

1 DRAFT

2 PUBLIC UTILITIES COMMISSION

3 ELECTRIC DIVISION

4 100 JOHN STREET

5 WALLINGFORD, CT

6 Tuesday, January 16, 2018

TOWN OF  
WALLINGFORD

JAN 22 2018

DEPARTMENT OF  
PUBLIC UTILITIES

7 MINUTES

8  
9 **PRESENT:** Chair Robert Beaumont; Commissioners Joel Rinebold and Patrick Birney (arrived at  
10 6:58 p.m.); Director Richard Hendershot; Electric Division General Manager Tony Buccheri;  
11 Business Manager Tom Sullivan; Water and Sewer Divisions General Manager Neil Amwake;  
12 Business Manager William Phelan; Recording Secretary Cynthia Kleist; Public – None.

13 Chair Beaumont called the Meeting to order at 6:31 p.m.

14 **1. Pledge of Allegiance**

15 **2. Discussion and Action: Approval of the PUC Meeting Minutes of November 29,**  
16 **2017.**

17 **Mr. Rinebold made a motion to approve the Meeting Minutes of November 29, 2017**  
18 **as presented. Mr. Beaumont seconded the motion.**

19 **Vote: 2 ayes**

20 **Approval of the PUC Meeting Minutes of December 8, 2017. Mr. Rinebold made a**  
21 **motion to approve the December 8, 2017 Meeting Minutes as presented. Mr.**  
22 **Beaumont seconded the motion.**

23 **Vote: 2 ayes.**

24 **Approval of the PUC Meeting Minutes of December 19, 2017. Mr. Rinebold made a**  
25 **motion to approve the December 19, 2017 Meeting Minutes as presented. Mr.**  
26 **Beaumont seconded the motion.**

27 **Vote: 2 ayes.**

28 **3. Discussion and Action: Approval of the Director's Report for the Month of**  
29 **December 2017. Mr. Rinebold made a motion to approve the Director's Report**  
30 **for the Month of December 2017. Mr. Beaumont seconded the motion.**

1           **ELECTRIC DIVISION**

2   Mr. Hendershot reported that system input for December totaled 52,856 MWh, an increase of  
3   2.3% from December 2016. He said system peak was 94.32 MW, an increase of 0.4% from the  
4   December 2016 peak; Service work during December included 48 LED conversions and 16  
5   street light repairs. Mr. Hendershot noted the Division had no active recruiting efforts underway  
6   as of the end of December, but noted the Chief Electrician has given his retirement notice for  
7   early March. Mr. Hendershot said that on December 29, Tony Buccheri began work as the  
8   WED's new General Manager.

9   LS Power/Wallingford Energy Plant Expansion Project

10   Mr. Hendershot said the project is essentially done, except for some punch-list items. He said  
11   progress is being made on the close-out efforts.

12   Wholesale Power Supply

13   Mr. Hendershot noted that in November, 92.6% of WED's load was hedged; vs. a forecast  
14   hedging level for November of 90.1% because the actual energy purchase was less than  
15   forecasted so the hedged amount covered more of the total. He said the actual all-in cost in  
16   November per MWh was \$92.91 which compared favorably to the 2016/2017 FY budget  
17   forecast for November of \$98.49. He said the prevailing six-month PCA forecast (7/1/17-  
18   12/31/17) equaled \$98/46 per Mwh.

19   WED's generation cost: average cost for hedged volume equaled #48.67 MWh; average cost for  
20   total volume equaled 48.10 MWh. Mr. Hendershot noted that in November, WED purchased  
21   much more "short" energy at favorable prices than it sold "long" energy at prices below the  
22   hedged cost and so the cost of the total volume of energy was less than the cost of the hedged  
23   energy. He said this will most likely not be the case in December. Mr. Hendershot said actual  
24   capacity costs were \$61,545 less than budgeted.

25   Mr. Rinebold asked about the Energy Conservation Programs on page 3-6 and wondered if  
26   there was an analysis of returns on investment. He asked if there was a sense of what  
27   programs work the best, what should be reinforced and what programs might not be as good  
28   and need fixing or adjusting. Mr. Hendershot said the commercial programs are always the best  
29   use of a dollar spent because of the size of the energy savings involved, noting that commercial  
30   lighting is nearly always a "slam dunk" and almost always makes sense for the customer.

