	0.00%	0.03%	0.06%
PUB ST LIGHTS	0.39%	0.13%	0.05%	0.07%	0.14%
MUNI BLDGS	1.31%	0.31%	0.23%	0.27%	0.50%
SALES/RESALE	0.49%	0.49%	0.00%	0.00%	0.00%
SCHOOL	1.80%	0.63%	0.39%	0.23%	0.55%
TOTAL	100.00%	20.42%	6.56%	18.28%	54.74%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
FORMULA INCOME
12/31/13

TOTAL OPERATING REVENUES	(P.3)	40,506,534.64
ADD:		
POLE RENTAL		77,296.08
INTEREST INCOME ON CUSTOMER DEPOSITS		893.87
LESS:		
OPERATING EXPENSES	(P.3)	(39,356,446.20)
CUSTOMER DEPOSIT INTEREST EXPENSE		(2,685.91)
FORMULA INCOME (LOSS)		<u>1,225,592.48</u>

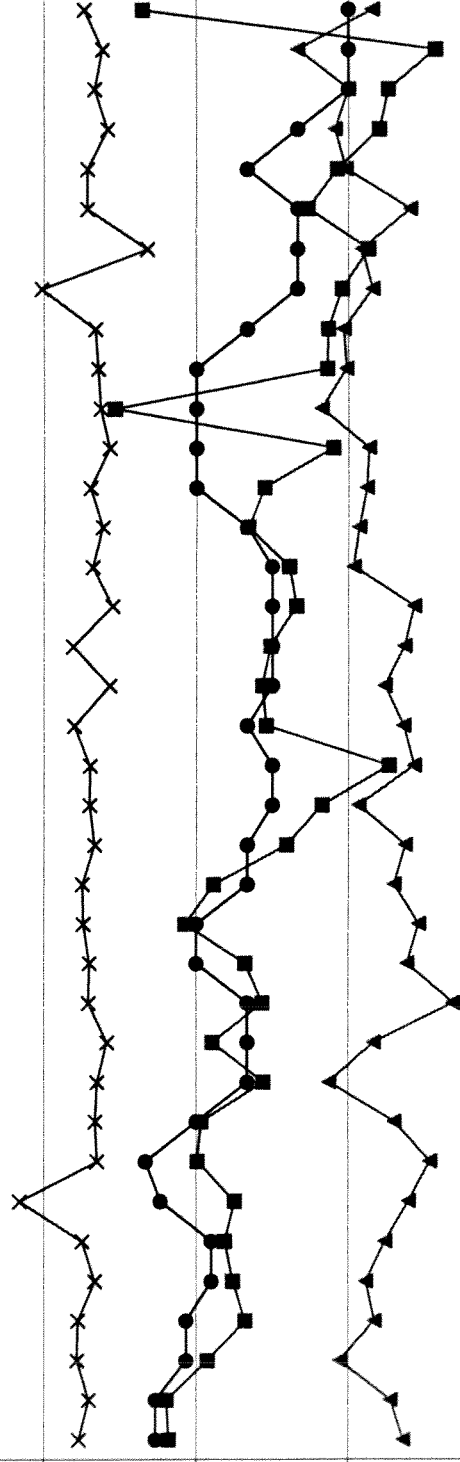
TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
GENERAL STATISTICS
12/31/13

		MONTH OF DEC 2012	MONTH OF DEC 2013	% CHANGE		YEAR DEC 2012	THRU DEC 2013
				2012	2013		
SALE OF KWH	(P.5)	54,310,489	51,596,520	1.43%	-1.46%	367,927,359	362,553,798
KWH PURCHASED		59,364,911	60,841,227	2.37%	-1.76%	382,882,746	376,133,944
AVE BASE COST PER KWH		0.038205	0.037698	8.84%	4.31%	0.037722	0.039349
AVE BASE SALE PER KWH		0.065428	0.066034	-0.30%	0.61%	0.064686	0.065083
AVE COST PER KWH		0.086529	0.097961	-2.05%	-4.04%	0.084775	0.081354
AVE SALE PER KWH		0.120429	0.105839	-4.05%	-4.29%	0.113638	0.108767
FUEL CHARGE REVENUE (P.3)		2,987,105.82	2,053,822.16	-7.29%	-12.07%	18,010,954.68	15,837,781.93
LOAD FACTOR		74.66%	71.90%				
K LOAD		108,921	115,912				

kwh analysis

- ▲ base cost
- fuel cost
- fuel revenue
- × base revenue

\$0.085
 \$0.070
 \$0.055
 \$0.040
 \$0.025
 \$0.010



DEC 10
 JAN 11
 FEB 11
 MAR 11
 APR 11
 MAY 11
 JUN 11
 JUL 11
 AUG 11
 SEP 11
 OCT 11
 NOV 11
 DEC 11
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 MAY 13
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 OCT 13
 NOV 13
 DEC 13

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF CASH AND INVESTMENTS
12/31/13

SCHEDULE A

	PREVIOUS YEAR	CURRENT YEAR
UNRESTRICTED CASH		
CASH - OPERATING FUND	11,171,080.97	10,247,798.40
CASH - PETTY CASH	3,000.00	3,000.00
TOTAL UNRESTRICTED CASH	11,174,080.97	10,250,798.40
 RESTRICTED CASH		
CASH - DEPRECIATION FUND	3,458,260.56	4,555,865.98
CASH - DEFERRED FUEL RESERVE	1,972,193.64	2,375,129.64
CASH - RATE STABILIZATION FUND	6,686,773.58	6,701,132.09
CASH - UNCOLLECTIBLE ACCTS RESERVE	200,000.00	200,000.00
CASH - SICK LEAVE BENEFITS	2,986,360.21	2,035,367.88
CASH - HAZARD WASTE RESERVE	150,000.00	150,000.00
CASH - CUSTOMER DEPOSITS	659,170.42	719,656.51
CASH - ENERGY CONSERVATION	218,231.21	411,548.87
CASH - OPEB	1,346,399.03	0.00
TOTAL RESTRICTED CASH	17,677,388.65	17,148,700.97
 INVESTMENTS		
SICK LEAVE BUYBACK	0.00	850,000.00
TOTAL CASH BALANCE	28,851,469.62	28,249,499.37

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF ACCOUNTS RECEIVABLE
12/31/13

SCHEDULE B

	PREVIOUS YEAR	CURRENT YEAR
SCHEDULE OF ACCOUNTS RECEIVABLE		
RESIDENTIAL AND COMMERCIAL	3,355,859.22	2,970,327.56
ACCOUNTS RECEIVABLE - OTHER	136,408.86	174,697.25
ACCOUNTS RECEIVABLE - LIENS	46,198.20	37,169.47
ACCOUNTS RECEIVABLE - EMPLOYEE ADVANCES	892.14	892.14
SALES DISCOUNT LIABILITY	(278,023.29)	(256,649.05)
RESERVE FOR UNCOLLECTIBLE ACCOUNTS	(254,069.94)	(228,140.84)
TOTAL ACCOUNTS RECEIVABLE BILLED	<u>3,007,265.19</u>	<u>2,698,296.53</u>
UNBILLED ACCOUNTS RECEIVABLE	4,915,936.83	4,158,022.50
TOTAL ACCOUNTS RECEIVABLE, NET	<u><u>7,923,202.02</u></u>	<u><u>6,856,319.03</u></u>

SCHEDULE OF PREPAYMENTS

PREPAID INSURANCE	1,317,946.94	1,301,586.22
PREPAYMENT PURCHASED POWER	230,424.89	(182,311.68)
PREPAYMENT NYPA	241,849.32	242,260.90
PREPAYMENT WATSON	184,914.25	153,534.60
PURCHASED POWER WORKING CAPITAL	14,523.70	14,523.70
TOTAL PREPAYMENT	<u><u>1,989,659.10</u></u>	<u><u>1,529,593.74</u></u>

ACCOUNTS RECEIVABLE AGING DECEMBER 2013:

RESIDENTIAL AND COMMERCIAL	2,970,327.56
LESS: SALES DISCOUNT LIABILITY	(256,649.05)
GENERAL LEDGER BALANCE	<u><u>2,713,678.51</u></u>

CURRENT	2,244,131.09	82.70%
30 DAYS	292,202.96	10.77%
60 DAYS	89,396.23	3.29%
90 DAYS	45,283.42	1.67%
OVER 90 DAYS	42,664.81	1.57%
TOTAL	<u><u>2,713,678.51</u></u>	<u><u>100.00%</u></u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE
12/31/13

SCHEDULE D

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	2,729,606.47	2,304,281.88	17,433,342.06	16,596,559.56	-4.80%
COMM AND INDUSTRIAL SALES	3,503,166.95	2,894,470.89	22,663,569.84	21,194,792.60	-6.48%
PRIVATE STREET LIGHTING	6,312.61	5,310.21	34,976.18	32,996.98	-5.66%
TOTAL PRIVATE CONSUMERS	<u>6,239,086.03</u>	<u>5,204,062.98</u>	<u>40,131,888.08</u>	<u>37,824,349.14</u>	-5.75%
MUNICIPAL SALES:					
STREET LIGHTING	29,316.83	25,915.65	169,102.13	160,116.25	-5.31%
MUNICIPAL BUILDINGS	94,302.63	82,592.19	556,189.90	522,497.85	-6.06%
TOTAL MUNICIPAL CONSUMERS	<u>123,619.46</u>	<u>108,507.84</u>	<u>725,292.03</u>	<u>682,614.10</u>	-5.88%
SALES FOR RESALE	28,558.73	21,353.23	212,524.20	201,562.25	-5.16%
SCHOOL	149,279.12	127,004.89	740,962.67	725,392.38	-2.10%
SUB-TOTAL	6,540,543.34	5,460,928.94	41,810,666.98	39,433,917.87	-5.68%
FORFEITED DISCOUNTS	73,051.41	88,653.57	510,820.16	461,368.36	-9.68%
PURCHASED POWER CAPACITY	164,559.67	29,218.12	1,114,191.34	164,733.73	-85.21%
ENERGY CONSERVATION - RESIDENTIAL	20,537.34	19,456.48	137,763.53	136,150.72	-1.17%
ENERGY CONSERVATION - COMMERCIAL	32,929.16	42,274.49	224,480.52	220,704.11	-1.68%
GAW REVENUE	54,323.79	51,361.77	367,799.21	362,332.15	-1.49%
NYPA CREDIT	(68,965.36)	(45,701.57)	(293,264.30)	(272,672.30)	-7.02%
TOTAL REVENUE	<u>6,816,979.35</u>	<u>5,646,191.80</u>	<u>43,872,457.44</u>	<u>40,506,534.64</u>	-7.67%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE BY TOWN
12/31/13

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	2,304,281.88	694,253.90	334,516.40	511,468.98	764,042.60
INDUS/MUNI BLDG	2,977,063.08	413,246.20	44,625.15	443,897.35	2,075,294.38
PUB. ST. LIGHTS	25,915.65	8,409.03	3,316.03	4,621.45	9,569.14
PRV. ST. LIGHTS	5,310.21	913.53	100.44	1,646.32	2,649.92
CO-OP RESALE	21,353.23	21,353.23	0.00	0.00	0.00
SCHOOL	127,004.89	43,271.25	28,296.11	16,792.12	38,645.41
TOTAL	5,460,928.94	1,181,447.14	410,854.13	978,426.22	2,890,201.45
THIS YEAR TO DATE					
RESIDENTIAL	16,596,559.56	5,193,848.19	2,374,662.43	3,848,620.33	5,179,428.61
INDUS/MUNI BLDG	21,717,290.45	2,920,532.11	292,158.92	3,457,590.47	15,047,008.95
PUB. ST. LIGHTS	160,116.25	52,046.58	20,548.13	28,422.34	59,099.20
PRV. ST. LIGHTS	32,996.98	5,765.57	599.63	10,212.97	16,418.81
CO-OP RESALE	201,562.25	201,562.25	0.00	0.00	0.00
SCHOOL	725,392.38	262,793.76	163,641.43	89,980.61	208,976.58
TOTAL	39,433,917.87	8,636,548.46	2,851,610.52	7,434,826.73	20,510,932.16
LAST YEAR TO DATE					
RESIDENTIAL	17,433,342.06	5,427,399.50	2,520,672.58	4,038,048.41	5,447,221.57
INDUS/MUNI BLDG	23,219,759.74	3,130,326.92	287,025.32	3,699,297.06	16,103,110.44
PUB. ST. LIGHTS	169,102.13	54,663.12	21,629.72	31,007.29	61,802.00
PRV. ST. LIGHTS	34,976.18	6,392.22	639.08	10,564.41	17,380.47
CO-OP RESALE	212,524.20	212,524.20	0.00	0.00	0.00
SCHOOL	740,962.67	264,439.69	160,141.19	95,717.76	220,664.03
TOTAL	41,810,666.98	9,095,745.65	2,990,107.89	7,874,634.93	21,850,178.51

PERCENTAGE OF OPERATING INCOME TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	42.20%	12.71%	6.13%	9.37%	13.99%
INDUS/MUNI BLDG	54.51%	7.57%	0.82%	8.13%	37.99%
PUB. ST. LIGHTS	0.47%	0.15%	0.06%	0.08%	0.18%
PRV. ST. LIGHTS	0.10%	0.02%	0.00%	0.03%	0.05%
CO-OP RESALE	0.39%	0.39%	0.00%	0.00%	0.00%
SCHOOL	2.33%	0.79%	0.52%	0.31%	0.71%
TOTAL	100.00%	21.63%	7.53%	17.92%	52.92%
THIS YEAR TO DATE					
RESIDENTIAL	42.09%	13.17%	6.02%	9.76%	13.14%
INDUS/MUNI BLDG	55.07%	7.41%	0.74%	8.77%	38.15%
PUB. ST. LIGHTS	0.41%	0.13%	0.05%	0.07%	0.16%
PRV. ST. LIGHTS	0.08%	0.01%	0.00%	0.03%	0.04%
CO-OP RESALE	0.51%	0.51%	0.00%	0.00%	0.00%
SCHOOL	1.84%	0.67%	0.41%	0.23%	0.53%
TOTAL	100.00%	21.90%	7.22%	18.86%	52.02%
LAST YEAR TO DATE					
RESIDENTIAL	41.70%	12.98%	6.03%	9.66%	13.03%
INDUS/MUNI BLDG	55.54%	7.49%	0.69%	8.85%	38.51%
PUB. ST. LIGHTS	0.40%	0.13%	0.05%	0.07%	0.15%
PRV. ST. LIGHTS	0.08%	0.02%	0.00%	0.03%	0.03%
CO-OP RESALE	0.51%	0.51%	0.00%	0.00%	0.00%
SCHOOL	1.77%	0.63%	0.38%	0.23%	0.53%
TOTAL	100.00%	21.76%	7.15%	18.84%	52.25%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED REVENUE VARIANCE REPORT
12/31/13

SCHEDULE F

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
SALES OF ELECTRICITY:				
RESIDENTIAL	10,616,317.06	11,172,639.00	(556,321.94)	-4.98%
COMM AND INDUSTRIAL SALES PRIVATE STREET LIGHTING MUNICIPAL BUILDINGS	12,328,303.01	12,878,525.00	(550,221.99)	-4.27%
PUBLIC STREET LIGHTING	97,794.74	99,950.00	(2,155.26)	-2.16%
SALES FOR RESALE	123,159.92	148,263.00	(25,103.08)	-16.93%
SCHOOL	<u>430,561.21</u>	<u>418,752.00</u>	<u>11,809.21</u>	2.82%
TOTAL BASE SALES	23,596,135.94	24,718,129.00	(1,121,993.06)	-4.54%
TOTAL FUEL SALES	<u>15,837,781.93</u>	<u>17,128,980.00</u>	<u>(1,291,198.07)</u>	-7.54%
TOTAL OPERATING REVENUE	39,433,917.87	41,847,109.00	(2,413,191.13)	-5.77%
FORFEITED DISCOUNTS	461,368.36	543,799.00	(82,430.64)	-15.16%
PURCHASED POWER CAPACITY	164,733.73	552,607.00	(387,873.27)	-70.19%
ENERGY CONSERVATION - RESIDENTIAL	136,150.72	138,689.00	(2,538.28)	-1.83%
ENERGY CONSERVATION - COMMERCIAL	220,704.11	233,239.00	(12,534.89)	-5.37%
GAW REVENUE	362,332.15	371,928.00	(9,595.85)	-2.58%
PASNY CREDIT	(272,672.30)	(349,998.00)	77,325.70	-22.09%
TOTAL OPERATING REVENUES	<u><u>40,506,534.64</u></u>	<u><u>43,337,373.00</u></u>	<u><u>(2,830,838.36)</u></u>	-6.53%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING EXPENSES
12/31/13

