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DRAFT

Public Utilities Commission
Wallingford Water and Sewer Divisions
377 South Cherry Street
Wallingford, CT

January 18, 2011

6:30 p.m.

PRESENT: Chairman Robert Beaumont; Commissioner David Gessert; Director George Adair; Electric Division General Manager Richard Hendershot; Electric Division Office Manager Thomas Sullivan; Water and Sewer Divisions General Manager Roger Dann; Recording Secretary Cynthia Kleist; Steve Gale; Dena Virgulto; Stephanie Krulewicz.

- 1. Discussion and Action: Approval of the PUC meeting minutes of December 21, 2010. Mr. Gessert made a motion to accept the PUC meeting minutes of December as presented. Mr. Beaumont seconded the motion.**

Vote: 2 ayes.

- 2. Discussion and Action: Approval of the Director's Report for the month of December 2010. Mr. Gessert made a motion to approve the Director's Report for the month of December 2010. Mr. Beaumont seconded the motion.**

Mr. Adair told the Commissioners that "Go Live" commenced on January 10, 2011 and the process is proceeding acceptably. Mr. Adair said the combined meter reading will proceed following successful "Go Live" implementation.

In the Electric Division, Mr. Adair said there was a slight up tick in system deliveries both in energy and demand. The CMEEC diesel units did not operate in December. Service work during December included 157 street light repairs.

In December, there were 63 appliance rebates awarded with a total value of \$3,780.

In Electric, system input for December totaled 54,563 MWHrs., an increase of 1.2 percent compared to December 2009.

On the Water side, Mr. Adair said there was an increase in production for the system which translates into an increase in sales. He noted that on December 7, the Legislature's Regulations Review Committee rejected the DEP's proposed Stream Flow Regulations by a 10-2 vote. The CWWA representatives are in discussion with the DEP regarding how best to proceed toward development of revised regulations with input from the water industry.

In the WasteWater Division, Mr. Adair said the nitrogen numbers are higher than the target numbers, but less than last year. He said our permit is up for renewal and are looking at newly injected phosphorus limits. Mr. Adair said this could be an \$11 or \$12 million investment if this comes to pass. He said he did not know how DEP has fared

1 with permits they have attempted to issue with some perhaps lower numbers than what
2 the EPA appears to be seeking.

3
4 Mr. Gessert asked about "Overhead Lines" YTD Account 593 on page 2-17 of the
5 operating budget for \$312,804 and for the Budget One Year totaling \$1.1 million. Mr.
6 Hendershot explained we had to move money on the Capital side. He said we try to
7 avoid moving money from operating capital and that may occur later in the year.
8 On page 2-22 Mr. Gessert asked about "Current Portion Accrued Absences," for
9 \$275,000. Mr. Sullivan explained that we accrue for both sick and vacation time due
10 employees.

11 On page 2-101, Mr. Gessert asked about "Annual Streamcross Inspection during the
12 month."

13 Mr. Dann explained said that as they go through the easements in the area, it is a lot
14 easier to perform the work when the leaves are off the trees.

15 On page 2-14 Mr. Beaumont asked about "Operating Income (Loss) Current Month"
16 which shows a loss of \$1.1 million for Actual Current Month.

17 Mr. Sullivan explained that one of the biggest impacts comes from sales and costs of
18 sales. He said a decrease in the PCA was recently adopted by the PUC with a forecast
19 from November through April. He said the problem is the reduced costs associated with
20 that decrease are mostly towards the end of that six month period. He also said in
21 November we received the tru-up for the October bill. He said CMEEC bills us an
22 estimate based on their budget and then tru-up for the previous month.

23
24 **Vote: 2 ayes.**

25
26 **WATER/SEWER**

27
28 **3. Discussion and Possible Action: Water Division-Billing Issue-Krulewitz.**
29 **Mr. Gessert made a motion to allow the customer eight months to pay**
30 **the \$450.88 bill without interest in addition to keeping bills current**
31 **and paid on time. Mr. Beaumont seconded the motion.**
32

33 In a December 29, 2010 letter to the PUC, Ms. Krulewitz explained that the water bill for
34 the period of July to September 2010 was \$450.88, more than double the normal bill.
35 She said her spouse has just recently secured new employment after six months of
36 being unemployed so they were conscientious of their finances. She said they were told
37 by a Water Division representative who said we were using 50 or more cubic feet than
38 normal per day. She said the metered usage has gone back to normal and offered a
39 compromise of paying an average of the last three years (2007-2009).
40

41 Mr. Dann said if we look at the same period annually in comparison to the other three
42 quarters of the year, there is clearly historically been a trend of higher consumption
43 during the summer and that would be consistent with normal outdoor use but also
44 consistent with a certain amount of lawn watering taking place. He said last year was a
45 wet year, so you see the fluctuation downward and the previous two years were
46 probably somewhat closer to normal so there was a mid-range and the current year was
47 a dry summer, so there were many customers who used more water on their lawns than
48 they had anticipated. Mr. Dann said to the extent there is a return back to normal, he

1 thought that this isn't indicative in all likelihood of a leaking fixture, more than likely it is
2 outdoor use. Mr. Dann said people lose track of how much water goes on the lawn.
3 Mr. Gessert said this situation presents a dilemma because we are stuck going by your
4 meter because unless there was a plausible reason to say the meter is not working, we
5 test the meter and there is nothing wrong, and we cannot prove the water went some
6 other place, we are in a kind of difficult position.

