

**READING MUNICIPAL
LIGHT DEPARTMENT**

**BOARD
OF
COMMISSIONERS**

REGULAR SESSION

FEBRUARY 29, 2012



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

230 Ash Street
Reading, MA 01867
February 29, 2012
7:30 p.m.

- 7:30 p.m. 1. **Opening Remarks/Approval of Meeting Agenda**
- 7:35 p.m. 2. **Introductions**
- 7:40 p.m. 3. **Presentation - Quarterly Conservation Program Update – Mr. Carpenter (Tab A)**
- 8:00 p.m. 4. **Approval of January 5, 2012 Board Minutes (Tab B)** **ACTION ITEM**
Suggested Motion:
Move that the RMLD Board of Commissioners approve the Regular Session meeting minutes of January 5, 2012.
- 8:10 p.m. 5. **Report from RMLD Board Committees** **ACTION ITEM**

a. **Report of the General Manager Committee – Chairman Hahn**
i. **General Manager’s Contract**

b. **Report of the Power & Rate Committee – Chairman Hahn**
i. **RMLD’s Annual Request for Proposal for Power Supply**
- 8:30 p.m. 6. **General Manager's Report – Mr. Cameron (Tab C)**

a. **RMLD’s Telephone System**

b. **Pension Trust Transfers and Rate Stabilization Fund**

c. **Massachusetts Proposed Municipalization Bill**

d. **Executive Office of Energy and Environmental Affairs (EOEEA)**
- 8:40 p.m. 7. **Financial Report – January 2012 – Mr. Fournier (Tab D)**
- 8:50 p.m. 8. **Power Supply Report – January 2012 – Mr. Seldon (Tab E)**
- 9:00 p.m. 9. **Engineering and Operations Report – January 2012 - Mr. D’Alleva (Tab F)**
Gaw Update
- 9:10 p.m. 10. **M.G.L. Chapter 30B Bids – Material (Tab G)** **ACTION ITEM**

a. **2012-27 RTU Station Controllers and Supplementary Services**
Suggested Motion:
Move that bid 2012-27 for RTU Station Controllers and Supplementary Services be awarded to Survalent Technology Corp. for a total cost of \$94,023.00 as the lowest qualified bidder on the recommendation of the General Manager.

b. **2012-29 Line Truck Lift Equipment Inspection and Preventative Maintenance**
Suggested Motion:
Move that bid 2012-29 for Line Truck Lift Equipment Inspection and Preventative Maintenance Service be awarded to James A. Kiley Co. for \$115,560.00 as the lowest qualified and responsive bidder on the recommendation of the General Manager. This is a three-year contract.

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

ACTION ITEM

c. 2012-30 Line Truck Chassis Inspection and Preventative Maintenance Service

Suggested Motion:

Move that bid 2012-30 for Line Truck Chassis Inspection and Preventative Maintenance Service be awarded to Taylor & Lloyd, Inc. for \$106,517.66 as the lowest qualified and responsive bidder on the recommendation of the General Manager. This is a three-year contract.

d. 2012-31 Meters

Suggested Motion:

Move that bid 2012-31 for Form 12 S Network ERT Meters be awarded to AvCom Inc. for a total cost of \$37,550.00 as the lowest qualified bidder on the recommendation of the General Manager.

9:30 p.m. 11. General Discussion

**9:40 p.m. BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED
Rate Comparisons, February 2012
E-Mail responses to Account Payable/Payroll Questions**

9:45 p.m. RMLD Board Meetings

Wednesday, March 28, 2012 and Wednesday, April 25, 2012

Citizens' Advisory Board Meeting

Thursday, March 8, 2012

9:50 p.m. 12. Executive Session

Suggested Motion:

Move that the Board go into Executive Session to discuss Rubin and Rudman billing on 2011 power supply, to discuss collective bargaining, and return to the Regular Session for the sole purpose of adjournment.

ACTION ITEM

10:00 p.m. 13. Adjournment

Suggested Motion:

Move to adjourn the Regular Session.

ACTION ITEM

PRESENTATION
BOARD REFERENCE TAB A



Reading Municipal Light Department Energy Conservation Program

February 2012 Update

Topics

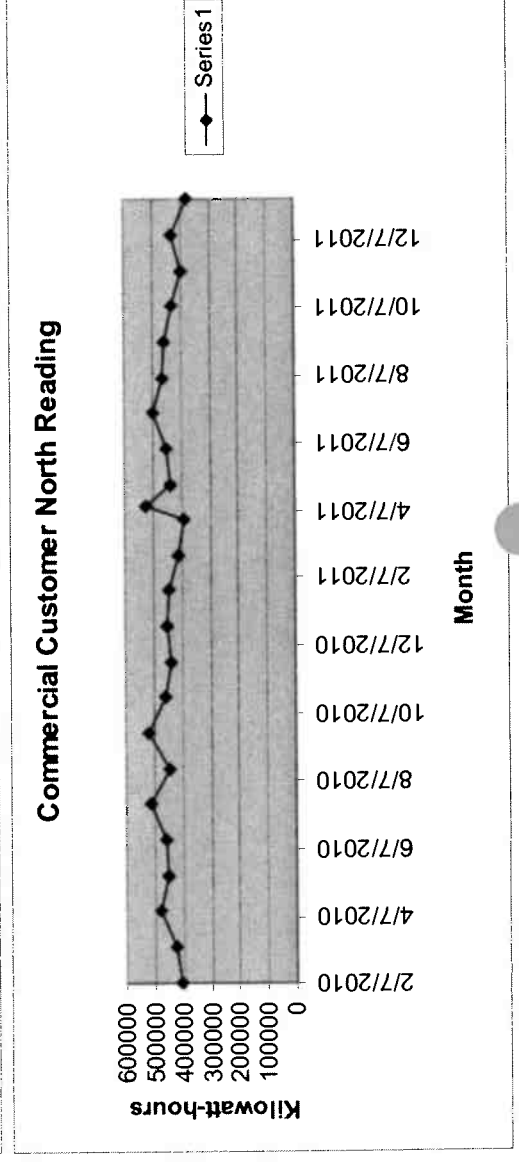
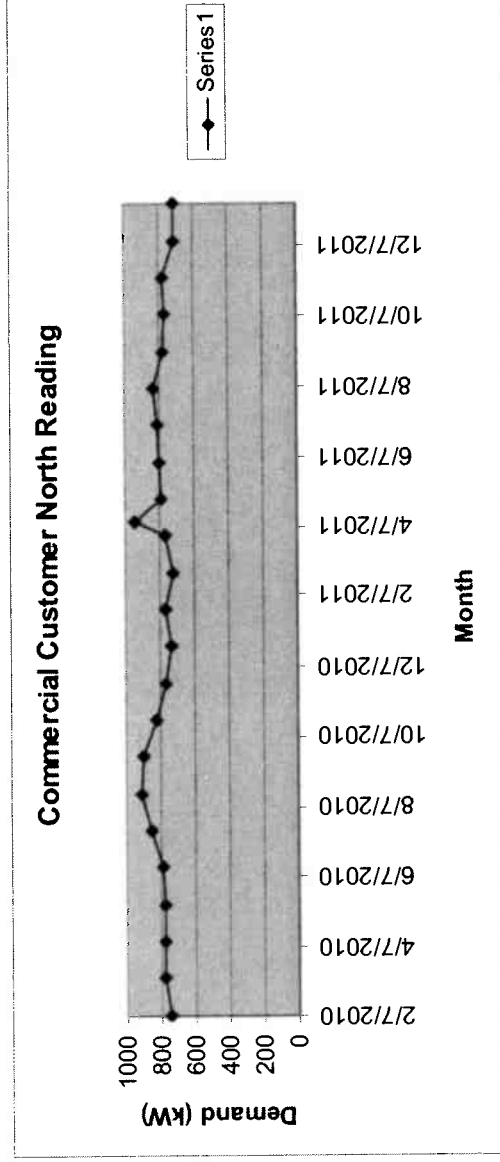
- Awards/Grants
- Project Review
- New Project Update
- Renewable Technology
- Commercial Solar Project

Awards/Grants

- MAPC awarded town sustainability plan.
- DOER awarded \$50,000 for a residential demand response program.

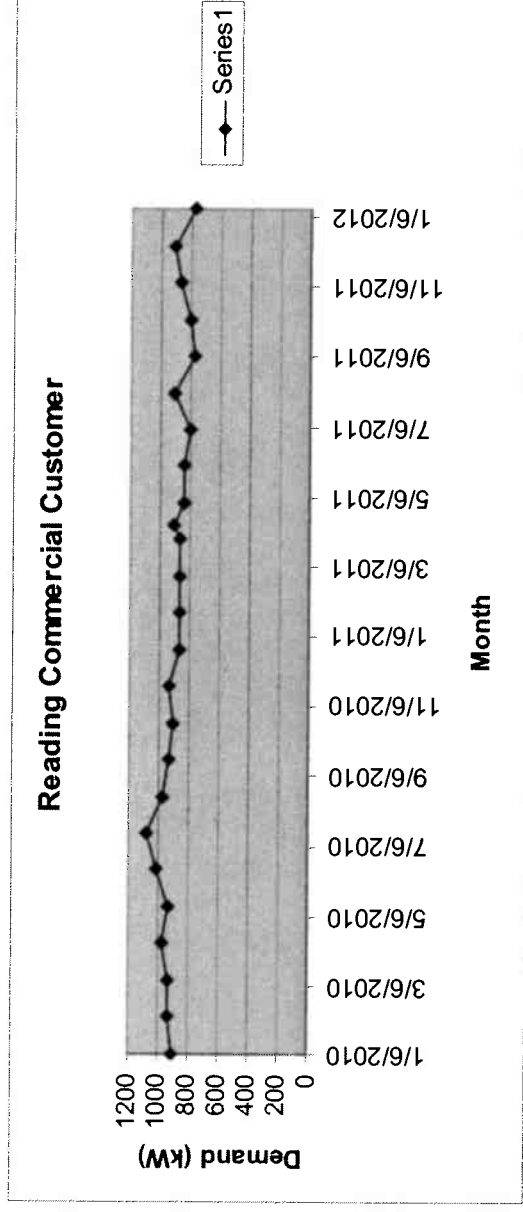
Project Review (Commercial Building North Reading)

- The goal was 44 kW, actual on-peak reduction coincident with our peak was 108 kW (12% reduction). There was a 3% decrease of kWh during summer months and during the year. The end result was a rebate of ~\$310/kW removed.



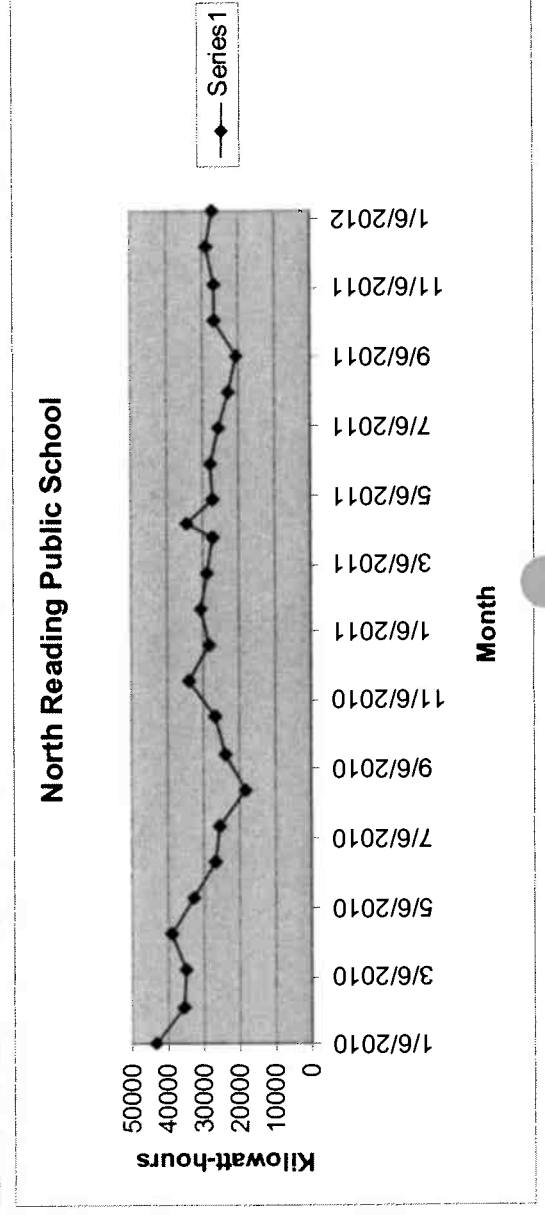
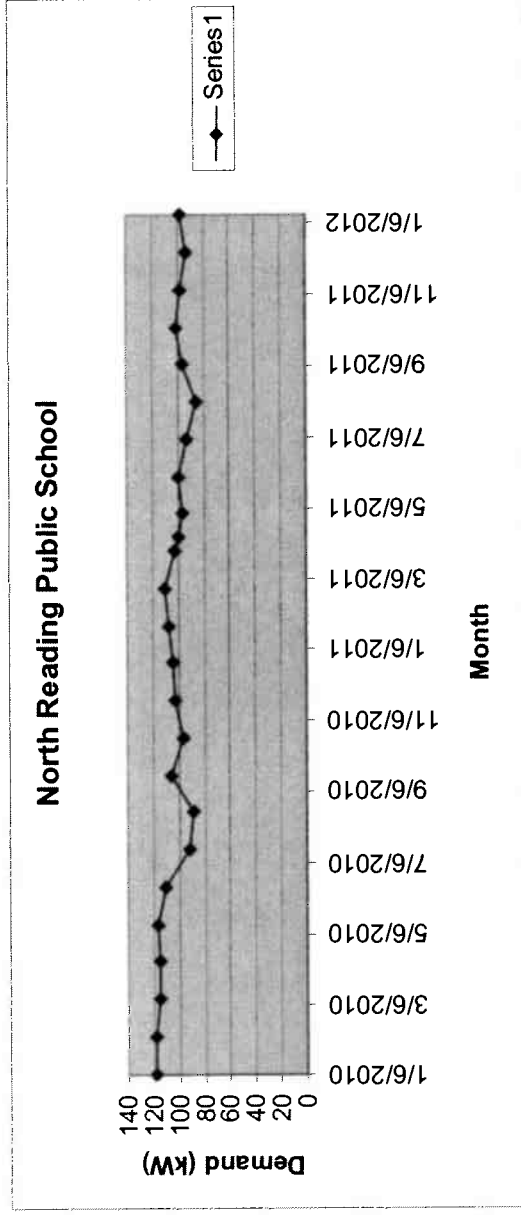
Project Review (Commercial Building Reading)

- The goal was 72 kW, actual on-peak reduction coincident with our peak was 168 kW (17% reduction). There was a 20% decrease of kWh during summer months, and a 12% reduction over the year. The end result was a rebate of ~\$60/kW removed.



Project Review (North Reading Public School)

- The goal was 6 kW, actual on-peak reduction was 12 kW (14% reduction). There was an 11% decrease of kWh during the year (~\$6,700). The end result was a rebate of ~\$250/kW removed.



New Project Update

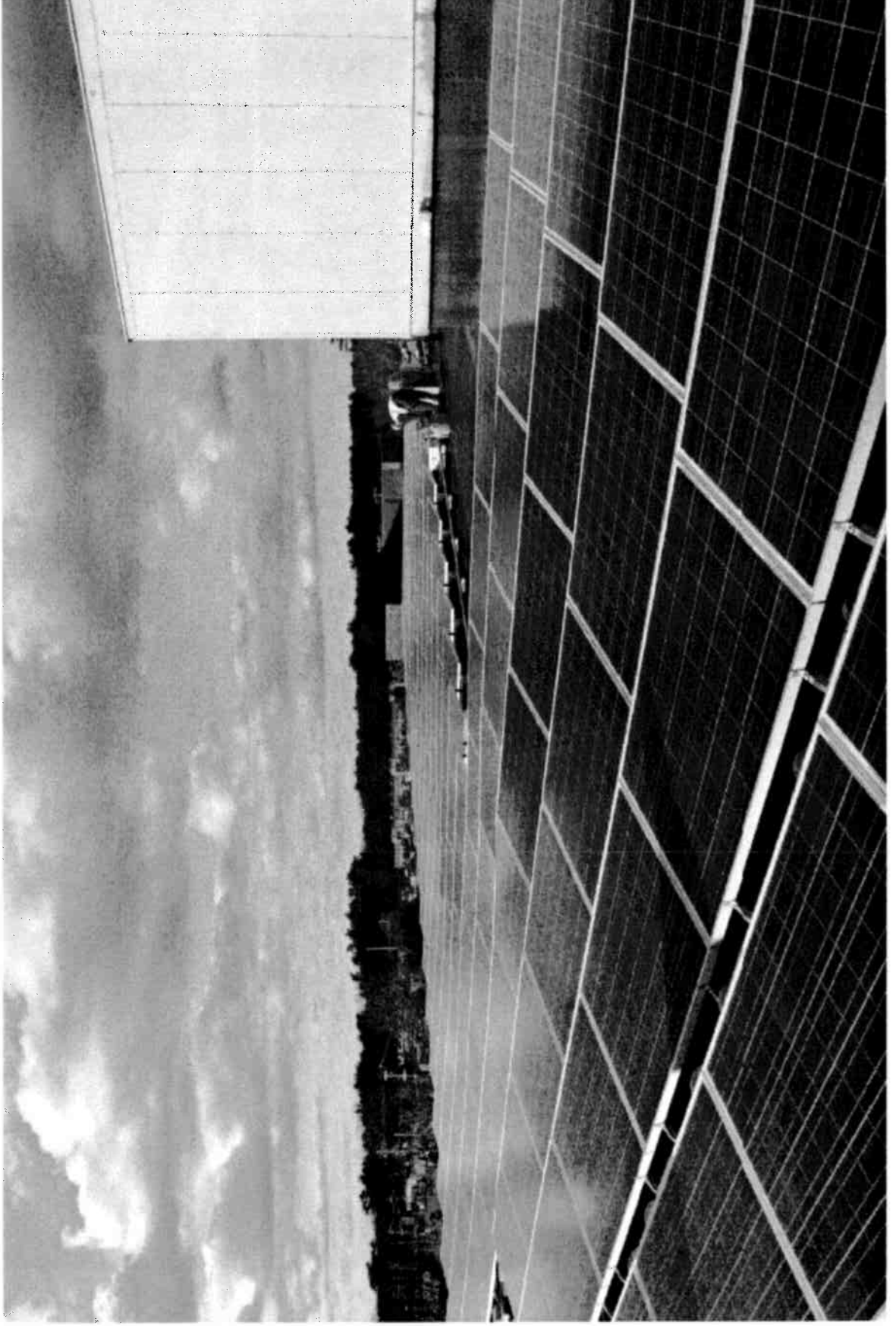
- Commercial
 - Lights
 - Rooftop Air Conditioners (RTU's)
 - Solar Arrays
 - Building Automation Systems (BAS)
 - Audits
- Residential
 - Geothermal
 - Solar Arrays
 - Heating systems
 - Insulation

Municipal Renewable Projects

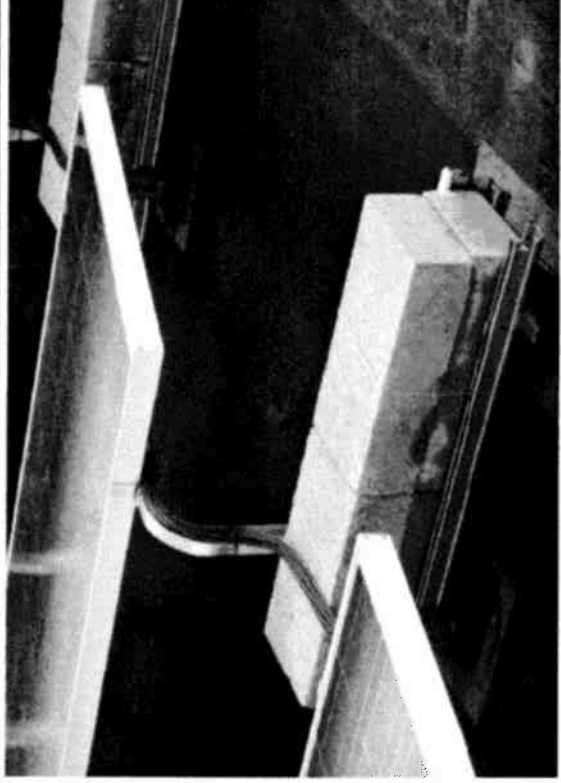
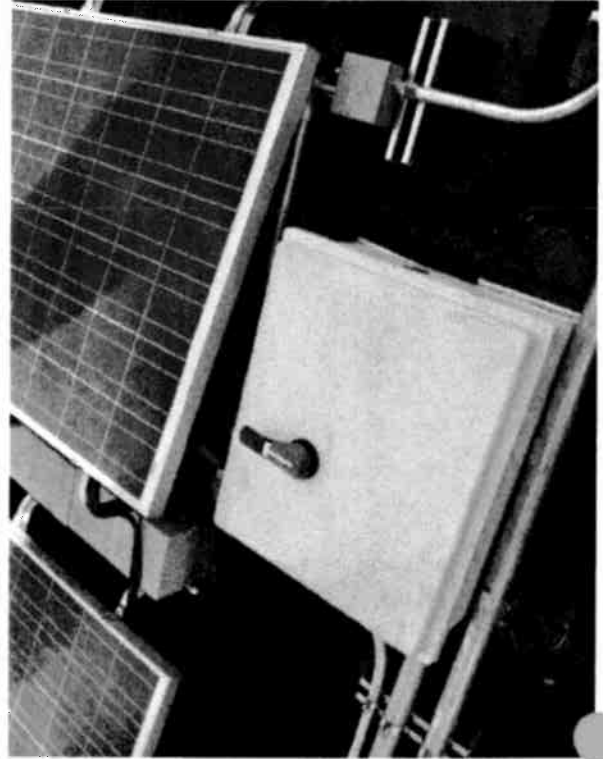
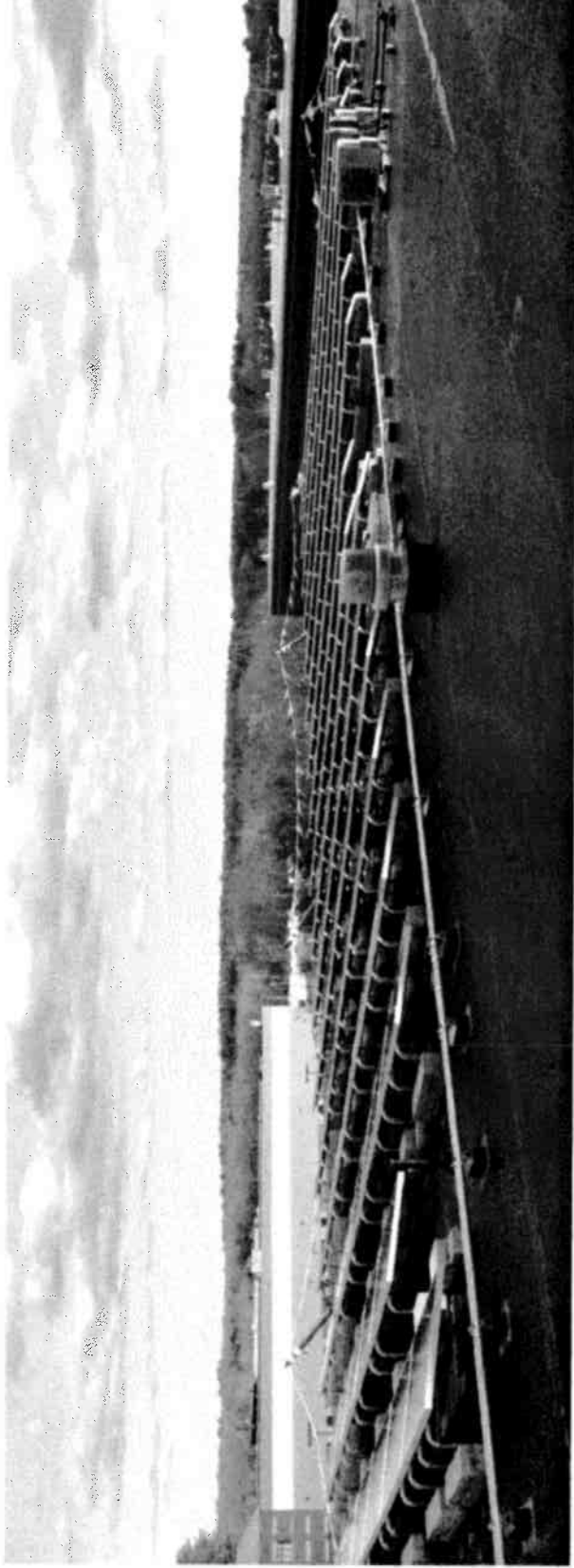
- RMLD partial rebates
- No cost to the town projects
- Additional revenue, roof replacements, etc.
- RMLD can help with any renewable or sustainability project. We recommend getting us involved early.
- Our ability to work quickly gives us an advantage.

Columbia Construction Solar Array

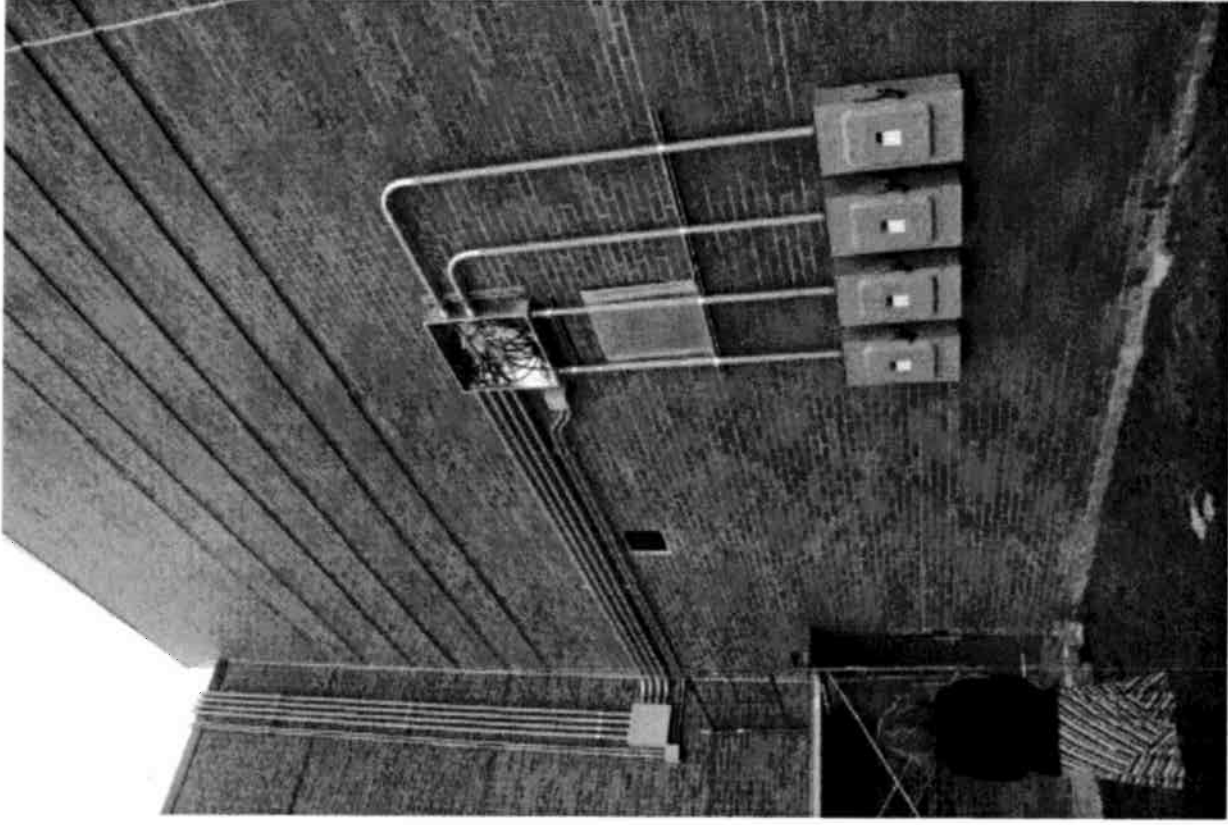
- 75 kW, 98,000 kWh, 380 modules



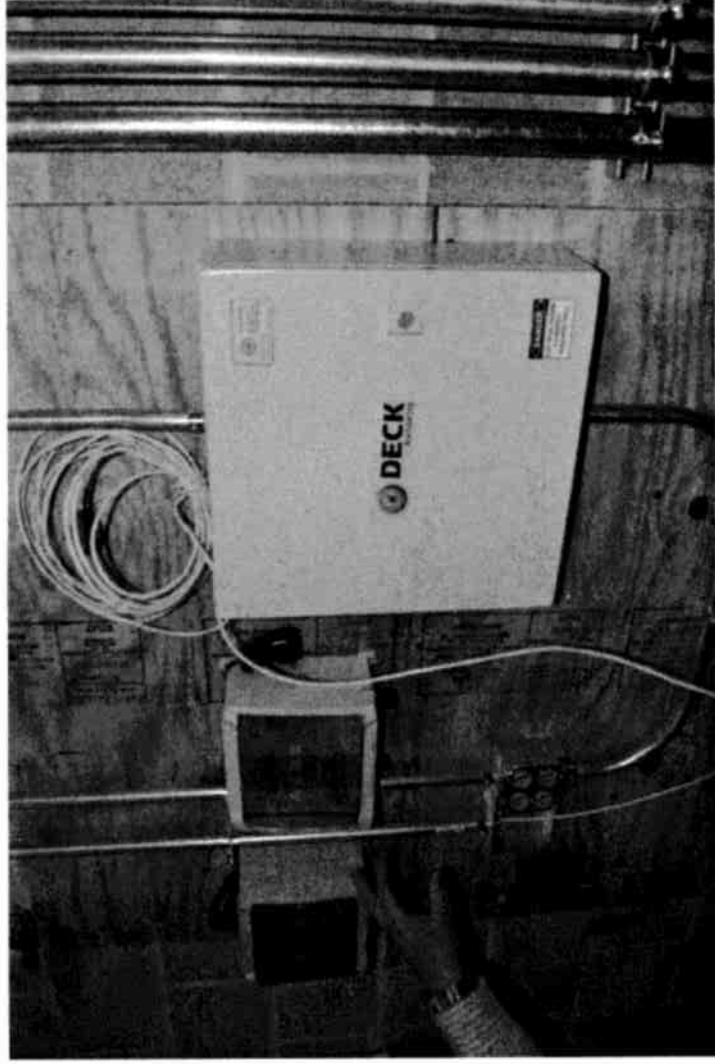
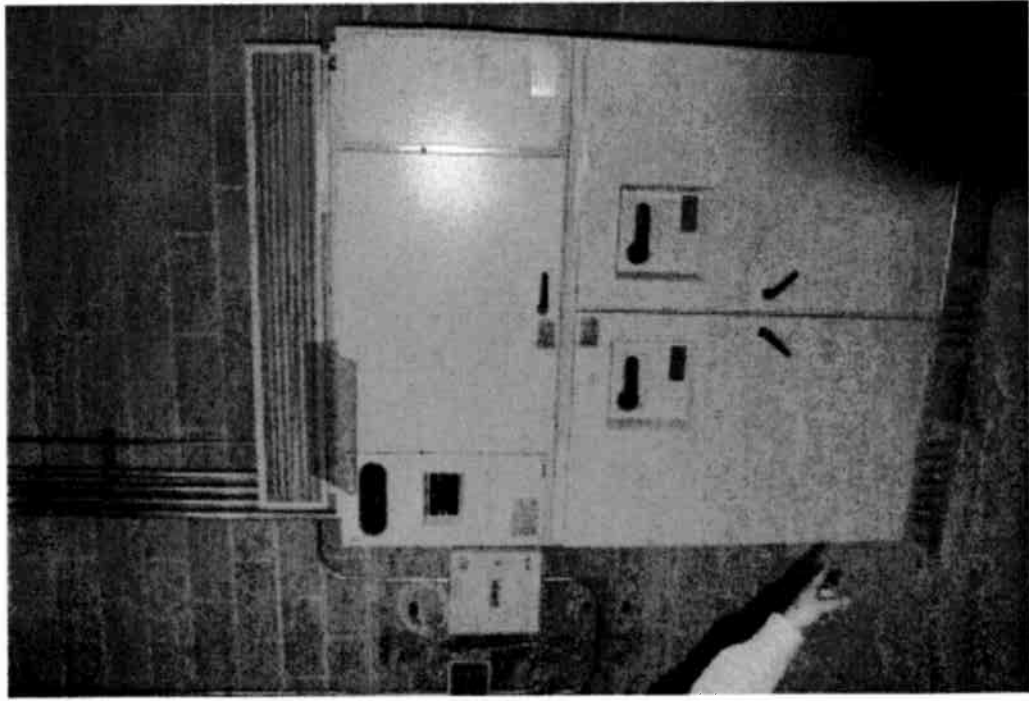
Roof Space, Disconnect, Wind Load



Disconnect Switches



Inverter, Monitoring Controls



REGULAR SESSION MEETING
MINUTES
BOARD REFERENCE TAB B



Reading Municipal Light Board of Commissioners
Joint Meeting with the
Reading Municipal Light Department Citizens' Advisory Board
Regular Session
230 Ash Street
Reading, MA 01867
January 5, 2012

Start Time of Regular Session: 7:10 p.m.

End Time of Regular Session: 8:37 p.m.

Attendees:

Commissioners:

Richard Hahn, Chairman

Mary Ellen O'Neill, Commissioner

Robert Soli, Commissioner

Philip B. Pacino, Vice Chair

Gina Snyder, Secretary

Staff:

Vinnie Cameron, General Manager

Jeanne Foti, Executive Assistant

Jane Parenteau, Energy Services Manager

Jared Carpenter, Energy Efficiency Engineer

Paula O'Leary, Operational Assistant

William Seldon, Senior Energy Analyst

Citizens' Advisory Board (CAB):

Arthur Carakatsane, Chair

George Hooper, Member

Tony Capobianco, Member

John Norton, Secretary

Tom Ollila, Member

Public:

John Arena

Bob Quinn

Frederick Van Magness

Ron D'Addario

John Rogers

David Williams

Call Meeting to Order

Chairman Hahn called the meeting to order at 7:10 p.m.

Chairman Hahn stated that, this meeting of the Reading Municipal Light Department (RMLD) Board of Commissioners January 5, 2012, is not being broadcast live at the RMLD's office at 230 Ash Street, Reading, MA. This meeting is being video taped for distribution to the community television stations in North Reading, Wilmington and Lynnfield.

Chairman Hahn said that the RMLD Board of Commissioners has one agenda item, to discuss the Renewable Energy Certificates (RECs).

Chair Carakatsane called the Citizen's Advisory Board (CAB) meeting to order at 7:12 p.m. Chair Carakatsane introduced himself as the representative from Lynnfield. The CAB members introduced themselves as well: Tony Capobianco representative from Reading; Tom Ollila representative from Wilmington; John Norton representative from North Reading; and George Hooper representative from Wilmington.

Chair Carakatsane said that before they address the first major item, it should be noted, that both Boards have received considerable materials (which include memos from staff, numerous items submitted by the members of the Boards and concerned citizens), which will be made part of the official record. Chairman Hahn commented that, as with all meetings, there is the opportunity for public comment. Chairman Hahn polled to see if there were any elected officials who wanted to make a public comment. There were none present. Chairman Hahn addressed the public in attendance and said that if they had any comment following the discussion as the proceedings go forward, to just put up a hand to be recognized. Mr. Van Magness said that he would like to make a statement at some point. Ms. O'Neill pointed out that if a member of the public has a prepared statement it should be made at the beginning of the meeting.

Public Comment

Mr. Van Magness thanked the Board, the CAB members, and the Department. Mr. Fred Van Magness introduced himself and reported that he resides at 243 Franklin Street, Reading and had been involved with the CAB for a few years as well as town government.

Public Comment

Mr. Van Magness commented that the issue of the RECs is somewhat of a charged issue, and he is not sure how to weigh in. The Board may have more information and he does not have the same resources. Mr. Van Magness' point to the Board is that it is the responsibility as elected officials to represent Reading, the three towns, and the benefits to the ratepayers. As Mr. Van Magness looks at the discussion on having potential benefits expire without opportunity to favorably impact ratepayers, he takes exception. Mr. Van Magness noted two issues: 1. Let the RECs expire with no value; or 2. Go to market and collect the dollar value revenue to offset costs and rates. These seem to be the fundamental points. Mr. Van Magness said that he understands renewable energy is important. Having renewable energy is a fabulous opportunity and he is not talking about renewable, but about reducing cost and maximizing revenue. Mr. Van Magness thanked the Chairman for the opportunity to address them this evening.

