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DRAFT

SPECIAL MEETING
PUBLIC UTILITIES COMMISSION
WALLINGFORD WATER AND SEWER DIVISIONS
377 SOUTH CHERRY STREET
WALLINGFORD, CT

November 3, 2010
5 p.m.

PRESENT: Chairman Robert Beaumont; Commissioners David Gessert and Richard Nunn; 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.

1. Discussion and Action: Approval of the PUC Meeting Minutes of October 19, 2010. Mr. Gessert made a motion to accept the meeting minutes of October 19, 2010 as amended. Mr. Nunn seconded the motion.

On Page 4, Line 47, Mr. Dann noted the correct figure should be \$2,320,000 not \$3,320,000. He said it is not "in excess" of the requested funding, it is "which is in excess of the requested funding."

On Page 1, Line 39, Mr. Adair asked that "has got to get into high gear" be changed to "implementation cannot be completed until after "Go Live."

On Page 6, Line 47, should be benefits "of" the DG Project.

On Page 7, Line 46, Mr. Adair asked that finding "of consistency" of all three agencies regarding Wallingford's utility service area map be added.

Vote: 3 ayes.

ELECTRIC

2. Discussion and Possible Action: Budget Transfer-A/C 394. Mr. Nunn made a motion to approve the Electric Division Budget Transfer-A/C 394. Mr. Gessert seconded the motion.

Mr. Hendershot said we have determined through the efforts of Superintendent Ciaszki and General Line Forman Dutra that essentially all of the workers grounds and temporary jumpers on the various line trucks ought to be replaced and the materials to do so cost just under \$22,000. He said Wallingford Electric Division (WED) lineman will assemble these materials into sets of grounds and jumpers. Mr. Hendershot said this need was not anticipated last January when the 2010-2011 budget was developed, and so no funds were included in Account #394, (Tools Shop and Garage Equipment) for these important line tools. Account #362, (Distribution Substation Equipment) has surplus funds as the estimated cost of the equipment and labor needed to refurbish the

1 No. 1 transformer at East Street Substation is well below the \$500,000 included in the
2 budget for this purpose.

3
4 **Vote: 3 ayes.**

5 **3. Discussion and Possible Action: Electric Division – Power Cost**
6 **Adjustment (PCA).**

7
8 Mr. Adair said the final numbers for the value or cost of the three CMEEC projects are
9 still under discussion, in fact there was a meeting on this on Tuesday, November 2 on
10 the general administrative charges. Both of these make up line items in the total power
11 costs, so what we have is essentially, what was portrayed back a year ago for the 2011
12 period, we do pick up November and December of this year, updated for generation,
13 transmission and capacity costs. It is not a final budget by any means, but it is a lot
14 more reflective of actuals than it was. Mr. Adair said this was his part in working with
15 CMEEC.

16
17 Mr. Hendershot said Mr. Sullivan's table where he does the calculations and shows the
18 reductions for residential type of customers, 500, 750 and 1000 kilowatt hours, showing
19 the magnitude of the reduction due to the PCA coming down, at exactly half a cent, that
20 is the good news. He said coming out of October, going into November which includes
21 going from summer to winter rates and the PCA reduction, looking back to last
22 November, winter to winter, it is \$6.95 less or 6.74 percent.

23
24 Mr. Gessert said he had made a request in the past but it was never done, to get a blow
25 up of the CMEEC bill, put it up on the wall and explain it. Mr. Adair said we did it once,
26 but it was nearly two years ago. Mr. Gessert said someone could use a refresher
27 because there is more mish mash going in on the CMEEC bill these days. He said he did
28 not know how we know we are getting billed the right amount with all these little things
29 they are throwing in there.

30 Mr. Adair said he does review the bill each month in at least the broad categories. He
31 said we don't necessarily audit each bill to its source, but he would be glad to go
32 through that again. Mr. Adair said in terms of seeing the forecast, there aren't any
33 dramatic changes further out up or down that would that would make it appear that we
34 drop it only to have to raise it necessarily again.

