

MASSPIRG

THE MASSACHUSETTS PUBLIC INTEREST RESEARCH GROUP

37 Temple Place Boston, MA 02111 (617) 423-1796

ENDORSERS OF THE PROPOSAL TO ESTABLISH A CONSUMER UTILITY BOARD IN MASSACHUSETTS

The Honorable Raymond Flynn, Mayor, City of Boston
Sharon Pollard, Secretary, Massachusetts Executive Office of Energy Resources
Richard Rowland, Secretary, Massachusetts Executive Office of Elder Affairs
Frank Manning, Legislative Council for Older Americans
Massachusetts Consumers Coalition
Massachusetts Public Interest Research Group (MASSPIRG)
Massachusetts Senior Action Council
Massachusetts Fair Share
Massachusetts Law Reform Institute
Mayor's Office of Consumer Affairs and Licensing (Boston)
Massachusetts Teachers Association
United Auto Workers -- Massachusetts
United Steelworkers Local 2431
Graphics Arts Union Local 6000 (Revere)
Service Employees International Union Local 509 , 285
Massachusetts Nuclear Referendum Campaign
United Electrical, Radio & Machine Workers of America (U.E.), District 2
Regional Environmental Council (Worcester)
Greater Boston Legal Services
Commission on Law and Social Action of the American Jewish Congress
Central Massachusetts Safe Energy Project
Spanish American Union
Somerville United Neighborhoods
Worcester County Consumer Rights Project
Solidarity II (North Adams)
Northampton Peoples Action Committee
Northampton Consumer Protection Agency
Berkshire County Consumer Advocates
Hyannis Consumer Assistance Council
Valley Opportunity Council

-continued-

Western Massachusetts Office

233 N Pleasant Street Amherst 01002 413 256-6434

Massachusetts Consumer Congress
Cambridge Civic Association
Maynard Board of Selectman
Chelsea Board of Alderman
Wakefield Board of Selectmen
National Lawyers Guild, Massachusetts Chapter
Thomas Stapleton, Executive Director of the Fall River Council on Aging
Berkshire County Commissioners
Malden Community Nursing Association
Weldon Manor Tenants Council
South End Community Health Center
Senior Home Care -- Boston III
Reverend Victor Carpenter -- Arlington Street Church
Kit Clark Senior House
Council on Aging in Dedham, Westwood, Auburn and Millbury
Green Island Neighborhood Center (Worcester)
Quincy Consumer Council
Hampshire Community Action Commission
Newton Consumer Protection Division
Gray Panthers of Greater Boston
Greenfield Consumer Protection Agency
South Middlesex Consumer Protection
Hamden County Energy Office
Lynn Economic Opportunity
Community Action Programs of Gloucester, Lowell, Greenfield, Northampton, Chicopee,
Cape Cod, Brockton, Plymouth, Lynn, Pittsfield, Quincy, and Peabody
Southwest Boston Senior Services
Jamaica Plain Area Planning Action Council
National Association for the Advancement of Colored People. (NAACP) -- Holyoke-Chico
Brockton Consumer Advisory Committee
Duxbury Consumer Advisors
Boston City Council Members -- Bruce C. Bolling and Albert M. O'Neil
Boston School Committee Members -- John O'Bryant, Jean McGuire
and Rita Walsh-Tomasini
Mel King, Former State Representative
Medford City Council



The Commonwealth of Massachusetts

IN THE YEAR ONE THOUSAND NINE HUNDRED AND EIGHTY- SIX

AN ACT TO ESTABLISH A CITIZENS' UTILITY BOARD

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

SECTION 1. The General Laws are hereby amended by inserting after chapter 25A the following chapter:-

CHAPTER 25B

AN ACT TO ESTABLISH A CITIZENS' UTILITY BOARD

Section 1. The people of the Commonwealth of Massachusetts hereby find that residential utility consumers need an effective advocate to assure that public policies affecting the quality and price of utility services reflect their needs and interests, that residential utility consumers have the right to form a not-for-profit corporation which will represent their interests before legislative, administrative and judicial bodies, and that residential utility consumers need a convenient manner of contributing to the funding of such an organization so that it can advocate forcefully and vigorously on their behalf concerning all matters of utility policy affecting their health, welfare and economic well-being. The corporation shall be called the Citizens' Utility Board (CUB).

NOTE. — Use ONE side of paper ONLY. DOUBLE SPACE. Insert additional leaves, if necessary.

Section 2.

