

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
APRIL 29, 2020

A meeting of the Holyoke Gas and Electric Department was held on April 29, 2020 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey (via teleconference), Griffin (via teleconference) 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 P.M.

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 March 24, 2020.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft February financial statements and reported that the 2019 financial audit was on schedule to be completed by the end of April. She also reported that the 2018 financial results would have to be restated due to an error in reporting the pension obligation. She stated that the auditors recently discovered that the pension obligation had been understated and would require a restatement. She then gave an update on potential budget impacts due to the COVID-19 outbreak. Mr. Lavelle then gave an update on the various measures taken throughout the organization in response to the COVID-19 to keep employees safe while ensuring the continuity of service for customers. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Roy reported that wholesale natural gas procurements continue consistent with the hedging plan for the current 12-month procurement window. He then reviewed the April rate comparisons and reported that the Department remains very competitive in all rate classes. Mr. Roy then reported that the Department has submitted its response to the DPU regarding the recent audit of the LNG facility. He stated that several findings have already been closed out and that the remaining findings are scheduled to be closed out by the end of September. He further reported that the Department received a notice of probable violation from the DPU regarding the gas leak on Mueller Road in October 2019. He stated that the leak developed when a contractor, who was excavating in the street, struck a gas line. He further reported that the section of line that was struck; was not listed on any records and was therefore not marked by HG&E as part of the Dig Safe process. He stated that the line was installed in the 1960's and that the as-built prints from that time did not accurately reflect the actual piping

configuration. Mr. Roy further stated that the balance of that section of piping has been surveyed to ensure that there are no other inaccuracies with the as-built drawings. He further reported that, due to the COVID-19 situation, all non-emergency work that requires access to a customer premise continues to be 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 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 noted that all transactions are within policy limits and that there are no red-flags outstanding with any counterparties. He then reported that the Department would be participating in MMWEC's summer peak load reduction program and would be renting two portable generators, similar to last year, to reduce the summer peak load in order to reduce transmission and capacity expenses. 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 continues to be suspended until further notice due to the COVID-19 outbreak. He stated that crews have working on the replacement of vacuum switches at the Holyoke Mall, and taking advantage of the closing of the majority of the stores at the Mall to avoid scheduled outages at a later date. He also reported that crews energized a new 4000 Amp service at 56 Canal Street. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Duchenev reported that hydro production is slightly ahead of plan year to date and that water flows have been favorable for the current month. He also reported that fish lifting operations began during the week and will continue through mid-June. He reminded Commissioners that fish counting would be conducted with a camera and associated software from one of the Department's consultants. He further reported that staff was working with contractors to mobilize for the Cobble Mountain governor replacement project. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on help desk activity as well as sales and ongoing projects. He stated that annual cyber security training was recently initiated for employees. There was a brief discussion on the matter.

MARKETING AND COMMUNICATIONS

Ms. Sullivan reported that staff continues to provide updates to employees regarding operational changes and required precautions to minimize risks related to the COVID-19 outbreak. She further reported that, in order to continue to promote energy efficiency safely, the Department would be offering customers virtual energy audits that would not require an auditor to enter their home. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

REAL ESTATE – 737 DWIGHT STREET: Mr. Lavelle recommended that the Commission approve the purchase of a 0.125 acre vacant lot at 737 Dwight Street in the amount of \$22,000. He stated that the property abuts HG&E's Gas Division garage on Walnut Street and is required to meet increased storage area requirements created by, among other things, the acceleration of the Gas Division's cast iron main replacement program. He also reported that a Phase I 21E environmental review of the property was completed. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the purchase per the recommendation of management.

PILOT PAYMENT TO CITY OF HOLYOKE: Mr. Lavelle recommended that the Commission approve an increase to the annual PILOT payment to the City of Holyoke for FY 2020 in the amount of \$113,629, which amounts to 10.5% increase to the current total annual PILOT payment. He stated that PILOT was last adjusted in 2008 and that the recommended adjustment was determined by escalating the Base PILOT (\$650,000) by the US Bureau of Labor Statistics Consumer Price Index (CPI) for the Northeast Region for the years 2008 through 2019. This CPI adjustment amounts to an approximately 17.5% increase in the base PILOT, or an annual increase of \$113,629. He further stated that the current total annual PILOT payment is \$1,080,940 and the new PILOT payment would amount to \$1,194,569. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the PILOT payment per the recommendation of management.

