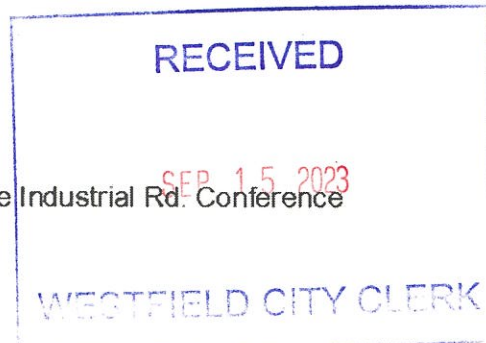


Westfield Gas & Electric Municipal Light Board Regular Meeting Minutes July 5, 2023

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

The meeting was called to order at 6:30 p.m.



I. Call to Order

II. Chairman Mitchell stated that this meeting of the Municipal Light Board is being electronically recorded in both video and audio by the Municipal Light Board. As stated in the WG+E MLB Video Policy the recording will be available on the WG+E website within one week. Is anyone, other than the Municipal Light Board, recording the meeting and if so state whether it is an audio or video recording and whether the recording is being live streamed.

III. ROLL CALL was taken as follows:

Present:

Ward #4 Commissioner, Francis L. Liptak
Ward #5 Commissioner, Joseph B. Mitchell
Ward #6 Commissioner, Robert C. Sacco
Appointed Commissioner, A. Edward Roman
Ward #1 Commissioner, Kevin M. Kelleher
Ward #2 Commissioner, Ray Rivera
Ward #3 Commissioner, Dawn Renaudette

Present: 7 Absent: 0

IV. PLEDGE OF ALLEGIANCE

V. READING OF THE RECORD OF:

On motion by Commissioner Rivera, seconded by Commissioner Liptak, it was unanimously;

VOTED: To accept the minutes of the June 7, 2023, Regular Session Meeting of the Municipal Light Board as presented.

VI. PUBLIC PARTICIPATION: None

VII. COMMUNICATIONS RECEIVED BY GAS AND ELECTRIC:

- a) **Acknowledgement- Westfield State Foundation-** Athletic Director, Richard Lenfest sent a letter thanking Westfield Gas and Electric for support of Westfield State Owls athletics.
- b) **Acknowledgement-YMCA Of Greater Westfield- Andrea Allard, CEO for YMCA Of Greater Westfield** sent a letter to Westfield Gas and Electric for the donation supporting their Comedy for a Cause event.
- c) **Acknowledgement-Sarah Gillett Services for the Elderly, Inc.-** Irene Eberwein, President for The Sarah Gillett Service for the Elderly, Inc. foundation sent a letter thanking Westfield Gas and Electric for the generous donation in support of their foundation.
- d) **Acknowledgement-Southampton Rd Elementary School PTO-** Southampton Road School PTO sent a thank you card to Westfield Gas and Electric for the donation of two energy credits and amazon echo in support of their Southampton Road School Calendar Raffle.
- e) **Acknowledgment-Sarah Scott, 455 Falley Drive-** Sarah Scott sent an email to MLB Commissioners thanking all who supported the athletic field improvements.
- f) **Acknowledgement-Franklin Avenue Elementary School-Ms. Duval 2nd Grade Class-** Franklin Avenue Elementary School 2nd Grade students sent thank you cards thanking Westfield Gas and Electric employees who came to their school on career day.
- g) **Acknowledgement-Boys and Girls Club of Greater Westfield-** Chief Executive Officer, Bo Sullivan sent a letter thanking Westfield Gas and Electric for supporting the Boys and Girls Club of Greater Westfield 37th Annual Golf Classic tournament.
- h) **Acknowledgement-128 Franklin Street-Paul Drapeau-** The Drapeau's of 128 Franklin Street sent a thank you card to Westfield Gas Electric/Westfield Warm Fund for the support and kindness of the donation they received through the Westfield Warm program.
- i) **Customer Compliment-66 Alexander Place-Dee Pallotta-** Dee Pallotta of 66 Alexander Place sent communications letting our IT department know on how impressed she was with Danny Rios, Technical Support and his expertise in assessing the issue of the connectivity and networks drops the customer was experiencing.

