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COM/Energy

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March 16, 1995

Ms. D. Margaret Drury
City Clerk
City of Cambridge
City Hall
Cambridge, MA 02139

Dear Ms. ~~Drury~~: Margaret

Enclosed please find a copy of a Cambridge Electric Light Company's press release relating to our recent rate tariff filing with the Massachusetts Department of Public Utilities.

As the tariff filing is designed to protect residential, commercial, and industrial customers from potential increases in their monthly electric bills, we hope this communication will be included in the Consent Communications Section of the City Council Meeting Agenda scheduled or March 20, 1995.

If I can be of any further assistance to you, please do not hesitate to call.

Sincerely,

Paul

Paul B. Casey
Director of Public Affairs

CESV
25/95/dlm

COM/Electric NEWS

March 16, 1995

Cambridge Electric Light Company
46 Blackstone Street
Cambridge, MA 02139

For release:
Immediate

Contact:

Peter Dimond
(508) 291-0950 x3470

**Cambridge Electric Light Files DPU Tariff
For Back-Up Services;
Protects City, Residential Customers from
Potential Rate Increase**

Cambridge Electric Light Company filed four tariffs yesterday with the Massachusetts Department of Public Utilities to establish rates for its largest customers should they discontinue full service with the company while remaining in Cambridge.

Cambridge Electric designed the rate tariff to protect the remaining 44,500 residential, commercial, and industrial customers from a potential increase in their monthly electric bills should large customers choose to generate their own electricity or buy it from another source.

Cambridge Electric President Russell D. Wright said, "These rates establish a cost-based structure which mitigates the impact on our residential customers by insuring that customers leaving our system pay their fair share."

Wright added, "This structure also allows customers to calculate the true costs they'll need to know if they are deciding to self-generate or to buy their electricity from other sources; an issue that is becoming increasingly important as we move to a more market-based competitive electric industry."

Wright said, "Through this filing, large customers are being asked to share in all of the

"more"

costs we've incurred and will be incurring on their behalf. This includes their share of the $350 million decommissioning cost of Yankee Atomic in Rowe, Massachusetts, a source of Cambridge power for the past 25 years, as well as the future decommissioning costs of other nuclear plants. Their responsibility also includes the long term contracts for power we've signed, with state approval, to meet their projected needs through the year 2001 and, our investment over the past 100 years in substations, underground and overhead lines, and related equipment to get the power to them."

The filing was made in response to the increasingly competitive market that has developed and, in part, to address the decision of one of its largest customers, MIT, to generate their own electricity.

Wright said, "If MIT or any other large customer doesn't pay its share of the costs the company has incurred on their behalf then Cambridge residential, commercial, and industrial customers will end up paying for them."

If the proposed rates are not approved, MIT's loss would mean that the electric bill of a Cambridge residential customer, using 500 kwh, could rise as much as 2.6 percent or $17.76 per year. The City of Cambridge municipal electric bill could rise by $216,600 per year.

Details of Cambridge Electric Light Company's four-rate filing include:

1) *Customer transition charge* provides a rate schedule that would cover the stranded costs that would otherwise fall on remaining residential, commercial, and institutional customers and would apply to any large customer who imposes stranded costs on the system and whose current annual average monthly billing demand exceeds 2,000 kVa (or 9.85 million kwh). These customers represent a coincident annual peak demand of 21.2 percent of Cambridge's peak load.

"more"

2) *Standby service* provides backup electrical service when a customer's alternative supply of power is either partially or totally unavailable.

3) *Maintenance service* provides electric service when a customer's alternative supply of power is unavailable due to scheduled maintenance.

4) *Supplemental service* provides electric service for the portion of a customer's electrical requirements not supplied by their alternative power source.

Wright noted that the largest electric customer in Cambridge signed a seven year contract with Cambridge Electric Light last spring, saying in a letter to the DPU requesting approval of the contract that "In making our selection of Cambridge Electric, we gave very careful consideration to the negative impact the loss of our load would have on other ratepayers in Cambridge... customers would have had to assume the burden of paying for Cambridge Electric's fixed costs and long term contracts for power...."

COM/Electric's Cambridge Electric Light Company is a subsidiary of Commonwealth Energy System of Cambridge, Massachusetts. The last Cambridge Electric rate increase was in 1993.

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Consent Communication #13

Communication received from ComEnergy regarding a press release re: our recent rate tariff filing with the Massachusetts Department of Public Utilities.

In City Council March 20, 1995

Placed on file