BID AUTHORIZATIONS: None

BIDS RECEIVED:

ELECTRICAL SERVICES ANNUAL CONTRACT - EXTENSIONS: Mr. Lavelle recommended that the Commission authorize a one year extension to the primary Electrical Services Annual contract with Collins Electric, consistent with the terms of that contract and subject to the rate adjustments noted on the April 15, 2020 memorandum from Yocelyn Delgado. He further recommended that the Commission authorize a one year extension to the secondary Electrical Services Annual Contract with USNE, Inc., consistent with the terms of that contract and subject to a 2.372% increase in labor rates. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the extension to the contracts per the recommendation of management.

SALE OF SURPLUS HYDRO GENERATION EQUIPMENT: Mr. Lavelle recommended that the Commission award the contract for the sale of surplus Hydro Generation Equipment to Ware River Power, Inc., the only qualified respondent. 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.

SPILL RESPONSE & HAZARDOUS WASTE ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Spill Response & Hazardous Waste Annual Contract to Tradebe Environmental Services, LLC, the lowest responsible and eligible bidder. He further recommended that the Commission award a secondary contract to Environmental Services, Inc., the second lowest 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 contracts per the recommendation of management.

CONSTRUCTION OF PENSTOCK CLOSURES, BEEBE HOLBROOK UNITS E-F: Mr. Lavelle recommended that the Commission award the contract for the Construction of Penstock Closures, Beebe Holbrook Units E-F to Gardner CIS, Inc., 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 award the contract per the recommendation of management.

METER DATA MANAGEMENT SYSTEM: Mr. Lavelle recommended that the Commission award the Meter Data Management System contract to Utilismart, 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 award the contract per the recommendation of management.

ELECTRICAL WIRE & CABLE ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the Electrical Wire contracts to the lowest qualified bidder for each item as specified in the April 24, 2020 memorandum from Purchasing Coordinator, Yocelyn Delgado. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted award the contracts per the recommendation of management.

TECHNICAL SUPPORT SERVICES - NOKIA ACCESS NODES: Mr. Lavelle requested authorization for the expenditure of up to \$152,975 for the purchase of a five (5) year technical support services contract with Nokia for eleven (11) network access nodes. He stated that the services are required for software updates and equipment support and would be contracted through Lightspeed Technologies, the regional Nokia vendor. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted award the contract per the recommendation of management.

COMMUNICATIONS:

04/24/20 – Draft Commission Meeting Minutes from 03/24/20
03/30/20 – JL/DD/Financial Statements, Balance Sheet February 2020
04/22/20 – COMM/JL/Real Estate – 737 Dwight Street
04/29/20 – COMM/JL/PILOT – City of Holyoke
04/15/20 – JL/YD/Recommendation – Extension of Electrical Services Annual Contract
04/22/20 – JL/YD/Bid Recommendation – Sale of Surplus Hydro Generation Equipment
04/27/20 – JL/YD/Spill Response & Hazardous Waste Annual Contract
04/22/20 – JL/YD/Construction of Penstock Closures, Beebe Holbrook Units E-F
04/24/20 – BB/RL/Bid Recommendation – Meter Data Management System
04/24/20 – BB/CP/Bid Recommendation – Wire and Cable Bid
04/28/20 – KJ/TH/Purchasing Approval – Technical Support Services – Nokia Access Nodes

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Wednesday, May 27, 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 6:05 P.M.

HG&E Commission

A handwritten signature in black ink is written over a horizontal line. The signature is stylized and appears to be a name, possibly 'Griffin' or 'Sutter', with a large, sweeping flourish extending upwards and to the right.

Minutes 04/29/20