31   Mr. Hendershot pointed out that on the residential side, light bulb giveaways are good  
32   statistically because there isn't labor involved, but one can claim the energy savings of so many  
33   hours per day, per bulb that is handed out. He said the Home Energy Saving (HES) program is  
34   barely a break-even enterprise. He noted that Cool Choice, the prescriptive HVAC, has a good  
35   cost benefit ratio as well. Mr. Rinebold asked if there was any value in having more quantitative

1 information on this. He asked if this would be of interest to Chair Beaumont and Mr. Birney. Mr.  
2 Rinebold said it's not the granularity of it, but more of the quantitative comparison of which  
3 investments provide the best payoffs. Mr. Hendershot said this is a two-sided coin from a purely  
4 quantitative standpoint on which investments are the best. He said there is also the need to  
5 ensure WED promotes the programs we know are encouraged tacitly by the Energy Efficiency  
6 Board. Mr. Hendershot said WED is working with its Consultant to produce the 2017 Report. He  
7 said he could re-issue the 2016 Report to the PUC for a year-to-year comparison and could talk  
8 to the Consultant regarding cost benefit analysis. Mr. Hendershot said for the customer, a bill  
9 reduction for not spending a lot of money is a winner and for the system, peak reduction is a  
10 winner. Mr. Beaumont wondered if it would be worthwhile to do a year over year comparison.

11 Mr. Rinebold asked about penalties from energy purchased out of the CT Load Zone on page 3-  
12 7. He said he was looking at the NYPA delivery to the New England/New York interchange and  
13 seeing the charge and asked if this was a decision made system-wide. Mr. Hendershot said this  
14 is WED's share of the transmission cost associated with moving WED's share of the energy from  
15 the NY/NE interface to Connecticut. Mr. Hendershot said this is the net cost for transmission  
16 associated with the movement of energy in the course of a month.

## 17 **WATER DIVISION**

18 Mr. Hendershot said water production for December totaled 98.5 million gallons, a decrease of  
19 5.1% from December 2016; reservoir storage was at 81% of total effective impoundment,  
20 below the historical average for December of 83.8%. He said this was due to another month of  
21 below-average precipitation.

### 22 **Pond Hill Emergency Interconnection Station**

23 Mr. Hendershot noted the progress at the Pond Hill Emergency Interconnection Station. He said  
24 the bid was awarded in late December to Kovacs Construction Corp., with the contract signed  
25 on January 3 which obligates Kovacs to finish the project by July 3 subject to weather delays.

26 Division crews responded to and repaired two main breaks and three service leaks during  
27 December. Interviews of candidates for the vacant Maintainer II (Watershed Crew) position  
28 have begun. Mr. Hendershot noted progress on the North Main Street project, noting five water  
29 services were replaced and connected to the new water main and the new main was connected  
30 to the existing main at Dutton Street.

31 Mr. Rinebold asked on 3-101 regarding the copper service line which was damaged by a  
32 Contractor, at 28 Wall Street. Mr. Amwake explained this copper service line was hit by the  
33 Contractor working on the sanitary sewer replacement project along Constitution and Wall  
34 Streets. Mr. Rinebold asked if the Contractor was responsible. Mr. Amwake said because a  
35 customer was without service, the Division immediately responded. He said the Contractor is  
36 responsible for excavating the trench and the Division crews do the tap at the water main and

1 install the new copper water service to the curb stop. Mr. Rinebold asked if there was a cost to  
2 the public and the utility, and if the water service line replacement gets assessed onto the  
3 Contractor. Mr. Amwake said the Division back charges the Contractor for labor, overhead and  
4 materials. He said this is standard practice. Mr. Hendershot highlighted a graph on 3-109 which  
5 he said was the graph which points out annual water production. Mr. Amwake said this is a fair  
6 drop and noted the Division is seeing Bristol-Myers Squibb wind down their operations and after  
7 the drought in 2016, he believes people became acclimated in using less water.

## 8 **WASTEWATER DIVISION**

9 Mr. Hendershot noted that at the Wastewater Treatment Plant, the average daily flow during  
10 December was 4.47 MGD, an increase of 2.55% over December 2016. Nitrogen discharge for  
11 the month averaged 414 pounds per day which he noted was over the December 2016  
12 discharge rate of 385 pounds per day as well as the permit level of 269 pounds per day. He said  
13 the YTD average is 415 pounds per day, vs. last year's YTD average of 379 pounds per day. Mr.  
14 Hendershot said the collection system staff televised 8,380 linear feet of sewer main, with 1,321  
15 feet flushed. YTD, 36.1 miles of sewer line have been televised, and 14.2 miles flushed; the  
16 sewer main replacement effort along both Wall Street and Constitution Street is essentially  
17 complete with final paving to be done in the spring.

