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John M. Driscoll, *General Manager*

### **Light Commissioners' Meeting November 8, 2017**

Members present were:           Chairman Dana Blais  
  Member Gregg Edwards

Employees present were:       General Manager (GM) John Driscoll  
  Business Manager (BM) Jennifer Belliveau

The meeting was called to order at 6:04 p.m. by Dana.

The agenda was approved on a motion from Gregg, seconded by Dana, 2-0 in favor.

The minutes of October 17, 2017 were approved on a motion by Gregg, 2-0 in favor.

#### **Old Business:**

The General Manager (GM) updated the Board on the Eaton AMI metering system. There have been no delivery of meters yet and we were waiting on the first shipment of the 50 SAT meters. Dana asked if the tall poles on Elm Street are part of this project; the GM explained that the change from 40' to 45' poles was in conjunction with additional height for the spacer cable replacement on Elm Street. He notified the Board that Tony Gallati of ASABSD, LLC, has been in regular contact with Eaton by email regarding our billing interface with the new Yukon program that we'll be using for AMI. Eaton was not as concerned with this issue as Tony Gallati was; Tony has dealt with Groton Electric Light Department, who had installed a similar (but not identical) system.

The GM discussed the 2017 MMWEC Project Surplus Funds that we had received. The TMLP received a total surplus of \$556K, of which \$446K was for our Seabrook Project 6 portion of the overpayment to the bond reserve account. The Board had voted in September 2017 to pay off the \$994K Peoples Bank loan taken out on the wind turbine debt. The GM explained to the Board that MMWEC had already made the October 1, 2017 payment on the loan principal, so our new amount to pay off the loan was lower. The total amount paid on October 1 was \$200,130 (which will be paid in the middle of next week). We will now have an additional \$105K left in surplus due to this.

[The Board and others in attendance could not help but be distracted by the very loud rattling and shaking noises coming from a defective circulator pump that was part of the building's HVAC system. The GM had spoken with the LS about this a few weeks ago and he was having a difficult time getting Royal Steam to repair this problem. After it had gone on for several weeks' time the LS now insisted that Royal Steam REPLACE the unit rather than REPAIR it. The GM explained that this had obviously not happened yet. (The noise was so hard to ignore that the meeting was suspended temporarily so that both Dana and Gregg could go to the office basement to verify that the rattling and shaking was in fact being caused by a defective circulator pump; they were incredulous. Dana suggested utilizing Chair City Oil or someone else if the TMLWP was having such difficulty with Royal Steam.]

The GM updated the Commissioners on his search for a new outside accounting firm for the TMLWP. There had been no response yet from an email he had sent to Melanson-Health so he will reach out to them by phone to speak with someone there. The GM said there is also Marcum, LLP, where some of the

Braver, PC employees went in 2012/2013. The GM was not concerned about acquiring someone in enough time to audit the TMLP for 2017.

The GM told the Board that a Purchase Order had been issued to James A Kiley Co for the replacement for our Truck #27. DC Bates had sent a letter to the TMLWP stating their discontent with Kiley being awarded this truck bid instead of them. DC Bates was alleging that our RFP specifications were drafted too narrowly for vendors other than Kiley/Telect to be considered. The GM did not dispute this theory by DC Bates, but offered that our bid specifications this time around had already been amended to be more inclusive to prospective aerial lift vendors. Dana did say that we did want our vehicles to be constructed a certain way; the GM assured the Board that we had done nothing improper here. The Posi-Plus unit that had been offered up by DC Bates had taken several bid exceptions mostly dealing with the articulation of the boom and the capabilities of the basket. The TMLWP was not about to change the way their crews performed live line work to accommodate an aerial lift vendor who was trying to "get their feet wet" here. [The GM's assertions on our liability here to a bid protest were confirmed by Steve Doucette in advance of awarding this bid to James A Kiley Co.]

