

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
JUNE 15, 2017

A meeting of the Holyoke Gas and Electric Department was held on June 15, 2017 at 5:05 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard, Ducheny and Shannon; Brian Richards, Kate Sullivan and Brooke McMahon.

CALL TO ORDER: Commissioner Hoey called the meeting to order at 5:05 P.M.

MINUTES:

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

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Mr. Richards reviewed the draft April financial statements. Mr. Richards also reported that the final 2016 financial audit report from Baker Tilly has been received. There was a brief discussion on the matter.

Chairman Hoey asked if there was any progress on discussions with DCR regarding the 270-acre Mt. Tom property. Mr. Lavelle stated that he met with DCR Commissioner Roy and that it was mutually agreed that DCR would not purchase the property, and that HG&E would apply a restrictive covenant to the property as outlined in the Development Agreement. Mr. Lavelle also reported that the RFP for the H.H. Richardson Train Station was issued and that bids are due July 7th. 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 June natural gas rate comparisons and noted that the Department is very competitive in all classes. He then gave an update on the proposed agreement with Columbia Gas of Massachusetts for distribution system modifications and gas exchange. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the June electric rate comparisons and noted that the Department remains very competitive in all rate classes. He also reviewed the June 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 then gave an update on various power supply and energy storage activities. He reported that staff submitted an application to the Massachusetts Clean Energy Center's (MCEC) in response to their Advancing Commonwealth Energy Storage (ACES) grant opportunity. He stated that the grant application includes a 1 MW storage system from UET. He also gave an update on the proposed battery storage project by Engie at the Mt. Tom coal plant site. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard gave an update on the design and planning activities for the Holyoke 17L Substation, and reported that two bid authorizations for related work are later on the meeting agenda. He stated that the current plan is to complete design and permitting in 2017, with construction beginning in 2018 and project completion scheduled in 2019. He also reported that planned maintenance activities are progressing on schedule. There was a brief discussion on the matter.

Demand Management:

Mr. Beauregard gave a brief update on demand management activities and stated that June 13th is likely the peak day for the month and that the Department's resources were successfully operated to manage peak demand. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Duchenev reported that hydro production is on slightly above plan for the month and year-to-date. He noted that the Fishway has been open to the public and operations have gone well to date. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Lavelle gave a brief update on commercial sales and ongoing projects. He further reported that staff presented the Department's Network Operator proposal to the Massachusetts Broadband Institute on Tuesday and is waiting to hear from MBI regarding next steps. There was a discussion on the scope of the network operator role and the impact on staff and resources should the Department assume that role.

OLD BUSINESS: None

NEW BUSINESS:

COMMERCIAL ENERGY ASSISTANCE REQUEST – BENZ HOLDINGS, LLC: Mr. Lavelle reported that the Department received a commercial energy assistance request from the owners of 5 Appleton Street, in the amount of \$195,000, for the installation of 104 new energy efficient windows at the property. He recommended that any assistance be contingent upon the owners signing a standard commercial service application and bringing the electrical service at the property up to code, and providing a signed lease agreement for the property. There was a lengthy discussion about how to best support the economic development project without exposing the ratepayers to undue risk. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the assistance in the amount of \$126,077 subject to the property owner signing the standard commercial service application form, bringing the building electric service up to code, and further that the funds would be issued in phases, in values determined by the Department, to ensure that improvements were being made to the property.

BID AUTHORIZATIONS:

TWO REEL CABLE TRAILER: Mr. Lavelle requested authorization to solicit bids for a Two Reel Cable Trailer to replace an existing unit that was purchased in 1970 and is beyond its useful life. 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.

CONTRACTS FOR HOLYOKE 17L SUBSTATION REPLACEMENT: Mr. Lavelle requested authorization to solicit bids for various equipment and labor contracts associated with the Holyoke 17L Substation replacement. He stated that the individual bids are more specifically defined in the June 8, 2017 memorandum from Sean Dugre. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the bids per the recommendation of management.

BIDS RECEIVED:

ELECTRICAL SERVICES ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Electrical Services to Clark & Falcetti, Inc., 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 award the bid per the recommendation of management.

POWER PIPING SYSTEMS & HVAC MAINTENANCE, INSTALLATIONS & REPAIRS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Power Piping Systems & HVAC Maintenance, Installations & Repairs to Harry Grodsky & Co, Inc., the low and only 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 bid per the recommendation of management.

PURCHASING APPROVAL: CONSULTING SERVICES FOR NERC CIP MEDIUM IMPACT COMPLIANCE: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$104,860 for consulting services for NERC CIP Medium Impact Compliance from Utility Services, Inc. He stated that the work is required to comply with new NERC regulations. 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:

06/09/17 – Draft Commission Meeting Minutes from 05/25/17

05/26/17 – JL/DD/Financial Statements, Balance Sheet April 2017

06/15/17 – JL/JJ/CEAP-Benz Holdings, LLC – 5 Appleton Street – Request - \$195,000

05/24/17 – BB/MC/Authorization to Bid – Two Reel Cable Trailer

06/08/17 – BB/SD/Authorization to Bid – Contracts for Holyoke 17L Sub Replacement

06/07/17 – JL/YD/Bid Recommendation – Electrical Services Annual Contract

06/07/17 – JL/YD/Bid Recommendation – Power Piping Systems & HVAC Maintenance, Installations & Repairs Annual Contract

05/30/17 – BB/SD/Purchasing Approval: Consulting Services for NERC CIP Medium Impact Compliance

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Thursday, July 13, 2017 at 5:00 PM.

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