

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
OCTOBER 18, 2022

A meeting of the Holyoke Gas and Electric Department was held on October 18, 2022 at 5:10 P.M. in the Department's offices. In attendance were Commissioners Hoey, Sutter and Marrero; Manager Lavelle; Superintendents Steve Roy and Brian Roy; Brooke McMahan, Kirk Jonah, Kate Sullivan, Lisa Rogers and Attorney John Ferriter.

CALL TO ORDER:

Chairman Hoey called the meeting to order at 5:10 P.M.

MINUTES:

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the minutes from September 13, 2022.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahan reviewed the draft August 2022 statements. 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. He stated that 59% of winter ('22-'23) gas supply is locked in price. He reported that staff is still working to set the Purchased Gas Adjustment (PGA) for the winter, and he estimated that natural gas costs will be approximately 30% higher than last winter for customers, reflecting the current market cost of natural gas. He then reviewed the October natural gas rate comparisons and reported that the Department remains very competitive in all rate classes.

Mr. Roy gave a brief update on the County Road inter-connect upgrade project and the LNG reliability project and stated that staff was on schedule to submit the EFSB application by mid-November. He then gave an update on recent DPU audits. He also gave an update on regulator station tertiary protection and reported that there are currently no active leaks on record. He then reported that staff would conduct an Emergency Drill on October 19th with local Fire and Police, including Southampton, to ensure that all parties are familiar with the Emergency Response Plan and to be prepared in the event of an emergency. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Steve Roy reviewed the October electric rate comparisons and reported that the Department remains competitive in all rate classes. He then reviewed the October Mark-to-Market report and reported that all transactions are within policy limits. He also gave an update on peak load reduction activities. He then reported that 2023 wholesale electricity prices are currently 19% higher than the

average 2022 prices and that electric rates would have to be increased by approximately 10% for 2023 to keep pace with the increased fuel costs. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy gave an update on the electric distribution circuit conversion activity, and he reported that work is currently focused on the H-4 circuit, with the first phase (Hillside/Woods/Brookline) being completed during September and the second phase (West Franklin/Sargeant/Pinehurst/Dunn) on schedule for an early November completion. He then reported that crews completed all planned meter changes for the year and that all other planned distribution projects are on schedule for completion by the end of the year. He further gave an update on the mutual aid support rendered during Hurricane Ian to Jacksonville Electric Authority and Bartow Electric Dept. in Florida from September 21st through October 7th. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy reported that year-to-date hydro generation is 13.5% below plan through September due to low water flows. He stated that year-to-date river flows are the lowest on record since 1958. He then reported that fall canal outage activities were completed as planned and the canals were filled on September 24th. He then reported that a minor leak in the canal dyke has re-appeared adjacent to the fish bypass pipe. He stated that staff has been in contact with FERC and that the first level canal has been lowered until repairs are completed. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on the status of sales activity and capital projects. He stated that supply chain issues are impacting several projects, largely due to the lack of availability of computer chips. He then gave an update on wholesale ISP services. There was a brief discussion on the matter.

CUSTOMER SERVICE

Ms. Rogers gave an update on fuel assistance communications, accounts receivable and credit and collections activity. There was a brief discussion on the matter.

MARKETING AND COMMUNICATIONS

Ms. Sullivan gave an update on the outreach efforts for the LNG Reliability Project. She noted that the City Council Public Service Committee unanimously approved a resolution supporting the Project and that the full City Council will vote on the resolution at its next meeting. She then reported that the Public Power and Public Natural Gas week activities were well attended October 5th and she discussed a public power media campaign through MMWEC. She also described outreach efforts to help alert customers to the increased winter energy costs and measures that can be taken to mitigate exposure to those increases. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

SPONSORSHIP REQUEST – INTERNATIONAL VOLLEYBALL HALL OF FAME: Mr. Lavelle reported that the Department received a sponsorship request from the International Volleyball Hall of Fame for their annual induction ceremony and he recommended that the Corporate Partner Sponsorship be approved as requested. After a brief discussion and on a motion from Commissioner

Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the sponsorship per the recommendation of management.

2022 HOLIDAY DISCOUNT: Mr. Lavelle recommended that the Commission approve an additional 10% Holiday Discount for the December billing. He stated that the Commission has approved the Holiday Discount for many years and the discount was factored into the annual budget. Commissioner Marrero suggested that it would be irresponsible to approve the 10% discount given the financial pressures of higher fuel costs and lower hydro generation due to low river flows. He further stated that the discount rewards large homeowners and heavy energy consumers who are costing the Department more money at the margin due to the heavy consumption. Commissioner Sutter suggested that there a fair number of customers that rent large homes and apartments, who have little or no control over energy efficiency measures in the home, who could very much use the relief from winter heating costs. Commissioner Marrero stated that he is not opposed to providing relief and suggested that staff recommend a proposal that draws the line at some level of consumption, removing the benefit for large consumers. Chairman Hoey suggested that the additional discount for all customers has been well received by customers and is a fair way to render relief from heating bills. After further discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-1, with Commissioner Marrero in opposition, to approve the additional 10% discount, consistent with management recommendation, for the December billing.

BID AUTHORIZATIONS: None

BIDS RECEIVED:

NAVILINE SOFTWARE SUPPORT RENEWAL: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$69,300 for a one-year renewal of Naviline CIS software support from Superior, LLC. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the expenditure per the recommendation of management.

GAS DISTRIBUTION VEHICLE #2 REPLACEMENT: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$160,000 for the replacement of Gas Distribution Vehicle #2 from the Massachusetts State Contract VEH110. He stated that the current vehicle was purchased in 2001 and is beyond repair. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the expenditure per the recommendation of management.

JUNIPER SECURITY ANALYTICS SUPPORT RENEWAL: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$131,400 for the renewal of support for the Juniper Security Analytics Security and Information Event Management (SIEM) appliance from the Massachusetts State Contract ITT72. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the expenditure per the recommendation of management.

TELECOM NETWORK IMPROVEMENT: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$930,000 for various optical multiplexor nodes, ethernet transport

nodes, and associated equipment and support as outlined in the October 14, 2022, Network Upgrade memorandum from Timothy Haas, Chief Network Engineer. There was a lengthy discussion on the matter. On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the expenditure per the recommendation of management.

2023 UTILITY LINE MATERIAL: Mr. Lavelle recommended that the Commission award the contracts for Utility Line Material to the low bidders meeting all requirements of the solicitation for each item as outlined in the October 13, 2022, memorandum from Terrence Judd, Storekeeper. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to award the contracts per the recommendation of management

COMMUNICATIONS

10/14/22 – Draft Commission Meeting Minutes from 09/13/22

09/27/22 – JL/DD/Financial Statements, Balance Sheet & Summary Report – August 2022

09/22/22 – JL/KC/Sponsorship Request – International Volleyball Hall of Fame

10/04/22 – JL/LR/Holiday Discount

09/21/22 – JL/BM/Purchasing Approval: Naviline Software Support

10/02/22 – BR/WS/Purchasing Approval: Gas Distribution Vehicle #2 Replacement

09/30//22 – KJ/WM/Purchasing Approval: Juniper JSA & SIEM Support Maintenance Renewal

10/14/22 – KJ/TH/Purchasing Approval: Telecom Network Improvement

10/13/22 – SR/TJ/Bid Recommendation – 2023 Utility Line Material

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, November 15th at 5:00 P.M.

ADJOURNMENT:

On a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:24 P.M.

HG&E Commission