

APPROVED

1/17/23

PUBLIC UTILITIES COMMISSION

WALLINGFORD TOWN HALL

ROOM 315

45 SOUTH MAIN STREET

WALLINGFORD, CT 06492

Tuesday, December 20, 2022

6:30 P.M.

MINUTES

**PRESENT:** Chairman Robert Beaumont (via teleconference); Commissioners Patrick Birney and Joel Rinebold; Director Richard Hendershot; Electric Division General Manager Tony Buccheri; Water and Sewer Divisions General Manager Neil Amwake; Water and Sewer Divisions Business Manager Donald Langenauer and Acting Recording Secretary Michelle Bracale

*Absent* – Electric Division Business Office Manager Marianne Dill

*Members of the Public* – None

Mr. Birney called the Meeting to order at 6:31 P.M., and the pledge of Allegiance was recited.

**1. Pledge of Allegiance**

**2. Consent Agenda**

- a. Consider and approve Meeting Minutes of December 6, 2022.

**Motion to Approve the Consent Agenda**

**Made by: Mr. Beaumont**

**Seconded by: Mr. Rinebold**

**Votes: 3 ayes**

**3. Items Removed from Consent Agenda – None**

**4. Discussion and Action: Approval of the Director's Report for the Month of November 2022**

39 Mr. Rinebold questioned item 4-13, fourth bullet down on the report. DAM spot market prices  
40 ranged from \$3,300.00/MWh to \$103.98/MWh, noting that he'd never seen it that high before.  
41 Mr. Hendershot stated that he would look into it with more detail and follow up. Mr. Rinebold  
42 stated that if it is just a typo, it needs to be fixed.

43

44 **Motion to Approve the Director's Report for the Month of November 2022 (confirming**  
45 **bullet 4 on Page 4-13 stating DAM spot market prices ranged from \$3300/MWh to**  
46 **\$103.98/MWh – Change will be noted if necessary)**

47

48 **Made by: Beaumont**

49 **Seconded by: Rinebold**

50 **Votes: 3 ayes**

51

## 52 **5. WPCF Upgrades Project**

53

54 Mr. Amwake updated the Commission on the construction of the WPCF Upgrades Project, and  
55 thanked them for taking part of the tour on the previous Saturday, December 17, 2022.

56

57 In regards to general items, the Town, the Contractor and the Engineer continue to review and  
58 complete outstanding punch list items. Testing and balancing of the Automatic Temperature  
59 Control HVAC systems has been completed.

60

61 At the Anaerobic Basin, the influent baffle for the AB has been installed. With the influent  
62 baffle now in place the design engineer, AECOM, and the Sewer Division are taking a closer  
63 look at the geometry of the influent baffle and the resultant flow pattern through the AB to  
64 ensure proper mixing of the wastewater and the return activated sludge (RAS) in the Anaerobic  
65 Basin.

66

67 Mr. Amwake noted that since the Anaerobic Basin was turned on in late April/early May, the  
68 nitrogen numbers are much improved. This should result in less nitrogen credits having to be  
69 purchased in future years.

70

71 At the existing UV Tank, replacement of the temporary conduit and wiring along the existing  
72 UV structure for the Drain Pump Station and site lighting is complete.

73

74 At the Tertiary Phosphorus Building (TPB), the replacement polymer pumps and appurtenances  
75 have been installed. The next step is to perform testing and to ensure proper scaling of the  
76 polymer pumps.

77

78 Net change orders as approved by Department of Energy and Environmental Protection still  
79 stands at \$534,114.66. Four additional change orders have been submitted to DEEP for formal  
80 approval, and with the value of those change orders the project is at 1.87% for change orders.

