

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
MAY 28, 2019

A meeting of the Holyoke Gas and Electric Department was held on May 28, 2019 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendent Beauregard; Acting Gas Superintendent Brian Roy, Steve Roy, Kirk Jonah, Brooke McMahon, Jim Jackowski, Terry Sweeney 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 April 30, 2019.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Mr. Lavelle reviewed the draft April financial statements. Mr. Lavelle also reported that staff met with representatives of Fitch Ratings for a credit surveillance of the outstanding Massachusetts Clean Energy Cooperative bonds for which the Department is the underlying credit. He stated that the credit review and report should be completed by the end of June. 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 and he reviewed the June natural gas rate comparisons, reporting that the Department remains competitive in all rate classes. Mr. Roy then gave an update on planned gas distribution maintenance and capital projects for the current year. He then reported that Marsh insurance company completed an independent review of the Gas Division Operation and Maintenance (O&M) manual and that Marsh found the O&M Plan to be excellent from a risk standpoint and they reported no material findings. Mr. Roy also provided an update regarding the Commonwealth's review of all gas distribution companies in the State, and he gave an update on the enhancements to the Safety Management System. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the June electric rate comparisons and noted that the Department was very competitive in all rate classes. He then reviewed the June mark to market report for power supply and natural gas supply and stated that all transactions are within policy limits. He then reported that the

Department's allocation of New York Power Authority (NYPA) output will increase by approximately 11% for the current year and he gave a brief update on load reduction activities through May. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard reported on the new Regional Network Service (RNS) transmission rates and stated that PTF revenue will increase slightly (~1%) and that RNS rates are approximately 4.3% below budget. He then gave an update on the Holyoke 17L Substation construction and reported that the second transformer is on schedule for delivery by the end of June and he also reported that significant progress has been made regarding demolition of the old infrastructure. He stated that Phase 2 of the project is on schedule for completion in early November. He also gave an update on capital and maintenance projects. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Duchenev reported that hydro production is approximately 6% below plan year-to-date, and is 6.5% below last year's first quarter output. He then gave an update on the status of the Hadley Falls Unit #2 overhaul scope development. He then gave an update on fish lift operations and public visitations. 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:

RESIDENTIAL ASSISTANCE REQUEST -29-31 DAVIS STREET: Mr. Lavelle reported that the Department received a residential assistance request in the amount of \$5,750, from the owners of 29-31 Davis Street, for the installation of insulation. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the assistance per the recommendation of management.

SPONSORSHIP REQUEST – HOLYOKE ALLIES BASEBALL CLUB: Mr. Lavelle reported that the Department received a \$1,000 sponsorship request from the Holyoke Allies Youth Baseball league and he recommended that it be approved. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the sponsorship per the recommendation of management.

INTERRUPTIBLE GAS SERVICE TARIFFS ADJUSTMENT: Mr. Lavelle presented modified Interruptible Gas Service Tariffs to the Commission and requested that they be approved. Mr. Roy reviewed all of the proposed tariff changes and stated that the tariffs had not been updated since 1985. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the tariffs as presented.

BID AUTHORIZATIONS: None

BIDS RECEIVED:

SPECIALTY CONSTRUCTION & FACILITIES MAINTENANCE ANNUAL CONTRACT - EXTENSION:

Mr. Lavelle recommended that the Commission authorize a one year extension to the contracts for Specialty Construction and Facilities Maintenance with Garland Construction Corp., and Gardner Construction and Industrial Services, Inc., consistent with the provisions for extension under those contracts. He stated that Garland has agreed to maintain existing contract rates, terms and conditions and that Gardner has agreed to the existing terms and conditions with a 3% increase in labor and operator rates. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the extension of the contracts per the recommendation of management.

LANDSCAPING SERVICES ANNUAL CONTRACT - EXTENSION:

Mr. Lavelle recommended that the Commission authorize a one year extension to the contract for Landscaping Services with GTC Landscaping, consistent with the provisions for extension under the existing contract and under the same terms and conditions as the existing contract. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the extension of the contract per the recommendation of management.

PURCHASE OF COATED STEEL NATURAL GAS PIPE:

Mr. Lavelle recommended that the Commission award the contract for the purchase of Coated Steel Natural Gas Pipe to Collins Pipe and Supply Co., 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 to award the contract per the recommendation of management.

EMERGENCY/NON-EMERGENCY SPILL RESPONSE & TRANSPORTATION/DISPOSAL OF

HAZARDOUS WASTE & MATERIALS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission reject all bids received for the Emergency/Non-Emergency Spill Response and Transportation/Disposal of Hazardous Waste and Materials Annual Contract and authorize a re-bid due to an error in the bid documents as well as inconsistencies in responses from vendors that prevented a fair evaluation of responses. 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 for the contract.

COMMUNICATIONS:

05/23/19 – Draft Commission Meeting Minutes from 04/30/19

05/22/19 – JL/DD/Financial Statements, Balance Sheet April 2019

05/09/19 – JL/JJ/Residential Assistance – 29-31 Davis Street

05/13/19 – JL/JJ/Sponsorship Request – Holyoke Allies Baseball Club

05/10/19 – JL/BR/Interruptible Gas Service Tariffs Adjustment

05/22/19 – JL/YD/Recommendation – Extension of Specialty Construction & Facilities Maintenance Annual Contract

05/22/19 – JL/YD/Recommendation – Extension of Landscaping Services Annual Contract

05/22/19 – JL/YD/Bid Recommendation – Purchase of Coated Steel Natural Gas Pipe

05/24/19 – JL/YD/Bid Recommendation – Emergency/Non-Emergency Spill Response & Transportation/Disposal of Hazardous Waste & Materials Annual Contract (Rebid)

Mr. Lavelle recommended that the Commission enter into Executive Session to discuss strategy with respect to real estate.

Commissioner Hoey stated that the Commission would return to regular session.

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted, on a roll call vote, to enter into executive session to discuss strategy with respect to real estate at 5:51 PM.

Chairman Hoey reconvened the regular session at 6:07 PM.

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, June 18, 2019 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 6:08 PM.



Handwritten signature of a commissioner, likely Commissioner Griffin, written over a horizontal line. The signature is stylized and appears to be 'AG'.

HG&E Commission