



N O R W I C H
BOARD OF PUBLIC UTILITIES' COMMISSIONERS
REGULAR MEETING

June 30, 2009

The Regular June Meeting of the Norwich Board of Public Utilities' Commissioners was held on Tuesday, June 30, 2009 in the Training Room at the NPU's office located at 16 South Golden Street, Norwich.

Item 1. The Meeting was called to order at 6:00 P.M. by Chairman James Sullivan.

Present: Chairman James Sullivan, Secretary Frank Demicco and Commissioners Alan Remondi and Stanley Israelite. Absent: Vice Chairman Diana Boisclair. Also in attendance were: General Manager John Bilda; NPU Staff Members Steve Sinko, Chris LaRose, Jeanne Kurasz, Jeff Brining, Jeff Dewey and Janine Saunders.

Item 2. Fifteen-Minute Public Comment Period. There were no members of the public present at this time. Commissioner Remondi commended the NPU employees who assisted at the recent Norwich 350th Anniversary Golf Tournament and stated that he felt it was a benefit to NPU to have a presence there. Chairman Sullivan added how impressed he was with the employee band, lead by Jeff and Bill Dewey, which performed at the 350th Celebration held on Friday, June 26, 2009.

Item 3. Minutes of the Regular May Meeting, which was held on Tuesday, May 26, 2009. Secretary Demicco seconded by Commissioner Remondi moved to approve the Minutes of the Regular May Meeting, which was held on Tuesday, May 26, 2009. Unanimously approved.

Item 4. Action Items.

- a. Transco Resolution Approving the Creation of a Transmission Cooperative. General Manager Bilda explained to the Board that the Transco Resolution will allow the Connecticut Municipal Electric Energy Cooperative (CMEEC) to invest in transmission that will ultimately reduce costs for NPU customers and asked the Board for a vote on the Resolution. Commissioner Remondi, seconded by Secretary Demicco, moved to approve the Transco Resolution Approving the Creation of a Transmission Cooperative as follows. Unanimously approved.

Resolution

CMEEC TRANSCO

Resolution Approving the Creation of a Transmission Cooperative

WHEREAS, The Commissioners of the City of Norwich Department of Public Utilities (“NPU”) have received an assessment from Connecticut Municipal Electric Energy Cooperative (“CMEEC”) of the potential economic benefits of joint ownership of “Pool Transmission Facilities”; and,

WHEREAS, CMEEC has proposed a legal and organizational structure that would provide maximum benefit of Transmission Joint Ownership to the participating municipal utilities.

NOW THEREFORE BE IT RESOLVED, that the Commission of NPU approves the form in substance of the attached Agreement Creating the Connecticut Transmission Municipal Electric Energy Cooperative pursuant to the procedures set forth in Title 7, Chapter 101(a) of the General Statutes of the State of Connecticut, as amended, in order to recognize the expected benefit of Transmission Joint Ownership to all electric customers of the municipal electric utilities in CMEEC and further authorized NPU management and the Chairman of the Commission to undertake the necessary action to execute the final Agreement and to submit this final Agreement to the governing body of NPU as required pursuant to CMEEC’s statute.

The above Resolution was approved by the NPU Board of Commissioners on June 30, 2009 at a meeting duly noticed and called.

AGREEMENT CREATING THE CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC ENERGY COOPERATIVE

This Agreement dated as of December 1, 2008 (the “Agreement”) creating the “Connecticut Transmission Municipal Electric Energy Cooperative” (“CT TRANSCO”) by and among the BOARD OF PUBLIC UTILITY COMMISSIONERS OF THE CITY OF NORWICH, CONNECTICUT (“Norwich”), GROTON UTILITIES COMMISSIONERS OF THE CITY OF GROTON, CONNECTICUT (“Groton”), THE BOARD OF THE DEPARTMENT OF UTILITIES COMMISSIONERS OF THE BOROUGH OF JEWETT CITY, CONNECTICUT (“Jewett City”), THE BOARD OF COMMISSIONERS OF SOUTH NORWALK ELECTRIC AND WATER OF THE CITY OF NORWALK, SECOND TAXING DISTRICT, (“South Norwalk”), THE BOARD OF COMMISSIONERS OF THE ELECTRICAL DEPARTMENT OF THE CITY OF NORWALK, THIRD TAXING DISTRICT (“East Norwalk”), BOARD OF COMMISSIONERS OF THE TOWN OF WALLINGFORD DEPARTMENT OF PUBLIC UTILITIES (“Wallingford”), and the Board of Utilities Commission of Bozrah Light and Power Company (“BL&P), (collectively, the “ CT TRANSCO Members”), any two of which are required to make this Agreement effective.

