

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
JULY 12, 2023

A meeting of the Holyoke Gas and Electric Department was held on July 12, 2023, at 5:02 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, Kate Sullivan, and Attorney John Ferriter.

CALL TO ORDER:

Chairman Hoey called the meeting to order at 5:02 P.M.

MINUTES:

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the minutes from June 13, 2023.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon then reviewed the draft May 2023 financial statements. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Brian Roy reported that wholesale natural gas purchases continue consistent with the hedging plan for the current 12-month procurement window. He stated that 84% of summer supply is locked in price and that 33% of winter ('23-'24) is locked in price. He then reviewed the July natural gas rate comparisons and reported that the Department remains very competitive in all rate classes.

Mr. Roy then provided an update on the LNG reliability project and stated that the recommendation for the contract award for the project detailed design is later on the agenda. He then gave an update on cast iron and bare steel service replacements, and he reported that there are currently no leaks on record. He noted that the leak survey contractor is scheduled to finish up a full system survey this week and then begin a survey of 50% of all services. He further reported that crews have changed-out 1300 meters so far this year and are also assisting Westfield Gas & Electric with meter change-outs as well. There was a brief discussion on the matter.

Mr. Roy also reviewed the recent correspondence from the Department of Public Utilities (DPU) regarding the Distribution Integrity Management Program (DIMP) audit that the DPU conducted between February 2020 and December 2022. He stated that the DPU issued a warning letter indicating a notice of probable violation of certain sections of Code of Federal Regulations (CFR) part 192 and Code of Massachusetts Regulations part 220. He stated that the warning letter includes 61 required corrective actions that must be completed within 60 days of the date of the letter. He noted that 49 of the 61 items had been completed before the letter was received and that the remaining 12 are in progress and scheduled to be completed by the required due date. He noted that the items to be addressed range from clerical updates, refining processes to ensure consistent reporting with PHMSA on leak classifications, timely reporting of mechanical fitting leak reports, and an updated process for evaluating risks for each regulating station. He noted that, while there was no fine issued, all concerns,

even minor concerns such as clerical errors that did not impact risk evaluations, are taken seriously. Finally, he noted that the warning letter has been reviewed by all staff members involved in the DIMP process to emphasize the need for constant vigilance on compliance. There was a discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Steve Roy reviewed the July electric rate comparisons and reported that the Department remains very competitive in all rate classes compared to regional peers. He then reviewed the July Mark-to-Market report and reported that all transactions are within policy limits. He also gave an update on peak load reduction activities and noted that the June peak occurred on June 26th, hour-ending 18, and that 11.95 MW were shed via Department load reducers. He also reported that ISO-NE called a capacity scarcity event on July 5th at approximately 6:30 P.M. which caused wholesale prices to momentarily rise to approximately \$2,700/Mwh. He stated that the event was caused by a transmission failure that limited imports to New England coupled with a higher load than was forecasted. Mr. Roy stated that the Department exceeded its capacity obligation during the event. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy reported that conversion prep-work continues on the H-1 and H-3 circuits to facilitate upgrades from 4.8kV to 13.8kV and that the work would continue into the fall, with the full conversion expected to be complete by the end of the third quarter. He then reported that planned backyard cable relocations are progressing on schedule and that planned preventive maintenance activities are on schedule. He also provided updates on several other construction projects and noted that the Department closed on the purchase of the 60 Water Street parcel adjacent to North Canal Substation. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy stated that hydro production is approximately 50% above plan for June and is approximately 15% ahead of plan year-to-date. He also noted that the higher generation has been offset by average market power prices that are approximately 66% below budget year-to-date. Mr. Roy then gave an update on recent rainfall events that caused the river level to exceed minor flood levels, which is approximately 9-feet over the dam. He stated that the peak level was approximately 9.5-feet, or approximately 96,000 cfs of flow. He noted that crews implemented measures in accordance with the Emergency Action Plan for the project. He then provided an update on grant funding opportunities and potential project applications. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on the status of sales activity noting that sales and net income continue to track ahead of plan, largely due to wholesale ISP service sales. He further reported that the FTTH design, including build-out estimates, is scheduled for completion by the end of November. There was a brief discussion on the matter.

