

Concord Municipal Light Board
April 10, 2019
FINAL

Pursuant to a notice duly filed with the Town Clerk, a meeting of the Municipal Light Board was held on Wednesday, April 10, 2019, at 7:35AM, at the Light Plant Public Meeting Room. Present were Board members Gordon Brockway (Chair), Lynn Salinger, Wendy Rovelli, Dan Gainsboro, and Peggy Briggs. Also in attendance were David Wood, CMLP Director; Laura Scott, CMLP Power Supply and Rates Administrator; Carole Hilton, CMLP Customer Service, Bill Underhill Telecommunications Coordinator, Jan Asceti, Energy Conservation Coordinator; Michael Lawson Select Board; Brian Foulds, David Allen, Gene Chang

Note: definitions for acronyms used in these minutes:

- *CMLP: Concord Municipal Light Plant*
- *IOU: Investor Owned Utilities*
- *MLP: Municipal Light Plant*
- *MUD: Multiple Use Dwellings*
- *NISC: National Information Solutions Cooperative*
- *RFP: Request for Proposal*
- *TOUR: Time of Use Rate*

Meeting handouts:

1. Concord Municipal Light Board: Telecommunications Update, dated 4/10/19
2. RFP: Cost of Service Study & Rate Design Consulting Services, dated 4/5/19
3. Presentation by Brian Foulds titled Time of Use Rate

CALL TO ORDER

The meeting was called to order at 7:35 AM. It was noted that the meeting was being recorded by the Director in the absence of the recording secretary.

FUTURE MEETINGS

The next meeting will be May 8, 2019. There was brief discussion about the June 12th meeting that may need to be rescheduled as two members will not be available that day. In general, future meetings will be the second Wednesday of the month for the remainder of calendar year 2019

It was moved by Ms. Salinger, seconded by Mr. Gainsboro and voted unanimously to
Approve the Minutes, for the March 13, 2018 Light Board Meeting.

DIRECTOR'S REPORT

Mr. Wood reviewed the status of several ongoing projects:

- **NISC-** NISC was on site this week for the Accounting & Billing Services phase which is targeted for later this year. Testing is in progress for the Customer Care implementation targeted for May 6th. This will be followed on May 13th, with go live of a smart hub portal for customers which will contain 5 years of historical data. Mailers were sent to customers and sign-up for the smart hub will begin after May 13th. A security concern was identified with the current "e-care" application and it has been removed.
- **Renovation** - In June, the customer service area supporting Carol's team will be reconfigured, including movement of service counter for customers. A kiosk to support walk in payments had to be deferred until the current implementation is stabilized. The volume of customers walking into the light plant is usually between 12-20 per week, but could be as low as 2. When necessary conference room space is used for confidential conversations with customers.
- **Smart meter RFP** – This RFP is in process, but is probably a month behind and the targeted is to have it available in draft form by mid-late May for the board to review. The RFP is for the procurement of devices. At the same time an outreach strategy for the implementation will need to be developed.

- **Recruitment** – Three offers for line workers were recently accepted with the first employee to start next week. Paper work for an electrical engineer has been submitted to HR and the expectation is to have this person on board within one month (this position replaces a civil engineer). Five qualified applications have been submitted for the Assistant Director position and interviews will begin shortly. There is also a Telecommunication Director position to be recruited. This individual will be responsible for the Telecom Division and Mark Howell will continue to have some strategic oversight for the division. A telecommunication technician is also scheduled to be recruited in 2019.
- **Storm** – A week ago there was a storm with some outages. The longest one was in Conantum which is common given the density of trees in the area
- **Equipment** – The Light Plant is expecting to receive the planned bucket truck this summer. Evaluation for a 3rd truck to support telecom is under discussion. Today there are limitations because the existing vans are not equipped to carry fiber. A decision is expected in the next 30-60 days.

TELECOMMUNICATIONS UPDATE

Mr. Wood introduced Mr. Underhill who is filling in for Mark Howell who was unable to attend. Mr. Underhill walked the board through the presentation. During the review the following issues were highlighted:

- There are over 1250 customers, with a good mix of residential and business customers,
- The peak usage for broadband is around 9:30 at night on Thursday, Friday and Saturday, typically when customers are streaming movies etc. There are tools in place to monitor utilization and to trouble shoot issues.
- There are about 900 managed WiFi systems in town. When a customer calls in, the Telecommunications team can see their usage and will offer to bump up speed temporarily to address concerns and often customer call back to make the change permanent.
- The September 2018 upgrade was the 3rd upgrade to the system, none of which were associated with a cost increase to customers.
- There are roughly 20-30 new customers being installed monthly, some of which include larger business customers, such as Welchs. The telecommunications team helps residents assess the right speed for them based on anticipated usages.
- Customers have commented frequently that they appreciate the local response time when storm/service issues occur – a major benefit over commercial carriers.
- The NISC software is fully integrated with the Calix system. The Calix system will be upgrade to provide up to 10 gigabytes/second. Currently the highest speed offered is 700 megabytes/second.
- Town meeting authorized \$1M in borrowing to support broadband infrastructure improvements, but there is a concerted effort to try not to use that funding option.
- To date there has not been a large effort to market the broadband service as we continue to get 10-15 inquires per week who are interested in the service. The new Director will work on a Marketing plan for broadband.

