



86 Bridge Street, P.O. Box 20, Baldwinville, MA 01436-0020

TEL: 978-939-5323

FAX: 978-939-4309

John M. Driscoll, *General Manager*

Light Commissioners' Meeting December 13, 2017

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

Employees present were: General Manager John Driscoll
Light Superintendent Tom Berry
Business Manager Jennifer Belliveau

The meeting was called to order at 6:24 p.m. by Dana.

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

The minutes of November 8 could only be approved by Dana and Gregg since Chris did not attend that meeting, 2-0 in favor.

Old Business:

The General Manager (GM) did not email the 2018 Light Plant Operating budget to Commissioner Chris Stewart therefore, there would be no vote. The Budget was included in the Commissioners paper packet, they will discuss/vote at next meeting.

The Light Superintendent (LS) updated the Board on the Eaton AMI metering system. The 4 Gateways have not been installed on our poles. There has been a delivery of 39 residential meters and we were still waiting on 11 commercial meters which should be here in mid-January. The LS is hoping to have the mini-AMI system up and running in February and to work out any errors if necessary. Due to the 17 weeks of delay in the release of meters, we have 852 to be delivered in April, after the SAT is done. At this point we hope to go forward with the installing the balance of the AMI meters. The VPN connection and PCS Center will be installed so the data can flow back, Montalbano Computers will help us.

The GM updated the Board on the battery storage grant funds. Ashburnham, Wakefield and a few others did receive the grant funds from the DOER, but Templeton did not. The GM stated that \$5M of the allotted \$10M in MA DOER funds will go to the IOUs, leaving only \$5M for ALL of the MLPs. The GM stated he is still interested in doing the project with a smaller size battery system than was originally planned out for. The GM gave a handout with updated costs & financing to the Board for a 1 MVA/1.9 MWH system for \$2.343M. He stated that there was over \$2M in reserves held at MMWEC for different reasons, and just the rate stabilization funds now total \$566K with wholesale electric rates continuing to drop. Dana would like to have the site civil-engineered in preparation first. The GM stated that the largest portion of the system cost would be the batteries, which continue to lower in price. A

disadvantage of waiting another year to do a project like this would be missing the next capacity auction period from June 1, 2018 thru May 31, 2019. The GM stated that the capacity cost for unsecured power will be \$9.55 per KW-Mo. Gregg asked why the TMLP (again) did not receive any of the grant funding. The GM said he was dumbfounded at losing this ACES (Advancing Commonwealth Energy Storage) grant AND the previous CCF (Critical Care Facilities) grant considering Templeton has more distributed generation behind-the-meter than Ashburnham or Wakefield do (as a percentage of load) at 47%.

The GM updated the Commissioners on the search for a different audit firm. Frank Byron from Melanson-Heath had contacted him to gather some information about TMLP and the GM spoke to him regarding our wind cooperative accounts related to our audit. Melanson-Heath currently provides financial audit services to six (6) other MLPS in MA:

Concord	39 MW	168,534 MWH	39 Employees
Danvers	73 MW	309,391 MWH	31 Employees
Norwood	78 MW	317,310 MWH	37 Employees
Peabody	124 MW	504,488 MWH	77 Employees
Reading	156 MW	676,128 MWH	73 Employees
Templeton	10 MW	57,630 MWH	10 Employees
Wakefield	46 MW	198,521 MWH	42 Employees

Both Peabody and Wakefield belong to the Berkshire Wind Cooperative like Templeton does so the subsidiary part of the financial audit would not be new grounds for Melanson-Heath. The GM had signed an engagement letter with them and they will be out to our office during the second week of January 2018 to begin the audit and then again during the second week of April 2018 to complete the audit. Melanson-Heath had set a Not-to-Exceed audit cost of \$26K and had expressed no concern to the GM over getting the DPU Report filed by March 2018 and draft financial statements by April 2018. They had also expressed interest in attending a commissioners' meeting here to go over their financial audit results with the Board.

The GM updated on the three (3) state legislature bills of interest to the MLPs at this time; H.1757, H.1875 and S.2700. He stated that there was nothing new to report on bill status at this time; that there likely would not be till February 2018. At the MEAM meeting in November 2017, the collective group of managers did not wish to agree in part or in whole with any of these pieces of legislation prematurely, fearing that we all would be trapped in a raw deal scenario. There will be another MEAM meeting in January 2018 to further discuss the potential impacts of "clean energy" legislation passage in the near future.

