

**Mansfield Municipal Electric Department
Minutes of Light Commissioners Meeting
June 16, 2014**

Present: Chairman Jess Aptowitz, Vice Chairman Olivier Kozlowski, Clerk Frank Delvecchio, Commissioner George Dentino, Commissioner Douglas Annino (arrived at 7:19), Director Gary Babin, Financial Assistant Jacqueline Lee and Town Manager William Ross

The meeting was held at the Mansfield Town Hall Room 3AB and called to order at 7:02 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.

There were no Citizen's Comments.

Motion: To approve the minutes of the April 28, 2014 Light Commissioners meeting (Kozlowski/Dentino) Passes 3/0/1 (Delvecchio was not present and abstained)

Financial Statements for April 2014 - Director Babin began by welcoming new Light Commissioner Frank Delvecchio then reviewed the financial statements for April 2014. He explained there was a year to date loss of \$512,825 due to the \$2 million rebate that was given to the customers in January and February. MMED's operating cash position through April 2014 was \$8,662,963. The Generation Charge receivable was \$250,004. Director Babin told the Board that energy sales for the year are down 1%. He said that the biggest reason for this decline is that Smurfit Stone has closed operations. He also said that the depreciation fund stands at \$3,413,059 and this will be used to fund the underground project on Maple Street from Bird Road to Cate Springs. Director Babin also reported that the transmission expense is up 30% from last year.

Proposed Economic Development Rate - Town Manager Ross told the Board that MMED is proposing an economic development rate which would be in effect for three years for the purpose of attracting and retaining commercial customers. He explained that it would be for existing customers as well as new customers. He suggested that the Board put together their thoughts to see if they had any interest in approving this as an offering to those customers.

Director Babin said the new rate would be for a three year term and for a new customer the demand charge would be waived for the first year, which is about a 20% savings. In years 2 and 3 the customer would only be charged 50% of the demand charge, which would result in a savings of about 10%. Existing customers would be charged 50% of the demand charge for three years.

Town Manager Ross stated that if one of these customers moved out during the three year period then they would be required to pay back the benefit they received.

Vice Chairman Kozlowski said that he thought the criteria needed to be better clarified. He also wondered if three years was the right time frame and wondered how big an impact this would have.

Commissioner Annino joined the meeting at 7:19.

Commissioner Dentino questioned the language in the proposal. He knows there is a push for economic development but pointed out some of the failures with incentives that have been given in the past. He thinks they should be careful about giving out breaks and is not in favor of this.

Director Babin pointed out that the impact will be to lower MMED's net income. Town Manager Ross said he understood Commissioner Dentino's point of view but he believes that sometimes you just need to do something to sweeten the pot and that they wanted to bring this idea to the Board's attention as a strategy for attracting new and retaining existing customers.

Clerk Delvecchio asked about the example they had been given for savings. He wondered how it compared to one of these large data centers, for example. Was it smaller usage or equivalent usage. Director Babin said he didn't know but would bring that information back to the next meeting.

Chairman Aptowitz said that he agreed with a lot of what Commissioner Dentino had said. He said he also agreed with Clerk Delvecchio and that maybe they needed to look at this rate as part of an overall package. Chairman Aptowitz has concerns that this is a shrinking business and wonders how much MMED can afford to give out these incentives.

Town Manager Ross stated that they are working to develop a total package but the broader issue is keeping the property tax base in place. He said that he didn't want to waste any time if the Board was not interested and asked them how they wanted to proceed.

Vice Chairman Kozlowski said that he liked the idea of a package and wanted to proceed. Commissioner Annino likes the idea of being proactive and also agreed. Clerk Delvecchio said that he was in favor of proceeding. Commissioner Dentino stated that he is always open and voted yes. Chairman Aptowitz said that he wouldn't say no this evening either.

Solar Energy Installations and Impact on MMED Energy Sales - Director Babin told the Board that solar energy installations have really taken off because of federal tax credits and state energy credits. He stated that there are nine solar installations in Mansfield and that there is a net metering tariff in place, a portion of which includes a Net Metering Recovery Surcharge to recoup some of the lost revenue. Director Babin also stated that based on his analysis MMED has been made whole with this charge. Town Manager Ross said that the important factor is that the tariff is structured so that MMED is not losing money. He noted that this is the way the industry is moving towards alternative sources.

Gilbert Street Substation Transformer T4 Repair Test Results - Director Babin provided a comprehensive summary of the follow-up tests on Transformer T4 which experienced problems last fall. After a problem was detected during routine testing in October, MMED consulted with a manufacturer who said the transformer should not be reenergized and recommended a hot oil process be performed, for which MMED solicited prices and selected Delta Star, the manufacturer of the transformer, at a cost of \$77,827. The test results immediately after the process was completed were favorable and more tests were done again

MMED Retail Rate Comparison - Director Babin reviewed a rate comparison prepared by MMWEC showing how MMED rates compare with other Massachusetts utilities. He said that MMED's rates across a range of customer sizes are very favorable. He believes it is good to provide this information periodically because it gives the Board an idea of where MMED is in the mix. Commissioner Dentino thought the figures looked very good and were back down where they should be. Clerk Delvecchio commented that he was pleased as MMED is in the lower end of the range.

Comments - Chairman Aptowitz stated that the Board wanted to continue with having Light Commissioner meetings on Wednesday nights along with Selectmen meetings. He wanted to schedule the next Light Commissioner meeting. He suggested August 6 and said they should check with Tracey the Selectmen secretary.

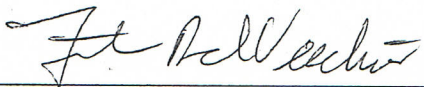
Chairman Aptowitz suggested they have an executive session to update Clerk Delvecchio. Town Manager Ross said he would set something up.

Chairman Aptowitz thought there should be more information on the MMED website for the ratepayers about light bulbs, savings, etc. He asked that Director Babin come back to the Board with something.

Commissioner Annino requested that Director Babin do a comparison of new bulbs versus incandescent bulbs.

Motion: To adjourn at 8:29pm
(Kozlowski) Passes 5/0

Respectfully submitted: Jacqueline Lee



Signature of Clerk

8-06-2014
Date of Approval