VIII. REPORTS FROM THE GAS & ELECTRIC

A. Action Required Items

- a) **Utility Supervisor-Whip City Fiber Update Presentation-** Jamie Cincotta, Utility Supervisor gave a presentation to the Board of the updates with Whip City Fiber which included the expansions of the following Fiber Service Area's (FSA) that are currently being worked on in the City. Utility Supervisor gave an update to the Board on the progression of the on boarding for the West Springfield. This information was presented by way of a PowerPoint presentation. General Manager and Director of Customer Service and Sales also spoke about the Massachusetts Broadband & Digital Equity Summit that they attended on June 13, 2023.
- b) **Finance Manager-MMWEC/Stabilization Update Presentation-**Jamie Naughton, Finance Manager gave an overview to the Board of the Stabilization funds which are funds to ensure that Westfield Gas and Electric provides stable customer rates. The Finance Manager went through each division, Gas, Electric and Telecom, which was presented on a PowerPoint presentation updating the Board the 2022 contributions to the rate stabilization and current 2023 contributions.
- c) **Energy Efficiency Program Presentation-** Key Accounts and Sales Manager, Andrew Short provided a brief overview to the Board of updates on the Energy Efficiency Program and the funding for this program on a PowerPoint presentation which included information about the air source heat pumps and the rebates fulfilled and reimbursements made.
- d) **Quarterly Power Line Publication-** General Manager gave an overview of the Quarterly Power Line Publication.
- e) **Recorded MLB Meeting Views Quarterly Report-** General Manager gave a summary to the Board on the recorded MLB meetings views for Quarter 2 of 2023 as reported.
- f) **Operations and Maintenance Training-** Operations Superintendent, Greg Freeman gave an update to the Board on the WG+E Training and Development. Freeman explained training is scheduled throughout the calendar year utilizing both internal and external resources. WG+E continues to employ online training services that address not only core tasks also included is First Aid, Fork Lift, Harassment in the Work Place, and other self-improvement courses.
- g) **FERC Hearing- Portland, ME (verbal)-** General Manager discussed briefly with the Board a summary of the FERC hearing that he attended on June 19th through June 21st.
- h) **Gas Sales Histogram Report 2023-** Keziah Bednarsky, Senior Quantitative Risk Analyst gave an update to the Board on the Gas Sales Histogram 2023 report. Senior Quantitative Risk Analyst explained to the Board that annual sales in 2022 decreased 2% from 2021 sales due to the shutdown of an industrial gas customer. Starting in May 2021 both Henry Hub and the Algonquin basis began to rise and prices continue to extend through all of 2022. After a hot summer, natural gas in storage was depleted and approached the lower range of the 5-year average storage level. The war in Ukraine restricted gas flow from Russia into Europe, causing the continent to turn to LNG for winter supply. This increase in demand for

both gas-fired generation and winter baseload supply caused daily and futures pricing in New England skyrocketed because New England competes on the global market for natural gas. Rate increases were required to match the increasing cost of gas incurred by WG+E and to prepare for the 2022-23 winter.

- i) **Quarterly Gas and Electric Residential Rate Comparison-** Keziah Bednarsky, Senior Quantitative Risk Analyst let the Board currently know Westfield residents pay 6.45% above the State of Massachusetts average in Gas residential rate comparison and in Electric rate comparison Westfield residents pay 16.47% below the State of Massachusetts average.
- j) **Heating Degree Day Histogram-** Senior Quantitative Risk Analyst, gave the following summary to the Board as reported on the Heating Degree Day Histogram report.
- k) **Energy Supply Outlook (verbal)-** Senior Quantitative Risk Analyst, Keziah Bednarsky gave the monthly Energy Supply Outlook summary to the Board through a PowerPoint presentation for the Gas and Electric Division, summarizing the 2022-2023 temperature outlook.
- l) **Monthly Financial Reports-** Jamie Naughton, Finance Manager gave a summary to the Board of the Monthly Financial report summarized below:
The May Gas Division income of nearly \$64k tracked behind the original projection of \$1.3m by \$1.28M, while the May Electric Division income of \$971k exceeds the original forecast of \$565k by \$375k. The reduced net income on the gas division comes from a summer rate decrease that dropped the residential gas supply charge by over 80% and the commercial charge by 50% compared to the original budgeted rates. We will continue to see this trend through the summer months. The increased net income on the electric division is mainly driven by lower supply costs. May revenue budget and actuals continue the \$50k monthly contributions to both the gas and the electric stabilization funds.
The July NYMEX Henry Hub Gas Futures contract traded as high as \$6.029/MMBtu in June 2022 and settled at \$2.603/MMBtu. Henry Hub gas futures rallied the last couple of weeks in June as hotter weather raised the outlook for US gas demand, although prices retreated later this week. The gas division is well hedged for the coming years for Zone-4 gas.
Forward electric and Zone-6 gas pricing have returned to their previous prices as the January 2024 Algonquin delivery basis rebounded back to the \$13/MMBtu level. These gas prices translate to January 2024 on-peak power trading above \$140/MWh. We will continue to monitor winter pricing for hedging opportunities.
The Telecom Division NI gain of \$39k is tracking below our original budget by \$153k due to lower-than-expected revenue and higher than anticipated expenses. As noted in previous months, due to the timing of vendor invoices general and administrative expenses were lower than expected. Some of these expenses are now reflected in the May financial statements.
Finally, year to date general and administrative expenses are still tracking above our original budget by \$472k due to timing of the IBEW COLA adjustment (budgeted in August for \$231k) and due to unanticipated compensated benefit payouts of approximately \$181K.

m) **D.P.U. 22-PL-35 Westfield Gas and Electric Drug and Alcohol Plan Audit-** General Manager updated the Board of the results received by the D.P.U. for the Westfield Gas and Electric Drug and Alcohol Plan Audit .

B. Informational Items

- a) **Utility Issues-** as presented.
- b) **Utility News-** as presented.
- c) **Utility Courses Update-** as presented.

