

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
APRIL 10, 2018

A meeting of the Holyoke Gas and Electric Department was held on April 10, 2018 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard, Shannon, and Ducheny; Kirk Jonah, Brooke McMahon, Kate Sullivan, Jim Jackowski, Terry Sweeney and Attorney John Ferriter.

CALL TO ORDER:

Commissioner Griffin called the meeting to order at 5:00 PM.

MINUTES:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from March 20, 2018.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon presented the draft February financial statements and gave an update on the 2017 annual audit. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Shannon reported that wholesale natural gas procurements continue consistent with the hedging plan for the current 12-month procurement window. He also presented the April natural gas rate comparisons and noted that the Department is very competitive in all classes.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the April electric rate comparisons and noted that the Department remains very competitive in all rate classes. He also reviewed the April mark to market report for power supply and stated that all transactions are within policy limits. There was a brief discussion on the matter.

Mr. Beauregard reported that the Large Industrial –II electric rate expires at the end of June and stated that staff is working on developing a successor rate. He stated that staff would present a rate to the Commission for approval in the near future, and would then meet with any customers on that rate to review the changes. He then gave an update on ongoing solar and power supply projects. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard reported that planned preventive maintenance and capital projects are on schedule and he gave an update on the major component procurement and site preparation activities for the Holyoke 17L Substation replacement. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Lavelle reported that hydroelectric generation was approximately 5% ahead of plan for March, with a total of 27,855 MWh's generated from the HG&E hydro system. He also reported that the Spring canal shutdown was conducted from March 27th through March 29th and that no major maintenance issues were discovered. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave a brief update on commercial sales and ongoing projects. There was a brief discussion on the matter.

OLD BUSINESS:

HOLYOKE 17L SUBSTATION FINANCING: Mr. Lavelle reported that staff has fully analyzed the alternative 17L financing plan that was reported at the last meeting. He stated that, as a result of concerns related to financing the substation through the MMWEC Pooled Financing Program that the Commission previously approved, staff has identified a tax-exempt commercial loan solution that will be more cost-effective than the MMWEC program and will keep the project on schedule.

Ms. McMahon reported that she has worked with HG&E counsel, our outside auditors and PeoplesBank to identify a financing solution that is more cost effective than the MMWEC Pooled Financing Program indicative rate. She stated that the proposal is similar to the structure that the Department employed to construct the Mueller Road and Meadow Street solar projects by utilizing the Holyoke Solar Cooperative, which through an Agent Agreement with HG&E, would provide certain financial and project management services to keep the project on track. Ms. McMahon state that it would be preferable to finance through HG&E directly, but, due to the more streamlined debt issuance structure of the cooperative, that path provides much more certainty with respect to maintaining schedule and securing the most cost effective financing solution. She further stated that, consistent with the prior solar project financing, the Department would have to authorize both the assignment of the Agent Agreement to the bank and a pledge of revenues as collateral. She also stated that the recommended approach has been reviewed by department counsel and outside auditors and has been determined to be compliant with all applicable legal and financial requirements.

After a lengthy discussion on the matter and on a motion by Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted:

- (1) that the Holyoke Gas & Electric Department (HG&E) hereby authorizes entering into an Agent Agreement with the Holyoke Solar Cooperative for the financing and management of the 17L Substation and the assignment of the Agent Agreement between HG&E and the Holyoke Solar Cooperative to PeoplesBank for a borrowing by the Holyoke Solar Cooperative; and
- (2) that HG&E hereby authorizes a pledge of HG&E revenues to PeoplesBank as collateral for a loan by PeoplesBank to the Holyoke Solar Cooperative in the approximate amount of \$9,500,000.00 under substantially the terms presented to the meeting by the Manager; and
- (3) that the Manager is hereby authorized and directed to take any action and sign all documents deemed necessary or advisable to carry out the purposes of the borrowing and this vote; and

(4) that any actions previously taken by the Manager or HG&E which are consistent with the purposes of this vote are hereby ratified and confirmed.

NEW BUSINESS:

RESIDENTIAL ENERGY ASSISTANCE REQUEST – 47 MONTGOMERY AVENUE: Mr. Lavelle reported that the Department received a Residential Energy Assistance Request from the owners of 47 Montgomery Avenue, in the amount of \$10,000, for the installation of a new energy efficient gas-fired heating system. 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.