The GM updated the Board on the status of three proposed bills in committee at the state legislature; H.1757, H.2700 and S.1875. These were all sealing with the MA RPS (Renewable Portfolio Standard), which up till now all of us MLPs have been exempt from. The GM was attending a MEAM meeting next week where these issues would be front and center along with MEAM's collective response to them. He told the Board that due to the adverse impacts on MLPs like Templeton, MEAM would likely be filing a lawsuit if one or more of these made it thru committee and saw their way to passage as law. Of these three RPS threats on the horizon the Pacheco Bill would be the most damaging to the TMLP; in its draft form this bill looks to include only solar and wind resources as "renewable". This would be bad news to MLPs had had owned baseload generation that was hydroelectric (NYPA) or nuclear (Seabrook, Millstone).

Bob Rodophele of Ferriter-Scobbo-Rodophele, PC has testified on MEAM's behalf at the state house already and will have a draft suit prepared if MEAM decides to go that route. The GM stated that this senator has opined that the MLPs "have gotten away with things for too long", all the while disregarding our shares of non-emitting energy resources IN ADDITION TO our hydroelectric and nuclear. The GM said that the Massachusetts MLPs collectively are about 40% non-emitting in their wholesale energy resource mix, compared to about 8% for the Massachusetts IOUs. Some of the MA MLPs seem to be trying to outdo the state in terms of reaching an 80% or even 100% non-emitting status by 2050. The GM cited a few examples recently where host cities/towns had voted on such goals with/without the support of their respective municipal light boards (Belmont, Concord, and Wellesley).

On this matter of the RPS, the GM discussed with the Board the reality of being 80% non-emitting by any specified date. As of December 2016 the TMLWP was 70% non-emitting in its energy resource mix due to our composition of hydroelectric, nuclear, solar and wind generation assets. I.e., with 34 years left to hit this target we are 88% on our way to this 80% goal that is unrealistic for the IOUs due to their non-vertically integrated structure after de-regulation. The GM felt that the MLPs should not be "pestered" into compliance with something that we already are doing without mandates to do so. This was especially due to the IOU's pass-thru nature of supply charges to their retail customers, essentially placing all of the blame for de-regulation on the state government AND distributing the entire burden of de-regulation amongst their customer base.

The GM informed the Board there would be two employees going for mutual aid in St Thomas, USVI, Nick Houston and Shane Egan. The NEPPA is in charge of this mutual aid process even though the trouble lies outside of NEPPA's jurisdiction. Our two linemen had already driven our Truck #27 down to Florida, secured the truck on a barge, stayed overnight in Virginia for 1 night, stayed overnight in Florida for 2 nights and flown back here after putting the truck on the barge. The GM stated that both Nick and Shane will be flying to St Thomas USVI on November 11 (Veterans Day). Our linemen will be down there

working for three weeks till December 2. Dana inquired as to the status of our vehicle down there un-supervised; the GM said that once secured on the barge it will be a 5-7 days to reach St Thomas from Ft Lauderdale. Estimates from Scott Edwards and Nick Lawler from LELWD put the broken pole count at about 2,800 on the island. The GM made an analogy that in Templeton this was the equivalent of having 3 out of every 4 of our poles in Templeton broken and on the ground. This kind of destruction makes it difficult for NEPPA to offer estimates to St Thomas for power restoration OR estimates to NEPPA members on when our linemen can return home.

The TMLP will get reimbursed \$125 per hour per lineman and \$65 an hour per truck. The GM stated that Nick and Shane are getting paid the equivalent of 32 hours per weekday, 36 hours per Saturday and 48 hours per Sunday/Holiday. The GM stated that at a rate of \$315 per hour per crew there is no way that the TMLP will lose money on this arrangement, and he added that this is the first time that he can remember a labor and truck rate agreement being agreed to by both parties BEFORE anyone went down there to assist. This mutual aid effort is something of a joint effort by APPA and NEPPA to assist the USVI-WAPA (United States Virgin Islands Water and Power Authority) in restoring electricity to 90% of St Thomas residents and businesses by December 25. The GM stated that it is a very political environment down there right now and both APPA and NEPPA are getting pressured to get to 100% restoration by November 23; he felt this to be an unrealistic goal based on the number of linemen assisting and the degree of electric utility damage. This was the conceptual schedule for NEPPA Mutual Aid for St Thomas:

|          |                            |
|----------|----------------------------|
| Wave I   | October 21 to November 18  |
| Wave II  | November 18 to December 16 |
| Wave III | November 4 to December 2   |

Wave III ended up being cut a week shorter due to the difficulty of scheduling the barge transport of vehicles from Ft Lauderdale to St Thomas. (There has been some talk of additional waves from January 3 to January 31 but nothing has been concrete yet.)

