

**MINUTES OF GAS & ELECTRIC COMMISSION MEETING**  
**REGULAR SESSION**  
**DECEMBER 12, 2023**

A meeting of the Holyoke Gas and Electric Department was held on December 12, 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 November 7, 2023.

**REPORTS & RECOMMENDATIONS OF MANAGER:**

**Financial Report:**

Ms. McMahon reviewed the draft October 2023 financial statements. There was a brief discussion on the matter.

Ms. McMahon then presented the 2024 operating and capital budgets for approval. She stated that the budgets are consistent with those reviewed at the Staff Budget Meeting and stated that the operating budget includes \$86.3 Million in revenues, \$81.5 Million in operating expenses, and a capital budget that includes \$30.6 Million in planned capital improvements for 2024. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the 2023 operating and capital budgets as presented.

**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 89% of winter ('23-'24) supply is locked in price and that 23% of summer supply is locked-in. He noted that unit sales are down approximately 7% below plan through November, largely due to mild weather. He then reviewed the December natural gas rate comparisons and reported that the Department remains very competitive in all rate classes.

Mr. Roy provided an update on the LNG reliability project and noted that staff has submitted its responses to several records requests that resulted from the evidentiary hearing on the project that was held on November 27th and 28th. He noted that many of the questions from EFSB staff related to the project economics, HG&E's pace of electrification, gas usage projections and whether HG&E could join Mass Save and mimic their incentive levels. Chairman Hoey asked if those issues were within the purview of the EFSB and Mr. Roy indicated that he assumed that staff was probing in those areas to better understand project need and whether the least cost alternative was being proposed and that those elements are within their purview. Mr. Roy stated that the next step in the process will be to submit a

brief on the project merits for the EFSB staff to review. He then noted that, as part of the pipeline safety activities, staff would be hosting the Holyoke Fire and Police Department personnel at the LNG facility to provide training and the natural gas safety and security systems at the site. Mr. Roy then gave an update on cast iron and bare steel service replacements, noting that the cast iron goal for the year has been exceeded and that crews are currently working to replace a segment on Northampton Street near South Street. He also reported that there are currently no leaks on record. He further reported that the DPU submitted a letter of their findings related to their recent audit of current operating procedures. He stated that the letter included notice of potential violations of applicable codes for a few areas of the O&M manual and that staff are in the process of responding to those issues. He stated that a formal response is due to the DPU before the end of the month. There was a brief discussion on the matter.

## **ELECTRIC DIVISION**

### **POWER SUPPLY**

Mr. Steve Roy reviewed the December electric rate comparisons and reported that the Department remains competitive in all rate classes compared to regional peers. He then reviewed the December 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 November peak occurred on November 29th, hour-ending 18, and that 2.7 MW were shed via Department load reducers. There was a brief discussion on the matter.

### **TRANSMISSION & DISTRIBUTION**

Mr. Roy reported that distribution work for the remainder of the year will focus on replacement of the 32W3 circuit, which encompasses Cabot Street, from Forestdale Avenue to Maple Street, and Walnut Street, from Cabot Street to Lyman Street. He then gave an update on other outstanding projects. He also reported that investigation continues to determine the cause of failure of three primary disconnect bushings at North Canal Substation over the past several weeks. He noted that the manufacturer replaced 8 bushings with new components and will monitor those components while continuing the forensic analysis of the 8 removed and 3 failed components. Mr. Roy then reported that the 52W-2X transformer at Ingleside Station has been returned to normal operation after recent maintenance activities. He then noted that the City Council recently approved the battery storage ordinance and stated that there are a few companies interested in pursuing battery storage projects in the City at present. There was a brief discussion on the matter.

### **ELECTRIC PRODUCTION**

Mr. Roy stated that hydro production is approximately 32% (67,126 MWh) above plan through November and is on target to exceed 300,000 MWh for the year. 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 gave a brief update on ongoing projects and maintenance at the Holyoke hydro projects, including the planned rehabilitation of Hadley Falls Unit #2 in 2024. 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 staff continues to summarize the findings of the FTTH design and will have recommendations on next steps in the first quarter of 2024. There was a brief discussion on the matter.

## **MARKETING & COMMUNICATIONS**

Ms. Sullivan reported that the United Way employee campaign had another successful year with over \$27,000 pledged by HG&E employees. She reported that staff recently supported a Career Day at Holyoke High School, and she noted several other community events that the Department is supporting. She then gave an update on current Green Team activities and the Mass CEC Commercial Building Electrification Program. There was a brief discussion on the matter.

