

Westfield Gas & Electric Municipal Light Board Regular Meeting Minutes July 7, 2021



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

Chairman Roman stated that in accordance with Governor Baker's March 12, 2020, Order Suspending Certain Provisions of the Open Meeting law, G.L. Chapter 30A, Section 20, this meeting of the Municipal Light Board will be conducted in person and via remote participation. The notice for this meeting invited members of the public who wish to listen to the meeting to do so by calling in telephonically to any of the numbers provided in the meeting notice. This virtual meeting will be audio recorded and, per the WG+E MLB Video Policy, the recording will be available on the WG+E website within one week. The Chairman asked if anyone, other than the Municipal Light Board, was recording the meeting. Hearing none the Chairman welcomed the public that may be listening to the meeting.

II. ROLL CALL was taken as follows:

Present:

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
Ward #4 Commissioner, Francis L. Liptak

Absent:

Present: 7 Absent: 0

III. PLEDGE OF ALLEGIANCE

IV. READING OF THE RECORD:

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

VOTED: To accept the minutes of the June 2, 2021 Regular Session Meeting of the Municipal Light Board as presented.

To accept the minutes of the June 2, 2021 Executive Session Meeting of the Municipal Light Board as presented, and not release to the public at this time.

V. PUBLIC PARTICIPATION: None

VI. COMMUNICATIONS RECEIVED BY GAS AND ELECTRIC:

- a) **Acknowledgment-Participation in the FCC new Emergency Broadband Benefit Program** - A letter from Joslyn Day, Director of Consumer Division on behalf of the Massachusetts Department of Telecommunications and Cable (MDTC) acknowledging WG+E participating in the FCC new Emergency Broadband Benefit Program (EBBP. Both Westfield and the surrounding Hilltown's participated in this program, 233 customers signed up for the temporary benefit that offers a \$50 discount for broad service for eligible households in Westfield and all Massachusetts towns served by Whip City Fiber during the pandemic.
- b) **Customer Compliment – Social media praise-** Customers on Westfield Gas + Electric Facebook page commended the quick response and turnaround time of outages reported. The General Manager gave praise to Marketing Manager, Lisa Stowe and Marketing Associate, Laura Dorman for keeping customers updated in a efficient manner during outages reported.
- c) **Customer Compliment- 136 Sunset Drive-** Compliments to the Westfield Gas + Electric for restoring power so quickly and noted WG+E is the best part of living in Westfield.

VII. REPORTS FROM THE GAS & ELECTRIC:

A. *Action Required Items*

- a) **Quarterly Power Line Publication-** The General Manager noted WG+E is promoting five years with Whip City Fiber and part of the promotion includes teaming up with the Westfield Starfires baseball team on August 8th for the Dig Safe 811 game. The WG+E/ Whip City Fiber Star-Spangled 5th Birthday Bash with the Starfires originally scheduled on June 30th has been rescheduled to July 17th at 6:30pm.
- b) **Heating Degree Day Histogram-** Jay Kline, Director of Finance & Energy Supply gave an overview on the Heating Degree Day Histogram provided to the MLB. WG+E

peak day increased in 2021 with closer to average winter temperature than in the winter period of 2020. The day with the highest sendout was 10% colder than last year's peak but still 7% warmer than the peak day 10-year average. Although the weather was warmer than average, actual peak day sendout (14,358 DTH) was 2% higher than the 10-year average sendout (14,088 DTH). The heating degree days experienced for 2020/2021 winter period were about 3.6 % warmer than last winter and 6.3% warmer than the 10-year average. After the warm weather entering the season in November and December 2020, the months of January-April 2021 were 4% colder than 2020 but 5% warmer than the average for those months.

