



NORWICH BOARD OF PUBLIC UTILITIES' COMMISSIONERS
SPECIAL MEETING AGENDA

6:00 P.M., Tuesday
February 7, 2012

1. Call To Order
2. Fifteen-Minute Public Comment Period
3. Minutes of the Special December Meeting, held on Thursday, December 15, 2011.
4. Financial Report
5. Strategic Presentations
 - General Transmission Supply Agreement
 - Power Supply Agreement
6. General Business
 - Gas Expansion Memo
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
9. The next Regular Meeting is scheduled to be held on Tuesday, February 28, 2012.

Upcoming Topics

Respectfully Submitted,

John Bilda
General Manager



NORWICH BOARD OF PUBLIC UTILITIES' COMMISSIONERS
SPECIAL MEETING

December 15, 2011

The Special December Meeting of the Norwich Board of Public Utilities' Commissioners was held on Tuesday, December 15, 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 7:30 a.m. by Chairman Sullivan.

Present: Chairman James Sullivan, Vice Chairman Diana Boisclair and Commissioner Larry Goldman. Secretary Alan Remondi was present by phone. Absent: Commissioner Frank Demicco. Also in attendance was General Manager John Bilda.

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

Item 3. Action Item. Resolution – State of Connecticut Congestion Mitigation and Air Quality Program Funding. The Board entered into a discussion about the proposed Resolution. Commissioner Goldman, seconded by Vice Chairman Boisclair moved to approve the following Resolution. Unanimously approved.

RESOLUTION OF INTENT TO PROVIDE A LOCAL MATCH

WHEREAS, the State of Connecticut Department of Transportation is soliciting proposals for the use of funds under the Congestion Mitigation and Air Quality Program (CMAQ) for 2012; and

WHEREAS, the projects underwritten by CMAQ funds are intended to demonstrate an improvement in air quality through a reduction in vehicle emissions; and

WHEREAS, Norwich Public Utilities with its long history of implementing successful projects that benefit air quality and emissions reductions will submit an application for consideration of CMAQ funding, and

NOW, THEREFORE BE IT RESOLVED, the Norwich Public Utilities Board of Commissioners do hereby support the above said application and commit to provide matching cash funding required under the terms of the CMAQ funding legislation.

FURTHERMORE, The Norwich Public Utilities Board of Commissioners hereby also authorize John Bilda, General Manager, to execute and file all CMAQ funding documentation, applications, instruments and documents, accept payments, and do all other things that may be necessary in the name of, and on behalf of, the City of Norwich Department of Public Utilities with the Connecticut Department of Transportation..

Chairman Sullivan, seconded by Commissioner Goldman moved to adjourn the Meeting at 7:40 a.m.

Attest:

Alan Remondi
Secretary

Review of Monthly Financial Report December 31, 2011

CASH:

Overall cash balances have decreased approximately \$3.7M from June 30, 2011 ending the month of December with total balances of \$10.2M. The Gas, Electric, and Water divisions realized cash decreases of \$446K, \$249K and \$153K respectively. The Sewer Division realized a cash increase during the month of December of \$207K.

EXPENSES:

Department expenses are down approximately \$1.5M to budget overall. Purchased power is the largest contributor to this variance at \$1.7M. Purchased power is tracking below budget due to \$943K lower than planned wholesale electric costs (\$103.10/MWh vs. \$108.38/MWh or 4.9%) and \$743K lower than planned energy purchases (down 7,325 MWh or 4.1%). Purchased gas is tracking below budget by \$221K due to lower than planned wholesale gas costs (\$3.62/MMBTU vs. \$4.81/MMBTU or 25%) and lower than planned gas purchases (down 21,234 MMBTUs or 5%).

Overall, O&M is tracking \$368K below budget. Gas, Electric and Sewer O&M are tracking below budget (\$445K) offset by Water O&M which is tracking above budget (\$76K) due to unanticipated maintenance performed in conjunction with the gas main expansion program. Customer Service, Office Expenses and Energy Efficiency also continue to track below budget. Payroll (\$686K), Employee Benefits (\$266K) and Administrative expenses (\$306K) are the largest contributors offsetting the lower than expected expenses. Approximately \$450K of payroll variance is associated with Hurricane Irene. The Employee benefits variance is related mainly to timing of health insurance expenses and Administrative expenses are also being driven by the expenses related to work during Hurricane Irene.

REVENUES:

Total revenues were \$234K lower than planned with Other Revenues contributing \$690K offset by an increase of \$456K in Sales Revenues. The Electric Division was the driving factor in sales being above planned contributing \$768K to the variance due to a combination of 2.7% lower than planned sales (down 4,765 MWh) and over recovery of the PPA for prior period electric costs. Other Divisions are tracking lower than budget associated with lower than expected sales. Gas revenues are particularly impacted by 17% warmer than expected weather (down 363 Degree days) during this fiscal year. Jet revenues continue to trend downward affecting other sales by \$582K.

Overall, the purchased gas adjustment and the purchased power adjustment are recovering wholesale energy costs as planned. There is a slight under recovery for December associated with lower than expected sales. The recovery of wholesale energy costs will continue to be evaluated on a monthly basis. No adjustments are required at this time.



