

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
DECEMBER 8, 2021

A meeting of the Holyoke Gas and Electric Department was held on December 8, 2021 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Ducheney, 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 Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from November 9, 2021.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft October financial statements and reported that the re-financing of outstanding Series 2012 and Series 2013 bonds closed on December 1st. She stated that the average yield on the Series 2021 bonds is approximately 2.203% with an average life of approximately 5.3 years. She stated that the refinancing will save the Department approximately \$4.9 Million over the life of the bonds that have a final maturity of 2038. There was a brief discussion on the matter.

Ms. McMahon then presented the 2020 operating and capital budgets for approval. She stated that the budgets are substantially the same as those presented at the staff budget meeting on October 27th, with the exception to a modification to the capital budget to include costs for a FTTH network design. The proposed operating budget included estimated revenues of \$76.4 Million and the proposed capital plan included \$17.3 Million in capital expenditures. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the operating and capital budgets as presented.

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 92% of winter ('21-'22) supply is locked in price and that 28% of the summer (2022) supply is locked in price. He stated that the Purchased Gas Adjustment for winter is still expected to be 22% higher than budget and will result in an approximate 24% increase in residential gas bills over last winter. He then reviewed the December natural gas rate comparisons and reported that the Department remains very competitive in all rate classes. He then gave an update on the status of leak reductions, cast iron main replacements, bare steel service replacements, tertiary support upgrades at regulating stations, and PSMS implementation. He continued with an update on the recent DPU audit of the Public Awareness Plan, and stated that the DPU had no suggested changes or improvements to the plan. He also reported that staff continues to work with the State regarding the proposed new Soldier's Home and the gas

requirements for that project. He then gave an update on the County Road interconnect project and discussed the impact of the natural gas moratorium. 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. 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 an update on the Citizens and Convergent Energy Battery Storage projects. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy reported that seven T&D commitments have been completed since last month and that 31 of 50 commitments have been completed to date and that all other planned Transmission and Distribution commitments are on schedule for completion by the end of the year. He also reported that the Department received a \$66,401 grant from MassDEP, under the MassEVIP program, to acquire and install eight (8) electric vehicle (EV) public access charging stations. He stated that the chargers would be installed at four locations including: HG&E's main office, Holyoke Public Library, Veteran's Park, and the Amtrak Train Station. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Ducheney reported that November hydro generation was behind plan due to the leak in the canal wall adjacent to the fish bypass pipe and stated that year-to-date generation is slightly ahead of plan. He noted that repairs to the canal wall have been completed and that there has been no evidence of leaks since repair efforts were completed. He further reported that FERC signed off on the canal wall repair plan. There was a brief discussion on the matter.

Mr. Ducheney then reported that this was his last Commission report as he is retiring after the first of the year. He thanked the Commission and staff for the opportunity to work with HG&E and to have spent the better part of his career working on the Holyoke hydro project.

TELECOMMUNICATIONS

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

MARKETING AND COMMUNICATIONS

Ms. Sullivan presented a summary report on the findings of the Great Blue Research Fiber To The Home (FTTH) interest questionnaire and stated that both the summary document and the Great Blue Research report will be posted on the Department website for public access. She also reported that she is coordinating the United Way campaign for the Department, and that the Department is providing support for the Donohue School Holiday event, and assisting with the OneHolyoke Flats Community Dinner. She further reported that she is developing a flyer to promote the Department's 20th anniversary of owning the Dam, Canals and Hydroelectric project. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

COMMERCIAL ENERGY CONSERVATION ASSISTANCE REQUEST – PEARSON

HOLYOKE NOMINEE TRUST: Mr. Lavelle reported that the Department received a Commercial Energy Conservation Program request from the owners of 14 Bobala Road in the amount of \$49,831 for the installation of energy efficient lighting, and he recommended that it be approved based on staff's analysis of the energy and cost savings associated with the project. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the request per the recommendation of management.

