

**\*Amended 2/26/16\***  
**SPECIAL TOWN COUNCIL MEETING**  
**February 29, 2016**  
**7:00 PM**  
**Town Hall Annex Building**

1. Call To Order, Roll Call
2. New Business:
  - 2.A. 15/16-68: Consideration Of CNG Proposal To Extend Natural Gas To Coventry (E)  
Documents:

[CNG PRESENTATION.PDF](#)

- 2.B. 15/16-73: Consideration Of Waiving Bid Procedures And Appropriation Of Funds For Boiler Replacement And Related Expenses At Coventry Town Hall
3. Adjournment

(E) *Denotes Enclosure*

<p><b>Open Participation in Public Meetings:</b> The Town of Coventry will provide reasonable accommodations to assist those with special needs to attend &amp; participate in public meetings. Contact the Town Manager's Office at 742-6324 or e-mail <a href="mailto:Lstone@Coventryct.org">Lstone@Coventryct.org</a> at least 48 hours in advance to discuss special needs.</p>
---

# Heat Smart.

Natural Gas is Smart  
for Coventry

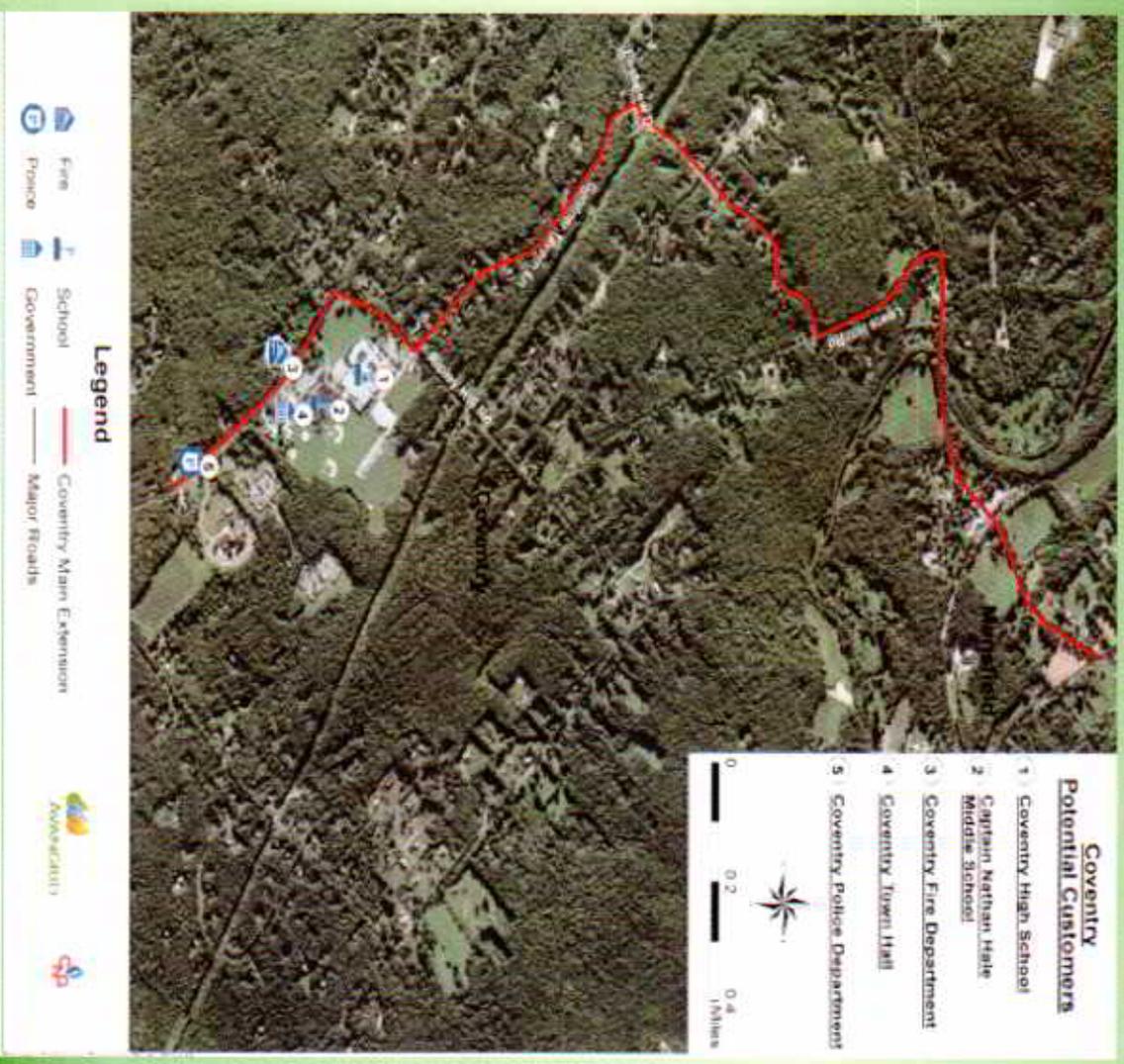


# Agenda

- Proposed Project Map
- Advantages of Natural Gas
- Project Details
- Action Items
- Questions

# Coventry Expansion

- Main to be installed from Mansfield in the vicinity of the Uconn Depot Campus.
- Main would be run into Coventry via Route 44.
- Access for Coventry High School, Nathan Hale Middle School. Coventry Town Offices and Fire and Police Departments.
- Route would serve areas of residential customers.
- Proposed 4 miles of gas main.