Memo

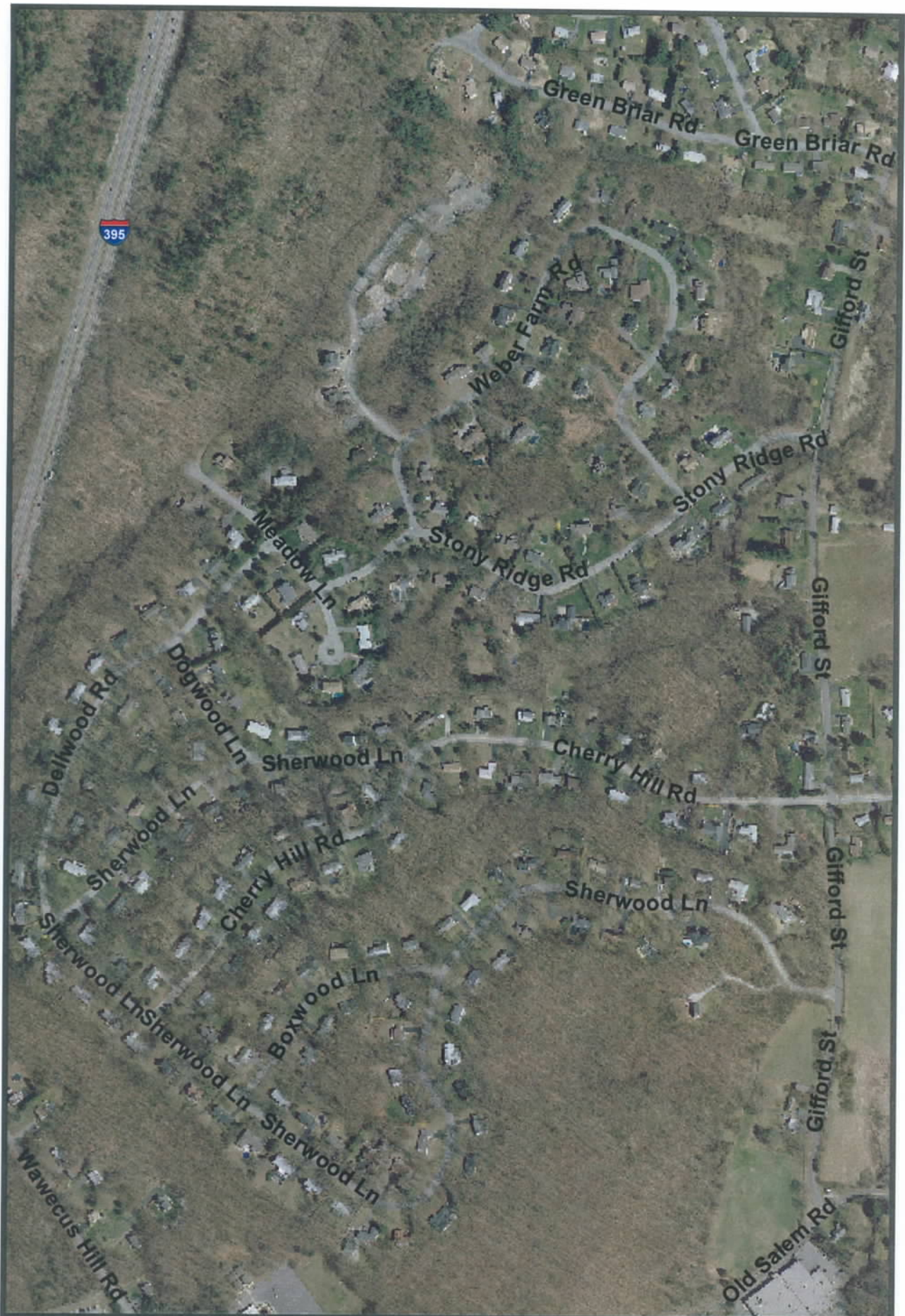
To: NPU Board
From: Mike Hughes, Communications and Community Outreach Manager
Date: 1/20/2012
Re: Natural Gas Expansion Update

We are currently attempting to ascertain what our next natural gas project is going to be. Through our vetting process, we have identified three (3) potential areas where we are concentrating our efforts. They are:

- 1.) Cherry Hill area
- 2.) Caribou Drive Area
- 3.) Briar Hill Area

Please find the enclosed maps of these areas.

We will be reaching out to potential customers in these areas in the coming months. I will update the board on the progress of this effort.



Prepared By
Norwich Public Utilities
 16 South Golden Street
 Norwich CT, 06360
 Drawn By: TTS
 DATE: January 2012



**Norwich
 Public Utilities**



COORDINATES BASED ON
 CT.S.P.C.S. N.A.D. -1983
 Not to Scale

**Proposed Gas Expansion
 Project
 Cherry Hill Road Area**



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Norwich Public Utilities

16 South Golden Street
Norwich CT, 06360

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DATE: January 2012



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COORDINATES BASED ON
CT.S.P.C.S. N.A.D. -1983

Not to Scale

**Proposed Gas Expansion
Project
Nemczuk and Caribou Dr Areas**