



## Third Taxing District

2 Second Street  
East Norwalk, CT 06855

Tel: (203) 866-9271  
Fax: (203) 866-9856

### Third Taxing District of the City of Norwalk

#### Special Commission Meeting

**Monday, June 25, 2018 at 7:00p.m.**

At the Third Taxing District Office, 2 Second Street, East Norwalk, CT

1. Public Comment – 15 Minute Limit
2. Minutes of Meeting – June 4, 2018 Regular Meeting – A/R (Pgs. 1-9)
3. Review and Approval of 2018-19 Annual Operating & Capital Budgets (Special Binder Provided) – A/R (Pgs. 10-49)
4. Discussion of a Posting Policy for RFP's and Employment Opportunities – Possible A/R
5. CT DEEP Consent Order – A/R (Pgs. 50-61)
6. East Norwalk Library Roof Update
7. Adjourn

\*A/R – Action Required/See Attached Motion

Agenda backup material is available at the TTD office, [www.ttd.gov](http://www.ttd.gov) and will be available at the meeting.

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#### *District Commissioners*

<b>David L. Brown</b>	203-866-8099	Chairman	<b>Kevin Barber</b>	203-866-9271	General Manager
<b>Debora Goldstein</b>	203-252-7214	Commissioner	<b>Ron Scofield</b>	203-866-9271	Assistant General Manager
<b>Pamela Parkington</b>	203-858-4261	Commissioner	<b>Johnnie Weldon</b>	203- 216-2652	Treasurer

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**THIRD TAXING DISTRICT**  
of the City of Norwalk  
Commission Meeting  
June 4, 2018

**ATTENDANCE:** Commissioners: David Brown, Chair; Debora Goldstein;  
Pamela Parkington; Treasurer: Johnnie Mae Weldon

**STAFF:** Kevin Barber, General Manager; Ron Scofield, Asst. General Mgr.;  
Mike Adams, General Line Foreman

**OTHERS:** Matt Allred (Bliss Allred & Co.)  
Peter Johnson (CMEEC Ratepayer Representative)  
Michael Cassella (Willow Brook Energy Partners)

**CALL TO ORDER**

Commissioner Brown called the meeting to order at 7:00 p.m. A quorum was present.

**PUBLIC COMMENT**

No one from the public was in attendance to comment.

**EAST NORWALK LIBRARY SOLAR**

Mr. Barber reviewed the history of this project with the Commission up to May 7, 2018. At that time, TTD had received 3 responses to the RFP that was put out for bid and wanted to know if the Commission had any interest in pursuing the project. The Commission gave the “go ahead” for staff to move forward.

Since that time, TTD staff and Michael Cassella (Willow Brook Energy Partners), had in-depth interviews with each of the three companies to weigh out the benefits of installing solar at the East Norwalk Library.

Mr. Cassella gave a presentation to the Commission highlighting the benefits to TTD and the District if solar was installed at the library. Mr. Cassella reviewed the history of support from TTD to the library. In the past recent years, TTD has made significant improvements to the library (i.e., mechanical system, windows, roof, front entrance, HES and ongoing maintenance).

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Mr. Cassella said that a solar option was explored for the library and went through a process to determine what would be necessary to install solar. After the initial process of placing the RFP out for bid, Mr. Cassella and staff conducted one-on-one interviews with the three potential contractors. The result of the RFP was design concept of a 40kW system which would cover the entire roof of the library. The annual output would be approximately 40,000 kWh hours. The current library load at the library is approximately 31,000 kWh hours. There is a potential for battery storage. Life expectancy of this type of solar project is 20 years. Warranties are good for ten years. One vendor offered to upgrade the electrical panel at the library to 200 amp. One last item was safety issues which consist of snow/ice mitigation.

Impacts to the Library would be avoided costs of over \$60,000 in electric bills over the 20 year life of the system, reduced CO emissions, warming cooling center support and possibly cell phone/peripherals recharging capability (with battery storage).

Impacts to TTD would be lower wholesale power costs (over \$126,000 lifetime), avoidance of lost retail sales (over \$44,000 lifetime), demand management capability and a pilot for Time of Use pricing.

Mr. Barber said that he believes this will not eliminate the monthly bill for the library as their usage does not align with the generation from the solar array. If 75% of the library's electric usage is from the solar array, a yearly savings of approximately \$3,000 can be expected.

Direct savings, when taking into consideration both the avoided costs and reduction of the library's electric bill is estimated to be approximately \$9,000-\$9,300 per year.

The project could be funded at no cost to TTD by using the funds available from the RRIF (Renewable Resource Investment Fund) at CMEEC. There are currently ample funds to cover the entire cost of the project.

Battery storage was discussed in conjunction with the solar. One of the major benefits of installing battery storage would be to store the excess production of energy and discharge it in a timely fashion in order to lower the peak load and potentially add more savings. The estimated cost of installing battery storage would be less than \$20,000 and could pay for itself over the life of the system.

Mr. Barber is recommending that TTD proceed with the solar project utilizing Ross Solar as the contractor. The Ross Solar proposal provides the largest annual and lifetime output and the lowest cost per kilowatt hour. They are also including the ice/snow guards and the update to the electrical panel. The Ross Solar proposal is \$88,350. This proposal does not include any battery storage.

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**\*\* COMMISSIONER BROWN MOVED TO APPROVE THE STAFF'S RECOMMENDATION TO MOVE FORWARD WITH THE LIBRARY SOLAR PV PROJECT AND SELECT ROSS SOLAR FOR A BID OF \$88,350.**

**\*\* COMMISSIONER GOLDSTEIN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**\*\* COMMISSIONER GOLDSTEIN MOVED TO HAVE THE GENERAL MANAGER, KEVIN BARBER, COMMUNICATE WITH THE EXECUTIVE DIRECTOR OF THE LIBRARY ABOUT THE SOLAR INSTALLATION AND ARRANGE A PRESENTATION TO THE LIBRARY BOARD.**

**\*\* COMMISSIONER PARKINGTON SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### MINUTES OF MEETING

#### May 7, 2018 Regular Meeting

Commissioner Goldstein asked about a few follow-up items that were in the Minutes.

Page 10 – Was Mr. Barber able to check on the language in regard to the Line of Credit renewal. It is being worked on.

Page 11 – Was Mr. Barber able to check on the “cap rate” for the Line of Credit. It is being worked on.

Page 16 – T3 Transformer Delay – Was staff given the reason for the delay? The reason for the delay was that the vendor was short core steel. The witness testing was delayed and will take place on June 15<sup>th</sup>. At that time, staff is expecting to receive the new shipping date.

Page 16 – State (CT DOT) Bridge Projects – Since receiving the last updated list of properties being acquired from the State of CT, a new list was released. Has Mr. Barber received this yet? The CT DOT staff member who provided the list last time is now on leave. TTD staff will need to investigate to see who took their place and get an updated copy of the list.

**\*\* COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF MAY 7, 2018 REGULAR MEETING.**

**\*\* COMMISSIONER BROWN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

#### May 14, 2018 Special Telephonic Meeting

Commissioner Goldstein asked if anyone had spoken to the Cemetery Association to see if they were interested in having the cemetery listed on the National Historic Registry. Staff did make an attempt to find information on how to file. Both Commissioner Goldstein and Commissioner

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Parkington were concerned whether or not the Cemetery Association wanted to be listed on the registry. Specifically, would this listing inhibit the Cemetery Association in any way. Staff will reach out to the Cemetery Association for clarification.

Commissioner Parkington asked if it was necessary to file for the National Registry now. Commissioner Goldstein replied that it was due to the CT DOT East Avenue project coming through and possible mitigation, which would give the District more leverage if listed on the Registry.

Commissioner Parkington believes that it's possible that the Cemetery Association chose not to be listed because once on the list, what you can and cannot do becomes very restrictive.

**\*\* COMMISSIONER PARKINGTON MOVED TO APPROVE THE MINUTES OF MAY 14, 2018 SPECIAL TELEPHONIC COMMISSION MEETING.**

**\*\* COMMISSIONER GOLDSTEIN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### **DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE INDICATORS**

Mr. Allred reviewed the Financial Highlights with the Commission. Total Income was \$8,634,770, a decrease of 1.36% over last year. Total Expense was \$8,308,879, a decrease of 6.55% over last year. Other Income is \$1,095,762, an increase of 174% due mostly in part to the Norden Generators. Net Income Before Rate Stabilization was \$1,401,268, an increase of 518%. Net Income was \$1,430,578, a decrease of 5% over the previous year.

Cash Balances continue to be in good shape. Operating Accounts are consistent with the previous months. The Outstanding Principal Balance with CMEEC continues to decrease with a current balance of \$3,202,503.

All Footnotes for the Profit & Loss Statement have remained the same except for #2 which reflects the Gross Receipts Tax.

KPI's – The Actual Rate of Return on Rate Base is up, but should start showing a decrease once the new fiscal year budget is in place. The Rate Stabilization Fund is above the target of \$3MM, but should also start to show a decrease once the new fiscal year budget is in place.

PCA – Is still in an over-collection. Changes to the PCA will probably be made in conjunction with the new fiscal year budget and should start a downward movement.

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June 4, 2018

**DRAFT ELECTRIC BUDGET DISCUSSION**

Mr. Barber thanked the TTD staff (Ron Scofield and Mike Adams) and Accountant, Mr. Matt Allred for all their hard work in developing the upcoming Operating & Capital Budgets for FY 2018/2019.

Mr. Barber reviewed the highlights from the budget and then fielded questions from the Commission.

Commissioner Parkington asked how the 26% increase was calculated for Cervalis. It is based on historical data and the possibility of bringing on board more customers.

Commissioner Parkington asked what is included in Miscellaneous Revenue. Mr. Allred said they are set fees on accounts (i.e., connect or reconnect fees) and miscellaneous invoices for items other than electric usage (i.e., pole attachments).

Mr. Barber continued reviewing the highlights from the budget as follows:

• Operating Revenues	\$10,644,000
• Operating Expenses	\$10,295,895
• Operating Income	\$ 368,105
• Other Income	\$ 726,630
• Other Expenses	\$ 333,070
• Other Net Income	\$ 393,560
• Total Net Income	\$ 761,665
• Return on Rate Base	6.27%
• Capital Appropriations	\$ 1,490,000
• Estimated Ending Cash Balance	\$ 9,131,665

For this year, an estimated Opening Cash Balance of \$10,544,000 was calculated.

Rate Stabilization Additions/Subtractions – Based on the Purchased Power Cost of \$90.00/MWh, and what CMEEC actually bills TTD, the difference gets added/subtracted to/from the Rate Stabilization Fund. Based on the current budget projections used, there is a projection to add \$266,000 to the Rate Stabilization Fund. Based on the target value for the fund, this needs to be addressed. In order to reach the target goal, the billable purchased power rate would need to be lowered, resulting in funds being withdrawn from the Rate Stabilization Fund.

Mr. Barber reviewed the Capital Appropriations. He explained the process of how the projects for the upcoming year were selected, i.e., what’s the priority, is it appropriate for this year, can it be deferred. The \$1,490,000 is the total for the projects selected after the staff did their internal vetting of all projects. Mr. Barber reviewed the list of projects being presented to the Commission for FY2018-19 for their approval. Mr. Barber explained the new item called Miscellaneous Capital Purchases. This is similar to a contingency fund for the projects which

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continue year after year with purchase amounts that are small, i.e., underground conduits, underground conductors, street lights, etc.

Messrs. Barber and Adams answered all questions from the Commission about the capital projects.

Mr. Barber reviewed the 5-year Operating Budget with the Commission and pointed out the Net Income for the next five years and indicated that it has a slow downward trend. The downward trend is based on assumptions that may or may not be accurate. There is also no equity distribution built into the model. The Operating Budget Forecast was based on the current Purchased Power Cost (\$90/MWh) and the current Power Cost Adjustment (\$0.023/kWh) rate.

Mr. Barber is recommending to the Commission that they adjust the Purchased Power Cost to \$80/MWh and the Power Cost Adjustment to \$0.013/kWh. The Commission can either approve the budget based on the current numbers or Mr. Barber can make the recommended changes and present the new budgets to the Commission. It was the consensus of the Commission that Mr. Barber go back and recalculate the budget with the new numbers and bring the budget back to the Commission.

#### Purchasing Policy

Commissioner Brown, in conjunction with the budget, would like to revisit the Purchasing Policy. Specifically, he would like to review and possibly revise Item #6. He explained his reasons and assured Mr. Barber that it was not a reflection on him, but on past practices. Commissioner Brown wants to be assured that any projects relating to the renovation or repair of assets that exceed \$100,000 will come back to the Commission for their approval. The Commission reviewed the capital projects listed in the proposed FY2018-2019 budget to see if there would be any conflict. Currently, there appear to be no conflicts between the projects and the Purchasing Policy, Item #6.

The Purchasing Policy will be added to the next Commission meeting of June 25, 2018 for further review.

### **GENERAL MANAGER'S REPORT**

#### Engagement Letter – FYE June 20, 2018 Audit

Mr. Barber presented the Engagement Letter from Hope & Hernandez for the FYE 6/30/18 financial audit. The cost of the audit is \$21,900, which is up \$500 from last year. It is the recommendation of Messrs. Barber and Allred to secure Hope & Hernandez for the financial audit.

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June 4, 2018

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**\*\* COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE ENGAGEMENT LETTER PROPOSAL FROM HOPE & HERNANDEZ FOR FYE JUNE 30, 2018 IN THE AMOUNT OF \$21,900.00 AS RECOMMENDED BY THE GENERAL MANAGER AND CONTRACT CONTROLLER.**

**\*\* COMMISSIONER PARKINGTON SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### **PROJECT SUMMARY**

T3 Transformer – Witness Testing has been scheduled for June 14/15, 2018. Based on this, TTD is expecting to receive a delivery date.

Rowan Street Building – A meeting has been scheduled with staff and Gill & Gill for Thursday, June 7, 2018.

Library Roof – Work will begin on Tuesday, June 5, 2018 with a scheduled completion date of June 23, 2018. Nine rain days has been factored into the schedule.

Security Lights Cost of Service Study – It is Mr. Barber’s plan to have UFS revisit this project.