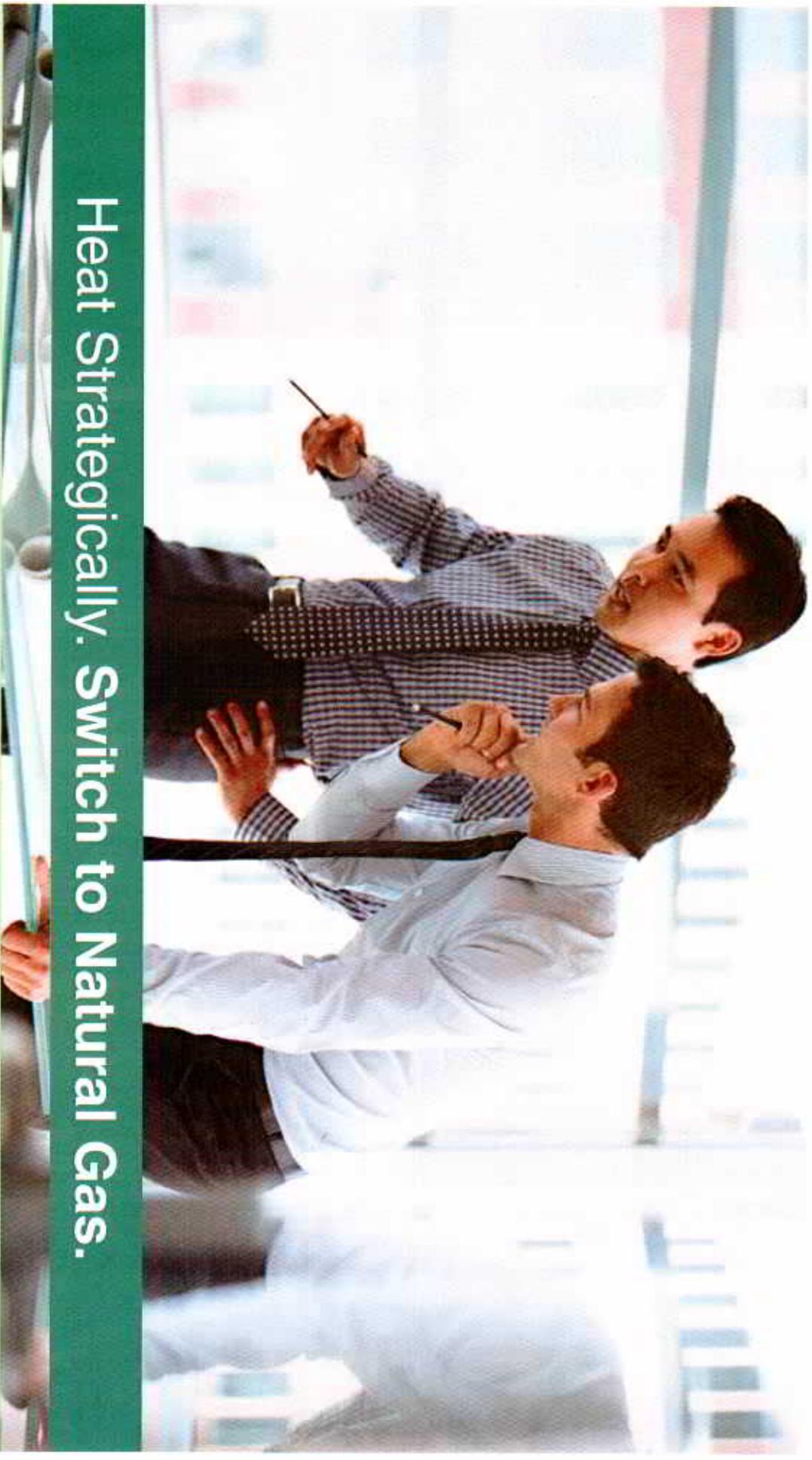




## Heat Dependably. Switch to Natural Gas

### Municipal Buildings

