

Mansfield Live wire

A newsletter for
customers of the
Mansfield Municipal Electric
Department

mansfieldelectric.com

July 2017

Electric rates drop for most customers

Good news! While Mansfield Municipal Electric Department (MMED) has had a great reputation for being one of the most reliable and lowest cost electric service distribution providers in Massachusetts, we are now able to lower bills for most customers starting in July 2017.



Joe Sollecito

The changes result from a recently completed cost-of-service study and rate structure evaluation begun last fall. This type of periodic review helps to determine what it costs to provide service to each type of customer, and is a key tool for general financial planning. The analysis confirmed that our utility is well positioned for a bright future.

Individual line items on all bills have been updated to reflect our current costs to provide service. The overall changes are revenue neutral and will not affect MMED's overall cash flow. We're especially proud that:

- Electric rates here are among the lowest in Massachusetts.
- Mansfield's electrical infrastructure is solid and up-to-date.
- Our outstanding service reliability has earned national recognition.
- We have strong power supply positions, including significant non-CO₂ generation.

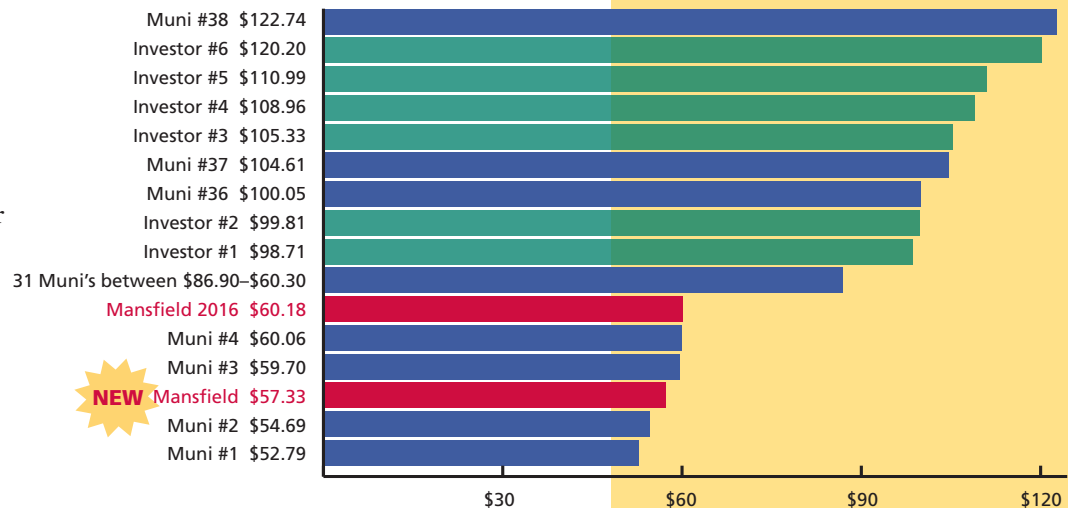
Of course, none of this would be possible without the hard work of the entire staff and the support of our Board of Commissioners. By working together, we can look forward with confidence to continued success for many years. As always, if you have any questions, you can call or stop by our newly renovated office to speak with me or anyone from our staff.

Joe Sollecito, *Director, Mansfield Municipal Electric Department*

Residential electric bill comparison*

This electric bill comparison shows Mansfield's position both before and after the July 1, 2017 rate change. It includes all 40+ municipal and investor-owned utilities in the state.

*12-month average bills for January-December 2016;
500 kilowatt-hours of residential usage.



COMMUNITY OWNED

Mansfield Municipal Electric Department is owned by the people of Mansfield and governed by an elected Board of Commissioners who oversee our local utility.



MMED's Board of Commissioners, from left, Steve Schoonveld, Clerk; Frank DelVecchio, Vice Chairman; Jess Aptowitz, Chairman; Michael Trowbridge and George Dentino.

WE HAVE GREAT RATES

We now have the state's third lowest cost of service for the average residential customer. Among all 40+ electric utilities in Massachusetts, MMED's rates are consistently within the lowest 10%.

Building On Our Strengths



As part of our recent cost-of-service study and rate structure evaluation, we reviewed our long- and short-term positions for power generation supply, our projected operations and maintenance costs, and our anticipated capital budget projects. We also analyzed appropriate funding levels for Cash Reserve and Depreciation schedules.

We're happy to report that Mansfield Electric enjoys many positive factors, some of which are detailed here. Going forward, we will build on these strengths to control costs and maintain our competitive position, while building infrastructure to deliver reliable power.

Outstanding Service Reliability



Mansfield customers enjoy outstanding electric service reliability because we invested in the rebuilding of the local power distribution circuits over the past decade.

