



HINGHAM MUNICIPAL LIGHTING PLANT

31 Bare Cove Park Drive  
Hingham, MA 02043-1585  
(781) 749-0134 FAX (781) 749-1396  
[www.hmlp.com](http://www.hmlp.com)

General Manager  
Thomas Morahan  
tmorahan@hmlp.com

Laura M. Burns, Chairman  
Michael Reive, Vice-Chair  
Tyler Herrald, Secretary

**REGULAR MEETING**  
**HINGHAM MUNICIPAL LIGHT BOARD**  
**January 13, 2026**

A regular meeting of the Board of Commissioners of the Hingham Municipal Light Plant (HMLP) was called to order by the Board's Chair, Laura Burns, at 4:00 pm on Tuesday, January 13, 2026, via Zoom.

Present:

Board Members:

Laura Burns, Chair  
Michael Reive, Vice-Chair  
Tyler Herrald, Secretary

HMLP:

Thomas Morahan, General Manager  
Mark Fahey, Assistant General Manager  
Joan Griffin, Business Manager  
Brianna Bennett, Sustainability Coordinator

Guest:

Ms. Deidra Lawrence, HMLP Counsel

**Meeting Called to Order**

Ms. Burns read the following disclaimer into the record: *This meeting is being held remotely as an alternative means of public access pursuant to Chapter 2 of the Act of 2026 and all other applicable laws temporarily amending certain provisions of the Open Meeting Law. You're hereby advised that this meeting and all communications during this meeting may be recorded by the Town of Hingham in accordance with the Open Meeting Law. If any participant wishes to record this meeting, please notify the chair at the start of the meeting in accordance with M.G.L. c. 30A, § 20(f) so that the chair may inform all other participants of said recording.*

Ms. Burns asked if anyone other than HMLP wished to record the meeting. No one responded affirmatively.

## **PCA/Energy Charge Discussion**

Ms. Burns noted that Ms. Lawrence, HMLP Counsel, joined the meeting to assist with the discussion. The agenda item stemmed from Ms. Burns's request for clarification regarding what it means for the Light Board to "set the rates." This question arose following a recent adjustment to the energy charge made to ensure compliance with the state requirement that retained earnings not exceed 8% of the capital plant. The adjustment was implemented by Ms. Griffin.

Ms. Burns questioned whether this action constituted a rate change and, if so, why it was not brought before the Board for a vote. Ms. Lawrence explained that the Board approves a rate-setting methodology or formula rather than specific numerical rates. This explanation appeared to differ from prior rate study approvals, which involved Board votes on specific rate increases.

As HMLP prepares for a new rate study, clarification is requested regarding the actions that require formal Board approval, including whether approval is needed for specific rates, percentage increases, or an overall rate-setting methodology. Ms. Lawrence was invited to the meeting to provide guidance on this matter.

Ms. Lawrence explained the legal framework governing Power Cost Adjustments (PCAs) for municipal light plants, noting that under Massachusetts law a PCA is not a "rate," but a formula-based pass-through of actual power costs. Because it is not a rate, a PCA may be adjusted monthly without Board votes or the statutory notice requirements that apply to rate changes. This distinction was affirmed by court decisions and prior Department of Public Utilities guidance.

The discussion clarified that if an energy charge functions as a straight pass-through of fluctuating energy costs, it is effectively a PCA by another name and may be adjusted outside normal rate-setting procedures. By contrast, changes to base rates or tariff schedules established through a rate study require formal Board approval.

The Board discussed recent adjustments in which staff reduced the energy charge rather than implementing a negative PCA, based on consultant advice and concerns that a negative PCA would be confusing and inconsistent with the statute's intent. Ms. Lawrence agreed that PCAs are intended to be positive charges and that over-collections should instead be addressed through rate reductions, refunds, or other board-directed actions.

Ms. Lawrence also advised that future rate votes should focus on approving the actual numerical rates and tariff language, rather than percentage increases alone, to ensure transparency and clarity. The Board thanked Ms. Lawrence for her guidance and confirmed its understanding of how pass-through charges, over-collections, and rate approvals should be handled going forward.

## **Vote to Approve Warrant Article for Transmission Project**

The next agenda item was a vote to approve the warrant article for the transmission project for submission to the town. Ms. Burns explained that the article and accompanying recommendation were drafted by bond counsel and follow the town's standard format for placing borrowing authorizations on the warrant. She emphasized that any proposed changes would need to be

reviewed by bond counsel to ensure proper legal framing and to avoid rendering the article non-operative.

Ms. Burns then asked the Board if there were any questions or comments prior to taking a vote. After brief comments indicating the article looked acceptable, Ms. Burns asked whether there were any comments from staff or the public. None were offered.

Ms. Burns then entertained a motion to approve the warrant article as presented for submission to the 2026 Town Meeting warrant.

Vote:

Mr. Herrald - "Aye"

Mr. Reive - "Aye"

Ms. Burns - "Aye"

### **2026 Budgets**

Ms. Burns stated that the next agenda item was the FY 2026 budget. She noted that the Board had received the proposed budgets and asked Mr. Morahan to walk the Board through the key items for review.

Mr. Morahan explained that the FY 2026 budget carries forward FY 2025 revenues because no base rate increase is anticipated. Revenues were held flat except for the Power Cost Adjustment (PCA), with FY 2025 PCA revenues retained and adjusted for FY 2026. He referred a detailed explanation of the PCA and energy charge to Ms. Griffin.

Ms. Griffin described her methodology, which averaged last year's PCA and energy charge and divided the total by kilowatt-hours to project FY 2026 revenues. Based on updated cost data through November, she increased both the energy charge and the PCA, setting the energy charge at approximately \$0.0487/kWh and the PCA at approximately \$0.0461/kWh. This approach was intended to smooth revenue and reduce month-to-month PCA volatility.