Banners for Ludlow Tree Lightings – No updates on alternatives for the banners.

SCADA – Remove SCADA from the Project Summary as it is completed.

Economic Development – No updates.

Commercial Lighting Retrofits – Commissioner Goldstein asked about putting a policy in place for the lighting retrofits that has a time limitation for businesses to complete the project. If not completed by a certain time, they would need to reapply. Mr. Barber and staff will work on developing a policy and presenting it to the Commission.

Commissioner Goldstein has been contacted from a few ratepayers with regard to job postings and specifically bids. The ratepayers would like to see when these bids or job postings go out. She is asking if there is a way to inform the ratepayers besides the posting internally in the office and through The Hour. Suggestions included newsletter or email blasts. Discussion took place and it was the consensus that this be added as an agenda item to the June 25, 2018 Commission meeting.

### **ADJOURN**

**\*\* COMMISSIONER GOLDSTEIN MOVED TO ADJOURN.**

**\*\* COMMISSIONER PARKINGTON SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

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June 4, 2018



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The meeting adjourned at 9:27 p.m.

Respectfully submitted,

Cynthia Tenney  
Executive Assistant  
Third Taxing District

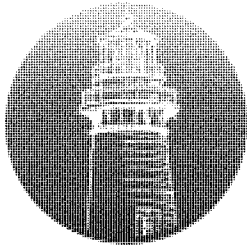
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MOTION FOR MINUTES

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING.

OR

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING AS CORRECTED.



### Third Taxing District

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East Norwalk, CT 06855

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## Memorandum

**To:** TTD Commissioners

**From:** Kevin Barber – General Manager

**Date:** June 8, 2018

**Subject:** Proposed Electric Budget

As a follow up to Monday’s Commission Meeting, changes have been made to the Electric Department budget. Attached are the Proposed Fiscal Year 2018-19 Annual Operating and Capital Budgets.

The changes made to the budget were based on conversations surrounding the purchased power billable rate and the power cost adjustment. Below is a list of the changes made to the budget and the effect on the budget.

- 1) Power Cost Adjustment (PCA) – PCA rate changed from \$0.0230/kWh to \$0.0130/kWh. This results in a reduction in the Purchased Power Adjustment (same as PCA) and Total Operating Revenue of \$604,000 in the current fiscal year.
- 2) Purchased Power Billable Rate – The billable rate was reduced from \$90.00/MWh to \$80.00/MWh. This change results in a reduction in the Purchased Power expense and the Total Operating Expense of \$604,100.
- 3) FY 2018-19 Capital Projects – Additional description for the Miscellaneous Capital Project was added to list categories that may be purchased from this project.

The overall effects of changes #1 and #2 on the budget are as follows:

- a) Total Net Income: Increased by \$100.
- b) Rate Stabilization Fund (RSF) balance decreased by \$338,068 for fiscal year 2018-19. Estimated RSF ending balance as of June 2019 is \$3,699,501.

*District Commissioners*

<b>David L. Brown</b>	203-866-8099	Chairman	<b>Kevin Barber</b>	203-866-9271	General Manager
<b>Debra Goldstein</b>	203-252-7214	Commissioner	<b>Ron Scofield</b>	203-866-9271	Assistant General Manager
<b>Pamela Parkington</b>	203-858-4261	Commissioner	<b>Johnnie Weldon</b>	203-216-2652	Treasurer

c) Ending cash balance for fiscal year 2018-19 decreased by \$604,000 to \$8,527,697.

Changes also appeared in the Five Year Operating Budget Forecast as a result of the modifications implemented in the fiscal year 2018-19 operating budget. The PCA rate of \$0.0130/kWh and a purchased power billable rate of \$80.00/MWh were used over the entire five year budget forecast. These rates also reduced the Operating Revenues and Operating Expenses for each year resulting in an incremental decrease in the ending cash balances each year by \$604,000 per year. Over the five year forecast, a cash reduction of over \$3,000,000 is forecasted. The estimated ending cash balance at the end of fiscal year 2022-23 is \$7,979,181. This reduction in cash over the five years will be carefully analyzed during the budget process in future years and recommendations will be made accordingly.

Please let me know if you have any questions regarding the proposed budgets that are attached. I would be happy to address any questions or concerns that you may have.



# FISCAL YEAR 2018-19 ANNUAL OPERATING & CAPITAL BUDGETS



# Third Taxing District Electric Department

## Fiscal Year 2018-19 Annual Operating & Capital Budgets

### Table of Contents

#### Operating Budget

- Summary of Operating Budget
- Budget Comparison
- Purchased Power Analysis
- CMEEC All-In-Forecast

#### Capital Budget

- FY2018-19 Capital Projects

#### Capital Projects

- Capital Project Worksheets

#### Five-Year Operating Budget

#### Five-Year Capital Budget

Revised June 8, 2018

**Third Taxing District Electric Department**  
**Proposed - Operating Budget - Summary**  
**Fiscal Year 2018-2019**

	2018-2019	2017-2018	Change	% Change
<b>Operating Revenue</b>				
Cervalis Data Center Revenues	265,000	210,000	55,000	26.19%
Residential Sales	4,040,000	3,800,000	240,000	6.32%
Large Commercial Sales	1,060,000	1,100,000	-40,000	-3.64%
Small Commercial Sales	2,715,000	2,650,000	65,000	2.45%
Water Pollutn Control Plnt Sales	1,045,000	1,050,000	-5,000	-0.48%
Flat Rate	100,000	100,000	0	0.00%
Miscellaneous Service Revenue	50,000	50,000	0	0.00%
Purchased Power Adjustment	785,000	1,200,000	-415,000	-34.58%
<b>Total Operating Revenue</b>	<b>10,060,000</b>	<b>10,160,000</b>	<b>-100,000</b>	<b>-0.98%</b>
<b>Operating Expenses</b>				
Purchased Power	4,832,800	5,462,000	-629,200	-11.52%
Substation Expense	175,000	167,100	7,900	4.73%
Depreciation Expense	825,000	815,000	10,000	1.23%
Taxes	378,615	228,000	150,615	66.06%
Other Power Generation Expense	138,000	138,000	0	0.00%
Distribution System - Operations	186,000	151,500	34,500	22.77%
Distribution System - Maintenance	605,000	600,500	4,500	0.75%
Customer Accounts & Service Expense	344,000	333,000	11,000	3.30%
Administrative Expenses	2,207,380	2,142,900	64,480	3.01%
<b>Total Operating Expense</b>	<b>9,691,795</b>	<b>10,038,000</b>	<b>-346,205</b>	<b>-3.45%</b>
<b>Net Ordinary Income</b>	<b>368,205</b>	<b>122,000</b>	<b>246,205</b>	<b>201.81%</b>
<b>Other Income</b>				
Dividends	50,000	35,000	15,000	42.86%
Interest Income	7,500	6,000	1,500	25.00%
Gain/(Loss) on Investments	45,000		45,000	
Norden Project Income	475,000	300,000	175,000	58.33%
Gain/(Loss) from Sale of Fixed Assets	7,000	5,000	2,000	40.00%
Energy Conservation Fund Income	142,130	120,000	22,130	18.44%
Miscellaneous Income	0		0	0.00%
<b>Total Other Income</b>	<b>726,630</b>	<b>466,000</b>	<b>260,630</b>	<b>55.93%</b>
<b>Other Expense</b>				
Person To Person	20,000	20,000	0	0.00%
Distribution to "District Fund"	313,070	288,500	24,570	8.52%
Interest Expense	0		0	0.00%
Miscellaneous items	0		0	0.00%
<b>Total Other Expense</b>	<b>333,070</b>	<b>308,500</b>	<b>24,570</b>	<b>7.96%</b>
<b>Net Other Income</b>	<b>393,560</b>	<b>157,500</b>	<b>236,060</b>	<b>149.88%</b>
<b>NET INCOME</b>	<b>761,765</b>	<b>279,500</b>	<b>482,265</b>	<b>172.55%</b>
Estimated Opening Cash Balance	10,544,000			
Current Years Net Income	761,765			
RSF Projected Additions/Subtractions (+/-)	-338,068			
Previous Years Capital Appropriations to be Spent	-950,000 (1)			
Capital Appropriations	-1,490,000			
Estimated Ending Cash Balance	8,527,697			
<b>Note:</b>				
(1) Previous Years Capital Appropriations to be Spent				
T3 Transformer Replacement	450,000			
Rowan Street Storage Facility	500,000			
	950,000			

**Third Taxing District Electric Department  
Budget Comparison  
FY 2018 to FY 2019**

	<u>Budget 2019</u>	<u>Budget 2018</u>	<u>Change (\$)</u>	<u>%</u>	<u>Notes</u>
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
443-00 · Cervalis Data Center Revenues	265,000	210,000	55,000	26.19%	
427-00 · Non Operating Income - CMEEC	0				
440-00 · Residential Sales	4,040,000	3,800,000	240,000	6.32%	(1)
442-01 · Large Commercial Sales	1,060,000	1,100,000	-40,000	-3.64%	
442-02 · Small Commercial Sales	2,715,000	2,650,000	65,000	2.45%	
445-01 · Water Pollutn Contrl Plnt Sales	1,045,000	1,050,000	-5,000	-0.48%	
445-02 · Flat Rate	100,000	100,000	0	0.00%	
451-00 · Miscellaneous Service Revenue	50,000	50,000	0	0.00%	
557-00 · Purchased Power Adjustment	785,000	1,200,000	-415,000	-34.58%	(1)
<b>Total Income</b>	<u>10,060,000</u>	<u>10,160,000</u>	<u>-100,000</u>	<u>-0.98%</u>	
<b>Cost of Goods Sold</b>					
555-00 · Electrical Power Purchased	4,832,800	5,462,000	-629,200	-11.52%	(1)
<b>Total COGS</b>	<u>4,832,800</u>	<u>5,462,000</u>	<u>-629,200</u>	<u>-11.52%</u>	
<b>Gross Profit</b>	5,227,200	4,698,000	529,200	11.26%	
<b>Expense</b>					
904-00 · Substation					
904-15 · Substation Call Time	55,000	57,100	-2,100	-3.68%	
904-12 · Payroll - Substation	120,000	110,000	10,000	9.09%	
<b>Total 904-00 · Substation</b>	<u>175,000</u>	<u>167,100</u>	<u>7,900</u>	<u>4.73%</u>	
403-00 · Depreciation Expense	825,000	815,000	10,000	1.23%	
408-00 · Taxes					
408-10 · Gross Receipts tax	365,000	211,000	154,000	72.99%	(2)
408-19 · Rebates of G/R Taxes	13,500	15,000	-1,500	-10.00%	
408-50 · Taxes - Other	115	2,000	-1,885	-94.25%	
<b>Total 408-00 · Taxes</b>	<u>378,615</u>	<u>228,000</u>	<u>150,615</u>	<u>66.06%</u>	
540-00 · Other Power Generation Expense					
548-00 · Generation Expense	138,000	138,000	0	0.00%	
<b>Total 540-00 · Other Power Generation Expense</b>	<u>138,000</u>	<u>138,000</u>	<u>0</u>	<u>0.00%</u>	
580-00 · Distribution Expenses					
582-00 · Sub-Station Expense	26,000	25,000	1,000	4.00%	
583-00 · Overhead Lines Expense	40,000	21,500	18,500	86.05%	
584-00 · Underground Lines Expense	25,000	25,000	0	0.00%	
586-00 · Meter Operations Expense	5,000	10,000	-5,000	-50.00%	
588-00 · Misc Distribution Expense	90,000	70,000	20,000	28.57%	
<b>Total 580-00 · Distribution Expenses</b>	<u>186,000</u>	<u>151,500</u>	<u>34,500</u>	<u>22.77%</u>	
590-00 · Maintenance Expenses					
592-00 · Sub-Stations-Maintenance	25,000	25,000	0	0.00%	
593-00 · Overhead Lines-Maintenance					
593-12 · Payroll - Line Department	405,000	395,000	10,000	2.53%	
593-15 · Payroll - Line On Call	90,000	80,000	10,000	12.50%	
593-00 · Overhead Lines-Maintenance - Other	50,000	60,000	-10,000	-16.67%	
<b>Total 593-00 · Overhead Lines-Maintenance</b>	<u>545,000</u>	<u>535,000</u>	<u>10,000</u>	<u>1.87%</u>	
597-00 · Meters-Maintenance	5,000	7,500	-2,500	-33.33%	
598-00 · Misc Maintenance Expense					
598-00 · Misc Maintenance Expense - Other	30,000	33,000	-3,000	-9.09%	
<b>Total 598-00 · Misc Maintenance Expense</b>	<u>30,000</u>	<u>33,000</u>	<u>-3,000</u>	<u>-9.09%</u>	
<b>Total 590-00 · Maintenance Expenses</b>	<u>605,000</u>	<u>600,500</u>	<u>4,500</u>	<u>0.75%</u>	
900-00 · Customer Accounts & Service					
902-00 · Meter Reading Expense					
902-12 · Payroll - Meter reader	100,000	95,000	5,000	5.26%	
902-13 · Allocation of payroll/accrual	21,000	20,000	1,000	5.00%	
<b>Total 902-00 · Meter Reading Expense</b>	<u>121,000</u>	<u>115,000</u>	<u>6,000</u>	<u>5.22%</u>	
903-00 · Customer Recordkeeping Expense					
903-12 · Payroll - Customer Recordkeeping	150,000	148,000	2,000	1.35%	
903-00 · Cust Recordkeeping Expense - Other	23,000	25,000	-2,000	-8.00%	
<b>Total 903-00 · Customer Recordkeeping Expense</b>	<u>173,000</u>	<u>173,000</u>	<u>0</u>	<u>0.00%</u>	
905-00 · Credit Card Discount Fee	50,000	45,000	5,000	11.11%	
<b>Total 900-00 · Customer Accounts &amp; Service</b>	<u>344,000</u>	<u>333,000</u>	<u>11,000</u>	<u>3.30%</u>	



