

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
SEPTEMBER 11, 2018

A meeting of the Holyoke Gas and Electric Department was held on September 11, 2018 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard, Ducheny, and Shannon; Kirk Jonah, Brooke McMahon, Kate Sullivan, Jim Jackowski, 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 August 14, 2018.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the July financial statements. 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 presented the September natural gas rate comparisons and noted that the Department is very competitive in all classes. He reported that planned bare steel service and cast iron main replacements are ongoing according to plan. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the September electric rate comparisons and noted that the Department remains very competitive in all rate classes. He also reviewed the September mark to market report for power supply and stated that all transactions are within policy limits. He gave an update on peak load reduction efforts and noted that the Mt. Tom Battery Storage System was fully operating under test mode during the annual capacity peak hour on August 29th. He also noted that Engie is still working to satisfy all conditions required by local authorities to reach full commercial operation. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard gave an update on the Holyoke 17L Substation construction and noted that the project is on schedule. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Ducheny gave an update on the Voith Hydro warranty repairs on Hadley Falls Unit #1. He stated that Voith has determined that additional repairs are required to stop the minor oil leak and that repairs

are expected to be completed by mid-October. He also reported that the Fall canal shutdown was on schedule for the week of September 22nd. 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.

Marketing and Communications:

Ms. Sullivan gave an update on various marketing and communications activities including a planned Public Power Week activities and a scheduled press conference by Engie on September 25th to cut the ribbon on the Mt. Tom Battery Energy Storage System. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

CAPITALIZATION POLICY: Mr. Lavelle requested that the Commission approve a revised capitalization policy. Ms. McMahon explained that the current policy has not been updated since 1985 and the recommended changes include increasing the capital threshold from \$500 to \$5,000 as well as better defining capital assets. After a brief conversation and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the capitalization policy as presented by management.

RESIDENTIAL ENERGY CONSERVATION ASSISTANCE REQUEST 37-39 HITCHCOCK STREET: Mr. Lavelle reported that the Department received a Residential Energy Conservation Assistance Request, in the amount of \$7,585, from the owners of 37-39 Hitchcock Street for the installation of a new energy efficient gas-fired heating system. After a brief conversation and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the assistance per the recommendation of management.

BID AUTHORIZATIONS:

None

BIDS RECEIVED:

REPLACEMENT OF GOVERNORS COBBLE MT STATION: Mr. Lavelle recommended that the Commission reject all bids for the Cobble Mountain Governors and authorize a re-bid. He stated that two bids were received and one bid did not conform to the specification requirements and the other was significantly higher than estimates provided by two different consulting firms. After a brief discussion, and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to reject all bids per the recommendation of management and to authorize a re-bid for the governors.

DIVE SURVEYS, INSPECTIONS, MAINTENANCE & REPAIRS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the bid for Dive Surveys, Inspections, Maintenance & Repairs to Underwater Construction Corporation, 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 authorize the expenditure per the recommendation of management.

COMMUNICATIONS:

08/08/18 – Draft Commission Meeting Minutes from 08/14/18

08/27/18 – JL/DD/Financial Statements, Balance Sheet July 2018

09/06/18 – JL/BM/Recommendation to modify the Capitalization Policy

08/27/18 – JL/JJ/Multi-REAP – 37-39 Hitchcock Street

09/05/18 – JL/YD/Bid Recommendation – Replacement of Governors Cobble MT Station

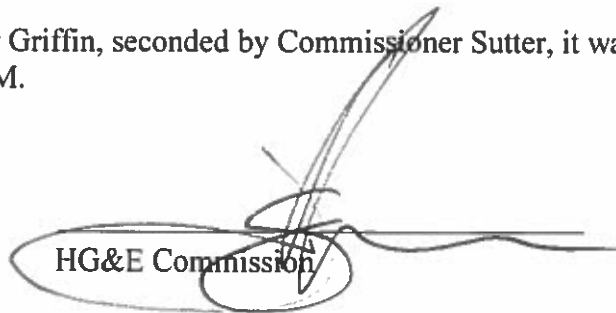
09/07/18 – JL/YD/Bid Recommendation – Dive Surveys, Inspections, Maintenance & Repairs Annual Contract

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, October 2, 2018 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 5:48 PM.

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "HG&E Commission" in a sans-serif font. The signature is a cursive-style name that appears to be "Sutter".

HG&E Commission