### **New Business:**

The GM had five handouts tonight for the Board:

1. September 2017 Power Supply (7.55¢ per KWH)
2. October 2017 Wind Generation (584,328 KWH total)
3. October 2017 Kilowatt-Hour Sales/Revenue (12.29¢ per KWH)
4. November 2017 Retail Electric Rates (13.21¢ per KWH Residential)
5. 2018 Budget Draft

### **Other Business:**

The GM said that we could be lowering electric rates by about 4.5% for 2018. This was equivalent to a monthly savings of \$4 for residential customers, \$22 for commercial customers, \$157 for industrial customers under 1,500 KW and \$8,013 for industrial customers over 1,500 KW. His initial thought was an 8-9% decrease but the GM wanted to be more conservative till the new UAAL for the Light Plant was known in February 2018. The worst thing to do would be to implement a 9% rate decrease in January 2018 followed by a 4.5% rate increase in March 2018. The GM would attribute the ability for a 2018 electric rate decrease to the Seabrook Project 6 debt service retirement, saving the TMLP about \$45K per month in power supply costs starting July 1, 2017.

The GM told the Board that he and the BM would be meeting with representatives from UniBank this month to discuss the TMLWP's offering online payment of electric bills with credit/debit cards. In the last year there had been a large increase in the demand for such a service to be offered to our electric customers and the GM stated that this would be set up with any and all fees to be paid by the customer.

The GM stated that the majority of the MA MPLs already offer online payments to their customers with a varying range of fee structures based either on a transaction percentage OR a sliding scale. Both the GM and the BM had their own concerns about how the TMLP's posting activity would change as a result; the biggest concern was during shut-off season when a customer was alleging online payment within the last 24 hours, how would we know? We obviously did not want to erroneously disconnect electric service to people because of any online banking update delays. The GM and BM would discuss this at length with the UniBank representatives coming later this month.

Gregg asked if we could keep or did keep credit card #s on file here at the office; the BM told him that we cannot do that as a result of the implemented red flag policy in 2009. She added that many customers do request that we keep their billing data on file this way, but we are constantly compelled to tell them that we cannot, and this is to many of our electric customers' chagrin. The GM said that adding this online bill payment feature to the TMLP would essentially remove the customers' need for us to keep sensitive billing data on file here; customers would just pay online whenever they felt like it. The GM was enthusiastic about having customers do the online payment rather than the over-the-counter or over-the-phone payments with credit/debit cards here at the office. In 2017 the TMLP spent about \$3.75 per credit/debit transaction here, and this was whether the payment amount was \$10, \$100 or \$1,000. When we had initially set up credit/debit payments here with Century bank we were mostly concerned with this service assisting us with electric shutoffs, and the GM did not realize that it would "catch on" as a way to pay more than our ACH program had. (By contrast, the ACH transactions thru Century Bank cost us \$0.11 per payment as opposed to \$3.75 per payment for credit/debit payment).

Dana had heard that a vehicle auction facility associated with an insurance company was to be constructed off of MA Route 2 Exit 20 on Baldwinville Rd. He had heard that there would be electric security fencing installed around it; the GM thought that to be very unlikely and thought that electric fencing was only lawful to keep livestock in. Gregg stated that he was let down by this news of an auto auction yard rather than a new commercial retail facility like a mini-mall or shopping plaza. (There was some impromptu discussion on other developments of properties in that area, namely the new occupants of #252 and #403 Baldwinville Rd. The GM stated that none of these would lead to any significant load growth in Templeton. He also mentioned the change in ownership of a particular residential property on Michael's Ln that had up until now been the home of a non-paying electric customer.)

A resident asked about our property at 11 3/4 Elm St that was being surveyed; the GM stated that he had not heard anything back from Pera Surveying yet and will have to call Chris Pera to get a status update.

There being no other Open Session business to discuss, on a motion by Gregg, seconded by Dana, 2-0 in favor the Light Commissioners' Meeting adjourned at 7:06 p.m.

Respectfully Submitted,



John M. Driscoll  
General Manager