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Over 300 attend Annual Conference

NEPPA's 2008 Annual Conference, held at the Mt. Washington Resort in Bretton Woods, N.H. on Aug. 10-13, featured an exceptionally strong speaking program, a joint board and membership meeting and regulatory updates from Washington, D.C. New directors and officers were elected and there was a preliminary discussion of the 2009 budget.

For more on the conference go to page 4-7.



Gary Babin, director of the Mansfield (Mass.) Municipal Electric Department and incoming president of NEPPA takes the reins from Ted Garille of Pascoag (R.I.) Utility District who held the position for two years.

Staz is "Person of the Year"

Sharon Staz, general manager and treasurer of the Kennebunk Light & Power District, was honored by her colleagues as NEPPA's Person of the Year during the 2008 Annual Conference.



This is the association's most prestigious award and is presented to individuals who have distinguished themselves through their sustained, outstanding service and contributions to the entire public power community.

Staz received the award at the NEPPA 2008 Annual Conference held at the Mt. Washington Resort in Bretton

Woods, N.H. on Aug. 11. According to NEPPA President Ted Garille, Staz has been a tireless spokesperson and advocate of consumer-owned electric systems.

"She is totally committed to the interests of her customers and her community and a careful and prudent manager of ratepayer funds and investments," he said. Attending the ceremony were members of the utility's governing board, Bruce T. Madore and Craig H. MacDonald.

During her ten years with the District, Staz has been deeply involved in the affairs of her community, working for many

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Executive Director's Report

Electricity Markets and Greenhouse Gases A bad marriage for New England?



by Patrick Hyland

In late September, New England will enter a new era in the production and sale of electricity. For the first time ever, allowances for carbon dioxide emissions from power plants will be sold on an open market, and the cost of those allowances will (eventually) be added to the price of electricity in our region. This new experiment in market-based pricing is known as the Regional Greenhouse Gas Initiative (RGGI), and it will be watched closely by government officials, energy experts and power plant owners around the country. As the nation's first-ever carbon cap-and-trade program, there will be a lot riding on the success of the emissions auctions, the allowance tracking, and the economic impacts of these new electricity production costs.

For New England electricity consumers, RGGI is yet another cost to be added to their electric bills. Whatever we may each

believe about the connection between CO2 emissions and climate change, it goes without saying that the price of electricity from fossil-fuel burning power plants will increase under a cap-and-trade program, and that these costs will be added to all the other costs of production. What is different in New England from many other regions of the country however, is that our electricity is already bought and sold in an unregulated market, and prices in our region are already among the highest in the United States. If we were confident that these markets were already working properly, the extra burden of carbon costs might be easier to bear, knowing that they were contributing to reduced greenhouse gases.

Unfortunately, our electric markets are not working properly, and have failed to achieve many of the purposes for which they were created. They have not driven

Continued next page

Staff

Patrick Hyland
executive director
phyland@neppa.org

Kristin DiGirolamo
administrative director
kristind@neppa.org

Mary Harrington
communications director
mharrington@neppa.org

Rockie Blunt
training director
rblunt@neppa.org

David Fabrizio
safety director
dfabrizius@neppa.org

Sharon McDonald
administrative assistant
smcdonald@neppa.org

Sheila Boone
administrative secretary
sboone@neppa.org

Board of Directors

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president
Mansfield, Mass.

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Wellesley, Mass.

Mark Kelly
Middleton, Mass.

George Lague
Swanton, Vt.

John Tzimirangas
Hingham, Mass.

Eric C. Werner
Hardwick, Vt.

NEPPA News Line is published once a month, 12 times a year by the Northeast Public Power Association, Suite 201, 100 Medway Road, Milford, MA 01757.

tel: 508.482.5906
fax: 508.482.0932
website: www.neppa.org

Annual subscription rates:
NEPPA member utilities, \$35 (first 20 subscriptions included in dues), non-members, \$53. Extra subscriptions available to utilities for \$17.50 and associate members for \$35.