**Third Taxing District Electric Department  
Budget Comparison  
FY 2018 to FY 2019**

	Budget 2019	Budget 2018	Change (\$)	%	Notes
920-00 · Administrative Expenses					
920-05 · Payroll Taxes	95,000	105,000	-10,000	-9.52%	
920-12 · Payroll - Admin Dept	430,000	450,000	-20,000	-4.44%	
920-15 · Admin P/R-On Call Time	7,000	9,000	-2,000	-22.22%	
921-00 · Office Expense					
921-20 · Bank Service Charges	50	500	-450	-90.00%	
921-30 · Postage	25,000	35,000	-10,000	-28.57%	
921-35 · Office Equipment rental	20,000	15,000	5,000	33.33%	
921-40 · Office Supplies	15,000	15,000	0	0.00%	
Total 921-00 · Office Expense	60,050	65,500	-5,450	-8.32%	
923-00 · Outside Services					
923-10 · Computer Services	48,000	48,000	0	0.00%	
923-20 · Audit Fees & Expenses	22,500	22,000	500	2.27%	
923-30 · Legal Fees	50,000	25,000	25,000	100.00%	(3)
923-35 · Legal Fees - Labor relations	10,000	5,000	5,000	100.00%	(4)
923-40 · Pension Plan Actuarial & Legal	23,000	15,000	8,000	53.33%	
923-45 · Engineering	50,000	50,000	0	0.00%	
923-65 · Outside Accounting Services	49,000	42,000	7,000	16.67%	
923-70 · Office bldg maintenance & repair	45,000	41,200	3,800	9.22%	
923-80 · Security Monitoring	2,000		2,000		
923-00 · Outside Services - Other	50,000	90,000	-40,000	-44.44%	
Total 923-00 · Outside Services	349,500	338,200	11,300	3.34%	
924-00 · Commercial Package Insurance	162,000	138,600	23,400	16.88%	
925-00 · Workman's Comp Insurance	24,400	25,500	-1,100	-4.31%	
925-10 · Long & Short Term Disability	13,200	6,000	7,200	120.00%	
926-00 · Pension & Benefits					
926-10 · Pension contributions	236,600	236,600	0	0.00%	
926-20 · Employee Health & Life Insurance	448,000	400,000	48,000	12.00%	(5)
926-30 · Self Insurances					
926-32 · Current Employees	50,000	50,000	0	0.00%	
926-34 · Retired Employees	20,000	20,000	0	0.00%	
Total 926-30 · Self Insurances	70,000	70,000	0	0.00%	
926-90 · Miscellaneous employee benefits	20,000	20,000	0	0.00%	
926-00 · Pension & Benefits - Other	20,000	20,000	-20,000	-100.00%	(6)
Total 926-00 · Pension & Benefits	774,600	746,600	28,000	3.75%	
928-00 · Regulatory Expense	18,000	17,500	500	2.86%	
930-00 · General Expense					
930-10 · Conservation Inducements Expense	142,130	100,000	42,130	42.13%	(7)
930-40 · Promotions	45,000	36,000	9,000	25.00%	
930-45 · Travel & lodging	8,000	12,000	-4,000	-33.33%	
930-50 · Seminars & training	20,000	20,000	0	0.00%	
930-00 · General Expense - Other	25,000	25,000	0	0.00%	
Total 930-00 · General Expense	240,130	193,000	47,130	24.42%	
940-00 · Truck Expense					
940-10 · Company Autos - GM Vehicle	1,500	8,000	-6,500	-81.25%	(8)
940-30 · Company Autos - Trucks & Cars	32,000	40,000	-8,000	-20.00%	
Total 940-00 · Truck Expense	33,500	48,000	-14,500	-30.21%	
Total 920-00 · Administrative Expenses	2,207,380	2,142,900	64,480	3.01%	
<b>Total Expense</b>	<b>4,858,995</b>	<b>4,576,000</b>	<b>282,995</b>	<b>6.18%</b>	
<b>Net Ordinary Income</b>	<b>368,205</b>	<b>122,000</b>	<b>246,205</b>	<b>201.81%</b>	
<b>Other Income/Expense</b>					
<b>Other Income</b>					
418-00 · Dividends	50,000	35,000	15,000	42.86%	
419-00 · Interest Income	7,500	6,000	1,500	25.00%	
420-00 · Gain/(Loss) on Investments	0		0		
420-10 · Unrealized Gain/(Loss)	45,000		45,000		
Total 420-00 · Gain/(Loss) on Investments	45,000	0	45,000		
421-00 · Norden Project Income	475,000	300,000	175,000	58.33%	(9)
423-00 · Gain/(Loss) from Sale of FA	7,000	5,000	2,000	40.00%	
424-00 · Energy Conservation Fund Income	142,130	120,000	22,130	18.44%	(10)
425-00 · Miscellaneous Income	0	0	0		
<b>Total Other Income</b>	<b>726,630</b>	<b>466,000</b>	<b>260,630</b>	<b>55.93%</b>	

**Third Taxing District Electric Department  
Budget Comparison  
FY 2018 to FY 2019**

	<u>Budget 2019</u>	<u>Budget 2018</u>	<u>Change (\$)</u>	<u>%</u>	<u>Notes</u>
<b>Other Expense</b>					
426-30 · Person to Person	20,000	20,000	0	0.00%	
426-10 · Distribution to "District Fund"	313,070	288,500	24,570	8.52%	(11)
942-00 · Interest Expense	0	0	0		
990-00 · Miscellaneous items	0	0	0		
<b>Total Other Expense</b>	<u>333,070</u>	<u>308,500</u>	<u>24,570</u>	<u>7.96%</u>	
<b>Net Other Income</b>	<u>393,560</u>	<u>157,500</u>	<u>236,060</u>	<u>149.88%</u>	
<b>Net Income</b>	<u><u>761,765</u></u>	<u><u>279,500</u></u>	<u><u>482,265</u></u>	<u><u>172.55%</u></u>	

**Notes:**

- (1) Refined the budget process around the calculation of the operating revenue, Purchased Power Adj (PCA) and purchased power expense to better correlate with the CMEEC All-In-Forecasts
- (2) Calculation of the Gross Revenue Taxes was refined during the budget process
- (3) Increase in legal fees based on current year to date expenses
- (4) Legal fees for labor relations budgeted due to union contract negotiations in 2019
- (5) Employee Health Insurance increase based on forecasted yearly increase in premiums
- (6) Pension & Benefits - Other reduced to \$0.00. Previous GM was not part of TTD Pension Plan and had a separate benefit plan
- (7) Conservation Expenses increased to match Energy Conservation Fund Income.
- (8) Company Autos - GM Vehicle expense reduced to reflect lease buy out. Lease buy out included in the capital budget
- (9) Norden Project Income increased to more accurately reflect the revenue received
- (10) Energy Conservation Fund Income projection refined during the budget process based on CMEEC forecast
- (11) Increase in Distribution to the District Fund based on the approved District budget

## TTD - Purchased Power Analysis - Five Year Forecast

From CMEEC Monthly projection May-2018 Update

Fiscal Year 2019	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Forecast Energy Purchased	6144	5947	4796	4164	4401	5304	5924	5143	5080	4215	4304	4988	60,410
Forecasted Power Cost	77.31	78.41	83.9	91.04	85.08	83.76	93.12	99.25	86.82	90.55	87.38	73.88	
Billable Rate (\$/MWh)	80	80	80	80	80	80	80	80	80	80	80	80	
Actual Power Costs	474,993	466,304	402,384	379,091	374,437	444,263	551,643	510,443	441,046	381,668	376,084	368,513	5,170,868
CMEEC Billed Rate (90 cents)	491,520	475,760	383,680	333,120	352,080	424,320	473,920	411,440	406,400	337,200	344,320	399,040	4,832,800
PCA Rate	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	(338,068) add to RSF
Fuel Cost - PCA	79,872	77,311	62,348	54,132	57,213	68,952	77,012	66,859	66,040	54,795	55,952	64,844	785,330
Change in Purchases from PY		-1%											
Expected Sales		-1%											
<b>Fiscal Year 2020</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Total</b>
Forecast Energy Purchased	6146	5949	4798	4166	4402	5306	5926	5319	5082	4216	4305	4989	60,604
Forecasted Power Cost	72.55	73.83	78.05	82.14	76.61	77.43	93.67	97.63	81.67	79.4	74.96	68.19	
Billable Rate (\$/MWh)	80	80	80	80	80	80	80	80	80	80	80	80	
Actual Power Costs	445,892	439,215	374,484	342,195	337,237	410,844	555,088	519,294	415,047	334,750	322,703	340,200	4,836,949
CMEEC Billed Rate (90 cents)	491,680	475,920	383,840	333,280	352,160	424,480	474,080	425,520	406,560	337,280	344,400	399,120	4,848,320
PCA Rate	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	11,371 add to RSF
Fuel Cost - PCA	79,898	77,337	62,374	54,158	57,226	68,978	77,038	69,147	66,066	54,808	55,965	64,857	787,852
Change in Purchases from PY		0.32%											
Expected Sales		0.31%											
<b>Fiscal Year 2021</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Total</b>
Forecast Energy Purchased	6148	5952	4800	4167	4404	5308	5928	5146	5084	4218	4307	4991	60,453
Forecasted Power Cost	68.01	70.93	73.61	76.91	70.35	75.46	71.89	79.08	77.4	82.38	79.62	75.24	
Billable Rate (\$/MWh)	80	80	80	80	80	80	80	80	80	80	80	80	
Actual Power Costs	418,125	422,175	353,328	320,484	309,821	400,542	426,164	406,946	393,502	347,479	342,923	375,523	4,517,012
CMEEC Billed Rate (90 cents)	491,840	476,160	384,000	333,360	352,320	424,640	474,240	411,680	406,720	337,440	344,560	399,280	4,836,240
PCA Rate	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	319,228 add to RSF
Fuel Cost - PCA	79,924	77,376	62,400	54,171	57,252	69,004	77,064	66,898	66,092	54,834	55,991	64,883	785,889
Change in Purchases from PY		-0.25%											
Expected Sales		-0.24%											
<b>Fiscal Year 2022</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Total</b>
Forecast Energy Purchased	6150	5954	4802	4168	4405	5310	5930	5148	5085	4219	4308	4992	60,471
Forecasted Power Cost	73.53	76.71	80.88	83.81	72.96	68.17	71.32	78.65	76.74	81.52	78.71	77.51	
Billable Rate (\$/MWh)	80	80	80	80	80	80	80	80	80	80	80	80	
Actual Power Costs	452,210	456,731	388,386	349,320	321,389	361,983	422,928	404,890	390,223	343,933	339,083	386,930	4,618,004
CMEEC Billed Rate (90 cents)	492,000	476,320	384,160	333,440	352,400	424,800	474,400	411,840	406,800	337,520	344,640	399,360	4,837,680
PCA Rate	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	219,676 add to RSF
Fuel Cost - PCA	79,950	77,402	62,426	54,184	57,265	69,030	77,090	66,924	66,105	54,847	56,004	64,896	786,123
Change in Purchases from PY		0.03%											
Expected Sales		0.03%											
4 year expected purchase average		-0.26%											
4 year expected sale average		-0.002448139											use for 5th year sales
Purchased Power Billable Rate	\$80/MWh	as per discussion at 6/4/18 Commission Meeting											
PCA Rate	.0130/kWh	as per discussion at 6/4/18 Commission Meeting											

**TTD Power Cost Projections FY2018 - FY2022**

2018	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Annual Cost	
	Projected												Projected	April Update
Energy (MWh)	6,143	5,667	4,826	4,274	4,611	5,695	6,237	4,782	5,167	4,409	4,303	4,986	61,101	60,663
Fixed Cost Obligation (\$/MWh)	\$ 11.10	\$ 12.39	\$ 12.30	\$ 14.72	\$ 13.38	\$ 9.73	\$ 7.33	\$ 9.13	\$ 8.58	\$ 7.98	\$ 9.18	\$ 7.87	\$ 10.24	\$ 10.28
Generation Service Charge (\$/MWh)	\$ 65.95	\$ 68.14	\$ 70.61	\$ 77.43	\$ 76.75	\$ 82.58	\$ 90.18	\$ 91.90	\$ 70.66	\$ 73.36	\$ 72.95	\$ 70.37	\$ 75.98	\$ 76.40
Transmission (\$/MWh)	\$ 1.70	\$ 1.99	\$ 1.59	\$ (1.45)	\$ 0.32	\$ (0.12)	\$ (0.06)	\$ 2.38	\$ 0.97	\$ 1.29	\$ 0.19	\$ (0.39)	\$ 0.73	\$ 0.69
ISO & Federal Mandated Costs (\$/MWh)	\$ 1.19	\$ 1.44	\$ 1.53	\$ 1.47	\$ 1.14	\$ 0.98	\$ 0.98	\$ 1.49	\$ 1.16	\$ 2.19	\$ 2.33	\$ 2.36	\$ 1.48	\$ 1.59
Projected/Actual (\$/MWh)	\$ 79.95	\$ 83.96	\$ 86.02	\$ 92.17	\$ 91.58	\$ 93.17	\$ 98.43	\$ 104.90	\$ 81.37	\$ 84.83	\$ 84.65	\$ 80.21	\$ 88.43	\$ 88.96
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected

2019	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Annual Cost	
	Projected												Projected	Projected
Energy (MWh)	6,144	5,947	4,796	4,164	4,401	5,304	5,924	5,143	5,080	4,215	4,304	4,988	60,409	60,260
Fixed Cost Obligation (\$/MWh)	\$ 6.09	\$ 6.31	\$ 6.13	\$ 7.03	\$ 6.83	\$ 6.59	\$ 6.89	\$ 7.58	\$ 7.17	\$ 9.08	\$ 8.63	\$ 7.67	\$ 7.09	\$ 7.30
Generation Service Charge (\$/MWh)	\$ 67.75	\$ 66.75	\$ 71.38	\$ 78.04	\$ 76.42	\$ 75.16	\$ 83.22	\$ 85.84	\$ 74.01	\$ 76.11	\$ 74.96	\$ 62.37	\$ 74.17	\$ 74.87
Transmission (\$/MWh)	\$ 1.32	\$ 2.89	\$ 3.28	\$ 2.99	\$ (0.10)	\$ 0.24	\$ 1.59	\$ 3.38	\$ 3.09	\$ 3.03	\$ 1.39	\$ 1.42	\$ 2.03	\$ 2.21
ISO & Federal Mandated Costs (\$/MWh)	\$ 2.15	\$ 2.46	\$ 3.11	\$ 2.99	\$ 1.93	\$ 1.73	\$ 1.43	\$ 2.45	\$ 2.54	\$ 2.33	\$ 2.39	\$ 2.42	\$ 2.30	\$ 2.29
Projected/Actual (\$/MWh)	\$ 77.31	\$ 78.41	\$ 83.90	\$ 91.04	\$ 85.08	\$ 83.73	\$ 93.12	\$ 99.25	\$ 86.82	\$ 90.55	\$ 87.38	\$ 73.88	\$ 85.59	\$ 86.67
	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected

2020	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Annual Cost	
	Projected												Projected	Projected
Energy (MWh)	6,146	5,949	4,798	4,166	4,402	5,306	5,926	5,319	5,082	4,216	4,305	4,989	60,605	59,887
Fixed Cost Obligation (\$/MWh)	\$ 6.27	\$ 6.40	\$ 6.29	\$ 7.44	\$ 7.19	\$ 6.16	\$ 7.04	\$ 7.57	\$ 7.40	\$ 9.33	\$ 8.92	\$ 7.90	\$ 7.24	\$ 7.46
Generation Service Charge (\$/MWh)	\$ 61.72	\$ 60.75	\$ 63.76	\$ 67.25	\$ 66.79	\$ 68.54	\$ 82.81	\$ 83.21	\$ 68.01	\$ 64.35	\$ 63.02	\$ 56.09	\$ 67.42	\$ 66.93
Transmission (\$/MWh)	\$ 2.36	\$ 4.17	\$ 4.82	\$ 4.63	\$ 0.78	\$ 1.07	\$ 2.46	\$ 4.58	\$ 3.85	\$ 3.51	\$ 0.77	\$ 1.94	\$ 2.92	\$ 2.84
ISO & Federal Mandated Costs (\$/MWh)	\$ 2.20	\$ 2.52	\$ 3.18	\$ 2.82	\$ 1.85	\$ 1.66	\$ 1.36	\$ 2.27	\$ 2.42	\$ 2.22	\$ 2.25	\$ 2.27	\$ 2.23	\$ 2.22
Projected/Actual (\$/MWh)	\$ 72.55	\$ 73.83	\$ 78.05	\$ 82.14	\$ 76.61	\$ 77.43	\$ 93.67	\$ 97.63	\$ 81.67	\$ 79.40	\$ 74.96	\$ 68.19	\$ 79.81	\$ 79.45
	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected

2021	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Annual Cost	
	Projected												Projected	Projected
Energy (MWh)	6,148	5,952	4,800	4,167	4,404	5,308	5,928	5,146	5,084	4,218	4,307	4,991	60,451	59,426
Fixed Cost Obligation (\$/MWh)	\$ 6.43	\$ 6.61	\$ 6.45	\$ 7.66	\$ 7.34	\$ 6.21	\$ 7.52	\$ 8.49	\$ 8.26	\$ 9.86	\$ 9.58	\$ 8.53	\$ 7.65	\$ 7.97
Generation Service Charge (\$/MWh)	\$ 55.74	\$ 55.80	\$ 56.99	\$ 59.47	\$ 60.86	\$ 66.70	\$ 59.92	\$ 62.69	\$ 62.09	\$ 65.94	\$ 66.44	\$ 61.90	\$ 60.96	\$ 60.58
Transmission (\$/MWh)	\$ 3.79	\$ 6.17	\$ 7.18	\$ 6.89	\$ 0.25	\$ 0.84	\$ 3.07	\$ 5.53	\$ 4.57	\$ 4.30	\$ 1.37	\$ 2.59	\$ 3.90	\$ 3.53
ISO & Federal Mandated Costs (\$/MWh)	\$ 2.06	\$ 2.35	\$ 2.99	\$ 2.89	\$ 1.90	\$ 1.70	\$ 1.39	\$ 2.38	\$ 2.48	\$ 2.27	\$ 2.23	\$ 2.23	\$ 2.21	\$ 2.21
Projected/Actual (\$/MWh)	\$ 68.01	\$ 70.93	\$ 73.61	\$ 76.91	\$ 70.35	\$ 75.46	\$ 71.89	\$ 79.08	\$ 77.40	\$ 82.38	\$ 79.62	\$ 75.24	\$ 74.72	\$ 74.28
	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected

2022	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Annual Cost	
	Projected												Projected	Projected
Energy (MWh)	6,150	5,954	4,802	4,168	4,405	5,310	5,930	5,148	5,085	4,219	4,308	4,992	60,472	30,178
Fixed Cost Obligation (\$/MWh)	\$ 6.94	\$ 7.11	\$ 7.05	\$ 8.40	\$ 8.06	\$ 6.84	\$ 7.73	\$ 8.76	\$ 8.51	\$ 10.21	\$ 9.72	\$ 8.86	\$ 8.09	\$ 8.51
Generation Service Charge (\$/MWh)	\$ 60.23	\$ 60.45	\$ 62.90	\$ 64.80	\$ 62.28	\$ 58.38	\$ 58.66	\$ 61.37	\$ 60.63	\$ 64.12	\$ 64.84	\$ 63.25	\$ 61.59	\$ 61.34
Transmission (\$/MWh)	\$ 4.35	\$ 6.85	\$ 7.99	\$ 7.75	\$ 0.72	\$ 1.27	\$ 3.56	\$ 6.16	\$ 5.15	\$ 4.94	\$ 1.86	\$ 3.12	\$ 4.49	\$ 3.81
ISO & Federal Mandated Costs (\$/MWh)	\$ 2.02	\$ 2.30	\$ 2.94	\$ 2.86	\$ 1.89	\$ 1.68	\$ 1.37	\$ 2.36	\$ 2.45	\$ 2.25	\$ 2.28	\$ 2.28	\$ 2.20	\$ 2.19
Projected/Actual (\$/MWh)	\$ 73.53	\$ 76.71	\$ 80.88	\$ 83.81	\$ 72.96	\$ 68.17	\$ 71.32	\$ 78.65	\$ 76.74	\$ 81.52	\$ 78.71	\$ 77.51	\$ 76.37	\$ 75.85
	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected

May 2018 Update

## Third Taxing District Electric Department

### FY 2018-19 Capital Projects - Proposed

Project Title	Description	2018-19	Page #
Blacktop Expansion - Fitch Street Substation	Expand current blacktop footprint to allow for more parking and snow removal without damage to ground grid and stones.	\$ 17,000	CP-1
Underground Conduits	Purchase of underground conduit for transmission system.	\$ -	
Underground Conductors	Purchase of underground conductors in relation to the department's transmission system.	\$ -	
Structures & Improvements	Continuation of general repairs at 215 East Avenue Property.	\$ -	
Install Trap Rock - East Avenue Substation	Excavation and installation of trap-rock at East Avenue Substation.	\$ 35,000	CP-2
Replace Oil Circuit Breakers Replacement Schedule: 52 Circuit OCB 18/19 51 Circuit OCB 19/20 50 Circuit OCB's 20/21	This project addresses the replacement of four 34.5Kv oil circuit breakers that are approximately 50 years old. The replacement circuit breakers will eliminate the presence of insulating oil in all substation devices except the main power transformers.	\$ 192,500	CP-3
Rowan Substation Service Transformer	This project replaces the existing station service with a 3 phase service and an automatic Transfer switch.	\$ 45,000	CP-4
Rowan Substation Protection and Coordination Study	This project enables Automatic Reclosing Relays and fuse coordination on 4,160-volt Circuit Breakers in Rowan Street Substation.	\$ 45,000	CP-5
East Ave Substation Protection and Coordination Study	This project enables Automatic Reclosing Relays and fuse coordination on 4,160-volt Circuit Breakers in East Ave Street Substation.	\$ 45,000	CP-6
Purchase of Poles	Purchase and installation of poles.	\$ 40,000	CP-7
Hendrix Replacement	This project replaces existing 4kV Overhead conductors that are inadequately insulated or undersized	\$ 137,500	CP-8
Underground Conduits	Purchase of underground conduit for commercial installations.	\$ -	
Purchase Transformers	A replacement of transformers in the distribution system.	\$ 60,000	CP-9
Purchase Meters	A) Replacement/Upgrade of meters and B) Purchase of meters with remote read capabilities.	\$ 50,000	CP-10
Street Lights	Replacement of street lights in distribution system.	\$ -	

<b>Project Title</b>	<b>Description</b>	<b>2018-19</b>	<b>Page #</b>
Storage Facility	Rowan Storage Facility - Additional Funding	\$ 410,000	CP-11
Furniture/Equipment Purchases	Purchase of office furniture/equipment for department facilities.	\$ 5,000	CP-12
Ford F-750 (Bucket)	Upgrade and refurbish existing bucket truck to extend the useful life.	\$ 53,000	CP-13
Altec Bucket Digger Truck	Purchase new Digger truck	\$ 200,000	CP-14
Chevy Equinox	Buyout of Chevy Equinox Lease	\$ 22,000	CP-15
Field Equipment	Purchase of Overhead pulling system (Spider) for stringing of conductor and overhead/underground phasing and voltage tester.	\$ 15,000	CP-16
Laboratory Equipment	Various equipment used by the department for testing/calibrating meters.	\$ 3,000	CP-17
Equipment & Services	Computer Infrastructure - Hardware & Software	\$ 15,000	CP-18
Cogsdale Upgrade	Upgrade of the Cogsdale billing system	\$ 50,000	CP-19
Miscellaneous Capital Purchases	Miscellaneous capital equipment purchased by the department.	\$ 50,000	CP-20
TOTAL		\$ 1,490,000	

<b>Miscellaneous Capital Purchases:</b> Project replaces contingency amounts previously budgeted in the following categories:	
Transmission Plant - Underground Conduits	
Transmission Plant - Underground Conductors	
Distribution Plant - Structures and Improvements	
Distribution Plant - Underground Conduits	
Distribution Plant - Street Lights & Signals	
General Plant - Structures and Improvements	
Other unexpected emergency purchases	
Total - Miscellaneous Capital Purchases	\$ 50,000

## Third Taxing District Capital Budget Worksheet

DEPARTMENT: Substations		CATEGORY: Transmission-Structures & Improvements			PROJECT TITLE: Blacktop Expansion		
USEFUL LIFE: 30 Yrs.		SCHEDULED START: 8/2016			SCHEDULED COMPLETION: 12/2016		
RANKING:		<input checked="" type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION:  Expand current blacktop footprint to allow for more parking and snow removal without damage to ground grid and stones.		JUSTIFICATION:  This project prevents damage to existing transmission ground grid and stones currently in place at the Fitch Street substation. The ground grid and stones are an critical component of the Fitch Street Substations system protection and employee safety.					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design							-
Site Costs & Acquisition							-
Construction	350-20						-
Equipment/Furnishings		17,000					17,000
Other/Contingency	350-20						-
<b>TOTAL EXPENDITURES</b>		17,000	-	-	-	-	17,000

CP-1

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Distribution			PROJECT TITLE: Substation Equip.-Install Trap Rock		
USEFUL LIFE: 10 Yrs.		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		<input checked="" type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input checked="" type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION:  Excavation and installation of trap-rock at East Avenue Substation.		JUSTIFICATION:  Due to the recent upgrade of the East Avenue ground grid and trenchwork required for the Fitch Street Substation, the trap-rock and excess gravel needs to be excavated and installed with new trap-rock. The ground grid and stones are a critical component of the East Ave. Substation system protection and employee safety.					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design							0
Site Costs & Acquisition							0
Construction							0
Equipment/Furnishings	360-20	35,000					35,000
Other/Contingency							0
<b>TOTAL EXPENDITURES</b>		35,000	-	-	-	-	35,000



### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Substation			PROJECT TITLE: Replace Oil Circuit Breakers		
USEFUL LIFE: 25 Yrs.		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		<input type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input checked="" type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION:  This project addresses the replacement of four 34.5kV oil circuit breakers that are approximately 50 years old. The replacement of these circuit breakers will eliminate the presence of insulating oil in all substation devices, except the main power transformers.		JUSTIFICATION:  Rowan Street and East Avenue substations utilize 34,500-volt (34.5kV) circuit breakers that have insulating oil within the circuit breaker tanks. The circuit breakers average 50 years in age and maintenance parts are becoming expensive and available through specialty suppliers. The elimination of the oil-filled circuit breakers will reduce maintenance and testing requirements for both substations.					
EXPENDITURE SCHEDULE (000's)	Account	Data 52 2018-2019	Rowan St. 51 2019-2020	East/Rowan 50 2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design	360-20	15,000	15,000	20,000			50,000
Site Costs & Acquisition							-
Construction	360-20	25,500	20,000	20,000			65,500
Equipment/Furnishings	360-20	135,000	135,000	230,000			500,000
Other/Contingency	360-20	17,000	17,000	27,000			61,000
<b>TOTAL EXPENDITURES</b>		192,500	187,000	297,000	-	-	676,500

## Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: SUBSTATION			PROJECT TITLE: ROWAN STATION SERVICE			
USEFUL LIFE: 25 Years		SCHEDULED START:			SCHEDULED COMPLETION:			
RANKING:		<input checked="" type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input type="checkbox"/> REPLACEMENT/REFURBISHMENT			
DESCRIPTION: This project installs a new 3 phase station service to our Rowan Street facilities.		JUSTIFICATION: The substation requires 2 station services for redundancy. The current installation of a dry type transformer behind the switch gear is only single phase. This project would remove old equipment while installing an automatic transfer switch to improve station reliability.						
<b>EXPENDITURE SCHEDULE (000's)</b>		<b>Account</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>TOTAL</b>
Engineering/Design		360-20	7,500					7,500
Site Costs & Acquisition								-
Construction		360-20	10,500					10,500
Equipment/Furnishings		360-20	25,000					25,000
Other/Contingency		360-20	2,000					2,000
<b>TOTAL EXPENDITURES</b>			45,000	-	-	-	-	45,000

