



CMEEC Board of Directors' Meeting

April 26, 2012

MINUTES

A regular meeting of the Board of Directors of the Connecticut Municipal Electric Energy Cooperative ("CMEEC") was conducted on Thursday, April 26, 2012, at CMEEC's offices. The meeting was legally noticed in compliance with Connecticut State law and all proceedings and actions hereinafter recorded occurred and/or were taken while the meeting was open to the attendance of the public.

Chairman Hiscock called the meeting to order at 9:41 a.m. and determined a quorum was present.

The following were present:

Directors and Alternate Directors

Jewett City – Louis Demicco, Kenneth Sullivan, Richard Throwe

Groton – Edward DeMuzzio, David Collard

Norwich – Stephen Sinko

East Norwalk – David Brown, George Leary

South Norwalk – Mark Harris, John Hiscock, Scott Whittier

Wallingford – George Adair

Also present were the following:

Christine Fischer, CMEEC, Director, Business Intelligence

Michael Cassella, CMEEC, Director, Customer Program Management

Michael Cyr, CMEEC, Power Marketer

Robin Kipnis, CMEEC, Assistant General Counsel

Kenneth Horne, CMEEC, ConnSMART Program Director

Edward Pryor, CMEEC, Director, Finance and Accounting

Drew Rankin, CMEEC, Chief Executive Officer (Participated by Conference Call)

Kristen Rollins, CMEEC, Office and Executive Specialist

Thomas Solinsky, CMEEC, Director, Asset Management

Philip Sussler, CMEEC, General Counsel

Ms. Rollins recorded

Action Items:

(1) Approve Minutes of the CMEEEC March 22, 2012 Board of Directors' ("BODs'") Meeting

Motion by Chairman Hiscock, seconded by Director Demicco, to approve the Minutes of the CMEEEC March 22, 2012 BODs' Meeting.

Vote passed. Director Adair abstained.

(12-22)

(1.1) Motion by Director Brown, seconded by Director Kenneth Sullivan to add Item 7, a potential offering review of competitive services, to the agenda.

Vote unanimous.

(12-23)

(2) Groton Transfer of Trusts Funds

Mr. Pryor described a proposed Resolution for approving Groton Utilities' ("GU's") Request for Use of Municipal Trust Funds. GU has submitted a request to transfer an amount, not to exceed \$3 million, from its competitive Municipal Trust Fund to the Rate Stabilization Fund for the purpose for stabilizing rates through December 31, 2012 and, GU has determined that this use of Municipal Trust Funds will help stabilize its rates at a competitive level. The policy with respect to the use of municipal trust funds held by CMEEEC requires the Board of Directors of CMEEEC to approved or disapprove any proposed use of the funds, subject to the request of the member or participant municipal electric utility ("MEU") on whose behalf CMEEEC is holding the funds. Mr. Pryor stated that GU's request is consistent with the policy.

Motion by Director Leary, seconded by Director Kenneth Sullivan for approval of GU's request.

Vote unanimous.

(12-24)

(3) Resolution Authorizing CMEEEC to Enter into New ISDA with BP Energy Company

Mr. Pryor presented an explanatory Memorandum contained in the BOD meeting package in support of the Proposed CMEEEC BODs' Resolution to authorize the execution of an ISDA Master Agreement between CMEEEC and BP Energy Company and a draft Resolution for consideration by and possible approval by the BOD. Robin Kipnis explained how CMEEEC has similar agreements with a number of other counterparties, including JP Morgan Ventures Energy Co., Merrill Lynch Commodities Inc., J. Aaron, and UBS. It was explained that the purpose of the BOD approval is to authorize undertakings entered into under the ISDA Master Agreement, when finalized and executed, to be classified where appropriate as financial contracts for purposes of the CMEEEC Bond Resolution and that payments due with respect to transactions entered into under the agreement (other than early termination payments) will be classified as operating expenses of CMEEEC under the CMEEEC Bond Resolution.

Motion by Director Leary, seconded by Director Demicco to approve the Resolution.

Vote unanimous.

(12-25)

Agenda Items:

(4) Power Supply Report

Mr. Cyr reported the actual energy cost report for February, 2012 and the preliminary energy cost for March, 2012. The unseasonably mild weather in the month of February continued to affect CMEEEC's net power costs. CMEEEC's actual loads have been dropping 5-10% from prior forecasts, due to the unseasonably warm winter and early spring experienced.

Director DeMuzzio requested that in future reports the graph showing CMEEEC energy costs relative to CL&P standard service rates be replaced by two graphs showing CMEEEC's costs on an all-in basis,

inclusive of project costs; and with project based costs removed. Discussion was also had about the possibility of making the monthly reports more current and providing competitive pricing information with respect to residential and other customer classes served by neighboring utilities.

(5) Asset Management Report

Mr. Solinsky reviewed the financial performance of the Pierce, Market DG, and 50 in 5 assets for the period ending on March 31, 2012. All projects operated in conformity with dispatch and other operational requirements. CMEEC was also found to be in compliance as a Generator Operator (“GO”) consistent with NERC requirements.

Discussion ensued about the format of the written reports. The BOD requested that CMEEC staff in the future BOD meeting packages provide, in addition to the graphical and numeric asset / project specific reports currently provided, an additional graph and numeric report which consolidates all generation project margins across each asset class (Pierce, DG, 50/5) and reports the information on the projects on a consistent basis. Director Adair inquired if the DG and 50/5 reductions in operating loss are due to the hard work of the CMEEC asset management staff or to market changes. Mr. Solinsky stated that the asset management team has had some success in achieving this result, through active review of expenditures as reflected in last year’s actual results and increased scrutiny of cost items for possible reduction. As part of this effort, staff has contacted every vendor and discussed any opportunity to negotiate or achieve lower prices.