Additionally, a new major substation was built on Bird Road to provide increased reliability by allowing an alternative transmission path for power delivery. These along with an aggressive tree trimming maintenance program and a very dedicated staff to respond to emergencies when they do occur, simply makes Mansfield Electric one of the best providers.

Exceptional electric service reliability is not just our opinion. The American Public Power Association has recognized us as one of the best in the country, awarding us a Certificate of Reliability and also designating Mansfield Electric as a Reliable Public Power Provider for delivering reliable and safe electric service.



A Solid Power Supply Position



Mansfield Electric has always been solidly positioned with fixed, joint ownership in several conventional power plants (natural gas, oil, and nuclear) as well as wind and solar generation. From this fixed ownership position, more than 46% of MMED's power supply is non-CO₂ generation, an important factor in reducing our carbon footprint.

Additionally, for the power that is needed beyond our fixed ownership interest, the Board of Commissioners recently adopted an enhanced methodology to purchase power in the power market to fill our "open" position based upon either price or time triggers. This will allow MMED to purchase power when prices are at or below the trending five-year average.

System Improvements

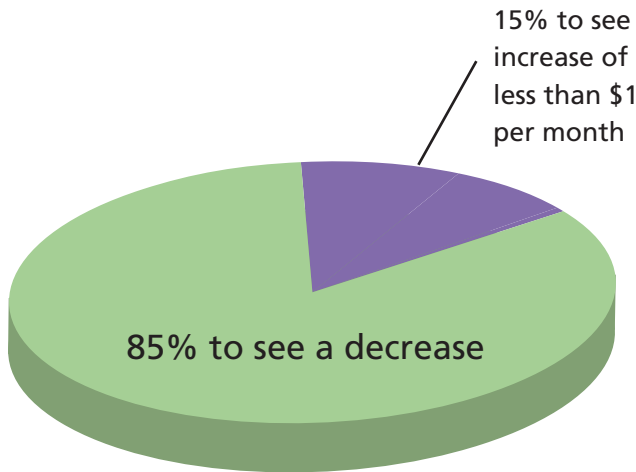


MMED is also investing in today's technology to improve our system reliability and to maintain our cost effectiveness position.

The Board approved the installation of a 2MW (megawatt) natural gas-fired generator to be used primarily during periods of peak power use. This will lower Mansfield's need to buy outside power when delivery costs are highest. Planned for construction near the Gilbert Street substation, the new "distributive generation" unit will save money for our customers for many years to come.

Additionally, a meter replacement project is nearly complete for commercial and industrial customers. The new meters can provide detailed information – in 15-minute intervals – about energy use, giving customers the information they need to invest in energy controls, take efficiency measures, and implement conservation initiatives.

July 2017 rate change effect on Residential customers

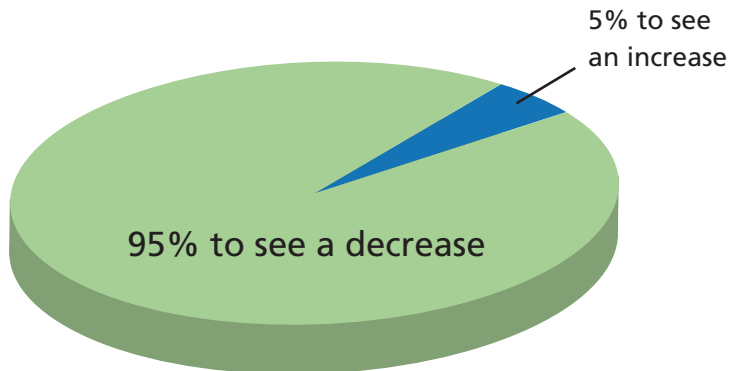


As the chart above shows, most residential customers will see a decrease in their electricity rate. For the few who do see an increase, the cost will be less than \$1 per month for the same amount of electricity. An important new feature in the rates is the Credit Factor that has been recently approved by the Board of Commissioners, where monies are returned to our customers based on appropriate cash reserves needed to invest and maintain utility operations.

Residential Rate – for all Residential customers	
	New Rate (effective July 2017)
Customer Charge	\$4.00
Distribution Charge *	\$0.0367 < 1,000 kWh \$0.0533 > 1,000 kWh
Purchased Power Charge	\$0.0928 per kWh
PPC Adjustment Charge (to be adjusted semi-annually)	\$0.00 per kWh
Residential Credit Factor (to be evaluated every year)	(\$0.0155) per kWh

*Prompt payment discount (20%) is given if paid by 15 days from billing date

July 2017 rate change effect on Small Commercial customers



Commercial Rate – Less Than 5,000 kWhs Per Month	
	New Rate (effective July 2017)
Customer Charge	\$7.40
Distribution Charge *	\$0.0616 per kWh
Purchased Power Charge	\$0.0928 per kWh
PPC Adjustment Charge (to be adjusted semi-annually)	\$0.00 per kWh
Non-Residential Credit Factor	(\$0.0097) per kWh

* Prompt payment discount (20%) is given if paid by 15 days from billing date

What is now included in each billing charge

Customer Charge

This covers the basic costs of maintaining your account on a monthly basis, regardless of the amount of electricity you use. Such costs include metering equipment, meter reading, and billing.

