

Light Commission 09/08/22 meeting minutes

To: Light Commission: Commissioners
Light Department: J. Kowalik, General Manager, M. Barrett, Business Manager

From: Jean-Jacques Yarmoff, Secretary

Date: September 23, 2022

Re: Commission Meeting September 8, 2022

A quorum being present, Light Commission Chair Mike Hull opened the meeting at 5:12 pm, the meeting being held both in person and with remote access available to the public.

Participated in meeting:

Commissioners: Hull and Yarmoff in person
Frechette, and Wolf through remote link

Light Department: General Manager Joe Kowalik.

Village 13 Substation Upgrade Project

On July 26, 2022, the Light Commission approved the bid from Myers Controlled Power for the new Village 13 switchgear for \$4,347,292 subject to MMLD receiving satisfactory answers to our remaining bid response questions (vote 2022-26). The General Manager reported that an agreement has been reached with Myers on all open questions, the most important of which was to remove switchgear construction price escalators from the agreement. This has caused adjustments to the project's interim milestone payments. These payment schedule adjustments enables Myers to purchase more materials and components earlier in the contract. To manage the risk associated with the payment schedule, we wish to require Myers purchase a performance bond that protects MMLD in the event Myers is not able to deliver us the completed product. They have received a quote for \$49,191 for a 100% performance bond on the project cost. By agreement Myers will directly pass this cost on to MMLD. The General Manager requested the board to authorize this additional expense that will secure MMLD's early payments and are tied to a 60 week performance.

A question was asked as to the trigger of the bond: While the 60 week time-frame is mentioned, the trigger will not be a delay of a few days or a few weeks, rather it will be the non-performance of MCP and their inability to deliver the switch gear that will be the trigger.

Motion: to have MMLD purchase a performance bond on the construction of new Village 13 switchgear equipment by Myers Controlled Power LLC at a cost not to exceed \$50,000.

Vote #2022-31 Moved by Commissioner Yarmoff and seconded by Commissioner Wolf. **Unanimous.**

Modification of rate structure

On August 30, 2022, the Light Commission reviewed the rate structure change proposed by UFS. The General Manager requested the Commission formal approval to implement the rate structure changes presented across the 6 customer classes. Residential rate changes were presented in Table 1 of the minutes of that meeting, other customer classes proposed changes are detailed in the slides.

A clarification was requested as the presentation by UFS included projection of rates several years in advance, in 2025 and 2026. The General Manager explained that energy charges in the future will have to be evaluated in view of the then existing conditions in the energy markets, and the approval requested concerns the residential rate changes proposed in Table 1 of the minutes of the 8/30 meeting, and the similar changes for other classes described in the slides presented during the meeting.

The General Manager proposed the following motion: Move to implement the new utility rates proposed for the six rate classes reviewed by UFS on August 30, 2022, for implementation beginning in January 2023. The rate classes include: residential, small commercial, large commercial, off-peak water heating, domestic storage heating and private area lighting. MMLD will coordinate multiple marketing methods to communicate these rates to our customers, including inserts in monthly invoice mailings, MMLD website, MMLD Facebook page, town newspaper legal notice, and public information meeting(s).

Vote #2022-32 Moved by Commissioner Wolf and seconded by Commissioner Frechette. **Unanimous.**

Metering Software update / migration to the cloud

MMLD purchases both meters and associated metering software and wireless data communications from Nexgrid. The company has introduced a new upgrade, v 4, available to MMLD at no charge as part of the existing contract, where MMLD uses the Nexgrid software in a SaaS agreement. (MMLD pays an annual software license fee per meter that includes upgrades.) Support for Version 3 will be discontinued in the future. MMLD has met with Nexgrid several times in the past few weeks to make plans for this upgrade.

Historically their software has run on MMLD servers located 80 Commercial Street. For the first time Nexgrid is offering a cloud-based version of their software, and is strongly encouraging all customers to make the move for increased reliability and cybersecurity. Nexgrid mentioned to MMLD that the great majority of their ~40 customers have moved to the cloud, and that the Google cloud service costs are passed through to their clients with low/no added margin. A cloud configuration for MMLD is estimated to cost \$8,700 annually. If we stay with the current SaaS service, we would need to upgrade one server, rough estimate of \$4-5K.

A discussion occurred on the merits of migrating to the cloud vs implementing the SaaS v4 version. How long does the existing contract last, can it cover a cloud option? Can the requested modifications to implement ToU-enabling measurements be part of the v4, and if so, what is the timing and the cost for these modifications? The IT director of NexGrid has indicated that the modifications should be technically possible.

The discussion was tabled until a review of the existing contract, which the General Manager and Commissioner Yarmoff proposed to do after the meeting.

The agenda for the meeting having been exhausted, a motion was made to adjourn and adopted unanimously at 6:05 pm.