As used in this chapter, unless the context otherwise requires:

(a) The term "board" means the board of directors of the Citizens' Utility Board.

(b) The phrase "campaign resources" shall include any:

(i) expenditure of money belonging to a candidate or to any person or group authorized by or acting for a candidate;

(ii) acceptance or use of goods or equipment by a candidate or by

any person authorized by or acting for a candidate, regardless of who owned or owns the goods or equipment;

(iii) acceptance of a gift or payment of money by a candidate or by any person authorized by or acting for a candidate;

(iv) acceptance of a loan or advance of money or goods by a candidate or by any person or group authorized by or acting for a candidate; where such expenditure, use, acceptance, payment, gift, loan, or advance is intended to, or would reasonably appear to be calculated to promote the election of a candidate to the board of directors of the Citizens' Utility Board.

(c) The term "congressional district" or "district" shall mean the political subdivision used in the general United States election for the selection of representatives in the U.S. Congress.

(d) The term "corporation" shall mean the Citizens' Utility Board.

(e) The term "director" shall mean any member of the corporation duly elected or appointed to the board of directors of the Citizens' Utility Board.

(f) The term "enclosure" means printed material prepared by the corporation to be included in the same envelope as the residential consumer utility billing or mailing.

(g) The term "member" or "member of the corporation" shall mean any person who satisfies the requirements for membership in the Citizens' Utility Board.

(h) The term "optional contribution" means a clearly delineated check-off option on a regular utility billing to residential consumers by which the residential utility consumer can indicate that payment in excess of the balance due to the utility shall be forwarded to CUB.

(i) The term "regulated public utility," "utility," "utility company,"

or "utility corporation" shall mean a corporation which is engaged in furnishing electricity, telephone service, gas or water to others, at wholesale or otherwise, if rates for such furnishing have been established or are subject to approval by a regulatory or municipal authority. The term shall include the parent corporation or wholly-owned subsidiary of such corporation. The term shall also include municipal light departments or municipal electric departments organized pursuant to chapter 164 of the Massachusetts General Laws.

(j) The term "residential consumer" or "residential utility consumer" shall mean any person in a household billed by a utility under a residential rate or any person in a household whose rent for lodging includes payment for such utilities.

(k) The term "utility regulatory agency" or "agency" shall mean a state, or a political subdivision thereof, an agency or instrumentality of the United States, a public service or public utility commission or authority or department, or any other body, commission, agency, or board which has jurisdiction to establish rates and charges for the sale of utility services or otherwise regulates utility matters.

Section 3.

(a) There is created a nonprofit corporation to be known as the Citizens' Utility Board, Inc. (CUB). The corporation shall have and enjoy all powers conferred from time to time upon a corporation organized under the provisions of chapter 180 of the General Laws of Massachusetts. Within these general powers, the primary purposes of the corporation shall be:

(i) to represent and protect the interests of the residential utility consumers of this state, as those interests are determined by CUB members;

(ii) to inform, insofar as possible, all residential utility consumers about the corporation, including the procedure for obtaining membership in the corporation;

(iii) to educate residential utility consumers and others on utility issues.

(b) Within its general powers under chapter 180, the corporation shall have all the powers necessary or convenient for the effective representation and protection of the interests of residential utility consumers and to implement this chapter, including but not limited to the following powers in addition to all other powers granted by this chapter:

(i) to intervene as of right as a party or otherwise participate on behalf of residential utility consumers in any proceeding, in the commonwealth or elsewhere, which affects the interests of residential utility consumers;

(ii) to represent other corporations, individual consumers, or unincorporated associations in regulatory proceedings where such representation is in the interest of residential consumers;

(iii) to represent the interests of residential utility consumers before legislative bodies and other public bodies.

(c) The powers of the Citizens' Utility Board shall be limited in the following manner: no more than ten per cent of CUB's total resources, including staff time, in any fiscal year may be used for the resolution of disputes between individual consumers and utility companies, unless the resolution of such a dispute is likely to have a widespread effect on relations between residential consumers and utility companies throughout the commonwealth.

