

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
DECEMBER 1, 2020

A meeting of the Holyoke Gas and Electric Department was held on December 1, 2020 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard and Ducheney; Acting Gas Superintendent Brian Roy; Brooke McMahon, Kirk Jonah, Kate Sullivan, and Attorney John Ferriter.

CALL TO ORDER:

Chairman Hoey called the meeting to order at 5:00 P.M.

Chairman Hoey noted that remote participation in the Commission meeting by Commissioners was authorized by an Executive Order issued by Governor Baker on March 12, 2020 and is required due to the COVID-19 pandemic.

MINUTES:

Mr. Lavelle presented the minutes from October 7, 2020 for approval. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from October 7, 2020.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft September financial statements and gave an update on outstanding receivables and cash flow status. There was a brief discussion on the matter.

Ms. McMahon presented a recommendation on the utilization of up to \$3.5 Million of pre-paid power supply reserve funds to offset power supply expenses due to the impact of COVID-19 on revenue and power supply costs. Mr. Lavelle stated that he would like to have authorization from the Commission would be required by the Department's auditors as it involves regulatory accounting under GASB rules. After a brief discussion, and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the use of pre-paid power supply reserve funds per the recommendation of management.

DIVISION REPORTS:

GAS DIVISION

Mr. Roy reported that wholesale natural gas procurements continue consistent with the hedging plan for the current 12-month procurement window. He stated that approximately 90% of winter supply has been locked in. He then reviewed the November natural gas rate comparisons and reported that the Department remains very competitive in all rate classes. He reported that the winter PGA has been implemented as of the November billing cycle at a rate of \$0.40/ccf (compared to \$0.35/ccf last winter). He stated that the increase in the PGA over last year is due to the winter supply market being 53% higher than last year. He then gave an update on the status of leak reductions, cast iron main replacements and bare steel service replacements. Mr. Roy also gave an update on the response to the DPU audit of the Department's LNG Facility and reported that all recommendations have been closed

out and that staff continues to review the accuracy and completeness of records to ensure full compliance. He further reported that the DPU is currently auditing the Department's Distribution Integrity Management Plan (DIMP) and Operator Qualification (OQ) Plan and that staff continues to respond to any requests for information. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the November electric rate comparisons and reported that the Department remains competitive in all rate classes. He then reviewed the November 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 Energy Battery Storage project, as well as an update on the load reconstitution issue that was recently discussed by at the ISO-NE PTOAC Committee meeting. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard reported that all non-emergency field work that requires access to a customer premise continues to be suspended until further notice due to the COVID-19 outbreak. He reported that six capital and maintenance project commitments had been completed since the last Commission meeting. He stated that the 52W1/W7 under-ground cable replacement was completed; The reconstruction of the High/Appleton manhole was completed; the planned CT replacements were completed; all planned stray voltage testing has been performed; OP-18 Ion meter testing requirements were met; and all planned pole inspections were completed. There was a brief discussion on the matter.

Mr. Lavelle gave a brief update on current legislation related to Department operations. He stated that the Senate Climate Bill (S.2500, H.2863) was sent to conference committee and stated that the final version sent to committee was generally consistent with the position that MEAM had recommended. He stated that MEAM compromised by eliminating the "double-counting" of REC's concerns by some legislators and agreed to net zero carbon by 2050. He stated that the bill also allows for nuclear and certain hydroelectric assets to count towards zero emissions resources. He stated that the conference committee may make any final changes by the end of the fall. He further reported that the AMI bill, which would have been adverse to HG&E customers, was withdrawn late in the legislative session. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Duchenev reported that water flows have picked up slightly over the past several days, but hydro production remains behind plan year to date. He also reported that fish lift operations have been shut down for the season and would begin again April 1, 2021. He then gave an update on non-power solutions being implemented at Cobble Mountain Station. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on help desk activity as well as sales and ongoing projects. There was a brief discussion on the matter.

CUSTOMER SERVICE

Ms. Rogers reported that the new on-line payment system has been launched and that customers are gradually getting set up in the new system. There was a brief conversation on the matter.