Mr. Ron D'Addario thanked the Chairman, the RMLD Board, and the CAB Board for having him as well as the staff of the RMLD. Mr. D'Addario said that he will offer an opposing view to Mr. Van Magness. Mr. D'Addario stated that he also is speaking in part as Chair of the Reading Climate Energy and Environmental Committee. Mr. D'Addario reported that a couple of weeks ago, they had a vote on RECs. With four voting members present three members voted to retire the RECs, and one member voted to sell the RECs. Mr. D'Addario commented that there is a responsibility to the ratepayers, but the responsibility includes more than just a dollar sign. He is also a ratepayer who is very concerned about sustainability. Mr. D'Addario would ask that if we claim to be sustainable that the RMLD be sustainable as much as feasibly possible, and if we want to claim that we cannot, sell it away. If RMLD sells the REC's, we will have no sustainability. If we sell all the RECs we cannot both claim it and sell it, because the person or company we are selling to will claim it; they have a right to claim it. We both cannot claim it. The Climate Committee several years ago voted that we try to get ten percent reduction in our greenhouse gases by 2012, and obviously that is not going to happen. That was not just for the RMLD, it was for the town in general. There is a point that you have to look at the science and take action. There is a point that you say we have to start making a change. Will what we do in Reading affect change worldwide? No, but if one thousand, ten thousand, one hundred thousand Readings, with the RMLD starting this effort then you have effect. You can't wait for it to come from the top down, we have to start here. We have to be an example. Not even Mr. Van Magness is looking for the final buck.

Mr. D'Addario hoped he was not putting words in Mr. Van Magness' mouth, and Mr. Van Magness is looking at what is best for everybody. We may have a difference of opinion. What is best for everybody is to start getting on a sustainability kick and not be fearful of it. Mr. D'Addario thanked the Chairman for the time to speak.

Mr. John Arena, who lives at 26 Francis Drive, introduced himself and said that he is a Town Meeting member and a Finance Committee member. He noted that he is at the meeting this evening as a private citizen. Besides the two discussions thus far, there is another aspect he would like to raise. The greater desire of all of us is to increase the demand for sustainable energy; users desire this. Paradoxically, if you hang onto these RECs you deny the market those that would buy them or have the opportunity to buy them. If you restrict supply, the price will increase. In a larger sense by selling them you will ultimately increase the demand for renewable energy, because you will encourage the sale of these RECs, which comes with the production of more of them. If you want to look at the larger goal, creating more renewables, you want to encourage the total user base to be participative. By selling the RECs, you achieve that end goal. It is the short term view versus the long term view. By selling these, you create excitement in the marketplace about the opportunity to participate in renewable energy even if you do not necessarily have a contract. You can still claim your piece of the pie. That in a larger sense provides more bang for the buck than what it means for little Reading. There is far more leverage contemplating the sale of these and the impact it has on a continuing fashion throughout the years done by other towns, done by us in the future, than the economic value to us at the moment. The second point as a consumer is this power has already been produced. The water has come over the dam. The power is done. What we are talking about now is the right to say that we have consumed it. This represents bragging rights. It is like going to a restaurant saying that we are satisfied and paying the check proves that we had our meal. He could care less about bragging rights. If someone else does care about them, (keeping in mind) the power has already been produced and the goodness has already been delivered into the economy and into the environment by selling them you encourage more demand, which has a greater downstream affect than you might imagine. Do not think about just this week, this month, or this town, but think of the larger goal driving, increasing, and encouraging more demand. Then you will see the wisdom in letting these go towards satisfying that larger goal. It is a difficult conversation and a controversial topic. Mr. Arena thanked the Chairman for entertaining his conversation this evening.

Public Comment

Mr. John Rogers, who lives at 39 Tower Hill Road, North Reading, introduced himself, and thanked everyone, the Board, and the staff. He is a Senior Energy Analyst at the Union of Concerned Scientists, a national organization based in Cambridge, and he has worked on renewable energy for two decades as well as volunteer energy issues. From his perspective, when Reading became part of the Cities for Climate Protection movement about six years ago he thought that was great. He wishes that North Reading could do something like that, but looks to Reading for leadership and inspiration, and it was a terrific start. When the RMLD introduced the Green Choice Program four years ago -- a municipal utility offering voluntary renewable energy to its customers, he thought that was terrific. It showed leadership, foresight, and an understanding of what people wanted. Looking at recent numbers, he was very pleased, to see that there was adoption of the Program, that people took that on, and there was very little drop even during the economic downturn. It speaks volumes to the RMLD's customer base interest in renewable energy. It is a small portion of the customer base that is taking advantage of it now, but to see that is marvelous. When he read about the renewable energy purchases that RMLD has made, he meant to write Vinnie and the commissioners a thank you for doing this. Mr. Rogers showed a newspaper article, with the headlines, "RMLD Acquires More Green Power". RMLD is saying that it understands there is value in this, and there are reasons why one might want to do this, and our customer base may want us to do that, and we did this. He thinks that is terrific. If you look at the national perspective until there is a national energy policy and until there is a driver for renewable energy at the national level, the leadership must come from elsewhere. Massachusetts, in 1997, became the first state to mandate that all its investor owned utilities hit a renewable energy target, which has been bumping up every year. Twenty nine states plus the District of Columbia require this for its utilities. Massachusetts back then did not require that municipal utilities participate. It takes leadership at the municipal level to say that we want to increase our portion of renewable energy and understand the value it has. There are a lot of things in terms of energy diversity or the fixed prices we get or the greenness or the sustainability we are voting for with our dollars. He thought that was terrific.

Mr. Rogers said that the voluntary renewable energy market, notwithstanding the comments of the prior speaker, has been a major driver in the market for about half of renewable energy produced in this country since 1998. This is people buying those RECs and retiring them. As we buy them and sell them you are not doing anything to drive the market forward. Buying them and retiring them then as an NSTAR or a National Grid or some other entity is required by compliance to do, makes them go out there and find more. So what do they do, they turn to the private sector. The private sector produces more renewable energy, maybe not right then, but the next month, the next year, or two years down the road. It is an ongoing cycle. Those voluntary renewable energy purchases are driving renewable energy development, they are a major piece.

Mr. Rogers said that if, as a community, we decide to sell the RECs, the next headline says or it has to say that RMLD decided not to acquire green power, so let's be clear. (Mr. Rogers noted the material he provided from the EPA, Federal Trade Commission, and Union of Concerned Scientists) and from the materials sent, it would be fraud to count that as renewable energy. Renewable energy is wrapped up in the Renewable Energy Certificate and that goes to the buyer.

Mr. Rogers said that if we are the buyer, and we can retire them, then we can make those claims. We get to do this because we understand that this is the future we want for our community and is the future we want for our children. Mr. Rogers thinks they made a great decision, and the Board should stick with retiring the RECs. Mr. Rogers expressed his thanks for presenting his opinion.

Chairman Hahn thanked everyone for coming out this evening. There was a lot of thought about this issue. Chairman Hahn wanted to thank everyone for their comments. Chairman Hahn said that out of the four speakers what he heard is that two are for selling and two are for holding. This reflects the difficulty that the town in general and the Board in particular may have. What that shows is that we are representative of your view or you are representative of ours and he is uncertain which is correct. Chairman Hahn said to the public in attendance that if they wanted to speak during the meeting to raise their hands, and he will do his best to give them an opportunity to speak.

Renewable Energy Certificates (RECs) (Attachment 1)

Chair Carakatsane asked if there would be any presentation from staff. Chairman Hahn responded, no, it was not his intent, nor was it his intent to go through the encyclopedia of handouts. Chair Carakatsane suggested that the CAB have discussion on its side, and then make a recommendation.

Renewable Energy Certificates (RECs) (Attachment 1)

Chairman Hahn suggested to Chair Carakatsane there is one issue he is hopeful that they can agree upon, and it is the decision to sell has to be linked to what to do with that money. Chairman Hahn said that he thought he heard at the Board of Selectmen meeting the inkling of a consensus saying that if in fact we do vote to sell these, it would be used solely to reduce power costs and not use them to make other investments. Chairman Hahn said that at the Board of Selectmen's meeting it was said that we could create a separate fund to invest in specific renewable projects in RMLD's service territory. It would be important to clarify this before we vote. Chairman Hahn asked if the Boards can agree if we do sell the RECs that any money needs to flow back to Purchase Power.

Chair Carakatsane said that he has a couple of comments. One of things to keep in mind is that Renewable Energy Certificates encompasses smaller issues under it including three programs: 1. Green Choice Program, where ratepayers pay extra money and that money goes to buying RECs on the market now, and it is specifically detailed that they be retired. 2. RECs have been produced over the last year under the contract with Swift River, which has a series of hydro plants (four) which have been banked, not sold or retired. 3. In 2012, Concord Steam is expected to come online, which is a wood burning plant that will produce far more RECs. A subsidiary issue is if any RECs are sold what do you do with the money. Chair Carakatsane said that he saw inklings in the Subcommittee minutes, and it was expressed at the last joint meeting that any decision should be reviewed annually. Chair Carakatsane pointed out that roughly the annual RECs from the hydro plants if they went to market at this time are worth around \$450,000 to \$500,000. With Concord Steam, the amount that could be garnered for the RECs is \$1 million to \$1.5 million. Overall, we are looking at potentially \$1.75 million to \$2 million. It is the size of what we are talking about and these are important factors.

Chairman Hahn noted that Chair Carakatsane raises an interesting point about how far in advance, if in fact we do authorize the sale, the Boards should review the decision. What he heard suggested was that in calendar year 2012, the issue be revisited at the end of the year. Chair Carakatsane said that this came up at their last meeting in which Chairman Hahn attended, and Chair Carakatsane said he saw that it came up at the subcommittee meetings as well. Chair Carakatsane stated that the review date is a subsidiary issue and could be permanent. Chairman Hahn said that this Board or a future Board could reverse that decision. Chairman Hahn said that he sees two ancillary issues on the table: 1. For what period of time do we sell them, and he heard the proposal for 2012 calendar year; and 2. What to do with those funds. The reason why Chairman Hahn thinks this is important is he does not want to have any misunderstandings going forward. Mr. Pacino said that he wanted to address the issue of review. The Department's fiscal year ends June 30, and he thinks that it would be better to be discussed in June of each year to match the fiscal year of the Department.

Mr. Pacino stated that he is in favor of having an annual review of this going forward. Mr. Pacino said that the June – July time period would be the time to make that decision. Mr. Pacino commented that the budget process begins in January with the budget voted in April or May in which the Board, the Board's Budget Committee, and the CAB have done their review. He thinks a review should take place as part of the budget process each year. Chairman Hahn clarified that what that means is that the sale should be set between January 1, 2012 and June 30, 2013. Chairman Hahn said that he does not want to have any more misunderstandings or disagreements or confusion about what we are doing because that is how we got into this.

Chair Carakatsane said that the approach he is going to take on the CAB side is get input from all and get consensus. Chairman Hahn stated that the Board has a motion that could be read if that is helpful. Mr. Pacino suggested getting input from the CAB and hear their recommendation, and discussion ensued.

Chair Carakatsane stated that it is his intent to get a consensus.

Mr. Capobianco stated that he is a strong proponent that we maintain sustainability. He thinks keeping these RECs off the market will drive the price and encourage renewable development, so his thought is to retire the RECs for all projects. Chair Carakatsane clarified for both projects, Concord Steam and Swift River. Mr. Capobianco replied, yes. Mr. Capobianco stated that it is important that Reading become a leader and with the yearly revenues approximately \$90 million, the benefit to the ratepayer is relatively minimal.

Renewable Energy Certificates (RECs) (Attachment 1)

Mr. Capobianco said that if the Board of Commissioners instructed the RMLD to purchase renewable energy that was at the behest of the ratepayer, so the ratepayers are interested in a sustainable energy portfolio.

Mr. Ollila stated that he is still relatively new on this Board, and he has a lot of questions. His general sense is in agreement with Mr. Capobianco, and that one of the reasons he wanted to get active on this Board is to help promote renewable energy and sustainability. The good news is that this is a prominent issue. Clearly, we have some debate or controversy over the best way to implement that. He frankly has more questions than answers right now. The first thing he would like to ask is this a one time decision that we are going to sell or retire them. We generate new RECs every year. We could say that we are going to generate new RECs this year and next year say we are going to retire them or do it year by year.

Chairman Hahn stated that Mr. Pacino's suggestion is to make this decision in conjunction with the budgeting process and fiscal year, which runs from July 1 to June 30. Currently, we are in January and for all intents and purposes if we were going to make a decision for the next eighteen months that would take us to the end of fiscal year 2013, at which time we could get together and meet again whatever the outcome is. This is not an irrevocable decision.

Ms. O'Neill stated that she feels that if the CAB and Board were to adopt a voluntary renewable portfolio standard or some renewable energy policy that would supersede an annual review. It might provide for annual review, but she does not feel bound to committing to an annual review. Perhaps for the first year, but she would prefer to see us develop a policy that sets us on a course for awhile.

Mr. Norton said that over the last few weeks, he has weighed both sides of this issue. He noted that some of the members know on both the Boards that he was one of the CAB members a few years ago that pushed for the promotion of renewable energy. At this time, he is leaning towards retiring the RECs. He does not think that it is in the best interest, and he hears the ratepayer part of it on the financial standpoint. He has heard from John Rogers from North Reading and from other people in North Reading who could not attend this evening. Every one of them has stated that they want to retire the RECs. He does not think that RMLD can promote being a green power company in our portfolio if we sell them. It is a misleading statement. He is not in favor of selling them. He is in favor of retiring them. Commissioner Hahn makes a very strong case for retiring the RECs. He would not be in favor of the sale of them. His preference is to retire them and be able to say that we have the green power.

Mr. Norton agrees with Commissioner O'Neill that jointly between the two Boards, we do need to develop a very strong policy and adhere to it whichever way it goes. In fairness to everyone, including the General Manager, there needs to be something in place to say this is what we have for policy, and this is how we are going to proceed from here. That is his opinion on the matter and he would hope tonight that this could be resolved one way or the other in order that we can move on. He is strongly in favor of retiring the RECs.

Mr. Hooper said that this has not been an easy decision. He has been back and forth both ways looking at these. Mr. Hooper said that he agrees with Mr. Norton. After reading e-mails and going over some of the input he has had, he believes these RECs are a benefit of our efforts that we have put out there saying that we are green and sustainable, and we want to keep on that path. To sell the RECs, he agrees, would become a false statement. Fiscally, his initial reaction would be to sell them all off and use them to reinvest in other renewable energies. He is now leaning towards retiring them.

Chair Carakatsane said that his thought is similar to those expressed. The first thing he looks at is there is as much as \$2 million sitting on the table. He never leaves money on the table. There would be an impact on the ratepayers. At one point there was a refund to the ratepayers for an even smaller amount. The possibility of up to \$2 million is important even more so in these worse economic times since the Depression. Most people are getting by. Shut offs and delinquencies were up and just coming down, but it is still serious. On the other hand, purchasing renewable energy sources has to be a priority in order to support the market in terms of developing them. Swift River is a great example of that. These projects have a hard time finding purchasers even though you think they would be plentiful. It does come at a premium in which Energy Services has done an excellent job by looking at projects that come within reason, and are not catastrophically above normal rates such as Cape Wind. That is the yin/yang of where the market is to have green power, but at what price, it's still a green plant.

Renewable Energy Certificates (RECs) (Attachment 1)

Chair Carakatsane said that if you are under a portfolio situation, that does not justify it in itself and in his analysis he did not give a whole lot of weight. The important thing is to be buying from such plants at a reasonable price. He also struggles with the Concord Steam Plant, a wood burning plant, and there are environmental questions and green energy proponents that do not consider wood burning renewable or green. There is a real question about the carbon footprint, particularly the CO₂. He has been torn and can go in either direction. When he walked through the analysis, the Green Choice Program the RMLD has mandates to purchase and retire the RECs and is not sure why the RMLD should be considering purchasing RECs that we are developing out of our own contracts and retiring them that way. Get the money back in and they are retired. The philosophical concept he is most prone to is the Swift River RECs are retired. He is more troubled about Concord Steam, which is a larger in scale. He is not as wedded to retiring those as equally wedded to selling them. There is also some debate about what do you do with the money. The idea is to go out and buy more power at a premium. There is a huge argument to give it back to the ratepayers through the Purchase Power Adjustment. Another suggestion is to set up a bank to fund renewable projects within the geographic confines of our service territory.

Chair Carakatsane said that any of those are good; however, he is not sure if they are all legal. He would defer to the General Manager and legal counsel. He does think it is important whatever we sign that either on a calendar year or a fiscal year that the sources of them and what happens to them is reviewed. Policies do not last forever. The policy may be to review them annually. He is never wedded to stay in one direction, because times change. Things happen, and it is important that you never get too wedded to them; goals provide direction. Chair Carakatsane said that he is willing to entertain a motion. Chairman Hahn has no objections to the CAB making a motion.

Mr. Arena had a question on driving demand noting that he sees two scenarios, and maybe he does not understand the math. He sees a scenario where they get earned. If the same program is executed next year with the same funding to provide additional units of energy, we claim the credit. He sees another scenario where the amount we spent this year plus the incremental amount that we get out of selling these, we give up the right to say we used it, but we sleep at night secure in the knowledge that we increased organic demand from the supplier by being able to steer that incremental revenue to Swift River or any other small producer of our choice. That is what he meant earlier when he said you drive demand. You get to steer the extra cash towards the provider of your choice for any source of renewable that you choose. It all depends on the economics; \$2 million is incremental funding. It either has \$2 million worth of value to steer or it has zero. Mr. Arena quoted Robert Kennedy: "If you don't care who gets the credit you can get a lot done." He is not interested in bragging rights, but he would be interested in doubling down in the organic demand, because it has much more staying power.

Chairman Hahn said that if we sell these certificates we do not direct whom they go to. They could be sold to a broker, who could turn around and sell them to someone who is just buying compliance.

Ms. O'Neill pointed out that what Mr. Arena is referring to is the amount of money that we would realize if we sell these and that we would put the money towards buying additional projects. It is her understanding that is not the case. If we were to sell these it is her understanding that the money would go into the RMLD's Fuel Charge. She asked if that were correct. Chairman Hahn responded that is his understanding. Mr. Cameron replied that is where it is collected now. Chairman Hahn said that if the RMLD wants to create a new fund such as one we have now where there is a small charge collected in everybody's electric bill, and where Ms. Parenteau and Mr. Carpenter can go around the service territory and invest in conservation measures at homes or businesses that then save money. Chairman Hahn said that it was decided a fairly long time ago that we wanted to invest in energy efficiency. Money is collected, and we reinvest it in our customers' homes or businesses. The RECs, he thinks, because they were bought as part of a long term purchased power agreement have to go back into that to reduce it. Chairman Hahn said that he thinks that you cannot double down to the extent Mr. Arena described.

Mr. Arena said that if you displace the cost, it would show up somewhere else in the income statement. Chairman Hahn commented that we can, as a group, decide that a conservation program works great, have an even bigger program, and use that to fund renewables such as putting a solar panel on someone's home. This could be done whether you sell the RECs or not. Chairman Hahn's point is that once you sell the RECs you cannot direct where they go, because you do not know. Chairman Hahn thinks that because we collected this money through a portion of our tariff, the Purchase Power Adjustment that is where the credit would have to go.

Renewable Energy Certificates (RECs) (Attachment 1)

Ms. O'Neill commented as an example, it is her understanding that if we were to sell the Swift River RECs for one year, approximately \$450,000 to \$500,000 of that money would go back into the Fuel Charge and would reduce the average residential customer's bill (who uses seven hundred fifty kilowatts a month) by fifty cents a month. For fifty cents a month you would give up all these claims to renewable energy, and you would not be helping to develop new additional renewable projects out there on the market. That would be the actual benefit to the customer -- a fifty cent reduction on their monthly bill to sell the Swift River RECs each year. The RECs are a floating amount in terms of their worth. It is not a definitive sum, and it depends on what is out there in the market. They can change in value, so it is not a guaranteed amount. Ms. O'Neill said that we cannot take that money and put it towards a specific concrete project.

Mr. Arena commented that if you do not sell there is no cost. Ms. O'Neill said that the cost is already included in what we are currently paying in our bills. Ms. O'Neill commented that the Swift River projects are a competitively priced renewable project. Ms. O'Neill stated that the Swift River project is not an expensive project like Cape Wind. Ms. O'Neill commented that the Energy Services staff has done a great job. Ms. O'Neill pointed out that the cost of the renewable energy is shared among all customers.

Chair Carakatsane said that the current rates incorporate two Purchase Power Agreements at a slightly higher premium. Chair Carakatsane commented that the RMLD does purchase from the Spot Market on a daily basis at a much higher rate. The RMLD has competitive rates. The RMLD is not the lowest in state. Chairman Hahn pointed out that the RMLD has the fourth lowest rates in state. Chair Carakatsane stated that the RMLD rates are the second lowest in this area. Chair Carakatsane commented that although there are renewable projects, the RMLD is doing well on the rate side. Ms. O'Neill wanted to add to Chair Carakatsane's comments that reminded her RMLD's annual Purchase Power Contracts cost about \$39 to \$40 million annually. Ms. O'Neill said that \$500,000 is a small percent of what RMLD spends on all the power supply to serve our four towns. Ms. Parenteau said that the numbers Ms. O'Neill is giving is without fuel. Chairman Hahn added that he thinks the amount spent (including fuel) on the total power supply is \$70 to 80 million.

Chairman Hahn explained that \$13 to \$14 million go to the physical assets such as the wires, poles, meters and transformers. Chairman Hahn said that \$70 to \$75 million goes out the door to buy electricity, because the RMLD does not generate its own power, which would make it an even smaller percentage than presented by Ms. O'Neill.

Mr. Soli asked the General Manager that we have these assets in hand and have been collecting them right along so how does the RMLD's Accounting System account for these assets. He asked if we see it in the monthly report. Mr. Cameron responded that the monthly report reflects the Fuel Charge Revenues, and a portion of the Fuel Charge Revenues is where the RECs would be paid for by the consumers. Mr. Soli said that we have these assets in hand. Mr. Cameron said that we do not delineate that. Chairman Hahn said that they do not show up as an asset on our books. Mr. Pacino added that right now it is being expensed. Mr. Soli asked what the RMLD auditor thinks about this. Mr. Cameron responded that the RMLD auditor will write a written explanation of how they believe we should handle that depending on whether we retire the RECs or we sell the RECs.

Mr. Pacino said that as he understands it, right now, these are paid out as part of the fuel purchase costs, which are being expensed. One of the things that is possible is this Board could adjust the rates. The Board could put more into energy conservation. Mr. Pacino's position on this is fairly open. If we sell the RECs, whatever monies are realized each year he is in favor of some sort of annual review, and these monies could be used to adjust the rates. He added that maybe we could cut our fuel costs down or adjust the conservation rate. There could be potentially more conservation money that could be used in the service territory for projects. Chairman Hahn said that decision could be made independently of how we treat the RECs. Mr. Pacino was in agreement. Chairman Hahn added that could be a discussion for another day. Mr. Pacino commented that it could be made independently without selling the RECs, but you raise the rates to the customers. Chairman Hahn said that is a decision the Board would have to make. Mr. Pacino said that to address Mr. Arena's point potentially there could be a way to have some adjustments to the system. Mr. Arena asked if you could wash it through the Fuel Charge.

Mr. Van Magness said that hypothetically, if the RECs were sold, could you take the \$500,000 or \$1 million or whatever the revenue number would be and possibly put that in a separate fund that in fact could be used by the Department to expand the utility owned renewables. Mr. Van Magness commented that perhaps we need a windmill, a solar array or some other new technology that is out there, and then we would become even greener.

Renewable Energy Certificates (RECs) (Attachment 1)

Mr. Van Magness does not think that there is a person in the room that doesn't believe that the wave of the future is to get away from fossil fuel generated power and try to maximize how much we get from renewable power sources. Is this a possibility? Chairman Hahn responded that he thinks you can set up a separate fund to do that, but we collected this money from our customers for these purchases through a written tariff that was filed with the state, the Purchased Power Adjustment clause. It says its purpose is to reflect purchases and sales of electricity.

Chairman Hahn's interpretation of those tariffs is that, and he has performed rate making work for other utilities in the state, if the RECs were sold we would need to flow the money back. Chairman Hahn commented that Mr. Pacino said that we could always start a new fund to fund windmills, but that is a separate decision. Mr. Van Magness responded that he does understand this. Mr. Van Magness was seeing if there were any other alternative, because the goal is that everyone gets more renewable. Chair Carakatsane pointed out that your bill has an extra tariff on it for the energy conservation charge, which funds projects within the RMLD service territory as well as audits and technology. Chair Carakatsane said that within the RMLD's service territory the obvious renewable projects cannot be done, because there is not enough wind to support wind projects, solar is expensive, and there is not sufficient water in the rivers, and they all have their issues. Mr. Van Magness said that he was thinking to a different scale.

Ms. O'Neill said that we are looking for a justification to sell the RECs, and we are dangling money in front of ourselves as a carrot to perhaps do something else, and she disagrees with Chair Carakatsane. To her, the essential argument is we give up the claim to greenness, renewables, sustainability, if we sell the RECs. Ms. O'Neill stated that to her, this is the bottom line. Ms. O'Neill is not enamored with the arguments of the different possibilities that we could do with the supposed money. It is a little bit of a dead end. Ms. O'Neill said that she wants to address the comment that Chair Carakatsane said about the possibility of using the money we receive from our Green Choice Program from those participants to possibly buy our own RECs. She is appalled by that and she has seen that in a memo from staff. She participates in that program, as many here probably do, and at this point the RECs we get from this program are shared among all our customers. We are all enjoying the benefits of that green energy.

Ms. O'Neill said that if we were to sell off our greenness and then turn around and say that the money that the Green Choice participants contributed will buy back those RECs, she would resign from the Green Choice Program. She finds this disturbing, and would advocate that we give that up. She wants to make a strong point about that.

Mr. Soli had a couple of points: 1. Cap and trade says that if you are better than the quota then you can sell off the excess. Currently, the RMLD's quota is zero. If we were to sell off the excess that is what cap and trade is. 2. At the last meeting of this Board we went into Executive Session to discuss power purchases. A respectable developer in the area wishes to develop in our territory a solar project. Chairman Hahn cautioned Mr. Soli because that project was discussed in Executive Session. Mr. Soli added that the solar developer is going to sell power to the RMLD. It is not solar cells on a roof, but a solar farm. Because of the way we went into Executive Session we could not approve this in Regular Session. Basically, the Board thought that was a good idea. Anybody in solar is selling the RECs, because there is a huge payback and without these subsidies they cannot do it. The RMLD is enabling this project and are not adding any part of the RECs. If you are one of those that say you have to have the check then you can brag about it and can't claim it as revenue; however, he would be proud to say that we enabled this solar farm to go ahead. Mr. Soli said that we do not have to hang our heads in shame, because we do not have the RECs, but will be proud, because we enabled this even if the RECs went elsewhere. Who cares because this represents another source of sustainable power that will come about because of our actions? Mr. Soli added that Concord Steam had a hard time trying to find buyers for their project; however, we enabled that to go ahead. The RECs to him are interesting; he is pragmatic and says that let's get the sustainable power out there. Let's do the right thing for the customers.

Mr. Norton made a motion seconded by Mr. Capobianco that the CAB recommend to the RMLD Board of Commissioners not to sell the RECs, however, they should be retired for both the Swift River and Concord Steam purchase power agreements for the duration of the contracts.

Mr. Ollila asked if this is just this year's RECs or all future RECs. Chair Carakatsane responded said that he has an alternative motion. Mr. Hooper asked if the motion can be amended to add "for a period of time". Mr. Hooper asked how long the duration of these contracts is. Ms. Parenetau replied fifteen years. Chair Carakatsane suggested putting in a review period.

Mr. Norton, Aye; Mr. Hooper, Aye; Mr. Ollila, Aye and Mr. Capobianco, Aye; Chair Carakatsane, No.

Motion carried 4:1:0. Chair Carakatsane voted against the motion.

Renewable Energy Certificates (RECs) (Attachment 1)

Alternative Motion:

Mr. Norton made a motion to recommend to the RMLD Board of Commissioners adopt a policy of retiring all RECs obtained for a period of time.

Chairman Hahn clarified that there was one motion moved and seconded and asked why this motion. Chair Carakatsane asked for debate on the first motion noting the second motion was not seconded. Mr. Hooper said that the first motion closes out options, because the contracts run fifteen years. Mr. Hooper commented that once we get greener, sustainable, renewable energy, and more RECs will be generated, we might want to reconsider this. Chair Carakatsane pointed out two things on the motion that has been seconded: 1. This restricts it to Swift River and Concord Steam, and 2. He assumes that there will be more purchases in the next couple of years. There could be wording that ties it into the duration of the contracts with reviews. Also, any policy or other vote can change this recommendation. If in six months from now we do not like it, we change this. Chair Carakatsane stated that the second motion was something put together here to be more encompassing to have a policy. Chair Carakatsane commented that what he hears is a request for a policy that is carte blanche, but he does not recommend that. Chair Carakatsane stated that he could not support that.

Chair Carakatsane polled the CAB members for comment on the original motion where it is for the duration of the contract. Mr. Capobianco said that he can support it unless there is a reason or another vote to make another recommendation; Mr. Hooper said that it was fine, and Mr. Ollila said that it was fine as is. Chair Carakatsane stated that as the motion exits he cannot support it.

Mr. Pacino suggested making a motion at this point, and then each Board member would be given the opportunity to express their opinions. Chairman Hahn said he would entertain a motion.

Ms. Snyder made a motion seconded by Ms. O'Neill to direct the General Manager to hold and retire and not sell the Renewable Energy Certificates received from RMLD's renewable energy purchases for Swift River and the Concord Steam projects for the duration of the contracts. The Board discussed the motion.

Mr. Pacino wanted to thank everyone for all their input and noted it has been a very interesting debate. There has been a lot of thought, a lot of input. He wanted to thank anyone who has submitted written comments and took the time to do this. He read all the comments. Mr. Pacino said that some of them were very thoughtful and for those not in attendance this evening, he would also like to thank them for their comments. He is glad that all the comments will be made part of the written record. He said that Mr. Van Magness said some of the things that he feels. We have a commitment to the ratepayers. It is \$2 million that is here. These projects have supported the facilities. They have gotten them off the ground. Mr. Pacino pointed out that in terms of the research no other municipalities are retiring the RECs, and asked Mr. Cameron if that were correct. Mr. Cameron replied that is correct of those whom he contacted. Mr. Pacino commented that the municipalities are under no mandate to sell these. There is no state mandate that we retire these. We did appear in front of the Reading Selectmen, both cases were made, and the Selectmen were very much emphatic that basically these should be sold, because they benefit the ratepayers. It was their feeling that there was benefit to the ratepayers and to go forward to help the ratepayers. Mr. Pacino thinks that there is some way there can be some balancing that can be done going forward in terms of how we set some of the rates. He would like to see this reviewed. At some point, he would like to offer an amendment that the policy only covers through the period of June 30, 2013 in order to have a definite set period. There are many people out there in this economy who are struggling. He is a Certified Public Accountant and has many companies that are struggling and some after thirty five years are going out of business, which is a shame. We should sell these, and it is something that can be addressed in eighteen months. State regulations, rules and regulations could change as well as economic conditions. These should be sold and he has made his position known before the Commission. He read Chairman Hahn's memo. He appreciates the memo, and thought it was very informative and very well done. He said that he did not understand what the RECs were. Most of this discussion took place at the Power & Rate Committee, when he was not there. This issue did not come up until it was presented to the full Board. His position is that the RECs should be sold for the benefit of the ratepayers. It is part of our commitment to the ratepayers not only in Reading, but in Wilmington, North Reading and Lynnfield Center.

Mr. Soli asked a point of order that motions should be forward going. The motion should say hold and let expire and not sell so that would be one way to approach it. Another approach would be if you do not want to hold them, you could have a motion to sell and what that motion includes. Mr. Soli stated that he is a pragmatist and believes a lot of people in Reading are pragmatists as well and they want to see good things happen. Selling the RECs is the pragmatic thing to do, and it does not change sustainable power.

Renewable Energy Certificates (RECs) (Attachment 1)

Ms. Snyder said that the argument that power is sustainable if you sell the RECs is incorrect. There is a lot of documentation that has been submitted to this Committee demonstrating that at various levels of the government. They are the ones that set up the whole REC system in order to account for this. The preponderance of comments that she has seen and received has supported retaining the RECs. Holding them drives the market to create more renewable energy. Selling is a short term gain for long term harm, and fundamentally, does not make sense. To purchase them and then to turn around and sell them represents a loss. She is against selling the RECs.

Ms. O'Neill stated that she is opposed to selling the RECs, and she does represent the ratepayers. There are many aspects in which you can represent ratepayers. One is not exclusive of the other. We have to look at quality of life on our planet for our children and grandchildren. She feels voting to retire the RECs on the larger scale is symbolic of a vote for the future. Ms. O'Neill wanted to correct a statement made by Mr. Pacino about the members of the commission who attended a Board of Selectmen meeting. There was no stance, no vote, or motion taken by the Board of Selectmen in terms of how they feel. Two Selectmen did speak up. Mr. Pacino said that he takes issue with this. Ms. O'Neill added that two people on the Board of Selectmen did indicate selling, based on the information they had that was not as extensive as we have received. There was no motion. Ms. O'Neill said that she feels that this is a Board and CAB decision.

Chairman Hahn said that his position is well known if anyone reads *The Reading Chronicle*. We decided as a group, sometime ago, that we wanted to include renewable energy in our power supply portfolio. We knew that it would be costing more than conventional power supply. We did not decide to make this 50% or 75% of our portfolio. We thought it was important to have a small percentage of our supply portfolio in renewable projects. We worked very hard to get renewable projects that were reasonably priced. We have been fortunate to achieve that. We looked at many projects in which the price was much higher and said no. We found two good projects, and we think in a couple of years this will represent approximately nine percent of our portfolio. It does not make sense to him having worked so hard to bring in renewable projects to turn around and give that up. If we do that or had done that we would have raised our rates for no reason. It is not the right thing to do.

Ms. Snyder re-read the motion.

Ms. Snyder made a motion seconded by Ms. O'Neill that the Reading Municipal Light Department Board of Commissioners to direct the General Manager to hold and retire and not sell the Renewable Energy Certificates received from RMLD's renewable energy purchases for Swift River and Concord Steam projects for the duration of the contracts.
Motion carried 3:2:0. Messrs. Pacino and Soli voted against this motion.

Mr. Pacino made a motion seconded by Mr. Soli to add the amendment to the main motion to add at the end to read "not to sell through June 30, 2013."

Motion failed 2:3:0. Chairman Hahn, Mses. O'Neill and Snyder voted against the amendment.

Mr. Pacino said that with circumstances that may change over a period of time, there needs to be an appropriate review period, and eighteen months seems reasonable. It will tie it into the fiscal year budget process. Chairman Hahn added if the original motion is voted we can always go back and revisit it.

Chair Carakatsane stated that he wanted to thank everyone for attending and for the very respectful debate. It is more philosophy than nuts and bolts. He wanted to thank the Board members and the public in attendance for all the input.

Chairman Hahn wanted to echo Chair Carakatsane's comments to all the members of the public who took time to share their thoughts with us, and he values that input and is always here to receive it.

Adjournment

At 8:37 p.m. Ms. Snyder made a motion seconded by Ms. O'Neill 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.

Gina Snyder, Secretary
RMLD Board of Commissioners

GENERAL MANAGER'S REPORT
BOARD REFERENCE TAB C



a. RMLD'S TELEPHONE SYSTEM



READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board of Commissioners

Date: February 22, 2012

From: Vinnie Cameron

Subject: Telephone System Update

At the December 7, 2011, Reading Municipal Light Department (RMLD) Board Meeting the Board of Commissioners asked to have the RMLD's telephone system analyzed to see if it is sufficient to handle customer requirements when large outages occur. The request was based on comments concerning the October snow storm that caused considerable damage to the RMLD's distribution system and caused customer outages for up to five days. Over the last year the RMLD experienced two storms (Hurricane Irene and the October Snow Storm) when the phone system was overloaded at the beginning of the storms and from time to time during the next day or so. The RMLD has investigated the capabilities of the existing telephone system with respect to its operation during periods of storms when a large amount of calls are being made into the RMLD.

When a feeder outage occurs there could be over one thousand customers affected. The RMLD has the ability to switch its phone system to storm mode and twenty-five phones can be used to answer phone calls. In addition, the RMLD has a messaging system set up so that a message can be recorded on its telephone system explaining the nature of the outage(s). The messaging option during outages has shown to be an effective tool in getting outage information to the public. When the messaging is in place the volume of calls being answered by the Station Operators or Customer Specialists is more manageable. Customers calling in about an outage want to be assured the RMLD knows about the outage, and the messaging option has proven to be effective in getting the information to the customers.