The Northeast Public Power Association is an organization representing and serving consumer-owned electric utilities in New England.

down prices by stimulating competition. They have virtually eliminated long-term power contracts by making spot markets so profitable. And they have devised power auction rules that result in enormous windfall profits for lower cost producers. With the soon-to-be added emission allowance costs in the mix, it is just a matter of time before all bidders will be receiving the “RGGI premium” in the daily spot market auctions, regardless of whether they have to purchase allowances or not.

In addition to the higher prices we can anticipate from carbon mitigation costs however, we must be especially concerned with the potential for malfunction or outright manipulation in these new markets. There are far too many examples of questionable behavior in the existing unregulated electric markets around the country for anyone to possess

a high degree of confidence in these new, untested, markets. Even for those who believe in the power of markets to change human behavior, there are serious doubts about the adequacy of the current electricity markets to handle carbon reduction strategies. At a recent event hosted by The Energy Daily, Seth Blumsack, assistant professor of energy policy and economics at Penn State University, said the following: “I love markets, but this is a problem that is so big and has to be addressed in such a short period of time, that I don’t see how markets can handle (it).”

Capping and reducing carbon dioxide emissions may be good public policy. But achieving this through a dysfunctional electricity market could be a very bad marriage. Unfortunately for New England electricity consumers, the wedding bells are ringing and only time will tell.

Person of the Year

Continued from page 1

years with town citizens to secure legislation that enables negotiations for the purchase of service territory within her town from the local investor-owned utility.

She has been an active member of NEPPA, serving on the Board of Directors and several task forces and committees. She has chaired the NEPPA Legislative Committee for the past eight years and has been especially effective in building working relationships within and outside of New England to maximize public power’s influence in the federal legislative process, and to see that New England’s interests are represented in the formulation of public power policies.

Staz has also been at the forefront of the efforts to advance legislation to strengthen the cost accountability of regional transmission organizations. Through her efforts, the support of the entire Maine Congressional delegation was secured on this legislation, along with other Congressional offices in other New England States. In addition to numer-

ous and detailed communications with NEPPA’s Washington lobbyist and many Congressional staff members during the bill drafting process, Staz also traveled to Washington to attend meetings with Congressional and regulatory staff members to help explain the importance of this bill to New England electric customers. She has been an articulate and effective spokesperson in describing the impact of high electric costs on her customers and the need for cost accountability within ISO-New England.

Staz has served as Kennebunk’s manager since 1998. Previously, she was manager of the Princeton (Mass.) Municipal Light Department for 12 years where she was recipient of American Public Power Association’s (APPA) prestigious Seven Hats Award. She is now serving on the APPA Board of Directors, representing the Northeastern United States.



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Each year, NEPPA is the beneficiary of financial and other contributions by its affiliates and friends through their sponsorship of the annual conference. Their contributions are very important to this event.

Conference features diverse group of speakers



Actor Frank Attwood brought Thomas Edison to life during his keynote address, Man of the Millenium.



Steve Collier, vice president of Milsoft Utility Solutions gave a presentation and then led an interactive discussion roundtable on the smart grid.



Terry Huval, Director, Lafayette Utilities System leads into his discussion of public power and the smart grid with a quick melody on his fiddle.



Marc Spitzer, Commissioner, Federal Energy Regulatory Commission discusses electric transmission and the infrastructure challenge.



Susan Kelly of APPA gives a regulatory update and Clifton Below of New Hampshire Public Utility Commission gives an overview of the Northeast Regional Greenhouse Gas Initiative.

NEPPA recognizes contributions to public power

Public Power officials and associates were honored at the NEPPA Annual Conference banquet on Aug. 11 for their contributions to public power and the association. In addition to the "Person of the Year" award given to Sharon Staz (see related article on page one), the following awards were announced.

Commissioner Service Award

The Commissioner Service Award is presented annually to commissioners and directors of public power utilities who have served their systems with distinction for at least 10 years. There were seven recipients in this category:

Louis Amoruso and David McCarter
Mansfield Municipal Light Department

Rodney Hersh and Kevin Lindemer
Groton Electric Light Department

**James McPartland, Gary Severson,
and Galen Hogan**
Houlton Water Company

Century Award

John Clark of the Houlton Water Company presented a Century Award, which recognizes NEPPA members celebrating 100 years of service as a public power system, to Shrewsbury Electric and Cable. Tom Josie, general manager, accepted the award.

