

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
DECEMBER 10, 2019

A meeting of the Holyoke Gas and Electric Department was held on December 10, 2019 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard and Duchenev; Acting Gas Superintendent Brian Roy; Brooke McMahon, and Terry Sweeney.

CALL TO ORDER:

Commissioner Hoey 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 November 19, 2019.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

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

DIVISION REPORTS:

GAS DIVISION

Mr. Roy reported that wholesale natural gas procurements continue generally consistent with the hedging plan for the current 12-month procurement window. He reviewed the December natural gas rate comparisons and reported that the Department is competitive in all rate classes. Mr. Roy then reported on the status of bare steel and cast iron replacements. He then gave an update on planned gas distribution maintenance and capital projects for the current year.

Mr. Roy then reported that the Massachusetts Department of Public Utilities (DPU) conducted an audit of HG&E's distribution operations, including cathodic protection systems. He stated that a report on the audit should be forthcoming early in the New Year. He also reported that the DPU audit of the LNG operations has not yet been completed. Mr. Roy then gave an update on the natural gas moratorium and stated the Department has received 28 requests for new services and 48 requests for service upgrades that have been denied due to lack of capacity. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the December electric rate comparisons and noted that the Department is very competitive in all rate classes. He then reviewed the December mark-to-market report and stated that all contracts are within policy limits and that there are no red flags with current counter-parties. He then gave a brief update on load reduction activities through November and stated that staff continues the process of negotiating terms and conditions for an additional battery storage project. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard gave an update on various ongoing capital and maintenance projects and reported that all major projects are on schedule to be completed as planned. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Ducheney gave a brief report on hydro production activities. He stated that year-to-date hydroelectric production is slightly ahead of plan, and that scheduled maintenance activities are also on plan. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on sales and ongoing projects. He also gave an update on efforts to respond to the recent ballot question regarding Fiber-to-the-Home (FTTH). He stated that staff continues to evaluate the feasibility of a gradual build-out of a high-speed network for the residential sector. Commissioner Griffin stated that staff should obtain survey data regarding community interest for the service to determine if a FTTH initiative could be successful. Commissioner Hoey agreed that staff was more than capable of building a quality network and stated that the project must be economically viable in order to protect HG&E gas and electric customers from any rate hikes that would be required to support such an initiative if there is not sufficient community support for FTTH services. There was a lengthy discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

SPONSORSHIP REQUEST – HISPANIC FAMILY FESTIVAL: Mr. Lavelle reported that the Department received a sponsorship request from the organizers of the Hispanic Family Festival and recommended that it be approved at the same level that the Department has sponsored for the past several years. 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.

COMMERCIAL ENERGY ASSISTANCE REQUEST- WRIGHTS BLOCK, LLC: Mr. Lavelle reported that the Department received a commercial energy assistance request, in the amount of \$20,000, from the owners of 106-120 High Street for the installation of an energy efficient mini-split heating and cooling systems and he recommended that it be approved. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the assistance as requested.

BIDS RECEIVED:

ELECTRIC LINE CONTRACTORS ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize the second one year extension term of Primary Contract No. 17-44 with Asplundh Construction, LLC through December 31, 2020 with a 3% increase on labor rates (except for Driver Groundman rate which was erroneously reduced last year to a Groundman rate thus the proposed increase will bring it to the going rate for the Driver Groundman classification) and increases to equipment rates according to the December 4, 2019 memorandum from Purchasing Coordinator, Yocelyn Delgado.

He further recommended that the Commission approve the extension of the two secondary contracts, consistent with the request for bids for those contracts, with McPhee Electric Ltd. and James S. Sullivan Cable Co., Inc. at increases of 5% across the board for labor and equipment categories. He stated that applicable prevailing wage rates have increased between 3% - 6% over the past year and the requested adjustments have been reviewed and are deemed reasonable. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the extension to the contracts per the recommendation of management.

GENERAL CONTRACT WORK ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the annual contract for General Contract Work with JSC Construction, LLC, with a 3% increase in labor and equipment rates and consistent with other terms and conditions in 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 extension to the contract per the recommendation of management.

