

AGENDA
School Building and Energy Efficiency Building Committee Meeting
April 20, 2016
7:00 PM

Town Hall Conference Room B

1. Call To Order, Roll Call

2. Acceptance Of Minutes March 16 2016
Documents: [MINUTES 20160316.DOCX](#)

3. Project Status - Report From BL Companies

4. Discussion And Recommendation On CNG Proposal
Documents: [CNG NATURAL GAS PROPOSAL TOWN ANALYSIS FOR COUNCIL.PDF](#)

5. Other Business

6. Adjournment

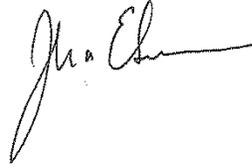
Minutes
School Building and Energy Efficiency Building Committee Meeting
Regular Meeting March 16, 2016 – 7:00 PM – Conference Room B

1. **Call to Order** — Meeting called to order at 7:03 by Chairman Tom Kolodziej. In attendance were Committee members Jeff Arn, Matt Mullen, Mary Kortmann and Cheryl Trudon. Also in attendance were Beth Bauer, Town Finance Director, John Elsesser, Town Manager, Robert Carroll, BOE Director of Fiscal Services, Greg Longo and Todd Johnson from BL companies.
2. **Acceptance Of Past Meeting Minutes** – Mary Kortmann moved approval of the minutes of the January 20, 2016 meeting. Matt Mullen 2nd. All voted in favor.
3. **Project Kick-off** – A contract has been signed with BL companies and Greg Longo and Todd Johnson were in attendance. John Elsesser reviewed the changes that have occurred in the last several months. The Town Hall boiler has failed and has been replaced with a propane furnace. A new heating distribution system has been installed in Town Hall. This takes the Town Hall out of the project. There is a potential for an extension of natural gas lines to the Town Hall/school complex. This will be determined in the next several months. The project will move forward with the original time frames with the understanding that the School boiler replacements will be the final steps in the design. It was noted that there is state funding for energy efficiency projects which may be available for this project.
4. **The next meeting** will be April 20, 2016 at 7 pm in conference room B.
5. Mary Kortmann **moved to adjourn at 8:19 pm**, Cheryl Trudon 2nd. All voted in favor.

Respectfully submitted,

Beth Bauer
Recording Secretary

TO: Coventry Town Council
FROM: John A. Elsesser, Town Manager
RE: CNG Natural Gas Extension Offer
DATE: April 1, 2016



Overview:

The Town was recently approached by Connecticut Natural Gas (CNG) with an offer to extend natural gas into the town from Mansfield Depot to the Town facilities located on Ripley Hill Road and Main Street, a distance of approximately four miles. The project would install a pipeline on Boston Turnpike, Lewis Hill Road, Eastview Drive, Gardner Tavern Road and Main Street, terminating at the Police Station. The construction cost is estimated at \$2,887,000 which would be subsidized by CNG by \$1,154,800 requiring a local contribution of \$629,200 from the Town which would be paid out over seven years in annual installments of approximately \$90,000. The Town would be required to connect the High School, Middle School, Town Hall, Coventry Fire and Police Departments. Please see Exhibit 1 for the full presentation and options on tax abatements which could lower costs.

This offer is very time-sensitive. A commitment must be made by the end of April and connections made by year-end. If the Town chooses to delay there is no assurance a similar offer will be made in the future and if made that it will be at the same funding level. Note a similar offer was made in 2015 with a subsidy of only \$300,000 offered.

A spreadsheet showing the annual fiscal impact over a ten-year period follows. The impact is broken down by annual operating budgets and one-time capital budgets. There are many assumptions and estimates but this is the best available information. Long-term pricing for natural gas has been historically more stable and below heating oil. Homeowners along the route will have an option to select fuel choices not currently available. Natural gas opens the door to different types of renovations of the air handling equipment at the High School and Middle School which may be more code compliant for noise and be eligible for State aid under school construction grants.

From a cost perspective the spreadsheet shows that on an operational level at today's pricing the project pays for itself within a ten-year timeframe but would break even annually if the price of fuel oil increases by less than 25 cents per gallon. This however does not cover the conversion costs which are relatively minor at Town facilities but have a broad range at the schools depending on whether a simple conversion of burners is made to existing boilers or upgrades are considered to replace the over-50-year-old boilers at the High School and Middle School with high-efficiency modulating boilers. Pricing for both options are shown in Exhibit 6, which also details the possibility of \$100,000 in rebates by installing new high-efficiency boilers which could achieve 96% efficiency versus the 80% efficiency of current systems. This change would further reduce the payback in fuel savings and reduce greenhouse gasses.

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY-24-25	FY 25-26	10 year view
on-going costs											
Taxes paid	0	\$12,230	\$11,794	\$11,357	\$10,921	\$10,485	\$10,049	\$9,612	\$9,176	\$8,740	\$94,364
Fuel savings *	\$49,642	\$49,642	\$49,642	\$49,642	\$49,642	\$49,642	\$49,642	\$49,642	\$49,642	\$49,642	\$496,420
Maintenance savings est**	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$100,000
annual contributions***	\$0	(\$89,886)	(\$89,886)	(\$89,886)	(\$89,886)	(\$89,886)	(\$89,886)	(\$89,886)	(\$89,886)	\$0	(\$629,202)
net	\$59,642	-\$18,014	-\$18,450	-\$18,887	-\$19,323	-\$19,759	-\$20,195	-\$20,632	\$68,818	\$68,382	\$61,582

* based on CNG projection of current pricing. If oil prices go back to \$2.50 per gallon the annual savings increase by \$59,640 per year. At \$3.00 per gallon the savings increase by \$101,640 per gallon.

Note if oil costs increase by \$.22 cents a gallon in FY 17-18 the annual cost even with contribution is at a break even point.

** Savings are an estimate based on the costs of cleaning oil burners and oil boilers.

***This is a seven year annual payment plan. No interest charged. First payment in January of 2018

Capital expenses

	range	low estimate	high estimate	
Burner conversions only where possible		150,000	\$200,000	
Boiler replacements 1.		640,500		
Cost avoidance fuel tanks		50,000		CHS and middle school fuel tanks need replacement unless converted to gas. This is replacement only pricing. Removal required either way.
1. minus 100,000 in HE rebates. Efficiency gain of at least 16%		-100,000		
net conversion (conversion - avoidance)		\$100,000	150,000	
Net replacement (replacement- rebates-avoidance)		\$490,500		

Key Decisions:

Below is a table of major issues and options to consider.

1. Timing – is there time to make this decision and assure conversion by the deadline?

- * If the Council (with the Board’s concurrence) agrees by the end of April and CNG holds to their projected schedule, work could be done by late summer. If the gas main project runs late a transition to new boilers is more complicated but remains possible even if school is in session by phasing out part of old; starting new; and so on until complete.
- * Funding would need to be in place either through the budget process or some sort of borrowing or supplemental appropriation.
- * The Building Energy & Efficiency Committee would need to direct their architect/mechanical engineer (BL Associates) to make this project a priority to develop a design build specifications and bid it. They could also start looking at other code compliance funding for the unit ventilators which exceed noise levels but cannot be upgraded for full compliance with any oil-based solution.

- * We are locked into a fuel oil purchase contract which would require us to negotiate a release, resell to other eligible users or store for future use (see Exhibit 11).

