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3/20/09

PRESS ANNOUNCEMENT

NAED to Require Performance Bonds for Subdivisions from Developers

I. OVERVIEW

At their meeting of March 19, 2009, following a public hearing the Board of Electric Commissioners voted (3-0) to amend the department's "Construction Requirements, by authorizing the department's administration to require developers of residential or commercial subdivisions to post with the North Attleborough Electric Department (NAED) a financial bond before the commencement of any construction work involving electric infrastructure.

Thomas Corrigan, Chairman of the Board of Electric Commissioners, stated that the Board took the action to ensure that the interests of NAED and the ratepayers were protected. Mr. Corrigan stated, "It is important that the interests of the department are protected. Subdivision construction projects benefit developers, not the ratepayers. Before NAED accepts electric infrastructure that NAED will ultimately be required to maintain, we need to be assure that our department and Town have the financial protection required to ensure that the workmanship and construction activities involving the infrastructure are of the highest quality." Corrigan also pointed out that NAED often is providing power to residences in residential subdivisions literally years before the streets in those subdivisions are accepted by the Town as "public ways".

Corrigan also noted, "We anticipate that NAED's administration will soon be developing the factors involved with determining bond assessments. NAED is committed to working in a cooperative manner with other municipal boards and departments to ensure that there is no duplication of charges and an inherent fairness to the process. At the end of the day the Board of Electric Commissioners are committed to protecting the interests of the department, ratepayers and Town of North Attleborough."

II. VOTE BY BOARD OF ELECTRIC COMMISSIONERS

The wording of the amendment(s), approved on March 19, 2009, by the Board of Electric Commissioners (3-0) was as follows:

"The Department, at its discretion, may require the applicant to post a bond to secure the applicant's obligations hereunder. The Department's General Manager shall be responsible for determining the amount and terms of the bond based on his/her review of the subdivision plans and plans for the electric layout. The General Manager shall be responsible for the establishment of the criteria of the bond and shall be responsible for the administration of the bond.

If a bond will be required, the Department shall notify the applicant in writing, and the bond shall be posted with NAED, before any work begins.

The General Manager, on a regular basis, shall provide the Board of Electric Commissioners with regular updates about the status of all bonds."