SCHEDULE E

OPERATION EXPENSES:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
PURCHASED POWER BASE EXPENSE	2,268,056.90	2,293,610.22	14,443,198.80	14,800,423.31	2.47%
OPERATION SUP AND ENGINEERING EXP	36,686.24	39,095.46	259,584.04	257,164.91	-0.93%
STATION SUP LABOR AND MISC	2,107.19	8,481.58	36,396.42	54,298.17	49.19%
LINE MISC LABOR AND EXPENSE	63,980.57	76,771.06	338,015.00	381,212.33	12.78%
STATION LABOR AND EXPENSE	38,082.30	38,488.54	273,878.81	249,717.13	-8.82%
STREET LIGHTING EXPENSE	8,139.05	6,094.62	39,078.71	36,602.86	-6.34%
METER EXPENSE	14,166.04	18,399.52	92,169.77	103,874.05	12.70%
MISC DISTRIBUTION EXPENSE	28,025.96	33,668.17	170,903.21	174,751.63	2.25%
METER READING LABOR & EXPENSE	6,867.90	1,707.63	45,286.59	15,236.98	-66.35%
ACCT & COLL LABOR & EXPENSE	136,721.81	132,397.95	755,193.40	760,121.83	0.65%
UNCOLLECTIBLE ACCOUNTS	8,333.33	10,500.00	49,999.98	63,000.00	26.00%
ENERGY AUDIT EXPENSE	35,891.84	32,763.47	234,891.04	216,549.81	-7.81%
ADMIN & GEN SALARIES	65,415.46	65,872.59	379,930.17	430,365.11	13.27%
OFFICE SUPPLIES & EXPENSE	19,916.46	24,842.59	118,339.90	137,227.11	15.96%
OUTSIDE SERVICES	16,089.47	55,789.68	199,101.09	208,516.70	4.73%
PROPERTY INSURANCE	31,678.32	29,925.89	190,317.42	179,555.99	-5.65%
INJURIES AND DAMAGES	3,940.15	3,384.53	23,202.29	19,803.15	-14.65%
EMPLOYEES PENSIONS & BENEFITS	272,348.48	(71,993.48)	1,096,174.21	1,059,076.00	-3.38%
MISC GENERAL EXPENSE	17,819.61	25,781.43	100,413.74	98,406.29	-2.00%
RENT EXPENSE	13,827.16	13,786.36	103,750.18	95,835.68	-7.63%
ENERGY CONSERVATION	22,302.78	83,161.50	437,173.87	234,469.70	-46.37%
TOTAL OPERATION EXPENSES	842,340.12	628,919.09	4,943,799.84	4,775,785.43	-3.40%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	227.00	227.10	1,362.50	1,362.50	0.00%
MAINT OF STRUCT AND EQUIPMT	10,836.54	13,825.02	65,231.98	91,852.94	40.81%
MAINT OF LINES - OH	135,935.15	153,912.28	764,349.42	799,319.22	4.58%
MAINT OF LINES - UG	19,639.61	13,433.93	78,872.00	90,673.27	14.96%
MAINT OF LINE TRANSFORMERS	14,483.32	421.52	33,987.15	85,797.53	0.00%
MAINT OF ST LT & SIG SYSTEM	(5.67)	(17.77)	(250.07)	(404.41)	61.72%
MAINT OF GARAGE AND STOCKROOM	43,061.80	40,654.54	238,782.38	242,616.46	1.61%
MAINT OF METERS	1,106.94	263.66	18,897.55	10,420.67	-44.86%
MAINT OF GEN PLANT	8,531.23	9,197.09	51,572.99	70,797.61	37.28%
TOTAL MAINTENANCE EXPENSES	233,815.92	231,917.37	1,252,805.90	1,392,435.79	11.15%
DEPRECIATION EXPENSE	305,469.18	314,969.55	1,832,815.08	1,889,817.30	3.11%
PURCHASED POWER FUEL EXPENSE	2,868,712.69	3,666,453.24	18,015,541.22	15,799,467.37	-12.30%
VOLUNTARY PAYMENTS TO TOWNS	107,383.00	115,183.65	677,383.00	698,517.00	3.12%
TOTAL OPERATING EXPENSES	6,625,777.81	7,251,053.12	41,165,543.84	39,356,446.20	-4.39%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
12/31/13

SCHEDULE G

OPERATION EXPENSES:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	%
				CHANGE
PURCHASED POWER BASE EXPENSE	14,800,423.31	14,726,716.00	73,707.31	0.50%
OPERATION SUP AND ENGINEERING EXP	257,164.91	233,042.00	24,122.91	10.35%
STATION SUP LABOR AND MISC	54,298.17	44,318.00	9,980.17	22.52%
LINE MISC LABOR AND EXPENSE	381,212.33	376,018.00	5,194.33	1.38%
STATION LABOR AND EXPENSE	249,717.13	219,908.00	29,809.13	13.56%
STREET LIGHTING EXPENSE	36,602.86	45,592.00	(8,989.14)	-19.72%
METER EXPENSE	103,874.05	98,909.00	4,965.05	5.02%
MISC DISTRIBUTION EXPENSE	174,751.63	197,228.00	(22,476.37)	-11.40%
METER READING LABOR & EXPENSE	15,236.98	23,014.00	(7,777.02)	-33.79%
ACCT & COLL LABOR & EXPENSE	760,121.83	777,657.00	(17,535.17)	-2.25%
UNCOLLECTIBLE ACCOUNTS	63,000.00	63,000.00	0.00	0.00%
ENERGY AUDIT EXPENSE	216,549.81	208,491.00	8,058.81	3.87%
ADMIN & GEN SALARIES	430,365.11	395,392.00	34,973.11	8.85%
OFFICE SUPPLIES & EXPENSE	137,227.11	134,100.00	3,127.11	2.33%
OUTSIDE SERVICES	208,516.70	228,904.00	(20,387.30)	-8.91%
PROPERTY INSURANCE	179,555.99	230,250.00	(50,694.01)	-22.02%
INJURIES AND DAMAGES	19,803.15	29,348.00	(9,544.85)	-32.52%
EMPLOYEES PENSIONS & BENEFITS	1,059,076.00	996,148.00	62,928.00	6.32%
MISC GENERAL EXPENSE	98,406.29	128,226.00	(29,819.71)	-23.26%
RENT EXPENSE	95,835.68	106,002.00	(10,166.32)	-9.59%
ENERGY CONSERVATION	234,469.70	318,372.00	(83,902.30)	-26.35%
TOTAL OPERATION EXPENSES	4,775,785.43	4,853,919.00	(78,133.57)	-1.61%
MAINTENANCE EXPENSES:				
MAINT OF TRANSMISSION PLANT	1,362.50	1,500.00	(137.50)	-9.17%
MAINT OF STRUCT AND EQUIPMENT	91,852.94	52,555.00	39,297.94	74.77%
MAINT OF LINES - OH	799,319.22	798,988.00	331.22	0.04%
MAINT OF LINES - UG	90,673.27	242,740.00	(152,066.73)	-62.65%
MAINT OF LINE TRANSFORMERS	85,797.53	80,402.00	5,395.53	6.71%
MAINT OF ST LT & SIG SYSTEM	(404.41)	5,266.00	(5,670.41)	-107.68%
MAINT OF GARAGE AND STOCKROOM	242,616.46	321,669.00	(79,052.54)	-24.58%
MAINT OF METERS	10,420.67	29,832.00	(19,411.33)	-65.07%
MAINT OF GEN PLANT	70,797.61	72,402.00	(1,604.39)	-2.22%
TOTAL MAINTENANCE EXPENSES	1,392,435.79	1,605,354.00	(212,918.21)	-13.26%
DEPRECIATION EXPENSE	1,889,817.30	1,887,600.00	2,217.30	0.12%
PURCHASED POWER FUEL EXPENSE	15,799,467.37	15,685,546.00	113,921.37	0.73%
VOLUNTARY PAYMENTS TO TOWNS	698,517.00	699,996.00	(1,479.00)	-0.21%
TOTAL OPERATING EXPENSES	39,356,446.20	39,459,131.00	(102,684.80)	-0.26%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
12/31/13

OPERATION EXPENSES:	RESPONSIBLE SENIOR MANAGER	2014 ANNUAL BUDGET	ACTUAL YEAR TO DATE	REMAINING BUDGET BALANCE	REMAINING BUDGET %
PURCHASED POWER BASE EXPENSE	JP	29,123,336.00	14,800,423.31	14,322,912.69	49.18%
OPERATION SUP AND ENGINEERING EXP	KS	467,978.00	257,164.91	210,813.09	45.05%
STATION SUP LABOR AND MISC	KS	90,088.00	54,298.17	35,789.83	39.73%
LINE MISC LABOR AND EXPENSE	KS	729,521.00	381,212.33	348,308.67	47.74%
STATION LABOR AND EXPENSE	KS	446,308.00	249,717.13	196,590.87	44.05%
STREET LIGHTING EXPENSE	KS	90,729.00	36,602.86	54,126.14	59.66%
METER EXPENSE	KS	218,064.00	103,874.05	114,189.95	52.37%
MISC DISTRIBUTION EXPENSE	KS	396,379.00	174,751.63	221,627.37	55.91%
METER READING LABOR & EXPENSE	KS	46,322.00	15,236.98	31,085.02	67.11%
ACCT & COLL LABOR & EXPENSE	RF	1,570,864.00	760,121.83	810,742.17	51.61%
UNCOLLECTIBLE ACCOUNTS	RF	126,000.00	63,000.00	63,000.00	50.00%
ENERGY AUDIT EXPENSE	JP	416,982.00	216,549.81	200,432.19	48.07%
ADMIN & GEN SALARIES	CO	794,002.00	430,365.11	363,636.89	45.80%
OFFICE SUPPLIES & EXPENSE	CO	268,000.00	137,227.11	130,772.89	48.80%
OUTSIDE SERVICES	CO	419,150.00	208,516.70	210,633.30	50.25%
PROPERTY INSURANCE	KS	460,600.00	179,555.99	281,044.01	61.02%
INJURIES AND DAMAGES	KS	58,206.00	19,803.15	38,402.85	65.98%
EMPLOYEES PENSIONS & BENEFITS	KS	1,870,479.00	1,059,076.00	811,403.00	43.38%
MISC GENERAL EXPENSE	CO	219,695.00	98,406.29	121,288.71	55.21%
RENT EXPENSE	KS	212,000.00	95,835.68	116,164.32	54.79%
ENERGY CONSERVATION	JP	636,761.00	234,469.70	402,291.30	63.18%
TOTAL OPERATION EXPENSES		9,538,128.00	4,775,785.43	4,762,342.57	49.93%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	KS	3,000.00	1,362.50	1,637.50	54.58%
MAINT OF STRUCT AND EQUIPMT	KS	105,738.00	91,852.94	13,885.06	13.13%
MAINT OF LINES - OH	KS	1,604,829.00	799,319.22	805,509.78	50.19%
MAINT OF LINES - UG	KS	485,432.00	90,673.27	394,758.73	81.32%
MAINT OF LINE TRANSFORMERS	KS	160,000.00	85,797.53	74,202.47	46.38%
MAINT OF ST LT & SIG SYSTEM	KS	10,487.00	(404.41)	10,891.41	103.86%
MAINT OF GARAGE AND STOCKROOM	KS	668,507.00	242,616.46	425,890.54	63.71%
MAINT OF METERS	KS	41,160.00	10,420.67	30,739.33	74.68%
MAINT OF GEN PLANT	RF	145,480.00	70,797.61	74,682.39	51.34%
TOTAL MAINTENANCE EXPENSES		3,224,633.00	1,392,435.79	1,832,197.21	56.82%
DEPRECIATION EXPENSE	RF	3,775,200.00	1,889,817.30	1,885,382.70	49.94%
PURCHASED POWER FUEL EXPENSE	JP	31,789,470.00	15,799,467.37	15,990,002.63	50.30%
VOLUNTARY PAYMENTS TO TOWNS	RF	1,400,000.00	698,517.00	701,483.00	50.11%
TOTAL OPERATING EXPENSES		78,850,767.00	39,356,446.20	39,494,320.80	50.09%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
PROFESSIONAL SERVICES
12/31/2013

PROFESSIONAL SERVICES BY PROJECT

ITEM	DEPARTMENT	ACTUAL	BUDGET	VARIANCE
1 RMLD AND PENSION TRUST AUDIT FEES	ACCOUNTING	32,500.00	32,250.00	250.00
2 PENSION ACTUARIAL EVALUATION	ACCOUNTING	0.00	0.00	0.00
3 LEGAL- FERC/ISO ISSUES	ENERGY SERVICE	0.00	9,000.00	(9,000.00)
4 LEGAL- POWER SUPPLY ISSUES	ENERGY SERVICE	45,397.74	22,500.00	22,897.74
5 PROFESSIONAL SERVICES	ENERGY SERVICE	6,445.00	12,000.00	(5,555.00)
6 NERC COMPLIANCE AND AUDIT	E & O	8,364.50	7,000.00	1,364.50
7 LEGAL	ENGINEERING	0.00	7,500.00	(7,500.00)
8 LEGAL-GENERAL	GM	71,299.56	75,000.00	(3,700.44)
9 LEGAL SERVICES- OTHER	HR	4,126.43	21,000.00	(16,873.57)
10 LEGAL SERVICES-NEGOTIATIONS	HR	15,947.26	0.00	15,947.26
11 LEGAL SERVICES-ARBITRATION	HR	4,629.73	21,900.00	(17,270.27)
12 LEGAL GENERAL	BLDG. MAINT.	0.00	750.00	(750.00)
13 SURVEY RIGHT OF WAY	BLDG. MAINT.	0.00	2,502.00	(2,502.00)
14 ENVIRONMENTAL	BLDG. MAINT.	0.00	2,502.00	(2,502.00)
15 INSURANCE CONSULTANT	GEN. BENEFIT	0.00	4,998.00	(4,998.00)
16 LEGAL	GEN. BENEFIT	64.60	2,502.00	(2,437.40)
17 LEGAL MATS MGMT	GEN. BENEFIT	950.00	7,500.00	(6,550.00)
18 DSA BASIC CLIENT SERVICE	ENGINEERING	1,249.98	0.00	1,249.98
19 ORGANIZATIONAL STUDY	GM	17,541.90	0.00	17,541.90
TOTAL		<u>208,516.70</u>	<u>228,904.00</u>	<u>(20,387.30)</u>

PROFESSIONAL SERVICES BY VENDOR

	ACTUAL
MELANSON HEATH & COMPANY	32,500.00
UTILITY SERVICES, INC.	7,012.50
DUNCAN AND ALLEN	16,918.81
RUBIN AND RUDMAN	108,523.97
DOBLE ENGINEERING	1,249.98
CHOATE HALL & STEWART	24,703.42
WILLIAM CROWLEY	2,080.00
ENERGY NEW ENGLAND	1,400.00
BERRYDUNN	6,445.00
PLM	2,426.00
HUDSON RIVER ENERGY GROUP	2,249.72
COTTE MANAGEMENT CONSULTING LLC	3,007.30
TOTAL	<u>208,516.70</u>

RMLD
 DEFERRED FUEL CASH RESERVE ANALYSIS
 12/31/13

DATE	GROSS CHARGES	REVENUES	NYPA CREDIT	MONTHLY DEFERRED	TOTAL DEFERRED
Jun-13					2,609,487.38
Jul-13	3,464,349.32	2,953,072.91	(53,841.00)	(565,117.41)	2,044,369.97
Aug-13	2,767,250.13	3,385,440.39	(33,645.12)	584,545.14	2,628,915.11
Sep-13	2,168,234.24	3,096,134.62	(61,811.13)	866,089.25	3,495,004.36
Oct-13	1,994,534.42	2,147,543.67	(23,964.99)	129,044.26	3,624,048.62
Nov-13	1,738,646.02	2,201,768.18	(53,708.49)	409,413.67	4,033,462.29
Dec-13	3,666,453.24	2,053,822.16	(45,701.57)	(1,658,332.65)	2,375,129.64

RMLD
 BUDGET VARIANCE REPORT
 FOR PERIOD ENDING DECEMBER 31, 2013

DIVISION	ACTUAL	BUDGET	VARIANCE	CHANGE
ENGINEERING AND OPERATIONS	2,301,506	2,370,490	(68,984)	-2.91%
ENERGY SERVICES	500,994	570,365	(69,371)	-12.16%
GENERAL MANAGER	430,454	455,488	(25,034)	-5.50%
FACILITY MANAGER	1,866,131	1,974,763	(108,632)	-5.50%
BUSINESS DIVISION	4,810,768	4,828,061	(17,293)	-0.36%
SUB-TOTAL	9,909,854	10,199,168	(289,315)	-2.84%
PURCHASED POWER - BASE	14,800,423	14,726,716	73,707	0.50%
PURCHASED POWER - FUEL	15,799,467	15,685,546	113,921	0.73%
TOTAL	40,509,744	40,611,430	(101,686)	-0.25%