(d) The board shall have the following duties to its members:

(i) to conduct board meetings open to the public, except for executive sessions;

(ii) to submit to the members on an annual basis a financial report for such period;

(iii) to submit to the members on an annual basis a summary of its activities for the preceding year;

(iv) to keep minutes, books, and records which will reflect all of the acts and transactions of the board and which shall be subject to examination by any member, provided, however, that minutes, books and records of executive sessions of the board may be kept confidential as the board shall provide;

(v) to prepare annual statements of the financial and substantive operations of the corporation and to make copies of each available to members and the public;

(vi) to cause its books to be audited by a qualified certified public accountant at least once each fiscal year. In addition, complete minutes of the meetings except for minutes of executive sessions shall be kept and distributed to a public library in each congressional district in the state on an annual basis;

(vii) to prepare as soon as practical after the close of the fiscal year, an annual report and mail said annual report to a public library in each congressional district in the state.

(e) Under no circumstances may the board, staff, or any members thereof acting in its, his, or her official capacity work for or against a candidate for elected public office, endorse or support a candidate for elected public office, or participate in any campaign to elect or defeat any candidate for elected public office.

Section 4.

During the first three years of CUB's corporate existence, CUB members shall be those Massachusetts residential utility consumers who have contributed at least six dollars, annual dues, to the corporation provided, however, that the board, in its discretion, may establish a method whereby economically disadvantaged individuals may become members of CUB without full payment of the yearly contribution. When CUB has been in existence for three years, CUB may, by vote of the board, alter the amount of the yearly dues.

Section 5.

If the corporation intervenes or participates in any proceedings, it shall be subject to all laws and rules of procedure of general applicability governing the conduct of the proceeding and the rights of intervenors and participants.

Section 6.

(a) CUB shall be able to solicit funding from or communicate with residential utility consumers using, among others, enclosure and optional contribution methods as defined in this chapter.

(b) To accomplish its duty, the corporation may prepare and furnish to any utility a suitable number of enclosures, subject to subsections (c), (h), (i), (j), and (k) of this section. Any utility furnished with a suitable number of enclosures shall include such enclosures in the periodic customer billing which the utility mails or delivers to any residential consumer. In the event that a utility does not make at least four periodic customer billings in an envelope in any calendar year, the utility

shall include any such enclosures in those periodic billings it does make in an envelope; and, subject to the next succeeding sentence, the utility shall include any such enclosures in any other envelope mailing the utility mails or delivers to any residential consumer.

(c) No utility shall be required to include CUB enclosures in a utility billing or mailing more than four times in any calendar year.

(d) When directed to do so by the CUB board of directors or the board's agent, each utility company subject to this chapter shall provide each residential utility consumer, upon the face of each periodic bill, a clearly delineated optional contribution by which the residential utility consumer can indicate that payment in excess of the balance due to the utility on such periodic bill shall be transferred by the utility to the Citizens' Utility Board. The statement "Optional Citizens' Utility Board (CUB) Contribution," followed by the dollar amount of the yearly contribution as specified in section 4, shall appear on the same face of the same page on which a utility company's bill enumerates the total amount owed by or credited to the consumer. This statement regarding optional contribution shall be adjacent to the listing of total amount owed by or credited to the consumer and shall appear in the same format and in at least the same type size as this listing. To prevent the impression that the CUB contribution is mandatory, the following statement shall also be prominently displayed on the bill: "You may join the Citizens' Utility Board (CUB), a consumer-controlled utility watchdog group, by adding CUB's annual membership dues to your payment on this bill. Your payment will be transferred to CUB and you will become a member for one year."

(e) Each utility subject to this chapter shall develop an accounting procedure, in conformance with generally accepted accounting principles, with which to account for funds received which are intended by the donor to be given to the Citizens' Utility Board. At a minimum, the utility's accounting procedure shall permit an independent accountant or auditor to determine with certainty:

- (i) the aggregate amount of funds received by the utility which are intended by donors to be given to the Citizens' Utility Board;
- (ii) the total of CUB donations received on each date;
- (iii) the name and address of each CUB donor;
- (iv) the amount of funds received by the utility which are intended to be given to CUB by each CUB donor;

(f) The Citizens' Utility Board's authorized agent shall be entitled, once per calendar year, to examine so much of each utility's books and records as may be necessary to obtain and verify the information listed in paragraph (i) through (iv) of the previous subsection.

(g) If the CUB board of directors directs a utility company to stop printing the statement regarding optional contribution on its periodic bills, the company in question shall promptly comply with the board of directors' direction. If the CUB board of directors directs that a given company resume printing the statement regarding optional contribution on its bills, that company shall promptly comply with the board of directors' direction.

(h) An enclosure furnished by the corporation under this section must be submitted to the utility no later than twenty-one calendar days in advance of the date the utility mails its regular periodic customer billing or mailing, unless the utility requests later delivery of the enclosures. The submitted enclosure shall be included in this customer billing or mailing.

