

**Town of Arlington
Power Company Feasibility Committee
Report to Town Meeting 2004**

Our committee has been relatively quiet in the past year. Our largest task has been to monitor the progress of laws in the state legislature. The set of rules that currently govern power in Massachusetts are set to expire in March 2005; it is anticipated that new laws will be implemented before that expiration. We don't yet have a clear idea of what those new laws will propose.

Additionally, our committee and the Board of Selectmen have endorsed H1468. The bill, which was proposed by the power committee of Lexington, would clarify some of the steps required for municipalization.

In general, our group remains skeptical that municipalization would be a good idea in the near- or medium-term. We think that municipal aggregation is worth investigating more closely, especially as the state reconsiders power regulation in general. Municipal aggregation offers the potential for electricity cost savings to the Town and its residents, without many of the costs and risks of pursuing municipalization. Our plans for the coming year include continuing investigation of municipal aggregation and a close watch on the regulation changes expected in 2005.

Power generation and power delivery:

In 1997, Massachusetts split the power industry into two parts. One set of companies generates the power in electrical plants; the second set delivers the power over the wires. Currently, NSTAR is the company that delivers the power to Arlington. They maintain the wires, transformers, and substations; hook up and disconnect service; do billing and collection; etc. NSTAR does not generate the power; they buy the power from other companies on the open market and deliver it to consumers.

What is municipal aggregation?

Municipal aggregation is when the town pools the buying power of its residents and businesses to negotiate a lower rate with the power generators. The town uses quite a bit of power every year; some generators will give a price break if they are guaranteed all (or nearly all) of the town's electrical business.

What is municipalization?

Municipalization would be if the town bought the wires, transformers, and supply stations from NSTAR and became our own power company. The process would be a slow one. NSTAR will not do this willingly, and the town would have to act by eminent domain. The last town in Massachusetts to municipalize was Chester in 1926.

Michael Quinn, Chairman (appointed by Board of Selectmen)

John FitzMaurice; Vice Chair (Capital Planning Committee)

Dan Dunn, Secretary (appointed by Board of Selectmen)

Tim Woolf (appointed by Town Treasurer)

Sid Feinleib (Finance Committee)

Nancy Galkowski (Deputy Town Manager)

Paul Schlichtman (appointed by Town Moderator)

