

**Minutes
Special Town Council Meeting
February 29, 2016
Town Hall Annex**

1. The meeting was called to order at 7:00 PM.
Present: Julie Blanchard, Thomas Pope, Richard Williams, Hannah Pietrantonio, Matthew O'Brien, Andy Brodersen
Also present: John Elsesser, Town Manager
Absent: Lisa Thomas

2. **New Business:**

- A. **5/16-68: Consideration of CNG proposal to extend natural gas to Coventry:**

Tony Sherman, Manager of Expansion Projects, and Eric Robie of CNG were present to discuss their proposal. Mr. Sherman said they met with Town Manager John Elsesser a couple weeks ago and made a presentation to him. They added some information to the information distributed tonight. The proposal is attached to these minutes.

The proposed expansion would add 4 miles of new gas infrastructure. The main would start at UConn Depot in Mansfield, ending at the Main St. Town/School complex. It would serve town offices, the high school/middle school, Coventry Fire station, the Police station and 65 homes.

A cost analysis chart was reviewed, based on oil at \$1.79 per gallon and the fuel usage of town buildings. It shows a projected cost savings of \$49,642 annually. This does not include the School Administration building and propane for schools.

Attributes and advantages of natural gas were outlined: It is economical, abundant and reliable. It is the cleanest fossil fuel. It extends the life of heating equipment and minimizes equipment service. It is the fuel of choice for back up generators, fuel cells and micro grids. John Elsesser explained the concept of a micro grid. It gets us off the grid during emergency times. The Emergency Operations Center is here at the Town Hall Annex. The High School is sometimes used as a shelter. Fire and police operations are in this complex. If we ever lost power for over a week then we could still have electricity here through the micro grid. It only works with natural gas. Diesel can't do it. Solar can't do it alone but could add to it. If the main went down to the gas station, then all we would need would be a grocery store and bank.

Matthew O'Brien asked whether CNG had considered going further than the town complex. Mr. Sherman replied for now this is just an initial pass. We wouldn't rule it out in the future. Also it depends on what happens with economic development. Matthew mentioned that we will be digging up Coventry Village roads this year so it would be good to look at it now for paving.

An image of a gas main installation from the town of Essex was shown. It requires a 3 foot-deep trench, 18-24 inches wide. Sand is poured above and below, then backfill and patching of the road. The roads are permanently restored. CNG installs services to all customers with signed service agreements along the route. The Town of Essex is very happy with the installation.

CNG is responsible for all pipes and meters up to the home. CNG installs all infrastructure including the meter. Those costs are figured into cost of project. The customer's responsibility begins after the meter.

Safety points of natural gas were emphasized. Natural gas provides 1/4 of the nation's energy in 65 million homes daily with 2.2 million miles of pipeline. In Connecticut, natural gas is the fuel for 562,000 homes and businesses. CNG's safety record was outlined. They provide round-the-clock monitoring, safety education programs and training for first responders and contractors. Design and construction of systems are subject to State and Federal regulations. There is a customer center in East Hartford and 24/7 service contracts are available.

Projects in the past 3 years include the towns of Essex, East Hampton, and Deep River as well as 30 school conversions. Testimonials are available. There is an economic development component. We are looking at a phase two installation in those three towns.

Financial calculations for the proposed Coventry installation were provided including a 25-year investment recovery schedule. If we meet the rate of return no contribution is required. There is no risk to the Town if revenue is underestimated or costs are higher than anticipated. If more customers convert then the hurdle rate improves.

A chart of projected costs with 10 year and 25 year abatements was presented. CNG offsets the shortfall by contributing non-firm margin and applying to the project with a Town contribution of \$629,000. CNG typically accepts a 5-year repayment plan. The Town would pay roughly 35% of the shortfall. John Elsesser said under State law the Town could not collect taxes for 10 or 25 years. Richard Williams asked how much the property taxes would be. Mr. Sherman replied \$110,000 over ten years.

Thomas Pope asked if CNG has a net book value figured for the project. Mr. Sherman said they would have to provide it at a future date. We have estimates at this point. It is a public model and you will be able to see everything that goes into it.

Matthew O'Brien asked what other requirements CNG would have. Mr. Sherman replied the Town would need to convert the buildings by Dec. 2016. We are using 2016 funds to do this project. We would need the financial contribution from the Town on one of the three abatements. Road paving and restoration on town roads would need to be done, plus expedited construction permitting. John Elsesser noted that not all the mains are in the road. Sometimes they are in the shoulder. Eastview and Gardner Tavern Road have lots of room on the side. Mr. Sherman said we do the best we can to get off the road. The timeline is aggressive. It calls for Town approval in April 2016, contracts in April, engineering final design and permitting in May, construction in June/July with completion by the end of summer 2016. We want to do large-scale construction projects during the off-season. The schedule is dependent on permits. There are railroad crossings.

