

Light Board Advisory Committee Meeting Minutes

Minutes of Meeting held on February 15, 2018
Belmont Light Conference Room
7:30 pm

2018 JUN -4 PM 2:01

Attending members: Chair Steve Klionsky, Bob Forrester, Sarah Jackson, Roy Epstein, Ralph Jones, Travis Franck

Non-attending members: Mark McVay

Belmont Light (BL) attending: Acting General Manager Craig Spinale, Aidan Leary

I. CALL TO ORDER

- Convened 7:35pm

II. APPROVAL OF MINUTES

- December 2017 minutes approved with edits.
- January 2018 minutes approved with edits.

III. COST OF SERVICE STUDY UPDATE

- TOPIC: To receive an update about the Cost of Service study undertaken by Belmont Light
- Spinale: The current estimate for a completed Cost of Service is now April, instead of the hoped date of March.
- Epstein: Inquired about the about on input BL had into the report. Spinale said that because the “rate design” deliverable was removed from the workplan, there has been little input into the consultant’s work after providing the required data.
- Spinale said that deliverable will be a set of Excel spreadsheet(s) that will be available for BL to use in between full Cost of Service studies.
- Epstein asked if the study will include OPEB contributions in the factor. Unfunded liability amount might go down because of the recalculation done by Ralph’s committee. As of right now, the unfunded OPEB expense costs are currently amortized and included in the rates.
- The full commitment for OPEB is being collected currently in the rates, but BL is only asked to transfer a smaller amount (~5%) to the Town’s OPEB fund. The balance of funds has been put into the Operating Cash, for use in the substation decommissioning project.
- For COS study, the substation transmission costs are zero, which is the expected outcome of the pending ISO decision with Eversource on the new transmission line.

IV. GENERAL MANAGER SEARCH UPDATE

- TOPIC: Update on the Town's search for a new General Manager for Belmont Light
- The Chair reports that the consultant has been advertising for the position. The GM search committee has not been convened yet.
- Spinale stated that he has appointed (from within BL) an acting operations manager to help oversee the decommissioning project.
- There was a discussion about the decommissioning project and the many different tasks involved to convert the Town to a 13.8kV system, including installing new transformers, changing conduits, putting up new poles (i.e., putting in higher poles where needed), pulling new cable, etc.

V. BELMONT LIGHT POWER SUPPLY POLICY

- TOPIC: The Energy Committee suggested two edits to the new Power Purchase Policy — these edits were incorporated into the hard copy provided to the meeting.
- Franck asked about the hedging of capacity amount. Discussion concluded that it was appropriate based on ENE commitments. When he asked if the 85% energy hedging should be added to the document, the committee considered that maybe hedging should be removed from the document in future revisions.
- Epstein questioned the need for some technical language about operations (e.g., “heat swaps”) that could be removed in future versions. The committee decided that this document should be approved in its current form.
- Forrester inquired about a glossary, but it was decided that no glossary of terms would be added for this version of the document.
- The Policy is expected to be discussed by the Light Board on March 12, 2018.
- The LBAC unanimously recommended the Policy be sent to the Light Board for its approval.

VI. BELMONT LIGHT RATES/COMPARISONS WITH OTHER MLPs

- TOPIC: Discussion of Belmont's rates compared with other communities
- Epstein provided some initial results from comparisons with several other MLPs and some broad sector indicators. The data that were collected and analyzed include rates, administrative expenses, salaries, distribution expenses, and power supply costs.
- Belmont rates are the highest, compared to other MLPs, in the 2010, 2014, and 2016.
- Purchasing and Distribution costs were in the middle of the range, but BL is in the higher half of the Purchase Cost range; distribution would be closer to the middle of the range.
- Belmont is said to have an inherently expensive system because of the amount of underground cables. The cost per kWh is about double of the Marblehead distribution costs. The cost per mile is about the same.

- Spinale: Marblehead is 80% residential, and Belmont 92% residential; Littleton has a larger commercial load based on their significantly higher revenue with 1/3 fewer meters than BL.
- Klionsky stated that this a complicated topic to dig into, especially if the annual reports are unreliably reported to the DPU; Spinale said the DPU filings are not audited filings by MLPs.

VII. FUTURE MEETINGS

March 15, 2018

April 26, 2018

VIII. ADJOURNMENT

- Adjourned at 9:52pm.