### 18 WWTP Facility Plan

19 Mr. Hendershot said he, Mr. Amwake, Sr. Engineer Erik Krueger, and WWTP management staff,  
20 met with AECOM on January 5. He said at that meeting, AECOM described the status of the  
21 draft plan and their expectation that it will be completed by Jan. 31, based on a selection of  
22 preferred treatment technology by the Sewer Division by Jan. 12. He said a field trip to  
23 Westborough Mass scheduled for January 17 will be rescheduled. He said this plant is similar to  
24 the WED plant's daily flow. Mr. Amwake pointed out that Westborough has been treating  
25 phosphorous with its new treatment technology for about six years.

### 26 Private Side I/I Mitigation Program

27 Mr. Hendershot said Division staff conducted 41 inspections, which identified three total  
28 connections; two sources were removed during December; the total number of issues corrected  
29 stands at 61. Mr. Rinebold said he supported this program, but asked Mr. Hendershot if the  
30 program was meeting his expectations noting 61 I/I issues corrected since 2015. Mr.  
31 Hendershot said Mr. Amwake and staff have begun working on a 2.0 version of this program.  
32 He said this program was an important thing to do. He said he believes the program is  
33 underutilized by the public and the Division must think of ways to get into more buildings. He  
34 said focusing I/I efforts is also being worked on. Mr. Amwake said a two-hour planning session  
35 took place Tuesday morning. He said a more data based foundation for decision-making is  
36 needed.

1 Mr. Hendershot called attention to page 3-110 of the Monthly Reports noting sewer flows which  
2 he said has declined slightly over the past 20 years. He noted that in 2017 less water was  
3 pushed into the water system, (homes and factories), but more water flowed through the sewer  
4 system. Mr. Amwake said it is important to note the intensity of the storms, noting that with  
5 several small storms, the soil can absorb rain water and thus we may not get as much  
6 infiltration and inflow. He said in 2017, there were several larger storms and the ground was  
7 already saturated so there would be less absorption and more infiltration.

8 On page 3-104, Mr. Birney asked about the high water consumption notice and how this would  
9 be dispatched to the water customers. Mr. Amwake said the Division has a high water  
10 consumption notice that is sent out. He said the Division goes through the high-low report  
11 every month, and if a customer's usage is more or less than 50% of usage for the same quarter  
12 prior-year, the Division flags that customer. Mr. Amwake went over the High Water  
13 Consumption Notice and said the Division is willing to go to the customer and walk their site.  
14 Mr. Amwake said the Division takes a small town approach, but also a business approach.

15 Mr. Birney commented on pg. 107, the Annual Measured Rainfall at MacKenzie Reservoir,  
16 noticeably the 1856-2017 mean rainfall. Mr. Amwake said this is reported once a quarter and  
17 has been done before. He said a few years are missing (WW1 and WW2 years). He said  
18 according to Mr. Krueger, Wallingford has one of the longest historical rainfall records in  
19 Connecticut. Mr. Beaumont said this came about because the person who became the first  
20 Chair of the Water Commission, started keeping track of weather phenomena approximately  
21 1856. Mr. Birney asked the significance of this length of time. Mr. Amwake said the 1856 to  
22 2017 will take out the high and low years. He said generally, he tends to look at the 10-year  
23 mean rainfall which he said is more reflective of modern times. He said five of the last six years  
24 are below the 10-year mean.

25 Mr. Rinebold asked about the PURA Regulations on pg. 105. Mr. Phelan said these Regulations  
26 state that based upon the three tests which are conducted for a customer that questions their  
27 meter accuracy, that if the meter records greater than 2% average on the high and  
28 intermediate, the bill has to be adjusted. Mr. Rinebold asked how far back this goes. Mr. Phelan  
29 said he believes the Regulations call for a five-year period. He said for this particular  
30 Regulation, the Town doesn't fall under, but adheres to it as a guide.

