

PRINCETON MUNICIPAL LIGHT DEPARTMENT
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BOARD OF LIGHT COMMISSIONERS

FEBRUARY 15, 2017

REGULAR MEETING MINUTES

The meeting was called to order at 4:05 PM.

Present were: Commissioner/Chairman, Jim Whitman, Commissioner, Chris Conway, Commissioner Tim Cochrell and PMLD General Manager, Brian Allen. Also Present was resident – Richard Rys.

Agenda:

The Board voted unanimously in favor (3-0) to accept the February 15, 2017 agenda as presented.

Meeting Minutes:

- The Board voted unanimously in favor (3-0) to approve the January 11, 2017 regular meeting minutes as presented.

PMLD Financials:

- **Bank Balances** - The Board reviewed the bank balances report dated February 15, 2017 (a copy will be placed on file). The Citizen's Bank Operating account has a balance of \$367K, the Depreciation account has a total balance of \$701K, the MMDT Rate Stabilization account has a balance of \$809K, the Unibank Operating account has a balance of \$10K, the Meter Deposit account has a balance of \$34K. As of February 15, 2017, PMLD has \$153K listed for accounts payable and is still waiting for \$259K in customer account receivables.
- **2016 Year-to-Date Working Budget Review** – The Board reviewed the 2016 working budget analysis spreadsheet dated 02/13/2017 (a copy will be placed on file). Mr. Allen explained that budget projections were met with revenues coming in at 107.11% and expenses at 96.65%; PMLD is still waiting on one more ISO Tariff invoice to pay (est. at \$25K). The Board acknowledged that the wind farm expense was right on budget at 100.08% and the results confirm that the budget was well managed throughout the year. Mr. Allen reminded the Board that PMLD is still working with no 4th lineman and that salary/benefits money was reallocated towards tree trimming in 2016. Mr. Allen confirmed that the same allocation was budgeted for 2017. This is the last copy of this working document that will be presented. The 2016 audit review in April/May will provide the final 2016 figures for the Board.
- **2017 Year-to-Date Working Budget Review** – The Board reviewed the 2017 working budget analysis spreadsheet dated 02/14/2017 (a copy will be placed on file). A snapshot of January's early figures was reviewed. The Board acknowledged that the January figures will be more complete in March and can be reviewed in detail then. Mr. Allen stated that January 2017 kilowatt sales were up slightly compared to January 2016.

New Business:

- Energy and Power Management and Tracking Workbooks Review*** – Mr. Allen presented the Board with his workbook spreadsheets for ‘Day Ahead’ & ‘Real Time’ energy, monthly cost and kilowatt unit comparison for energy and transmission, windfarm production, revenue & expense figures, and the monthly retail rate breakdown (copies will be placed on file) which he uses daily/monthly to manage and monitor the department budget and day-to-day activity. Mr. Allen reviewed each spreadsheet in detail. Mr. Allen reminded the Board that the windfarm is impacted by the real-time market and the Sterling and West Boylston wind energy purchase power agreements provide additional revenue in addition to the wind energy that is sold at a separate rate through the market. PMLD still receives the NY Hydro PASNY credit each month. Mr. Allen can compare month-to-month and year-to-year to watch trends and make decisions. All transmission services/charges are charted for National Grid, MMWEC, ISO NE, Eversource, NEPC and REMVEC. The ISO Tariff is PMLD’s biggest transmission expense. In 2016 the windfarm debt that was paid was just over \$756K and maintenance & payroll expense came in at \$150K. Revenue totaled \$380K, resulting in a total net loss in 2016 of just over \$525K. On average in 2016 the cost per month that is reflected in the retail rate was just over \$0.0416. The Board acknowledged that if we didn’t have the windfarm we could reduce the energy rate by \$0.04-\$0.05 today. Mr. Allen reminded the Board that in 2011 PMLD’s electric rate was \$0.192, in 2017 the base electric rate is still right around \$0.19 per kilowatt (the additional \$0.05 is windfarm related costs). Currently National Grid is at \$0.21 per kilowatt and Eversource is going up to \$0.22 per kilowatt. Mr. Allen commented, for a small bedroom community with no industry or large commercial businesses we are managing well. The Board acknowledged that Princeton’s energy rate should not be compared to Holden, West Boylston or Shrewsbury municipalities because our demographic and residential and business count are significantly different in size and activity. Mr. Allen shared that retail rates across Massachusetts, on average, are right around \$0.19 per kilowatt per reports comparing the Northeast to the Midwest and Northwest. Mr. Allen expressed his satisfaction with the energy price he currently has through an energy contract with NextEra. Mr. Allen updated the Board on his discussion with NextEra about purchasing capacity. He was pleased to inform the Board that the capacity market closed earlier this month and his decision to hold off locking into a capacity rate was a wise one because it dropped from the original \$15 to \$7 and finally settled at \$5. The Board agreed with Mr. Allen’s plan to continue to monitor the pricing and wait as long as possible to try and get the lowest rate possible. The Board discussed some of the recent information in the news about more generators coming on line while nuclear power plants are being retired and the movement to build the gas pipeline. Mr. Allen and the Board shared their appreciation for the NextEra professionals who have provided PMLD with exceptional service and commitment to ensure that our small energy contract and load are treated no different than those that larger companies have and managed with the same level of importance as any other.
- Broadband Make-Ready Project Update*** – Mr. Rys asked for an update on PMLD’s involvement with the make-ready project. Mr. Allen explained that PMLD’s involvement was upgrading utility poles to make space for wiring and that PMLD has completed all the make-ready work on the utility poles and is only waiting for Verizon to complete their make-ready work so that old poles can be removed. Mr. Rys acknowledged that the Cable Advisory Committee is now in place to review Cable Network Contracts from Comcast and Charter and make a recommendation to the Board of Selectmen and that a town-owned broadband/internet system is not being pursued right now. Mr. Rys acknowledged that Verizon internet is available in some places in Princeton and that Ayacht Technology Solutions may be another internet provider option that is available to him on Mountain Rd before a cable company is in place.

Unfinished Business:

- LED Street Light Conversion Project*** – Mr. Allen confirmed that MMWEC is still working through the bid process and he anticipates that PMLD will be able to purchase new fixtures by early summer 2017 and begin installation thereafter.

- ***Name Change Discussion*** – Mr. Allen acknowledged that the name change idea is still being researched and will be addressed at a future meeting.

At 4:45 PM the Board voted unanimously in favor (3-0) to adjourn.

Respectfully Submitted,

Christine Trudeau

Recording Secretary