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PUBLIC UTILITIES COMMISSION MEETING

Wallingford, CT

Thursday, November 20, 2008

6:30 p.m.

The Public Utilities Commission held a meeting on Thursday, November 20, 2008 in the Electric Division, 100 John Street, Wallingford, CT. The meeting was called to order at 6:30 p.m.

PRESENT: Chairman David Gessert, Commissioners Robert Beaumont and Richard Nunn, Director George Adair, Electric Division General Manager Richard Hendershot, Water and Sewer Division General Manager Roger Dann, Electric Division Office Manager Thomas Sullivan, Water and Sewer Division Office Manager William Phelan, Recording Secretary Kathleen White and Phil Wright.

1. Discussion and Action: Approval of PUC Meeting Minutes of October 21, 2008.

Mr. Nunn made a motion to approve the meeting minutes of October 21, 2008. Mr. Beaumont seconded the motion.

Votes: 3 aye

2. Discussion and Action: Approval of PUC Workshop Minutes of November 3, 2008.

Mr. Beaumont made a motion to approve the workshop minutes of November 3, 2008. Mr. Nunn seconded the motion.

Mr. Dann had one change to the minutes – page 2, line 17 should “C&D areas” should be “preservation areas”.

Mr. Adair also had a change to the minutes – page 1, line 20 “September 2006” should be “September 2007”.

Votes: 3 ayes

3. Discussion and Action: Approval of the Director’s Report for the Month of October 2008.

Mr. Beaumont made a motion to approve the Director’s Report for the month of October 2008. Mr. Nunn seconded the motion.

Mr. Adair indicated that there was a reduction in kilowatt-hours usage compared to last year. Reasonably good reliability numbers, with the rain/wind event causing most of the outages, as well as wildlife.

The residential energy audit program has been launched. CRI, the vendor, has been flooded with calls and it should be noted that they are also working with CL&P. The cost of the audit has been finalized for gas customers, however not for those heating with oil.

Energy conservation programs still ongoing, with 118,000 CFL's being distributed to date.

Water production down from 2008, with reservoir levels up. The West Street project is in the final phase of completion. Water main replacement continues to move forward and bids will be opened on November 25 for I&I Study and the Mackenzie project.

The average daily flow at the Wastewater Plant is up substantially from last year. Nitrogen discharge is running higher than last year, presumably due to flow rate.

Cytec scope of work for the plant capacity study and facility expansion is moving forward. A meeting has been scheduled in early December to discuss the project.

Mr. Gessert asked that the Commission be included in the project for renovation of the lobby area at the Electric Division. Would also like to see a running tally of the conservation programs and what the annual energy savings for all projects to date.

Mr. Hendershot indicated that an organizational chart would be given to each Commissioner allowing names to be associated with positions.

Votes: 3 ayes

4. Review of Water/Sewer Division Disbursements for the Month of October 2008.

Mr. Beaumont made a motion to approve the Water/Sewer Division Disbursements. Mr. Nunn seconded the motion.

Mr. Gessert questioned whether or not a report was requested on employees currently out on workmen's comp. A report indicating who's out, how long and projected date of return to work.

Mr. Hendershot questioned what timetable the Commission would be looking for. It was determined that a quarterly report would suffice.

Discussion ensued regarding several items including arbitration expenses, and areas covered by monies paid to Reynolds Inliner.

Votes: 3 ayes

5. Review of Electric Division Disbursements for the Month of October 2008.

Mr. Nunn made a motion to approve the Electric Division Disbursements for the month of October 2008. Mr. Beaumont seconded the motion.

Discussion regarding several items including Sauber Manufacturing, State of Connecticut Treasurer – Non-Recurring Liability, Siemens Power, T.I. Sales, Inc., and Enghaus was held.

Votes: 3 ayes

Congratulations were extended to Mr. Phil Wright on his 89th birthday, and sympathy on the death of Mr. Pat Melillo.

6. Discussion and Possible Action: Electric Division – Billing Issue – Mongillo.

Mr. Gessert indicated that Ms. Mongillo is looking for a refund of \$4.82 (late penalty) as she stated that payment was left in the drop box, although the check has not been found. Mr. Sullivan indicated that payment was received for both the overdue bill and the current bill this past week. Mr. Gessert indicated that he thought a refund in the amount of \$4.82 would be appropriate and is looking for a motion.

No motion was forthcoming.

Mr. Gessert questioned the current policy and Mr. Hendershot indicated that the margin in which staff operated with regard to forgiving penalties was very small. Additional latitude could be given, eliminating the need to come before the Commission on something this small.

Mr. Nunn indicated that due to lack of action, the late penalty is due.

Mr. Beaumont made a motion to take no action with regard the late penalty for Ms. Mongillo. Mr. Nunn seconded the motion.

Votes: 2 ayes, Gessert – nay.