CP-4

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Substation			PROJECT TITLE: Reclosing Relays Rowan St.		
USEFUL LIFE: 25 Yrs.		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		<input checked="" type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION:  This project includes a coordination study that will require protection system upgrades and installs Automatic Reclosing Relays on 4,160-volt Circuit Breakers in Rowan Street Substation.		JUSTIFICATION: As changes are made in the electric system over time, the overall system coordination must be periodically reevaluated. It is unknown when the last comprehensive coordination study was performed for Third Taxing District. The Protection & Coordination Study provides the indispensable and fundamental reference for revealing protection system discrepancies and planning remedial projects. The study also provides a system model which can be accessed to meet customer request (e.g., fault levels at an industrial facility). The system model can also be used to evaluate and institute distribution system improvements and options.					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design	360-20	15,000					15,000
Site Costs & Acquisition							-
Construction	360-20	5,000					5,000
Equipment/Furnishings	360-20	25,000					25,000
Other/Contingency							-
<b>TOTAL EXPENDITURES</b>		45,000	-	-	-	-	45,000

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Substation			PROJECT TITLE: Reclosing Relays East Ave.			
USEFUL LIFE: 25 Yrs.		SCHEDULED START:			SCHEDULED COMPLETION:			
RANKING:		<input checked="" type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input type="checkbox"/> REPLACEMENT/REFURBISHMENT			
DESCRIPTION:  This project includes a coordination study that will require protection system upgrades and installs Automatic Reclosing Relays on 4,160-volt Circuit Breakers in East Ave Substation.		JUSTIFICATION: As changes are made in the electric system over time, the overall system coordination must be periodically reevaluated. It is unknown when the last comprehensive coordination study was performed for Third Taxing District. The Protection & Coordination Study provides the indispensable and fundamental reference for revealing protection system discrepancies and planning remedial projects. The study also provides a system model which can be accessed to meet customer request (e.g., fault levels at an industrial facility). The system model can also be used to evaluate and institute distribution system improvements and options.						
EXPENDITURE SCHEDULE (000's)		Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design		360-20	15,000					15,000
Site Costs & Acquisition								-
Construction		360-20	5,000					5,000
Equipment/Furnishings		360-20	25,000					25,000
Other/Contingency								-
<b>TOTAL EXPENDITURES</b>			45,000	-	-	-	-	45,000

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Poles, Towers & Equipment			PROJECT TITLE: Purchase of Replacements		
USEFUL LIFE: 20-30 Yrs.		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		<input type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input checked="" type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION:  Replacement of Poles.		JUSTIFICATION:  Replacement and installation of poles and inventory stock.					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design							0
Site Costs & Acquisition							0
Construction							0
Equipment/Furnishings	360-40	40,000	40,000	40,000	40,000	40,000	200,000
Other/Contingency							-
<b>TOTAL EXPENDITURES</b>		<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>200,000</b>

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Overhead Conductors			PROJECT TITLE: Hendrix Replacement			
USEFUL LIFE: 25 Yrs.		SCHEDULED START:			SCHEDULED COMPLETION:			
RANKING:		<input type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input checked="" type="checkbox"/> REPLACEMENT/REFURBISHMENT			
DESCRIPTION: This project replaces existing 4kV Overhead conductors that are inadequately insulated.		JUSTIFICATION: This project addresses a long-term problem and provides immediate and long-term benefits. Much of the District's Overhead Electrical System was constructed using non-Hendrix conductors within the Hendrix Spacer system. The Hendrix Spacers support three insulated conductors within an engineered configuration which takes advantage of the conductor insulation in creating an Aerial Cable that is immune to electrical noise production and incidental contact. This system has operated in a compromised state since its original installation and will experience operating problems as loads grow and the system increases in capacity. This project will replace the inadequately-insulated conductors and age/weather-damaged spacers.						
EXPENDITURE SCHEDULE (000's)		Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design		360-50	10,000	10,000	10,000	10,000	10,000	50,000
Site Costs & Acquisition								-
Construction		360-50	75,000	75,000	100,000	100,000	100,000	450,000
Equipment/Furnishings		360-50	50,000	50,000	75,000	75,000	75,000	325,000
Other/Contingency		360-50	2,500	2,500	2,500	2,500	2,500	12,500
<b>TOTAL EXPENDITURES</b>			137,500	137,500	187,500	187,500	187,500	837,500

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Line Transformers			PROJECT TITLE: Transformers		
USEFUL LIFE: 40 Yrs.		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		<input type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input checked="" type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION: Replacement of transformers in the distribution system.		JUSTIFICATION: Normal replacement/maintain stock inventory levels.					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design							-
Site Costs & Acquisition							-
Construction							-
Equipment	360-80	60,000	60,000	40,000	40,000	40,000	240,000
Other/Contingency							-
<b>TOTAL EXPENDITURES</b>		<b>60,000</b>	<b>60,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>240,000</b>

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Meters			PROJECT TITLE: Meters		
USEFUL LIFE: 15 Yrs.		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		<input checked="" type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input checked="" type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION: A) Replacement/Upgrade of meters.  B) Purchase of meters with remote read capabilities.		JUSTIFICATION: A) Normal replacement/maintain stock inventory levels.  B) Continuation of program to replace hard to read meters in the distribution system (radio-read project).					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design							-
Site Costs & Acquisition							-
Construction							-
Equipment	370-01	50,000	40,000	10,000	10,000	10,000	120,000
Other/Contingency							-
<b>TOTAL EXPENDITURES</b>		<b>50,000</b>	<b>40,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>120,000</b>



### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Structures & Improvements			PROJECT TITLE: Storage Facility		
USEFUL LIFE: 20 Yrs.		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		<input checked="" type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION: Storage Facility		JUSTIFICATION: A "turnkey" storage facility will be constructed to house materials and supplies which are currently scattered throughout the District.  Note: This amount does not include the \$500,000 previously approved in FY2017-18.					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Structures & Improvements	390-01	410,000					410,000
							-
							-
							-
							-
<b>TOTAL EXPENDITURES</b>		410,000	-	-	-	-	410,000

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Office Furniture & Equipment			PROJECT TITLE: Furniture/Equip. Purchase		
USEFUL LIFE: 5 Yrs.		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		<input checked="" type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input checked="" type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION: Purchase of office furniture/equipment for department facilities.		JUSTIFICATION: Normal replacement of office furniture/equipment due to wear and tear, etc.					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design							-
Site Costs & Acquisition							-
Construction							-
Equipment/Furnishings	390-01	5,000	3,000	2,000	2,000	2,000	14,000
Other/Contingency							-
<b>TOTAL EXPENDITURES</b>		5,000	3,000	2,000	2,000	2,000	14,000

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Transportation Equipment			PROJECT TITLE: Ford F-750 (Bucket)		
USEFUL LIFE: 5 Yrs.		SCHEDULED START: 7/2016			SCHEDULED COMPLETION: 6/2017		
RANKING:		<input type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input checked="" type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION:  Upgrade and refurbish existing bucket truck to extend the useful life.		JUSTIFICATION:  To extend the useful life of the bucket truck and to comply with safety standards of equipment used near energized conductors.					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design							-
Site Costs & Acquisition							-
Construction							-
Equipment/Furnishings		50,000					50,000
Other/Contingency		3,000					3,000
<b>TOTAL EXPENDITURES</b>		53,000	-	-	-	-	53,000

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Transportation Equipment			PROJECT TITLE: Digger Truck		
USEFUL LIFE: 10 Yrs.		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		<input type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input checked="" type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION:  Purchase of Digger Truck.  <b>NEW ITEM</b>		JUSTIFICATION:  The current Digger Truck is 14 years old and is starting to show its age in both maintenance and operation. The purchase of a new Digger Truck would, while keeping the old Digger as a back-up, reduce the need for outside contractors for cut and kick poles sets.					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design							-
Site Costs & Acquisition							-
Construction							-
Equipment/Furnishings		190,000					190,000
Other/Contingency		10,000					10,000
<b>TOTAL EXPENDITURES</b>		<b>200,000</b>	-	-	-	-	<b>200,000</b>

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Transportation Equipment			PROJECT TITLE: Chevy Equinox		
USEFUL LIFE:		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		___ NEW CONSTRUCTION/EQUIPMENT			___ REPLACEMENT/REFURBISHMENT		
DESCRIPTION:  Purchase of Chevy Equinox.  <b>NEW ITEM</b>		JUSTIFICATION:  The lease for the Chevy Equinox is up in November 2018. Buyout option is \$22,000.					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design							-
Site Costs & Acquisition							-
Construction							-
Equipment/Furnishings		22,000					22,000
Other/Contingency							-
<b>TOTAL EXPENDITURES</b>		22,000	-	-	-	-	22,000

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Tools, Shop, Yard			PROJECT TITLE: Field Equipment		
USEFUL LIFE: 10 Yrs.		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		<input checked="" type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION: Purchase of overhead pulling system (Spider) for stringing of conductor.		JUSTIFICATION: Comprehensive pulling system for stringing overhead lines that eliminates the extensive manual labor involved with "tying off" lines on each pole. <span style="float: right;">\$15,000</span>					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design							-
Site Costs & Acquisition							-
Construction							-
Equipment/Furnishings	390-40	15,000	15,000				30,000
Other/Contingency							-
<b>TOTAL EXPENDITURES</b>		15,000	15,000	-	-	-	30,000

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Laboratory Equipment			PROJECT TITLE: Laboratory Equipment		
USEFUL LIFE: Various		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		<input checked="" type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input checked="" type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION: Various equipment used by the department for testing/calibrating meters.		JUSTIFICATION: Upgrade/Repair of existing and purchase of new meter testing equipment by the meter department.					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design							-
Site Costs & Acquisition							-
Construction							-
Equipment/Furnishings	390-50	3,000	3,000	3,000	3,000	3,000	15,000
Other/Contingency							-
<b>TOTAL EXPENDITURES</b>		3,000	3,000	3,000	3,000	3,000	15,000

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Communication Equipment			PROJECT TITLE: Equipment & Services		
USEFUL LIFE: 5 Yrs.		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		<input type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input checked="" type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION: Computer Infrastructure - Hardware and Software		JUSTIFICATION: Computer Hardware and Software upgrades projected to be needed in future years.					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Communications Equipment	390-70	15,000	5,000	5,000	5,000	5,000	35,000
Site Costs & Acquisition							-
Construction							-
Equipment/Furnishings							-
Other/Contingency							-
<b>TOTAL EXPENDITURES</b>		15,000	5,000	5,000	5,000	5,000	35,000



### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Equipment & Services			PROJECT TITLE: Cogsdale Upgrade		
USEFUL LIFE:		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		___ NEW CONSTRUCTION/EQUIPMENT			___ REPLACEMENT/REFURBISHMENT		
DESCRIPTION:  Cogsdale Upgrade		JUSTIFICATION:  This project will implement the latest version of Cogsdale and resolve any outstanding issues that have plagued the system.					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
		50000					50,000
							-
							-
							-
							-
<b>TOTAL EXPENDITURES</b>		50,000	-	-	-	-	50,000

### Third Taxing District Capital Budget Worksheet

DEPARTMENT: TTD		CATEGORY: Miscellaneous Capital			PROJECT TITLE: Miscellaneous Capital		
USEFUL LIFE: Various		SCHEDULED START:			SCHEDULED COMPLETION:		
RANKING:		<input checked="" type="checkbox"/> NEW CONSTRUCTION/EQUIPMENT			<input checked="" type="checkbox"/> REPLACEMENT/REFURBISHMENT		
DESCRIPTION: Miscellaneous capital expenses.		JUSTIFICATION: Purchase of capital equipment and services by the department that was unforeseen or does not fit into any other capital expense category.					
EXPENDITURE SCHEDULE (000's)	Account	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTAL
Engineering/Design							-
Site Costs & Acquisition							-
Construction							-
Equipment/Furnishings	390-80	50,000	50,000	50,000	50,000	50,000	250,000
Other/Contingency							-
<b>TOTAL EXPENDITURES</b>		50,000	50,000	50,000	50,000	50,000	250,000

**Third Taxing District Electric Department**  
**Five Year Operating Budget Forecast**  
 July 2018 through June 2023

	Budget 19	Budget 20	Budget 21	Budget 22	Budget 23
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
443-00 · Cervalis Data Center Revenues	265,000.00	265,808.47	265,179.30	265,254.31	264,604.93
427-00 · Non Operating Income - CMEEC					0.00
440-00 · Residential Sales	4,040,000.00	4,052,325.31	4,042,733.43	4,043,876.98	4,033,977.01
442-01 · Large Commercial Sales	1,060,000.00	1,063,233.87	1,060,717.19	1,061,017.23	1,058,419.71
442-02 · Small Commercial Sales	2,715,000.00	2,723,282.97	2,716,836.95	2,717,605.45	2,710,952.37
445-01 · Water Pollutn Contrl Plnt Sales	1,045,000.00	1,048,188.11	1,045,707.04	1,046,002.83	1,043,442.07
445-02 · Flat Rate	100,000.00	100,305.08	100,067.66	100,095.96	99,850.92
451-00 · Miscellaneous Service Revenue	50,000.00	50,152.54	50,033.83	50,047.98	49,925.46
557-00 · Purchased Power Adjustment	785,000.00	787,852.00	785,889.00	786,123.00	784,198.46
<b>Total Income</b>	<b>10,060,000.00</b>	<b>10,091,148.35</b>	<b>10,067,164.40</b>	<b>10,070,023.74</b>	<b>10,045,370.92</b>
<b>Cost of Goods Sold</b>					
555-00 · Electrical Power Purchased	4,832,800.00	4,848,320.00	4,836,240.00	4,837,680.00	4,825,213.35
<b>Total COGS</b>	<b>4,832,800.00</b>	<b>4,848,320.00</b>	<b>4,836,240.00</b>	<b>4,837,680.00</b>	<b>4,825,213.35</b>
<b>Gross Profit</b>	<b>5,227,200.00</b>	<b>5,242,828.35</b>	<b>5,230,924.40</b>	<b>5,232,343.74</b>	<b>5,220,157.57</b>
<b>Expense</b>					
904-00 · Substation					
904-15 · Substation Call Time	55,000.00	56,650.00	58,349.50	60,099.99	61,902.98
904-12 · Payroll - Substation	120,000.00	123,600.00	127,308.00	131,127.24	135,061.06
<b>Total 904-00 · Substation</b>	<b>175,000.00</b>	<b>180,250.00</b>	<b>185,657.50</b>	<b>191,227.23</b>	<b>196,964.04</b>
403-00 · Depreciation Expense	825,000.00	860,000.00	885,000.00	910,000.00	935,000.00
408-00 · Taxes					
408-10 · Gross Receipts tax	365,000.00	375,000.00	370,000.00	372,000.00	360,000.00
408-19 · Rebates of G/R Taxes	13,500.00	15,000.00	14,800.00	14,880.00	14,400.00
408-50 · Taxes - Other	115.00	118.45	122.00	125.66	129.43
<b>Total 408-00 · Taxes</b>	<b>378,615.00</b>	<b>390,118.45</b>	<b>384,922.00</b>	<b>387,005.66</b>	<b>374,529.43</b>
540-00 · Other Power Generation Expense					
548-00 · Generation Expense	138,000.00	142,140.00	146,404.20	150,796.33	155,320.22
<b>Total 540-00 · Other Power Generation Expense</b>	<b>138,000.00</b>	<b>142,140.00</b>	<b>146,404.20</b>	<b>150,796.33</b>	<b>155,320.22</b>
580-00 · Distribution Expenses					
582-00 · Sub-Station Expense	26,000.00	26,780.00	27,583.40	28,410.90	29,263.23

