

Westfield Gas & Electric Municipal Light Board Regular Meeting Minutes September 13, 2016



Location: Gas & Electric Operations Center, 40 Turnpike Industrial Rd. Conference Room, Westfield, MA

The meeting was called to order at 7:00 p.m.

I. Call to Order

II. ROLL CALL was taken as follows:

Present: Ward #1 Commissioner, Kevin M. Kelleher
Ward #3 Commissioner, Jane C. Wensley
Ward #4 Commissioner, Francis L. Liptak
Ward #5 Commissioner, Thomas P. Flaherty
Ward #6 Commissioner, Robert C. Sacco
Appointed Commissioner, A. Edward Roman

Absent: Ward #2 Commissioner, Ray Rivera

Present: 6 Absent: 1

III. PLEDGE OF ALLEGIANCE

IV. READING OF THE RECORD:

On motion by Commissioner Sacco, seconded by Commissioner Flaherty, it was unanimously:

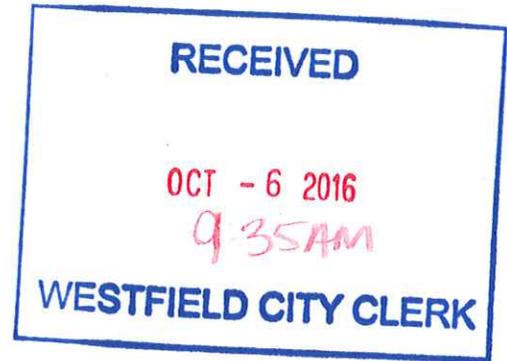
VOTED: To accept the minutes of the June 29, 2016 Regular Session Meeting of the Finance Subcommittee as presented.

On motion by Commissioner Liptak, seconded by Commissioner Kelleher, it was unanimously:

VOTED: To accept the minutes of the July 6, 2016 Regular Session Meeting of the Municipal Light Board as presented; and

To accept the minutes of the July 6, 2016 Executive Session Meeting of the Municipal Light Board as presented, but not release to the public at this time.

V. PUBLIC PARTICIPATION: Mr. Gene Bacon and his son Jeff Bacon from Ev-Rite Tool, 134 Elm St. Westfield addressed the Commission and explained that there was a service box (transformer) belonging to WG+E on their property without an easement. They said it has been there for about 25 years. It has now become an issue because the City has taken some of their



parking places for the ongoing Gas Light District construction. They believe it is now a liability issue and affects how they run their business. Commissioner Sacco suggested that they negotiate with the City regarding the lost parking spots and asked that the Manager look into the issue and place it on the October agenda to report what has been found.

Mike Zyra of Prospect St. Extension addressed the MLB noting that the Big E was turning 100 years old this year and informed the commission that one of the original directors of the fair happened to be a WG+E Commissioner named Edward Gillett whose family was also responsible for the current 100 Elm St. WG+E office site.

VI. COMMUNICATIONS RECEIVED BY GAS AND ELECTRIC:

- a) Acknowledgement – APGA – Letter from Bert Kalisch, President & CEO, congratulating the WG+E for its 2015 Safety Award. The award certificate acknowledges WG+E's outstanding safety record over the past year based on the submittal to APGA.
- b) Acknowledgement – Boys & Girls Club of Greater Westfield – Letter from Bill Parks, Executive Director, thanking WG+E for its supporting the Boys & Girls Club Greater Westfield Golf Classic as the cart sponsor. This is the club's largest fundraiser.
- c) Acknowledgement – City of Westfield Fireworks – Letter from Steve Andras, Honorary Chairman, and Brian P. Sullivan, Mayor of Westfield, thanking the WG+E for sponsorship of the 2016 Westfield Fireworks for Freedom. More than 10,000 people joined together at South Middle School field to view the holiday fireworks. The Manager noted that the Department was the chief sponsor this year.
- d) Acknowledgement – Dan Kane Singing Camp – Letter from Dan Kane thanking WG+E for sponsoring the summer singing program that supports youth involvement in the arts and music. The acknowledgment also included notes from the attendees and pictures from the camp.
- e) Acknowledgement – Stanley Park – Letter from Bob McKean, Managing Director, thanking WG+E for support of Laughter in the Park, this year's park fundraiser.
- f) Acknowledgement – Westfield's Community Table – thanking WG+E for its support for donation made in support of Westfield's Soup Kitchen. The Manager also noted that the staff of WG+E prepared and served a meal for the Soup Kitchen over the summer.
- g) Acknowledgement – Westfield Spanish American Association – Letter from Miguel Diaz, WSAA CGO 2016 Chair thanking WG+E for the donation to its annual scholarship and community outreach fundraiser. The fundraiser helps raise scholarship dollars to assist Latinos in the Westfield community in pursuit of college education.
- h) Acknowledgement – Westfield State Foundation Inc. – Letter from Erica Broman, Vice President thanking WG+E for its participation in support of its 2016 Golf Classic which allows the foundation to enhance educational experience at Westfield State University.

