

**MINUTES OF GAS & ELECTRIC COMMISSION MEETING**  
**REGULAR SESSION**  
**FEBRUARY 16, 2017**

A meeting of the Holyoke Gas and Electric Department was held on February 16, 2017 at 5:03 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard and Ducheney; Kirk Jonah, and Brian Richards.

**CALL TO ORDER:** Commissioner Hoey called the meeting to order at 5:03 P.M.

**MINUTES:**

On a motion from Commissioner Griffin, seconded by Commissioner Hoey, it was unanimously voted to approve the minutes from January 25, 2017.

**REPORTS & RECOMMENDATIONS OF MANAGER:**

**Financial Report:**

Mr. Richards reviewed the draft December financial statements and reported that the auditors were on site this week working on the year-end statements. Commissioner Hoey questioned how certain capital asset adjustments impacted the income statement and Mr. Richards provided an explanation. Commissioner Hoey suggested that Staff review the Department Capitalization policy and make any recommendations for changes to help avoid future reclassification of asset depreciation schedules. Staff agreed.

Mr. Lavelle reported that negotiations have begun with the Holyoke Municipal Gas Light & Power Guild on a successor collective bargaining agreement. He stated that the current contract expires March 31, 2017.

**DIVISION REPORTS:**

**GAS DIVISION**

Mr. Lavelle reported that wholesale natural gas procurements continue consistent with the hedging plan for the current 12-month procurement window. He also reviewed the February rate comparisons and noted that gas rates are competitive in all classes. There was a brief discussion on the matter.

**ELECTRIC DIVISION**

**Power Supply:**

Mr. Beauregard reviewed the February electric rate comparisons and noted that HG&E's electric rates remain competitive in all classes. He also reviewed the February mark-to-market report and noted that contracts were in full compliance with the Risk Management Policy. There was a brief discussion on the matter.

Mr. Beauregard gave an update on various distributed generation and energy storage initiatives, including several solar projects that are either being proposed or are under construction by various solar developers. There was a brief discussion on the matter.

Mr. Beauregard reported that the recent forward capacity auction (FCA 11), which sets capacity prices for capacity year 2021, cleared at \$5.20/kW-mo and that the Peabody Peaking Plant did not clear the auction. There was a brief discussion on the matter.

### **TRANSMISSION & DISTRIBUTION**

Mr. Beauregard reported that design and planning for the Holyoke 17L Substation is progressing. He stated that staff submitted an application to ISO-NE for certification as a Qualified Transmission Project Sponsor (QTPS), as required by ISO-NE through the Open Access Transmission Tariff (OATT). He further reported that staff continues efforts to get the project on the agenda for the March ISO-NE Planning Advisory Committee (PAC) meeting for review. He also gave an update on the Department's Advanced Metering Infrastructure (AMI) project. There was a brief discussion on the matter.

### **ELECTRIC PRODUCTION**

Mr. Duchenev reported that hydro production is on plan for the month, but that recent icing has limited generation to a degree. He also stated that the visitor center building construction is underway and that the project is scheduled to be completed by June 2017. 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:** None

### **NEW BUSINESS:**

**SPONSORSHIP REQUEST – HOLYOKE ROTARY CLUB INC:** Mr. Lavelle reported that the Department received a sponsorship request from the Holyoke Rotary Club requesting that the Department once again serve as the main sponsor for the summer concert series at the same level as last year. After a brief discussion, and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the sponsorship as requested per the recommendation of management.

### **BID AUTHORIZATIONS:**

**CITY HYDRO #2 GENERATOR REFURBISHMENT:** Mr. Lavelle requested authorization to solicit bids for the refurbishment of City Hydro Unit #2. He reported that the unit was installed in 1938 and has not undergone significant improvements to date. He stated that the planned scope of work includes weld repair and refurbishment of the existing fixed-blade runner, rehabbing of the upper and lower generator guide bearings and thrust bearing, rewinding of the generator and exciter, and replacement of various bushings on the unit. 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:**

**OVERHEAD CRANES & HOISTS INSPECTIONS ANNUAL CONTRACT:** Mr. Lavelle recommended that the Commission award the contract for Overhead Cranes and Hoists Inspections to Mass Crane & Hoists Services, Inc., the lowest responsible and eligible bidder. 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.

**HYDRAULIC TURBINE MECHANICAL MAINTENANCE & REPAIRS ANNUAL CONTRACT:** Mr. Lavelle recommended that the Commission award the contract for Hydraulic Turbine Mechanical Maintenance and Repairs to O'Connor Corporation, the lowest responsible and eligible bidder. 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.

**ADVANCED METERING INFRASTRUCTURE:** Mr. Lavelle recommended that the Commission award the contract for Advanced Metering Infrastructure to Itron, Inc., the lowest responsible and eligible bidder. 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.

**ELECTRICAL PREVENTATIVE MAINTENANCE TESTING ANNUAL CONTRACT EXTENSION:** Mr. Lavelle recommended that the Commission authorize a one year extension to the existing annual contracts for Electrical Preventative Maintenance Testing with USNE, Inc., Consulting Engineers Group (CEG), Ind., and Osmose Utility Services, Inc. He stated that USNE and CEG have proposed no increases in rates, while Osmose has proposed a 3% increase in labor rates, which is still lower than other bids received for those services last year. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extensions and modifications per the recommendation of management.

## **COMMUNICATIONS:**

02/10/17 – Draft Commission Meeting Minutes from 01/25/17  
02/10/17 – JL/DD/Financial Statements, Balance Sheet December 2016  
02/14/17 – JL/JJ/Sponsorship Request – Holyoke Rotary Club, Inc.  
01/30/17 – PS/SR/Authorization to Bid – City Hydro #2 Generator Refurbishment  
02/08/17 – JL/YD/Bid Recommendation – Overhead Cranes & Hoists Inspections Annual Contract  
02/08/17 – JL/YD/Bid Recommendation – Hydraulic Turbine Mechanical Maintenance & Repairs Annual Contract  
02/08/17 – BB/RL/Bid Recommendation – Advanced Metering Infrastructure  
02/08/17 – JL/YD/Bid Recommendation – Extension of Electrical Preventative Maintenance Testing Services

## **NEXT MEETING DATE:**

It was agreed that the next Commission meeting would take place on Thursday, March 9, 2017 at 5:00 PM.

**ADJOURNMENT:**

On a motion from Commissioner Griffin, seconded by Commissioner Hoey, it was unanimously voted to adjourn the Meeting at 5:59 P.M.



HG&E Commission