35 Mr. Gessert said he did not see a recommendation. Mr. Adair said we would not be
36 proposing any action without breaking the half cent barrier. He said at least the way the
37 policy is written there is not necessarily the option to make changes. Mr. Gessert asked
38 if we had to keep it this way or could we afford to cut it four tenths of a cent and reduce
39 the costs a little bit for our customers.

40 Mr. Beaumont said it is going to be reduced about almost half a cent anyway. Mr.
41 Gessert asked why it was going to be reduced. Mr. Beaumont said because of the fact
42 that it is a negative, in other words, it will automatically change without our taking any
43 action.

44 Mr. Sullivan said to be clear this is based on some estimates because we have not
45 gotten the final CMEEC power bill for the month.

46 Mr. Adair said even if it moved up to say, half a cent, we would not intend to come
47 back, there is no compulsion to further adjust. He said our recommendation would be to
48 proceed with whatever the actual ends up being.

1 Mr. Nunn asked if we wanted to take action at the meeting based on the fact that we
2 don't have all the information on hand. Mr. Beaumont said that inasmuch as the change
3 has not hit the half cent threshold, plus or minus, there is no need to take any action, in
4 this case it would slide down slightly, a little less than half a cent, forty-eight hundredths
5 of a cent, without our doing anything.

6 Mr. Adair said we have a good sense, we have a preliminary estimate from CMEEC, we
7 have their forecast as good as it is, it is not going to change in a few days.

8 Mr. Beaumont said he was not pleased we are not seeing anything else coming off this,
9 given where the market is today and given where CMEEC is in at in the market.

10
11 Mr. Adair said transmission costs are steadily increasing throughout this whole period.

12 Mr. Nunn complimented Mr. Adair and his staff for a very thorough report, noting the
13 fact there would be a cost reduction passed on to the customers. He said we would like
14 to see more of this.

15
16
17 **NO ACTION TAKEN**

18
19 **PUC**

20
21 **4. Discussion and Possible Action: 2011 PUC Meeting Schedule. Mr.**
22 **Gessert moved the approval of the PUC 2011 Meeting Schedule. Mr.**
23 **Nunn seconded the motion.**
24

25 The schedule is as follows:

26 January 4 and January 18; February 1 and February 15; March 1 and March 15; April 5
27 and April 19; May 3 and May 17; June 7 and June 21; July 5 and July 19; August 2 and
28 August 16; September 6 and September 20; October 4 and October 18; November 1
29 and November 15; December 6 and December 20; January 3, 2012 and January 17,
30 2012. All meetings will take place at 377 South Cherry Street, Wallingford, CT.

31
32 **Vote: 3 ayes.**

33
34 **PUBLIC QUESTION AND ANSWER PERIOD**

35
36 Mr. Gale asked about the Smart Metering update. Mr. Hendershot said that next week
37 there would be some focus groups with our commercial and industrial customers to talk
38 to them about how much they might be interested in that sort of thing. He said if we
39 move at all in that direction it is our intent right now to start with those customers first
40 because 60 percent of our sales go through 500 meters. He said if we are going to
41 affect the change in the behavior of the customer base, it is going to be a lot easier and
42 cheaper to do it with those 500 than trying to get 500 residential customers of the
43 same cost and metering. He said there would be a lot less impact on the system, peak
44 loads, capacity costs, transmission costs. He said there is nothing in this years budget,
45 he said it could conceivably be commercial and industrial time of use rates in 2011.

46
47 Mr. Gale made a suggestion to the PUC regarding deposit issues, to possibly set up a
48 policy where customers have a six month leeway where the customer doesn't have to

1 come before the Commission unless you are looking for over a six month payback. He
2 said this would eliminate these people "whining" in public.

