

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, Director *Paul Schlaver*
DATE: June 11, 1992
RE: Council Order #27, dated 3/2/92
concerning the investigation of increased payments to
customers of Commonwealth Gas Company

Upon receipt of the above Council Order I turned immediately to the Department of Public Utilities, as regulator of utility companies. All rates, billing procedures, and the language used in "bill stuffers" must be approved by the DPU. Also, that state agency has immediate access to request billing histories of individual accounts and other company records.

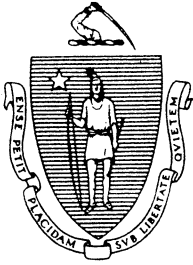
The concerns raised by Councillor Russell involved budget payment customers of ComGas that experienced a sudden jump in the amount they were paying monthly on their account.

Budget accounts are allowed to be reviewed in mid-winter and adjusted upward, if necessary. Increases should only occur, though, if the account shows a significant increase in usage since the season began in the previous September. Increase use is due to colder temperatures overall from the previous season (used to calculate the budget amount in September), or some change in the use patterns of the customer, i.e. prolonged illness in the household, a new baby, a senior citizen needing an increase of heat, etc. An approved rate increase may also prompt an upward budget adjustment.

It seems self-evident that the September to February period was milder than the previous (1990-1991) season. Thus, the rate increase approved in the early Fall of 1991 was balanced by the mild winter so no significant increases should have occurred. After discussing four specific customer complaints presented by Councillor Russell it appeared possible that family circumstances in only one case would have prompted an increase in usage.

The DPU Consumer Division investigator researched the examples I presented and contacted ComGas about their budget evaluation procedures. Apparently, a significant calculation error had occurred, on approximately 1000 accounts! Adjustments were quickly made and customers were contacted. Even though one elderly household (of the four Cambridge accounts researched for me) had used more heat due to deteriorating health conditions the accurate increase was far less than the mistaken amount.

Attached are two letters of relevance, one from the DPU and one from Commonwealth Gas Company.



The Commonwealth of Massachusetts
Department of Public Utilities
Leverett Saltonstall Building, Government Center
100 Cambridge Street, Boston 02202

June 4, 1992

Paul J. Schlaver
Executive Director
Cambridge Consumers' Council
831 Massachusetts Avenue
Cambridge, Massachusetts 02139

Dear Mr. Schlaver:

Claudine Langlois, Director of the Consumer Division, asked me to investigate the budget billing problem involving Commonwealth Gas Company ("Company") which you brought to her attention.

In February 1992, while reviewing the mid season budget, the Company made a calculation error, which resulted in several consumers receiving inflated budget bills during the first billing cycles in February. The Company has assured the Consumer Division that the error was corrected and precautions were taken to prevent this problem in the future.

I am enclosing a statement from the Company for your records. If you have any questions, please feel free to contact us. Once again we thank you for bringing to our attention this serious problem.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rosario Teixeira".

Rosario Teixeira
Consumer Coordinator
Consumer Division

enc.

cc: Claudine Langlois, Director, Consumer Division



Commonwealth Gas Company
157 Cordaville Road
Southborough, Massachusetts 01772
Telephone (508) 481-7900

Reply to:

May 22, 1992

MAY 20 1992

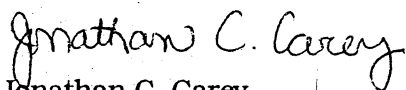
Ms. Rosario Teixeira
Department of Public Utilities
100 Cambridge Street
Boston, MA 02110

Dear Ms. Teixeira:

I am writing this letter in response to a concern expressed by the Cambridge Consumer Counsel regarding a budget billing problem which occurred in February of this year.

COM/Gas was performing it's annual mid-season budget review process when an error in the calculation was discovered. This error was quickly corrected and a number of controls have been instituted to insure that this problem does not occur again. Every effort to identify those affected customers was made, customers were notified and accounts were adjusted accordingly.

Sincerely,


Jonathan C. Carey
Manager of Customer Contact



City of Cambridge

27.

P. Schläger

IN CITY COUNCIL

March 2, 1992

COUNCILLOR RUSSELL

ORDERED: That the City Manager be and hereby is directed to request the Head of the Cambridge Consumer Council to investigate the inordinately large increase of budget payments of customers of Commonwealth Gas Company some of which will amount to \$400 to \$500 per year; and be it further

ORDERED: That the City Manager be and hereby is requested to report back to the City Council on this matter.

In City Council March 2, 1992.

Adopted by the affirmative vote of eight members.

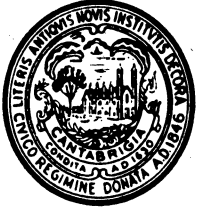
Attest:- Joseph E. Connarton, City Clerk.

A true copy;

Handwritten signature of Joseph E. Connarton.

ATTEST:-

Joseph E. Connarton
City Clerk



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

June 15, 1992

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 15, regarding an investigation of large increases in budget payments to customers of the Commonwealth Gas Company, received from Paul Schlaver, Director of the Cambridge Consumers' Council, relative to this matter.

Very truly yours,

Robert W. Healy
City Manager

RWH/mev
attachment

Consent Agenda # 11

S-508

Awaiting Report Item Number 15, regarding
an investigation of large increases in
budget payments to customers of
Commonwealth Gas Company.

In City Council,

June 15, 1992

Placed on file