MARKETING AND COMMUNICATIONS

Ms. Sullivan gave an update on public outreach efforts associated with the Robert E. Barrett fishway and the summer safety education program for the youth and seniors. She reported that the Green Team is in the process of comparing MassSave and MLP incentives as the basis for making recommendations for any changes to existing HG&E incentives. She further reported that the Green Team would be conducting a survey of customers that have participated in Air Source Heat Pump

(ASHP) incentives to determine how satisfied they are with the technology and incentives. Commissioner Marrero noted that he is interested to see the survey data so that we can determine how to increase the adoption rate of ASHP's and other efficiency measures. Ms. Sullivan then noted that Public Power and Natural Gas Week event would be held on October 4th and that HG&E Lineman, Adam Dunne, has been named an APPA rising star. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS: None

BID AUTHORIZATIONS: None

BIDS RECEIVED:

30 WATER ST (RIVERSIDE 8) ROOF REPLACEMENT: Mr. Lavelle recommended that the Commission award the contract for the Riverside Unit #8 Roof Replacement to Larochelle Construction, the lowest responsible bidder meeting all requirements for 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.

PROFESSIONAL SERVICES – CUSTOMER INFORMATION SYSTEM (CIS)

REPLACEMENT ANALYSIS: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$64,000 for Professional Services required to assist staff in the analysis of various Customer Information Systems as the current CIS will no longer be supported by the vendor within a couple of years. Ms. McMahon stated that the CIS is an enterprise software system that manages all customer account information, general ledger, accounts payable, purchasing and inventory among other applications and interfaces with billing, metering, outage management and several other software modules. She stated that the recommended consultant, Edisto, has worked with other municipal utilities on similar projects and is highly recommended. 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.

ENGINEERING SERVICES – HYDRO ELECTRIC CAPITAL UPGRADE GRANT

SUPPORT: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$97,800 for Engineering Services required to assist staff in the preparation of several grant applications to the Department of Energy for funds to offset the cost of planned capital projects in the Hydro Division. Commissioner Marrero asked if the vendor would be providing engineering services or just writing applications. Mr. Roy stated that the vendor, HDR, is very familiar with HG&E's hydroelectric assets and would be providing technical, engineering, and economic inputs that are required by the grant applications. Chairman Hoey asked if multiple quotes were received and Mr. Roy stated that one other quote was solicited, but it was determined that the second vendor did not have the required technical expertise and familiarity with HG&E hydro assets. 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.

DETAILED ENGINEERING DESIGN – LNG INFRASTRUCTURE & RELIABILITY

PROJECT: Mr. Lavelle recommended that the Commission award the contract for the Detailed Engineering Design – LNG Infrastructure and Reliability Project to Sanborn Head & Associates, the most qualified bidder meeting all requirements for 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.

COMMUNICATIONS

06/15/23 – Draft Commission Meeting Minutes from 06/13/23

06/27/23 – JL/RE/DPU 22-PL-84, Holyoke-DIMP Letter

06/27/23 – JL/DD/Financial Statements, Balance Sheet & Summary Report – May 2023

07/07/23 – JL/CW/Bid Recommendation – 30 Water St (Riverside 8) Roof Replacement

06/26/23 – JL/BM/Purchasing Approval: Consulting Services for Selection of Software Solution

07/07/23 – JL/SL/Purchasing Approval: DOE Section 247 Grant Application Support

07/10/23 – JL/BR/Purchasing Approval: Detailed Engineering Design LNG I&R Project

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Wednesday, August 2nd at 5:00 P.M.

Mr. Lavelle recommended that the Commission enter into executive session to review/approve prior minutes.

Chairman Hoey stated that the commission would not reconvene the regular session after the executive session.

ADJOURNMENT:

On a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to adjourn the regular session of the Meeting at 6:11 P.M.

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 6:11 P.M.

HG&E Commission