

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOR IMMEDIATE RELEASE

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CRRA to Distribute \$14.8 Million to Member Towns 70 Towns to Receive Payments from Settlements of Enron-Related Cases; Hartford to Receive \$1.9 Million, Waterbury \$1.2 Million

HARTFORD, Conn. – Cities and towns whose costs of trash disposal increased in the wake of the Enron bankruptcy will receive payments resulting from two lawsuits related to that deal.

The Connecticut Resources Recovery Authority Board of Directors today voted to distribute \$14.8 million to the 70 cities and towns of its Mid-Connecticut Project. The money comes from two settlements:

- \$21 million netted from a settlement with the law firm of Hawkins, Delafield & Wood LLP to settle a suit in which CRRA charged the firm with providing faulty or improper advice with respect to its energy transaction with Enron.
- \$2.8 million netted from settlements with other law firms that previously represented Enron or Enron-related entities.

CRRA will use the remaining \$9 million to defease the remaining project debt. CRRA sold bonds to finance construction of Mid-Connecticut Project facilities. CRRA's bond indenture covenants require it to first pay off its debt before rebating funds to towns. In defeasance, money is placed into an irrevocable trust which accumulates interest, and bond payments are debited from that irrevocable trust account.

With these actions, CRRA will in effect have paid off \$190 million in bonds, plus \$22 million borrowed from the state in the wake of the Enron bankruptcy, in less than four years.

“Ever since the new board took over CRRA in 2002, we have believed the most prudent course of action to benefit our member towns in recovering from the Enron bankruptcy would be to retire our debt. That way, we could assure our towns of stable, predictable disposal fees,” said Thomas D. Kirk, CRRA president. “Having accomplished that, we now have the capacity to return money to our towns.”

(EDITORS AND NEWS DIRECTORS: A COMPLETE LIST OF TOWNS AND AMOUNTS THEY WILL RECEIVE IS ATTACHED.)

CRRA will distribute the \$14.8 million in proportion to the amount of trash each town delivered to the Mid-Connecticut Project over a four-year period from July 1, 2002, through June 30, 2006. For example, Hartford delivered 13.1 percent of trash received in those four years, so it will receive more than \$1.9 million. Waterbury delivered 8.4 percent of the project's trash, so it will receive more than \$1.2 million.

In 2000, CRRA and Enron entered into an agreement taking effect in March 2001 that called for Enron to buy power produced at the Mid-Connecticut Project trash-to-energy facility and pay CRRA \$2.375 million per month over more than 11 years. As part of the agreement, CRRA transferred to Enron \$220 million, part of \$280 million Connecticut Light & Power paid CRRA to buy down its contract to buy Mid-Connecticut Project electricity. In December 2001 Enron declared bankruptcy and stopped paying CRRA. The court presiding over the Enron bankruptcy valued CRRA's losses at \$220 million though the actual loss, including the future value of money, was much more.

In 2005, CRRA netted \$111.8 million from selling at auction its bankruptcy claim against Enron.

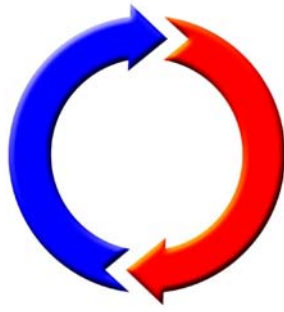
After the Enron bankruptcy, in 2002 the General Assembly passed legislation that reformed CRRA. The legislation also required the new board and management team to mitigate the impact of the Enron bankruptcy on disposal fees. Those actions included spending down more than \$20 million in reserves, restructuring contracts, reorganizing CRRA's work force, sourcing lower-cost vendors, re-selling its electricity and structuring a new recycling contract to generate revenue.

Those actions, along with recovering that \$111.8 million, kept increases in disposal fees to a minimum. In fact, for two years in a row the disposal fee was \$70 per ton, and in the current fiscal year it was lowered to \$69.

"The CRRA Board of Directors will set the upcoming year's disposal fee in February, but we're pretty confident there will be more good news for our towns when we do," Kirk said.

The Connecticut Resources Recovery Authority is a quasi-public agency whose mission is to work for – and in – the best interests of the municipalities of the state of Connecticut. CRRA's new board of directors and new management team develop and implement environmentally sound solutions and best practices for solid waste disposal and recycling management on behalf of municipalities. CRRA's four solid waste projects serve 118 Connecticut cities and towns. CRRA also runs environmental and recycling educational programs through its Visitors Center and Trash Museum in Hartford and Children's Garbage Museum in Stratford. For more information about CRRA and its activities, visit <http://www.crra.org>.

