

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
MARCH 24, 2020

A meeting of the Holyoke Gas and Electric Department was held on March 24, 2020 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey (via teleconference), Griffin and Sutter (via teleconference); Manager Lavelle; Superintendents Beauregard (via teleconference) and Duchenev; Acting Gas Superintendent Brian Roy (via teleconference); Brooke McMahon (via teleconference), Kirk Jonah (via teleconference), Kate Sullivan (via teleconference), Terry Sweeney (via teleconference) and Attorney John Ferriter (via teleconference).

CALL TO ORDER:

Chairman Hoey called the meeting to order at 5:00 PM.

Chairman Hoey noted that remote participation in the Commission meeting by Commissioners was authorized by an Executive Order issued by Governor Baker on March 12, 2020 and required due to the COVID-19 pandemic.

MINUTES:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from February 25, 2020.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft January financial statements and gave a brief update on the 2019 audit status. She then gave an update on potential budget impacts due to the COVID-19 outbreak. Mr. Lavelle then gave a report on various measures taken throughout the organization in response to the outbreak, including: closing the main office to the public until further notice; allowing certain employees to work remotely; and dividing field operations and other functions into smaller groups that work alternating weeks in order to reduce the risk of an entire functional group becoming infected. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Roy reported that wholesale natural gas procurements continue generally consistent with the hedging plan for the current 12-month procurement window. He then reviewed the March rate comparisons and reported that the Department remains very competitive in all rate classes. Mr. Roy then reported that, in light of the COVID-19 outbreak, the Department of Public Utilities (DPU) requested a copy of HG&E's business continuity plan, which was submitted to the DPU on March 18th. Mr. Roy further reported that all non-emergency work that requires access to a customer premise has been suspended until further notice, and that crews are only responding to emergency calls such as leak reports and no heat or no hot water calls. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the March rate comparisons and reported that the Department remains competitive in all rate classes. He then reviewed the March mark-to-market report and noted that all transactions are within policy limits and that there are no red-flags outstanding with any counter-parties. Mr. Beauregard then reported that the Department has executed an agreement with Citizens Energy whereby Citizens will construct and operate a battery energy storage system within HG&E's territory with the two parties sharing the benefits of the system. He further reported that the Mt. Tom Battery Storage facility output reached 4.99 MW earlier in the day due to an inverter upgrade that was implanted by Engie last year to increase the facility output from 4.5 MW DC to 4.99 MW DC. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard reported that all non-emergency field work that requires access to a customer premise has been suspended until further notice. He stated that crews would continue to address other planned maintenance work and outage reports while employing proper social distancing. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Lavelle reported that hydro production is slightly ahead of plan year to date and that water flows have been favorable for the current month. He stated that the spring canal outage duration has been reduced to one day, Tuesday March 24th, and that the Shad Derby and Public viewing of the fishlift operations have been canceled, and that human fish counters would be replaced with a camera counting system due to the COVID-19 outbreak. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on sales and ongoing projects. He also reported that staff was actively supporting remote access for employees that are working from home, or in separate facilities due to the COVID-19 outbreak. He also stated that staff has responded to a number of commercial customer requests for increased bandwidth due to an increase in remote working. There was a brief discussion on the matter.

MARKETING AND COMMUNICATIONS

Ms. Sullivan reported that an employee update event was held on March 5th and that it was well received. She further reported that staff has been updating employees on precautions to minimize risks related to the COVID-19 outbreak, as well as any operational changes that impact employees. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

PURCHASED GAS ADJUSTMENT: Mr. Lavelle reported that the Purchased Gas Adjustment (PGA) has been lowered from \$0.35/CCF to \$0.25/CCF for all residential customers effective for the March billing cycle. He also reported that the G-2 tariff PGA has been lowered from \$0.96/CCF to \$0.86/CCF. He stated that the adjustments are a result of lower than planned wholesale natural gas costs as well as lower than planned LNG production for the winter. He further stated that the

adjustment would amount to an average rate decrease of approximately 12.2% for the average residential gas customer.