Mr. Reive questioned whether having the PCA and energy charge at similar levels was appropriate, suggesting that the energy charge should be higher and the PCA lower. Ms. Griffin responded that the energy charge accurately reflects average energy costs and that the PCA is being used to help achieve the utility's 8 percent net income target.

Ms. Griffin opined that if the power cost adjustment exceeds one cent per kilowatt-hour, it indicates a problem with base rates. That suggests either the customer charge is too low or the energy, capacity, and distribution rates are misaligned. Those components cannot be adjusted without a rate study. Ms. Griffin expects that at the completion of the new rate study, one or more of those base components will need to increase, and the PCA should decrease accordingly, while the energy charge continues to reflect actual costs.

Mr. Morahan added that capacity, transmission, and energy cost projections were provided by ENE Power Supply, operating expenses were increased by three percent, and the budget reflects the resulting projected net income and rate of return.

### **Rate Study Vendor Discussion**

The Board discussed potential vendors for the upcoming rate study and clarified expectations for its scope and deliverables. Mr. Morahan reported that other municipal light plants have used MMWEC, Vinnie Cameron (ENE) and PLM. A majority of MLPs use Utility Financial Services (UFS), with most reporting positive experiences. PLM was not recommended due to staff retirement. UFS was the most commonly used and generally well regarded.

Ms. Burns said that while she was satisfied with UFS's technical work, she would prefer a detailed written report rather than a primarily live PowerPoint presentation, and asked Board Members to identify additional priorities for the rate study. Mr. Reive requested that the study address the impacts of customer charges on low-usage customers, cautioning against customer charge increases without understanding their effects. Mr. Reive is looking for the rate study to propose an all-electric, heat pump rate.

Ms. Burns emphasized that the customer charge should transparently reflect fixed costs, not be used simply to raise revenue. Ms. Griffin explained that customer charges are meant to recover fixed costs but must be balanced to avoid overburdening low-usage customers. Ms. Burns also noted that income-adjusted rates were not part of the prior study and suggested exploring customer charge relief for income-qualified customers. Ms. Griffin stressed the need to complete the study quickly, and Mr. Morahan confirmed that an RFP is not required and that staff can begin by discussing the Board's expectations with UFS.

The board agreed that the rate study should be initiated as soon as practicable, with staff to assess vendor availability and scope before proceeding.

### **Income Adjusted Rate Research – Brianna Bennett**

The Board reviewed research prepared by Ms. Bennett on potential changes to the income-adjusted rate, including comparisons with other municipal light plants. She noted that Concord currently offers an approximately 63% discount on the first 657 kWh and is considering a flat discount as it transitions to time-of-use rates. She also reported that Belmont fully waives its customer charge and that most MLPs with income-adjusted rates eliminate the customer charge, while only a few apply discounts to selected bill components.

Ms. Bennett presented financial modeling showing the impacts of increasing the current discount, waiving the customer charge, and waiving the customer charge with additional component discounts. The analysis detailed monthly and annual costs to HMLP and customer savings, with separate impacts for residential (218 accounts) and general heating (2 accounts) income-adjusted customers. She confirmed that variable charges, including the energy charge and PCA, are not discounted.

Ms. Burns thanked Ms. Bennett for the analysis and said the Board would review the information before making recommendations. Mr. Reive requested an additional meeting to address pending issues before year-end, citing the importance of timely action for low-income customers. The Board agreed to meet again to finalize decisions on the income-adjusted rate.

**Approve Meeting Minutes**

- a) 10-14-25 Meeting Minutes
- b) 11-18-25 Meeting Minutes

Vote:

- Mr. Reive - “Aye”
- Mr. Herrald - “Aye”
- Ms. Burns - “Aye”

**Financials**

Mr. Morahan reported operating deficits of approximately \$297,000 in October and \$500,000 in November but stated that the department remains on track to achieve the targeted 8% return once expected \$382,000 in federal tax credits and remaining REC revenue are received. Ms. Griffin noted that roughly \$1 million in REC revenue has yet to be recognized, in addition to the \$382,000 already received from the IRS. She noted that November power costs were about \$300,000, and noted this as a significant increase. Mr. Morahan further explained that colder-than-normal temperatures in November led to higher ISO charges and that additional costs were incurred due to Thomas A. Watson Generating Station operating more frequently than anticipated, as it is not typically budgeted to run during November. Mr. Herrald cautioned that similar conditions may continue into December 2025 and January 2026.

month/year	kwh sold	revenue	expenses	net income
Jul-25	20,280,441	4,285,330	3,400,337	884,993
Jul-24	19,082,812	3,384,645	3,153,088	231,558
Jul-23	17,497,184	3,466,625	2,867,624	599,001
Year to date				
Jul-25	113,312,699	23,723,214	20,484,501	3,238,713
Jul-24	107,569,178	20,210,666	17,741,255	2,469,412
Jul-23	104,757,703	20,350,364	17,839,618	2,510,747

**Updates: Transmission Line Project, Capital Projects**

Mr. Morahan reported that he continues to meet nearly weekly regarding the transmission project and that an additional meeting is scheduled to finalize the updated project cost estimate for presentation to the Advisory Committee.

Ms. Burns noted that the Board expects to receive a summons from the Select Board, followed by one from the Advisory Committee, to present and represent the article. She stated that she plans to attend and encouraged other Board members to attend if possible.

**Motion to Adjourn:**

**Mr. Reive - Aye**

**Mr. Herrald -Aye**

**Ms. Burns - Aye**

Meeting adjourned at approximately 5:20 pm