

**READING MUNICIPAL  
LIGHT DEPARTMENT**

**BOARD  
OF  
COMMISSIONERS**

**REGULAR SESSION**

**NOVEMBER 1, 2012**



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

230 Ash Street  
Reading, MA 01867  
November 1, 2012  
7:30 p.m.

1. **Opening Remarks/Approval of Meeting Agenda**
2. **Secretary for Meeting, Chairman Pacino**
3. **Introductions**
4. **Presentations (Tab A)**
  - a. **Local Energy Action Program – Helen Aki, LEED, AP, Energy Services Coordinator  
Metropolitan Area Planning Council (MAPC)**
  - b. **November 2012 – Jared Carpenter  
Update of activity related to Conservation Programs**

5. **Approval of October 1, 2012 Board Minutes (Tab B)**

**ACTION ITEM**

**Suggested Motion:**

Move that the RMLD Board of Commissioners approve the Regular Session meeting minutes of October 1, 2012.

6. **Report of Board Committees**

- a. **General Manager Search Committee – Chairman Pacino**

7. **Power Supply Report – September 2012 – Ms. Parenteau (Tab C)**

- a. **Concord Steam Amendment**
- b. **Sustainable Energy Policy**

8. **Engineering and Operations Report – September 2012 – Mr. Sullivan (Tab D)**

9. **Financial Report – September 2012 – Mr. Fournier (Tab E)**

10. **General Discussion (Tab F)**

- a. **Account Payable Signatures**

**BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED**

**Rate Comparisons, October 2012**

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

**RMLD Board Meetings**

**Wednesday, November 28, 2012 and Wednesday, December 26, 2012**

**Subsequent Town Meeting**

**Tuesday, November 13, 2012**

**Citizens' Advisory Board Meeting**

**if warranted: Wednesday, November 7, 2012 and Wednesday, December 5, 2012**

**Budget Committee Meetings**

**Wednesday, April 3, 2013 and Wednesday, April 10, 2013**

**11. Adjournment**

**Suggested Motion:**

Move to adjourn the Regular Session.

**ACTION ITEM**

PRESENTATIONS  
BOARD REFERENCE TAB A



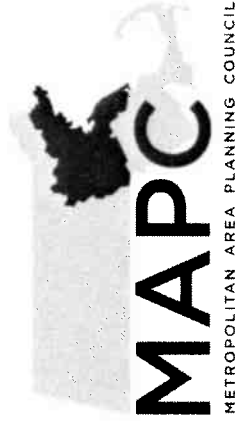
# **Local Energy Action Program Overview (Reading, North Reading, Lynnfield & Wilmington)**

Presentation to the Reading  
Municipal Light Department Board

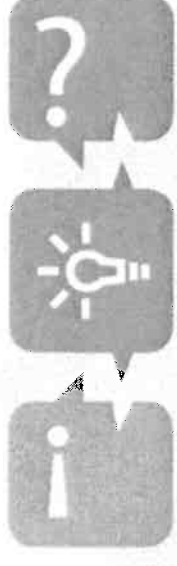
November 1, 2012

Helen Aki

Energy Services Coordinator  
Metropolitan Area Planning Council



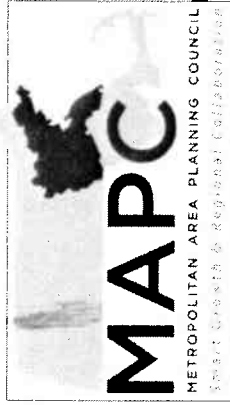
# Summary



- **MAPC Overview**
- **LEAP Background**
  - Municipal energy data & planning
  - MIT student research projects
  - Municipal Solar & LEDs
  - Programs for residents and businesses

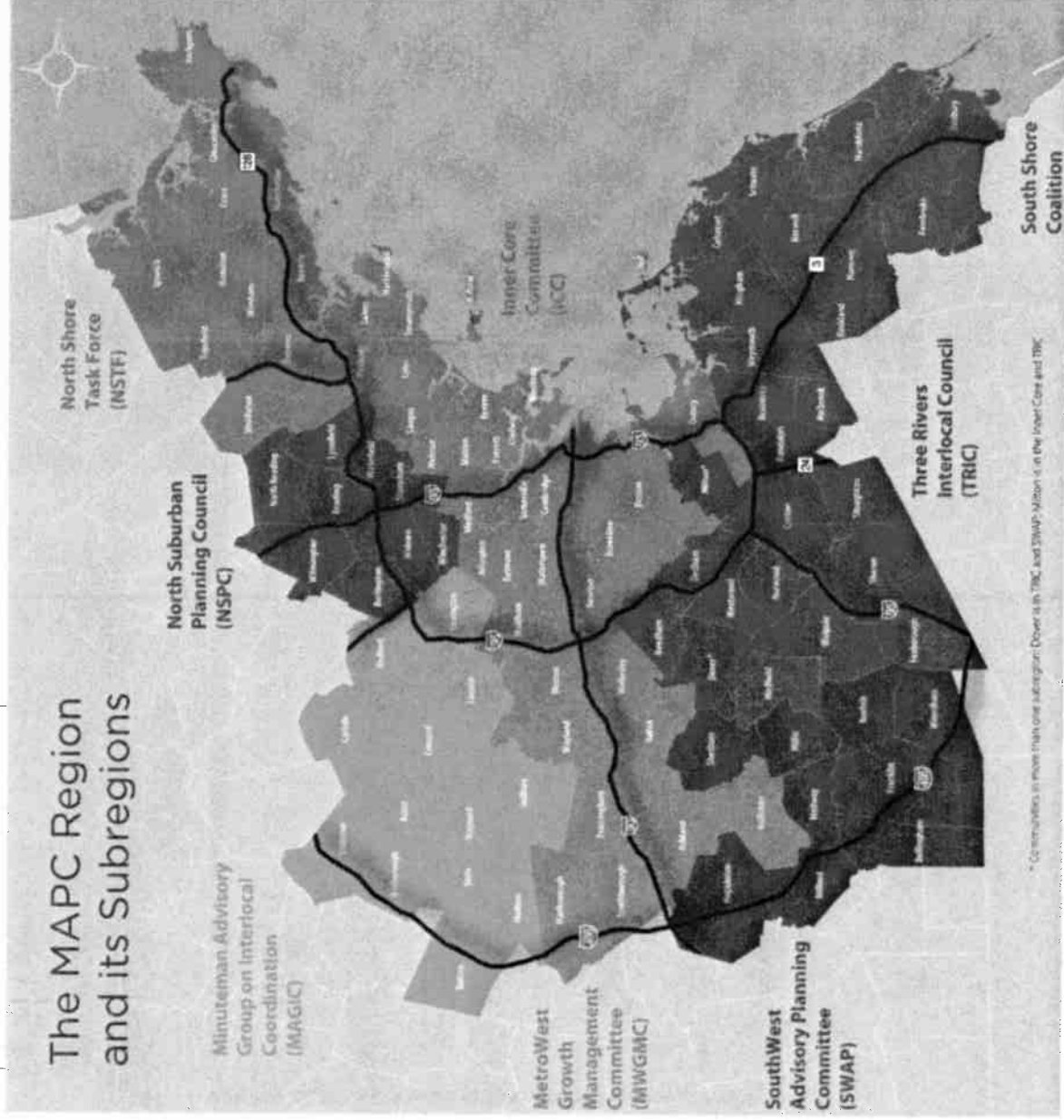






# Metropolitan Area Planning Council

- **MAPC:** Serves 101 cities and towns in the Greater Boston region.
- **MetroFuture:** “Bold and achievable” 30-year plan

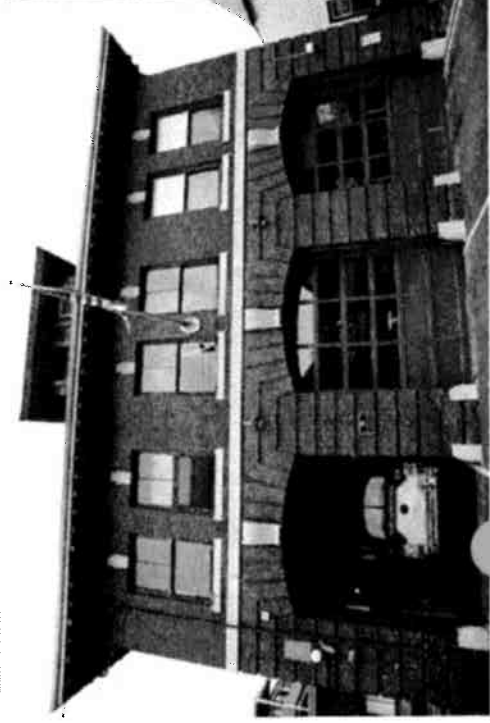


\* Commuters in more than one subregion: Dover in TRIC and SWAP; Milton in the Inner Core and TRIC

# MAPC & Energy



- Regional Energy Services & Procurement
- Local Energy Planning
- Policy Advocacy & Information Sharing



# Local Energy Action Program



**Mission:** To help cities and towns create and implement local energy action plans over two years.

## Year 3: Maintain Action

- \* City/Town runs sustained programs independently

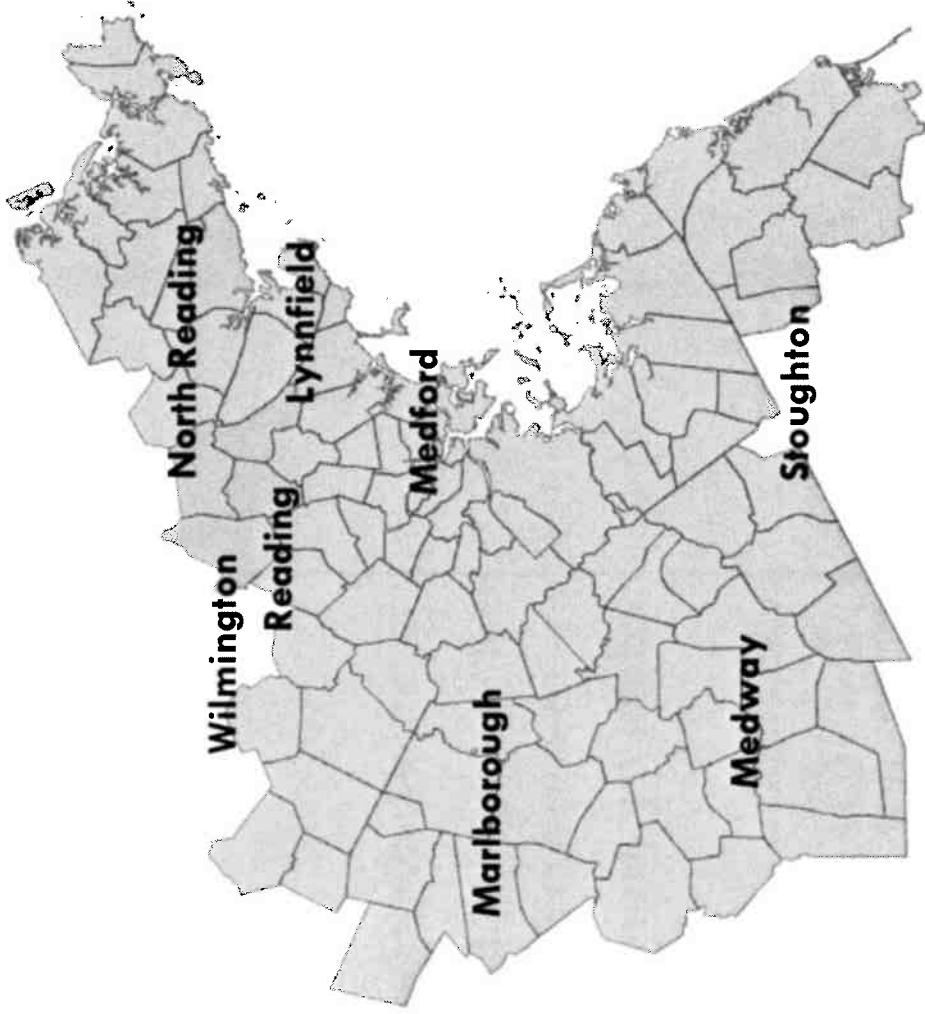
## Year 2: Take Action

- \* Adopt policies
- \* Design/launch programs

## Year 1: Plan for Action

- \* Set baseline and goals
- \* Develop strategies
- \* Build constituency and adopt plan

# LEAP Communities



- LEAP Communities served by RMLD
- Other LEAP Communities

- 25 communities applied
- 4-town RMLD project stood out as regional effort
- Heavier focus on implementation through utility



# LEAP Events & Activities



When	What
January	LEAP Communities announced
Feb-May	<p>Kick-off and working group meetings:</p> <ul style="list-style-type: none"> <li>Local meetings (Reading CCP &amp; staff, North Reading Energy Task Force, Lynnfield and Wilmington staff)</li> <li>Inter-town Working Group (4 towns' staff)</li> </ul>
Feb-April	Municipal energy data collection & MassEnergyInsight setup
May-June	Meetings with RMLD and strategic partners (MIT, residential auditor bid)
June	Presentation to RMLD Citizens' Advisory Board
June-Sept	Program development: residential, solar
September	Residential program launched with Next Step Living
Oct/Nov	Presentations to Reading School Committee, RMLD Board
Nov-Jan 2013	Plan finalized, public comment period, and adoption of plan

# Municipal Energy Data



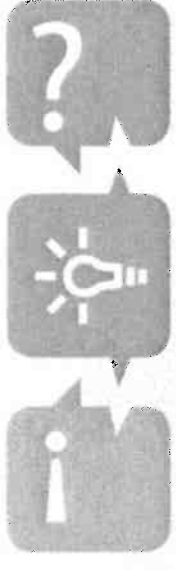
- **MassEnergyInsight:** free, online tool
- Accounts for all 4 towns
- Provides **snapshot** of all municipal facilities
- Tracks **natural gas**, other fuels
  - Energy Engineer can easily assess whole buildings
- Goal: **monthly energy progress reports** to prioritize projects and monitor performance







# MIT Student Projects



- **Urban Energy Systems & Policy**
  - Prof. Stephen Hammer
- **Three teams chosen for MAPC/RMLD project**
- **Topics include:**
  - Demand Response Potential
  - On-Bill Financing of Efficiency Projects
  - On-Bill Energy Reporting & Consumer Behavior



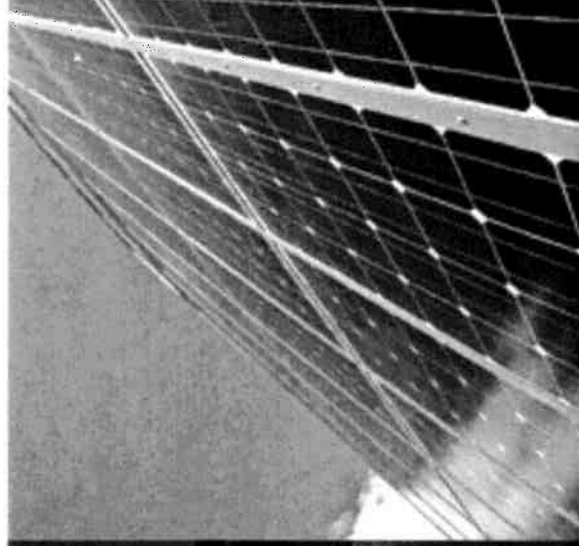
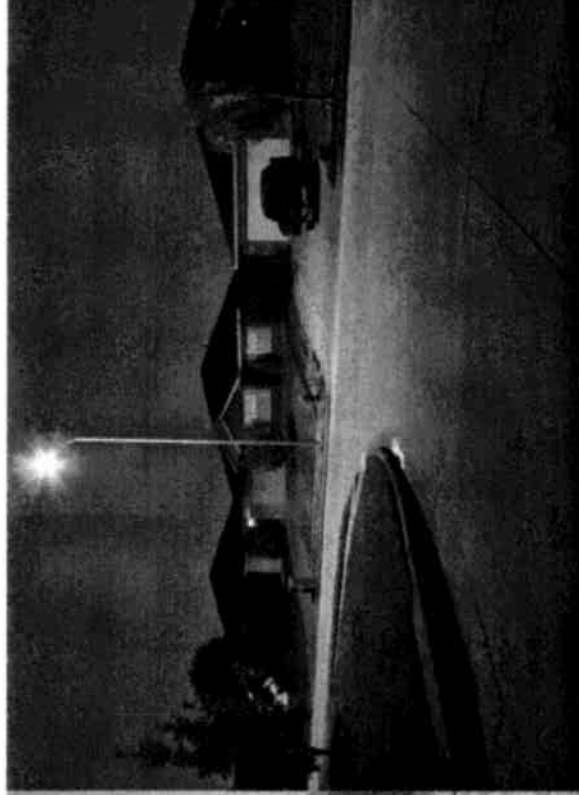


# Municipal Solar & LEDs



## Collective Procurement Opportunities with MAPC

- Bulk Purchasing of LED Street and Outdoor Lighting
- Regional Solar Initiative
  - 17 cities and towns in solicitation
  - RMLD is on selection committee



# Other Programs



- **Residential program with Next Step Living**
  - <http://www.nextsteplivinginc.com/rmld>
  - Workshop for residents in November or December
  
- **Green Business Program**
  - CCP working on Reading program
  - Can be scaled up and paired with residential program for maximum effect



# LEAP Recommendations



## **Questions or Comments?**

*Helen Aki, Energy Services Coordinator*  
[haki@mapc.org](mailto:haki@mapc.org) / 617-451-2770 x 2054







# Reading Municipal Light Department Energy Conservation Program

November 2012 Update

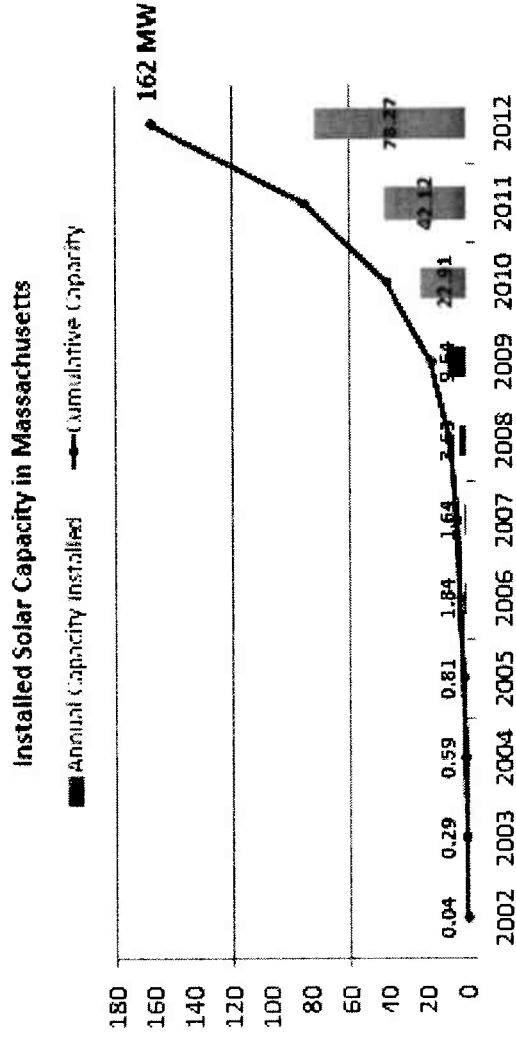
# Topics

- Renewable Energy Update
- American Public Power Association (APPA) Conference
- Water Heaters



# Renewable Energy Update

- 2.5 MW currently being installed.
- MA currently has 13,610 MW of peak summer generation and 162 MW of solar.
- RMLD hit a peak of 164 MW this summer and will have ~2.7 MW of solar installed by EOY 2012.
- We are on a great track with solar but need continued project growth.