NEPPA Service Award

The NEPPA Service Award is presented to individuals who have made significant contributions to the association during the past year.

"This year's recipients have dedicated an extensive amount of time, resources and expertise to advancing one of NEPPA's most important legislative goals," said Pat Hyland, NEPPA executive director who presented the awards. "That is, the development and introduction of federal

legislation which would introduce the concept of cost accountability into the mission of our regional transmission organization, ISO-New England."

The Consumer Protection and Cost Accountability Act was introduced into both houses of the US Congress earlier this year, due in no small part to the efforts of these individuals. Each of them took time out of busy schedules to travel to Washington, meet with their legislators and staff, explain the need for the legislation, and write many follow-up letters soliciting support and co-sponsorship. This effort represents an outstanding example of regional collaboration within the public power community of New England, in order to protect and advance the interests of NEPPA members and their customers. The recipients are:

Barbara Grimes
Burlington Electric Department

Sandra Magyar and John Boudreau
Massachusetts Municipal Wholesale Electric Company

Ted Garille
Pascoag Utility District

Vin Cameron
Reading Municipal Light Department

John Tzimirangas
Hingham Municipal Lighting Plant

Maurice Scully
Connecticut Municipal Electric Energy Cooperative

Lori Pickford
Morgan & Meguire, LLC

Continued next page

Awards

continued from previous page

Outstanding Affiliate Award

The Outstanding Affiliate Award recognizes an affiliate member of the association for their contributions to association programs and services.

ABB Incorporated is one of NEPPA's most outstanding associate members and provides an extraordinary level of support to NEPPA's training programs. Specifically, over the past several years, John Young has brought company staff to put on classes for the NEPPA Substation Apprentice and Advanced Lineworkers Programs,

including the transportation of company equipment to our Pascoag training facility. Young has attended these classes and has had significant interactions with the students in demonstrating equipment operation.

"NEPPA students have benefitted tremendously from his hands-on approach to student training," said Pat Hyland who presented the award. "We are greatly indebted to ABB and to John Young for their continued support and invaluable contributions to our association."

Annual Conference Golf Tournament raises money for Benevolent Fund

NEPPA's Benevolent Fund was the beneficiary of the Annual Conference golf putting contest, which was sponsored by NEPPA associate member Utility Services, LLC. Participants in the contest contributed \$300 to the fund, and an additional \$300 was donated by Brian Evans-Mongeon, company owner.

Utility Services, LLC specializes in the areas of Electric Reliability Organization (ERO) Compliance needs, REC and emis-

sion trading, and NEPOOL/ISO New England responsibilities, supplies, and obligations. In addition, the firm has developed voluntary green pricing programs for utilities to offer their customers and provide assistance on retail tariff and rate designs and cost of service studies. Brian Evans-Mongeon can be reached at (802) 552-4022 or faxed at (802) 552-4595.



UTILITY SERVICES, LLC



**Mark your calendars for
NEPPA's 2009 Annual Conference**
September 20-23, Ocean Edge Resort and Club, Brewster, Mass.

Training and Education Update

Happy New Year



By Rockie Blunt,
Director of Training and
Education

No, it's not January 1. I realize it is only September, but for the Training and Education Department, September feels like the beginning of the year. Like most other places of learning, we're getting into the return-to-school mood, and as we prepare for another year of training, the key word is "new" - new training schedules, new courses and the potential of new trainers. Let me explain:

New Schedule

NEPPA's new year of safety and technical training will begin in January, 2009, but we're gearing up for it now. Long-time trainers Dave Fabrizius and Bob ("Henny") Henriksen recently met with me to take an in-depth look at all our course offerings. They reviewed the content of each one, making modifications where necessary, in an effort to ensure that our curriculum remains updated, strong and relevant to our members. The course titles and descriptions are being finalized now, and in early September our scheduling coordinator, Sharon McDonald, will send you the new training form so that you can select the topics that will best benefit you in 2009.

