



STATE OF CONNECTICUT

CONNECTICUT SITING COUNCIL

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The Connecticut Siting Council (Council) initiated an enforcement action against Meriden Gas Turbines (MGT) and its parent company NRG in state superior court yesterday afternoon to force the companies to transfer land to two Connecticut municipalities.

MGT (NRG) owns a 544 MW natural gas-fired power plant in Meriden. The project was approved by the Council in April 1999, with the requirement that MGT transfer approximately 800 acres of land to the City of Meriden and the Town of Berlin. (452.2 are within the town of Berlin; 356.6 acres are within the City of Meriden.)

The Council filed an Application for Temporary Injunction and Order to Show Cause in New Britain Superior Court. The Council seeks to have the court order that MGT (NRG) immediately transfer the land to the two municipalities, consistent with the terms and conditions of its orders and the plant owner's past promises. The Council has never before taken such action.

Council Chairman Pamela B. Katz said "I had hoped to avoid taking legal action against NRG in this manner but I believe they left us with little choice. Frankly, the terms of our approval were clear and the company's inaction in this matter is unacceptable."

Background

PDC-EI Paso Meriden applied to the Council for a Certificate to build a 544 MW natural gas-fired combined cycle plant in the City of Meriden on August 27, 1998. The Council approved the request on

April 27, 1999. The application indicated that the plant would likely begin commercial operation in the first quarter of 2002.

PDC-El Paso Meriden was acquired by Meriden Gas Turbines (MGT) and its parent company NRG in December of 2001. The Council received correspondence from MGT in December 2003, indicating that construction at the plant had been suspended due to a lack of financing.

Basis for the Suit

The Council's approval to build a power plant in Meriden was based on the record in the proceeding which included an unambiguous commitment that some 800 acres of land would be transferred to Berlin and Meriden. Notwithstanding this evidence, the Order to transfer the land in question was communicated to the Certificate holder through at least three formal sets of correspondence, including the following:

1. The Council approved the Development and Management (D&M) Plan with language requiring the transfer of the subject land on September 12, 2001;
2. The Council sent correspondence to NRG (dated September 14, 2001) affirming this requirement;
3. In October 2002, the Council, in response to MGT's request to extend its deadline to complete construction, granted the request conditioned upon the transfer taking place "without further delay" and sent MGT correspondence notifying them of such on October 29, 2002.
4. Moreover, NRG sent correspondence to the Council in January 2004, stating that the company recognized its obligation to donate the land in question.

The Council attempted on numerous occasions to resolve the matter involving the Certificate holder's inaction in this matter. Regrettably,

a conference involving all parties that occurred late last year yielded no results.

The Council notes that some six years after issuing its approval to build the Meriden plant the land has not been transferred and there is no clear timetable for doing so.

Summary

The Council regrets that it was compelled to take an enforcement action to the state court system to enforce the terms of its Order and notes that resolution to this issue among the parties remains preferable to litigation. With this principle in mind, the municipalities involved are urged to place no further conditions on the companies involved related to acceptance of the donation of the land that is the subject of the Council court actions yesterday.

Finally, the Council wishes to make clear that it remains firmly committed to the principle that its Orders must be respected and adhered to in all respects and the Certificate holder in this matter must meet its obligations to the people of Connecticut and the communities in which they do business.

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The Connecticut Siting Council (Council) has jurisdiction to objectively balance the statewide public need for adequate and reliable services at the lowest reasonable cost to consumers with the need to protect the environment and ecology of the state. The Council is funded through application fees and assessments, and administrative assessments of the electric utilities, hazardous waste generators, and telecommunications providers of the state. The agency website is ct.gov/csc The docket number associated with this matter is 190.

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