

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
JANUARY 7, 2020

A meeting of the Holyoke Gas and Electric Department was held on January 7, 2020 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard and Ducheney; Acting Gas Superintendent Brian Roy; Brooke McMahon, Kirk Jonah, Kate Sullivan and Attorney John Ferriter.

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 December 10, 2019.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft November financial statements. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Roy reported that wholesale natural gas procurements continue generally consistent with the hedging plan for the current 12-month procurement window. He reviewed the January natural gas rate comparisons and reported that the Department is competitive in all rate classes. Mr. Roy then reported on the status of bare steel and cast iron replacements. He then gave an update on planned gas distribution maintenance and capital projects for the current year.

Mr. Roy then reported that the Massachusetts Department of Public Utilities (DPU) completed its audit of the LNG operations and would be back in the coming months to review its findings. Mr. Roy then gave an update on the natural gas moratorium and stated the Department has received 30 requests for new services, 50 requests for a heating system conversion, and 24 requests for service upgrades (to add additional equipment) that have been denied due to lack of capacity. Mr. Roy also stated that the Department exercised its option to terminate the Gas Transportation Agreement with Tennessee Gas Pipeline (TGP) for an additional 5,000 dth/day, as no viable capacity options appear likely in the near future. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the January electric rate comparisons and noted that the Department is very competitive in all rate classes. He then reviewed the January mark-to-market report and stated that all contracts are within policy limits and that there are no red flags with current counter-parties. He then gave a brief update on load reduction activities through December and stated that staff continues the process of negotiating terms and conditions for an additional battery storage project. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard gave an update on various ongoing capital and maintenance projects and reported that all major projects are on schedule to be completed as planned. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Ducheney gave a brief report on hydro production activities. He stated that year-to-date hydroelectric production is slightly ahead of plan, and that scheduled maintenance activities are also on plan. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on sales and ongoing projects. He also reported that staff continues to evaluate the feasibility of a gradual build-out of a high-speed network for the residential sector and is evaluating various approaches to accurately determining demand for service. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

ELECTRIC RATE ADJUSTMENTS: Mr. Lavelle recommended that the Commission approve adjustments to the Residential (ER, CS), General Service (EC, F4, MC) and Small Industrial electric tariffs as outlined in the January 2, 2020 memorandum from Superintendent Beauregard. He stated that the residential rate adjustment would amount to an average increase of approximately 2.1%; the General Service rate adjustment amounted to an increase between 0.3% and 2.9%; and that the Small industrial rate increase ranged between 2.9% and 4.3%. He stated that all of the rates remain very competitive compared to both IOU and area municipal utility rates. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the rate adjustments per the recommendation of management.

BID AUTHORIZATIONS:

2020 ANNUAL CONTRACTS & ONE-TIME PURCHASES: Mr. Lavelle requested authorization to solicit bids for the 2020 annual contracts and one-time purchases for goods and services as outlined in the January 2, 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 to authorize the bids per the recommendation of management.

BIDS RECEIVED:

HYDRAULIC STRUCTURES' MAINTENANCE & REPAIRS ANNUAL CONTRACT –

EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension of the annual contract for Hydraulic Structures Maintenance & Repairs (Contract No.18-35) with Gardner Construction & Industrial Services through December 31, 2020 with labor rate adjustments ranging between 0.78% and 3.3%. (as outlined in the January 2, 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 to authorize the extension per the recommendation of management.

2020 UTILITY LINE MATERIAL: Mr. Lavelle recommended that the Commission award the contracts for Utility Line Material to the lowest eligible bidder meeting all requirements for the solicitation for each item as identified in the December 30, 2019 memorandum from Storekeeper, Chi Wong. He stated that no single vendor could meet the bid requirements for all items within the scope of the bid. 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.