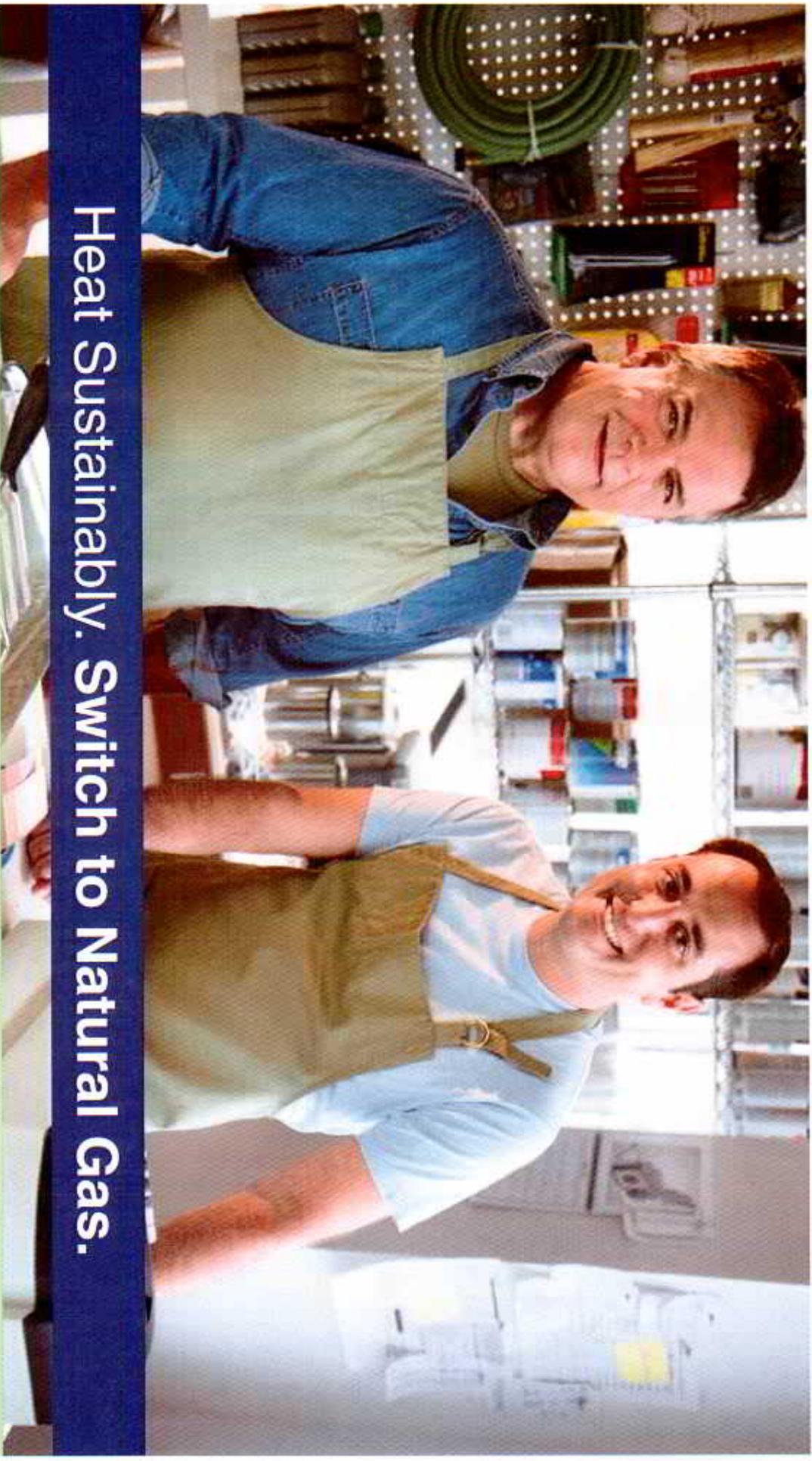
- Coventry High School and Nathan Hale Middle School
- Town Offices
- Police and Fire Departments