**The Patrick-Murray Administration set a goal to have 250 MW of solar power installed in Massachusetts by 2017. The above figures represent the cumulative amount installed as of October 1, 2012.**



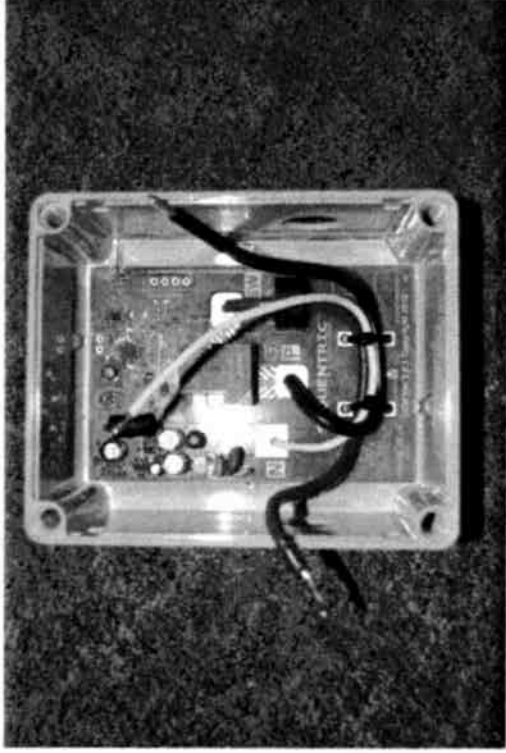
# APPA Customer Connections Conference 2012

## Indianapolis, IN

- Make customers aware of who and how valuable we are to their business plans.
- Smart Grid, Smart Meters, meter software feedback from those who have implemented it nationally. AMI vs. AMR including fixed networks.
- The bar is always rising, the market is always changing, we must stay ahead of the curve and compare ourselves to other markets.
- Our customers expect us to:
  - Manage their distribution needs.
  - Deliver the best rates.
  - Completely understand the future of the industry and lead it locally.
  - Make it so no outside energy companies are needed.

# Water Heaters

- Over 100 units installed and running great.
- Failures
  - Installation costs.
  - More customers without internet than expected.
  - Some customers don't like internet protocol but surprisingly few.
- Wins
  - Over 50 customers removed electric hot water heaters but remained on the rate.
  - Solutions to installation costs have been found.
  - Expanding our capabilities for future rate reductions.
  - Our temporary employee (Chris Maslo) has been great at communicating with our customers giving us valuable information to bring new services to our small business and residential customers.





REGULAR SESSION MEETING  
MINUTES  
BOARD REFERENCE TAB B



Reading Municipal Light Board of Commissioners

Regular Session

230 Ash Street

Reading, MA 01867

October 1, 2012

Start Time of Regular Session: 8:08 p.m.

End Time of Regular Session: 10:45 p.m.

Commissioners:

Philip B. Pacino, Chairman

Robert Soli, Commissioner

John Stempeck, Secretary

Gina Snyder, Vice Chair

Marsie West, Commissioner

Staff:

Vinnie Cameron, General Manager

Jared Carpenter, Energy Efficiency Engineer

Robert Fournier, Accounting/Business Manager

David Polson, Facilities Manager

Kevin Sullivan, Engineering and Operations Manager

Beth Ellen Antonio, Human Resources Manager

Jeanne Foti, Executive Assistant

Jane Parenteau, Energy Services Manager

William Seldon, Senior Energy Analyst

Citizens' Advisory Board:

Tony Capobianco

Guest: Karen Snow, Melanson, Heath & Company, PC

**Opening Remarks/Approval of Meeting Agenda**

Chairman Pacino called the meeting to order and stated that the meeting was being videotaped.

**Presentation of Fiscal Year 2012 Audit - Melanson Heath & Company, PC – Ms. Karen Snow (Attachment 1)**

Mr. Fournier introduced Ms. Snow from Melanson Heath & Company to present the audited financials for fiscal year (FY) 2012. Ms. Snow stated that as she mentioned at the Audit Committee meeting there is no formal management letter this year. While they performed their audit they did not find any issues that were significant deficiencies or material weaknesses in RMLD's internal controls, the controls were adequate and reasonable. This year they will be giving the RMLD a letter which tells you there is no management letter because it is a new accounting/auditing standard. As in the past, the RMLD has a clean audit opinion and it is their opinion that financial statements are fairly presented in accordance with Generally Accepted Accounting Principles; there are no exceptions in their opinion.

Ms. Snow reported that RMLD's Net Assets were up \$4.3 million, total liabilities were up \$1.4 million and total assets were up \$2.9 million which represents the overall net income for the year. The only thing that appears in the liability section is due to the Pension Trust for \$1 million which is offset by a transfer made after the end of the fiscal year per Board vote. This transfer was completed in July. Compensated absences are down \$48,000 will decrease as the years go on due to policy changes. The RMLD is in a very good position there is no long term debt per se on the books as far as bonding, capital needs are fulfilled with operating revenues. The Other Post Employment Benefit which is for current and future retirees for such benefits as health care is being funded. As of June 30, 2012, RMLD had fully funded that liability based on an actuarial valuation. This liability is offset by the Restricted Net Assets.

Ms. Snow stated that the RMLD has a healthy Net Income of \$2.9 million, which is not much change from the prior year, the difference being \$147,000. The Operating Income is almost the same as the prior year which is reflective of how the revenues are being managed. The Operating Revenues were down by 8.4% and operating expenses were down 9%, sales were down by 3.3% due the fact that Purchase Power costs were down this year. This is attributable to favorable conditions in the market such as natural gas and other power costs being lower.

Ms. Snow said that there were no additional costs associated with the environmental remediation of the soil at the Gaw substation. The project was essentially completed in 2011 with the close out in 2012 with no costs associated with it.

Ms. Snow said that \$1 million was transferred into the Retirement Trust at year end. The actuary had recommended a contribution of \$1.7 million. The Board is considering an additional transfer in fiscal year 2013. Ms. Snow pointed out that in fiscal year 2015 the pension liability, GASB Statement Number 68 will affect the way that the way pension liabilities are reported in financial statements.

**Presentation of Fiscal Year 2012 Audit - Melanson Heath & Company, PC – Ms. Karen Snow (Attachment 1)**

Ms. Snow stated that there will be a requirement to report the unfunded portion of the liability on the balance sheet. Currently, the Town of Reading charges you an annual assessment for the Retirement Trust and if this is paid then a liability does not appear on the balance sheet. However, GASB Statement Number 68 will require you to report the unfunded portion of the overall pension liability. As of June 30, 2012, this was approximately \$12.4 million for the RMLD and is short this amount based on the actuarial report. Gains and losses as well as interest in the trust will have to be reported as well. Ms. Snow added that the RMLD is in a healthy position and \$12.4 million sounds like a lot, but it is a small liability compared to most other governmental entities.

Mr. Stempeck asked this is currently \$12 million, but by the time the interest rates change, it could drop it, however, Ms. Snow also pointed out it could raise it. Mr. Stempeck questioned if the actuary extrapolates the present contracts that are from today into the future. Ms. Snow responded, yes that is part of what they do. Ms. Snow pointed out in the last valuation the discount rate and salary wage increases were decreased. The valuation has to be performed every two years. The best case scenario is that the market comes back up to narrow this gap.

Ms. Snow then addressed the Renewable Energy Certificates in which the Board has had much discussion about this. At this point in time there is Note 19 on Page 27, which has disclosed the Certificates but they are not recognized as assets because there is no codified accounting. The Financial Accounting Standards Board is working on this because it is new. Reading is unique because it is not subject to a Renewable Energy Standard Portfolio. There is not a mandate to hold these REC's and most of the guidance she has seen is for investor owned utilities. IOU's have to meet a certain standard whose treatment of RECs will differ than the RMLD. Ms. Snow added that there was no adjustments that Mr. Fournier had to make therefore the numbers will remain the same as in the monthly Financial Report.

**Report of Board Committees**

**Audit Committee – Commissioner West**

Ms. West reported that the Audit Committee met before the meeting, reviewed the audit and made a recommendation to accept the audited financial statements.

Mr. Cameron added that this was another clean audit which is a testament to the employees at the RMLD as well as Mr. Fournier's recordkeeping. Mr. Soli added that he would second that.

Ms. West made a motion seconded by Mr. Soli to accept the audit as presented.

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

Chairman Pacino said that Commissioner Stempeck will be the Secretary for this meeting.

Mr. Soli took a point of order and reported that he attended the Town Clerk's meeting on the Open Meeting Law training. One of the points that was made that if on the agenda there are times for items then you may not start on those items until their time has come. A couple of other points made are that RMLD Board and Selectmen's agenda can be changed. Items may be brought up, but not voted upon. You may go into Executive Session even if it is not listed, but you may not vote on anything. It did sound like things about committees were going to get restrictive. If you have ad hoc committees or plain committees they must be sworn in at the Town Clerk's office. Mr. Soli asked about standing committees and it was agreed that standing committees do not need to be sworn in.

Mr. Cameron asked if times were needed on the agenda. Ms. Snyder responded in the session that she was in attendance at the Open Meeting Law Training and that this was not discussed. Mr. Cameron said that he will check into this.

Mr. Capobianco reported that the Citizens' Advisory Board (CAB) will be meeting on Wednesday, October 17.

Chairman Pacino introduced, Dave Polson, Facilities Manager. Mr. Polson reported that he has over twenty eight years in the electric utility business and previously worked for NSTAR. He worked for two years as a Service Center Manager, responsible for ten cities and towns for 138,000 customers with fifty employees. For six years he worked as a Project/Contract Manager on major projects for overhead and underground, civil construction as well as vegetation management for NSTAR and in that role dealt with procurement/contract management issues. He has a graduate certificate from WPI in organizational leadership, Bachelor's Degree in Management and Associate's Degree in Electrical Mechanical Technology. Mr. Polson said the RMLD has a great focus on customers and reliability.

**Approval of July 25, 2012 and August 29, 2012 Board Minutes**

Mr. Stempeck made a motion seconded by Mr. Soli that the RMLD Board of Commissioners approve the Regular Session meeting minutes of July 25, 2012 with the changes presented by Ms. Snyder and Mr. Soli.

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



### **Approval of July 25, 2012 and August 29, 2012 Board Minutes**

Mr. Soli pointed out that since his attendance at the training it is fine to send out the draft minutes and send the Secretary suggested changes, but the changes must come to the meeting and be approved; it cannot be done outside of the meeting. Ms. Snyder added that there was a concern that committees were editing minutes over e-mail which the Board does not do. Suggested changes can go to the Secretary or Ms. Foti then be brought up at the meeting.

Mr. Stempeck made a motion seconded by Ms. West that the RMLD Board of Commissioners approve the Regular Session meeting minutes of August 29, 2012 with the changes presented by Ms. West and Mr. Soli.

**Motion carried 4:0:1. Ms. Snyder abstained; she was not in attendance at the meeting.**

### **Report of Board Committees**

#### **General Manager Search Committee – Chairman Pacino**

Chairman Pacino reported that the General Manager Search Committee met on September 5 and September 26. They are working on job description criteria and the ad has gone out and is running. Some resumes are in house, and there is a meeting on Wednesday, October 3. At this meeting there will be a discussion as to a possible consultant. He has not looked at the resumes yet. The next step is to move forward see where we go from here.

#### **Budget Committee – Commissioner West**

Ms. West stated that the Budget Committee met on September 6 and discussed two proposed transfers, the first was to transfer \$603,995 from the Operating Fund to the Rate Stabilization Fund – the second was a Construction Fund transfer of \$2 million from the Operating Fund to the Construction Fund which would then set up the Capital Fund to have the money that it needed. Both transfer transactions were recommended by the Budget Committee with a vote of 2:0:0.

Chairman Pacino asked if those needed to be re-voted here. Mr. Cameron replied that if they wanted to formalize them here that would be fine and that the RMLD had already made the transfers.

Ms. West made a motion seconded by Mr. Stempeck that the RMLD Board of Commissioners to approve the transfer of \$603,995 from the Operating Fund to the Rate Stabilization Fund and the transfer of \$2 million from the Operating Fund to the Construction Fund.

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

### **Discussion of the RMLD Board Committees**

Chairman Pacino stated that at the last meeting it was discussed to possibly consolidate the subcommittees under the Board level. Chairman Pacino said that it was his feeling that the subcommittees were really not effective.

Ms. West stated that there was confusion in two different situations this evening, earlier in the evening in the Audit Committee they had met with the Town Audit Committee which comprised of the Town side and the RMLD and also the RMLD Budget subcommittee, which then required them to do two of everything at the same time. Ms. West said that it was not an efficient use of time and extremely confusing to then go into the Board meeting and do it all over again. It was the same with the Budget Committee where they voted on something and then re-voted on it at the Board level. This is creating extra work without any benefit.

Mr. Soli stated that the committee system here has worked fairly well, earlier this evening they had met with the Audit Committee of the Town and the Audit Committee of the Light Department. Some of the members of the RMLD Audit Committee were able to answer questions that the Audit Committee of the Town asked, that took half an hour, and then a summary was presented to the full Board where they only spent fifteen minutes on it. In Committee you find out what the actual issues are and what a motion might be; then after the clarification process has taken place, it becomes pretty easy to present it to the Board, with qualified members of the Board to answer their questions. Mr. Soli said it is his belief that it works reasonably well.

Mr. Stempeck asked what the alternative to the Committee system would be. Chairman Pacino stated the alternative would be for the Budget Committee and some of the other committees to meet at the Board level, where they would have to pre-schedule and perhaps set up a second meeting during the month; or potentially appoint some type of ad hoc committee if it was felt that the need was strong enough; or a subset of the members on any particular issue.

Ms. West said that there had been talk of the need to have some less formal discussion and to have it in a different venue so that the meetings that are scheduled, if they are needed, can be conducted in a less formal situation. If there is not a need to have those meetings then these additional meetings could be cancelled.

### **Discussion of the RMLD Board Committees**

Ms. West pointed out that since there is a member of the Municipal Light Board on the Town Audit Committee there would be someone there to answer questions. It doesn't make sense to continue to have committees used in the past, and since she has been here she does not see that they add anything to the process. Ms. West stated that it probably does make sense to have some ad hoc committees for those situations where it makes sense. The General Manager Search Committee will be needed for a short period of time, then it disbands and you have another one when you need it. Ms. West said that Public Relations (PR) is something that was discussed in length when meeting with Mr. Stempeck and other candidates. Ms. West recommends that they have a PR ad hoc committee that is kept for a period of time up to a year.

Chairman Pacino said that the Power & Rate Committee discussions need to take place on the Board level and it is critical to power contracts and reiterated his concern that the REC discussion took place at the Power & Rate Committee level and never got to the Board. It is Chairman Pacino's feeling that some of the problems they had were that the discussions did not take place soon enough and did not get to the Board level.

Mr. Stempeck asked if his concern was that some of the material is pre-filtered at the committee level and that there are nuances that might have made a difference in terms of Chairman Pacino's opinion. Chairman Pacino replied, yes that is his concern.

Mr. Soli stated that the meeting that the Town Clerk conducted and that he had attended said that ad hoc committees need to be sworn in, so if we have these two ad hoc committees or any more, that is another step that you must go through to get sworn in. This is not a requirement for standing committees.

Ms. Snyder said that what she heard at the July 25 meeting and what she is hearing now is there was indeed a problem with a particular issue with one of the committees and the recommendation therefore is to get rid of all committees. There are some issues that come up within these committees and it doesn't make sense to have the entire Board dealing with the nitty gritty ironing out the specific language. It just makes more sense to have a subcommittee that will make a specific proposal to the Board. Ms. Snyder thought was that since she had only been here a short time the committees had worked well, with the exception of that one issue.

Mr. Soli said that as a possible alternative that the minutes from the Board and also the Committees should at least be in draft form within ten days. Perhaps in the interest of getting information out they should insist that Committees meet sufficiently early before Board meetings. This is so that the minutes are out in a timely fashion and the Board has ample time to digest those minutes and to see that there is a motion that might be coming forward in the Board meeting and to get acquainted with those issues.

Ms. West said that it is her belief that everyone needs to understand the budget and that it is part of their job here. People on the Budget Committee hear it twice, once at the Committee level and then at the Board level. Ms. Snyder stated that is an example of a committee that does not need to be separate.

Mr. Stempeck asked if it was the suggestion that there are certain committees where it does make sense to maintain but others that we fold into a general meeting, perhaps a separate meeting of the Board. Chairman Pacino replied that was what he was hearing.

Ms. West said that the detailed discussions of the Power and Rate Committee could lead to the potential that there will not be the full disclosure of information to the Board when voting. Chairman Pacino stated that something got lost in the translation.

Ms. West said that her concern was that the one Policy Committee meeting that she participated in there was much less discussion and less give and take than expected for a smaller group. If you cannot have an open discussion and dialog on what the policy should be and it is strictly editing, that could be done here as easily as in a smaller subgroup. Ms. Snyder stated that she agreed that was a terrible example of how the subcommittees perform. If all meetings of the subcommittees were like that she would also vote to abolish them all.

Chairman Pacino asked if there was a need to look at the definition of what the Policy Committee does and what the purpose of the committee is. Ms. Snyder moved to abolish the committee and have everything come to the Board. The motion was withdrawn.

### **Discussion of the RMLD Board Committees**

Ms. West made a motion seconded by Mr. Stempeck that the RMLD Board of Commissioners streamline and simplify the committee structure by eliminating all ongoing committees that are not required by Town Charter or Bylaws or by the twenty Year Agreement and recommend that unique or non-recurring situations be addressed with the appointment of ad hoc committees to address specific issues with the following changes: a) elimination of the following committees; Budget Committee, Power and Rate Committee, General Manager Committee and the Policy Committee, b) re-establishment of the following committees on an ad hoc basis with their current representation for a period not to exceed one year; General Manager's Search Committee and Public Relations Committee, c) to continue the Audit Committee on an ongoing basis.

**Motion carried 3:2:0. Ms. Snyder and Mr. Soli voted against the motion.**

Mr. Cameron said that he will check to see if George Hooper who is on the Search Committee and a resident of Wilmington needs to come to the Town of Reading to get sworn in. Ms. Snyder asked how Mr. Hooper got sworn into the CAB. Ms. Foti replied that he was sworn in at the Wilmington Town Hall.

Ms. West asked what should have happened with the General Manager Search Committee where it is not an ongoing committee and could be called an ad hoc Committee.

Ms. Snyder said that at the Town Clerk's meeting there was a lot of talk of taking votes and deliberating and if there is no vote to be taken that they should get clarification on being sworn in.

Mr. Cameron said that most committees make recommendations to the Board and that the Board must vote on those recommendations.

Ms. Snyder agreed but said it was not a final decision and wondered if it was a correct interpretation if they have already been sworn into the Board.

Chairman Pacino asked that the Department get clarification from the Town Clerk on what needs to be done. The Board will try this approach for six months and then re-visit how it is working.

### **Power Supply Report – August 2012 – Ms. Parenteau (Attachment 2)**

Ms. Parenteau reported that RMLD's load for August was approximately 74.7 million kWhs which was approximately a seven percent increase compared to August 2011. RMLD's energy cost came in at approximately \$3.6 million and that is equivalent to approximately \$.048 per kilowatt hour. Ms. Parenteau stated that the Fuel Charge adjustment was set at \$.0475 per kilowatt hour for the month of August and the RMLD estimates that the sales totaled 61.3 million kilowatt hours, preliminarily the RMLD under collected by approximately \$712,000 prior to the fiscal year adjustment a Deferred Fuel Cash Reserve balance of \$1.4 million. The Fuel Charge for September remained at \$.0475 and it is currently projected to remain at \$.0475 for the balance of the calendar year.

The RMLD purchased about 5% of its energy requirements from the ISO New England Spot Market and that was at an approximate cost of about \$26 per megawatt hour. Ms. Parenteau reported on the Capacity side the RMLD hit a peak demand of 154 megawatts on August 3, 2012 at 4:00 p.m., the average temperature was about 92 degrees and this compares to a peak demand last year of 144 megawatts on August 1, 2011 at 2:00 p.m. the average temperature was about 90 degrees. The RMLD's monthly capacity requirement was set at 210.7 megawatts; the total dollars paid for capacity totaled \$1.52 million which is equivalent to approximately \$7.22 per kilowatt month.

Ms. Parenteau reported for the months of July and August the RMLD has processed 168 rebates for a total of \$8,000. The residential auditor was approved at the July 25 meeting, an insert went into the September billing for the audit service and approximately 100 customers have requested audits.