WHEREAS, Public Act 75-634 subsequently enacted as Title 7. Chapter 101a of the General Statutes of the State of Connecticut, as amended (the “Act”) authorized municipal electric utilities in Connecticut to join together to form a cooperative public corporation for the purpose of financing the construction and acquisition of electric and transmission facilities and interests therein for the purpose of furnishing efficient, low cost and reliable electric power and transmission in the areas of their operations; and,

WHEREAS, pursuant to the provisions of the Act the municipal electric utilities in Connecticut created and became members of a cooperative public corporation, as a separate legal entity constituting a public body corporate and politic of the State of Connecticut in the name of Connecticut Municipal Electric Energy Cooperative (“CMEEC”); and,

WHEREAS, pursuant to the provisions of the Act the CT TRANSCO Members desire to create and become members of a cooperative public corporation, as a separate legal entity constituting a public body corporate and politic of the State of Connecticut in the name of Connecticut Transmission Municipal Electric Energy Cooperative; and,

WHEREAS, CT TRANSCO’s purpose is to provide efficient low cost electric power and transmission to the Members and participants of CMEEC and is intended to act in concert with CMEEC in the provision of transmission services to CMEEC; and,

WHEREAS, the CT TRANSCO Members have by due and proper action previously authorized and approved the adoption of concurrent resolutions authorizing and approving the execution and delivery of this Agreement:

NOW THEREFORE, the CT TRANSCO Members agree as follows:

(1) Effective Date: This Agreement shall become effective when it is duly executed and delivered on behalf of all the CT TRANSCO Members and filed, in the office of the Secretary of State of the State of Connecticut, in accordance with Section 4 hereof.

(2) Establishment of Connecticut Transmission Municipal Electric Energy Cooperative: The CT TRANSCO Members have heretofore, by concurrent resolutions, established a separate legal entity, a public body corporate and politic of the State of Connecticut known as the Connecticut Transmission Municipal Electric Energy Cooperative (“CT TRANSCO”) in accordance with the Act.

2.1 Purpose: The purpose of CT TRANSCO is to conduct its business and affairs for the benefit CMEEC Members and participants, of the CT TRANSCO Members and any participant(s) of CT TRANSCO (a “Participant”) as authorized under the Act and any other subsequent authorizing legislation in order to be able to furnish efficient, low cost and reliable electric transmission power, energy and other authorized services to the municipalities served by the CT TRANSCO Members and Participants and to enter into transmission and other service agreements with CMEEC as necessary to effect this purpose.

2.2 Governing Board: The governing body of CT TRANSCO shall be the CT TRANSCO Board of Directors (the “CT TRANSCO Board”) consisting of representatives of the CT TRANSCO Members and other members of the CT TRANSCO Board as authorized by the Act, in which all legislative power of CT TRANSCO is vested.

2.3 CT TRANSCO: Governance Charter. The following matters include, but are not limited to, those items that shall be provided for in the CT TRANSCO governance charter documents which shall be defined as including the Act, the By-Laws, to be adopted by the CT TRANSCO Board, (the “By-laws”) and any policies duly adopted by the CT TRANSCO Board, as initially adopted and as thereafter duly amended. The Act, the By-laws and such duly adopted policies are referred to as the “CT TRANSCO Governance Charter.” The CT TRANSCO Governance Charter shall provide for policies on these items as may change from time to time by appropriate and duly authorized vote of the CT TRANSCO Board or by legislative change.

2.3.1 Composition and Voting of the CT TRANSCO Board:

Each CT TRANSCO Member shall be entitled to appoint two (2) representatives to the CT TRANSCO Board. In relevant part and to the extent not inconsistent with the Act, action may be taken, motions voted and resolutions adopted by CT TRANSCO at any meeting of the CT TRANSCO Board or by vote of the majority of the representatives present unless in any case the By-Laws of the CT TRANSCO shall require a larger number for adoption. Each Non-Member Participant in CT TRANSCO shall have representation as defined in the By-Laws of CT TRANSCO as amended from time to time with voting rights as defined in the By-Laws of CT TRANSCO and in a manner consistent with the requirements of the Act.