Distribution Charge

This charge reflects MMED's cost to deliver energy through our utility's electric distribution system, including the cost to build and maintain local power lines and equipment, and other distribution service factors.

Purchased Power Charge

These costs are not controlled by Mansfield Electric, and unfortunately have risen sharply in the last decade. A new Purchased Power Charge now replaces the previous Generation Charge. Power production costs are a combination of ownership interests, direct purchase power contracts, and open position market commitments. Transmission costs are instituted by transmission line providers by the regulatory guidelines

set by the ISO New England – the entity that controls the regional power grid – in order to maintain reliable power delivery.

Purchased Power Adjustment Charge

Occasionally, a market event may occur to make electric power or fuel costs dramatically turn upward. When these events do occur, MMED will implement a Purchased Power Cost Adjustment factor to recover such costs. There are no plans to implement this charge in 2017.

Credit Factor

A new Credit Factor line item will return any excess cash reserve back to all customers over an identified time period. As a result, MMED will return about \$2 million to MMED customers over the next two years as a credit on each electric bill. The longstanding NYPA credit for residential customers has significantly reduced over the past 16 years, and is now part of the Residential Credit factor calculation.

Visit mansfielelectric.com for complete details on all our rates.

Good news – new solar installations are now welcome

On June 5, the Board of Commissioners approved a new Net Metering rate tariff (MDPU 147) effectively lifting the previously adopted cap on any new solar installations for MMED customers. This is very good news for customers who wish to be able to install solar arrays on their home or business property.

In October 2011, due to technical concerns with the interaction of energy renewables on the electrical distribution system, the Board placed a cap on any new solar installations. Now with Mansfield Electric's solid electrical system in place, we have the capacity to add several megawatts (MW) of energy renewables per distribution circuit.

Some important aspects are required by customers considering installing any renewable installations such as solar. Since MMED is a municipally owned utility, if customers wish Mansfield Electric to purchase the excess electrical energy generated from their solar facility, **the customer of record must own both the property and the solar array.** The customer must submit an application to get Preliminary approval. Once authorized, a customer will have six months to install and have the system approved for Final Acceptance of the solar array for the net metering program.

There are two simple categories of solar installations under the new Net Metering program:

Class I Net Metering Facility:

Customer of record receiving service under Residential rate (MDPU 138 or 139) or Commercial rate (MDPU 140)

- Applies to any system of 20 kW or less.
- Net Metering Surcharge will be applied equaling \$2.00 per kilowatt (AC capacity size of the array) per month.
- Customer receives full credit for all energy generated that is off by their usage.
- Net Metering Credit will be applied for any energy surplus generated in excess of usage for both the Generation charge and the Distribution charge

Class II Net Metering Facility:

Customer of record receiving service under General Service rate (MDPU 141) or Large General Service rate (MDPU 142)

- Applies to any system greater than 20 kW but less than or equal to 1 MW.
- Net Metering Surcharge will be applied equaling \$1.15 per kW (per billing demand) per month.
- Customer receives full credit for all energy generated that is offset by their usage.
- Net Metering Credit will be applied for any energy surplus generated in excess of usage for both the Generation charge and the Distribution charge.

As always, customer installations will have to adhere to MMED's 'Terms and Conditions for Service' as adopted as well as adhere to the state and local authorities for permitting requirements.

Make life easier – sign up for Auto-Pay. Call our office for details.

*Mansfield •
Live wire*

Mansfield Municipal
Electric Department

125 High St., Unit 2
Mansfield, MA 02048

Phone 508-261-7361

Fax 508-261-7391

DIRECTORY

Customer Service & Billing 508-261-7361

Emergency 508-261-7395

Off-hours Emergency..... 508-261-7300

PAYMENT BOXES:

Town Hall parking lot
Six Park Row, Mansfield

Front of Billing Office
125 High St., Unit 2, Mansfield

PAYMENT LOCATION:

Town Hall, Treasurer's Office:
Six Park Row, Mansfield

Monday, Tuesday & Thursday, 8 a.m. to 4 p.m.
Wednesday, 8 a.m. to 8 p.m.
Friday 8 a.m. to noon

PAYMENT, NEW SERVICE & CUSTOMER INQUIRIES

125 High St., Unit 4, Mansfield

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