

**MINUTES
TOWN OF BELMONT
MUNICIPAL LIGHT BOARD
Remote Meeting via Zoom
October 12, 2022**

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: January 12, 2023
TIME: 2:46 PM

CALL TO ORDER. Chair Stephen Klionsky called a meeting of the Municipal Light Board (MLB) to order at 7:30 a.m.

Present for MLB was Chair Klionsky, Vice-Chair David Beavers, and Members Travis Franck, Andrew Machado, and Michael Macrae.

Present for Belmont Light was General Manager Craig Spinale, Assistant General Manager Sam Osmanovic, Energy Specialist Ben Thivierge, Energy Resources Manager Becca Keane, Finance Manager Maria Makar-Limanov, and Communications Coordinator Aidan Leary.

Others Present: Roy Epstein, Select Board Liaison; Mayhew Seavey, Principal Engineer, PLM Inc.

APPROVAL OF MINUTES

August 24, 2022:

Motion: Mr. Franck moved to approve the minutes of the **August 24, 2022 Regular Session** of the Municipal Light Board. Mr. Machado seconded, and the motion passed unanimously by rollcall vote.

September 13, 2022 Regular Session: these minutes will be considered at the next meeting.

September 13, 2022 Executive Session:

Motion: Mr. Beavers moved to approve the minutes of the **September 13, 2022 Executive Session** of the Municipal Light Board. Mr. Klionsky seconded, and the motion passed unanimously by rollcall vote.

September 28, 2022 Regular Session Clarification: Mr. Spinale clarified that the \$180,000 savings indicated in the minutes that is attributed to the dimming of the LED street lights includes installing and dimming them (rather than the whole \$180,00 coming from just dimming). He added that after review, the number is actually \$203,000, with about \$73,000 of that attributed to dimming. However, the minutes accurately reflect the meeting so no changes were made.

Motion: Mr. Franck moved to approve the minutes of the **September 28, 2022 Regular Session** of the Municipal Light Board. Mr. Macrae seconded, and the motion passed unanimously by rollcall vote.

PUBLIC COMMENT – there was no public comment.

DISCUSSION ON RATES

Mr. Klionsky explained that the goal of this meeting is to agree on a rate plan that can be presented at the Public Forum, and then voted in November, allowing for the rates to be filed with the DPU to become effective in January 2023.

Mr. Seavey presented on the following areas:

Distribution Rate Increases: Mr. Seavey explained that the Large Municipal rate had been lowered to 4.1% to produce the same overall rate of return. Also, the demand and energy rates have been changed to produce an approximate 6% increase in distribution revenue (except Large Municipal which will see a 30% decrease). Mr. Seavey detailed what these changes mean. The Residential Distribution Rate will be increased from \$0.0756 to 0.0778 and Mr. Seavey described why this change is recommended. He then provided a summary of the results of these changes (increase of total revenues that will produce about a 4% rate of return for the next two

years). There was some discussion about presenting this information at the Public Forum. Mr. Seavey also presented on the results of Operating Expenses and Typical Bill with these changes, which was discussed.

Purchased Power Cost Increase: Mr. Spinale explained that this topic is being introduced because of the new situation with the price of natural gas.

Mr. Seavey explained that the most recent forecast shows an increase in power costs of \$2.9 million in 2023 with a total of \$10.7 million over the next 4 years. To incorporate this, he proposed adjusting the transmission and generation rates to reflect the average purchased power costs over the next two years. The goal is to build it into the rate to minimize the size of the Power Cost Adjustment (PCA). With the Distribution Charge increase, the result is an overall increase of 13.5%.

Mr. Macrae asked that terms in the presentation match those used in the tariffs, and suggested there be a slide with definitions of the different charges at the start of the Public Forum.

There was a discussion of the rate increase for the Low-Income Rate and how to present this change to the public.

Mr. Epstein observed that by showing rates of change instead of rate levels many of the public attendees will be lost. He suggested that the presentation show the rate each year and then start talking about rates of change. He also asked why street lighting was not included. Mr. Seavey said he will show the present and proposed rates to the public and shared the prepared slide. For street lighting Mr. Seavey said he does not typically look at these rates because they are usually built on a rate that Belmont Light has no control over, and they generally have a negative rate of return. It was not included in the Cost-of-Service Study, and Mr. Epstein suggested this be noted. Mr. Spinale added that it was not included because the switch to LED's has completely changed all the assumptions Belmont Light had based on the old street lights. They need time to understand the new costs to develop new assumptions.

Residential Customer Charge: Mr. Seavey outlined the usage of an "average" residential customer, as well as the usage of some "unusual" customers, and pointed out that removing very low usage customers places the average usage at about 500 kWh/month.

Mr. Macrae asked if Belmont Light could prepare a histogram distribution of usage for the Board and explained how this would be useful. Ms. Keene said this is already available and she will update it based on this new information. This was discussed as well as identifying what an average customer really is.

Mr. Seavey explained the impacts of increasing the Customer Charge in addition to the volumetric increases and the impact on small users.

Mr. Macrae asked if the goal is to have a consistent percent increase across users, rather than the goal of having all users pay their appropriate share of the costs they are causing and if these goals are aligned. He also expressed concerns about how volumetric, demand, and fixed causation are being mixed. There was a discussion of this issue with Mr. Macrae being especially concerned about how high volumetric users will continue to subsidize lower-level users and that the declining block model has not been considered. There was a discussion of these issues. Mr. Seavey said he will provide information on the declining block rate.

Mr. Seavey reviewed the other class customer charges.

Impact on Low Income Rate Customers: Mr. Seavey said the current effective discount is 37% and the new discount will be 36%.

Impact on EFR Buyback Rate: Mr. Seavey explained that the EFR Buyback will increase because the Generation Charge is increasing. Because of Purchased Power cost increases it will cost Belmont Light about \$24,000 in increased payments to solar customers. Mr. Seavey reviewed some of the expected customer impacts. There were some questions and discussions about this issue.

Mr. Franck asked why the rate is not the full Residential Rate minus generation and transmission. He and Mr. Epstein discussed this question and the history of the EFR Buyback.

Mr. Macrae asked where the ISO-NE charges for winter energy security. are reflected in Belmont Light's bill. Ms. Keane said the Mystic charge will be in the Generation Charge, and the winter inventory charge will be reflected in the PCA. She added that EFR does not acknowledge the PCA which needs to be addressed.

Summary of Proposed vs. Present Rates: Mr. Seavey presented what the rates would be with all the recommendations.

Mr. Franck left the meeting at this point.

The Board reviewed the proposed rates by Rate Class and discussed. Mr. Spinale explained a discounted rate for McLean Hospital and Ms. Keane asked that the current credit rate be looked at. Mr. Seavey said he will do this.

There was a discussion of timing of other meetings to discuss the rates, the public forum, and a planned vote in November. There was also a discussion of what issues had not been addressed.

There was a discussion of the structure and presentation for the Public Forum, and Mr. Spinale outlined how the event will be publicized.

FUTURE MEETINGS

October 26, 2022, 7:00pm – Public Forum on Rates

November 15, 2022, 7:30am

December 14, 2022, 7:30am

ADJOURNMENT

Mr. Klionsky moved to adjourn the meeting of the Municipal Light Board. Mr. Beavers seconded and the motion passed unanimously by rollcall vote. The meeting was adjourned at 9:38am.

Respectfully submitted by,

Susan Peghiny
Recording Secretary