The GM updated the Board on the NEPPA Mutual Aid effort in the USVI at St Thomas. He handed out a report to the Board with the costs/reimbursements coming to TMLP for sending Nick Houston and Shane Egan down there with Truck #27 in November 2017. The linemen were working 13/14-hour days and were supplied with buffet breakfasts, boxed lunches and buffet dinners daily along with lodging on an unused cruise ship. They were also able to utilize a free weekly laundry service to avoid having to bring with them 30-45 days' worth of work clothing. Chicopee Electric Department had been using our Truck #27 for their work since December 2 when Nick and Shane had flown home. The GM suggested that we keep our line personnel within New England on future mutual aid jaunts. The total expense for TMLP for this thus far was around \$90K, but our total reimbursement amount from FEMA/USVI looked to be around \$141K. The GM stated that TMLP had made around \$51K net by participating in this mutual aid effort.

Dana was concerned with the amount we will have to pay in future years for FICA and for Workers Compensation insurance because of the abnormally high wages paid out to Nick and to Shane all along. The GM did say that the net would more than cover such increases going forward. Dana Still had concerns because Workers Compensation premiums are based on employee payroll and the work done in

USVI at St Thomas in November/December 2017 would disproportionately skew the TMLP premium calculations.

New Business:

The GM discussed with the Board proposed 2018 Electric Rates. Wholesale energy costs were record-low in 2017 and the trend is downward. Seabrook I Project 6 was approximately \$85K per month it was now \$40K a month, a \$540K annual savings. The cost of the Templeton Wind will decrease in January 2018 due to the absence of the \$994K Peoples bank loan paid off in November 2017. We cannot pass this cost decrease down to our customers thru supply, so our delivery charges needed to be reduced. The GM suggested that TMLP drop electric rates by 4.5%, working out to an annual \$55 savings per year per customer. The private light costs should also be reduced by the 4.5%. The GM said that the initial decrease looked to be in the 9% range but he was apprehensive to decrease this much till TMLP had gotten the updated FY2018 actuarial study back for the Light Plant. A hand-out had been distributed to illustrate customer savings across ALL electric rate classes. At this time a vote took place as follows:

On a motion by Gregg, seconded by Chris, 3-0 in favor the Board voted to reduce electric rates by 4.5% as proposed in the GM's 2018 rate proposal.

Gregg – Aye

Chris – Aye

Dana – Aye

The GM discussed the need to abate electric accounts that had not been re-visited since 2010. This process will be done annually going forward, but tonight the GM had two (2) whole pages of abatements for the Board's consideration. Page 1 included \$17,324.57 from 1999-2012 and Page 2 included \$21,434.95 from 2013 forward. After some discussion on collection matters a vote took place as follows:

On a motion by Gregg, seconded by Chris, 3-0 in favor the Board voted to abate \$17,324.57 in uncollectible electric arrears from 1999 thru 2012.

Gregg – Aye

Chris – Aye

Dana – Aye

On a motion by Gregg, seconded by Chris, 3-0 in favor the Board voted to abate \$21,434.95 in uncollectible electric arrears from 2013 forward.

Gregg – Aye

Chris – Aye

Dana – Aye

he GM informed the Board of the Berkshire Wind Credit Rating. Moody's upgraded MMWEC's rating from an A3 to an A1. The GM included the news release to the Commissioners.

The Manager had four handouts tonight:

1. October 2017 Power Supply
2. November 2017 Wind Generation

3. December 2017 Kilowatt-Hour Sales/Revenue
4. December 2017 Retail Electric Rates

Other Business:

The LS had provided the Board with an estimate of for providing electricity to the new Templeton Elementary School, \$37,241, and the new Pleasant Street Sewer Lift Station, \$11,324. The GM asked the Board if they were willing to make contributions to either of these projects. Dana said that a municipal sewer department is an enterprise fund and should be able to self-support thru its usage rates, just as a municipal water department must. The USDA is funding a portion of this \$2.3M project and the Sewer Plant will have to finance the remainder using collections from sewer customers.

In general the Board was in favor of assisting the Town by donating the resources needed to get electricity to the new elementary school. At this time a vote took place as follows:

On a motion by Gregg, seconded by Dana, 3-0 in favor the Board voted to donate the material, equipment and labor costs to this school project.

Gregg – Aye

Chris – Aye

Dana – Aye

The GM forgot to inform Chris Pera about the meeting tonight, who has made some survey progress according to a phone conversation with him. We have not received a bill yet for any of his services, and the GM will attempt to get Chris to the January meeting.

There being no other Open Session business to discuss, on a motion by Chris, seconded by Gregg, 3-0 in favor the Light Commissioners' Meeting adjourned at 8:12 p.m.

Respectfully Submitted,



John M. Driscoll
General Manager