81

82 Mr. Beaumont and Mr. Rinebold both agreed that they are fine with waiting on the DEEP.

83

84 Construction Contract Payment Applications – C.H. Nickerson

85	Original Contract Sum	\$45,507,000.00	
86	Net Change Orders	<u>\$534,114.66</u>	<i>(No Change this Month)</i>
87	Contract Sum to Date	\$46,041,114.66	As of November 15, 2022

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89

90 Construction Contract Schedule

91	Original Completion Date	February 10, 2022	
92	Net Change Schedule Days	<u>193</u>	<i>(No Change this Month)</i>
93	Contract Completion Date	August 22, 2022	<i>(As of November 15, 2022)</i>

94

95 Mr. Beaumont thanked Mr. Amwake for conducting the quarterly tours over the years and  
96 all Commissioners agreed that the tour was very informative. Mr. Beaumont added that it was a  
97 pleasure meeting Sean Baia, Assistant Sewer Division Superintendent, who was helpful  
98 answering questions on the tour this past Saturday as well.

99

100 Mr. Beaumont also thanked Mr. Amwake and his staff for all the work that they have done over  
101 the last several years. It was certainly appreciated.

102

103 Mr. Rinebold thanked Mr. Amwake as well as Sean for the tour on Saturday and complimented  
104 Mr. Amwake on the overall management of the project stating how well done it has been from  
105 the start.

106

107 Mr. Birney added that the project could not have happened without Mr. Amwake, and once  
108 again, thanked him for all of his efforts.

109

110 **Public Question and Answer Period**

111

112 No Members Present

113

114 **Public Question and Answer Period Closed**

115

116 **6. Discussion and Possible Action: Power Cost Adjustment January 2023 –**  
117 **June 2023**

118

119 Mr. Hendershot began by informing the Commission that WED's Retail Rate 12 requires that the  
120 WED calculate a PCA at least twice a year (noting his memorandum dated December 15, 2022),  
121 for implementation on bills issued during January through June, and bills issued July through  
122 December. Using the process described by Rate 12, the value works out to be \$0.021076 per  
123 kWh, noting that the current PCA (as applied since July 1, 2022), is \$0.0081 per kWh, a  
124 difference of \$0.012976, or just under 1.3 cents. He noted that he understands it is not an

125 insignificant number. It is his and the WED staff recommendation to leave the PCA as  
126 calculated. The analysis that was done (as noted in Ms. Dill's memorandum) includes actual  
127 purchased power costs and sales volumes for July through October 2022, estimated purchased  
128 power costs and sales volumes for November and December 2022, and the next six month's  
129 projections from the Energy New England (ENE) power forecast dated November 14, 2022.

130  
131 Mr. Hendershot went on to explain that minimum cash is formula based which addresses  
132 customer deposits, capital plan, etc. and therefore, cash above minimum that is available, is  
133 basically a "rainy day fund". That is what we would first use in response to a physical disaster.  
134 Also, we looked at six months out calculating/estimating that the PCA in six months will be  
135 about the same as it is right now, based on the fact that we are 95% hedged for calendar year  
136 2023 at this time. There is a scheduled rate change of around 4% for the typical residential  
137 customer on July 1 and if we reduce the PCA now, it could be a more significant increase later.

138  
139 Mr. Rinebold asked that if we leave the rate at \$0.0081 per kWh, it will cost about \$3.4 million  
140 dollars of WED cash (which is about half above the minimum requirement). He questioned  
141 whether that other half might be of value for other unforeseen projects, such as lines and  
142 transformers?

143  
144 Mr. Buccheri stated that is a distinct possibility and it is beneficial to have a contingency plan.

145  
146 Mr. Hendershot reiterated that the cash above minimum is the contingency plan and is necessary.

147  
148 Mr. Rinebold questioned how that will affect the rate?

149  
150 Mr. Buccheri stated that if the Commission decides to change the PCA and there is a rate  
151 increase in July, then the typical residential customer would pay closer to \$12.00 or \$13.00 more  
152 as opposed to \$9.73.

153  
154 Mr. Buccheri as well as Mr. Hendershot also explained that in the second half of 2023, WED  
155 will still have the surplus of cash that will be available for use if needed, as long as nothing  
156 unexpected occurs.

157  
158 Mr. Beaumont stated that even though he is not enthusiastic about the PCA going up, he is  
159 content that it is only 8%, averaging only \$9.73 for the average individual WED customer as  
160 opposed to \$80.00/month increases he has been hearing that Eversource and Avangrid customers  
161 are anticipating.

