

**MINUTES OF GAS & ELECTRIC COMMISSION MEETING**  
**REGULAR SESSION**  
**AUGUST 27, 2024**

A meeting of the Holyoke Gas and Electric Department was held on August 27, 2024, at 5:06 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, Lisa Rogers, and Attorney John Ferriter.

**CALL TO ORDER:**

Chairman Hoey called the meeting to order at 5:06 P.M.

**MINUTES:**

On a motion from Commissioner Marrero, seconded by Commissioner Hoey, it was unanimously voted to approve the minutes from July 16, 2024.

**REPORTS & RECOMMENDATIONS OF MANAGER:**

**Financial Report:**

Ms. McMahon then reviewed the draft June 2024 financial statements. There was a brief discussion on the matter.

**DIVISION REPORTS:**

**GAS DIVISION**

Mr. Brian Roy reported that wholesale natural gas purchases continue consistent with the hedging plan for the current 12-month procurement window. He stated that 52% of winter ('24-'25) gas supply is also locked in price. He noted that he is currently reviewing asset manager options for portfolio management as the current asset manager has given notice that they will be exiting the business. He reported that unit sales are down approximately 5% below plan, year-to-date, due to mild weather. He then reviewed the August natural gas rate comparisons and reported that the Department remains very competitive in all rate classes.

Mr. Roy stated that there has been no update from the EFSB regarding the Department's petition to add a fifth LNG tank. He reported that the insulation work is ongoing for LNG tanks #1 and #4. He then reported that distribution crews continue with work to replace services in the Dartmouth and Jefferson Street area and that work is scheduled to be completed at the end of September. He also reported that bare steel service replacements are progressing according to plan and that there are currently two leaks on file that have been scheduled for repair. He then gave an update on upcoming bridge crossing repair work, ongoing DPU audits, PSMS implementation, and the PHMSA grant process. There was a brief discussion on the matter.

**ELECTRIC DIVISION**

**POWER SUPPLY**

Mr. Steve Roy reviewed the August electric rate comparisons and reported that the Department remains competitive in all rate classes compared to regional peers. He then reviewed the August Mark-to-Market report and reported that all transactions are within policy limits. He also gave an update on

peak load reduction activities and noted that the July peak occurred on July 16<sup>th</sup>, hour-ending 18, and that 12.376 MW were shed via Department load reducers. There was a brief discussion on the matter.

### **TRANSMISSION & DISTRIBUTION**

Mr. Roy reported that crews have installed 2,178 of 2,500 (87%) planned AMI meters to date and removed another vacuum switch, leaving one left in the system to be removed. He then reported that crews continue with work to install underground services on Vadnais Street to eliminate backyard services in that area and that the work is scheduled to be completed by the end of October. He also gave a brief update on several other ongoing electric distribution and transmission projects. Mr. Roy also reported that He then gave an update on the August 1<sup>st</sup> Scarcity Event declared by ISO New England. There was a brief discussion on the matter.

### **ELECTRIC PRODUCTION**

Mr. Roy stated that hydro production is approximately 16.5% ahead of plan through July due to favorable river flow. He then gave an update on capital projects, including the Hadley Falls Unit #2 rehabilitation project. He then gave a brief update on other capital improvement projects including a planned canal drain for repairs to the #4 Overflow and Cobble Mountain maintenance activities. There was a brief discussion on the matter.

### **TELECOMMUNICATIONS**

Mr. Jonah gave an update on the status of sales activity and ongoing maintenance projects. There was a brief discussion on the matter.

### **CUSTOMER SERVICE**

Ms. Rogers gave a brief update on accounts receivable and fuel assistance activity, and she also gave an update on the Enterprise Resource Planning (ERP) software conversion and stated that the Customer Service modules are scheduled to be converted to the new software provider in September 2025. There was a brief discussion on the matter.

### **MARKETING & COMMUNICATIONS**

Ms. Sullivan gave an update on several state and federal grant applications that have been submitted, and she gave an update on upcoming outreach activities including the Public Power and Public Natural Gas Week event that is scheduled for October 8th. She then gave an update on Green Team activities and a brief summary of the most recent state legislative session. There was a brief discussion on the matter.