7
8 **Vote: 2 ayes.**
9

10 **PUBLIC QUESTION AND ANSWER PERIOD**

11
12 Mr. Gale asked about current costs for the Home Energy Audits. Mr. Hendershot said we
13 take all of the homes and divide that by the total cost, which is between \$550 and \$600.
14 Mr. Gale asked about WED getting involved with the replacement of the school roofs.
15 Mr. Hendershot said we had sat in on a conversation with a vendor regarding roofing
16 technology.

17
18 Mr. Gale asked about the possibility of developing solar technologies for the schools. Mr.
19 Hendershot said there are some programs in the IOU territories where communities can
20 earn credits and then get money from NU or UI that can be put towards some solar
21 panels. He said WED does not have that type of program. He said the cost of solar
22 panels is clearly not a cost effective installation. He said WED will do for any customer
23 what Connecticut Clean Energy fund would do if they were a customer of NU or UI. He
24 said this also could be done for the schools.

25
26 **4. Discussion and Possible Action: Billing Issue-Virgulto. Mr. Gessert**
27 **made a motion to allow the customer eight months to pay the \$272 bill**
28 **without interest in addition to keeping bills current and paid on time.**
29 **Mr. Beaumont seconded the motion.**
30

31 In a December 8, 2010 letter to the PUC, Ms. Virgulto said she was stunned when after
32 living in the same residence for 16 years and never having a water bill over \$180, she
33 received a bill for \$272. She said that during 2007, she and her husband had a 4 by 20
34 foot pool which was filled twice during that summer and even then the bill did not come
35 anywhere close to the \$272 amount. She added that in September of 2009 her adult
36 step-children came to live with us for the school year. She said they moved out on June
37 20 and even when there were six shows and extra laundry going on during this time
38 period, the bill did not rise to the \$272 amount. She stated in her letter she believed
39 something had gone wrong with the meter and added there is no longer a pool, and no
40 lawn watering or car washing occurs. She said someone came out from the Water
41 Department and could not find any leaks. She said the meter was replaced but they
42 have not gotten a new bill to make a comparison.
43

44 Mr. Beaumont said the period between 9-24 (post bill) and 12-13 when the meter was
45 removed, the usage was virtually slightly less than half of what it had been for the
46 billing period and continued in that range up to a partial reading which was done back
47 on the 11th of this month. He said everything had gone back to what it had been.
48

1 Mr. Dann said the historical consumption was looked at, and it has been very steady
2 with no historical indication of a high or summertime consumption. He said that one
3 billing period was clearly elevated compared to those before and after it on the same
4 meter that was there which recorded that usage and on the new meter which was
5 installed in that location. He said it is frustrating for us because by the time we arrive
6 and look, it returned to normal. So if there was a leaking toilet or whatever, we are not
7 in a position to identify it.

8 Ms. Virgulto said there has been nothing leaking or nothing wrong in the house for six
9 years. She said she finds this absolutely strange. Mr. Dann said we cannot explain where
10 the usage came from, the meter was removed and tested and recorded 13 percent slow
11 on the load test rate and essentially accurate on the other two test rates. He said this is
12 a normal pattern. He said there was no case of inaccuracy on the meter.

13
14 **Vote: 2 ayes.**

15
16 **5. Review of Water/Sewer Division Disbursements for the month of**
17 **December 2010. Mr. Gessert made a motion to approve the**
18 **Water/Sewer Division Disbursements for the month of December 2010.**
19 **Mr. Beaumont seconded the motion.**
20

21 On page 5-1, Mr. Gessert asked about a worker's compensation item and asked why this
22 claim was being paid.

23 On page 5-2/3 Mr. Beaumont asked about "Key Clean Management." On page 5-7, Mr.
24 Beaumont asked about "Milone and Mac Broom." Mr. Dann said this was for work done
25 on Mackenzie Reservoir.

26 On page 5-10, Mr. Beaumont asked about "Water and sewer specialties." Mr. Dann said
27 these were curb boxes. On page 5-17, Mr. Gessert asked about another worker's
28 compensation claim and whether it was a new or existing claim. Mr. Dann said he
29 believed this related to an old claim and the person had returned to work.

30
31 **Vote: 2 ayes.**
32

33 **ELECTRIC**

34
35 **6. Review of Electric Division Disbursements for the month of December**
36 **2010. Mr. Gessert made a motion to approve the Electric Division**
37 **Disbursements for the month of December 2010. Mr. Beaumont seconded the**
38 **motion.**
39

40 On page 6-9, Mr. Beaumont asked about "Power and Telephone Supply Co. Inc. Quick
41 Pull Cable." Mr. Hendershot said this is an eleven conductor cable which is used by the
42 meter department on three phase meters.

