

# Capitol Region Council of Governments

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**To: Municipal Services Committee Members**  
**From: Jennifer March-Wackers, Municipal Services Coordinator, CRCOG**  
**Date: January 22, 2007**  
**Re: Utility Update for FY 2007-08**

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I have compiled the following utility information to help our member municipalities as they craft their 2007-08 budgets. Most information is complete. However, please contact me for any pending information that is noted "to be determined".

**Heating Oil:** I solicited feedback from the vendors who regularly bid in our gasoline and fuel oil bids about future fuel pricing. Though the group could not come to consensus on a target price of choice, they offered the following suggestions: budget your **current numbers or slightly below (-5%)**; or simply budget between **\$2.00 - \$2.10 per gallon**. Please note that the CRCOG heating oil bid will be going out earlier than usual (early March) and you will have the ability to lock in prices in March/early April 2007.

**Natural Gas:** We have locked in prices for Natural Gas for 2007-08 with Hess Corp through our Natural Gas Consortium. Those prices depend on your service territory and do not include transportation costs charged by the local utility for use of their pipeline (~10% on average), nor the Gross Receipts Tax (rises to 7% on 7/1/07).

## **Natural Gas Prices for July 1, 2007 – June 30, 2008**

Yankee Customers	\$1.2433/ccf
CNG Customers	\$1.2765/ccf

These prices reflect a 12-13% decrease from our current fiscal year's locked in prices. It is important to note the Yankee and CNG are expected to file for rate increases of around 8% with the DPUC this year. Our consortium members are protected from those rate hikes.

**Electricity:** I spoke with the DPUC recently and there is very bad news for commercial electricity customers still using their local utilities. The rate increases you have seen in the news (7.7% for CL&P, 49% for UI) have been for residential customers. As of January 1, 2007, the commercial rates (over 700kwh per month – i.e. most municipalities) are considered to fall into this tier. The commercial tier is now being purchased by the utilities as "supplier of last resort". This means that the utilities are buying this electricity from the market "just in time" – the worst possible pricing.

The advice from DPUC was that any municipality that does not have an aggregator or distributor, needs to find one now. There are several consortiums in the state (Ed Aram and CCM to name two) that we can put you in contact with. There is also a list of aggregators and distributors on the DPUC “Watts New” website. Go to [www.wattsnewct.com](http://www.wattsnewct.com) for that information. You may call them with how many kilowatts per month you use on average and they should be able to price your electricity.

As we know, there has been posturing in the state government to hold off the increases, but no action has been taken yet.

**Telephone Service:** According to an SBC account manager, no rate changes are expected nor requested at this time before the DPUC. DPUC also confirmed that no rate increases were filed for nor anticipated.

**CRRA Tip Fees:** I spoke with Rob Constable, the Controller at CRRA, and he does not anticipate any increases from the current \$69 tip fee. However, he would not confirm anything since they are still gathering all of their numbers. CRRA will be setting their 2007-08 tip fees later this month and I can provide the final fee to you at that point in time.

**MDC Fees:** The MDC started its fiscal year on January 1, 2007. Rates for this year are as follows:

- Water: \$1.96 per hundred cubic feet
- Sewer: \$1.96 per hundred cubic feet

Rates are effective with meter readings on and after 1/1/2007. Advice from MDC was to budget for between a 4 – 6% increase for 2008 (depending on how conservative you want to be).

As always, should you have any questions, please call me at 860-522-2217, ext. 39.