## **CUSTOMER SERVICE**

Ms. Rogers noted that the lien list has been sent to the tax collector's office and she gave an update on accounts receivable and shutoff statistics for November. There was a brief discussion on the matter.

**OLD BUSINESS:** None

## **NEW BUSINESS:**

**NATURAL GAS RATE ADJUSTMENTS - 2024:** Mr. Lavelle recommended that the Commission approve the natural gas rate adjustments as outlined in the December 6, 2023, memorandum from Gas Division Superintendent, Brian Roy. He stated that the adjustments are required to keep rates aligned with the cost of provisioning service and that the rate impact will vary depending on customer class. He stated that the increases range from 0.8% for the Large Agricultural class to approximately 5% for the residential class. He further noted that with the proposed increases, HG&E rates would be competitive in all classes and that residential rates would be among the lowest in the state. Commissioner Marrero asked if the rate adjustments were allocated across all rate classes according to the cost of service and Mr. Roy confirmed that was the case. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the assistance per the recommendation of management.

**COMMERCIAL ENERGY CONSERVATION ASSISTANCE REQUEST – 254 MAIN STREET:** Mr. Lavelle reported that the Department received a Residential Energy Conservation Assistance Request from the owner of 254 Main Street in the amount of \$15,000 for the installation of two new energy efficient gas-fired furnaces. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the assistance per the recommendation of management.

**BID AUTHORIZATIONS:** None

## **BIDS RECEIVED:**

**2024 ELECTRIC LINE CONTRACTORS ANNUAL CONTRACT:** Mr. Lavelle recommended that the Commission award the bid for Electric Line Contractor to Asplundh Construction, the low bidder meeting all requirements of the solicitation as detailed in the November 28, 2023, memorandum from Sr. Engineer Vincent O'Connell. Mr. Lavelle further recommended that the Commission award a secondary contract to Elecnor Hawkeye LLC, the second 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 to award the bids per the recommendation of management.

**SPILL RESPONSE & HAZARDOUS WASTE ANNUAL CONTRACT:** Mr. Lavelle recommended that the Commission award the Spill Response & Hazardous Waste Annual Contract to Environmental Services, Inc, the lowest responsible and eligible bidder. He further recommended that the Commission award a secondary contract to NRC East Environmental Services, the second lowest responsible and eligible bidder. 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.

**TREE TRIMMING & VEGETATION MANAGEMENT ANNUAL CONTRACT – EXTENSION:** Mr. Lavelle recommended that the Commission authorize a one-year extension, consistent with the existing contract, to the Tree Trimming and Vegetation Management annual contract with All Reliable Services, Inc. He said the extended contract would be subject to an increase in rates between 2.99% and 3.31% and those rates are still lower than the second lowest bidder from the 2022 bid. Mr. Lavelle further recommended that the Commission authorize a one-year extension to the secondary contract awarded to Asplundh Tree Expert, LLC, subject to a 3% increase in rates and 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 of the contracts per the recommendation of management.

**WOOD POLES ANNUAL CONTRACT – EXTENSION:** Mr. Lavelle recommended that the Commission authorize a one-year extension, consistent with the existing contract, to the Wood Poles annual contract with Koppers Utility and Industrial Products, Inc. He said the extended contract would be subject to a 6% increase in rates, due to cost increases in labor, white wood, chemicals and freight, and all other terms and conditions remaining the same. Mr. Lavelle further recommended that the Commission authorize a one-year extension to the secondary Wood Pole contract awarded to Stella Jones Corporation, subject to an increase in rates of between 3%-14%, due to increases in labor, lumber, chemicals and freight, and 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 of the contracts per the recommendation of management.

**ELECTRIC METERS ANNUAL CONTRACT – EXTENSION:** Mr. Lavelle recommended that the Commission authorize a one-year extension, consistent with the existing contract, to the annual contract for Electric Meters with AvCom Inc., with a price increase ranging from 4.29% to 4.6% and other terms and conditions remaining the same as detailed in the November 16, 2023, 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 extension per the recommendation of management.

**HIGH ACCURACY WATTHOUR METERS ANNUAL CONTRACT – EXTENSION:** Mr. Lavelle recommended that the Commission authorize a one-year extension, consistent with the existing contract, to the annual contract for High Accuracy Watthour Meters with Schneider Electric USA, Inc, with prices and other terms and conditions remaining the same as the existing contract as detailed in the November 16, 2023, 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 extension per the recommendation of management.

