

December 1, 2008

Mr. Nick Neeley
Acting Executive Secretary
Department of Public Utility Control
Ten Franklin Square
New Britain, CT 06051

Dear Mr. Neeley:

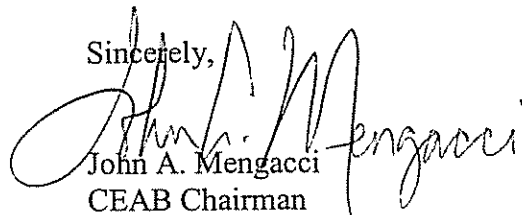
RE: Docket No. 08-09-20 – DPUC Review of Connecticut Energy Advisory Board Budget for 2009

Attached please find the CT Energy Advisory Board (CEAB) responses to interrogatories numbered EL-1 through EL-3 in the above referenced docket.

An electronic version of these responses will be submitted to your attention. In addition, copies will be provided to the service list for this docket.

If you have questions, you may contact me at 418-6374.

Sincerely,



John A. Mengacci
CEAB Chairman

Attachment

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EL-1 Explain how the CEAB budget is developed. Include the steps and who develops the budget. Separately, identify who is responsible for maintaining CEAB's accounting records.

Response:

The CEAB must submit a proposed budget to the Department on an annual basis. In July or August of each year a preliminary budget is developed by the Chair for consideration and approval by the full Board. As part of the budget development, the Chair reviews the Board's statutory obligations, particularly as it may relate to any new initiatives that may be required for the Board to undertake. Consultations between the Chair and other Board members may occur to solicit additional input. Input is provided from relevant staff at the Office of Policy and Management regarding the overall financial status.

For administrative purposes the CEAB is part of the Office of Policy and Management (OPM) [CGS 16a-3(f)]. OPM is responsible for maintaining all accounting and financial records associated with the Board's activities.

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EL-2 Provide a spreadsheet itemized by Task/Responsibility that identifies the 2007 and 2008 budgeted amounts. Include the 2007 and 2008 actual expenditures for each task/responsibility. Explain in detail all the differences between the budgeted amount and actual expenditures.

Response:

See attachments A & B.

The attachments present for each year the approved budget by category, the commitments made within each budget category, and the expenses made to date (as of 11/19/2008) against each commitment.

As a general rule, when the CEAB enters into a contract for specific services, the funding associated with the tasks is taken from the year in which the service begins; regardless of whether or not the services extend into a new budget year. For example, for a service that will start in 2007 and extend into 2008, funding for this service is taken from the 2007 budget. This approach is taken so that the activities undertaken by the Board are not held up administratively while waiting for funding resources to be allocated and/or approved by the DPUC. Thus, in many instances, there will continue to be charges made against the 2007 and 2008 budgets until all activities that have been funded with these resources have been completed.

When all expenditures are finalized within a budget year, the Board, with the assistance of the Office of Policy and Management (OPM), will undertake a close out of that budget year's finances. Any funds not spent are returned to Connecticut Light & Power and United Illuminating to return to the Systems Benefit Charge. This has already occurred for the 2004, 2005 and 2006 budget years.

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EL-3 Provide a spreadsheet itemized by Task/Responsibility that identifies the 2007 and 2008 unspent funds as provided in EL-2. Include how these unspent funds were incorporated into the 2009 budget. Separately, identify the 2009 expected expenditures and how these amounts were calculated.

Response:

See Attachments A, B and C.

Unspent funds for 2007 and 2008 are indicated on Attachments A and B.

Attachment C represents the proposed budget for 2009 by budget category.

In formulating the 2009 proposed budget, the Board took into consideration unspent balances in both the 2007 and 2008 budgets. Rather than request additional funds in 2009 and simultaneously go through a process of returning unspent funds, the Board felt this approach was more administratively efficient. For example, under the budget category "Education/Outreach", the Board has not spent either the 2007 or the 2008 budget allocation. Rather than request additional resources for this budget category, the Board has opted to utilize unspent resources first.

It must be kept in mind that adherence to State administrative processes requires some of the resources requested in the 2009 budget to be expended in 2010. The Board, like any other State entity, is prohibited from entering into a contractual relationship unless the funding has been identified and is "in place" prior to the contract being awarded.

Lastly, the Board must deal with a number of "unknown" scenarios in order to operate effectively. There is no way for the Board to accurately know in advance what projects will be submitted to the Connecticut Siting Council that will trigger the statutory requirements for a Request for Alternative process. Similarly, the Board may be asked by the legislature to take on a new initiative that was not considered when the budget was prepared. The Board needs resources available and the flexibility to reallocate resources as necessary to deal with these unexpected or unforeseen events.

