

1 Draft

2 **SPECIAL MEETING**

3 Public Utilities Commission
4 377 South Cherry Street
5 Wallingford, CT. 06492
6 Tuesday, December 8, 2009
7 6:37 p.m.

8 **MINUTES**

9 PRESENT: Chairman Robert Beaumont; Commissioners David Gessert and Richard Nunn;
10 Director George Adair; Electric Division General Manager Richard Hendershot; Electric
11 Division Office Manager Thomas Sullivan; Water and Sewer Divisions General Manager
12 Roger Dann, Water and Sewer Divisions Office Manager William Phelen, Recording Secretary
13 Cynthia Kleist; Phil Wright Sr., Steve Gale 34 Wisk Key Wind, Wallingford, Ct, Bob Gross,
14 Long Hill Road, Wallingford, Ct.

15
16 **1. Discussion and Action: Approval of PUC Meeting Minutes for November 2,**
17 **2009.**

18 **Mr. Gessert made a motion to approve the minutes of November 2, 2009 PUC**
19 **meeting. The motion was seconded by Mr. Nunn.**

20 Mr. Beaumont asked that redundant lines 35 & 36 on Page 5 calling for the same vote
21 be deleted, along with line # 1 on page 6.

22 Mr. Adair noted that on Page 6, line 24 "went from 1.62 to 2.3 cents per KWH." Should
23 be changed to "it was 7/10's of one cent."

24 Line 31: eliminate "post."

25 On Page 7, line 16 "\$17.44 is going up by .69 cents. " Mr. Hendershot added that what
26 the line ought to say to be correct is that the PCA now accounts for \$17.44 of a typical
27 750 KWH residential customers bill.

28 Page 8 Line 4 change from "he said" to "Mr. Hendershot said."

29 Line 33, Page 8 "Locational Guidemap" should be "Location of Guidemap."

30 Mr. Dann noted that Page 2, line 24 should end in a period after the word "plant" and
31 replace "which" with "one" on Page 25.

32 Page 3, line 7- "ceiling membrane" should be changed to "sealing membrane" but would
33 prefer the word "flexible membrane" instead.

34 Page 3, line 18 replace with "about."

35 Line 20, after "those" insert with "problem areas are."

36 **Vote: 3 ayes.**

37
38 **2. Discussion and Action: Approval of the Director's Report for the month of**
39 **October 2009.**

40 **Mr. Gessert made a motion to approve the Director's Report. The motion was**
41 **seconded by Mr. Beaumont.**

42 Mr. Adair told the Commissioners that the billing software conversion "GO LIVE" is set
43 for February 15th and that a meeting was set for Wednesday, December 9 at 10:30 a.m.
44 with Advanced Utilities to go over issues with the project execution. A data refresh was
45 completed on Tuesday, December 8th.

46 Mr. Adair said part of the problem with this project has been the conversion of the data
47 and getting it into the new software. He said the project is very much in review and we
48 are not willing lightly or willingly to abandon this date (February 15th). The Town

1 Attorney on Mr. Adair's request is taking an extra look at the terms and conditions to
2 see what all recourses we may have including how we treat the amount still not paid to
3 the vendor on the contract.

4 **ELECTRIC**

5 Mr. Adair noted that System Input for October totaled 46,767 MWHrs., a decrease of
6 2.3% compared to October 2008. Maximum system demand occurred on October 15 at
7 84.437 MW, an increase of 1.1% from the October 2008 peak.

8 Diesel units operated on 17 occasions because of a scheduled outage at the Unit 2
9 Millstone plant.

10 Mr. Adair said that 94 % of October's customer outage hours (855) resulted when a
11 customer on Walnut Lane in Northford attempted to cut down a large tree in his yard.
12 The tree fell into our primary line, breaking three poles. This single event caused the
13 increase to the CAIDI (Customer Average Interruption Duration Index).

14 Mr. Beaumont asked if this customer who cut the tree was liable. Mr. Hendershot said
15 he would be billed for the labor, the overtime, and all the trucks.

16 Mr. Adair said 142 appliance rebates were awarded during September/October, with a
17 total value of \$8,110; sixteen residences were analyzed for the Home Energy Savings
18 (HES); three lighting retrofit projects were completed in October, representing \$15,800
19 in incentive payments.

20 Mr. Hendershot has been looking at the report from the consulting engineer that has
21 done the evaluations of the schools which looks to achieve energy efficiency in the
22 Wallingford schools. Mr. Hendershot said the consultant is done with the table of
23 recommended fast track measures and good refined estimates. The report will be sent
24 to the Supt of Facilities Director of the Schools.