### **Renewable Energy – Ms. Parenteau (Attachment 3)**

#### **Discussion of Renewable Energy Policy and Discussion of Renewable Energy Certificates**

Ms. Parenteau reported that Bill Seldon of the Energy Services Department tracks the RECs that are currently being generated by Swift River and that is the only asset that the RMLD is receiving RECs from. Concord Steam is another power agreement contract that has been signed but that project is not online as of today.

Ms. Parenteau stated that based on the amount of generation from Swift River from January to June of this year the RMLD generated 13,192 RECs, those RECs are coming from four different hydro stations; Woronoco, Pepperell, Indian River and Turners Falls with an approximate value as of September 27 of \$569,000. The value of these REC's has increased significantly. These REC's could be traded after June 2012. It is a Supply and Demand Market.

**Renewable Energy – Ms. Parenteau (Attachment 3)**

**Discussion of Renewable Energy Policy and Discussion of Renewable Energy Certificates**

Ms. Parenteau said that the RMLD does not have a Renewable Energy Policy on what to do with these REC's.

Chairman Pacino asked what kind of a policy the Department would like to see the Board to come forward with. The development of a Renewable Policy was discussed.

Mr. Cameron replied what he recommended last year was to take a look at what is valuable and what is not and believes this is very important going forward. The Department should look at what is best for the rate payers and if you have great value and there is still no Renewable Portfolio Standard (RPS) on the municipal light departments by the state of Massachusetts we should monetize the asset if it has a lot of worth. If there are RECs that do not have a lot of value then why not retire them. Mr. Cameron said that the Department should also look to see how we can meld retiring RECs with our Green Choice Program because there is some sort of disconnect there. The Department has asked the Board to solve that problem and it did not get done last year in the committees.

Mr. Cameron said that we should be able to draft a policy that would satisfy the needs of everybody, you cannot have an agenda on this issue. It has to be what the rate payers deserve.

Chairman Pacino asked if it was possible to have something for the next meeting. Mr. Cameron replied, yes.

Mr. Capobianco discussed guidelines that the CAB had reviewed. The classification of RECs was discussed.

Ms. Snyder replied if you look at the second page it shows that Woronoco is the only plant that is qualified for Massachusetts renewable energy credits. Ms. Snyder said that her question had to do with the aspiration to have some renewable in our portfolio. In the event it becomes a requirement for municipalities to have Renewable Credits, only Woronoco would qualify. Ms. Parenteau stated that one fact that she did want the Committee know was that these hydro facilities are located in Massachusetts and we are supporting renewable generation in our state and it is the whole picture that we are looking at.

Ms. Parenteau said if you focus just on RECs or an RPS you may perhaps be losing the entire picture of what the RMLD is trying to accomplish and that is supporting these facilities to continue production and to displace those fossil fuel generators. Ms. Parenteau said that they are actually running and we are receiving energy from them.

Chairman Pacino stated that we do need some sort of guideline as to what percentage of our portfolio that we want in renewables. Ms. Snyder said that she agreed entirely with Ms. Parenteau and that was the idea, if it all comes down to cost the policy gets much narrower.

Chairman Pacino asked that if going forward the Department is going to set up some kind of policy. Mr. Cameron replied yes that it would be ready for the next meeting.

**Engineering and Operations Report – August 2012 - Mr. Sullivan (Attachment 4)**

Mr. Sullivan reported that there would be no variance report this month.

Mr. Sullivan reported on Projects for the month of August as noted in Attachment 5: Project 3 – Upgrading Old Lynnfield Center URD's, Project 4 – RTU Replacement at Station 4. The Meter Upgrade Project is up to approximately 22,000 meters installed, finishing up North Reading and working in Lynnfield. Mr. Sullivan reported that ten cutouts were replaced this past month bringing the total to twenty-two fiscal year to date.

Mr. Sullivan reported on the Reliability Report and the Customer Average Interruption Duration Index (CAIDI) provided to the Board for the month with a rolling average of 58.50 minutes. Mr. Sullivan pointed out that the average August CAIDI was 58.97 minutes. The System Average Interruption Frequency Index (SAIFI) on average frequency is trending very low. The Months Between Interruptions (MBTI) is at 41 months from 35 months between interruptions which is reflective of low system wide outages for RMLD's customers. Mr. Sullivan stated that there were four transformer failures bringing the total to twenty.

**Financial Report – August 2012 – Mr. Fournier (Attachment 5)**

Mr. Fournier reported on the first two months of FY2013 ending August 31, the Net Loss or the negative change in Net Assets for August was approximately \$371,000 decreasing the year to date Net Income to a little less than \$500,000; year to date budgeted Net Income was approximately \$526,000 with the resulting Net Income being under budget by \$28,000 or about 5.4%.

### **Financial Report – August 2012 – Mr. Fournier (Attachment 5)**

Mr. Fournier stated that the actual year to date Fuel Expenses exceeded Fuel Revenues by \$857,000. Year to date Base Revenues are under budget by \$480,000 or about 5.2%. Actual Base Revenues are at \$8.8 million compared to the budgeted amount of \$9.3 million. Year to date Purchase Power Base expense was under budget by \$168,000 or about 3.1%. Actual Purchase Power Base costs were at \$5.3 million compared to the budgeted amount of \$5.4 million.

Mr. Fournier reported that year to date Operating and Maintenance expenses combined are under budget by \$165,000 or 8.2%. Actual Operating and Maintenance expenses were \$1.8 million compared to the budgeted amount of \$2 million. Depreciation Expense and Voluntary Payments to the Towns were on budget. Year to date kilowatt hour sales were 134,898,000 kilowatt hours sold which is 4 million kilowatt hours or 2.85% behind last year's actual figure.

### **General Manager's Report – Mr. Cameron**

Mr. Cameron reported that the NEPPA Conference was September 16-19 in Sunday River, Maine. There was pretty good attendance. There were sessions on Renewable Energy and the Legislative update with an overall good response.

Chairman Pacino asked if there was anything on the Legislative update that they should be aware of.

Mr. Cameron replied that the Legislative update was on transmission rates, renewable energy, the Clean Renewable Energy Bonds (CREBs) Program and generation reporting on a national basis, which has to do with the North American Electric Reliability Corporation (NERC) Standards. There was discussion about whether Congress wants to get involved with talking with the EPA on how they place emission standards on different industries.

Mr. Soli added that the D.C. rep was pretty pessimistic about Congress doing anything; there may be some work with FERC on the transmission and decreasing the rate of return. There was a VP from NERC who indicated that they were trying to learn from the utility audits and trying to eliminate waste and increase reliability.

Mr. Cameron said that he is working on the Annual Report for the Town Meeting on November 5 and will send this to Chairman Pacino so that he may give the report.

### **G.L. Chapter 30B Bids (Attachment 6)**

#### **12-26 Engineering Analysis Software**

Mr. Sullivan reported that this bid was sent out to twelve perspective bidders with one respondent. This was also followed up with an email receiving the following five responses; the bidder does not represent a supplier who can offer the software, the project is outside the capacity of our firm, cannot provide pricing on this opportunity, outside of scope of our supply, and intended to quote but did not have enough time or proper solution for the request. The total FY12 Capital Budget allocation for the Engineering Analysis Software was \$70,000.

Mr. Stempeck asked if that was unusual to receive only one responsive bidder.

Mr. Sullivan replied that this is not an off the shelf type of software and not something that everyone has readily available. This is fault current analysis software allowing the RMLD to perform an analysis at the transformer level, from the transformer to both residences and businesses based on the consumption of customers. The RMLD will be able to provide a solution by understanding if the transformer is either over or under loaded in size.

Mr. Stempeck asked if the software was demonstrated and seems as though it would work and if training would be an additional cost. Mr. Sullivan replied that he would have to look into that.

Ms. West made a motion seconded by Mr. Stempeck that bid 2012-26 for Engineering Analysis Software be awarded to Milsoft Utility Solutions for a total cost of \$73,250.00 on the recommendation of the General Manager.

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

#### **2013-01 Janitorial Services**

Mr. Polson reported that this bid was sent out to thirty-one perspective bidders, eight attended the session, but only five responded.

Chairman Pacino asked who the current contractor is. Mr. Polson replied Advanced Maintenance Solutions has had the current contract since 2009.

Chairman Pacino said that today there was a settlement with the Janitor's Union and asked if this is affected by that. Mr. Polson replied no, Advanced Maintenance Solutions is a non-represented company.

**M.G.L. Chapter 30B Bids (Attachment 6)**

**2013-01 Janitorial Services**

S.J. Services which is the company that we are recommending and they are represented so fortunately there is no work stoppage or contract issue. Therefore it will not affect the RMLD.

Chairman Pacino asked if the company has been checked out. Mr. Polson replied that he spoke with four of the five references who are government agencies with long term contracts that have had very positive words to say about the company; they do a very good job, are very professional and that their management team is excellent to work with.

Ms. West made a motion seconded by Mr. Soli that bid 2013-01 for the Janitorial Services be awarded to S.J. Services for \$120,780.00 as the lowest responsive qualified bidder on the recommendation of the General Manager. This is a three year contract.

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

**General Discussion**

Chairman Pacino said that he would like to see the issues concerning the signing of the Accounts Payable Warrant to go onto the next meeting's agenda.

Ms. West stated that she had a separate issue with the Indemnity Agreement and wondered what the policy says about where this needs to be signed.

Mr. Cameron replied that all the commissioners have to do is sign them.

**BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED**

**Rate Comparisons, August and September 2012**

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

**RMLD Board Meetings**

**Thursday, November 1, 2012 and Wednesday, November 28, 2012**

**RMLD General Manager Search Committee Meeting, Wednesday, October 3, 2012**

**Citizens' Advisory Board Meeting**

**Wednesday, October 17, 2012 at RMLD – Chairman Pacino will be covering this meeting.**

**Budget Committee Meetings**

**Wednesday, April 3, 2013 and Wednesday, April 10, 2013**

**Executive Session**

At 10:17 p.m. Ms. Snyder made a motion seconded by Mr. Stempeck that the Board go into Executive Session to approve the Executive Session meeting minutes of July 25, 2012, to discuss strategy with respect to collective bargaining and return to Regular Session for the sole purpose of adjournment.

**Motion carried by a polling of the Board:**

Mr. Stempeck, Aye; Ms. West, Aye; Chairman Pacino, Aye; Ms. Snyder, Aye; and Mr. Soli, Aye.

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

**Adjournment**

At 10:45 p.m. Ms. West made a motion seconded by Mr. Stempeck to adjourn the Regular Session.

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

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

John Stempeck, Secretary  
RMLD Board of Commissioners

POWER SUPPLY REPORT  
BOARD REFERENCE TAB C





To: Vincent Cameron  
 From: Energy Services  
 Date: October 19, 2012  
 Subject: Purchase Power Summary – September, 2012

Energy Services Division (ESD) has completed the Purchase Power Summary for the month of September, 2012.

**ENERGY**

The RMLD's total metered load for the month was 58,537,450 kwh, which is a 3.84% decrease from the September, 2011 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	3,518,286	\$6.99	6.00%	\$24,584	0.93%
Seabrook	2,234,428	\$8.12	3.81%	\$18,153	0.69%
Stonybrook Intermediate	1,036,682	\$50.59	1.77%	\$52,450	1.98%
JP Morgan	6,282,400	\$56.30	10.71%	\$353,703	13.37%
NextEra	10,239,000	\$43.91	17.46%	\$449,613	16.99%
NYPA	1,631,959	\$4.92	2.78%	\$8,029	0.30%
ISO Interchange	13,869,230	\$40.95	23.65%	\$567,960	21.46%
NEMA Congestion	0	\$0.00	0.00%	-\$4,591	-0.17%
Coop Resales	96,061	\$131.87	0.16%	\$12,667	0.48%
MacQuarie	18,656,000	\$57.48	31.82%	\$1,072,399	40.52%
Summit Hydro	279,494	\$3,836.93	0.48%	\$15,776	0.60%
Braintree Watson Unit	254,353	\$59.61	0.43%	\$15,163	0.57%
Swift River Projects	436,206	\$98.62	0.74%	\$43,020	1.63%
Stonybrook Peaking	99,377	\$174.91	0.17%	\$17,382	0.66%
Monthly Total	58,633,476	\$45.13	100.00%	\$2,646,309	100.00%

Table 2 breaks down the ISO interchange between the DA LMP Settlement and the RT Net Energy for the month of September, 2012.

**Table 2**

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP * Settlement	13,494,119	39.76	23.01%
RT Net Energy ** Settlement	375,111	83.63	0.64%
ISO Interchange (subtotal)	13,869,230	40.95	23.65%

\* Independent System Operator Day-Ahead Locational Marginal Price

\*\* Real Time Net Energy

## CAPACITY

The RMLD hit a demand of 129,569 kW, which occurred on September 7, 2012 at 5 pm. The RMLD's monthly UCAP requirement for September, 2012 was 210,645 kW.

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

**Table 3**

Source	Amount (kWs)	Cost (\$/kW-month)	Total Cost \$	% of Total Cost
Millstone #3	4,991	51.68	\$257,959	16.74%
Seabrook	7,742	51.02	\$394,961	25.63%
Stonybrook Peaking	24,981	2.00	\$49,922	3.24%
Stonybrook CC	42,925	3.85	\$165,455	10.74%
NYPA	4,019	3.57	\$14,347	0.93%
Hydro Quebec	4,584	4.29	\$19,668	1.28%
Nextera	60,000	5.50	\$330,000	21.42%
Braintree Watson Unit	10,520	10.57	\$111,187	7.22%
ISO-NE Supply Auction	50,883	3.88	\$197,324	12.81%
Total	210,645	\$7.31	\$1,540,823	100.00%

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

Resource	Energy	Capacity	Total cost	% of Total Cost	Amt of Energy (kWh)	Cost of Power (\$/kWh)
Millstone #3	\$24,584	\$257,959	\$282,543	6.75%	3,518,286	0.0803
Seabrook	\$18,153	\$394,961	\$413,115	9.87%	2,234,428	0.1849
Stonybrook Intermediate	\$52,450	\$165,455	\$217,905	5.20%	1,036,682	0.2102
Hydro Quebec	\$0	\$19,668	\$19,668	0.47%	-	0.0000
JP Morgan	\$353,703	\$0	\$353,703	8.45%	6,282,400	0.0563
NextEra	\$449,613	\$330,000	\$779,613	18.62%	10,239,000	0.0761
* NYPA	\$8,029	\$14,347	\$22,376	0.53%	1,631,959	0.0137
ISO Interchange	\$567,960	\$197,324	\$765,285	18.28%	13,869,230	0.0552
Nema Congestion	-\$4,591	\$0	-\$4,591	-0.11%	-	0.0000
MacQuarie	\$1,072,399	\$0	\$1,072,399	25.61%	18,656,000	0.0575
* Summit Hydro	\$15,776	\$0	\$15,776	0.38%	279,494	0.0564
Braintree Watson Unit	\$15,163	\$111,187	\$126,349	3.02%	254,353	0.4967
* Swift River Projects	\$43,020	\$0	\$43,020	1.03%	436,206	0.0986
Coop Resales	\$12,667	\$0	\$12,667	0.30%	96,061	0.1319
Stonybrook Peaking	\$17,382	\$49,922	\$67,304	1.61%	99,377	0.6773
Monthly Total	\$2,646,309	\$1,540,823	\$4,187,132	100.00%	58,633,476	0.0714

\* Renewable Resources

## TRANSMISSION

The RMLD's total transmission costs for the month of September were \$979,543. This is a decrease of 8.07% from the August transmission cost of \$1,065,565. In September, 2011 the transmission cost were \$778,431.

**Table 5**

	Current Month	Last Month	Last Year
Peak Demand (kW)	129,569	153,945	124,448
Energy (kWh)	58,633,476	75,020,822	60,207,277
Energy (\$)	\$2,646,309	\$3,578,611	\$2,914,869
Capacity (\$)	\$1,540,823	\$1,520,844	\$1,424,726
Transmission (\$)	\$979,543	\$1,065,565	\$778,431
Total	\$5,166,675	\$6,165,020	\$5,118,027



CONCORD STEAM AMENDMENT



## READING MUNICIPAL LIGHT DEPARTMENT

To: Vinnie Cameron

Date: October 19, 2012

From: Jane Parenteau

William Seldon



Subject: Concord Steam Contract Amendment

Concord Steam has provided an Amendment #1 to the Unit Contingent Power Contract between Reading Municipal Light Department and Concord Power and Steam, LLC.

The major component of the Amendment is to grant Concord Power and Steam, LLC an extension of the Commercial Operation Date (COD) from December 31, 2013 to September 30, 2014. RMLD has negotiated a revenue credit as part of the Amendment.

As a project update, Concord Power and Steam, LLC has signed with an investor/construction company who is in the process of funding the project and ordering all of the major equipment. The bank is requesting an extension of the COD; however, Concord Steam continues to target the end of 2013 as the start date.

It is our recommendation that RMLD sign the amendment.





# SUSTAINABLE ENERGY POLICY



Revision No. I

RMLD Policy No,

Effective Date

Review Date

**Sustainable Energy Policy**

\_\_\_\_\_  
General Manager

**DRAFT**

Per Board Vote  
Chairman/Date

**I. PURPOSE**

- A. To develop a practical approach to addressing the need for sustainable energy alternatives that are energy efficient while simultaneously balancing power supply costs.
- B. To establish general guidelines that promote practical, cost efficient sustainable energy alternatives.

**II. RESPONSIBILITIES**

- A. RMLD Commission
  - 1. Responsible for approving this policy.
  - 2. Representation for the Board of Commissioners is governed by RMLD Policy #19 as revised.
- B. RMLD Power & Rate Committee
  - 1. Review all RMLD recommended sustainable energy alternatives and ensure that they meet the policy guidelines.
- C. General Manager
  - 1. Responsible for implementing this policy.
- D. Energy Services Division
  - 1. Responsible for assisting the General Manager in implementing this policy and associated activities.
  - 2. Responsible for presenting the General Manager with projects that staff has determined meet the criteria of this policy.
  - 3. Responsible for evaluating and overseeing the projects necessary to achieve the goals of this policy.

### III. POLICY ELEMENTS

- A. The RMLD is striving to develop a practical approach to addressing the need for sustainable energy alternatives while simultaneously balancing power supply costs. Sustainable energy meets the needs of the present without compromising future generations. RMLD shall use G.L. c. 25A to define qualifying sustainable generating sources. G.L. c. 25A §11F(b) states that a "renewable energy generating source is one which generates electricity using any of the following: (1) solar photovoltaic or solar thermal electric energy; (2) wind energy; (3) ocean thermal, wave or tidal energy; (4) fuel cells utilizing renewable fuels; (5) landfill gas; (6) waste-to-energy which is a component of conventional municipal solid waste plant technology in commercial use; (7) naturally flowing water and hydroelectric; (8) low emission advanced biomass power conversion technologies using fuels such as wood, by-products or waste from agricultural crops, food or animals, energy crops, biogas, liquid biofuel including but not limited to biodiesel, organic refuse-derived fuel, or algae; or (9) geothermal energy." A facility that converts one of the foregoing fuel or energy resources to energy is referred to as a "Renewable Generation Unit."
- B. The RMLD will review the power supply portfolio from time to time with the intention of meeting specific sustainability target percentages. Specifically RMLD will strive to reach 15 percent sustainability by 2015, 20 percent sustainability by 2020 and 25 percent sustainability by 2025. These target dates will be reviewed by the RMLD Board of Commissioners every three years.
- C. The RMLD will analyze sustainable power supply projects with a competitive average power supply cost and positive environmental impacts. Only projects that meet this criterion will initially be brought to the General Manager for further review.
- D. In the interest of providing RMLD ratepayers with sustainable energy that is cost effective the RMLD shall have the ability to market all or a portion of the RECs from any given potential project until the target date deadline or an RPS becomes applicable to the RMLD. At such time the RECs will be retired up to the target amount.
- E. If Massachusetts law requires the RMLD to Participate in Massachusetts Renewable Portfolio Standard (RPS) the RMLD will review and make required adjustments to this policy and the RMLD's power supply portfolio.