RMLD
STAFFING REPORT
FOR FISCAL YEAR ENDING JUNE, 2014

	14 BUD TOTAL	JUL 13	AUG 13	SEP 13	OCT 13	NOV 13	DEC 13
<u>GENERAL MANAGER</u>							
GENERAL MANAGER	2.00	2.00	2.00	2.00	2.00	2.00	2.00
HUMAN RESOURCES	1.00	1.00	1.00	1.00	1.00	1.00	1.00
COMMUNITY RELATIONS	1.00	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL	4.00	4.00	4.00	4.00	4.00	4.00	4.00
<u>BUSINESS</u>							
ACCOUNTING	2.00	2.00	2.00	2.00	2.00	2.00	2.00
CUSTOMER SERVICE	7.75	7.75	7.75	7.75	7.75	7.75	7.75
MGMT INFORMATION SYS	6.00	6.00	6.00	6.00	6.00	6.00	6.00
MISCELLANEOUS	1.00	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL	16.75	16.75	16.75	16.75	16.75	16.75	16.75
<u>ENGINEERING & OPERATIONS</u>							
AGM E&O	2.00	2.00	2.00	2.00	2.00	2.00	2.00
ENGINEERING	5.00	5.00	5.00	5.00	5.00	5.00	5.00
LINE	22.00	21.00	21.00	21.00	21.00	21.00	21.00
METER	3.00	3.00	3.00	3.00	3.00	3.00	3.00
STATION	8.00	8.00	8.00	8.00	8.00	8.00	8.00
TOTAL	40.00	39.00	39.00	39.00	39.00	39.00	39.00
<u>PROJECT</u>							
BUILDING	2.00	2.00	2.00	2.00	2.00	2.00	2.00
GENERAL BENEFITS	2.00	2.00	2.00	2.00	2.00	2.00	2.00
TRANSPORTATION	-	-	-	-	-	-	-
MATERIALS MGMT	4.00	4.00	4.00	4.00	4.00	4.00	4.00
TOTAL	8.00	8.00	8.00	8.00	8.00	8.00	8.00
<u>ENERGY SERVICES</u>							
ENERGY SERVICES	4.50	3.50	3.50	3.50	3.50	3.50	3.50
TOTAL	4.50	3.50	3.50	3.50	3.50	3.50	3.50
RMLD TOTAL	73.25	71.25	71.25	71.25	71.25	71.25	71.25
<u>CONTRACTORS</u>							
UG LINE	2.00	2.00	2.00	2.00	2.00	2.00	2.00
TOTAL	2.00	2.00	2.00	2.00	2.00	2.00	2.00
GRAND TOTAL	75.25	73.25	73.25	73.25	73.25	73.25	73.25

M.G.L. c. 30B BIDS
BOARD REFERENCE TAB D



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

January 22, 2014

Town of Reading Municipal Light Board

Subject: Single Phase Pad Mounted FR3 Transformers

On December 11, 2013 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Single Phase Pad Mounted FR3 Transformers for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Power Sales Group	WESCO	Graybar Electric Company
EDI	Yale Electric Supply	Shamrock Power Sales
Hughes Supply	Ward Transformer Sales	Jordan Transformer
IF Gray	Metro West Electric Sales, Inc.	Power Tech-UPSC
Hasgo Power	Robinson Sales	Stuart C. Irby
HD Supply	HD Industrial Services	

Bids were received from WESCO, Graybar Electric Company, Power Sales Group, HD Supply and Stuart C. Irby.

The bids were publicly opened and read aloud at 11:00 a.m. January 8, 2014 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

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

Move that bid 2014-12 for Single Phase Pad Mounted FR3 Transformers be awarded to:

WESCO for a total cost of \$149,855.00

<u>Item (desc.)</u>	<u>Qty</u>	<u>Manufacturer</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 (25 kVa)	10	ERMCO	\$1,894.00	\$18,940.00
2 (37 ½ kVa)	35	ERMCO	\$2,089.00	\$73,115.00
3 (50 kVa)	25	ERMCO	\$2,312.00	\$57,800.00

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 FY14 Capital Budget allocation for the purchase of these units under the Transformer project was estimated at \$48,000 for 30 units. This quantity was intended to bring the RMLD inventory back up to the necessary level. The increase in the quantity of units is a direct result of the single phase pad-mount transformer inspection program that took place in the Fall of 2013. A majority of the materials and labor associated with the installation of these units will be captured within Project #6 of the Capital Budget.

Coleen O'Brien.

Peter Price

Single Phase Pad Mounted FR3 Transformers
Bid 2014-12

Bidder	Manufacturer	Delivery Date	Unit Cost	Qty	Total Net Cost	Meet Specification requirement	Specification Data Sheets	Firm Price	All forms filled out	Certified Check or Bid Bond	Exceptions to stated bid requirements	Authorized signature
WESCO												
Item 1 (25 kVa)	ERMCO	8-10 weeks ARO	\$1,894.00	10	\$18,940.00	yes	yes	yes	yes	yes	no	yes
Item 2 (37 1/2 kVa)	ERMCO	8-10 weeks ARO	\$2,089.00	35	\$73,115.00							
Item 3 (50 kVa)	ERMCO	8-10 weeks ARO	\$2,312.00	25	\$57,800.00							
					<u>\$149,855.00</u>							
Power Sales Group												
Item 1 (25 kVa)	Howard	6-8 weeks ARO	\$2,410.00	10	\$24,100.00	yes	yes	yes	yes	yes	yes	yes
Item 2 (37 1/2 kVa)	Howard	6-8 weeks ARO	\$2,544.00	35	\$89,040.00							
Item 3 (50 kVa)	Howard	6-8 weeks ARO	\$2,941.00	25	\$73,525.00							
					<u>\$186,665.00</u>							
Power Sales Group - Amorphous												
Item 1 (25 kVa)	Howard	8-10 weeks ARO	\$2,442.00	10	\$24,420.00	yes	yes	no	yes	yes	yes	yes
Item 2 (37 1/2 kVa)	Howard	8-10 weeks ARO	\$2,659.00	35	\$93,065.00							
Item 3 (50 kVa)	Howard	8-10 weeks ARO	\$3,009.00	25	\$75,225.00							
					<u>\$192,710.00</u>							

Non Responsive bidders:

- Graybar Electric Bid 2 separate manufacturers
- HD Supply GE Terms & Conditions apply.
- Irby Price not firm. Manufacturer Terms & Conditions apply.

Exemptions as stated:
 Note: We are quoting flip top, single door only. No side panels, no stops.

Exemptions as stated:
 Note: We are quoting flip top, single door only. No side panels, no stops.



RMLD



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January 22, 2014

Town of Reading Municipal Light Board

Subject: Single Phase Pole Mounted Transformers

On December 11, 2013 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Single Phase Pole Mounted Transformers for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Power Sales Group	WESCO	Graybar Electric Company
EDI	Yale Electric Supply	Shamrock Power Sales
Hughes Supply	Ward Transformer Sales	Jordan Transformer
IF Gray	Metro West Electric Sales, Inc.	Power Tech-UPSC
Hasgo Power	Robinson Sales	Stuart C. Irby
HD Supply	HD Industrial Services	

Bids were received from WESCO, Graybar Electric Company, Power Sales Group, Stuart C. Irby and HD Supply.

The bids were publicly opened and read aloud at 11:00 a.m. January 8, 2014 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

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

Move that bid 2014-13 for Single Phase Pole Mounted Transformers be awarded to:

WESCO for a total cost of \$99,792.00

<u>Item (desc.)</u>	<u>Qty</u>	<u>Manufacturer</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 (37 ½ kVa)	30	Cooper	\$1,244.00	\$37,320.00
2 (50 kVa)	40	Cooper	\$1,424.00	\$56,960.00
3 (100 kVa)	2	ERMCO	\$2,756.00	\$5,512.00

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 FY14 Capital Budget allocation for the purchase of these units under the Transformer project was estimated at \$96,000 for 60 units. This quantity was intended to bring the RMLD inventory back up to the necessary level. The Department will actually need 72 units to bring the inventory up to the necessary level.

Coleen O'Brien

Peter Price

**Single Phase Pole Mounted Transformers
Bid 2014-13**

Bidder	Manufacturer	Delivery Date	Unit Cost	Qty	Total Net Cost	Meet Specification requirement	Specification Data Sheets	Firm Price	All forms filled out	Certified Check or Bid Bond	Exceptions to stated bid requirements	Authorized signature
WESCO												
Item 1 (37 1/2 Kva)	Cooper	9-11 weeks ARO	\$1,244.00	30	\$37,320.00	yes	yes	yes	yes	yes	no	yes
Item 2 (50 Kva)	Cooper	9-11 weeks ARO	\$1,424.00	40	\$56,960.00							
Item 3 (100 Kva)	ERMCO	8-10 weeks ARO	\$2,756.00	2	\$5,512.00							
					<u>\$99,792.00</u>							
Power Sales Group												
Amorphous												
Item 1 (37 1/2 Kva)	Howard	8-10 weeks ARO	\$1,406.00	30	\$42,180.00	yes	yes	yes	yes	yes	no	yes
Item 2 (50 Kva)	Howard	8-10 weeks ARO	\$1,696.00	40	\$67,840.00							
Item 3 (100 Kva)	Howard	10-12 weeks ARO	\$3,409.00	2	\$6,818.00							
					<u>\$116,838.00</u>							
Power Sales Group												
Item 1 (37 1/2 Kva)	Howard	6-8 weeks ARO	\$1,436.00	30	\$43,080.00	yes	no	yes	yes	yes	no	yes
Item 2 (50 Kva)	Howard	6-8 weeks ARO	\$1,687.00	40	\$67,480.00							
Item 3 (100 Kva)	Howard	8-10 weeks ARO	\$3,473.00	2	\$6,946.00							
					<u>\$117,506.00</u>							

Non responsive bidders:
 Graybar Electric
 HD Supply
 Stuart C. Itby

Bidding two manufacturers
 GE General Terms & Conditions apply
 Price not firm.



RMLD

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 Web: www.rmid.com

January 14, 2014

Town of Reading Municipal Light Board

Subject: Three Phase Pad Mounted Transformers

On December 11, 2013 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Three Phase Pad Mounted Transformers for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Power Sales Group	WESCO	Graybar Electric Company
EDI	Yale Electric Supply	Shamrock Power Sales
Hughes Supply	Ward Transformer Sales	Jordan Transformer
IF Gray	Metro West Electric Sales, Inc.	Power Tech-UPSC
Hasgo Power	Robinson Sales	Stuart C. Irby
HD Supply	HD Industrial Services	

Bids were received from Graybar Electric Company, WESCO, Stuart C Irby, HD Supply and Power Sales Group.

The bids were publicly opened and read aloud at 11:00 a.m. January 8, 2014 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

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

Move that bid 2014-14 for Three Phase Pad Mounted Transformers be awarded to:

WESCO for a total cost of \$143,869.00

<u>Item (desc.)</u>	<u>Qty</u>	<u>Manufacturer</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 (225 kVa Delta w/taps 120/208)	3	ERMCO	7,098.00	21,294.00
2 (225 kVa Delta w/taps 277/480)	2	ERMCO	6,890.00	13,780.00
3 (300 kVa Delta w/taps 120/208)	2	ERMCO	7,783.00	15,566.00
4 (300 kVa Delta w/taps 277/480)	1	ERMCO	7,365.00	7,365.00
5 (500 kVa Delta w/taps 120/208)	1	ERMCO	9,360.00	9,360.00
6 (500 kVa Delta w/taps 277/480)	4	ERMCO	8,764.00	35,056.00
7 (750 kVa Delta w/taps 277/480)	2	ERMCO	11,780.00	23,560.00
8 (1500 kVa Delta w/taps 277/480)	1	ERMCO	17,888.00	17,888.00

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 FY14 Capital Budget allocation for the purchase of these units under the Transformer project was estimated at \$60,000 for 5 units. This quantity was intended to bring the RMLD inventory back up to the necessary level. Since the time that the budget was first proposed in April of 2013, a number of projects requiring 3 phase pad-mount transformers have begun or are proposed. This required the increase in the number of units to 16. A sampling of these projects is as follows;

Wilmington High School, was on hold because a home owners appeal to the DEP
North Reading High School, the original plan called for two pad-mount transformers, now the plan calls for three transformers

Target Corporation, 210 Ballardvale Street, W - this project started in November of 2013

Retail mini-mall, 210 Ballardvale Street, W - proposed retail space with anchor restaurant

United Tool and Die, 98 Eames Street, W - new project in November of 2013, service upgrade

Kirkwood Printing, 904 Main Street, W - building addition with possible service upgrade

Self-Storage building, 114 West Street - new service, started site work Summer 2013

Artis Senior Living Center (old Eric's Greenhouse), 1090 Main Street, R - new service, project demo starting next month

100 Research Drive, W - proposed 2 story office building with 1 or 2 service entrances

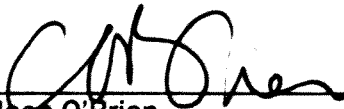
600 Research Drive, W - proposed new service

58 Jonspin Road, W - proposed service upgrade

30 Upton Drive, W - proposed new service

Perfectos, 285 Main Street, R - proposed new service

235 Andover Street, W - new service, completed



Coleen O'Brien



Peter Price

Three Phase Pad Mounted Transformers
 Bid 2014-14

Bidder	Manufacturer	Delivery Date	Unit Cost	Qty	Total Net Cost	Meet Specification requirement	Specification Data Sheets	Firm Price	All forms filled out	Certified Check or Bid Bond	Exceptions to stated bid requirements	Authorized signature
WESCO												
Item 1 (225 kVA Delta w/taps 120/208)	ERMCO	8-10 weeks ARO	7,098.00	3	21,294.00	yes	yes	yes	yes	yes	no	yes
Item 2 (225 kVA Delta w/taps 277/480)	ERMCO	8-10 weeks ARO	6,890.00	2	13,780.00							
Item 3 (300 kVA Delta w/taps 120/208)	ERMCO	8-10 weeks ARO	7,783.00	2	15,566.00							
Item 4 (300 kVA Delta w/taps 277/480)	ERMCO	8-10 weeks ARO	7,365.00	1	7,365.00							
Item 5 (500 kVA Delta w/taps 120/208)	ERMCO	8-10 weeks ARO	9,360.00	1	9,360.00							
Item 6 (500 kVA Delta w/taps 277/480)	ERMCO	8-10 weeks ARO	8,764.00	4	35,056.00							
Item 7 (750 kVA Delta w/taps 277/480)	ERMCO	8-10 weeks ARO	11,780.00	2	23,560.00							
Item 8 (1500 kVA Delta w/taps 277/480)	ERMCO	8-10 weeks ARO	17,888.00	1	17,888.00							
					143,869.00							
Power Sales												
Item 1 (225 kVA Delta w/taps 120/208)	Howard	6-8 weeks ARO	7,324.00	3	21,972.00	yes	yes	yes	yes	yes	yes	yes
Item 2 (225 kVA Delta w/taps 277/480)	Howard	6-8 weeks ARO	7,159.00	2	14,318.00							
Item 3 (300 kVA Delta w/taps 120/208)	Howard	6-8 weeks ARO	8,822.00	2	17,644.00							
Item 4 (300 kVA Delta w/taps 277/480)	Howard	6-8 weeks ARO	8,815.00	1	8,815.00							
Item 5 (500 kVA Delta w/taps 120/208)	Howard	6-8 weeks ARO	11,045.00	1	11,045.00							
Item 6 (500 kVA Delta w/taps 277/480)	Howard	6-8 weeks ARO	10,359.00	4	41,436.00							
Item 7 (750 kVA Delta w/taps 277/480)	Howard	8-10 weeks ARO	12,282.00	2	24,524.00							
Item 8 (1500 kVA Delta w/taps 277/480)	Howard	8-10 weeks ARO	20,385.00	1	20,385.00							
					160,139.00							
Amorphous												
Item 1 (225 kVA Delta w/taps 120/208)	Howard	8-10 weeks ARO	7,616.00	3	22,848.00	yes	yes	yes	yes	yes	yes	yes
Item 2 (225 kVA Delta w/taps 277/480)	Howard	8-10 weeks ARO	7,632.00	2	15,264.00							
Item 3 (300 kVA Delta w/taps 120/208)	Howard	8-10 weeks ARO	9,166.00	2	18,332.00							
Item 4 (300 kVA Delta w/taps 277/480)	Howard	8-10 weeks ARO	9,227.00	1	9,227.00							
Item 5 (500 kVA Delta w/taps 120/208)	Howard	8-10 weeks ARO	11,579.00	1	11,579.00							
Item 6 (500 kVA Delta w/taps 277/480)	Howard	8-10 weeks ARO	11,650.00	4	46,600.00							
Item 7 (750 kVA Delta w/taps 277/480)	Howard	10-12 weeks ARO	15,277.00	2	30,554.00							
Item 8 (1500 kVA Delta w/taps 277/480)	Howard	10-12 weeks ARO	24,092.00	1	24,092.00							
					178,496.00							

Non-responsive bidders:
 Graybar Electric
 HD Supply
 Stuart C. Ithy*
 bidding 2 manufacturers
 GE Terms & Conditions apply
 CG Power Systems Terms & Conditions apply.