25 Mr. Adair noted that Amendment # 4 contract with CMEEC has been put into place. The
26 work with CMEEC to evaluate possible membership will continue.

27 **WATER**

28 Mr. Adair said that water production for October totaled 108.56 million gallons, a
29 decrease of 11.5 % from October 2008, a "pretty substantial" double digit drop. The
30 Mackenzie Reservoir sediment removal project continued through October, with
31 approximately 90,000 yards, or 77 % of the total estimated removal completed through
32 month's end.

33 **SEWER**

34 Mr. Adair reported the average daily flow at the Wastewater Treatment Plant during
35 October was 5.09 million gallons, a decrease of 1 % from October 2008.

36 Mr. Gessert asked about a personnel issue on Page 2-3 regarding Carlos Duran who
37 was promoted from Distribution Engineer to Chief Engineer on October 13, 2009. Mr.
38 Gessert said that in September 2009, a re-write of the job description was requested
39 and wanted to know when the description would be completed.

40 Mr. Hendershot said the Personnel Director wanted to wait until January 2010 to take
41 this to the Town Council .

42 Mr. Hendershot said the Personnel Department has begun to advertise for a new
43 Distribution Engineer to fill Mr. Duran's former position.

44 **Vote: 3 ayes.**

1 **PUBLIC COMMENT**

2 Steve Gale, 34 Wisk Key Wind Rd asked if the Electric Division would match any funds
3 for the schools that Connecticut Clean Energy Fund would give.

4 Mr. Hendershot said the Commission has adopted a policy that as long as there are
5 funds available for these purposes, we would provide matching funding for the schools,
6 commercial, residential, anyone.

7 Mr. Gale also asked if the Commission would also match funding for a residential
8 customer who obtained funds from the Ct. Clean Energy Fund. Mr. Hendershot said we
9 will match the programs of the Ct. Clean Energy Fund. He said our customers can't
10 directly access the Clean Energy Fund, but what we have done is said we will copy what
11 they do. He told Mr. Gale that if he wanted to do something as a residential customer he
12 would have to go onto the Ct. Clean Energy Fund website, and whatever is available
13 there, a payment, a rebate, whatever is described there, we will fund equal to what is
14 described there through our funds.

15 Mr. Adair added the Commission "funding in exactly the same fashion."

16 Mr Gale noted that a few meetings ago, this (matching) funding didn't exist. Mr. Adair
17 said it does exist now. He asked if he gets thermal hot water (solar) and the Ct. Clean
18 Energy Fund gives him \$2,500, will he get the same amount from the Commission.

19 Mr. Hendershot said Mr. Gale wouldn't get \$2,500 from them (Ct. Clean Energy Fund),
20 he would get \$2,500 from us instead of them. We will now do for our customers
21 whatever the Ct. Clean Energy Fund would do for CL&P or U.I. customers.

22 Mr. Gale said he thought the Ct. Clean Energy Fund received Federal monies that was
23 available to everyone in Connecticut. Mr. Hendershot explained that it depends upon
24 the particular project, and the program. He told Mr. Gale to go on the Ct. Clean Energy
25 Fund website and that whatever they will pay for, we (the Commission) will pay for.

26 Mr. Gale said he was told by some contractors that he could get monies from both Ct.
27 Clean Energy and the Town of Wallingford. Mr. Hendershot told him he will get the
28 monies "from us instead of them in an amount equal to what you would have gotten
29 from them. He told Mr. Gale he was informed incorrectly.

30 Mr. Hendershot said there was \$9 million for solar, thermal and geothermal statewide
31 and there are a several pots of money coming to us also from CMEEC. Mr. Gale claimed
32 that some contractors told him they are getting monies from the Ct. Clean Energy
33 Funds. Mr. Hendershot stated that this was not for projects in Wallingford. He said the
34 contractors told them they would be getting re-imbursed directly from the Ct. Clean
35 Energy Fund. Mr. Hendershot said he didn't understand why the Ct. Clean Energy Fund
36 would support a project in our service territory.

37 Mr. Gale said this was Federally funded. Mr. Adair said if that was the case, Wallingford
38 would not match the funds.

39 Bob Gross, Long Hill Road, Wallingford asked about the large amount of companies in
40 Wallingford asking for discharge permits to dump waste water. Mr. Gross wanted to
41 know how often this water is tested in the water treatment plant and how often do
42 some of these chemicals get into the river because they have to be discharged from
43 effluent flow when there are heavy rains because of the tremendous amount of water
44 coming in. He asked if the Commission cumulatively figure what all these companies are
45 dumping and if they could be dumping the same compound at the same time.

