

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
JANUARY 8, 2019

A meeting of the Holyoke Gas and Electric Department was held on January 8, 2019 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendent Beauregard; Acting Gas Superintendent Brian Roy, Kirk Jonah, Brooke McMahon, Kate Sullivan, Jim Jackowski, Terry Sweeney and Attorney John Ferriter.

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 December 11, 2018.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft November financial statements and gave an update on the status of the 2018 financial audit and exit interview with Baker Tilley. There was a brief discussion on the matter.

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 also reviewed the January natural gas rate comparisons and noted that HG&E natural gas rates remain competitive in all classes. There was a brief discussion on the matter.

Mr. Roy then reported that, due to local and regional pipeline capacity constraints, the Department has put a hold on any new natural gas connection requests. He stated that certain commercial/industrial requests may be accommodated depending on the specific load profile and the ability for those customers to utilize dual fuel, on the Department's interruptible rate, during peak periods. Mr. Roy reported that the Holyoke system load has grown significantly over the past several years, with no new capacity being added during that time. He stated that during peak cold periods, the current system load is at the capacity of the combined pipeline gas and LNG production facility, and that adding new load during these periods would present system reliability concerns. He stated that the proposed interconnection with Columbia Gas (CMA) would help alleviate these concerns and allow the Department to add new heating load to the system. He further stated that CMA was still working to obtain approvals for improvements to their distribution system, which would ultimately facilitate the interconnection with HG&E. He reported that if CMA obtains required approvals in 2019, the interconnection with HG&E could be completed by 2021. There was a brief discussion on the matter.

Mr. Roy also gave an update on the statewide review of natural gas distribution systems being conducted by Dynamic Risk Assessment Systems, Inc., the consultant hired by the Commonwealth of Massachusetts. He reported that Dynamic Risk submitted a data request to HG&E regarding all aspects of HG&E's distribution system and the management practices. He stated that staff has compiled all requested documents and developed initial drafts of certain risk management policies to include with the submittal. He stated that HG&E's response will be submitted by January 9th, the due date established by Dynamic Risk. He further stated that HG&E personnel will meet with the Dynamic Risk team at the end of the month to discuss the material submitted and to answer any questions of the panel. Commissioner Hoey inquired about certain incident reports that were listed on the submittal and an explanation of each was provided by Mr. Roy. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the January electric rate comparisons and noted that the Department remains very competitive in all rate classes. He also reviewed the January mark to market report for power supply and stated that all transactions are within policy limits. He then reported that the YMCA rooftop solar project was energized in December and he gave an update on load reduction and energy storage project performance. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard reported that 1100 AMI 2-way RF mesh network meters were installed during 2018, mostly at commercial and industrial locations with 3-phase services, but also in some areas that were not reachable with the old AMR technology. He stated that the data from these AMI meters is now connected to and flowing through HG&E's in-house outage management system (OMS), giving required personnel access to outage information related to these meters. There was a brief discussion on the matter.

Mr. Beauregard gave an update on the Holyoke 17L Substation construction and noted that the project is on schedule with the first transformer planned to go on line by mid-March and the new 20 MVA connection to the MGHPCC scheduled to be completed by that date as well. He also reported that major planned maintenance and capital projects were completed by year-end according to plan. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Lavelle reported that river flows continue to be favorable for hydro production and that the Department was able to achieve the annual production target of 240,000 MWH of generation during the last week of the year. He further reported that generation would be curtailed for part of the day on January 9th to facilitate repairs to the log boom. 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.

Marketing and Communications:

Ms. Sullivan reported that, due to required transmission line maintenance at Ashley Reservoir that would block portions of the walking path for approximately four weeks, communications were posted at the reservoir entrances to notify the general public of the activity. She stated that notice was also put on the City's public access channel. She also reported that staff is working to develop materials for the website and newsletter to notify residents of the current natural gas capacity situation and the "hold" on new applications for service. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

RESIDENTIAL ENERGY CONSERVATION REQUEST – 48-50 FLORENCE AVENUE: Mr. Lavelle reported that the Department received a residential energy conservation request from the owners of 48-50 Florence Avenue, in the amount of \$8,525, for the installation of a new energy efficient gas-fired heating system. After a brief discussion and on a motion from Commissioner Griffin, it was unanimously voted to approve the request per the recommendation of management.

SPONSORSHIP REQUEST – GREATER HOLYOKE YMCA: Mr. Lavelle reported that the Department received a sponsorship request in the amount of \$1,500 from the Greater Holyoke YMCA for their annual Sneaker Peek event. He stated that the request is at the same level that the Department has supported the event 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 sponsorship.

BID AUTHORIZATIONS:

INSTALLATION OF CONCRETE PLUGS AT NONOTUCK & ALBION: Mr. Lavelle requested authorization to solicit bids for the installation of penstock plugs at the Albion A & D and the Nonotuck hydro facilities. He stated that the units were recently retired and the FERC License surrender order requires that the unit headgates be plugged. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the bid.

BIDS RECEIVED:

PURCHASE APPROVAL – GAS METERS: Mr. Lavelle requested authorization to purchase four hundred natural gas meters, for the 2019 annual meter replacement program, from Honeywell, for a price of \$49,512. He stated that Honeywell was the lowest 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 authorize the expenditure per the recommendation of management.

PURCHASE APPROVAL – 2019 INSURANCE RENEWALS: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$107,794.73 for the renewal of the Department's various Liability Insurance coverages through the Public Utilities Mutual Insurance Company (PUMIC) and the Public Utilities Risk Management Association (PURMA). 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.

PURCHASE APPROVAL – PRIMARY METERING CABINETS: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$48,966 for the purchase of two Primary Metering Cabinets from Federal Pacific (c/o Power Sales Group) required for a new customer installation. He stated that Federal Pacific was the low 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 authorize the expenditure per the recommendation of management.

COMMUNICATIONS:

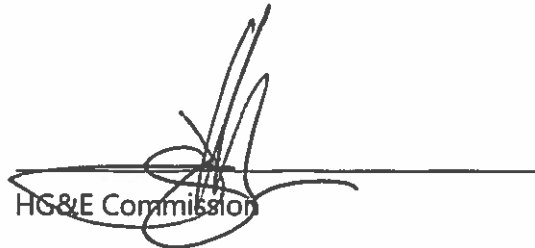
01/04/19 – Draft Commission Meeting Minutes from 12/11/18
12/27/18 – JL/DD/Financial Statements, Balance Sheet November 2018
12/27/18 – JL/JJ/Residential Energy Assistance Request – 48-50 Florence Avenue
12/28/18 – JL/JJ/Sponsorship Request – Greater Holyoke YMCA
12/13/18 – PD/RM/Authorization to Bid – Installation of Concrete Plugs at Nonotuck & Albion
12/31/18 – BB/RL/Purchasing Approval: Gas Meters
01/03/19 – JL/BM/Purchasing Approval: 2019 Insurance Policies Renewals
12/31/18 – BB/RL/Purchasing Approval: 15kV Fused Primary Metering Cabinets

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, February 5, 2019 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 5:52 PM.


HG&E Commission