- i) Acknowledgement – Westfield Women's Club – Letter from its sponsorship committee, thanking WG+E for its ad placed in program booklet for the Club's 19th annual Garden Tea event which was held in the new Pavilion at Stanley Park.
- j) Acknowledgement – YMCA – Andrea Allard, CEO, thanking WG+E for its donation to the YMCA of Greater Westfield's Premier Event-The Second City. They were able to raise \$40,000 in this fundraising event.

VII. REPORTS FROM THE GAS & ELECTRIC:

A. Action Required Items

- a) **Monthly Lost Time Report.** Manager Howard reported that there were no new injuries resulting in lost time in July or August 2016. The lineman who had previously injured his elbow, reported at the June meeting, has returned to work full duty.
- b) **Westfield Day Big E.** Manager Howard indicated that Westfield Day at the Big E will be held on September 29, 2016. As of today, the Department had not had any correspondence from the City but would relay it as soon as possible, once received.
- c) **Chamber of Commerce Breakfast.** Manager Howard indicated that the Chamber of Commerce Breakfast will be held on September 23, 2016 sponsored by the 104th Fighter Wing at Barnes ANG Base. Guest speakers are Colonel James J. Keefe, 104th Fighter Wing Commander and Stefan Czaporowski, newly appointed Superintendent for Westfield Schools. WG+E will reserve a table for the event and will accommodate any commissioner who wishes to attend.
- d) **Annual Employee Meeting.** The Manager provided an overview of the annual employee meeting held this year at Westfield State University. He commented that 67 employees attended as well Commissioners Flaherty, Kelleher, and Wensley. He thanked them for their attendance. This year's meeting was held earlier than normal to get as much feedback from the employees and the employee survey prior to strategic planning that will be held this month. The surveys, and the tabulation of their results, was done prior to the meeting and provided very timely feedback to the employees and how they feel about themselves, their supervision, benefits and programs within the Department. The Manager noted the high turnover rate of 56% within the Department over the past seven years (predominantly through retirements) and decided to touch on the history of the Department as well as employee developed programs such as "WG+E is SERVICE". He also gave brief overviews and updates to projects such as AMR and WCF and ended the breakfast by answering questions posed by those in attendance. The program was well received by all. The results of the survey were provided in the MLB packets showed a generally positive workforce and did not deviate significant from past results.
- e) **Residential Customer Satisfaction Survey Results.** The Manager reported that this year's survey was distributed in early July 2016 through a mailing to all customers. An email request and link to the survey was also sent out to those customers who have

provided their email contacts through the department's online service. As an incentive for participation, all survey respondents who returned a paper survey were entered into a drawing to receive one \$100 energy credit off their utility bill. And, as has been done in the past, WG+E attempted to incentivize our customers to submit their survey responses electronically by offering triple the chances of winning \$100 energy credit. Whether it was this additional incentive or just a sign of the ever-increasing comfort with technology, there was a marked increase in electronic submissions. In 2014, 91% of surveys responses were received via return of the mailed paper survey, resulting in significant resources needed to manually enter all responses and the added postage costs for the returned survey. Conversely, we were pleased to see that close to 25% of all respondents in 2016 opted to file their survey electronically. Additionally, with a return rate of 25%, these survey results provide a very good representative sampling of customer opinion. The most telling results from the near 4,000 returns was that the ratepayers believe that the in lieu of tax payment should remain the same, overwhelming results that the Department should continue the Whip City Fiber program, that the rates are very competitive, and that the overall satisfaction of the Department is still remarkable at over 96%. Commissioner Liptak asked if those that responded not to move forward with Whip City Fiber provided a reason. The Manager indicated they did not but that the overwhelming majority of those surveyed, over 90%, supported fiber expansion by WG+E. Commissioner Kelleher noted then when he walked around the neighborhoods the vast majority were very positive about Whip City Fiber. The winners were then drawn for the \$100 energy credits (4) for participating in the survey.

