



CAMBRIDGE CONSUMERS' COUNCIL

831 Massachusetts Ave. Cambridge, MA 02139

Tel. (617) 349-6150

349-6153

City Of Cambridge

Paul J. Schlaver
Executive Director

serving the
residents of:

Cambridge
Boston

TO: Robert Healy, City Manager
FROM: Paul Schlaver
DATE: February 12, 1997

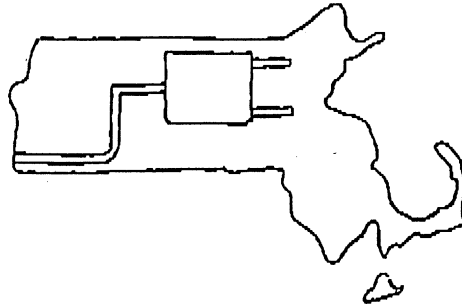
RE: Council Order #001, dated 2/3/97 Electric Industry Restructuring Impact
On Cambridge Consumers

In addition to my report to you dated January 7, 1997 in response to a previous Council Order on the impact of electricity de-regulation, I would like to offer the following in response to this new order:

1. Attached please find a copy of the final version of an insert that is to go out to all customers of an electric company with their February bills. This is part of the ongoing effort to inform the citizens of the Commonwealth as to what is going on with this restructuring process. The DPU established CONSUMER EDUCATION ADVISORY TASK FORCE (CEATF), of which I am a member, continues to meet. This bill insert is one result of CEATF's efforts.
2. I have participated in two small group discussions directly with the new Director of Consumer Affairs and Business Regulations, Michael Duffy, regarding electricity restructuring. I have stressed the atmosphere of confusion that is already occurring. I also stressed that customers will be VERY ANGRY if no savings on their bills result from all of this confusion and change.... that dollar savings must at least result if this "choice benefit" is a legitimate one. Lastly, I stressed to him that the DPU staff must anticipate much confusion and questioning from the public when it begins to receive direct mail solicitation from several distributors of electricity seeking their business. Consequently, Director Duffy must anticipate this and make sure the staffing pattern of the DPU is adequate for this task.
3. If special legislative hearings take place before the Legislature's Joint Commission on Electric Utility Restructuring in the upcoming weeks, I will do my best to be in attendance and if appropriate, testify on some of the concerns mentioned above.
4. At the present time I do not believe there is any further effort that I can take to offer educational information or advocacy on the matter but will continue to be vigilant. Since decisions are still being made by the legislature and by the DPU, it would be difficult to launch a greater educational campaign beyond the bill insert effort and the on-going behind-the-scenes work with the relevant state agencies.

attachment

A MESSAGE FROM THE



MASSACHUSETTS DEPARTMENT OF PUBLIC UTILITIES

Dear Massachusetts Electricity Consumer:

Exciting and important changes are coming to the electric industry. On December 30, 1996, the Department of Public Utilities (Department) presented an electric industry restructuring plan to Governor William Weld and the Massachusetts Legislature. The plan offers customers the opportunity to choose their supplier of electricity generation. The Department's goal is to lower costs, over time, for all consumers of electricity. We believe that a competitive framework for electricity generation will help achieve this goal.

It is important to note that under the Department's plan, electricity would be distributed, or delivered, by the same electric company that serves you now. Your electric distribution company would remain regulated and would continue to provide safe, reliable service.

A special committee of the Legislature is reviewing the Department's plan. Here are some of its highlights:

New Bill Formats: Electric distribution companies would separate or "unbundle" charges for electricity into generation, transmission, distribution, and access charges, as a first step toward choosing your generation supplier. In this way, you, the customer, can compare generation costs as you make choices.

Choice of Supplier: You would have the opportunity to choose a supplier of electricity generation. If you decline to choose, you could continue to purchase electricity through your present electric company. All generation suppliers doing business in Massachusetts would be required to register with the Department and to provide a toll-free telephone number for customer convenience.

Uniform Billing Standards: Electric distribution companies and generation suppliers would offer customer bills in a consistent format, and would be required to meet all Massachusetts billing regulations. Bills would include per unit pricing as well as fuel source and air emissions information.

Page 2

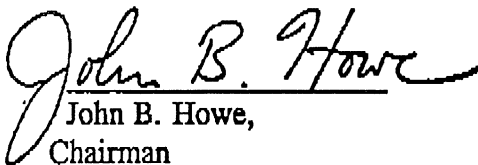
Current Benefits Maintained: Your electric distribution company would continue to offer low-income discounts and energy conservation services.

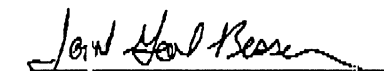
Safety and Reliability: Your electric distribution company would continue to maintain a safe and reliable electricity delivery system including poles and wires. You would continue to call your present company when you have questions or problems related to electric service.

Consumer Information: The Department's Consumer Division and the Consumer Education Advisory Task Force would continue to inform consumers about electric industry restructuring.

You will hear more about this plan in messages from the Department, your electric company, and from the general media. You may review the Department's proposed plan in its entirety through the web at <http://www.magnet.state.ma.us/dpu/> or you may obtain a print copy of the proposal by contacting the Department at 1-800-392-6066. There is a copying fee of \$7.14.

Please do not hesitate to contact the Department's Consumer Division at (617) 727-3531 if you have questions.


John B. Howe,
Chairman


Jane Gail Besser,
Commissioner



CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL. 349-4300
FAX. 349-4307



EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

February 24, 1997

To The Honorable, The City Council:

In response to Awaiting Report Item Number 30, regarding electric industry restructuring with regard to public education, advocacy and impact on Cambridge consumers, please find attached a status report submitted by Paul Schlaver, Executive Director of the Cambridge Consumer Commission. I will continue to keep the City Council apprised of this situation.

Very truly yours,

Robert W. Healy
City Manager

RWH/dls

Consent Agenda #4

S-86

Relative to Awaiting Report Item Number
Thirty, regarding the electric industry
restructuring with regard to public
education, advocacy and impact on the
consumer.

In City Council February 24, 1997

PLACED ON FILE