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DPU GRANTS CAMBRIDGE ELECTRIC RATE INCREASE

Cambridge Electric Light Company has been granted a \$2,547,000 increase in its base rates by the Massachusetts Department of Public Utilities (DPU), according to R. F. MacDonald, vice president of customer services.

The increase will appear on customers' bills starting with August billings. It will add approximately \$1.18 a month to the bill of the average residential customer using 254 kilowatt hours monthly.

The rate decision will mean an overall increase of approximately 5.4 percent on customers' bills and is the first base rate increase for Cambridge Electric in two and one-half years.

The company filed for the rate increase last January because "inflationary pressures over the past two and one-half years had made it impossible for the company to earn the rate of return allowed by the DPU and our earnings were eroding at an alarming rate," MacDonald explained.

At the time of the filing, MacDonald noted that the company had sustained continuing and unrelenting increases in all aspects of its costs of providing an adequate and reliable supply of electricity to its customers.

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"The costs of labor, materials, transportation and other costs of doing business have risen between 35 percent and 50 percent since the last rate increase, causing a substantial decline in the company's rate of return," MacDonald said.

"Although the increase allowed by the DPU is less than the amount we believe is necessary, this rate decision will help us to recover some of our increased costs of doing business," MacDonald concluded.

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