- f) **Commercial Customer Satisfaction Survey Results.** The Manager reported that, beginning in 2014, a satisfaction survey was also sent to our commercial customers. There were 1,500 commercial customer satisfaction surveys deployed with a total of 130 surveys returned, representing an 8% response rate. Those commercial customers who responded stated that reliability and quality of power are rated very highly as far as importance to the customer and that rates, energy efficiency programs and overall opinions of the Westfield Gas & Electric is favorable. Chairman Flaherty inquired who these surveys were being sent to at commercial sites i.e. accounts payable, key account representatives for the business, or the CEO. Sean Fitzgerald answered that it was likely the same person the invoices were sent to yet agreed, in the future, they should be sent to the key account contact person. The winner of the \$250 energy credit was then drawn for participation in the survey..

- g) **Off Street Lighting, Renewable and EV Tariffs.** The Manager introduced this subject stating that through the constant change in the utility industry with LED lighting, renewable energy and alternate fuel vehicles, the Department has to recognize these changes and apply rates that treat these new technologies accordingly. Tony Contrino, Energy Supply Manager, gave a briefing of how he has been working with Utility Financial Solutions (UFS) to work through the challenges at developing such tariffs to deal with these areas. UFS had also completed our cost of service study in 2015 and has been dealing with these other tariffs for the past few months and would be presenting their findings to management in October. Further, if management found the tariffs to be generally positive, in accordance with our strategic planning and in the best interest of the general customer population, we would have UFS present to the MLB at

their November meeting and look for a vote to institute the findings in our filed tariffs with the DPU. There was brief discussion with Commissioners Sacco and Flaherty with staff regarding the philosophy of rates and how technological changes have influenced their review over the past few decades. Commissioner Sacco further asked Mr. Contrino to provide the MLB a report for the October meeting that would address how new solar tariffs would affect a customer interested in installing a solar array.

- h) **Electric Rates Comparison.** The Manager presented the Residential Electric Rate comparison showing WG+E residents for the second quarter of 2016 paid 13.33% below the State of Massachusetts average and 13.21% below the State of Massachusetts for the six months ending June 2016. The Commercial Electric Rate Comparison showing WG+E business owners, depending on size, paid between 4.92% and 8.06% below the State of Massachusetts average during the second quarter and between 6.47% and 9.22% below the State of Massachusetts average for the six months ending June 2016.
- i) **Gas Rates Comparison.** The Manager presented the quarterly Residential Gas Rate Comparison showing WG+E residents for the second quarter of 2016 paid 11.41% below the State of Massachusetts average and 5.18% below the State of Massachusetts for six months ending June 2016. The Commercial Gas Rate Comparison for the second quarter showing that Westfield commercial gas customers paid on average 4.07% below the State of Massachusetts average for the quarter ending June 30th and 1.63% above the State of Massachusetts average for the year to date ending June 30th. He commended Tony Contrino, Energy Supply Manager and his entire staff for their continued hard work in maintaining competitive rates in such a volatile environment.
- j) **Energy Stabilization Funds Quarterly Reports.** The Manager reported on both Rate Stabilization Funds being held by MMWEC noting that at the end of the second quarter WG+E continues to contribute \$25,000 per month to the Electric Stabilization and \$50,000 per month to the Gas Stabilization funds. Other than interest being credited to the account, no other deposits or withdrawals were made from the funds during the second quarter.
- k) **Mid- Year Electric Service Installation Report.** The Manager reported that, based on applications received through June, the WG+E forecasts 45 new electric services would be installed in 2016. Using the last ten year history as a model, an average of 44 services has been installed annually. There has been a slight increase in housing construction since 2012 in the City of Westfield due to the approval of construction of an eleven lot subdivision off Northwest Road, a three lot subdivision off Old Cabot Road, and the ten lot subdivision on Montgomery Road.
- l) **Mid- Year Gas Services Installation Report.** The Manager presented a report with respect to gas service installation. Based on the applications received through June, WG+E forecasts 100 new gas services would be installed by year end 2016. If the forecast remains as projected WG+E will install 15% fewer gas services as compared to 2015. Over the previous ten years an average of one hundred twenty-seven (127)

services has been installed annually. WG+E plans on extending the gas main on Papermill Road bringing gas service to approximately 20 customers. Gas crews have been capable of meeting current customer demand.