MARKETING AND COMMUNICATIONS

Ms. Sullivan reported that staff continues to provide updates to employees regarding operational changes and required precautions to minimize risks related to the COVID-19 outbreak. She stated that she continues to work with the HG&E Green Team to improve energy conservation assistance and energy efficiency programs and to better market those programs to customers. She then gave an update on current energy audit and energy efficiency activities. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

HOLIDAY DISCOUNT: Mr. Lavelle recommended that the Commission authorize a Holiday Discount in the amount of an additional 10% off of the monthly bills for residential and commercial customers that are not already on another discounted rate program. He stated that the discount would be effective for the December billing cycle. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the discount per the recommendation of management.

SPONSORSHIP REQUEST – INTERNATIONAL VOLLEYBALL HALL OF FAME: Mr. Lavelle reported that the Department received a sponsorship request from the Volleyball Hall of Fame, requesting that the Department continue its Corporate Sponsorship level in the amount of \$4,000, the same level as past years. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the sponsorship per the recommendation of management.

2021 GAS RATE SCHEDULE MODIFICATIONS: Mr. Roy recommended that the Commission approve the recommended changes to Gas Rate schedules A, GB-1, GB-2, GB-3, and GB-4 as outlined in his memorandum dated November 25, 2020. He stated that the recommended changes are required to keep pace with the cost of providing service and would result in an average increase of 3% for Schedules A (residential) and GB-1 (small commercial), an average increase of 2.1% for the GB-2 rate, and average 1% decrease for the GB-3 rate, and an average 1% increase for the GB-4 (Large Industrial) rate. He further recommended that the Commission approve the recommended changes to the Agricultural Gas rate schedules (AG-1, AG-2, and AG-3) that have not been modified since 2003. 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.

PURCHASED GAS ADJUSTMENT (PGA) - CHANGE IN EMBEDDED FUEL

CONTRIBUTION: Mr. Roy recommended that the Commission approve a change in the PGA embedded fuel contribution from \$0.3325/ccf to \$0.250/ccf as outlined in his memorandum dated November 25, 2020. He stated that the change is necessary to more accurately allocate costs to increasing distribution expenses that are largely related to accelerated asset replacement activities. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the rate change per the recommendation of management.

2021 GAS SERVICE WORK RATE MODIFICATIONS: Mr. Roy recommended that the Commission approve the recommended changes to Gas Service Work Rates as outlined in his memorandum dated November 25, 2020. He stated that the recommended changes are required to keep pace with the cost of providing service. He further stated that the current recommendation is Phase 2 of

a four-year plan to bring the Service Rates closer to market rates. 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.

RELEASE OF EXECUTIVE SESSION MINUTES: Mr. Lavelle reminded the Commission that according to the Massachusetts Public Records Law, public bodies are required to periodically review executive session minutes to determine if continued non-disclosure of the minutes is warranted. He recommended that, based on a recent review of existing executive session minutes, and upon the advice of counsel, the Commission open the following executive session minutes for disclosure:

January 8, 2014	January 27, 2016
January 29, 2014	March 9, 2016
February 26, 2014	June 22, 2016
March 18, 2014	March 9, 2017
April 16, 2014	May 25, 2017
May 13, 2014	July 27, 2017
June 4, 2014	August 16, 2017
August 20, 2014	September 12, 2017
January 28, 2015	October 10, 2018
April 9, 2015	March 12, 2019
April 29, 2015	April 2, 2019
May 19, 2015	May 28, 2019
July 15, 2015	June 18, 2019
October 14, 2015	August 13, 2019
December 8, 2015	

After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to open the listed executive session minutes per the recommendation of management.

BID AUTHORIZATIONS:

LEASE OF COPIERS & SUPPORT SERVICES: Mr. Lavelle requested authorization to solicit bids for the lease of copiers to serve the Department's needs. He stated that the current copier/service contract expires at the end of 2021. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter it was unanimously voted to authorize the bid per the recommendation of management.

80 JACKSON STREET REPAVING UPPER YARD DRIVEWAY: Mr. Lavelle requested authorization to solicit bids for the repaving of the upper yard driveway at the Electric Line Crew Garage at 80 Jackson Street, including a new drainage system. He stated that the existing driveway is badly deteriorated and poses significant safety concerns. He further stated that the proposed repairs are designed to eliminate rain runoff issues that are the primary cause of the current deterioration. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter it was unanimously voted to authorize the bid per the recommendation of management.