- c) **Gas Sales Histogram-** Jay Kline, Director of Finance & Energy Supply presented a histogram relating to gas sales between 2002 and 2020. Annual sales in 2020 decreased 7.8% from 2019 sales due to warmer than normal winter and government shutdown in response to the COVID-19 pandemic. The winter of 2020 was exceptionally warm until a historically cold April boosted sales. The global pandemic mostly affected the commercial customer classes, which were mandated to close from mid-March to May with conservative, stepped openings into the summer and continued restrictions through the end of May 2021. Small commercial sales decreased 28 percent from 2019 to 2020. Overall, there were 10 percent fewer heating degree days in 2020 than the previous year. The 2020 customer cost per MCF is approximately 9% less than the 15-year average. With an abundance of cheaper resources, natural gas prices are at some of the lowest in recent history. The EIA projects the price of gas to increase in upcoming years, but higher production levels and generally low prices are to likely to remain for the foreseeable future.
- d) **Gas Market Trading update-** Jay Kline, Director of Finance & Energy Supply provided an update to the MLB on the Gas Market Trading on the natural gas prices, stating that NYMEX gas futures have risen substantially from the \$1.50/MMBtu level to above \$3.75/MMBtu over the past year. Additionally, Mr. Kline stated that the delivery basis for winter gas transported to New England has effectively doubled over the past few months to approach \$10/MMBtu. Mr. Kline informed the Board that the organization is hedged to plan for this winter and has begun conversations with counterparties regarding a peaking contract. These moves to higher prices have been driven by record high temperatures across much of the country, with cooling demand limiting gas availability for storage injection. Additionally, global demand for LNG has accelerated rapidly in conjunction with the Covid reopening trade and supply shortages in both Europe and Asia.
- i. **Impact on Electric Pricing-** Jay Kline, Director of Finance & Energy Supply reported the higher gas prices have a direct impact on electric prices, with summer 2021 power prices rising from the \$30/MWh to the \$50 level. Similarly, winter power prices reflect high LNG costs, with power now trading above the \$100/MWh level. Kline stated that WG&E is well hedged for the remainder of the year and the Energy Supply team continues to look for opportunities in subsequent years. The recent local heat wave pushed real-time hourly prices above \$300/MWh, however, Mr. Kline explained, our hedging efforts have mitigated these potential costs to the department.

- e) **Operations and Maintenance Training-** Mike Lee, Director of Operations presented the report on Operations and Maintenance Training, Mr. Lee indicated to the MLB the total training hours in 2020 showed a drastic decrease due to the COVID-19 pandemic, the department saw a considerable decrease to the amount of training hours in 2020. The department restricted travel in accordance with the Center for Disease Control and Prevention (CDC) and State guidelines which resulted in cancellation of many training events and seminars. WG+E continues to employ online training services that addresses not only core tasks, but also First Aid, Fork Lift, Harrassment in the Work Place, and other self-improvement courses. In 2020, WG+E Operations Personnel spent approximately 1,138 hours in this online training.
- f) **Recorded MLB Meeting Views Quarterly Report-** The General Manager gave a brief overview on the quarterly report for the total views of the recorded MLB meetings to date.
- g) **Review of Annual General Manager Evaluation Process-** The General Manager reported the MLB are contemplating hiring an outside third party to review the General Manager's Annual Evaluation process. Commissioner Roman stated it is still in process the item will remain on the agenda for follow up during the next scheduled MLB meeting
- h) **Monthly Financial Reports-** Jay Kline, Director of Finance & Energy Supply updated the MLB the monthly financial report through May of 2021, the Gas Division gain exceeds the original budget estimate by almost \$1.2 million. Heading into the winter months target estimate is \$1.8 million. Mr. Kline confirmed the peaking contract runs \$100,000 per month through the winter months. On the Electric Division, Mr. Kline reported it's over 95% above the original forecast, with more heatwaves expected this will continue in the positive trend.

The Fiber Division is currently below the original budget which reflects the timing of vendor invoices associated with distribution activity.

Commissioner Sacco asked to discuss receivables, Mr. Kline, explained since the moratorium has come down the key point to take away is in April the over 90 category was over \$1 million, to date the over 90 category is approximately \$363,000, not including the protective accounts.

Commissioner Rivera made a motion, and motion was seconded to go out of order with the agenda and discuss item VIII. Old Business- Presentation Termination Activity, presented by Customer Account and Credits Manager, Arlene Paton and Customer Service Manage, Betsy Loiko.

B. Informational Items:

- a) **Utility Issues** was presented and accepted by the MLB
- b) **Utility News** was presented.

- c) **Utility Courses Update** was presented.

