

**MINUTES OF GAS & ELECTRIC COMMISSION MEETING**  
**REGULAR SESSION**  
**JANUARY 4, 2017**

A meeting of the Holyoke Gas and Electric Department was held on January 4, 2017 at 5:04 PM in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendent Duchenev; Kirk Jonah, and Jim Jackowski.

**CALL TO ORDER:** Commissioner Hoey called the meeting to order at 5:04 PM.

**MINUTES:**

On a motion from Commissioner Griffin, seconded by Commissioner Hoey, it was unanimously voted to approve the minutes from December 7, 2016.

**REPORTS & RECOMMENDATIONS OF MANAGER:**

**Financial Report:**

Mr. Richards reviewed the draft November financial statements. He also reported that the auditors have begun their field work related to the 2016 audit. There was a brief discussion on the matter.

**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 and that the Department has secured 85% of required winter natural gas.

He further reported that volatility continues with wholesale natural gas prices. He stated that prices retreated over the past few days after a significant run-up that followed last week's storage withdrawal of 237 Bcf, which was the largest weekly withdrawal in 20 years. He indicated that storage is currently 413 Bcf below last year and 79 Bcf below the five year average.

Mr. Lavelle reviewed the current winter gas rate comparisons and noted that the Department is competitive in all rate classes. Mr. Lavelle also reported that the DPU recently conducted an audit for compliance related to testing of cathodic protection stations. He stated that the audit is supposed to be a 5-year look back on records. He also stated that the Department has been compliant over the past five years, but records did indicate a gap in testing for the 2007 period. He further reported that staff has forwarded information to the DPU explaining the subject gap. There was a brief discussion on the matter.

Mr. Lavelle reported that staff continues to review efforts to increase available pipeline capacity and improve path diversity. He indicated that discussions with area distribution companies are ongoing. There was a brief discussion on the matter.

## **ELECTRIC DIVISION**

### **Power Supply:**

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

### **TRANSMISSION & DISTRIBUTION**

Mr. Lavelle reported that design and planning for the Holyoke 17L Substation is progressing. He stated that the near-term milestones include submitting an application to be certified as a Qualified Transmission Project Sponsor (QTPS), as required by ISO-NE through the OATT. He further reported that staff is working to get the substation plan on the February ISO-NE Planning Advisory Committee (PAC) meeting for review. There was a brief discussion on the matter.

Mr. Lavelle also reported that all planned preventive maintenance activities for transmission and distribution assets were completed as planned by the end of 2016. There was a brief discussion on the matter.

### **ELECTRIC PRODUCTION**

Mr. Duchenev reported that river flows have increased recently but production remains below plan due to the lack of water year to date. He stated that the visitor center building construction is underway and that the project is scheduled to be completed by June 2017. He also reported that staff continues to work on the renewal of the Low Impact Hydro Institute (LIHI) certification for the FERC Project 2004, and that an extension of the current certification, through June 2017 has been received. 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:**

### **COMMERCIAL ENERGY ASSISTANCE REQUEST – FOLEY PROPERTY MANAGEMENT**

**CORP:** Mr. Lavelle recommended that the Commission approve a Commercial Energy Assistance Request for the owners of 1913 Northampton Street, in the amount of \$30,000, for the installation of new energy efficient boiler. Commissioner Hoey disclosed that his employer provided engineering services for the customer several years ago. Attorney Ferriter advised Commissioner Hoey that the matter did not rise to the level of a conflict of interest. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the assistance per the recommendation of management.

**BID AUTHORIZATIONS:** None

**BIDS RECEIVED:**

**OVERHEAD CRANES & HOISTS INSPECTIONS ANNUAL CONTRACT:** Mr. Lavelle recommended that the Commission reject all bids for Overhead Cranes and Hoists Inspections Annual Contract and authorize a re-bid. He stated that only two bids were received and one bid was not compliant with the specification. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to reject the bids per the recommendation of management and authorize a re-bid for the contract.

**FIBER OPTIC INSTALLATION, SPLICING, TERMINATING & TESTING ANNUAL CONTRACT-EXTENSION:** Mr. Lavelle recommended that the Commission authorize a one-year extension to the Fiber Optic Installation, Splicing, Terminating and Testing Services Primary and Secondary Annual Contracts with Ockers Company and Collins Electric, respectively, consistent with the contract extension provision in the applicable Invitation for Bid. He stated that Ockers has agreed to a 4% increase in labor and material rates, and Collins has agreed to a 2% increase in labor and material rates for the extension period. He further commented that Ockers is still the low bidder with the 4% increase. 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.

**WOOD POLES ANNUAL CONTRACT:** Mr. Lavelle recommended that the Commission award the contract for Wood Poles, on behalf of HG&E and Northeast Public Power Association (NEPPA) member utilities, to Cox Industries the lowest qualified 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 bid per the recommendation of management.

**COMMUNICATIONS:**

- 12/29/16 – Draft Commission Meeting Minutes from 12/07/16
- 12/28/16 – JL/DD/Financial Statements, Balance Sheet November 2016
- 12/29/16 – JL/JJ/Commercial Assistance – Foley Property Management Corp.
- 12/23/16 – JL/YD/Bid Recommendation – Overhead Cranes & Hoists Inspections Annual Contract
- 12/23/16 – JL/YD/Recommendation – Extension of Fiber Optic Installation, Splicing, Terminating & Testing Services Annual Contract
- 12/30/16 – BB/LE/Bid Recommendation – Wood Poles

**NEXT MEETING DATE:**

It was agreed that the next Commission meeting would take place on Wednesday, January 25, 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 5:44 PM.



HG&E Commission