

Homeowners may get higher electric bills

By Jay Weaver
Staff writer

Chronicle
Jan. 7, 1988

Cambridge residents should brace themselves for a sharp increase in their electric bills in the latter part of 1988.

If approved by the state, the Cambridge Electric Light Company's (CELCO) new rates would shift burdens among residential, commercial and industrial customers so that residents would pay more and businesses would pay less. Within each customer class, however, small users would receive higher bills and large customers would receive lower ones.

CELCO recently asked the state Department of Public Utilities (DPU) for permission to restructure rates for its 42,037 customers in Cambridge. The request, which would not result in additional revenues for the Cambridge utility, is in compliance with a 1985 order from the DPU.

CELCO's average residential customer currently uses 274 kilowatt hours per month and pays \$24.85. This amount includes the minimum service charge of \$4.82 per month. Based on the same consumption and new rate proposal, the average customer would pay \$27.52 per month. This amount would include the new minimum service charge of \$9.74 per month.

Commercial and industrial customers...have always been subsidizing residential customers....

Dave DesRoches

District service manager

CELCO

The average residential customer's bill would increase 10.8 percent per month. The minimum service rate would more than double.

There would be a discount for residential customers on Social Security Disability Insurance. Nonetheless, the average customer's bill in this category would increase \$2.15 per month.

CELCO's average small business customer currently uses 10 kilowatts and 2,648 kilowatt hours per month and pays \$204.23. This amount includes the minimum service charge of \$4.72 per month. Based on the same consumption and new rate proposal, the average small business customer would pay \$205.10 per month. This amount would include the new minimum service charge of \$13.96 per month.

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Electric bills

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The average small business customer's bill would increase .4 percent per month. The minimum service rate would almost triple.

In effect, the rate restructuring means that each customer category would pay for itself.

"Commercial and industrial customers who use power at the highest possible voltage have always been subsidizing residential customers who use the lowest possible voltage," said Dave DesRoches, CELCO's district service manager.

This rate proposal would put an end to "cross subsidies" and make the payment system "more equitable," he said.

Also, the less energy consumed, the more a customer would pay on a per-kilowatt basis.

Over the next six months, the state DPU will review the rate proposal and probably makes its decision in the latter part of the year.

Under state law, there is a limit on the amount of revenue CELCO can receive from customers. If the DPU finds that the Cambridge utility's revenue is in excess of the limit, the ruling could affect the final rate restructuring.



City of Cambridge

11.

IN CITY COUNCIL

January 25, 1988

Councillor Duehay

- ORDERED: That the Cambridge City Council go on record as opposing the request of the Cambridge Electric Light Company for permission to restructure its rates so that residents pay more and businesses less; and be it further
- ORDERED: That the Mayor be requested to schedule a public hearing on this matter at the earliest possible time; and be it further
- ORDERED: That the City Manager be requested to give his immediate attention to marshalling the city's policy and legal resources to fight this increase and shift and to utilize technical assistance from other municipalities and from the Massachusetts Municipal Association, if available.

In City Council January 25, 1988.

Adopted by the affirmative vote of 8 members.

Attest:- Joseph E. Connarton, City Clerk.

A true copy;

ATTEST:-

A handwritten signature in black ink, reading "Joseph E. Connarton". The signature is written in a cursive style with a large, stylized "J" and "C".

Joseph E. Connarton, City Clerk.

Order #11

F-20

C. Duehay order re: City Council go on record opposing the request of the Cambridge Electric Light Co. for permission to restructure its rates so that residents pay more than businesses & that the Mayor be requested to schedule a public hearing on this matter at the earliest possible time & the City Manager give his immediate attention to marshalling the City's policy & legal resources to fight this increase.

In City Council,

January 25, 1988

C. Duehay
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v/v