## Heat Strategically. Switch to Natural Gas.

### **Access to Cleaner, Cheaper & More Reliable Energy**

- Coventry is interested in lowering their energy costs and improving efficiency
- Natural gas creates local and domestic jobs and improves business overheads
- Coventry will be competitively postured for retaining and attracting businesses

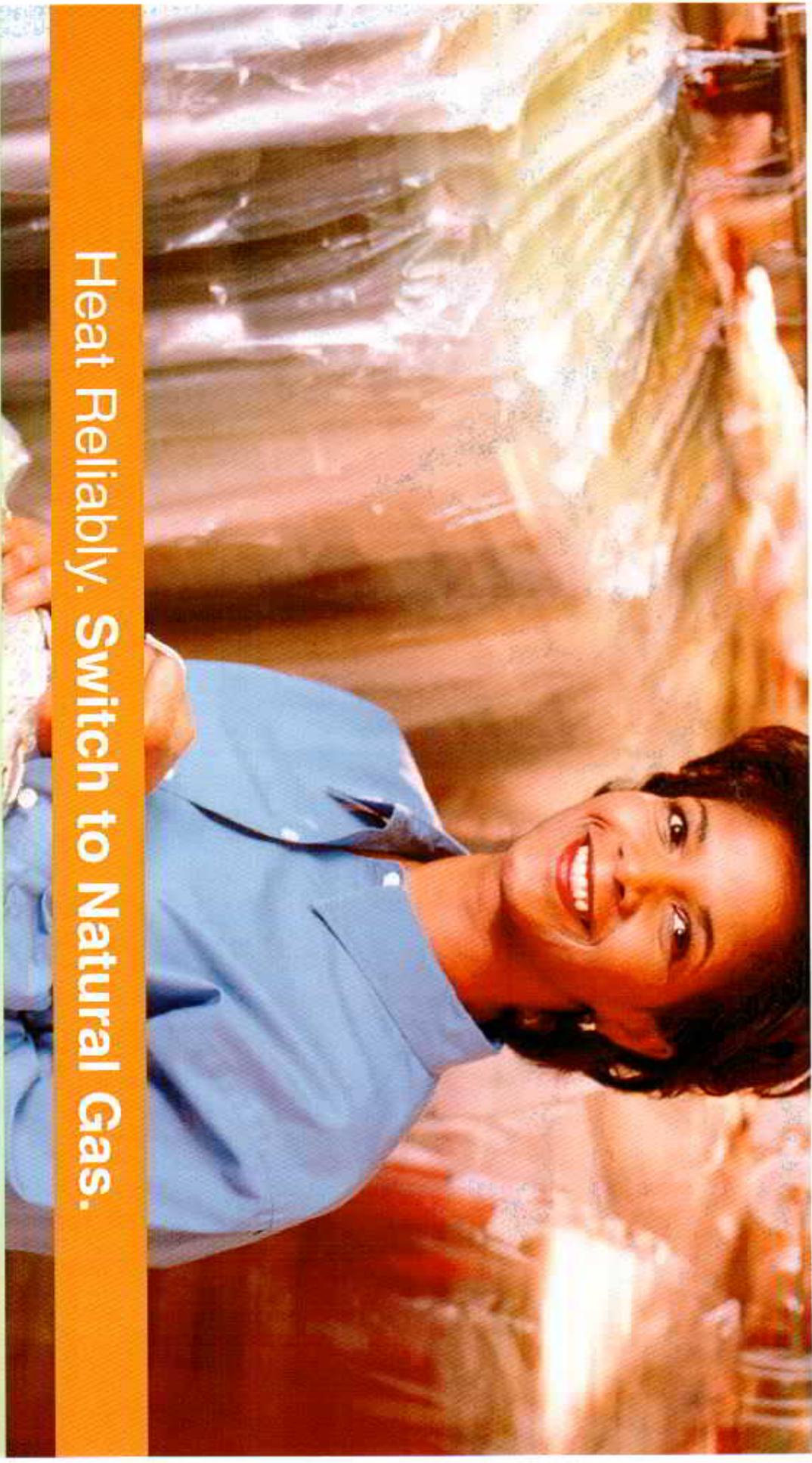