**OLD BUSINESS:** None

**NEW BUSINESS:**

**EXTERNAL AUDITOR ENGAGEMENT:** Ms. McMahon presented a recommendation to the Commission to continue utilizing the services of Baker Tilly as outside auditor. Chairman Hoey had previously asked for a review of the engagement and a recommendation on rotating outside auditor firms. Ms. McMahon noted that Baker Tilly has significant experience with public power clients and has developed a firm grasp on HG&E operations, including the cooperatives and Trust account. She recommended that the Department continue to utilize the services of Baker Tilly and to work with Baker Tilly to ensure that the audit partner is rotated periodically to ensure a new audit perspective is introduced with that rotation. Chairman Hoey noted that there are two sides to the rotation argument

and stated that it may improve the overall quality of the audit to rotate auditors at some point with a qualified and reputable firm. Commissioner Marrero noted that he was not surprised that the AICPA organization did not recommend the rotation of audit firms and stated that there could be a benefit with rotating firms. Ms. McMahon stated that if the Commission preferred to rotate firms, it would be prudent to consider any rotation after the ERP system conversion is completed so that sufficient focus could be given by staff to successfully completing that important conversion. After a brief discussion, it was agreed that any rotation would be considered after the ERP system conversion.

**SPONSORSHIP REQUEST- GREATER HOLYOKE CHAMBER OF COMMERCE:** Mr. Lavelle reported that the Department received a sponsorship request from the Greater Holyoke Chamber of Commerce requesting that the Department continue its Corporate Leadership Sponsorship level, consistent with the past several years. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the sponsorship as requested.

**BID AUTHORIZATIONS:** None

**BIDS RECEIVED:**

**ELECTRIC UNDERGROUND CABLE – #2 AWG EPR CU:** Mr. Lavelle recommended that the Commission reject all bids received for Electric Underground Cable – No. 2 AWG EPR Cu and authorize a re-bid. He stated that the apparent low bidder did not properly fill out the bid form and they were 17% lower in price than the next lowest bid. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to reject the bid and authorize a re-bid per the recommendation of management.

**TRUCK #64 REPLACEMENT:** Mr. Lavelle recommended that the Commission award the bid for the Truck #64 Bucket Truck replacement to Altec, the lowest bidder meeting all requirements of the solicitation. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted award the bid per the recommendation of management.

**COMPACT EXCAVATOR – GAS DISTRIBUTION:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$80,000 for the purchase of a compact excavator for gas distribution construction projects. He noted that the equipment will improve the efficiency of gas service replacements and improve employee safety. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted authorize the expenditure per the recommendation of management.

**GATE ACTUATOR ASSEMBLIES:** Mr. Lavelle recommended that the Commission award the bid for the Gatehouse Gate Actuator Assemblies to Control Engineering, Inc., the lowest and only bidder meeting all requirements of the solicitation. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted award the bid per the recommendation of management.

**DIVE SURVEYS, INSPECTIONS, MAINTENANCE & REPAIRS ANNUAL CONTRACT:** Mr. Lavelle recommended that the Commission award the bid for Dive Surveys, Inspection, Maintenance and Repairs to Underwater Construction Corporation, the lowest and only bidder meeting all

requirements of the solicitation. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted award the bid per the recommendation of management.

**COMMUNICATIONS:**

07/18/24 – Draft Commission Meeting Minutes from 07/16/24

07/30/24 – JL/DD/Financial Statements, Balance Sheet & Summary Report – June 2024

07/16/24 – COMM/BM/External Financial Statement Auditor Evaluation & Engagement Letter

07/19/24 – JL/KC/Sponsorship Request –Greater Holyoke Chamber of Commerce Annual Sponsorship

08/15/24 – SR/SD/Bid Recommendation – Electric Underground Cable - No.2 AWG EPR CU

08/22/24 – SR/JP/Approval Request – Replacement of Bucket Truck #64

08/23/24 – BR/WS/Purchasing Approval: Gas Distribution Compact Excavator

08/23/24 – JL/CW/Bid Recommendation – Gate Actuator Assemblies

08/26/24 – JL/CW/Bid Recommendation – Dive Surveys, Inspections, Maintenance & Repairs Annual Contract

**NEXT MEETING DATE:**

It was agreed that the next Commission meeting would take place on Tuesday, September 24th at 5:00 P.M.

**ADJOURNMENT:**

On a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:05 P.M.

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HG&E Commission