

**MINUTES OF GAS & ELECTRIC COMMISSION MEETING**  
**REGULAR SESSION**  
**MARCH 20, 2018**

A meeting of the Holyoke Gas and Electric Department was held on March 20, 2018 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard, Shannon, and Ducheny; Kirk Jonah, Brooke McMahon, Kate Sullivan, Jim Jackowski, Terry Sweeney and Attorney John Ferriter.

**CALL TO ORDER:**

Commissioner Griffin 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 February 27, 2018.

**REPORTS & RECOMMENDATIONS OF MANAGER:**

**Financial Report:**

Ms. McMahon presented the draft January financial statements and gave an update on the 2017 annual audit. 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 March natural gas rate comparisons and noted that the Department is very competitive in all classes.

**ELECTRIC DIVISION**

**Power Supply:**

Mr. Beauregard reviewed the March electric rate comparisons and noted that the Department remains very competitive in all rate classes. He also reviewed the 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 gave an update on ongoing solar and power supply projects. There was a brief discussion on the matter.

**TRANSMISSION & DISTRIBUTION**

Mr. Beauregard reported that planned preventive maintenance and capital projects are on schedule and he gave an update on the major component procurement activities for the Holyoke 17L Substation major components. There was a brief discussion on the matter.

## **ELECTRIC PRODUCTION**

Mr. Duchenev gave an update on hydro production and maintenance activities. He also reported that staff is preparing for the canal shutdown activities which are planned to start March 24th and run through March 29th. 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:**

**HOLYOKE 17L SUBSTATION FINANCING:** Mr. Lavelle stated that staff has identified concerns related to financing the 17L Substation Replacement through the MMWEC Pooled Financing Program which the Commission approved on January 9, 2018. He stated that the structure of the Pooled Financing program could jeopardize the ability for the Department to recover Pooled Transmission Facility (PTF) costs through ISO-NE over the life of the asset as MMWEC would retain ownership of and lease the asset to the Department under the terms of that program. He also explained that MMWEC did not plan to lock-in rates for the Pooled Financing program until late in the year and it is very likely that interest rates will rise throughout the year as the Fed has indicated that two or three more rate hikes are likely.

Mr. Lavelle stated that staff is working on an alternate financing path through the Holyoke Solar Cooperative that would provide a more cost effective solution than the MMWEC Pooled Financing approach. He further reported that the Solar Cooperative can utilize tax-exempt commercial financing through Peoples Bank at a more competitive rate than MMWEC's indicative rate, and they are able to close on the financing in the April time frame. Attorney Ferriter stated that the cooperative could provide financing and other administrative services to the Department through an Agent Agreement. Commissioner Hoey questioned why the financing would not be done through HG&E directly. Mr. Lavelle stated that it would be preferable to finance through the Department but that the Solar Cooperative debt issuance process is more streamlined than the Department's, providing more certainty with respect to maintaining the project schedule and locking in rates before interest rates rise further. He stated that the Department is already incurring significant project expenses that are impacting cash flow. There was a lengthy discussion on the matter and Mr. Lavelle stated that he would have more to report on the matter after staff has fully researched the matter.

## **NEW BUSINESS:**

**SELF INSURANCE TRUST FUND AMENDMENT:** Mr. Lavelle presented to the Commission a proposed amendment to the Holyoke Gas & Electric Department Self Insurance Trust Fund (Trust) instrument, and recommended that they vote to approve the amendment. He stated that the current Trust instrument does not provide for any alternate signatories or an orderly transition to a successor trustee. He stated that the proposed amendment was drafted by Department Counsel and addresses both issues. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the First Amendment to the Holyoke Gas & Electric Department Self Insurance Trust Fund instrument as presented.

**RESIDENTIAL ENERGY ASSISTANCE REQUEST – 4 JAMES STREET:** Mr. Lavelle reported that the Department received a Residential Energy Assistance Request from the owners of 4

James Street, in the amount of \$10,000, for the installation of new energy efficient doors, insulation and hot water heater. 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 – PIZZERIA UNO’S – HOLYOKE**

**MALL:** Mr. Lavelle reported that the Department received a Commercial Energy Assistance Request from the owners of Pizzeria Uno’s at the Holyoke Mall, in the amount of \$15,000, for the installation of new energy efficient HVAC equipment. 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.

**2018 CADET ENGINEERING SCHOLARSHIP:** Mr. Lavelle recommended that the Commission authorize the advertisement for applications for the Cornelius J. Moriarty, Jr. Scholarship. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the advertisement as recommended by management.