ENGINEERING AND OPERATIONS  
REPORT  
BOARD REFERENCE TAB D



READING MUNICIPAL LIGHT DEPARTMENT  
 FY 13 CAPITAL BUDGET VARIANCE REPORT  
 FOR PERIOD ENDING SEPTEMBER 30, 2012

#	PROJECT DESCRIPTION	TOWN	ACTUAL COST SEPTEMBER	YTD ACTUAL COST THRU 9/30/12	ANNUAL BUDGET AMOUNT	REMAINING BALANCE
<b><u>E&amp;O Construction-System Projects</u></b>						
1	Essex Street - Reconductoring	LC			197,855	197,855
2	4W13 OH Reconductoring - West Street	W	3,828	3,828	188,193	184,365
3	Upgrading of Old Lynnfield Center URDs (Partial CARRYOVER)	LC	18,507	78,952	492,143	413,191
5	Shady Lane Area - Reconductoring	W		184	199,042	198,858
6	Federal Street - Reconductoring	W		863	175,565	174,702
<b>Total System Projects</b>						
<b><u>Station Upgrades</u></b>						
8	Relay Replacement Project - (Partial CARRYOVER)	R			119,309	119,309
9	Station 4 Getaway Replacement - 4W13	R		4,430	161,779	157,349
<b>Total Station Projects</b>						
<b><u>SCADA Projects</u></b>						
10	Station 5 RTU (Remote Terminal Unit) Replacement	W			56,163	56,163
4	Station 4 RTU (Remote Terminal Unit) Replacement (Partial CARRYOVER)	R	5,002	18,369	80,653	62,284
<b>Total SCADA Projects</b>						
<b><u>New Customer Service Connections</u></b>						
12	Service Installations-Commercial/Industrial Customers	ALL		4,171	63,074	58,903
13	Service Installations - Residential Customers	ALL	15,842	57,217	207,923	150,706
<b>Total Service Connections</b>						
14	<b><u>Routine Construction</u></b> Various Routine Construction	ALL	226,366	516,083	988,211	472,128
<b>Total Construction Projects</b>						
			<b>269,544</b>	<b>684,098</b>	<b>2,929,910</b>	<b>2,245,812</b>
<b><u>Other Projects</u></b>						
15	GIS		7,718	23,155	97,495	74,340
16	Transformers/Capacitors Annual Purchases		59,882	98,084	284,000	185,916
17A	Meter Annual Purchases				49,710	49,710
17B	Meter Upgrade Project - (Partial CARRYOVER)		45,153	294,150	564,416	270,265
17C	Meter Upgrade Project - Commercials				551,853	551,853
18	Purchase Vehicles				65,000	65,000
19	Purchase Line Department Vehicles			203,490	570,000	366,510
20	Purchase New Pole Dolly				12,000	12,000
21	Automated Building Systems				150,000	150,000
22	Engineering Analysis software & data conversion - (CARRYOVER)				76,789	76,789
23	Gaw Station Generator				55,000	55,000
24	Capital Repairs - Station One				400,000	400,000
25	New Carpeting				35,000	35,000
26	Water Heater Demand Response Technology		624	624	336,611	335,987
27	Hardware Upgrades		2,238	22,154	126,629	104,475
28	Software and Licensing		6,170	18,146	119,002	100,856
<b>Total Other Projects</b>						
			<b>121,785</b>	<b>659,803</b>	<b>3,493,505</b>	<b>2,833,702</b>
<b>TOTAL FY 13 CAPITAL PROJECT EXPENDITURES</b>						
			<b>391,330</b>	<b>1,343,901</b>	<b>6,423,416</b>	<b>5,079,514</b>





**Reading Municipal Light Department  
Engineering and Operations  
Monthly Report  
September 2012**

***FY 2013 Capital Plan***

**E&O Construction – System Projects**

1. **Reconductoring of Essex St. Lynnfield Ctr.–** *No activity.*
2. **4W13 OH Reconductoring Project, West St., Wilmington –** *Engineering Labor.*
3. **Upgrading of Old Lynnfield Center URDs –** *(Continuation of phase 1) Engineering labor. Underground Crew – Energized new underground primary cables and started cutting over new services; pulled in sections of service cable; landed neutrals in manhole and prep feeder cables; installed pull boxes and permanent connections.*
5. **Shady Lane Drive Area, Wilmington – Reconductoring –** *No activity*
6. **Federal Street, Wilmington – Reconductoring –** *No activity*

**Station Upgrades**

8. **Station 4 Relay Replacement Project – Reading –** *No activity*
9. **Station 4 Getaway Replacement – 4W13 –** *No activity*

**SCADA Projects**

10. **Station 5 RTU Replacement, Wilmington –** *No activity*
4. **Station 4 RTU Replacement –** *Senior Tech labor; Underground Crew labor; database and graphics (software) for new RTU was received.*

**New Customer Service Connections**

12. **Service Installations – Commercial/Industrial Customers –** *This item includes new service connections, upgrades, and service replacements for the commercial and industrial customers. This represents the time and materials associated with the replacement of an existing or installation of a new overhead service, the connection of an underground service, etc. This does not include the time and materials associated with pole replacements/installations, transformer replacement/installations, primary or secondary cable replacement/installations etc. This portion of the project comes under routine construction. No notable services this month.*

13. **Service Installations – Residential Customers** – This item includes new or upgraded overhead and underground services, temporary overhead services, and large underground development.
14. **Routine Construction** – The drivers of the Routine Construction budget category YTD are listed. This is not an inclusive list of all items within this category.

<i>Pole Setting/Transfers</i>	\$68,003
<i>Maintenance Overhead/Underground</i>	\$211,909
<i>Projects Assigned as Required</i>	\$39,713
<i>Pole Damage (includes knockdowns) some reimbursable</i>	\$20,404
<i>Station Group</i>	\$14,199
<i>Hazmat/Oil Spills</i>	\$0
<i>Porcelain Cutout Replacement Program</i>	\$0
<i>Lighting (Street Light Connections)</i>	\$5,575
<i>Storm Trouble</i>	\$32,041
<i>Underground Subdivisions</i>	\$33,791
<i>Animal Guard Installation</i>	\$17,115
<i>Miscellaneous Capital Costs</i>	\$73,333
<b>TOTAL</b>	<b>\$516,083</b>

\*In the month of September, zero (0) cutouts were charged under this program. Approximately 23 cutouts were installed new or replaced because of damage making a total of 23 cutouts replaced this month.

## Reliability Report

Two key industry standard metrics have been identified to enable the RMLD to measure and track system reliability. A rolling 12-month view is being used for the purposes of this report.

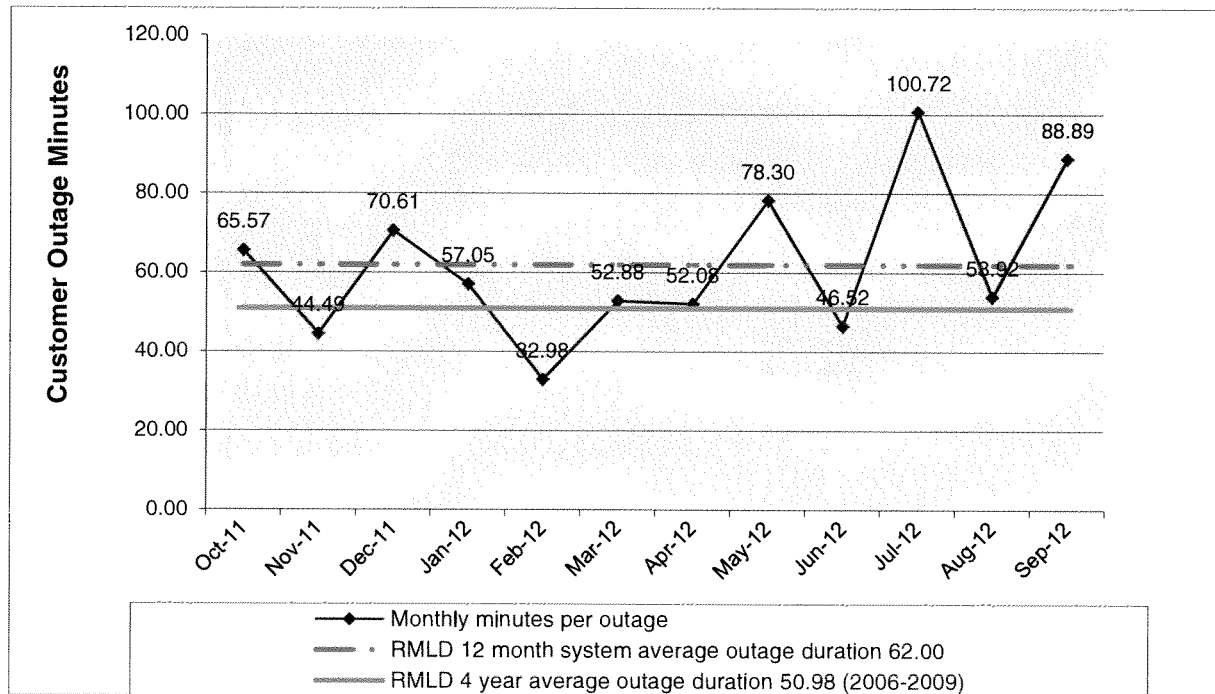
**Customer Average Interruption Duration Index (CAIDI)** – Measures how quickly the RMLD restores power to customers when their power goes out.

**CAIDI = Total of Customer Interruption Duration for the Month in Minutes/ Total number of customers interrupted.**

RMLD 12 month system average outage duration – 62.00 minutes

RMLD 4 year average outage (2006-2009) – 50.98 minutes per outage

On average, RMLD customers that experience an outage are restored in 62.00 minutes.



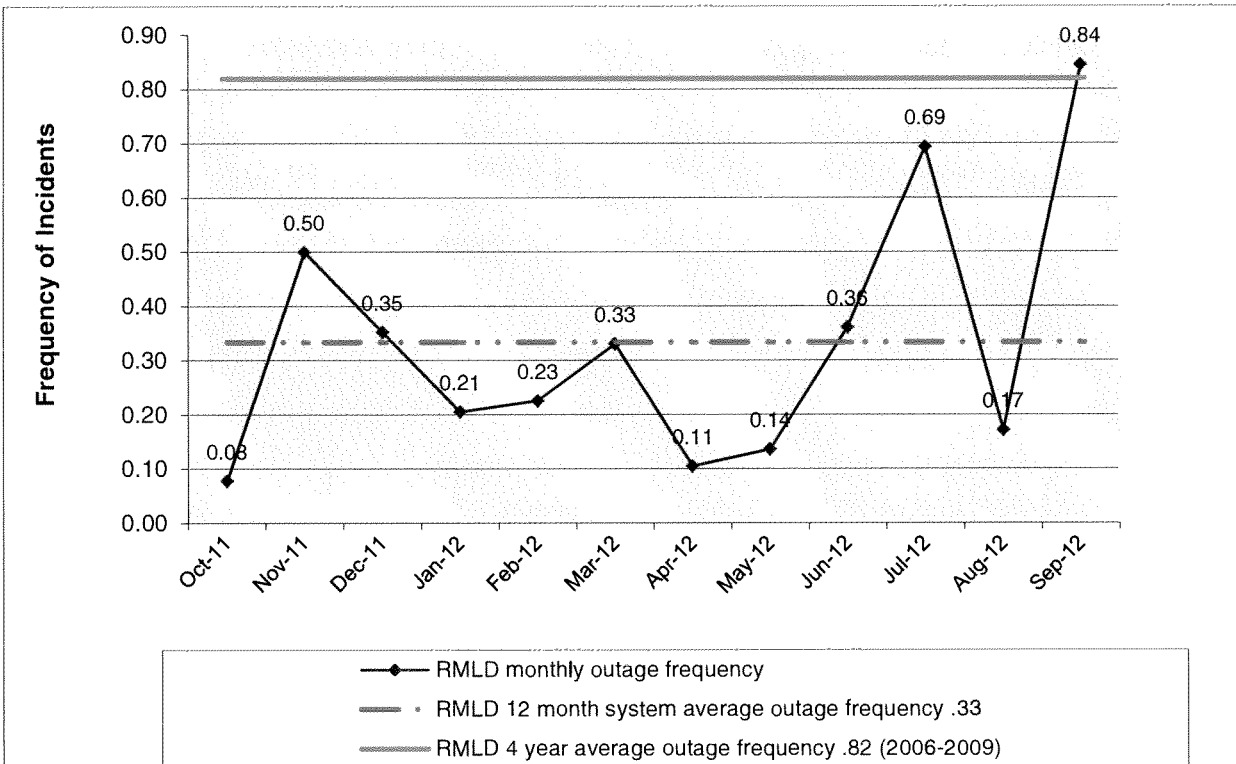
**System Average Interruption Frequency (SAIFI)** – Measures how many outages each customer experiences per year on average.

**SAIFI = Total number of customer's interrupted / Total number of customers.**

RMLD 12 month system average - .33 outages per year

RMLD 4 year average outage frequency - .82

The graph below tracks the month-by-month SAIFI performance.



### Months Between Interruptions (MBTI)

Another view of the SAIFI data is the number of months Reading customers have no interruptions. At this time, the average RMLD customer experiences an outage approximately every 36 months.

FINANCIAL REPORT  
BOARD REFERENCE TAB E



Dt: October 24, 2012

To: RMLB, Vincent F. Cameron, Jr., Jeanne Foti

Fr: Bob Fournier

**Sj: September 30, 2012 Report**

The results for the first three months ending September 30, 2012, for the fiscal year 2013 will be summarized in the following paragraphs.

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

For the month of September, the net income or the positive change in net assets was \$2,028,703, increasing the year to date net income to \$2,538,492. The year to date budgeted net income was \$595,450, resulting in net income being over budget by \$1,943,041 or 326.31%. Actual year to date fuel expenses exceeded fuel revenues by \$65,016.

**2) Revenues: (Page 11B)**

Year to date base revenues were under budget by \$58,921 or 0.44%. Actual base revenues were \$13.4 million compared to the budgeted amount of \$13.5 million.

**3) Expenses: (Page 12A)**

\*Year to date purchased power base expense was under budget by \$835,163 or 9.67%. Actual purchased power base costs were \$7.8 million compared to the budgeted amount of \$8.6 million.

\*Year to date operating and maintenance (O&M) expenses combined were under budget by \$480,421 or 15.54%. Actual O&M expenses were \$2.6 million compared to the budgeted amount of \$3.1 million.

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

**4) Cash: (Page 9)**

\*Operating Fund was at \$11,441,830.

\* Capital Fund balance was at \$4,209,849.

\* Rate Stabilization Fund was at \$6,683,641.

\* Deferred Fuel Fund was at \$2,205,028.

\* Energy Conservation Fund was at \$371,427.

**5) General Information:**

Year to date kwh sales (Page 5) were 208,521,058 which is 6.3 million kwh or 3.13%, ahead last year's actual figure. GAW revenues collected ytd were \$208,347 bringing the total collected since inception to \$1,505,433.31.

**6) Budget Variance:**

Cumulatively, the five divisions were under budget by \$476,383 or 9.70%.





**FINANCIAL REPORT**

**SEPTEMBER 30, 2012**

**ISSUE DATE: OCTOBER 24, 2012**



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUSINESS-TYPE PROPRIETARY FUND  
STATEMENT OF NET ASSETS  
9/30/12

	PREVIOUS YEAR	CURRENT YEAR
<b>ASSETS</b>		
<b>CURRENT</b>		
UNRESTRICTED CASH (SCH A P.9)	7,727,337.64	11,444,830.39
RESTRICTED CASH (SCH A P.9)	17,432,801.95	19,639,949.68
RESTRICTED INVESTMENTS (SCH A P.9)	2,200,000.00	0.00
RECEIVABLES, NET (SCH B P.10)	8,618,731.67	9,405,647.09
PREPAID EXPENSES (SCH B P.10)	1,184,582.49	1,669,804.18
INVENTORY	1,589,568.46	1,449,231.83
<b>TOTAL CURRENT ASSETS</b>	<b>38,753,022.21</b>	<b>43,609,463.17</b>
<b>NONCURRENT</b>		
INVESTMENT IN ASSOCIATED CO (SCH C P.2)	73,765.66	61,574.36
CAPITAL ASSETS, NET (SCH C P.2)	67,544,552.06	69,277,575.61
<b>TOTAL NONCURRENT ASSETS</b>	<b>67,618,317.72</b>	<b>69,339,149.97</b>
<b>TOTAL ASSETS</b>	<b>106,371,339.93</b>	<b>112,948,613.14</b>
 <b>LIABILITIES</b>		
<b>CURRENT</b>		
ACCOUNTS PAYABLE	5,797,210.38	8,110,834.57
CUSTOMER DEPOSITS	575,304.34	581,105.60
CUSTOMER ADVANCES FOR CONSTRUCTION	307,309.94	388,559.17
ACCRUED LIABILITIES	1,219,183.70	1,812,646.43
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,899,008.36</b>	<b>10,893,145.77</b>
<b>NONCURRENT</b>		
BONDS PAYABLE, NET OF CURRENT PORTION	0.00	0.00
ACCRUED EMPLOYEE COMPENSATED ABSENCES	2,934,698.58	2,982,915.76
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>2,934,698.58</b>	<b>2,982,915.76</b>
<b>TOTAL LIABILITIES</b>	<b>10,833,706.94</b>	<b>13,876,061.53</b>
 <b>NET ASSETS</b>		
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	67,544,522.06	69,277,575.61
RESTRICTED FOR DEPRECIATION FUND (P.9)	4,316,536.39	3,553,748.93
UNRESTRICTED	23,676,544.54	26,241,227.07
<b>TOTAL NET ASSETS (P.3)</b>	<b>95,537,632.99</b>	<b>99,072,551.61</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>106,371,339.93</b>	<b>112,948,613.14</b>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
NONCURRENT ASSET SCHEDULE  
9/30/12

SCHEDULE C

	PREVIOUS YEAR	CURRENT YEAR
SCHEDULE OF INVESTMENTS IN ASSOCIATED COMPANIES		
NEW ENGLAND HYDRO ELECTRIC	15,747.64	2,975.74
NEW ENGLAND HYDRO TRANSMISSION	58,018.02	58,598.62
TOTAL INVESTMENTS IN ASSOCIATED COMPANIES	73,765.66	61,574.36
SCHEDULE OF CAPITAL ASSETS		
LAND	1,265,842.23	1,265,842.23
STRUCTURES AND IMPROVEMENTS	6,537,440.54	6,685,437.16
EQUIPMENT AND FURNISHINGS	12,875,856.15	12,341,591.34
INFRASTRUCTURE	46,865,413.14	48,984,704.88
TOTAL CAPITAL ASSETS, NET	67,544,552.06	69,277,575.61
TOTAL NONCURRENT ASSETS	67,618,317.72	69,339,149.97

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUSINESS-TYPE PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
9/30/12