There are some incentives for conversions. John Elsesser said some of these incentives would come into play if we convert the town hall boiler. It would be 10% at Town Hall, \$8 per BTU on boiler. It is based on how much you're using.

Hannah Pietrantonio asked what the typical conversion cost is for the homeowner. Mr. Sherman said it depends on what is chosen. They could do a conversion burner which is typically cheaper than replacing the entire piece of equipment. Homeowners should shop around. Hannah said she is thinking about the schools too. John Elsesser said for the big boilers at the schools we could put a conversion burner on, but we would not be gaining a lot of efficiency. A modulating furnace takes outside temperatures into account. Sometimes conversion can be done in stages. There is a payback period depending on how much you use. Some of the newer units are much smaller. Some of the house units are small enough to be hung on the wall. Mr. Robie said there is no one typical system. He would encourage getting multiple quotes layering in all the incentives. There is a lot of money available for conversions, plus the societal benefit of using cleaner fuel.

Matthew O'Brien asked how prices compare to propane. Mr. Sherman replied it depends on where you're getting your propane. There are more BTUs in gas than propane. We beat oil and propane in cost. It depends on consumption. If you send us your usage we can run it through our system and give an estimate.

John Elsesser said the Town has been talking about natural gas for decades. Some of the changes allow a longer look so the payback has changed. Last year when we looked at it the payback was faster because the cost of oil was higher. A year ago the Town's contribution would have been \$1.1 million. The price has narrowed. One of the reasons we picked the route we picked is because a lot of those homes are reaching their 20-25 year timeframe on furnace life expectancy. This would give them more options. Mr. Robie mentioned the need to remove buried tanks as another consideration. John noted that the high school tank has to go regardless. The 16-year old one could maybe do a conversion. Matthew O'Brien asked if there would be less maintenance. Mr. Sherman said yes.

Hannah Pietrantonio asked where the gas comes from. Mr. Sherman replied the Gulf of Mexico and Canada, and now with the shale deposits in the mid-Atlantic region we get it from there also. Hannah asked if fracking was done there. Mr. Sherman replied yes. The closer you are the cheaper it becomes. Oil and propane have been cheaper but our prices have come down as well. Hannah noted there has been a lot of controversy regarding fracking.

Richard Williams said when he looks at projects CNG has done over the past few years it doesn't seem like they have added a lot of customers. Mr. Sherman replied that 117 miles of pipe is a lot. Thirteen miles in the gas world is a huge expansion. We are making gas available in areas of the state where it is not currently available. Over time towns are going to expand and when they do the gas will be there. Once a neighborhood is started we can do short main extensions that add a lot of customers. This is the initial trunk and we can expand off that. Richard asked what we could expect in 10 years. Mr. Sherman replied it depends. If the tools are there to grow our system we will. The expectation is 900 miles of main over 10 years. Mr. Robie said people are not forced to connect but they are given the access and have the option. Matthew O'Brien asked who the authority is that is encouraging CNG to expand. Mr. Sherman said it was originally CT DEEP and it is regulated by PURA. Mr. Robie said the expansion rules are under the Governor's comprehensive energy strategy from 2013. No state funds are being used and there are no tax increases. We are using company funds. Richard asked if they didn't spend the funds where they would go. Mr. Sherman said they would go back to ratepayers. Mr. Robie said the model is designed not to put a burden onto ratepayers. We have to treat all ratepayers fairly.

Thomas Pope asked if the new pipeline proposed to come through Connecticut would impact their company. Mr. Robie replied that is a transmission pipeline. It will make more gas available. It doesn't affect us because if you contract with us we have to secure your gas to be available on the coldest day of the year. It really affects the natural gas power plants. They buy gas on the spot market. If they do then your electric rates will go up. John Elsesser noted this project would not need the Interstate pipeline.

Richard Williams asked what happens when there is a problem with one of the pipes - they must leak from time to time. Mr. Robie replied we have mandated response times. We must have someone on site within 30 minutes. Richard asked how they know when there is a problem. Mr. Sherman replied someone would smell it. We also inspect every mile every year and do a walking-line inspection every 3 years. Mr. Robie said the majority of issues are construction related – such as a contractor who didn't call before digging. Matthew O'Brien asked if there are shut off valves at intervals. Mr. Sherman replied yes. CNG has a really good safety record. It is the most important thing we do.