During an outage situation twenty-five callers have the option of talking to a RMLD employee or listening to a message explaining the nature of the outage, which the RMLD updates during the outage. If callers choose to listen to the message, only eight callers can listen to the message simultaneously. Overall, the telephone system works well for a large portion of the RMLD's communication purposes. When a feeder operation or a storm occurs, the RMLD's telephone system is stressed during the initial stages of the incident. The more severe the outage is then the more stressed the phone system will be. The present phone system has an annual maintenance cost of approximately \$5,000.

The RMLD could upgrade its present system to allow twenty-five callers to listen to the messaging system simultaneously, which would allow more flexibility for customers that want to know the nature of the outage and hang up. In this option, the number of lines coming into the RMLD would not change. The cost of this upgrade would be approximately \$32,000, with the same maintenance fee that presently exists.

The RMLD could also have an answering service on retainer that would have calls directed to them when a storm or some other large event affects the RMLD's service

territory. Obviously, more phone calls would be answered by a live person in this alternative; however, this it would also present some logistical problems. The message about the outage would have to be conveyed to the answering service very quickly along with updates, so that the customers are receiving timely and accurate information concerning the outage situation. The answering service would also need the capability to get outage information back to the Station in order that Engineering is able to assimilate and diagnose the outages in a timely manner. This alternative would cost the RMLD approximately \$40,000 per year, in addition to the cost of the existing system.

The RMLD should commission a study on best practices with respect to communications with customers during outage situations to determine industry standards and the method that presents the greatest value to the RMLD. It should be noted that the RMLD is also exploring more efficient use of its website and social media to provide information to its customers during outage situations.

b. PENSION TRUST TRANSFERS
AND
RATE STABILIZATION FUND

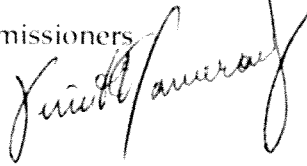


READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board of Commissioners

Date: February 22, 2012

From: Vinnie Cameron



Subject: FY11 Transfers - Pension Trust and Rate Stabilization Fund

At the January 25, 2012 RMLD Board meeting Commissioner O'Neill asked about the transfers made from the Operating Budget to the Pension Trust and the Rate Stabilization Fund. Commissioner O'Neill wanted to know if these transfers should have gone before the Budget Committee prior to making the transfers.

Pension Trust Transfer

On May 25, 2011 the Budget Committee made a motion to recommend to the RMLD Board of Commissioners to transfer \$1 million from the Operating Fund to the Pension Trust Fund for FY11. The minutes of the May 25, 2011 Budget Committee meeting are attached along with a memo suggesting that the transfer be made. At the May 25, 2011 RMLD Board meeting the RMLD Board made a motion to accept the Pension Trust Fund transfer and made a similar motion to transfer the \$1 million into the Pension Trust Fund. The minutes of the RMLD Board meeting are attached. This transfer was made on June 21, 2011.

Rate Stabilization Fund Transfer

I sent a memo to the RMLD Board of Commissioners on November 19, 2010 (attached) concerning the Rate Stabilization Fund balance, which was below the \$6 million level, which was set according to my performance items, and is attached. In this memo I stated that in the third quarter I would examine the financial position of the RMLD to determine whether the RMLD is able to make a transfer from the Operating Fund to the Rate Stabilization Fund, in order to get it above the \$6 million level.

On August 12, 2011, the Draft FY11 Financials were sent to the Board of Commissioners. In an e-mail (attached) sent to Chairman Hahn, I stated that the Net Income number was a good number (Melanson Heath agreed with it.) I explained that we couldn't finalize the balance sheet until MH (Melanson Heath) blessed our cash balances, which included the Rate Stabilization Fund transfer. The Draft June, 2011 Income Statement, kWh sales, and Budget Variance Report were included in the financial report for the August 31, 2011 RMLD Board Meeting (attached.)

At the September 28, 2011 RMLD Board meeting (minutes attached) the RMLD Board approved the RMLD's FY11 Audited Financial Statement. At this meeting I pointed out that the RMLD had transferred \$500,000 from the Operating Fund to the Rate Stabilization Fund, in order that the Rate Stabilization Fund is in the range of \$6 million to \$7 million, according to my performance items.

Going forward, a Budget Committee meeting will be scheduled when the draft audited financials statements are being completed (without transfers) in order to discuss potential year end transfer(s).

Attachments - 6

Reading Municipal Light Department Board (RMLD) of Commissioners
RMLD Board of Commissioners Budget Committee Minutes
Wednesday, May 25, 2011

ATTACHMENT 1

Start Time of Regular Session: 6:35 p.m.
End Time of Regular Session: 7:25 p.m.

Attendees:

Committee Members:

Philip Pacino, Committee Chair
Mary Ellen O'Neill, Member

Richard Hahn, Member

Staff:

Vinnie Cameron, General Manager
Robert Fournier, Accounting/Business Manager

Jane Parenteau, Energy Services Manager

Mr. Hahn in called the meeting to order at 6:35 p.m.

Transfer to the Pension Fund

Mr. Cameron said that the Committee informational package includes a memo explaining that the RMLD's Pension Trust Fund is being depleted due to the economic climate and rising pension expenses. Mr. Cameron further explained that over the past several years, the RMLD has not transferred sufficient funds into the RMLD's Pension Trust Fund in order to sustain it. Mr. Cameron is asking the Budget Committee to accept his recommendation that the RMLD transfer \$1 million from the Operating Fund to the Pension Trust for FY11.

Discussion followed.

Ms. O'Neill made a motion seconded by Mr. Hahn to recommend to the RMLD Board of Commissioners to transfer \$1 million from the Operating Fund to the Pension Trust for FY11.

Motion carried 2:0:0. Mr. Pacino was not present for the vote.

Review of Draft 2 of the FY12 Capital Budget

Mr. Cameron said that it was necessary to create a Draft 2 of the FY12 Operating Budget because there were three changes to it.

Mr. Cameron said that the fuel portion of the budget needed to be increased by \$942,818 because the Swift River Hydro energy costs were not included in the original budget. The increase in the fuel costs occurred because the Swift River energy is more expensive than the spot market energy, which it will replace.

Mr. Cameron also explained that \$300,000 worth of FPL Capacity costs were not included in the capacity portion of the power supply budget because the expense was not picked up in the formula in budget spreadsheet.

The demolition of the Control Center scheduled for FY11 will not occur until FY12 at a cost of \$100,000. The bid to perform the asbestos removal portion of the work had to be withdrawn because it did not meet the needs of the RMLD. The work will be re-bid and is scheduled to be performed in FY12.

Discussion followed.

Mr. Hahn made a motion seconded by Mr. Pacino to recommend to the RMLD Board of Commissioners to accept Draft 2 of the Operating Budget as presented to the Budget Committee with a Net Income of \$3,936,043.

Motion carried 3:0:0.

Ms. O'Neill voiced her concerns that the agenda for the RMLD Board meeting did not have sufficient detail related to the Power and Rate Committee and Budget Committee reports.

Discussion followed.

At 7:25 pm. Mr. Hahn made a motion seconded by Ms. O'Neill to adjourn the meeting.

Motion carried 3:0:0.

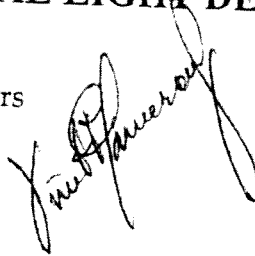
READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board of Commissioners

Date: May 10, 2011

From: Vinnie Cameron

Subject: 2011 Pension Fund Transfer



In 1966, the Reading Municipal Light Department (RMLD) Board of Commissioners created the Town of Reading Municipal Light Department Employee Pension Trust (Trust) for the purpose of funding the RMLD's annual pension expense for retirees. The RMLD has made withdrawals from the Trust to pay for the RMLD's portion of the Town of Reading pension expense. Over the past several years, the RMLD has seen the Trust balance decline due to the economic pressure in 2008, lower interest rates, and contributions to the Trust not equaling the withdrawals. Additionally, the RMLD's pension expense has increased since 2006 by approximately 44% due to an increase in the amount of RMLD retirees. The RMLD needs to increase its annual contributions to the Trust and also determine if there is a better investment strategy that could bolster the earning power of the fund.

RMLD Policy 22 – Pension Trust Investments includes certain criteria related to the Trust. The intent of Policy 22 is to ensure that the Pension Trust continues to be a resource to fund the RMLD's annual pension expense.

Table 1 shows the actual balances and annual activity in the Trust from 2006 through 2010 with 2011 estimated. The balance in the Trust was over \$8 million at the beginning of 2005 and has declined since then for reasons mentioned above. Additionally, the number of RMLD retirees has increased and will continue to increase in the coming years, which will increase the pension expense. Table 1 also shows the RMLD's contributions, interest/dividend income earned and the annual withdrawals.

The 2010 Actuarial Study for the Trust showed that the RMLD should be contributing between \$1.1 million and \$1.4 million annually in order to keep the Trust at its present balance. Not following the funding prescribed in the actuarial study will deplete the Trust within three to four years.

Table 1
Reading Municipal Light Department
Pension Trust Activity 2005 through 2011

	2006	2007	2008	2009	2010	2011
Beginning of Year Balance	\$8,339,065	\$8,118,428	\$7,725,640	\$6,940,355	\$6,616,255	\$6,017,679
RMLD Contribution	\$352,061	\$350,764	\$0	\$360,000	\$200,000	\$100,000
Interest and Dividend Income	\$314,028	\$285,985	\$270,473	\$212,085	\$120,760	\$100,000
Deduct. - Reading Cont. Ret. Syst.	(\$886,726)	(\$1,029,537)	(\$1,055,758)	(\$896,185)	(\$919,336)	(\$1,278,695)
	=====	=====	=====	=====	=====	=====
End of Year Balance	\$8,118,428	\$7,725,640	\$6,940,355	\$6,616,255	\$6,017,679	\$4,938,984

Jeanne Foti

From: Vincent Cameron
Sent: Friday, May 20, 2011 2:26 PM
To: RMLD Board Members Group; carakatsanelaw@comcast.net; ajcarakatsane@verizon.net; ghooper@townofwilmingtonma.com; tony.capobianco1@gmail.com; taollila@verizon.net
Cc: Bob Fournier; Jane Parenteau; Joe Donahoe; Kevin Sullivan; Beth Ellen Antonio; Jeanne Foti; Paula O'Leary
Subject: Draft 2 FY12 Operating Budget - Summary

There has been three updates to the FY12 Operating Budget, which will warrant a Draft 2. These updates have been added to the Budget Committee meeting agenda for the meeting prior to the Board meeting next Wednesday, May 25.

1. The Fuel Expense and Fuel Revenue will have an additional \$942,818. This amount represents the fuel expenses related to the new hydro contracts the RMLD signed in March. The change is reflected in the Fuel Expense total with the line items for ISO-NE Energy and Swift River Hydro. ISO-NE cost went down and Swift River was added for a net increase to fuel of \$942,818. Since this is a fuel related expense the increase effects only the Fuel Expense and Revenue and does not effect the Net Income.
2. The demolition of the Control Center is being re-scheduled until FY12 and will be in the Building Maintenance Budget. This building needs to be demolished in two phases due to the amount of asbestos in the building. The RMLD had planned the demolition in FY11 but were rejected for non responsiveness of the bidders.

The RMLD intends to rebid this project in in FY12 and estimates that the entire demolition of the building will be \$100,000, which will be added to the Building Maintenance Budget and will increase Operating Expense by \$100,000.

3. The Budget Summary page (Power Supply) for did not pick up FPL Cap. expenses of \$330,000, which increases the capacity cost to \$17,630,016.

The net effect of these changes is that Net Income has decreased from \$4,366,041 to \$3,936,043 or \$429,998. A copy of these pages and the Facilities Budget pages will be circulated after the RMLD Board Meeting on Wednesday.

The CAB accepted the original FY12 Operating Budget based on no significant changes. I would like to get feedback form the CAB as to their feeling about these changes. The FY12 Operating and Capital Budgets are on the agenda for the RMLD Board Meeting on May 25th.

READING MUNICIPAL LIGHT DEPARTMENT
2012 BUDGET SUMMARY

DRAFT 2 5/20/11

OPERATING REVENUE:	JUL 11	AUG 11	SEP 11	OCT 11	NOV 11	DEC 11	JAN 12	FEB 12	MAR 12	APR 12	MAY 12	JUN 12	TOTAL
SALES OF ELEC - BASE	4,827,095	4,679,809	4,507,239	3,788,489	3,678,407	3,721,329	4,135,229	3,857,982	3,455,510	3,483,118	3,473,226	3,508,695	46,996,126
SALES OF ELEC - FUEL	4,199,856	3,942,550	3,961,715	3,280,731	3,154,488	3,169,723	3,879,804	3,276,858	2,902,163	2,943,457	2,972,678	2,995,017	40,368,819
ENERGY CONSERVATION	54,133	50,816	60,936	42,286	40,858	40,855	46,141	42,233	37,406	37,939	38,315	38,604	520,321
PURCHASE POWER ADJUSTMENT	(13,879)	(13,028)	(13,058)	(10,841)	(10,424)	(10,474)	(11,830)	(10,828)	(9,690)	(9,727)	(9,823)	(9,897)	(133,400)
GAW REVENUE	57,813	67,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	693,761
PASNY CREDIT	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(600,000)
TOTAL OPERATING REVENUE	9,075,017	8,617,960	8,504,643	7,105,478	6,820,922	6,529,246	7,757,157	7,173,858	6,393,302	6,442,598	6,482,209	6,540,237	87,845,627

OPERATING EXPENSES:

PURCHASED POWER - BASE	2,532,930	2,478,744	2,500,492	2,020,227	2,122,029	2,194,116	2,110,801	2,123,893	2,107,103	2,075,303	2,414,208	2,722,331	27,402,177
OPERATION EXPENSE	802,887	666,274	777,083	618,139	647,077	766,012	655,222	651,303	741,364	721,207	653,488	722,869	8,823,104
MAINTENANCE EXPENSE	240,346	217,340	229,723	243,980	210,490	244,170	247,517	218,260	233,385	236,860	239,360	253,980	2,817,401
DEPRECIATION EXPENSE	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,600,000
TOWN PAYMENTS	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	1,356,000
SUB-TOTAL	3,989,163	3,775,359	3,920,298	3,485,347	3,392,597	3,617,299	3,626,539	3,408,446	3,484,832	3,448,450	3,720,076	4,112,280	43,998,662
PURCHASED POWER - FUEL	4,062,679	3,960,420	2,954,404	2,812,017	2,813,721	3,343,007	3,925,208	3,484,249	3,150,522	2,748,498	3,089,137	3,446,954	39,768,817
TOTAL OPERATING EXPENSES	8,051,842	7,735,779	6,874,702	6,307,364	6,206,318	6,960,306	7,551,747	6,890,695	6,635,354	6,196,948	6,789,213	7,559,234	83,767,479

NET OPERATING INCOME

NET OPERATING INCOME	1,023,175	882,181	1,629,941	801,114	614,604	(31,059)	205,410	283,163	(252,052)	247,648	(307,004)	(1,018,997)	4,078,128
OTHER INCOME:													
MOSE AND JOHNING	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
INTEREST INCOME	16,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
FORFEITED DISCOUNTS	106,196	101,856	98,159	83,347	79,825	81,869	90,976	84,878	76,021	76,169	76,411	77,191	1,033,916
MISCELLANEOUS REVENUE	100,000	0	0	100,000	0	0	100,000	0	0	100,000	0	400,000	800,000
TOTAL OTHER INCOME	231,196	126,856	124,159	208,347	104,825	106,869	215,875	108,876	101,021	201,189	101,411	502,191	2,133,915

MISCELLANEOUS INCOME DEDUCTIONS:

MISCELLANEOUS INCOME DEDUCTIONS:													
CUSTOMER DEPOSIT INTEREST EXP	500	500	500	500	500	500	500	500	500	500	500	500	6,000
OTHER DEDUCTIONS (ROI)	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	236,000	2,270,000
TOTAL MISCELLANEOUS DEDUCTIONS	185,500	185,500	185,500	185,500	185,500	185,500	185,500	185,500	185,500	185,500	185,500	235,500	2,276,000
NET INCOME	1,058,871	823,537	1,568,801	823,961	833,929	(109,689)	235,865	207,539	(336,531)	263,338	(391,093)	(752,308)	3,936,043

READING MUNICIPAL LIGHT DEPARTMENT

2012 BUDGET SUMMARY

DRAFT 2 5/20/11

PROJECTED REVENUE	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
RESIDENTIAL REVENUE:													
RESIDENTIAL A RATE	2,225,587	2,223,004	1,943,235	1,506,829	1,413,170	1,560,486	1,824,584	1,674,950	1,413,882	1,388,539	1,336,321	1,399,124	19,931,711
RESIDENTIAL WATER HEATER A RATE	50,487	50,223	45,639	37,366	44,639	44,639	51,133	48,992	43,973	42,164	37,692	35,973	529,209
RESIDENTIAL TIME OF USE	14,437	14,646	14,406	11,744	10,972	12,354	14,488	13,678	8,359	8,421	8,242	8,810	140,535
SUB TOTAL	2,290,511	2,287,873	2,003,280	1,555,939	1,462,070	1,637,479	1,892,193	1,738,620	1,466,214	1,439,124	1,384,255	1,443,907	20,807,455
COMMERCIAL REVENUE:													
COMMERCIAL C RATE	1,282,351	1,179,911	1,235,295	1,105,882	1,070,487	1,050,578	1,163,424	1,096,948	1,025,419	1,070,741	1,021,557	982,135	13,254,708
SCHOOL RATE	66,831	55,523	70,922	77,047	82,285	79,981	84,469	81,474	77,443	81,975	72,738	75,062	905,748
INDUSTRIAL REVENUE:													
INDUSTRIAL TIME OF USE	1,105,289	1,029,623	1,099,781	981,839	945,686	885,602	919,932	867,409	817,166	852,802	928,753	940,308	11,374,189
SUB TOTAL	2,454,471	2,285,067	2,426,003	2,164,778	2,098,427	2,016,161	2,187,825	2,045,831	1,956,518	2,023,046	1,997,505	1,997,505	25,534,645
STREET LIGHT REVENUE:													
PUBLIC	42,994	42,966	42,966	42,966	42,966	42,991	43,022	43,022	42,647	42,647	42,647	42,647	514,486
PRIVATE	5,707	5,672	5,688	5,698	5,789	5,821	5,860	5,824	5,648	5,624	5,648	5,624	68,602
SUB TOTAL	48,701	48,638	48,652	48,665	48,770	48,812	48,882	48,846	48,295	48,271	48,295	48,271	583,098
COOP - RESALE REVENUE	33,412	28,241	29,209	19,107	19,140	18,877	26,339	24,685	20,983	20,203	17,630	19,012	276,928
TOTAL BASE REVENUE	4,827,095	4,629,809	4,507,239	3,780,489	3,628,407	3,721,329	4,135,229	3,857,982	3,465,510	3,463,116	3,473,228	3,508,895	46,996,128
FUEL REVENUE	4,199,855	3,947,550	3,851,715	3,280,731	3,164,468	3,169,723	3,578,804	3,276,658	2,902,163	2,943,457	2,972,678	2,995,017	40,368,819
LESS PASNY CREDIT	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(600,000)
TOTAL NET FUEL REVENUE	4,149,855	3,897,550	3,801,715	3,230,731	3,104,468	3,119,723	3,528,804	3,226,658	2,852,163	2,893,457	2,922,678	2,945,017	39,768,819
PURCHASED POWER ADJUSTMENT (PPA)	(13,879)	(13,028)	(13,059)	(10,841)	(10,424)	(10,474)	(11,830)	(10,828)	(9,590)	(9,727)	(9,823)	(9,897)	(133,400)
ENERGY CONSERVATION - RESIDENTIAL	21,664	21,638	18,801	14,337	13,400	15,154	17,688	18,165	13,437	13,187	12,818	13,214	191,293
ENERGY CONSERVATION - COMMERCIAL	32,468	29,178	32,134	27,949	27,258	25,701	28,443	28,088	23,989	24,772	25,697	25,390	329,028
TOTAL ENERGY CONSERVATION	54,133	50,816	50,935	42,286	40,658	40,855	46,141	42,233	37,408	37,939	38,315	38,604	520,321
GAW REVENUE	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	57,813	693,761
TOTAL REVENUES	9,075,017	8,617,960	8,504,643	7,108,478	6,820,922	6,925,246	7,757,157	7,173,858	6,393,302	6,442,588	6,482,209	6,540,237	87,845,627
FUEL CHARGE	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568	0.0568

READING MUNICIPAL LIGHT DEPARTMENT

2012 BUDGET SUMMARY

DRAFT 2 5/20/11

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
PURCHASED POWER EXPENSE													
NUCLEAR MIX #1 - MILL STONE	C 175,375	175,670	175,755	141,438	175,661	175,196	175,510	175,274	175,201	175,275	175,384	174,988	2,070,747
MILL STONE - TRANSMISSION	T 1,072	1,072	1,072	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,072	12,936
MILL STONE - ENERGY	E 9,172	8,876	8,876	292	8,889	9,172	9,543	8,827	9,530	9,235	9,543	9,235	101,586
NUCLEAR MIX #1 - SEABROOK	C 18,802	18,748	18,640	6,543	18,726	19,247	19,005	18,240	19,304	19,262	19,098	19,489	218,104
SEABROOK - TRANSMISSION	T 165	156	155	155	155	155	155	155	155	155	155	155	1,860
SEABROOK - ENERGY	E 968	968	937	968	939	968	1,008	943	1,008	976	1,008	975	11,663
PROJECT #3 - DEBT SERVICE	C 116,358	116,365	116,371	80,214	116,363	116,437	112,623	112,628	112,623	112,654	112,821	112,823	1,339,100
PROJECT #3 - TRANSMISSION	T 765	765	765	772	772	772	772	772	772	772	772	765	9,236
PROJECT #3 - ENERGY	E 7,033	6,809	6,809	224	6,816	7,033	7,317	6,845	7,307	7,081	7,317	7,081	77,893
PROJECT #4 - DEBT SERVICE	C 365,376	365,307	365,205	364,804	364,722	364,842	348,642	348,674	348,706	348,849	348,639	348,591	4,282,152
PROJECT #4 - TRANSMISSION	T 3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	42,166
PROJECT #4 - ENERGY	E 23,769	23,789	23,002	23,769	23,034	23,769	24,729	23,134	24,896	23,932	24,729	23,932	286,264
PROJECT #5 - DEBT SERVICE	C 47,474	47,486	47,454	47,442	47,425	47,425	45,294	45,300	45,306	45,324	45,301	45,297	565,515
PROJECT #5 - TRANSMISSION	T 433	433	433	433	433	433	433	433	433	433	433	433	6,196
PROJECT #5 - ENERGY	E 2,933	2,933	2,838	2,933	2,842	2,933	3,052	2,855	3,047	2,855	3,052	2,953	35,324
PASNY - CAPACITY	C 12,696	12,696	12,696	12,696	12,696	12,696	12,696	12,696	12,696	12,696	12,696	12,696	152,352
PASNY - TRANSMISSION	T 36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156	36,156	433,872
PASNY - ENERGY	E 10,167	10,167	9,839	10,167	9,853	10,167	10,370	9,701	10,357	10,036	10,370	10,036	121,230
REWVEC	E 750	750	750	750	750	750	750	750	750	750	750	750	9,000
ISO NE CAPACITY	C 405,720	405,720	405,720	405,720	405,720	405,720	405,720	405,720	405,720	405,720	405,720	405,720	4,795,498
ISO NE TRANSMISSION	T 948,627	968,201	917,308	576,429	609,106	639,600	639,636	639,628	608,398	592,217	912,303	923,595	9,083,244
ISO NE ENERGY	E 805,631	566,729	664,167	474,872	352,228	668,901	1,721,825	1,397,705	1,269,940	1,046,060	1,204,507	1,483,763	11,856,316
HYDRO QUEBEC SUPPORT SERVICES	E (9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(117,000)
PEAKING PROJECT - CAPACITY	C 23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	284,400
PEAKING PROJECT - ENERGY	E 51,617	51,617	51,628	51,628	51,628	51,624	51,668	51,692	51,553	51,620	51,553	51,620	619,337
PEAKING PROJECT - TRANSMISSION	T 6,571	6,415	6,483	6,638	6,317	6,534	6,568	6,568	6,488	6,170	6,568	6,660	78,947
INTERMEDIATE PROJECT - CAPACITY	E 3,370	3,409	3,292	3,443	3,475	3,795	5,568	5,199	5,488	6,170	5,277	5,247	52,731
INTERMEDIATE PROJECT - ENERGY	C 193,918	118,550	130,918	130,115	119,881	110,658	103,698	116,516	130,733	114,709	133,763	177,215	1,580,455
INTERMEDIATE PROJECT - TRANSMISSION	T 8,035	7,828	7,952	9,691	9,100	9,263	9,164	9,070	9,523	9,330	9,815	6,141	104,702
INTERMEDIATE PROJECT - ENERGY	E 44,736	45,258	43,701	45,701	48,129	48,811	52,029	48,581	51,268	48,313	49,316	49,027	572,864
J.P. MORGAN	E 685,272	720,215	288,878	462,293	461,538	492,734	527,261	498,084	278,766	246,218	288,335	440,528	5,400,110
CONSTELLATION	E 459,662	469,892	455,940	472,368	467,334	501,103	114,596	114,596	114,596	114,983	114,843	114,843	2,828,297
BRAintree WATSON	C 118,566	118,566	118,566	119,067	119,067	119,067	15,006	14,011	14,765	13,934	14,223	14,140	140,119
BRAintree WATSON - ENERGY	E 11,354	11,488	11,091	11,599	11,707	12,783	7,500	7,500	7,500	7,500	7,500	7,500	90,000
COOP / RE-SALE	E 7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	16,544,646
MACQUARIE	E 1,891,658	2,004,076	1,378,628	1,207,987	1,276,325	1,373,733	1,368,754	1,295,668	1,202,352	1,051,174	1,223,908	1,271,383	15,444,646
SWIFT RIVER HYDRO	F 98,465	85,815	57,909	98,903	145,112	190,605	180,246	174,086	273,494	282,918	229,053	129,166	1,943,772
SHORT TERM CAPACITY PURCHASE	C 0	0	0	0	0	0	0	0	0	0	0	0	330,000
TOTAL BUDGETED PURCHASED POWER	6,596,809	6,439,154	5,454,896	4,832,244	4,935,750	5,537,123	6,038,009	5,808,142	5,257,625	4,821,802	5,483,345	6,169,285	67,170,894

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
PURCHASED POWER BASE EXPENSE:													
TOTAL CAPACITY PURCHASED	C 1,529,602	1,464,205	1,466,656	1,385,367	1,466,395	1,446,808	1,413,240	1,426,236	1,440,337	1,424,992	1,443,528	1,743,850	17,630,016
TOTAL TRANSMISSION PURCHASED	T 1,903,328	1,924,639	1,933,636	634,860	686,634	747,508	697,561	697,657	666,766	650,311	970,660	978,481	9,772,161
TOTAL ENERGY PURCHASED	2,832,930	2,478,744	2,500,492	2,020,227	2,122,029	2,194,116	2,110,801	2,123,893	2,107,103	2,075,303	2,414,208	2,722,331	27,402,177
PURCHASED POWER FUEL EXPENSE:													
TOTAL ENERGY PURCHASED	E 4,062,679	3,960,420	2,954,404	2,912,017	2,813,721	3,343,007	3,925,208	3,484,249	3,150,522	2,746,489	3,069,137	3,446,954	39,768,617

* PASNY: POWER AUTHORITY FOR THE STATE OF NEW YORK
 ** REMVEC: RHODE ISLAND, EASTERN MASSACHUSETTS, VERMONT ENERGY CONTROL
 *** ISO NE: INDEPENDENT SYSTEM OPERATOR - NEW ENGLAND
 **** NEMA: NORTHEAST MASSACHUSETTS

Reading Municipal Light Board of Commissioners

Regular Session
230 Ash Street
Reading, MA 01867
May 25, 2011

ATTACHMENT 2

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

End Time of Regular Session: 9:00 p.m.

Attendees:

Commissioners:

Richard Hahn, Chairman
Gina Snyder, First Secretary
Robert Soli, Commissioner

Philip B. Pacino, Vice Chair
Mary Ellen O'Neill, Second Secretary

Staff:

Vinnie Cameron, General Manager
Paula O'Leary, E&O Operational Assistant
Kevin Sullivan, E&O Manager

Robert Fournier, Accounting/Business Manager
Jane Parenteau, Energy Services Manager

Citizens' Advisory Board

Arthur Carakatsane, Chairman

Chairman Hahn called the meeting to order and stated that the meeting of the Reading Municipal Light Department (RMLD) Board of Commissioners is being broadcast live at the RMLD's office at 230 Ash Street, Reading, MA. Live broadcasts are available only in Reading due to technology constraints. This meeting was video taped for distribution to the community television stations in North Reading, Wilmington and Lynnfield.

Opening Remarks/Approval of Meeting Agenda

Chairman Hahn asked the Board members present if there were suggested changes or additions to the agenda.

Ms. O'Neill requested that future agendas specify any anticipated items for action by the Board. The motion itself need not be listed, but if there are any anticipated motions, the topic of those should be listed under the committees or separately if appropriate.

Chairman Hahn asked if it would be where the Board expects to take a vote.

Ms. O'Neill responded, "yes," and explained that if someone wanted to come down and speak on a particular topic, he/she would know what was being discussed at the meeting.

Chairman Hahn suggested that in the right hand column on the agenda words be added such as "Vote Required".

Discussion followed.

Mr. Pacino suggested the words, "Action Item", and the Board agreed.

Introductions

There were no members of the public present, and the CAB representative, Chairman Arthur Carakatsane, would be late arriving.

Report from Board Committees

Budget Committee – Vice Chair Pacino

Report of May 9 and May 25 Meetings

Mr. Pacino reported that the Budget Committee reviewed the FY12 Capital and Operating Budgets as presented on May 9. The CAB approved those versions of the budgets. The Committee approved both the Capital and Operating Budgets as presented at that meeting by a vote of 3:0:0.

Mr. Pacino reported that at this evening's Committee meeting two items were considered: 1) The Operating Budget had some changes noted in an addendum that lowered the Net Income from \$4.3 million to \$3.9 million, approximately a \$430,000 decrease due to additional costs related to Power Supply, the demolition of the old Control Center, fuel expenses and fuel revenue. Mr. Pacino said that the Budget Committee reviewed those changes this evening with the General Manager and staff and approved the changes by a vote of 3:0:0. Mr. Pacino explained that these changes had been presented to members of the CAB and at least four of the members saw no problems with the addendum, and did not feel a meeting was necessary to discuss the changes. 2) Although the Department is

**Budget Committee – Vice Chair Pacino
Report of May 9 and May 25 Meetings**

still below making its 8% return, it made more revenue than anticipated. The Committee discussion about the excess included returning it to the customers or putting it in the Pension Reserve, which is severely under funded. If it were to be refunded now customers may have to give it back in the future in the form of a rate increase. It doesn't rule out a rate increase, but it would delay the process. The Budget Committee felt it was prudent to transfer the funds into the Pension Reserve, and recommended that the motion for the transfer be approved.

Mr. Soli asked about whether the CAB was meeting on the changes.

Mr. Cameron explained that when the CAB recommends the budget, it includes "no significant changes are made without CAB approval." The CAB was notified by e-mail and asked if they considered these changes significant, and they e-mailed back that they did not.

Mr. Soli questioned the Open Meeting Law.

Mr. Cameron responded that it was informational only and no discussion took place.

Mr. Pacino made a motion seconded by Ms. Snyder that the RMLD Board of Commissioners approve the FY12 Capital Budget as presented in the amount of \$5,910,048 on the recommendation of the RMLD Board Budget Committee, the RMLD Citizens' Advisory Board, and the General Manager.

Motion carried 5:0:0.

Mr. Soli questioned why the topic/motion was not on the agenda.

Chairman Hahn stated that the discussion of the budget was on the agenda, but not flagged as a vote.

Mr. Cameron noted that the e-mails from the CAB would be a part of the meeting.

Mr. Pacino made a motion seconded by Ms. Snyder that the RMLD Board of Commissioners approve the FY12 Operating Budget based on a Net Income Amount of \$3,939,043 on the recommendation of the RMLD Board Budget Committee, the RMLD Citizens' Advisory Board, and the General Manager.

Mr. Soli moved to table the motion until Mr. Carakatsane arrived to hear his input. Mr. Pacino seconded the motion.

Motion carried 4:1:0. (Chairman Hahn voted against this motion.)

Ms. O'Neill asked if this is the format (the Net Income Amount) that the Board usually approves for the budget.

Mr. Cameron stated that it has been used in the past, although last year was done differently, the Board accepted the Operation and Maintenance section of the budget, but the revenues were not accepted, because a Cost of Service Study (COSS) needed to be done.

Mr. Pacino noted that he would have liked to see the two (budget) motions on the agenda.

Chairman Hahn asked if they could be attached separately, and Mr. Pacino said that was fine. Chairman Hahn's preference was to attach motions separately or the agenda becomes crowded. He said that motions for bids will continue to be put in the agenda itself, and motions that can be reasonably anticipated will be attached.

**Power & Rate Committee – Chairman Hahn
Report of May 16 Meeting**

Chairman Hahn reported the following: 1) A discussion continued from the Power & Rate Committee's April meeting regarding the possibility of a long term contract with an existing resource in New England, and the Committee decided not to recommend any action at this time. 2) An Annual Request for Proposals (RFP) for Power Supply was discussed, and a motion was made and approved by a vote of 3:0:0 to recommend to the full Board that they approve the RFP as presented. 3) New streetlight rates were recommended by the General Manager. Chairman Hahn pointed out for the most part the rates are lower than the existing rates for most categories of streetlights, although some old fashioned streetlights cost more. The Committee made a motion to recommend to the full Board that these new rates be accepted by a vote of 2:1:0 with Mr. Soli voting against this motion. 4) A change to the Commercial C Rate was discussed at the April 20 Committee meeting, but no action was taken, because it had to go to the CAB. The CAB accepted the Commercial C Rate at its May 18 meeting, and the Power & Rate Committee voted to recommend the rate change to the full Board by a vote of 3:0:0.

May 25, 2011

Power & Rate Committee – Chairman Hahn

Report of May 16 Meeting

CAB Chairman, Mr. Carakatsane, arrived at this time during the meeting.

Chairman Hahn told Mr. Carakatsane that there was one item regarding the FY12 Operating budget that was held until he arrived.

Mr. Carakatsane stated that the CAB had met several times on the FY12 budgets and recommended approval of both the Capital and Operating budgets. He noted that the CAB was apprised of the changes to the Operating Budget and no one requested that a discussion be re-opened. He added that they also recommended other items, i.e., rate changes that are before the Board tonight.

Ms. Snyder made a motion seconded by Mr. Pacino that the RMLD Board of Commissioners approve the Annual Request for Proposal for Power Supply based on the recommendation of the RMLD Board Power & Rate Committee, the RMLD's Citizens' Advisory Board, and the General Manager to authorize the General Manager to execute one or more Power Supply Agreements in accordance with the RMLD's Strategic Power Supply Plan for power supply purchases for a period not to exceed 2012 through 2015 and in amounts not to exceed 22.050 MW in 2012, 16.750 MW in 2013, 17.600 MW in 2014, and 15.925 MW in 2015.

Mr. Pacino amended the original motion with the following changes: strike the word "and", between Committee and the RMLD and place a comma there. Add in after the Citizens' Advisory Board, "and the General Manager", and delete the words in the last sentence after 2015.

Ms. Snyder accepted the amended motion.

Motion carried 5:0:0.

Ms. O'Neill mentioned that she still wants the Department to continue to pursue efforts to obtain additional renewable energy power supply resources.

Chairman Hahn noted that it is still the objective of the Board to find reasonably priced renewable energy.

Ms. Snyder made a motion seconded by Mr. Pacino that the Reading Municipal Light Department Board of Commissioners approve the adoption of the streetlight rate as proposed based on the recommendation of the RMLD Board Power & Rate Committee, the RMLD's Citizen's Advisory Board, and the General Manager.

Mr. Soli was concerned that sometime in the future someone may ask what did they really vote on since no real record of what is being voted on, i.e., the rates, is in the motion.

Chairman Hahn stated that his recollection is that the filing of the rates speaks for what was done, and asked the General Manager if the rates have been attached to motions in the past.

Mr. Cameron responded that rates have not been attached in the past, but can be.

Mr. Soli said that a COSS has generally been on the meeting agenda, and the Board has approved the COSS, which is the record of what the Board voted on.

Ms. O'Neill proposed to amend the main motion to read, "Move that the Reading Municipal Light Department Board of Commissioners approve the adoption of the revised streetlight rate as shown in attachment A based on the recommendation of the Power & Rate Committee, the RMLD's Citizens' Advisory Board, and the General Manager.