SPONSORSHIP REQUEST – HOLYOKE ROTARY CLUB - SUMMER CONCERT SERIES: Mr. Lavelle reported that the Department received a sponsorship request in the amount of \$2,500 from Holyoke Rotary to promote the 2018 summer concert series and he recommended that it be approved. 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.

BID AUTHORIZATIONS:

BOATLOCK NO. 2 & 3 INTAKE RACK & FEED GATE NO. 3 & 4 SUPPORT STRUCTURE: Mr. Lavelle requested authorization to solicit bids for the replacement of the Boatlock No.2 & 3 Intake Rack and the replacement of the support structure for Canal Feed Gate No. 3 & 4. 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. Commissioner Hoey disclosed that his employer submitted a proposal for the subject work and he abstained from deliberating and voting on the matter.

BIDS RECEIVED:

2018 VEHICLE REPLACEMENTS: Mr. Lavelle recommended that the Commission award the contract for the 2018 Vehicle Replacements to Marcotte Ford, the lowest responsible and eligible bidder meeting all requirements of 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.

2018 UTILITY LINE MATERIAL: Mr. Lavelle recommended that the Commission award the contracts for Utility Line Material to the lowest qualified and eligible bidder for each item as described in the April 4, 2018 memorandum from Abigail Alers. He stated that there are five items on the bid list for which there is no award recommendation, as the proposed items either did not meet specifications or could be procured more competitively through a separate solicitation. 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.

TESTING & COMMISSIONING SERVICES – HOLYOKE 17L SUBSTATION: Mr. Lavelle requested authorization for the expenditure of up to \$149,000 for engineering services from United Power Group, Inc. (UPG) required to support the 17L Substation Replacement Project. He stated that

UPG has supported the Department on recent substation projects and has provided valuable services. 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.

PURCHASING APPROVAL: PROFESSIONAL SOFTWARE SERVICES –SPRYPOINT: Mr. Lavelle requested authorization for the expenditure of up to \$32,500 for the purchase of cloud-based software services and support from SpryPoint. He stated that the services include: establishing the capability for customers to sign up for services, or change services, online; providing for streamlined online forms for customer use; and providing a CRM platform for customer information that can interface with the NaviLine system. Commissioner Griffin questioned how the recommended software would interface with the NaviLine system, and if staff had interviewed any other utilities that were using the proposed setup. There was a lengthy discussion on the matter. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

PURCHASING APPROVAL: LARGE FORMAT PRINTER & SCANNER SYSTEM: Mr. Lavelle requested authorization for the expenditure of up to \$30,180 for the lifetime cost of a five (5) year lease of a large format printer and scanner system for Electric Operations. He stated that staff has identified a printer with the required capabilities that will cost approximately 60% less than the existing printer contract. 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:

- 04/06/18 – Draft Commission Meeting Minutes from 03/20/18
- 04/05/18 – JL/JZ/Electric Rate Comparisons – April 2018
- 04/06/18 – JL/DD/Financial Statements, Balance Sheet February 2018
- 04/04/18 – COMM/BM/17L Substation Financing & Agent Agreement with Holyoke Solar Coop
- 04/04/18 – JL/JJ/Residential Assistance – 47 Montgomery Avenue
- 03/21/18 – JL/KS/Sponsorship Request – Holyoke Rotary Club
- 04/01/18 – PD/SR/Authorization to Bid – Boatlock No. 2 & No. 3 Intake Rack & Feed Gate No. 3 & 4 Support Structure
- 04/05/18 – JL/YD/Bid Recommendation – 2018 Vehicle Replacements
- 04/04/18 – BB/AA/Bid Recommendation – 2018 Utility Line Material
- 04/04/18 – BB/DV/Proposal Recommendation – Testing & Commissioning Services at Holyoke 17L Sub
- 04/05/18 – JL/KS/Purchasing Approval: Smart Forms & Customer Relationship Management System
- 04/05/18 – BB/EL/Purchasing Approval: CBS Large Format Printer & Scanner System

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, May 1, 2018 at 5:00 P.M.

ADJOURNMENT:

On a motion from Commissioner Sutter, seconded by Commissioner Griffin, it was unanimously voted to adjourn the Meeting at 5:53PM.


NG&E Commission