*Stuart C. Ithy did not list this as an exception, but included it in the bid packet.



RMLD

Reading Municipal Light Department
 RELIABLE POWER FOR GENERATIONS

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January 22, 2014

Town of Reading Municipal Light Board

Subject: Three Phase Pole Mounted Transformers

On December 11, 2013 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Three Phase Pole Mounted Transformers for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Power Sales Group	WESCO	Graybar Electric Company
EDI	Yale Electric Supply	Shamrock Power Sales
Hughes Supply	Ward Transformer Sales	Jordan Transformer
IF Gray	Metro West Electric Sales, Inc.	Power Tech-UPSC
Hasgo Power	Robinson Sales	Stuart C. Irby
HD Supply	HD Industrial Services	

Bids were received from WESCO and Power Sales Group.

The bids were publicly opened and read aloud at 11:00 am January 8, 2014 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

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

Move that bid 2014-15 for Three Phase Pole Mounted Transformers be awarded to:

WESCO for a total cost of \$62,625.00

<u>Item (desc.)</u>	<u>Qty</u>	<u>Manufacturer</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 (45 kVa 13800 Δ 120/208)	1	Power Partners	\$3,496.00	\$3,496.00
2 (45 kVa 13800 Δ 277/480)	2	Power Partners	\$3,356.00	\$6,712.00
3 (75 kVa 13800 Δ 120/208)	2	Power Partners	\$4,079.00	\$8,158.00
4 (75 kVa 13800 Δ 277/480)	1	Power Partners	\$3,871.00	\$3,871.00
5 (112 kVa 13800 Δ 120/208)	4	Power Partners	\$5,217.00	\$20,868.00
6 (112 kVa 13800 Δ 277/480)	2	Power Partners	\$4,352.00	\$8,704.00
7 (150 kVa 13800 Δ 120/208)	1	Power Partners	\$5,912.00	\$5,912.00
8 (150 kVa 13800 Δ 277/480)	1	Power Partners	\$4,904.00	\$4,904.00

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
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The FY14 Capital Budget allocation for the purchase of these units under the Transformer project was estimated at \$80,000 for 8 units. This quantity was intended to bring the RMLD inventory back up to the necessary level. The original estimate in the Capital Budget was for 8 of the larger units. The Department will actually need 14 of the smaller units to bring the inventory up to the necessary level.

Coleen O'Brien

Peter Price

**Three Phase Pole Mounted Transformers
Bid 2014-15**

Bidder	Manufacturer	Delivery Date	Unit Cost	Qty	Total Net Cost	Meet Specification requirement	Specification Data Sheets	Firm Price	All forms filled out	Certified Check or Bid Bond	Exceptions to stated bid requirements	Authorized signature
WESCO												
Item 1 (45 kVA 13800 Delta 120/208)	Power Partners	5 weeks ARO	\$3,496.00	1	\$3,496.00	yes	yes	yes	yes	yes	yes	yes
Item 2 (45 kVA 13800 Delta 277/480)	Power Partners	5 weeks ARO	\$3,356.00	2	\$6,712.00							
Item 3 (75 kVA 13800 Delta 120/208)	Power Partners	5 weeks ARO	\$4,079.00	2	\$8,158.00							
Item 4 (75 kVA 13800 Delta 277/480)	Power Partners	5 weeks ARO	\$3,871.00	1	\$3,871.00							
Item 5 (112 kVA 13800 Delta 120/208)	Power Partners	5 weeks ARO	\$5,217.00	4	\$20,868.00							
Item 6 (112 kVA 13800 Delta 277/480)	Power Partners	5 weeks ARO	\$4,352.00	2	\$8,704.00							
Item 7 (150 kVA 13800 Delta 120/208)	Power Partners	5 weeks ARO	\$5,912.00	1	\$5,912.00							
Item 8 (150 kVA 13800 Delta 277/480)	Power Partners	5 weeks ARO	\$4,904.00	1	\$4,904.00							
					\$62,625.00							
Power Sales Group												
Item 1 (45 kVA 13800 Delta 120/208)	Howard	10-12 weeks ARO	\$4,345.00	1	\$4,345.00	yes	yes	yes	yes	yes	no	yes
Item 2 (45 kVA 13800 Delta 277/480)	Howard	10-12 weeks ARO	\$4,780.00	2	\$9,560.00							
Item 3 (75 kVA 13800 Delta 120/208)	Howard	10-12 weeks ARO	\$5,702.00	2	\$11,404.00							
Item 4 (75 kVA 13800 Delta 277/480)	Howard	10-12 weeks ARO	\$5,415.00	1	\$5,415.00							
Item 5 (112 kVA 13800 Delta 120/208)	Howard	10-12 weeks ARO	\$7,728.00	4	\$30,912.00							
Item 6 (112 kVA 13800 Delta 277/480)	Howard	10-12 weeks ARO	\$5,889.00	2	\$11,778.00							
Item 7 (150 kVA 13800 Delta 120/208)	Howard	10-12 weeks ARO	\$9,582.00	1	\$9,582.00							
Item 8 (150 kVA 13800 Delta 277/480)	Howard	10-12 weeks ARO	\$6,093.00	1	\$6,093.00							
					\$89,089.00							
Power Sales Group												
Item 1 (45 kVA 13800 Delta 120/208)	Howard	12-14 weeks ARO	\$4,704.00	1	\$4,704.00	yes	yes	yes	yes	yes	no	yes
Item 2 (45 kVA 13800 Delta 277/480)	Howard	12-14 weeks ARO	\$3,690.00	2	\$7,380.00							
Item 3 (75 kVA 13800 Delta 120/208)	Howard	12-14 weeks ARO	\$4,603.00	2	\$9,206.00							
Item 4 (75 kVA 13800 Delta 277/480)	Howard	12-14 weeks ARO	\$4,366.00	1	\$4,366.00							
Item 5 (112 kVA 13800 Delta 120/208)	Howard	12-14 weeks ARO	\$6,110.00	4	\$24,440.00							
Item 6 (112 kVA 13800 Delta 277/480)	Howard	12-14 weeks ARO	\$5,777.00	2	\$11,554.00							
Item 7 (150 kVA 13800 Delta 120/208)	Howard	12-14 weeks ARO	\$6,857.00	1	\$6,857.00							
Item 8 (150 kVA 13800 Delta 277/480)	Howard	12-14 weeks ARO	\$6,461.00	1	\$6,461.00							
					\$74,968.00							

Exceptions as stated:
Power Partners standard 2 coat electro deposition process will be supplied.
Stencil height will be 2.5".

Engineers Note:
Exception is acceptable.



RMLD



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January 22, 2014

Town of Reading Municipal Light Board

Subject: 15kV Aerial Spacer Cable

On December 11, 2013 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for 15kV Aerial Spacer Cable for the Reading Municipal Light Department.

Specifications were emailed to the following:

Wesco	Okonite	General Cable	Pirelli Cables & Systems
Graybar	Power Sales Group	Yusen Assoc	Yale Electrical Supply
Power Tech	USA Power Cable	Shamrock Power	Arthur Hurley Company
HD Supply, Inc.	Hendrix Wire & Cable Corp	EL Flowers	Champion Wire and Cable
Anixter Wire & Cable	Hasgo Power	Eupen Cable	Power & Telephone Enterprise

Bids were received from Arthur Hurley Company, WESCO and Graybar Electric.

The bids were publicly opened and read aloud at 11:00 a.m. January 8, 2014 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

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


Move that bid 2014-16 for 15kV Aerial Spacer Cable be awarded to:

Arthur Hurley for a total cost of \$58,275.00

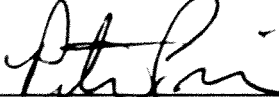
<u>Item</u>	<u>Qty</u>	<u>Description</u>	<u>Total Lump Sum</u>
1	22,500'	795 KCM Single conductor Spacer Cable	\$58,275.00

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

The FY14 Capital budget allocation for the purchase of the 15kV Aerial Spacer Cable for Project 1 - 5W9 Replacement was estimated at \$59,458.



 Coleen O'Brien



 Peter Price

**15kV Aerial Spacer Cable
Bid 2014-16**

Bidding Company	Arthur Hurley	Graybar Electric non-responsive	WESCO non-responsive
Item 1 - 22,500' 795 KCM spacer cable			
Manufacturer total (lump sum) cost	Hendrix \$58,275.00	Hendrix \$63,559.00	Hendrix \$64,230.00
Delivery Date	6 weeks ARO	6-8 weeks ARO	6 weeks ARO
Firm Price	yes	no	no
All forms filled out	yes	yes	yes
Certified Check or Bid Bond	yes	yes	yes
Exceptions to stated bid requirements	no	yes	yes
Authorized signature	yes	yes	yes

Exceptions:

Graybar Electric

Subject to escalation/de-escalation per the enclosed manufacturer pages.

WESCO

Pricing subject to escalation/de-escalation

Non-Responsive Bidders:

Graybar Electric

WESCO

COST OF SERVICE STUDY
CONSIDERATION OF RATE
ADJUSTMENT
BOARD REFERENCE TAB E



i. MDPU Tariff Filings Numbers 228 through 235



Residential Schedule A Rate

Designation:

Residential A Rate

Available in:

Reading, Lynnfield Center, North Reading, and Wilmington

Applicable to:

Individual residential customers for all domestic uses where service is taken through one meter. Incidental commercial use, not exceeding 20% of the total energy used on the same premises is permitted.

Character of service:

A.C. 60 cycles: single phase.

Customer Charge:

\$3.78 per month

Energy Charge:

\$.09118 per Kilowatt-hour for all Kilowatt-hours usage

Budget Billing:

The customers under this rate will have available to them a budget billing program under which the customer is required to pay a levelized amount to the Department each billing period during the calendar year. The specifics of this program are outlined in the Department's General Terms and Conditions.

Farm Discount:

Customers who meet the eligibility requirements set forth by the Massachusetts Department of Food and Agriculture for being engaged in the business of agriculture or farming, and upon certification to the RMLD by the Massachusetts Department of Food and Agriculture, will be eligible for an additional 10% discount, prior to the RMLD prompt payment discount, on rates and charges applicable on their monthly billing statement.

Energy Conservation Charge:

The bill for service hereunder may be increased or decreased as provided by the Energy Conservation Charge.

Fuel Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Standard Fuel Adjustment Clause.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

Residential Schedule A Rate (cont'd)

Purchase Power Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

Meter Reading and Billing:

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges and the New York Power Authority credit or charge, only if the entire bill is paid-in-full by the discount due date.

General Terms and Conditions:

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

**Residential Schedule RW
Controlled Water Heater Rate**

Designation:

Residential RW Rate

Available in:

Reading, Lynnfield Center, North Reading, and Wilmington

Applicable to:

Individual residential customers for all domestic uses where service is taken through one meter. Incidental commercial use, not exceeding 20% of the total energy used on the same premises is permitted.

Character of service:

A.C. 60 cycles: single phase.

Terms of Use:

When a customer regularly uses an electric water heater of a type approved by the Department. Service to the water heater will be controlled by a Department owned time switch in an approved outdoor socket. Internal wiring will be the responsibility of the customer. Water heater with two elements shall be interlocked to prevent simultaneous operation.

Customer Charge:

\$3.79 per month.

Energy Charge:

\$.08799 per Kilowatt-hour for the first 100 kWh

\$.03992 per Kilowatt-hour for energy in excess of 100 kWh up to 433 kWh

\$.08799 per Kilowatt-hour for energy in excess of 433 kWh

Budget Billing:

The customers under this rate will have available to them a budget billing program under which the customer is required to pay a levelized amount to the Department each billing period during the calendar year. The specifics of this program are outlined in the Department's General Terms and Conditions.

Farm Discount:

Customers who meet the eligibility requirements set forth by the Massachusetts Department of Food and Agriculture for being engaged in the business of agriculture or farming, and upon certification to the RMLD by the Massachusetts Department of Food and Agriculture, will be eligible for an additional 10% discount, prior to the RMLD prompt payment discount, on rates and charges applicable on their monthly billing statement.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

**Residential Schedule RW
Controlled Water Heater Rate (Contd.)**

Energy Conservation Charge:

The bill for service hereunder may be increased or decreased as provided by the Energy Conservation Charge.

Fuel Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Standard Fuel Adjustment Clause.

Purchase Power Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

Meter Reading and Billing:

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges and the New York Power Authority credit or charge, only if the entire bill is paid-in-full by the discount due date.

General Terms and Conditions:

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

Residential Time-of-Use Schedule A2 Rate

Designation:

Residential Time-of-Use A2 Rate

Available in:

Reading, Lynnfield Center, North Reading, and Wilmington

Applicable to:

Individual residential customers for all domestic uses where service is taken through one On-Peak and Off-Peak meter. Incidental commercial use, not exceeding 20% of the total energy used on the same premises is permitted.

Character of service:

A.C. 60 cycles: single phase.

Customer Charge:

\$6.01 per month.

Energy Charge:

\$.14567 per Kilowatt-hour for all Kilowatt-hours usage during the On-Peak hours.

\$.05015 per Kilowatt-hour for all Kilowatt-hours usage during the Off-peak hours.

Definition of Periods:

The On-Peak period is defined as the hours between 12:00 Noon and 7:00 P.M. Monday through Friday except holidays as listed under the "Granted Holidays" paragraph listed below. The Off-Peak period is defined as the hours between 7:00 P.M. and 12:00 Noon Monday through Friday and all hours Saturday, Sunday and granted holidays as listed below.

Controlled Water Heater Allowance:

When a customer regularly uses an electric water heater of a type approved by the Department, 333 kWh will be credited to usage during the Off-Peak period and will be billed at \$.03815 kWh. All kWh used Off-Peak above 333 kWh will be charged at the regular Off-Peak rate. If less than 333 kWh are used Off-Peak then only that amount of kWh will be billed at \$.03815 per kWh. Water heater with two elements shall be interlocked to prevent simultaneous operation. Service to the water heater will be controlled by a Department owned time switch in an approved outdoor socket.

Term:

A customer electing to be billed under this rate must remain on this rate for a minimum of one year. At the end of one year on this rate customer may elect to remain on this rate or be billed under the Residential A Rate.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

Residential Time-of-Use Schedule A2 Rate (cont'd)

Budget Billing:

The customers under this rate will have available to them a budget billing program under which the customer is required to pay a levelized amount to the Department each billing period during the calendar year. The specifics of this program are outlined in the Department's General Terms and Conditions.

Farm Discount:

Customers who meet the eligibility requirements set forth by the Massachusetts Department of Food and Agriculture for being engaged in the business of agriculture or farming, and upon certification to the RMLD by the Massachusetts Department of Food and Agriculture, will be eligible for an additional ten percent discount, prior to the RMLD prompt payment discount, on rates and charges applicable on their monthly billing statement.

Energy Conservation Charge:

The bill for service hereunder may be increased or decreased as provided by the Energy Conservation Charge.

Fuel Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Standard Fuel Adjustment Clause.

Purchase Power Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

Meter Reading and Billing:

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges and the New York Power Authority credit or charge, only if the entire bill is paid-in-full by the discount due date.

Granted Holidays

Under the Residential Time-of-Use Schedule A2 Rate the holidays granted for Off-Peak are: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Columbus Day, Veteran's Day and Christmas Day.

General Terms and Conditions:

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

Commercial Schedule C Rate

Designation:

Commercial C Rate

Available in:

Reading, Lynnfield Center, North Reading, and Wilmington

Applicable to:

Service under this rate is available to industrial or commercial customers who take all their requirements under this rate. All electricity furnished under this rate will be metered through one service unless it is convenient for the Department to do otherwise.

Notice:

All customers taking electric service under the Commercial Schedule C Rate and/or the Industrial Time of Use Rate will be required to give the Department two (2) years prior written notice of its intention to take its energy requirements from other supplier and/or resource other than this Department while remaining on the Department's service territory.

Character of service:

AC 60 cycles: single phase or three phase.

Customer Charge:

\$6.51 per month.

Firm Demand Charge:

\$6.81 per Kilowatt for all demand usage.

Energy Charge:

\$.05657 per Kilowatt-hour for all Kilowatt-hours usage.

Budget Billing:

The customers under the C Rate may elect the Budget Billing program under which the customer is required to pay the levelized amount to the Department each billing period during the calendar year. This rate is not available to C Rate Customers electing the Contract Demand Rate, or the Non Firm Demand Rate. The specifics of this program are outlined in the Department's General Terms and Conditions.

Energy Conservation Charge:

The bill for service hereunder may be increased or decreased as provided by the Energy Conservation Charge.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

Commercial Schedule C Rate (cont'd)

Fuel Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Standard Fuel Adjustment Clause.

Purchase Power Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

Measurement of Billing Demand:

The billing demand shall be the highest of the fifteen minute kilowatt demand established during the billing period, but not less than eighty percent of the maximum demand established during the preceding summer or sixty percent of the maximum demand established during the winter season.