Matthew O'Brien asked about CNG's customer service record. Mr. Sherman replied we have service

quality measures that we have to hit with PURA. They are pretty stringent. There are some Better Business Bureau cases that weren't happy with us but we have over 165,000 customers. Our record is good. Nobody is perfect but 1.9 million bills with only 13 complaints is good. It is in our best interest to make our customers happy.

The Council thanked the CNG representatives for their proposal and they departed the meeting. John Elsesser said we will put the presentation up on the Town website tomorrow.

Discussion ensued. Matthew O'Brien asked John Elsesser to get information regarding conversion costs and also where our equipment is on its lifecycle. Andy Brodersen would like to know the exact number of additional customers they might get. John replied the estimate was in their charts. Of 65 homes they estimate they might get 60%. That is their estimate and their risk. Matthew said it would be \$102,000 in taxes over 10 years. Thomas Pope said we need the net value to start with.

Matthew O'Brien said if we were to consider it, that 10 years looks possible but 25 years doesn't seem worthwhile. Hannah Pietrantonio said she is concerned about depleting capital funds. It will put us further behind with others things we want to do. Richard Williams asked if the cost differential between natural gas and propane is extreme. John Elsesser replied yes. Propane is not regulated at all and there are some unscrupulous dealers that have been on news. Propane mirrors fuel oil. Natural gas has tended to be the lowest and most stable. Richard asked if natural gas is the best solution for efficiency and best cost. John replied that during some recent storms propane delivery was nearly impossible. We tried to get it to Orchard Hills. Everyone was running generators, etc. and it doesn't run through a pipeline. Richard said he heard one of our furnaces was 52 years old. John said one of the oil tanks has to come out of the ground this year. We need to do some financial modeling. The high school boiler has already been repaired several times. It has cracks. The middle school one is probably close to that too. The one in the connecting wing is probably in the middle of that. We are probably about a year and a half behind where we wanted to be on that project. It will require serious capital dollars. Conversions of the town hall and school administration building would be thousands, not tens of thousands of dollars. We would use a converter. We would have to look at the police station and fire station.

Matthew O'Brien noted that the efficiency of a new gas burner vs. the old oil one is tremendous. John Elsesser replied yes. Oil burner efficiency is about 82% and natural gas is approximately 95%. Richard Williams asked if it would be able to serve the kitchens. John replied yes. William Trudelle, School Facilities Director was present and said it would cover the rooftops, science wing and kitchens. John noted it would not just be the cost of the burner – we would also have to run piping in the buildings.

John Elsesser said he would follow up on the question of taking payments over 5 years. For us it makes a big difference if that is calendar year or fiscal year. Thomas Pope asked if we have used up our inventory commitment on oil. John replied that is another issue we have to look at. The whole process of how to fund it is a question.

B. 15/16-73: Consideration of waiving bid procedures and appropriation of funds for boiler replacement and related expenses at Coventry Town Hall:

John Elsesser said last Tuesday night we got a call that there was water on the boiler room floor. We came down and Mark Kiefer turned off the boiler. We looked and could see water inside. We turned it off and got Mechanical Maintenance, our current provider, to come down. They declared it was cracked. We called our insurance company and they helped us to get temporary heat. By 10 PM that night we had a temporary heating unit. We started investigating alternatives and the insurance claims process. We are insured for boiler coverage through Hartford Steamboiler. They were unable to get in touch with us until Friday after it went through their chain. We did asbestos removal and testing over the weekend and kept the boiler in pieces on our front lawn for their inspection. They verified the crack and that at 51 years old

no replacement parts were available. We were working in the meantime with Mechanical Maintenance on replacement options. The boiler they had recommended last fall is no longer available. They recommended two smaller units instead. It is more efficient on warmer days because only one would operate. They run on alternate days so we would be using them equally.

Asbestos removal was done by Bestech of Ellington for \$6343 for the boiler and hallway tile. We have asbestos removal under the Hartford Steamboiler coverage. It will have to be apportioned. They feel we got a good price. A lot of it is set up, delivery and air monitoring. We are at the end of the first week with temporary heat.

If go to propane we have a tank rental, installation and fill cost. A loaned tank would be \$2000. It leaves our options open. We have a full oil tank in the ground. We would leave it alone until we can take the oil out and distribute it to other buildings. We do not have prices for oil tank removal. While the hole is open we could buy a propane tank and put it in the ground. If we go with natural gas the tank goes away.