(i) An enclosure shall be of a size compatible with the utility's billing or mailing envelope, and shall otherwise conform to the specifications of the utility's billing enclosure inserting equipment.

(j) All material submitted by CUB for inclusion in a utility billing or mailing must include the return address of CUB.

(k) The enclosure shall not have any characteristics that would tend to suggest that the CUB solicitation is a statement of an amount owed by the reader or the customer.

(l) The CUB enclosure shall be inserted in the utility billing envelope face up, and according to CUB specifications.

(m) If a utility company believes that an enclosure furnished to it contains one or more false statements, the company shall be entitled to institute an adjudicatory proceeding at the department of public utilities (DPU) by filing with the secretary of the department a petition for review of the proposed enclosure. If the utility company proves, by a preponderance of the evidence, that the contested statements are false, the DPU shall order CUB to correct the contested statements. Such a proceeding shall be completed within thirty calendar days of the date of filing of such petition. The company's costs in such a proceeding shall not be billed to CUB or to the ratepayers.

(n) When a utility includes a CUB enclosure in a periodic bill, it shall have the right to be reimbursed by CUB only for insertion costs and such postage costs as provided for in the following subsection. If CUB believes that the utility's reimbursement costs for insertion exceed the fair market value of those services, CUB and the company shall agree upon

an amount of reimbursement by negotiation if possible, or else by a civil proceeding in superior court.

(c) The Citizens' Utility Board shall not be required to pay any postage charges for materials submitted by the Citizens' Utility Board for inclusion in a utility billing if such materials weigh three-tenths of one ounce avoirdupois or less. If the materials submitted weigh over three-tenths of one ounce avoirdupois, then the Citizens' Utility Board shall reimburse the utility for a portion of the postage costs which is equal to that portion of the Citizens' Utility Board material over three-tenths of one ounce avoirdupois in proportion to the total weight of the billing.

(p) When a utility company includes the statement regarding optional contribution on its periodic bill, it shall have the right to be reimbursed by CUB for the expenses listed in this subsection only. CUB shall reimburse a utility company only to the extent that the costs claimed by the company are specifically, directly, and verifiably attributable to compliance with this chapter. The costs reimbursable by CUB are the incremental costs: computer programming, computer operator time, accountant's time to calculate the amount of money designated for CUB, data entry time, clerical time bill redesign, and such other costs as the company can prove, by a preponderance of the evidence, are reasonable and are directly attributable to compliance with this chapter. CUB shall not reimburse any utility company for any lawyer's fees, for expenses related to documenting the cost of compliance with this chapter, or for billing supplies rendered unusable by this chapter.

(q) CUB shall reimburse a utility company for the types of costs listed in the preceding subsection only if:

(i) such costs are actually and reasonably incurred in good faith in the course of complying with this chapter;

(ii) such costs are itemized in detail sufficient to permit a determination of their reasonableness;

(iii) the company provides to CUB, on its request, documentation demonstrating that the costs are reasonable and have actually been incurred.

(r) Neither the Citizens' Utility Board nor any utility company subject to this chapter may fail to comply with the provisions of this chapter by reason of the existence of a dispute arising from the operation of this section.

(s) No sooner than one year after the effective date of this chapter, each utility company which has incurred costs pursuant to this chapter may submit to the Citizens' Utility Board a bill for its reimbursable expenses. Thereafter, each company may submit bills at intervals of six months. The CUB board of directors may request that bills be submitted more frequently. Within two months of receiving a bill, CUB must:

(i) pay the bill, or

(ii) enter into negotiations with the company that sent the bill, or

(iii) institute a proceeding in the appropriate forum concerning the bill.

(t) No utility company, officer, employee, or agent of any utility company subject to this chapter may in any way interfere with or hinder:

(i) the collection or disbursement of contributions to the Citizens' Utility Board, or

(ii) the insertion of CUB enclosures in periodic billings or mailings.

Section 7.

Every sixty days, each utility subject to this chapter shall transfer to CUB the money with accrued interest accumulated by the utility up to thirty days before the transfer date, that is intended by the donor to be given to CUB. It shall also, within the time period stated, transfer to CUB the names and addresses of those consumers who have made contributions to CUB, along with the amount given by each contributor.

Section 8.

