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John M. Driscoll, *General Manager*

**Light Commissioners' Meeting
October 26, 2022**

Members present were: Chairman Dana Blais
Clerk/Secretary Chris Stewart
Member Gregg Edwards

Employees present were: General Manager (GM) John Driscoll
Light Superintendent (LS) Thomas Berry
Business Manager (BM) Jennifer Belliveau

The meeting was called to order at 6:58 p.m. by Dana.

The agenda for 10-26-22 was approved on a motion from Chris, seconded by Gregg, 3-0 in favor.

The minutes for 9-7-22 were approved on a motion by Chris, seconded by Gregg, 3-0 in favor.

Old Business:

The GM/LS gave the Board a heads-up that the air conditioning in the front office was not working; although we were at the end of October it was still needed occasionally. The LS had purchased a 14,000-btu window unit and had the crews install it by the middle desk for the interim. We did not have a definite delivery date for the repair of the chiller for this Zone #4 from Royal Steam and it was possible it might not be till the spring of 2023.

The Light Plant had acquired Vertikal-6 to perform the needed cybersecurity audit for us. The \$23,500 upcoming project will have costs shared with the Water Plant since the insurance coverage it will allow covers both the light and water plants. Vertikal-6 will be in touch with the LS to coordinate the project and schedule their on-site visits.

On the matter of a proposed new Level 3 EV charge station on the other side of town, the Light Plant had brought idea before the Select Board and they were in favor of moving forward with it. We will design the installation for the new station, then perform the installation and provide all materials, equipment and labor needed for it. The GM/LS will work with MMWEC to see if any grant opportunities can be made available to us for the installation of a Level 3 charge station. We do not have an estimate on the cost of

the actual EV charge station materials, only on the cost to provide a 13,800-Volt service to it at #160 Patriots Rd.

The GM explained to the Board the situation that exists currently with our customers at the Gardner Airport. When the Light Plant began delivering service to these customers at the airport, MA Electric installed a primary metering pole on Airport Rd in Gardner, two poles after which the 13,800-Volt feed to the airport goes underground. In 2006 our commercial rate for the customers was 15¢/kWh and National Grid’s rate for us was 13¢/kWh so we were able to secure a margin on them. But now, in late 2022, our commercial rate for them is only 13¢/kWh and National Grid’s rate for us is 23¢/kWh and is about to go to 36¢/kWh next month. On the delivery side, National Grid charges us at a rate of 12¢/kWh, which is almost equal to our entire retail rate we charge to the airport customers. On the supply side, the City of Gardner has a supply contract with Dominion Energy Group from 11-1-22 to 10-31-23 for 23.79¢/kWh. The GM stated that TMLP should have already developed a separate rate schedule for these airport customers that captured the increases in our costs to get electricity to them. He asked the Board if TMLP could go to 12¢ on delivery and 24¢ on supply in order to start passing through our charges to theirs. At this time the Board took a vote as follows:

[On a motion by Chris, seconded by Gregg, 3-0 in favor the Board voted to increase the Gardner Airport rates to recover our delivery costs/supply costs from National Grid/Dominion respectively; said rates to go into effect on January 1, 2023.]

Dana – Aye

Gregg – Aye

Chris - Aye

New Business:

The GM went over the power supply costs for 2022 thru October with the Board and how they compared to that of 2021. The cost for 2022 is \$5.389M for 57,181 MWh at \$94.25/MWh. That cost for 2021 was \$4.321M for 56,664 MWh at \$76.26/MWh. The GM said that the increase was solely due to fuel costs, and as a result the PPCA this year had been a charge (+0.21¢) rather than a credit (-0.66¢) like it was in 2021. He said that wholesale rates increased by 24% from 2021 to 2022 and this was all due to increased fuel costs. For comparison:

| | 2022 | 2021 |
|----------------------------|--------------|-------------|
| ISO Interchange MWh | 15,074 | 12,653 |
| ISO Interchange Cost | \$1,647,958 | \$777,719 |
| ISO Interchange Rate | \$109.32/MWh | \$61.47/MWh |
| Forward Power Transactions | 6,500 | 9,185 |
| Forward Power Transactions | \$577,146 | \$343,867 |
| Forward Power Transactions | \$88.80/MWh | \$37.44/MWh |

The GM gave the Board copies of his proposed 2023 operating budget for their review. There was a considerable increase from the 2022 figure of \$7,920,963; the GM was looking for a \$9,286,478 figure for

2023. This was a 17% increase from one year to the next due almost entirely to increased fuel prices expected to continue. The GM stated that we were over budget this year by 16%, and by 22% on just power supply itself.

The conversation quickly turned to rates for next year. Dana asked if we would need a rate increase in order to pay all of our bills next year. The GM responded that he didn't think so, because all of the cost increases that have come have been due to increased fuel costs. This is why the PPCA had increased by +0.87% over the last 10 months. He said that this is what the PPCA mechanism was put in place for, so the MLP could pass through temporary increased fuel costs to retail customers. The GM said that capacity and transmission costs had been pretty stable during this time of runaway fuel costs.

The GM had four (4) handouts tonight:

1. 2022 Power Supply August-September
2. 2022 Sales Summary September-October
3. 2022 Retail Rates November/TMLP
4. Q2 2022 Retail Rates/MMWEC

There being no other regular session business to discuss tonight, on a motion by Gregg, seconded by Chris, 3-0 in favor, the Board voted to adjourn the meeting at 7:45 p.m.

Respectfully Submitted,



John M. Driscoll
General Manager