

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
APRIL 15, 2025

A meeting of the Holyoke Gas and Electric Department was held on April 15, 2025, 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 McMahon, Kirk Jonah, Kate Sullivan Craven, 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 March 18, 2025.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft February 2025 financial statements. She also reported that the 2024 financial audit was nearly complete and would likely be presented at the next meeting. 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 44% of summer gas supply is locked in price. He stated procurement performance exceeded plan and that the purchased gas adjustment (PGA) would be reduced from \$0.64/ccf to \$0.37/ccf for the April billing cycle. He then reported that unit sales through April are projected to be approximately 5% ahead of plan due to colder than planned weather. He then reviewed the March natural gas rate comparisons, noting that the Department remains very competitive in all rate classes.

Mr. Roy gave a brief update on the LNG I&R project noting that the non-jurisdictional portion of the project would be kicked off next week. He also gave an update on non-pipeline alternatives analyses and stated that recent studies show that networked geothermal, without significant subsidies, is prohibitively expensive with current technology. Commissioner Marrero asked of the potential increased margin on geothermal energy sales, due to not involving fuel costs, might have a reasonable payback even with the high capital costs. Mr. Roy stated that there is still some economic analysis to be done, particularly regarding operating and maintenance expense and capital refreshment, to better understand the geothermal payback period. He stated that staff would continue to monitor the ongoing geothermal pilot projects in the state to better understand life-cycle economics. Commissioner Hoey noted that the best chance for geothermal projects to be successful would be for large campuses, such as Holyoke Community College, or new developments. Mr. Roy then reported that distribution crews continue efforts on the gas main replacement between Dartmouth Street and River Terrace and will begin service replacements once the main is completed. He noted that there are currently no leaks on

file, and he gave an update on the PSMS implementation, and the PHMSA grant process. There was a brief discussion on the matter.

Mr. Roy then gave a brief update on a property matter relating to 91 Walnut Street which is the Gas Distribution offices. He noted certain residential abutters have been routinely using portions of the property for parking and that one commercial abutter crosses over a portion of the property to access his loading dock. He noted that the Department has a Property Use Agreement with the commercial abutter that allows non-exclusive access across the property but does not guarantee such access to his dock. He further noted that there have been recent incidents where residential parking has prohibited the commercial abutter access to his dock, causing noise (horn-honking) and other nuisances for HG&E operations at the site. Commissioner Marrero stated that the commercial abutter was not using the existing curb-cut and was improperly driving over a city sidewalk to access his dock. He suggested that the Department modify the current agreement to require that the curb-cut be used to prevent driving over the sidewalk. Chairman Hoey suggested that access to, and across, the property be blocked to access by abutters. Mr. Roy stated that he would be contacting the abutters soon and would report back on the status.

ELECTRIC DIVISION

POWER SUPPLY

Mr. Steve Roy reviewed the April electric rate comparisons and reported that the Department remains competitive in all rate classes compared to regional peers. He then reviewed the April Mark-to-Market report and reported that all transactions are within policy limits. He also gave an update on peak load reduction activities and noted that the March peak occurred on March 3rd, hour-ending 18, and that 5.321 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 and noted that crews continue to work along Sargeant Street on the 17L5 conductor replacement project and expect to complete the project by the end of May. He noted that 1390 of 2,400 (58%) planned AMI meter deployments have been completed to date and that an infrared survey of the distribution and transmission systems was completed with 18 minor repairs scheduled as a result of that survey. He also reported that a LIDAR survey of the 1292 and 1657 transmission lines was completed last week and will be used for the engineering work required to design the replacement of those lines. He also reported that staff continues to gain familiarity with the new ERP system and that the purchase of a communications adapter is required to ensure that the new system properly communicates with the AMI meters and outage management system. Finally, he reported that HG&E's safety coordinator issued a stop work order on the operation and maintenance of the City-owned flood stations that are operated by HG&E staff. He stated that the electrical equipment in those stations is almost 90 years old and is unsafe to operate. He further noted that HG&E was assisting the city with designing a work-around that would allow the pump stations to be operated safely until the City upgrades the stations with new equipment. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy noted that hydro production through the first quarter was approximately 18.2% below plan due to low water flows. He reiterated that the lower generation coupled with higher wholesale clearing prices for electricity continue to have a significant negative impact on budget. He noted that production is on plan thus far. He then gave an update on Cobble Mountain Unit #3 rebuild activities stated that the Inter-Governmental Agreement (IGA) has been executed with SWSC for that work. He also noted that fishway lifting operations began yesterday, the rubber bladder replacement project bids are due

May 2nd and that notices of new fee schedules have been sent to Cove Island property renters. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah reported that IT staff recently completed the email migration for all employees, and that the conversion was successful. He also gave an update on the status of an agreement with Crown Castle to provide an additional diverse path from the Holyoke hubs to the Springfield hubs. He then gave an update on the status of sales activity and ongoing maintenance projects. There was a brief discussion on the matter.