GAS SERVICE RATE ADJUSTMENTS: Mr. Lavelle recommended that the Commission approve the Gas Service Rate adjustments as described in the December 1, 2021 memorandum from Gas Superintendent Brian Roy. He stated that the adjustments are required to keep pace with the cost of service and are still approximately 53% below comparable residential service rates. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the rates per the recommendation of management.

GB-5 NATURAL GAS RATE ADJUSTMENT: Mr. Lavelle recommended that the Commission approve the GB-5 Natural Gas Rate adjustments as described in the November 18, 2021 memorandum from Gas Superintendent Brian Roy. He stated that the adjustments are recommended to allow the Department to have the ability to offer a large natural gas user an interruptible rate, while ensuring that the Department recoups all associated costs without causing subsidies to other customers. He stated that there is only one customer currently on the G-5 rate and that customer will not be impacted by the proposed changes. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the rate changes per the recommendation of management.

CARBON-FREE ELECTRIC RATE TARIFF: Mr. Lavelle recommended that the Commission approve the Carbon-Free Electric Rate Tariff as described in the November 30, 2021 memorandum from Electric Superintendent, Steve Roy. He stated that the program is a pilot tariff to respond to certain commercial and industrial customers that have requested the option to purchase additional carbon-free energy so that they can market their products as 100% carbon free. Mr. Roy explained that HG&E's electric portfolio is currently approximately 80% carbon free so any customer that wishes to participate in the proposed tariff would have to purchase carbon-free certificates for approximately 20% of their electric consumption. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the rate tariff per the recommendation of management and as presented.

BID AUTHORIZATIONS: None

BIDS RECEIVED:

GAS ROTARY METERS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Rotary Gas Meters to DBI Inc. (dba Utilities and Industries), the low and only 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.

GENERAL CONTRACT WORK ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for General Contract Work to JSC Construction, LLC, 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.

HIGH ACCURACY WATTHOUR METERS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for High Accuracy Watthour Meters to Schneider Electric USA, Inc., the low and only 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.

SOLID WASTE & RECYCLING SERVICES: Mr. Lavelle recommended that the Commission award the contract for Solid Waste and Recycling Services to Casella Waste, the low bidder meeting all requirements for the solicitation. Commissioner Hoey disclosed that Casella is a client of his employer and he abstained from deliberations on the matter. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was voted 2-0 to award the contract per the recommendation of management. Commissioner Hoey abstained.

2022 UTILITY LINE MATERIAL: Mr. Lavelle recommended that the Commission award the contract for Utility Line Material to the low bidder meeting all requirements for each item as identified on the December 2, 2021 memorandum from Storekeeper Terrence Judd. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the contracts per the recommendation of management.

2022 WOOD POLES ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Utility Line Material to the low bidders as follows:

1. Koppers Utility & Industrial Products awarded primary contract for CCA with Climbing Additive (CA) treated wood poles.
2. Stella-Jones Corporation – Primary contract for DCOI treated wood poles and a secondary contract for CCA with CA treated wood poles.

After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the contracts per the recommendation of management.

2022 ROAD REPAIRS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission reject all Road Repair bids and authorize a re-bid. He stated that two bids were received and that the bid from the apparent low bidder, Cain's Mechanical, had certain irregularities that would likely have been successfully challenged by the other bidder. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to reject all bids and authorize a re-bid per the recommendation of management.

SPILL RESPONSE & HAZARDOUS WASTE ANNUAL CONTRACT- EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Spill Response and Hazardous Waste Annual Contract with Tradebe Environmental Services, LLC, through December 31, 2022, subject to a 5% increase in disposal rates and all other rates, terms and conditions of the existing contract remaining the same. He further requested that the Commission authorize a one year extension to the secondary contract with Environmental Services Inc., subject to the same terms and conditions and with disposal rates charged out at cost plus 10%. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extensions per the recommendation of management.

