

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
JANUARY 13, 2026

A meeting of the Holyoke Gas and Electric Department was held on January 13, 2026, at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Sutter and Marrero; Manager Lavelle; Superintendents Steve Roy and Brian Roy; Brooke McMahon, Kirk Jonah, Kate Sullivan Craven, Lisa Rogers and Attorney John Ferriter.

CALL TO ORDER:

Chairman Hoey called the meeting to order at 5:00 P.M.

MINUTES:

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the minutes from December 16, 2025.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft November 2025 financial statements. Chairman Hoey asked how the peak shaving efforts have impacted annual transmission costs on a unit basis. Mr. Steve Roy noted that the Department successfully hit all peak events with available distributed generation assets that resulted in transmission and capacity savings of over \$2 Million for 2025. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Brian Roy reported that wholesale natural gas purchases continue to be consistent with the hedging plan for the current 12-month procurement window and noted that 97% of planned winter gas is locked in price and that 13% of forecasted summer gas is also locked in price. He then reported that total gas send-out for 2025 was 2.17 BCF, which is 8% higher than 2024. He noted that 2025 was colder than the prior year with approximately 12% more heating degree days. He also noted that, after spiking in December, the wholesale natural gas prices have declined approximately 20% since the budget was set, driven primarily by recent milder weather. He also reviewed January rate comparisons, noting that the Department remains very competitive in all rate classes.

Mr. Roy gave a brief update on the LNG I&R project noting that construction is approximately 53% complete and scheduled to resume in March, weather permitting. He noted that the project is on schedule for completion by the end of 3rd quarter of 2026. He then reported that distribution crews are working on preparations for 2026 projects with a focus on main replacements in the Bemis area (ahead of City sewer separation project) and the PHMSA funded project in the Flats area. He noted that there are currently zero (0) leaks on file and that a total of 46 leaks were identified and repaired during 2025. He then gave an update on the natural gas moratorium and Pipeline Safety Management System enhancements. There was a brief discussion on the matter.

ELECTRIC DIVISION

POWER SUPPLY

Mr. Steve Roy reviewed the January electric rate comparisons and reported that the Department remains competitive in all rate classes compared to regional peers and is currently the lowest, or second lowest, in all categories. He then reviewed the January Mark-to-Market report and reported that all transactions and counter-party default risks are within policy limits. He also gave an update on peak load reduction activities and noted that the December peak occurred on December 15th, hour-ending 18, and that 6.782 MW were shed via Department load reducers. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy gave an update on maintenance and construction activities, noting that one planned 2026 capital project has been added based on a recent inspection that revealed that the overhead conductor on Westfield Road, between Ashley Reservoir and Apremont Highway requires replacement. He noted that the planned replacement of under-ground conductor at Maple Crest Apartments will be postponed until 2027 as a result. He then noted that planned AMI meter installations would begin this week, and that 2500 would be installed during the year. He then reported that an outage request has been submitted to Convex in order to start the 1894 Pole Line replacement starting on March 1st. He also gave an update on other maintenance activities and battery storage projects, and he reported that staff have been fielding a number of inquiries from data center developers that have shown interest in locating in Holyoke. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy noted that hydro production was 40% below plan for December and 18% below plan for the year due to low water flows. He also gave an update on the Gatehouse Head Gate Actuator Replacement Project noting that all ten gate operators have been delivered and that the gate attachment brackets are scheduled to ship in April. He also gave a brief update on Cobble Mountain Unit #3 rebuild status. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Lavelle gave an update on sales and operations activity, noting that Telecom Division sales finished on target for 2025 and that all planned projects were completed as scheduled, except for the Operational Technology Security enhancement project which was put on hold due to the cancelation of the federal funding for the project. There was a brief discussion on the matter.

CUSTOMER SERVICE

Ms. Rogers gave an update on 2025 home heating assistance funding and noted that accounts for budget payment program customers are being reviewed for any necessary adjustments. There was a brief discussion on the matter.