162  
163 Putting into context where we are versus where those customers are, really puts things into  
164 perspective.

165  
166 Mr. Birney wanted to emphasize that the projected increase in rates that circulated a few weeks  
167 back and asked Mr. Hendershot to elaborate on the \$80.00 number for the record.

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Mr. Hendershot explained that at the last meeting, the chart circulated with projected increases (rate comparison) were actual numbers pre-increase. He went on to say that this is a higher wholesale power supply cost, effective the first of the year. So those numbers have not been posted yet, but they are forthcoming.

Mr. Hendershot stated that the Commission does not need to do anything for the PCA to remain as calculated, that they don't need to take any action.

Mr. Birney stated that they may because it is over ½ cent which permits them to utilize or modify the staff recommendation. With that said, he understands Mr. Buccheri's comments about the unknown's regarding storms and weather and what may happen which can potentially have a big impact on our contingency funds. As much as it pains him as a ratepayer and Commissioner to take no action, he understands the importance of the cash over minimum.

Mr. Birney reiterated that if the Commission takes no action on the PCA at this time, that there will be an incremental increase rather than one large increase in July to which Mr. Hendershot responded "yes".

**No Action Taken**

**7. Correspondence**

Mr. Beaumont wanted to state that this has been a very interesting month and a half for two of his fellow Commissioners. First off, the Chairman of the evening and Vice Chair for the last seven years, had the good fortune to become the Town of Wallingford Probate Judge back on Election Day. About a week after that, Mr. Rinebold received word from the Governor's office that he has been nominated to be on the Commission of Environmental Quality for the State of Connecticut. There are five individuals who were nominated for two terms not to be a total of eight years in any twelve-year period.

Thanksgiving week, Mr. Beaumont nominated Mr. Rinebold to be on the Policy Management Council for APPA. Earlier in the month, we received a notice from APPA noting that there were three or four positions open for the Northeast. With that, Mr. Beaumont submitted Mr. Rinebold's name.

On Saturday, Mr. Rinebold mentioned to Mr. Beaumont that he had received a lifetime achievement award for his experience in the energy business for the past two (2) plus decades from the Secretary of State's Office.

Lastly, Mr. Beaumont said the one sad thing this month is the fact that we will be losing Mr. Birney as a Commissioner on December 31, 2022, because he is resigning in order to become the Probate Judge.



211  
212 Mr. Beaumont stated that the Commission has enjoyed the opportunity to work with Mr. Birney  
213 for the past seven years as his Vice Chairman, adding that he has grown in the position and  
214 provided a different perspective than what Mr. Beaumont could have or any of the others could  
215 have based on Mr. Birney's legal knowledge. It has been an absolute pleasure to serve with him  
216 and he will be missed.

217  
218 Mr. Birney appreciated the kind words and thanked Mr. Beaumont for all of his mentoring the  
219 past seven years. He stated that it has been an honor to work with him and Mr. Rinebold, as he is  
220 very grateful to have been a part of this Commission over the last seven years where he has  
221 learned so much. He also congratulated Mr. Rinebold on his many accomplishments.

222  
223 **Motion to Recognize Patrick Birney's contributions to Maintaining Reliability, Consumer**  
224 **Cost, and Environmental Performance to Public Power, Water Supply, Water Treatment**  
225 **Systems in Wallingford and Congratulate him on his Election to Probate Judge for the**  
226 **Town of Wallingford**

227  
228 Made by: Rinebold  
229 Seconded by: Beaumont  
230 Votes: 2 Ayes

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232 (Mr. Birney abstained from the vote)

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235 **ADJOURNMENT**

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238 **Motion to Adjourn**

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240 **Made by: Beaumont**  
241 **Seconded by: Birney**  
242 **Votes: 3 Ayes**

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244 The meeting was adjourned at approximately 7:08 p.m.

245  
246 Respectfully submitted,

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249  
250 Michelle Bracale  
251 Acting Recording Secretary

Respectfully submitted,



Joel Rinebold  
Secretary