



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

June 6, 1988

D.P.U. 86-36-C

Investigation by the Department of Public Utilities on its own motion, pursuant to Section 76 of Chapter 164 of the General Laws, into the pricing and ratemaking treatment to be afforded new electric generating facilities which are not Qualifying Facilities as defined in 220 C.M.R. 8.02.

On May 12, 1988, the Department of Public Utilities proposed regulations to establish rules for the recovery by Massachusetts electric companies of the costs of major incremental investments in electric generation. The proposed regulations require that companies seek pre-approval of utility investment in new plants or major modifications to existing plants before funds are expended. The proposed rule contains exceptions for emergency situations at existing plant.

The utility must demonstrate that its proposal provides net present value benefits in comparison with reasonable alternatives. Absent prior approval, covered utility expenditures may not be recovered in rates. The proposed rule specifies the manner in which risks and benefits associated with the utility investment shall be allocated, and the nature of the cost recovery mechanisms to be used. It specifies filing requirements and a notice and hearing process. The proposed rule is promulgated under the authority of c. 164, sections 76, 94 and 94G.

A public hearing on the proposed regulations will be conducted in the Department's hearing room, #1210 Leverett Saltonstall Building, 100 Cambridge Street, Boston, Massachusetts on Wednesday, July 6, 1988 and 10:00 a.m. Comments will be received through July 20, 1988. Parties are urged to submit comments before the hearing. Proposed rules are available upon request.

By Order of the Department,

A handwritten signature in cursive script, reading "Mary L. Cottrell".

Mary L. Cottrell, Secretary

2. S-445

DPU notice of public hearing to be held on
July 6, 1988 at 10 a.m. at 100 Cambridge St.,
Boston Re: pricing & ratemaking treatment to
be afforded new electric geenrating facilities
whcih are not qualifying facilities.

In City Council,

June 20, 1988

6-20-88

Placed on file. / Copy to
the City Manager.

RECEIVED BY
OFFICE OF CITY CLERK
JUN 10 AM 10:39
CAMBRIDGE MA.

Copy sent to the City Manager 6/22/88 mh