SOFTWARE MAINTENANCE - 2020 NAVILINE SUPPORT: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$53,441 for annual software maintenance support from Superior, LLC for the Naviline software that runs the Department's enterprise systems including: Customer Information System, Purchasing/Inventory, Accounts Payable, Accounts Receivable, cash receipts, work orders and other systems. 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 - GASWORKS REMEDIATION: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$94,500 for environmental engineering services required for Operation, Monitoring, Maintenance, Inspection, and Reporting (OMMIR) activities associated with the Department's remediation obligations at the old Gasworks site. He stated that staff was also working on a parallel path with another engineering firm to determine if there may be a more cost-effective remediation plan. 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.

AMR SYSTEM MAINTENANCE - ITRON: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$13,371 for required annual maintenance and support services from Itron for the Department's handheld and mobile metering systems and fixed network automatic meter reading system. 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.

DOBLE RELAY TEST SET MAINTENANCE AND SUPPORT SERVICES: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$9,360 for three years of maintenance and support services required for the Doble Relay Test Set. He stated that the test set is primarily used to test 115 kV NERC relays to ensure compliance with applicable NERC 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.

WORKERS' COMPENSATION INSURANCE: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$142,263 for the annual workers compensation insurance premium with Liberty Mutual Insurance Company. He stated that the premium is approximately 15% lower than last year due to the Department's experience modification factor and risk adjustment 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.

LIABILITY INSURANCE RENEWALS: Mr. Lavelle requested authorization for the expenditure of up to \$103,405 for the renewal of several liability policies including: Excess Liability, Fiduciary Liability, and Public Officials Liability through Public Utility Mutual Insurance Company (PUMIC) and Employment Practices Liability Insurance through the Public Utilities Risk Management Association (PURMA). He stated that the total premiums for the recommended policies declined by 4% compared to the expiring 2019 policies. 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.

PLASTIC GAS STAB FITTINGS: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$75,000 for plastic gas stab fittings required to meet anticipated 2020 gas distribution piping maintenance and repair 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.

COMMERCIAL AUTO INSURANCE: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$46,788 for the annual commercial auto insurance premium that covers all Department vehicles and underwritten by Glatfelter Insurance Group. He stated that the premium is approximately 2% higher than the expiring 2019 premium. 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:

01/03/20 – Draft Commission Meeting Minutes from 12/10/19

12/27/19 – JL/DD/Financial Statements, Balance Sheet November 2019

01/02/20 – BB/JS/Rate Recommendation – Electric Rate Increase for ER, CS, EC & SI

01/02/20 – JL/YD/Authorization to Bid – 2020 One Time Purchases & Annual Contracts

01/03/20 – JL/YD/Extension Recommendation – Hydraulic Structures' Maintenance & Repairs Annual Contract

12/30/19 – BB/CW/Bid Recommendation – 2020 Utility Line Material

01/03/20 – JL/BM/Purchasing Approval: 2020 Superion Naviline Software

01/03/20 – BR/CP/Purchasing Approval: Engineering Services – Gas Works Remediation

12/30/19 – BB/RL/Purchasing Approval: AMR Maintenance Support

12/27/19 – BB/SD/Purchasing Approval: Doble Relay Test Software Maintenance Contract

01/03/20 – JL/BM/Purchasing Approval: 2020 Workers' Compensation Insurance Renewal

01/03/20 – JL/BM/Purchasing Approval: 2020 Insurance Policies Renewals

01/02/20 – BR/WS/Purchasing Approval: Honeywell Permasert Fittings

01/03/20 – JL/BM/Purchasing Approval: 2020 Commercial Auto Insurance Renewal

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, February 4, 2020 at 5:00 P.M.

Mr. Lavelle recommended that the Commission enter into Executive session to discuss strategy with respect to potential litigation. Chairman Hoey stated that the Commission would not reconvene the Regular Session following the Executive Session and that no votes would be taken in Executive Session.

ADJOURNMENT:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 5:37 PM.

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted, on a roll call vote, to enter into Executive Session.



HG&E Commission

Minutes 01/07/20