

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
JANUARY 9, 2018

A meeting of the Holyoke Gas and Electric Department was held on January 9, 2018 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Griffin and Sutter; Manager Lavelle; Superintendent Beauregard, Dan Smith, Brian Richards, Kirk Jonah, Kate Sullivan, Brooke McMahon, Jim Jackowski, Terry Sweeney and Attorney John Ferriter.

CALL TO ORDER:

Commissioner Griffin called the meeting to order at 5:00 PM.

MINUTES:

On a motion from Commissioner Sutter, seconded by Commissioner Griffin, it was voted 2 to 0 to approve the minutes from December 6, 2017.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft November financial statements. She also reported that the Department's auditors are in this week to begin their field work for the 2017 annual audit. There was a brief discussion on the matter. Mr. Lavelle acknowledged the efforts of staff in all divisions to keep systems running during the recent severe cold weather. He noted that the efforts of staff ensured that there were only a few minor issues over the past few weeks, primarily transformer overloading and gas meters freezing, and that those issues were resolved in a timely fashion.

DIVISION REPORTS:

GAS DIVISION

Mr. Smith reported that wholesale natural gas procurements continue consistent with the hedging plan for the current 12-month procurement window. He also presented the January natural gas rate comparisons and noted that the Department is very competitive in all classes. He then gave an update on system performance during the recent cold spell and reported that the system performed nominally under great stress from the weather. 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 remains very competitive in all rate classes. He also reviewed the mark to market report for power supply and stated that all transactions are within policy limits. There was a brief discussion on the matter.

Mr. Beauregard gave an update on ongoing solar and power supply projects and also gave a brief update on demand management activities. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard reported that planned preventive maintenance and capital projects are on schedule and he gave an update on the design and planning activities for the Holyoke 17L Substation. He also gave an update on recent mutual aid activities in St. Thomas. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Duchenev stated that Hydro generation in November was 21,730 Mwh, which was 4.7% ahead of plan. He stated that year-to-date hydro production is approximately 7% ahead of plan. He also reported that FERC approved the license surrender applications for Albion and Nonotuck hydro units. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave a brief update on commercial sales and ongoing projects. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

SPONSORSHIP REQUEST – WGBY: Mr. Lavelle reported that the Department received a sponsorship request from WGBY Public Television Station 57 and recommended that the Commission approve the request at \$1,000. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Griffin, it was voted 2 to 0 to approve the request per the recommendation of management.

RESIDENTIAL ENERGY ASSISTANCE REQUEST – 118 LINCOLN STREET: Mr. Lavelle recommended that the Commission approve a Residential Energy Assistance Request in the amount of \$10,000 for the owners of 118 Lincoln Street for the installation of a 7.35 kW rooftop solar array at the premise. After a brief discussion, and on a motion from Commissioner Sutter, seconded by Commissioner Griffin, it was voted 2 to 0 to approve the assistance per the recommendation of management.

MMWEC POOLED LOAN FINANCING FOR HOLYOKE 17L SUBSTATION: Mr. Lavelle reported that staff is recommending that the Department finance the design and construction of the Holyoke 17L Substation replacement via the MMWEC Pooled Financing Program. He stated that MMWEC aggregates the capital needs of its various members, on an annual basis, into one large pool in order to gain sufficient economies to take advantage of issuing tax exempt municipal bonds to finance the project. He stated MMWEC members are able to use MMWEC's credit rating to get even more advantageous financing through this program. He further reported that MMWEC requires a certificate of vote from the HG&E Commission authorize the Department's participation in the program, and he presented a Certificate of Vote that was prepared by Attorney Ferriter. Attorney Ferriter stated that he had reviewed all the documents and he recommended that the Commission authorize the execution of the documents by the Manager. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Griffin, it was voted 2-0 that:

That the Holyoke Gas & Electric Department Commission ("Commission") hereby accepts the recommendations of the Manager and HG&E's counsel and hereby finds that it is prudent and in the best interests of the HG&E to: (i) obtain the funds

necessary to reimburse the HG&E for any amounts previously expended by the HG&E with respect to the Substation in accordance with the HG&E's previously expressed reimbursement intentions; and (ii) finance the construction, ownership and use of the Substation, both through funds obtained by a loan from MMWEC under MMWEC's Pooled Loan Program; and

hereby authorizes and approves the HG&E's borrowing of funds from MMWEC, from time to time, pursuant to MMWEC's Pooled Loan Program for the purposes stated in this vote; and

hereby approves the Pooled Loan Program Loan Agreement between MMWEC and the City of Holyoke acting by and through the HG&E ("PLP Loan Agreement") substantially in the form of the PLP Loan Agreement presented to the Commission at this meeting and made a part of the record of this meeting; and

hereby authorizes the Manager to execute and deliver the PLP Loan Agreement substantially in the form of the PLP Loan Agreement presented to the Commission at this meeting, with such changes and amendments thereto as the Manager, with the advice of counsel, may deem necessary or appropriate; and