Docket No. 08-09-20

Connecticut Energy Advisory Board, John A. Mengacci, Chairman, Submitted December 3, 2008

Response to Interrogatory EL-2

Attachment A

CEAB Budget Summary - Budget Year 2007

[Data as of 11/30/2009]

CATEGORY	BUDGET	EXPENSES	ENDING BALANCE	Comment
State Energy Plan	\$ 60,000.00	\$ -	\$ 60,000.00	<i>no longer required</i>
Administrative Services	\$ 88,250.00	\$ 80,532.11	\$ 7,717.89	
Public Notices & Media	\$ 35,200.00	\$ 17,550.79	\$ 17,649.21	
Education/Outreach	\$ 15,000.00	\$ -	\$ 15,000.00	
RFP for Alternatives	\$ 390,000.00	\$ 52,967.50	\$ 337,032.50	
Local/Regional Representation	\$ 170,000.00	\$ 59,203.75	\$ 110,796.25	
New Policy Initiatives	\$ 125,000.00	\$ 238,510.25	\$ (113,510.25)	
TOTAL	\$ 883,450.00	\$ 448,764.40	\$ 434,685.60	

Docket No. 08-09-20 Connecticut Energy Advisory Board, John A. Mengacci, Chairman, Submitted December 3, 2008
 Response to Interrogatory EL-2
 Attachment B

CEAB Budget Summary - Budget Year 2008

[Data as of 11/30/2009]

CATEGORY	BUDGET	EXPENSES	ENDING BALANCE	Comment
Administrative Services	\$ 95,000.00	\$ 55,127.86	\$ 39,872.14	
Public Notices & Media	\$ 35,000.00	\$ 9,779.40	\$ 25,220.60	
Education/Outreach	\$ 15,000.00	\$ -	\$ 15,000.00	
RFP for Alternatives	\$ 300,000.00	\$ -	\$ 300,000.00	
Local/Regional Representation	\$ 150,000.00	\$ -	\$ 150,000.00	
New Policy Initiatives	\$ 100,000.00	\$ 25,000.00	\$ 75,000.00	
Energy Issues Study	\$ 100,000.00	\$ 50,000.00	\$ 50,000.00	
State Buildings Management Plan	\$ 75,000.00	\$ -	\$ 75,000.00	
Capacity/Procurement Plan	\$ 300,000.00	\$ 324,955.00	\$ (24,955.00)	
Staffing	\$ 250,000.00	\$ -	\$ 250,000.00	
TOTAL	\$ 1,420,000.00	\$ 464,862.26	\$ 955,137.74	

Docket No. 08-09-20 Connecticut Energy Advisory Board, John A. Mengacci, Chairman, Submitted December 3, 2008
 Response to Interrogatory EL-3
 Attachment C

CEAB Proposed Budget - Budget Year 2009

CATEGORY	Projected Unspend 2007	Projected Unspent 2008	Requested 2009	Total Available	Anticipated Expenses	Comment
State Energy Plan	\$ 60,000.00	not applicable	\$ -	\$ 60,000.00	\$ -	<i>funds available for other uses</i>
Administrative Services	\$ -	\$ (90,000.00)	\$ 95,000.00	\$ 5,000.00	\$ 90,000.00	<i>09 expensed paid out of '08 funds</i>
Public Notices & Media	\$ -	\$ (35,000.00)	\$ 35,000.00	\$ -	\$ 35,000.00	<i>09 expensed paid out of '08 funds</i>
Education/Outreach	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 30,000.00	<i>unknown</i>	
RFP for Alternatives	\$ 190,000.00	\$ 300,000.00	\$ 300,000.00	\$ 790,000.00	<i>unknown</i>	
Local/Regional Representation	\$ 28,000.00	\$ 150,000.00	\$ -	\$ 178,000.00	\$ 100,000.00	
New Policy Initiatives	\$ (135,000.00)	\$ (25,000.00)	\$ -	\$ (160,000.00)	<i>unknown</i>	
Energy Issues Study	not applicable	\$ -	\$ -	\$ -	\$ -	<i>no longer required</i>
State Buildings Management Plan	not applicable	\$ 75,000.00	\$ 75,000.00	\$ 150,000.00	<i>unknown</i>	
Capacity/Procurement Plan	not applicable	\$ (65,000.00)	\$ 150,000.00	\$ 85,000.00	\$ 175,000.00	
Staffing	not applicable	\$ 250,000.00	\$ -	\$ 250,000.00	\$ -	<i>funds available for other uses</i>
TOTAL	\$ 158,000.00	\$ 575,000.00	\$ 655,000.00	\$ 1,388,000.00	\$ 400,000.00	