VIII. OLD BUSINESS:

- a) **Presentation-Termination Activity-** Arlene Paton, Customer Account and Credits Manager explained to the MLB in March customers who were over 60 days past due received letters to inform them of the termination process. During the months of May and June over 3,000 notices were sent out to our Gas and Electric customers that were past due, 2600 of those customer's paid what was expected of them, while 374 went to terminated status, 334 of those customers ended up paying at the end of June, leaving 40 customers in vacant status. Mrs. Paton reported on the Whip City Fiber collections side, that 519 customers received notification for termination letters, 116 customers had services interrupted, out of that total only 27 were not completely restored.
- Commissioner Liptak asked if the 40 vacant customers reach out to be restored. Mrs. Paton explained that most of those vacant customers will reach out. Mrs. Paton went on to discuss the Call Volume Activity, referencing the graph provided to the MLB which showed the call volume from January through June 2021. The number of calls handled have nearly doubled in June 2021. The Daily Call Activity for June was detailed and broken down with the number of WGE calls and number of WCF calls.
- Commissioner Rivera asked about the Customer Service extended hours, the General Manager noted after hours began at the April 2021.
- An overview of the Customer Payment Plan Activity and the Customer Assistance Program. Mrs. Paton explained 650 payment plans were created totaling \$859,000. Mrs. Paton overviewed the two-customer assistance; Valley Opportunity Council and The Wayfinders program. Mrs. Paton reported The Wayfinders program has been a key tool in decreasing the over 90-day columns that are in arrears.
- In closing, Mrs. Paton portrayed information from the WGE Monthly A/R Aging Comparison report.
- Commissioners gave kudos to the customer service team for doing a phenomenal job with all their hard work.

IX. NEW BUSINESS:

- a) MLB 2021 meeting schedule
General Manger asked the MLB if they would like to forgo the August 4, 2021. The Consensus of the MLB was if there were no pressing matters the scheduled August meeting could be forgone.

X. EXECUTIVE SESSION:

On the motion of Commissioner Rivera , Commissioner Mitchell seconded, on the basis of a roll call it was:

VOTED: To adjourn the regular meeting of the Municipal Light Board meeting and enter executive session for the purpose of discussing trade secrets or confidential, competitive-sensitive or other proprietary information as noted on the agenda, and not to reconvene the Regular Session after adjournment from Executive Session.

Mitchell	"aye"
Sacco	"aye"
Roman	"aye"
Kelleher	"aye"
Rivera	"aye"
Renaudette	"aye"
Liptak	"aye"

Motion passed 7-0. 0 absent

Chairman Roman stated that the Municipal Light Board would be entering into executive session for the purpose of discussing trade secrets or confidential, competitive-sensitive, or other proprietary information, as noted on the agenda, and would not reconvene the Regular Session after adjournment from Executive Session.

XI. ADJOURNMENT

Chairman Roman declared the regular session portion of the meeting adjourned at 7:56 p.m.

A TRUE RECORD.

Attest:



A. Edward Roman, Chairman

**Documents Presented at
 REGULAR SESSION July 7, 2021**

Municipal Light Board Regular Session Meeting Minutes – June 2, 2021			
Municipal Light Board Executive Session Meeting Minutes – June 2, 2021			
Acknowledgement- participation in the FCC new EBBP	Commonwealth of Massachusetts: Department of MDTC	June 4, 2021	
Summer 2021 Quarterly Power Line Publication	Thomas Flaherty, General Manager	July 7, 2021	
Heating Degree Day Histogram	J. Kline, Director of Finance & Energy Supply	July 7, 2021	Marketing Gas Sales Reporting M-2.2
Gas Sales Histogram	J. Kline, Director of Finance & Energy Supply	July 7, 2021	Marketing Gas Sales Reporting M- 2.2
Operations and Maintenance Training	M. Lee, Director of Operations	July 7, 2021	Administration and Organization WG+E Training & Development AO-3.6
Recorded MLB Meeting Views	Thomas Flaherty, General Manager	July 7, 2021	Internal and External Department Communications M-1.9
Monthly Financial Reports	T. Fouche, Accounting, Procurement & Contracts Manager	July 7, 2021	Financial Annual & Quarterly Reports F-4.5
Utility Issues	John W. Welch	July 7, 2021	Regulatory & Governmental Affairs Gas/Electric Regulatory Issues, RGA-1.4; RGA1.5
Utility News/Pulse Line	Leanne Cloutier, Executive Administrative Assistant	July 7, 2021	Communications/Customer Service/ Community Affairs Media Relations – CCA-1.6
Utility Course Update 2021 Seminars/Workshops	Robin Krok, HR Associate	July 7, 2021	Administration and Organization WG+E Training & Development, AO- 3.6
Update on Termination Activity- Presentation	A.Paton, Customer Accounts & Credit Manager	July 7, 2021	Power Point Presentation