DRAFT

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
OCTOBER 14, 2026

A meeting of the Holyoke Gas and Electric Department was held on October 14, 2026, at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Sutter and Beauregard; Manager Lavelle; Superintendents Steve Roy and Brian Roy; Kirk Jonah, Brooke McMahon, Kate Sullivan, 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 Beauregard, it was unanimously voted to approve the minutes from September 8, 2026.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:
Ms. McMahon reviewed the draft August 2026 financial statements. Commissioner Hoey noted that non-fuel expenses are almost $3 Million below plan through August, and he asked what was causing the variance and if it was expected to continue through year-end. Mr. Steve Roy indicated that certain discretionary projects have been delayed due to low hydroelectric production and corresponding lower revenue. He also stated that the budget contains contingencies for unplanned maintenance events which have not been encountered through August. Brian Roy stated that part of the gas non-fuel variance is due to a shift from maintenance to capital projects, also due to lower unplanned maintenance activity through august. Steve Roy stated that he expected the non-fuel expenses to be closer to budget by the end of the year assuming some unplanned maintenance issues arise before year-end. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION
Mr. Brian Roy reported that 60% of planned winter gas is locked in price and that wholesale natural gas purchases continue to be executed in accordance with the hedging plan for the current 12-month procurement window. He noted that cycle sales are up approximately 4% over budget through September due to a cold start to the year offset by warmer shoulder months. He then reviewed the October natural gas rate comparisons, noting that the Department remains very competitive in all rate classes. There was a brief discussion on the matter.

He then gave an update on the LNG I&R Project, reporting that mechanical completion of the non-jurisdictional portion of the project was achieved in late September. He stated that the new boiler system has been tested in low-fire mode and that the heater manufacturer will be back on site at the end of October to test at medium-fire mode, which will all the scaling of LNG input into the vaporizers with preliminary heating loads. He also reported that cast iron abandonments are at 55% of the target for the year with gas contractor crews finishing work on Cabot and Commercial Streets and now

moving over to cast iron main replacements on Race Street and Maple Street. He reported that regulator replacements are at 88% of plan for the year with 66 regulators relocated outside through September. Commissioner Sutter asked how many inside regulators remain in the system and Mr. Roy stated approximately 400. Mr. Roy then gave an update on the September 24th gas leak at the corner of Sargeant and Maple Streets and he also reported that there is currently one (1) leak on file that is awaiting confirmation on the repair before being taken off the list. Finally, he gave an update on a recent notice of probable violation issued by the DPU relating to gas distribution crews working at 114 Sargeant Street, and the consent order that the Department executed with the DPU as a result of that notice. 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 compared to regional peers and is currently the lowest in all categories. He then reviewed the October Mark-to-Market report and reported that all transactions and counter-party default risks are within policy limits. Commissioner Beauregard suggested that the mark-to-market report 5-year stranded cost analysis should include estimates where there is currently no data for ancillary services, for HQ and NYPA resources, and capacity for several resources. Staff agreed. Commissioner Hoey noted that several counterparties appear to be high risk. Mr. Roy stated that those counterparties are related to the local solar projects which amount to a relatively small amount of the overall power supply and are being closely watched. Mr. Roy also gave an update on peak load reduction activities and noted that the September peak occurred on September 10th, hour-ending 18, and that 10.954 MW were shed via load reducers. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy gave an update on electric distribution maintenance and construction activities, noting that 3 T&D commitments have been completed since the last meeting, including: wood pole inspections, reconductoring of Westfield Road, and year four-of-five AMI deployments. He reported that an arborist assessment has been completed for the pole lines along and off of Route 5 in the Highlands, from Lincoln Street going north to the Delaney House. He stated that 16 danger trees have been identified and will be removed. He also reported that contractors have mobilized for the 1292/1657 transmission Right-of-Way improvements. He also gave an update on battery storage installation activity. There was a brief discussion on the matter.

Mr. Roy also gave on update on recent FERC Opinions No. 594 and No. 594A which reduced the New England Transmission Owners (NETO's) return on equity from 11.14% to 9.57%, effective as of October 2014, and ordered refunds of transmission rate overcharges for the twelve-year period between October 2014 and the March 2026 issuance of Opinion No. 594. The effect of Opinion No. 594-A is to confirm the obligation on the part of the NETOs to provide refunds to New England consumers—which they calculate total roughly $1.5 billion. Refunds are to begin appearing on September bills issued in November and be completed by May 2027. Mr. Roy stated that the matter has been appealed to the DC Circuit Court and the Department is currently evaluating various methods to refund HG&E customers any overcharges that are returned to HG&E. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy reported that river flows continue to be low and that hydro production is approximately 2% below plan year-to-date and is forecasted to be approximately 7% below plan by the end of October. He noted that all five sections of the rubber bladder have been successfully replaced and