**HYDRAULIC STRUCTURES' MAINTENANCE & REPAIRS ANNUAL CONTRACT – EXTENSION:** Mr. Lavelle recommended that the Commission authorize a one-year extension, consistent with the existing contract, to the Hydraulic Structures Maintenance & Repairs annual contract with Westside Enterprises, Inc. He said the extended contract would be subject to a 0.74%

increase in rates and with all other terms and conditions remaining the same as detailed in the November 16, 2023, 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 extension per the recommendation of management.

**GENERAL CONTRACT WORK ANNUAL CONTRACT – EXTENSION:** Mr. Lavelle recommended that the Commission authorize a one-year extension, consistent with the existing contract, to the General Contract Work annual contract with JSC Construction, LLC. He said the extended contract would be subject to a 4% increase in labor and equipment rates from and all other terms and conditions remaining the same. He noted that the prevailing wage rates for the most common labor categories have increased between 1% and 11%. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the extension per the recommendation of management.

**ROAD REPAIRS ANNUAL CONTRACT – EXTENSION:** Mr. Lavelle recommended that the Commission authorize a one-year extension, consistent with the existing contract, to the Road Repairs annual contract with JSC Construction, LLC. He said the extended contract would be subject to a 4% increase in labor and equipment rates from and all other terms and conditions remaining the same. He noted that the prevailing wage rates for the most common labor categories have increased between 4.25% and 11%. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the extension per the recommendation of management.

**SOLID WASTE& RECYCLING SERVICES ANNUAL CONTRACT – EXTENSION:** Mr. Lavelle recommended that the Commission authorize a one-year extension, consistent with the existing contract, to the Solid Waste and Recycling Services annual contract with Casella Waste. He said the extended contract would be subject to a 23% increase in rates due to rising landfill, fuel, and labor costs. He also noted that Casella’s proposed 2024 rates are still 26% lower than Republic Services proposed 2024 rates. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the extension per the recommendation of management.

**SOFTWARE MAINTENANCE & SUPPORT – NAVILINE:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$76,058 for the purchase of annual software maintenance services required to support the Naviline Software platform which is the Department’s enterprise resource planning software. 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.

**FINANCIAL AUDIT SERVICES:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$102,200 for professional financial auditing services required to conduct full financial audit services for the Department, Holyoke Solar Cooperative, Massachusetts Clean Energy Cooperative, and the OPEB Trust. 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.

**HONEYWELL PERMASERT STAB FITTINGS:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$175,000 for the purchase of Honeywell Permasert Stab Fittings that are required for gas distribution system work for 2024 planned capital replacement projects. 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.

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**

10/04/23 – Draft Commission Meeting Minutes from 11/07/23  
10/26/23 – JL/DD/Financial Statements, Balance Sheet & Summary Report – October 2023  
12/06/23 – JL/BR/Rate Recommendation – Gas Rate Adjustments for CY2024  
12/04/23 – KC/MC/Commercial Energy Conservation Program Request – 254 Main Street  
11/28/23 – SR/VO/Bid Recommendation – Electric Line Contractor Annual Contract 2024  
12/06/23 – JL/BR/Bid Recommendation – Spill Response & Hazardous Waste Annual Contract  
11/29/23 – JL/CW/Extension Recommendation – Tree Trimming & Vegetation Management Annual Contract  
11/03/23 – JL/CW/Recommendation – Extension of Wood Poles Annual Contract  
11/16/23 – JL/CW/Recommendation – Extension of Electric Meters Annual Contract  
11/16/23 – JL/CW/Recommendation – Extension of High Accuracy Watthour Meters Annual Contract  
11/16/23 – JL/CW/Recommendation – Extension of Hydraulic Structures’ Maintenance & Repairs Annual Contract  
11/29/23 – JL/CW/Recommendation – Extension of General Contract Work Annual Contract  
11/29/23 – JL/CW/Recommendation – Extension of Road Repairs Annual Contract  
11/03/23 – JL/CW/Recommendation – Extension of Solid Waste & Recycling Services Annual Contract  
11/08/23 – JL/DD/Purchasing Approval: Software Maintenance & Support – Naviline  
11/08/23 – JL/DD/Purchasing Approval: Professional Services – Financial Audit 2023  
11/29/23 – BR/WS/Purchasing Approval: Permasert Stab Fittings

### **NEXT MEETING DATE:**

It was agreed that the next Commission meeting would take place on Tuesday, January 9th 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 6:17 P.M.

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HG&E Commission