



CITY OF CAMBRIDGE
INTEROFFICE CORRESPONDENCE

To City Manager James L. Sullivan

Date April 24, 1974

From Charles A. Watson Legislative Agent

Reference Council Order #7
3-25-1974

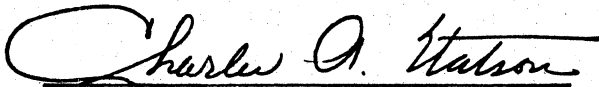
Subject Legislation re fuel adjustment charges

There were many bills filed in the current session of the Legislature "which would provide for the protection of consumers against a rise in utility rates because of increases dictated by the rise in fuel costs".

All such bills were heard in early March by the Committee on Government Regulations which committee after consideration of them filed the attached report and proposed legislation, Senate Bill 1568.

Senate Bill 1568 was referred to the Senate Ways and Means Committee, and was reported favorably by it to the Senate on April 23rd.

The fuel adjustment clause as contained in electric utility rate making is the subject matter of a public hearing before the Department of Public Utilities Commission on April 30th.


Charles A. Watson

SENATE No. 1568

The Commonwealth of Massachusetts

SENATE, April 9, 1974.

The committee on Government Regulations, to whom was referred the (order, House, No. 2521) relative to the appointment of a special committee of the House to make a study of the billing practices of public utilities and they relate to fuel adjustment charges and other related matters; and the petition (accompanied by bill, Senate, No. 510) of Joseph J. C. DiCarlo and Francis D. Doris for legislation to prohibit the imposition of additional charges by electric or gas companies for clean air; the petition (accompanied by bill, Senate, No. 972) of Frederic W. Schlosstein, Jr., and others for legislation to prohibit the so-called "fuel adjustment" on certain public utility bills; the petition (accompanied by bill, Senate, No. 980) of Arthur H. Tobin for legislation to prohibit the imposition of additional charges by electric or gas companies for clean air; and the petition (accompanied by bill, Senate, No. 1456) of B. Joseph Tully for legislation to prevent electric companies from charging consumers for the cost of clean air or any fee for the cost of pollution measures, devices or processes used by said companies; and the petition (accompanied by bill, House, No. 1589) of William F. Hogan, James S. Conway and Felix Perrault that investor-owned private utilities be prohibited from passing on to residential consumers any additional service premium charges for use of low-sulfur generating fuels or other fuels of low pollution emission content; the petition (accompanied by bill, House, No. 3331) of James E. Smith, Ronald A. Pina, Thomas H. D. Mahoney, James Segel, Laurence R. Buxbaum, Barney Frank, Angelo Cataldo, Robert E. McCarthy, John A. Businger, Peter F. Harrington, Edward J. Markey, Melvin H. King, Charles F. Flaherty, Jr., and Richard E. Kendall relative to regulating the cost-of-fuel factor for electric companies; the petition (accompanied by order, House, No. 4023) of George L. Woods, Jr., Theodore J. Trudeau, Henry R. Grenier, Donald R. Gaudette and Robert A. Vigneau for the appointment of a special committee of

the House to make an investigation and study relative to the billing practices of public utilities as they relate to fuel adjustments; the petition (accompanied by bill, House, No. 4481) of Edward J. Grimley, Jr., that certain power companies be prohibited from increasing rates due to the increased cost of fuel; the petition (accompanied by bill, House, No. 4482) of Carmine L. Perna and Mary E. Fantasia relative to the elimination of charges by public utilities for compliance with clean air standards; the petition (accompanied by resolve, House, No. 5054) of Sidney Q. Curtiss for an investigation by a special commission (including members of the General Court) relative to the effect of the fuel adjustment charge on electric rates; the petition (accompanied by bill, House, No. 5063) of Robert D. Wetmore that the Department of Public Utilities be authorized to regulate the increase of the fuel adjustment cost by power companies; and the petition (accompanied by bill, House, No. 5375) of James E. Smith, John G. King and Paul H. Guzzi for legislation to require hearings for increases in utility rates and to require notification of consumers of said hearings, reports the accompanying bill (Senate, No. 1568)

For the Committee,

DENIS L. McKENNA

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Four

**AN ACT PROHIBITING THE USE OF FUEL ADJUSTMENT CLAUSES AND
REQUIRING ELECTRIC COMPANIES TO PURCHASE FUEL BY COMPETITIVE
BIDDING.**

WHEREAS, the deferred operation of this act would tend to defeat its purposes, which is to bring immediate economic relief to the consumers of this Commonwealth from the spiraling costs of electrical energy, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 119A of Chapter 164 of the General
2 Laws, as amended by section 1 of chapter 145 of the acts of
3 1939, is hereby further amended by adding the following sen-
4 tence: —

5 In no event shall a consumer be charged a fuel adjustment
6 charge, or any other charges which have not been specifically
7 approved by the department following a public hearing pur-
8 suant to the provisions of section 94 of this chapter.

1 SECTION 2. Chapter 164 of the General Laws is hereby
2 amended by adding after section 94F the following new Sec-
3 tion:

4 Section 94G. Every contract for fuel purchased by an elec-
5 tric company estimated to cost more than two thousand five
6 hundred dollars shall be awarded to the lowest responsible
7 general bidder, on the basis of competitive bids made in ac-
8 cordance with such rules and regulations as may be promul-
9 gated by the department.

Report from the Legislative Agent re:
legislation for fuel adjustment charges.

In City Council,

April 29, 1974

*Copies made for Chamber
4/26/74 dl*

4/29/74

Placed on File -