PUBLIC QUESTION AND ANSWER PERIOD

No questions were forthcoming.

7. Discussion and Action: Electric Division – Proposed Change to Electric Division’s Policy for energy conservation incentives for commercial and Industrial (C&I) customers.

Mr. Beaumont made a motion to approve the fourth amendment to Policy E-2 as contained herein. Mr. Nunn seconded the motion.

Mr. Adair stated that this policy is an attempt to police the available funds versus the number of projects currently in the cue. The concept is to spread these funds over as many customers as possible. When we determine that a customer has used more funds than they put into the program, the customer would sit out for a 12-month period.

Mr. Hendershot indicated that work could continue on proposed projects, knowing that these projects could be reimbursed during the following year if approved and based on the availability of funds. As funds were accumulated during the year, the Division would have the ability to know that a percentage of the funds were spoken for, based on these projects.

The start of the Home Energy Savings Program will cause an increase in expenditures on the residential level. When the home analyses start, funds will be expended quickly. CMEEC members will also be getting out of the “CFL” business in 2009 and forward, placing monies in home energy savings.

Mr. Hendershot attended a meeting at the WED wherein LED lighting was showcased. Currently these lights are used in residential applications, but there is technology in the works to use them in streetlights. At this point, the LED lights are not cost effective.

Votes: 3 ayes

8. Discussion and Action: Electric Division – Rescind Action of the October 21, 2008 Meeting Regarding Deferral of PCA Adjustment.

Mr. Beaumont made a motion to rescind the action of the PCA Adjustment that was made on October 21, 2008. Mr. Nunn seconded the motion.

Mr. Adair endorsed the action, previously giving a look ahead based on the CMEEC forecast for October and the following six months. We were working with a calculated over-collection amount of \$2,000,000. This number has been corrected, in part due to the actual sales and costs for October differing from the CMEEC. A new figure of \$423,000 will be utilized.

Mr. Nunn questioned the disbursement of the monies, with Mr. Adair indicating that they would be distributed over two six-month periods. Based on the new dollar figure, it will be disbursed on a one-time basis.

Mr. Adair stated that a motion was needed to rescind the original motion and another was not required, as the Division will follow Rate 12.

Mr. Gessert discussed the format of the CMEEC bill and how confusing it was. Mr. Adair thought that an hour spent with Chris Fischer of CMEEC would be very helpful, and will try and arrange something for the Commission.

Votes: 3 ayes

9. Discussion and Action: PUC – December Meeting Schedule – Public Utilities Commission.

The Town Council meetings for the month of December are on the 2nd and 16th, matching the PUC.

Mr. Nunn indicated that he has a conflict with December 2.

Mr. Dann thought that December 9 would put the Commission in a normal sequence for providing the Council with materials requiring their approval. There is also the option of changing the time of the PUC meeting, allowing personnel to attend the Town Council if necessary.

Mr. Beaumont made a motion to cancel the meeting of December 2, 2008 and reschedule same for December 9, 2008. Mr. Nunn seconded the motion.

Votes: 3 ayes

10. Discussion and Action: PUC – Approval of 2009 PUC meeting calendar.

Mr. Beaumont made a motion to approve the 2009 meeting schedule as delineated on Page 10-1. Mr. Nunn seconded the motion.

Votes: 3 ayes.

11. Discussion and Action: PUC – Attendance of the Director of Public Utilities at the APPA Legislative Rally.

Mr. Beaumont made a motion to approve the Director's attendance at the APPA Legislative Rally to be held in Washington, DC February 23 – 26, 2009. Mr. Nunn seconded the motion.

Votes: 3 ayes

12. Executive Session Pursuant to CGS 1-225(f), 1-200(2) Regarding Strategy or Negotiations with Respect to Collective Bargaining, 1-200(6)(E) and 1-210(b)(10) Regarding Legal Advice Related to Collective Bargaining.

Motion to go into Executive Session at 7:35 p.m. to discuss negotiations with respect to collective bargaining and legal advice related to collective bargaining without further motions until a motion to come out of Executive Session.

Present in the session were Chairman David Gessert, Commissioners Robert Beaumont and Richard Nunn, Director of Public Utilities George Adair, Electric Division General Manager Richard Hendershot and Water/Sewer Division General Manager Roger Dann.

Made by Mr. Nunn
Seconded by Mr. Beaumont
Votes: 3 ayes

Motion to come out of Executive Session at 8:43 p.m.

Made by Mr. Nunn
Seconded by Mr. Beaumont
Votes: 3 ayes

13. Adjournment

Motion to adjourn at 8:43 p.m.

Made by Mr. Beaumont
Seconded by Mr. Nunn
Votes: 3 ayes

Respectfully submitted,

Kathleen White
Acting Secretary
Prepared by: Kathleen White

Respectfully submitted,

Richard Nunn
PUC Secretary