IX. OLD BUSINESS:

X. NEW BUSINESS:

a) **Commissioner Study Request Follow-Up (verbal)-** General Manager gave a follow up to the Commissioner study request for the in lieu of tax contribution proposal made at the April 5, 2023 Municipal Light Board meeting by Commissioner Sacco requesting further opinions of deferral of funds in 2022-2023 by Meyers Brothers Kalicka and Attorney Michael Hall of Stackpole and French. General Manager recommended to the Board in the future there be a formal vote of the full Board to move forward with such a request as there was a cost to this study, after discussion from the Board and suggestion by Commissioner Rivera making a motion to put on the next Municipal Light Board agenda a vote for future expenditures, no second motion was made Chairman Mitchell reported motion denied.

XI. EXECUTIVE SESSION:

On a motion made by Commissioner Rivera, seconded by Commissioner Liptak and the basis of 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 and not to reconvene the Regular Session after adjournment from Executive Session

Liptak	"aye"
Mitchell	"aye"
Sacco	"aye"
Roman	"aye"
Kelleher	"aye"
Rivera	"aye"
Renaudette	"aye"
Motion passed 7-0	0-absent

Chairman Mitchell stated that the Municipal Light Board would be entering into executive session for the purpose of discussing trade secrets and competitively sensitive information or other proprietary information and would not reconvene the Regular Session after adjournment from Executive Session.

XII. ADJOURNMENT

On the motion of made by Commissioner Rivera, seconded by Commissioner Liptak it was unanimously;

VOTED: To adjourn the regular meeting of the Municipal Light Board meeting.
Chairman Mitchell declared the regular session portion of the meeting adjourned at 8:27p.m.

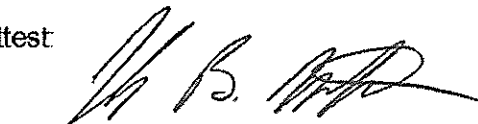
Ward #4 Commissioner, Francis L. Liptak
Ward #5 Commissioner, Joseph B. Mitchell
Ward #6 Commissioner, Robert C. Sacco
Appointed Commissioner, A. Edward Roman
Ward #1 Commissioner, Kevin M. Kelleher
Ward #2 Commissioner, Ray Rivera
Ward #3 Commissioner, Dawn Renaudette

Motion passed 7-0

Absent 0

A TRUE RECORD.

Attest



Joseph B. Mitchell, Chairman

	Documents Presented at REGULAR SESSION July 5, 2023 Meeting		
Municipal Light Board Regular Session Meeting Minutes —June 7, 2023			
Acknowledgement- Westfield State Foundation Inc.	Richard Lenfest, Athletic Director Letter		
Acknowledgement-YMCA of Greater Westfield	Andrea Allard, CEO Thank you, letter		
Acknowledgement- Sarah Gillett Services for the Elderly, Inc.	Thank you letter		
Acknowledgement-Southampton Road Elementary School PTO	Thank you, card- SRS PTO		
Acknowledgement-Sarah Scott, 455 Falley Drive			
Acknowledgement- Franklin Aven Elementary School, Ms. Duval 2nd Grade Class	Thank you cards from 2 nd grade class		
Acknowledgement- Boys and Girls Club of Greater Westfield			
Acknowledgement- 128 Franklin Street, Paul Drapeau			
Customer Compliment-66 Alexander Place, Dee Palotta			
Quarterly Power Line Publication	Laura A. Dorman, Marketing Specialist	7/5/2023	
Recorded MLB Meeting Views Quarterly Report	Laura A. Dorman, Marketing Specialist	7/5/2023	Internal and External Department Communication M-1.9
Operations and Management Training	Greg Freeman, Operations Superintendent	7/5/2023	Administration and Organization WG+E Training & Development AO-3.6
Gas Sales Histogram Report 2023	Keziah Bednarsky, Manager of Energy Supply-Natural Gas	7/5/2023	Marketing Gas Sales Reporting M-2.2
Quarterly Gas and Electric Residential Rate Comparison	Keziah Bednarsky, Manager of Energy Supply-Natural Gas	7/5/2023	Energy Supply Department Kurt Dahdah and Keziah Bednarsky reported
Heating Degree Day Histogram	Keziah Bednarsky, Manager of Energy Supply-Natural Gas	7/5/2023	Marketing Gas Sales Reporting M-2.2
Monthly Financial Reports	Jamie Naughton, Finance Manager	7/5/2023	Financial Notes Monthly Financial Statements F-2.5
Utility Issues	Thomas P. Fiaherly, General Manager	7/5/2023	Regulatory & Governmental Affairs Gas/Electric Regulatory Issues,RGA-1-4;RGA 1.5
Utility News	Leanne Cloutier, Executive Administrative Assistant	7/5/2023	Communications/Customer Service/Community Affairs Media Relations - CCA-1.6
Utility Course Update	Robin Krok, HR Coordinator/Records Manager	7/5/2023	Administration and Organization WG+E Training & Development, AO-3.6