**Third Taxing District Electric Department**  
**Five Year Operating Budget Forecast**  
 July 2018 through June 2023

	Budget 19	Budget 20	Budget 21	Budget 22	Budget 23
583-00 · Overhead Lines Expense	40,000.00	41,200.00	42,436.00	43,709.08	45,020.35
584-00 · Underground Lines Expense	25,000.00	25,750.00	26,522.50	27,318.18	28,137.72
586-00 · Meter Operations Expense	5,000.00	5,150.00	5,304.50	5,463.64	5,627.54
588-00 · Misc Distribution Expense	90,000.00	92,700.00	95,481.00	98,345.43	101,295.79
<b>Total 580-00 · Distribution Expenses</b>	<b>186,000.00</b>	<b>191,580.00</b>	<b>197,327.40</b>	<b>203,247.22</b>	<b>209,344.64</b>
<b>590-00 · Maintenance Expenses</b>					
592-00 · Sub-Stations-Maintenance	25,000.00	25,750.00	26,522.50	27,318.18	28,137.72
593-00 · Overhead Lines-Maintenance					
593-12 · Payroll - Line Department	405,000.00	417,150.00	429,664.50	442,554.44	455,831.07
593-15 · Payroll - Line On Call	90,000.00	92,700.00	95,481.00	98,345.43	101,295.79
593-00 · Overhead Lines-Maintenance - Other	50,000.00	51,500.00	53,045.00	54,636.35	56,275.44
<b>Total 593-00 · Overhead Lines-Maintenance</b>	<b>545,000.00</b>	<b>561,350.00</b>	<b>578,190.50</b>	<b>595,536.22</b>	<b>613,402.30</b>
597-00 · Meters-Maintenance	5,000.00	5,150.00	5,304.50	5,463.64	5,627.54
598-00 · Misc Maintenance Expense					
598-00 · Misc Maintenance Expense - Other	30,000.00	30,900.00	31,827.00	32,781.81	33,765.26
<b>Total 598-00 · Misc Maintenance Expense</b>	<b>30,000.00</b>	<b>30,900.00</b>	<b>31,827.00</b>	<b>32,781.81</b>	<b>33,765.26</b>
<b>Total 590-00 · Maintenance Expenses</b>	<b>605,000.00</b>	<b>623,150.00</b>	<b>641,844.50</b>	<b>661,099.84</b>	<b>680,932.83</b>
<b>900-00 · Customer Accounts &amp; Service</b>					
902-00 · Meter Reading Expense					
902-12 · Payroll - Meter reader	100,000.00	103,000.00	106,090.00	109,272.70	112,550.88
902-13 · Allocation of payroll/accrual	21,000.00	21,630.00	22,278.90	22,947.27	23,635.69
<b>Total 902-00 · Meter Reading Expense</b>	<b>121,000.00</b>	<b>124,630.00</b>	<b>128,368.90</b>	<b>132,219.97</b>	<b>136,186.57</b>
903-00 · Customer Recordkeeping Expense					
903-12 · Payroll - Customer Recordkeepin	150,000.00	154,500.00	159,135.00	163,909.05	168,826.32
903-00 · Customer Recordkeeping Expense - Other	23,000.00	23,690.00	24,400.70	25,132.72	25,886.70
<b>Total 903-00 · Customer Recordkeeping Expense</b>	<b>173,000.00</b>	<b>178,190.00</b>	<b>183,535.70</b>	<b>189,041.77</b>	<b>194,713.02</b>
905-00 · Credit Card Discount Fee	50,000.00	51,500.00	53,045.00	54,636.35	56,275.44
<b>Total 900-00 · Customer Accounts &amp; Service</b>	<b>344,000.00</b>	<b>354,320.00</b>	<b>364,949.60</b>	<b>375,898.09</b>	<b>387,175.03</b>
<b>920-00 · Administrative Expenses</b>					
920-05 · Payroll Taxes	95,000.00	97,850.00	100,785.50	103,809.07	106,923.34
920-12 · Payroll - Admin Dept	430,000.00	442,900.00	456,187.00	469,872.61	483,968.79
920-15 · Admin P/R-On Call Time	7,000.00	7,210.00	7,426.30	7,649.09	7,878.56

**Third Taxing District Electric Department**  
**Five Year Operating Budget Forecast**  
 July 2018 through June 2023

	Budget 19	Budget 20	Budget 21	Budget 22	Budget 23
<b>921-00 · Office Expense</b>					
921-20 · Bank Service Charges	50.00	51.50	53.05	54.64	56.28
921-30 · Postage	25,000.00	25,750.00	26,522.50	27,318.18	28,137.72
921-35 · Office Equipment rental	20,000.00	20,600.00	21,218.00	21,854.54	22,510.18
921-40 · Office Supplies	15,000.00	15,450.00	15,913.50	16,390.91	16,882.63
<b>Total 921-00 · Office Expense</b>	<b>60,050.00</b>	<b>61,851.50</b>	<b>63,707.05</b>	<b>65,618.26</b>	<b>67,586.80</b>
<b>923-00 · Outside Services</b>					
923-10 · Computer Services	48,000.00	49,440.00	50,923.20	52,450.90	54,024.42
923-20 · Audit Fees & Expenses	22,500.00	23,175.00	23,870.25	24,586.36	25,323.95
923-30 · Legal Fees	50,000.00	51,500.00	53,045.00	54,636.35	56,275.44
923-35 · Legal Fees - Labor relations	10,000.00	10,300.00	10,609.00	10,927.27	11,255.09
923-40 · Pension Plan Actuarial & Legal	23,000.00	23,690.00	24,400.70	25,132.72	25,886.70
923-45 · Engineering	50,000.00	51,500.00	53,045.00	54,636.35	56,275.44
923-65 · Outside Accounting Services	49,000.00	50,470.00	51,984.10	53,543.62	55,149.93
923-70 · Office bldg maintenance & repai	45,000.00	46,350.00	47,740.50	49,172.72	50,647.90
923-80 · Security Monitoring	2,000.00	2,060.00	2,121.80	2,185.45	2,251.02
923-00 · Outside Services - Other	50,000.00	51,500.00	53,045.00	54,636.35	56,275.44
<b>Total 923-00 · Outside Services</b>	<b>349,500.00</b>	<b>359,985.00</b>	<b>370,784.55</b>	<b>381,908.09</b>	<b>393,365.33</b>
<b>924-00 · Commercial Package Insurance</b>	<b>162,000.00</b>	<b>181,440.00</b>	<b>199,584.00</b>	<b>219,542.40</b>	<b>241,496.64</b>
<b>925-00 · Workman's Comp Insurance</b>	<b>24,400.00</b>	<b>27,328.00</b>	<b>30,060.80</b>	<b>33,066.88</b>	<b>36,373.57</b>
<b>925-10 · Long &amp; Short Term Disability</b>	<b>13,200.00</b>	<b>13,596.00</b>	<b>14,003.88</b>	<b>14,424.00</b>	<b>14,856.72</b>
<b>926-00 · Pension &amp; Benefits</b>					
926-10 · Pension contributions	236,600.00	251,600.00	266,600.00	281,600.00	296,600.00
926-20 · Employee Health & Life Insuranc	448,000.00	468,000.00	488,000.00	508,000.00	528,000.00
926-30 · Self Insurances					
926-32 · Current Employees	50,000.00	51,500.00	53,045.00	54,636.35	56,275.44
926-34 · Retired Employees	20,000.00	20,600.00	21,218.00	21,854.54	22,510.18
<b>Total 926-30 · Self Insurances</b>	<b>70,000.00</b>	<b>72,100.00</b>	<b>74,263.00</b>	<b>76,490.89</b>	<b>78,785.62</b>
926-90 · Miscellaneous employee benefits	20,000.00	20,600.00	21,218.00	21,854.54	22,510.18
926-00 · Pension & Benefits - Other					
<b>Total 926-00 · Pension &amp; Benefits</b>	<b>774,600.00</b>	<b>812,300.00</b>	<b>850,081.00</b>	<b>887,945.43</b>	<b>925,895.79</b>
<b>928-00 · Regulatory Expense</b>	<b>18,000.00</b>	<b>18,540.00</b>	<b>19,096.20</b>	<b>19,669.09</b>	<b>20,259.16</b>

**Third Taxing District Electric Department**  
**Five Year Operating Budget Forecast**  
 July 2018 through June 2023

	Budget 19	Budget 20	Budget 21	Budget 22	Budget 23
<b>930-00 · General Expense</b>					
930-10 · Conservation Inducemnts Expense	142,130.00	146,393.90	150,785.72	155,309.29	159,968.57
930-40 · Promotions	45,000.00	46,350.00	47,740.50	49,172.72	50,647.90
930-45 · Travel & lodging	8,000.00	8,240.00	8,487.20	8,741.82	9,004.07
930-50 · Seminars & training	20,000.00	20,600.00	21,218.00	21,854.54	22,510.18
930-00 · General Expense - Other	25,000.00	25,750.00	26,522.50	27,318.18	28,137.72
<b>Total 930-00 · General Expense</b>	<b>240,130.00</b>	<b>247,333.90</b>	<b>254,753.92</b>	<b>262,396.53</b>	<b>270,268.43</b>
<b>940-00 · Truck Expense</b>					
940-10 · Company Autos - GM Vehicle	1,500.00	1,545.00	1,591.35	1,639.09	1,688.26
940-30 · Company Autos - Trucks & Cars	32,000.00	32,960.00	33,948.80	34,967.26	36,016.28
<b>Total 940-00 · Truck Expense</b>	<b>33,500.00</b>	<b>34,505.00</b>	<b>35,540.15</b>	<b>36,606.35</b>	<b>37,704.55</b>
<b>Total 920-00 · Administrative Expenses</b>	<b>2,207,380.00</b>	<b>2,304,839.40</b>	<b>2,402,010.34</b>	<b>2,502,507.79</b>	<b>2,606,577.67</b>
<b>Total Expense</b>	<b>4,858,995.00</b>	<b>5,046,397.85</b>	<b>5,208,115.55</b>	<b>5,381,782.15</b>	<b>5,545,843.86</b>
<b>Net Ordinary Income</b>	<b>368,205.00</b>	<b>196,430.50</b>	<b>22,808.85</b>	<b>-149,438.41</b>	<b>-325,686.30</b>
<b>Other Income/Expense</b>					
<b>Other Income</b>					
418-00 · Dividends	50,000.00	55,000.00	60,000.00	65,000.00	70,000.00
419-00 · Interest Income	7,500.00	8,000.00	8,500.00	9,000.00	9,500.00
420-00 · Gain/(Loss) on Investments					
420-10 · Unrealized Gain/(Loss)	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00
<b>Total 420-00 · Gain/(Loss) on Investments</b>	<b>45,000.00</b>	<b>45,000.00</b>	<b>45,000.00</b>	<b>45,000.00</b>	<b>45,000.00</b>
421-00 · Norden Project Income	475,000.00	550,000.00	550,000.00	550,000.00	550,000.00
423-00 · Gain/(Loss) from Sale of FA	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00
424-00 · Energy Conservation Fund Income	142,130.00	142,563.61	142,563.61	142,603.94	142,254.82
425-00 · Miscellaneous Income	0.00				
<b>Total Other Income</b>	<b>726,630.00</b>	<b>807,563.61</b>	<b>813,063.61</b>	<b>818,603.94</b>	<b>823,754.82</b>
<b>Other Expense</b>					
426-30 · PERSON TO PERSON	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
426-10 · Distribution to "District Fund"	313,070.00	300,000.00	300,000.00	300,000.00	300,000.00
942-00 · Interest Expense	0.00				
990-00 · Miscellaneous items	0.00				
<b>Total Other Expense</b>	<b>333,070.00</b>	<b>320,000.00</b>	<b>320,000.00</b>	<b>320,000.00</b>	<b>320,000.00</b>

**Third Taxing District Electric Department**  
**Five Year Operating Budget Forecast**  
 July 2018 through June 2023

	Budget 19	Budget 20	Budget 21	Budget 22	Budget 23
Net Other Income	393,560.00	487,563.61	493,063.61	498,603.94	503,754.82
Net Income	<b>761,765.00</b>	<b>683,994.11</b>	<b>515,872.46</b>	<b>349,165.53</b>	<b>178,068.53</b>

**Cash Projection**

Beginning Cash	10,544,000	8,527,697	8,287,561	8,263,162	8,232,003
Plus Current Fiscal Year Operating Net Income	761,765	683,994	515,872	349,166	178,069
Plus Current Fiscal Year RSF Projected Additions/Subtractions	-338,068	11,371	319,228	219,676	219,110
Less Prior Fiscal Year 18 Approved Capex to be spent	-950,000	0	0	0	0
Less Current Fiscal Year Capital Appropriations	-1,490,000	-935,500	-859,500	-600,000	-650,000
<b>Ending Cash Projections</b>	<b>8,527,697</b>	<b>8,287,561</b>	<b>8,263,162</b>	<b>8,232,003</b>	<b>7,979,181</b>