46 Mr. Dann said the way Wallingford's waste water discharge regulations are structured is
47 that we presume everybody could be dumping the same compound into the system. Mr.

1 Dann said the treatment plant is monitored on a daily basis and there is a person whose
2 job is to go and visit the dischargers and review their discharges and conduct sampling
3 in addition to the requirements the dischargers have to perform i.e. independent
4 sampling. Mr. Dann said Wallingford has a "pretty aggressive" commercial/industrial
5 monitoring program to try to protect the system.

6 Mr. Beaumont acknowledged the recent 90th birthday on Nov. 21st of Mr. Phil Wright
7 Sr. who has attended the PUC meetings for many years.
8

9 **3. Discussion and Action: Water Division-Budget Amendment-Motor Repair at**
10 **Well #2.**

11 **The motion to approve the budget amendment was made by Mr. Nunn and**
12 **seconded by Mr. Gessert.**

13 Motion to approve a budget amendment increasing account #431-8600-614
14 (Maintenance Wells & Springs) by the amount of \$1,480 through decreases of \$620 to
15 account #433-9012-391 (Office Furniture and Equipment) and \$860 to account #433-
16 9012-396 (Power Operated Equipment).

17 Mr. Dann said there was a problem with the #2 well pumps bearings, ratchets and
18 assembly and other components that have to be replaced. The amount of the repair
19 exceeds the funds and thus is the basis for the budget amendment.

20 **Vote: 3 ayes.**
21

22 **4. Review of Water/Sewer Division Disbursements for the month of October**
23 **2009.**

24 **The motion to approve the Water/Sewer Disbursements for October 2009**
25 **was made by Mr. Gessert and Seconded by Mr. Nunn.**

26 Mr. Gessert asked about the advertising of positions under "Miscellaneous General
27 Expenses" on Section 4-8. Mr. Dann said there was a vacancy in the water treatment
28 and pumping and is not sure whether that position will be hired as a "one" or a "two."
29 Mr. Dann added he had just received a list of candidates over the past few days.

30 Mr. Beaumont asked about a \$765 item on Page 4-12 regarding "consumption usage
31 payment issued in error."

32 Mr. Dann said that typically that is a customer overpayment in which a credit is issued in
33 the form of a check.

34 Mr. Phelen said this might have been where a customer paid for a service and changed
35 their mind and never obtained the service and was looking for a refund of the payments
36 they had made.

37 Mr. Gessert had a question on Page 4-28 regarding Worker's Compensation. Mr. Dann
38 said that person had returned to work. Mr. Gessert asked if there were other workers
39 still out. Mr. Dann said one had been resolved. Mr. Beaumont asked about "Richard G"
40 on Page 17 stating he did not see a description.

41 Mr. Dann said it was "research" in respect to land ownership at Lanes Pond. Mr. Dann
42 said we had gotten permission to put a gate across the road. Subsequently, several
43 people came forward claiming they had a right to travel over Old Mountain Rd which
44 branches off of Old Lane Road. Mr. Dann said we had been doing "research."

45 Mr. Beaumont said he now understood that "res" meant (research) not "residence."

46 On Page 4-21, Mr. Beaumont had a question regarding "Engineering Construction and
47 McKenzie sediment removal."

1 Mr. Dann said this was a "CWIP" (Construction Work In Progress), which is authorized
2 not through the Capital Budget but through a funding ordinance.

3 On Page 4-23 Mr. Beaumont had a question on the NESCO Unit Heater at the Sewage
4 Treatment Plant for \$3,250. Mr. Dann explained this is one of the unit heaters that is
5 spread around the building and are specific to a given area of the structure. Mr. Dann
6 said we are at the point now where one or two of these heaters need to be replaced
7 every year and that comes about in a 20 year cycle.

8 **Vote: 3 ayes.**
9

- 10 **5. Review of Electric Division Disbursements for the Month of October 2009.**
11 **A motion to approve the Electric Division Disbursements for October 2009**
12 **was made by Mr. Gessert and seconded by Mr. Nunn.**

13 Mr. Phelen left the meeting at 7:35 p.m.

14 Regarding Pheonix Communcations on Page 5-15, Mr. Beaumont asked about a "FOSC"
15 enclosure. Mr. Hendershot explained it pertained to fiber optic work that was done to
16 terminate our end of the fiber optic wire that CL&P had installed from Devon. Mr.
17 Gessert asked why Wallingford had to pay if the fiber optic wire belonged to CL&P. Mr.
18 Hendershot explained that the wire was our end of a communications link that connect
19 our relays that look at that transmission line with their relays that look at the same
20 transmission line from the other end.