2.3.2. Appointment: Each of the CT TRANSCO Members shall appoint two (2) representatives to the CT TRANSCO Board, and shall have the right to appoint alternative representatives, all of whom shall satisfy the requirements for the number of representatives allowed for each CT TRANSCO Member and comply with the qualification requirements for each such representative as set forth in the By-Laws. The CT TRANSCO Board shall have the authority to appoint independent members of the CT TRANSCO Board or committees established by the CT TRANSCO Board as deemed appropriate and authorized under the CT TRANSCO Governance Charter.

2.3.3 Term: The terms of the representatives and their successors and the qualifications requirements shall be as set forth in the CT TRANSCO Governance Charter.

2.3.4 Removal: A representative may be removed by the CT TRANSCO Board for inefficiency or neglect of duty or misconduct in office.

2.3.5. Compensation: Representatives on the CT TRANSCO Board shall receive reimbursements for related expenses in connection with services as a member of the CT TRANSCO Board or authorized committee of the

Board in a manner consistent with the Act. Representatives or independent members of the Board and Board Committees may be compensated for their services and provided such other benefits as provided for in the CT TRANSCO Governance Charter.

2.3.6. Committees: The CT TRANSCO may create such committees, comprised of representatives of the CT TRANSCO Board and officials or employees of CT TRANSCO appointed thereto by the CT TRANSCO Board, for the proper administration of the activities of the CT TRANSCO Board, as are provided for in the CT TRANSCO Governance Charter.

2.3.7. Meetings of the Members: An annual meeting of the Members shall be held each year at such place in the State of Connecticut as shall be designated in the notice of the meeting to transact such business as may appropriately come before a duly constituted meeting with a quorum of the CT TRANSCO Members and Participants as defined in the CT TRANSCO Governance Charter.

2.3.8 Meetings of the CT TRANSCO Board: The CT TRANSCO Board shall meet on a schedule as set forth in the By Laws or as may be approved by the CT TRANSCO Board. Meetings shall include regular CT TRANSCO Board meetings, annual CT TRANSCO Board meetings special meetings and committee meetings.

2.4. Indemnification of Representatives: Each representative and member of the CT TRANSCO Board and any authorized committees of the CT TRANSCO Board, whether or not then in office, and his or her personal representatives, shall be indemnified by CT TRANSCO against all costs and expenses actually and necessarily incurred by he or she in connection with the defense of any action, suit or proceeding in which he or she may be involved or to which he or she may be made a party by reason of his or her being or having been such representative or officer, except in relation to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for willful or wanton negligence or misconduct in the performance of duty. Such costs or expenses shall include any awards, legal fees or amounts reasonably paid in settlement for the purpose of curtailing the costs of litigation, but only if CT TRANSCO is advised in writing by its counsel that in his or her opinion the person indemnified did not commit such willful or wanton negligence or misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which such representative or officer may be entitled as a matter of law or by agreement.

2.5. Duration of Agreement: This Agreement shall continue in force and effect until terminated at any time by concurrent resolutions adopted by each and every CT TRANSCO Member which is a party to this Agreement within a single calendar year pursuant to the Act; PROVIDED, HOWEVER, that this

Agreement may not in any event be rescinded or terminated so long as CT TRANSCO has any debts or bonds, notes, or other obligations outstanding unless sufficient moneys have been set aside irrevocably in trust to satisfy all the outstanding debts or obligations of CT TRANSCO.

2.6. Properties: All assets and properties of CT TRANSCO shall be held by CT TRANSCO for the benefit of the CT TRANSCO applicable Members and Participants, for the purposes of CT TRANSCO, including the payment of liabilities of CT TRANSCO.

(3) Powers: CT TRANSCO shall have all powers conferred by the Act as may be amended or conferred by any other applicable statute or necessarily implied there from.

(4) Filing of Agreement: A copy of this Agreement, together with the concurrent resolutions of the CT TRANSCO Members shall be filed with the Secretary of State of the State of Connecticut as soon as practicable following its execution by the CT TRANSCO Members and in all events within thirty (30) days after its execution by the CT TRANSCO Members.