FIBER OPTIC INSTALLATION, SPLICING, TERMINATION & TESTING ANNUAL

CONTRACT- EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Fiber Optic Installation, Splicing, Termination & Testing Annual Contract with Collins Electric Company, through December 31, 2022, subject to the same terms and conditions of 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.

ELECTRIC VEHICLE CHARGING STATIONS – PURCHASE APPROVAL: Mr. Lavelle requested authorization for the expenditure of up to \$24,342 for the purchase of four public Level 2 Vehicle Charging Stations (each dual port). He stated that the expenditure is fully reimbursable from the Massachusetts Department of Environmental Protection and that the stations would be located at the Holyoke Amtrak Station, Holyoke Public Library, Veteran’s Park and HG&E’s Main Office. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

ENGINEERING SERVICES- CATHODIC PROTECTION – PURCHASE APPROVAL: Mr. Lavelle requested authorization for the expenditure of up to \$120,000 for professional services required to comply with state and federal regulations for corrosion control on natural gas facilities. The Department solicited pricing from three vendors and received only one response from CorrTech, who has performed the subject services for the Department for several years. CorrTech will perform the required services in accordance with 49 CFR Part 192, Subpart I, and consistent with the scope of work outlined in the Purchase Approval Request from Gas Engineer, Rachel Brochu, dated December 2, 2021. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

ENGINEERING SERVICES- OLD GASWORKS OMMIR SERVICES – PURCHASE

APPROVAL: Mr. Lavelle requested authorization for the expenditure of up to \$114,800 for engineering services required for performing Operation, Monitoring, Maintenance, Inspection and Reporting activities to comply with the Massachusetts Department of Environmental Protection requirements 310 CMR 40.0000, the Massachusetts Contingency Plan for the Old Gasworks Site. He stated that EKI Environmental is the lowest eligible bidder for the task and their personnel have been involved with the site, serving as LSP, since 1992. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

COMMUNICATIONS:

- 12/03/21 – Draft Commission Meeting Minutes from 11/09/21
- 10/26/21 – JL/DD/Financial Statements, Balance Sheet & Summary Report October 2021
- 11/29/21 – KC/MC/Commercial Assistance Request – Pearson Holyoke Nominee Trust
- 12/01/21 – JL/BR/Gas Service Work Rates Adjustment – Phase III
- 11/18/21 – JL/BR/2022 Budget Year Gas Rate Schedule Modifications
- 11/18/21 – JL/BR/GB-5 Gas Rate Schedule Modification
- 11/30/21 – SR/JS/Rate Tariff Recommendation – Carbon-Free Electric Pilot Program
- 11/30/21 – JL/CW/Bid Recommendation – Gas Rotary Meters Annual Contract
- 12/01/21 – JL/CW/Bid Recommendation – General Contract Work Annual Contract
- 12/01/21 – SR/RL/Bid Recommendation – High Accuracy Watthour Meters Annual Contract
- 11/30/21 – JL/CW/Recommendation – Solid Waste & Recycling Services
- 12/02/21 – SR/TJ/Bid Recommendation – 2022 Utility Line Material

11/30/21 – SR/CP/Bid Recommendation – Wood Poles Annual Contract
12/08/21 – JL/CW/Bid Recommendation – Road Repairs Annual Contract
11/30/21 – JL/CW/Recommendation – Extension of Spill Response & Hazardous Waste Annual \ Contract Extension
11/16/21 – JL/CW/Recommendation – Extension of F.O. Installation, Splicing, Terminating & Testing Services Annual Contract
12/02/21 – SR/JZ/Purchasing Approval: Electric Vehicle Charging Stations
12/02/21 – BR/RB/Purchasing Approval: Professional Services – Cathodic Protection by CorrTech
12/02/21 – BR/CP/Purchasing Approval: Engineering Services – Gas Works Remediation

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Thursday, January 13, 2022 at 5:00 P.M.

ADJOURNMENT:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:20 PM.

HG&E Commission