

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
SEPTEMBER 5, 2023

A meeting of the Holyoke Gas and Electric Department was held on September 5, 2023, 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, 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 August 2, 2023.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon then reviewed the draft July 2023 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 99% of summer supply is locked in price and that 44% of winter ('23-'24) is locked in price. He noted that unit sales are down approximately 8% below plan through August, largely due to a warmer winter. Mr. Roy then reviewed the September natural gas rate comparisons and reported that the Department remains very competitive in all rate classes.

Mr. Roy then provided an update on the LNG reliability project and stated that staff are waiting for a list of questions from EFSB as part of the interrogatory phase of the project petition. He then gave an update on cast iron and bare steel service replacements, and he reported that there are currently four minor leaks on record that will be repaired by the end of the month. Mr. Roy then reported that crews completed mutual aid assistance for Westfield Gas & Electric and he noted that crews have begun providing free winter heating system start-ups to customers that signed up for that service. He then reported that staff submitted its response to the DPU regarding the recent DIMP Audit Letter and he gave an update on the PHMSA grant funding applications. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Steve Roy reviewed the September electric rate comparisons and reported that the Department remains very competitive in all rate classes compared to regional peers. He then reviewed the September 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 August peak occurred on August

21st, hour-ending 18, and that 10.98 MW were shed via Department load reducers. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy reported that conversion prep-work continues on the H-1 circuit and that the H-3 circuit conversion prep-work has been completed. He stated that the overall conversion project is still on schedule for fourth quarter completion. He reported that crews continue to install new underground cable on Beech Street between West Franklin and Northampton Street and making connections to new switches and termination cabinet. He noted that the work will improve sectionalizing capabilities. He also reported that the engineering of the communication line upgrade from Ingleside Substation to the Southampton junction has been completed and that the protective relay scheme design for Ingleside Substation will be completed by the end of the year. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy stated that hydro production is approximately 27% above plan through August which was aided by strong August generation. He also noted that the higher generation has been offset by average market power prices that are approximately 70% below budget year-to-date. He then noted that Hadley Falls Unit #1 shaft realignment was completed and that turbine guide bearing pads were replaced. He also noted that Hadley Falls Unit #2 tailrace gate slot maintenance was completed. He then reported that an inspection of the rubber dam was recently completed by outside engineers and no critical flaws were discovered. He stated that replacement of the rubber dam is still scheduled for the 2025-2027 time frame. He also provided an update on DOE funding opportunities and stated that several grant applications would be submitted by the applicable deadlines. Finally, he noted that the fall canal outage is scheduled for Saturday September 16th through Saturday September 23rd. Commissioner Marrero asked about two of the purchase requisitions that were included in the board book. He questioned if the Department was seeking a new easement along the right-of-way adjacent to 150 Whiting Farms Road. Mr. Roy stated that the Department has an existing easement and is just performing engineering analysis for a new line on the 44P8 circuit. Commissioner Marrero then questioned the purpose of the Dam Breach Analysis work being performed. Mr. Roy stated that during the most recent FERC Part 12D inspection that was performed, it was determined that the Dam Breach analysis required updating with respect to Overflow No. 1 and the First Level Canal Dike. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on the status of sales activity noting that sales and net income continue to track ahead of plan, largely due to wholesale ISP service sales. He further reported that the FTTH design, including build-out estimates, is scheduled for completion by the end of November. Commissioner Marrero noted that there is a public hearing regarding the City's Cable Television Contract negotiations, and he asked if the Department is included in those discussions. Mr. Lavelle stated that the Department has not been formally included, but that staff is monitoring the situation. Commissioner Marrero suggested that staff stay close enough to the issue to try to avoid any unintended consequences from the process that could adversely impact the Department's ability to provide certain services in the future. Attorney Ferriter stated that the contract is for Cable Television services and should not have an adverse impact on the Department's ability to provide internet services. He further stated that staff may want to ensure the successor contract does not include exclusivity language for internet services. Mr. Lavelle stated that staff would continue to monitor the process. There was a brief discussion on the matter.

MARKETING AND COMMUNICATIONS

Ms. Sullivan reported that Public Power and Natural Gas week activities are scheduled for October 4th at Veterans Park, and she noted that the Department is supporting several other community events. She then noted that staff are supporting an Electric School Bus grant application by Highland/Durham and that the Department submitted a letter of support for the application. There was a brief discussion on the matter.

CUSTOMER SERVICE:

Ms. Rogers gave an update on accounts receivable. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS: None

BID AUTHORIZATIONS:

CUSTOMER INFORMATION SYSTEM ERP REPLACEMENT: Mr. Lavelle requested authorization to solicit bids for a replacement Customer Information System (CIS) Enterprise Resource Planning (ERP) software system. He stated that the current CIS will no longer be supported by the OEM vendor and that the current system has not been updated in several years and lacks critical functionality. He stated that staff is working with a consultant to develop an RFP to solicit proposal for a replacement CIS. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the bid per management recommendation.

BIDS RECEIVED:

DIVE SURVEYS, INSPECTIONS, MAINTENANCE & REPAIRS – CONTRACT

EXTENSION: Mr. Lavelle recommended that the Commission approve a one-year extension to the annual contract for Dive Surveys, Inspections, Maintenance and Repairs with Underwater Construction Corporation (UCC). He stated that UCC's performance under the contract has been satisfactory and that they have agreed to a 5% increase in rates for the renewal term with all other terms and conditions remaining the same. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the extension per management recommendation.

ADVANCED METERING INFRASTRUCTURE (AMI) SOFTWARE SUPPORT:

Mr. Lavelle recommended that the Commission authorize the expenditure of \$327,636 for a five-year support contract for the AMI system from Itron, the OEM for the AMI system software. He stated that Itron provided the proprietary system in 2018 as part of a competitively bid process and that the system has worked well with good support from Itron. He stated that the recommended contract would cover the period from April 2023 through March 2028. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the expenditure per the recommendation of management.

FIREWALL MAINTENANCE, SUPPORT & HARDWARE UPGRADE: Mr. Lavelle recommended that the Commission authorize the expenditure of \$369,312 for a three-year support contract for the Checkpoint Firewall Maintenance, Support, including the replacement of two gateways that are at the end of their useful life. He stated that the firewall is a critical component to the enterprise network security and that the recommended support contract would cover the period of December 3, 2023, through December 2, 2026, ensuring adequate system software and hardware support from the OEM. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the expenditure per the recommendation of management.

NATURAL GAS METERS: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$65,520 for the purchase of 520 natural gas meters from Powell Controls, Inc., to replace older gas meters. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the expenditure per the recommendation of management.

COMMUNICATIONS

08/30/23 – Draft Commission Meeting Minutes from 08/02/23

08/28/23 – JL/DD/Financial Statements, Balance Sheet & Summary Report – July 2023

08/30/23 – JL/BM/Authorization to Solicit Proposals – Enterprise Software Solutions

08/18/23 – JL/CW/Recommendation – Extension of Dive Surveys, Inspections, Maintenance & Repairs

08/18/23 – SR/RL/Purchasing Approval: Itron AMI 5-Yr Support Contract

08/31/23 – JL/KJ/Purchasing Approval: Check Point Support, Maintenance & Hardware Replacement

09/05/23 – BR/RL/Purchasing Approval: Small Diaphragm Gas Meters

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, October 3rd at 5:00 P.M.

ADJOURNMENT:

On a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to adjourn the regular session of the Meeting at 6:10 P.M.

HG&E Commission