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
OPERATING REVENUES: (SCH D P.11)					
BASE REVENUE	4,101,465.06	4,657,037.84	13,108,940.18	13,449,113.84	2.59%
FUEL REVENUE	3,166,562.64	3,486,749.45	11,140,849.89	9,894,571.41	-11.19%
PURCHASED POWER CAPACITY	(12,035.17)	222,443.57	(38,418.36)	631,177.04	-1742.90%
FORFEITED DISCOUNTS	90,305.27	93,328.33	258,929.20	278,889.48	7.71%
ENERGY CONSERVATION REVENUE	43,651.05	72,361.13	139,459.33	205,304.34	47.21%
GAW REVENUE	63,342.28	73,418.73	202,220.72	208,347.42	3.03%
NYPA CREDIT	(58,869.90)	(47,478.80)	(190,362.29)	(152,951.50)	-19.65%
<b>TOTAL OPERATING REVENUES</b>	<b>7,394,421.23</b>	<b>8,557,860.25</b>	<b>24,621,618.67</b>	<b>24,514,452.03</b>	<b>-0.44%</b>
OPERATING EXPENSES: (SCH E P.12)					
PURCHASED POWER BASE	2,522,109.25	2,520,662.38	7,242,073.39	7,800,416.79	7.71%
PURCHASED POWER FUEL	2,914,869.40	2,646,309.32	10,841,874.20	9,806,635.80	-9.55%
OPERATING	687,339.16	607,564.45	2,187,560.56	2,152,869.97	-1.59%
MAINTENANCE	242,756.88	158,083.78	683,341.53	458,820.32	-32.86%
DEPRECIATION	296,027.47	305,469.18	888,082.41	916,407.54	3.19%
VOLUNTARY PAYMENTS TO TOWNS	113,000.00	114,000.00	339,000.00	342,000.00	0.88%
<b>TOTAL OPERATING EXPENSES</b>	<b>6,776,102.16</b>	<b>6,352,089.11</b>	<b>22,181,932.09</b>	<b>21,477,150.42</b>	<b>-3.18%</b>
<b>OPERATING INCOME</b>	<b>618,319.07</b>	<b>2,205,771.14</b>	<b>2,439,686.58</b>	<b>3,037,301.61</b>	<b>24.50%</b>
NONOPERATING REVENUES (EXPENSES)					
CONTRIBUTIONS IN AID OF CONST	0.00	4,051.18	3,686.00	36,746.75	896.93%
RETURN ON INVESTMENT TO READING	(183,829.75)	(188,785.58)	(551,489.25)	(566,356.74)	2.70%
INTEREST INCOME	30,315.40	2,970.63	35,306.56	9,612.94	-72.77%
INTEREST EXPENSE	(511.83)	(257.20)	(1,522.37)	(776.46)	-49.00%
OTHER (MDSE AND AMORT)	2,585.00	4,953.18	8,383.00	21,963.52	162.00%
<b>TOTAL NONOPERATING REV (EXP)</b>	<b>(151,441.18)</b>	<b>(177,067.79)</b>	<b>(505,636.06)</b>	<b>(498,809.99)</b>	<b>-1.35%</b>
<b>CHANGE IN NET ASSETS</b>	<b>466,877.89</b>	<b>2,028,703.35</b>	<b>1,934,050.52</b>	<b>2,538,491.62</b>	<b>31.25%</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>			<b>93,603,582.47</b>	<b>96,534,059.99</b>	<b>3.13%</b>
<b>NET ASSETS AT END OF SEPTEMBER</b>			<b>95,537,632.99</b>	<b>99,072,551.61</b>	<b>3.70%</b>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUSINESS-TYPE PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
9/30/12

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	13,449,113.84	13,508,035.00	(58,921.16)	-0.44%
FUEL REVENUE	9,894,571.41	9,033,027.00	861,544.41	9.54%
PURCHASED POWER CAPACITY	631,177.04	618,010.00	13,167.04	2.13%
FORFEITED DISCOUNTS	278,889.48	297,176.00	(18,286.52)	-6.15%
ENERGY CONSERVATION REVENUE	205,304.34	204,014.00	1,290.34	0.63%
GAW REVENUE	208,347.42	204,014.00	4,333.42	2.12%
NYPA CREDIT	(152,951.50)	(174,999.00)	22,047.50	-12.60%
<b>TOTAL OPERATING REVENUES</b>	<b>24,514,452.03</b>	<b>23,689,277.00</b>	<b>825,175.03</b>	<b>3.48%</b>
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	7,800,416.79	8,635,580.00	(835,163.21)	-9.67%
PURCHASED POWER FUEL	9,806,635.80	9,699,633.00	107,002.80	1.10%
OPERATING MAINTENANCE	2,152,869.97	2,451,175.00	(298,305.03)	-12.17%
DEPRECIATION	458,820.32	640,937.00	(182,116.68)	-28.41%
VOLUNTARY PAYMENTS TO TOWNS	916,407.54	912,501.00	3,906.54	0.43%
	342,000.00	342,000.00	0.00	0.00%
<b>TOTAL OPERATING EXPENSES</b>	<b>21,477,150.42</b>	<b>22,681,826.00</b>	<b>(1,204,675.58)</b>	<b>-5.31%</b>
<b>OPERATING INCOME</b>	<b>3,037,301.61</b>	<b>1,007,451.00</b>	<b>2,029,850.61</b>	<b>201.48%</b>
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	36,746.75	100,000.00	(63,253.25)	-63.25%
RETURN ON INVESTMENT TO READING	(566,356.74)	(566,250.00)	(106.74)	0.02%
INTEREST INCOME	9,612.94	24,999.00	(15,386.06)	-61.55%
INTEREST EXPENSE	(776.46)	(750.00)	(26.46)	3.53%
OTHER (MDSE AND AMORT)	21,963.52	30,000.00	(8,036.48)	-26.79%
<b>TOTAL NONOPERATING REV (EXP)</b>	<b>(498,809.99)</b>	<b>(412,001.00)</b>	<b>(86,808.99)</b>	<b>21.07%</b>
<b>CHANGE IN NET ASSETS</b>	<b>2,538,491.62</b>	<b>595,450.00</b>	<b>1,943,041.62</b>	<b>326.31%</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>96,534,059.99</b>	<b>93,603,582.47</b>	<b>2,930,477.52</b>	<b>3.13%</b>
<b>NET ASSETS AT END OF SEPTEMBER</b>	<b>99,072,551.61</b>	<b>94,199,032.47</b>	<b>4,873,519.14</b>	<b>5.17%</b>

\* ( ) = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
RECONCILIATION OF CAPITAL FUNDS  
9/30/12

SOURCE OF CAPITAL FUNDS:

DEPRECIATION FUND BALANCE 7/1/12	2,635,205.70
CONSTRUCTION FUND BALANCE 7/1/12	2,000,000.00
INTEREST ON DEPRECIATION FUND FY 13	2,135.69
DEPRECIATION TRANSFER FY 13	<u>916,407.54</u>
TOTAL SOURCE OF CAPITAL FUNDS	5,553,748.93

USE OF CAPITAL FUNDS:

LESS PAID ADDITIONS TO PLANT THRU SEPTEMBER	<u>1,343,899.68</u>
GENERAL LEDGER CAPITAL FUNDS BALANCE 9/30/12	<u><u>4,209,849.25</u></u>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SALES OF KILOWATT HOURS  
9/30/12

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	23,653,277	28,615,201	77,935,215	82,232,730	5.51%
COMM. AND INDUSTRIAL SALES	37,199,621	42,247,434	116,673,493	118,741,155	1.77%
PRIVATE STREET LIGHTING	73,370	72,942	218,948	219,287	0.15%
<b>TOTAL PRIVATE CONSUMERS</b>	<u>60,926,268</u>	<u>70,935,577</u>	<u>194,827,656</u>	<u>201,193,172</u>	3.27%
<b>MUNICIPAL SALES:</b>					
STREET LIGHTING	239,052	237,606	717,156	712,778	-0.61%
MUNICIPAL BUILDINGS	812,997	894,308	2,599,996	2,566,286	-1.30%
<b>TOTAL MUNICIPAL CONSUMERS</b>	<u>1,052,049</u>	<u>1,131,914</u>	<u>3,317,152</u>	<u>3,279,064</u>	-1.15%
<b>SALES FOR RESALE</b>	347,858	401,955	1,097,144	1,138,220	3.74%
SCHOOL	1,008,589	1,153,299	2,951,301	2,910,602	-1.38%
<b>TOTAL KILOWATT HOURS SOLD</b>	<u>63,334,764</u>	<u>73,622,745</u>	<u>202,193,253</u>	<u>208,521,058</u>	3.13%



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
KILOWATT HOURS SOLD BY TOWN  
9/30/12

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	28,615,201	9,549,359	3,829,307	7,206,427	8,030,108
COMM & IND	42,247,434	5,314,198	337,189	6,566,433	30,029,614
PVT ST LIGHTS	72,942	13,585	1,360	21,144	36,853
PUB ST LIGHTS	237,606	80,536	32,500	40,043	84,527
MUNI BLDGS	894,308	207,901	169,272	187,521	329,614
SALES/RESALE	401,955	401,955	0	0	0
SCHOOL	1,153,299	405,428	250,316	139,080	358,475
<b>TOTAL</b>	<b>73,622,745</b>	<b>15,972,962</b>	<b>4,619,944</b>	<b>14,160,648</b>	<b>38,869,191</b>
<b>YEAR TO DATE</b>					
RESIDENTIAL	82,232,730	25,054,849	12,296,002	19,195,943	25,685,936
COMM & IND	118,741,155	15,048,939	912,707	18,540,415	84,239,094
PVT ST LIGHTS	219,287	40,755	4,080	63,888	110,564
PUB ST LIGHTS	712,778	241,608	97,460	120,129	253,581
MUNI BLDGS	2,566,286	582,673	461,828	551,632	970,153
SALES/RESALE	1,138,220	1,138,220	0	0	0
SCHOOL	2,910,602	1,050,100	628,601	345,680	886,221
<b>TOTAL</b>	<b>208,521,058</b>	<b>43,157,144</b>	<b>14,400,678</b>	<b>38,817,687</b>	<b>112,145,549</b>
<b>LAST YEAR TO DATE</b>					
RESIDENTIAL	77,935,215	24,223,703	11,478,165	18,008,378	24,224,969
COMM & IND	116,673,493	14,794,516	943,005	18,295,005	82,640,967
PVT ST LIGHTS	218,948	42,547	4,080	63,672	108,649
PUB ST LIGHTS	717,156	241,308	97,311	119,640	258,897
MUNI BLDGS	2,599,996	584,231	447,921	549,066	1,018,778
SALES/RESALE	1,097,144	1,097,144	0	0	0
SCHOOL	2,951,301	1,067,095	686,203	350,400	847,603
<b>TOTAL</b>	<b>202,193,253</b>	<b>42,050,544</b>	<b>13,656,685</b>	<b>37,386,161</b>	<b>109,099,863</b>
<b>KILOWATT HOURS SOLD TO TOTAL</b>					
MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	38.87%	12.97%	5.20%	9.79%	10.91%
COMM & IND	57.38%	7.22%	0.46%	8.92%	40.78%
PVT ST LIGHTS	0.10%	0.02%	0.00%	0.03%	0.05%
PUB ST LIGHTS	0.32%	0.11%	0.04%	0.05%	0.12%
MUNI BLDGS	1.21%	0.28%	0.23%	0.25%	0.45%
SALES/RESALE	0.55%	0.55%	0.00%	0.00%	0.00%
SCHOOL	1.57%	0.55%	0.34%	0.19%	0.49%
<b>TOTAL</b>	<b>100.00%</b>	<b>21.70%</b>	<b>6.27%</b>	<b>19.23%</b>	<b>52.80%</b>
<b>YEAR TO DATE</b>					
RESIDENTIAL	39.43%	12.02%	5.90%	9.21%	12.30%
COMM & IND	56.94%	7.22%	0.44%	8.89%	40.39%
PVT ST LIGHTS	0.11%	0.02%	0.00%	0.03%	0.06%
PUB ST LIGHTS	0.34%	0.12%	0.05%	0.06%	0.11%
MUNI BLDGS	1.23%	0.28%	0.22%	0.26%	0.47%
SALES/RESALE	0.55%	0.55%	0.00%	0.00%	0.00%
SCHOOL	1.40%	0.50%	0.30%	0.17%	0.43%
<b>TOTAL</b>	<b>100.00%</b>	<b>20.71%</b>	<b>6.91%</b>	<b>18.62%</b>	<b>53.76%</b>
<b>LAST YEAR TO DATE</b>					
RESIDENTIAL	38.55%	11.98%	5.68%	8.91%	11.98%
COMM & IND	57.70%	7.32%	0.47%	9.05%	40.86%
PVT ST LIGHTS	0.11%	0.02%	0.00%	0.03%	0.06%
PUB ST LIGHTS	0.35%	0.12%	0.05%	0.06%	0.12%
MUNI BLDGS	1.29%	0.29%	0.22%	0.27%	0.51%
SALES/RESALE	0.54%	0.54%	0.00%	0.00%	0.00%
SCHOOL	1.46%	0.53%	0.34%	0.17%	0.42%
<b>TOTAL</b>	<b>100.00%</b>	<b>20.80%</b>	<b>6.76%</b>	<b>18.49%</b>	<b>53.95%</b>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
FORMULA INCOME  
9/30/12

TOTAL OPERATING REVENUES	(P.3)	24,514,452.03
ADD:		
POLE RENTAL		0.00
INTEREST INCOME ON CUSTOMER DEPOSITS		406.54
LESS:		
OPERATING EXPENSES	(P.3)	(21,477,150.42)
CUSTOMER DEPOSIT INTEREST EXPENSE		(776.46)
FORMULA INCOME (LOSS)		<u>3,036,931.69</u>

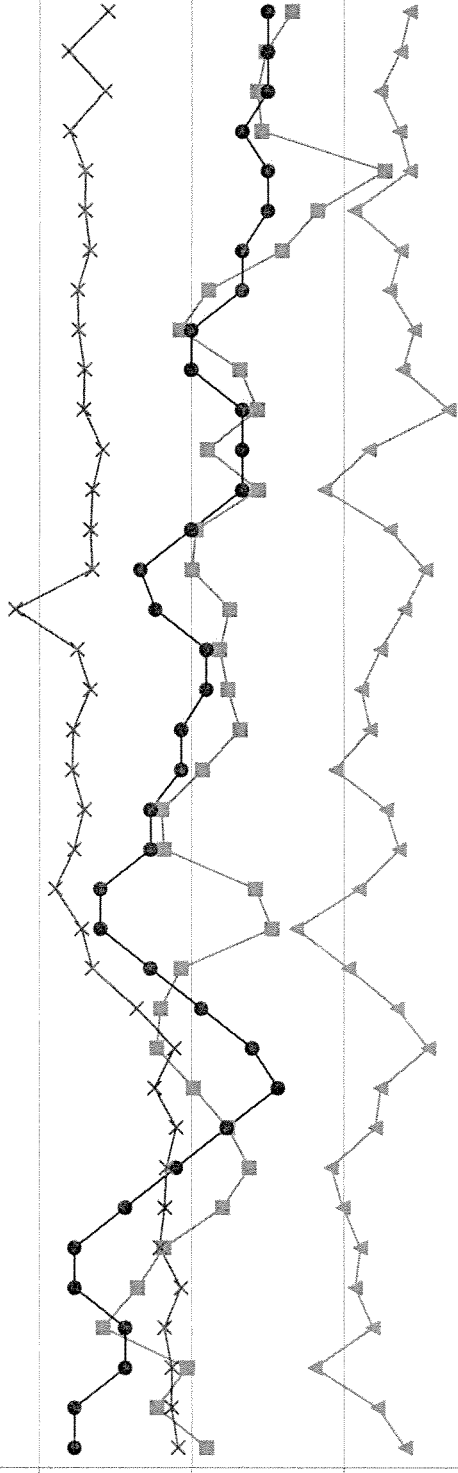
TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
GENERAL STATISTICS  
9/30/12

		MONTH OF SEP 2011	MONTH OF SEP 2012	% CHANGE		YEAR SEP 2011	THRU SEP 2012
				2011	2012		
SALE OF KWH	(P.5)	63,334,764	73,622,745	-2.72%	3.13%	202,193,253	208,521,058
KWH PURCHASED		60,207,277	58,633,476	-2.85%	1.22%	205,052,461	207,546,400
AVE BASE COST PER KWH		0.041890	0.042990	0.82%	6.42%	0.035318	0.037584
AVE BASE SALE PER KWH		0.064759	0.063255	8.45%	-0.52%	0.064834	0.064498
AVE COST PER KWH		0.090304	0.088123	-4.73%	-3.81%	0.088192	0.084834
AVE SALE PER KWH		0.114756	0.110615	5.50%	-6.66%	0.119934	0.111949
FUEL CHARGE REVENUE (P.3)		3,166,562.64	3,486,749.45	-0.55%	-11.19%	11,140,849.89	9,894,571.41
LOAD FACTOR		66.27%	61.99%				
PEAK LOAD		124,448	129,569				

# kwh analysis

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

\$0.085  
 \$0.070  
 \$0.055  
 \$0.040  
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TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF CASH AND INVESTMENTS  
9/30/12

SCHEDULE A

	PREVIOUS YEAR	CURRENT YEAR
<b>UNRESTRICTED CASH</b>		
CASH - OPERATING FUND	7,724,337.64	11,441,830.39
CASH - PETTY CASH	3,000.00	3,000.00
TOTAL UNRESTRICTED CASH	7,727,337.64	11,444,830.39
 <b>RESTRICTED CASH</b>		
CASH - DEPRECIATION FUND	4,316,536.39	3,553,748.93
CASH - CONSTRUCTION FUND	0.00	656,100.32
CASH - TOWN PAYMENT	894,000.00	908,356.50
CASH - DEFERRED FUEL RESERVE	3,163,838.18	2,205,028.59
CASH - RATE STABILIZATION FUND	5,058,435.03	6,683,641.82
CASH - UNCOLLECTIBLE ACCTS RESERVE	200,000.00	200,000.00
CASH - SICK LEAVE BENEFITS	1,945,794.31	2,984,836.31
CASH - HAZARD WASTE RESERVE	150,000.00	150,000.00
CASH - CUSTOMER DEPOSITS	561,385.03	581,105.60
CASH - ENERGY CONSERVATION	170,788.28	371,427.19
CASH - OPEB	972,024.73	1,345,704.42
TOTAL RESTRICTED CASH	17,432,801.95	19,639,949.68
 <b>RESTRICTED INVESTMENTS</b>		
* RATE STABILIZATION	1,000,000.00	0.00
** SICK LEAVE BENEFITS	1,000,000.00	0.00
*** OPEB	200,000.00	0.00
TOTAL RESTRICTED INVESTMENTS	2,200,000.00	0.00
TOTAL CASH BALANCE	27,360,139.59	31,084,780.07

SEP 2011

* FREDDIE MAC	1,000,000.00;	DTD 09/10/10; INT 2.00%;	MATURITY 09/15/20
** FREDDIE MAC	1,000,000.00;	DTD 09/10/10; INT 2.00%;	MATURITY 09/15/20
*** FREDDIE MAC	200,000.00;	DTD 09/10/10; INT 2.00%;	MATURITY 09/15/20

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF ACCOUNTS RECEIVABLE  
9/30/12

SCHEDULE B

SCHEDULE OF ACCOUNTS RECEIVABLE	PREVIOUS YEAR	CURRENT YEAR
RESIDENTIAL AND COMMERCIAL	4,223,390.80	4,593,945.14
ACCOUNTS RECEIVABLE - OTHER	91,572.41	443,722.77
ACCOUNTS RECEIVABLE - LIENS	17,748.27	28,084.71
ACCOUNTS RECEIVABLE - EMPLOYEE ADVANCES	892.14	892.14
SALES DISCOUNT LIABILITY	(332,098.73)	(345,386.49)
RESERVE FOR UNCOLLECTIBLE ACCOUNTS	(213,067.59)	(231,548.01)
TOTAL ACCOUNTS RECEIVABLE BILLED	3,788,437.30	4,489,710.26
UNBILLED ACCOUNTS RECEIVABLE	4,830,294.37	4,915,936.83
TOTAL ACCOUNTS RECEIVABLE, NET	8,618,731.67	9,405,647.09

SCHEDULE OF PREPAYMENTS

PREPAID INSURANCE	744,714.66	889,827.35
PREPAYMENT PURCHASED POWER	8,789.78	278,189.85
PREPAYMENT PASNY	238,330.65	241,849.32
PREPAYMENT WATSON	178,223.70	245,413.96
PURCHASED POWER WORKING CAPITAL	14,523.70	14,523.70
TOTAL PREPAYMENT	1,184,582.49	1,669,804.18

ACCOUNTS RECEIVABLE AGING SEPTEMBER 2012:

RESIDENTIAL AND COMMERCIAL	4,593,945.14
LESS: SALES DISCOUNT LIABILITY	(345,386.49)
GENERAL LEDGER BALANCE	4,248,558.65

CURRENT	3,726,847.66	87.72%
30 DAYS	352,862.76	8.31%
60 DAYS	94,821.52	2.23%
90 DAYS	11,096.67	0.26%
OVER 90 DAYS	62,930.04	1.48%
TOTAL	4,248,558.65	100.00%

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF OPERATING REVENUE  
9/30/12