Mr. Soli handed out a chart, and said that he would say, "Table 1 attached". He said the table shows what the committee voted on, but that he had a problem squaring the number with Table 2, the operating budget, and came up with an \$84,000 disparity.

Chairman Hahn stated that if Mr. Soli's intention is to attach this Table, he could not support that. The only thing voted on was the rates for each class of streetlight. He added that it is not appropriate to attach this Table to the motion, but if Mr. Soli would like to bring the table to the Committee for discussion that would be fine.

Mr. Soli wanted to find out about the disparity that appeared to be in the table between budget and expense on the streetlights.

It was noted that there are two components, capital and maintenance per lamp.

Chairman Hahn said that he has the opportunity to bring it to the Committee, and also noted that the table should be reviewed by the staff and the Committee prior to being presented at a board meeting.

May 25, 2011

Power & Rate Committee – Chairman Hahn

Report of May 16 Meeting

Ms. O'Neill clarified that the attachment is the chart that the Power & Rate Committee received that showed the different type of streetlights and the proposed rates. Mr. Cameron suggested that the FY11 Streetlight COSS be attached.

Chairman Hahn stated that the Power & Rate Committee and the CAB voted to accept the rates that are contained in the FY11 Streetlight COSS, and suggested creating a two-column table to show the lamps that are offered and the rates that will be charged. He stated that the handout is inappropriate, and he would not attach the entire COSS, because it was the rates that were voted.

Ms. O'Neill asked if there were one chart in the COSS that contained the rates.

Chairman Hahn stated that Table 4 lists the existing rate and the proposed rate, and could be attached to the motion. He asked if the motion could refer to Table 4.

Ms. O'Neill amended the motion as follows:

Move that the Reading Municipal Light Department Board of Commissioners approve the adoption of the revised streetlight rate as shown in Table 4 of the April 14, 2011 memorandum from the General Manager to the Board of Commissioners based on the recommendation of the RMLD Board Power & Rate Committee, the RMLD Citizens' Advisory Board, and the General Manager.

Ms. Snyder accepted the amended motion.

Motion carried 3:2:0. (Messrs. Pacino and Soli voted against this motion.)

Chairman Hahn asked the General Manager to take Mr. Soli's handout, review it, and respond to Mr. Soli's question.

Mr. Cameron stated that the response would go to the entire Board.

Ms. Snyder made a motion seconded by Mr. Pacino that the Reading Municipal Light Department Board of Commissioners approve the adoption of the Commercial C rate changes based on the recommendation of the RMLD Board Power & Rate Committee, the RMLD's Citizens' Advisory Board, and the General Manager.

Mr. Soli had the same comment and concerns as the previous motion with no rate(s) being listed in the motion.

Ms. Snyder moved to amend the motion as follows:

Move that the Reading Municipal light Department Board of Commissioners approve the adoption of the Commercial C rate changes based on the attached RMLD Tariff – MDPU #223 dated to be filed June 1, 2011 and on the recommendation of the RMLD Board Power & Rate Committee, the RMLD's Citizens' Advisory Board, and the General Manager.

Ms. O'Neill seconded the motion.

Motion carried 3:0:2. (Messrs. Pacino and Soli abstained.)

Mr. Pacino made a motion seconded by Mr. Soli to bring the (FY12 Operating Budget) motion (see below) back to the table.

Motion carried 5:0:0.

Mr. Carakatsane stated that the CAB received the changes to the Operating Budget, and no member requested a meeting to reconsider the budget. He added that if a member were interested in a meeting, one would have been convened.

Move that the RMLD Board of Commissioners approve the FY12 Operating Budget based on a Net Income Amount of \$3,939,043 on the recommendation of the RMLD Board Budget Committee, the RMLD Citizens' Advisory Board, and the General Manager.

Motion carried 5:0:0.

Approval of April 27, 2011 Board Minutes

Ms. Snyder made a motion seconded by Mr. Pacino to approve the Regular Session meeting minutes of April 27, 2011 with the following changes requested by Mr. Soli: On Page 5, third paragraph from the bottom, after the words "transfer scheme", change the period to a comma and add "and its design is being improved."

Motion as revised carried 5:0:0.

Pension Trust Transfer

Mr. Cameron reminded the Board a motion was needed for a transfer to the Pension Trust.

May 25, 2011

Pension Trust Transfer

Ms. O'Neil made a motion seconded by Ms. Snyder to approve the transfer of \$1 million from the Operating Fund to the Pension Trust based on the recommendation of the Budget Committee and the General Manager.

Motion carried 5:0:0.

General Manager's Report – Mr. Cameron

E-Billing - The e-billing system went live on May 1, 2011 for both the residential and commercial customers, and any residential customer who did not fill out an RMLD update sheet and would like to receive an e-bill should contact the RMLD.

Investments – The RMLD has a considerable amount of cash in a MMDT fund that has very low interest, and therefore not working well for the Department. Mr. Cameron advised the Board that he will be going out for an RFP for investment services. If a satisfactory investment firm were selected, he would probably recommend that the OPEB fund be invested to try to earn more interest. He spoke to the Town Manager and met with the Assistant Town Manager, Treasurer, and Mr. Fournier. They interviewed one firm just to see what they do for other municipal entities. He does have an RFP that he can put together and send out.

Chairman Hahn questioned if this is something that the Department would make a recommendation to the Budget Committee.

Mr. Cameron stated that bids do not go to a committee and the Board.

Chairman Hahn stated that the idea of choosing a different investment strategy, not the RFP itself, is something reasonable to put before the Budget Committee.

Mr. Cameron said that he had no problem with submitting it to the Budget Committee.

Mr. Soli questioned when the Board went through the paperwork for the OPEB, the Board was very careful about the language saying that the Town Treasurer had that responsibility not the Board. He wondered how all of this would affect the language that is currently set up for the OPEB.

Mr. Cameron responded that he didn't know how this would affect that language, and added that the town treasurer would be using this firm to invest money.

Mr. Pacino asked if the town would have input with the selection of the firm.

Mr. Cameron stated that given that the town treasurer is custodian, they would be part of the selection process.

Mr. Pacino asked if this is going to change the legal ramifications of what they put in that document.

Mr. Cameron suggested speaking to Rubin and Rudman.

Mr. Pacino stated that he would feel comfortable with Rubin and Rudman looking at it.

Chairman Hahn stated that one of the reasons he would want it sent to the Budget Committee is because he thinks it is important to understand what the liability question is. He said that is why the change in strategy should be discussed further before an RFP is sent out. The Board should have a better understanding and have some documentation on the pros and cons of doing this and how it affects the Department. Chairman Hahn will leave it up to the General Manager as to how to best proceed in improving the use of the assets.

Mr. Pacino wished to again stress that if any member of the public has any questions or concerns, the General Manger is available anytime in his office. Mr. Pacino added that the public may contact the General Manger directly or the Chairman of the Board or even Mr. Pacino, the senior member of the Board.

Financial Report – April, 2011 – Mr. Fournier (Attachment 1)

Mr. Fournier reported on the Financial Report for April 2011.

Mr. Fournier reported that the ten-month year to date Net Income is a little over \$2.6 million. The year to date budgeted Net Income is \$1.6 million, making the difference \$989,000. Mr. Fournier said that the year to date Fuel Revenues exceeded Fuel Expenses by \$338,000. The energy conservation expenses exceeded energy conservation revenues by \$129,000. The Gaw soil remediation expenses total \$1.2 million for this fiscal year bringing the total cost combining the two fiscal years to \$2.3 million.

Mr. Fournier reported major expenses over budget were the maintenance of line transformers by \$634,000, which represents a lot of the Gaw soil remediation expense, and employee benefits by \$325,000. The latter number was due to sick leave buy back payments made.

Financial Report – April, 2011 – Mr. Fournier (Attachment 1)

The Depreciation Expense and Voluntary Payments to the Towns were on budget. Cumulatively, all five divisions were over budget by \$541,275.

Discussion followed.

Power Supply Report – April, 2011– Ms. Parenteau (Attachment 2)

Ms. Parenteau presented the Power Supply Report for April 2011. Ms. Parenteau reported that RMLD's load for April was 53.3 Million kWh, about a half percent increase compared to April 2010. Energy costs were \$2.75 million, which is equivalent to \$.051 cents per kilowatt hour. RMLD sales totaled approximately 56.3 million kWhs and, as a result, the RMLD overcollected by \$229,000 resulting in a Deferred Fuel Cash Reserve balance of \$2.66 million.

In April and May, the Fuel Charge Adjustment was set at \$.0535 cents per kilowatt hour.

Ms. Parenteau reported that the RMLD purchased approximately 27% of its energy requirement from the ISO Spot Market at an average cost of \$41.20 per kilowatt hour. The RMLD hit a peak of 92.6 MW at noon on April 28, 2011 as compared to a peak of 95.6 MW, which occurred on April 7, 2010 at 9:00 P.M. The RMLD's monthly capacity requirement was around 213 MW. The RMLD paid \$1.62 million for capacity, which is equivalent to \$7.59 per kW-month. Ms. Parenteau noted that on Table 3, the Stoneybrook Peaking Plant had an adjustment.

Ms. Parenteau reported that transmission costs for April were \$620,000.

Discussion followed.

Engineering and Operations Report – April, 2011 - Mr. Sullivan (Attachment 3)

Gaw Update

Mr. Sullivan reported on the Engineering and Operations Report for April 2011.

Mr. Sullivan said that the Gaw Project had no changes in the tangible milestones. He added that the running total of the project is \$6.846 million, and the soil remediation expense for this month is \$7,600.

Mr. Sullivan listed the following projects worked on during the month: Projects 1, 2, 5, 36, 9, and 11. He added that another project was completed this month making a total of 9 completed projects.

Mr. Sullivan said that on the service installations that there were two commercial services in Wilmington, one on Ballardvale Street and one on Main Street. Residential services: there were approximately 25-30 services for the month. In routine construction there were 31 cutouts replaced making a total of 338 for fiscal year 2011.

Mr. Sullivan reported on the Reliability Report: Customer Average Interruption Duration Index (CAIDI) is up nine minutes due to the storm on April 1; the System Average Interruption Frequency Index (SAIFI) decreased with 494 April customers affected by outages as compared to March's 1,877. The Months between Interruptions (MBTI) is up from 22 to 23 months.

Mr. Sullivan provided an update on the reliability statistics numbers that include the April 1 storm: 124 calls, 24 (14 on 4/1) outage incidents, 494 customers affected, no feeder outages, 20 area outages, and 4 service outages. Fifteen outages were due to trees, others were caused by birds, insulators and failed hardware.

Ms. O'Neill stated that although she understands the numbers on reconciling the Gaw Project, the numbers do not include the soil remediation expenses, and to her that is the total project cost and therefore more realistic.

Ms. O'Neill asked for an update on the Meter Upgrade Project, and would like one each month. She added that the publicity has been good on the Project.

Mr. Sullivan responded that the running total of installed meters is about 4,900, averaging about 1,000 per month. He added that the concentration of installations has presently been in Reading, but does include all four towns, and installation is also being done on Saturdays.

Mr. Soli questioned Mr. Sullivan on an invoice from the Massachusetts Department of Environmental Protection (MassDEP) regarding the Gaw Project asking how long these charges would be billed, and Mr. Sullivan responded that there was just this one charge.

May 25, 2011

M.G.L. Chapter 30B Bid

2011-14 Residential and Commercial Energy Audits

Ms. Snyder made a motion seconded by Ms. O'Neill to award bid 2011-14 for Tier II Residential Energy Audits to Energy Egghead, LC as the only qualified bidder on the recommendation of the General Manager.

Motion carried 5:0:0.

Mr. Cameron explained the bid was sent to many potential bidders, and only one was received. He then went over the costs.

Ms. Snyder asked if the Department is tracking if customers are saving energy after an audit.

Ms. Parenteau stated that it has not been done; however, the Department has the ability to do it.

Ms. Snyder stated that she would like to see that.

Ms. O'Neill had some reservations about awarding the contract to the only one that was received, not knowing why no one else bid.

Ms. Parenteau had spoken to the Purchasing Manager, who did contact several of the potential bidders as did Mr. Carpenter. It appears to be a staffing issue for some of the organizations, because the RMLD requires that they be certified; others want to provide more than just an audit. She added that the bid was advertised in the *Reading Chronicle*. Chairman Hahn noted that the bid was e-mailed to many companies, and thought that a longer term of two or three years might be more attractive to some. He added that there is not a lot of margin in this for a company, and since the contract takes effect on July 1, there is no time for a second bid. Mr. Hahn asked if Egghead is the incumbent firm, and Ms. Parenteau replied that Egghead does provide the current audits. Ms. O'Neill asked if there had been a previous bid, and Ms. Parenteau responded that it had been bid last year. Ms. Parenteau added that the Customer Service Manager has received positive feedback from customers regarding the firm. The Department hopes to go out for a longer-term contract next year. Ms. Parenteau reported that through April 144 audits were completed, and three audits using the blower door.

Mr. Soli asked if all the munis have to provide this service, and Mr. Cameron responded that it is his understanding that they do, and added that the investor-owned companies must also provide the service.

Discussion followed.

General Discussion

Mr. Carakatsane suggested making the Meter Project and E-billing more prominent on RMLD's web site.

Regarding e-billing, Ms. Snyder stated that she thought she would receive an e-mail after she returned the red card.

Mr. Fournier responded that he would look into it.

Ms. O'Neill requested an update on the Green Communities Act in Massachusetts.

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED

Rate Comparisons, April, 2011

E-Mail responses to Account Payable/Payroll Questions

Upcoming Meetings

RMLD Board Meetings

Wednesday, June 22, 2011

Executive Session

Not held.

Adjournment

At 9:00 p.m. Mr. Soli made a motion seconded by Mr. Pacino to adjourn the Regular Session.

Motion carried 4:1:0. (Ms. O'Neill voted against this motion.)

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

Gina Snyder, Secretary
RMLD Board of Commissioners



READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board of Commissioners

Date: November 19, 2010

From: Vinnie Cameron

Subject: FY11 - Rate Stabilization Fund and 8% Return on Plant Balances

Net Income

According to the Reading Municipal Light Department's (RMLD) financial statements the Net Income for FY10 was \$2.78 million, which equates to approximately one-half of the RMLD's allowable 8% return. The FY10 Net Income level is higher than the \$147,687 Net Income for FY09 due to strong (weather related) sales in the last quarter of FY10 and the decision to decrease the depreciation rate to 2%; which decreases the FY10 Operating Expense by about \$1 million. (The FY11 RMLD Operating Budget anticipates the depreciation rate to be 3%, which is the normal level.)

Transfers

The RMLD did not recommend any transfers for FY10 because the Construction Fund had a \$4.8 million balance at the end of FY10, which is adequate to start FY11. The Operating Fund was at \$8.1 million at the end of FY10.

Rate Stabilization Fund Balance

The RMLD's Rate Stabilization Fund (RSF) had a balance of \$5.4 million at the end of FY10. The balance of the RSF should be in the range of \$6 to \$7 million with a target of \$6.5 million. This range was put into place by the RMLD Board of Commissioners in 2003.

In the third quarter of FY11, I will examine the financial position of the RMLD to determine whether the RMLD is able to make a transfer from the Operating Fund to the RSF, in order to get the level above the \$6 million level.

8% Return on Plant

The RMLD does not foresee the need to make its allowable 8% return on Net Plant over the next few years. As stated earlier, the RMLD started out FY11 with a balance of \$4.8 million in the Construction Fund. The Depreciation Expense should add another \$3.5 million during FY11. Presently, the RMLD's Capital Budget of \$5.6 million; includes the remainder of the Gaw Sub Station project of

about \$875,000 and a meter upgrade project of about \$766,000, with the remainder of the Capital Budget at \$4 million.

Presently, it is my goal, to keep the Capital Budget in the \$4 million range not including special projects. With the annual Depreciation Expense approaching \$4 million and keeping the Capital Budget at \$4 million, the RMLD does not have to collect its entire allowable 8% return in order to meet annual capital expenditures and Return to the Town of Reading.

In the future, if a large construction project is undertaken by the RMLD, I would have the option of borrowing money to meet the cost of the project or recommend a rate increase to meet the 8% allowable return, which would result in more money available for construction.

Jeanne Foti

ATTACHMENT 4

From: Vincent Cameron
Sent: Thursday, August 25, 2011 12:14 PM
To: Richard Hahn
Cc: Bob Fournier; Jeanne Foti
Subject: RE: August Board Agenda

I talked to Mary Ellen this morning and told her that the P&L that was e-mailed 8/12/11 and will be in the Board books (\$2.8 mil in Net Income) is a good number. I also told her that the balance sheet cannot be finalized until MH blesses our cash balances. She was all right with this.

I also told here that any questions that can be sent prior to the meeting would be appreciated.

From: Richard Hahn [mailto:rhahn@lacapra.com]
Sent: Thursday, August 25, 2011 7:58 AM
To: Vincent Cameron; Mary Ellen O'Neill
Cc: Bob Fournier; Jeanne Foti
Subject: RE: August Board Agenda

I don't know what specific issues MaryEllen has, but will try and call her tonight.
What is the status of year-end financials, and when do we expect that they will be finalized?

From: Vincent Cameron [mailto:vcameron@RMLD.com]
Sent: Thursday, August 25, 2011 7:33 AM
To: Mary Ellen O'Neill
Cc: Richard Hahn; Bob Fournier; Jeanne Foti
Subject: RE: August Board Agenda

Is there anything specific that you want myself or staff to address in the separate discussion on the financials?

From: MaryEllen O'Neill [mailto:maryellenoneill@hotmail.com]
Sent: Monday, August 22, 2011 8:57 AM
To: Richard Hahn
Cc: Vincent Cameron
Subject: August Board Agenda

I'd like to request that the June 30 draft financials be included as a separate discussion item on our August agenda, if that is not already planned.

Thanks.

Jeanne Foti

From: Bob Fournier
Sent: Friday, August 12, 2011 10:38 AM
To: Richard Hahn; Richard Hahn; Phil Pacino; Gina Snyder; Bob Soli; Mary Ellen O'Neill
Cc: Vincent Cameron; Jeanne Foti
Subject: FY 11 Draft Report

Hello to all,

Attached are some draft figures for fiscal year ending June 30, 2011. The report includes pages 3A, 5 and 6 as well as the budget variance report. I also left a hard copy in your mail box.

Enjoy the weekend!

Bob

From: admin@rmlld.com [mailto:admin@rmlld.com]
Sent: Friday, August 12, 2011 5:52 AM
To: Bob Fournier
Subject: Message from 60BW-1

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
6/30/11

DRAFT

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	45,869,025.88	40,463,554.00	5,405,471.88	13.36%
FUEL REVENUE	40,977,048.75	40,112,664.00	864,384.75	2.15%
PURCHASED POWER CAPACITY	1,055,104.64	5,344,803.00	(4,289,698.36)	-80.26%
FORFEITED DISCOUNTS	1,012,284.31	870,360.00	141,924.31	16.31%
ENERGY CONSERVATION REVENUE	500,567.71	533,228.00	(32,660.29)	-6.13%
GAW REVENUE	607,175.64	300,000.00	307,175.64	102.39%
PASNY CREDIT	(725,705.81)	(600,000.00)	(125,705.81)	20.95%
TOTAL OPERATING REVENUES	89,295,501.12	87,024,609.00	2,270,892.12	2.61%
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	27,300,316.76	27,711,574.00	(411,257.24)	-1.48%
PURCHASED POWER FUEL	39,522,230.25	39,512,664.00	9,566.25	0.02%
OPERATING MAINTENANCE	9,290,513.09	8,656,586.00	633,927.09	7.32%
DEPRECIATION	4,047,792.77	3,095,161.00	952,631.77	30.78%
VOLUNTARY PAYMENTS TO TOWNS	3,452,748.55	3,500,000.00	(47,251.45)	-1.35%
	1,330,070.00	1,320,000.00	10,070.00	0.76%
TOTAL OPERATING EXPENSES	84,943,671.42	83,795,985.00	1,147,686.42	1.37%
OPERATING INCOME	4,351,829.70	3,228,624.00	1,123,205.70	34.79%
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	696,748.89	700,000.00	(3,251.11)	-0.46%
RETURN ON INVESTMENT TO READING	(2,543,370.77)	(2,225,000.00)	(318,370.77)	14.31%
INTEREST INCOME	103,764.43	450,000.00	(346,235.57)	-76.94%
INTEREST EXPENSE	(2,004.69)	(12,000.00)	9,995.31	-83.29%
OTHER (MDSE AND AMORT)	176,750.30	120,000.00	56,750.30	47.29%
TOTAL NONOPERATING REV (EXP)	(1,568,111.84)	(967,000.00)	(601,111.84)	62.16%
CHANGE IN NET ASSETS	2,783,717.86	2,261,624.00	522,093.86	23.08%
NET ASSETS AT BEGINNING OF YEAR	90,819,864.61	88,039,716.12	2,780,148.49	3.16%
NET ASSETS AT END OF JUNE	93,603,582.47	90,301,340.12	3,302,242.35	3.66%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SALES OF KILOWATT HOURS
6/30/11

DRAFT

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	20,229,374	20,315,820	246,312,681	260,162,737	5.62%
COMM. AND INDUSTRIAL SALES	36,210,648	34,806,223	406,009,794	416,495,791	2.58%
PRIVATE STREET LIGHTING	70,918	72,739	852,109	865,495	1.57%
TOTAL PRIVATE CONSUMERS	<u>56,510,940</u>	<u>55,194,782</u>	<u>653,174,584</u>	<u>677,524,023</u>	3.73%
MUNICIPAL SALES:					
STREET LIGHTING	238,853	239,052	2,852,096	2,866,675	0.51%
MUNICIPAL BUILDINGS	760,181	791,409	9,840,718	9,929,182	0.90%
TOTAL MUNICIPAL CONSUMERS	<u>999,034</u>	<u>1,030,461</u>	<u>12,692,814</u>	<u>12,795,857</u>	0.81%
SALES FOR RESALE	844,455	1,111,696	3,819,995	4,284,194	12.15%
SCHOOL	1,260,882	1,254,086	14,703,446	14,609,587	-0.64%
TOTAL KILOWATT HOURS SOLD	<u>59,615,311</u>	<u>58,591,025</u>	<u>684,390,839</u>	<u>709,213,661</u>	3.63%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
KILOWATT HOURS SOLD BY TOWN
6/30/11

DRAFT

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	20,315,820	6,030,986	3,308,199	4,273,745	6,702,890
COMM & IND	34,806,223	3,385,727	270,268	5,407,651	25,742,577
PVT ST LIGHTS	72,739	14,081	1,360	21,400	35,898
PUB ST LIGHTS	239,052	80,436	32,437	39,880	86,299
MUNI BLDGS	791,409	171,732	132,433	175,132	312,112
SALES/RESALE	1,111,696	1,111,696	0	0	0
SCHOOL	1,254,086	449,748	283,443	167,480	353,415
TOTAL	58,591,025	11,244,406	4,028,140	10,085,288	33,233,191

YEAR TO DATE

RESIDENTIAL	260,162,737	81,452,319	36,936,826	60,316,437	81,457,155
COMM & IND	416,495,791	50,979,171	3,349,856	63,219,153	298,947,611
PVT ST LIGHTS	865,495	168,210	16,320	253,889	427,076
PUB ST LIGHTS	2,866,675	965,232	389,396	477,047	1,035,000
MUNI BLDGS	9,929,182	2,659,252	1,714,484	1,993,058	3,562,388
SALES/RESALE	4,284,194	4,284,194	0	0	0
SCHOOL	14,609,587	5,179,566	3,119,600	1,924,520	4,385,901
TOTAL	709,213,661	145,687,944	45,526,482	128,184,104	389,815,131

LAST YEAR TO DATE

RESIDENTIAL	246,312,681	76,962,044	35,091,433	56,782,959	77,476,245
COMM & IND	406,009,794	49,569,109	3,259,045	63,231,077	289,950,563
PVT ST LIGHTS	852,109	167,216	16,320	251,340	417,233
PUB ST LIGHTS	2,852,096	949,067	393,426	476,295	1,033,308
MUNI BLDGS	9,840,718	2,626,968	1,667,323	1,868,046	3,678,381
SALES/RESALE	3,819,995	3,819,995	0	0	0
SCHOOL	14,703,446	5,348,733	3,017,443	1,913,160	4,424,110
TOTAL	684,390,839	139,443,132	43,444,990	124,522,877	376,979,840

KILOWATT HOURS SOLD TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	34.67%	10.29%	5.65%	7.29%	11.44%
COMM & IND	59.41%	5.78%	0.46%	9.23%	43.94%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
PUB ST LIGHTS	0.41%	0.14%	0.06%	0.07%	0.14%
MUNI BLDGS	1.35%	0.29%	0.23%	0.30%	0.53%
SALES/RESALE	1.90%	1.90%	0.00%	0.00%	0.00%
SCHOOL	2.14%	0.77%	0.48%	0.29%	0.60%
TOTAL	100.00%	19.19%	6.88%	17.22%	56.71%

YEAR TO DATE

RESIDENTIAL	36.68%	11.48%	5.21%	8.50%	11.49%
COMM & IND	58.73%	7.19%	0.47%	8.91%	42.16%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
PUB ST LIGHTS	0.41%	0.14%	0.05%	0.07%	0.15%
MUNI BLDGS	1.40%	0.37%	0.24%	0.28%	0.51%
SALES/RESALE	0.60%	0.60%	0.00%	0.00%	0.00%
SCHOOL	2.06%	0.73%	0.44%	0.27%	0.62%
TOTAL	100.00%	20.53%	6.41%	18.07%	54.99%

LAST YEAR TO DATE

RESIDENTIAL	35.99%	11.25%	5.13%	8.30%	11.31%
COMM & IND	59.32%	7.24%	0.48%	9.24%	42.36%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
PUB ST LIGHTS	0.42%	0.14%	0.06%	0.07%	0.15%
MUNI BLDGS	1.44%	0.38%	0.24%	0.27%	0.55%
SALES/RESALE	0.56%	0.56%	0.00%	0.00%	0.00%
SCHOOL	2.15%	0.78%	0.44%	0.28%	0.65%
TOTAL	100.00%	20.37%	6.35%	18.20%	55.08%

RMLD
BUDGET VARIANCE REPORT
FOR PERIOD ENDING JUNE 30, 2011

DRAFT

DIVISIONS AND DEPARTMENTS	ACTUAL	BUDGET	VARIANCE	CHANGE
<u>ENGINEERING AND OPERATIONS:</u>				
E&O MGR	199,902	202,420	(2,519)	-1.24%
ENGINEERING	474,229	457,828	16,401	3.58%
LINE	2,400,522	1,989,601	410,921	20.65%
METER READING	72,072	64,358	7,714	11.99%
METER TECHNICIANS	310,116	483,021	(172,905)	-35.80%
STATION OP	555,868	511,643	44,225	8.64%
STATION TECHS	1,626,260	885,279	740,981	83.70%
DIVISION TOTAL	5,638,968	4,594,149	1,044,819	22.74%
<u>ENERGY SERVICES DIVISION TOTAL</u>	1,130,883	1,235,006	(104,123)	-8.43%
<u>GENERAL MANAGER:</u>				
GENERAL MANAGER	494,156	365,328	128,828	35.26%
HUMAN RESOURCES	126,322	204,964	(78,642)	-38.37%
COMMUNITY RELATIONS	144,405	175,712	(31,307)	-17.82%
CAB	4,599	15,000	(10,401)	-69.34%
BOARD	3,664	7,500	(3,836)	-51.14%
DIVISION TOTAL	773,146	768,504	4,642	0.60%
<u>FACILITY MANAGER:</u>				
GENERAL BENEFITS	3,037,176	2,053,915	983,261	47.87%
BUILDING MAINTENANCE	635,989	696,532	(60,543)	-8.69%
MATERIALS MANAGEMENT	334,149	348,615	(14,466)	-4.15%
DIVISION TOTAL	4,007,315	3,099,063	908,252	29.31%
<u>BUSINESS DIVISION:</u>				
ACCOUNTING	728,412	768,852	(40,440)	-5.26%
CUSTOMER SERVICE	460,004	662,549	(202,545)	-30.57%
MIS	564,420	584,983	(20,564)	-3.52%
MISCELLANEOUS DEDUCTIONS	7,363,361	7,095,617	267,744	3.77%
DIVISION TOTAL	9,116,197	9,112,001	4,195	0.05%
DIVISION TOTALS	20,666,508	18,808,723	1,857,785	9.88%
PURCHASED POWER - BASE	27,300,317	27,711,574	(411,257)	-1.48%
PURCHASED POWER - FUEL	39,522,230	39,512,664	9,566	0.02%
TOTAL	87,489,055	86,032,961	1,456,094	1.69%

Reading Municipal Light Board of Commissioners

Regular Session

**230 Ash Street
Reading, MA 01867
August 31, 2011**

ATTACHMENT 5

Start Time of Regular Session: 7:35 p.m.

End Time of Regular Session: 8:59 p.m.

Attendees:

Commissioners:

Richard Hahn, Chairman

Mary Ellen O'Neill, Secretary

Absent: Gina Snyder, Commissioner

Philip B. Pacino, Vice Chair

Robert Soli, Commissioner

Staff:

Vinnie Cameron, General Manager

Jeanne Foti, Executive Assistant

Jane Parenteau, Energy Services Manager

Beth Ellen Antonio, Human Resources Manager

Robert Fournier, Accounting/Business Manager

Kevin Sullivan, E&O Manager

Citizens' Advisory Board

Tony Capobianco, Member

Chairman Hahn called the meeting to order and stated that the meeting of the Reading Municipal Light Department (RMLD) Board of Commissioners is being broadcast live at the RMLD's office at 230 Ash Street, Reading, MA. Live broadcasts are available only in Reading due to technology constraints. This meeting was video taped for distribution to the community television stations in North Reading, Wilmington and Lynnfield.

Opening Remarks/Approval of Meeting Agenda

Chairman Hahn reported that Commissioner Snyder will not be present at the meeting this evening, Commissioner O'Neill will be the Secretary and Commissioner Pacino is en route.

Introductions

There were no members of the public present, and the CAB representative, Tony Capobianco had no report for the Board.

Approval of July 27, 2011 Board Minutes

Ms. O'Neill made a motion seconded by Mr. Soli to approve the Regular Session meeting minutes of July 27, 2011 with the change presented by Mr. Soli, on page three, to add "revenue per kilowatt hour" to the last sentence in the next to last paragraph.

Motion carried 3:0:0.

General Manager's Report – Mr. Cameron

Hurricane Irene

Mr. Cameron stated that the storm hit this weekend and he wanted to thank all the RMLD employees who worked diligently to reverse the effects of Hurricane Irene. There was quite a bit of damage in the service territory, Reading, North Reading, Wilmington and Lynnfield. Mr. Cameron reported that on Sunday, August 28 at 7:00 a.m. the crews had their first call and power was restored to all customers by Monday, August 29 at 11:00 p.m. The employees were out working on system issues during the storm. Mr. Cameron wanted to thank RMLD's customers who lost power for their patience during the storm.

Chairman Hahn echoed Mr. Cameron's comments because at least one utility, as noted on the 6:00 p.m. news, reported that 88,000 customers have been out for one to two days which is tough. Chairman Hahn thanked the staff at the RMLD for all their efforts during the storm.

RMLD Employee LeeAnn Fraton

Mr. Cameron said that RMLD employee LeeAnn Fraton who worked as an Accounting Assistant in the Accounting Department at the RMLD passed away a few weeks ago. She had worked at the RMLD for ten years and was a loyal, dedicated employee whose passing greatly affected the RMLD staff. She was a well liked employee who will be missed.

**General Manager's Report – Mr. Cameron
Northeast Public Power Association (NEPPA) Conference**

Mr. Cameron reported that the NEPPA Conference in Maine was well attended with very good subjects discussed such as renewables and federal legislation issues. Mr. Cameron said that Mark Spitzer, FERC Commissioner, spoke about what is going on in Washington with respect to energy regulation.

Chairman Hahn pointed out that Commissioner Pacino had previously mentioned the review by the Accounting Board about a possible switch to the International Standards which may be imposed on utilities. Chairman Hahn said that there was a video distributed by the Chief Accountant at FERC who is opposing this because it would burden utilities with tremendous cost to convert their systems. Chairman Hahn commented that Mr. Pacino asked Mark Spitzer, who did not plan to talk about this, a question about this issue. Chairman Hahn stated that Mr. Spitzer was favorable towards Mr. Pacino's position on this issue. Chairman Hahn mentioned that Mr. Spitzer's remarks are refreshing.

Mr. Cameron added that NEPPA's Long Time Distinguished Service Award was presented to Commissioner Pacino. The award is reserved for commissioners who have served a long time on a municipal light board.

Mr. Soli reported on the following that was covered at the NEPPA Conference:

NEPPA's lobbyist in Washington, DC and the FERC Commissioner pointed out that Congress is the most dysfunctional they have ever seen and with that the greening of the energy field has virtually disappeared from the national scene. Coal is in favor. There are two new potential nuclear power plants underway; however, it is unlikely that there will be more due to the recent events in Japan and the uneconomical cost of building. Renewables are going to be hard to achieve except for solar on rooftops which has a huge potential. It was stated that the 25 year prediction for the decay of the utility infrastructure was related to the nation's low rate of underground wires. New York City's power is largely underground and, as a result, had very few power outages compared to other states during the recent hurricane. Underground sounds like a good thing. It was pointed out that the ISO structure is not really successful and is not achieving the ends the FERC wanted, however, there is no other structure to replace it.

Groton Electric Light Department presented its Smart Grid program which includes a staff of ten with five thousand residential customers. The smart meters afford them power outage indications, performing trouble-reporting, transformer sizing for the peaks, daily meter reading and peak delay. This has resulted in only one blown transformer for their July peak.

Mr. Pacino entered the meeting at this point.

Reading Fall Fair

Mr. Cameron reported that the Town of Reading Fall Fair will be on September 11 downtown. There will be a moment of silence in memory for the victims of 9/11.

RMLD Historic Calendars

Mr. Cameron said that the RMLD historic calendars are being worked on.

Mr. Pacino showed the NEPPA's Long Time Distinguished Award he received at the NEPPA Conference; he said that he was honored and thanked the Board and the voters in Reading for their support.

Ms. O'Neill thanked Mr. Soli for his report on the NEPPA Conference.

Chairman Hahn asked if the slide presentations shown at the NEPPA Conference are available. Mr. Cameron responded that he will check with NEPPA and ensure the presentations are on their website.

Preliminary Draft Financial Report – June, 2011 – Mr. Fournier (Attachment 1)

Mr. Fournier reported that the auditors from Melanson & Heath were at the RMLD the week of August 8. The draft numbers have not changed to date nor does he expect them to change.

Mr. Fournier stated that Change in Net Assets or Net Income was \$2,783,000 which represents 6.44% of RMLD's allowable 8% return. Kilowatt hours sales increased 25 million from last year or 3.63% at 709 million kilowatt hours. The Budget Variance report by divisions was over budget by \$1.8 million or 10% which is attributable to the increase in the pension contribution amount; \$100,000 was budgeted and \$1 million was transferred into this fund in June per Board vote.

Preliminary Draft Financial Report – June, 2011 – Mr. Fournier (Attachment 1)

Mr. Fournier reported that the soil remediation expense \$600,000 was budgeted and the actual cost for FY11 was \$1.4 million. Melanson & Heath will make their formal presentation to the Audit Committee and to the Board in September.

Mr. Fournier addressed questions submitted by Commissioner O'Neill:

The budgeted amount for line labor expense (account 581-1) was \$377,306. The actual expense for FY11 was \$524,774 resulting in the line labor expenses being over budget by \$147,468. These labor costs represent weather related dead time, training, vacations, and sick time. Overhead labor is over budget due to the capital labor offset. Station Tech Budget is over budget by \$740,000 because of the Gaw Substation soil remediation project, which was budgeted to be \$600,000 but came in at \$1.4 million. General Manager's budget is over budget by \$128,000 due to the MMWEC arbitration. General Benefits pension contribution was budgeted to be \$100,000 but an additional \$1 million was transferred in June. The capital work overhead distribution credit came in at \$200,000 less than budgeted.

Mr. Fournier reported that the total cost of the Gaw soil remediation project which began in September 2009 is a little less than \$2.5 million. Mr. Fournier said that the rate surcharge instituted in FY11 for these costs has recovered \$607,000 to date.

The energy conservation charge started in October 2008 has collected \$1.475 million to date. The RMLD has spent \$1.3 million on energy conservation programs, which leaves a balance of \$171,000 at the beginning of FY12.

Chairman Hahn asked if the RMLD Board Audit Committee needs to meet with the Town of Reading Audit Committee in September. Mr. Pacino responded that the RMLD Board Audit Committee will meet with the Town of Reading Audit Committee at 6:30 p.m. prior to the September Board meeting.