(a) The affairs of the Citizens' Utility Board shall be directed by a board of directors which shall be elected by and from among the members of the Citizens' Utility Board. The board shall be comprised of two members elected from each congressional district in the commonwealth by a plurality of votes cast by members residing in that district. The election shall be conducted by secret mail ballot by a procedure to be established by the board of directors.

(b) Members of the board of directors shall serve two-year terms. Elections shall be held biennially.

(c) There shall be ten initial directors.

The Governor, Lieutenant Governor, Secretary of State, Attorney General, and Secretary of Consumer Affairs of the Commonwealth shall each appoint two initial directors. All initial directors shall be appointed within ninety days of the effective date of this chapter.

(d) Once residential utility consumers have contributed one hundred thousand dollars, or within nine months of the appointment of the last

initial director, whichever comes first, an election by the members of the corporation shall be promptly held to elect the board of directors.

(e) Each member of the board shall have one vote.

(f) Each member of the corporation shall be entitled to cast one vote for each open director position from that district.

(g) Each candidate for the board of directors shall file a statement of financial interest in accordance with the provisions of this chapter no less than sixty days, and no more than one hundred twenty days, prior to the election of directors.

(i) A statement of financial interest shall include information on:

(a) employment, property, and stock and bond holdings, and other sources of income, and

(b) a detailed list of any business or financial relationships with any public utility company, organization of public utilities, or representative of public utilities including any attorney, legislative agent, officer, or director.

(ii) Each candidate may spend, accept, or use, or may allow anyone to spend, accept, or use on her or his behalf, campaign resources whose value equals an amount which is not more than the number of members in the candidate's district times one and one-half times the cost of postage for a one-ounce first class mailing.

(iii) A candidate may not accept any contribution or campaign resources in the aggregate of more than two hundred dollars in any one election from any individual, group or committee.

(iv) In order to become and remain eligible to serve on the board of directors, a candidate shall:

(a) obtain, maintain, and furnish to the members any records, books, and other information they may request regarding campaign resources, and

(b) cooperate fully with any audit and examination conducted by the members.

(h) Each member who is a candidate for election to the board of directors shall certify, under penalty of perjury, that the total value of campaign resources spent, accepted, or used by the candidate, combined with the total value of campaign resources spent, accepted, or used by any person or group authorized by or acting for the candidate, does not exceed the limit set forth in section 8 (g) (ii) of this chapter.

(i) Upon receipt of a petition signed by fifty members of the corporation from a district, endorsing the candidacy of a particular CUB member for election to the board of directors, the board shall declare such nomination in effect.

(j) No employee, officer, consultant, contractor, attorney, accountant or real estate agent of any utility company or any employee of such individual, or any member of the immediate family of any such individual, shall be eligible to serve as director of the Citizens' Utility Board.

(k) While on the board, no director elected under this section may hold elective public office, or be a candidate for any elective public office. No person who owns or controls, either singly or in combination with any immediate family member, utility stocks or bonds of a total value in excess of ten

thousand dollars is eligible to serve as an elected board member of the Citizens' Utility Board.

(l) To fill any vacancy occasioned by the failure of any person elected as a director to qualify, or in the event of death, removal, resignation, or disqualification of any director, a successor shall be nominated from the same district. Such nomination may be made as provided in section 8 (i) of this chapter, or may be made by a majority of the remaining board members. A two-thirds majority of the remaining board members shall select one of the nominees to serve until the next annual election, whereupon any expired term will be filled by an election by the members among nominees selected in accordance with section 8 (i) of this chapter.

(m) Members of the board of directors may be removed by petition of forty percent of the total members voting in the last election from the district from which that director was elected. No petition for recall may be filed within six months of the election of the director.

(n) There shall be an independent overseer who will count the ballots in all CUB board elections.

(o) Directors and staff eligible to disburse funds shall be bonded. The cost of such bonds shall be paid by the Citizens' Utility Board.

(p) The board of directors may establish and revise reasonable rates of reimbursement for expenses related to service on the board. Members of the board may not receive compensation for their services.

Section 9.

Any person who willfully violates section 6, subsections (b), (d), (e),

(l) or (t) shall be subject to a civil penalty not to exceed ten thousand

dollars for each such violation.

Section 10.

Nothing in this chapter shall be construed to limit the right of any consumer or group or class of consumers to initiate, intervene in, or otherwise participate in any utility regulatory agency or court proceeding or activity; nor to require any petition or notification to the Citizens' Utility Board as a condition precedent to such a right; nor to relieve any utility regulatory agency or court of any obligation, or affect its discretion to permit intervention or participation by a consumer or group or class of consumers in any proceeding or activity.