**Current Year Input Assumptions**

Purchased Energy	60,409,000 kWh
Purchased Cost = 90	\$80.00 /MWh
Fuel Cost - PCA	\$0.0130 /kWh

**Third Taxing District Electric Department  
FY 2018-19 to FY2022-2023  
Five-Year Capital Budget Projects**

Category	Project Title	Description	2018-19	2019-20	2020-21	2021-22	2022-23
Generators	Above Ground Fuel Tank	This project will place 1 above ground fuel tank at Norden.	\$ -	\$ 20,000	\$ -	\$ -	\$ -
Transmission - Structures & Improvements	Backup Generator	Installation of backup generator for Fitch St. Substation.	\$ -	\$ 75,000	\$ -	\$ -	\$ -
Transmission - Structures & Improvements	SCADA	Implementation of SCADA System upgrade and remote access.	\$ -	\$ 50,000	\$ 35,000	\$ 25,000	\$ 25,000
Transmission - Structures & Improvements	Neutral Reactors	Purchase and install grounding reactors on 47R-1X and 47R-2X main power transformers at Fitch Substation.	\$ -	\$ -	\$ 90,000	\$ -	\$ -
Transmission - Structures & Improvements	Blacktop Expansion	Expand current blacktop footprint to allow for more parking and snow removal without damage to ground grid and stones.	\$ 17,000	\$ -	\$ -	\$ -	\$ -
Transmission - Underground Conduit	Underground Conduits	Purchase of underground conduit for transmission system.	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission - Underground Conductor	Underground Conductors	Purchase of underground conductors in relation to the department's transmission system.	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution	Structures & Improvements	Continuation of general repairs at 215 East Avenue Property.	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution	Substation Equipment-Install Trap-Rock	Excavation and installation of trap-rock at East Avenue Substation.	\$ 35,000	\$ -	\$ -	\$ -	\$ -
Substation	Replace Oil Circuit Breakers Replacement Schedule: 52 Circuit OCB 18/19 51 Circuit OCB 19/20 50 Circuit OCB's 20/21	This project addresses the replacement of four 34.5Kv oil circuit breakers that are approximately 50 years old. The replacement circuit breakers will eliminate the presence of insulating oil in all substation devices except the main power transformers.	\$ 192,500	\$ 187,000	\$ 297,000	\$ -	\$ -
Substation	T1 Cable Replacement	This project replaces undersized cables that were discovered in East Avenue Substation.	\$ -	\$ 45,000	\$ -	\$ -	\$ -
Substation	T4 Cable Replacement	This project replaces undersized cables that were discovered in Rowan Street Substation in 2010.	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Substation	Battery Testing/Replacement 27kv Substations	This project replaces the substation control battery within the Rowan Street Substation.	\$ -	\$ 55,000	\$ -	\$ -	\$ -
Substation	Rowan Sub station service transformer	This project replaces the existing station service with a 3 phase service and an automatic Transfer switch.	\$ 45,000	\$ -	\$ -	\$ -	\$ -
Substation	Rowan Substation Protection and coordination study	This project enables Automatic Reclosing Relays and fuse coordination on 4,160-volt Circuit Breakers in Rowan Street Substation.	\$ 45,000	\$ -	\$ -	\$ -	\$ -
Substation	East Ave Substation Protection and Coordination Study	This project enables Automatic Reclosing Relays and fuse coordination on 4,160-volt Circuit Breakers in East Ave Street Substation.	\$ 45,000	\$ -	\$ -	\$ -	\$ -
Substation	Tie Circuit Breaker East Avenue	This project installs a Tie Circuit Breaker within the 4,160-volt switchgear in East Avenue Substation.	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Substation	Transformer Circuit Switchers	This project replaces four Motor Operated Disconnect Switches located at East Avenue and Rowan Street Substations with Circuit Switchers.	\$ -	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Poles, Towers & Equipment	Purchase of Replacements	Replacement of Poles.	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Overhead Conductors	Hendrix Replacement	This project replaces existing 4kV Overhead conductors that are inadequately insulated or undersized	\$ 137,500	\$ 137,500	\$ 137,500	\$ 187,500	\$ 187,500
Distribution Underground Conduit	Underground Conduits	Purchase of underground conduit for commercial installations.	\$ -	\$ -	\$ -	\$ -	\$ -
Underground Conductors	4kV Cable Replacement	This project eliminates all Lead Jacketed cables from the District's Electrical System.	\$ -	\$ -	\$ -	\$ 87,500	\$ 87,500



<u>Category</u>	<u>Project Title</u>	<u>Description</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Line Transformers	Transformers	A replacement of transformers in the distribution system.	\$ 60,000	\$ 60,000	\$ 40,000	\$ 40,000	\$ 40,000
Meters	Meters	A) Replacement/Upgrade of meters and B) Purchase of meters with remote read capabilities.	\$ 50,000	\$ 40,000	\$ 10,000	\$ 10,000	\$ 10,000
Street Lights & Signals	Street Lights	Replacement of street lights in distribution system.	\$ -	\$ -	\$ -	\$ -	\$ -
Structures & Improvements	Storage Facility	Rowan Storage Facility	\$ 410,000	\$ -	\$ -	\$ -	\$ -
Office Furniture & Equipment	Furniture/Equipment Purchases	Purchase of office furniture/equipment for department facilities.	\$ 5,000	\$ 3,000	\$ 2,000	\$ 2,000	\$ 2,000
Transportation Equipment	Ford F-750 (Bucket)	Upgrade and refurbish existing bucket truck to extend the useful life.	\$ 53,000	\$ -	\$ -	\$ -	\$ -
Transportation Equipment	Altec Bucket Digger Truck	Purchase new Digger truck	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Transportation Equipment	Chevy Equinox	Buyout of Chevy Equinox Lease	\$ 22,000	\$ -	\$ -	\$ -	\$ -
Tools, Shop, Yard	Field Equipment	Purchase of Overhead pulling system (Spider) for stringing of conductor and overhead/underground phasing and voltage tester.	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -
Laboratory Equipment	Laboratory Equipment	Various equipment used by the department for testing/calibrating meters.	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Communication Equipment	Equipment & Services	Computer Infrastructure - Hardware & Software	\$ 15,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Communication Equipment	Cogsdale Upgrade	Upgrade of the Cogsdale billing system	\$ 50,000				
Miscellaneous Equipment	Miscellaneous Equipment	Miscellaneous capital equipment purchased by the department.	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
TOTAL			\$ 1,490,000	\$ 935,500	\$ 859,500	\$ 600,000	\$ 650,000

**OPERATING BUDGET**

**\*\* COMMISSIONER \_\_\_\_\_ MOVED TO APPROVE THE OPERATING BUDGET AS PRESENTED TO THE COMMISSION FOR THE FISCAL YEAR JULY 1, 2018 TO JUNE 30, 2019 WITH A PROJECTED NET INCOME OF \$761,765.**

**\*\* COMMISSIONER \_\_\_\_\_ SECONDED.**

**CAPITAL BUDGET**

**\*\* COMMISSIONER \_\_\_\_\_ MOVED TO APPROVE THE CAPITAL BUDGET AS PRESENTED TO THE COMMISSION FOR THE FISCAL YEAR JULY 1, 2018 TO JUNE 30, 2019 WITH A PROJECTED PROJECT TOTAL OF \$1,490,000.**

**\*\* COMMISSIONER \_\_\_\_\_ SECONDED.**



## Third Taxing District

2 Second Street  
East Norwalk, CT 06855

Tel: (203) 866-9271  
Fax: (203) 866-9856

### Memorandum

**To:** TTD Commissioners

**From:** **Kevin Barber – General Manager**

**Date:** June 22, 2018

**Subject:** CT DEEP Consent Order #2495

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On Thursday of last week, June 7<sup>th</sup>, TTD received, via certified mail, a proposed consent order from CT Department of Energy and Environmental Protection (DEEP). This consent order #2495, copy attached, is related to the permits to operate the three Norden generators. The New Source Review (NSR) Permits, # 137-0159, 137-0160 and 137-0161, required the stack testing for nitrogen oxides (NOx) every five years.

In 2016, TTD determined that we were in violation of these permits for failure to conduct the five year test which was due before July 22, 2013. TTD notified DEEP of this violation and DEEP issued TTD a Notice of Violation (NOV), #17799, on December 23, 2016. TTD subsequently completed the testing of the stacks on February 16, 2017 and notified DEEP. The testing results were accepted by the DEEP Commissioner on September 27, 2017.

DEEP has issued a civil penalty to TTD in the amount of \$13,015. The penalty is to recover the economic benefit of the missed test. DEEP will allow, in lieu of paying the civil penalty, the option of retesting the engines. In discussions with Mike Adams and our consultant, it was determined that the retesting of the engines would cost between \$12,000-15,000. With the retesting of the generators also comes the risk of a test failure. A failed test would require immediate action to resolve the cause of the failure including a retesting of the engine. The Norden Generators next test date is Feb 2022. The expense of retesting and risk of failure does not make the retest option viable.

It is my understanding the Commission was advised of the missed tests at the time. I've researched the minutes of Commission meetings and the meeting packets from that time frame and found mention of the Norden stack testing in the project summary reports in October and

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#### District Commissioners

<b>David L. Brown</b>	203-866-8099	Chairman	<b>Kevin Barber</b>	203-866-9271	General Manager
<b>Debra Goldstein</b>	203-252-7214	Commissioner	<b>Ron Scofield</b>	203-866-9271	Assistant General Manager
<b>Pamela Parkington</b>	203-858-4261	Commissioner	<b>Johnnie Weldon</b>	203-216-2652	Treasurer

December 2016 and January 2017. I've attached copies of the copies of the relevant pages for your review. I've also attached an email from Mike Adams detailing the specifics of the violation.

I spoke to Robin Baena, the contact referenced in the letter, to determine if TTD had any other options relating to this order. Ms. Baena reiterated the order is to recover the economic benefit of the missed tests. The penalty is set at the value that DEEP estimated the tests would cost. As stated in the letter, TTD's options are to pay the civil penalty or retest the engines. The final decision at DEEP is with the DEEP Commissioner.

TTD has discussed future plans to install a CO2 Catalyst on the Norden generators. This would allow TTD to meet higher emissions standards and run the generators for a higher number of hours. The installation of this system would also require the testing of the stacks.

Based on a review of the documentation provided, discussions with staff and our consultants, assessing the risks and the possible future plans, it is my recommendation that TTD execute the consent order and pay the penalty. This would resolve the NOV issue from 2016. This is also the first and only NOV that TTD has received from DEEP.



Michael Adams  
City of Norwalk – Third Taxing District  
2 Second Street  
East Norwalk, CT 06855

Re: Proposed Consent Order #2495

Dear Mr. Adams:

On December 23, 2016, the Department of Energy and Environmental Protection’s Air Bureau issued Notice of Violation (NOV) #17799 to the City of Norwalk – Third Taxing District for failing to conduct NOx RACT testing diesel generator sets every five years as required by NSR Permits #137-0159, #137-0160, and #137-0161.

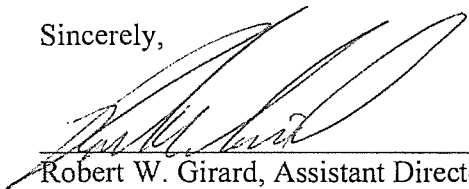
The Department relies on facilities to comply with applicable regulatory and permit requirements in order to ensure against actual or potential harm to the environment, public health and regulatory programs. Failure to comply with these requirements affects the Department’s ability to prevent or monitor against such harm. Violations concerning NOx emissions are of particular concern to the Department, especially for facilities located in Fairfield County, which is a severe ozone non-attainment area. NOx emissions are the primary component in the formation of ground-level ozone, contributing to unhealthy air quality in Connecticut.

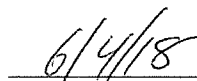
Accordingly, the enclosed draft Consent Order addresses the violations outlined above and proposes that City of Norwalk – Third Taxing District pay a civil penalty to recover the economic benefit of the missed tests. In lieu of paying a civil penalty you may choose to retest the engines on or before 60 days following the execution of the consent order.

Please return Consent Order #2495 signed by an authorized representative of City of Norwalk – Third Taxing District or contact the Department regarding revising the order to include the testing option within fourteen calendar days of your receipt of the proposed consent order. Once the Department receives the signed order, it will be presented to the Commissioner for signature. If signed by the Commissioner, Consent Order #2495 will become a Final Order of the Commissioner and a certified copy of the Consent Order will be returned to you via registered mail.

If you have questions regarding this matter, please contact Robin Baena of my staff at (860) 424-3196.

