

Electric Light Subcommittee

4/11/2018
7:00 PM to 9:00 PM
Utilities Department Conference Room
272 High Street
Ipswich, MA

Type of meeting: Monthly Meeting, Open Session

Attendees: Ed Rauscher, William Whitmore, Whitney Hatch, Jim Engel, Michael Schaaf, Jon Blair (Electric Manager), Ray Leczynski (Business Manager) and Dylan Lewellyn (Strategic Project Manager)

Agenda

Citizens' Queries	Chair	5
Approval of Minutes	Chair	5
FY19 Budget	Jon Blair	60
Rate Discussion	Jon Blair	40
Other Business	Chair	10

Additional Information

Ed Rauscher called the meeting to order at 7:30PM

Handouts:

Packet for 4/11/18 (detailed agenda, capital plan, final FY19 ELD budget, and rate proposal)

Previous meeting minutes (1/10/18, 2/21/18, and 3/28/18)

Abbreviations Used : ELD= Electric Light; FY= Fiscal Year

7:30 Ed Rauscher celled the meeting to order;

Citizens' Queries

There were no citizens' queries.

Approval of Minutes

7:32 Whitney Hatch arrives.

7:33 Jim Engel motions to approve January minutes; Ed Rauscher seconds. The vote was approved 3-0 (William Whitmore abstained).

7:34 William Whitmore motions to approve February minutes; Jim Engel seconds. The vote was approved 3-0 (Whitney Hatch abstained).

7:35 Michael Schaaf arrives; Michael Schaaf motions to approve March minutes; Jim Engel seconds. The vote was approved 3-0 (Whitney Hatch and Ed Rauscher abstained).

FY19 Budget

Jon explained all of the changes that were implemented after receiving feedback from the previous meeting. Most changes focused on the narrative, but several other inconsistencies were corrected. Jon affirmed that none of the financial information had changed since the subcommittee last reviewed the budget.

Whitney asked for several points of clarification on the effective rate and cash accounts. Ray explained the creation of a dedicated reserve account to set aside money to use for replacement of large fixed assets in the substations and power plant. The estimated "profit" is \$566k for FY19. Whitney was satisfied with the explanations, but noted that the ELD should strive to make the fixed meter charge more apparent in the budget and on the customer bills for next year's budget.

Michael asked for Ray to explain the cash accounts and provide updates on their status periodically throughout the year. He also expressed a desire to revisit the specific goals of the capital account dedicated to the power plant and substations.

7:52 Jim Engel motioned to recommends the FY19 ELD budget for approval as presented; William Whitmore seconds. The vote was approved 5-0.

Rate Discussion

The proposal has 4 main parts, which include increasing the base rate by \$0.006/kWh, moving the PPFA component (\$0.02211/kWh) out of the base rate and into the rest of PPFA, establishing a mechanical meter rate, and consolidate several rates (Commercial Heating, Municipal 1, and Municipal 2) into one (Commercial). Jon walked the members through the reasons and the mechanics of the proposal. Whitney and Michael concurred with a rate structure that reflected specific service costs and recommended naming them “distribution and administrative costs” and “power costs” to more accurately identify them. The subcommittee members provided suggestions on word choice and organization.

Jon explained the reasoning and costs associated with the mechanical meter charge. It was noted that the rate could not be implemented until the water department made plans to adopt a similar plan, due to the fact that the water meters use the electric meters to relay their signal for monthly reading. Therefore, a manual electric customer will have to also be a manual water customer.

8:59 William Whitmore motioned to recommend the rate change proposal for approval as presented; Michael Schaaf seconds. The vote was approved 5-0.

Other Business

Ed Rauscher asked if action could be taken by the ELD to encourage the communication companies to complete housekeeping on their infrastructure in town. It was noted that there are many occurrences of low or severed communication wires that have been neglected. Additionally, the number of abandoned pole stubs, double poles, and pole scabs has grown. Jon said that there is not much that the ELD can do to prevent or correct the problem, since the wires belong to Verizon or Comcast; however, he agreed to write a letter for the Selectboard to endorse, asking for the problems to be addressed.

Michael asked for updates on Ipswich Wind Independence, LLC, regarding their recent claim to raise the contractual rate of the purchase power agreement. Jon said that he sent them a formal response, rejecting their claim, but has not heard anything new.

9:05 Jim Engel motions to adjourn; Willie Whitmore seconds. The vote was approved 5-0; meeting adjourned.