BIDS RECEIVED:

CANAL LOG BOOM ASSEMBLIES: Mr. Lavelle recommended that the Commission award the Canal Log Boom Assembly Contract to Republic Iron Works, the lowest qualified bidder meeting all requirements of the solicitation. Commissioner Hoey disclosed that his employer assisted with the design of the Log Boom and that he would abstain from deliberations. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Griffin, it was voted 2-0 to award the contract per the recommendation of management. Commissioner Hoey abstained.

ELECTRIC DISTRIBUTION TRANSFORMERS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contracts for Electric Distribution Transformers to the lowest qualified bidder meeting requirements for each item as identified on the November 10, 2020 memorandum from Carl Peterson, Sr Electrical Engineer. 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.

WOOD POLES – PENTA TREATED – ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Penta Treated Wood Pole Annual Contract (HG&E No. 18-39 & NEPPA No. 18-42) with Koppers Utility and Industrial Products, Inc. under the same pricing and terms and conditions as the existing contract. He reminded the Commission that the contract was awarded on behalf of the Northeast Public Power Association as well as HG&E. 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.

WOOD POLES – CCA TREATED – ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the CCA Treated Wood Pole Annual Contract (HG&E No. 18-41 & NEPPA No. 18-42) with McFarland Cascade and Holdings, Inc. under the same pricing and terms and conditions as the existing contract. He reminded the Commission that those contracts are issued on behalf of the Northeast Public Power Association as well as HG&E. 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.

FIBER OPTIC INSTALLATION, SPLICING, TERMINATION & TESTING SERVICES

ANNUAL CONTRACT- EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Fiber Optic Installation, Splicing, Termination & Testing Services Annual Contract (No. 20-02) with Collins Electric Company subject to a 2% increase in labor rates with all other terms and conditions of the existing contract remaining the same. 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.

WASTE MANAGEMENT SERVICES CONTRACT- EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Waste Management Services Annual Contract (No. 17-46) with Republic Services Inc., subject to a 3% increase in rates and all other terms and conditions of the existing contract remaining the same. 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.

HIGH ACCURACY WATTHOUR METERS ANNUAL CONTRACT - EXTENSION: Mr.

Lavelle recommended that the Commission authorize a one year extension to the High Accuracy Watthour Meter Annual Contract (No. 18-32) with Schneider Electric, USA, with all rates and other terms and conditions of the existing contract remaining the same. 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.

OVERHEAD CRANES & HOISTS INSPECTIONS ANNUAL CONTRACT- EXTENSION:

Mr. Lavelle recommended that the Commission authorize a one year extension to the Overhead Cranes and Hoists Inspections Annual Contract (No. 18-32) with Mass Crane & Hoist Services, Inc., with all rates and other terms and conditions of the existing contract remaining the same. 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 CONSTRUCTION CONTRACTOR ANNUAL CONTRACT - EXTENSION: Mr. Lavelle

recommended that the Commission authorize a one year extension to the Gas Construction Contractor Annual Contract (No. 20-01) with Kudlic Brothers, Inc., subject to a 2% increase in all rates with all other terms and conditions of the existing contract remaining the same. 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 CONSTRUCTION CONTRACTOR ANNUAL CONTRACT – SECONDARY

CONTRACT EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Gas Construction Contractor Secondary Annual Contract (No. 20-04) with R.H. White Construction Co., Inc., subject to a 3% increase in all rates with all other terms and conditions of the existing contract remaining the same. Commissioner Hoey disclosed that his employer has performed work for R.H. White in the past and stated that he would abstain 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 authorize the contract extension per the recommendation of management. Commissioner Hoey abstained.

ELECTRIC METERS ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Electric Meters Annual Contract (No. 19-14) with AvCom, Inc., with all rates and other terms and conditions of the existing contract remaining the same. 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 ROTARY METERS ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Gas Rotary Meters Annual Contract (No. 18-40) with Powell Controls Inc., with all rates and other terms and conditions of the existing contract remaining the same. 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.

ROAD REPAIRS ANNUAL CONTRACT- EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Road Repairs Annual Contract (No. 18-37) with JSC Construction, LLC, subject to a 3% increase in all rates with all other terms and conditions of the existing contract remaining the same. 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.

GENERAL CONTRACT WORK ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the General Contract Work Annual Contract (No. 18-38) with JSC Construction, LLC, subject to a 3% increase in all rates with all other terms and conditions of the existing contract remaining the same. 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.