- m) **Mid-Year Electric Construction Status Report.** The Manager presented a report relating to the status of electric construction projects. The budget and the amount expended to date on electric construction projects are shown for each of the projects. The Manager noted that many of the capital projects have equipment on order and third and fourth quarter start dates.
- n) **Mid-Year Gas Construction Status Report.** The Manager reported, as with the Electric Construction report, it shows the budget and funds expended for the various gas construction projects within the City with the budget amount shown for each of the projects.
- o) **Automated Meter Reading Report.** The Manager presented an update regarding the AMR project stating that 99.9% of electric meters have been replaced by AMR meters and that 99.6% of all gas meters have an AMR module installed. To date, 75% of all gas meters have been converted to automated billing and an additional 24% are in the verification process preceding billing conversion. The remaining locations involve special circumstances and will be scheduled as coordination with the customer occurs. Total cost as of July 31, 2016 labor and material is \$5,488,036. Commissioner Sacco inquired if it was necessary to continue with the MLB report. The Manager answered that a final report to the commission is near and would recommend that the next report be a final report as he expects many of the verification meters should be finalized by then only leaving a very few difficult to access meters left in the field.
- p) **Technical/Organizational Chart Updates.** The Manager presented a technical organization chart update with information which reflects changes since it was last presented to the MLB in March of 2016. The Manager noted that there have been turnover through retirements and new hires, especially in the IT department, as Whip City Fiber continues to grow. The replacements will be made to allow a more dynamic and flexible workforce with a goal of less management layers and new job descriptions negotiated with the IBEW.
- n) **Monthly Financial Reports.** Jay Kline, Financing and Accounting Manager reported on the monthly financial reports noting that the monthly and year-to-date purchased power expenses and net income figures presented in this report are the actual invoiced amounts. On a combined Departmental basis, the year-to-date net income gain of \$4m exceeds the original budgetary forecast by \$1.4m. These positive variances continue to reflect lower than anticipated power supply costs as well as the timing of various capital and maintenance projects. Although the Department deferred a significant amount of natural gas net income in 2015 it would appear that this was a good move seeing how the winter of 2015/2016 played out. Although this money could have been placed in the stabilization account at the end of 2015 it would have likely been withdrawn in the first quarter of 2016 because of the record setting warm weather we experienced. Chairman Flaherty asked Supply Manager

Contrino what the trend of the basis (delivery component) of natural gas for this winter looked like. He answered that it's too early to tell. It looks fine now but many variables as winter approaches could affect that. The Chairman then asked what the Department was doing to plan for this winter and Mr. Contrino answered that the Department is hedging to one degree or another over the next few years the basis portion of the energy delivery component.

B. Informational Items:

- a) Utility Issues was presented and accepted by the MLB.
- b) Utility News/Pulseline Articles was presented.
- c) Utility Courses Update was presented

VIII. OLD BUSINESS: None

IX. NEW BUSINESS: None

X. EXECUTIVE SESSION:

On the motion of Commissioner Sacco, seconded by Commissioner Liptak and on the basis of a roll call it was:

VOTED: To adjourn the regular meeting of the Municipal Light Board meeting and enter into executive session for the purpose of discussing trade secrets and competitively sensitive information the disclosure of which will adversely affect its ability to conduct business in relation to other entities making, selling or distributing electric power and energy and to reconvene the Regular Session after adjournment from Executive Session.

Wensley	"aye"
Liptak	"aye"
Flaherty	"aye"
Sacco	"aye"
Roman	"aye"
Kelleher	"aye"
Rivera	"absent"

Motion passed 6-0. 1 absent

Chairman Flaherty stated that the Municipal Light Board would be entering into executive session for the purpose of discussing trade secrets and competitively sensitive information the disclosure of which will adversely affect its ability to conduct business in relation to other entities making, selling or distributing electric power and energy and would reconvene the Regular Session after adjournment from Executive Session.

The meeting recessed at 8:56 p.m.

The meeting reconvened at 9:53 p.m. p.m. following the Executive Session.

On motion by Commissioner Liptak, seconded by Commissioner Wensley, it was unanimously:

VOTED: To ratify and confirm all positive votes taken in Executive Session.

XI. ADJOURNMENT

On the motion of Commissioner Liptak, seconded by Commissioner Wensley, it was unanimously:

VOTED: To adjourn the regular session of the Municipal Light Board meeting

Chairman Flaherty declared the regular session portion of the meeting adjourned at 9:54 p.m.

A TRUE RECORD.

