

Light Commissioners' Meeting August 6, 2013

Members present were: Dana Blais, Gregg Edwards, Chris Stewart

Employees present were: John Driscoll, Tom Berry

The meeting was called to order at 6:30 p.m. by Dana.

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

Old Business:

A brief report was offered by the Light Superintendent as to the status of the Light plant's completion of re-locating electric facilities on Baldwinville Road. He stated that the URD Riser at Sunrise Drive still needed to be addressed w/ Comcast and Verizon. Another issue remains unresolved at the T.C. end of the project w/ utility poles to be remaining for now in the middle of a field.

The Manager had been in contact w/ Bruce Leymaster several times since the June meeting and they were making progress on completion of the electric rate study and proposed electric rates for 2014. He stated that the few customers who were on the T.O.U. commercial rate were adversely affecting the cost of service allocations to the other rate classes, and this needed to be addressed. The Manager stated that he had already removed one commercial customer from this T.O.U. with a high demand but a low usage yielding a poor load factor, and this had helped a lot. It is possible that the Manager may opt to remove another similar customer from this rate class to reveal a true cost of service allocation to the rate.

The Manager had met w/ Matthew Ide of MMWEC to discuss the establishment of an OPEB Trust for the Light Plant. He had also put Matthew in touch w/ Parker Elmore of Primoris Benefit Advisors, the consulting group who had performed the actuarial studies for the Light Plant in 2009 and in 2012. The Manager anticipated having more meaningful data for the Board at the September meeting.

A brief discussion was had on the proposed changes by Rubin & Rudman to the existing Light Plant's Terms & Conditions. The Manager stated that most of the changes had been more clarifications than substantive changes to company policies, the bulk of which involved customer qualifications for electric service. Another significant change proposed was the raising of the residential customer deposits to \$300 for new homes/renters w/o electric heat and to \$700 for new homes/renters w/ electric heat. The Manager stated that the level of customer arrears for the Light Plant coming out of the moratorium has tripled since he had been employed at the Light Plant. This was due mostly to the influx of "new" homeowners and renters who put down a deposit in the fall for electric service and then vacate in the spring usually owing more than double what the initial customer deposit was. No vote was taken to either accept or reject the proposed changes to the terms & conditions so that the Board could review further the customer deposit change and other changes.

The Manager had met w/ Peter Chatellier of Braver at MMWEC on August 1, 2013, to complete his inquiry into the wind turbine cost certification audit. Peter had obtained copies from the Light Plant and from MMWEC of all of the relevant invoices issued and the checks processed to pay them and he had arrived at a project total of \$3,830,068. His difference between this figure and the figures reported by the Light Plant/MMWEC is \$1,741. The Manager noted that this figure was representative of a 0.05% error in project cost-keeping, although it did take 2.5 years to arrive at this result. He anticipated getting a final draft management letter from Braver so that they could offer their expert opinion on whether or not the wind turbine expenses were recorded and managed professionally.

New Business:

The Manager presented the Board with some documentation which described the method by which money was saved by the Light Plant on July 19, 2013. New England's transmission system had peaked at Hour 17 (5:00 p.m.), and the Light Plant was able to utilize the services of W.J. Graves, Templeton Sewer and Templeton Water to shed about 692 KW of load that hour for a net savings of about \$27K. Since the peak load for Templeton was down significantly from the older August 2, 2006 transmission peak, this 692 KW represented about 6.5% of Templeton's entire load (more than 4 times what a system-wide voltage reduction would have produced).

The Manager and Superintendent then discussed with the Board what had been happening at the Templeton Developmental Center. An estimate had already been done for them for work to be done to install revenue metering at several sites and they seemed to be on board with that. In addition, a formal utility easement would need to be prepared at their expense so that once the Light Plant owned the electrical distribution they would have permission to be on the property. A new concern shared by the Manager and the Superintendent was the condition and size of the existing aerial cable currently serving their load; it consisted of a #2 Al conductor from the early 1980s. The Manager had cited examples of utility linemen needing to cut through this type of conductor's covering to make primary taps and such and having to use a floss-like string to cut through it. It was too dangerous to risk a conventional skinning knife to strip back the high-density polyethylene as it may cut through the load-carrying conductor, potentially a huge hazard to the lineman.

The Superintendent had been in the process of preparing a new cost estimate for the Templeton Developmental Center for the Light plant to replace the existing #2 Al conductor w/ a 1/0 Al one. This would increase the load carrying characteristics to 5.6 MW, up from 4.3 MW, but more importantly it would eliminate the inherent danger of inadvertently severing the smaller conductor while stripping it. On a motion by Gregg, seconded by Chris, 3-0 in favor the Board voted to offer to take on ownership of the electrical distribution at the Templeton Developmental Center contingent on their agreement to pay for the conductor upgrade from #2 Al to 1/0 Al.

Other Business:

The Manager stated that Gregg's term had expired as a member of the Board of Directors for the MMLDWECC. He had been in contact w/ Nick Scobbo who told him that Gregg needed to be either re-appointed by the decision of the Manager or by a board vote. The Board opted to take a vote w/o the Manager's objection after seeing if anyone else was interested in serving other

than Gregg. On a motion by Chris, seconded by Dana, 3-0 in favor the Board voted to appoint Gregg as a member of the Board of Directors of the MMLDWECC for another term.

At this time [8:15 p.m.] a roll call vote was taken in the Open Session for the Light Board to enter into Executive Session to discuss a competitively sensitive issue that shall address proprietary information associated with a proposed MMWEC Special Project 2013A, a project which could potentially lead to a purchased power agreement for the Light Plant. The Light Commission believed that if they were to discuss details of this project in the Open Session that it could adversely affect the Light Plant's ability to effectively negotiate a purchased power agreement.

Gregg – "aye"

Chris – "aye"

Dana – "aye"

Dana announced at this time that the Light Commission WOULD NOT be re-convening in Open Session following the Executive Session.

There being no other Open Session business to discuss, on a motion by Gregg, seconded by Chris, 3-0 in favor the Light Commissioners' Meeting adjourned at 9:00 p.m.

Respectfully Submitted,

John M. Driscoll
General Manager