21 **Vote: 3 ayes.**
22

- 23 **6. Discussion and Action: Electric Division-Revision-Policy E,3, Home Energy**
24 **Savings Program.**

25 **No Motion Made**

26 Mr. Hendershot explained this was a proposed update of our policy #E-3 Home Energy
27 Savings Program by eliminating Appendix A, which described customer eligibility and
28 provided a schedule for eligible customers to participate in HES (Home Energy Savings).
29 The HES program is now open to all WED (Wallingford Electric Division) customers who
30 are current (up to date) with their electric bill payments.

31 **Vote: 3 ayes.**
32

- 33
34 **7. Discussion and Action: Electric Division-Budget Transfer-Account 593 to**
35 **Account 594.**

36 **Motion to approve a transfer of \$7,500 of WED funds from Account 593**
37 **(Maintenance of Overhead Lines) to Account 594 (Maintenance of**
38 **Underground Lines). The motion was made by Mr. Nunn, seconded by Mr.**
39 **Gessert.**
40

41 Mr. Nunn asked if this transfer was indicative of an increase in underground line work.
42 Mr. Hendershot explained that this transfer is to cover the increase in primary failures so
43 as to not run out of money in this account before the end of the fiscal year. This is a
44 pre-emptive measure to move a few funds from an underspent account: maintenance of
45 overhead lines to maintenance of underground lines. Mr. Hendershot said nearly 100%
46 of the monies will be used towards repair of failed underground lines.

1 Mr. Nunn asked if underground lines were more susceptible to failure. Mr. Hendershot
2 said typically no, because they are out of the elements, but when they (the underground
3 lines) do fail, they are more expensive to repair because of the time and effort spent in
4 trying to find where the failure is.

5 **Vote: 3 ayes.**

6
7 **8. Discussion and Action: Electric Division-Approval of Contract-CMEEC/WED**
8 **Regarding Supply of Market-Priced Power to Nucor Steel. The motion to**
9 **approve said contract was made by Mr. Nunn, seconded by Mr. Gessert.**

10
11 Mr. Adair told the Commission that within Wallingford as is the case with other municipal
12 utilities in Connecticut, customer choice per se does not exist. All sales of power in our
13 service territory take place through WED (Wallingford Electric Division). We are bound to
14 purchase all of our wholesale cost through CMEEC. With CMEEC's assistance, WED is
15 able to offer large industrial customers a market priced approach to their power supply.
16 In the case of NUCOR, it is a portion of their power supply. We have had a similar
17 arrangement in place since 1992 with this customer. We have had an opportunity over
18 the past few months to review the terms of that agreement. Mr. Adair said the subject
19 agreement provides the basis for the WED's continued supply of market priced power to
20 NUCOR for a portion of NUCOR's load. It is necessary to have in place this agreement
21 between CMEEC and the WED in order for the WED to offer a market-priced power
22 supply agreement to NUCOR.

23 The term of the agreement is co-incident with the term of the WED/NUCOR market
24 priced power supply agreement (January 1, 2010 through December 31, 2012).

25 **Vote: 3 ayes.**

26
27 **9. Discussion and Action: Electric Division-Approval of Contract-NUCOR Steel**
28 **Connecticut Inc./WED. A motion to approve the contract between NUCOR and**
29 **WED was made by Mr. Gessert and seconded by Mr. Nunn.**

30
31 **Vote: 3 ayes.**

32
33 **COMMITTEE REPORTS**

34 Mr. Adair gave a status report on the OPM's (Office of Policy and Management) denial of
35 Wallingford's request for an interim change to four areas of the guide map. Mr. Adair
36 said further conversation will soon take with OPM on this matter.

37 Mr. Beaumont added that OPM has been contacted and the town of Wallingford is
38 awaiting their response.

39 Mr. Adair reported on the CMEEC budget process. He said unlike last year, the four
40 months of 2010, through April, have an average price under what we worked with in
41 October of \$113.71 and the update to the budget is \$107.62 per MWH.

42 Mr. Adair said we have seen in most recent months, a cost or generation, which has
43 affected our fuel costs, lower than was budgeted.

44 An update on LED (Light Emitting Diode) streetlights will be presented at the January
45 meeting.

46 Mr. Gessert asked about the \$94,000 invested in a CMEEC research project.