3
4 Mr. Beaumont said ideally, we desire to have it up front as is the case of any deposit. He
5 said it was an interesting thought. Mr. Adair said on the matter of deposits, that is very
6 straight forward, either we have one or we don't. He said anything other has to be by
7 exception. He said the PUC sets dollar limits for the business manager, the general
8 manager and the director, but typically that is for mitigating circumstances, things lost in
9 the mail or what have you. He said that particular policy does not give any authority to
10 waive or reduce deposits.

11 Mr. Gessert said he had mentioned at one time the collection effort after it gets below
12 one dollar. Mr. Adair said we do have quite a few of those on the write-off list that are
13 small. Mr. Gale asked what the threshold was for turning the account over to the Town
14 Attorney. Mr. Nunn said there aren't that many. He said there are a few and the action
15 that this Commission has taken has not been totally consistent with everybody that has
16 come in. He said we base it on the evaluation that we make upon the customer's
17 request. He said he believes we have to deal with each customer with the circumstances
18 surrounding that customer's request. Mr. Nunn said he would like to see the customer
19 come here.

20 Mr. Gessert said this gives us an opportunity to hear what's happening out in the world
21 and also to try to exercise a little discretion in judgment and show a little compassion for
22 people that are in a tough situation.

23 Mr. Nunn said that even though we have a monopoly here, we still will listen to the
24 reason someone has, and we don't always say yes to it and we don't always say no. He
25 said sometimes the votes go 2 to 1 one way and 2 to 1 the other way.

26 Mr. Gessert said it shows the public we will listen and if they've got a reasonable
27 position and we can adjust our situation and help them at the same time without hurting
28 the utility, we are willing to do it and have done it.

29
30 Mr. Gale asked about "Go Live." Mr. Adair said we are looking at hard parallel on
31 November 15 and "Go Live" for January 10.

32 33 **5. COMMITTEE REPORTS**

34
35 Mr. Gessert asked about progress with awarding a contract for the Repair of
36 Operation/Maintenance Garage and Interior Office Modifications which were approved
37 by the PUC at the October. 19, 2010 meeting.

38 Mr. Dann said the next day, (October 20, 2010) we made the recommendation to
39 award, and now the process is that the low bidder has to pull together the bonds and
40 insurance forms that are necessary to sign a contract. He said he believes within a week
41 more or less, the contract should be signed. Mr. Gessert asked if there have been any
42 meetings with the contractor. Mr. Dann said usually when we sign the contract we try to
43 schedule a pre-construction meeting if possible that same day. Mr. Dann said this
44 project will take a certain amount of co-ordination, more than normal, so the pre-
45 construction will be fairly important.

46 Mr. Gessert asked if there would be any way to get the project started before the
47 winter. Mr. Dann said we will see what they come in with for scheduling. He said he is
48 hopeful they can get the exterior garage done so that demolition of the main structure

1 can begin. He said ideally, if we began somewhere around April, that would be about
2 right because the weather is warming up and has a little less impact on the operation to
3 do it at that time. He said they may be ready to start sooner than that in which case it
4 gets trickier.

5 Mr. Gessert asked Mr. Dann if he would be looking at putting some of the equipment
6 over at the Electric Division property. Mr. Dann said what they were going to do was to
7 put the temporary trailers in the back parking lot and park the smaller utility vehicles,
8 the cars, the pickups and things like that back in that area and try to reserve what space
9 we have remaining for the larger equipment like the backhoes and dump trucks. He said
10 we believe we will be able to park the employee vehicles across the street. HE said it
11 would be a bit of a tight squeeze.

12 Mr. Niunn asked if a timeline report was being prepared. Mr. Dann said the contractor
13 will have to provide a schedule, so that is one of the first things we would see.

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16 **ADJOURNMENT**

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18 **Mr. Gessert made a motion to adjourn the meeting. Mr. Nunn seconded the**
19 **motion. The meeting was adjourned at 5:47 p.m.**

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21
22 Respectfully submitted,

23
24 Cynthia A. Kleist
25 Recording Secretary

Respectfully submitted,

Richard A. Nunn,
Secretary