New Courses

Three new courses will be added in the coming year. Linda Calderiso, our CPR and First Aid instructor, is currently taking an extensive course in "Ergonomics," and once that training is complete, she will develop a program in that area that should be helpful to many of you.

The second new course, "Coaching the Utility Truck Driver/Ladder Safety," will cover handling various types of vehicles (from traditional pickup types to vans and bucket / digger trucks), pre-trip inspections, blind spots, driving in traffic, highway driving, backing up, parking, and towing trailers. It also includes the various

types of ladders, inspection of ladders, choosing the proper ladder to use, and setting it up properly, as well as climbing and working safely.

"Workplace Communications and Job Briefings," the third new course, reviews how to communicate to your workers so that your message is heard and your instructions are understood, and how to conduct a proper tailboard briefing following OSHA guidelines.

New Trainers

The Training and Education Department is adding one or two safety and technical instructors. Our current trainers - Dave Fabrizius, Bob Henriksen, Linda Calderiso, Bill Hesson, Lou Gabriele and John Jankowski - are experienced and knowledgeable, but covering all of New England and New York is a geographic challenge, and the new personnel will help us remain flexible and responsive to our members' needs.

And finally, there is an opportunity for new trainers on a more limited scope. As you probably know, NEPPA is expanding its training horizons beyond the domain of safety and lineworker skills. Customer service and supervisory skills programs have been developed and are ready for takeoff. Other new areas are being contemplated too, and we are looking to tap into the skills and expertise that already reside in our member organizations. If you or one of your coworkers have a particular area of expertise coupled with an interest in teaching on a limited or part-time basis, please contact me. You will be provided with "Train the Trainer" instruction, and NEPPA can compensate your organization for your time. You will hear more about this as we continue to develop new programs.

But in the meantime—Happy New Year!

Wakefield joins Berkshire Wind Power cooperative



Dion

Wakefield Municipal Gas & Light Department (WMGLD) has taken the first step in building its green energy portfolio with the signing of an agreement to purchase the assets of Berkshire Wind Power LLC. WMGLD was one of 14 municipal electric utilities that purchased the assets for \$4 million as part of the Massachusetts Municipal Wholesale Electric Company's Berkshire Wind Power Cooperative. The other 13 communities joining Wakefield in the Berkshire Wind Power Cooperative are Ashburnham, Boylston, Groton, Holden, Hull, Ipswich, Marblehead, Paxton, Peabody, Shrewsbury, Sterling, Templeton, and West Boylston.

Under the agreement, the cooperative purchased all of Berkshire Wind's assets, including easements, permits, agreements, engineering documents, developed properties and other assets that will enable the owners to build and operate the ten (10) 1.5 megawatt wind turbines

on Brodie Mountain in Hancock, Mass.

An access road has already been constructed and some excavation work has been done. The next step, according to WMGLD General Manager Pete Dion will be to purchase the 340-foot tall turbines sometime in early Fall.

WMGLD will be the second largest shareholder, owning nearly 10 percent of the project that is expected to have a total capacity of 15 megawatts. Peabody Municipal Light Plant will be the largest shareholder with ownership of just under 17 percent.

"This is a great opportunity, not only for the WMGLD, but also for reducing our dependence on fossil fuels," said Dion who now serves on the Berkshire Wind Cooperatives Board of Directors. "When the project goes on line as expected in 2010, Berkshire Wind will be just a piece of our portfolio and will help diversify our mix of energy sources."

Good Neighbor Energy Fund surpasses goal

The Massachusetts Good Neighbor Energy Fund, a cooperative effort between the state's energy companies, their customers and The Salvation Army to help families in temporary financial crisis pay their energy bills, announces that its 2007-2008 "Give The Gift of Warmth" campaign surpassed its fundraising goal of \$600,000 by raising \$963,005. Most importantly, this year's donation total, the second largest in the Fund's history, provided energy assistance to more than 2,975 needy families in Massachusetts.

Energy customers in Massachusetts can "Give the Gift of Warmth" by using the Good Neighbor Energy Fund donation envelope found in their utility bills during the winter months or through an 'add a dollar' program offered by some

companies which allows customers to increase their monthly utility bill payment by one dollar or more.

