

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
MARCH 15, 2022

A meeting of the Holyoke Gas and Electric Department was held on March 15, 2022 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Steve Roy and Brian Roy; Brooke McMahan, Kirk Jonah, Kate Sullivan, 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 Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from February 9, 2022.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahan reviewed the draft January 2022 statements. She then gave an update on the 2021 financial audit and reported that the Department's OPEB Trust is 109% funded as of December 31, 2021. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Brian Roy reported that wholesale natural gas procurements continue consistent with the hedging plan for the current 12-month procurement window. He stated that approximately 99% of winter ('21-'22) supply is locked in price and that 28% of the summer (2022) supply is locked in price. He reported that the Purchased Gas Adjustment was lowered from \$0.61/ccf to \$0.38/ccf for the March billing cycle. He stated that LNG production was 17,500 dth for February and that LNG production for the winter is already 19% above last year's pace. He then reviewed the March natural gas rate comparisons and reported that the Department remains very competitive in all rate classes.

Mr. Roy then reported that there are currently no natural gas leaks on record and he gave an update on cast iron main and bare steel service replacements. He also gave an update on PSMS implementation and the impact of the natural gas moratorium. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Steve Roy reviewed the March electric rate comparisons and reported that the Department remains competitive in all rate classes. He then reviewed the March Mark-to-Market report and reported that all transactions are within policy limits. He also gave an update on peak load reduction activities and an update on in-progress and proposed Battery Storage projects. He further reported that FERC has

recently ruled in favor of the ISO-NE PTO-AC rule changes that allow for reconstitution of certain distributed generation resources. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy reported that 2 maintenance projects were completed in February (padmount transformer inspections and automated event reporting) and that staff continues to plan for materials and resources to complete the balance of 2022 projects as planned. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy reported that February hydro generation was 5.9% below plan but that March generation is currently ahead of target for the month. He then provided a brief update on Cobble Mountain operations and reported that the annual spring canal drawdown would begin on Tuesday March 22nd and extend through 3 PM on Thursday March 24th. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on the status of sales activity and capital projects. He also gave an update on cyber security training and monitoring activities. There was a brief discussion on the matter.

MARKETING AND COMMUNICATIONS

Ms. Sullivan reported that Natural Gas Public Awareness and National Dig Safe Month activities would be conducted during April and briefly discussed planned activities to reach all customers, employees, emergency responders, contractors and public officials with appropriate messaging on the topics. She then gave a brief status on the new website launch and discussed MMWEC's rebranding of the HELPS program to the NextZero program. She also provided an update on plans for updating the customer satisfaction survey that will be performed in June. She then provided a Green Team update and reported that four EV charging station installations were on schedule for completion by the end of June. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

CORNELIUS J. MORIARTY, JR. CADET ENGINEERING SCHOLARSHIP: Mr. Lavelle recommended that the Commission authorize the advertising for Cornelius J. Moriarty, Jr. Cadet Engineering Scholarship applications. Chairman Hoey suggested that staff look into potential grants from the Massachusetts Clean Energy Center that could help offset the cost of summer labor costs for Cadet Engineers. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the advertisement per the recommendation of management.

BID AUTHORIZATIONS:

TRANSMISSION POLE REPAIRS: Mr. Lavelle requested authorization to solicit bids for the repair of twelve (12) steel 115 kV transmission poles. He stated that recent inspections have determined that routine maintenance is required on the poles. After a brief discussion, and on a motion

from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the bids per the recommendation of management.

BIDS RECEIVED:

ELECTRICAL SERVICES ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the annual contract for Electrical Services (#21-08) with Hickman & Sgroi Electric Inc. through March 31, 2023 subject to rate increases ranging from 1%-3% , and all other terms and conditions consistent with the existing contract. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

ELECTRICAL PREVENTIVE MAINTENANCE & TESTING SERVICES ANNUAL CONTRACT- EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the annual contract for Electrical Preventive Maintenance and Testing Services (#21-04) with Osmose Utility Services, Inc. through February 28, 2023 subject to a rate increase of 4% and all other terms and conditions consistent with the existing contract. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

GAS WELDING SERVICES ANNUAL CONTRACT- EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Gas Welding Services Annual Contract (#20-08) with Jay's Mobile Welding through March 31, 2023 subject to a rate increase of 2% and all other terms and conditions consistent with the existing contract. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

EXCAVATIONS & RESTORATIONS ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a month-to-month extension of the current contract with JSC Construction, under the same terms and conditions as the existing contract, until the successor contract is awarded in conformance with applicable statutes. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

FENCE MAINTENANCE, REPAIRS & INSTALLATIONS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Fence Maintenance, Repairs, and Installations to Brodeur-Campbell Fence Co., Inc., the low bidder meeting all requirements for the solicitation. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the contract per the recommendation of management.

15 KV UNINTERRUPTED POWER SUPPLY: Mr. Lavelle recommended that the Commission award the contract for the 15 kV Uninterrupted Power Supply (UPS) to Eaton Corporation, the lowest qualified bidder meeting all requirements of the specifications. Ms. McMahon then explained that the UPS is being procured for use by a large electric customer that will pay for the unit, installation and maintenance, through additional monthly billings over a ten year period. She stated that the Holyoke Solar Cooperative would purchase the device and HG&E would pay the Cooperative back over a ten year period, through an existing Agent Agreement that will be updated to reflect the purchase of the UPS and new term of payments. After a brief discussion and on a motion from Commissioner Griffin,

seconded by Commissioner Sutter, it was unanimously voted to: award the contract per the recommendation of management; authorize modifications to the existing Agent Agreement with the Holyoke Solar Cooperative to reflect new payment terms that include the UPS purchase; authorize the assignment of the Agent Agreement to PeoplesBank and the Coop borrowing of \$4.7 Million from PeoplesBank in accordance with the commitment letter dated February 25, 2022; authorize the Director of Finance and Administration to take any action deemed necessary or advisable to carry out the purpose of this vote, including but not limited to execution of Notes, Security Agreement and any other documents to accomplish the borrowing; and ratify and confirm any actions previously taken by the Manager of Director of Finance and Administration which are consistent with the purpose of this vote.

2022 ANNUAL VEHICLE PURCHASE: Mr. Lavelle recommended that the Commission award the contract for the replacement of three vehicles to Marcotte Ford, the low bidder meeting all requirements of the solicitation. He stated that the vehicles would be procured through the State contract VEH110. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the contract per the recommendation of management.

COMMUNICATIONS:

02/03/22 – Draft Commission Meeting Minutes from 01/13/22

03/01/22 – JL/DD/Financial Statements, Balance Sheet & Summary Report – January 2022

03/11/22 – SR/SD/Authorization to Bid: 115kV Steel Transmission Pole Repairs

03/04/22 – JL/CW/Recommendation – Extension of Electrical Services Annual Contract

02/16/22 – JL/CW/Recommendation – Extension of Electrical Preventative Maintenance Testing Services

02/28/22 – JL/CW/Recommendation – Extension of Gas Welding Services Annual Contract

03/04/22 – JL/CW/Bid Recommendation – Fence Maintenance, Repairs & Installations Annual Contract

03/09/22 – COMM/SR&BM/Bid Recommendation – 15kV Uninterrupted Power Supply/Project Financing & Agent Agreement Holyoke Solar Co-op

03/10/22 – CW/SR/Technical Review - 2022 Department Vehicle Replacements

03/15/22 – JL/CW/Recommendation – Excavations & Restorations Annual Contract - Extension

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, April 12th at 5:00 PM.

ADJOURNMENT:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:37 PM.

HG&E Commission