(5) Notices: Any formal notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered if delivered in person or sent registered or certified mail, postage prepaid, to the persons specified below:

Chairman
Department of Public Utilities Commissioners of the
Borough of Jewett City

Director of Utilities
Jewett City Department of Public Utilities

Chairman
Second Taxing District of the City of Norwalk, Connecticut, Board of Commissioners

General Manager
South Norwalk Electric and Water

Chairman
Third Taxing District of the City of Norwalk, Connecticut, Board of Commissioners

General Manager
Third Taxing District of the City of Norwalk, Electric Department

Chairman
Town of Wallingford, Public Utilities Commission

Director of Utilities
Town of Wallingford, Department of Public Utilities, Electrical Division

Chairman
Board of Public Utilities Commissioners of the City of Norwich, Connecticut

General Manager
Norwich Public Utilities

Chairman
Groton Utilities Commissioners of the City of Groton, Connecticut

Director of Utilities
Groton Utilities

Chairman
Bozrah Light and Power Utilities Commission

President
Bozrah Light and Power Company

In the event that any other city, town, borough, municipality, taxing district or any other entity eligible for membership in CT TRANSCO becomes a CT TRANSCO Member, formal notice requirements of this section shall be automatically extended to that CT TRANSCO Member's appointed representatives to the CT TRANSCO Board.

(6) Severability: In the event that any of the terms, covenants or conditions of this Agreement or their application shall be held invalid as to any person, corporation or circumstance by any court having jurisdiction, the remainder of this Agreement and the application and effect of its terms, covenants or conditions to such persons, corporations or circumstances shall not be affected thereby.

(7) Duplicate Originals: This Agreement may be executed in several counterparts, each of which will be an original but all of which together shall constitute one and the same instrument.

(8) Amendment and Additional CT TRANSCO Members: This Agreement may be amended from time to time in accordance with the General Statutes of the State of Connecticut to provide for Additional CT TRANSCO Members or participants of CT TRANSCO by the adoption of concurrent resolutions by at least sixty seven percent (67%) of the then CT TRANSCO Members, and the filing of said resolutions with the Office of the Secretary of State of the State of Connecticut.

(9) Governing Law: This Agreement is made under and shall be governed by the Laws of the State of Connecticut.

IN WITNESS WHEREOF, the CT TRANSCO Members have caused this Agreement to be executed as of this 1st day of December, 2008.

Board of Public Utilities Commission of the
City of Norwich, Connecticut

Attest:

By: _____

By: _____

Chairman

Groton Utilities Commission of the
City of Groton, Connecticut

Attest:

By: _____ By: _____
Chairman

Department of Public Utilities Commission of the
Borough of Jewett City, Connecticut

Attest:

By: _____ By: _____
Chairman

Second Taxing District City of Norwalk, Connecticut Board
of Commissioners

Attest:

By: _____ By: _____
Chairman

Third Taxing District of the City of Norwalk ,Connecticut
Board of Commissioners

Attest:

By: _____ By: _____
Chairman

The Town of Wallingford, Public Utilities Commission of the
Town of Wallingford, Connecticut

Attest:

By: _____ By: _____
Chairman

Bozrah Light and Power Utilities Commission

Attest:

By: _____ By: _____
Chairman

General Manager Bilda presented a second Resolution, which called for the Board to appoint two members and one alternate member to the newly created TRANSCO Board of Directors. General Manager Bilda recommended the current NPU Board Members who serve on the CMEEC Board be appointed to

the TRANSCO Board of Directors. Commissioner Remondi, seconded by Commissioner Israelite, moved to approve the Resolution Approving the appointment of James Sullivan and Alan Remondi as Directors to the TRANSCO Board of Directors, which John Bilda named as alternate. Unanimously approved.

RESOLUTION

WHEREAS, the enabling statute for the Connecticut Transmission Municipal Electric Energy Cooperative (“TRANSCO”) sets forth that the governing body of the Cooperative shall be a Board of Directors, consisting of Representatives of the Members, in which all legislative power of the Cooperative is vested; and

WHEREAS, the Bylaws of TRANSCO set forth that each of the Members shall appoint two (2) Representatives to the TRANSCO Board of Directors, and each Member shall appoint one (1) Alternate Representative to the TRANSCO Board of Directors; and that Representatives and Alternate Representative shall be appointed for a term of three (3) years.