ROAD REPAIRS ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the annual contract for Road Repairs with JSC Construction, LLC, with a 3% increase in labor and equipment rates and consistent with other terms and conditions in 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 extension to the contract per the recommendation of management.

PURCHASING APPROVAL: ENGINEERING SERVICES – NERC COMPLIANCE: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$52,800 for two years of engineering consulting services from Utility Services, Inc. to provide ongoing consulting services required to ensure compliance with North American Electric Reliability Corporation (NERC) requirements. 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 SERVICES – 2019 FINANCIAL AUDIT: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$96,200 for audit services from Baker Tilly Virchow Krause, LLP to complete the 2018 annual financial audit services required for HG&E, Holyoke Solar Cooperative and The Massachusetts Clean Energy Cooperative. 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: ENGINEERING SERVICES – MGP SITE REVIEW: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$11,825 for engineering services to review the Department's current site remediation plans to determine if there might be a more cost effective approach to managing the project. 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.

GAS CONSTRUCTION CONTRACTOR – TEMPORARY EXTENSION: Mr. Lavelle recommended that the Commission authorize a temporary extension, through February 15, 2020, to the annual contract for Gas Construction work with Kudlic Bros., Inc, consistent with the existing terms, conditions, and pricing in the existing contract. He stated that the extension is consistent with the terms in the existing contract allowing for an extension and is required to allow needed time to assemble bid documents for bidding the new contract. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the extension to the contract per the recommendation of management.

DIAPHRAGM GAS METERS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission reject the one bid received for Diaphragm Gas Meters as it was not responsive to the request for bids. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to reject the bid per the recommendation of management.

PURCHASING APPROVAL: UTILITY OPERATIONS NETWORK PHASE 2 UPGRADE: _Mr.

Lavelle requested that the Commission authorize the expenditure of up to \$239,822 for network equipment and support required to complete the planned second phase of the utility operations network upgrade. He stated that the network serves critical operations including: SCADA monitoring and control; centralized data compute, storage and processing; Internet access; wireless metering infrastructure; unified telephone system; video surveillance; security access and control; and cyber security aggregation and control. 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:

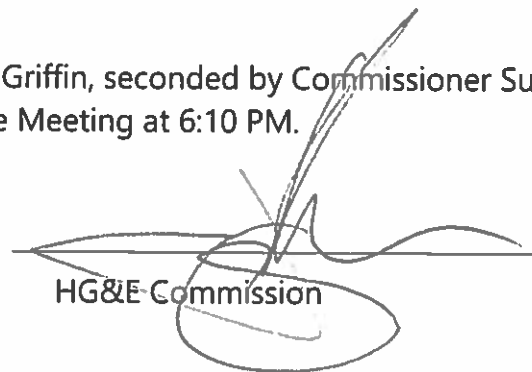
- 12/06/19 – Draft Commission Meeting Minutes from 11/19/19
- 11/25/19 – JL/DD/Financial Statements, Balance Sheet October 2019
- 11/20/19 – JL/KS/Sponsorship Request – Hispanic Family Festival
- 12/02/19 – JL/LR/Commercial Energy Assistance Request – Wrights Block, LLC
- 12/04/19 – JL/YD/Recommendation – Extension of Electric Line Contractors Annual Contract
- 12/04/19 – JL/YD/Recommendation – Extension of General Contract Work Annual Contract
- 12/05/19 – JL/YD/Recommendation – Extension of Road Repairs Annual Contract
- 12/03/19 – BB/SD/Purchasing Approval: NERC Compliance – Services Agreement
- 12/03/19 – JL/BM/Purchasing Approval: 2019 Financial Statement Audit
- 12/04/19 – JL/BR/Purchasing Approval: Third Party Review of Remediation Actions - Old Gas Works MGP Site
- 12/05/19 – JL/YD/Recommendation – Gas Construction Contractor Annual Contract – Extension
- 12/05/19 – BR/RL/Bid Recommendation – Diaphragm Gas Meters Annual Contract
- 12/09/19 – JB/KJ/Purchasing Approval: Utility Operations Network Phase 2 Upgrade

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, January 7, 2020 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 6:10 PM.



HG&E Commission