31 **Vote: 3 ayes**

32 **PUBLIC QUESTION & ANSWER PERIOD -7:23 p.m.-NO QUESTIONS – END AT 7:23**  
33 **p.m.**

34 **WATER/SEWER**

35 **4. Review of Water/Sewer Division Disbursements for the Month of December**  
36 **2017 – REVIEW ONLY-NO ACTION REQUIRED – NO QUESTIONS**

1       **ELECTRIC**

2       **5. Review of Electric Division Disbursements for the Month of December 2017 –**  
3       **REVIEW ONLY – NO ACTION TAKEN**

4       On page 5-3, Mr. Rinebold asked about a \$153,000 contribution to the Town. Mr. Sullivan said  
5       this is the contribution to the Town based upon the \$3.14 cents per MWh sold which is just  
6       under \$1.9 million. Mr. Beaumont explained for every MWh, WED gives the town \$3.14 which  
7       amounts to approximately \$1.9 million for the year. Mr. Hendershot noted that FY15/16 sales  
8       dictated the payment being made in 2017/2018. Mr. Rinebold asked about Legal Services,  
9       Duncan Allen. Mr. Hendershot explained these are two minor charges for two different months.  
10      He said John Coyle of Duncan Allen is representing WED and some larger ENE (Energy New  
11      England) customers in a docket involving transmission prices and FERC (Federal Energy  
12      Regulatory Commission). Mr. Birney asked for a status update.

13     On page 5-1, Mr. Rinebold asked about McCarter & English. Mr. Sullivan said these figures are  
14     associated with LS Power. Mr. Rinebold asked about meals and travels, noticing there were a  
15     lot. Mr. Hendershot said these are December disbursements probably for meals for the storm  
16     which occurred the end of October. On 5-15, Mr. Rinebold asked about CT Orthopedic Specialty  
17     Group. Mr. Sullivan said the Risk Manager reviews and approves this which is then submitted to  
18     the Division for payment. He said \$150,000 is kept in reserve for Worker's Compensation. Mr.  
19     Rinebold asked how do these medical payments fall in line of what would be considered high or  
20     low average. He asked if there is a safe work environment and playing out for staff safety. Mr.  
21     Hendershot noted this is not a good barometer for the WED safety record, just the costs of  
22     injuries. He said there has been a good amount of training in ergonomics and at least once a  
23     year, the employees are trained how to walk on various surfaces.

24     Mr. Rinebold said he has no problem with the accounting and disbursements, but wanted to  
25     know if the Division is getting a lot of injuries and claims or is there a trend. Mr. Hendershot  
26     noted it is a small population and it only takes a few incidents to skew the numbers.

27     **NO ACTION TAKEN-DISCUSSION ONLY**

28     **PUBLIC HEARING – ECONOMIC DEVELOPMENT RIDER – 7:15 p.m.- OPENED AT 7:40**  
29     **p.m. NO PUBLIC QUESTIONS**

30     **6. Discussion and Action: Approval of the Economic Development Rider.**

31     In his Dec. 28, 2017 memo, Mr. Sullivan noted the Downtown Economic Development Rider  
32     (DEDR) currently in effect, expired Dec. 31, 2017. The rider had been renewed by the PUC two  
33     years ago for customers taking over vacant space in the targeted downtown area during the  
34     period of January 2016 through December 2017. In order to continue to offer the DEDR to new  
35     customers, the PUC must take action to renew the rider. The activity reflects electric rate

1 discounts applied over a five-year period at a rate of 50% for the customer's first year, followed  
2 by declining discounts of 40%, 30%, 20% and 10% in their second through fifth year. In 2017,  
3 the total DEDR discount was \$19,079.11. Mr. Birney said he strongly supports the DEDR. Mr.  
4 Rinebold said this is an admirable program to bring vitality to the downtown district. Mr.  
5 Beaumont said this DEDR has been one factor in luring businesses, noting 51 new businesses  
6 came to Wallingford, not all in the downtown area, in 2017. Mr. Rinebold thanked Mr. Sullivan  
7 for his cost breakout report.

8 **END OF PUBLIC HEARING AT 7:43**

9 **Mr. Birney made a motion to approve the DEDR for CY 2018/2019. Mr. Rinebold**  
10 **seconded the motion.**

11 **Vote: 3 ayes.**

12 **7. Discussion and Action: Transfer – Transmission Operations – Station Expense.**

13 In his Jan. 9, 2018 memo, Mr. Sullivan explained this budget transfer is seeking an additional  
14 \$5,000 in Account #562 Transmission Operations – Station Expenses. He said the additional  
15 funds are needed to cover anticipated transmission relaying support services for the balance of  
16 the fiscal year and funds are available from Acct. 570 – Transmission Maintenance – Station  
17 Equipment, where the planned insulating gas reconditioning of four circuit breakers will not take  
18 place in the current fiscal year.