## Heat Sustainably. Switch to Natural Gas.

**Domestic** - Over 90% of natural gas used in the U.S. comes from North America.

**Environmentally Friendly** - Cleanest-burning fossil fuel - better for the environment

**Customers prefer environmentally conscious businesses!**

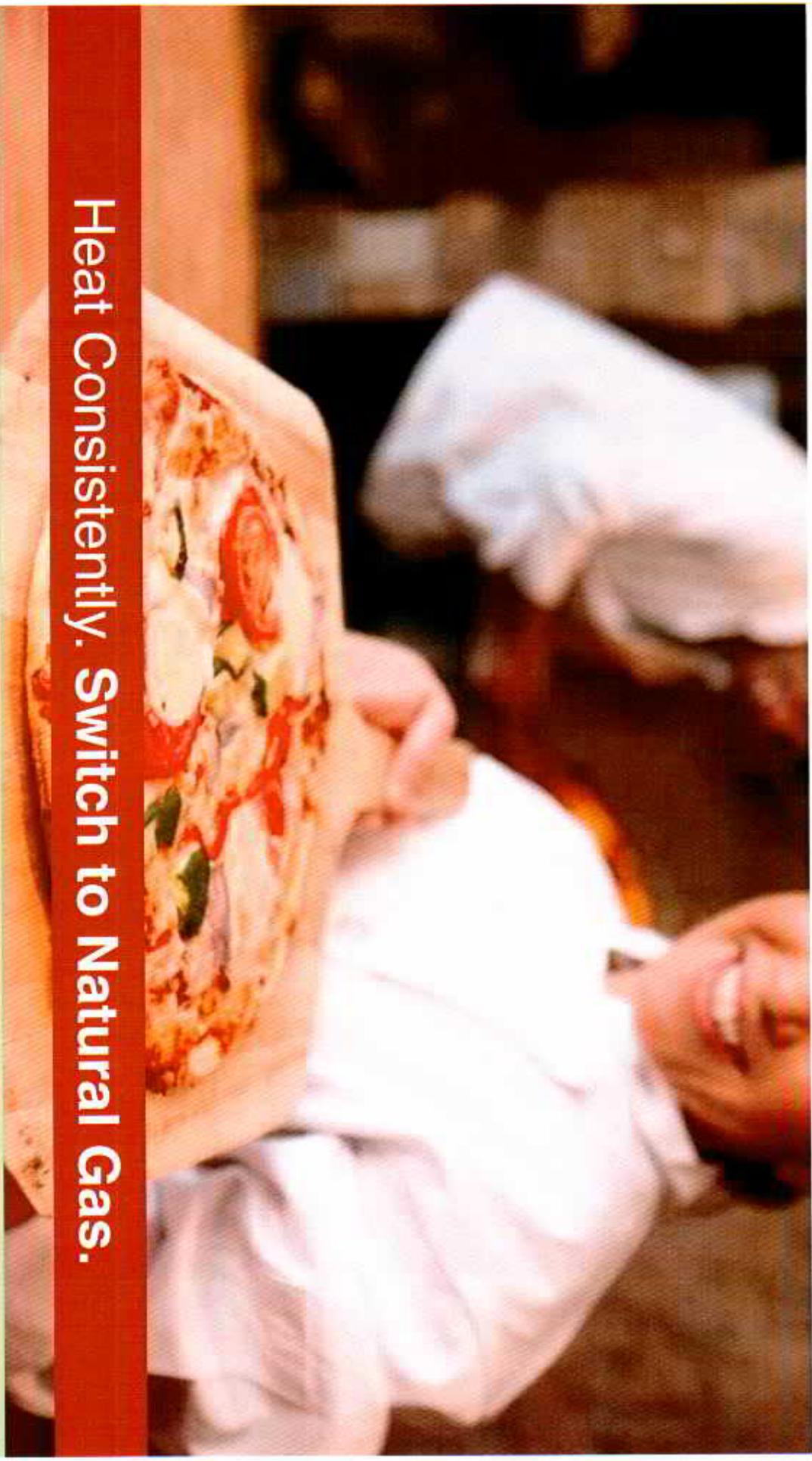


## Heat Reliably. Switch to Natural Gas.

**Convenient** – America's most dependable energy source, piped directly to your business, so it's there when you need it.