2. Are there environmental or political concerns with natural gas?

- * It is generally agreed that natural gas is a cleaner burning fuel which reduces our carbon footprint and is conducive to higher-efficiency use. It is a North American fuel which is not vulnerable to Middle Eastern politics and is being promoted by State policies with rebates. Others feel that some of the gas is made available through a process called fracking (also used in water wells) to open the supply veins up, which has raised concerns about localized impacts in areas of drilling. While this is not a Connecticut issue there are concerns about contributing effects by our purchase. Others will note that fuel oil and the various Middle East issues also have contributing effects.

3. Should simple burner conversions be made or should it be part of a larger retrofit/replacement project?

- * I believe the Building Committee would be best able to develop a plan. This committee was put together to improve the energy efficiency and modernize the HVAC systems at the schools. This new fuel source opens up a great deal of new opportunities. For example, funds for fuel tank replacement (per regulations) can be eliminated. Rooftop units could possibly replace classroom unit ventilators which currently exceed noise standards. Cafeteria changes could be made to eliminate more expensive propane use which would increase the savings and reduce the payback period.

4. Should the Town consider the tax abatement option to reduce the annual contribution?

- * That is an option but given that a financial model of the taxes to be paid by CNG in a ten-year period are more than double the abatement and there is no interest due on the payments it seems wise to discard the abatement offer.

5. What have the experiences been in other towns?

- * Both Deep River and East Hampton are pleased so far that they proceeded with bringing in natural gas to their towns. In both cases it has opened the door to additional development. Hebron is also considering it for this year and the Regional School District has already agreed and a Town decision is pending.

6. What are the impacts on local roads?

- * Most of the trenching will be off-road and is a very narrow trench. The Town had work scheduled for Eastview Drive and Gardner Tavern anyway. Lewis Hill was scheduled for chip seal within the next few years so the road impact timing works out.

7. What are the next steps?

- * The Town Council would first need to decide whether to proceed, seek the Board of Education's agreement and then determine future funding sources. No annual payment is required in the upcoming fiscal year so this year's costs are for capital conversion only. A placeholder could be put in the budget while the Building Committee is requested to develop a plan.

- Exhibit 1: CNG Heat Smart presentation
- Exhibit 2: CNG price analysis
- Exhibit 3: Community payment agreement (with suggested edits)
- Exhibit 4: Commercial & industrial services installation agreement
- Exhibit 5: Meter locations
- Exhibit 6: Conversion pricing estimate 1
- Exhibit 7: Conversion pricing estimate 2
- Exhibit 8: Project tax payments for 25 years
- Exhibit 9: East Hampton community payment agreement
- Exhibit 10: CIP budget for energy project for CHS & CNHMS
- Exhibit 11: Fuel oil purchasing contract

Heat Smart.

Natural Gas is Smart
for Coventry

Agenda

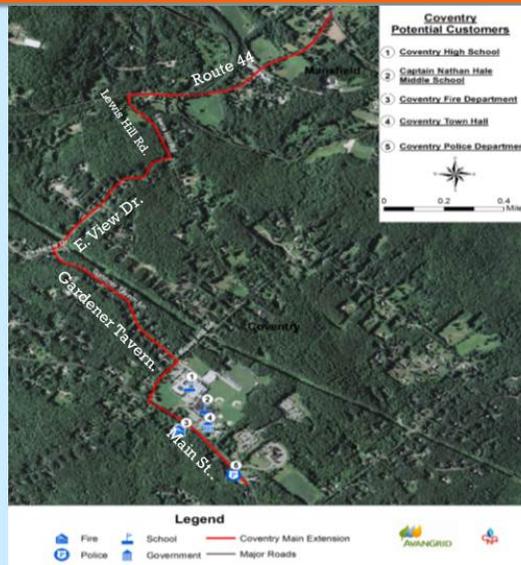
- Introduction / Overview of Our Company
- Proposed Natural Gas Expansion Project in Coventry
- Advantages of Natural Gas
- Safety of Natural Gas
- Benefits of Natural Gas
- Project Costs & Details
- Requirements to Commence
- Action Items & Timeline
- Questions

Our Company

- Connecticut Natural Gas Corporation, the Southern Connecticut Gas Company, and The United Illuminating Company, are now part of AVANGRID, Inc.
- Together, the AVANGRID companies will be a leader in the transformation to a clean energy future by providing sustainable, innovative energy solutions that benefit customers, communities, stakeholders, and the environment.
- AVANGRID has a presence in 25 states with a workforce of approximately 7,000 employees in three subsidiary companies.
- Connecticut Natural Gas has a presence in 23 towns and has been operating in the State of Ct for 150+ years.
- The company owns and operates 2,050 miles of main and serves ~165,000 customers.

Coventry Proposed Expansion

- Proposed 4 miles of new gas infrastructure.
- Main to be installed starting from Mansfield in the vicinity of the UConn Depot Campus and will continue ending at Main Street.
- Natural Gas available to:
 - Coventry High School
 - Nathan Hale Middle School
 - Coventry Town Offices
 - Fire Station
 - Police Station
- 65 homes along the route





Heat Dependably. Switch to Natural Gas

- Municipal Buildings** • Coventry High School and Nathan Hale Middle School
 • Town Offices
 • Police Station and Fire Station

Heat Economically. Switch to Natural Gas

Hebron Facilities	Fuel Type	Fuel Usage (Gal)	Price per Gallon	Current Fuel Cost	Gas Equiv. Usage (CCF)	Natural Gas Cost	Cost Savings
Coventry High School	Oil	28,800	\$ 1.79	\$ 51,522	40,320	\$ 30,442	\$ 21,110
Nathan Hale Middle School	Oil	16,800	\$ 1.79	\$ 30,072	23,520	\$ 20,909	\$ 9,163
HS/MS Shared Addition	Oil	22,800	\$ 1.79	\$ 40,812	31,920	\$ 25,313	\$ 15,499
Town Office Building	Oil	9,600	\$ 1.79	\$ 17,184	13,440	\$ 13,158	\$ 4,026
Police Station	Oil	1,800	\$ 1.79	\$ 3,222	2,520	\$ 3,576	\$ (354)
Fire Station	Oil	4,200	\$ 1.79	\$ 7,518	5,880	\$ 7,321	\$ 197
TOTALS				\$ 150,360		\$ 100,718	\$ 49,642

NOTE: Fuel consumption history and cost per gallon provided by the Town of Coventry. Natural gas costs based on approved CNG distribution rates and approved 12 month historical CNG commodity costs.

Natural Gas Delivers Value & Diversity



Heat Economically

- The most abundant fuel source in the US (supply and demand)
- The Least expensive way to heat your home.
- Stable pricing: Utilities are publically regulated & can't manipulate prices



Heat Sustainably

- Cleanest fossil fuel available
- Domestic fuel, sourced right here in the North East

Heat Reliably



- No Deliveries - On demand, piped directly to your facility
- Abundant - The U.S. has a supply of Natural Gas for ~100 years.
- Fuel of choice for back up generators, fuel cells and microgrids.

Heating

Cooling

Cooking

Fireplace

Drying

Power

Lighting

Snow Melt

Transportation

*Emergency
Power*

Hot Water



Heat Consistently. Switch to Natural Gas.

Focus on your business

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

Heat Effortlessly. Switch to Natural Gas.

