

Minutes of September 17, 2008

Meeting of the Ashburnham Municipal Light Plant

Present Commissioners: Richard Ahlin, George Ainsleigh

Stan Herriott Manager

Absent Kevin Lashua

The meeting was called to order at 4:43 p.m.

Chairman Ainsleigh called for approval of the agenda. The motion was made by Commissioner Ahlin and seconded by Commissioner Ainsleigh. The vote was unanimous.

Commissioner Ahlin made a motion to approve the minutes of the June 18, 2008 meeting and it was seconded by Commissioner Ainsleigh. The vote was unanimous. Secretary Ahlin signed the minutes of the June 18, 2008 meeting.

Commissioner Ahlin stated that he would probably have to leave the Light Board in the future because of a job change. To allow him to participate in future meetings we will change the meeting time back to 7:00 P.M. Commissioner Ahlin said it would be a good idea to start to look for his replacement. Chairman Ainsleigh stated that he would begin to make inquiries.

Manager Herriott reviewed the budget through August. Receipts are tracking about 2% over projections while expenses are running about 6% over projections. The Manager stated the reasons for the expense over runs are an increase in transmission costs given to us as of July 1, of 58 %. This came without warning and has resulted in increases of over 70% year to date of what was budgeted. The other area of the budget that has seen large swings is the power supply costs. We have increased our PPAC by half a cent as of July 1st and it now stands at 4 cents. Since the increase we have seen power costs drop off a little, as the price of natural gas has come down. Manager Herriott believes this increase will be enough to get us into the black for the remainder of the year.

The Manager will be reviewing this on a monthly basis and will make the necessary changes to keep up with the increase in costs.

Manager Herriott reported on the wind project on Blood Hill in Ashburnham. We just about have the land cleared and will be finalizing the process to get the test tower up and recording. We need to get all the paper work done for the insurance and get a time scheduled for erecting the tower.

The Manager reported on the Berkshire Wind Project, the fourteen municipals that are participating in the project attended the ground breaking ceremony at the site in the Berkshires. This was attended by the Lt. Governor and several State Senators and Representatives as well as the State Energy Officials. This project is being widely supported by the state and will be the first commercial wind project in the state of Massachusetts.

We have also received the bid results for the wind turbines. The results are as follows:

Fuhrlander \$40,606,512.

General Electric \$29,145,000

AAER \$28,080,000

- Cost for 12 turbines delivered, two of the twelve will be delivered to other projects.

The Manager gave information about the debt retirements that MMWEC holds for the municipals. He said that when he first arrived at the Light Department the debt was over 12 millions dollars it has now been reduced to just over 4 million. This will put us in a good position to continue with debt financing for both the Wind Project and the Stoneybrook 3 project.

Manager Herriott explained that FERC is looking into the irregularities associated with the delivery of power to the six states, which includes Massachusetts from the New York Power authority. The dispatch of generation resources in a manner not traditionally used caused the prices of power from the Hydro Project to nearly triple during the month of July. There are indications that this increase might be a result of market manipulation, so FERC has agreed to review this situation.

Manager Herriott gave copies of the line item review of the new energy bill passed in July to the Commissioners. One of the most interesting issues is that as municipalities we are now allowed to vote to go into the Massachusetts Tech. Collaborative. This is the renewable energy program for the state of Massachusetts. The Manager said that he has started putting a survey in the bill this month asking the customers the question about contributing to the collaborative. So far the response has been about 5 to 1 in favor of joining the trust. The Manager will continue to tabulate the results and keep the Commissioners informed.

Manager Herriott went on to say while there is no guarantee that we will get the funds he thinks this is a good idea, as it will allow the customers to apply for funds. Also, it is the Manager's belief that this will also allow us to apply for the Green Schools Program for the J.R. Briggs School upgrade.

Manager Herriott gave the Commissioners a copy of the line item review of the new energy law, which was organized in bullet format from Senator Brewer's office.

Manager Herriott gave the latest budget information that was provided to him by the Town Administration.

Manager Herriott let the Commissioners know that several of the municipalities in the area are planning an Energy Expo to bring customers together with vendors to assist customers in making their decisions on whether to install new energy saving devices or not. This will be held Saturday, November 8th in Princeton at a local school. We hope to have multiple vendors there for our customers to access information.

Manager Herriott gave an update on the new lighting in the downtown area. He expects to have the conduit in by the end of September with the lighting completed by the end of October.

A motion to adjourn was made by Commissioner Ahlin and seconded by Commissioner Ainsleigh to adjourn. The vote was unanimous. The meeting adjourned at 6:17 p.m.

Respectfully submitted,
Rick Ahlin
Secretary