

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
MAY 25, 2017

A meeting of the Holyoke Gas and Electric Department was held on May 25, 2017 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard, Duchenev and Shannon; Kirk Jonah, Jim Jackowski, Brian Richards, Kate Sullivan and Terry Sweeney.

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 April 18, 2017.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Mr. Lavelle reviewed the draft March financial statements. There was a brief discussion on the matter.

DPU Report:

Mr. Lavelle presented the 2016 DPU report to the Commission for their signatures. There was a brief discussion on the matter.

Credit Rating:

Mr. Lavelle reported that the Department's A-1 credit rating was recently affirmed by Fitch Ratings – New York, and he presented a copy of the rating letter to the Commission. 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 May natural gas rate comparisons and noted that the Department is very competitive in all classes. Mr. Shannon also reported that the Purchased Gas Adjustment (PGA) was seasonally adjusted effective for the May billing cycle. He stated that the PGA was lowered from \$0.23/CCF to \$0.11/CCF, resulting in an overall rate reduction of approximately 12% for the average residential gas customer. He further reported that the commercial interruptible PGA was lowered from \$0.84/CCF to \$0.72/CCF, effective for the May billing cycle. 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 May electric rate comparisons and noted that the Department remains very competitive in all rate classes. He reminded the Commission that the current year budget included a 5% rate increase that was to have gone into effect Jan 1st, 2017, and he stated that the rate increase will be lower than projected, at 2%, and will go into effect for the July billing cycle. He also reviewed the May 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 the proposed battery storage project by Engie at the Mt. Tom coal plant site. He also reported that the 175 kw solar array on the roof of Riverside A-B building was completed during the first week of May. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard reported that design and planning for the Holyoke 17L Substation is progressing. He stated that the Department successfully obtained Qualified Transmission Project Sponsor status through ISO-NE and that ISO-NE determined that no further impact studies are required for the proposed project. 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.

NERC Compliance:

Mr. Beauregard reported that staff continues to work on new NERC compliance documentation in spite of the fact that the requirements have not been finalized. He stated that compliance costs, just for the first year efforts to establish all policies and procedures and to implement the required elements of the applicable documentation, could exceed \$300,000, depending on how the rules are finalized. There was a brief discussion on the matter.

Mr. Beauregard reported that Mike Costello, General Foreman of the Line Crews, would be retiring on Friday after 33 years of service with the Department. He stated that he worked with Mike to hire a well-qualified successor in Mike Aubin, who comes to HG&E with many years of experience with Northeast Utilities/Eversource.

ELECTRIC PRODUCTION

Mr. Duchenev reported that hydro production is on generally on plan for the year and that flows have begun to decline. He noted that the Fishway has been open to the public and operations have gone well to date. He also noted that the Shad Derby concluded last weekend. 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:

RESIDENTIAL ENERGY ASSISTANCE REQUEST – 61 NONOTUCK STREET: Mr. Lavelle reported that the Department received a residential energy assistance request from the owners of 61 Nonotuck Street, in the amount of \$10,000, for the installation of a new energy efficient air conditioning system, and he recommended that it be approved. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Hoey, it was voted 2-0 to approve the assistance request per the recommendation of management. Commissioner Sutter abstained.

RESIDENTIAL ENERGY ASSISTANCE REQUEST – 50-52 BROOKLINE AVENUE: Mr. Lavelle reported that the Department received a residential energy assistance request from the owners of 50-52 Brookline Avenue, in the amount of \$10,000, for the installation of a new energy efficient gas fired heating system, and he recommended that it be approved. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Hoey, it was voted 2-0 to approve the assistance request per the recommendation of management. Commissioner Sutter abstained.

COMMERCIAL ENERGY ASSISTANCE REQUEST – EDARON, INC: Mr. Lavelle reported that the Department received a commercial energy assistance request from the owners of 100 Appleton Street, in the amount of \$98,000, for the installation of a new energy efficient HVAC system, and he recommended that it be approved. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the assistance request per the recommendation of management.