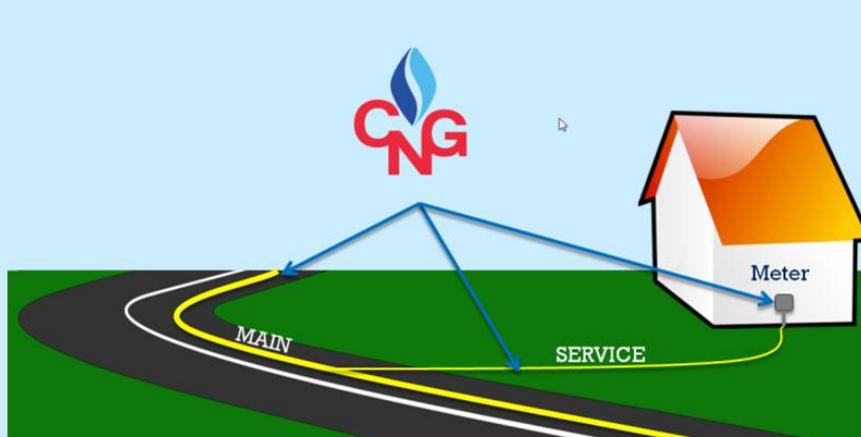
Natural Gas is Safe and Reliable with minimal impact to Coventry

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



Heat Effortlessly. Switch to Natural Gas.

CNG Constructs, Owns, Maintains & Inspects all pipes and meters up to the home or business. The customer's responsibility begins after the meter.



Natural Gas Safety

General Information

When it comes to safety, the natural gas industry has an excellent record, which is the result of extensive industry safety programs, overseen by state officials and the U.S. Department of Transportation (DOT). Billions of dollars are spent each year to ensure that natural gas is delivered safely and efficiently.

- Natural gas provides one-fourth of the nation's energy for heating, cooking, manufacturing and many other uses.
- Gas is a leading fuel of choice for industry, power plants, schools and hospitals
- Nationally, natural gas serves more than 65 million homes & businesses daily
- ~2.2 million miles of pipeline quietly, reliably and efficiently deliver natural gas everyday
- In Connecticut 562,000 homes & businesses rely on clean natural gas and this number is growing daily.
- Southern Connecticut Gas Company (SCG), Connecticut Natural Gas Corporation (CNG), and The Berkshire Gas Company (Berkshire) serve 66 communities across two states. Each company has been safely delivering natural gas for more than 100 years each.

Natural Gas Safety

Safety Record of SCG, CNG and BG

Nothing is more important to UIL Holdings than providing safe and reliable electric and natural gas service. The company adheres to the highest State and Federal safety standards.

To help ensure the highest level of public safety CNG, SCG and Berkshire provide around the clock monitoring, inspection and emergency response services. In addition, the companies conduct year round safety education programs, public informational sessions and natural gas safety training for first responders, other emergency officials, and excavators and contractors.

System Integrity

The design, construction, operation, inspection and maintenance of all operating pipelines are subject to state and federal regulations and requirements. SCG, CNG and BG install new plastic pipe.

Plastic pipe remains the material of choice because of its excellent bonding capabilities, flexibility and resistance to corrosion.

Customer Service is Important

- CNG has an excellent reputation with the Connecticut Public Utility Regulatory Authority.
- CNG strives to meet all customer service appointment windows
- CNG Customer bills are based on actual meter readings
- CNG has a full complement of staff with a Customer Care Center located in East Hartford, CT
- CNG provides for 24 hours a day / 7 day a week service
- Residential equipment service contracts are available



Expanding the Gas Distribution System

Since 2014, Connecticut Natural Gas and Southern Connecticut Gas have installed a combined 117 miles of new natural gas main.

Recently Completed Franchise Expansion Projects:

- Essex Franchise Expansion – 5 miles of new main installed in 2 months
- East Hampton Franchise Expansion - 13 miles of new main installed in 8 months
- Deep River Franchise Expansion - 4 miles of new main installed in 2 months
- SCG and CNG have converted more than 30 schools (K-12) in the past three years

Whit Przech, Windsor's building and facilities manager, said "Lower operating cost was the driving factor behind the conversions," he said. "When we started this project, I knew the savings were there."

Testimonials

Town of Essex Expansion

“We believe the expansion of natural gas service into Essex will make the town more competitive, helping us attract new businesses and giving existing businesses greater flexibility in their energy choices. It will also provide another fuel option for the residents of the area served by the new natural gas main, potentially helping them to lower their energy costs and reduce their impact on the environment.” Norm Needleman, First Selectman

East Hampton Franchise Expansion

“This project creates a major savings opportunity for the town,” said Michael Maniscalco, East Hampton Town Manager, “but everyone in the community will benefit in some way. Residential and commercial property owners who have been paying big heating bills are excited about the chance for another energy option, and the Town is excited about enhancing infrastructure and diversifying our tax base.

Testimonials

Deep River Expansion

First Selectman Richard Smith congratulated Southern Connecticut Gas for their timely installation of the new six-inch pipeline, which was completed—and placed in service—in just over two months.

Smith noted that “The benefits to our Town are more far-reaching than the direct savings to customers alone. Confirming our focus on maintaining and expanding infrastructure, our inventory of utilities has grown, embellishing our reputation as business-friendly. As the commercial / industrial sector expands, our tax base will strengthen, and our economy will grow.”

“On behalf of the Board of Selectmen,” Smith concluded, “Our thanks to SCG for helping ensure a bright future for every Deep River resident and business.”

Financial Calculation – The Hurdle Rate Test

- CNG provides upfront investment for all construction, pipes, meters & infrastructure up to the home or business
- CNG operates, maintains & inspects the system
- CNG Pays municipal taxes for all infrastructure in the town
- CNG recovers this investment over 25 Years



Risks?

CNG underestimates revenue: CNG Responsible for the shortfall
 Cost are higher than expected: CNG Responsible for the shortfall
 Customer(s) stop using gas: CNG Responsible for the shortfall
 More customers convert: The Hurdle Rate improves & the town increases tax base.

Project Costs

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

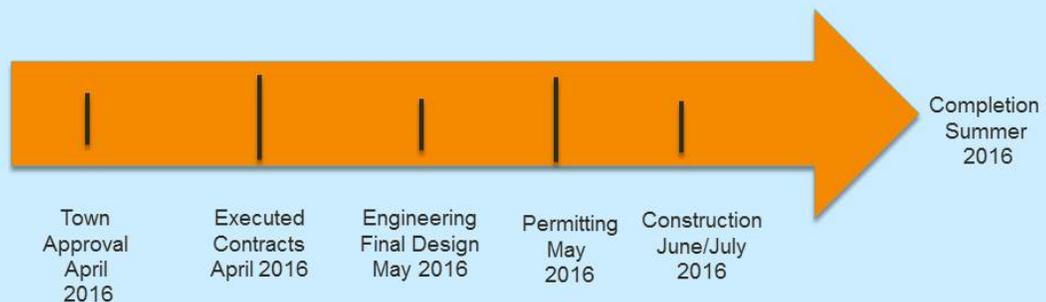
NOTE: All numbers are estimates and included for discussion purposes only.

Requirements to Commence

- Municipal commitment to convert all town buildings and schools located along the route by December 31, 2016.
- Financial contribution from the Town of Coventry
The projected financial contribution from the town is either:
 - \$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
- Road paving and restoration on Town roads.
- 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



Take Advantage of Incentives

The costs associated with converting your equipment are unique for every building!

