



NORWICH BOARD OF PUBLIC UTILITIES' COMMISSIONERS
SPECIAL MEETING AGENDA

6:00 P.M., Tuesday
August 30, 2011

1. Call To Order
2. Fifteen-Minute Public Comment Period
3. Minutes of the Regular June Meeting, held on Tuesday, June 28, 2011.
4. Action Items
 - Resolution - Backus Hospital Generators
5. Financial Report
6. Strategic Presentations
 - Regional Water Planning
7. Executive Session – To Discuss Confidential Trade Secret & Commercially Valuable Confidential or Proprietary Information Not Subject to Inspection or Public Disclosure Pursuant to Section 1-210[5] and 7-232a of the CT. General Statutes. This information is commercially valuable, confidential and proprietary and is not public disclosure, pursuant to Public Act No. 98-212.
8. Other Business
 - Shipping Street Infrastructure Improvements Update
 - Combustion Turbine Update
9. The next Regular Meeting is scheduled to be held on Tuesday, September 27, 2011.

Upcoming Topics:

- Natural Gas Distribution Integrity Management Program (DIMP)
- Fats Oils Grease Program (FOG)

Respectfully Submitted,

John Bilda
General Manager



NORWICH BOARD OF PUBLIC UTILITIES' COMMISSIONERS
REGULAR MEETING

June 28, 2011

The Regular June Meeting of the Norwich Board of Public Utilities' Commissioners was held on Tuesday, June 28, 2011 in the 2nd Floor Board Room of Norwich Public Utilities (NPU) located at 16 South Golden Street, Norwich.

Item 1. The Meeting was called to order at 6:00 pm p.m. by Vice Chairman Diana Boisclair.

Present: Vice Chairman Diana Boisclair, Secretary Alan Remondi and Commissioner Larry Goldman. Chairman James Sullivan arrived at 7:10 pm. Also in attendance were: General Manager John Bilda; NPU Staff Members Chris LaRose, Steve Sinko, Jeff Brining, Mark Greene and Mike Hughes.

Item 2. Fifteen-Minute Public Comment Period. No one from the public was present.

Item 3. Minutes of the Special May Meeting held on Tuesday, May 31, 2011. Secretary Remondi, seconded by Commissioner Goldman moved to approve the Minutes of the Special May Meeting held on Tuesday, May 31, 2011, as written. Unanimously approved.

Item 4. Financial Report. Steve Sinko updated the Board on NPU's May financial statements. Informative.

Item 5. Strategic Presentations.

- Combustion Turbine Trading Order Presentation – Mark Greene. Informative.
- Natural Gas Extension Program – Mike Hughes. Informative.
- Electric Whole Sale Costs - Drew Rankin, CMEEC CEO - Informative
- Possible Natural Gas Expansion Project - John Bilda - Informative

Commissioner Goldman, seconded by Chairman Sullivan moved to recess the Board Meeting at 7:36 p.m. and enter into the Sewer Authority meeting. Unanimously approved.

The meeting resumed at 7:40 p.m.

Item 6. Executive Session. The Board did not enter into Executive Session.

Item 7. Other Business. None.

Item 8. The next Regular Meeting is scheduled to be held on Tuesday, July 26, 2011.

Secretary Remondi, seconded by Chairman Sullivan moved to adjourn the Meeting at 7:45 p.m.

Attest:

Alan Remondi
Secretary

RESOLUTION

AUTHORIZING A PROJECT TO BUILD EMERGENCY GENERATION SYSTEM IN PARTNERSHIP WITH THE WILLIAM W. BACKUS HOSPITAL

WHEREAS, Norwich Public Utilities is a community focused, not-for-profit utility company committed to providing the citizens and the business community of Norwich with reliable and affordable energy; and

WHEREAS, Norwich Public Utilities is focused on partnering with other community organizations, businesses, and leaders who share the same commitment to provide reliable and necessary services to the citizens of Norwich to afford a high standard of living; and

WHEREAS, the William W. Backus Hospital is a community focused, not-for-profit health care organization which provides necessary life-saving medical and emergency care to the citizens of Norwich; and

WHEREAS, Norwich Public Utilities has the wherewithal and expertise to design, build, maintain and operate an emergency generation system capable of providing stand-by electric power; and

WHEREAS, Norwich Public Utilities is in the unique position to partner with the William W. Backus Hospital on providing a mutually beneficial electric emergency generation system that will not only provide necessary emergency generation to the hospital facility in the event of a distribution system failure, but will also provide distribution generation to the citizens of Norwich resulting in reliable and lower cost energy.

NOW THEREFORE BE IT RESOLVED The City of Norwich Board of Public Utilities Commissioners authorizes the General Manager to enter into an agreement with the William W. Backus Hospital to construct and operate an emergency generation system capable of providing necessary electric generation in the event of a catastrophic power failure to the hospital, but will also benefit the citizens of Norwich by providing distributive generation for Norwich Public Utilities.

Review of Monthly Financial Report July 31, 2011

CASH:

Overall cash balances have decreased approximately \$439K from June 30, 2011 ending the month of July with total balances of \$13.4M, down \$100K from last month. The gas and water divisions realized cash decreases during the month of July of \$286K and \$10K respectively. The electric and sewer divisions realized cash increases of \$129K and \$10K respectively for the month.

The following were the most significant impacts to cash flow during July 2011:

- The decrease in gas cash was due to a combination of planned storage gas purchases and expected lower revenues during hot summer months. This decrease is following the seasonal trend.
- The slight increase in electric cash is due to a combination of higher than expected sales and lower than expected expenses due to timing of work.
- The increase in sewer cash is attributed to timing of payments associated with ongoing digester work.

The Department as a whole also experienced an increase in receivables of \$1.1M during the month of July. This is largely attributed to high electric sales during the June and July billing cycles.

EXPENSES:

Department expenses are down approximately \$887K to budget. Purchased power, O&M, administration and office expenses are the four biggest factors in the impacting the variance. Purchased power is tracking \$116K below budget due to lower than planned wholesale electric costs (\$105.51/MWh vs. \$110.31/MWh or \$4.80M) and slightly lower than planned energy purchases (33,890 MWh vs. 33,970 MWh or 84,600 kWh). Overall, O&M is tracking \$454K below budget due to timing of projects which is expected to recover over the next few months. Administration and office expenses are tracking below budget due to a combination cost control measures and timing. These expenses are expected to track below budget through the fiscal year.

REVENUES:

Total revenues were \$329K over planned with sales revenues contributing \$\$481K which was offset by a decrease in other revenues. The electric division was the driving factor in sales being above planned contributing \$342K to the variance due to 1.2% higher than expected sales (384,304 kWh) during the month of July. Jet revenues continue to trend downward impacting other sales by \$85K.

The purchased gas adjustment and the purchased power adjustment are recovering wholesale energy costs as planned. No adjustments are required at this time. +