Public power utilities in Massachusetts that participate in the program are Ashburnham Municipal Light, Belmont Municipal Light, Braintree Electric Light, Concord Municipal Light Plant, Groton Electric Light, Holyoke Gas & Electric, Littleton Electric Light, Mansfield Municipal Electric, Middleborough Gas & Electric, North Attleborough Electric, Reading Municipal Light, Rowley Municipal Lighting Plant, Wakefield Municipal Gas & Light, Wellesley Municipal Light Plant and Westfield Gas & Electric.

For more information, please visit www.magoodneighbor.org.

PURMA Risk Management Report

Liability continued...Policy conditions

PURMA (The Public Utilities Risk Management Association) is a regional association serving the risk management and insurance needs of public power systems throughout New England. As affiliated service providers to the northeast public power community, PURMA and NEPPA collaborate on a variety of informational and educational activities.

Some of the General Liability policy conditions impose obligations on the insured or the insurer, give more detailed explanations of the way in which coverage or limits of insurance will apply, or define specific rights of the insured and insurer at and after the time of an occurrence or claim. Some of the common policy conditions are summarized below:

“Bankruptcy” assures that the insurance company's obligation to pay covered damages is not affected by the bankruptcy of the insured.

“Duties In The Event Of Occurrence, Claim or Suit” states the insured's obligations at the time of an occurrence or an offense that may result in a claim under the CGL policy. This is a very important condition with which the insured should be familiar.

“Other Insurance” spells out how payment of claims and allocation of defense obligations under the policy will be made when another policy also covers the claim.

“Excess Insurance” describes the circumstances under which the policy will function as excess instead of primary coverage.

“Method of Sharing” further clarifies “other insurance” provision by establishing the method of sharing losses when the CGL and another policy are both determined to be primary.

“Representations” provides that the insurer acknowledges that only material misrepresentations will be grounds for voiding the insurance policy altogether.

“Separation Of Insureds” sets out the rights of all insureds to protection under the policy as if each had a separate policy, except with respect to limits of liability and any rights or duties specifically assigned to the first named insured.

“Transfer of Rights of Recovery Against Others To Us” states the insurer's right of subrogation and the insured obligation to protect this right by doing nothing after a loss to impair it.



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Getting to yes: extending a job offer



By Rick Dacri, Dacri & Associates, LLC

Rick Dacri is a management consultant, executive coach, and expert in human resources. Rick helps organizations improve individual and organizational performance. He connects with people in a positive and challenging way to offer practical solutions. Dacri & Associates is a NEPPA member and consults to many members. He can be reached at 800-892-9828, rick@dacri.com or www.dacri.com.

When we prepare to recruit and hire a new person, most of our attention is focused on the recruitment piece: finding the candidates, writing a good ad, and asking the right questions in the interview. All these steps are essential. But the final step and maybe the most important one is extending the job offer and getting the candidate to say "yes." After all, without a "yes" everything else you have done is simply practice.

To begin, let's look at some of the reasons candidates accept new positions. Sometimes it is because they want to get away from their current place of employment. Usually it is because they are seeking something important to them and their career. Your job as the hiring manager is to fully understand what these motivators are because through these you can determine what it will take to get the candidate to accept your job offer. Candidates will tell you what it will take. You simply have to listen for it during the interview process and then include it in your job offer.

To do this you must probe very deeply into the reasons they have left previous positions and why they would consider leaving their current job. Their reasons could be anything from salary, opportunity, security, conflict with a supervisor, travel, flexibility, etc. Whatever the reasons and there are usually more than one, your job is to find out, in detail, what they are. This information will help you prepare the job offer that will ultimately yield you a "yes" response.