43
44 **Vote: 2 ayes.**
45

46 **7. Discussion and Action: Budget Transfer – Maintenance of Meters. Mr.**
47 **Gessert made a motion to approve the budget transfer into account #597,**
48 **Maintenance of Meters in the amount of \$4,200. Funds for this transfer are**

1 available from Account #903, Customer Records & Collection. Mr.
2 Beaumont seconded the motion.

3
4 **Vote: 2 ayes.**

5
6 **8. Discussion and Possible Action: Budget Transfer – Customer**
7 **Installation Expense. Mr. Gessert made a motion to approve the budget**
8 **transfer in the amount of \$10,700 into Account #587 Customer**
9 **Installation Expense. Funds for this transfer are available from Account**
10 **#903, Customer Records and Collection. Mr. Beaumont seconded the**
11 **motion.**

12
13 **Vote: 2 ayes.**

14
15 **9. Discussion and Action: Set Date for Public Hearing-Economic**
16 **Development Rate. Mr. Gessert made a motion to set the public hearing**
17 **date of February 1, 2011 at 7:15 p.m. in the Water Sewer Division, 377**
18 **South Cherry Street, Wallingford CT. Mr. Beaumont seconded the**
19 **motion.**

20
21 Mr. Adair said this allows a new business owner moving into the prescribed area to
22 enjoy a 10% reduction on their electric bill for a 24 month period.

23
24 **Vote: 2 ayes.**

25
26 **10. Discussion and Possible Action: Billing Issue-UPC Realty. Mr. Gessert**
27 **made a motion to TAKE NO ACTION. Mr. Beaumont seconded the**
28 **motion.**

29
30 Mr. Hendershot said the building at 135 North Plains Industrial Road has only one
31 electrical meter on it because when it was built it was with the idea there would be only
32 one customer in the building. He said since then, the office has been broken up into two
33 office suites, one larger than the other, the larger one housing InSite One Inc., the other
34 suite housing offices of the VNA. Mr. Hendershot said a few years ago, the electric
35 account was in the VNA's name even though they used less electricity. He said the
36 owner of the building would collect the rent checks and see to the paying of the electric
37 bill even though the service was in the VNA's name. Mr. Hendershot said the owner was
38 late once, the VNA got the penalty and that brought up the issue. The PUC at the time,
39 cut the penalty in half, and the circumstances at that time were that the day after the
40 bill was due, the building owner went to the tax office around 9:30 a.m. to pay the bill
41 and the issue was if he would have dropped off the payment in the drop box outside of
42 Town Hall as late as 8:59 a.m. he would not have been late because if it is in the box it
43 is credited.

44 Mr. Hendershot said the building owner makes no pretense about being late with the
45 bill, he explains he was getting his lease payments a day late because of the acquisition
46 of the large tenant in the building. He said the fact of the matter is that we do not have
47 a billing relationship with the building owners tenants we have a billing relationship with

1 him. Mr. Hendershot said UPC Realty is the customer of record and they were one day
2 late with their electric bill.

3 Mr. Hendershot said it has been explained to the building owner the perfect solution
4 here would be to have three meters installed, one for each office suite and one that
5 would pick up the common areas. Mr. Hendershot said the building owner has chosen
6 not to do this because the work does not get done for free, he would have to pay an
7 electrician to perform the work.

8 Mr. Beaumont said for the building owner's protection, this would be the way to go.
9

10 Mr. Adair said it should be made clear the bill is in UPC Realty's name. Mr. Hendershot
11 said we do not have an account with VNA or InSite One at that location.

12
13 Mr. Gessert said when you are a business person you know when your bills are due and
14 they have to be paid on time. He said adjustments have been made in the past and he
15 needs to pay attention to deadlines.

16
17 **Vote: 2 ayes.**
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19

20 **COMMITTEE REPORTS**

21

22 Mr. Adair said talked about a conversation with DEP, the CBIA and a number of
23 environmental groups into conducting a one day session with a mediator for facilitated
24 discussions with the stakeholders involved in the stream flow issues. He said at this
25 point, Wallingford is the municipal water company representative in this effort. He said
26 Regional Water Authority is representing the regional approach and Ct Water for the for-
27 profit water companies. He said the meeting last Friday was to identify the issues to be
28 discussed at this one day session to be scheduled presumably in February.
29

30 Mr. Adair said he met with Mr. Dann and Mr. Phelen to discuss the need for a water rate
31 study and possible water rate increase for this coming June. A tentative date of Friday,
32 January 28, 2011 at 2 p.m. was set aside for a workshop to discuss this issue.
33

34 **ADJOURNMENT**

35

36 **Mr. Gessert made a motion to adjourn the meeting. Mr. Beaumont seconded**
37 **the motion which passed unanimously. The meeting adjourned at 7:58 p.m.**
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39

40 Respectfully submitted,

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42 Cynthia A. Kleist
43 Recording Secretary
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Respectfully submitted,

Richard A. Nunn
Secretary