

**MINUTES OF GAS & ELECTRIC COMMISSION MEETING**  
**REGULAR SESSION**  
**AUGUST 11, 2021**

A meeting of the Holyoke Gas and Electric Department was held on August 11, 2021 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Steve Roy and Brian Roy; Brooke McMahan, Kirk Jonah, 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 Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from July 13, 2021 for approval.

**REPORTS & RECOMMENDATIONS OF MANAGER:**

**Financial Report:**

Ms. McMahan reviewed the draft June financial statements and gave an update on the proposed refinancing of outstanding bonds. 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 approximately 98% of summer supply has been locked in price and that 41% of winter ('21-'22) supply is locked in price. He stated that strong global demand for natural gas and tight supplies continue to put upward pressure on wholesale natural gas prices (NYMEX) and that the average December pricing is 43% higher than budget which will impact the winter fuel adjustment. He then reviewed the August natural gas rate comparisons and reported that the Department remains very competitive in all rate classes. He then gave an update on the status of leak reductions, cast iron main replacements and bare steel service replacements. He also gave an update on the Safety Management System program enhancements 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 August electric rate comparisons and reported that there have been no significant changes to the peer group since last month and that the Department remains competitive in all rate classes. He then reviewed the August 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 the Citizens and Convergent Energy Battery Storage projects. Commissioner Hoey asked about the permitting process for the Convergent project contemplated at the Elks lodge. Mr. Ferriter stated that the developer would have to follow the City permitting process. There was a brief discussion on the matter.

## **TRANSMISSION & DISTRIBUTION**

Mr. Roy reported that thirteen (13) of fifty (50) Transmission and Distribution commitments have been completed to date, with the remainder in process and on schedule for completion by the end of the year. He also reported that the replacement of VT's and CCVT's at North Canal substation has been completed and that the station has been returned to normal configuration. He further reported that staff submitted an application for grant funding, through the DOER, for electric vehicle (EV) charging station for four (4) publicly accessible locations and is waiting to hear feedback from DOER on the application. There was a brief discussion on the matter.

## **ELECTRIC PRODUCTION**

Mr. Roy reported that July hydro generation was ahead of plan due to above normal water flows. He stated that year-to-date generation is still slightly behind plan, but should be slightly ahead of plan by the end of August based on current water flow. He then reported that the Canal Log Boom installation would not occur this year as planned, due to high water. He also reported that staff continues to evaluate a proposal from Voith Hydro for the overhaul of Hadley Falls Unit #2. He stated that the unit is over 40 years old and has not undergone a major overhaul to date. He stated that the estimated cost is approximately \$8 Million and is expected to extend the life of the unit by at least 20 years. There was a brief discussion on the matter.

## **TELECOMMUNICATIONS**

Mr. Jonah gave an update on the status of sales activity, capital projects and help desk activity. There was a brief discussion on the matter.

## **MARKETING AND COMMUNICATIONS**

Mr. Lavelle gave an update on the Fiber-To-The-Home (FTTH) interest survey and stated that Great Blue Research is under contract to assist with data analysis. Commissioner Griffin gave a detailed analysis of the responses that were received and that will be given to Great Blue Research. There was a brief discussion on the matter.

**OLD BUSINESS:** None

## **NEW BUSINESS:**

**LARGE INDUSTRIAL ELECTRIC CONTRACT RATE MODIFICATION:** Mr. Lavelle recommended that the Commission authorize modifications to the Large Industrial Electric Rate consistent with the recommendations in the August 2, 2021 memorandum from Jeanette Sypek, Senior Energy Resources Coordinator. He stated that the current contract rate expires at the end of the year and that the proposed new contract rate will have a term running from January 2021 through December 2025. He further stated that the proposed rate design is similar to the existing cost of service rate design with annual escalations of 1.5%. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the rate modifications per the recommendation of management.

## **COMMERCIAL ENERGY CONSERVATION PROGRAM REQUEST – GENERAL**

**CLEANERS:** Mr. Lavelle reported that the Department received a Commercial Energy Conservation Program request from the owners of 361 South Street, in the amount of \$60,000, for the installation of an energy efficient, dual fuel, steam boiler. 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.

**BID AUTHORIZATIONS:** None

**BIDS RECEIVED:**

**RECONSTRUCTION OF MANHOLE NO. 290:** Mr. Lavelle recommended that the Commission award the contract for Manhole No. 290 reconstruction to Rousseau Brothers, Inc., the lowest qualified bidder meeting requirements of the specification. 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.

**ENGINEERING SERVICES – HORIZONTAL DIRECTIONAL DRILL:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$9,960 Horizontal Directional Drilling design services from Weston and Sampson. He stated that the design is required for a project on East Street in Southampton. 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.

**ENGINEERING SERVICES – FEASIBILITY STUDY FOR 102 CABOT STREET:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$38,700 for engineering services required to determine the feasibility of converting a portion of the Electric Station (102 Cabot Street) to engineering offices. Commissioner Hoey stated that his employer submitted a proposal for the services and 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. Chairman Hoey abstained from voting.

**ENGINEERING SERVICES – GRID MODERNIZATION ROAD MAP STUDY:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$55,000 for engineering services required to develop a grid modernization road map to assist the Department in developing long-term capital and operating plans to effectively and efficiently transition to a carbon free grid. 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.

**SOFTWARE MAINTENANCE AND SUPPORT- SPRYENGAGE:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$11,996 for annual software maintenance and support expenses required for the SpryEngage platform. He stated that SpryEngage is a critical tool for website forms, online customer transactions, and all customer communications. 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.

**ODORANT INJECTION SYSTEM ANNUAL MAINTENANCE:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$10,530 for annual maintenance required for the Mueller Road natural gas odorant injection system. He stated that maintenance would be performed by the OEM in order to keep the equipment under warranty. 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.

**ENGINEERING SERVICES – KLEINSCHMIDT ASSOCIATES:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$6,900 for engineering services required to assist with the review of the Voith proposal to overhaul Hadley Falls Unit #2. 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:**

08/06/21 – Draft Commission Meeting Minutes from 07/13/21  
07/27/21 – JL/DD/Financial Statements, Balance Sheet June 2021  
08/02/21 – SR/JS/Rate Recommendation – Large Industrial Contract Schedule  
08/05/21 – KS/MC/Commercial Assistance Request – 361 South Street Corp./General Cleaners  
08/04/21 – SR/CP/Bid Recommendation – Reconstruction of Manhole No. 290  
08/05/21 – BR/MK/Purchasing Approval: Engineering Design Services – Horizontal Directional Drill  
08/02/21 – SR/SL/Purchasing Approval: 102 Cabot Street Phase II Feasibility Study  
07/08/21 – SR/JP/Purchasing Approval: Development of Grid Modernization Road Map  
08/04/21 – JL/KS/Purchasing Approval: SpryPoint SpryEngage Platform Renewal  
08/03/21 – BR/RB/Purchasing Approval: NJEX Odorant Injection System Maintenance  
08/05/21 – PD/KT/Purchasing Approval: Engineering Services - Review of Voith Hydro Hadley Unit 2 Rehab Proposal

**NEXT MEETING DATE:**

It was agreed that the next Commission meeting would take place on Wednesday, September 8, 2021 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 5:56 PM.

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HG&E Commission