Take advantage of the many incentives available to defray the cost of converting

- ✓ On Bill Financing
- ✓ Low interest loans
- ✓ Manufacture Rebates
- ✓ Utility Incentives
- ✓ Conservation Incentives
- ✓ CT Green Bank CPACE loans



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

Terri R. Eller
Director of C&I Sales

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Orange, CT 06477
Telephone: (203) 499-2317
Mobile: (203) 494-3073
Email: terri.eller@uinet.com

Exhibit 2

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
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Firehouse	Oil	4,200	\$ 1.79	\$ 7,518	5,880	\$ 1.245	\$ 7,321	\$ 1.74	\$ 197
			Total Fuel Cost	\$ 150,360		Total Gas Cost	\$ 100,718		\$ 49,642
									Total Savings
* 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									

Exhibit 3



Southern Connecticut Gas Company
Attn: Sales, 180 Marsh Hill Road
Orange, CT 06477



Connecticut Natural Gas Corporation
Attn: Sales, 77 Hartland Street, 4th Floor
East Hartford, CT 06108

Exhibit 3

COMMUNITY PAYMENT AGREEMENT

This Community Payment Agreement by and between the Town of Coventry ("Town") and the Connecticut Natural Gas Corporation ("CNG") (hereinafter "Agreement") as follows:

WHEREAS, CNG intends to construct approximately four miles of natural gas pipeline within the Town of Coventry to provide natural gas to numerous commercial and residential properties within the Town, and;

WHEREAS, said construction is beneficial to the Town of Coventry and its residents and the Town is desirous of assisting CNG by partially offsetting the revenue requirement associated with the cost of construction of the pipeline in accordance with the term set forth herein, and;

WHEREAS, the Town and CNG have agreed upon an equitable payment plan to partially offset said revenue requirement of six hundred thirty thousand dollars (\$630,000) associated with the cost of construction.

NOW THEREFORE, in consideration of the mutual promises set forth herein the Town and CNG hereby agree as follows:

1. Upon completion of the construction of approximately four miles of pipeline within the Town of Coventry, and the connection of service to all ^{Town & Municipal} eligible ~~local~~ municipal buildings adjacent to the pipeline, the Town will make an annual payment to CNG to partially offset the revenue requirement associated with the cost of construction as set forth in Paragraph 2, below.
2. The Town shall make an annual payment to CNG in the amount of ninety thousand dollars (\$90,000.) for a period of seven (7) years. Each annual payment will be due and payable no later than January 30th of the following year. In the event that the Town fails to make its payment as required by this Agreement, CNG shall be entitled to all remedies at law or in equity to enforce the Town's payment obligation.
3. As additional consideration for this Agreement the Town shall promptly pave the trenches dug on Town roads after the pipe has been laid therein, promptly provide all necessary easements in connection with the project, and connect all Town facilities to the pipeline ~~as soon as connection is available.~~ ^{no later than December 31 or 90 days after meter installation}

*Compaction?
- driveway?
see by?*

Dated at Coventry, Connecticut this ____ day of _____, 2016. ¹¹⁵²⁶ ^{whichever is later.}

Page 1 of 2 4. *It is agreed that this agreement does not abate any property taxes which are due and payable under CT law.* Revision Date 3-30-16

Exhibit 4



Southern Connecticut Gas Company
 Attn: Sales, 180 Marsh Hill Road
 Orange, CT 06477



Connecticut Natural Gas Corporation
 Attn: Sales, 77 Hartland Street, 4th Floor
 East Hartford, CT 06108

Exhibit 4

COMMERCIAL AND INDUSTRIAL SERVICE INSTALLATION AGREEMENT

APPLICANT INFORMATION					
Company Name		SCG/CNG Account Manager			
Authorized Representative		Job Category	Gas Company		
Title		Business Type			
Phone	Office #	Federal Tax ID or SS			
	Cell #				
Email Address		Service Location	Street		
			City		
Company address	Street #			Zip	
	City	Site Contact		Name	
	State, Zip			Phone	
Billing Attention	Name	Property Owner		Y <input type="checkbox"/> N <input type="checkbox"/>	
	Phone	If Not Property Owner Provide Owner contact		Name	
	Email			Phone	
If not fully executed this Commercial and Industrial Service Agreement expires in 30 days as noted by the Contract Expiration Date.		Contract Expiration Date		Applicant Initial	

APPLIANCE AND USAGE			
Meter Name	Meter Size	Quantity	Rate
Appliance	Appliance Quantity		Subtotal CFH
None			
None			
None			
		Total Load	
Customer Required Pressure			

NATURAL GAS SERVICE INSTALLATION AGREEMENT TERMS AND CONDITIONS

In this agreement ("Agreement") the customer is referred to as "Applicant" or "Buyer" and The Southern Connecticut Gas ("SCG") or Connecticut Natural Gas Corporation ("CNG"), as applicable, is called ("Seller")

- INSTALLATION OF GAS SERVICE:** Seller agrees to install or have installed gas facilities (i.e., necessary piping and meters) for gas service for the Applicant at the Service Address indicated on the top of this form. Seller agrees that the lawn area will be left level and clean. Final loam, seeding and turf will be the Applicant's responsibility at Applicant's expense. Seller shall provide gas service after the installation of the service lines. Seller is not liable for delays in commencing gas service installation not within its control, such as weather or work stoppage.
 _____ Applicant Initial
- SERVICE COMMENCEMENT:** Natural gas consumption shall be deemed to commence when the facilities necessary for natural gas service are in Seller's sole judgment ready and able to consume natural gas. Once a functioning meter has been installed the Applicant will be subject to all applicable charges including but not limited to demand charges as set forth in the applicable tariff.
 _____ Applicant Initial
- PAYMENT AND USE OF GAS APPLIANCES:** In consideration of Seller's installation of gas services, Applicant agrees to pay the full value of the "Contribution In Aid of Construction" (CIAC) as indicated below plus applicable taxes. Seller agrees to pay any other costs of installation, unless otherwise noted. By signing this agreement Applicant agrees to install and or use gas appliances indicated below, and to begin using them within 90 days of the Service Commencement Date.
 _____ Applicant Initial
- DEFAULT:** If Applicant fails to use any of these appliances listed below, Seller, in its discretion, may charge Applicant for the reasonable cost of installing the gas facilities less the CIAC that the Applicant has already paid.



Southern Connecticut Gas Company
 Attn: Sales, 180 Marsh Hill Road
 Orange, CT 06477



Connecticut Natural Gas Corporation
 Attn: Sales, 77 Hartland Street, 4th Floor
 East Hartford, CT 06108