Section 11.

The remedies under this chapter shall be in addition to, and not in lieu of, other remedies provided by law.

Section 12.

This chapter shall take effect thirty days after passage.

Section 13.

If any provision of this chapter shall be declared unconstitutional or invalid, the other provisions shall remain in effect notwithstanding.

Title: An Act to establish a Citizen's Utility Board. 1986

Chief Sponsor: Representative Thomas Brownell and Senator Louis Bertonazzi

Senate Cosponsors:	Salvatore Albano	Francis Doris
	George Bachrach	William Golden
	Jack Backman	Paul D. Harold
	Frederick Berry	John Patrick Houston
	Royal Bolling	Richard Kraus
	Walter Boverini	Arthur Joseph Lewis, Jr.
	John Brennan	Michael LoPresti
	John Burke	Linda Melconian
	Argeo Paul Cellucci	John Olver
	Nicholas Costello	Martin Reilly
	Gerard D'Amico	Peter Webber

House Cosponsors:

Frances Alexander	Sandra Graham	Alfred Saggese
Lawrence Alexander	Barbara Gray	Angelo Scaccia
Steven Angelo	Henry Grenier	Susan Schur
Geoffrey Beckwith	Sherwood Guernsey	Anthony Scibelli
Kevin Blanchette	Jonathan Healy	Emanuel Serra
Royal Bolling, Jr.	Joseph Hermann	Charles Silvia
James Brett	Albert Herren	Theodore Speliotis
Thomas Brownell	Barbara Hildt	Chester Suhoski
Carmen Buell	Christopher Hodgkins	Gregory Sullivan
John Businger	Marie Howe	Royall Switzler
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David Cohen	Denis Lawrence	Patricia Walrath
James Collins	Edward LeLacheur	W. Paul White
Frank Costa	Vincent Lozzi	
Joseph DeNucci	John H. Loring	
Salvatore DiMasi	Joseph Mackey	
Stephen Doran	Angelo Marotta	
John Driscoll	John McDonough	
Robert Durand	Michael McGlynn	
Patricia Fiero	Joseph McIntyre	
Thomas Finneran	John McNeil	
Kevin Fitzgerald	Joan Menard	
Charles Flaherty	James Miceli	
Michael Flaherty	Michael Morrissey	
Bruce Freeman	Eleanor Myerson	
Gloria Fox	William Nagle	
Thomas Gallagher	Nicholas Paleologos	
Mary Jane Gibson	Michael Rea, Jr.	
Roberta Goldman	William Robinson	
Roger Goyette	Byron Rushing	

January 1986

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THE MASSACHUSETTS PUBLIC INTEREST RESEARCH GROUP

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FACT SHEET THE CITIZENS' UTILITY BOARD (CUB) H.3537

THE PROBLEM

MASSACHUSETTS UTILITY RATES ARE AMONG THE HIGHEST IN THE COUNTRY:

- * 5 of the 25 most expensive electric service areas in the country are in Massachusetts;
- * 7 of the 25 most expensive gas service areas are in this state; and
- * Since 1980, Massachusetts ratepayers have seen their winter heating costs rise by an average of 40%.

CITIZENS HAVE LITTLE VOICE IN THE UTILITY RATESETTING PROCESS. While utility companies annually spend \$2-3 million in support of their various interests, consumers are routinely under-represented. Intervenors on behalf of consumers are outspent by a factor of 5 to 1 -- resulting in a grossly unbalanced decision-making process.

THE SOLUTION: THE CITIZENS' UTILITY BOARD (CUB)

CUB, THE CITIZENS' UTILITY BOARD, WILL FIGHT TO KEEP UTILITY RATES DOWN AND TO MAKE SURE THAT UTILITY COMPANY POLICIES ARE EQUITABLE. CUB will hire professionals (lawyers, accountants, economists) to represent residential consumers of gas, electric and telephone utilities on important rate and policy decisions. These experts will work to challenge unnecessary and unfair utility company requests and to make sure that the needs and concerns of residential ratepayers are fully considered.

CUB WILL BE VOLUNTARILY FUNDED AND DEMOCRATICALLY CONTROLLED BY MASSACHUSETTS RATEPAYERS. Utility consumers would learn about CUB through an insert accompanying their utility bill or through a statement printed directly on their bill. These notices would describe CUB and invite consumers to join for a \$6.00 per year contribution. A Board of Directors would be elected from the membership to make policy decisions, hire staff and oversee the budget. Since CUB is self-supporting, it uses No Tax Dollars and creates no government beauracracy.

