



HINGHAM MUNICIPAL LIGHTING PLANT

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General Manager
Paul G. Heanue
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John P. Ryan, Chairman
John A. Stoddard Jr., Vice Chairman
Roger Freeman, Secretary

Meeting Called to Order:

A regular meeting of the Board of Commissioners of the Hingham Municipal Light Plant (HMLP) was called to order at 0730 on Monday, April 24, 2017 at the Hingham Municipal Light Offices at 31 Bare Cove Park Drive, Hingham, Massachusetts.

Present: John P. Ryan – Chairman, John A. Stoddard, Jr. - Vice Chairman, Roger Freeman - Secretary, Paul G. Heanue - General Manager, Vincent Cameron- Energy New England

Approval of Meeting Minutes:

The meeting minutes from the March 14, 2017 were presented for approval. Mr. Freeman would like the language that depicts his opinion changed. He will offer new language.

Financials:

The General Manager distributed a handout displaying HMLP's financials for February 2017 which also included figures from February 2016 and 2015. The net income for February 2015 was (\$1.101M), 2016 was (\$934K) and 2017 was (\$22K). This amount in the red is not uncommon for the month of February for two reasons. We have a large payment due BELD which represents payment for our piece of the power plant and the price of natural gas is normally high in that month. The kWh consumed for the month of February 2015, 2016, and 2017 all remain approximately the same. The net income for 2017 YTD was \$460K and 2016 was (\$404K) and 2015 was (\$961.84). These figures illustrate the need to lower the rates because of the statutory limits on what we can earn.

The Balance Sheet showed the cost for our new building totaling \$10M with likely another \$60K- \$80K to be paid out this week. We are holding back \$20K for HVAC and landscaping items until they are completed. The depreciation fund has \$7.2M and the stranded cost account is at \$5.4M.

Cost of Service Study: The General Manager highlighted the findings of the Cost of Service Study that Mr. Vincent Cameron from ENE presented at the last meeting. The General Manager reminded the Board that Mr. Cameron was directed to go over his findings after being advised to include data that includes 2016 figures as well. Mr. Cameron presented the updated Cost of Service Study. This was done in order to determine if HMLP's present electric rate structure fairly reflects the cost of service levels for each customer class.

He found that these new 2016 figures had a noticeable financial impact and he made new recommendations for rate adjustments in each class. Some of the changes in finances for the 2017 Cost of Service study included the depreciation expense, the return on equity and the fact that the bonds for the Seabrook and Millstone projects will be maturing in 2017 and 2018. Transmission costs were also lowered to also include

the credit of \$1.4M from MMWEC to HMLP as a result of their returning “excess” Flush of Funds to us. The overall decrease in the revenue requirements is approximately \$4.8M. Mr. Cameron suggested that the G3 customers be required to have a minimum usage requirement and possibly a charge for leaving the system. He then presented his recommendations for Rate Adjustments in each class.

MOTION

A motion was duly made, seconded to adopt the recommend rate changes as presented in the ENE report.

After discussion the Secretary’s amended motion to maintain enough reserve funding should a large solar, fiber optic or storage project be undertaken the motion was changed. The Board also discussed starting discussions with engineering firms about the possibility of moving towards fiber optics and or storage facilities.

MOTION

A motion was duly made, seconded and it was unanimously voted to adopt the recommend rate changes after the \$1.4M was removed from the calculations (MMWEC Flush Funds) in the ENE report.

PASSED

This chart reflects the rate changes after the \$1.4M is removed from the calculation.

Rate	Adjustment
R-1	-9.62
Off Peak	-2.85
Gen Heating	-17.79
Gen Serve G1	-8.76
Gen Serve G2	-20.40
Gen Serve G3	-24.14
Municipal Rate	-30.83
Private Street Lights	6.10

Motion to Adjourn the Regular Meeting

On a motion duly made and seconded it was unanimously voted to adjourn the meeting at 09:40.