DEPARTMENT RULES AND REGULATIONS: Mr. Lavelle recommended that the Commission approve proposed modifications to the existing HG&E Rules and Regulations for utility services as outlined in the March 19, 2020 memorandum from Superintendent Beauregard. He stated that the current Rules and Regulations have been in place since 2014 and require updates to reflect, among other things, current charges for services and the natural gas moratorium. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the Rules and Regulations per the recommendation of management.

2020 NON-GUILD MERIT ADJUSTMENTS: Mr. Lavelle recommended that the Commission approve a budget for non-guild merit adjustments per the following: 3.0% pool for merit adjustments; 1% for performance recognition, and 1% for equity adjustments and promotions. He stated that this recommendation is consistent with the 2020 budget approved by the Commission and consistent with the recommendations of the Department's wage consultant. There was a brief discussion on the request. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the request per the recommendation of management.

BID AUTHORIZATIONS:

91 WALNUT STREET LOWER ROOF REPLACEMENT: Mr. Lavelle requested authorization to solicit bids for the replacement of the lower roof at the Gas Division office at 91 Walnut Street. He stated that the roof has deteriorated beyond repair and is currently leaking despite recent repair attempts. 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:

GAS WELDING SERVICES ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the Gas Welding Services Annual Contract to Jay's Mobile Welding, 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.

VAULT TOP COVERS: Mr. Lavelle recommended that the Commission award the Vault Top Covers contract to Arrow Concrete Products, the lowest responsible and eligible bidder. Commissioner Griffin asked why the bids were significantly higher than budget and Mr. Beauregard responded that the project complexity turned out to be significantly greater than the prior project upon which the estimate was based. Commissioner Hoey asked why only one bid was submitted. Mr. Beauregard commented that there were three bidders initially interested in the project and one of those three did not have the expertise to complete the project on its own. He assumed the other bidder felt that they could not submit a competitive bid, based on previous responses from that vendor. 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.

RECONSTRUCTION OF MANHOLE #50: Mr. Lavelle recommended that the Commission award the contract for the Reconstruction of Manhole #50 to Rousseau Brothers, 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.

FIBER OPTIC INSTALLATION, SPLICING, TERMINATION & TESTING ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission reject the apparent low bid from Ockers Company as Ockers bid not meet the requirements of the bid specification, and award the Fiber Optic Installation, Splicing, Termination & Testing Annual Contract to Collins Electric Company, 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 reject the bid from Ockers Company and award the contract per the recommendation of management.

ENGINEERING SERVICES – GATEHOUSE LOG BOOM: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$68,500 for the design and development of drawings required to replace the log boom at the canal gatehouse. Commissioner Hoey disclosed that his employer submitted a bid for the subject work and he abstained from deliberations on the matter. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was voted 2-0 to authorize the expenditure per the recommendation of management. Commissioner Hoey abstained.

NATURAL GAS ODORANT INJECTION SYSTEM: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$75,814 for the purchase and installation of a natural gas odorant injection system at the Mueller Road facility, as well as training for employees on the new system. He stated that the existing odorant system is at the end of its useful life and beyond repair. 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:

02/21/20 – Draft Commission Meeting Minutes from 02/04/20
03/04/20 – JL/DD/Financial Statements, Balance Sheet January 2020
03/03/20 – JL/BR/Purchased Gas Adjustment – March 2020
03/19/20 – BB/JP/Tariff Recommendation – Rules and Regulations
03/07/20 – COMM/JL/2020 Non-Guild Merit
03/04/20 – BR/TS/Authorization to Bid – 91 Walnut St Lower Roof Replacement
03/17/20 – JL/YD/Bid Recommendation – Gas Welding Services Two Year Annual Contract
03/18/20 – JL/YD/Bid Recommendation – Purchase of Vault Top Covers
03/18/20 – JL/YD/Bid Recommendation – Reconstruction of Manhole No. 50
03/19/20 – JL/YD/Bid Recommendation – Fiber Optic Installation, Splicing, Termination & Testing Annual Contract
02/26/20 – PD/RM/Approval Request – Gatehouse Log Boom Engineering Services
03/20/20 – JL/BR/Purchasing Approval: NJEX Odorant Injection System

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Wednesday, April 29, 2020 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

Minutes 03/24/20