5	GAS SERVICE: The furnishing of gas service to Applicant under this Agreement will be in accordance with the terms and conditions, rules, regulations, tariffs and rate schedules of Seller which are subject to change and subject to the rules and regulations of the State of Connecticut Public Utilities Regulatory Authority ("PURA").
6	RELOCATION OF SERVICE: If the gas service to be provided involves the relocation of existing services, meters and connections at the Service Location, the cost of replacing all facilities beyond Seller's meter shall be the responsibility of the Applicant. It is further agreed that connection of any Applicant equipment to Seller's new meter shall occur no later than thirty (30) days after the new meter is activated.
7	OWNERSHIP: Ownership of the gas facilities from the main to the gas meter (including the gas meter) shall remain with Seller and shall be maintained by Seller. Applicant has no interest in such gas facilities. All piping and equipment beyond the gas meter shall be furnished, owned and maintained by Applicant.
8	EASEMENT(s): Applicant shall obtain any easement(s), where applicable, in a form satisfactory to Seller before Seller commences constructing and installation of its facilities required to supply natural gas.
9	UNDERGROUND UTILITIES: Prior to construction, Applicant is responsible for clearly marking all existing underground utilities and services on premise. If Seller damages any of Applicant's underground facilities on Applicant's property because Applicant failed to adequately mark them, Seller will not be responsible for costs of repairs. Applicant Initial
10	ENVIRONMENTAL CONDITIONS: If in the course of construction of gas facilities at the Service Location, Seller encounters contaminated soil, Applicant shall bear the additional costs of excavating and removing the contaminated soil per Federal and State laws, regulations and agency orders or directives including but not limited to signing any manifest for disposal as the generator of such contaminated soil. Unless Applicant agrees in writing to bear such additional costs, Seller shall have the right to cease its performance and terminate this agreement with no further obligation to Applicant.
11	BINDING EFFECTS: This agreement supersedes any and all agreements, either oral or written, between Applicant and Seller. This agreement may not be assigned nor otherwise transferred by Applicant without the written consent of Seller.
12	CIAC ADJUSTMENT: If, within one (1) year of the effective date of this letter agreement, (a) Applicant has added additional equipment to consume natural gas at the Service Location noted above or (b) a new gas service(s) is/are added directly to and served from a portion of main toward which Applicant paid a CIAC as described below, Applicant may request Seller to recalculate the Applicant CIAC to determine whether Applicant qualifies for a refund of such contribution or portion thereof. It is understood and agreed that any recalculation requested pursuant to this condition, will be made in accordance with Seller's then currently effective new business guidelines to determine the amount of the contribution, if any, to be refunded to the Applicant.
13	INDEMNITY: Applicant agrees to indemnify Seller, its affiliates, successors, assignees and each of its and their shareholders, directors, officers, employees and agents from and against any liability for personal injury or property damage due to Applicant's use of property or due to any existing environmental conditions of the property.
14	ROCK OR FROST: If rock or ledge is encountered during the installation requiring extreme excavation (e.g., blasting), the Applicant may be required to pay for such work if billed by Seller to the Applicant. Main and services may not be installed under frost conditions.

CONTRIBUTION IN AID OF CONSTRUCTION ("CIAC")	
In order to provide natural gas service at the Service Location noted above, Applicant agrees to pay the following amount in aid of constructing certain natural gas facilities by Seller.	\$,000
This contribution is due and owing upon execution of this agreement and has been calculated based upon the construction schedule, the estimated consumption of natural gas at the Service Location and the consumption of natural gas as the only fuel for the use(s) described in the Equipment and Usage section below. Unless such contribution is received by Seller at the time this agreement is executed, Seller has no obligation to extend its facilities to serve the Service Location and use(s) described herein this document.	
The CIAC has been calculated using the estimated annual consumption of natural gas at the Service Location and for the use(s) described in the Equipment and Usage section below. It is understood and agreed that (a) if, during any annual period after Seller commences delivery of natural gas to the Applicant, the annual consumption of natural gas by the equipment specified is less than the estimate based on information provided by Applicant to Seller to calculate the contribution and/or (b) Applicant fails to inform Seller of any changes that impact GAS COMPANY's construction cost or the estimated annual natural gas consumption, Applicant agrees to pay Seller upon demand a CIAC utilizing Seller's new business guidelines in effect on the date of this agreement and which are on file with PURA.	

SIGNATURES			
Applicant Signature		GAS COMPANY Signature	
Name and Title		Name and Title	
Date	Click here to enter a date.	Date	Click here to enter a date.

If Applicant is not the owner or fully authorized agent of the owner of the premises at the Service Location specified above, this letter agreement shall not be binding on Seller unless and until both Applicant and the owner of the premises agree to all of the terms and conditions set forth herein as evidence by signatures of Applicant and the OWNER on this letter agreement.



Southern Connecticut Gas Company
 Attn: Sales, 180 Marsh Hill Road
 Orange, CT 06477



Connecticut Natural Gas Corporation
 Attn: Sales, 77 Hartland Street, 4th Floor
 East Hartford, CT 06108

OWNERS SIGNATURE (ONLY REQUIRED IF APPLICANT IS NOT THE OWNER OF THE PREMISES)			
<p>I, _____, owner of the premises located at Service Location above, which premises is subject to certain lease with Applicant (the "Lessee") and will be provided with natural gas service in accordance with the terms and conditions set forth above, acknowledge and agree to such terms and conditions; <u>provided, however</u>, that I will not be responsible for any of the Lessee's payment obligations described in the Contribution in Aid of Construction and Security Deposit sections above.</p>			
Landlord Signature		Date	Print Name

SAMPLE

APPENDIX A: PREMISE INFORMATION



Southern Connecticut Gas Company
 Attn: Sales, 180 Marsh Hill Road
 Orange, CT 06477



Connecticut Natural Gas Corporation
 Attn: Sales, 77 Hartland Street, 4th Floor
 East Hartford, CT 06108

Meter Location <input type="checkbox"/>
<p style="text-align: center; font-size: 48px; opacity: 0.3; transform: rotate(-30deg);">SAMPLE</p>
Premise Notes:

Meter Location: Meter location is a proposed location only based on currently available information and subject to change based final site inspection by Seller.

Exhibit 5

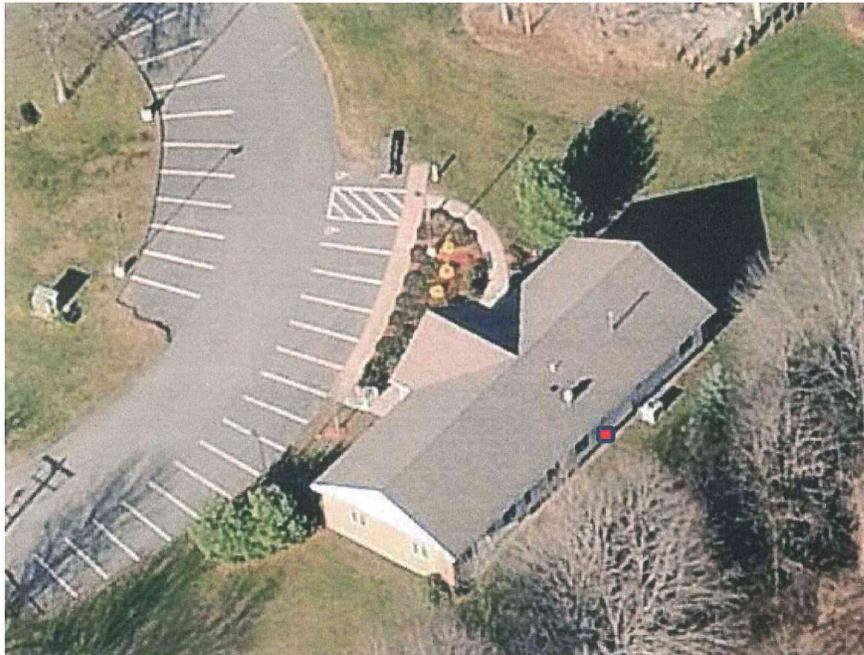


Coventry Provisional Meter locations

In support of Coventry's natural gas conversion/economic analysis Connecticut Natural Gas completed site walks on 3-10-16 at the below listed buildings. Based on our initial review we are pleased to provide the provisional meter locations. Actual meter locations may vary based on engineering and construction specifications. Gas availability is subject to reaching a mutually acceptable service agreement.

- Indicates suggested meter location

Building 1: Coventry BOE Administrative Building: 1700 Main Street





Building 2: Town Hall: 1712 Main St.