SCHEDULE D

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	3,025,402.96	3,562,227.24	10,348,340.80	10,250,398.47	-0.95%
COMM AND INDUSTRIAL SALES	3,953,567.80	4,273,355.21	12,962,804.41	12,243,894.19	-5.55%
PRIVATE STREET LIGHTING	5,959.10	5,660.95	23,242.19	17,070.67	-26.55%
<b>TOTAL PRIVATE CONSUMERS</b>	<u>6,984,929.86</u>	<u>7,841,243.40</u>	<u>23,334,387.40</u>	<u>22,511,363.33</u>	-3.53%
 MUNICIPAL SALES:					
STREET LIGHTING	29,229.76	27,917.05	107,075.43	83,745.15	-21.79%
MUNICIPAL BUILDINGS	95,824.00	99,752.10	317,156.99	289,709.14	-8.65%
<b>TOTAL MUNICIPAL CONSUMERS</b>	<u>125,053.76</u>	<u>127,669.15</u>	<u>424,232.42</u>	<u>373,454.29</u>	-11.97%
 SALES FOR RESALE	 41,406.51	 46,702.18	 136,116.47	 132,251.36	 -2.84%
 SCHOOL	 116,637.57	 128,172.56	 355,053.78	 326,616.27	 -8.01%
 SUB-TOTAL	 7,268,027.70	 8,143,787.29	 24,249,790.07	 23,343,685.25	 -3.74%
 FORFEITED DISCOUNTS	 90,305.27	 93,328.33	 258,929.20	 278,889.48	 7.71%
 PURCHASED POWER CAPACITY	 (12,035.17)	 222,443.57	 (38,418.36)	 631,177.04	 -1742.90%
 ENERGY CONSERVATION - RESIDENTIAL	 16,555.94	 28,614.91	 54,551.98	 82,265.53	 50.80%
ENERGY CONSERVATION - COMMERCIAL	27,095.11	43,746.22	84,907.35	123,038.81	44.91%
 GAW REVENUE	 63,342.28	 73,418.73	 202,220.72	 208,347.42	 3.03%
 NYPA CREDIT	 (58,869.90)	 (47,478.80)	 (190,362.29)	 (152,951.50)	 -19.65%
 <b>TOTAL REVENUE</b>	 <u>7,394,421.23</u>	 <u>8,557,860.25</u>	 <u>24,621,618.67</u>	 <u>24,514,452.03</u>	 -0.44%

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF OPERATING REVENUE BY TOWN  
9/30/12

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	3,562,227.24	1,190,827.18	473,952.65	895,330.40	1,002,117.01
INDUS/MUNI BLDG	4,373,107.31	598,870.22	55,558.82	705,337.93	3,013,340.34
PUB. ST. LIGHTS	27,917.05	8,976.30	3,551.79	5,229.50	10,159.46
PRV. ST. LIGHTS	5,660.95	1,041.47	104.25	1,707.73	2,807.50
CO-OP RESALE	46,702.18	46,702.18	0.00	0.00	0.00
SCHOOL	128,172.56	45,535.74	27,542.93	16,018.43	39,075.46
<b>TOTAL</b>	<b>8,143,787.29</b>	<b>1,891,953.09</b>	<b>560,710.44</b>	<b>1,623,623.99</b>	<b>4,067,499.77</b>

THIS YEAR TO DATE

RESIDENTIAL	10,250,398.47	3,134,474.44	1,524,375.47	2,390,490.24	3,201,058.32
INDUS/MUNI BLDG	12,533,603.33	1,716,137.82	154,336.07	2,022,039.60	8,641,089.84
PUB. ST. LIGHTS	83,745.15	26,928.90	10,649.37	15,688.50	30,478.38
PRV. ST. LIGHTS	17,070.67	3,132.01	312.75	5,159.59	8,466.32
CO-OP RESALE	132,251.36	132,251.36	0.00	0.00	0.00
SCHOOL	326,616.27	118,781.58	69,948.84	40,252.45	97,633.40
<b>TOTAL</b>	<b>23,343,685.25</b>	<b>5,131,706.11</b>	<b>1,759,622.48</b>	<b>4,473,630.39</b>	<b>11,978,726.27</b>

LAST YEAR TO DATE

RESIDENTIAL	10,348,340.80	3,220,116.50	1,522,323.35	2,384,629.20	3,221,271.75
INDUS/MUNI BLDG	13,279,961.40	1,806,428.07	166,308.61	2,137,086.17	9,170,138.55
PUB. ST. LIGHTS	107,075.43	35,336.02	13,215.68	18,686.59	39,837.14
PRV. ST. LIGHTS	23,242.19	4,403.56	427.00	7,114.73	11,296.90
CO-OP RESALE	136,116.47	136,116.47	0.00	0.00	0.00
SCHOOL	355,053.78	129,790.49	80,459.24	43,746.22	101,057.83
<b>TOTAL</b>	<b>24,249,790.07</b>	<b>5,332,191.11</b>	<b>1,782,733.88</b>	<b>4,591,262.91</b>	<b>12,543,602.17</b>

PERCENTAGE OF OPERATING INCOME TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	43.74%	14.62%	5.82%	10.99%	12.31%
INDUS/MUNI BLDG	53.70%	7.35%	0.68%	8.66%	37.01%
PUB. ST. LIGHTS	0.34%	0.11%	0.04%	0.06%	0.13%
PRV. ST. LIGHTS	0.07%	0.01%	0.00%	0.02%	0.04%
CO-OP RESALE	0.57%	0.57%	0.00%	0.00%	0.00%
SCHOOL	1.58%	0.56%	0.34%	0.20%	0.48%
<b>TOTAL</b>	<b>100.00%</b>	<b>23.22%</b>	<b>6.88%</b>	<b>19.93%</b>	<b>49.97%</b>

THIS YEAR TO DATE

RESIDENTIAL	43.91%	13.43%	6.53%	10.24%	13.71%
INDUS/MUNI BLDG	53.69%	7.35%	0.66%	8.66%	37.02%
PUB. ST. LIGHTS	0.36%	0.12%	0.05%	0.07%	0.12%
PRV. ST. LIGHTS	0.07%	0.01%	0.00%	0.02%	0.04%
CO-OP RESALE	0.57%	0.57%	0.00%	0.00%	0.00%
SCHOOL	1.40%	0.51%	0.30%	0.17%	0.42%
<b>TOTAL</b>	<b>100.00%</b>	<b>21.99%</b>	<b>7.54%</b>	<b>19.16%</b>	<b>51.31%</b>

LAST YEAR TO DATE

RESIDENTIAL	42.67%	13.28%	6.28%	9.83%	13.28%
INDUS/MUNI BLDG	54.77%	7.45%	0.69%	8.81%	37.82%
PUB. ST. LIGHTS	0.44%	0.15%	0.05%	0.08%	0.16%
PRV. ST. LIGHTS	0.10%	0.02%	0.00%	0.03%	0.05%
CO-OP RESALE	0.56%	0.56%	0.00%	0.00%	0.00%
SCHOOL	1.46%	0.54%	0.33%	0.18%	0.41%
<b>TOTAL</b>	<b>100.00%</b>	<b>22.00%</b>	<b>7.35%</b>	<b>18.93%</b>	<b>51.72%</b>



TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUDGETED REVENUE VARIANCE REPORT  
9/30/12

SCHEDULE F

SALES OF ELECTRICITY:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
RESIDENTIAL	6,344,601.86	6,287,042.00	57,559.86	0.92%
COMM AND INDUSTRIAL SALES PRIVATE STREET LIGHTING MUNICIPAL BUILDINGS	6,788,075.48	6,886,043.00	(97,967.52)	-1.42%
PUBLIC STREET LIGHTING	49,888.00	50,652.00	(764.00)	-1.51%
SALES FOR RESALE	78,185.83	88,949.00	(10,763.17)	-12.10%
SCHOOL	<u>188,362.67</u>	<u>195,349.00</u>	<u>(6,986.33)</u>	-3.58%
TOTAL BASE SALES	13,449,113.84	13,508,035.00	(58,921.16)	-0.44%
TOTAL FUEL SALES	<u>9,894,571.41</u>	<u>9,033,027.00</u>	<u>861,544.41</u>	9.54%
TOTAL OPERATING REVENUE	23,343,685.25	22,541,062.00	802,623.25	3.56%
FORFEITED DISCOUNTS	278,889.48	297,176.00	(18,286.52)	-6.15%
PURCHASED POWER CAPACITY	631,177.04	618,010.00	13,167.04	2.13%
ENERGY CONSERVATION - RESIDENTIAL	82,265.53	78,637.00	3,628.53	4.61%
ENERGY CONSERVATION - COMMERCIAL	123,038.81	125,377.00	(2,338.19)	-1.86%
GAW REVENUE	208,347.42	204,014.00	4,333.42	2.12%
PASNY CREDIT	(152,951.50)	(174,999.00)	22,047.50	-12.60%
TOTAL OPERATING REVENUES	<u><u>24,514,452.03</u></u>	<u><u>23,689,277.00</u></u>	<u><u>825,175.03</u></u>	3.48%

\* ( ) = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
SCHEDULE OF OPERATING EXPENSES  
9/30/12

SCHEDULE E

OPERATION EXPENSES:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
PURCHASED POWER BASE EXPENSE	2,522,109.25	2,520,662.38	7,242,073.39	7,800,416.79	7.71%
OPERATION SUP AND ENGINEERING EXP	33,232.15	30,352.73	132,043.78	119,542.30	-9.47%
STATION SUP LABOR AND MISC	9,894.23	2,692.85	33,199.89	15,787.47	-52.45%
LINE MISC LABOR AND EXPENSE	59,806.73	36,659.87	167,764.14	132,939.36	-20.76%
STATION LABOR AND EXPENSE	40,759.34	28,972.30	120,287.97	109,359.78	-9.09%
STREET LIGHTING EXPENSE	9,341.85	4,422.61	23,930.85	17,528.42	-26.75%
METER EXPENSE	16,607.86	7,330.11	63,445.43	34,112.36	-46.23%
MISC DISTRIBUTION EXPENSE	27,364.14	21,854.51	83,753.06	73,958.94	-11.69%
METER READING LABOR & EXPENSE	8,124.83	5,138.91	26,486.68	23,970.02	-9.50%
ACCT & COLL LABOR & EXPENSE	89,649.34	88,633.79	310,447.90	336,182.53	8.29%
UNCOLLECTIBLE ACCOUNTS	16,000.00	8,333.33	48,000.00	24,999.99	-47.92%
ENERGY AUDIT EXPENSE	26,264.42	20,280.75	106,471.99	95,745.96	-10.07%
ADMIN & GEN SALARIES	57,040.12	47,652.90	185,556.97	165,427.49	-10.85%
OFFICE SUPPLIES & EXPENSE	9,479.42	20,647.93	32,445.22	49,065.60	51.23%
OUTSIDE SERVICES	35,005.20	49,522.36	68,275.01	79,932.08	17.07%
PROPERTY INSURANCE	31,798.71	31,678.42	95,372.17	95,035.26	-0.35%
INJURIES AND DAMAGES	(9,019.31)	3,940.15	(7,545.63)	10,316.44	-236.72%
EMPLOYEES PENSIONS & BENEFITS	109,303.69	148,298.34	423,929.18	540,974.04	27.61%
MISC GENERAL EXPENSE	17,304.60	13,888.61	47,605.41	38,614.87	-18.89%
RENT EXPENSE	27,555.35	13,837.19	55,227.50	62,338.88	12.88%
ENERGY CONSERVATION	71,826.49	23,426.79	170,863.04	127,038.18	-25.65%
<b>TOTAL OPERATION EXPENSES</b>	<b>687,339.16</b>	<b>607,564.45</b>	<b>2,187,560.56</b>	<b>2,152,869.97</b>	<b>-1.59%</b>
<b>MAINTENANCE EXPENSES:</b>					
MAINT OF TRANSMISSION PLANT	227.10	227.10	681.30	681.30	0.00%
MAINT OF STRUCT AND EQUIPMT	12,971.20	9,253.18	48,389.36	21,697.57	-55.16%
MAINT OF LINES - OH	117,185.86	81,152.83	392,866.53	249,483.96	-36.50%
MAINT OF LINES - UG	42,803.45	9,838.13	56,845.58	24,072.65	-57.65%
MAINT OF LINE TRANSFORMERS	15,788.94	6,231.04	16,423.97	10,383.59	-36.78%
MAINT OF ST LT & SIG SYSTEM	(46.60)	(83.18)	(184.97)	(220.45)	19.18%
MAINT OF GARAGE AND STOCKROOM	38,459.45	40,740.81	125,178.40	114,940.90	-8.18%
MAINT OF METERS	7,811.24	3,397.31	20,582.53	10,151.48	-50.68%
MAINT OF GEN PLANT	7,556.24	7,326.56	22,558.83	27,629.32	22.48%
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>242,756.88</b>	<b>158,083.78</b>	<b>683,341.53</b>	<b>458,820.32</b>	<b>-32.86%</b>
DEPRECIATION EXPENSE	296,027.47	305,469.18	888,082.41	916,407.54	3.19%
PURCHASED POWER FUEL EXPENSE	2,914,869.40	2,646,309.32	10,841,874.20	9,806,635.80	-9.55%
VOLUNTARY PAYMENTS TO TOWNS	113,000.00	114,000.00	339,000.00	342,000.00	0.88%
<b>TOTAL OPERATING EXPENSES</b>	<b>6,776,102.16</b>	<b>6,352,089.11</b>	<b>22,181,932.09</b>	<b>21,477,150.42</b>	<b>-3.18%</b>

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUDGETED OPERATING EXPENSE VARIANCE REPORT  
9/30/12

SCHEDULE G

OPERATION EXPENSES:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
PURCHASED POWER BASE EXPENSE	7,800,416.79	8,635,580.00	(835,163.21)	-9.67%
OPERATION SUP AND ENGINEERING EXP	119,542.30	116,616.00	2,926.30	2.51%
STATION SUP LABOR AND MISC	15,787.47	21,760.00	(5,972.53)	-27.45%
LINE MISC LABOR AND EXPENSE	132,939.36	161,578.00	(28,638.64)	-17.72%
STATION LABOR AND EXPENSE	109,359.78	111,961.00	(2,601.22)	-2.32%
STREET LIGHTING EXPENSE	17,528.42	21,102.00	(3,573.58)	-16.93%
METER EXPENSE	34,112.36	35,157.00	(1,044.64)	-2.97%
MISC DISTRIBUTION EXPENSE	73,958.94	91,068.00	(17,109.06)	-18.79%
METER READING LABOR & EXPENSE	23,970.02	25,910.00	(1,939.98)	-7.49%
ACCT & COLL LABOR & EXPENSE	336,182.53	342,715.00	(6,532.47)	-1.91%
UNCOLLECTIBLE ACCOUNTS	24,999.99	24,999.00	0.99	0.00%
ENERGY AUDIT EXPENSE	95,745.96	116,638.00	(20,892.04)	-17.91%
ADMIN & GEN SALARIES	165,427.49	189,349.00	(23,921.51)	-12.63%
OFFICE SUPPLIES & EXPENSE	49,065.60	63,496.00	(14,430.40)	-22.73%
OUTSIDE SERVICES	79,932.08	173,307.00	(93,374.92)	-53.88%
PROPERTY INSURANCE	95,035.26	117,879.00	(22,843.74)	-19.38%
INJURIES AND DAMAGES	10,316.44	14,519.00	(4,202.56)	-28.95%
EMPLOYEES PENSIONS & BENEFITS	540,974.04	521,278.00	19,696.04	3.78%
MISC GENERAL EXPENSE	38,614.87	69,261.00	(30,646.13)	-44.25%
RENT EXPENSE	62,338.88	53,001.00	9,337.88	17.62%
ENERGY CONSERVATION	127,038.18	179,581.00	(52,542.82)	-29.26%
<b>TOTAL OPERATION EXPENSES</b>	<b>2,152,869.97</b>	<b>2,451,175.00</b>	<b>(298,305.03)</b>	<b>-12.17%</b>
<b>MAINTENANCE EXPENSES:</b>				
MAINT OF TRANSMISSION PLANT	681.30	750.00	(68.70)	-9.16%
MAINT OF STRUCT AND EQUIPMENT	21,697.57	29,712.00	(8,014.43)	-26.97%
MAINT OF LINES - OH	249,483.96	301,438.00	(51,954.04)	-17.24%
MAINT OF LINES - UG	24,072.65	41,519.00	(17,446.35)	-42.02%
MAINT OF LINE TRANSFORMERS	10,383.59	48,371.00	(37,987.41)	-78.53%
MAINT OF ST LT & SIG SYSTEM	(220.45)	2,450.00	(2,670.45)	-109.00%
MAINT OF GARAGE AND STOCKROOM	114,940.90	165,100.00	(50,159.10)	-30.38%
MAINT OF METERS	10,151.48	18,819.00	(8,667.52)	-46.06%
MAINT OF GEN PLANT	27,629.32	32,778.00	(5,148.68)	-15.71%
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>458,820.32</b>	<b>640,937.00</b>	<b>(182,116.68)</b>	<b>-28.41%</b>
DEPRECIATION EXPENSE	916,407.54	912,501.00	3,906.54	0.43%
PURCHASED POWER FUEL EXPENSE	9,806,635.80	9,699,633.00	107,002.80	1.10%
VOLUNTARY PAYMENTS TO TOWNS	342,000.00	342,000.00	0.00	0.00%
<b>TOTAL OPERATING EXPENSES</b>	<b>21,477,150.42</b>	<b>22,681,826.00</b>	<b>(1,204,675.58)</b>	<b>-5.31%</b>

\* ( ) = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
BUDGETED OPERATING EXPENSE VARIANCE REPORT  
9/30/12

OPERATION EXPENSES:	RESPONSIBLE SENIOR MANAGER	2013 ANNUAL BUDGET	ACTUAL YEAR TO DATE	REMAINING BUDGET BALANCE	REMAINING BUDGET %
PURCHASED POWER BASE EXPENSE	JP	<u>30,102,742.00</u>	<u>7,800,416.79</u>	<u>22,302,325.21</u>	74.09%
OPERATION SUP AND ENGINEERING EXP	KS	468,949.00	119,542.30	349,406.70	74.51%
STATION SUP LABOR AND MISC	KS	79,813.00	15,787.47	64,025.53	80.22%
LINE MISC LABOR AND EXPENSE	KS	671,309.00	132,939.36	538,369.64	80.20%
STATION LABOR AND EXPENSE	KS	448,249.00	109,359.78	338,889.22	75.60%
STREET LIGHTING EXPENSE	KS	83,106.00	17,528.42	65,577.58	78.91%
METER EXPENSE	KS	197,329.00	34,112.36	163,216.64	82.71%
MISC DISTRIBUTION EXPENSE	KS	366,489.00	73,958.94	292,530.06	79.82%
METER READING LABOR & EXPENSE	KS	69,946.00	23,970.02	45,975.98	65.73%
ACCT & COLL LABOR & EXPENSE	RF	1,385,210.00	336,182.53	1,049,027.47	75.73%
UNCOLLECTIBLE ACCOUNTS	RF	100,000.00	24,999.99	75,000.01	75.00%
ENERGY AUDIT EXPENSE	JP	479,013.00	95,745.96	383,267.04	80.01%
ADMIN & GEN SALARIES	VC	761,068.00	165,427.49	595,640.51	78.26%
OFFICE SUPPLIES & EXPENSE	VC	253,950.00	49,065.60	204,884.40	80.68%
OUTSIDE SERVICES	VC	507,125.00	79,932.08	427,192.92	84.24%
PROPERTY INSURANCE	KS	471,500.00	95,035.26	376,464.74	79.84%
INJURIES AND DAMAGES	KS	56,619.00	10,316.44	46,302.56	81.78%
EMPLOYEES PENSIONS & BENEFITS	KS	1,889,623.00	540,974.04	1,348,648.96	71.37%
MISC GENERAL EXPENSE	VC	200,785.00	38,614.87	162,170.13	80.77%
RENT EXPENSE	KS	212,000.00	62,338.88	149,661.12	70.59%
ENERGY CONSERVATION	JP	697,983.00	127,038.18	570,944.82	81.80%
TOTAL OPERATION EXPENSES		<u>8,823,105.00</u>	<u>2,152,869.97</u>	<u>7,247,196.03</u>	82.14%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	KS	3,000.00	681.30	2,318.70	77.29%
MAINT OF STRUCT AND EQUIPMT	KS	114,120.00	21,697.57	92,422.43	80.99%
MAINT OF LINES - OH	KS	1,250,421.00	249,483.96	1,000,937.04	80.05%
MAINT OF LINES - UG	KS	285,371.00	24,072.65	261,298.35	91.56%
MAINT OF LINE TRANSFORMERS	KS	188,500.00	10,383.59	178,116.41	94.49%
MAINT OF ST LT & SIG SYSTEM	KS	9,684.00	(220.45)	9,904.45	102.28%
MAINT OF GARAGE AND STOCKROOM	KS	672,589.00	114,940.90	557,648.10	82.91%
MAINT OF METERS	KS	47,392.00	10,151.48	37,240.52	78.58%
MAINT OF GEN PLANT	RF	131,320.00	27,629.32	103,690.68	78.96%
TOTAL MAINTENANCE EXPENSES		<u>2,817,401.00</u>	<u>458,820.32</u>	<u>2,243,576.68</u>	79.63%
DEPRECIATION EXPENSE	RF	3,650,000.00	916,407.54	2,733,592.46	74.89%
PURCHASED POWER FUEL EXPENSE	JP	30,500,000.00	9,806,635.80	20,693,364.20	67.85%
VOLUNTARY PAYMENTS TO TOWNS	RF	1,368,000.00	342,000.00	1,026,000.00	75.00%
TOTAL OPERATING EXPENSES		<u>83,767,500.00</u>	<u>21,477,150.42</u>	<u>56,246,054.58</u>	67.15%