Ms. O'Neill asked about the Purchase Power Capacity, how it is used and how the Board is kept informed of this. Mr. Cameron explained why the Purchased Power Adjustment Charge (PPAC) was calculated and went through how it adjusts for fluctuations in the Base Capacity costs. Mr. Cameron said that the PPAC is beneficial in that it keeps the RMLD from filing rate increases when there is an increase in the Base Capacity Costs.

Mr. Fournier said that he would have the draft July statement with the revenues to the Board tomorrow.

Power Supply Report – July, 2011– Ms. Parenteau (Attachment 2)

Ms. Parenteau reported on the Power Supply Report for July 2011.

Ms. Parenteau reported that RMLD's load for July was 75.1 million kilowatt hours, about a 3.7% decrease compared to July 2010. Energy costs were \$4.1 million, which is equivalent to \$.0550 per kilowatt hour. The July Fuel Charge was set at \$.0600/kWh. RMLD sales totaled approximately 67.5 million kilowatt hours and, as a result, the RMLD undercollected by \$160,000 resulting in a preliminary Deferred Fuel Cash Reserve balance of \$2.9 million, which takes into account the June accrual based on end of year financials.

In August, the Fuel Charge Adjustment was decreased by one half mill to \$.0550 per kilowatt hour and in September will be decreased \$.05 per kilowatt hour.

Ms. Parenteau reported that the RMLD purchased approximately 16.7% of its energy requirement from the ISO Spot Market at an average cost of \$.049/kWh. The RMLD hit a peak of 170.4 megawatts at 2:00 p.m. on July 22, 2011 with a temperature of 101 degrees as compared to a demand of 168 megawatts, which occurred on July 6, 2010 at 4:00 p.m. with a temperature 96 degrees. The RMLD's all time peak was 172.5 megawatts on August 2, 2006. The RMLD's monthly capacity requirement was 199.8 megawatts. The RMLD paid \$1.39 million for capacity, which is equivalent to \$7 per kilowatt-month.

Ms. Parenteau reported that transmission costs for July were \$855,000 a 15.4% increase from June 2011.

Discussion followed.

Engineering and Operations Report – July, 2011 - Mr. Sullivan (Attachment 3)

Gaw Update

Mr. Sullivan reported on the Engineering and Operations Report for July 2011.

Mr. Sullivan said that the Gaw Substation Transformer Upgrade project is complete. Mr. Sullivan stated that in October he will provide the Board with an update once the project is closed out and all billings have been received. Total soil remediation costs are at \$2.48 million.

Engineering and Operations Report – July, 2011 - Mr. Sullivan (Attachment 3)

Gaw Update

Mr. Sullivan stated that for the meter upgrade project as of August 12, meters installed are 8,000.

Mr. Sullivan said that the variance report for fiscal year 2012, Project 2 – High Capacity Tie 4W18 and 3W8 Franklin Street – is being worked on and the crews have been working on routine construction. There were two new commercial services installed and 22-25 new residential services. A total of 21 new cutouts were installed.

Mr. Sullivan reported on the Reliability Report that the CAIDI number is down 11 minutes between June and July. The CAIDI rolling average is about the same at 49 minutes for the year. The average July CAIDI is 65 minutes. The RMLD is at 51 minutes, which is the lowest July CAIDI the RMLD has had in six years.

The System Average Interruption Frequency Index (SAIFI) is up from .78 to .91 incidents due to 300 more customers that were affected from the previous month for a total of 2,232 customers. The average July SAIFI is 1.05 incidents. The Months between Interruptions (MBTI) increased 26 to 27 months.

Mr. Sullivan reported that on July 21 to July 23 there were heat events and total faulted transformers for the month were nine and in August there were two.

Ms. O'Neill stated that she had she lost her power for three hours on August 2 during a violent storm late that afternoon. Ms. O'Neill asked if, after such an event, does the staff look at how it played out, could things have been done differently, what worked, what did not. Mr. Sullivan responded that there was a team meeting the morning after the outage where those issues were covered. Mr. Sullivan said that it was like a perfect storm because at 3:00 p.m. there was nothing on the radar to indicate violent weather so there was no one on standby. Mr. Sullivan explained that every day we consistently listen to the weather report. If there is any radar that indicates the need, storms crews will be held while being cognizant of fiscal responsibility. At 6:02 p.m. when the storm occurred there were 2 feeder outages, 5 area outages, 2 separate circuits out with 2,443 customers being affected. Crews were called in, and there were trees down. It was not a tree that caused the breaker to open, but a lightning strike on the circuit with concurrent damage on that circuit in Reading.

Discussion followed.

M.G.L. Chapter 30B Bid – Material (Attachment 4)

2012-01 Tree Trimming

Mr. Sullivan reported that this bid for tree trimming services was sent out to eight bidders with three responding. Mr. Sullivan added this is a three year bid; \$455,619 has been budgeted in fiscal year 2012. Chairman Hahn stated that the total amount of the bid is an estimate, but not a guarantee based on RMLD's need. Mr. Sullivan concurred but noted that the amount is based on history.

Discussion followed.

Ms. O'Neill made a motion seconded by Mr. Soli that bid 2012-01 for Tree Trimming Services be awarded to Asplundh Tree Expert Co. for \$1,216,145.88 as the lowest qualified bidder based on the recommendation of the General Manager.

Motion carried 4:0:0.

General Discussion

Chairman Hahn said that the General Manager (GM) Committee needs to conduct the annual performance review of the General Manager. Chairman Hahn asked that each commissioner fill out the GM evaluation form and return the completed form to him by September 9. He will collate the information in preparation for the GM Committee meeting on September 13.

Chairman Hahn stated that if the Executive Session minutes are the only item for Executive Session and that there are no changes to them, then the Board can approve such minutes in Regular Session. The Executive Session will continue to be posted in the event there are changes to the minutes. Chairman Hahn noted that this approach was recommended to him by Town Hall. The Board agreed to adopt this approach.

Chairman O'Neill requested that money be designated in the next budget for renovations to Station One which is on the National Historic Register. Mr. Cameron stated that this year's budget has \$75,000 for a structural study of that building. If it is to be refurbished it would be used for storage. Chairman O'Neill stated that she would like to have a lobby that would be opened for tours with educational history if possible.

General Discussion

Mr. Soli showed a book *Hot - Living Through The Next Fifty Years On Earth* authored by Mark Hertsgaard which he found the library. Mr. Soli said that due to the inattention of Congress to climate change, we will have stronger hurricanes and winds as discussed in this book

Chairman Hahn said that the EPA passed the cross state air pollution rule on August 2, 2011 which requires fairly massive reductions in SO₂ and NO_x emissions from coal plants in 28 states. Although Massachusetts is not one of those states those winds blow this way. Mr. Pacino added that the Republicans have this as one of the ten items to be repealed. Chairman Hahn commented that the predecessor rule was overturned in the courts.

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED

Rate Comparisons, August 2011

E-Mail responses to Account Payable/Payroll Questions

Upcoming Meetings

RMLD Board Meetings

Wednesday, September 28, 2011 and Wednesday, October 26, 2011

RMLD Board Committee Meetings

Tuesday, September 13, 2011, General Manager Committee

Wednesday, September 28, 2011 Audit Committee with the Town of Reading Audit Committee

Executive Session

At 8:35 p.m. Ms. O'Neill made a motion seconded by Mr. Pacino that the Board go into Executive Session to approve Executive Session meeting minutes of July 27, 2011, to discuss MMWEC Arbitration and return to Regular Session for adjournment.

Mr. Soli, Aye; Chairman Hahn, Aye; Ms. O'Neill, Aye; and Mr. Pacino, Aye.

Motion carried 4:0:0.

Adjournment

At 8:59 p.m. Mr. Pacino made a motion seconded by Ms. O'Neill to adjourn the Regular Session.

Motion carried 4:0:0.

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

Mary Ellen O'Neill, Secretary
RMLD Board of Commissioners



Reading Municipal Light Board of Commissioners
Regular Session
230 Ash Street
Reading, MA 01867
September 28, 2011

ATTACHMENT 6

Start Time of Regular Session: 7:40 p.m.
End Time of Regular Session: 9:50 p.m.

Attendees:

Commissioners:

Richard Hahn, Chairman
Mary Ellen O'Neill, Commissioner
Gina Snyder, Secretary

Philip B. Pacino, Vice Chair
Robert Soli, Commissioner

Staff:

Vinnie Cameron, General Manager
Jeanne Foti, Executive Assistant
Jane Parenteau, Energy Services Manager

Jared Carpenter, Energy Efficiency Engineer
Robert Fournier, Accounting/Business Manager
Kevin Sullivan, E&O Manager

Citizens' Advisory Board

Arthur Carakatsane, Chair

Guest:

Frank Biron, President; Melanson Heath & Company, PC
Karen Snow, Supervisor; Melanson Heath & Company, PC

Chairman Hahn called the meeting to order and stated that the meeting of the Reading Municipal Light Department (RMLD) Board of Commissioners is being broadcast live at the RMLD's office at 230 Ash Street, Reading, MA. Live broadcasts are available only in Reading due to technology constraints. This meeting was video taped for distribution to the community television stations in North Reading, Wilmington and Lynnfield.

Opening Remarks/Approval of Meeting Agenda

There were no suggested changes to the agenda.

Introductions

There were no members of the public present. CAB representative, Chair Arthur Carakatsane had nothing to report, however, there will be a Citizens' Advisory Board meeting on Tuesday, October 4, 2011 at the RMLD.

Presentation of Fiscal Year 2011 Audit

Melanson Heath & Company, PC Audit Review – Mr. Frank Biron

Mr. Fournier introduced Mr. Biron and Ms. Snow from Melanson Heath & Company to present the audited financials for fiscal year (FY) 2011. Mr. Biron stated that he is the President and Ms. Snow has been the supervisor of the audit for the past few years.

Mr. Biron explained that the report is in draft form until it is officially accepted by the Board; however, there is the potential that there may be a couple of adjustments. The audit was completed in the last month and the financial statements will not be ready for a couple of weeks. Mr. Biron reported that there was a recent development that occurred which is found in a new Footnote 20 which appears on page twenty-eight and deals with an NSTAR situation. Mr. Biron said that the Footnote was drafted late yesterday and revised today and, as a result, there may be adjustments made to the financial statements.

Mr. Biron reported that if not for the NSTAR situation, the rest of the audit went pretty smoothly. The books were closed and reconciled. The financial statement reflects that the Department had a very good year which is reflected in the cash balances being strong, balances have been where they have been in the past, and there is neither debt nor bonds payable on the books. Mr. Biron pointed out that the Department started to fund the Other Post Employment Benefits (OPEB) liability which is an unusual thing to fund because most municipalities have not funded this; however it is a practice recommended by the Government Accounting Standards Board #45. It was a good bottom line for the year with a profit of \$2.7 to \$2.8 million which is consistent with the prior year.

Presentation of Fiscal Year 2011 Audit

Melanson Heath & Company, PC Audit Review – Mr. Frank Biron

Mr. Soli asked about the bottom line numbers. Mr. Biron reported that this is found on page seven. In FY11 the profit is \$2,783,718 and in FY10 it was \$2,780,148. Mr. Biron said that the revenues are up because more kilowatt hours were sold during the year by 3.5% and the revenue is up 3.5%. The cost of power was down during the year which contributed to the profit however, an additional \$800,000 was paid into the retirement system. The reason behind this payment is due to the poor investment results based on the economy over the past few years that impacted the retirement system. The actuaries performed a valuation and determined that more money had to be paid into the retirement system. The Department took \$1 million of its current year's revenue and put it into the retirement system. A year earlier it was only \$200,000. The depreciation expense for the year was \$3,452,000, a 3% rate in FY11 where in FY10, it was \$2,240,000 a 2% depreciation rate.

Chairman Hahn asked on the depreciation rate in FY08 and FY09 it was at 3%, in FY10 down to 2%, back up to 3% in FY11. Ms. Snow replied that it was a one year decrease for the depreciation.

Mr. Biron explained the new Footnote, number 20 on page twenty-eight. Mr. Biron stated that in 1979, the Department entered into an agreement with Boston Edison (BECO, now known as NSTAR) for the transmission of power coming into the system. At that time, it was called the radial transmission lines. Part of that agreement was for the Department to pay a \$12,000 monthly bill for operating and maintenance expenses relating to those lines. In 2003, this line was reclassified from a radial transmission line to a looped transmission line, where a looped transmission line's costs should have been shared with all utilities in New England. When that happened in 2003, apparently the Department was not made aware of that. The bills continued to come in from NSTAR and were be paid monthly. This came to light this year, in May when the Department discovered what had happened, looked into it and concluded that they should have not been billed on a monthly basis from NSTAR. Our understanding is that the agreement effective in 1979 was terminated on June 1, 2011, and the payments stopped at that point. The original contract with BECO had a clause that the Department could not go back further than twelve months to contest a bill. However, these bills go back to 2003. Under the ISO-NE for Regional Network Service the Department was able to obtain eighteen months of rebates for the Radial Line Support bills. ISO-NE would credit the Department's transmission costs to make up for that eighteen month period over the next two years, which equates to approximately \$220,000 of credits. However, what is lost is the rest of those months from 2003 to 2009 for \$1,072,000. This issue is included in the Footnote and they may have to book a receivable for \$220,000, but Melanson Heath will look into this in more detail.

Chairman Hahn asked Mr. Cameron if he wanted to add anything. Mr. Cameron stated that Melanson & Heath did a good job of summarizing this and spent a lot of time understanding the issue, which was not easy to understand.

Chairman Hahn asked if the statute of limitations is part of the rate schedule that ISO files with the FERC. Mr. Biron replied that the original contract was from 1979. Chairman Hahn asked if the Department signed this. Mr. Biron responded that he has been told it is signed, but has not seen it.

Mr. Biron explained that this issue came to light this week. It may require a couple more revisions. Ms. Snyder said that based on the prior discussion it seemed that this has been thoroughly vetted by the attorneys for any other recourse. Mr. Biron responded that he has copies of documentation that went back and forth however; he was not part of that process.

Audit Committee – Vice Chair Pacino

Mr. Pacino reported that the RMLD Board and the Town of Reading Audit Committee with representation from the following Town of Reading committees: Chairman of the Finance Committee, representative of the School Department, the Selectmen's representative and the Vice Chairman of the Finance Committee met prior to the Board meeting.

Mr. Pacino stated that there was much discussion about Footnote 20. The Town of Reading Audit Committee in the motion to accept felt that Footnote 20 is required to be part of the final audit in the financial statements.

Mr. Pacino said that there was also discussion on the decrease in the return on investment to the town; the question about the CPI decreasing during the year and whether there should have been a corresponding decrease in the payment to the town. The Department will look into this.

Mr. Pacino added there was a lot of discussion about the \$1,072,000 overpayments and he is unsure if this should be addressed under the General Manager's Report and the root causes because he would like to know more about this.

Audit Committee – Vice Chair Pacino

Mr. Pacino reported that the Town of Reading Audit Committee voted that the audit be accepted with the proviso that Footnote 20 is in there and that the issue on the return to the investment to the town be resolved. On the return on investment, there is a committee that exists consisting of two members of the Citizens' Advisory Board, two members of the RMLD Board and one member of the Reading Board of Selectmen.

Mr. Pacino said that the Vice Chairman of the Finance Committee said that this is something that should be looked at. Mr. Pacino believes the last time this was put in place was 1997 and there may be information they will be looking for from the Department. Mr. Pacino said that he and Mr. Soli voted to accept the audit with the same provisos that the Town of Reading Audit Committee had to recommend the audit to the RMLD Board.

Chairman Hahn clarified that the CPI went negative. Mr. Pacino replied, yes. Mr. Cameron said that the CPI for the period 2009 to 2010 went negative. At a Board meeting in 1997, it was voted that the payment to the Town of Reading would be based on the 1997 Town Payment and it would be adjusted by the Boston- Brockton- Nashua CPI. Mr. Cameron does not remember anything in the motion stating that the Town Payment could not decrease. In that year (2009 to 2010) it went negative, the town's payment decreased by \$16,000.

Mr. Pacino commented that his recollection is that the payment was not to go down, however, Mr. Cameron is going to check the documentation. Mr. Cameron said that he will get that information to the town. Chairman Hahn asked for clarification on this issue.

On another matter, Ms. O'Neill asked when the Retirement Trust is going to be discussed next and would like to know when the quarterly update will be provided. Mr. Fournier responded that the Retirement Trust will be discussed at the October RMLD Board meeting.

Mr. Pacino made a motion seconded by Ms. Snyder that the RMLD Board of Commissioners accept the audited financial statements presented by Melanson Heath and Company for the fiscal year ending June 30, 2011 with the provision that Footnote 20 be included; revised as needed, and that the issue with regard to the payment to the town be clarified.

Ms. O'Neill asked in terms of the town do they want clarification or reevaluation of the town payment. Mr. Pacino responded that it could be a \$16,000 liability not picked up in the financial statements. Chairman Hahn stressed that he would prefer to see the document that definitively shows the CPI calculation. Ms. O'Neill clarified that in terms of the CPI the RMLD has been working on that since 1997 do they want it to be reevaluated. Mr. Pacino commented that the issue is whether more money should have been paid out and whether there is a liability out there for that difference. Chairman Hahn said that he is unsure why the CPI issue could not have been resolved before this evening. Ms. O'Neill pointed out that the town was aware of the decrease last January or February; she does not understand why that is an issue now and does not agree that there is any liability. Ms. O'Neill said that she is open to looking into a reevaluation of the formula; however, we need to play by the rules unless they are changed.

Mr. Soli asked if there would be a hardship if there is a \$16,000 liability change for Melanson Heath to include. Mr. Biron replied, no. Mr. Biron said that they would need to see the original document, and it would be a simple adjustment or if it remains the same no adjustment is required. Chairman Hahn said that this evening is the first time he has heard of this issue and is surprised it is surfacing at the last minute because the adjustment is always based on the CPI. Chairman Hahn commented that it should not affect the statements. Mr. Cameron said that the town was informed in April.

Ms. O'Neill asked if the town's representative is going to send a letter requesting this. Mr. Pacino responded that the only request that was made was for the documentation on how the return on investment is calculated. Mr. Cameron said that Marsie West asked that this information be sent to Bob LeLacheur and he would send it to the appropriate people. Chairman Hahn said that this may raise discussion going forward on the CPI. Mr. Pacino added that it may and the Town of Reading Audit Committee mentioned that they may hire a consultant on their side because of it being based on the CPI.

Ms. O'Neill made a motion seconded by Ms. Snyder that the RMLD Board of Commissioners amends the main motion to delete "and that the issue with regard to the payment to the town be clarified."

Motion carried 3:1:1. Vice Chair Pacino voted against, Mr. Soli abstained.

Mr. Pacino made a motion seconded by Ms. Snyder that the RMLD Board of Commissioners accept the financial statements presented by Melanson Heath and Company for the fiscal year ending June 30, 2011 with the provision that Footnote 20 be included with revised as needed in language.

Motion carried 5:0:0.

Chairman Hahn thanked Mr. Biron and Ms. Snow for their hard work, service, and patience.

Quarterly Conservation Program Update – Mr. Carpenter

Mr. Carpenter presented his quarterly Energy Conservation Program update. Mr. Carpenter addressed the following: Residential Time of Use Growth, New Project Update, Demand Response Update and Energy Saved from Energy Efficiency programs.

Mr. Carpenter reported that the Residential Time of Use program was in the April-May edition of the *In Brief*. In 2009, there were 30 new customers, 33 in 2010 and 50 in 2011 on a calendar year basis. The red customer cards that were secured through the RMLD's mass mailing are being used to set up e-mails on energy savings tips.

Mr. Carpenter stated that on the new project updates, the residential vegetable oil generator for 10kW is up and running which puts out 6.0 to 6.5 kW. The 75kW solar array in North Reading should be completed by October 18. There have been multiple 50kW peak reduction projects completed. There are more L.E.D. and induction lighting projects. Mr. Soli asked about the induction lighting. Mr. Carpenter responded that they have received induction lighting for this building. Mr. Carpenter explained that induction lighting costs a bit less than L.E.D. lighting and lasts twice as long for 50,000 hours whereas induction can last for 100,000 hours. Their energy use is very similar as well as their efficiency.

Mr. Carpenter reported on the Demand Response in that they were able to predict the annual peak day and time to call an event without technology to do it for an event. They have identified customers who are willing to partake in the demand response program. There was monitoring equipment installed at the RMLD as a test. Currently, there are customers that have contracts for demand response with ISO New England for 5 megawatts. The RMLD has to decide by 2013 if they want to replace third parties with something else.

Mr. Carpenter said that kW saved is estimated on the energy efficiency programs at 5,000 going back to 2005. The RMLD has rebated \$1.54 million to commercial and residential customers. The net present value of savings through 2027 is \$13.5 million.

Ms. O'Neill commented on the Time of Use rate what is the total number of residential customers. Mr. Carpenter responded that the total number is about one hundred ninety. Ms. O'Neill asked besides the *In Brief* what else has been done to promote this program. Mr. Carpenter said that the e-mails to RMLD's customers who provided them were one of the mechanisms to draw interest in this program; however, it was not easy to implement. Ms. O'Neill suggested going forward the approach to take is consumer education on both the residential and commercial side, including utilizing RCTV which has an advertising loop as a public service announcement, presenting a half hour energy program for all the community televisions the RMLD serves on energy conservation, rebates and Time of Use rate. Such programs can be timely based on the time of year.

Discussion followed.

Mr. Soli said that when the year Time of Use rates were changed it was agreed that a report on the new rates would be made to the Board in six months. Mr. Cameron said that he will provide the residential and commercial customer information at the November or December meeting. Mr. Carakatsane stated that the CAB expected to get a report on the Time of Use rates at the end of the year.

Approval of August 31, 2011 Board Minutes

Ms. Snyder made a motion seconded by Mr. Pacino to approve the Regular Session meeting minutes of August 31, 2011 with the changes presented by Mr. Soli, on page two, two paragraphs above Reading Fall Fair in the second line, trouble reporting, put in a hyphen between them, last sentence in the paragraph add 'only' before one, page three delete, 'by an additional one half mill' and page five the first paragraph first sentence after 'Hot', put hyphen in.

Motion carried 4:0:1. Ms. Snyder abstained.

Report of Board Committee - General Manager Committee – Chairman Hahn

General Manager's Evaluation July 1, 2010 to June 30, 2011

Chairman Hahn reported that the General Manager Committee is charged with the task of reviewing the General Manager's performance during the fiscal year for which a performance plan has been set as well as making a salary recommendation based on that performance to the Board.

Chairman Hahn stated that also, a performance plan has been proposed for the next fiscal year. In fiscal year 2011, there were seven categories that the General Manager was rated on which cover all aspects of the operations of the RMLD. Chairman Hahn stated that each commission member was asked to fill out the evaluation form which was assembled into a rating summary. Chairman Hahn stated that the scores assigned the General Manager's performance plan ranged from 85% to 96% with the average at 93.6%. According to the formula utilized, in the 2011 performance plan a score of 90% or greater with the CPI of that year plus the CPI of 2% translates into a 5.1% increase.

Report of Board Committee - General Manager Committee – Chairman Hahn

General Manager's Evaluation July 1, 2010 to June 30, 2011

Chairman Hahn pointed out that this comes after a year when the General Manager was awarded no increase largely due to the economic conditions that the RMLD faced (done on the General Manager's recommendation). It was not performance-based because performance was excellent. The 5.1% represents an increase over two years of 2.5%. Chairman Hahn said that the performance plan for FY12 has red line changes in it. Chairman Hahn said that changes have been made such as a comment section under the rating categories, per Mr. Pacino's request; and we are seeking guidance on what an appropriate score may be. Mr. Soli had suggested a study on making the system hurricane proof and it was something the committee did not want to add now.

Ms. Snyder made a motion seconded by Ms. O'Neill that the RMLD Board of Commissioners approve that the General Manager's salary be increased by 5.1% retroactive to July 1, 2011, based on the General Manager's performance review for the period 7/1/10 through 6/30/11.

Motion carried 4:0:1. Mr. Pacino abstained.

Mr. Soli said that there are two items: the first is the rating and the second is that there is no motion for the performance plan for the next fiscal year. Chairman Hahn replied that is correct.

Ms. Snyder made a motion seconded by Ms. O'Neill that the RMLD Board of Commissioners approve the FY12 performance plan for the General Manager.

Motion carried 5:0:0.

Mr. Soli made a suggestion to have a twenty-five year plan to make the system more resistant to hurricanes and ice storms.

Discussion followed.

Mr. Soli made a motion seconded by Ms. Snyder to add to Section III of the FY12 performance plan for the General Manager. The Reliability of the RMLD System, a new item, number 8: To propose a budget for funding a twenty five year plan for increasing the RMLD's resistance to hurricanes and ice storms.

Motion carried 4:0:1. Chairman Hahn abstained.

Ms. O'Neill made a motion seconded by Mr. Snyder that Section IV. Manage Employees, Item 5; be amended to read "Submit a report to the Board on the safety incidents at the RMLD by December 31st."

Motion carried 5:0:0.

Mr. Soli made a motion seconded by Ms. O'Neill that Section II. Energy Efficiency and Load Management, add Item 7. Propose budget funding to decrease the RMLD energy use at the 230 Ash Street complex by at least 5% in FY13.

Motion carried 5:0:0.

General Manager's Report – Mr. Cameron

Mr. Cameron stated that he wanted to mention to the Board that a of transfer of \$500,000 from the Operating Fund to the Rate Stabilization Fund was made and is found on page nine. This transfer was executed in response to one of his performance items in that the Rate Stabilization Fund needs to be at a level of \$6.0 to \$7.0 million. That leaves \$6.5 million in the Operating Fund, which is adequate to pay the bills on a monthly basis.

Reading Fall Fair

RMLD employees Mr. Carpenter and Mses. Gottwald and Hanifan were at this event. There was a great turnout and interest at RMLD's table. There were questions on billing, conservation, and the operations at the RMLD. Attendees at this event were very complimentary about the RMLD.

RMLD Calendars

The RMLD calendars will be out within the next month. The RMLD will communicate the date the calendars are available.

RMLD Annual Report

The RMLD Annual Report is currently being worked on and will be available at the Subsequent Town Meeting. Mr. Cameron explained that in the past the Chair of the RMLD Board has presented the report to Subsequent Town Meeting which will be held on Monday, November 14. Chairman Hahn is not available to make the presentation; Vice Chair Pacino will make the presentation.

General Manager's Report – Mr. Cameron

Mr. Pacino said that he understands why Footnote 20 came about, however he would like an explanation. This is the first time they have seen this, and it has not been seen by the Board before. He would like an explanation why, there were legal costs that went on here, there was no discussion with the Board in advance, and he is concerned that the Department left \$1 million on the table that is gone, which negatively impacted the ratepayers and what steps will the Department take going forward to ensure this does not happen. Mr. Pacino pointed out that in the General Manager's Performance items it states that minimum task is to maintain comprehensive coverage on new information related to governmental regulations, financial conditions, technological changes, energy and resource developments as they relate to public utilities. Mr. Pacino stated that in Item 1, under 5A Leadership, the General Manager failed on this one to address this. Mr. Pacino asked if there is any other situation that is similar to this within the Department, and if it applies to other situations he wants this addressed as well.

Ms. O'Neill suggested this issue not be addressed this evening; it needs to be treated like a case study, what went wrong, where do the responsibilities lie. Mr. Pacino replied that this situation needs to be addressed, it should not occur again, and going forward, to be assured that there are no other situations.

Ms. Snyder said that she is in agreement with Ms. O'Neill.

Chairman Hahn said that he wants to see - a write up with a detailed summary to be brought to the General Manager Committee within two weeks. There will be input at the committee level on this at the General Manager's Committee. All members of the Board should receive a copy of the report.

Mr. Pacino asked if there are any other situations this may apply to. Mr. Cameron replied, no. Mr. Cameron said that the Department looked at its contracts; there are no other contracts with respect to transmission; and the power supply is straight forward with regard to who is responsible. There are power supply agreements that are firm with other bilaterals or heat rate fuel index contracts.

Mr. Cameron reported that there are agreements on the PSA's with MMWEC however, the RMLD is in a dispute relative to the amount of the back up that accompanies the PSA's. Mr. Cameron said that there is nothing out there on the power supply in which this would occur. It has been fully vetted. Mr. Soli commented whether the MMWEC dispute is something the auditors should have been made aware of. Mr. Cameron replied that the auditors are aware of the MMWEC issue and a Footnote is found in the financials.

Financial Report – August, 2011 – Mr. Fournier (Attachment 1)

Mr. Fournier reported on the Financial Report for August 2011. Mr. Fournier apologized for the tardiness of the Financial Report and noted that until FY11 numbers are final, there won't be a full balance sheet.

Mr. Fournier stated that for the first two months of the fiscal year 2012 the Net Income was \$769,000 bringing the year to date Net Income to \$1,467,000 and the budgeted amount was \$1,892,000 with the difference under budget being \$425,000 or 22.5%. Year to date Fuel Expenses exceeded year to date Fuel Revenue by \$84,000. The Base Revenues are under budget by \$449,000 or 4.75%. Actual Base Revenues were \$9 million compared to the budgeted amount of \$9.4 million.

Mr. Fournier said that the Purchase Power Base Expense was under budget by \$291,000 or 5.82%. The actual Purchase Power Base cost was \$4.7 million compared to the budgeted amount of \$5.0 million. The Operating and Maintenance Expense were over budget by \$14,000 or .72%. The actual Operating and Maintenance Expense \$1.940 compared to the budgeted amount of \$1.926 million. The Depreciation Expense and Voluntary Payment to the Towns is on budget. Kilowatt hour sales are 138,858,000 kWh which is 1.1 million or less than 1% behind last year's. Cumulatively, the five divisions are over budget by a little less than \$4,000 or .12%.

Mr. Fournier stated that next month he will be reporting on the quarterly Pension Trust and will present the balance sheet on time.

Power Supply Report – August, 2011– Ms. Parenteau (Attachment 2)

Ms. Parenteau reported on the Power Supply Report for August 2011.

Ms. Parenteau reported that RMLD's load for August was 69.6 million kilowatt hours, about a 2.8% decrease compared to August 2010. Energy costs were \$3.8 million, which is equivalent to \$.0545 per kilowatt hour. The August Fuel Charge was set at \$.055/kWh. RMLD overcollected on fuel by \$76,000 resulting in a Deferred Fuel Cash Reserve balance of \$2.97 million.

Power Supply Report – August, 2011– Ms. Parenteau (Attachment 2)

The Fuel Charge Adjustment was decreased less than \$.05 per kilowatt hour in September, and is currently expected to remain at that level until the end of December. The Deferred Fuel is forecasted to go a little higher then go down in November and December. Rather than fluctuate it up and down it was decided to keep it level to maintain consistency, expecting that the Deferred Fuel will be at \$2.5 million by December.

Ms. Parenteau reported that the RMLD purchased approximately 11.3% of its energy requirement from the ISO Spot Market at an average cost of \$41.50 per megawatt hour. The RMLD hit a peak of 144 megawatts at 2:00 p.m. on August 1, 2011 with a temperature of 90 degrees as compared to a demand of 159.6 megawatts, which occurred on August 31 2010 at 5:00 p.m. with a temperature 92 degrees. This August was considerably less mild than last year. The RMLD's capacity requirement which is based on last year's peak was set at 199.8 megawatts. For capacity, the RMLD paid \$1.4 million which is equivalent to \$7.08 per kilowatt month.

Ms. Parenteau reported that transmission costs for August were \$960,000 an 11% increase from July 2011.

Ms. O'Neill asked on the energy chart is the amount on this from Swift River what the RMLD anticipated. Ms. Parenteau responded, yes, that it is a run of the river project so they tend to go higher in the spring and fall whereas in the summer months it is anticipated to come in lower.

Ms. O'Neill asked on the transmission costs going up 11% for one month. Ms. Parenteau replied that with transmission the billings are a month behind compared to August last year it tends to come in high because it is based on July's peak.

Engineering and Operations Report – August, 2011 - Mr. Sullivan (Attachment 3)

Gaw Update

Mr. Sullivan reported on the Engineering and Operations Report for August 2011.

Mr. Sullivan reported that there were no changes from July for the Gaw transformer upgrade project. Mr. Sullivan stated that the RMLD is in a close out phase and it is anticipated that completion will be in the next couple of months.

Mr. Sullivan stated that the soil remediation expense remains at \$2.482 million.

Mr. Sullivan stated that the meter upgrade project to date is 9,200 meters are installed.

Mr. Sullivan said that the variance report projects worked on for the month are: Project 1 – 5W9 Reconductoring Ballardvale Street – this has begun this month and all ten poles have been put in by Verizon, and Project 2 – High Capacity Tie 4W18 and 3W8 Franklin Street continues. There were no new commercial services and 25 new residential services were installed. Under routine construction there is a line for storm trouble for the August 2 thunderstorm and Hurricane Irene. A total of 44 new cutouts were installed for a running total of 65.

Mr. Sullivan reported on the Reliability Report that the CAIDI number is up significantly due to the violent thunderstorm of August 2. The CAIDI rolling average is up for the same reason at five minutes for the year due to this occurrence.

The System Average Interruption Frequency Index (SAIFI) is down marginally where the rolling average is up marginally. For the month, there were 2,018 customers out, however these figures do not include Hurricane Irene. During hurricane Irene over 15% of the territory was out of service, and the service industry standard is when 15% of the service territory is affected in one incident, this is not included in the stats. The Months between Interruptions (MBTI) increased to 26 months.

Mr. Sullivan reported on the outages based on the August 2 and August 28 storms with the number of calls more than 3,500. Incidents for the month were 39, number of customers affected 2,018 with the outage types being feeder outages 2, area outages 34, service outages 2. Feeder outages based on Hurricane Irene were 14 and 7 incidents of lightning damage.

Ms. O'Neill asked for clarification that the standard is if an event occurs when over 15% or more of the territory is affected, those stats are not included. Mr. Sullivan replied that is correct. Ms. O'Neill asked on the variance report in terms of routine construction we have gone through half of the budget in two months and why are we not working on other projects. Mr. Sullivan responded that a large amount of this is due to a carry over on one project in routine construction.

Ms. Snyder asked about the GIS GAP analysis report, it mentioned the concept of identifying transformers and poles by customers when outages occur because it fosters a better response. Ms. Snyder wanted to know when the RMLD will be moving forward with some of the recommendations in the report. Mr. Sullivan said that with the new meters that are being installed it will allow for that type of data gathering for outages.

M.G.L. Chapter 30B Bid – Mr. Sullivan (Attachment 4)

2012-10 Disconnect Switches

Mr. Sullivan reported that the bid was sent to nine bidders and seven responded. This bid is for the four remaining disconnect transformers at Gaw which is in the Capital Budget.

Mr. Soli asked are the other 13 switches the same. Mr. Sullivan replied, yes that is why the option of factory rep was not utilized.

Ms. O'Neill commented that six out of the seven bidders were non responsive. It seems counterproductive. Mr. Sullivan pointed out that when you open the bids you can never be sure what you get. Ms. O'Neill asked if the RMLD's material was not accessible and clear. Chairman Hahn stated that if they manufacture a switch with cast parts and the specs state no cast parts, there's no way to ask why did they bid, but that cannot be changed.

Ms. Snyder made a motion seconded by Mr. Pacino that bid 2012-10 for 115KV, 2000 Amp Horizontal Disconnect Switches be awarded to EMSPEC Electro Mechanical Systems Inc. for a total cost of \$44,000.00 as the lowest qualified bidder on the recommendation of the General Manager.

Motion carried 5:0:0.

2012-11 Three Phase Pad Mounted Dead Front Feed Transformer

Mr. Sullivan stated that the bid was sent to 17 bidders with four responding. The bid is for three phase pad mounted dead front loop feed transformers. There is no line item in the capital budget for these transformers because they are "assigned as required" one in Reading Woods and 10 to Burlington Avenue Condo Project in Wilmington.

Mr. Soli asked about Stuart Irby 2, which was thrown out and is it a show stopper? Mr. Cameron responded that in the rules for award you must supply the material specified. Mr. Soli asked if you can seek minor clarification. Mr. Cameron pointed out that bidder must follow the engineering specs.

Ms. Snyder made a motion seconded by Mr. Pacino that bid 2012-11 for Three Phase Pad Mounted Dead Front Loop Feed Transformers be awarded to: Power Sales for a total cost of \$157,352.00 as the lowest qualified bidder on the recommendation of the General Manager.

Motion carried 5:0:0.

General Discussion

There was no discussion.

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED

Rate Comparisons, September 2011

E-Mail responses to Account Payable/Payroll Questions

Upcoming Meetings

RMLD Board Meetings

Wednesday, October 26, 2011, Chairman Hahn will not be present.