(Editors and news directors: a complete list of towns and amounts they will receive is attached.)



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Distributions to Mid-Connecticut Project Cities and Towns
Based on MSW Delivered July 1, 2002, through June 30, 2006
(Distribution figures are as of January 25, 2007, and may be subject to review.)

MID-CONNECTICUT PROJECT Mid-Connecticut Project Town Municipal Solid Waste Tonnage For the Period FY02 Through FY06 Distribution Table

Town	Distribution			Town	Distribution		
	Total	Percent	Amount		Total	Percent	Amount
Avon	59,216	1.4%	\$203,585.62	Madison	43,818	1.0%	\$150,649.34
Beacon Falls	16,444	0.4%	\$56,536.84	Manchester	201,825	4.7%	\$693,881.79
Bethlehem	10,418	0.2%	\$35,817.84	Marlborough	18,957	0.4%	\$65,175.39
Bloomfield	64,537	1.5%	\$221,879.19	Middlebury	18,825	0.4%	\$64,720.83
Bolton	11,669	0.3%	\$40,120.06	Naugatuck	124,083	2.9%	\$426,602.31
Canaan	4,342	0.1%	\$14,927.21	Newington	145,083	3.4%	\$498,802.12
Canton	28,975	0.7%	\$99,617.22	Norfolk	4,975	0.1%	\$17,104.69
Chester	9,541	0.2%	\$32,803.91	North Branford	41,160	1.0%	\$141,511.38
Clinton	54,822	1.3%	\$188,480.71	North Canaan	14,698	0.3%	\$50,533.16
Colebrook	4,357	0.1%	\$14,978.44	Old Lyme	27,015	0.6%	\$92,879.27
Cornwall	3,727	0.1%	\$12,812.23	Old Saybrook	91,945	2.1%	\$316,109.11
Coventry	19,757	0.5%	\$67,924.48	Oxford	24,610	0.6%	\$84,610.80
Cromwell	61,197	1.4%	\$210,397.69	Portland**	23,563	0.5%	\$81,011.89
Deep River	16,242	0.4%	\$55,840.46	Rocky Hill	71,168	1.7%	\$244,677.14
Durham/Middlefield	34,353	0.8%	\$118,106.07	Roxbury	5,321	0.1%	\$18,294.87
East Granby	16,834	0.4%	\$57,874.99	RRDD#1	73,413	1.7%	\$252,396.36
East Hampton	39,212	0.9%	\$134,811.85	Sharon/Salisbury	24,992	0.6%	\$85,924.10
East Hartford	200,019	4.6%	\$687,674.34	Simsbury	80,483	1.9%	\$276,702.54
East Windsor	30,474	0.7%	\$104,772.29	South Windsor	105,006	2.4%	\$361,015.30
Ellington	38,188	0.9%	\$131,291.77	Southbury	61,486	1.4%	\$211,389.73
Enfield	169,230	3.9%	\$581,817.90	Suffield	34,332	0.8%	\$118,034.97
Essex	25,009	0.6%	\$85,982.53	Thomaston	30,075	0.7%	\$103,398.82
Farmington	90,004	2.1%	\$309,438.21	Tolland	34,810	0.8%	\$119,678.08
Glastonbury	102,818	2.4%	\$353,492.29	Torrington	161,847	3.8%	\$556,435.20
Goshen	8,366	0.2%	\$28,761.40	Vernon	99,679	2.3%	\$342,699.25
Granby	29,425	0.7%	\$101,164.55	Waterbury	360,168	8.4%	\$1,238,271.33
Guilford*	52,523	1.2%	\$180,574.84	Watertown	87,657	2.0%	\$301,368.98
Haddam	18,058	0.4%	\$62,083.99	West Hartford	237,562	5.5%	\$816,748.97
Hartford	565,269	13.1%	\$1,943,417.08	Westbrook	28,930	0.7%	\$99,462.64
Harwinton	12,959	0.3%	\$44,554.96	Wethersfield	91,349	2.1%	\$314,060.90
Hebron	19,872	0.5%	\$68,319.44	Windsor Locks	40,170	0.9%	\$138,106.17
Killingworth	13,217	0.3%	\$45,441.91	Woodbury	30,951	0.7%	\$106,409.64
Litchfield	29,007	0.7%	\$99,728.70				
Lyme	4,742	0.1%	\$16,301.88				
				TOTAL	4,304,779	100%	\$14,800,000

Tonnage data represents MSW delivered into the CRRA system.