Definitions of Seasons:

The summer season is defined as the months of June through September and the winter season is defined as the months of October through May.

Farm Discount:

Customers who meet the eligibility requirements set forth by the Massachusetts Department of Food and Agriculture for being engaged in the business of agriculture or farming, and upon certification to the RMLD by the Massachusetts Department of Food and Agriculture, will be eligible for an additional ten percent discount, prior to the RMLD prompt payment discount, on rates and charges applicable on their monthly billing statement.

Non-Firm Demand:

A Customer under this rate may designate any amount of load, in kilowatts, as Non-Firm. Any amount so designated shall be capable of being removed from service during any On-Peak hour as may be requested by the Department. A customer will be charged \$4.38 per kW-month for each kilowatt of demand designated as Non-Firm demand. Failure to remove load designated as Non-Firm load shall result in a charge of \$14.46 per kW of Non-Firm demand for that bill month.

The Department shall have the right to limit the requests for curtailment for Non-Firm load. The Department, at its option, may request separate metering for Non-Firm loads.

The energy and fuel portion of this Non-Firm Demand rate will be billed at the normal Commercial C rate levels.

A customer must contract to be on the Non-firm rate for a minimum of one year.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

Commercial Schedule C Rate (cont'd)

Optional Contract Demand:

The customer may contract for a specific demand requirement on the Optional Contract Demand rate. The customer shall select a demand level, which will cover its highest annual peak. The cost of the Contract Demand rate is \$8.03 per kilowatts. The customer will be billed for that amount of kilowatts each month for the entire year. If in any month the customer exceeds the contract demand amount then, the contract demand will be billed at a rate of \$14.46 per kilowatt. The contract demand level will be re-established at the higher billing amount.

The energy and fuel portion of the Optional Contract Demand will be billed in the same manner as the Industrial Time of Use rate and is described below:

\$.09208 per kilowatt-hour for all kilowatt-hours used between 12:00 Noon and 7:00 P.M., Monday through Friday, excluding holidays.

\$.02763 per kilowatt-hour for all kilowatt-hours used between 7:00 P.M. and 1200 Noon, Monday through Friday and all hours Saturday, Sunday and holidays as listed in the General Terms and Conditions.

A customer must contract to be on the Contract Demand rate for a minimum of one year.

The Department may, at its own discretion, move a customer exceeding the contract demand level to the general Commercial C Rate.

Customer Transformer Ownership:

A customer requiring a minimal transformer capacity of over 2,000 kW will be required to furnish its own transforming and protective equipment, including mat, vault, primary and secondary cables, conduits, etc., which must comply with the specifications of the Department. The following discounts apply when the above is complied with:

\$.12 per kilowatt of demand when the service is taken at 2,400/4,160 volts.

\$.25 per Kilowatt of demand when the service is taken at 13,800 volts.

\$.375 per Kilowatt of demand when the service is taken at 34,500 volts.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

**Town of Reading, Massachusetts
Municipal Light Department**

**MDPU # 231 supersedes
and cancels MDPU # 223**

Commercial Schedule C Rate (cont'd)

Metering:

The Department may, at its option, meter at the customer's utilization voltage or on the high side of the transformers through which the service is furnished.

In the latter case, or if the customer's utilization voltage requires no transformation, a discount of 1.8% will be applied to the bill exclusive of the fuel charge but in no case will such a discount be allowed if the metering voltage is less than 2,400 volts.

Meter Reading and Billing:

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges, only if the entire bill is paid-in-full by the discount due date.

General Terms:

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

Industrial Time-of-Use Schedule I Rate

Designation:

Industrial Time-of-Use Rate

Available in:

Reading, Lynnfield Center, North Reading, and Wilmington

Applicable to:

Service under this rate is available to industrial or commercial customers who take all their requirements under this rate. All electricity furnished under this rate will be metered using an electronic meter capable of metering On-Peak and Off-Peak energy as well as kW demand.

Notice:

All customers taking electric service under the Industrial Time-of-Use I Rate will be required to give the Department two (2) years prior written notice of its intention to take its energy requirements from other supplier and/or resource other than this Department while remaining on the Department's service territory.

Character of service:

A.C. 60 cycles: single phase or three phase.

Customer Charge:

\$30.02 per month.

Demand Charge:

\$8.61 per Kilowatt for all demand usage.

Energy Charge:

\$.09208 per Kilowatt-hour for all Kilowatt-hours usage during the On-Peak hours.

\$.02763 per Kilowatt-hour for all Kilowatt-hours usage during the Off-Peak hours.

Definition of Periods:

The On-Peak period is defined as the hours between 12:00 Noon and 7:00 P.M., Monday through Friday except holidays as listed below. The Off-Peak period is defined as the hours between 7:00 P.M. and 12:00 Noon, Monday through Friday and all hours Saturday, Sunday and granted holidays as listed below.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

Industrial Time-of-Use Schedule I Rate (cont'd)

Term:

A customer electing to be billed under this rate must remain on this rate for a minimum of one year. At the end of one year on this rate customer may elect to remain on this rate or be billed under the C Rate.

Energy Conservation Charge:

The bill for service hereunder may be increased or decreased as provided by the Energy Conservation Charge.

Fuel Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Standard fuel Adjustment Clause.

Purchase Power Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

Measurement of Billing Demand:

The Billing demand shall be the highest of the fifteen minute kilowatt demand established during the billing period, but not less than eighty percent of the maximum demand established during the preceding summer or sixty percent of the maximum demand established during the winter period.

Definitions of Seasons:

The summer Season is defined as the months of June through September and the Winter Season is defined as the months of October through May.

Farm Discount:

Customers who meet the eligibility requirements set forth by the Massachusetts Department of Food and Agriculture for being engaged in the business of agriculture or farming, and upon certification to the RMLD by the Massachusetts Department of Food and Agriculture, will be eligible for an additional ten percent discount, prior to the RMLD prompt payment discount, on rates and charges applicable on their monthly billing statement.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

Industrial Time-of-Use Schedule I Rate (cont'd)

Customer Transformer Ownership:

A customer requiring a minimal transformer capacity of over 2000 kW will be required to furnish its own transforming and protective equipment, including mat, vault, primary and secondary cables, conduits, etc., which must comply with the specifications of the Department. The following discounts apply when the above is complied with:

\$.12 per Kilowatt of demand when the service is taken at 2,400/4,160 volts.

\$.25 per Kilowatt of demand when the service is taken at 13,800 volts.

\$.375 per Kilowatt of demand when the service is taken at 34,500 volts.

Metering:

The Department may, at its option, meter at the customer's utilization voltage or on the high side of the transformer through which the service is furnished. In the latter case, or if the customer's utilization voltage requires no transformation, a discount of 1.8% will be applied to the bill exclusive of the fuel charge but in no case will such discount be allowed if the metering voltage is less than 2,400 voltage

Meter Reading and Billing:

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges, only if the entire bill is paid-in-full by the discount due date.

Granted Holidays

Under the Industrial Time-of-Use Schedule I Rate the holidays granted for Off-Peak are; New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Columbus Day, Veteran's Day and Christmas Day.

General Terms and Conditions:

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

School Schedule SCH Rate

Designation:

School SCH Rate

Available in:

Reading, Lynnfield Center, North Reading, and Wilmington

Applicable to:

Applicable to public or private schools offering kindergarten, regular elementary, middle, and high school as approved by the Department, who take all their requirements under this rate. All electricity furnished under this rate will be metered through one service unless it is convenient for the Department to do otherwise.

Notice:

All customers taking electric service under the School Rate will be required to give the Department two (2) years prior written notice of its intention to take its energy requirements from other supplier and/or resource other than this Department while remaining on the Department's service territory.

Character of service:

AC 60 cycles: single phase or three phase.

Customer Charge:

\$6.01 per month.

Firm Demand Charge:

\$6.28 per Kilowatt for all demand usage.

Energy Charge:

\$.05265 per Kilowatt-hour for all Kilowatt-hours usage.

Budget Billing:

The customers under the School Rate may elect the Budget Billing program under which the customer is required to pay levelized amount to the Department each billing period during the calendar year. This rate is not available to School Rate Customers electing the Contract Demand Rate, or the Non Firm Demand Rate. The specifics of this program are outlined in the Department's General Terms and Conditions.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

School Schedule SCH Rate (cont'd)

Energy Conservation Charge:

The bill for service hereunder may be increased or decreased as provided by the Energy Conservation Charge.

Fuel Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Standard Fuel Adjustment Clause.

Purchase Power Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

Measurement of Billing Demand:

The billing demand shall be the highest of the fifteen minute Kilowatt demand established during the billing period, but not less than eighty percent of the maximum demand established during the preceding summer or sixty percent of the maximum demand established during the winter season.

Definitions of Seasons:

The summer Season is defined as the months of June through September and the Winter Season is defined as the months of October through May.

Customer Transformer Ownership:

A customer requiring a minimal transformer capacity of over 2000 kW will be required to furnish its own transforming and protective equipment, including mat, vault, primary and secondary cables, conduits, etc., which must comply with the specifications of the Department. The following discounts apply when the above is complied with:

\$.12 per kilowatt of demand when the service is taken at 2,400/4,160 volts.

\$.25 per Kilowatt of demand when the service is taken at 13,800 volts.

\$.375 per Kilowatt of demand when the service is taken at 34,500 volts.

Metering:

The Department may, at its option, meter at the customer's utilization voltage or on the high side of the transformers through which the service is furnished.

In the latter case, or if the customer's utilization voltage requires no transformation, a discount of 1.8% will be applied to the bill exclusive of the fuel charge but in no case will such a discount be allowed if the metering voltage is less than 2,400 volts.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

**Town of Reading, Massachusetts
Municipal Light Department**

**MDPU # 233 supersedes
and cancels MDPU # 216**

School Schedule SCH Rate (cont'd)

Meter Reading and Billing:

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges, only if the entire bill is paid-in-full by the discount due date.

General Terms:

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

**Rate Filed: January 30, 2014
Effective: On Billings on or After February 1, 2014
Filed By: Coleen M. O'Brien, General Manager**

Street Lighting Rate Schedule D

Designation:

Street Light D Rate

Available:

Reading, Lynnfield Center, North Reading, and Wilmington

Applicable to:

Street Light service on all public, private, and unaccepted streets where the Department has private facilities for supplying electricity and where the installation work involved is limited to the necessary lighting unit and connection on the same pole.

Energy Charge:

The rate per year for the standard 4,000-hour schedule is as follows:

<u>Fixture Type</u>	<u>Annual Rate</u>	<u>Annual kWh</u>
58 Watt Incandescent	\$55.40	232
92 Watt Incandescent	\$55.40	368
50 Watt HPS	\$29.98	244
100 Watt HPS	\$30.03	508
100 Watt Mercury	\$41.38	520
100 Watt Mercury UG	\$41.38	520
175 Watt Mercury	\$41.73	860
250 Watt HPS	\$55.22	1,228
400 Watt Mercury	\$54.18	1,840
400 Watt HPS	\$54.24	1,828

Note: Incandescent and Mercury lamps will no longer be supplied for new installations.

Fuel Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Standard fuel Adjustment Clause.

The Fuel Adjustment will appear on the bill as the monthly fuel charge multiplied by one twelfth of the Annual kWh shown above for each Fixture Type.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

Street Lighting Rate Schedule D (cont'd)

Purchase Power Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

The Purchase power Adjustment will appear on the bill as the monthly charge multiplied by one twelfth of the Annual kWh shown above for each Fixture Type.

Extra Pole Cost

When an extra pole is required, specifically for street lighting, there will be an extra cost based upon pole size, including up to 100 feet of secondary.

30 foot or 35 foot Class 4 pole	\$44.00 per year
40 foot Class 4 pole	\$48.00 per year

Meter Reading and Billing:

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges, only if the entire bill is paid-in-full by the discount due date.

General Terms and Conditions:

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager

Cooperative Resale Schedule G Rate

Designation:

Cooperative G Rate

Available in:

Available to municipal lighting plants and private companies whose service territory is adjacent to the service territory of the Department and for distribution to such customers that cannot be served from the existing distribution lines, provided that the Department has available facilities for furnishing the service

Character of Service:

A.C. 60 cycles: single phase.

Customer Charge:

\$3.49 per month.

Energy Charge:

\$.08349 per Kilowatt-hour for all Kilowatt-hours usage.

Fuel Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Standard Fuel Adjustment Clause.

Purchase Power Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Adjustment.

Meter Reading and Billing:

Bills under this schedule will be rendered monthly. A prompt payment discount of 10% will be allowed on the current bill, excluding fuel adjustment charges, only if the entire bill is paid-in-full by the discount due date.

General Terms and Conditions:

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

Rate Filed: January 30, 2014

Effective: On Billings on or After February 1, 2014

Filed By: Coleen M. O'Brien, General Manager



ii. Memo from General Manager



READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board, Citizens' Advisory Board

Date: January 16, 2014

From: Coleen O'Brien



Subject: RMLD Rate Increase

RMLD is seeking an approximate 5% increase to the overall bill. This increase equates to 9% of the customer and base energy charges on the residential bill, and the customer, base energy and demand charges on the commercial/industrial bill. Attachment 1, as an example, reflects the impact on a residential customer at a net increase of \$3.21 per month for 500 kilowatt hours.

The kilowatt hour sales projections over the last several years assumed unrealistic load growth assumptions, which were not adjusted in the FY 2014 budget. These assumptions supported increased base revenues to cover expenses, including the four town payments, and the annual Reading payment in-lieu-of tax (PILOT) which was approximately \$2.3 million. Attachment 2 addresses the reforecasted sales for fiscal year 2014 which includes four months of actual data.

Massachusetts General Law, Chapter 164, Section 58, does not allow RMLD to have rates that are below production costs. A net loss adversely impacts RMLD's ability to make its payment commitments and increases RMLD's credit risk in qualifying for low cost contracts with power suppliers.

RMLD was in a transition phase during the FY 2014 budget process with an Interim General Manager performing two critical job functions and the RMLD continuing its search for a General Manager. The necessity of the rate increase is a result of a recent diligent review of the budget to actual financials. It is with fiduciary duty that this issue must be addressed proactively to ensure solid financial positioning by the end of the fiscal year; delays only compound the revenue issue.

RMLD has not had a rate increase or an updated Cost of Service Study in over three and a half years. RMLD is developing a long term Strategic Plan which focuses on reliability, rates, staffing and process efficiencies. An RMLD Cost of Service Study model is currently being developed and its resultant study findings and six year projections will be completed and presented later this spring.

Moving forward, the economy combined with the forecasted energy hikes due to transmission and capacity over the next couple of years, will keep electric bill topics in the press for both the municipals and investor-owned utilities alike. RMLD is a not-for-profit municipal and will, with due diligence, remain with rates amongst the lowest in the state.

Attachment 3 reflects all the rate classes which the rate increase will affect: Residential Schedule A Rate, Residential Schedule RW Controlled Water Heater Rate, Residential Time-of-Use Schedule A2 Rate, Commercial Schedule C Rate, Industrial Time-of-Use Schedule I Rate, School Schedule SCH Rate, Streetlighting Rate Schedule D, and the Cooperative Resale Schedule G Rate.