GENERAL LIABILITY INSURANCE – RENEWAL PREMIUM: Mr. Lavelle recommended that the Commission authorize the expenditure of \$37,706.06 for the renewal of the Department’s general liability insurance through the Massachusetts Municipal Self-Insurance Trust for coverage during 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.

CHECKPOINT HARDWARE & SOFTWARE SUPPORT: Mr. Lavelle recommended that the Commission authorize the expenditure of \$192,164 for the purchase of additional hardware and required software support for the Checkpoint security system. Mr. Lavelle stated that the existing Checkpoint system is working well and requires annual maintenance and support services. He further stated that two additional hardware modules are required to add fault tolerance to the system, by enabling locating equipment in two separate locations and splitting the traffic between two appliances. He stated that the system performs web content filtering, anti-virus and malware scanning, intrusion protection, secure mobile and VPN connections and threat monitoring and reporting for all internet traffic. 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.

HYDRAULIC STRUCTURES’ MAINTENANCE & REPAIRS ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Hydraulic Structures Maintenance and Repairs Annual Contract (No. 18-35) with Gardner Construction & Industrial Services, Inc., subject to a 0% to 1.7% increase in labor rates with all other terms and conditions of the existing contract remaining the same. 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.

SOFTWARE & PROGRAM SERVICES - GAS ASSET DATABASE SOFTWARE UPGRADE: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$40,000 for the upgrade of the Gas asset Database software from Oracle. He stated that the current database software was originally purchased in 1997 and is no longer supported by Oracle. He also stated that the recommended upgrade is Oracle Database Standard Edition 2, with a supplemental suite of additional tools that will enhance the asset database management process. 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:

11/13/20 – Draft Commission Meeting Minutes from 10/07/20

10/27/20 – JL/DD/Financial Statements, Balance Sheet September 2020

10/22/20 – JL/LR/Holiday Discount
11/06/20 – JL/KC/Sponsorship Request – International Volleyball Hall of Fame
11/25/20 – JL/BR/2021 Budget Year Gas Rate Schedule Modifications
11/25/20 – JL/BR/Purchased Gas Adjustment – Change in Embedded Fuel Contribution
11/25/20 – JL/BR/Gas Service Work Rates Adjustment – Phase II
10/14/20 – KJ/KO/Authorization to Bid – Lease of Copiers & Support Services
10/21/20 – BB/JP/Authorization to Bid – 80 Jackson Street Repaving Upper Yard Driveway
11/10/20 – JL/CW/Bid Recommendation – Purchase of Canal Log Boom Assemblies
11/10/20 – BB/CP/Bid Recommendation – Electric Distribution Transformers Annual Contract
10/27/20 – JL/CW/Recommendation – Extension of Wood Poles Annual Contract
10/13/20 – JL/CW/Recommendation – Ext of FO Inst., Splicing, Term. & Testing Services Annual Contract
10/13/20 – JL/CW/Recommendation – Extension of Waste Management Services Contract
10/13/20 – JL/CW/Recommendation – Extension of High Accuracy Watthour Meters Annual Contract
10/14/20 – JL/CW/Recommendation – Extension of Overhead Cranes & Hoists Inspections Annual Contract
10/23/20 – JL/CW/Recommendation – Extension of Gas Construction Contractor Annual Contract
10/22/20 – JL/CW/Recommendation – Extension of Electric Meters Annual Contract
10/22/20 – JL/CW/Recommendation – Gas Rotary Meters Annual Contract
10/30/20 – JL/CW/Recommendation – Extension of Road Repairs Annual Contract
11/02/20 – JL/CW/Recommendation – Extension of General Contract Work Annual Contract
11/03/20 – JL/BM/Purchasing Approval: General Liability Insurance – Mass. Municipal Self-Insurance Trust
11/10/20 – KJ/AJ/Purchasing Approval: Support Maintenance Renewal – Check Point Hardware & Software
11/24/20 – JL/CW/Extension Recommendation – Hydraulic Structures’ Maintenance & Repairs Annual Contract
11/27/20 – BR/MK/Purchasing Approval: Software & Program Services – Gas Asset Database Software Upgrade

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, December 22, 2020 at 5:00 P.M.

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted, on a roll call vote to enter into Executive Session to review and approve previous executive session minutes. Chairman Hoey stated that the Commission would not return to regular session.

ADJOURNMENT:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:25 PM.

HG&E Commission