CUB WORKS IN OTHER STATES. Wisconsin CUB was established in 1979 and now has 137,000 members. In the past 18 months alone, the CUB has saved Wisconsin ratepayers over \$83.5 million -- that's \$100 dollars saved for every \$1.00 spent. California, Illinois, New York and Oregon are now in the process of creating their own CUBs.

CUB HAS STRONG SUPPORT IN MASSACHUSETTS. The bill has 110 co-sponsors -- a majority in both the House and Senate. It is supported by over 70 senior citizen, community, and labor organizations and was voted a top priority by the 170 citizen delegates to the Massachusetts Consumer Congress.

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QUESTIONS AND ANSWERS ABOUT THE CITIZENS' UTILITY BOARD (CUB) H.3537

WHAT IS THE CITIZENS' UTILITY BOARD (CUB)?

CUB is a statewide, citizen controlled and funded organization that will fight to keep utility rates down and to make sure that the utilities don't waste our money. CUB will represent residential consumers of electric, gas and telephone utilities before regulatory agencies, the legislature and the courts to make sure that the needs and views of residential ratepayers are fully considered.

WHY DO MASSACHUSETTS CITIZENS NEED CUB?

The DPU's decision (12/83) allowing Boston Gas to charge customers over \$42 million for expenses incurred as a result of their mismanagement, the suggestion that electricity users throughout New England bail-out Seabrook I and II, and the various proposals to significantly raise local telephone rates in the wake of the AT&T divestiture, are but three examples where CUB could help consumers.

The utility companies, through our rates, have the resources to pay attorneys, economists and other experts to argue their case before the DPU. CUB is necessary to balance the process by providing expert and forceful advocacy on behalf of residential customers.

DOESN'T THE ATTORNEY GENERAL'S OFFICE ALREADY REPRESENT CONSUMERS?

Yes, but while the AG's Utility Division has worked vigorously to represent consumers at rate hearings, they still have an enormous work load and a small budget. Utility companies annually spend \$2-3 million in support of their various interests; outspending the AG's office by a factor of five to one.

Because of the constraints caused by their budget and work load, the AG's office is forced to pick and choose their issues. Furthermore, the AG's office has the responsibility of representing all classes of utility consumers. CUB would focus solely on residential ratepayers and would thus provide a valuable complement to the AG's Utility Division.

A final consideration is that there is no guarantee that Attorney Generals in the future will have the same priorities as the present Attorney General. CUB offers consistency and continuity since its work would not be subject to changes in elected officials.

Western Massachusetts Office
233 N. Pleasant Street Amherst 01002 413-256-6434



HOW WILL CUB BE FUNDED?

CUB will be funded through voluntary contributions from ratepayers. Utility consumers will learn about CUB through either an insert accompanying their bill or through a statement printed directly on their bill. These notices will describe CUB and invite consumers to become members through a \$6.00 per year contribution. CUB is not a state agency -- it is self-supporting and receives No Tax Dollars.

HOW WILL CUB BE MANAGED?

CUB will be managed by a Board of Directors elected by the CUB membership. Any CUB member, except public office holders and those affiliated with the utilities, can run for the Board. The Board will set CUB policy, decide on issues and activities and hire a staff of utility experts.

WHAT WILL CUB DO?

CUB will fight to keep our utility rates as low as possible. Its lawyers, engineers and economists will challenge unnecessary or unfair rate increases by presenting independent expert analyses; develop proposals to improve the efficiency of utility company operations; work to change unjust rules or policies; engage in long term planning, and provide timely information to ratepayers. CUB is democratically governed and will work on the issues of greatest concern to its members.

DO ANY OTHER STATES HAVE A CUB?

Yes, Wisconsin CUB was established in 1979 and now has 137,000 members. In a recent 18 month period alone, the CUB saved Wisconsin ratepayers \$83.5 million dollars. In practical terms, that's \$100 saved for every \$1 spent.

Illinois, California and New York have joined Wisconsin and are in the process of establishing CUBs. The most recent addition is Oregon where citizens voted in favor of an initiative to establish a CUB in their state.

HOW IS CUB ESTABLISHED?

The state Legislature must pass legislation allowing CUB access to the utility billing procedures. When \$100,000 has been contributed to CUB, members will elect a Board of Directors which will then hire staff and begin work.