Attachments are as follows:

Attachment 1 – Residential Breakout

Attachment 2 – Fiscal Year 2014 Reforecast

Attachment 3 – Salient Points e-mail from RMLD General Manager

Attachment 4 – PowerPoint presentation

EXISTING JANUARY 2014 RATES

RESIDENTIAL

CUSTOMER CHARGE				***	\$3.47
BASE RATE CHARGE	500	@	\$0.08365	per kWh***	\$41.83
ENERGY CONSERVATION CHARGE	500	@	\$0.00100	per kWh***	\$0.50
FUEL CHARGE PER KWH	500	@	\$0.04500	per kWh	\$22.50
HAZMAT	500	@	\$0.00100	per kWh***	\$0.50
NYPA CREDIT	500	@	(\$0.00375)	per kWh	(\$1.88)
PURCHASE POWER ADJUSTMENT	500	@	\$0.001270	per kWh***	\$0.64
				TOTAL WITHOUT DISCOUNT	\$67.56
10% PROMPT PAYMENT DISCOUNT					(\$4.69)
				TOTAL NET	\$62.87

***TOTAL BASE for DISCOUNT CALCULATION \$46.94

AVERAGE COST PER KWH \$0.12574

PROPOSED FEBRUARY 2014 RATES

RESIDENTIAL

CUSTOMER CHARGE				***	\$3.78
BASE RATE CHARGE	500	@	\$0.09118	per kWh***	\$45.59
ENERGY CONSERVATION CHARGE	500	@	\$0.00100	per kWh***	\$0.50
FUEL CHARGE PER KWH	500	@	\$0.04500	per kWh	\$22.50
HAZMAT	500	@	\$0.00000	per kWh***	\$0.00
NYPA CREDIT	500	@	(\$0.00375)	per kWh	(\$1.88)
PURCHASE POWER ADJUSTMENT	500	@	\$0.001270	per kWh***	\$0.64
				TOTAL WITHOUT DISCOUNT	\$71.13
10% PROMPT PAYMENT DISCOUNT					(\$5.05)
				TOTAL NET	\$66.08
***TOTAL BASE for DISCOUNT CALCULATION			\$50.51	\$\$ DIFFERENCE	\$3.21
AVERAGE COST PER KWH	\$0.13216			% DIFFERENCE	5.11%

READING MUNICIPAL LIGHT DEPARTMENT
REFORECAST FY 14
12/16/13

	BUDGET 2013	AUDITED 2013	BUDGET 2014	REFORECAST W/O 9% FY 14	REFORECAST WITH 9% BASE RATE INC FROM 2/14-6/14	PRE COST OF SERVICE EST WITH ADD'L 3.5% BASE RATE INCREASE FY 15
OPERATING REVENUE:						
SALES OF ELEC - BASE	47,317,020	45,208,258	47,440,468	45,400,696	47,019,443	51,251,193
SALES OF ELEC - FUEL	31,200,000	34,351,757	32,608,270	29,725,681	29,725,681	30,596,451
PURCHASED POWER ADJUSTMENT	2,134,600	1,138,194	1,050,884	674,000	674,000	0
PASNY	(700,000)	(706,940)	(700,000)	(700,000)	(700,000)	(700,000)
FORFEITED DISCOUNTS	1,040,974	921,639	1,043,690	998,815	1,034,428	1,127,526
ENERGY CONSERVATION	704,661	685,481	707,288	699,200	699,200	699,200
GAW SOIL REVENUE	704,659	696,142	707,287	491,067	491,067	0
TOTAL OPERATING REVENUE	82,401,914	82,294,531	82,857,887	77,289,459	78,943,819	82,974,370
OPERATING EXPENSES:						
PURCHASED POWER - BASE	30,102,742	28,117,959	29,123,336	28,426,800	28,426,800	30,386,549
PURCHASED POWER - FUEL	30,500,000	33,305,373	31,789,470	29,025,681	29,025,681	29,896,451
OPERATION EXPENSE	9,400,066	9,812,541	9,538,128	9,729,580	9,729,580	10,021,467
MAINTENANCE EXPENSE	2,702,398	2,768,231	3,224,633	3,133,133	3,133,133	3,227,127
DEPRECIATION EXPENSE	3,650,000	3,665,630	3,775,200	3,779,634	3,779,634	3,932,695
TOWN PAYMENTS	1,368,000	1,375,900	1,400,000	1,400,000	1,400,000	1,471,682
TOTAL OPERATING EXPENSES	77,723,206	79,045,635	78,850,767	75,494,828	75,494,828	78,935,971
TOTAL OPERATING INCOME	4,678,708	3,248,896	4,007,120	1,794,631	3,448,991	4,038,399
NONOPERATING REVENUES:						
MIDSE AND JOBBING	120,000	334,635	240,000	240,000	240,000	250,000
INTEREST INCOME	100,000	24,435	50,000	50,000	50,000	150,000
MMWEC REFUND AND ADVANCE IN AID	800,000	946,040	750,000	750,000	750,000	725,000
TOTAL OTHER INCOME	1,020,000	1,305,110	1,040,000	1,040,000	1,040,000	1,125,000
NONOPERATING EXPENSES:						
CUSTOMER DEPOSIT INTEREST EXP	3,000	1,145	3,000	3,000	3,000	5,000
OTHER DEDUCTIONS (INCLUDING ROI)	2,415,000	2,769,742	2,451,221	2,451,221	2,451,221	2,408,752
TOTAL MISCELLANEOUS DEDUCTIONS	2,418,000	2,770,887	2,454,221	2,454,221	2,454,221	2,413,752
NET INCOME	3,280,708	1,783,119	2,592,899	380,410	2,034,770	2,749,648
ROR %	7.60%	5.22%	6.82%	3.15%	5.71%	6.92%

Jeanne Foti

From: Coleen O'Brien
Sent: Monday, December 23, 2013 3:34 PM
To: RMLD Board Members Group; Tom Ollila (taollila@verizon.net); davidnelson@verizon.net; ghooper@townofwilmingtonma.com; tonycapobianco1@gmail.com
Cc: Jane Parenteau; Bob Fournier; Kathleen Rybak; Jeanne Foti; Priscilla Gottwald; jhull@wilmingtonma.gov; gbalukonis@northreadingma.gov; LeLacheur, Bob; william-gustus@town.lynnfield.ma.us
Subject: SALIENT POINTS ADDRESSING THE RMLD RATE INCREASE
Attachments: RESIDENTIAL IMPACT.pdf

Good afternoon: I just sent a copy of a press release (being sent to the local papers today) to you as well as the Selectmen and Town Managers. It was noted in the press release that presentations to the Board of Commissioners and Citizens Advisory Board are scheduled for January. In the interim, I wanted to share the salient points for the rate increase with you.

The laws that govern utility financing can be quite different from regular business structures, as well as the terminology. The intent of this email is to consolidate the salient facts.

RATE INCREASE

- For a 500 KWhr residential customer, a 9% increase to the base rate which affects only the customer and base rate charge portions of the bill, equates to a 5.3% increase to the overall bill or an increase of \$3.21. The attached delineates this break-out for the residential class only.
- KWhr sales projections over the last several years assumed unrealistic load growth assumptions. These assumptions supported increased base revenues to cover all expenses and commitments. These load growth assumptions were not monitored and did not come to fruition thereby leaving the projected net income for FY14 at \$380K. Realistically, the KWhr sales have trended flat (-.32%) with residential slightly up and commercial slightly down, however, commercial represents approximately 10% of all customers but a 65% of KWhr sales and pulls in a higher Rate of Return than the residential class.

LEGAL AND OTHER ADVERSE IMPACTS

- Mass General Law (MGL) 164, Section 58, does not allow RMLD to have rates which are below production costs. Ending with a net loss is a violation of MGL 164, S58.
- Pursuant to DPU 85-121, RMLD's voluntary PILOT payment to the Town of Reading must come from net income.
- If the projected net income of \$380K gets depleted by the end of the fiscal year, RMLD would end with a net loss, which is violation of MGL 164, S58. This could affect the PILOT payment made to the Town of Reading.

CREDIT IMPACT

- Rates which are below production costs will impact RMLD's excellent credit rating and the credit rating of the Town of Reading.
- Rates which are below production costs are deemed a security and credit risk to power suppliers. RMLD's ability to purchase power from suppliers will be adversely impacted.

PLANNING AND EXPENSES

- Rate Stabilization and Deferred Fuel Funds should be set and used to cover catastrophic events such as the purchase of replacement energy for an unexpected generator shutdown. One month of replacement energy

could cost up to \$1.5M during a peak period. As in the case of Katrina in 2005, RMLD depleted in excess of \$3M fuel reserves within a few months. cash transfer of rate stabilization funds would not affect the net income.

- RMLD has reduced its staff approximately 13% over the last 5 years without a strategic or succession plan. RMLD has a number of key positions currently vacant. The Organizational Study will identify the staffing levels, create movement in positions, and support skill set development to ensure efficient processes and meet current and long term strategic objectives.
- The Long Term Reliability Study will identify and prioritize necessary capital improvements to ensure continued safe and reliable service.
- The Depreciation Fund covers capital construction costs. The capital costs for a given fiscal year should be delineated in an approved long term reliability plan. The base fund should be set to cover a catastrophic event such as the loss of a main transformer, substation or other facility.
- A Cost of Service Study splits the pie by dividing costs by rate classes. RMLD's business model objectives including setting its Rate of Return, as well as the Operating/ Maintenance and Power Supply budgets, are all input values into the COS model. The COS will be done in the early spring.

Coleen M. O'Brien

General Manager

Reading Municipal Light Department

230 Ash Street

Reading, MA 01867

RMLD Rate Change Discussion

Coleen O'Brien
General Manager
December 2013

Overview

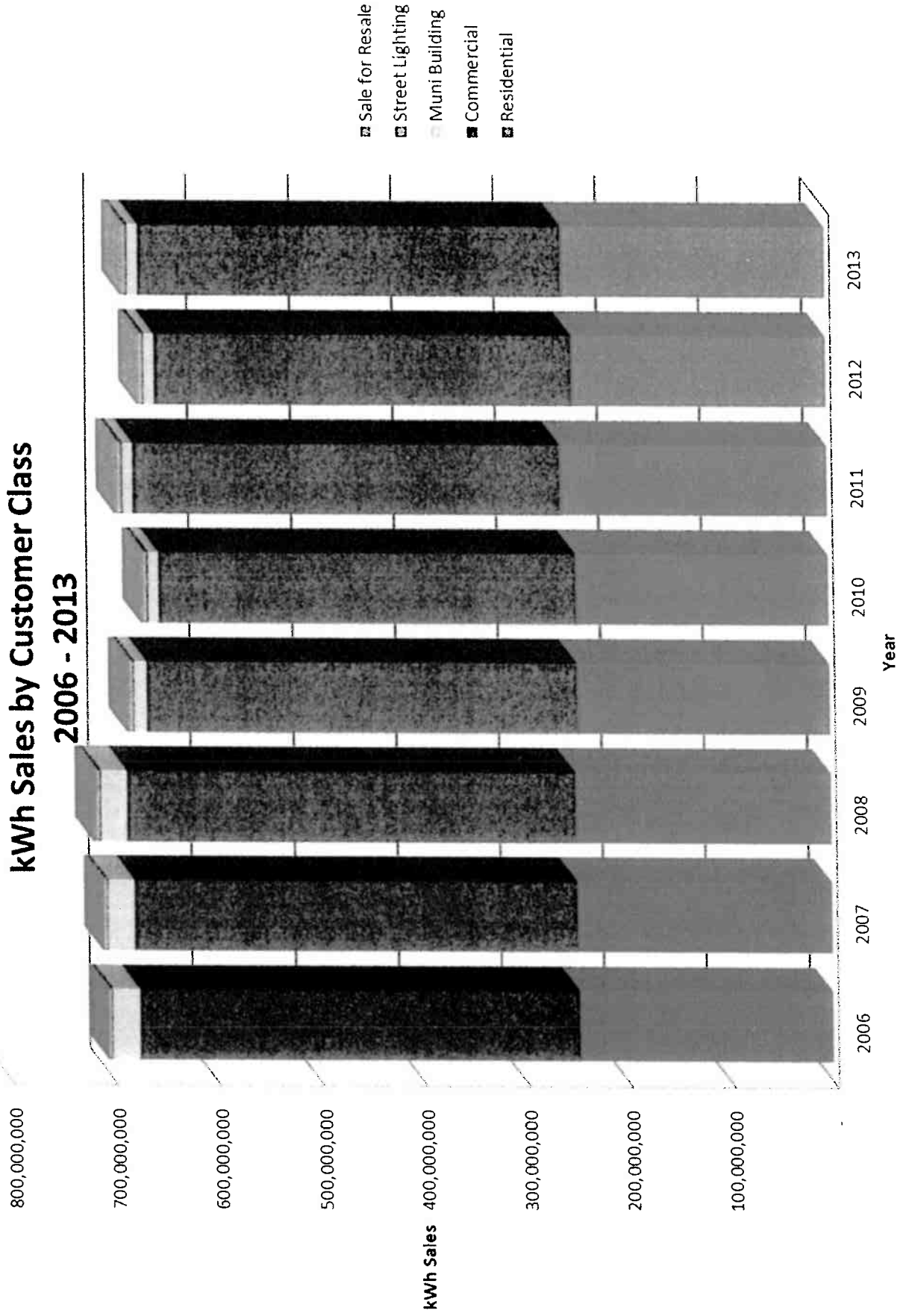
- RMLD's rate increase is needed:
 - To ensure the RMLD meets Massachusetts criteria (G.L. c. 164) for meeting the cost to purchase, maintain plant, and deliver electricity
 - To maintain excellent system reliability
 - To meet Reading's Return on Investment needs
 - To maintain RMLD's and Town of Reading's overall bond credit rating

Background Information

- Under Massachusetts GL c 164, the RMLD must meet the cost of delivering electricity to homes, businesses, and municipalities
- It has been 3 ½ years since the last rate increase
- NSTAR and others are planning on a 30% or greater increase in January
 - Even with the RMLD’s requested rate increase, our service area electricity cost will still be much lower than customers served by NSTAR and NGRID

RMLD

kWh Sales by Customer Class
2006 - 2013



Why is kWh usage flat/shrinking?

Multiple Reasons:

- Weak economy: 2008 through 2010
- Weather greatly influences kWh sales
- Electric conservation efforts; RMLD is proactive to assist all its customer classes reduce their bills
- Change in technology:
 - Residential, Commercial and Industrial customers are moving rapidly to CFL and/or LED lighting, which uses a fraction of incandescent lighting
 - Industrial users have moved to energy efficient devices, such as Adjustable Frequency Drive Motors, which use significantly lower power

Why Increase Rates Now?

- RMLD should have addressed a rate increase prior to July, 2013.
- Waiting for Cost of Service Study to be completed will result in a larger increase.
- Delays in increase could have adverse credit implications for RMLD and Town of Reading.
- According to Mass GL c 164, rates must cover its cost to purchase, maintain plant and deliver electricity.

Expenses

- Number of RMLD employees over the past five years has decreased by approximately 13%.
- O&M expenses have been reviewed.
- RMLD is also in the process of an Organizational Study to ensure that all resources are efficient and geared for future needs.

Rate Stabilization

- If power provided from a low cost source has an outage, RMLD would be forced to buy from the spot market at a much higher rate.
- Cash transfer from rate stabilization will not change net income.
- Replacement of rate stabilization funds would compound rate increase.

Options

Possible Options	Impact
Delay rate increase	<ul style="list-style-type: none">• Results in a larger increase later.• Adverse legal and financial implications.• Impacts reliability and customer service.
Implement rate increase	<ul style="list-style-type: none">• Overall increase of approximately 5%.• Meet legal and financial obligations.• Maintain reliability and customer service.

Conclusion

- A rate increase is required now to allow RMLD to meet its financial and legal obligations as well as to maintain its excellent system reliability and customer service.
- RMLD is being proactive in:
 - Analyzing the trends to meet future needs
 - Completing Cost of Service Study
 - Performing Organizational and Reliability Studies



iii. Memo from Mayhew Seavey, PLM Engineering





ELECTRIC POWER ENGINEERING

35 MAIN STREET HOPKINTON, MA 01748 TELEPHONE (508) 435-9377

To: Coleen O'Brien, General Manager
Cc: Jane Parenteau, Bob Fournier, Bill Selden
From: Mayhew D. Seavey, Jr.
Date: January 17, 2014
Subject: Draft Proforma FY2014 Test Year Cost of Service

I have completed the 2014 Proforma Test Year Cost of Service analysis using the data that RMLD has provided. This memorandum summarizes the results of that analysis. The results confirm that, absent an immediate increase in rates, RMLD will have net income for the year, after deducting the Return on Investment payment to the Town of Reading, of less than \$400 thousand.

Starting with the FY2013 Historic Test Year Cost of Service Model that was shown to board members at the training session on December 4, I updated the data as follows:

- Operating expenses, including purchased power, were taken from the "2014 Budget Summary" dated 5/14/2013;
- Kilowatt-hour sales for each customer class were taken from your spreadsheet "*FY2014_Jul thru Dec Actual_Jan thru Jun Same as FY 2013 (no growth)*". This represents total sales just slightly lower (0.2%) than the actual FY13 sales already in the model;
- I used the Cost of Service model to generate revenues from the existing and proposed rates, rather than using the revenues in your budget. This is the only difference between my results and yours;

The results show that, by our calculation and based on these assumptions, RMLD would have Net Income of \$297 thousand in FY2014. A calculation consistent with the regulations of the Massachusetts Department of Public Utilities yields a rate of return of approximately 3% which is far short of the 8% allowed under statute.

It appears to me that this outcome has resulted from flat or declining sales over the last few years, which will tend to erode earnings if purchased power costs are being passed through directly. It also appears that the decline in earnings was masked somewhat in FY2013 by an over-recovery of purchased power expense that increased revenues above the level that would have been received if all purchased power expenses had been passed through.

Because my Cost of Service model does not include monthly detail, it is not possible for me to calculate the rate increase that would be required to earn the target level of net income. Since my model agrees with RMLD's own projections for the entire fiscal year, I can be confident that RMLD's projections of the increase needed for the remainder of the fiscal year are in line with what I would project.

The next step of my analysis will be to look at FY2015 to determine the level of rates needed to meet budgeted expenses and produce the desired net income. This task can be completed as soon as final 2015 budget information is received.

If there are any questions regarding this, please do not hesitate to contact me.



iv. Rate Comparisons

Proposed RMLD Rates vs. Other Local Utilities



READING MUNICIPAL LIGHT DEPARTMENT

RATE COMPARISON

Proposed RMLD Rates

vs.