CUSTOMER SERVICE

Ms. Rogers gave an update on fuel assistance funding for the current heating season and reported that work continues with the NISC ERP system conversion, and that the Customer Service go-live date is still scheduled for September. She also noted that broadband customers are being notified that their broadband bills would be moved to separate accounts and billed separately, prior to the NISC conversion. There was a brief discussion on the matter.

MARKETING & COMMUNICATIONS

Ms. Sullivan gave an update on legislative activity related to Energy and Environmental Affairs (EEA) proposals to establish a Decarbonization Clearinghouse Program and a Large Building Energy Reporting Program, a Clean Heat Standard (CHS) and the Advanced Clean Truck (ACT) proposal that would require all heavy-duty vehicles to comply with strict emission standards by January 1, 2025. She also detailed that outreach efforts with MMWEC, ENE and MEAM to minimize the impact that the EEA proposals would have on HG&E customers. She presented a chart showing the estimated impact of each proposal on current rates. She then gave an update on planned community outreach with respect to the fishway schedule, the NISC ERP conversion, the Natural Gas Public Awareness program, the June customer satisfaction survey, and the safety education program schedule for the schools and senior facilities. There was a discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

TARIFF RECOMMENDATION – DEPARTMENT RULES & REGULATIONS: Mr. Lavelle recommended that the Commission approve the updated Department Rules and Regulations for Utility Services. He stated that the tariff was updated to address several housekeeping updates as outlined on the April 2, 2025, memorandum from Assistant Electric Superintendent, Jeffrey Brouillard. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the updated Rules and Regulations as presented.

BID AUTHORIZATIONS: None

BIDS RECEIVED:

ELECTRICAL SERVICES ANNUAL CONTRACT (SECONDARY) - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one-year extension to the annual contract for

Electrical Services (Contract No. 24-10) with M. L. Schmitt, subject to labor rate increases between 3.5%-5%, and other terms and conditions remaining consistent with the existing contract. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the contract extension per the recommendation of management.

#2AWG EPR CU CONDUCTOR: Mr. Lavelle recommended that the Commission award the contract for #2AWG EPR Cu Conductor to Prysmian Cables and Systems USA, LLC, the low bidder meeting all requirements 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.

HADLEY STATION SERVICE TRANSFORMERS: Mr. Lavelle recommended that the Commission award the contract for the Hadley Station Service Transformers to Wesco Distribution, the low bidder meeting all requirements 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.

ITRON MULTI-SPEAK INTEGRATION ADAPTER: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$208,169 for the purchase of Itron's Multi-Speak Interoperability Adapter. He stated that the adapter is required to allow the AMI System and Outage Management System communicate properly with the new NISC ERP system. 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.

ENGINEERING SERVICES – 1657/1292 TRANSMISSION LINE: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$275,505 for engineering services required to design the re-building of the 1657 and 1292 transmission lines that are near the end of their useful life and require replacement. 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.

ENGINEERING SERVICES – BOATLOCK BRIDGE REPLACEMENT: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$165,000 for engineering services required to design the replacement of the Boatlock Station Bridge. He stated that the existing bridge structure is nearly 90 years old and is at the end of its useful life. Commissioner Hoey disclosed that his employer submitted a proposal for the project, and he abstained from deliberations. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was voted 2-0 to authorize the expenditure per the recommendation of management. Commissioner Hoey abstained from the vote.

BALL VALVES – GAS DISTRIBUTION: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$500,000 for the purchase of 34 12-inch steel ball valves for upcoming gas distribution work related to the PHMSA NGDISM grant project. 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 CONSTRUCTION CONTRACTOR – FY22 NGDISM PHMSA GRANT PROJECT: Mr. Lavelle recommended that the Commission award the contract for the Gas Construction Contractor for the FY22 NGDISM PHMSA Grant Project to Burns Construction Company, Inc., the low bidder meeting all requirements 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.

COMMUNICATIONS:

04/09/25 – Draft Commission Meeting Minutes from 03/18/25
04/02/25 – JL/DD/Financial Statements, Balance Sheet & Summary Report – February 2025
04/02/25 – SR/JB/Tariff Recommendation – Rules and Regulations
03/27/25 – SR/VO/Bid Recommendation – #2AWG EPR CU Conductor Invitation for Bid
03/28/25 – SR/KT/Bid Recommendation – Hadley Station Service Transformers
03/31/25 – SR/RL/Purchasing Approval: Itron MultiSpeak Integration Adapter
03/27/25 – SR/SD/Purchasing Approval: 1657/1292 Transmission Line Rebuild
04/08/25 – SR/DF/Purchasing Approval: Engineering Services – Boatlock Bridge Replacement
04/11/25 – BR/WS/Purchasing Approval: 12” Steel Ball Valves
04/14/25 – JL/CW/Bid Recommendation – Gas Construction Contractor – FY22 NGDISM PHMSA Grant

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, May 13th at 5:00 P.M.

ADJOURNMENT:

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to adjourn the Meeting at 6:23 P.M.

HG&E Commission