

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
MARCH 9, 2017

A meeting of the Holyoke Gas and Electric Department was held on March 9, 2017 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard and Shannon; Kirk Jonah, Jim Jackowski and Brian Richards.

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 February 16, 2017.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Mr. Richards reviewed the draft January financial statements. He also gave an update on the 2016 financial audit. There was a brief discussion on the matter.

Mr. Lavelle reported that negotiations are ongoing with the Holyoke Municipal Gas Light & Power Guild for a new collective bargaining agreement. He stated that the current contract expires March 31, 2017. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Shannon reported that wholesale natural gas procurements continue consistent with the hedging plan for the current 12-month procurement window. He also reported that the Purchased Gas Adjustment (PGA) was reduced from \$0.28/CCF to \$0.23/CCF for all firm customers, effective for the March billing cycle. He stated that the interruptible PGA was reduced from \$0.89/CCF to \$0.84/CCF. He reported that the PGA adjustment amounts to an approximate 4.3% rate reduction for the average residential customer. He also reviewed the March natural gas rate comparisons and noted that gas rates are competitive in all classes. He further reported that the Asset Management Agreement (AMA) with ConEdison was extended for another year. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the March electric rate comparisons and noted that HG&E's electric rates remain competitive in all classes. He also reviewed the February mark-to-market report and noted that contracts were in full compliance with the Risk Management Policy. There was a brief discussion on the matter.

Mr. Beauregard gave an update on various distributed generation and energy storage initiatives. There was a brief discussion on the matter.

Mr. Beauregard reported that all recently commissioned solar projects are running nominally, with the exception of Mt. Tom Solar which is in process of changing out a failed inverter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard reported that design and planning for the Holyoke 17L Substation is progressing. He stated that the project is scheduled for presentation at the March 22nd ISO-NE Planning Advisory Committee (PAC) meeting. He stated that the current plan is to begin construction in 2018 with project completion scheduled in 2019. There was a brief discussion on the matter.

Mr. Beauregard reported that staff is in progress of preparing several capital projects for construction season. He also reported that preventive maintenance activities are progressing as planned. He further stated that system improvements over the past several years have demonstrated better system resiliency. He stated that with all of the recent windy weather, there was only one significant outage caused by a tree falling on the Distribution wires and taking down a pole. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Lavelle reported that hydro production is on plan for the month and that the visitor center building construction is on schedule to be completed by June 2017. He further reported that preparations for fish migration season are underway. 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:

ECONOMIC DEVELOPMENT ASSISTANCE – HOLYOKE MEDICAL CENTER: Mr. Lavelle recommended that the Commission approve an Economic Development Assistance package for Holyoke Medical Center's (HMC) new emergency room project in the amount of \$220,000. He stated that the amount included \$200,000 of Economic Development Discounts that would be earned during the first three years of operation of the new facility, plus \$20,000 in lieu of gas and electric distribution upgrades required to support the project. He stated that the assistance has a 3-year payback for the new load only. After a brief discussion, and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the assistance per the recommendation of management.

2017 CADET ENGINEERING SCHOLARSHIP: Mr. Lavelle requested authorization to advertise for the Cornelius J. Moriarty, Jr. scholarship for Cadet Engineers. He stated that there are currently 7 Cadets in the program with one scheduled to graduate in May. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the advertisement for the scholarship.

SPONSORSHIP REQUESTS – HOLYOKE ST. PATRICK'S PARADE COMMITTEE: Mr. Lavelle reported that the Department received a sponsorship request from the Holyoke Saint Patrick's Parade Committee requesting a \$1,500 sponsorship for the Ambassador's Breakfast and a \$6,000

sponsorship for the Colleen float. He stated that the request is consistent with the level of support granted for the past several years. 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:

PURCHASE OF 15KV ELECTRIC UNDERGROUND CABLE: Mr. Lavelle recommended that the Commission reject all bids and authorize a re-bid for the cable. He stated that the low bidder did not sign their bid, rendering the bid invalid, and that the only other bidder proposed a price that was 27% higher in price and 4 weeks longer in delivery. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to reject all bids and authorize a re-bid per the recommendation of management.

MUNICIPAL LED LIGHTING RETROFITS: Mr. Lavelle recommended that the Commission award the contracts for Municipal LED Lighting Retrofits to the lowest responsible and eligible bidder for each separate project as identified on the March 2, 2017 memorandum from Jonathan Zwirko. 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.

2017 UPSTREAM FISH & EEL PASSAGE ACTIVITIES: Mr. Lavelle recommended that the Commission authorize the expenditure of \$160,643 for upstream fish passage activities mandated by the FERC License for Project 2004. He stated that the activities include data collection services with Holyoke Community College Department of Natural Sciences (\$53,000); biological oversight and reporting by Normandeau Associates (\$81,443); and fishway tours staffing by The Resource Connection (\$26,200). Commissioner Griffin disclosed that his employer is an affiliate of the HCC Foundation and that he would abstain from deliberations and voting on the matter. Commissioner Hoey disclosed that his employer has provided engineering services for the HCC Foundation in the past. Mr. Lavelle disclosed that he is on the HCC Foundation Board. Attorney Ferriter disclosed that he has provided legal services for the HCC Foundation in the past. Upon the advice of Counsel, Commissioner Hoey invoked the rule of necessity to participate in the matter. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-0 to authorize the expenditure per the recommendation of management. Commissioner Griffin abstained.

FENCE MAINTENANCE, REPAIRS & INSTALLATIONS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Fence Maintenance, Repairs and Installations to Brodeur-Campbell Fence Co., Inc., the lowest responsible and eligible bidder. 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.

EXCAVATIONS & RESTORATIONS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Excavations and Restorations to JSC Construction, LLC, the lowest responsible and eligible bidder. 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.

UTILITY LINE MATERIAL: Mr. Lavelle recommended that the Commission award the contracts for Utility Line Materials to the low bidders meeting all requirements for the individual items as identified on the March 3, 2017 memorandum from Abigail Alers. 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.

COMMUNICATIONS:

03/03/17 – Draft Commission Meeting Minutes from 02/16/17
03/03/17 – JL/DD/Financial Statements, Balance Sheet January 2017
02/14/17 – JL/JJ/Economic Development Assistance – Holyoke Medical Center
03/03/17 – COMM/JL/2017 Cadet Engineering Scholarship
03/08/17 – JL/JJ/Sponsorship Requests – St. Patrick’s Parade Committee of Holyoke
03/03/17 – JL/YD/Bid Recommendation – Purchase of 15kV Electric Underground Cable
03/02/17 – BB/JZ/Bid Recommendation – Municipal LED Lighting Retrofits
03/01/17 – YD/RM/2017 Upstream Fish & Eel Passage Activities
03/02/17 – JL/YD/Bid Recommendation – Fence Maintenance, Repairs & Installations Annual Contract
03/02/17 – JL/YD/Bid Recommendation – Excavations & Restorations Annual Contract
03/03/17 – BB/AA/Bid Recommendation – Utility Line Material

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, March 28, 2017 at 5:00 PM.

Commissioner Hoey recommended that the Commission enter into Executive Session for an update on collective bargaining. He announced that there would be no votes taken during Executive Session and that the Commission would not return to Regular Session.

ADJOURNMENT:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 5:51 PM.

On a roll call vote, it was unanimously voted to enter into Executive Session to discuss strategy with respect to collective bargaining.

HG&E Commission

