

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
FEBRUARY 10, 2026

A meeting of the Holyoke Gas and Electric Department was held on February 10, 2026, at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Sutter and Marrero; Manager Lavelle; Superintendents Steve Roy and Brian Roy; Brooke McMahon, Kirk Jonah, Kate Sullivan Craven, Lisa Rogers, and Attorney John Ferriter.

CALL TO ORDER:

Chairman Hoey called the meeting to order at 5:00 P.M.

MINUTES:

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the minutes from January 13, 2026.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reported that the draft year-end financial statements will be presented at the next meeting. She also reported that the external auditors continue to work with staff to produce the year-end audited financial statements which should be completed on or about April 1st. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Brian Roy reported that wholesale natural gas purchases continue consistent with the hedging plan for the current 12-month procurement window and noted that 98% of planned winter gas is locked in price and that 13% of forecasted summer gas is also locked in price. He noted that the current heating season is the coldest in the last 30 years and that January send-out was 21% higher than planned. He also noted that 48,700 dth (17% more than entire prior heating season) of LNG have been vaporized in 2026 to support system demand. He also reviewed February rate comparisons, noting that the Department remains very competitive in all rate classes.

Mr. Roy then reported that distribution crews continue to prepare for 2026 capital projects, including planned main replacements for Sargeant Street (between Route 5 and St. Jerome Avenue), Alderman Street, and Cabot Street. He also reported that there are currently zero (0) leaks on file and that a total of 6 leaks were identified and repaired during January. He then gave an update on DPU audit activity. Commissioner Marrero asked how contractors are approved to work on gas distribution infrastructure and if that approval process limits the number of contractors bidding on work. Mr. Roy stated that contractors are required to be certified by the DPU for any work on gas distribution infrastructure and that the requirements do limit the number of contractors bidding on work. There was a brief discussion on the matter.

ELECTRIC DIVISION

POWER SUPPLY

Mr. Steve Roy reviewed the February electric rate comparisons and reported that the Department remains competitive in all rate classes compared to regional peers and is currently the lowest, or second lowest, in all categories. He then reviewed the February Mark-to-Market report and reported that all transactions and counter-party default risks are within policy limits. He also gave an update on peak load reduction activities and noted that the January peak occurred on January 25th, hour-ending 13, and that 1.127 MW were shed via Department load reducers. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy gave an update on maintenance and construction activities, noting that termination cabinet inspections have been completed and padmount transformer inspections are ongoing. He then noted that 328 AMI meters have been installed since January 1st, and that the project is on plan for completion by the end of 2027. He also gave an update on other maintenance activities and battery storage projects. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy reported that hydro production was 13.7% below plan for January and that February is trending approximately 37% below plan due to low water flows and icing. He noted that the cold weather has increased loads, approximately 8% above plan, and that the combination of reduced generation and increased load has had an adverse impact on fuel costs, resulting in an estimated \$2.5 Million increase over planned through February. He stated that the Department sold Maine Renewable Energy Credits (REC's) for \$625,000 to offset the increased costs. He then noted that the annual spring canal outage has been scheduled for March 24th- 26th. He also gave a brief update on Cobble Mountain Unit #3 rebuild status. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on sales and operations activity. He also reported that the department was notified by the Department of Energy that the federal RMUC grant for cybersecurity enhancements was reactivated and that DOE staff would be in contact with the HG&E team to discuss particulars. There was a brief discussion on the matter.

CUSTOMER SERVICE

Ms. Rogers gave an update on 2026 home heating assistance funding. There was a brief discussion on the matter.

MARKETING & COMMUNICATIONS

Ms. Sullivan Craven reported that the Green Team is recommending several changes to the energy conservation program in an effort to increase participation by renters and non-resident property owners. Commissioner Marrero commended Ms. Craven and the Green Team for their proposed changes to the energy conservation program, stating that the changes will make a meaningful difference to many customers that have not been able to participate in the program to date. There was a discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

2026 ENERGY EFFICIENCY PROGRAM MODIFICATIONS: Ms. Craven presented a list of proposed modifications to the Energy Efficiency Program. She noted that the recommended changes are intended to expand program participation, particularly from tenants in multi-family buildings and renters. She also recommended that the requirement that a building owner must reside in Holyoke in order to be eligible for program incentives be removed in order to increase program participation. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the program modifications per the recommendation of management.

BID AUTHORIZATIONS: None

BIDS RECEIVED:

PURCHASE APPROVAL – 2026 UPSTREAM FISH & EEL PASSAGE COMPLIANCE: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$109,750 for part-time contract staffing required to comply with the FERC Project 2004 License upstream fish passage requirements. He stated that \$62,000 would be paid to Holyoke Community College Natural Sciences Department for fish passage counting and monitoring activities, and that \$47,750 would be paid to KNFT, through the COMMBuys State contract, for fishway guide staff. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the expenditure per the recommendation of management.

