

October 25, 2006

Russell Consulting brokers agreement between Linden Ponds Community and Hingham Municipal Light for electricity upgrades and long-term supply contract

Russell Consulting represented the Baltimore-based developer Erickson Retirement Communities in negotiations with the Hingham Municipal Lighting Plant to secure electricity service to the developer's Linden Ponds Retirement Community in Hingham, Massachusetts. When completed, the Linden Ponds Community will consist of 22 campus-style buildings with 2,262 residential units, community centers, restaurants and other support facilities. Several infrastructure upgrades were identified as necessary to support the development, scheduled for completion by 2008.

Mr. David Russell, P.E., President of Russell Consulting, negotiated a line extension agreement which included construction of two permanent feeder lines to the Linden Ponds development. These infrastructure upgrades will be funded jointly by Hingham Municipal Light and Erickson. As part of the funding arrangement, Erickson supplied a revenue guarantee to the utility, reducing the developer's up-front capital commitment. This contractual feature was fully supported by a letter of credit provided by Erickson to mitigate the financial risk borne by the utility during the construction phase of the project. Mr. Russell also determined a preferred long-term service rate and negotiated to secure this rate from Hingham Municipal Light.

Related article from Hingham Light News:

HMLP Substation Expansion

HMLP is currently in the process of a substation expansion project to allow for the future projected growth within the Town. The current substation can cover our current needs, but it does not have the capacity necessary to serve the new developments within the town (i.e. Linden Ponds Retirement Community, the Derby Street Shoppes, the Hingham Shipyard, and the new Blue Cross Blue Shield facility).

A feasibility study was conducted by an outside consulting company this past fall. After extensive review of the options, the Light Board voted to upgrade the existing substation. This option was the least costly and most effective choice to achieve an increased capacity at the existing substation.

The study was also tasked with analyzing the possibility of acquiring an alternate site



for a future substation. HMLP continues to look for an alternate location in order to increase the redundancy of Hingham's incoming power supply. HMLP is dedicated to ensuring that Hingham maintains a consistent, reliable low cost power system.

The substation expansion consists of the addition of a new transformer and switchgear enclosure at the existing Hobart Street Substation. The project is scheduled to begin this year and construction will be completed by Spring 2006.

John Tzimirangas, General Manager, and the HMLP staff will be overseeing this project and are committed to ensuring that this project will run smoothly and that it will help position HMLP to serve the future load growth in the town.

Source: Hingham Light News, December 2005. See the Hingham Municipal Lighting Plant's website at www.hmlp.com/news.

About Russell Consulting:

Established in 1994, *Russell Consulting* is a management & financial consulting practice focused on serving the needs of public and private utilities (electric, gas, water, wastewater and solid waste), municipalities, government agencies, real estate developers, and other large utility consumers. The firm also provides assistance to consumer advocacy groups in their efforts to protect consumer interests before state and federal regulatory authorities.

The firm's services include management assistance and audits, efficiency improvements/benchmarking, GASB-34 compliance (including inventory and appraisal of fixed assets), rate design and cost of service studies (including wholesale rates and impact fees), evaluation of capital improvement programs, privatization/municipalization studies, expert witness services, utility contract negotiations, feasibility and due diligence studies, regulatory/institutional studies, and development consulting.

The firm's founder and president, David Russell, P.E., is both a registered professional engineer and economist, and has over 30 years of professional experience as a utility manager, senior engineer and management consultant. For more information on this consulting practice, please visit www.russellconsulting.org.