Wednesday, November 30, 2011

RMLD Board Committee Meeting

Power & Rate Committee Meeting, Monday, October 3, 2011

Citizens' Advisory Board Meeting

Tuesday, October 4, 2011 at the RMLD

Approval of August 31, 2011 Executive Session Minutes (Executive Minute Tab)

Ms. Snyder made a motion seconded by Ms. O'Neill that the RMLD Board of Commissioners approve Executive Session meeting minutes of August 31, 2011 as presented.

Motion carried 4:0:1. Ms. Snyder abstained.

Adjournment

At 9:50 p.m. Ms. Snyder made a motion seconded by Ms. O'Neill 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.

Gina Snyder, Secretary
RMLD Board of Commissioners



c. MASSACHUSETTS PROPOSED
MUNICIPALIZATION BILL



Dear Representative/Senator _____

I am writing to express opposition to H.3896, which was voted favorably out of the Joint Committee on Telecommunications, Utilities and Energy. The bill is now pending in the House Ways and Means Committee.

There are forty municipal lighting plants ("MLPs") in Massachusetts, of which one of them is the Reading Municipal Light Department (RMLD), which is owned by the Town of Reading. Collectively, MLP's provide approximately 14% of all electricity consumed in Massachusetts.

The MLP's were established by vote in individual municipalities or by special act to serve the citizens and businesses in those municipalities. The MLP's have the exclusive right to distribute electricity within the borders of the municipalities they serve.

The MLP's are overseen by locally elected or appointed Boards and their operations are overseen by General Managers hired by the Boards. The MLP's establish rates approved by their Boards that pay the costs of the operation of their plant. The RMLD is very proud of the fact that it has historically and is currently providing highly reliable power at the lowest electric rates in the Commonwealth. The RMLD is unique in comparison to other MLPs because in addition to the Town of Reading the RMLD serves Wilmington, North Reading and Lynnfield Center.

The RMLD has instituted Energy Conservation and Renewable Energy Programs in its service territory, which provides educational and financial assistance to customers who choose to enact energy conservation measures and install renewable energy projects. Overall, the local control aspect of Public Power provides a variety of benefits to its customers including providing assistance to customers to become more environmentally friendly and lower their carbon footprint.

If H.3896 were to pass, RMLD customers would pay an additional \$350,000 per year, or an additional 1% of its base rates, to the Commonwealth for energy conservation and renewable energy projects. The RMLD already provides these benefits to its customers through its Energy Conservation and Renewable Energy Program.

In addition, if the RMLD's exemption from the Energy Conservation Charge of \$.0025/kWh is lifted then the RMLD customers will be paying \$1,050,000 more for the energy conservation programs, which the RMLD presently has in place. In 2008, the RMLD added an Energy Conservation Charge into its rate structure for the specific purpose of funding its Energy Conservation and Renewable Energy Program. Since 2008, the RMLD has collected \$1.6 million through the Energy Conservation Charge and it has spent \$1.5 million in the form of rebates and incentives to RMLD customers for energy conservation measures and the renewable energy projects.

The amount of funds the RMLD commits to its Energy Conservation and Renewable Energy Program is mainly dependent on the economics and the cost/benefits that the elements of the program provide to the RMLD and its customers. The RMLD can adjust its Energy Conservation Charge to meet the financial requirements of its program from time to time.

Below is a description of the Energy Conservation and Renewable Energy initiatives that have been instituted:

Energy Conservation and Renewable Energy Program

Residential

Tier 1 and Tier 2 Services

The RMLD follows the guidelines of the Department of Energy Resources with respect to providing Tier 1 and Tier 2 services to residential customers. The RMLD has trained its Customer Specialists to answer customer questions on energy conservation. The RMLD also has contracted with a company who performs energy audits for residential customers.

Appliance Rebate Program

In 2005 the RMLD started an Appliance Rebate Program. This program offers rebates to residential customers who have purchased an Energy Star rated appliance. The appliances in the program include washers, dryers, air conditioners, heat pumps, refrigerators, dishwashers, dehumidifiers, ceiling fans, high performance water heaters, and programmable thermostats. The RMLD has rebated approximately \$250,000 to 4,300 customers, who have applied for appliance rebates.

Residential Time of Use Rate

The RMLD offers a Time of Use rate to its residential customers that allow customers to move their electrical usage to off Peak periods to save money on their electric bills as well as helping the RMLD lower its peak demand. The Residential Time of Use Rate has been in effect since 1993.

Residential Water Heating Rate

The RMLD offers a Water Heating Rate to its residential customers who are willing to have their electric water heaters controlled during peak periods. The RMLD is in the process of upgrading this program and recently received a \$50,000 grant from the Massachusetts Department of Energy Resources to assist in the funding of the upgrade. The upgrade will include a demand response control technology.

Renewable Energy Projects

The RMLD gives incentive payments to residential customers who develop renewable energy projects at their homes. To date the RMLD has given over \$64,000 in rebates to eleven solar projects that total 57.2 kW and two cogeneration projects totaling 9.2 kW.

Commercial

Energy Audits

The RMLD provides third party energy audits at reduced rates for customers who want to examine their manufacturing processes to determine if there are energy efficiency measures they can take advantage of that will lower their peak demand and annual energy usage. Additionally, the RMLD Energy Efficiency Engineer who works with customers to provide a detailed audit of specific equipment or the RMLD will help fund a full standard audit performed by an outside auditor.

Lighting Rebates

RMLD offers lighting rebates up to \$10,000 for commercial customers who upgrade their lighting to more efficient technologies.

Energy Efficiency Rebates

The RMLD offers rebates to customers installing energy efficient measures to reduce their peak load and annual energy usage through the use of more efficient HVAC systems, variable speed drives, compressed air systems, building controls, and other more efficient measures. In most cases, these energy efficiency measures have been recommended by the RMLD through audits, which have been performed by the RMLD or its contractor. These recommendations are dependent on cost/benefit analysis that shows the economic payback to the customer for each recommended energy efficiency measure.

Commercial Time of Use Rate

The RMLD offers Time of Use Rates to its commercial customers who have the ability to move a portion of their energy usage to Off Peak periods. In doing so, commercial customers are able to lower their electric bills and assist the RMLD in reducing its peak demand.

Renewable Energy Rebates

Commercial customers who install renewable energy projects at their facilities receive rebates based on the mode of generation and the amount of peak load reduction the RMLD will see on their system. To date, the RMLD has rebated approximately \$30,000 for a commercial solar facility of 75 kW.

The RMLD is working with other solar projects that are in the final stage of design, which total approximately of 300 kW. Additionally, there is the potential for fifteen other commercial solar projects that have a projected total of approximately 15 MW.

The RMLD has an extensive Energy Conservation and Renewable Energy Program and is constantly seeking ways to enhance and expand this program to meet the needs of customers who want to reduce their electricity cost and decrease their carbon footprint.

H. 3896 should be opposed for the following reasons:

- **H. 3896 would mandate an increase in monthly bills to RMLD customers to fund renewable energy and energy efficiency programs.**
- **H. 3896 would jeopardize RMLD's service territory by mandating that they open their systems to outside generation thus repealing the exclusive service territory provisions of the Electric Utility Restructuring Act of 1997.**

Rate Setting is the exclusive domain of the individual MLP Boards. The RMLD's rates are not established by the Department of Public Utilities but are examined and approved by its Light Board of Commissioners. This bill is a frontal attack on all existing MLP's and local control, which is the essence of Public Power.

The RMLD already funds energy conservation programs and renewable energy, as you can see above, without the cost increases mandated by this bill. In addition rather than the increased revenues mandated by this bill going back to the state for its benevolent dispersal, the revenues raised by MLP rates currently are used within the MLP territory for the benefit of its customers as determined by the MLP Board for such things as reliability, infrastructure investment, renewable energy programs and energy efficiency programs. The RMLD has a more informed view of what its customer's desire in the form of energy conservation and renewable energy programs, which enables the RMLD to be more flexible in designing the programs it offers.

Section 21 of the bill would mandate that MLP's open their service territory to outside generation by allowing its customers to negotiate directly with generation companies. This means that after each MLP municipality determined to reject the Commonwealth's option to allow outside generation within their boundaries, the Commonwealth would ignore that and impose outside generation in those municipalities. The result would be that the RMLD, which has engaged in long term power contracts to fulfill the usage requirements of its customers, would not have sufficient revenues to pay for those obligations with the approach imposed by H.3896 and would lead to higher rates because fewer and fewer customers would now pay for all historical commitments entered into to provide electricity to all customers.

The MLP's throughout the Commonwealth have programs in place to increase their alternative and renewable energy portfolios and continue to expand on those programs as appropriate for their service territory and determined by the MLP Board.

While the legislation appears to recognize that MLP's should participate in the future distribution of Regional Greenhouse Gas Initiative "so-called RGGI" monies, over the last four years, MLP's did not receive their share of those funds. Meanwhile distribution companies and municipal aggregators received millions of dollars from the \$150 million accumulated in the fund. In any event, increases in the costs to MLP customers under this bill far exceed any return from future RGGI monies.

This legislation is touted by its sponsors and supporters as creating competition and allowing choice in the existing electric market. In fact, under this bill, it is likely that very few, if any, municipalities would have the necessary funds to purchase an investor owned utilities' distribution system in order to create their own municipal electric utility. The bill released by Committee has boldly morphed into a new revenue stream to create additional energy programs on the backs of MLP customers under the guise of increased competition and choice.

I urge you to vigorously oppose this legislation as it would result in the erosion of public power in Massachusetts as well as diminishing both competition and choice in Massachusetts.

Draft



FINANCIAL REPORT
BOARD REFERENCE TAB D



Dt: February 24, 2012

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

Fr: Bob Fournier

Sj: January 31, 2012 Report

The results for the seven months ending January 31, 2012, for the fiscal year 2012 will be summarized in the following paragraphs.

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

For the month of January, the net income or the positive change in net assets was \$498,065, increasing the year to date net income to \$2,424,272. The year to date budgeted net income was \$4,945,104, resulting in net income being under budget by 2,520,831 or 50.98%. Actual year to date fuel expenses exceeded fuel revenues by \$603,035.

2) Revenues: (Page 11B)

Year to date base revenues were under budget by \$1,956,634 or 6.69%. Actual base revenues were \$27.3 million compared to the budgeted amount of \$29.2 million.

3) Expenses: (Page 12A)

*Year to date purchased power base expense was under budget by \$1,025,092 or 6.42%. Actual purchased power base costs were \$14.9 million compared to the budgeted amount of \$15.9 million.

*Year to date operating and maintenance (O&M) expenses combined were under budget by \$196,513 or 2.8%. Actual O&M expenses were \$6.7 million compared to the budgeted amount of \$6.9 million.

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

4) Cash (Page 9)

*Operating Fund was at \$9,618,141.

*Capital Fund balance was at \$4,010,961

*Rate Stabilization Fund was at \$6,068,389.

*Deferred Fuel Fund balance was at \$2,452,189.

*Energy Conservation Fund balance was at \$173,774.

5) General Information:

Year to date kwh sales (Page 5) were 419,400,557 which is 15 million kwh or 3.46%, behind last year's actual figure. GAW revenues collected ytd were \$419,402 bringing the total collected since inception to \$1,026,576.

6) Budget Variance:

Cumulatively, the five divisions were under budget by \$234,610 or 2.1%.



FINANCIAL REPORT

JANUARY 31, 2012

ISSUE DATE: FEBRUARY 24, 2012



TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF NET ASSETS
1/31/12

	PREVIOUS YEAR	CURRENT YEAR
ASSETS		
CURRENT		
UNRESTRICTED CASH (SCH A P.9)	6,857,766.85	9,621,141.12
RESTRICTED CASH (SCH A P.9)	15,656,711.79	18,381,528.39
RESTRICTED INVESTMENTS (SCH A P.9)	2,200,000.00	0.00
RECEIVABLES, NET (SCH B P.10)	8,439,835.61	7,808,499.01
PREPAID EXPENSES (SCH B P.10)	2,206,076.79	2,210,522.49
INVENTORY	1,723,347.67	1,403,358.34
TOTAL CURRENT ASSETS	<u>37,083,738.71</u>	<u>39,425,049.35</u>
NONCURRENT		
INVESTMENT IN ASSOCIATED CO (SCH C P.2)	88,151.26	73,765.66
CAPITAL ASSETS, NET (SCH C P.2)	67,447,387.61	67,854,146.97
TOTAL NONCURRENT ASSETS	<u>67,535,538.87</u>	<u>67,927,912.63</u>
TOTAL ASSETS	<u>104,619,277.58</u>	<u>107,352,961.98</u>
 LIABILITIES		
CURRENT		
ACCOUNTS PAYABLE	6,848,434.98	6,270,495.64
CUSTOMER DEPOSITS	515,693.20	604,388.69
CUSTOMER ADVANCES FOR CONSTRUCTION	330,793.90	294,339.94
ACCRUED LIABILITIES	1,090,221.95	1,221,183.70
TOTAL CURRENT LIABILITIES	<u>8,785,144.03</u>	<u>8,390,407.97</u>
NONCURRENT		
ACCRUED EMPLOYEE COMPENSATED ABSENCES	3,020,032.75	2,934,698.58
TOTAL NONCURRENT LIABILITIES	<u>3,020,032.75</u>	<u>2,934,698.58</u>
TOTAL LIABILITIES	<u>11,805,176.78</u>	<u>11,325,106.55</u>
 NET ASSETS		
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	67,447,387.61	67,854,146.97
RESTRICTED FOR DEPRECIATION FUND (P.9)	4,740,173.37	4,010,961.89
UNRESTRICTED	20,626,539.82	24,162,746.57
TOTAL NET ASSETS (P.3)	<u>92,814,100.80</u>	<u>96,027,855.43</u>
TOTAL LIABILITIES AND NET ASSETS	<u>104,619,277.58</u>	<u>107,352,961.98</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
NONCURRENT ASSET SCHEDULE
1/31/12

SCHEDULE C

SCHEDULE OF INVESTMENTS IN ASSOCIATED COMPANIES	PREVIOUS YEAR	CURRENT YEAR
NEW ENGLAND HYDRO ELECTRIC	23,538.60	15,747.64
NEW ENGLAND HYDRO TRANSMISSION	64,612.66	58,018.02
TOTAL INVESTMENTS IN ASSOCIATED COMPANIES	88,151.26	73,765.66
SCHEDULE OF CAPITAL ASSETS		
LAND	1,265,842.23	1,265,842.23
STRUCTURES AND IMPROVEMENTS	6,753,629.88	6,585,553.34
EQUIPMENT AND FURNISHINGS	13,167,134.79	12,930,140.56
INFRASTRUCTURE	46,260,780.71	47,072,610.84
TOTAL CAPITAL ASSETS, NET	67,447,387.61	67,854,146.97
TOTAL NONCURRENT ASSETS	67,535,538.87	67,927,912.63

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
1/31/12

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
OPERATING REVENUES: (SCH D P.11)					
BASE REVENUE	4,034,763.61	3,745,222.26	27,324,920.54	27,280,962.22	-0.16%
FUEL REVENUE	3,629,698.16	3,114,395.49	25,147,934.40	22,542,547.15	-10.36%
PURCHASED POWER CAPACITY	32,606.08	(10,759.23)	1,156,560.83	(79,673.49)	-106.89%
FORFEITED DISCOUNTS	94,513.95	87,893.05	613,667.00	566,459.28	-7.69%
ENERGY CONSERVATION REVENUE	30,297.72	55,711.95	311,149.11	353,207.69	13.52%
GAW REVENUE	61,534.17	56,637.77	294,545.11	419,402.62	42.39%
NYPA CREDIT	(59,937.36)	(51,411.30)	(427,390.42)	(397,814.54)	-6.92%
TOTAL OPERATING REVENUES	7,823,476.33	6,997,689.99	54,421,386.57	50,685,090.93	-6.87%
OPERATING EXPENSES: (SCH E P.12)					
PURCHASED POWER BASE	2,243,845.82	1,970,296.64	16,388,717.23	14,934,246.54	-8.87%
PURCHASED POWER FUEL	3,620,814.67	3,338,331.18	24,651,235.51	22,747,767.61	-7.72%
OPERATING MAINTENANCE	862,010.77	452,931.67	4,950,034.69	4,969,115.69	0.39%
DEPRECIATION	655,595.29	282,566.15	2,639,911.02	1,800,621.68	-31.79%
VOLUNTARY PAYMENTS TO TOWNS	287,729.05	296,027.47	2,014,103.35	2,072,192.29	2.88%
	105,885.00	113,000.00	765,885.00	787,186.00	2.78%
TOTAL OPERATING EXPENSES	7,775,880.60	6,453,153.11	51,409,886.80	47,311,129.81	-7.97%
OPERATING INCOME	47,595.73	544,536.88	3,011,499.77	3,373,961.12	12.04%
OPERATING REVENUES (EXPENSES)					
CONTRIBUTIONS IN AID OF CONST	35.00	3,975.90	34,887.42	37,629.64	7.86%
RETURN ON INVESTMENT TO READING	(180,990.00)	(183,829.75)	(1,266,930.00)	(1,286,808.25)	1.57%
INTEREST INCOME	6,749.10	3,867.39	67,066.73	60,559.01	-9.70%
INTEREST EXPENSE	(1,000.34)	(500.22)	(9,294.00)	(5,226.99)	-43.76%
OTHER (MDSE AND AMORT)	2,380.00	130,015.08	157,006.27	244,158.43	55.51%
TOTAL NONOPERATING REV (EXP)	(172,826.24)	(46,471.60)	(1,017,263.58)	(949,688.16)	-6.64%
CHANGE IN NET ASSETS	(125,230.51)	498,065.28	1,994,236.19	2,424,272.96	21.56%
NET ASSETS AT BEGINNING OF YEAR			90,819,864.61	93,603,582.47	3.07%
NET ASSETS AT END OF JANUARY			92,814,100.80	96,027,855.43	3.46%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
1/31/12

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	27,280,962.22	29,237,597.00	(1,956,634.78)	-6.69%
FUEL REVENUE	22,542,547.15	25,278,846.00	(2,736,298.85)	-10.82%
PURCHASED POWER CAPACITY	(79,673.49)	(83,535.00)	3,861.51	-4.62%
FORFEITED DISCOUNTS	566,459.28	643,227.00	(76,767.72)	-11.93%
ENERGY CONSERVATION REVENUE	353,207.69	325,824.00	27,383.69	8.40%
GAW REVENUE	419,402.62	404,691.00	14,711.62	3.64%
NYPA CREDIT	(397,814.54)	(350,000.00)	(47,814.54)	13.66%
TOTAL OPERATING REVENUES	50,685,090.93	55,456,650.00	(4,771,559.07)	-8.60%
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	14,934,246.54	15,959,339.00	(1,025,092.46)	-6.42%
PURCHASED POWER FUEL	22,747,767.61	23,871,456.00	(1,123,688.39)	-4.71%
OPERATING MAINTENANCE	4,969,115.69	5,332,685.00	(363,569.31)	-6.82%
DEPRECIATION	1,800,621.68	1,633,566.00	167,055.68	10.23%
VOLUNTARY PAYMENTS TO TOWNS	2,072,192.29	2,100,000.00	(27,807.71)	-1.32%
	787,186.00	791,000.00	(3,814.00)	-0.48%
TOTAL OPERATING EXPENSES	47,311,129.81	49,688,046.00	(2,376,916.19)	-4.78%
OPERATING INCOME	3,373,961.12	5,768,604.00	(2,394,642.88)	-41.51%
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	37,629.64	300,000.00	(262,370.36)	-87.46%
RETURN ON INVESTMENT TO READING	(1,286,808.25)	(1,295,000.00)	8,191.75	-0.63%
INTEREST INCOME	60,559.01	105,000.00	(44,440.99)	-42.32%
INTEREST EXPENSE	(5,226.99)	(3,500.00)	(1,726.99)	49.34%
OTHER (MDSE AND AMORT)	244,158.43	70,000.00	174,158.43	248.80%
TOTAL NONOPERATING REV (EXP)	(949,688.16)	(823,500.00)	(126,188.16)	15.32%
CHANGE IN NET ASSETS	2,424,272.96	4,945,104.00	(2,520,831.04)	-50.98%
NET ASSETS AT BEGINNING OF YEAR	93,603,582.47	93,603,582.47	0.00	0.00%
NET ASSETS AT END OF JANUARY	96,027,855.43	98,548,686.47	(2,520,831.04)	-2.56%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
RECONCILIATION OF CAPITAL FUNDS
1/31/12

SOURCE OF CAPITAL FUNDS:

DEPRECIATION FUND BALANCE 7/1/11	4,297,944.13
CONSTRUCTION FUND BALANCE 7/1/11	0.00
INTEREST ON DEPRECIATION FUND FY 12	6,655.14
DEPRECIATION TRANSFER FY 12	2,072,192.29
FORCED ACCOUNTS REIMBURSEMENT	0.00
GAW SUBSTATION (FY 12)	<u>0.00</u>
 TOTAL SOURCE OF CAPITAL FUNDS	 6,376,791.56

USE OF CAPITAL FUNDS:

PAID ADDITIONS TO PLANT THRU JANUARY	2,365,829.67
PAID ADDITIONS TO GAW THRU JANUARY	0.00
 TOTAL USE OF CAPITAL FUNDS	 <u>2,365,829.67</u>

GENERAL LEDGER CAPITAL FUNDS BALANCE 1/31/12	<u><u>4,010,961.89</u></u>
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PAID ADDITIONS TO GAW FROM FY 12	0.00
PAID ADDITIONS TO GAW FROM FY 11	531,784.00
PAID ADDITIONS TO GAW FROM FY 10	1,372,876.00
PAID ADDITIONS TO GAW FROM FY 09	3,136,764.00
PAID ADDITIONS TO GAW FROM FY 08	1,895,975.00
 TOTAL	 <u><u>6,937,399.00</u></u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SALES OF KILOWATT HOURS
1/31/12

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	23,596,837	22,442,292	163,587,538	156,374,445	-4.41%
COMM. AND INDUSTRIAL SALES	34,924,989	31,431,195	252,473,262	245,224,771	-2.87%
PRIVATE STREET LIGHTING	73,252	73,295	502,929	510,436	1.49%
TOTAL PRIVATE CONSUMERS	<u>58,595,078</u>	<u>53,946,782</u>	<u>416,563,729</u>	<u>402,109,652</u>	-3.47%
MUNICIPAL SALES:					
STREET LIGHTING	239,009	239,295	1,671,587	1,673,927	0.14%
MUNICIPAL BUILDINGS	964,827	858,971	5,835,481	5,666,816	-2.89%
TOTAL MUNICIPAL CONSUMERS	<u>1,203,836</u>	<u>1,098,266</u>	<u>7,507,068</u>	<u>7,340,743</u>	-2.22%
SALES FOR RESALE	312,294	282,836	2,124,784	2,049,706	-3.53%
SCHOOL	1,409,774	1,316,235	8,235,900	7,900,456	-4.07%
TOTAL KILOWATT HOURS SOLD	<u>61,520,982</u>	<u>56,644,119</u>	<u>434,431,481</u>	<u>419,400,557</u>	-3.46%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
KILOWATT HOURS SOLD BY TOWN
1/31/12

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	22,442,292	7,111,119	3,015,072	5,446,383	6,869,718
COMM & IND	31,431,195	4,344,014	254,630	4,828,190	22,004,361
PVT ST LIGHTS	73,295	13,737	1,360	21,956	36,242
PUB ST LIGHTS	239,295	80,536	32,480	39,920	86,359
MUNI BLDGS	858,971	262,177	137,397	146,929	312,468
SALES/RESALE	282,836	282,836	0	0	0
SCHOOL	1,316,235	483,145	268,030	163,280	401,780
TOTAL	56,644,119	12,577,564	3,708,969	10,646,658	29,710,928

YEAR TO DATE

RESIDENTIAL	156,374,445	48,878,075	22,339,481	36,480,422	48,676,467
COMM & IND	245,224,771	31,163,673	1,975,518	38,029,964	174,055,616
PVT ST LIGHTS	510,436	97,575	9,520	149,664	253,677
PUB ST LIGHTS	1,673,927	563,252	227,102	279,240	604,333
MUNI BLDGS	5,666,816	1,408,517	966,513	1,136,928	2,154,858
SALES/RESALE	2,049,706	2,049,706	0	0	0
SCHOOL	7,900,456	2,826,875	1,746,008	1,008,080	2,319,493
TOTAL	419,400,557	86,987,673	27,264,142	77,084,298	228,064,444

LAST YEAR TO DATE

RESIDENTIAL	163,587,538	51,137,761	23,366,372	38,108,144	50,975,261
COMM & IND	252,473,262	31,146,526	2,018,005	38,129,078	181,179,653
PVT ST LIGHTS	502,929	97,889	9,520	148,922	246,598
PUB ST LIGHTS	1,671,587	563,052	227,211	277,819	603,505
MUNI BLDGS	5,835,481	1,502,035	1,012,702	1,206,439	2,114,305
SALES/RESALE	2,124,784	2,124,784	0	0	0
SCHOOL	8,235,900	2,928,145	1,748,130	1,073,360	2,486,265
TOTAL	434,431,481	89,500,192	28,381,940	78,943,762	237,605,587

KILOWATT HOURS SOLD TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	39.62%	12.55%	5.32%	9.62%	12.13%
COMM & IND	55.49%	7.67%	0.45%	8.52%	38.85%
PVT ST LIGHTS	0.13%	0.02%	0.00%	0.04%	0.07%
PUB ST LIGHTS	0.42%	0.14%	0.06%	0.07%	0.15%
MUNI BLDGS	1.52%	0.46%	0.24%	0.26%	0.56%
SALES/RESALE	0.50%	0.50%	0.00%	0.00%	0.00%
SCHOOL	2.32%	0.85%	0.47%	0.29%	0.71%
TOTAL	100.00%	22.19%	6.54%	18.80%	52.47%

YEAR TO DATE

RESIDENTIAL	37.29%	11.65%	5.33%	8.70%	11.61%
COMM & IND	58.47%	7.43%	0.47%	9.07%	41.50%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
PUB ST LIGHTS	0.40%	0.13%	0.05%	0.07%	0.15%
MUNI BLDGS	1.35%	0.34%	0.23%	0.27%	0.51%
SALES/RESALE	0.49%	0.49%	0.00%	0.00%	0.00%
SCHOOL	1.88%	0.67%	0.42%	0.24%	0.55%
TOTAL	100.00%	20.73%	6.50%	18.39%	54.38%

LAST YEAR TO DATE

RESIDENTIAL	37.65%	11.77%	5.38%	8.77%	11.73%
COMM & IND	58.12%	7.17%	0.46%	8.78%	41.71%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.03%	0.07%
PUB ST LIGHTS	0.38%	0.13%	0.05%	0.06%	0.14%
MUNI BLDGS	1.34%	0.35%	0.23%	0.28%	0.48%
SALES/RESALE	0.49%	0.49%	0.00%	0.00%	0.00%
SCHOOL	1.90%	0.67%	0.40%	0.25%	0.58%
TOTAL	100.00%	20.60%	6.52%	18.17%	54.71%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
FORMULA INCOME
1/31/12

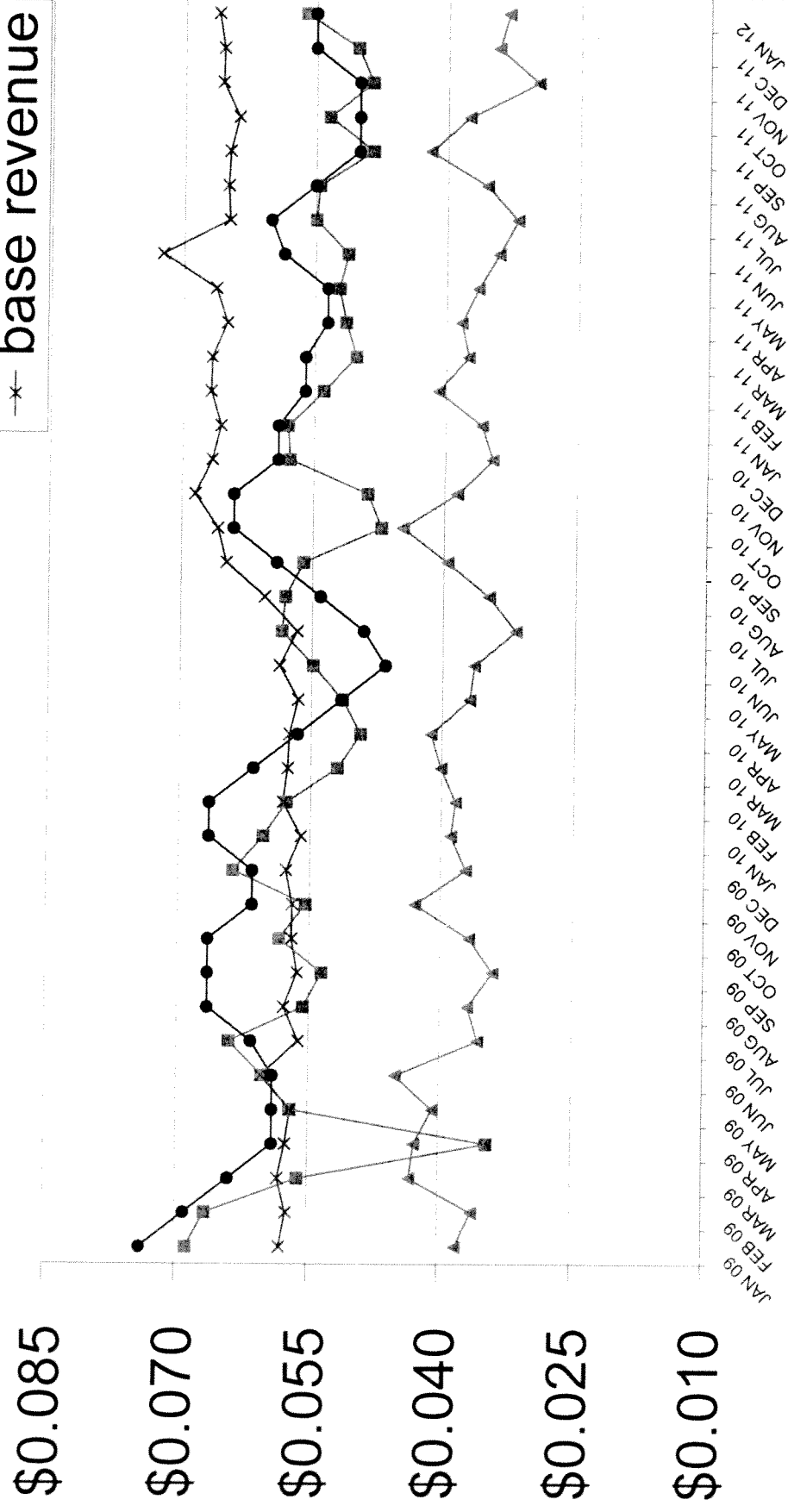
TOTAL OPERATING REVENUES	(P.3)	50,685,090.93
ADD:		
POLE RENTAL		1,455.00
INTEREST INCOME ON CUSTOMER DEPOSITS		792.02
LESS:		
OPERATING EXPENSES	(P.3)	(47,311,129.81)
CUSTOMER DEPOSIT INTEREST EXPENSE		(5,226.99)
FORMULA INCOME (LOSS)		<u>3,370,981.15</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
GENERAL STATISTICS
1/31/12

		MONTH OF JAN 2011	MONTH OF JAN 2012	% CHANGE		YEAR JAN 2011	THRU JAN 2012
				2010	2011		
SALE OF KWH	(P.5)	61,520,982	56,644,119	7.35%	-3.46%	434,431,481	419,400,557
KWH PURCHASED		62,562,960	59,550,250	5.70%	-2.87%	446,397,850	433,579,697
AVE BASE COST PER KWH		0.035865	0.033086	-4.83%	-48.69%	0.067130	0.034444
AVE BASE SALE PER KWH		0.065584	0.066118	9.67%	3.42%	0.062898	0.065048
AVE COST PER KWH		0.093740	0.089145	-5.78%	-5.47%	0.091936	0.086909
AVE SALE PER KWH		0.124583	0.121100	-0.76%	-1.65%	0.120785	0.118797
FUEL CHARGE REVENUE (P.3)		3,629,698.16	3,114,395.49	-3.41%	-10.36%	25,147,934.40	22,542,547.15
LOAD FACTOR		76.40%	76.56%				
PEAK LOAD		112,174	106,558				

kwh analysis

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



TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF CASH AND INVESTMENTS
1/31/12

SCHEDULE A

	PREVIOUS YEAR	CURRENT YEAR
UNRESTRICTED CASH:		
CASH - OPERATING FUND	6,854,766.85	9,618,141.12
CASH - PETTY CASH	3,000.00	3,000.00
TOTAL UNRESTRICTED CASH	6,857,766.85	9,621,141.12
 RESTRICTED CASH:		
CASH - DEPRECIATION FUND	4,740,173.37	4,010,961.89
CASH - TOWN PAYMENT	291,250.00	596,000.00
CASH - DEFERRED FUEL RESERVE	2,395,420.56	2,452,189.78
CASH - RATE STABILIZATION FUND	4,381,131.86	6,068,389.05
CASH - UNCOLLECTIBLE ACCTS RESERVE	200,000.00	200,000.00
CASH - SICK LEAVE BENEFITS	2,024,793.05	2,952,851.04
CASH - HAZARD WASTE RESERVE	150,000.00	150,000.00
CASH - CUSTOMER DEPOSITS	515,693.20	604,388.69
CASH - ENERGY CONSERVATION	343,798.77	173,774.12
CASH - OPEB	614,450.98	1,172,973.82
TOTAL RESTRICTED CASH	15,656,711.79	18,381,528.39
 RESTRICTED INVESTMENTS:		
RATE STABILIZATION *	1,000,000.00	0.00
SICK LEAVE BUYBACK **	1,000,000.00	0.00
OPEB ***	200,000.00	0.00
TOTAL RESTRICTED INVESTMENTS	2,200,000.00	0.00
 TOTAL CASH BALANCE	 24,714,478.64	 28,002,669.51

JAN 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
1/31/12

SCHEDULE B

SCHEDULE OF ACCOUNTS RECEIVABLE	PREVIOUS YEAR	CURRENT YEAR
RESIDENTIAL AND COMMERCIAL		
ACCOUNTS RECEIVABLE - OTHER	4,805,309.83	3,298,034.16
ACCOUNTS RECEIVABLE - LIENS	138,744.20	173,757.74
ACCOUNTS RECEIVABLE - EMPLOYEE ADVANCES	105,586.12	68,665.99
SALES DISCOUNT LIABILITY	1,067.16	892.14
RESERVE FOR UNCOLLECTIBLE ACCOUNTS	(357,716.40)	(272,247.53)
TOTAL ACCOUNTS RECEIVABLE BILLED	<u>(308,314.41)</u>	<u>(290,897.86)</u>
	4,384,676.50	2,978,204.64
UNBILLED ACCOUNTS RECEIVABLE	4,055,159.11	4,830,294.37
TOTAL ACCOUNTS RECEIVABLE, NET	<u>8,439,835.61</u>	<u>7,808,499.01</u>

SCHEDULE OF PREPAYMENTS

PREPAID INSURANCE	1,412,723.82	1,465,398.59
PREPAYMENT PURCHASED POWER	379,285.27	336,853.70
PREPAYMENT PASNY	239,666.63	238,330.65
PREPAYMENT WATSON	159,877.37	155,415.85
PURCHASED POWER WORKING CAPITAL	14,523.70	14,523.70
TOTAL PREPAYMENT	<u>2,206,076.79</u>	<u>2,210,522.49</u>

ACCOUNTS RECEIVABLE AGING JANUARY 2012:

RESIDENTIAL AND COMMERCIAL	3,298,034.16
LESS: SALES DISCOUNT LIABILITY	<u>(272,247.53)</u>
GENERAL LEDGER BALANCE	<u>3,025,786.63</u>

CURRENT	2,670,304.31	82.28%
30 DAYS	279,412.05	8.61%
60 DAYS	127,584.94	3.93%
90 DAYS	55,963.13	1.72%
OVER 90 DAYS	<u>112,249.01</u>	<u>3.46%</u>
TOTAL	<u>3,245,513.44</u>	<u>100.00%</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE
1/31/12