Attest:


Thomas P. Flaherty, Chairman

Documents Presented at REGULAR SESSION September 13, 2016			
Name of Document	Author		Strategic Plan
Draft Finance Sub-Committee Regular Session - June 29, 2016		6/29/2016	
Draft Regular Session Minutes of the Municipal Light Board - July 6, 2016		7/6/2016	
Draft Executive Session Minutes of the Municipal Light Board - July 6, 2016		7/6/2016	
Acknowledgement- American Public Gas Association	Bert Kaisch, President & CEO	8/8/2016	
Acknowledgement- Boys & Girls Club	William R. Parks, Executive Director	6/30/2016	
Acknowledgement- City of Westfield Fireworks for Freedom	Steve Andras, Honorary Chairman and Brian P. Sullivan, Mayor of Westfield	7/12/2016	
Acknowledgement- Dan Kane Singing Camp	Dan Kane	7/19/2016	
Acknowledgement- Stanley Park	Robert McKean, Managing Director	8/3/2016	
Acknowledgement- Westfield's Our Community Table	Our Community Table	7/15/2016	
Acknowledgement- Westfield Spanish American Association	Miguel Diaz, WSAA CGO 2016 Chair	7/25/2016	
Acknowledgement- Westfield State Foundation, Inc.	Erica Broman, Vice President	8/19/2016	
Acknowledgment- Westfield Women's Club	Josie Herrick, Modwyn Oleksak, Nancy Bryant, Chairmen	7/30/2016	
Acknowledgement- YMCA of Greater Westfield	Andrea Allard, CEO	7/8/2016	
Monthly Lost Time Report	Beth Burns, HR Coordinator/Records Manager	9/7/2016	Communications/Customer Service/Community Affairs. Information Brief
Chamber of Commerce Breakfast	Greater Westfield Chamber of Commerce	9/23/2016	
Annual Employee Meeting Report	Beth Burns, HR Coordinator/Records Manager	9/7/2016	Communications/Customer Service/Community Affairs Employee Communications CCA-1.1

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Customer Satisfaction Survey Results- Residential	Beth Burns, HR Coordinator/Records Manager	9/7/2016	Communications/CS/CA Customer Satisfaction Assessment- CCA-2.1
Customer Satisfaction Survey Results- Commercial	Beth Burns, HR Coordinator/Records Manager	9/7/2016	Communications/CS/CA Customer Satisfaction Assessment- CCA-2.1
Residential Electric Rate Comparison 750 kWh/Month 2nd Quarter Total as June 2016	Westfield Gas & Electric	6/1/2016	
Residential Gas Rate Comparison 186 Ccf 2nd Quarter Total as June 2016	Westfield Gas & Electric	6/1/2016	
Electric Rate Stabilization Fund - 2nd Quarter 2016	A. Contrino, Energy Supply Manager	9/7/2016	Financial Electric Rate Stabilization Fund Management F-6.1
Gas Rate Stabilization Fund - Second Quarter 2016	A. Contrino, Energy Supply Manager	9/7/2016	Financial Gas Rate Stabilization Fund Management F-7.1
Electric Service Installation - Mid Year Report	Michael S. Lee - Utility Supervisor	9/7/2016	Electric Utility Business Electric Service Installation - EUB-3.1
Gas Service Installation - Mid Year Report	Patrick Levesque - Utility Supervisor	9/7/2016	Gas Utility Business Gas Service Installation GUB-3.3
Electric Construction Status 2016	Michael Lee	8/3/2016	Electric Utility Business Electric Upgrade & New Projects EUB-3.1, EUB-3.2
Gas Construction Status 2016	Patrick M. Levesque, Utility Supervisor	8/3/2016	Gas Utility Business Gas Upgrade & New Projects GUB-3.1, GUB-3.2, GUB-3.3
Automated Meter Reading Report	Aaron A. Bean, Operations Manager	9/7/2016	Distribution System Automation & DSA Technology Coordination of Automated Metering Technology IT-3.1
Westfield Gas & Electric Technical Organization Chart		9/1/2016	
July 2016 Financial Report	T. Fouche, Accounting Manager	8/23/2016	Financial Annual & Quarterly Report F-4.5
Utility Issues	John W. Welch	9/7/2016	Regulatory & Government Affairs Gas/Electric Regulatory Issues, RGA-1.4; RGA1.5
Utility News/Pulse Line	Beth Burns, HR Coordinator/Record Manager	9/7/2016	Communications/Customer Service/Community Affairs Media Relations- CCA-1.6
Utility Courses Update- 2016 Seminars/Workshops		9/7/2016	Administration and Organization WG&E Training & Development, AO-3.6