

**City of Groton Utilities Commission
Annual Report for the
Fiscal Year Ending June 30, 2017**

Mission:

Groton Utilities is a business leader in Southeastern Connecticut. We provide essential electric, water, and other services at prices which reflect exceptional customer value and quality. We enhance and support the vitality and livability of the communities we serve.

Financial Transactions

- The Electric Division's net earnings, before transfers to the City, during this past fiscal year were \$7.4 million, or 13% higher than budget. The Electric Division transferred over \$3.5 million dollars of its net earnings to the City during the past fiscal year, which will increase 15% for the next fiscal year. Over \$30 million has been transferred to the City over the past ten years while offering customers some of the lowest electric rates in the region.
- The Water Division's net earnings during the past fiscal year were \$2 million, or 55% higher than budget. Higher revenues combined with lower Operational & Maintenance expenses drove the strong financial performance. Rates were increased on July 1, 2016, a good portion of this rate increase is for the purpose of upgrading the Water Treatment Plant, with that in mind \$700,000, was transferred to restricted funds for this purpose.

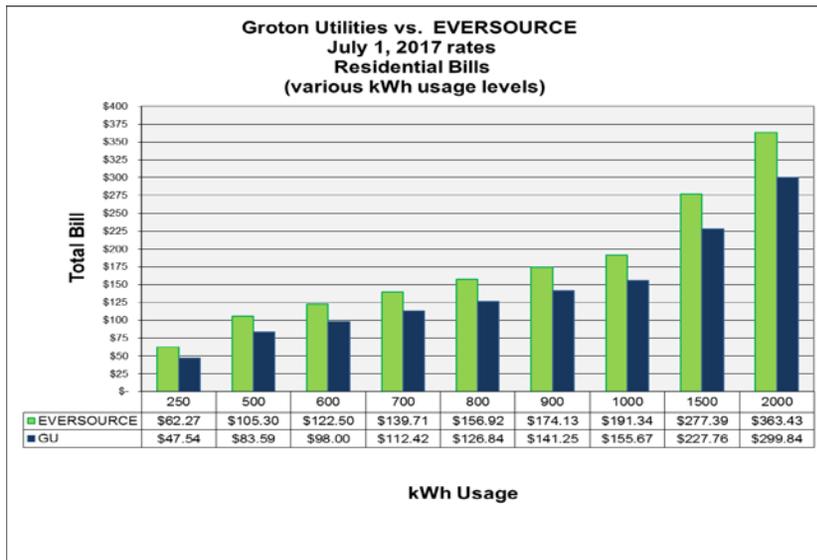
Highlights and Accomplishments:

- **Electric Reliability Projects**

- ❖ *Reliable Public Power Provider (RP₃) Designation:* In May 2017, Groton Utilities earned the Reliable Public Power Provider (RP₃) designation from the American Public Power Association for providing reliable and safe electric service.



- ❖ *Reliability Statistics:* Over the last 12 months, the power was available to Groton Utilities' customers on average 99.98% of the time.
- ❖ *Distribution System Maintenance:* Throughout the past year, Electric Operations personnel have been hard at work maintaining the Groton Utilities' distribution system. Maintenance projects include substation breaker maintenance, testing relays, infrared scanning that looks for loose connections, testing transformers, installing animal guards, and vegetation control.
- ❖ *Solar Site:* Three (3) ground base solar sites were connected onto the Groton Utilities' distribution grid. Pelican Solar Park, located on Pelican Drive in Navy Housing, generates 432 kW of power; Trident Solar Park, located on Ohio Avenue also in Navy Housing, generates 1,008 kW of power; and Polaris Solar Park, located at the intersection of Route 12 and Gungywamp Road, generates 3,500 kW of power. This is a total of 4,940 kW of solar power. Combine this with the existing solar roof top units in the Navy Base Housing area (3,000 kW) for a total of 7,940 kW. Solar provides power to approximately 1,520 homes during peak periods.
- ❖ *Buddington Substation Breaker Replacement:* Electric operations personnel replaced 10 (ten) 35kV substation breakers at Buddington Substation. The project included replacing aging oil circuit breakers with vacuum type breakers. The new breakers have a faster response time for clearing faults and are better for the environment
- ❖ *Tree Trimming:* The number one cause of power interruptions in the Groton Utilities' service territory is fallen trees and tree limbs on power lines. In an effort to reduce power interruptions, a second tree trimming crew was hired. Both tree trimming crews are hard at work trying to reduce the potential of power interruptions by removing trees and tree branches away from power lines. Please call Customer Service if you ever see an issue or have concerns with vegetation near the power lines.



- **Water Projects**

- ❖ *Water Treatment Plant Rebuild Project:* This project has been a center of effort for the Water Division for several years. On April 3, 2017, the City of Groton Freemen voted to appropriate and bond authorization of \$54,000,000 for Water Treatment Facility Improvements and on April 24, 2017 the City Council approved awarding a Drinking Water State Revolving Fund contract for the project to R.H. White Construction Company. It is anticipated that construction will begin in the fall of 2017.
- ❖ *AMI Meter Program:* Groton Utilities is currently upgrading its water meters with more efficient, lead-free meters. This year 1,074 residential and 218 commercial meters were upgrade. Since the change-out program began, 3,644 new lead-free, efficient water meters have been installed.
- ❖ *Upgrades:* The Water Division is finalizing design parameters and regulatory requirements to upgrade both Long Hill Pump Station and Walker Hill Standpipe. The project will improve reliability and fire protection to our customers including the Naval Submarine Base.
- ❖ *State-wide Drought:* A state-wide drought was declared officially on June 27, 2016 and a drought advisory for Southeastern Connecticut remained in place for the remaining year. Through operations, Groton Utilities was able to maintain an adequate supply of water. Reservoir capacity did not descend to a level, warranted in GU’s Conservation Plan, to require public conservation or unusual measures. Groton Utilities did, however, design and implement a specialized pumping system to transfer ground water fed reserves to reservoir storage adding, an additional 25 days of storage to the source water system.

- **Key Accounts Customer Service**

- ❖ *Utility Energy Services Conservation (UESC):* Groton Utilities arranged a \$15 million Utility Energy Service Conservation (UESC) project with the New London Submarine Base. The two (2) year-long project assist the Navy in reducing energy consumption, lower its operating costs, and remain a vital location.
- ❖ *Streetlighting Upgrade Project:* Groton Utilities is in the process of upgrading street lighting within our service territory to light-emitting diode (LED) technology, funded by Region Greenhouse Gas Initiative funds (RGGI). It is anticipated the project will be completed by the end of calendar year 2017.
- ❖ *Pfizer Renewable Energy Fuel Cells:* A total of 5.6 MWs of Connecticut’s renewable energy fuel cells were installed at the Pfizer complex, improving both Groton Utilities’ and Pfizer’s overall energy efficiency.

In conclusion, we wish to acknowledge the cooperation received from all Utilities Department employees, City Department Heads, City Council, and City Officials.

Respectfully submitted,

Keith Hedrick, Mayor
Chairperson

Shirleyann Dunbar-Rose,
Commission Treasurer

Ronald A. Gaudet
Director of Utilities