WHO SUPPORTS CUB?

The CUB bill has 110 legislative co-sponsors -- a majority in both the House and Senate. It is supported by over 70 senior, consumer, labor, and community organizations and was voted a top priority by the 170 citizen delegates to the Massachusetts Consumer Congress

INCREASES IN MASSACHUSETTS MONTHLY RESIDENTIAL ELECTRIC BILLS FOR ELECTRIC HEAT CUSTOMERS

JANUARY 1980 TO JANUARY 1984

COMPANY NAME	AVERAGE TOTAL BILL JAN. 1980	AVERAGE TOTAL BILL JAN. 1984	DOLLAR AMOUNT OF INCREASE	PERCENT INCREASES
Boston Edison	\$144.92	\$244.61	\$99.69	72.3%
Cambridge Electric Light Company	\$ 84.27	\$118.55	\$34.28	40.7%
Eastern Edison Company	\$137.68	\$184.12	\$46.44	33.7%
Western Massachusetts Electric Company	\$107.54	\$183.92	\$76.38	71.0%
Massachusetts Electric Company	\$119.88	\$167.97	\$48.09	40.12%
Commonwealth Electric Company	\$128.42	\$182.17	\$53.75	41.85%
Fitchburg Gas & Electric Light Company	\$109.85	\$123.68	\$13.83	12.6%

INCREASES IN MASSACHUSETTS MONTHLY RESIDENTIAL GAS BILLS FOR GAS HEAT CUSTOMERS

JANUARY 1980 TO JANUARY 1984

COMPANY NAME	TOTAL BILL FOR 200 THERMS IN JAN. 1980	TOTAL BILL FOR 200 THERMS IN JAN. 1984	DOLLAR AMOUNT OF INCREASE	PERCENT INCREASE
Boston Gas	\$ 98.53	\$144.40	\$45.87	46.6%
Essex Gas	\$ 94.40	\$158.30	\$68.90	67.7%
Bay State Gas	\$102.83	\$130.95	\$28.12	27.3%
Berkshire Gas	\$107.46	\$143.38	\$35.92	33.4%
Fall River Gas	\$ 94.53	\$125.82	\$31.29	33.1%
Commonwealth Gas Zone 1 (Worcester)	\$ 85.19	\$122.81	\$37.62	44.2%
Commonwealth Gas Zone 2 (N. Bedford)	\$ 80.95	\$122.06	\$31.11	38.4%
Fitchburg Gas & Electric Light Company	\$ 96.22	\$102.83	\$ 6.61	6.7%
Colonial Gas Cape Cod Division	\$127.78	\$159.54	\$31.76	24.9%
Colonial Gas Lowell Division	\$ 88.56	\$146.52	\$57.96	65.4%

322 Lewis Hall
Tufts University
Medford, MA 02155

To the Cambridge City Council:

Since 1980, Massachusetts ratepayers have seen their winter heating costs rise by an average of 40%.

5 of the 25 most expensive electric service areas in the country are in Massachusetts.

These startling statistics have been recently uncovered by MASSPIRG (the Massachusetts Public Interest Research Group.) The consumers of this state face a serious situation that will not go away; the utilities are spending huge sums of money in rate-hike cases, with consumers simply unable to match their efforts.

That is why there is a need here in Massachusetts for a Citizens' Utility Board (referred to as CUB.) CUB is funded and controlled solely by the citizens. This organization would allow the citizens of this state to effectively intervene in utility cases, thus preventing further unfair rate increases.

The CUB process is very simple. Consumers are given the option to join CUB for a contribution of \$6.00 when they pay their utility bills. This money enables the CUB's elected Board of Directors to hire lawyers, economists, and other experts to fight for consumer interests in rate cases. No tax dollars are used for this proposal.

The results are compelling. Consumers have saved millions in those states that have established Citizens' Utility Boards. It is for these reasons that there is remarkable support for the CUB bill (H. 3537) within Massachusetts. I hope that the City of Cambridge will join the growing list of its endorsers.

Sincerely,

Claire C. Lachance

Claire C. Lachance
member of MASSPIRG
Tufts University

628-5253

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Comm. from Claire C. Lachance, MASSPIRG,
on the need of Citizens' Utility Boards &
in the hope that Cambridge will support the
CUB Bill (H. 3537).

In City Council,

April 14, 1986

C.D. Sullivan

Moved to withdraw

A v/v 8