TOWN OF READING, MASSACHUSETTS  
MUNICIPAL LIGHT DEPARTMENT  
PROFESSIONAL SERVICES  
9/30/2012

PROFESSIONAL SERVICES BY PROJECT

ITEM	DEPARTMENT	ACTUAL	BUDGET	VARIANCE
1 RMLD AND PENSION TRUST AUDIT FEES	ACCOUNTING	12,780.00	32,250.00	(19,470.00)
2 PENSION ACTUARIAL EVALUATION	ACCOUNTING	3,250.00	0.00	3,250.00
3 LEGAL- FERC/ISO ISSUES	ENERGY SERVICE	0.00	4,500.00	(4,500.00)
4 LEGAL- POWER SUPPLY ISSUES	ENERGY SERVICE	635.00	11,250.00	(10,615.00)
5 PROFESSIONAL SERVICES	ENERGY SERVICE	2,895.80	6,000.00	(3,104.20)
6 NERC COMPLIANCE AND AUDIT	E & O	2,482.50	2,500.00	(17.50)
7 LOAD CAPACITY STUDY	ENGINEERING	0.00	3,750.00	(3,750.00)
8 STROM HARDENING STUDY	ENGINEERING	0.00	0.00	0.00
9 LEGAL-GENERAL, MMWEC AUDIT	GM	6,661.51	37,500.00	(30,838.49)
10 LEGAL SERVICES-GENERAL	HR	31,673.72	27,600.00	4,073.72
11 LEGAL SERVICES-NEGOTIATIONS	HR	0.00	9,200.00	(9,200.00)
12 LEGAL GENERAL	BLDG. MAINT.	5,435.50	375.00	5,060.50
13 SURVEY RIGHT OF WAY	BLDG. MAINT.	0.00	1,251.00	(1,251.00)
14 ENVIRONMENTAL	BLDG. MAINT.	0.00	1,251.00	(1,251.00)
15 ENGINEERING SERVICES	BLDG. MAINT.	14,118.05	2,130.00	11,988.05
16 REPAIR RAMP AND DECK AREA	BLDG. MAINT.	0.00	30,000.00	(30,000.00)
17 INSURANCE CONSULTANT	GEN. BENEFIT	0.00	2,499.00	(2,499.00)
18 LEGAL	GEN. BENEFIT	0.00	1,251.00	(1,251.00)
TOTAL		<u>79,932.08</u>	<u>173,307.00</u>	<u>(93,374.92)</u>

PROFESSIONAL SERVICES BY VENDOR

	ACTUAL
MELANSON HEATH & COMPANY	12,780.00
HUDSON RIVER ENERGY GROUP	2,895.80
STONE CONSULTING INC.	3,250.00
RUBIN AND RUDMAN	8,938.00
UTILITY SERVICES INC.	2,482.50
DUNCAN & ALLEN	3,794.01
CHOATE HALL & STEWART	28,963.72
MENDERS TORREY & SPENCER	12,385.55
RICHARD HIGGINS ARBITRATOR	2,710.00
JM ASSOCIATES	1,732.50
TOTAL	<u>79,932.08</u>

RMLD  
 BUDGET VARIANCE REPORT  
 FOR PERIOD ENDING SEPTEMBER 30, 2012

DIVISION	ACTUAL	BUDGET	VARIANCE	CHANGE
ENGINEERING AND OPERATIONS	800,411	993,982	(193,571)	-19.47%
ENERGY SERVICES	226,315	318,096	(91,781)	-28.85%
GENERAL MANAGER	180,506	248,505	(67,999)	-27.36%
FACILITY MANAGER	943,295	1,027,747	(84,452)	-8.22%
BUSINESS DIVISION	2,286,704	2,325,283	(38,580)	-1.66%
<b>SUB-TOTAL</b>	<b>4,437,231</b>	<b>4,913,613</b>	<b>(476,383)</b>	<b>-9.70%</b>
PURCHASED POWER - BASE	7,800,417	8,635,580	(835,163)	-9.67%
PURCHASED POWER - FUEL	9,806,636	9,699,633	107,003	1.10%
<b>TOTAL</b>	<b>22,044,283</b>	<b>23,248,826</b>	<b>(1,204,543)</b>	<b>-5.18%</b>

RMLD  
DEFERRED FUEL CASH RESERVE ANALYSIS  
09/30/12

DATE	GROSS CHARGES	REVENUES	NYPA CREDIT	MONTHLY DEFERRED	TOTAL DEFERRED
Jun-12					2,270,044.48
Jul-12	3,581,715.28	3,492,843.61	(61,106.90)	(149,978.57)	2,120,065.91
Aug-12	3,578,611.20	2,914,978.35	(44,365.80)	(707,998.65)	1,412,067.26
Sep-12	2,646,309.32	3,486,749.45	(47,478.80)	792,961.33	2,205,028.59

RMLD  
STAFFING REPORT  
FOR FISCAL YEAR ENDING JUNE, 2013

	13 BUD TOTAL	JUL 12	AUG 12	SEP 12
<u>GENERAL MANAGER</u>				
GENERAL MANAGER	2.00	2.00	2.00	2.00
HUMAN RESOURCES	1.00	1.00	1.00	1.00
COMMUNITY RELATIONS	1.00	1.00	1.00	1.00
TOTAL	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>
<u>BUSINESS</u>				
ACCOUNTING	2.00	2.00	2.00	2.00
CUSTOMER SERVICE **	7.75	7.75	7.75	7.75
MGMT INFORMATION SYS *	6.25	6.00	6.00	6.00
MISCELLANEOUS	1.00	1.00	1.00	1.00
TOTAL	<u>17.00</u>	<u>16.75</u>	<u>16.75</u>	<u>16.75</u>
<u>ENGINEERING &amp; OPERATIONS</u>				
AGM E&O	2.00	2.00	1.00	1.00
ENGINEERING	5.00	5.00	5.00	5.00
LINE	21.00	21.00	21.00	21.00
METER	4.00	3.00	3.00	3.00
STATION	8.00	8.00	8.00	8.00
TOTAL	<u>40.00</u>	<u>39.00</u>	<u>38.00</u>	<u>38.00</u>
<u>PROJECT</u>				
BUILDING	2.00	2.00	2.00	2.00
GENERAL BENEFITS	2.00	1.00	2.00	2.00
TRANSPORTATION	-	-	-	-
MATERIALS MGMT	4.00	3.00	4.00	4.00
TOTAL	<u>8.00</u>	<u>6.00</u>	<u>8.00</u>	<u>8.00</u>
<u>ENERGY SERVICES</u>				
ENERGY SERVICES *	5.50	4.50	4.50	4.50
TOTAL	<u>5.50</u>	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>
RMLD TOTAL	<u>74.50</u>	<u>70.25</u>	<u>71.25</u>	<u>71.25</u>
<u>CONTRACTORS</u>				
UG LINE	2.00	2.00	2.00	2.00
TOTAL	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
GRAND TOTAL	<u>76.50</u>	<u>72.25</u>	<u>73.25</u>	<u>73.25</u>

\* part time employee

\*# part time employee and a coop student

\*^ part time employee and a temp



GENERAL DISCUSSION  
BOARD REFERENCE TAB F





Massachusetts Department of Revenue Division of Local Services  
Mitchell Adams, Commissioner Joseph J. Chessey, Jr., Deputy Commissioner



June 16, 1997

Gary D. Suter, Town Accountant  
120 Prescott Street  
West Boylston, MA 01583

Re: Approval of Municipal Light Department Expenditures  
Our File No. 97-506

Dear Mr. Suter:

You have asked for a legal opinion concerning the necessary signatures on the municipal light department's "weekly warrant". We assume the expenditures on this warrant include both payroll and other bills payable. While not completely free from doubt, we conclude that the signature of the light department manager and a majority of the municipal light board on bills payable vouchers would be required for the town accountant to draw a warrant and for the board of selectmen to approve it, under G.L. Ch. 164, §56 and G.L. Ch. 41, §56. With respect to light department payrolls, however, we think the board may designate one of its members to sign, as permitted by G.L. Ch. 41, §41, along with the light manager. Such a designation does not limit the responsibility of each light board member in the event of an improper payment.

In pertinent part, G.L. Ch. 164, §56 and G.L. Ch. 41, §56 require only the board of selectmen to approve warrants prepared by the town accountant:

...All accounts rendered to or kept in the gas or electric plant ... shall be subject to the inspection of the selectmen. The ... selectmen ... may require any person presenting for settlement an account or claim against such plant to make oath before ... them, in such form as ...they may prescribe, as to the accuracy of such account or claim. The ... selectmen ... shall approve the payment of all bills or payrolls of such plants before they are paid by the treasurer, and may disallow and refuse to approve for payment in whole or in part, any claim as fraudulent, unlawful or excessive; and in that case the ... selectmen ... shall file with the ... town treasurer a written statement of the reasons for the refusal; and the treasurer shall not pay any claim or bill so disallowed. This section shall not abridge the powers conferred on a town accountants by sections fifty-five to sixty-one, inclusive, of chapter forty-one. ... G.L. Ch. 164, §56 (emphasis added).

... The town accountant shall examine all such bills, drafts, orders and pay rolls and, if found correct and approved as herein provided, shall draw a warrant upon the treasury for the payment of the same, and the treasurer shall pay no money from the treasury except upon such warrant approved by the selectmen... G.L. Ch. 41, §56.

Gary D. Suter  
Page 2

[In the original act authorizing municipal light departments the light manager was given sole authority to expend and approve warrants for payment of light department bills. St. 1891, Ch. 370, §8 ("... and the payment of all bills incurred [by the light department] shall be intrusted ... to one officer ... Such officer shall be known as manager ...). In 1893 towns were authorized to elect light boards which were empowered to appoint light managers. St. 1893, Ch. 454, §10. By St. 1905, Ch. 410, §3 the pertinent statute provided that "[a]ll bills chargeable to the plant or the appropriations therefor shall be paid by the treasurer on requisition by the manager or municipal light board, if any." This language remained in St. 1914, Ch. 742, §113 but was eliminated and replaced with the current clause by St. 1929, Ch. 266.]

Nothing in Chapter 164 currently provides for any specific approval of warrants by the municipal light board or the municipal light manager. However, G.L. Ch. 41, §56 also provides:

... all boards, committees, heads of departments and officers authorized to expend money shall approve and transmit to the town accountant ... all bills, drafts, orders and pay rolls chargeable to the respective appropriations of which they have the expenditure. Such approval shall be given only after an examination to determine that the charges are correct and that the goods, materials or services charged for were ordered and that such goods and materials were delivered and that the services were actually rendered to or for the town as the case may be; ... (emphasis added).

We believe the municipal light board should be considered the head of the municipal light department. G.L. Ch. 164, §55 provides that the light board in a town which has established such an elected body, "shall have authority to construct, purchase or lease a gas or electric plant in accordance with the vote of the town and to maintain and operate the same." However, G.L. Ch. 164, §56 requires that the light board act through a light manager which it must appoint, but who will be under the direction and control of the board. The light manager is an officer authorized to make contracts for the day to day operation of the plant and is therefor authorized to expend money. See Golubek v. Westfield Gas & Electric Light Board, 32 Mass. App. Ct. 954, 955 (1992); Capron v. Taunton, 196 Mass. 41, 43-44 (1907).

This organizational structure is similar to that of a school committee/superintendent in which the school committee retains statutory authority to establish educational policy and to allocate and transfer funds for specific spending purposes. Based on such retained authority, we have indicated that a majority of the school committee must sign requisitions for payment of bills under G.L. Ch. 41, §56, as well as the superintendent and principals when they have been given separate statutory authority to make contracts for the school department. We therefore conclude that the municipal light board as well as the light manager must sign payrolls and bill requisitions in order to initiate expenditures.

Under G.L. Ch. 4, §6, when joint authority is given to a group of officers, a majority of the entire group must vote in order to take action. Thus, a majority of the light board must sign to initiate payment of light department expenditures. An exception to this requirement has been given to municipal commissions, committees or board of trustees when signing a payroll. G.L. Ch. 41, §41 authorizes such a body to designate one of its members to make oath to a payroll. It is not

Gary D. Suter  
Page 3

completely clear whether such authority would apply to a municipal light board, given that in some cases the light department is considered a municipal department but not in others. We note also that G.L. Ch. 41, §41 is not incorporated in Chapter 164 as is the case with G.L. Ch. 41, §56, which is incorporated by reference under G.L. Ch. 164, §56. Nevertheless, we believe the mechanism provided in G.L. Ch. 41, §41 provides sufficient protection of light department funds in light of the other safeguards otherwise provided in G.L. Ch. 164, §56 and G.L. Ch. 41, §56. Thus, to the extent the light board specifically votes to designate one of its members to make oath to the payroll, we think the signature of that designee, when combined with that of the light manager, is sufficient to initiate payment of the light department payroll.

We hope this addresses your concerns. If we may be of further service, please do not hesitate to contact us again.

Sincerely,



Joseph J. Chessey, Jr.  
Deputy Commissioner

# RUBIN AND RUDMAN LLP

COUNSELLORS AT LAW

50 ROWES WHARF • BOSTON, MASSACHUSETTS 02110-3319

TELEPHONE: (617) 330-7000 • FACSIMILE: (617) 439-9866 • EMAIL: FIRM@RUBINRUDMAN.COM

## MEMORANDUM

### By Telecopier

To: Leonard Rucker, General Manager  
Linda Bernat, Assistant Manager  
Reading Municipal Light Department

From: Kenneth M. Barna, Diedre T. Lawrence, Karla J. Doukas

Re: Process for Payment of Payroll Warrants

Date: February 14, 2000

---

## INTRODUCTION

On behalf of the Reading Municipal Light Department ("RMLD"), you have asked us to render an opinion on the process that RMLD must follow for the payment of payroll and other light plant expenses. On June 16, 1997, the Department of Revenue ("DOR") issued an opinion on this very matter, in which the DOR concluded that the signature of both the Manager and a designated commissioner are required to authorize the payment of warrants for the light plant.

We have researched all relevant statutes and caselaw, and we have reviewed the opinion issued by the DOR as well as the Reading Town Charter with regard to the powers of the municipal light board. Based on our research and our knowledge of the mechanics of municipal light plants, we respectfully disagree with the DOR opinion and conclude that only the Manager's signature is required to authorize the payment of warrants for payroll and other

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expenses on behalf of RMLD. We believe that the DOR opinion is not binding on RMLD. The DOR has no authority over, municipal light plants. *but Jo they over Towns*

This Memorandum is being rendered pursuant to G.L. c. 164, § 56.

DISCUSSION

**1. Authority and Responsibilities Under G.L. c. 164**

Municipal light plants operate pursuant to authority found in G.L. c. 164, §§ 34-69, not under the laws governing towns and other town departments. The Supreme Judicial Court ("SJC") has recognized G.L. c. 164 as the primary and, in most instances, exclusive statutory authority governing municipal light plant operations. See, e.g., Municipal Light Commission of Taunton v. City of Taunton, 323 Mass. 79, 84 (1948); MacRae v. Concord, 296 Mass. 394 (1937). G.L. c. 164, § 56 expressly assigns the plant manager the obligation to attest to expenses submitted for payment. Here, the statute states, "The manager shall at any time, when required by the mayor, selectmen, municipal light board, if any, or department, make a statement to such officers of his doings, business, receipts, disbursements, balances, and of the indebtedness of the town in his department." G.L. c. 164, § 56 [emphasis added]. Although G.L. c. 164, § 56 refers to G.L. c. 41, it does not invoke all of the requirements of G.L. c. 41. Section 56 only keeps intact the power of town accountants under G.L. c. 41, §§ 55 - 61. As described below, the statutes governing the powers of town accountants do not require the signatures of light plant commissioners or otherwise divest the Manager of any of its authority granted under G.L. c. 164, § 56 over the management of the plant. Accordingly, because G.L. c. 164, § 56 designates the Manager as the person responsible to account for receipts and disbursements, and other financial

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matters, we conclude that only the Manager is required to sign warrants for payroll and other expenses. ✓

In further support, the special statutes creating municipal light plants and the statutory scheme of G.L. c. 164 grant light plant Managers and light plant Commissions exclusive and unrestricted managerial power. See, e.g., Municipal Light Commission of Peabody v. City of Peabody, 348 Mass. 266, 268 (1964); Municipal Light Commission of Taunton, 323 Mass. at 84; Capron v. Taunton, 196 Mass. 41 (1907). In particular, G.L. c. 164, § 56 places the day-to-day operations of the plant into the hands of the Manager, including the hiring of employees, collection of bills, and keeping of accounts. The statute provides in pertinent part:

The mayor of a city, or the selectmen or municipal light board, if any, of a town acquiring a gas or electric plant shall appoint a manager of municipal lighting who shall, under the direction and control of the mayor, selectmen or municipal light board, if any, and subject to this chapter, have full charge of the operation and management of the plant, the manufacture and distribution of gas or electricity, the purchase of supplies, the employment of attorneys and of agents and servants, the method, time, price, quantity and quality of the supply, the collection of bills, and the keeping of accounts .... ✓

\* The Court of Appeals in Golubek v. Westfield Gas & Elec. Bd., recognized that this provision expressly allocates the administrative functions of operating the plant to the Manager and not to the Commission. 32 Mass.App.Ct. 954, 955 (1992). In this regard, the court concluded that G.L. c. 164, § 56 only grants the Commission the power to give the Manager general directions. Id. at 955-56. Consequently, when a Commission undertakes a responsibility specifically granted to the Manager, the commission exceeds its authority. Id. }

As stated above, G.L. c. 164, § 56 expressly subjects the Manager to the attestation process. Thus, under Golubek, only the signature of the Manager is required for payment on a



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warrant.

2. The Manager's Authority Under G.L. c. 41

The court's decision in Golubek also stands for the proposition that the Manager is the appropriate person to attest to payrolls and bills under G.L. c. 41, § 41. That statute provides that:

No treasurer or other fiscal officer of any town or city shall pay any salary or compensation to any person in the service or employment of the town or city unless the payroll, bill or account for such salary or compensation shall be sworn to by the head of the department or the person immediately responsible for the appointment, employment, promotion, or transfer of the persons named therein...