NOW THEREFORE BE IT RESOLVED that the (utility commission formal name) hereby appoints (insert 2 names) as Representatives on the Board of Directors for TRANSCO for a term of three (3) years, and (insert alternate’s name) as an Alternate Representative on the Board of Directors for TRANSCO for a term of three (3) years.

Adopted by the (Commission Name) at their meeting of (Insert Date)

- b. Clean Cities Signatory Resolution. Commissioner Remondi, seconded by Commissioner Israelite, moved to approve the Clean Cities Signatory Resolution as presented. Unanimously approved.

BE IT RESOLVED THAT: John F. Bilda, General Manager, is hereby authorized to execute and file all DOE Clean Cities Grant Award 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/Norwich Clean Cities with the Commissioner of the State of Connecticut Office of Policy Management.

Item 5. Performance Reports. The following performance reports were provided to the Commissioners for their review:

- a) Financial Reports: The May 2009 financial statements were provided to the Board for their information. General Manager Bilda updated the Board on the status of stranded debt and the CMEEC Rate Stabilization Fund. He informed the Board that he will be asking for Board input at a future Meeting (August or September). Chairman Sullivan requested that General Manager Bilda discuss options with each commissioner prior to presenting a plan.
- b) Collections Reports: Informative.
- c) Customer Satisfaction Indicators: Informative.

Item 6. NPU Tactical Information. The following tactical reports were provided to the Commissioners for their review:

- a) Operations & Construction Report. Chris LaRose provided a status report on the Wastewater Treatment Plant Digester project. Chairman Sullivan commented on the number of complaints he personally receives over issues at the Wastewater Treatment Plant and Sewer Connection Fee. He added that it is a large asset that requires extensive funds to fix, and the money received by the City from NPU over the last 5 years alone could have paid for the upgrade.
- b) Water Division Report. Informative.
- c) Communications Calendar. Informative.
- d) Energy Efficiency Initiatives. Jeff Brining presented highlights of NPU's Energy Services Program to the Board. The presentation included:
 - Presentation of the Energy Innovation Award to CMEEC at the APPA National Conference.
 - Components of the Commercial & Residential Efficiency Programs.
 - Details of the Natural Gas Efficiency Program, including the amount of additional gas load (\$30K) realized from customers switching to natural gas. He also discussed the savings to the City as a result of NPU maintaining Board of Education and Public Works HVAC systems and a new project underway at the Board of Education involving a remote digital control system which utilizes the fiber network to control the systems at schools and improve efficiencies.
 - Renewable projects, including the solar PV project at the Norwich Fire Department and the future construction of (2) wind turbines. He also discussed a recent installation of a residential geothermal system in Norwich and a project proposed at the City's building department office.
 - Combined Heat & Power projects, including the proposed installation of a methane micro turbine at the Wastewater Treatment Plant.
 - Discussion of demand-side management.

Commissioner Remondi questioned the availability of high efficiency heating appliances for customers who do not have access to natural gas. He also asked about limiting factors for each technology. In response to a request from Chairman Sullivan, General Manager Bilda provided an explanation as to how customers benefit from demand-side management, in terms of cost savings by avoiding transmission and capacity charges, and the elimination of using "dirty" generating plants to provide additional power during times of peak demand.

- e) Construction Project Status Report. Informative.
- f) PGA/PPA. There are no changes to the PGA or PPA this month.
- g) ARRA Stimulus Grants. Informative.
- h) Other

Commissioner Remondi seconded by Commissioner Israelite motioned to recess the meeting at 6:55 p.m. and enter into the Sewer Authority Meeting.

The Board Meeting resumed at 7:25 p.m.

Item 7. Executive Session Commissioner Remondi seconded by Secretary Demicco moved to enter into Executive Session at 7:26 p.m. 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.

Unanimously approved. General Manager Bilda was asked by the Board to stay for the purpose of providing proprietary information.

The Board arose from Executive Session at 7:40 p.m.

There were no votes taken during Executive Session.

Item 8. Other Business.

Item 9. The next Regular Meeting is scheduled for Tuesday, July 28, 2009.

Commissioner Remondi, seconded by Commissioner Israelite, moved to adjourn the Meeting at 7:41 p.m. Unanimously approved.

Attest:

Frank Demicco
Secretary