COMMERCIAL ENERGY ASSISTANCE REQUEST – OLIVER AUTO BODY CO., INC: Mr. Lavelle reported that the Department received a commercial energy assistance request from the owners of 1519 Dwight Street, in the amount of \$18,000, for the installation of a new energy efficient LED lighting, and he recommended that it be approved. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the assistance request per the recommendation of management.

COMMERCIAL ENERGY ASSISTANCE REQUEST – W.B.C. ASSOCIATES, INC: Mr. Lavelle reported that the Department received a commercial energy assistance request from the owners of 28 Appleton Street, in the amount of \$32,830, for the installation of new energy efficient windows, and he recommended that it be approved. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Hoey, it was voted 2-0 to approve the assistance request per the recommendation of management. Commissioner Sutter abstained.

SPONSORSHIP REQUEST – HISPANIC FAMILY FESTIVAL: Mr. Lavelle reported that the Department received a sponsorship request from the organizers of the Hispanic Family Festival, in the amount of \$5,000, and recommended that it be approved. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the sponsorship request per the recommendation of management.

BID AUTHORIZATIONS:

SURPLUS ELECTRICAL EQUIPMENT: Mr. Lavelle requested authorization to solicit bids for the sale of electrical equipment that is no longer required for Department operations. 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:

GAS ROTARY METERS ANNUAL CONTRAT (REBID): Mr. Lavelle recommended that the Commission award the contract for Gas Rotary Meters to DBI, Inc., dba Utilities & Industries, 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.

SPECIALTY CONSTRUCTION & FACILITIES MAINTENANCE ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a one-year extension to the Specialty Construction & Facilities Maintenance annual contract with Gardner Construction, consistent with the terms in the current contract that provide for the recommended extension. He stated that Gardner is proposing to increase labor rates by 4% with all other rates remaining the same. He stated that the proposed rates are still lower than the competing proposals received a year ago. 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.

LANDSCAPING SERVICES ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a one-year extension to the Landscaping Services annual contract with Mountain View Landscape, consistent with the terms in the current contract that provide for the recommended extension. 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.

ELECTRIC WIRE & CABLE ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contracts for Electric Wire and Cable be awarded to the low bidders meeting all requirements of the solicitation for each item, as further detailed in the May 18, 2017 memorandum from Luai Elamir, Electric Distribution Engineer. 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.

TREE TRIMMING & VEGETATION MANAGEMENT ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Tree Trimming and Vegetation Management to All Reliable Services, Inc. (ARS), the low bidder meeting all requirements of the solicitation. He further recommended that the Commission award a secondary contract to Asplundh Tree Expert Co., in the event that ARS is not able to meet Department needs under the contract. 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.

CITY HYDRO NO. 2 GENERATOR REHABILITATION (REJECT & REBID AWARD): Mr. Lavelle recommended that the Commission award the contract for City Hydro #2 Generator Rehabilitation to Timken Motor & Crane Services, LLC, the low bidder meeting all requirements of the solicitation. Mr. Lavelle further recommended that the Commission ratify the rejection of the bids received on April 20, 2017 and the re-bidding of the project. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to reject the bids received on April 20, 2017 and to authorize the re-bid. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the bid to Timken, Motor & Crane Services, LLC, per the recommendation of management.

RIVERSIDE 4 & 5 INTAKE RACK REPLACEMENT: Mr. Lavelle recommended that the Commission award the contract for Riverside Hydro Units #4 & #5 Intake Rack Replacement to Gardner Construction & Industrial Services, 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.

PURCHASING APPROVAL: POWER DISTRIBUTION PANELS: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$5,577.71 for the purchase of ten (10) mini power distribution panels for the SparkPlug Power residential energy storage demonstration project. 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: 1 YEAR RENEWAL OF ARCFM SUPPORT: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$19,061.13 for a one-year renewal of the ArcFM Software Support contract with Televent USA. He stated that the contract supports Department-wide GIS activities. 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: LOG POND COVE WATER CHESTNUT REMOVAL SERVICES: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$10,000 for Water Chestnut Removal Services from the Connecticut River Conservancy, as required by the FERC Project 2004 License, Article 417. 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: SAMPLING, ANALYZING & DISPOSAL OF OUTDATED ELECTRICAL EQUIPMENT: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$50,000 for the purchase of an oil sampling, analysis and disposal services, from TCI of NY, Inc., to support the Department's requirements for retired or failed electrical equipment for the year. 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: DOBLE CIRCUIT BREAKER TEST & MAINTENANCE TRAINING: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$5,320 to send two employees to Doble circuit Breaker Test & Maintenance Training in Pittsburgh, PA. 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: POLE TOP TRANSFORMERS: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$9,843.90 for the purchase of twelve (12) transformer required for immediate operational needs or inventory requirements. 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: ANNUAL SOFTWARE SUPPORT CONTRACT: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$39,116.25 for the purchase of a three (3) year support contract for the Cascade Asset Management System from DNV-GL. 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: PROGRAMMABLE COMMUNICATING THERMOSTATS:

Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$37,876.32 for the purchase Programmable Communicating Thermostats (PCT's) and energy audits, including blower door tests, for 100 customer homes, as part of the Building America grant –funded program. 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:

05/19/17 – Draft Commission Meeting Minutes from 04/18/17

04/27/17 – JL/DD/Financial Statements, Balance Sheet March 2017

05/01/17 – JL/JJ/Residential Assistance Request – 61 Nonotuck Street

05/01/17 – JL/JJ/Residential Assistance Request – 50-52 Brookline Avenue

05/03/17 – JL/JJ/Commercial Assistance Request – Edaron, Inc.

05/02/17 – JL/JJ/Commercial Assistance Request – Oliver's Auto Body Co., Inc.

05/17/17 – JL/JJ/Commercial Assistance Request – W.B.C. Associates, Inc.

05/18/17 – JL/DL/Sponsorship Request – La Familia Hispana, Inc.

05/03/17 – BB/MS&JB/Authorization to Bid – Surplus Electrical Equipment

05/18/17 – JL/YD/Bid Recommendation – Gas Rotary Meters Annual Contract (Rebid)

05/17/17 – JL/YD/Recommendation – Extension of Specialty Construction & Facilities Maintenance Annual Contract

05/17/17 – JL/YD/Recommendation – Extension of Landscaping Services Annual Contract

05/19/17 – BB/LE/Bid Recommendation – Electric Wire & Cable Annual Contract

05/18/17 – JJ/YD/Bid Recommendation – Tree Trimming & Vegetation Management Annual Contract

05/18/17 – JL/YD/Bid Recommendation – City Hydro No. 2 Generator Rehabilitation (Reject & Rebid Award)

05/18/17 – JL/YD/Bid Recommendation – Riverside 4 & 5 Intake Rack Replacement

05/18/17 – BB/SL/Purchasing Approval: Power Distribution Panels

05/17/17 – KJ/EG/Purchasing Approval: 1 Year Renewal of AcrFM Support

04/26/17 – PD/SL/Purchasing Approval: Log Pond Cove Water Chestnut Removal Services

05/03/17 – BB/CP/Purchasing Approval: Sampling, Analyzing & Disposal of Outdated Electrical Equipment

05/18/17 – BB/JA/Purchasing Approval: Doble Circuit Breaker Test & Maintenance Training

05/17/17 – BB/CP/Purchasing Approval: Pole Top Transformers

03/01/17 – TS/BR/Purchasing Approval: Annual Software Support Contract

05/19/17 – BB/SL/Purchasing Approval: Programmable Communicating Thermostats

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Thursday, June 15, 2017 at 5:00 PM.

Mr. Lavelle recommended that the Commission enter into Executive Session to discuss strategy with respect to real estate and contract negotiations. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted, on a roll call vote, to enter into Executive Session at 5:53 PM. Chairman Hoey reported that the Commission would return to regular session and would likely take votes upon returning to regular session.

Commissioner Hoey reconvened the Regular Session at 6:23 PM

Mr. Lavelle requested authorization to solicit bids for the HH Richardson Train Station. 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.

Mr. Lavelle requested that the Commission authorize him to execute the proposed collective bargaining agreement with the Holyoke Municipal Gas, Light & Power Guild, Inc. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the Manager to execute the collective bargaining agreement as presented, with any such changes deemed necessary by the Manager and with the advice of counsel.

ADJOURNMENT:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:26 PM.



HG&E Commission