**BID AUTHORIZATIONS:**

**#2 OVERFLOW GATE REPLACEMENT:** Mr. Lavelle requested authorization to solicit bids for the replacement of the #2 Overflow Gate which includes two (2) steel gates, stems, frames and electric operators. He stated that the existing gate system is approximately 100 years old and at the end of 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.

**BIDS RECEIVED:**

**EMERGENCY SPILL RESPONSE & HAZARDOUS WASTE/MATERIAL**

**TRANSPORTATION & DISPOSAL ANNUAL CONTRACT - EXTENSION:** Mr. Lavelle recommended that the Commission authorize a one-year extension to the Emergency Spill Response and Hazardous Waste/Material Transportation and Disposal Annual Contract with Environmental Services Inc., with all pricing and other terms and conditions consistent with 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 contract extension per the recommendation of management.

**2018 UPSTREAM FISH & EEL PASSAGE ACTIVITIES:** Mr. Lavelle requested authorization for the expenditure of \$319,209 for various contracts related to the 2018 Upstream Fish & Eel Passage Activities. He stated that the contracts are detailed on the March 13, 2018 memorandum from Richard Murray and that all activities are required by the FERC 2004 Project License. He stated that one of the contracts involves Holyoke Community College (HCC) and he disclosed that he serves on the Board of Trustees of the HCC Foundation. Attorney Ferriter disclosed that the HCC Foundation is a client. Commissioner Griffin disclosed that he is employed by HCC. Commissioner Hoey disclosed that his employer has provided consulting services for HCC and the Foundation. Upon the advice of counsel, Chairman Hoey invoked the rule of necessity to participate in the matter. On a motion from Commissioner Sutter, seconded by Commissioner Hoey, it voted 2-0 to authorize the expenditure per

the recommendation of management. Commissioner Griffin abstained from deliberating and voting on the matter.

**PURCHASING APPROVAL: PROFESSIONAL SERVICES – HGE.NET CUSTOMER**

**ACCESS NETWORK EQUIPMENT UPGRADE:** Mr. Lavelle requested authorization for the expenditure of up to \$18,992 for the purchase of professional services required to support the upgrade of software on the HGE.Net management server and 11 network switches. 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: SOFTWARE LICENSE AND SUPPORT SERVICES –**

**NAVILINE ANALYTICSNOW:** Mr. Lavelle requested authorization for the expenditure of up to \$29,595 for the purchase of a software license and support services from NaviLine to replace the existing database reporting software which is obsolete and no longer supported. 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.

**HOLYOKE SUBSTATION 17L SWITCHGEAR ENCLOSURE CONSTRUCTION:** Mr. Lavelle recommended that the Commission award the contract for the 17L Substation Electrical Switchgear Enclosure to Kurtz Inc., the lowest responsible and eligible 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 contracts per the recommendation of management.

**COMMUNICATIONS:**

03/16/18 – Draft Commission Meeting Minutes from 02/27/18  
03/08/18 – JL/DD/Financial Statements, Balance Sheet January 2018  
03/13/18 – COMM/JL/First Amendment to the HG&E Self Insurance Trust Fund  
03/08/18 – JL/JJ/Residential Assistance – 4 James Street  
03/12/18 – JL/JJ/Commercial Assistance – American Restaurant Management Corp.  
03/16/18 – COMM/JL/2018 Cadet Engineering Scholarship Application {Draft}  
03/13/18 – JL/SR/Authorization to Bid – #2 Overflow Gate Replacement  
03/14/18 – JL/YD/Extension Recommendation – Emergency Spill Response & Hazardous Waste/Material Transportation & Disposal Annual Contract (Rebid)  
03/13/18 – YD/RM/2018 Upstream Fish & Eel Passage Activities  
03/09/18 – KJ/MB/Purchasing Approval: Nokia/Alcatel-Lucent Professional Services  
03/12/18 – KJ/ED/Purchasing Approval: Superior AnalyticsNOW Package  
03/16/18 – JL/YD/Bid Recommendation – Holyoke Substation 17L Switchgear Enclosure Construction

**NEXT MEETING DATE:**

It was agreed that the next Commission meeting would take place on Tuesday, April 10, 2018 at 5:00 P.M.

**ADJOURNMENT:**

On a motion from Commissioner Sutter, seconded by Commissioner Griffin, it was unanimously voted to adjourn the Meeting at 5:55 PM.



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HG&E Commission

Minutes 03/20/18