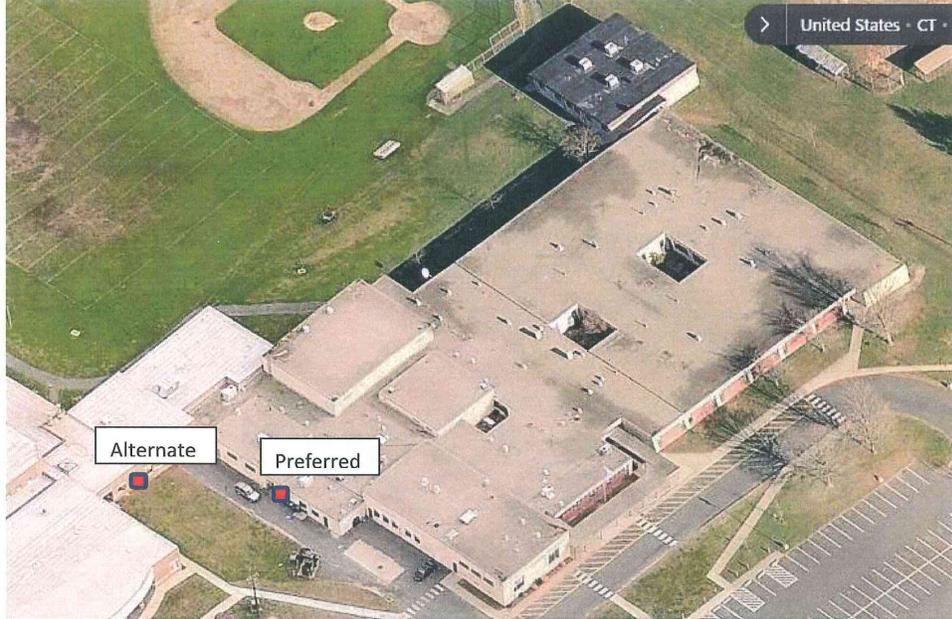


Building 3: Town Hall Annex: 1712 Main St.





Building 4&5: Hale Early Learning & Middle School (single meter for both buildings) 1776 Main St



Building 6: Coventry High School: 78 Ripley Hill Road.





Building 7: Coventry Fire Department: 1755 Main Street



Building 8: Coventry Police Department: 1585 Main Street



Exhibit 6

 PROPOSAL <u>Mechanical Maintenance Co.</u> Lic. 396665 37 Sea Pave Road-South Windsor, Connecticut 06074 Tel: (860)528-9835 - Fax: (860)282-9240		QUOTE NUMBER 																
Proposal Submitted To Town of Coventry	Phone 860-742-3528	Date March 14, 2016																
Street 1712 Main Street	Job Name Boiler Replacement/Natural Gas Conversion.																	
City, State and Zip Code Coventry, CT 06238	Job Location Town of Coventry																	
Attention of: John Elsesser	Engineer Stephen Kofsuske																	
Description of work to be performed:																		
<p>Mechanical Maintenance will replace the oil fired boilers serving Coventry High School, shared "Connector Building", Captain Nathan Hale, Fire Station Eight, and the Police Station with high efficiency condensing gas boilers, and convert the propane gas burners to natural gas burners in the Town Hall Annex Building, Board of Education Building, Town Hall, and two school roof top units, for a budget cost of \$640,000 minus \$100,000 in potential rebates.</p> <p style="text-align: center;">\$ 640,000 \$ 610,500</p> <table style="width: 100%; border: none;"> <tr> <td>High School</td> <td style="text-align: right;">\$260,000.00</td> <td>Police Department:</td> <td style="text-align: right;">\$55,000.00</td> </tr> <tr> <td>Shared Connector</td> <td style="text-align: right;">\$160,000.00</td> <td>Annex</td> <td style="text-align: right;">\$ 2,000.00</td> </tr> <tr> <td>Captain Nathan Hale</td> <td style="text-align: right;">\$ 90,000.00</td> <td>Board of Education</td> <td style="text-align: right;">\$ 2,500.00</td> </tr> <tr> <td>Fire Station Eight</td> <td style="text-align: right;">\$ 70,000.00</td> <td>Town Hall</td> <td style="text-align: right;">\$ 1,000.00</td> </tr> </table> <p>Another option would be to install gas conversion burners on the existing boilers for a budget cost of \$150,000-\$200,000 including gas piping. Conversion burners designed for the Police Department boilers are unavailable.</p>			High School	\$260,000.00	Police Department:	\$55,000.00	Shared Connector	\$160,000.00	Annex	\$ 2,000.00	Captain Nathan Hale	\$ 90,000.00	Board of Education	\$ 2,500.00	Fire Station Eight	\$ 70,000.00	Town Hall	\$ 1,000.00
High School	\$260,000.00	Police Department:	\$55,000.00															
Shared Connector	\$160,000.00	Annex	\$ 2,000.00															
Captain Nathan Hale	\$ 90,000.00	Board of Education	\$ 2,500.00															
Fire Station Eight	\$ 70,000.00	Town Hall	\$ 1,000.00															
Exclusions: Asbestos removal.																		
Payment Schedule WITH ACCEPTANCE, 40% WHEN WORK STARTS, BALANCE AT SATISFACTORY COMPLET																		
ANY ALTERATION OR DEVIATION FROM ABOVE SPECIFICATIONS INVOLVING EXTRA COSTS WILL BE EXECUTED ONLY UPON WRITTEN ORDERS, AND WILL BECOME AN EXTRA CHARGE OVER AND ABOVE THE ESTIMATE. IN THE EVENT BUYER FAILS TO PAY THE CASH BALANCE, BUYER AGREES TO PAY IN ADDITION TO UNPAID BALANCE THE MAXIMUM INTEREST ALLOWABLE BY LAW ON THE UNPAID BALANCE. BUYER ALSO AGREES TO PAY ALL COSTS OF COLLECTING HIS PAST DUE ACCOUNT INCLUDING REASONABLE ATTORNEY'S FEES. WE SHALL HAVE THE RIGHT TO ASSIGN THE PURCHASE CONTRACT WITHOUT NOTICE TO THE BUYER. WE SHALL ALSO HAVE THE RIGHT TO HIRE COMPETENT SUBCONTRACTORS TO PERFORM ANY OF OUR SERVICES UNDER THIS PURCHASE CONTRACT.	THIS PROPOSAL IS FIRM FOR 30 DAYS. For Mechanical Maintenance																	
	SIGNATURE  Stephen Kofsuske VP/ Sales																	
ACCEPTANCE OF PROPOSAL -- THE ABOVE PRICES, SPECIFICATIONS AND CONDITIONS ARE SATISFACTORY AND ARE HEREBY ACCEPTED, YOU ARE AUTHORIZED TO DO WORK AS HERE SPECIFIED. PAYMENT WILL BE MADE AS OUTLINED ABOVE. DATE OF ACCEPTANCE: _____	For Town of Coventry SIGNATURE _____																	

Exhibit 7

John Elsesser

From: John Elsesser
Sent: Wednesday, March 16, 2016 8:14 PM
To: William Trudelle
Subject: Fwd: Coventry School Gas Burner Conversion Budgets
Attachments: mime-attachment.gif, mime-attachment.jpg

Maybe this will hep on the gas conversion project

Sent from my iPad

Begin forwarded message:

From: Matthew Mullen <Mullen@nemsi.com>
Date: March 16, 2016 at 8:10:49 PM EDT
To: <jelsesser@coventryct.org>
Subject: Coventry School Gas Burner Conversion Budgets

John,

Here is the budgets we provided to Dennis Stanavage for the boiler conversions.