TRUCKS #22 & #23 REPLACEMENT VEHICLES: Mr. Lavelle recommended that the Commission award the contract for the replacement of Trucks #22 and #23 to Marcotte Ford from the state contract VEH110 at a cost not to exceed \$142,766. He noted that the two new vehicles would replace existing Gas Division Transit vans that have reached the end of their useful lives. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to award the contract per the recommendation of management.

ELECTRIC LINE CONTRACTOR 15KV SPACER CABLE INSTALLATION: Mr. Lavelle recommended that the Commission award the contract for Line Contractor Spacer Cable Installation (Main St.) to Haugland Energy Group, LLC, the low bidder meeting all requirement of the solicitation. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to award the contract per the recommendation of management.

PURCHASE APPROVAL – ENGINEERING SERVICES- CITY HYDRO NO. 1: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$615,000 for the design of the Rehabilitation of City Hydro Station #1 and associated technical bid package. He stated that Unit #1 was built in 1923 and is at the end of its useful life. Chairman Hoey asked if Kleinschmidt Associates was the only vendor invited to participate in the solicitation. Mr. Roy stated that HDR and Gomez and Sullivan were also asked to submit bids but declined. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the expenditure per the recommendation of management.

TRUCKS #66 & #67 REPLACEMENT VEHICLES: Mr. Lavelle recommended that the Commission award the contract for the replacement of Trucks #66 and #67 to Marcotte Ford from the

state contract VEH110 at a cost not to exceed \$133,190. He noted that the two new vehicles would replace existing Gas Division one-ton crew cab trucks that have reached the end of their useful lives. Commissioner Marrero asked about the condition of the existing vehicles and if they would be traded in as part of the new vehicle purchase. Mr. Roy stated that the existing vehicles are over eleven (11) years old and have significant wear and tear. He noted that the existing vehicles have relatively low mileage, but they transport significant loads between facilities and are nearing the end of useful life. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to award the contract per the recommendation of management.

2026 PUMIC LIABILITY INSURANCE: Mr. Lavelle recommended that the Commission approve the expenditure of up to \$120,571 for the renewal Department's liability insurance policies through the Public Utility Mutual Insurance Company (PUMIC). He noted that the policies include excess liability, fiduciary liability, public officials' liability, employment practices liability, errors, and omissions coverage. He further noted that the quoted premium represents a 9% reduction from the prior year premium. 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.

PURCHASE APPROVAL – 2026 PROPERTY INSURANCE RENEWAL: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$450,263 for the renewal of the Department's property insurance policy offered by AON and underwritten by Starr, Aegis, MunichRe and SwissRe. He noted that the proposed premium is 12% lower than the prior year, in spite of a 2% increase in total insured value. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the expenditure per the recommendation of management.

COMMUNICATIONS:

02/06/26 – Draft Commission Meeting Minutes from 01/13/26
01/28/26 – KC/ST/2026 Energy Efficiency Program Modifications
02/02/26 – SR/SL/2026 Upstream Fish & Eel Passage Staffing Efforts
01/16/26 – BR/RT/Purchase of Replacement Vehicles – Truck #22 & #33
02/04/26 – SR/VO/Bid Recommendation: Electric Line Contractor 15kV Spacer Cable Installation
02/04/26 – SR/SL/City Hydro No. 1 Station Rehabilitation Engineering Services
02/05/26 – SR/JW/Purchasing Approval: Truck #66 & #67 Replacement Vehicles
01/27/26 – JL/BM/Purchasing Approval: 2026 PURMA & PUMIC Insurance Renewals
02/04/26 – JL/BM/Purchasing Approval: 2026-2027 Property Insurance Renewal

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, March 10th at 5:00 P.M.

Chairman Hoey recommended that the Commission enter Executive Session to discuss strategy with respect to executive compensation.

Chairman Hoey stated that the Commission would enter Executive Session and return to Regular Session.

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted, on a roll-call vote, to enter Executive Session at 5:52 P.M.

Chairman Hoey reconvened the Regular Session at 6:16 P.M.

Commissioner Hoey asked Ms. McMahon what guidance was used for annual compensation adjustments for staff. Ms. McMahon stated that, based on recommendations from the Department's wage consultant, the overall salary/merit increase budget for 2024 is 4%, with individual adjustments based on actual 2025 performance according to the following: below expectations 0%-2%; meets expectation 3%-4.2%; and exceeds expectation 5%-6%. Commissioner Sutter made a motion that the Commission consider an adjustment to the Manager's base salary of 6% and a one-time performance recognition payment of 10% based on his performance. Commissioner Marrero seconded the motion. After a brief discussion on the matter, the Commission unanimously approved the motion. Mr. Lavelle thanked the Commission for the compensation adjustments.

ADJOURNMENT:

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to adjourn the Meeting at 6:26 P.M.

HG&E Commission