Other Local Utilities

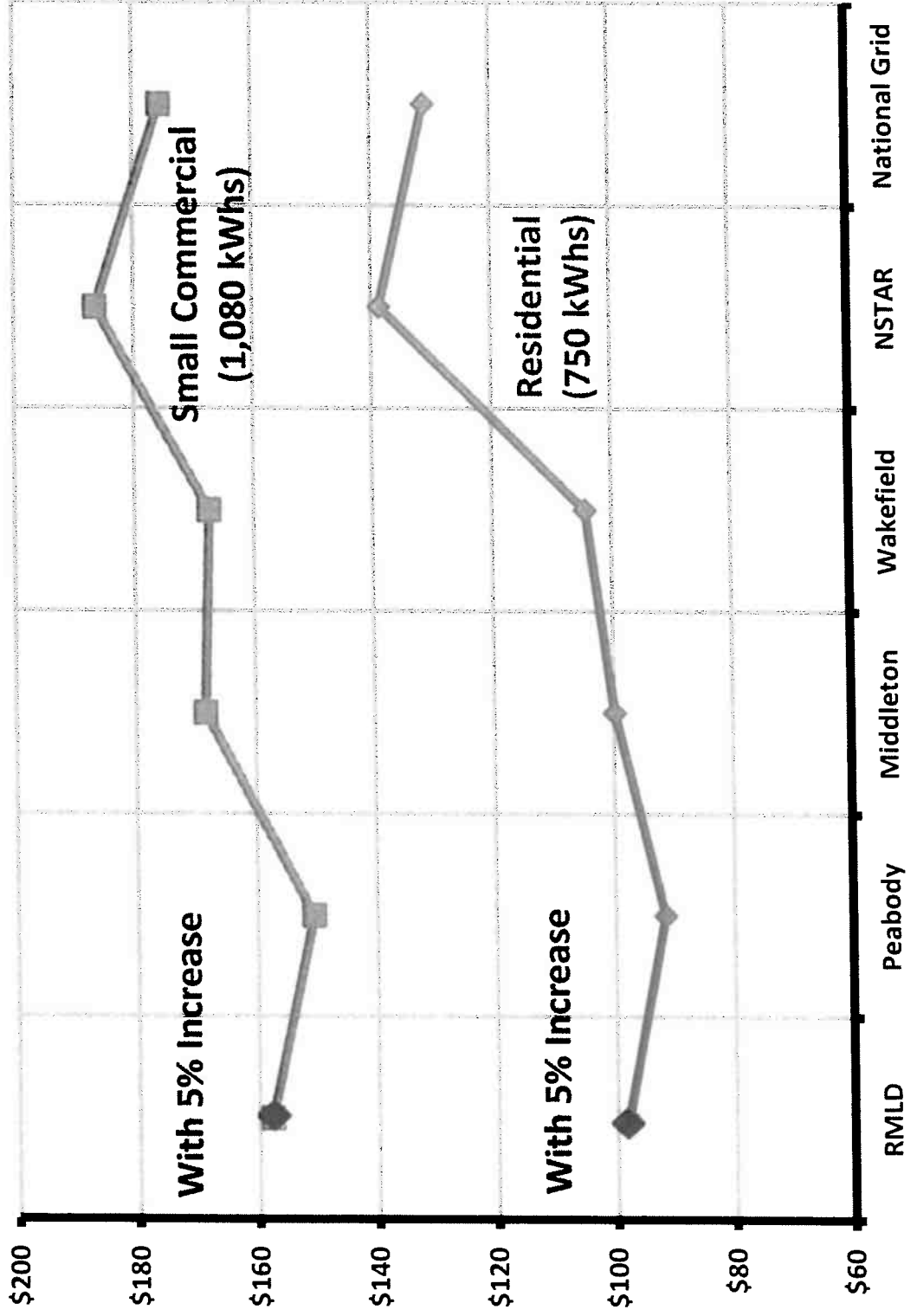
(Based on January 2014)

January-14

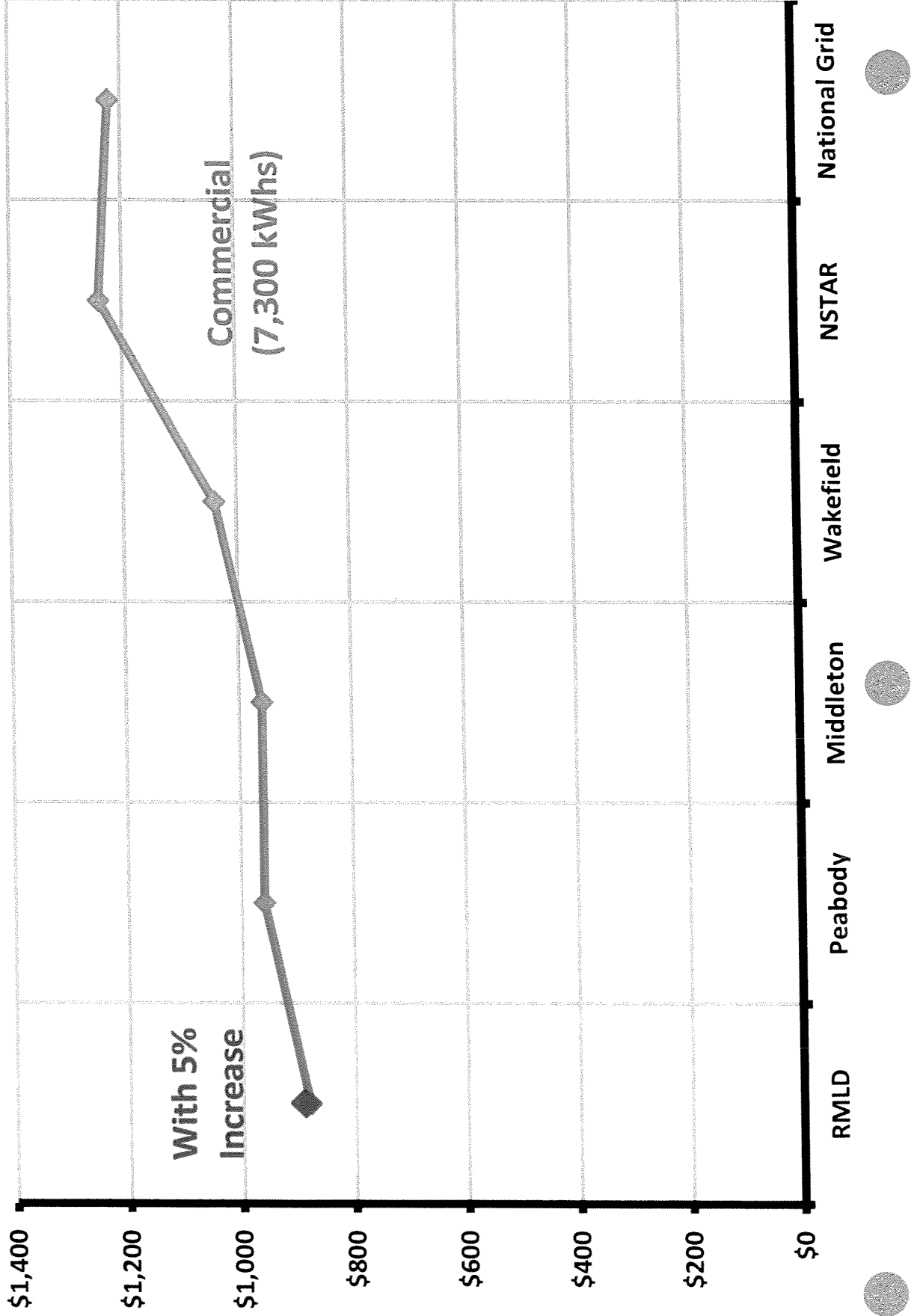
**TOWN OF READING MUNICIPAL LIGHT DEPARTMENT
RATE COMPARISON READING (WITH PROPOSED RATE INCREASE) & SURROUNDING TOWNS**

	RESIDENTIAL 750 kWh's	RESIDENTIAL-TOU 1500 kWh's 7/25 Split	RES. HOT WATER 1000 kWh's	COMMERCIAL 7,300 kWh's 25,000 kW Demand	SMALL COMMERCIAL 1,080 kWh's 10,000 kW Demand	SCHOOL RATE 35000 kWh's 130.5 kW Demand	INDUSTRIAL - TOU 109,500 kWh's 250,000 kW Demand 80/20 Split
READING MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$98.09	\$171.64	\$112.39	\$880.79	\$173.93	\$4,079.19	\$11,046.12
PER KWH CHARGE	\$0.13079	\$0.11442	\$0.11239	\$0.12066	\$0.16105	\$0.11655	\$0.10088
NATIONAL GRID							
TOTAL BILL	\$131.05	\$247.59	\$174.72	\$1,222.57	\$175.50	\$5,282.72	\$14,970.58
PER KWH CHARGE	\$0.17473	\$0.16506	\$0.17472	\$0.16748	\$0.16250	\$0.15093	\$0.13672
% DIFFERENCE	33.59%	44.25%	55.46%	38.80%	0.90%	29.50%	35.53%
NSTAR COMPANY							
TOTAL BILL	\$138.64	\$255.68	\$182.71	\$1,241.23	\$186.47	\$6,784.35	\$20,051.84
PER KWH CHARGE	\$0.18485	\$0.17045	\$0.18271	\$0.17003	\$0.17265	\$0.19384	\$0.18312
% DIFFERENCE	41.33%	48.97%	62.57%	40.92%	7.20%	66.32%	81.53%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$91.56	\$179.15	\$121.36	\$959.18	\$150.56	\$4,742.13	\$10,863.38
PER KWH CHARGE	\$0.12208	\$0.11943	\$0.12136	\$0.13139	\$0.13941	\$0.13549	\$0.09921
% DIFFERENCE	-6.66%	4.38%	7.99%	8.90%	-13.44%	16.25%	-1.65%
MIDDLETON MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$99.77	\$198.39	\$132.64	\$959.51	\$168.44	\$4,762.93	\$13,330.75
PER KWH CHARGE	\$0.13303	\$0.13226	\$0.13264	\$0.13144	\$0.15596	\$0.13608	\$0.12174
% DIFFERENCE	1.71%	15.59%	18.02%	8.94%	-3.16%	16.76%	20.68%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$104.31	\$202.32	\$136.98	\$1,039.27	\$167.49	\$4,864.08	\$13,421.07
PER KWH CHARGE	\$0.13908	\$0.13488	\$0.13698	\$0.14237	\$0.15509	\$0.13897	\$0.12257
% DIFFERENCE	6.34%	17.88%	21.88%	17.99%	-3.70%	19.24%	21.50%