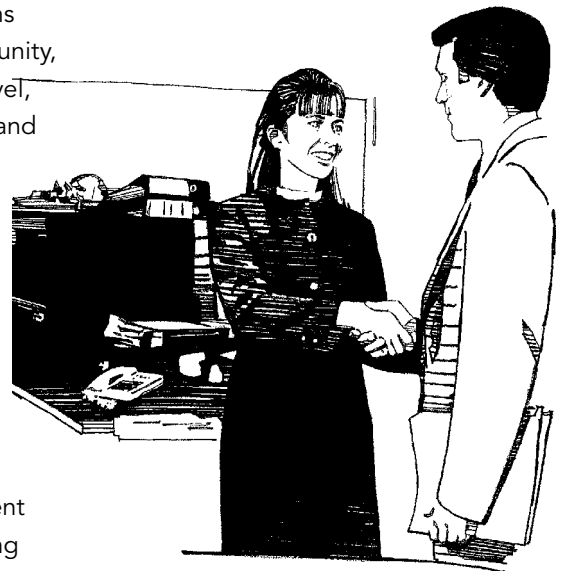
Let's look at a hypothetical situation: you have an engineer candidate who wants to advance his education, but receives no support from his current employer. Your organization is a strong

proponent of education and in fact, you are looking for a candidate who wants to pursue his P.E. By stressing in the interview the importance of education and by citing examples of how you supported the education of others in the department, you are moving the candidate one step closer to accepting your offer.

Remember, well before you extend the offer, you must know what the candidate wants and does not want. Then you must address all of these pieces in the job offer. If what the candidate wants is out of your ballpark, then it is time to lay the cards on the table. Outline what you can offer. Never apologize for what you can or cannot do. Stress the benefits of working for you. And if you cannot close the gap, thank the candidate for his time and move on.

By knowing what your candidate wants before you extend an offer, you increase the odds of getting a positive response. By making it impossible for the candidate to say "no," you ensure that your job offers will result in an enthusiastic "yes."

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Getting to yes

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Once you know what it will take to get to a yes, it is time to draw up the offer.

Eleven musts for every successful job offer:

1. **Put the offer in writing.** Make sure your letter is clear and concise and includes, at a minimum, the following: job title, reporting structure, starting salary, benefits, and date of next review.
2. **Warm the letter up.** Make it welcoming. If it is filled with legalese, you'll turn off the candidate. Remember, you're courting the candidate. This is not a prenuptial agreement.
3. **Deliver the offer in person - face to face.** You want to be able to immediately address any questions, objections or issues that the candidate may have. You want to see his reaction to your offer. If his body language says "no" you need to find out why—and fast. Never turn the responsibility of extending an offer to HR or a recruiter. This is a job for a hiring manager only.
4. **Do it over the phone,** only if an offer cannot be extended in person.
5. **Send the offer letter to the candidate after** you have delivered it in person.
6. **Be prepared to negotiate,** particularly with professional positions. However, you'll get minimal push back on your offer if you already got a clear understanding of what the candidate wants during the job interview.
7. **Be prepared for a counteroffer** from the candidate's current employer. If she is good, her boss will probably not give her up without a fight. Discuss the possibility of a counter offer with the candidate during the interview process. Ask her directly if she expects to get one and what she'll do. Find out early so that you can prepare your response.
8. **Don't expect an immediate response to your offer.** Give the candidate a few days to think about it, but no more than a week. The longer it takes to get a response, the more likely things could go wrong.
9. **Never leave a candidate hanging.** Make sure you immediately address any questions or concerns. It sends the wrong message.
10. **Make yourself available,** day or night, to respond to a candidate's question—or to questions from his or her spouse.
11. **Be welcoming.** Be very clear to a candidate how important they are to you and your organization and why you want them.

Employment

For complete descriptions of the employment opportunities listed below, go to www.neppa.org and click on Employment on the navigation bar. Deadline for listings in the October News Line is **Sept. 19.**

Eastern Maine Electric Cooperative
Chief Financial Officer

Hudson Light and Power Department
Electrical Engineer

Kennebunk Light and Power District
Electric Line Worker

Town of Wallingford, CT Electric Division
System Operator/Dispatcher

MMWEC
Controller
Senior Engineer

Northeast Public Power Association
Trainers

Peabody Municipal Light Plant
First Class Lineworker/Troubleman
Senior Electrical Engineer
Asst. Superintendent of Distribution

MMWEC requests federal probe of market manipulation

MMWEC is seeking an investigation to determine whether the alleged abuse of power market rules warrants a refund to our municipal utility consumers.