(6) Financial Performance Report

Mr. Pryor reported CMEEC’s A&G expense costs to date are under budget and on schedule. Mr. Pryor also reported on the results of the successful re-financing of Transmission Project No. 1, which was scheduled to close on the morning of the current BOD meeting. The effective bond yield was 2.59% for the twenty year CMEEC bonds and 3.74% for the thirty year TRANSCO Bonds. The results of the bond financing process conformed to the parameters resolution previously authorized by the BODs of CMEEC and TRANSCO. CMEEC and TRANSCO’s credit ratings were also confirmed through the process

(7) Presentation on Competition Services

As noted above, this agenda item was added at the beginning of meeting as a discussion item. Director Kenneth Sullivan discussed that he had received information regarding new business under development by an energy efficiency contractor, enhanced by possible third party financing, for the undertaking of large projects at individual customer locations in the Towns of Griswold and Lisbon which receive electric service at retail from Jewett City Department of Public Utilities (“JCDPU”). Director Kenneth Sullivan is also working with the affected customers on behalf of JCDPU and has a meeting set up on May 8th, 2012 with NextGen to consider ways to provide a competitive offer in response. JCDPU was interested in securing the sense of the BOD regarding the possibility of establishing a fund at CMEEC to support customer loans to be used for the installation of energy efficiency and conservation measures. If the BOD views this initiative favorably, JCDPU intends to develop its proposals integrated with this component. The informal sense of the BOD was that this initiative would be looked upon favorably, with the administration, specific funding (including rates, maximum terms, maximum individual and aggregate amounts), contractual documentation to be established through further future reports to the BOD from CMEEC staff, and including a possible workshop with participation by representatives from the MEUs, and future review of such specifics and, where required, approval by the BOD.

Mr. Rankin reported on the preparation of a schedule to be circulated to the BOD regarding plans for assessment and action regarding CMEEC’s projects, with possible review by the Risk Management Committee and Budget and Finance Committee in June and BOD review and possible decision in June.

Motion to adjourn the meeting by Director Demicco, seconded by Director Adair.

Vote unanimous.

(12-26)

There being no further business of the Board, the meeting was adjourned at 10:57 a.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Philip L. Sussler".

Philip L. Sussler
2nd Assistant Secretary

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

RESOLUTION 12-24

**Resolution Approving Groton's Request for
Use of Municipal Trust Fund**

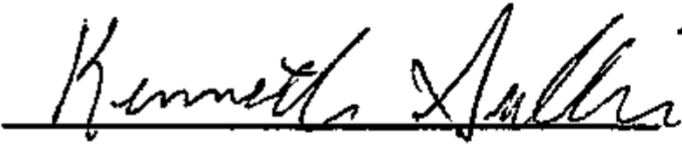
WHEREAS, Groton Utilities has submitted a request to transfer an amount, not to exceed \$3 million, from its competitive Municipal Trust Fund to the Rate Stabilization Fund for the purpose of stabilizing rates through December 31, 2012; and,

WHEREAS, Groton Utilities has determined that this use of Municipal Trust Funds will help stabilize their rates at a competitive level and fits with their intended plan for use of these funds; and,

WHEREAS, Resolution 03-07 requires the Board of Directors of CMEEC to approve or disapprove any proposed use of the funds being requested; and,

WHEREAS, it has been determined that the proposed use of the funds is consistent with CMEEC Resolution 03-07 for use of such funds.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of CMEEC hereby approves the request of Groton Utilities for use of funds from their Municipal Competitive Trust.


Kenneth Sullivan
Secretary

April 26, 2012

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

BOARD OF DIRECTORS

RESOLUTION NO. 12-25

WHEREAS, the Connecticut Municipal Electric Energy Cooperative ("CMEEC") on September 29, 1993 adopted the Power Supply System Revenue Bond Resolution (said Bond Resolution as supplemented to the date hereof, is referred to herein as the "Bond Resolution").

WHEREAS, CMEEC is considering entering into an agreement with BP Energy Company (the "BP Agreement") to purchase power and minimize the financial risk with respect to the cost of fuel and to treat certain payments under the BP Agreement as an Operating Expense under the Bond Resolution payable out of the Operating Fund created under the Bond Resolution; and.

WHEREAS, there has been submitted to the Board of Directors of CMEEC the form of the BP Agreement for approval and for a determination pursuant to the Bond Resolution to treat certain of the payments required to be made by CMEEC as Operating Expenses payable out of the Operating Fund.

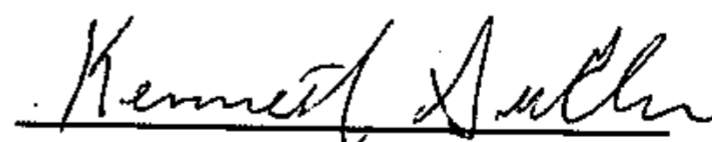
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CMEEC AS FOLLOWS:

Section 1: This resolution shall constitute a Supplemental Resolution under the Bond Resolution and the BP Agreement is hereby determined to be a Financial Contract for the purposes of the Bond Resolution.

Section 2: The BP Agreement in the form submitted to the meeting is hereby approved. The Chairman and the Chief Executive Officer are each hereby authorized to execute and deliver the BP Agreement with such changes thereon as the officer executing the BP Agreement and the General Counsel may approve.

Section 3: The payments to be made by CMEEC pursuant to the BP Agreement, other than payments which are payments on Early Termination (as defined in the BP Agreement and other similar termination payments, are hereby determined to be Operating Expenses payable out of the Operating Fund. The payments on Early Termination and other similar termination payments shall be payable out of the Subordinated Debt Fund.

Section 4: This Resolution shall be effective immediately.



Kenneth Sullivan
Secretary

April 26, 2012