hereby approves the Promissory Note Pooled Loan Program Loan Agreement ("Note"), to evidence the obligation to repay the loan made by MMWEC to HG&E under the PLP Loan Agreement, substantially in the form of the Note presented to the Commission at this meeting and made a part of the record of this meeting; and

hereby authorizes the Manager to execute and deliver the Note substantially in the form of the Note presented to the Commission at this meeting, with such changes and amendments thereto as the Manager, with the advice of counsel, may deem necessary or appropriate; and

hereby directs the Manager to cause the HG&E to perform all of its obligations under the PLP Loan Agreement and the Note at such time as the Manager determines is appropriate to carry out the intent of this vote; and

hereby authorizes the Manager, with the advice of counsel, to execute, accept, deliver or perform obligations for such further documents, or agreements and take any and all further actions, as the Manager deems may reasonably be required to carry out, give effect to and consummate the PLP Loan Agreement and the Note.

BID AUTHORIZATIONS:

2018 ONE TIME PURCHASES & ANNUAL CONTRACTS: Mr. Lavelle requested Commission authorization to solicit bids for the 2018 One-Time Purchases and Annual Contracts detailed on the January 4, 2018 memorandum from Purchasing Coordinator, Yocelyn Delgado. After a brief discussion, and on a motion from Commissioner Sutter, seconded by Commissioner Griffin, it was voted 2 to 0 to authorize the bids per the recommendation of management.

BIDS RECEIVED:

FIBER OPTIC INSTALLATION, SPLICING, TERMINATION & TESTING ANNUAL

CONTRACT: Mr. Lavelle recommended that the Commission reject all bids and authorize a re-bid for the contract as the advertisement for the bids was not submitted in a timely fashion due to a clerical error. After a brief discussion, and on a motion from Commissioner Sutter, seconded by Commissioner Griffin, it was voted 2 to 0 to reject all bids and authorize a re-bid for the contract per the recommendation of management.

SOFTWARE LICENSE AND MAINTENANCE FEES:

Mr. Lavelle requested authorization to expend up to \$50,571.36 for annual license and maintenance fees for the Customer Management System (CMS) software from Superior. He stated that the existing support contract expired at the beginning of the year and that in addition to the main customer accounts system; the support covers Purchasing/Inventory, Accounts Payable, Accounts Receivable, Work Order Management, Cash Receipts and other modules. After a brief discussion, and on a motion from Commissioner Sutter, seconded by Commissioner Griffin, it was voted 2 to 0 to authorize the expenditure per the recommendation of management.

15KV FIVE-WAY MINERAL OIL FILLED SWITCHGEAR:

Mr. Lavelle recommended that the Commission reject all bids from the June 20, 2017 15 kV Five Way Switchgear bid and award the revised 15 kV Five-Way Mineral Oil Filled Switchgear bid, opened on December 27, 2017, to Trayer Engineering Corporation, the lowest qualified and eligible bidder meeting all requirements for the solicitation. After a brief discussion, and on a motion from Commissioner Sutter, seconded by Commissioner Griffin, it was voted 2 to 0 to reject the June 20, 2017 bids and award the contract per the recommendation of management.

COMMUNICATIONS:

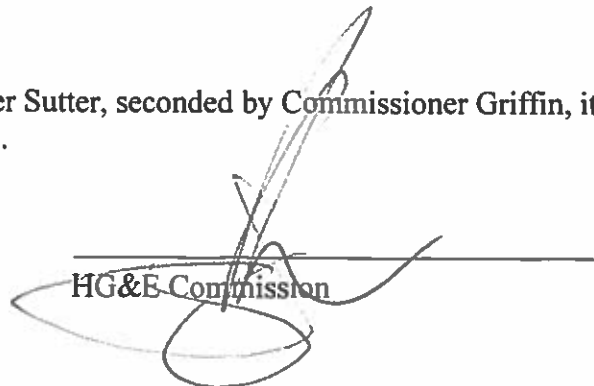
- 01/05/18 – Draft Commission Meeting Minutes from 12/06/17
- 12/27/17 – JL/DD/Financial Statements, Balance Sheet November 2017
- 01/03/18 – JL/JJ/Sponsorship Request – WGBY 57 Annual Sponsorship
- 01/02/18 – JL/JJ/Residential Assistance – 118 Lincoln Street
- 01/09/18 – COMM/JL/MMWEC Poole Loan Finance Program
- 01/04/18 – JL/YD/Bid Recommendation – Fiber Optic Installation, Splicing, Termination & Testing Annual Contract
- 01/05/18 – JL/DD/Purchasing Approval: Software License and Maintenance Fees
- 01/03/18 – BB/CP/Bid Recommendation – 15kV Five-Way Mineral Oil Filled Switchgear

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, January 30, 2018 at 5:00 P.M.

ADJOURNMENT:

On a motion from Commissioner Sutter, seconded by Commissioner Griffin, it was voted 2 to 0 to adjourn the Meeting at 5:50 PM.



HG&E Commission