Matthew Mullen, P.E., BEAP, LEED AP, CBCP
Vice President Engineering & Design
860-573-5910 Cell
860-870-2250 Office
866-481-3250 Fax



----- Forwarded by Matthew Mullen/NEMSI/EMS/EMCORGROUP on 03/16/2016 07:35 PM -----

From: Matthew Mullen/NEMSI/EMS/EMCORGROUP
To: Dennis Stanavage <DStanavage@coventryct.org>
Date: 11/24/2014 09:40 AM
Subject: Re: More info on floor delta FL

Dennis,

Here are budgets you requested:

Weight Room

- Remove and replace existing air handling unit with nominal 10 on air handling unit with direct expansion coil, hot water coil heating coil, air cooled condensing unit on grade
- Refrigerant piping
- Electric duct mounted reheat coil (for summer reheat)
- Reuse existing ductwork
- Insulate existing ductwork
- New controls for heating, cooling, and dehumidification
- Power wiring to new ahu, condensing unit, and electric reheat coil

- Prevailing wages
- EXCLUDES Delta-FL water proofing membrane, wood sub-floor on top of Delta-FL membrane, remedial clean up of existing floor and rubber mats

Budget - \$55,000 to \$70,000.

Toilet Addition to CNHS Portable Classrooms

- Approximately 40' x 30 wood frame addition including foundation, walls, roof, windows, lighting, and power distribution panel with outlets (taken from RS Means at approx. \$130/sq ft)
- Bank of 8 water closets (4 WC per sex back to back) plus 6 Lavs (3 per sex)
- 200 Lin Ft insulated 1-1/2" domestic water line from CNHS corridor to new addition (heat traced outside)
- Sewage ejector pump and 200 Lin Ft 2" force main (heat traced outside) from addition to existing toilet core at the corner of corridor near door
- Electrical power from CNHS to new addition distribution panel (needs to be from emergency power source)
- Toilet exhaust fan
- Electric heaters in addition and crawl space below addition.
- Prevailing Wages
- Excludes any upgrades to existing mobile classrooms (i.e. that may be driven by building officials) and any extensive existing site utilities upgrades (i.e. relocation of existing storm drain at end of mobile classrooms)
- Excludes soft costs (architectural/engineering fees)
-

Budget - \$260,000 to \$275,000

Convert boilers to Natural Gas from Oil

- Installation of five gas burners on the existing boilers.
- Replacement of two water heaters with gas-fired heaters.
- Convert two CNHS admin area RTU's to natural gas
- Gas piping to three mechanical rooms, both kitchens and existing propane piping serving existing RTU's in CNHS
- Prevailing wages
- Excludes conversion of any kitchen equipment to natural gas.
-

Budget - \$260,000 to \$285,000.

As I said, the quality and accuracy of an estimate is inversely proportional to the amount of time available to prepare it!! Hope these get you in the ball park.

Matthew Mullen, P.E., BEAP, LEED AP, CBCP



860-573-5910 Cell
860-870-2250 Office
866-481-3250 Fax

166 Tunnel Road
Vernon, CT 06066

Exhibit 8

County

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25 Total
County Fee	\$ 32,230	\$ 33,794	\$ 35,357	\$ 36,922	\$ 38,485	\$ 40,048	\$ 41,612	\$ 43,175	\$ 44,738	\$ 46,301	\$ 47,864	\$ 49,427	\$ 50,990	\$ 52,553	\$ 54,116	\$ 55,679	\$ 57,242	\$ 58,805	\$ 60,368	\$ 61,931	\$ 63,494	\$ 65,057	\$ 66,620	\$ 68,183	\$ 172,343
25 year projected total	\$ 172,343																								

COMMUNITY PAYMENT AGREEMENT

This Community Payment Agreement by and between the Town of East Hampton ("Town") and the Connecticut Natural Gas Corporation ("CNG") (hereinafter "Agreement") as follows:

WHEREAS, CNG intends to construct approximately nine miles of natural gas pipeline within the Town of East Hampton to provide natural gas to numerous commercial and residential properties within the Town, and;

WHEREAS, said construction is beneficial to the Town of East Hampton and its residents and the Town is desirous of assisting CNG by partially offsetting the revenue requirement associated with the cost of construction of the pipeline in accordance with the term set forth herein, and;

WHEREAS, the Town and CNG have agreed upon an equitable payment plan to partially offset said revenue requirement associated with the cost of construction.

NOW THEREFORE, in consideration of the mutual promises set forth herein the Town and CNG hereby agree as follows:

1. Upon completion of the construction of approximately nine miles of pipeline within the Town of East Hampton, and the connection of service to all eligible municipal buildings adjacent to the pipeline, the Town will make an annual payment to CNG to partially offset the revenue requirement associated with the cost of construction as set forth in Paragraph 2, below.
2. The annual payment from the Town will be equal to the tax liability based upon the assessment of the value of the main pipeline constructed in the Town of East Hampton upon the Grand List for each of the five years following the connection of all municipal buildings within the Town of East Hampton which are eligible for said connection. Upon the payment of said taxes by CNG, the Town shall promptly make its respective payment. By way of example, if CNG makes semi-annual payments of its tax liability, the Town's semi-annual payment will be due thirty (30) days after said tax payment is made. In the event that the Town fails to make its payment as required by this Agreement, CNG shall be entitled to all remedies at law or in equity to enforce the Town's payment obligation.
3. Notwithstanding the payment requirements set forth in Paragraph 2, the annual payment from the Town pursuant to this Agreement shall not be less than \$95,000 nor exceed \$100,000 for each of the five years of this Agreement.

4. As additional consideration for this Agreement the Town shall promptly pave the trenches dug on Town roads after the pipe has been laid therein, promptly provide all necessary easements in connection with the project, promptly clear the easement area to the East Hampton Middle School and connect all Town facilities to the pipeline as soon as connection is available.

Dated at East Hampton, Connecticut this 3 day of February, 2015.

Connecticut Natural Gas Corporation

By Robert M. Alessio
Robert M. Alessio
President and CEO
Duly Authorized

Town of East Hampton

By Michael Maniscalco
Michael Maniscalco
Town Manager
Duly Authorized

STATE OF CONNECTICUT)
) ss. East Hampton
COUNTY OF MIDDLESEX)

On this the 3 day of February, 2015, Michael Maniscalco, personally appeared before me, and acknowledged himself to be Town Manager for the Town of East Hampton, a Connecticut municipal corporation, and that he, as Town Manager, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the agency by himself as said Town Manager.

In witness whereof, I have hereunto set my hand and official seal.

Bernice C. Bartlett
Commissioner of the Superior Court
Notary Public
My Commission Expires: **BERNICE C. BARTLETT**
NOTARY PUBLIC
MY COMMISSION EXPIRES JAN. 31, 2019

STATE OF CONNECTICUT)
)
COUNTY OF) ss. _____

On this the 12 day of February, 2015, Robert Allard personally appeared before me, and acknowledged himself to be President and CEO of Connecticut Natural Gas Corporation, a specially chartered Connecticut corporation, and that he, as President and CEO, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as said President and CEO.

In witness whereof, I have hereunto set my hand and official seal.