**Regulated**– No pricing games, published regulated tariffs with full transparency.

**Firm Capacity**– We secure enough capacity to supply our customers under the coldest theoretical design conditions. Our firm customers come first!



**Heat Consistently. Switch to Natural Gas.**

**Focus on your businesses**

Natural gas is a cleaner more consistent fuel source and extends the life of heating equipment and minimizes equipment service.

# Heat Effortlessly

Natural Gas is Safe and Reliable with minimal impact to Coventry

- CNG Engineers & designs
- CNG Contractors excavate an ~18 to 24 inch wide trench and install the main
- CNG backfills, temporary patches and then permanently restores the roads
- CNG Installs services to all customers with signed service agreements along the route



## Project Benefits

- Natural Gas provides residents and businesses with energy choice
- Businesses are more competitive – drives profitability
- Natural Gas is the most abundant, reliable and energy-efficient heating source available
- Natural Gas supports sustainability – adding value to businesses
- Natural gas comes from North America, prices are stable and not subject to world events
- Natural gas is domestic, dependable, and efficient
- Residents have convenience – and it's more cost effective
- Natural gas is clean burning.
- Smart choice for today and Smart choice for the future

### **Additional Long Term Benefits to Coventry:**

- CNG will pay property taxes for all new main, services and meters.

# Project Costs

	Under No Tax Abatement	Under 10 Year Tax Abatement	Under 25 Year Tax Abatement
<b>Project Construction Costs</b>	\$ 2,887,000	\$ 2,877,000	\$ 2,877,000
<b>Project Shortfall</b>	\$ 1,784,000	\$ 1,742,000	\$ 1,727,000
<b>Non-Firm Margin Contributed by CNG (40% of project construction costs)</b>	\$ 1,154,800	\$ 1,154,800	\$ 1,154,800
<b>% of Shortfall from CNG NFM Funds</b>	65%	66%	67%
<b>Town Contribution</b>	\$ 629,200	\$ 587,300	\$ 572,200
<b>% of Shortfall Payment from Town</b>	35%	34%	33%

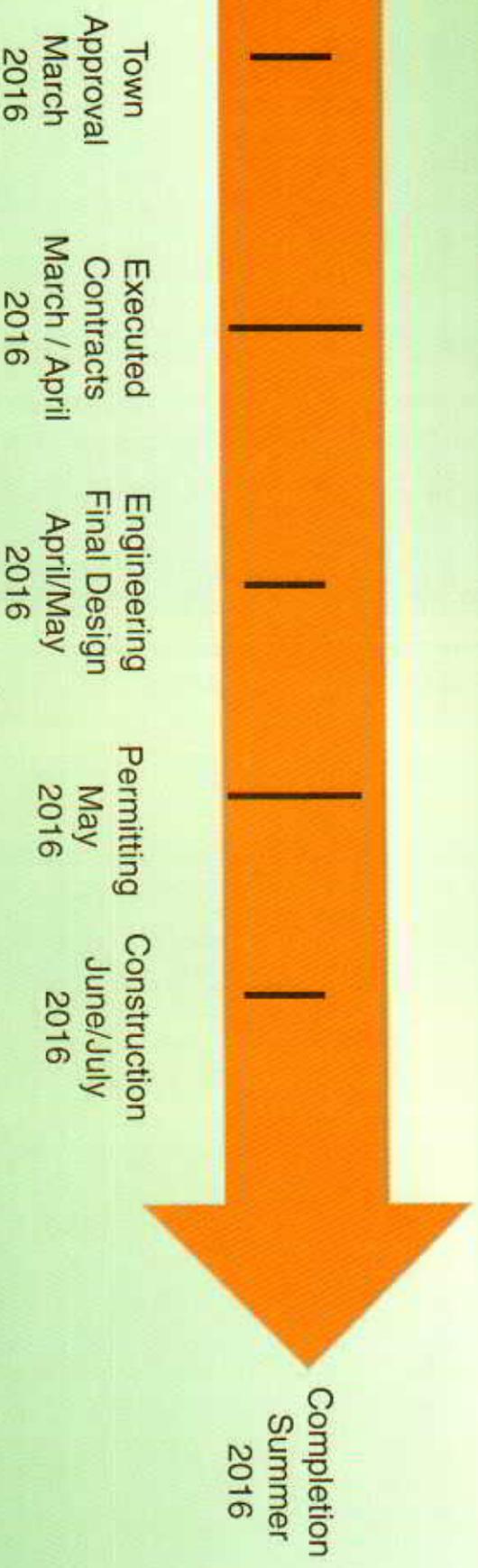
NOTE: All numbers are estimates and included for discussion purposes only.