G.L. c. 41, § 41. This provision allows either the department head or person directly responsible for the employees to attest to the payroll. Golubek clearly establishes that the Manager is responsible for hiring employees under G.L. c. 164, § 56. 32 Mass.App.Ct. at 955. Moreover, the Manager's duties and the lack of the Commission's direct administrative authority over RMLD also establish the Manager as the department head. Thus, the Manager's signature is sufficient, and in fact all that is required, to release the payment of payroll expenses under G.L. c. 41, § 41. Given that the Manager is the department head of RMLD, only his signature is required under G.L. c. 41, § 56. That statute states in relevant part:

The selectmen and all boards, committees, heads of departments and officers authorized to expend money shall approve and transmit to the town account as often as once each month all bills, drafts, orders and pay rolls chargeable to the respective appropriations of

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which they have the expenditure. The town accountant may disallow and refuse to approve for payment, in whole or in part, any claim as fraudulent, unlawful or excessive, and in such case he shall file with the town treasurer a written statement of the reasons for such refusal....

- G.L. c. 41, § 56. Nowhere does this statute require the signatures of any Commissioner. At best, it only would require their approval. Such approval by the light plant "shall be given only after an examination to determine that the charges are correct and that the goods, materials or services charged for were ordered and that such goods and materials were delivered and that the services were actually rendered to or for [the light plant]." G.L. c. 41, § 56.

The Commissioners initially grant their approval for such expenses when they vote on the budget, which includes employee salaries. Municipal light plants, such as RMLD, are not regulated by Town Meeting or town officials as are other town departments. See Municipal Light Comm'n of Peabody, 348 Mass. at 273. G.L. c. 164, § 57 provides, in relevant part, that RMLD's Manager is to submit, each year, to the Municipal Light Board:

an estimate of the income from sales of ... electricity to private customers and of the expense of plant meaning the gross expenses of operation, maintenance and repair, the interest on the bonds, notes of certificates of indebtedness issued to pay for the plant, an amount of depreciation equal to three per cent of the cost of the plant exclusive of land and any water power appurtenant thereto, or such smaller or larger amount as the department of public utilities may approve, the requirements of the sinking fund or debt incurred for the plant, and the loss, if any, in the operation of the plant during the preceding year, and of the cost, as defined in section fifty-eight, of the ... electricity to be used by the town.

The appropriations necessary to authorize the Town Treasurer to use RMLD funds for the "expense of plant," as defined in G.L. c. 164, § 57, therefore, are made by vote of the RMLD

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Board upon the budget submitted by RMLD's Manager, and not by Town Meeting vote pursuant to the provisions G.L. c. 44. Id. After such expenses are incurred, the implied approval of the Commissioners should satisfy the requirements of G.L. c. 41, § 56. Even the DOR concedes that the commissioners need not approve each and every requisition: the DOR concluded that the statutory requisites would be satisfied if the Commissioners designate the manager to initiate payment of the light plant payroll.

**3. Role of the Selectmen**

In any event, the auditor, treasurer, or selectmen cannot deny payment under this section for lack of the commissioner's "signature." Payment only may be denied in the case of fraud, illegal or excessive expenses. See G.L. c. 164, § 56; G.L. c. 41, § 56. The Selectmen's role in the warrant process for a municipal light plant is set forth as follows:

...the selectmen...shall approve the payment of all bills or payrolls of such plants before they are paid by the treasurer, and may disallow and refuse to approve for payment, in whole or in part, any claim as fraudulent, unlawful or excessive; and in that case the...selectmen, shall file with the...town treasurer a written statement of the reasons for the refusal; and the treasurer shall not pay any claim or bill so refused.

Although the payment of bills and payrolls of the light department is subject to the prior approval of the Selectmen, the nature or exercise of that power must be consistent with the very restricted role that chapter 164 permits the municipality to play in the affairs of its light department.

Chapter 164 effectively separates light departments from the Selectmen's general authority over the appropriations for town departments under G.L. c. 41, § 56. See, e.g., Taunton, 323 Mass. at

34. Thus, the Selectmen may not make independent evaluations of the necessity or wisdom of

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any such payments, or in any way exercise a business judgment with respect to such payments. See Municipal Light Comm'n of Peabody, supra. Any other interpretation would render the SJC decisions in Taunton and Peabody, and the authority conferred by G.L. c. 164, § 56 upon the commission and manager a nullity. Under this statutory framework, the Selectmen's function clearly is limited to evaluating a request for payment for evidence of fraud or illegality. They are not authorized to mandate procedures for payment more stringent than the statute provides.

In addition, the Selectmen's authority to disapprove payment also is subject to the procedural prerequisite that it be accompanied by a written statement of reasons. Specifically, the statute employs the mandatory "shall" in describing the accountant's obligation to provide such a statement. See City Bank and Trust Co. v. Board of Bank Incorporation, 364 Mass. 29, 31 (1963); Brennan v. Election Commissioners of Boston, 310 Mass. 784, 786 (1942); 1A Sands, Sutherland Statutory Construction, §24.04 (4th ed. 1972). Thus, the Selectmen cannot withhold their approval of the warrant without providing a statement of reasons showing illegality or fraud. The failure to obtain the signatures of a majority of the Commissioners or a designated Commissioner is not sufficient under the statute.

**4. School Departments Differ From Municipal Light Plants**

Finally, the DOR's comparison of municipal light plants to school departments in reaching its conclusion is misplaced. Municipal light departments and school departments differ in several important respects. First, unlike with schools, towns have no inherent authority to operate light plants. The authority of a municipality to operate an electric light plant is conferred generally by G.L. c. 164, § 34, which provides that a city or town, "may, in accordance with this

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chapter, construct, purchase or lease and maintain within its limits, one or more plants for the manufacture or distribution of gas or electricity...for municipal use or for the use of its inhabitants." See also G.L. c. 164, § 35 (city may not acquire such plant until authorized by vote of its Council or Commission, as specified in the statute). Under G.L. c. 164, § 55, a municipality which has established or votes to establish a light plant "may elect a municipal light board..." G.L. c. 164, § 55. Municipalities were divested, early on, of control over the management of light plant operations. Capron v. Taunton, 196 Mass. 41 (1907); Whiting v. Mayor of Holyoke, 272 Mass. 116 (1930).

Under the statutory scheme of Chapter 164, municipal light departments such as RMLD operate and are managed as commercial enterprises, separate and independent from general town governmental departments and subject to regulatory oversight by the Department of Telecommunications and Energy ("DTE").<sup>1</sup> Taunton, 323 Mass. at 84. As such, municipal light plant officials act under the legislative mandate of G.L. c. 164 and not as agents of the towns. Id. Municipal light plants are "quasicommercial" entities created by special act; municipalities themselves have no inherent rights to own and operate a business in the absence of special legislation and the enabling statutes, found at G.L. c. 164, §§34 et. seq. See e.g., MacRae, 296 Mass. at 396; Spauldina v. Peabody, 153 Mass. 129, 137 (1891). Thus, without G.L. c. 164, a town would not have the right to operate a municipal light plant. MacRae, 296 Mass. at 397

Second, unlike schools, municipal light plants are financially distinct entities. See Middleborough v. Middleborough Gas & Elec. Dept., 422 Mass. at 588. Municipal light plants

Town has  
no right to  
op. RMLD

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RATES NOT TAXES

generate revenues from rates, not taxes and the SJC distinguishes these two types of income.

Income from sales to private customers is not subject to the appropriations procedures of G.L. c.

~~4~~ or the control of the Selectmen. Municipal Light Comm'n of Peabody, 348 Mass. at 271.

Although school departments have some degree of autonomy with respect to fiscal matters, the

relationship between towns and school departments is much more intertwined. See generally

Board of Ed. v. Boston, 386 Mass. 103 (1982).

Accordingly, simply because school departments retain some measure of freedom, that freedom does not equate to that possessed by municipal light plants, nor does it support the proposition that the light plant commissioners should be considered department heads. School departments and light plants operate under two distinct statutory schemes.

5. Reading Town Charter

NOT Authority by

We also note that the Reading Town Charter does not require the signatures of any of the

Commissioners to authorize payment of RMLD's warrants. Section 3-5 expressly gives the

municipal light board authority over "all real estate, facilities, personnel and equipment of the

Town pertaining to the production and transmission of electrical power." That section also

acknowledges the powers given to municipal light boards under G.L. c. 164, § 34 et seq. The

Town Charter in no way abridges, nor could it, those powers or the powers of the Manager. As

such, the Manager remains the "department head," that person in charge of the day-to-day

operations of the plant, especially with regard to the administration of accounts, payroll, and

<sup>1</sup> The DTE's supervisory authority over municipal light plants also indicates that the DOR has no authority to dictate the warrant procedures to be followed by RMLD or any other municipal light plant

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other light plant finances. Accordingly, RMLD would not need to seek a modification to the Town Charter to give the Manager the sole authority to sign warrants.

CONCLUSION

In sum, we conclude that only the Manager's signature is required to obtain payment of payroll and other expenses. Our conclusion is supported by G.L. c. 164, § 56, as well as the specific requirements under G.L. c. 41.

Please let us know if you have any questions on this matter.

**Vincent Cameron**

**From:** Bo or Gina [bogina03@earthlink.net]  
**Sent:** Sunday, July 08, 2012 9:06 PM  
**To:** Vincent Cameron  
**Cc:** Phil Pacino, Bob Soli, Marsie West, Bob Fournier, Jeanne Foti  
**Subject:** Account Payable Signing from 2000

To follow up on the question of account payables, it appears from the minutes below that the issue was to go to Town Meeting in 2000 - did this happen and what was the outcome?

It also appears that there was a brief from R&R, is that available?

**Reading Municipal Light Board**  
**Joint Meeting with Town of Reading Selectmen and RMLD Board of Commissioners**  
**on the Issue of Signatures on RMLD Warrants and Payrolls**  
**Reading Town Hall**  
**16 Lowell Street, Reading, MA 01867**  
**September 5, 2000**

**Start Time of Meeting: 7:45 p.m.**  
**End Time of Meeting: 8:20 p.m.**

**Attendees:**

**Commissioners: Messrs. Ames, Hughes, Pacino, Burditt and Swyter**

**RMLD Staff: Mr. Rucker and Ms. Cavagnaro**

**CAB Member: Mr. Roger Lessard**

**Guests: Attorneys Ken Barna, Diedre Lawrence, and Ted Cohen**

**Selectmen: Messrs. Nestor, Hines, Cummings\*, Mses. Hoyt and Anthony**

**\*Mr. Cummings arrived at the end of the Warrant Signature Issue**

**Town Staff: Messrs. Hechenbleikner and Foley, Ms. Schena**

Mr. Nestor noted the Reading Municipal Light Board had their counsels present as well as Town Counsel Ted Cohen. He noted that Peter and he had talked about the item on the agenda, and had included information in the package, correspondence, and a legal brief from Rubin and Rudman. Mr. Nestor asked

Mr. Hechenbleikner to summarize the issue before the Selectmen.

Mr. Hechenbleikner stated that the Light Board had requested to meet with the Board of Selectmen, and that the issue is the process required by the Town for approval of Light Department bills and payrolls. Mr. Hechenbleikner noted by order of the Town Charter, the Town Manager signs all the payroll for the Town including schools and light department. Mr. Hechenbleikner noted the interest is in the light department having a similar ability, that is, a more limited sign off rather than having the full membership of the Light Board signing bills payable and payroll. Mr. Hechenbleikner, Len Rucker, Ted Cohen, and Richard Foley had met a month or two ago to discuss the issue. One way to accomplish what is requested is an amendment to the Reading Home Rule Charter. Mr. Hechenbleikner noted the legal memorandum from Rubin and Rudman and the contrary letters from the DOR and the further



memorandum giving their opinion that a summary judgement by a court would definitely settle the issue.

Mr. Pacino expressed the Commission position. Mr. Pacino noted the Commission would like to get to the point where the Commissioner rotate among themselves, one signs the bills completely for the paper review each time.

Mr. Rucker pointed out that the Town and the RMLD report to different regulatory agencies with different perspectives and the laws that govern the two entities are somewhat different. Mr. Rucker noted the important factor is logistics. Whereas a week delay in approvals might have been acceptable practice in the past, in the computer age such delays are unacceptable. The Commissioners have jobs and lives and are not always available to RMLD.

Extensive Board and Selectmen discussions ensued.

Mr. Hechenbleikner noted the issue is not of legality, the issue it is a difference of opinion between RMLD's counsel, Town Counsel and the DOR. Mr. Hechenbleikner noted there could be a charter change or a declaratory judgement through the court.

Mr. Hines asked what had changed to bring the issue up at this time.

Mr. Ames explained that the recent West Boylston decision effectively stripped the Light Boards of any power to prevent a payment that had been approved by the light department manager, so that the only reason for review of bills and payroll by Light Boards was one of business prudence.

Mr. Hechenbleikner noted that before the charter change the Selectmen all had to sign the warrants. Mr. Hechenbleikner also noted that the warrant closes September 26th for Fall Town Meeting.

Mr. Nestor asked how we get from here to there.

Mr. Nestor made a motion seconded by Ms. Hoyt that the Board of Selectmen request Town Manager and Town Counsel and Town Accountant to develop language for the subsequent Town Meeting to achieve the change required to allow the Municipal Light Board to have one member and the General Manager to authorize payment of bills and payroll.

**Motion carried 4:0:1. Mr. Cummings abstained from this vote, as he was not present for the full discussion.**

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

Allan E. Ames  
Secretary, RMLD Board of Commissioners

## READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board of Commissioners

July 31, 2012

From: Vinnie Cameron

Subject: Account Payable Warrant Signature Issue

At the July 25, 2012 RMLD Board meeting, the RMLD Board adopted the recommendation of the RMLD Board Policy Committee to refer the Account Payable Warrant Signature issue to the Massachusetts Attorney General's (AG) Office for a determination. I did not comment on this action at the RMLD Board meeting because I needed to analyze the ramifications of this decision. However, after considering the proposed action, I offer the following.

### **What happened in the past with respect to this issue?**

In 1999, the RMLD broached the same issue (one signature on the Account Payable Warrant) with the Town of Reading. In 1997, the Department of Revenue (DOR) had rendered an opinion for West Boylston, stating that municipal light plants need a majority of their Board Members to sign the Account Payable Warrant. In 2000, the RMLD asked Rubin and Rudman for an opinion on this issue, which stated that only the General Manager's signature was required on the Account Payables Warrant. (You were sent copies of both the DOR opinion (7/12/12) and Rubin and Rudman opinion (7/9/12) by e-mail.)

At the September 5, 2000 Reading Selectmen's meeting (minutes attached), the RMLD Board Members and the Town of Reading Selectmen discussed the Account Payable Warrant signature issue and it was agreed that one RMLD Board Member would sign the Account Payable Warrant and the Town Charter would be amended to reflect the change. According to Chairman Pacino, the issue lost traction before it went before Town Meeting.

### **What is happening presently?**

I have discussed the Account Payable Warrant Signature issue with the Reading Town Manager and it is his contention that the Reading Town Charter requires that a majority of the RMLD Board is required to sign the Account Payable Warrant.

The RMLD Policy Committee suggests referring the issue to the AG and the RMLD Board concurred with this action. It is not clear to me that the AG has any specific authority over municipal light plants. The AG's office deals with cities and towns regarding their local laws and charters.

Chapter 194 is the Massachusetts General Law (MGL) that governs municipal light plants in Massachusetts. However, Chapter 194 doesn't specifically address how many signatures are required on an Account Payable Warrant.

The 1997 DOR opinion for the Town Of West Boylston referred to above is still out there and I don't know that any Massachusetts General Laws have changed which would alter that opinion.

Given the facts above, there are a few unanswered questions surrounding this issue. I recommend that the RMLD Board reconsider its decision to go to the AG with this issue. The RMLD Board should meet with the Selectmen and discuss this issue before exploring other avenues of relief.



BOARD MATERIAL AVAILABLE  
BUT NOT DISCUSSED



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

October-12

	RESIDENTIAL 750 kWh's	RESIDENTIAL-TOU 1500 kWh's 75/25 Split	RES. HOT WATER 1000 kWh's	COMMERCIAL 7,300 kWh's 25,000 kW Demand	SMALL COMMERCIAL 1,080 kWh's 10,000 kW Demand	SCHOOL RATE 35000 kWh's 130.5 kW Demand	INDUSTRIAL - TOU 109,300 kWh's 250,000 kW Demand 80/20 Split
READING MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$96.40	\$170.28	\$111.65	\$866.78	\$168.26	\$4,023.87	\$11,010.02
PER KWH CHARGE	\$0.12854	\$0.11352	\$0.11165	\$0.11874	\$0.15580	\$0.11497	\$0.10055
NATIONAL GRID							
TOTAL BILL	\$116.16	\$194.61	\$139.40	\$1,037.29	\$148.09	\$3,650.32	\$9,914.57
PER KWH CHARGE	\$0.15488	\$0.12974	\$0.13940	\$0.14210	\$0.13712	\$0.10429	\$0.09054
% DIFFERENCE	20.49%	14.29%	24.85%	19.67%	-11.99%	-9.28%	-9.95%
NSTAR COMPANY							
TOTAL BILL	\$118.91	\$216.22	\$156.40	\$1,072.09	\$161.44	\$5,973.40	\$14,256.00
PER KWH CHARGE	\$0.15854	\$0.14414	\$0.15640	\$0.14686	\$0.14948	\$0.17067	\$0.13019
% DIFFERENCE	23.35%	26.98%	40.08%	23.69%	-4.05%	48.45%	29.48%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$89.79	\$173.91	\$117.83	\$938.13	\$157.14	\$4,772.99	\$10,996.97
PER KWH CHARGE	\$0.11972	\$0.11594	\$0.11783	\$0.12851	\$0.14550	\$0.13637	\$0.10043
% DIFFERENCE	-6.86%	2.13%	5.54%	8.23%	-6.61%	18.62%	-0.12%
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	3.49%	16.51%	18.80%	10.70%	0.10%	18.37%	21.08%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$104.99	\$203.67	\$137.88	\$1,045.84	\$168.46	\$4,895.58	\$13,519.62
PER KWH CHARGE	\$0.13998	\$0.13578	\$0.13788	\$0.14327	\$0.15599	\$0.13987	\$0.12347
% DIFFERENCE	8.90%	19.61%	23.49%	20.66%	0.12%	21.66%	22.79%





## Account Payable Warrant - September 21

Jeanne Foti

**Sent:** Monday, September 24, 2012 6:57 AM

**To:** Accounting Group

**Cc:** Vincent Cameron; Patricia Mellino

Good morning.

There were no questions for the Account Payable Warrant - September 21.

Thanks.

Jeanne Foti

Executive Assistant

Reading Municipal Light Department

781-942-6434 Phone

781-942-2409 Fax

Please consider the environment before printing this e-mail.

## Account Payable Warrant - September 28

Jeanne Foti

**Sent:** Monday, October 01, 2012 7:00 AM

**To:** Accounting Group

**Cc:** Vincent Cameron; Patricia Mellino

Good morning.

There were no Account Payable Warrant questions for September 28

Thanks.

Jeanne Foti

Executive Assistant

Reading Municipal Light Department

781-942-6434 Phone

781-942-2409 Fax

Please consider the environment before printing this e-mail.

## **AP QUESTIONS 10-12-2012**

Patricia Mellino

**Sent:** Tuesday, October 16, 2012 8:16 AM

**To:** Accounting Group

**Cc:** Jeanne Foti; Vincent Cameron

Good Morning,

There were no questions for the October 12, 2012 Accounts Payable.

Thanks.

Patty Mellino

Facilities Operational Assistant

Reading Municipal Light Department

Phone: 781-942-6413

Fax: 781-942-2409

 Please consider the environment before printing this e-mail.

**Account Payable Questions - October 19**

Jeanne Foti

**Sent:** Monday, October 22, 2012 12:20 PM

**To:** Accounting Group

**Cc:** Vincent Cameron; Patricia Mellino

There were no Account Payable Questions - October 19.

Thanks.

Jeanne Foti

Executive Assistant

Reading Municipal Light Department

781-942-6434 Phone

781-942-2409 Fax

Please consider the environment before printing this e-mail.

**Payroll - October 22**

Jeanne Foti

**Sent:** Tuesday, October 23, 2012 7:15 AM

**To:** Accounting Group

**Cc:** Vincent Cameron; Patricia Mellino

Good morning.

There were no Payroll questions for October 22.

Thanks.

Jeanne Foti

Executive Assistant

Reading Municipal Light Department

781-942-6434 Phone

781-942-2409 Fax

Please consider the environment before printing this e-mail.