There are some limitations to accessing broadband for some customers. 50% of Concord electric lines are now underground. 20% are converted to fiber and 30% are in residential developments. In many of these areas there is no conduit because fiber was not an anticipated use at the time. This summer we will install some additional conduit. In some cases there is no conduit to the house, and this expense is generally covered by the customer. The Light Plant is trying determine how to make these installs more cost effective for customers.

Mr. Allen asked what the average cost for the conduit is, in addition to the initial \$150 hook-up charge. The actual cost is very specific to the individual customer location due to distance, if rock is involved etc. What the Light Plant has been doing with newer homes is installing 4 new conduits, one each for electric, fiber, Comcast and Verizon. Slightly older subdivisions like Mattison Drive do not have conduit installed. Some of these barriers are the same challenges that MUDs are facing for installation of EV charging stations.

Mr. Wood also noted that the balance of underground surcharges collected from Verizon is down to \$30K annually, which has financial implications longer term. Currently about \$500K remains in the

underground surcharge account and that will be depleted with the Cambridge Turnpike installations. The original project mandate (had a 2% surcharge and was) expected to cover the undergrounding costs of the entire town. Based on current revenue collections it takes about 2-3 years to complete one mile of undergrounding.

COST OF SERVICE & RATE DESIGN STUDY

Ms Scott provided an outline of the RFP for the Cost of Service Study and Rate Design Consulting Services. She directed the board to focus on section IV for the Scope of Services. Items 1-5 focuses on the Cost of Service Study using the trial balances of the utility and assigning costs to customer classes based on industry accepted methodologies. The study will use 2017 and 2018 actuals as a base to forecast 2020 - 2025 costs. The remaining service items focus on rate design to cover costs for each customer class. The consultant will model rates with the objectives outlined under item #6 while concurrently meeting the CMLP Board Objectives outlined in Appendix C. The RFP asks the consultant to make recommendations for a TOUR with and without tiers. An opt out rate for residential customers will be proposed including seasonal daily periods as appropriate. Customers may choose to opt out from the TOUR for a variety of reasons.

Ms. Salinger asked if it would be useful to survey customers about their usage to gain information on current usage and to gain insight into challenges we need to address with the implementation. The Light Plant can anticipate some usage that will not be impacted by TOURs. The RFP does not anticipate a TOUR for most of our current business users as they have limited ability to alter usage during business hours. This can be re-evaluated in the future.

Whether the Light Plant is effective in changing behavior or not, the Light Plant will align our costs to actual usage. Costs of Service studies are typically done every 5 years so this study needs to be completed now.

We expect that there are 3-5 qualified consultants who are likely to bid on the RFP. The RFP is currently a draft and we expect sending this out next month. Mr. Wood encouraged additional feedback from the board. Ms. Salinger suggested the study needs to explicitly include a method for measuring fixed costs and a strategy for transferring the cost into the meter charge (both for residential and business customers). This will include a recommendation on what to include as the base of "fixed costs".

Mr. Brockway encourage the board to forward recommendations to Ms. Scott and Mr. Wood. In particular, provide feedback on section IV and Appendix C.

Ms. Salinger asked whether this study will integrate with the existing model built for our strategic plan. Ms. Scott felt the consultant would have his/her own model and may be unwilling to integrate it into the CMLP model. Mr. Wood recognized that the RFP did not anticipate doing this, but that we need to consider how to integrate study results into the strategic model. Ms. Rovelli asked whether the RFP would include a deliverable that will allow us to expand our capabilities to develop and model rates in the future. Ms. Scott noted that the deliverables include technical calculations, but the language can be modified to incorporate the model as well.

Mr. Foulds asked whether deployment of existing smart meters could be used to collect a baseline of load use from existing customers. It was noted that IOUs may also be able to provide load curves, but that does not provide insight into behavior changes. This approach could provide data to inform our implementation strategy and outreach.

2229 MAIN STREET

Mr. Brockway shared that the 2229 Main Street site clean-up (former Starmet site) is well underway and a group is being formed to consider future usage. The Planning Department will be holding a public hearing in June to discuss usage. There is an opportunity to consider putting solar on the property. The Solar Siting Committee did not consider this location at the time because it was a brown field site. Mr. Wood noted that the terrain is not ideal, but if solar was installed in that location it would include battery storage.

TIME OF USE RATE FOLLOW-UP

Mr. Foulds shared copies of the presentation reviewed at the last meeting and provided a brief summary of the findings from the presentation. The goal was to look at expenses and actual load volumes in

consideration of TOUR. Today the Light Plant uses averages (and tiers) in setting rates, but under TOUR there is an opportunity to align expenses and load more closely. As we shift our load, the Light Plant can lower transmission and capacity cost by leveling overall load. Mr. Foulds noted that ideally the TOUR would be evaluated annually as behavior change influences usage.

LIAISON & PUBLIC COMMENTS

Mr. Allen asked that as we look at fixed rates, low use customers need to be treated equitably and asked the board to consider a tiered fixed meter rate structure. Ms. Salinger reminded the group that low use users are not necessarily the same as low income users.

Mr. Foulds suggested that customers receiving the Residential Assistance Credit Rate not be required to pay the fixed meter charge and pay only the time of use portion of their usage. The fixed portion of their expenses could be spread across the remaining residential users.

Mr. Chang noted that customers who are surprised by their bill under a TOUR, are likely those who are unaware that cost is aligned to usage. He asked how the light plant could provide better real time signals to customers about their usage.

It was moved by Ms. Briggs, seconded by Ms. Salinger and unanimously voted to adjourn the meeting at 9:35 AM.

Respectfully submitted,

Wendy Rovelli, Clerk