## Requirements to Commence

1. Municipal commitment to convert all town buildings on the route.
2. Financial contribution
  - The projected financial contribution from the town is:
    - \$629,200 based on no tax abatement
    - \$587,200 based on a 10 year tax abatement
    - \$572,200 based on a 25 year tax abatement
3. Road paving and restoration on Town roads.
4. Expedited construction permitting.

# Project Timeline

- Town approval and executed contracts by April 2016
- Engineering/Final Design and Permitting by May 2016
- Gas Main Construction to commence in June/July 2016
- Natural gas available to all residents and businesses Summer 2016



## Project Contacts

### **Tony Sherman**

#### **Manager of Gas Expansion Projects**

180 Marsh Hill Rd.

Orange, CT 06477

Telephone: (203) 499-3324

Mobile: (860) 205-9683

Email: [asherman@ctgcorp.com](mailto:asherman@ctgcorp.com)

### **Terri Eller**

#### **Director of C&I Sales**

180 Marsh Hill Rd.

Orange, CT 06477

Telephone: (203) 499-2317

Mobile: (203) 494-3073

Email: [terri.eller@uinet.com](mailto:terri.eller@uinet.com)



# Thank you.

Q&A Section

Coventry Natural Gas Cost Price Analysis									
Coventry Town Buildings									
Based on Town Consumption									
Facility	Fuel Type	Annual Fuel Usage (Gal)	Price per Gallon	Current Fuel Cost	Annual Natural Gas Equivalent Usage (CCF)	Average Price per CCF	Natural Gas Cost	Equivalent Oil Cost per Gallon	Cost Savings
Coventry High School	Oil	28,800	\$ 1.79	\$ 51,552	40,320	\$ 0.755	\$ 30,442	\$ 1.06	\$ 21,110
Nathan Hale Middle School	Oil	16,800	\$ 1.79	\$ 30,072	23,520	\$ 0.889	\$ 20,909	\$ 1.24	\$ 9,163
HS/MS Shared Addition	Oil	22,800	\$ 1.79	\$ 40,812	31,920	\$ 0.793	\$ 25,313	\$ 1.11	\$ 15,499
Town Office Building	Oil	9,600	\$ 1.79	\$ 17,184	13,440	\$ 0.979	\$ 13,158	\$ 1.37	\$ 4,026
Police Station	Oil	1,800	\$ 1.79	\$ 3,222	2,520	\$ 1.419	\$ 3,576	\$ 1.99	\$ (354)
Firehouse	Oil	4,200	\$ 1.79	\$ 7,518	5,880	\$ 1.245	\$ 7,321	\$ 1.74	\$ 197
				<b>Total Fuel Cost</b>			<b>Total Gas Cost</b>		<b>\$ 49,642</b>
									<b>Total Savings</b>

\* Fuel consumption history and costs provided by Town of Coventry

\*\* Natural gas costs are based on approved Connecticut Natural Gas Corporation Rates and a 12 month weighted average commodity price based on 2015 history

\*\*\* Natural Gas Prices are projected to remain stable due to the accessibility of Marcellus Shale Gas in the region

Project contribution sought (25 yr tax abatement) = \$72,200

$572,200 / 49,642 \text{ savings} = 11.5 \text{ payback}$

- Assumes current price of oil vs. historical price
- Town will need to also look boiler changes. This summer!