MARKETING & COMMUNICATIONS

Ms. Sullivan gave a brief update on a recent media release announcing HG&E's award of a state resiliency grant for electric distribution upgrades. She stated that the advertisement for the Cadet Engineering Scholarship would be released in February and she reported on the results of the recent NISC SmartHub iPad contest to encourage additional adoption by customers. She then reported that MassSave recently announced that HG&E gas customers in Southampton would be eligible for heat pump rebates. There was a discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

2026 NON-GUILD MERIT: Mr. Lavelle recommended that the Commission approve a budget for non-guild merit adjustments as outlined in the January 13, 2026, memorandum from Brooke McMahon, Director of Finance and Accounting. He stated that the recommendation includes the following: 4.0% pool for merit adjustments; 1.5% for performance recognition and 1% for equity adjustments and promotions. He stated that this recommendation is consistent with the 2026 budget approved by the Commission and consistent with the recommendations of the Department's wage consultant. There was a brief discussion on the request. On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the request per the recommendation of management. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the sponsorship per the recommendation of management.

DISTRIBUTED GENERATION CREDIT ADJUSTMENT: Mr. Lavelle recommended that the commission approve an increase in the Distributed Generation Credit rate from 5.2 cents/kwh to 6.3 cents/kwh, consistent with the rate recommendation from Jon Zwirko, Energy Resources Coordinator, dated January 2, 2026. He stated that the recommendation is intended to align the credit with 100% of the energy value, and 50% of the transmission and capacity value, that the department receives from qualifying distributed generation resources. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the rate adjustment per the recommendation of management.

SPONSORSHIP REQUEST- HOLYOKE SAINT PATRICK'S DAY PARADE COMMITTEE: Mr. Lavelle reported that the Department received a sponsorship request from the Holyoke Saint Patrick's Day Parade Committee and recommended that it be approved consistently with the level of support granted by the Department for the past several years.

BID AUTHORIZATIONS:

2026 ONE-TIME PURCHASES AND ANNUAL CONTRACTS: Mr. Lavelle recommended that the Commission authorize the solicitation of bids for planned one-time purchases and annual contracts for 2025, as outlined in the January 5, 2026, memorandum from Purchasing Coordinator, Chi Wong. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the bids per the recommendation of management.

BIDS RECEIVED:

2026 UTILITY LINE MATERIAL: Mr. Lavelle recommended that the Commission award the annual contracts for Utility Line Material to the low bidders meeting all requirements for the respective items as detailed on the January 8, 2026, memorandum from Chi Wong, Purchasing Coordinator. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to award the contracts per the recommendation of management.

PURCHASE APPROVAL – 2026 COMMERCIAL AUTO INSURANCE RENEWAL: Mr.

Lavelle recommended that the Commission authorize the expenditure of up to \$89,049 for the renewal of the Department's commercial auto insurance policy underwritten by Glatfelter through Martin J. Clayton Insurance Agency. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the expenditure per the recommendation of management.

ELECTRICAL PREVENTIVE MAINTENANCE TESTING - EXTENSION: Mr. Lavelle

recommended that the Commission authorize a one-year extension to the contract for Electrical Preventive Maintenance Testing with Osmose Utility Services, Inc., subject to the same rates, terms and conditions as the existing contract. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the contract extension per the recommendation of management.

HYDRAULIC TURBINE MAINTENANCE AND REPAIRS - EXTENSION: Mr. Lavelle

recommended that the Commission authorize a one-year extension to the contract for Hydraulic Turbine Maintenance and Repairs with O'Connor Corporation, subject to a 3.15% increase to labor rates and all other terms and conditions consistent with the existing contract. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the contract extension per the recommendation of management.

COMMUNICATIONS:

12/18/25 – Draft Commission Meeting Minutes from 12/16/25

01/02/26 – JL/BM/Financial Statements, Balance Sheet & Summary Report – November 2025

01/13/26 – COMM/BM/2026 Non-Guild Merit Adjustment Recommendation

01/02/26 – SR/JZ/Rate Recommendation – Distributed Generation Credit Increase

01/09/26 – JL/KC/Sponsorship Request – Saint Patrick's Committee of Holyoke

01/05/26 – JL/CW/Authorization to Bid – 2026 One Time Purchases & Annual Contracts

01/08/26 – JL/CW/Bid Recommendation – 2026 Utility Line Material

12/03/25 – BR/RB/Purchasing Approval: 2026 Commercial Auto Insurance Renewal

01/09/26 – JL/CW/Recommendation – Extension of Electrical Preventative Maintenance Testing Services

01/08/26 – JL/CW/Recommendation – Extension of Hydraulic Turbine Mechanical Maintenance & Repairs On-Call Annual Contract

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, February 10th at 5:00 P.M.

ADJOURNMENT:

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to adjourn the Meeting at 5:49 P.M.