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Mansfield Municipal Electric Department  
Minutes of Light Commissioners Meeting  
2015 JUL 20 A 11:31  
March 11, 2015

**Present:** Chairman Jess Aptowitz, Vice Chairman Olivier Kozlowski, Clerk Frank Delvecchio, Commissioner George Dentino, Commissioner Douglas Annino, Director Gary Babin, Financial Assistant Jacqueline Lee and Acting Town Manager Nick Riccio

The meeting was held at the Mansfield Town Hall Room 3AB and called to order at 7:00 PM followed by the Pledge of Allegiance. Chairman Aptowitz stated that this meeting was being televised live and taped by Mansfield Cable Access. A complete copy of the Board packet containing all documents that are referenced in the minutes is on file at the Mansfield Electric Department office and the Town Clerk's office.

There were no Citizen's Comments.

**Motion: To approve the minutes of the December 3, 2014 Light Commissioners meeting (Delvecchio/Dentino) Passes 5/0**

**Motion: To approve minutes of the December 17, 2014 Light Commissioners meeting (Delvecchio/Dentino) Passes 5/0**

**Financial Statements for January 2015** - Director Babin stated that MMED's net operating income year-to-date through January 2015 is \$986,729. The budgeted net income for the year is about \$1.3 million dollars, which is a 2.6% rate of return. He said that operating costs continue to increase and energy sales have declined by about 6% since FY10. He told the Board that in the budget for 2016, net income is projected to be a little under one million dollars. Director Babin also said that MMED is in a good cash position, roughly the same as last year. The Generation Charge from the 4<sup>th</sup> quarter last year to the 1<sup>st</sup> quarter this year went down 8%. At the same time that MMED's rates declined, National Grid announced a 37% rate increase and NSTAR a 29% increase. MMED's energy sales have decreased 3.4% in FY15. The depreciation fund is at \$3.8 million and Director Babin told the Board that MMED has completed a large underground project on Maple Street from Bird Road to Cate Springs and will be doing another underground project this summer in front of the high school on East Street.

Commissioner Delvecchio noted that there has been a trend of declining net income for the last 3 or 4 years and wondered how it looked down the line. Director Babin said that MMED maintained a reasonable net income for the last couple of years but the industry trend is that energy sales are dropping and the long-term impact of a decline in sales is a decline in net income.

Commissioner Dentino asked how much of MMED's power needs are covered. Director Babin said that 50% is covered by MMWEC, 20% by Nextera and 30% is in the open market. Commissioner Dentino asked what Director Babin sees in the market. Director Babin answered that there is seasonal fluctuation and the variables are extreme cold and extreme heat. He said that gas supply is an issue in the winter and also a big factor impacting pricing.



Vice Chairman Kozlowski inquired as to the progress in bringing in additional gas pipeline capacity. Director Babin said there is a lot of discussion about the plan to bring in a pipeline from New York State to Massachusetts. He noted that one option being considered is to have electric customers pay for the pipeline expansion through ISO New England billing.

**MMED Commercial Customer Deposit Policy** - Chairman Aptowitz told the Board that he has some concerns regarding the deposit policy and has asked Director Babin to address this issue tonight. Director Babin talked about the current commercial deposit policy and explained that automatic payment is accepted in lieu of making a deposit. In 2008, the Board came to this compromise for those customers who did not want to tie up their money in a deposit. Director Babin says he finds this policy to be effective. There was a memorandum included in the Board packet from Town Manager Ross that said requiring a deposit from everyone could be a hardship. Director Babin said he agrees that it would be difficult for a small business that was just starting up to have to put down a deposit and this provides an alternative.

Chairman Aptowitz said he has concerns about a company having no money in their bank account because there is no way of doing a direct debit. He believes there are weaknesses in the current policy.

Commissioner Dentino mentioned that when an elderly person moves to a new location they are required to come up with a deposit which could be a hardship for them. He would also like to revisit these deposit policies. He noted that in the memo from Town Manager Ross that it did acknowledge that residents get stuck paying for a business that goes under.

Director Babin assured the Board that MMED stays on top of this and he believes that MMED is very aggressive with its commercial collections policy. Chairman Aptowitz, however, feels there should be policies in place to protect everyone.

Clerk Delvecchio inquired as to the range of the deposits. Director Babin answered that if a residential electric bill is about \$50 then the deposit would be \$150; if the bill was around \$100 then the deposit would be \$300 and if the heat is electric then the deposit would be \$500. He explained that in the case of a commercial deposit, the amount would be equal to an estimated three months of consumption. He said that for the larger commercial customers this was usually not a problem but for the smaller commercial customer it could be.

Clerk Delvecchio then asked how many commercial customers take advantage of the direct debit or recurring credit card. Director Babin said that it's about 15% of the customers. Clerk Delvecchio said that he would like to revisit this issue and everyone was in agreement.

**MMED Appliance Rebate Program** - There was a memo from Town Manager Ross included in the Board packet comparing the Water Department rebate programs to MMED's rebate programs. Director Babin reviewed this comparison with the Board. He said that the annual cost to the Light Department is \$50,000 to \$55,000 and that is with a \$100 annual cap per customer. He also noted that MMED is required to spend \$90,000 in residential conservation services each year and this program is part of that budget. Mr. Ross's memo stated that the Water Department does not have a cap and he thought that MMED should adopt the same policy because it would encourage further energy conservation.



Clerk Delvecchio questioned whether the dollar amount for the rebate should be doubled. Director Babin said he may be in favor of increasing from one item to two items but would not be in favor of having no cap. He recommended raising the cap to \$200 or two items and he believed either one of those options would work.

Commissioner Annino asked how this program compares to other utilities. Director Babin believes it is in line with other such programs.

Commissioner Dentino noted that the Water Department goes to the resident's house to check the appliance when a rebate is submitted. He thinks MMED needs to be more stringent. Director Babin says it's a trust issue with customers and that it's awkward to go to someone's house to make sure they bought a new refrigerator.

Vice Chairman Kozlowski suggested setting a dollar amount for the entire program and if the money is gone in eleven months then the program is shut down.

Chairman Aptowitz likes the program that is currently in place. He suggested a \$150 cap instead of a \$100 cap.

**Motion: To maintain the current MMED Appliance Rebate Program as presented but to increase the cap from \$100 to \$150 (Aptowitz/Annino) Passes 5/0**

Chairman Aptowitz made the suggestion that the Selectmen talk about the Water Department rebates and asked that Selectmen Chairman Dentino put it on the agenda for one of their Selectmen meetings.

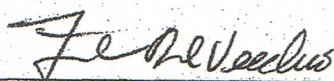
**Update on Proposed Solar Installation on Branch Street** - Director Babin reported to the Board that MMED is working on a development agreement with Town Counsel regarding solar installations as well as a power supply agreement.

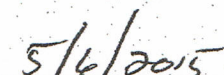
**2014 DPU Report** - Director Babin said that the DPU report is due by 3/31/15 and that he would be e-mailing each of the Board members a copy of it during the week. He had spoken with Town Manager Ross previously who said that Director Babin will come back in two weeks for the Board to vote on the report.

**Comments** - Commissioner Dentino wants a concerted effort to get the solar installation on Branch Street on the agenda as quickly as possible. Acting Town Manager Nick Riccio believes that the development agreement draft was done today according to Shaun Burke from the Planning Department. Chairman Aptowitz agrees with Commissioner Dentino that there needs to be a push to get this done.

**Motion: To adjourn at 7:55 PM (Kozlowski/Delvecchio) Passes 5/0**

Respectfully submitted: Jacqueline Lee

  
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Signature of Clerk

  
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Date of Approval