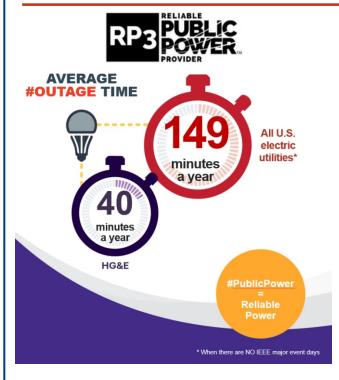


Excellence in Reliability



HG&E understands that electricity is vital to the way you do business and live your life. Everyday, HG&E works to ensure that power is available to you when you need it.

HG&E is proud to offer its customers highly reliable electric service, ensuring that power is available to you with as little interruption as possible. In recognition of innovation and a commitment to exemplary service, HG&E is a recipient of the prestigious Diamond Rp3

designation from the American Public Power Association (APPA). The RP3 designation recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development, and system improvement. Criteria include sound business practices and a utility-wide commitment to safe and reliable delivery of electricity.

"This is a great honor," said James Lavelle, Manager of HG&E. "Our team takes great pride in the work they do to serve this community. We are very happy to receive this recognition again and we remain committed to continuing to explore ways to improve our system reliability and overall service quality to our customers."

In addition to the RP3, HG&E has also been awarded APPA's Excellence in Reliability Award since its inception in 2011. For more information visit **hged.com/reliability**.

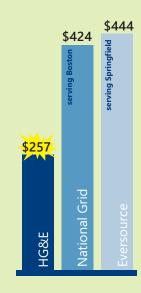
RATE COMPARISONS

LOWEST ELECTRIC RATE



April 2025: Residential customer consuming 500 kWh/month. Amounts shown include all discounts and use the fixed default generation supply price.

LOWEST NATURAL GAS RATE



April 2025: Residential customer consuming 186 CCF/month. Amounts shown include all discounts.

State Policy Impacts on Municipal Utilities

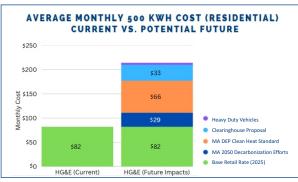
HG&E, one of 41 Municipal Light Plants (MLPs) in Massachusetts, operates under local control to serve the unique needs of our customers. This structure allows HG&E to provide some of the lowest utility rates in the region while maintaining one of the cleanest electric portfolios in the Commonwealth. However, recent proposed state regulations threaten both affordable rates and local decision-making authority. While we share the State's goal of reducing greenhouse gas (GHG) emissions, the draft regulations fail to acknowledge the significant impact MLPs have made in transforming local communities through their own initiative.

With our community's unique characteristics in mind, HG&E continues to make significant and strategic progress in reducing GHG emissions. HG&E's pathway to net zero is multifaceted with a goal to expand carbon-free sources of electric generation in environmentally sensitive ways and to promote the reduction of energy use through energy efficiency and electrification programs, while maintaining some of the lowest electric rates in the Commonwealth of Massachusetts.

After providing feedback to various state regulators, we felt it was important to share the potential cost impact associated with one specific regulatory framework - MassDEP's Clean Heat Standard (CHS). If MLP's are required to comply, this regulation would have significant and lasting impacts on HG&E rates and set a precedent that would allow the state to treat MLPs like investor-owned utilities. This regulation would require utilities to meet annual targets for converting customers to electric heating options and there would be alternative compliance payments for those who fail to achieve these mandatory electric conversion quotas. This program will be extremely expensive for ratepayers throughout the state.

To understand the potential rate impact for customers, HG&E has made projections based on limited available information. Our analysis indicates the CHS regulation alone would increase HG&E's current residential electric rates by 80% by 2050 (current rate is \$82/month; potential future rate is \$148/month, for an average customer consuming 500

kWh/month). This would be an evolving impact, starting with a 6% rate increase in 2026 and escalating to 80% over time. Importantly, these projections do not account for impacts to natural gas costs or commercial and industrial losses due to increased utility rates, which could place an additional burden on residential customers.



HG&E is also concerned about other

proposed state regulations that could negatively impact electric rates, including the Heavy Duty Omnibus regulation and Decarbonization Clearinghouse, as well as overall decarbonization efforts and capital investments required for future electrification. We will continue to keep customers informed as additional information becomes available. For more information, please visit www.hged.com/policyimpacts.





HG&E Main Office

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Phone Payment (413) 536-9300 (Option 5)

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Mail P.O. Box 4165 Woburn, MA 01888-4165

Holyoke Drop Boxes

HG&E, 99 Suffolk Street
C-Mart, 1500 Northampton Street
DB Mart, 494 Westfield Road
Stop & Shop, 28 Lincoln Street
Stop & Shop, 2265 Northampton Street
Holyoke Senior Center, 291 Pine Street

Holiday Closings

Memorial Day Monday, May 26

Juneteenth Independence Day Thursday, June 19

Commissioners

Francis J. Hoey, III Marcos A. Marrero James A. Sutter

Manager

James M. Lavelle