commissioned. He reported that the fall canal shutdown and maintenance activities went well except for the discovery of a canal wall leak near Boatlock Station. He stated that the canals have been lowered due to the leak and that engineers are currently working on a design to repair the leak. He stated that the design for the repair is expected to be completed by the end of next week and repairs will begin at that time. He also gave a brief update on the oil leak investigation near the Valley Hydro tailrace. Commissioner Hoey asked who owned the oil tank that was removed and caused the current contamination. Mr. Roy stated that ownership appears to trace back to Valley Paper Company. Mr. Roy then gave an update on the Cobble Mountain Unit #3 rebuild. Finally, he reported that six (6) canal headgates operators have been replaced and the remaining gates are scheduled to be installed by the end of November. There was a brief discussion on the matter.

TELECOMMUNICATIONS
Mr. Jonah gave an update on sales and operations activity. He reported that cybersecurity training has been completed for all employees and that staff are developing plans to replace customer premise equipment for the Town of Leverett. There was a brief discussion on the matter.

CUSTOMER SERVICE
Ms. Rogers reported that the Department of Health and Human Services (HHS) and the Office of Management and Budget (OMB) have agreed to an early release of annual funding for the Low-Income Home Energy Assistance (LIHEAP). She noted that the appropriation is approximately $3.6 Billion, which is approximately 90% of FY2027 LIHEAP funding. There was a brief discussion on the matter.

MARKETING & COMMUNICATIONS
Ms. Sullivan gave an update on the planned energy conservation incentive program modifications and stated that a formal recommendation on those changes would be forthcoming at the next commission meeting. She then gave an update on the school safety program, the planned natural gas safety outreach for the fall, and the planned promotion of heat pump assistance for oil and propane heating customers. She also reported that the Public Power and Public Natural Gas week event that was held at the Merry-go-Round facility on October 7th was a success with many customers and their families attending and taking advantage of the various educational and recreational activities. There was a 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 requesting that the Department continue its Corporate Partner Sponsorship level, consistent with the past several years. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Beauregard, it was unanimously voted to approve the sponsorship as requested.

BID AUTHORIZATIONS: None

BIDS RECEIVED:

LANDSCAPING SERVICES ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one-year extension to the annual contract for Landscaping Services (No. 24-25) with GTC Landscaping with rates, terms, and conditions consistent with the existing contract. Commissioner Beauregard requested that, prior to issuing a request for bids next year, staff perform an assessment to determine if performing the contract scope of services in-house would be cost-effective. Staff agreed. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Beauregard, it was unanimously voted to authorize the contract extension per recommendation of management.

INSULATION, ASBESTOS & LEAD ABATEMENT ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one-year extension to the annual contract for Insulation, Asbestos, and Lead Abatement (No. 24-24) with Atlantic Contracting & Specialties, LLC, subject to a 4% increase in rates, and all other terms and conditions consistent with the existing contract. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Beauregard, it was unanimously voted to authorize the contract extension per recommendation of management.

LNG TANK 2 INSULATION UPGRADE: Mr. Lavelle recommended that the Commission authorize the expenditure of up to $115,000 to perform insulation and vacuum jacket upgrades on LNG Tank #2 at the West Holyoke LNG Facility. He noted that a recent investigation of the facility identified deteriorating insulation and vacuum on the tank, causing excessive boil-off of LNG product. He stated that the tank was installed in 1971, and the recommended repairs are expected to result in a payback of less than one-year, due to reduced boil-off. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Beauregard, it was unanimously voted to approve the expenditure per recommendation of management.

COMMUNICATIONS:
10/07/26 – Draft Commission Meeting Minutes from 09/08/26
09/29/26 – JL/BM/Financial Statements, Balance Sheet & Summary Report – August 2026
09/30/26 – KC/JL/Sponsorship Request – International Volleyball Hall of Fame
10/05/26 – JL/CW/Recommendation – Extension of Landscaping Services Annual Contract
10/05/26 – JL/CW/Recommendation – Extension of Insulation, Asbestos & Lead Abatement Annual Contract – Extension
09/24/26 – RB/BR/Purchasing Approval: LNG Tank 2 Insulation Upgrade

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

ADJOURNMENT:
On a motion from Commissioner Sutter, seconded by Commissioner Beauregard, it was unanimously voted to adjourn the Meeting at 6:19 P.M.

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HG&E Commission