

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
APRIL 12, 2022

A meeting of the Holyoke Gas and Electric Department was held on April 12, 2022 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Sutter and Marrero; Manager Lavelle; Superintendents Steve Roy and Brian Roy; Brooke McMahon, Kirk Jonah, Kate Sullivan, Lisa Rogers and Attorney John Ferriter.

CALL TO ORDER:

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

MINUTES:

On a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to approve the minutes from March 15, 2022. Commissioner Marrero abstained.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft February 2022 statements. She then gave an update on the 2021 financial audit and reported that audit is on schedule to be completed by the end of April. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Brian Roy reported that wholesale natural gas procurements continue consistent with the hedging plan for the current 12-month procurement window. He stated that 100% of winter ('21-'22) supply is locked in price; that 44% of the summer (2022) supply is locked in price; and that 11% of winter ('22-'23) is locked in price. He stated that wholesale natural gas prices are up 72% since the budget was set and that May-December gas prices are up 77% since January 1st; and up almost 300% from last year. He then reported that first quarter LNG production was 68,000 dth which is 27% higher than all of 2021 production. Commissioner Marrero asked if any rate adjustments were planned based on current market conditions. Mr. Roy responded that the PGA would be adjusted in May to reflect current fuel prices. Mr. Roy also reported that the DPU recently completed an audit of the LNG facility as required by PHMSA and stated that there are no apparent significant findings from the audit. He then reviewed the April natural gas rate comparisons and reported that the Department remains very competitive in all rate classes.

Mr. Roy then reported that there are currently no natural gas leaks on record and he gave an update on cast iron main and bare steel service replacements. He also gave an update on PSMS implementation and the impact of the natural gas moratorium. He also gave an update on the County Road inter-connect upgrade and the impact of the natural gas moratorium. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Steve Roy reviewed the April electric rate comparisons and reported that the Department remains competitive in all rate classes. He then reviewed the April Mark-to-Market report and reported that all transactions are within policy limits. He also gave an update on peak load reduction activities and an update on in-progress and proposed Battery Storage projects. He further reported that FERC has recently ruled in favor of the ISO-NE PTO-AC rule changes that allow for reconstitution of certain distributed generation resources. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy reported that efforts continue on the H-2 circuit conversion with current activity focused on the Highlands and Ward 4 areas. He stated that the conversion work would continue through the end of June. He also reported that the demolition of the smoke stack at the electric station was completed last week on schedule. He then gave an update on grid modernization efforts and stated that staff is currently focusing on three areas including: SCADA upgrades; AMI deployment acceleration; and a work order/asset management system. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy reported that March hydro generation was 7.5% above plan and that year-to-date generation is currently 3% behind plan. He then reported that the annual spring canal drawdown inspections and maintenance activities were completed as scheduled and he provided a brief update on Cobble Mountain operations and maintenance activities. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on the status of sales activity and capital projects. He also gave an update on cyber security training and monitoring activities. There was a brief discussion on the matter.

MARKETING AND COMMUNICATIONS

Ms. Sullivan reported that the Customer Satisfaction Survey would be updated starting in June and that the survey would be available in both English and Spanish. She also gave an update on the School Utility Safety program that will start in May and will reach all Pre-K through grade 2 schoolrooms in the City. She then provided a Green Team update that included whole home air source heat pump adoptions by three customers and she reviewed the first quarter energy efficiency report. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS: None

BID AUTHORIZATIONS: None

BIDS RECEIVED:

EXCAVATIONS & RESTORATIONS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission reject all three bids received on February 23, 2022 and authorize a re-bid for the contract. He stated that the original bid contained clerical errors in the estimated quantities for certain equipment and, based on the advice of counsel, a re-bid is recommended. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to reject all bids and authorize a re-bid.

NETWORK VAULT COVER (HIGH/DWIGHT): Mr. Lavelle recommended that the Commission award the contract for the Network Vault Cover Replacement to Arrow Concrete Products, Inc., the low bidder meeting all requirements of the solicitation. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to award the contract per the recommendation of management.

2022 CUSTOMER SATISFACTION SURVEY: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$12,000 for the 2022 Customer Satisfaction Survey through Great Blue Research. He stated that the Department updates the survey every three years and the survey was last conducted in 2019. He stated that the MEAM group has negotiated a group discount with Great Blue Research, the firm that has conducted the last several surveys. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the expenditure per the recommendation of management.

LNG FACILITY SURVEILLANCE UPGRADE: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$78,482 to upgrade the surveillance system at the Mueller Road LNG Facility. He stated that the existing surveillance system is at the end of its useful life and a new system is required in order to comply with applicable regulations. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the expenditure per the recommendation of management.

COUNTY ROAD INTERCONNECT UPGRADE: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$101,189 to upgrade the County Road natural gas inter-connect. He stated that the existing inter-connect with Westfield Gas & Electric is at the end of its useful life and the recommended expenditure will upgrade the facility while enhancing safety and reliability of the gas distribution system. He noted that the recommended expenditure was included in the 2022 capital budget. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the expenditure per the recommendation of management.

COMMUNICATIONS:

02/03/22 – Draft Commission Meeting Minutes from 01/13/22

03/25/22 – JL/DD/Financial Statements, Balance Sheet & Summary Report – February 2022

03/23/22 – SR/JB/Bid Recommendation – Excavations & Restorations Annual Contract

04/06/22 – SR/JB/Bid Recommendation – Network Vault Cover

04/06/22 – JL/KC/2022 Customer Satisfaction Survey

04/07/22 – BR/RB/Purchasing Approval: Mueller Road Surveillance Upgrade

04/07/22 – BR/MK/Purchasing Approval: Holyoke-Westfield Gas System Interconnect Upgrades

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, May 10th at 5:00 PM.

Mr. Lavelle recommended that the Commission enter into Executive Session to discuss strategy and trade secrets. Chairman Hoey stated that the Commission would not return to regular session.

ADJOURNMENT:

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to adjourn the Meeting at 6:15 PM.

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted, on a roll call vote, to enter into executive session at 6:15 PM.

HG&E Commission