Cost details for replacement of the boiler were outlined. It would be \$53,014 for the energy efficient twin units. There are some options. We could replace the electric pumps to variable speed pumps. We think our pumps have reached their end of efficiency. We could add glycol to prevent freezing. Venting of the chimney is needed. Direct vent is another option but there is a lot of stuff in back of the room. That is where the solar unit is. We added a contingency for total cost of \$68,000. The Council gave \$40,000 in October toward the boiler. We did the firewall repair and EMME duct work so \$29,400 is available. In the worst-case scenario we are requesting a not-to-exceed amount of \$28,000, less if we don't want to do the pumps. In the best-case scenario, with rebates, insurance coverage, etc., we think we are going to have insurance coverage for the boiler. Temporary heat is covered. So there may be \$53,843 of credits against \$68,000 in expenses. With the rebate it would be \$14,197. We have \$29,000 available. If the insurance company decides they get the rebate our cost would be \$18,000. If the boiler is covered we won't need any of the \$38,000. If the boiler is not covered we will.

Andy Brodersen asked in the event of failure with the dual smaller boilers whether one would heat the building. John Elsesser replied yes. It would not be comfortable but we would not be freezing. They have a 10-year warranty. It is slightly less than the large boiler that was quoted last fall. Matthew O'Brien's recommendation is to do it right. John said going without glycol is not an option. We need it given the way our attic is. Andy asked if there is any idea what another company might have cost. John replied we got other pricing in the fall and this is very good. Nutmeg's price just for an oil furnace was \$49,000.

Julie Blanchard asked about the process for waiving bid procedures. Is it a Council policy or required by the Town Charter? John replied Council policy says the Council has right to waive. We don't have time to bid. This company has been very responsive and we think we are getting very fair treatment.

Hannah Pietrantonio asked if there is any liability from the work done previously? John said we asked that question. It might have been thermal shock from filling with cold water. It was two weeks afterwards. We will leave it to the insurance companies to decide.

Motion #15/16-306: Matthew O'Brien moved to waive the bid process and enable the Town Manager to enter into contracts with Mechanical Maintenance for replacement of the Town Hall boiler and to appropriate an amount up to \$38,640 from the Council's 1.5% fund for the project. Richard Williams seconded the motion. Discussion ensued regarding whether to take the funds from the Council's 1.5% fund or CNREF. Beth Bauer, Finance Director was asked for an opinion. She said she has not done a recent analysis so she wouldn't want to discuss it at this point. John Elsesser said if want to move funds around later we can do so. We want to make sure we have something we can charge it to now. **Motion #15/16-306 carried on unanimous vote.**

3. Adjournment:

Motion #15/16-307: Andy Brodersen moved to adjourn the meeting at 8:31 PM. The motion was seconded by Thomas Pope and carried on unanimous vote.

Respectfully submitted,

Laura Stone
Town Council Clerk

Heat Smart.

Natural Gas is Smart for Coventry

Our Company

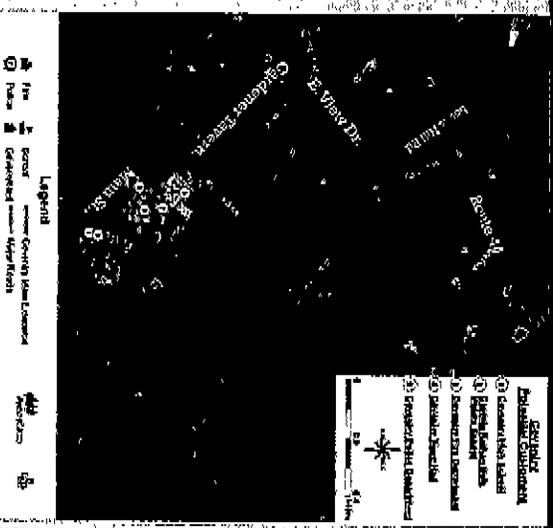
- Connecticut Natural Gas Corporation, the Southern Connecticut Gas Company, and The United Illuminating Company, are now part of AVANGRID, Inc.
- Together, the AVANGRID companies will be a leader in the transformation to a clean energy future by providing sustainable, innovative energy solutions that 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.

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

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 - Goventry High School and Nathan Hale Middle School
 Town Offices
 Police Station and Fire Station



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 publicly regulated & can't manipulate prices.

Heat Sustainably

Clearest 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.