19 **Mr. Birney made a motion to approve the Electric Division Transfer – Transmission**  
20 **Operations – Station Expense. Mr. Rinebold seconded the motion.**

21 **Vote: 3 ayes.**

22 **8. Discussion and Action: Proposed Second Amendment to the Agreement with**  
23 **Wallingford Energy (LS Power)**

24 Mr. Birney asked about the purpose of the Amendment. Mr. Hendershot said it involved the  
25 entity that LS Power created to do this project. In his Jan. 10, 2018 memo, Mr. Hendershot  
26 explained the Second Amendment is required to formally shift responsibility for providing Final  
27 Completion documents from Wallingford Energy II to Wallingford Energy. WEII is a special  
28 purpose entity that Wallingford Energy used as contract counter-party with the equipment  
29 suppliers and construction contractors for the transmission upgrades that Wallingford has taken  
30 title to. LS Power controls both entities. WEII however, has no assets. Wallingford Energy does  
31 have assets and has a contractual relationship with Wallingford that required it to undertake the  
32 transmission upgrades. The proposed 2<sup>nd</sup> Amendment assures that the Town will continue to  
33 look to Wallingford Energy, and not to WEII, for performance of Wallingford Energy's contract  
34 obligations.

1 Mr. Rinebold asked about the language going from page 1 to page 2 "shall cause to transfer"  
2 and asked if there should be language reading "shall in turn transfer to the Town". Mr.  
3 Hendershot said this 2<sup>nd</sup> Amendment requires Wallingford Energy to require WEII to transfer  
4 anything WEII has to Wallingford Energy.

5 He said when final completion documents and an assumption agreement are executed, this will  
6 be with Wallingford Energy. Mr. Rinebold said he didn't understand why the Town is signing this  
7 if the Town isn't getting anything. Mr. Birney said he would like to discuss the entire LS Power  
8 relationship, what is going on, what we are doing, dollars and cents back and forth. Mr.  
9 Rinebold said he supported this stating that he didn't understand why this was being done. He  
10 emphasized he didn't object to this, but didn't understand why WED was a part of this.

11 **Mr. Birney made a motion to authorize the Director of Public Utilities to sign the**  
12 **Proposed Second Amendment to the Agreement with Wallingford Energy (LS**  
13 **Power). Mr. Rinebold seconded the motion.**

14 **Vote: 3 ayes**

15 **COMMITTEE REPORTS/CORRESPONDENCE**

16 Mr. Hendershot asked the PUC if they would be interested in a tour of the nearly completed  
17 truck storage facility at the next PUC meeting in three weeks. He said the final paving isn't done  
18 as well as the epoxy floor which will be completed in the spring.

19 Mr. Hendershot also noted that he and Mr. Amwake made changes to the seating plan for the  
20 PUC meetings. He handed out a new seating plan to the PUC which agreed to the plan. Mr.  
21 Hendershot noted an Executive Session one week from Wednesday regarding the CMEEC  
22 arbitration.

23 Mr. Hendershot spoke about Youngs Apple Orchard's lease of the SNET tower to be put back  
24 onto the agenda.

25 He also mentioned the color ads noting WED is coordinating with Eversource who will be doing  
26 a direct mail to their gas customers. He said WED will time the publication of the ad to when  
27 Eversource direct mails their customers.

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31 **Executive Session pursuant to Section 1-225(f) and 1-200(6)(A) concerning**  
32 **appointment and employment evaluation of a public employee**



1 **Mr. Birney made a motion to go into Executive Session pursuant to Section 1-225(f)**  
2 **and 1-200 (6)(A) concerning appointment and employment evaluation of a public**  
3 **employee at 8:05 p.m. Mr. Rinebold seconded the motion**

4 **Vote: 3 ayes**

5 **Present at Executive Session:** Chair Robert Beaumont; Commissioners Patrick Birney, Joel  
6 Rinebold; Director of Public Utilities Richard Hendershot.

7 **Adjournment**

8

9

10 Respectfully submitted

Respectfully submitted,

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12 Cynthia A. Kleist

Joel M. Rinebold

13 Recording Secretary

Secretary

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