Suzanne Langlois
Commissioner of the Superior Court
Notary Public
My Commission Expires:

**SUZANNE LANGLOIS
NOTARY PUBLIC
State of Connecticut
My Commission Expires
August 31, 2016**

Exhibit 10

Project	Districtwide	CHS	CNH	GHR	CGS	Total
Instal VFD		\$54,000	\$60,000			\$114,000
Boiler bypass mods	\$36,000					\$36,000
unit ventilator rplmt w occp sensors		\$185,000	\$155,000	\$80,000	\$120,000	\$540,000
occupany sensors-exhaust fans	\$70,000					\$70,000
control valves in admin area		\$30,000				\$30,000
Lighting/surge protection		\$133,000				\$133,000
classroom controls			\$40,000	\$120,000		\$160,000
HVAC upgrades				\$56,500		\$56,500
add HVAC-kitchen		\$40,000				\$40,000
add Hydronic heat in media ctr				\$25,000		\$25,000
VOIP telephone system BD/Town	\$200,000					\$200,000
Security camera upgrades	\$75,000					\$75,000
Security access credentialling	\$125,000					\$125,000
Entrance security modifications		\$75,000	\$25,000	\$25,000	\$25,000	\$150,000
Generator connections	\$80,000					\$80,000
ADA compliance		\$125,000				\$125,000
Fuel tank replacement		\$50,000				\$50,000
Fire & Seismic code update (doors)		\$250,000				\$250,000
café reconfiguration		\$60,000				\$60,000
Fiber connectivity to schools/patriots park/DPW						\$325,000
Contingency 10%						\$271,950
bonding/legal						\$80,000
Total						\$2,996,450



East River Energy

· Premium Quality Fuel Oils · Natural Gas · Electricity · Bio Fuels · HVAC

January 8, 2016

Ms. Beth Bauer
Finance Director
Town of Coventry
1712 Main Street
Coventry, CT 06238

Transmitted via Electronic Mail

Dear Ms. Bauer:

East River Energy is pleased to confirm the following fixed price agreement which has already been processed effective this date, as per the electronic mail exchange between John Elsassor of the Town of Coventry and Charles Guadagnino of East River Energy.

East River Energy shall supply and the Town of Coventry and its Board of Education shall purchase the following as listed below.

Product	Contract Gallons	Contract Period	Fixed Price Per Gallon Excluding Taxes
Dyed Ultra Low Sulfur Diesel Fuel Town	24,000	7/1/2016-06/30/2017	\$1.7607
Dyed Ultra Low Sulfur Diesel Fuel BOE (school bus terminal)	45,000	7/1/2016-06/30/2017	\$1.7607
#2 Heating Oil Town	18,000	7/1/2016-06/30/2017	\$1.7900
#2 Heating Oil BOE	80,000	7/1/2016-06/30/2017	\$1.7900

Please note that #2 heating oil is subject to L.U.S.T. of \$0.0010 per gallon, the Federal Spill Fund Recovery Tax of \$0.0019 per gallon and NORA of \$0.0020 per gallon. In addition, diesel fuel is subject to L.U.S.T. of \$0.0010 per gallon, and the Federal Spill Fund Recovery Tax of \$0.0019 per gallon.

East River Energy's payment terms are net 25 days.

Please sign below where indicated along with Attachment A, and return to my attention **immediately**.

Thank you for your valued business. I look forward to continuing our mutually rewarding relationship.

Sincerely,

Charlie Guadagnino
Business Development

CAG:teb

Accepted by:

Ms. Beth Bauer
Finance Director
Dated: _____

Your Energy Partner
401 Soundview Road · P.O. Box 388 · Guilford, CT 06437-0388
203.453.1200 · 800.336.3762 · FAX: 203.453.3899
www.eastriverenergy.com
Est. 1984



East River Energy

· Premium Quality Fuel Oils · Natural Gas · Electricity · Bio Fuels · HVAC

Attachment A

The price contained and offered in this contract is based upon the sale of the quantity of contract gallons as stated in the confirmation. In the event that the customer exceeds 100% of the contract gallons during the contract period, East River Energy reserves the right to (1) extend the contract under the same terms and conditions, or (2) change the contract price to the Oil Price Daily New Haven Harbor Average plus \$0.15 per gallon. In the event that the customer purchases less than 100% of the contract gallons during the contract period, East River Energy reserves the right to (1) extend the contract under the same terms and conditions, (2) have the customer purchase at the contract price the difference between the contract gallons and the actual delivered gallons; East River Energy shall have no obligation to deliver remaining gallons, or (3) terminate the contract. Storage fees or liquidation charges may apply and customer will be responsible for payment of any storage fees or liquidation charges. East River Energy will monitor consumption on a monthly basis. East River Energy reserves the right to allocate committed gallons on a pro-rata basis over the term of this contract. Should customer request a #1 Diesel (Kerosene) blend, the #1 Diesel Fuel gallons delivered will be invoiced based on the Oil Price Daily New Haven Harbor Kerosene Average, plus \$0.20 per gallon. Should customer request a Performance Bond, cost is \$15.00 per thousand with a minimum charge of \$100.00.

Customer agrees to the terms of sale as set forth in this contract. If customer fails to pay within the terms of contract, customer agrees that East River Energy has the right to charge, and customer agrees to pay, a finance charge of 1.5% per month on any unpaid balance. If East River Energy hires an attorney or collection agency to collect the amounts the customer owes, customer agrees to pay any costs and expenses, including reasonable attorneys' fees and/or collection agency fees, incurred in the collection of the account or in enforcing the contract. In addition, any credit balance remaining on an account will be applied to the following year's purchases. Please note that any change in State or Federal taxes/fees over the course of the contract period will be passed down to the customer and customer will be responsible for payment on such new tax/fee rate.

East River Energy reserves the right to refuse to deliver to any tank, which, in its sole discretion, is deemed unsafe. Deliveries will resume once the problem is corrected. In the event a "run-out" occurs at a "will-call" tank, East River Energy reserves the right to levy a surcharge commensurate to the cost of providing immediate delivery, if one is requested. In the event a driver is re-routed due to a will call customer not taking the full load as ordered, East River Energy reserves the right to levy a delivery charge. Customer acknowledges that all tanks and piping are in good condition and meet all State and Federal regulations and specifications. Product samples, when requested, must come directly off of the truck before delivery is made. East River Energy is not obligated to deliver to any tanks or locations other than what is stated in the contract and/or bid specifications. In addition, East River Energy reserves the right to levy a fuel surcharge. East River Energy does not provide assurances for fuel which the customer stores in their tanks, or the condition of their tank, leakage or environmental contamination. This is including but not limited to spillage and inaccuracy of fuel ordering. Customer is responsible to notify East River Energy if any tank is replaced, eliminated, or if there is construction work around a tank location. These changes could affect scheduled delivery times, hose lengths, and fittings required to make the delivery. Please have your maintenance personnel keep driveways, pathways and fills clear of ice and snow. This ensures ability of timely delivery and personal safety of our drivers. Demurrage will be assessed if a delivery is delayed at your location by circumstances beyond our control, and/or if our driver finds it necessary to clear ice or snow in order to deliver fuel to your tank(s). Customer is responsible to pay any demurrage, delivery or fuel surcharges assessed during the contract period.

Publication: OPIS publications including the Oil Price Daily are copyrighted documents and therefore are not to be transmitted by East River Energy to the Customer by law. These publications change daily and it is the customer's responsibility to validate posted prices. The posting utilized will be most closely reflective of the product actually being delivered.

Force Majeure: East River Energy shall not be liable to the customer for any losses or damages to that customer in the event East River Energy is unable to fulfill its obligations under this agreement due to acts of God, fire, flood, war or any other causes beyond its control.

Received by: _____ Dated: _____

Your Energy Partner

401 Soundview Road · P.O. Box 388 · Guilford, CT 06437-0388

203.453.1200 · 800.336.3762 · FAX: 203.453.3899

www.eastriverenergy.com

Est. 1984