Ronald C. DeCurzio

Massachusetts and six other states receiving hydroelectric power from New York are seeking a federal investigation into the causes of multi-million dollar increases in the cost of delivering the power across New York's electric transmission system.

Allegations of potential illegal activity and abuse of power market rules have surfaced in calls for a Federal Energy Regulatory Commission (FERC) investigation into manipulative practices that by one estimate have cost consumers more than \$450 million since January 2008.

Forty Massachusetts municipal utilities receive a 53-megawatt allocation of low-cost, hydroelectric power generated at the Niagara Hydroelectric Project in western New York. While the cost of generating the power has remained relatively stable at around 3 cents/kilowatt hour, the cost of delivering the power to the Massachusetts border nearly tripled in recent months, to approximately \$3 million.

The New York Power Authority (NYPA), which operates the Niagara Project and sells the power to Massachusetts and the other states, also has asked the FERC to launch "a vigorous investigation" into the matter because of the significant harm to consumers from "the exploitive and possibly illegal actions of a small group of market participants" in New York.

Massachusetts is represented in the FERC case by the Massachusetts Municipal Wholesale Electric Company (MMWEC), which manages the state's allocation of New York power through an agreement with the state Department of Public Utilities. Under federal law, Massachusetts is entitled to a share of the Niagara Project power, which is delivered to the residential customers of the state's municipal utilities.

"MMWEC is seeking an investigation to determine whether the alleged abuse of power market rules warrants a refund to our municipal utility consumers," said MMWEC Chief Executive Officer Ronald C. DeCurzio. "The fact that New York's power grid operator did not catch and curtail this activity sooner underscores the need for greater oversight and accountability in restructured power markets, where the cost to consumers is often an afterthought," he said.

In an effort to address the problem, the New York Independent System Operator last month informed the FERC of emergency actions taken to terminate the day-ahead scheduling of power flows over eight transmission paths.

The FERC "has a responsibility to assure that markets function efficiently and that those who manipulate market rules are required to disgorge the excessive profits earned," according to the filing by MMWEC and the six other states.

POWER ENGINEERS, LLC

415 Boston Turnpike
P.O. Box 608
Shrewsbury, MA 01545-0608

Phone: 508-612-0382
Fax: 508-792-2920
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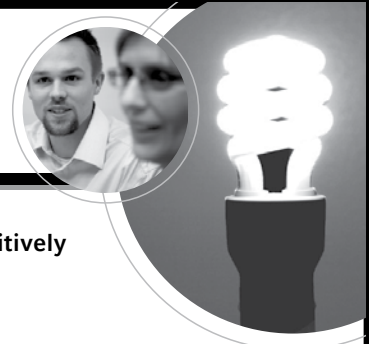
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NEPPA Calendar

September 11

Human Resources Roundtable

Chicopee Electric Light Department

September 23 – 25

Customer Service Leadership Program

Session 1

Various locations

October 2

Board of Directors Meeting

Chocksett Inn

Sterling, Mass.

October 3

Annual Membership Meeting

Chocksett Inn

Sterling, Mass.

October 21 – 23

Customer Service Leadership Program

Session 2

Various locations

November 4 – 6

Customer Service Leadership Program

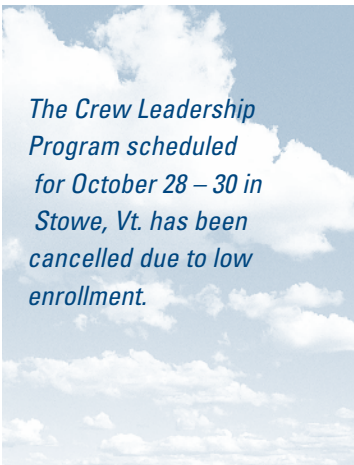
Session 3

Various locations

November 19 – 21

Public Utility Management Program

Durham, N.H.



The Crew Leadership Program scheduled for October 28 – 30 in Stowe, Vt. has been cancelled due to low enrollment.