SCHEDULE D

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	3,230,381.85	2,986,106.37	21,591,805.90	20,631,257.22	-4.45%
COMM AND INDUSTRIAL SALES	4,049,740.57	3,545,526.02	28,501,661.35	27,056,607.04	-5.07%
PRIVATE STREET LIGHTING	10,981.54	6,336.67	73,839.51	47,717.22	-35.38%
TOTAL PRIVATE CONSUMERS	<u>7,291,103.96</u>	<u>6,537,969.06</u>	<u>50,167,306.76</u>	<u>47,735,581.48</u>	-4.85%
 MUNICIPAL SALES:					
STREET LIGHTING	47,157.01	30,461.88	324,965.18	226,471.87	-30.31%
MUNICIPAL BUILDINGS	119,103.91	104,255.50	716,441.00	690,109.80	-3.68%
TOTAL MUNICIPAL CONSUMERS	<u>166,260.92</u>	<u>134,717.38</u>	<u>1,041,406.18</u>	<u>916,581.67</u>	-11.99%
 SALES FOR RESALE	 39,967.63	 35,092.33	 262,906.76	 252,014.50	 -4.14%
 SCHOOL	 167,129.26	 151,838.98	 1,001,235.24	 919,331.72	 -8.18%
 SUB-TOTAL	 <u>7,664,461.77</u>	 <u>6,859,617.75</u>	 <u>52,472,854.94</u>	 <u>49,823,509.37</u>	 -5.05%
 FORFEITED DISCOUNTS	 94,513.95	 87,893.05	 613,667.00	 566,459.28	 -7.69%
 PURCHASED POWER CAPACITY	 32,606.08	 (10,759.23)	 1,156,560.83	 (79,673.49)	 -106.89%
 ENERGY CONSERVATION - RESIDENTIAL	 11,803.45	 22,452.71	 81,833.64	 132,998.64	 62.52%
ENERGY CONSERVATION - COMMERCIAL	18,494.27	33,259.24	229,315.47	220,209.05	-3.97%
 GAW REVENUE	 61,534.17	 56,637.77	 294,545.11	 419,402.62	 42.39%
 NYPA CREDIT	 (59,937.36)	 (51,411.30)	 (427,390.42)	 (397,814.54)	 -6.92%
 TOTAL REVENUE	 <u>7,823,476.33</u>	 <u>6,997,689.99</u>	 <u>54,421,386.57</u>	 <u>50,685,090.93</u>	 -6.87%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE BY TOWN
1/31/12

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	2,986,106.37	948,530.33	399,915.20	723,338.10	914,322.74
INDUS/MUNI BLDG	3,649,781.52	546,439.66	47,799.28	576,647.19	2,478,895.39
PUB. ST. LIGHTS	30,461.88	9,606.25	3,802.84	5,524.88	11,527.91
PRV. ST. LIGHTS	6,336.67	1,159.82	114.90	1,989.62	3,072.33
CO-OP RESALE	35,092.33	35,092.33	0.00	0.00	0.00
SCHOOL	151,838.98	55,780.00	30,664.17	19,541.72	45,853.09
TOTAL	6,859,617.75	1,596,608.39	482,296.39	1,327,041.51	3,453,671.46

THIS YEAR TO DATE

RESIDENTIAL	20,631,257.22	6,464,504.95	2,938,871.91	4,801,274.13	6,426,606.23
INDUS/MUNI BLDG	27,746,716.84	3,822,007.92	352,644.62	4,433,337.19	19,138,727.11
PUB. ST. LIGHTS	226,471.87	72,925.06	28,087.06	40,374.65	85,085.10
PRV. ST. LIGHTS	47,717.22	8,917.68	873.00	14,702.26	23,224.28
CO-OP RESALE	252,014.50	252,014.50	0.00	0.00	0.00
SCHOOL	919,331.72	332,052.32	199,337.84	120,267.15	267,674.41
TOTAL	49,823,509.37	10,952,422.43	3,519,814.41	9,409,955.39	25,941,317.14

LAST YEAR TO DATE

RESIDENTIAL	21,591,805.90	6,782,125.34	3,057,452.60	5,036,665.92	6,715,562.04
INDUS/MUNI BLDG	29,218,102.35	3,923,828.61	365,997.70	4,544,681.78	20,383,594.26
PUB. ST. LIGHTS	324,965.18	113,774.59	39,633.23	53,530.13	118,027.23
PRV. ST. LIGHTS	73,839.51	13,985.66	1,392.01	22,866.05	35,595.79
CO-OP RESALE	262,906.76	262,906.76	0.00	0.00	0.00
SCHOOL	1,001,235.24	357,097.86	209,030.08	133,608.17	301,499.13
TOTAL	52,472,854.94	11,453,718.82	3,673,505.62	9,791,352.05	27,554,278.45

PERCENTAGE OF OPERATING INCOME TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	43.53%	13.83%	5.83%	10.54%	13.33%
INDUS/MUNI BLDG	53.22%	7.97%	0.70%	8.41%	36.14%
PUB. ST. LIGHTS	0.44%	0.14%	0.06%	0.08%	0.16%
PRV. ST. LIGHTS	0.09%	0.02%	0.00%	0.03%	0.04%
CO-OP RESALE	0.51%	0.51%	0.00%	0.00%	0.00%
SCHOOL	2.21%	0.81%	0.45%	0.28%	0.67%
TOTAL	100.00%	23.28%	7.04%	19.34%	50.34%

THIS YEAR TO DATE

RESIDENTIAL	41.41%	12.97%	5.90%	9.64%	12.90%
INDUS/MUNI BLDG	55.69%	7.67%	0.71%	8.90%	38.41%
PUB. ST. LIGHTS	0.44%	0.15%	0.06%	0.08%	0.15%
PRV. ST. LIGHTS	0.10%	0.02%	0.00%	0.03%	0.05%
CO-OP RESALE	0.51%	0.51%	0.00%	0.00%	0.00%
SCHOOL	1.85%	0.67%	0.40%	0.24%	0.54%
TOTAL	100.00%	21.99%	7.07%	18.89%	52.05%

LAST YEAR TO DATE

RESIDENTIAL	41.16%	12.93%	5.83%	9.60%	12.80%
INDUS/MUNI BLDG	55.68%	7.48%	0.70%	8.66%	38.84%
PUB. ST. LIGHTS	0.62%	0.22%	0.08%	0.10%	0.22%
PRV. ST. LIGHTS	0.14%	0.03%	0.00%	0.04%	0.07%
CO-OP RESALE	0.50%	0.50%	0.00%	0.00%	0.00%
SCHOOL	1.90%	0.68%	0.40%	0.25%	0.57%
TOTAL	100.00%	21.84%	7.01%	18.65%	52.50%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED REVENUE VARIANCE REPORT
1/31/12

SCHEDULE F

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
SALES OF ELECTRICITY:				
RESIDENTIAL	12,208,590.02	13,129,335.00	(920,744.98)	-7.01%
COMM AND INDUSTRIAL SALES PRIVATE STREET LIGHTING MUNICIPAL BUILDINGS	14,297,303.93	15,115,903.00	(818,599.07)	-5.42%
PUBLIC STREET LIGHTING	136,796.83	300,886.00	(164,089.17)	-54.54%
SALES FOR RESALE	141,564.02	174,415.00	(32,850.98)	-18.83%
SCHOOL	<u>496,707.42</u>	<u>517,058.00</u>	<u>(20,350.58)</u>	-3.94%
 TOTAL BASE SALES	 27,280,962.22	 29,237,597.00	 (1,956,634.78)	 -6.69%
TOTAL FUEL SALES	<u>22,542,547.15</u>	<u>25,278,846.00</u>	<u>(2,736,298.85)</u>	-10.82%
TOTAL OPERATING REVENUE	49,823,509.37	54,516,443.00	(4,692,933.63)	-8.61%
FORFEITED DISCOUNTS	566,459.28	643,227.00	(76,767.72)	-11.93%
PURCHASED POWER CAPACITY	(79,673.49)	(83,535.00)	3,861.51	-4.62%
ENERGY CONSERVATION - RESIDENTIAL	132,998.64	122,692.00	10,306.64	8.40%
ENERGY CONSERVATION - COMMERCIAL	220,209.05	203,132.00	17,077.05	8.41%
GAW REVENUE	419,402.62	404,691.00	14,711.62	3.64%
NYPA CREDIT	(397,814.54)	(350,000.00)	(47,814.54)	13.66%
 TOTAL OPERATING REVENUES	 <u>50,685,090.93</u>	 <u>55,456,650.00</u>	 <u>(4,771,559.07)</u>	 -8.60%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING EXPENSES
1/31/12

SCHEDULE E

OPERATION EXPENSES:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
PURCHASED POWER BASE EXPENSE	2,243,845.82	1,970,296.64	16,388,717.23	14,934,246.54	-8.87%
OPERATION SUPER AND ENGIN-TRANS	0.00	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	33,668.76	32,507.31	270,214.05	309,702.74	14.61%
STATION SUP LABOR AND MISC	8,859.23	7,736.16	63,125.29	66,914.43	6.00%
LINE MISC LABOR AND EXPENSE	43,491.24	38,506.15	356,202.12	384,941.18	8.07%
STATION LABOR AND EXPENSE	29,842.11	29,667.64	268,217.62	282,853.46	5.46%
STREET LIGHTING EXPENSE	7,599.92	14,177.67	50,440.26	68,081.51	34.97%
METER EXPENSE	24,501.33	8,080.36	194,366.47	150,325.95	-22.66%
MISC DISTRIBUTION EXPENSE	24,046.77	25,739.70	192,257.83	194,912.25	1.38%
METER READING LABOR & EXPENSE	5,200.39	6,977.37	44,281.91	53,854.07	21.62%
ACCT & COLL LABOR & EXPENSE	103,201.55	112,805.63	756,901.41	811,869.78	7.26%
UNCOLLECTIBLE ACCOUNTS	15,000.00	16,000.00	105,000.00	112,000.00	6.67%
ENERGY AUDIT EXPENSE	29,958.16	30,615.79	227,665.92	262,482.13	15.29%
ADMIN & GEN SALARIES	53,561.74	55,022.95	411,056.66	437,113.65	6.34%
OFFICE SUPPLIES & EXPENSE	16,735.90	19,168.89	158,667.29	126,641.10	-20.18%
OUTSIDE SERVICES	17,380.36	36,302.15	115,609.34	223,657.00	93.46%
PROPERTY INSURANCE	31,705.39	23,265.13	216,066.71	218,567.84	1.16%
INJURIES AND DAMAGES	3,290.35	3,968.18	24,576.49	7,926.23	-67.75%
EMPLOYEES PENSIONS & BENEFITS	359,736.87	(62,284.63)	1,024,538.66	682,198.42	-33.41%
MISC GENERAL EXPENSE	7,131.58	9,144.80	92,735.53	120,960.38	30.44%
RENT EXPENSE	16,613.92	5,695.29	101,878.33	103,891.72	1.98%
ENERGY CONSERVATION	30,485.20	39,835.13	276,232.80	350,221.85	26.79%
TOTAL OPERATION EXPENSES	862,010.77	452,931.67	4,950,034.69	4,969,115.69	0.39%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	227.08	227.08	1,589.60	1,589.58	0.00%
MAINT OF STRUCT AND EQUIPMT	12,647.92	76,364.71	89,162.68	188,042.40	110.90%
MAINT OF LINES - OH	122,388.06	140,398.83	800,529.41	1,070,013.21	33.66%
MAINT OF LINES - UG	17,302.03	9,400.19	83,078.45	115,281.36	38.76%
MAINT OF LINE TRANSFORMERS **	432,482.83	(8,389.19)	1,293,045.04	31,187.43	-97.59%
MAINT OF ST LT & SIG SYSTEM	(18.34)	(48.03)	(117.88)	(350.51)	197.34%
MAINT OF GARAGE AND STOCKROOM	57,796.92	49,668.05	307,482.09	298,546.82	-2.91%
MAINT OF METERS	7,593.73	9,454.55	7,593.73	49,608.01	553.28%
MAINT OF GEN PLANT	5,175.06	5,489.96	57,547.90	46,703.38	-18.84%
TOTAL MAINTENANCE EXPENSES	655,595.29	282,566.15	2,639,911.02	1,800,621.68	-31.79%
DEPRECIATION EXPENSE	287,729.05	296,027.47	2,014,103.35	2,072,192.29	2.88%
PURCHASED POWER FUEL EXPENSE	3,620,814.67	3,338,331.18	24,651,235.51	22,747,767.61	-7.72%
VOLUNTARY PAYMENTS TO TOWNS	105,885.00	113,000.00	765,885.00	787,186.00	2.78%
TOTAL OPERATING EXPENSES	7,775,880.60	6,453,153.11	51,409,886.80	47,311,129.81	-7.97%

** FY 12 total includes GAW soil remediation expenses totalling \$0.00
Total costs to date for entire project is \$2,482,825.80.

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
1/31/12

SCHEDULE G

OPERATION EXPENSES:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
PURCHASED POWER BASE EXPENSE	14,934,246.54	15,959,339.00	(1,025,092.46)	-6.42%
OPERATION SUPER AND ENGIN-TRANS	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	309,702.74	255,549.00	54,153.74	21.19%
STATION SUP LABOR AND MISC	66,914.43	35,362.00	31,552.43	89.23%
LINE MISC LABOR AND EXPENSE	384,941.18	418,459.00	(33,517.82)	-8.01%
STATION LABOR AND EXPENSE	282,854.46	257,401.00	25,452.46	9.89%
STREET LIGHTING EXPENSE	68,081.51	49,735.00	18,346.51	36.89%
METER EXPENSE	150,325.95	89,159.00	61,166.95	68.60%
MISC DISTRIBUTION EXPENSE	194,912.25	202,468.00	(7,555.75)	-3.73%
METER READING LABOR & EXPENSE	53,854.07	44,098.00	9,756.07	22.12%
ACCT & COLL LABOR & EXPENSE	811,869.78	829,190.00	(17,320.22)	-2.09%
UNCOLLECTIBLE ACCOUNTS	112,000.00	112,000.00	0.00	0.00%
ENERGY AUDIT EXPENSE	262,482.13	245,466.00	17,016.13	6.93%
ADMIN & GEN SALARIES	437,113.65	429,227.00	7,886.65	1.84%
OFFICE SUPPLIES & EXPENSE	126,641.10	155,127.00	(28,485.90)	-18.36%
OUTSIDE SERVICES	223,657.00	321,320.00	(97,663.00)	-30.39%
PROPERTY INSURANCE	218,567.84	271,264.00	(52,696.16)	-19.43%
INJURIES AND DAMAGES	7,926.23	32,741.00	(24,814.77)	-75.79%
EMPLOYEES PENSIONS & BENEFITS	682,198.42	933,189.00	(250,990.58)	-26.90%
MISC GENERAL EXPENSE	120,960.38	142,255.00	(21,294.62)	-14.97%
RENT EXPENSE	103,891.72	123,669.00	(19,777.28)	-15.99%
ENERGY CONSERVATION	350,221.85	385,006.00	(34,784.15)	-9.03%
TOTAL OPERATION EXPENSES	4,969,115.69	5,332,685.00	(363,569.31)	-6.82%
MAINTENANCE EXPENSES:				
MAINT OF TRANSMISSION PLANT	1,589.58	1,750.00	(160.42)	-9.17%
MAINT OF STRUCT AND EQUIPMENT	188,042.40	64,203.00	123,839.40	192.89%
MAINT OF LINES - OH	1,070,013.21	816,026.00	253,987.21	31.12%
MAINT OF LINES - UG	115,281.36	124,813.00	(9,531.64)	-7.64%
MAINT OF LINE TRANSFORMERS **	31,187.43	126,199.00	(95,011.57)	-75.29%
MAINT OF ST LT & SIG SYSTEM	(350.51)	5,610.00	(5,960.51)	-106.25%
MAINT OF GARAGE AND STOCKROOM	298,546.82	370,811.00	(72,264.18)	-19.49%
MAINT OF METERS	49,608.01	49,828.00	(219.99)	-0.44%
MAINT OF GEN PLANT	46,703.38	74,326.00	(27,622.62)	-37.16%
TOTAL MAINTENANCE EXPENSES	1,800,621.68	1,633,566.00	167,055.68	10.23%
DEPRECIATION EXPENSE	2,072,192.29	2,100,000.00	(27,807.71)	-1.32%
PURCHASED POWER FUEL EXPENSE	22,747,767.61	23,871,456.00	(1,123,688.39)	-4.71%
VOLUNTARY PAYMENTS TO TOWNS	787,186.00	791,000.00	(3,814.00)	-0.48%
TOTAL OPERATING EXPENSES	47,311,129.81	49,688,046.00	(2,376,916.19)	-4.78%

* () = ACTUAL UNDER BUDGET

** FY 12 total includes GAW soil remediation expenses totalling \$0.00
Total costs to date for entire project is \$2,482,825.80.

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
1/31/12

OPERATION EXPENSES:	RESPONSIBLE SENIOR MANAGER	2012 ANNUAL BUDGET	ACTUAL YEAR TO DATE	REMAINING BUDGET BALANCE	REMAINING BUDGET %
PURCHASED POWER BASE EXPENSE	JP	27,402,177.00	14,934,246.54	12,467,930.46	45.50%
OPERATION SUPER AND ENGIN-TRANS	KS	0.00	0.00	0.00	0.00%
OPERATION SUP AND ENGINEERING EXP	KS	438,974.00	309,702.74	129,271.26	29.45%
STATION SUP LABOR AND MISC	KS	62,909.00	66,914.43	(4,005.43)	-6.37%
LINE MISC LABOR AND EXPENSE	KS	692,484.00	384,941.18	307,542.82	44.41%
STATION LABOR AND EXPENSE	KS	441,924.00	282,853.46	159,070.54	35.99%
STREET LIGHTING EXPENSE	KS	85,338.00	68,081.51	17,256.49	20.22%
METER EXPENSE	KS	152,130.00	150,325.95	1,804.05	1.19%
MISC DISTRIBUTION EXPENSE	JD	352,508.00	194,912.25	157,595.75	44.71%
METER READING LABOR & EXPENSE	KS	76,220.00	53,854.07	22,365.93	29.34%
ACCT & COLL LABOR & EXPENSE	RF	1,427,255.00	811,869.78	615,385.22	43.12%
UNCOLLECTIBLE ACCOUNTS	RF	192,000.00	112,000.00	80,000.00	41.67%
ENERGY AUDIT EXPENSE	JP	414,098.00	262,482.13	151,615.87	36.61%
ADMIN & GEN SALARIES	VC	745,939.00	437,113.65	308,825.35	41.40%
OFFICE SUPPLIES & EXPENSE	VC	265,700.00	126,641.10	139,058.90	52.34%
OUTSIDE SERVICES	VC	454,250.00	223,657.00	230,593.00	50.76%
PROPERTY INSURANCE	JD	465,000.00	218,567.84	246,432.16	53.00%
INJURIES AND DAMAGES	JD	55,859.00	7,926.23	47,932.77	85.81%
EMPLOYEES PENSIONS & BENEFITS	JD	1,441,637.00	682,198.42	759,438.58	52.68%
MISC GENERAL EXPENSE	VC	203,091.00	120,960.38	82,130.62	40.44%
RENT EXPENSE	JD	212,000.00	103,891.72	108,108.28	50.99%
ENERGY CONSERVATION	JP	643,789.00	350,221.85	293,567.15	45.60%
TOTAL OPERATION EXPENSES		8,823,105.00	4,969,115.69	3,853,989.31	43.68%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	KS	3,000.00	1,589.58	1,410.42	47.01%
MAINT OF STRUCT AND EQUIPMT	KS	107,072.00	188,042.40	(80,970.40)	-75.62%
MAINT OF LINES - OH	KS	1,419,953.00	1,070,013.21	349,939.79	24.64%
MAINT OF LINES - UG	KS	214,037.00	115,281.36	98,755.64	46.14%
MAINT OF LINE TRANSFORMERS **	KS	188,500.00	31,187.43	157,312.57	83.45%
MAINT OF ST LT & SIG SYSTEM	JD	9,636.00	(350.51)	9,986.51	103.64%
MAINT OF GARAGE AND STOCKROOM	JD	662,139.00	298,546.82	363,592.18	54.91%
MAINT OF METERS	KS	85,444.00	49,608.01	35,835.99	41.94%
MAINT OF GEN PLANT	RF	127,620.00	46,703.38	80,916.62	63.40%
TOTAL MAINTENANCE EXPENSES		2,817,401.00	1,800,621.68	1,016,779.32	36.09%
DEPRECIATION EXPENSE	RF	3,600,000.00	2,072,192.29	1,527,807.71	42.44%
PURCHASED POWER FUEL EXPENSE	JP	39,768,817.00	22,747,767.61	17,021,049.39	42.80%
VOLUNTARY PAYMENTS TO TOWNS	RF	1,356,000.00	787,186.00	568,814.00	41.95%
TOTAL OPERATING EXPENSES		83,767,500.00	47,311,129.81	36,456,370.19	43.52%

** FY 12 total includes GAW soil remediation expenses totalling \$0.00
Total costs to date for entire project is \$2,482,825.80.

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
PROFESSIONAL SERVICES
01/31/2012

PROFESSIONAL SERVICES BY PROJECT

ITEM	DEPARTMENT	ACTUAL	BUDGET	VARIANCE
1 RMLD AND PENSION TRUST AUDIT FEES	ACCOUNTING	34,940.00	32,250.00	2,690.00
2 PENSION ACTUARIAL EVALUATION	ACCOUNTING	0.00	0.00	0.00
3 LEGAL- FERC/ISO ISSUES	ENERGY SERVICE	0.00	10,500.00	(10,500.00)
4 LEGAL- POWER SUPPLY ISSUES	ENERGY SERVICE	30,109.35	26,250.00	3,859.35
5 PROFESSIONAL SERVICES	ENERGY SERVICE	7,484.32	14,000.00	(6,515.68)
6 NERC COMPLIANCE	E & O	11,990.00	10,850.00	1,140.00
7 LOAD CAPACITY STUDY/GIS	ENGINEERING	9,280.00	11,250.00	(1,970.00)
8 LEGAL SERVICES- GENERAL	GM	91,670.70	29,169.00	62,501.70
9 LEGAL SERVICES-GENERAL	HR	26,256.41	24,500.00	1,756.41
10 LEGAL SERVICES-NEGOTIATIONS	HR	632.20	0.00	632.20
11 LEGAL GENERAL	BLDG. MAINT.	2,312.50	875.00	1,437.50
12 SURVEY RIGHT OF WAY	BLDG. MAINT.	0.00	2,919.00	(2,919.00)
13 ENVIRONMENTAL	BLDG. MAINT.	0.00	2,919.00	(2,919.00)
14 STATION 1 STRUCTURAL FEASIBILITY	BLDG. MAINT.	0.00	50,000.00	(50,000.00)
15 DEMOLITION OF CONTROL CENTER	BLDG. MAINT.	2,523.19	100,000.00	(97,476.81)
16 INSURANCE CONSULTANT	GEN. BENEFIT	6,458.33	2,919.00	3,539.33
17 LEGAL	GEN. BENEFIT	0.00	2,919.00	(2,919.00)
TOTAL		<u>223,657.00</u>	<u>321,320.00</u>	<u>(97,663.00)</u>

PROFESSIONAL SERVICES BY VENDOR

	ACTUAL
ROMARKE INSURANCE	6,041.66
RUBIN AND RUDMAN	110,945.94
UTILITY SERVICES INC.	13,481.67
MELANSON HEATH & COMPANY	41,903.62
DUNCAN AND ALLEN	6,182.99
CHOATE HALL AND STEWART	26,888.61
PROFESSIONAL ENVIRONMENTAL SERVICES	2,240.00
CDM	9,280.00
CMEEC	4,169.32
COVINO ENVIRONMENTAL ASSOCIATION	2,523.19
TOTAL	<u>223,657.00</u>

RMLD
 BUDGET VARIANCE REPORT
 FOR PERIOD ENDING JANUARY 31, 2012

DIVISION	ACTUAL	BUDGET	VARIANCE	CHANGE
ENGINEERING AND OPERATIONS	2,912,154	2,475,829	436,325	17.62%
ENERGY SERVICES	650,367	681,516	(31,149)	-4.57%
GENERAL MANAGER	495,434	431,685	63,750	14.77%
FACILITY MANAGER	1,559,655	2,156,370	(596,715)	-27.67%
BUSINESS DIVISION	5,303,539	5,410,361	(106,821)	-1.97%
SUB-TOTAL	10,921,150	11,155,760	(234,610)	-2.10%
PURCHASED POWER - BASE	14,934,247	15,959,339	(1,025,092)	-6.42%
PURCHASED POWER - FUEL	22,747,768	23,871,456	(1,123,688)	-4.71%
TOTAL	48,603,164	50,986,555	(2,383,391)	-4.67%

RMLD
 DEFERRED FUEL CASH RESERVE ANALYSIS
 01/31/12

DATE	GROSS CHARGES	REVENUES	NYPA CREDIT	MONTHLY DEFERRED	TOTAL DEFERRED
Jun-11					
Jul-11	4,131,396.83	4,049,745.45	(79,163.65)	(160,815.03)	3,055,224.78
Aug-11	3,795,607.97	3,924,541.80	(52,328.74)	76,605.09	2,894,409.75
Sep-11	2,914,869.40	3,166,562.64	(58,869.90)	192,823.34	2,971,014.84
Oct-11	2,955,398.39	2,852,952.53	(45,133.69)	(147,579.55)	3,163,838.18
Nov-11	2,643,246.46	2,544,526.70	(47,451.31)	(146,171.07)	3,016,258.63
Dec-11	2,968,917.38	2,889,822.54	(63,455.95)	(142,550.79)	2,870,087.56
Jan-12	3,338,331.18	3,114,395.49	(51,411.30)	(275,346.99)	2,727,536.77
					2,452,189.78

RMLD
STAFFING REPORT
FOR FISCAL YEAR ENDING JUNE, 2012

	ACTUAL							
	12 BUD	JUL	AUG	SEP	OCT	NOV	DEC	JAN
	TOTAL	11	11	11	11	11	11	12
GENERAL MANAGER								
GENERAL MANAGER	2	2	2	2	2	2	2	2
HUMAN RESOURCES	1	1	1	1	1	1	1	1
COMMUNITY RELATIONS	1	1	1	1	1	1	1	1
TOTAL	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
BUSINESS								
ACCOUNTING	2.00	1.50	1.50	1.50	2.00	2.00	2.00	2.00
CUSTOMER SERVICE *	7.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75
MGMT INFORMATION SYS *	6.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
MISCELLANEOUS	1	1	1	1	1	1	1	1
TOTAL	<u>17.00</u>	<u>16.50</u>	<u>16.50</u>	<u>16.50</u>	<u>17.00</u>	<u>17.00</u>	<u>17.00</u>	<u>17.00</u>
ENGINEERING & OPERATIONS								
AGM E&O	2	2	2	2	2	2	2	2
ENGINEERING	5	5	5	5	5	5	5	5
LINE	21	20	20	20	20	20	20	21
METER	4	4	4	4	4	4	4	4
STATION	8	8	8	8	8	8	8	7
TOTAL	<u>40</u>	<u>39</u>	<u>39</u>	<u>39</u>	<u>39</u>	<u>39</u>	<u>39</u>	<u>39</u>
PROJECT								
BUILDING	2	2	2	2	2	2	2	2
GENERAL BENEFITS	2	2	2	2	2	2	2	2
TRANSPORTATION	0	0	0	0	0	0	0	0
MATERIALS MGMT	4	4	4	4	4	4	4	4
TOTAL	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
ENERGY SERVICES								
ENERGY SERVICES *	5.5	5.5	5.5	5.5	5.5	5.5	5.5	4.5
TOTAL	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>4.5</u>
RMLD TOTAL	<u>74.5</u>	<u>73</u>	<u>73</u>	<u>73</u>	<u>73.5</u>	<u>73.5</u>	<u>73.5</u>	<u>72.5</u>
CONTRACTORS								
UG LINE	2	2	2	2	2	2	2	2
TOTAL	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
GRAND TOTAL	<u>76.5</u>	<u>75</u>	<u>75</u>	<u>75</u>	<u>75.5</u>	<u>75.5</u>	<u>75.5</u>	<u>74.5</u>

* part time employee

POWER SUPPLY REPORT
BOARD REFERENCE TABLE



To: Vincent Cameron
 From: Energy Services
 Date: February 22, 2012
 Subject: Purchase Power Summary – January, 2012

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

ENERGY

The RMLD's total metered load for the month was 59,550,250 kwh, which was a decrease of 4.71%, compared to the January, 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	3,702,713	-\$5.74	6.22%	-\$21,254	-0.64%
Seabrook	4,357,337	\$8.18	7.32%	\$35,651	1.07%
JP Morgan	9,390,600	\$56.15	15.77%	\$527,261	15.79%
Stonybrook CC	202,919	\$170.44	0.34%	\$34,586	1.04%
Constellation	13,008,600	\$68.47	21.84%	\$890,735	26.68%
NYP&A	2,027,882	\$4.92	3.41%	\$9,977	0.30%
ISO Interchange	6,158,228	\$47.15	10.34%	\$290,352	8.70%
NEMA Congestion	0	\$0.00	0.00%	-\$1,983	-0.06%
Coop Resales	88,408	\$132.20	0.15%	\$11,687	0.35%
Stonybrook Peaking	0	\$0.00	0.00%	\$24	0.00%
MacQuarie	18,072,000	\$72.75	30.35%	\$1,314,662	39.38%
Braintree Watson Unit	97,769	\$126.06	0.16%	\$12,325	0.37%
Swift River Projects	2,443,794	\$95.88	4.10%	\$234,309	7.02%
Monthly Total	59,550,250	\$56.06	100.00%	\$3,338,331	100.00%

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

Table 2

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP* Settlement	7,416,503	44.46	12.45%
RT Net Energy** Settlement	-1,258,275	26.57	-2.11%
ISO Interchange (subtotal)	6,158,228	47.15	10.34%

CAPACITY

The RMLD hit a demand of 106,558 kW, which occurred on January 16, 2012 at 6 pm. The RMLD's monthly UCAP requirement for January, 12, was 201,318 kW.

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

Table 3

Source	Amount of Capacity (kWs)	Cost of Capacity (\$/kW-month)	% of Total Capacity	Total Cost \$	% of Total Cost
Millstone #3	4,991	\$51.65	2.48%	\$257,774	19.28%
Seabrook	7,910	\$49.81	3.93%	\$393,962	29.46%
Stonybrook Peaking	24,981	\$2.00	12.41%	\$50,021	3.74%
Stonybrook CC	42,925	\$3.85	21.32%	\$165,263	12.36%
NYP&A	4,666	\$2.81	2.32%	\$13,101	0.98%
Hydro Quebec	4,274	\$4.78	2.12%	\$20,446	1.53%
ISO-NE Supply Auction	101,051	\$3.25	50.19%	\$328,647	24.57%
Braintree Watson Unit	10,520	\$10.28	5.23%	\$108,133	8.09%
Total	201,318	\$6.64	100.00%	\$1,337,348	100.00%

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

Table 4

Resource	Energy	Capacity	Total cost	% of Total Cost	Amt. of Energy (kWh)	Cost of Power (\$/kWh)
Millstone #3	-\$21,254	\$257,774	\$236,520	5.06%	3,702,713	\$0.0639
Seabrook	\$35,651	\$393,962	\$429,613	9.19%	4,357,337	\$0.0986
Stonybrook CC	\$34,586	\$165,263	\$199,849	4.27%	202,919	\$0.9849
Hydro Quebec	\$0	\$20,446	\$20,446	0.44%	0	\$0.0000
Constellation	\$890,735	\$0	\$890,735	19.05%	13,008,600	\$0.0685
NYPA	\$9,977	\$13,101	\$23,079	0.49%	2,027,882	\$0.0114
ISO Interchange	\$290,352	\$328,647	\$618,999	13.24%	6,158,228	\$0.1005
NEMA Congestion	-\$1,983	\$0	-\$1,983	-0.04%	0	\$0.0000
Coop Resales	\$11,687	\$0	\$11,687	0.25%	88,408	\$0.1322
Stonybrook Peaking	\$24	\$50,021	\$50,044	1.07%	0	\$0.0000
JP Morgan	\$527,261	\$0	\$527,261	11.28%	9,390,600	\$0.0561
MacQuarie	\$1,314,662	\$0	\$1,314,662	28.12%	18,072,000	\$0.0727
Braintree Watson Unit	\$12,325	\$108,133	\$120,459	2.58%	97,769	\$1.2321
Swift River Projects	\$234,309	\$0	\$234,309	5.01%	2,443,794	\$0.0959
Monthly Total	\$3,338,331	\$1,337,348	\$4,675,680	100.00%	59,550,250	\$0.0785

TRANSMISSION

The RMLD's total transmission costs for the month of January were \$638,899. This is an increase of 2.74% from the December transmission costs of \$621,443. In January, 2011 the transmission costs were \$754,397.