Heat Economically, Switch to Natural Gas

Facilities	Fuel Type	Fuel Usage (Gall)	Fuel Per Gallon	Current Fuel Cost	Gas Equip. Usage (GCF)	Natural Gas Cost	Cost Savings
Goventry High School	Oil	28,800	\$ 1.79	\$ 51,522	40,320	\$ 30,442	\$ 21,080
Nathan Hale Middle School	Oil	16,800	\$ 1.39	\$ 23,072	29,520	\$ 20,909	\$ 9,163
HSJMS Shared Addition	Oil	22,800	\$ 1.79	\$ 40,612	31,920	\$ 25,313	\$ 15,302
Town Office Building	Oil	9,600	\$ 1.79	\$ 17,184	13,440	\$ 10,158	\$ 7,026
Police Station	Oil	1,800	\$ 1.79	\$ 3,222	2,880	\$ 2,216	\$ 984
Fire Station	Oil	4,200	\$ 1.79	\$ 7,518	6,960	\$ 5,321	\$ 2,197
TOTALS				\$ 150,369		\$ 100,718	\$ 49,652

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

Heat Consistently, Switch to Natural Gas.

Focus on your business

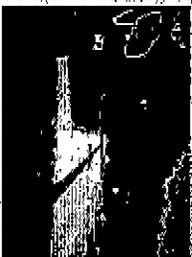
Natural gas is a cleaner more consistent fuel source and extends the life of heating equipment and minimizes equipment service.



Heat Effortlessly. Switch to Natural Gas.

Natural Gas is Safe and Reliable with minimal impact to Covertity

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



Natural Gas Safety

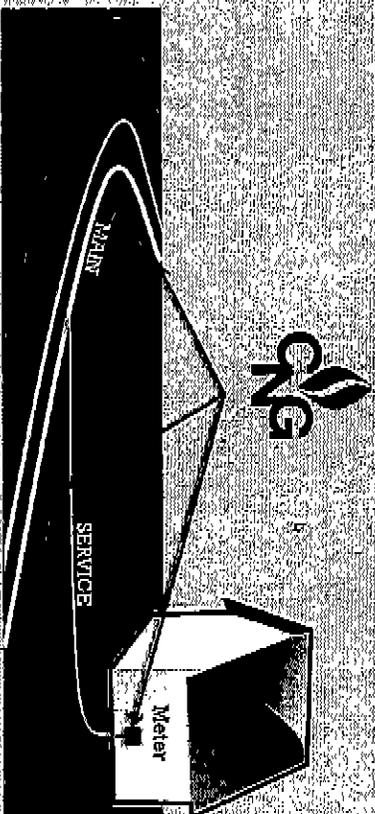
General Information

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 \$5 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.

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

Safety Record of SCG, CNG and BG

Nothing's more important to Ull 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



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 Needelman, First Selectman

East Hampton Franchise Expansion

"This project creates a major savings opportunity for the town," said Michael Manticalco, 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."

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

White 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

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 customer's 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

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



Risks?

GNG Underestimates revenue: GNG 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.

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.

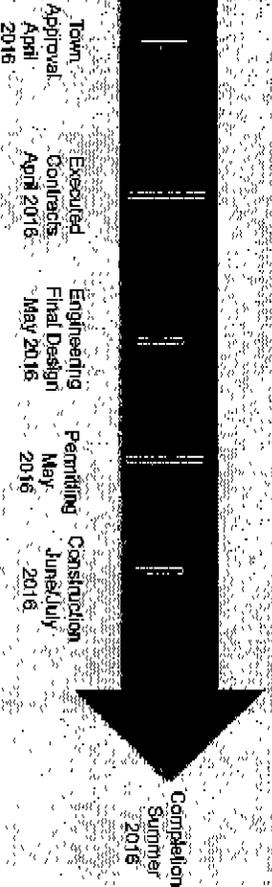
Project Costs

	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 GNG (40% of project construction costs)	\$ 1,154,800	\$ 1,154,800	\$ 1,154,800
% of Shortfall from GNG/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.

Project Timeline

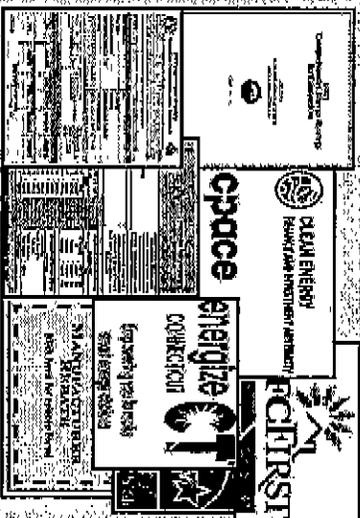
- Town approval and executed contracts by April 2016
- Engineering/Final Design and Permitting by May 2016
- Gas Main Construction to commence in June/July 2016
- Natural gas available to all residents and businesses Summer 2016



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

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Manager of Gas Expansion Projects

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Director of G&I Sales
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Email: terril.ellen@uninet.com

Thank you.

Q&A Section