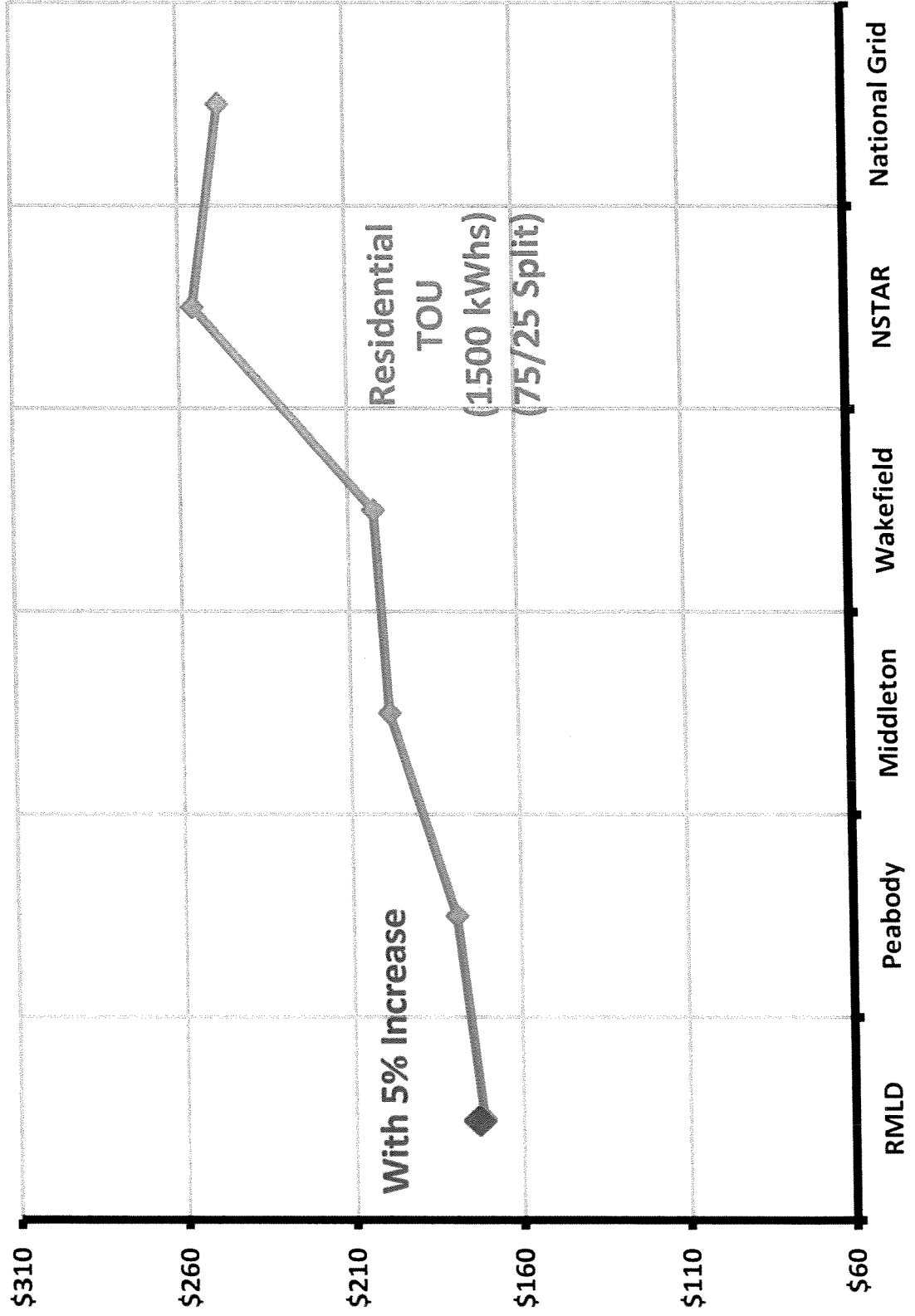
Residential and Small Commercial



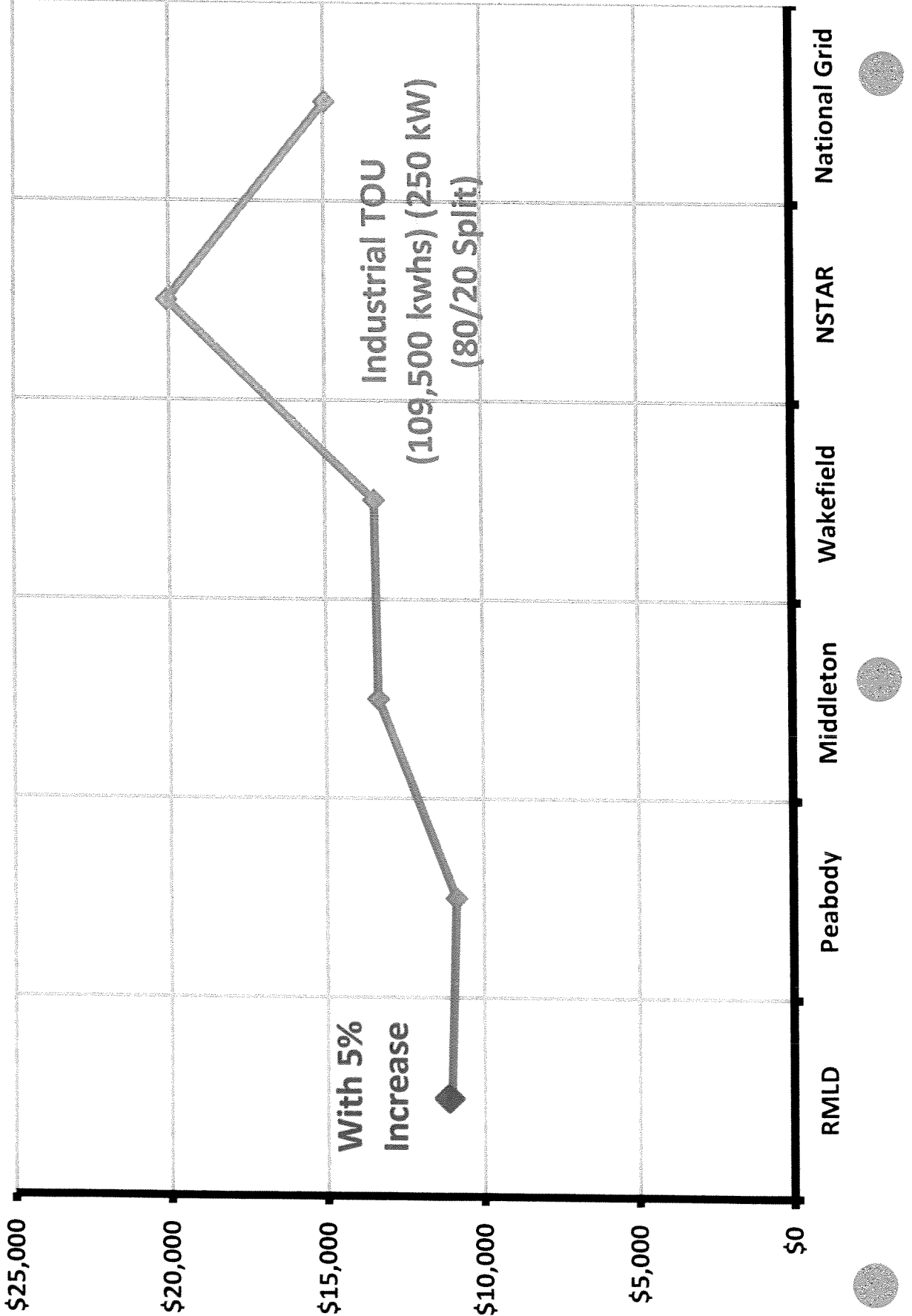
Commercial



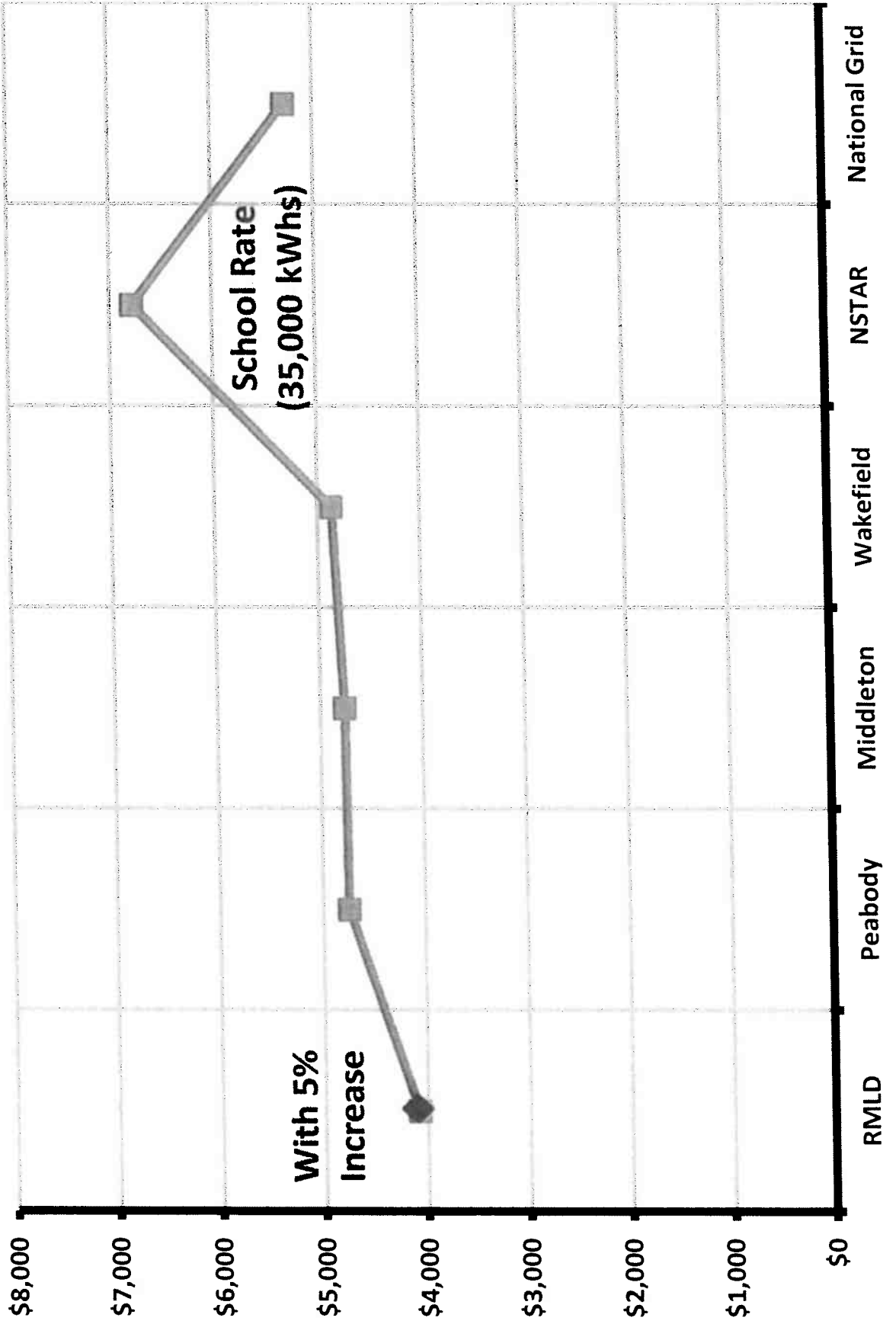
Residential TOU



Industrial TOU



School





v. Legal Opinion on PILOT – Rubin and Rudman





RUBIN AND
RUDMAN LLP
Attorneys at Law

T: 617.330.7000 F: 617.330.7550
50 Rowes Wharf, Boston, MA 02110

MEMORANDUM

BY EMAIL

To: Coleen O'Brien, General Manager
Reading Municipal Light Department

From: Christopher Pollart and Karla Doukas

Re: Proposed Rate Increase and Issues Related to the 20-Year Agreement

Date: January 16, 2014

On behalf of the Reading Municipal Light Department ("RMLD"), you have asked us to address issues raised by the Lynnfield Board of Selectmen in its January 15, 2014 letter regarding RMLD's proposed rate increase for electric service.

At the outset, we note that it is our understanding from discussions with you that the rate increase being considered by RMLD is 5%, or \$3.21 per month on a residential customer's bill who uses 500 kWh per month and not 9% as referenced in the Lynnfield Board of Selectmen's letter. It is also our understanding from discussions with you that RMLD has paid \$2,301,221 to the Town of Reading in fiscal year 2014 for calendar year 2013 as a voluntary payment to the Town of Reading sourced from RMLD's below-the-line earnings or profit.

As you are aware, the Agreement between RMLD and the Towns of Wilmington, Lynnfield and North Reading requires, among other things, that RMLD make in-lieu of tax payments to the Towns for a 20-year term ("20-Year Agreement"). The 20-Year Agreement contemplates two types of payments: (1) payments-in-lieu of taxes made pursuant to special legislation, and (2) voluntary payments made from RMLD's below-the-line earnings as part of its discretionary authority if and to the extent special legislation is not in effect. Section 5 of the 20-Year Agreement specifically requires that RMLD's payments in lieu-of-taxes pursuant to special legislation be treated as expenses for ratemaking purposes. RMLD obtained special legislation, thus authorizing RMLD to include as annual operating expenses and recover through its rates, the in-lieu of tax payments made to the Towns of Reading, Wilmington, North Reading and Lynnfield. *See* St. 1990, c. 405, § 1.

G.L. c.164, § 58 governs the rate practices of municipal light plants such as RMLD. Under this statutory scheme, RMLD has broad discretion to expend money and set rates. *See Bertone v. Department of Pub. Utils.*, 411 Mass. 536, 543 (1992); *Municipal Light Comm'n of*

Peabody v. Peabody, 348 Mass. 266, 270-72 (1964). In fact, G.L. c. 164 grants the Department of Public Utilities (“DPU”) only limited power to review the rate practices of municipal light plants. *See e.g., Bertone*, 411 Mass. at 548; *Holyoke Water Power Co. v. Holyoke*, 349 Mass. 442, 445-46 (1965); *Stow Municipal Elec. Department*, D.T.E. 94-176-C, at 20-21 (2001) (stating that the DPU has limited ratemaking authority over municipal light plants); *Reading Municipal Light Department (“Reading”)*, D.P.U. 85-121/85-138/86-28-F (1987) (examining RMLD’s cost data and rate structure). The Court has recognized that municipal light plants do not nearly require the same degree of scrutiny and supervision as investor-owned utilities. *Bertone*, 411 Mass. at 547-48. Thus, the DPU generally defers to the ratemaking authority and policies of the municipal light plant. *Id.* at 543.

G.L. c.164, § 58 authorizes municipal light plants to set rates to earn an 8% return on the cost of plant and allows rate increases as often as every three months. Notably, Section 5(c) of the 20-Year Agreement expressly recognizes that nothing in the 20-Year Agreement precludes RMLD “from earning a return of eight percent per annum on the cost of plant in accordance with G.L. c. 164, § 58...”

In addition, Section 5(c) of the 20-Year Agreement explicitly recognizes RMLD’s right and authority to make additional voluntary payments to the Town of Reading from its unappropriated surplus, *i.e.*, below-the-line earnings. Below-the-line earnings are generated from the allowed return on cost of plant and any extra-period income, *i.e.*, surplus. *See, e.g., Littleton Electric Light Department* (Advisory Opinion), D.P.U. 96-11 (1996); *Reading, supra; In re Paras*, D.P.U. 86-16, at 1-2 (1986). RMLD has considerable authority over the management and use of its surplus funds and may determine the most effective use of the funds. Revenues generated from the return on plant or extra period income may be used for below-the-line items, such as discretionary payments. The DPU has recognized that municipal light plants may use unappropriated earned surplus revenues derived from the return on cost of plant or any “profit” to make voluntary payments to the host Town. *See Reading, supra*, at 15-16; *Peabody Municipal Light Plant*, D.P.U. 89-189, at 7; *In re Paras, supra*, at 2.

The DPU also has sanctioned the practice of budgeting monthly payments to the host Town based on its estimated rate of return as a reasonable exercise of the light plant’s management discretion. *See Peabody Municipal Light Plant, supra*, at 8. In *Peabody Municipal Light Plant*, the Petitioners questioned the light plant’s practice of including a profit estimate in its budget to be transferred to the City of Peabody. *Id.* at 8. The DPU concluded that the light plant could include up to eight percent of the cost of the plant in its net profit estimate in a properly prepared budget. *See id.* The DPU reasoned that in the light plant’s budget, the rate of return estimate appears to be eight percent and the fact that the payments are made on a monthly basis, after a profit is determined, is inconsequential if the cash management procedures followed by both City and the light plant make it more convenient to do so. *Id.*

Accordingly, there is no legal basis to challenge RMLD’s proposed rate increase to increase its rate of return in accordance with G.L. c. 164, § 58 or the making of any additional payments to the Town of Reading from RMLD’s rate of return.

Please do not hesitate to contact us if you have any questions.



Town of
LYNNFIELD

PHILIP B. CRAWFORD
DAVID M. NELSON
THOMAS D. TERRANOVA, JR.

WILLIAM J. GUSTUS
Town Administrator

BOARD OF SELECTMEN

January 15, 2014

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

RE: Rate Increase

Dear Ms. O'Brien:

Thank you for having your staff attend the January 6, 2014 meeting of the Lynnfield Board of Selectmen to discuss the proposed increase in rates to be charged for electric service in Lynnfield. The presentation was enlightening, pardon the pun, but concerning as well. On behalf of the Board of Selectmen, I want to express our collective concern in such a large rate increase at this time.

In looking at the documents previously provided, and in listening to the presentation last Monday, it is apparent that there has been a change in policy resulting in the decision to raise rates so dramatically at this time. While we understand that RMLD is allowed to earn up to 8% of net plant each year per state regulation, we are mindful that it is not required that it do so. We are also concerned that the additional PILOT payment made to the Town of Reading is shown as a current year expense rather than as a payment out of last year's unappropriated earned surplus. The whole purpose of the Special Legislation that was passed as a result of the four town agreement was to allow the payments to the four towns to be made out of current year revenue. The four town agreement specifically states that additional payments to Reading, over and above the four town payments, must come from unappropriated earned surpluses. This can only mean that these payments come from the prior year's surplus and are not current year obligations.

The rate increase has been justified by your staff as being required in order to insure that RMLD would have sufficient revenue to cover the cost of restoration of services in the event of a major failure occasioned by weather or other disaster in the current fiscal year. Without the charge for the additional PILOT payment against current year revenue, it

would seem that RMLD should have similar surpluses to those enjoyed in prior fiscal periods. While we understand that this could impact RMLD's ability to make next year's additional PILOT payment to the Town of Reading, we do not think that necessitates a 9% increase at this time.

The additional PILOT payments to Reading are clearly required to come out of earned surpluses as agreed by all four towns in the four town agreement. Reading, as a signatory to this agreement, must have understood that if a surplus did not exist, the payment would not be made. We have not been told of the existence of a formal PILOT agreement requiring these payments and we do not know how they have been calculated in the past. Nevertheless, we believe that the burden of increasing revenue this year to cover not only current year costs but also to generate sufficient surpluses to make additional PILOT payments to Reading next year should be borne not only by the rate payers but also the Town of Reading in the form of a reduced additional PILOT payment next year, if necessary.

In this way, RMLD could raise rates gradually over the course of the next few years in order to implement current policy to improve the revenue performance of RMLD. We think this is a far more equitable way to address this situation and one that will continue to foster the long standing reputation of RMLD as a cost effective energy provider to its customers.

Thank you for your consideration in this matter.

Very truly yours,



William J. Gustus
Town Administrator

cc. John Stempeck
CAB
Board of Selectmen
Jeffrey Hull
Gregory Balukonis

BOARD MATERIAL AVAILABLE
BUT NOT DISCUSSED



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

January-14

	RESIDENTIAL 750 kWh's	RESIDENTIAL-TOU 1500 kWh's 75/25 Split	RES. HOT WATER 1000 kWh's	COMMERCIAL 7,300 kWh's 25,000 kW Demand	SMALL COMMERCIAL 1,000 kWh's 10,000 kW Demand	SCHOOL RATE 35000 kWh's 130.5 kW Demand	INDUSTRIAL - TOU 109,500 kWh's 250,000 kW Demand 80/20 Split
READING MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$92.73	\$162.94	\$106.76	\$836.96	\$163.85	\$3,880.93	\$10,562.82
PER KWH CHARGE	\$0.12364	\$0.10862	\$0.10676	\$0.11465	\$0.15171	\$0.11088	\$0.09646
NATIONAL GRID							
TOTAL BILL	\$131.05	\$247.59	\$174.72	\$1,222.57	\$175.50	\$5,282.72	\$14,970.58
PER KWH CHARGE	\$0.17473	\$0.16506	\$0.17472	\$0.16748	\$0.16250	\$0.15093	\$0.13672
% DIFFERENCE	41.32%	51.95%	63.66%	46.07%	7.11%	36.12%	41.73%
NSTAR COMPANY							
TOTAL BILL	\$138.64	\$255.68	\$182.71	\$1,241.23	\$186.47	\$6,784.35	\$20,051.84
PER KWH CHARGE	\$0.18485	\$0.17045	\$0.18271	\$0.17003	\$0.17265	\$0.19384	\$0.18312
% DIFFERENCE	49.51%	56.92%	71.15%	48.30%	13.80%	74.81%	89.83%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$91.56	\$179.15	\$121.36	\$959.18	\$150.56	\$4,742.13	\$10,863.38
PER KWH CHARGE	\$0.12208	\$0.11943	\$0.12136	\$0.13139	\$0.13941	\$0.13549	\$0.09921
% DIFFERENCE	-1.26%	9.95%	13.68%	14.60%	-8.11%	22.19%	2.85%
MIDDLETON MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$99.77	\$198.39	\$132.64	\$959.51	\$168.44	\$4,762.93	\$13,330.75
PER KWH CHARGE	\$0.13303	\$0.13226	\$0.13264	\$0.13144	\$0.15596	\$0.13608	\$0.12174
% DIFFERENCE	7.59%	21.76%	24.25%	14.64%	2.80%	22.73%	26.20%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$104.31	\$202.32	\$136.98	\$1,039.27	\$167.49	\$4,864.08	\$13,421.07
PER KWH CHARGE	\$0.13908	\$0.13488	\$0.13698	\$0.14237	\$0.15509	\$0.13897	\$0.12257
% DIFFERENCE	12.49%	24.17%	28.31%	24.17%	2.22%	25.33%	27.06%



Jeanne Foti

From: Jeanne Foti
Sent: Wednesday, January 22, 2014 7:56 AM
To: RMLD Board Members Group
Subject: Account Payable Warrant and Payroll - No Questions

Good morning.

In an effort to save paper, the following timeframes had no Account Payable Warrant and Payroll questions. This e-mail will be printed for the Board Book for the RMLD Board meeting on January 29, 2014.

Account Payable Warrant – No Questions

December 6, December 13, December 20, January 3, January 10 and January 17. There was no Account Payable Warrant on December 27.

Payroll – No Questions

December 6, December 30 and January 13.

Jeanne Foti
Reading Municipal Light Department
Executive Assistant
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Reading, MA 01867

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Please consider the environment before printing this e-mail.