Sincerely,

  
\_\_\_\_\_  
Robert W. Girard, Assistant Director  
Air Engineering and Enforcement Division

  
\_\_\_\_\_  
Date



STATE OF CONNECTICUT )  
 )  
Vs. )  
 )  
CITY OF NORWALK- THIRD TAXING DISTRICT )  
 )  
 )

Order No. 2495

CONSENT ORDER

- A. With the agreement of the City of Norwalk- Third Taxing District (Respondent), the Commissioner of Energy and Environmental Protection (Commissioner) finds the following:
  - 1. The Respondent owns and operates three Ultra Low Sulfur Diesel (ULSD)-fired Caterpillar XQ2000 generator sets at 10 Norden Place in East Norwalk (premises). The generator sets are identified as Unit NP1, Unit NP2, and Unit NP3. The respondent operates these units under New Source Review (NSR) Permit #137-0159, NSR Permit #137-0160 and NSR Permit #137-0161, respectively.
  - 2. NSR Permit #137-0159, NSR Permit #137-0160 and NSR Permit #137-0161 require that the Respondent conduct recurrent stack test for nitrogen oxides (NOx) on each of the respective generator sets within five years from the date of the previous approved stack test.
  - 3. In a letter dated September 29, 2016, the Respondent notified the Commissioner that the Respondent failed to conduct 5-year periodic emissions testing for NOx on the three generator sets before the test due date of July 22, 2013.
  - 4. The Commissioner issued Notice of Violation #17799 to the Respondent on December 23, 2016 for failing to conduct 5-year periodic emissions testing for Nitrogen Oxides on the three generator sets before the due date of July 22, 2013.
  - 5. The Respondent completed NOx testing on February 16, 2017. The Commissioner accepted the results of the testing in a letter dated September 27, 2017. The test results demonstrated compliance with all emissions limits.
  - 6. By virtue of the facts set forth above, the Respondent has violated NSR Permit #137-0159, NSR Permit #137-0160 and NSR Permit #137-0161.
- B. With the agreement of Respondent, the Commissioner, acting under §22a-6 and §22a-174 of Connecticut General Statute, orders the Respondent as follows:

1. Civil penalty. On or before thirty (30) days after issuance of this Consent Order, the Respondent shall pay a penalty of \$13,015 as the total civil penalty to be sought by the Commissioner for those, and only those, violations described in Paragraph A.4 of this Consent Order.
2. Payment of penalties. Payment of penalties under this Consent Order shall be mailed or personally delivered to the Department of Energy and Environmental Protection, Bureau of Financial and Support Services--Accounts Receivable Office, 79 Elm Street, Hartford, CT 06106-5127, and shall be by certified or bank check payable to the "Connecticut Department of Energy and Environmental Protection." The check shall state on its face, "Bureau of Air Management Civil Penalty, Air Engineering & Enforcement Division, Consent Order #2495."
3. Full compliance. The Respondent shall not be considered in full compliance with this Consent Order until all actions required by this Consent Order have been completed as approved and to the Commissioner's satisfaction.
4. Approvals. The Respondent shall use best efforts to submit to the Commissioner all documents required by this Order in a complete and approvable form. If the Commissioner notifies the Respondent that any document or other action is deficient, and does not approve it with conditions or modifications, it is deemed disapproved, and the Respondent shall correct the deficiencies and resubmit it within the time specified by the Commissioner or, if no time is specified by the Commissioner, within 30 days of the Commissioner's notice of deficiencies. In approving any document or other action under this Consent Order, the Commissioner may approve the document or other action as submitted or performed or with such conditions or modifications as the Commissioner deems necessary to carry out the purposes of this Consent Order. Nothing in this paragraph shall excuse noncompliance or delay.
5. Definitions. As used in this Consent Order, "Commissioner" means the Commissioner or a representative of the Commissioner.
6. Dates. The date of "issuance" of this consent order is the date the consent order is deposited in the U.S. mail or personally delivered, whichever is earlier. The date of submission to the Commissioner of any document required by this consent order shall be the date such document is received by the Commissioner. The date of any notice by the Commissioner under this consent order, including but not limited to notice of approval or disapproval of any document or other action, shall be the date such notice is deposited in the U.S. mail or is personally delivered, whichever is earlier. Except as otherwise specified in this consent order, the word "day" as used in this consent order means calendar day. Any document or action which is required by this consent order to be submitted or performed by a date which falls on a Saturday, Sunday or a Connecticut or federal holiday shall be submitted or performed by the next day which is not a Saturday, Sunday or Connecticut or federal holiday.
7. Certification of documents. Any document, including but not limited to any notice, which is required to be submitted to the Commissioner under this Consent Order shall be signed by the Respondent or, if the Respondent is not an individual, by the Respondent's chief executive officer or a duly authorized representative of such officer, as those terms are defined in §22a-174-2a of the Regulations of Connecticut State Agencies, and by the individual(s) responsible for actually preparing such document, and the Respondent or the Respondent's chief executive officer and each such individual shall certify in writing as follows: "I have personally examined

and am familiar with the information submitted in this document and all attachments thereto, and I certify, based on reasonable investigation, including my inquiry of those individuals responsible for obtaining the information, that the submitted information is true, accurate and complete to the best of my knowledge and belief. I understand that any false statement made in the submitted information is punishable as a criminal offense under Section §53a-157b of the Connecticut General Statutes and any other applicable law.”

8. Noncompliance. This Consent Order is a final order of the Commissioner with respect to the matters addressed herein, and is nonappealable and immediately enforceable. Failure to comply with this Consent Order may subject the Respondent to an injunction and penalties.
9. False statements. Any false statement in any information submitted pursuant to this consent order may be punishable as a criminal offense under §53a-157b of the Connecticut General Statutes and any other applicable law.
10. Notice of transfer; liability of Respondent. Until the Respondent has fully complied with this Consent Order, Respondent shall notify the Commissioner in writing no later than 15 days after transferring all or any portion of the facility, the operations, the site or the business which is the subject of this Consent Order or after obtaining a new mailing or location address. The Respondent’s obligations under this Consent Order shall not be affected by the passage of title to any property to any other person or municipality.
11. Commissioner's powers. Except as provided hereinabove with respect to payment of civil penalties, nothing in this Consent Order shall affect the Commissioner's authority to institute any proceeding or take any other action to prevent or abate violations of law, prevent or abate pollution, recover costs and natural resource damages, and to impose penalties for past, present, or future violations of law. If at any time the Commissioner determines that the actions taken by Respondents pursuant to this Consent Order have not successfully corrected all violations, fully characterized the extent or degree of any pollution, or successfully abated or prevented pollution, the Commissioner may institute any proceeding to require the Respondents to undertake further investigation or further action to prevent or abate violations or pollution.
12. Respondent's obligations under law. Nothing in this Consent Order shall relieve the Respondent of other obligations under applicable federal, state and local law.
13. No assurance by Commissioner. No provision of this Consent Order and no action or inaction by the Commissioner shall be construed to constitute an assurance by the Commissioner that the actions taken by the Respondent pursuant to this Consent Order will result in compliance.
14. Access to site. Any representative of the Department of Energy and Environmental Protection may enter the facility without prior notice for the purposes of monitoring and enforcing the actions required or allowed by this Consent Order.
15. No effect on rights of other persons. This Consent Order neither creates nor affects any rights of persons or municipalities that are not parties to this Consent Order.
16. Notice to Commissioner of changes. Within 15 days of the date the Respondent becomes aware of a change in any information submitted to the Commissioner under this Consent Order, or that



any such information was inaccurate or misleading or that any relevant information was omitted, the Respondent shall submit the correct or omitted information to the Commissioner.

17. Notification of noncompliance. In the event that the Respondent becomes aware that it did not or may not comply, or did not or may not comply on time, with any requirement of this Consent Order or of any document required hereunder, the Respondent shall immediately notify by telephone the individual identified in the next paragraph and shall take all reasonable steps to ensure that any noncompliance or delay is avoided or, if unavoidable, is minimized to the greatest extent possible. Within five (5) days of the initial notice, the Respondent shall submit in writing the date, time and duration of the noncompliance and the reasons for the noncompliance or delay and propose, for the review and written approval of the Commissioner, dates by which compliance will be achieved, and the Respondent shall comply with any dates which may be approved in writing by the Commissioner. Notification by the Respondent shall not excuse noncompliance or delay, and the Commissioner's approval of any compliance dates proposed shall not excuse noncompliance or delay unless specifically so stated by the Commissioner in writing.
18. Submission of documents. Any document required to be submitted to the Commissioner under this Consent Order, unless otherwise specified in this Consent Order or in writing by the Commissioner, shall be directed to:

Robin Baena  
Department of Energy and Environmental Protection  
Air Engineering & Enforcement Division  
79 Elm Street  
Hartford, Connecticut 06106-5127

Respondent consents to the issuance of this Consent Order without further notice. The undersigned certifies that he/she is fully authorized to enter into this Consent Order and to legally bind Respondent to the terms and conditions of the Consent Order.

*City of Norwalk – Third Taxing District*

Signature: \_\_\_\_\_

Type Name: \_\_\_\_\_

Type Title: \_\_\_\_\_

Date: \_\_\_\_\_

Issued as a final order of the Commissioner of Energy and Environmental Protection.

\_\_\_\_\_  
Robert E. Kaliszewski  
Deputy Commissioner  
Department of Energy and Environmental Protection

\_\_\_\_\_  
Date

MAILED CERTIFIED MAIL,  
RETURN RECEIPT REQUESTED

#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
<u>MISC. (Cont.)</u>	<ul style="list-style-type: none"> <li>NORDEN GENERATORS</li> </ul>	PERIODIC TESTING FOR “BLACK START” BACK-UP TO THE NORDEN FACILITY AND RUN INTO THE ISO LFR MARKET.	ON-GOING	<ul style="list-style-type: none"> <li>OCTOBER 2016 – STAFF HAS SPENT CONSIDERABLE TIME THIS MONTH ON INSURING THAT ALL NORDEN UNIT STACK TESTING AND INSPECTIONS ARE COMPLETE AND UP-TO-DATE. THIS IS A PREVENTATIVE MEASURE WHICH WE ARE EMPLOYING. ANY DEFICIENCIES WILL BE “SELF-DISCLOSED” TO THE CT DEEP AND WILL BE CORRECTED AS NECESSARY.</li> </ul>
	<ul style="list-style-type: none"> <li>SOLAR PROJECTS</li> </ul>	POTENTIAL PROJECTS DISCUSSED WITH RESIDENTIAL AND COMMERCIAL CUSTOMERS.	ON-GOING	
	<ul style="list-style-type: none"> <li>ANNUAL FINANCIAL AUDIT (FYE 6/30/16)</li> </ul>		EXPECTED COMPLETION DATE- OCTOBER 15 <sup>TH</sup> OF EACH YEAR	<ul style="list-style-type: none"> <li>OCTOBER 2016 – ALL PERTINENT INFORMATION HAS BEEN FORWARDED TO THE AUDITORS FROM STAFF AND FIELD AUDIT WORK HAS BEEN COMPLETED. WE ARE ANTICIPATING A DRAFT OF THE AUDIT REPORT LATER IN THE MONTH.</li> </ul>

#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
	<p><u>MISC. (Cont.)</u></p> <ul style="list-style-type: none"> <li>• NORDEN GENERATORS</li>   <li>• SOLAR PROJECTS</li>   <li>• ANNUAL FINANCIAL AUDIT (FYE 6/30/16)</li> </ul>	<p>PERIODIC TESTING FOR “BLACK START” BACK-UP TO THE NORDEN FACILITY AND RUN INTO THE ISO LFR MARKET.</p> <p>POTENTIAL PROJECTS DISCUSSED WITH RESIDENTIAL AND COMMERCIAL CUSTOMERS.</p>	<p>ON-GOING</p> <p>ON-GOING</p> <p>EXPECTED COMPLETION DATE- OCTOBER 15<sup>TH</sup> OF EACH YEAR</p>	<ul style="list-style-type: none"> <li>• <b>DECEMBER 2016</b> - TTD HAS BEEN AND CONTINUES TO WORK WITH THE STATE “DEEP” (DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION) ON STACK TESTING PERMITS FOR THE (3) NORDEN GENERATORS. THIS ACTIVITY IS PERFORMED TO INSURE COMPLIANCE WITH DEEP AIR QUALITY STANDARDS AND WILL EVENTUALLY RESULT IN A CERTIFICATE OF COMPLIANCE ONCE ALL REQUIREMENTS ARE MET.</li> </ul>

#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
	<u>MISC. (Cont.)</u> <ul style="list-style-type: none"> <li data-bbox="155 347 426 412">• NORDEN GENERATORS</li>   <li data-bbox="155 824 485 857">• SOLAR PROJECTS</li>   <li data-bbox="155 1084 386 1224">• ANNUAL FINANCIAL AUDIT (FYE 6/30/16)</li> </ul>	<p data-bbox="512 347 982 519">PERIODIC TESTING FOR “BLACK START” BACK-UP TO THE NORDEN FACILITY AND RUN INTO THE ISO LFR MARKET.</p> <p data-bbox="512 824 966 964">POTENTIAL PROJECTS DISCUSSED WITH RESIDENTIAL AND COMMERCIAL CUSTOMERS.</p>	<p data-bbox="1008 347 1178 380">ON-GOING</p> <p data-bbox="1008 824 1178 857">ON-GOING</p> <p data-bbox="1008 1084 1339 1224">EXPECTED COMPLETION DATE- OCTOBER 15<sup>TH</sup> OF EACH YEAR</p>	<ul style="list-style-type: none"> <li data-bbox="1379 347 1982 558">• JANUARY 2017 – COMPLETED A SCHEDULED “BLACK START” TEST AT THE NORDEN FACILITY ON JANUARY 26<sup>TH</sup>. ALL THREE UNITS WERE RUN AS PART OF THE TEST WITH EXCELLENT RESULTS.</li> </ul>

## Kevin Barber

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**From:** Mike Adams  
**Sent:** Thursday, June 07, 2018 5:10 PM  
**To:** Kevin Barber  
**Cc:** Ron Scofield  
**Subject:** DEEP and Norden Generator  
**Attachments:** Image (8).jpg; Image (7).jpg; Image (6).jpg; Image (5).jpg; Image (4).jpg; Image (3).jpg; Image (2).jpg; Image.jpg

Kevin,

As requested and following our conversation this afternoon please find below a brief synopsis of the Norden Units Non compliance issue:

In the early fall of 2016 I was made aware by CMEEC that the state DEEP had been looking into compliance and testing issues with some of the CMEEC units. It was then discovered that the Norden Units had missed their scheduled Nox testing date of 7/22/13. I contacted a Diesel Gen consultant that had worked with CMEEC in the past to assist with our non compliance issue. It was at this time that we self reported to the DEEP and began making arrangements to have the Norden units tested. This was quite the process with permits, plans and approvals from the DEEP. The testing was completed and submitted to the DEEP in 2/16/17. TTD later received a letter from DEEP accepting the testing and results in September of 2017. It was thought at that time that the issue had been resolved. Above you will find the attachments of the certified letter that TTD received today that detail the events and subsequent fine associated with this compliance issue. The Gm at the time was made aware of the situation and I believe reported to the commission of our non compliance and remediation plans as they progressed. I contacted the Generator consultant today whom was surprised that we received a fine some 16 month after self reporting and 9 months after DEEP acceptance of completed stack testing.

Let me know if you need any other information or clarification.

Regards,

Mike Adams

General Line Foreman  
Third Taxing District  
2 Second Street  
E. Norwalk, CT 06855

O:203-866-9271