Table 5 shows costs for the current month vs. last month and last year (January, 2011)

Table 5

	Current Month	Last Month (Dec '11)	Last Year (Jan '11)
Peak Demand (kW)	106,558	108,371	112,174
Energy (kWh)	59,550,250	59,123,502	5,813,607
Energy (\$)	\$3,338,331	\$2,968,917	\$3,620,815
Capacity (\$)	\$1,337,348	\$1,397,529	\$1,492,489
Transmission (\$)	\$638,899	\$621,443	\$754,397
Total	\$5,314,578	\$4,987,889	\$5,867,701



ENGINEERING AND OPERATIONS
REPORT
BOARD REFERENCE TAB F



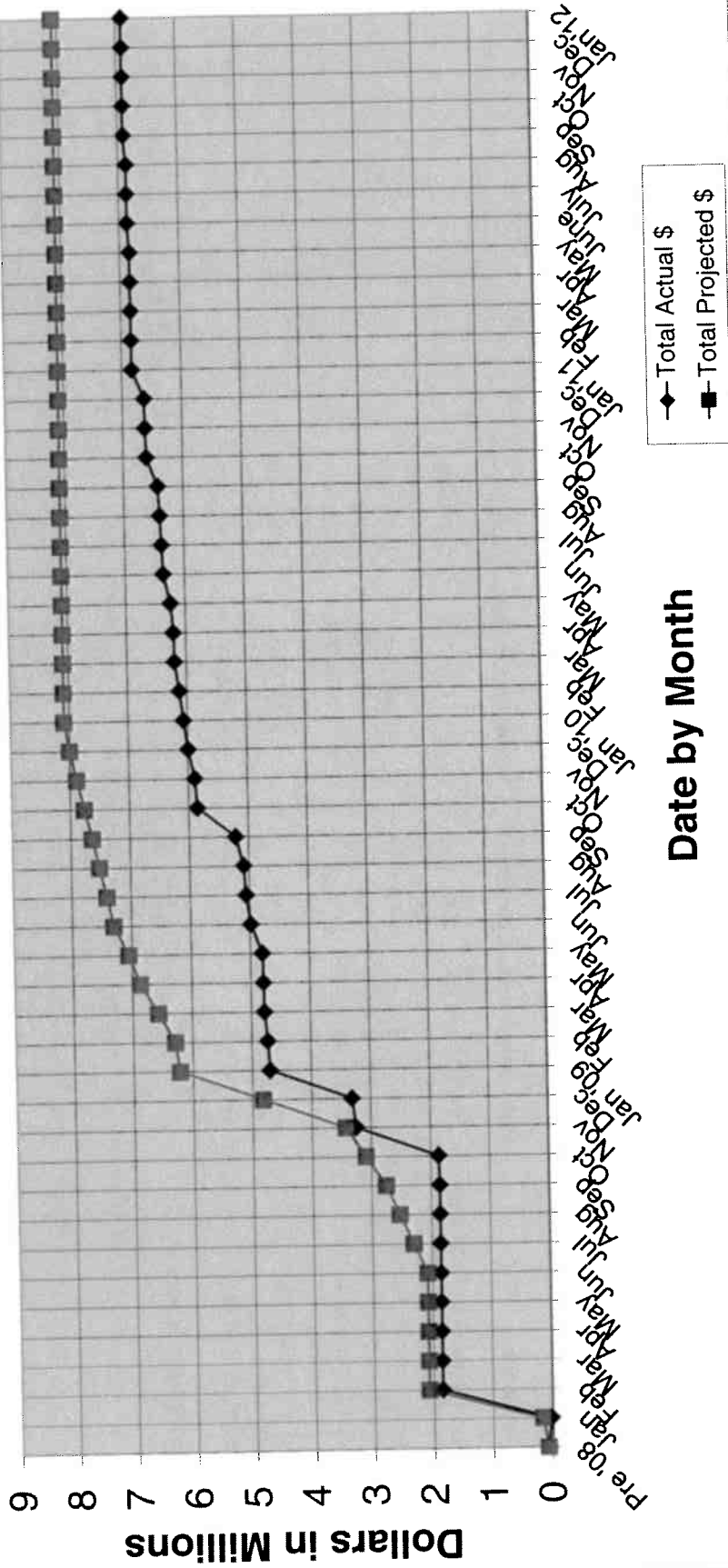
Gaw Transformer Upgrade Project

Schedule Milestones	Start Date	% Complete	Completion Date	Notes
Conceptual Engineering	Jul-08	100	Jun-09	Complete
Major Equipment Procurement	Feb-09	100	Oct-10	Complete
Design Engineering	Jul-08	100	Jun-09	Complete
Scheduled Transformer Delivery	Dec-08	100	Dec-08	Complete
Construction Bid	Jan-09	100	Mar-09	Complete
Construction Contractor	May-09	100	Dec-10	Complete
Construction Transformer Replacement	May-09	100	Oct-10	Complete
Construction Switchgear Upgrades	Dec-09	100	Jul-11	Complete
Construction RMLD Personnel	Jan-09	100	Jul-11	Complete

Tangible Milestones	Start Date	% Complete	Completion Date	Notes
Relocate Station Service transformers	06/22/09	100	07/17/09	Complete
Transformer 110C on concrete pad	06/01/09	100	07/22/09	Complete
115kV circuit switchers replaced	07/25/09	100	08/02/09	Complete
Transformer 110C secondary work	07/27/09	100	10/05/09	Complete
Transformer 110C replacement	08/31/09	100	10/09/09	Complete
Transformer 110A replacement	09/21/09	100	09/30/10	Complete
Transformer 110B replacement	02/19/10	100	03/31/10	Complete
Switchgear upgrade	12/01/09	100	07/31/11	Complete
Feeder Reassignment work	08/16/10	100	01/30/11	Complete

Changes highlighted in bold

Gaw Transformer Upgrade Project



Reconciling the Gaw Upgrade Project

<u>Capital Item</u> Description	Fiscal Yr	<u>Budget</u>		<u>Expenditure</u>		<u>Delta</u> by FY
		Item	Cumulative	Actual	Cumulative	
Transformer Payment	2008	2.080	2.080	1.836	1.836	-0.244
Contract Labor	2009	1.380		0.170		
Procured Equipment		0.360		0.101		
RMLD Labor		0.446		0.111		
Feeder Reassignment		0.282		0.000		
Transformer Payments		2.757	7.305	2.755	4.973	-2.332
Contract Labor	2010	0.285		0.838		
Procured Equipment		0.195		0.155		
RMLD Labor		0.200		0.380		
Feeder Reassignment		0.110	8.095	0.000	6.346	-1.749
Contract Labor	2011	0.545		0.369		
Procured Equipment		0.030		0.007		
RMLD Labor		0.064		0.109		
Feeder Reassignment		0.236	8.095	0.048	6.879	-1.216
Contract Labor	2012	0.000		0.042		
Procured Equipment		0.000		0.000		
RMLD Labor		0.000		0.000		
Feeder Reassignment		0.000	8.095	0.000	6.921	-1.174
Project Sub-Total		0.000	8.095	6.921	6.921	
Project Total					6.921	-1.174



READING MUNICIPAL LIGHT DEPARTMENT
FY 12 CAPITAL BUDGET VARIANCE REPORT
FOR PERIOD ENDING JANUARY 31, 2012

#	PROJECT DESCRIPTION	TOWN	ACTUAL COST JANUARY	YTD ACTUAL COST THRU 1/31/12	ANNUAL BUDGET AMOUNT	VARIANCE
<u>E&O Construction - System Projects</u>						
1	5W9 Reconductoring - Ballardvale Street	W	31,951	159,632	242,649	83,017
2	High Capacity Tie 4W18 and 3W8 Franklin Street	R	40,702	112,368	157,766	45,398
3	Upgrading Old Lynnfield Ctr URDs	LC		377	579,927	579,550
<u>SCADA Projects</u>						
4	RTU Replacement	R		1,640	130,255	128,615
<u>Distribution Automation Projects</u>						
5	Reclosures	ALL			197,901	197,901
6	Capacitor Banks	ALL	8,362	9,542	105,052	95,510
7	SCADA Radio Communication System	ALL			231,386	231,386
<u>Station Upgrades (Station #4 GAW)</u>						
8	Relay Replacement Project	R	343	2,803	99,656	96,853
9	115kV Disconnect Replacement	R	22,650	49,738	88,585	38,847
<u>New Customer Service Connections</u>						
12	Service Installations - Commercial/Industrial Customers	ALL	4,998	29,980	62,530	32,550
13	Service Installations - Residential Customers	ALL	10,591	104,152	206,017	101,865
<u>Routine Construction</u>						
14	Various Routine Construction	ALL	152,543	1,296,880	1,016,382	(280,498)
Total Construction Projects			272,139	1,767,112	3,118,106	1,350,994
<u>Other Projects</u>						
15	GIS			8,715	50,000	41,285
16	Transformers/Capacitors Annual Purchases		102,340	157,352	198,800	41,448
17	Meter Annual Purchases		7,855	7,855	46,360	38,505
17A	Meter Upgrade Project		21,759	316,050	1,740,656	1,424,606
18	Purchase New Small Vehicle			31,544	36,000	4,456
19	Purchase Line Department Vehicle				386,000	386,000
20	Purchase Puller Trailer				75,000	75,000
21	Roof Top Units				30,000	30,000
22	Engineering Software and Data Conversion				76,690	76,690
23	Plotter				18,000	18,000
27	Hardware Upgrades		7,809	32,436	40,000	7,564
28	Software and Licensing			26,060	94,435	68,375
OTH	Cooling Tower Replacement			18,706	-	(18,706)
Total Other Projects			139,763	598,718	2,791,941	2,193,223
TOTAL RMLD CAPITAL PROJECT EXPENDITURES			411,902	2,365,830	5,910,047	3,544,217
29	Force Account/Reimbursable Projects	ALL	-	-	-	-
TOTAL FY 12 CAPITAL PROJECT EXPENDITURES			411,902	2,365,830	5,910,047	3,544,217



**Reading Municipal Light Department
Engineering and Operations
Monthly Report
January, 2012**

FY 2012 Capital Plan

E&O Construction – System Projects

1. **5W9 Reconductoring – Ballardvale Street - Wilmington** – *Installed primary spacer cable and cutouts; pole transfers; engineering labor; installed swamp anchor;*
2. **High Capacity Tie 4W18/3W8 Franklin Street – Reading** – *Installed pulling blocks, rope, pole to pole guy, spacer cable, spacers, transformer, and gang operated switch; spliced; pole transfers.*
3. **Upgrading of Old Lynnfield Center URDs** – *Engineering correspondence with Town of Lynnfield; developing specifications.*

SCADA Projects

4. **RTU Replacement at Station 4 – Reading** – *No activity.*

Distribution Automation (DA) Projects

5. **Reclosers** – *No activity.*
6. **Capacitor Banks** – *Build capacitor banks.*
7. **SCADA Radio Communication System** – *No activity.*

Station Upgrades

8. **Relay Replacement Project – Station 4 – Reading** – *Technical Services Manager labor.*
9. **115 kV Disconnect Replacement – Station 4 – Reading** – *No activity.*

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. *Notable: Charles River - 261 Ballardvale Street, Wilmington and 57-59 High Street, Reading.*

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>	\$208,490
<i>Maintenance Overhead/Underground</i>	\$299,101
<i>Projects Assigned as Required</i>	\$357,754
<i>Pole Damage (includes knockdowns) some reimbursable</i>	\$33,791
<i>Station Group</i>	\$2,967
<i>Hazmat/Oil Spills</i>	\$3,118
<i>Porcelain Cutout Replacement Program</i>	\$2,533
<i>Lighting (Street Light Connections)</i>	\$58,526
<i>Storm Trouble</i>	\$77,567
<i>Underground Subdivisions</i>	\$52,164
<i>Animal Guard Installation</i>	\$50,446
<i>Miscellaneous Capital Costs</i>	\$150,424
TOTAL	\$1,296,880

*In the month of January two cutouts were charged under this program. Approximately 22 cutouts were installed new or replaced because of damage making a total of 24 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.

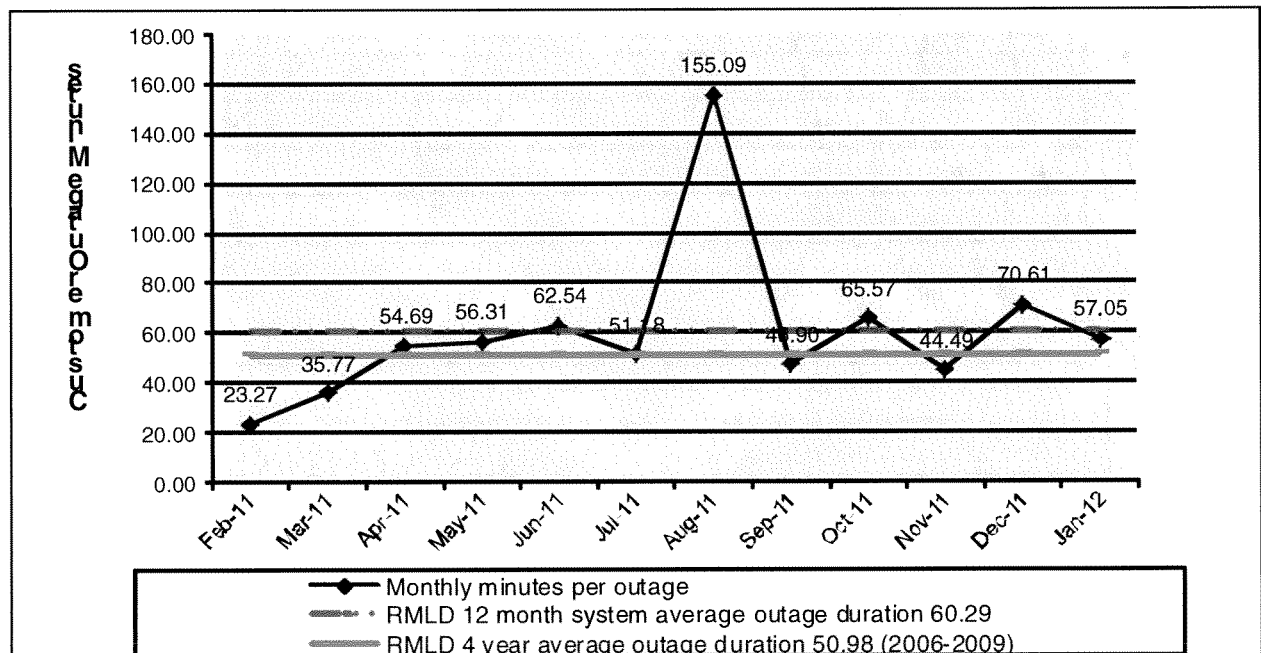
Customer Average Interruption Duration Index (CAIDI) – Measures how quickly the RMLD restores power to customers when their power goes out.

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

RMLD 12 month system average outage duration – 60.29 minutes

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

On average, RMLD customers that experience an outage are restored in 60.29 minutes.



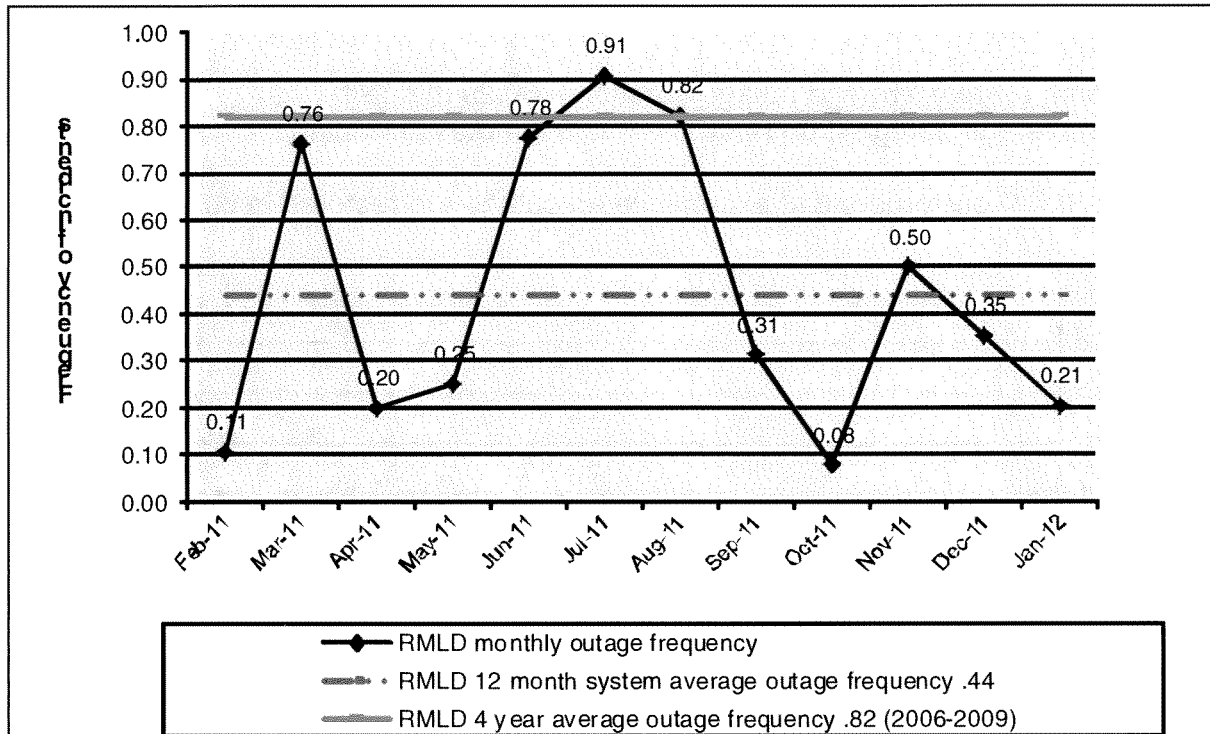
System Average Interruption Frequency (SAIFI) – Measures how many outages each customer experiences per year on average.

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

RMLD 12 month system average - .44 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 27.3 months.

MGL CHAPTER 30B BIDS
BOARD REFERENCE TAB G





Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

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

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

February 21, 2012

Town of Reading Municipal Light Board

Subject: RTU Station Controllers and Supplementary Services

On January 11, 2012 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for RTU Station Controllers and Supplementary Services for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Power Equipment Sales	Schneider Electric	Nova Tech
Reliatronics	JF Gray	Power Tech UPSC
Power Sales Group	WESCO	Graybar Electric Company
Shamrock Power Sales	Hasgo Power	Robinson Sales
EL Flowers	Stuart Irby	HD Supply

Bids were received from Survalent Technology Corporation and CG Automation Solutions USA Inc.

The bids were publicly opened and read aloud at 11:00 a.m. February 8, 2012 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

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

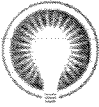
Move that bid 2012-27 for RTU Station Controllers and Supplementary Services be awarded to:

Survalent Technology Corp. for a total cost of \$94,023.00

<u>Item (desc.)</u>	<u>Manufacturer</u>	<u>Total Net Cost</u>
Item 1 Two RTU Station Controllers & support services	Survalent	94,023.00

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

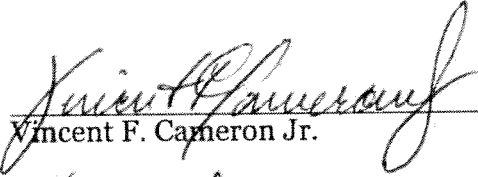
RMLD



Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

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

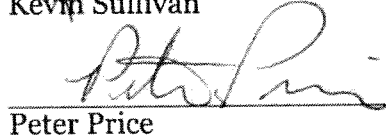
The total FY12 Capital Budget allocation for "Remote Terminal Unit (RTU) Replacement - Station 4" is \$52,000. In 2011, the RMLD was found to be out of compliance regarding substation distribution transmission as required by ISO OP#18. Fulfilling OP #18 requires the installation of an additional RTU beyond what had been planned for FY12.



Vincent F. Cameron Jr.



Kevin Sullivan



Peter Price

**RTU Station Controllers and Supplementary Services
Bid 2012-27**

Bidder	<u>Manufacturer</u>	<u>Delivery Date</u>	<u>Total Net Cost</u>	<u>Meet Specification requirement</u>	<u>Specification Data Sheets</u>	<u>Firm Price filled out</u>	<u>Certified Check or Bid Bond</u>	<u>Exceptions to stated bid requirements</u>	<u>Authorized signature</u>
Survalent Technology Corp Item 1 Two RTU Station Controllers & support services	Survalent Technology Corp	6 - 8 weeks	94,023.00	yes	yes	yes	yes	no	yes
CG Automation -- non responsive Item 1 Two RTU Station Controllers & support services	CG Automation	10 weeks	91,889.00	yes	yes	yes	yes	yes	yes
<u>Exceptions: CG Automation Synchronization</u>									
Engineering note: Acceptable									
Creation of new SCADA Master database points Under the Training and Technical Assistance portion of the bid, it states that the successful bidder will provide up to 3 days for commissioning on 2 separate visits. CGA will need remote access to the SCADA Master for programming and will need RMLD to provide the manual covering all aspects of database point definitions and entry at the SCADA Master.									
For security reasons, the RMLD SCADA Masters are not connected to the outside network. All access is done at local work stations or at the SCADA Master servers. RMLD will not allow remote access to the SCADA Master servers. As stated in the bid, all programming will be Engineering note: Not acceptable.									
Engineering note: RMLD would have to see a demonstration of this alternate before considerations could be made.									
RTU Configuration	CGA offers an enclosure with a door on one side and a swing out 19" frame.								
RTU Enclosure	RMLD specified an enclosure with removable access doors on both sides of the cabinet. Engineering note: Does not meet specification, exception is unacceptable.								
Communication Capabilities	RMLD specified that each shall come equipped with 15 ports as described in the bid. CGA offers 12 ports. As stated in their bid, CGA requires and external serial port server to supply the required communication capabilities. They did not include these devices in their bid. Engineering note: Does not meet specifications, exception is unacceptable.								
Web Server	CGA Web Server only allows users to view SCADA information and alarms. The bid states that the Web Server shall allow the ability to view and modify detailed information directly from a web browser. Engineering note: Does not meet specifications, exception is unacceptable.								



RMLD



Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

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

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

February 14, 2012

Town of Reading Municipal Light Board

Subject: Line Truck Lift Equipment Inspection and Preventative Maintenance Service

On January 12, 2012 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Line Truck Lift Equipment Inspection and Preventative Maintenance Service for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

D. C. Bates Equipment	Consolidated Utility Equipment	J&D Power Equipment, Inc.
James A. Kiley Co.	Services, Inc. (C.U.E.S.)	

A bid was received from James A. Kiley Co.

The bid was publicly opened and read aloud at 11:00 a.m. February 8, 2012 in the Town of Reading Municipal Light Department's Audio Visual Spurr Room, 230 Ash Street, Reading, Massachusetts.

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

Move that bid 2012-29 for Line Truck Lift Equipment Inspection and Preventative Maintenance Service be awarded to:

James A. Kiley Co. for \$115,560.00

Item 1	Line Truck Lift Equipment Inspection and Preventative Maintenance Service	\$115,560.00
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as the lowest qualified and responsive bidder on the recommendation of the General Manager. This is a three-year contract.

IFB 2012-29 is funded through the Transportation Operating budget.

Vincent F. Cameron, Jr.

Joseph J. Donahoe

Craig Owen

**Line Truck Lift Equipment Inspection and
Preventative Maintenance Service**

Bid 2012-29

<u>Bidder</u>	<u>Three-Year Total Cost</u>	<u>Year One 2012</u>	<u>Year Two 2013</u>	<u>Year Three 2014</u>	<u>Responsive Bidder</u>	<u>Specifications Met</u>
James A. Kiley Company	\$115,560.00	\$37,170.00	\$38,520.00	\$39,870.00	Yes	Yes
Item 1						

RMLD



Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

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

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

February 14, 2012

Town of Reading Municipal Light Board

Subject: Line Truck Chassis Inspection and Preventative Maintenance Service

On January 12, 2012 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Line Truck Chassis Inspection and Preventative Maintenance Service for the Reading Municipal Light Department.

An invitation to bid was emailed to the following:

Dynamic Heavy Repair	Glynn Equipment Repair	Lowell Fleet Maintenance
Ryder Truck Rental & Leasing	Taylor & Lloyd, Inc.	S. Benedetto & Sons, Inc.

A bid was received from Taylor & Lloyd, Inc.

The bid was publicly opened and read aloud at 11:00 a.m. February 8, 2012 in the Town of Reading Municipal Light Department's Audio Visual Spurr Room, 230 Ash Street, Reading, Massachusetts.

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

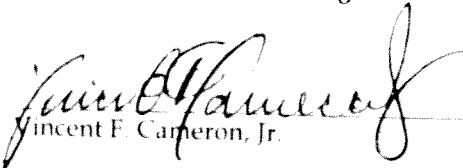
Move that bid 2012-30 for Line Truck Chassis Inspection and Preventative Maintenance Service be awarded to:

Taylor & Lloyd, Inc. for \$106,517.66

Item 1	Line Truck Chassis Inspection and Preventative Maintenance Service	\$106,517.66
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as the lowest qualified and responsive bidder on the recommendation of the General Manager. This is a three-year contract.

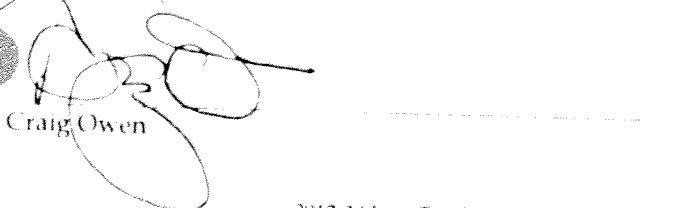
IFB 2012-30 is funded through the Transportation Operating budget.



 Vincent F. Cameron, Jr.



 Joseph J. Donahoe



 Craig Owen

Line Truck Chassis Inspection and Preventative Maintenance Service

Bid 2012-30

<u>Bidder</u>	<u>Three-Year Total Cost</u>	<u>Year One 2012</u>	<u>Year Two 2013</u>	<u>Year Three 2014</u>	<u>Responsive Bidder</u>	<u>Specifications Met</u>
Taylor & Lloyd, Inc.						
Item 1	\$106,517.66	\$34,964.60	\$35,776.53	\$35,776.53	Yes	Yes



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

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

February 15, 2012

Town of Reading Municipal Light Board

Subject: Meters

On January 18, 2012 a bid invitation was placed as a legal notice in the Reading Chronicle requesting proposals for Form 12 S Network ERT Meters for the Reading Municipal Light Department

An invitation to bid was emailed to the following:

WESCO	Graybar Electric Company	Austin International Inc.	Power Tech UPSC
Stuart Irby	Holbrook Associates	Sensus Metering Systems	AvCom Inc.
JF Gray	Meterman Supply Inc.	Shamrock Power	Hasgo Power
Robinson Sales	EL Flowers	Power Sales	HD Supply

Bids were received from Avcom, Irby and Graybar Electric.

The bids were publicly opened and read aloud at 11:00 a.m. February 8, 2012 in the Town of Reading Municipal Light Department's Board Room, 230 Ash Street, Reading, Massachusetts.

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

Move that bid 2012-31 for Form 12 S Network ERT Meters be awarded to: **AvCom Inc. for a total cost of \$37,550.00**

<u>Item (desc.)</u>	<u>Manufacturer</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 Form 12S, Class 200, 120 volts Network ERT meters	Itron	500	75.10	37,550.00

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

These meters are for the new projects Reading Woods, 30 Haven St. and the Diamond Crystal project in Wilmington. The Capital Budget allowed for 130 units totaling \$10,400 (item B).

Vincent F. Cameron, Jr.

Kevin Sullivan

Nick D'Alleva

Form 12 S Network ERT Meters
IFB 2012-31

<u>Bidder</u>	<u>Manufacturer</u>	<u>Delivery Date</u>	<u>Unit Cost</u>	<u>Qty</u>	<u>Total Net Cost</u>	<u>Meet Specification requirement</u>	<u>Firm Price</u>	<u>All forms filled out</u>	<u>Certified Check or Bid Bond</u>	<u>Exceptions to stated bid requirements</u>	<u>Authorized signature</u>
AvCom Item 1 Form 12S, Class 200, 120 volts Network ERT meters	Itron	4 weeks ARO	75.10	500	37,550.00	yes	yes	yes	yes	no	yes
Irby Item 1 Form 12S, Class 200, 120 volts Network ERT meters		15 weeks ARO	84.95	500	42,475.00	yes	yes	yes	yes	no	yes
GRAYBAR Item 1 Form 12S, Class 200, 120 volts Network ERT meters	GE	6 weeks ARO	111.70	500	55,850.00	yes	yes	yes	yes	yes	yes

Exceptions:

1. Pricing assumes minimum order shipment size of 60 meters per order release
2. Quote is provided per GE standard terms and conditions (ES10v rev4)
3. Technical Comment to specification paragraph 6; GE is quoting a GE type 1-210+ n meter equipped with a type 5XESS ERT

**BOARD MATERIAL AVAILABLE
BUT NOT DISCUSSED**



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

February-12

	RESIDENTIAL 750 kWh's	RESIDENTIAL-TOU 1500 kWh's 7525 Split	RES. HOT WATER 1000 kWh's	COMMERCIAL 7,300 kWh's 25,000 kW Demand	SMALL COMMERCIAL 1,080 kWh's 10,000 kW Demand	SCHOOL RATE 35000 kWh's 130.5 kW Demand	INDUSTRIAL - TOU 109,500 kWh's 250,000 kW Demand 80/20 Split
READING MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$95.86	\$169.19	\$110.92	\$863.87	\$167.83	\$4,009.94	\$10,966.44
PER KWH CHARGE	\$0.12781	\$0.11279	\$0.11092	\$0.11834	\$0.15540	\$0.11457	\$0.10015
NATIONAL GRID							
TOTAL BILL	\$108.82	\$216.82	\$145.09	\$1,131.32	\$162.00	\$4,728.32	\$13,267.54
PER KWH CHARGE	\$0.14510	\$0.14055	\$0.14509	\$0.15498	\$0.15000	\$0.13509	\$0.12116
% DIFFERENCE	13.53%	28.16%	30.80%	30.96%	-3.47%	17.91%	20.98%
NSTAR COMPANY							
TOTAL BILL	\$128.00	\$230.34	\$165.86	\$1,158.27	\$174.88	\$6,379.23	\$16,596.96
PER KWH CHARGE	\$0.16900	\$0.15356	\$0.16586	\$0.15867	\$0.16192	\$0.18226	\$0.15157
% DIFFERENCE	31.45%	36.15%	49.53%	34.08%	4.20%	59.09%	51.34%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$91.65	\$177.66	\$120.32	\$958.35	\$160.13	\$4,666.24	\$11,010.11
PER KWH CHARGE	\$0.12220	\$0.11844	\$0.12032	\$0.13128	\$0.14827	\$0.13332	\$0.10055
% DIFFERENCE	-4.39%	5.01%	8.47%	10.94%	-4.59%	16.37%	0.40%
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	4.08%	17.26%	19.58%	11.07%	0.36%	18.78%	21.56%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$105.36	\$204.42	\$138.38	\$1,049.49	\$169.00	\$4,913.08	\$13,574.37
PER KWH CHARGE	\$0.14048	\$0.13628	\$0.13838	\$0.14377	\$0.15649	\$0.14037	\$0.12397
% DIFFERENCE	9.91%	20.83%	24.75%	21.49%	0.70%	22.52%	23.78%





Jeanne Foti

From: Vincent Cameron
Sent: Tuesday, January 24, 2012 1:58 PM
To: RMLD Board Members Group
Cc: Bob Fournier; Steve Kazanjian; Jane Parenteau; Jared Carpenter; Jeanne Foti; Kevin Sullivan
Subject: FW: Account Payable Questions - January 13, 2012
Categories: Red Category
O'Neill

1. Mini (customer) - I am curious why all the documentation provided from the customer was unsigned quotes, not actual invoices.

The RMLD rebates are based on technologies and not what was spent by the customer. Information on the projects is for RMLD records and to see how the market is progressing. We keep a record of many projects costs, however, the projects costs are private and for internal use only. If the customer negotiated a better price for the project, we would not know about it. The RMLD does actual inspections and we do not require signed invoices as proof the work was complete.

2. United Power Group - This cost will be added to the Gaw capital project? Why was no contract prepared, there seemed to be ample time?

Some of this cost was a Gaw project extra and some of the cost was NERC based. The work related to the transfer scheme rewiring was Gaw project related. While UPG was on site present, we asked UPG to do some work on the Under Frequency relays to satisfy the North American Electric Reliability Council requirements.

Jeanne Foti

From: Vincent Cameron
Sent: Tuesday, February 07, 2012 11:04 AM
To: RMLD Board Members Group
Cc: Bob Fournier; Steve Kazanjian; Jeanne Foti; Wendy Markiewicz
Subject: FW: Account Payable Questions - Februray 3, January 27 & 20
Categories: Red Category

February 3

O'Neill

1. Wire Transfer - MA - GM signature needed.

It is signed.

2. Asplundh - One invoice for \$2,236.25 is missing.

There was a question on one of the Asplundh bills, which was put in for payment. I pulled it out to review it and didn't get it back in. It turned out the bill was correct.

3. Rubin & Rudman - Please discuss first invoice re 2011 power supply in Feb. exec. session. Please discuss fourth invoice re EOEEA in Feb exec. session.

Yes.

Soll

1. Sales Tax - GM signature?

It is signed.

2. Rubin & Rudman - What is a tolling agreement? What is EOEEA?

A tolling agreement is an agreement to waive a right to claim that litigation should be dismissed due to the expiration of a statute of limitations, which was related to the MMWEC Arbitration. The EOEEA is the Executive Office of Energy and Environmental Affairs.

Snyder

1. Asplundh - 3rd bill work dated 1/21/11-1 assume this is a typo? No invoice, no customer copy for the \$2,236.25.

There was a question on one of the bills. I pulled it out to review it and didn't get it back in. We are talking to Asplundh about it.

2. ECNE - What is this organization? Does it provide good value?

Energy Council of Northeast. The Engineering Dept. uses this group for engineering support and input on various subjects.

3. Office Depot - What is the oscillating heater for?

Some of the areas in the office can be cold and this provides heat for the employees.

2/7/2012

January 27

O'Neill

1. Cushing, Jamallo + Wheeler - Please detail what "LSP services" are included in the \$15K on PO 12-E00164.

The spill at Ryan Road was a transformer that came off a pole and hit the ground after a tree hit a pole during the October snow storm. There was a release of oil, which needed to be cleaned up.

2. Rubin and Rudman - Are legal expenses usually this high for finalizing a bid? I would like both bids and associated legal costs discussed in the next executive session, if appropriate, in open session.

Yes, I will do this.

3. TransData - Please explain this bill. What happened to these meters? Why were they worth repairing at this price?

These meters needed repair due to lightening and other problems. The RMLD spent \$3,317 to repair them. To replace each meter would have cost over a \$1k a piece.

4. Town of Wilmington - Why no PO?

This is payment to the Town of Wilmington for a pole relocation. This is necessary for relocating pole, so there is no PO necessary.

Snyder

1. Century Bank - How do you check these - some of the numbers are extraordinarily large.

The last column "Required Balances" is for Century Bank internal use only and is not related to the RMLD transactions. We have called Century and asked them to take this off the statement.

2. Concentra - Who gets these physicals?

New employees.

3. TransData - What is "scrambled memory" and why some @ 250 + some at 375? (+Ditto Above)

The memory has been affected due to lightening or some other problem. It is cheaper to fix the memory than to buy a new unit.

4. Utility Services - What is Aurora Vulnerability? + What is misoperations report?

Aurora Vulnerability - The destabilization of rotating equipment via physical or cyber means with a motive to destroy such equipment

Misoperation reporting - Quarterly reporting of any misoperations on the 115kV that may have influenced the DP (Distribution Provider) reliability. Causes to this may be vegetation, relay overtrip operations, equipment failure, etc.

January 20

O'Neill

1. Fournier - Petty cash. Why didn't Granite City order go through the PO process.

The RMLD needed a circuit breaker box for the Wildwood substation, immediately. The employees made the purchase on an emergency basis without a PO.

Snyder

1. ISO - Some of these go back to 2008 how are we checking?

The Energy Service Division (ESD) balances kwh and dollars monthly. ESD will call the ISO-NE if they believe the credits are incorrect.

2. Petty cash remember: Need receipts for everything.

I have checked the receipts and they are all there.

3. Reading Car Care + Stoneham Motor - Reminder: P.O. post dates work. Should be done before work authorized.

Sometimes there is work needed to be done that the RMLD needs estimates on. When we find out the amount we cut the PO. The vendor may date their invoice the day the car arrived.

4. Standard Electric - The standard electric confusion + explanation re: lack of P.O. is an example of why need P.O. front. Please explain what was billed vs. credit.

The RMLD needed a circuit breaker box for the Wildwood substation, immediately. The employees made the purchase on an emergency basis without a PO.

One for \$214.77 and another for \$186.96. The credit part of the bills is the payment for each purchase. There was a discount of \$2.20 on one bill. The payment is correct.

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.

Jeanne Foti

From: Vincent Cameron
Sent: Friday, February 17, 2012 9:35 AM
To: RMLD Board Members Group
Cc: Bob Fournier; Steve Kazanjian; Jeanne Foti; Wendy Markiewicz
Subject: FW: Account Payable Questions - February 10
Categories: Red Category

Snyder

1. Pfeiffer - Why is this from May 2011 + customer listed is Timothy Shand?

Commissioners - Please call me on this and I will explain the situation.

2. Sage - Could you clarify each of these line items please.

1. Automatic Check Handling 2. Paperless Invoices, 3. Bounced Checks, 4. Rejected Transactions, 5. Total Transactions, 6. Statement Fee, and 7. Credit Card Fee.

3. PURMA - Why wasn't door repair paid by the insurance?

Under the contract with JCM the repair is RMLD's responsibility. The repair cost is under our deductible amount.

4. TCI of NY - Why are we still seeing PCB's?

This was a pole mounted distribution transformer installed in 1978 on Old Farm Road, Reading. It was taken out of service recently and a larger transformer was installed.

After being taken out of service, the transformer tested out at 97 PPM of PCBs and was disposed of properly. We have approximately 665 transformers in service that were purchased between 1960 - 1979. We are checking manufacturer records for these transformers to determine the insulating oil make up. The RMLD has an approximate total of 3,208 transformers in service.

O'Neill

1. TCI of NY - Where was this material from?

Please see Item 4 above.

Payroll

Hahn

1. Overtime discrepancies between payroll and OT listing.

The Line Dept. payroll overtime costs for 2/17/12 matched against the Bi-Weekly O/T payroll listing in the Excel spreadsheet. The Bi-Weekly O/T payroll listing is a new report on the O/T Bi-Weekly payroll and when it printed out (in EXCEL) it printed the 2/3/12 Bi-Weekly O/T amounts column and not the 2/17/12 Bi-Weekly O/T amounts column.

We reprinted the O/T report for 2/17/12 with the correct Bi-Weekly amounts. I put the 2/17/12 Bi-Weekly O/T report with a copy of the 2/17/12 payroll in your mail slot.

2/22/2012

Jeanne Foti

From: Vincent Cameron
Sent: Wednesday, February 22, 2012 1:45 PM
To: RMLD Board Members Group
Cc: Bob Fournier; Jane Parenteau; Steve Kazanjian; Jeanne Foti; Wendy Markiewicz
Subject: Answer to Payables 2/17/12
Categories: Red Category
Snyder

1. MacQuarie - Financials - What is Energy Swap + what is the relation between Volume, Fixed, and Float prices + amount due? How do we track the peak and off peak usage in the physicals sales?

Energy Swap represents the Heat Rate contract that RMLD signed with MacQuarie. On four separate occasions in 2011, RMLD locked in the Natural gas prices which represent the Fixed Prices column. The float prices are the penultimate pricing for natural gas when the market closes in December, 2011 for January 2012. The amount due for financial is simply the difference between fixed and float price times the volume. The On-Peak and Off Peak usage is the original amount that RMLD issued the RFP for. Those amounts are fixed within the Purchase Power Agreement. RMLD tracks the amounts through the ISO-NE billing system. We are able to verify the Mwhs supplied by each supplier. Once the natural gas prices are "locked" in, RMLD calculates the pricing of the contract and verifies the amounts that are invoiced.

2. Accurate Calibration - What is the annual calibration? This seems like something for which the PO should have done upfront for sure. Same goes for American Arbitration.

The RMLD has its meter testing equipment calibrated once a year. The Requisition was created on January 26, 2012, the day of the invoice. The PO was cut the next day.

The American Arbitration bill goes to our attorneys first and then to us. We didn't get the bill until February 7, 2012, the day the requisition was created. The PO was cut on February 10, 2012.

3. Collins - Wasn't this door a recent bill?

The recent bill was replacement of the entry door in the Barbas Warehouse that had to be replaced. The Collins bill is to repair an overhead door at 218 Ash Street, which is the garage.

4. DOER - Is this a new assessment?

No. We get this assessment once a year for Residential Conservation Services from the Massachusetts Department of Energy Resources.

5. JCM Realty - What is so much electricity in the warehouse?

The electricity is for lighting, heating, ventilation (fans), office space, etc. The history on the bill shows that it is very steady usage.

O'Neill

1. Choate, Hall, and Stewart - Please review at the Feb. Executive Session.

Yes. I was going to suggest to put that on the agenda.

2/22/2012