

SENATE No. 262

The Commonwealth of Massachusetts

SENATE, March 16, 1927.

The committee on Bills in the Third Reading to whom was referred the Senate Bill relative to the consolidation of gas and electric companies (Senate, No. 71), report recommending that the same be amended by substituting therefor a new draft entitled "An Act relative to the manufacture and sale of gas by electric companies and to the consolidation of gas and electric companies (Senate, No. 262), and that, when so amended, the same will be correctly drawn.

For the committee,

CHARLES WARD JOHNSON

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Twenty-Seven.

An Act relative to the Manufacture and Sale of Gas by Electric Companies and to the Consolidation of Gas and Electric Companies.

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. Chapter one hundred and sixty-
2 four of the General Laws is hereby amended by
3 striking out section twenty-two and inserting in
4 place thereof the following: —

5 *Section 22.* A corporation subject to this
6 chapter may, by a vote of all its stockholders at
7 a meeting duly called for the purpose, alter, add
8 to or change the business for which it was incor-
9 porated, but it shall not be empowered thereby
10 to engage in any business not authorized by this
11 chapter, and, if a gas company, it shall not engage
12 in the business of making or selling electricity,
13 and, if an electric company, it shall not engage in
14 the business of making or selling gas, unless such
15 gas company or such electric company is thereto
16 duly authorized as provided in the following
17 section or in section ninety-six. A certificate
18 setting forth such alteration, addition or change,
19 signed and sworn to by the president, treasurer

20 and a majority of the directors, and, if authorized
21 by the department under section twenty-three,
22 accompanied by a certificate of the department
23 showing such authorization, shall be filed in the
24 office of the state secretary.

1 SECTION 2. Said chapter one hundred and
2 sixty-four is hereby further amended by striking
3 out section twenty-three and inserting in place
4 thereof the following: —

5 *Section 23.* The department, upon written
6 application of a gas company or an electric com-
7 pany, may, after notice and a hearing, authorize
8 said company to engage in the business of an
9 electric company or of a gas company, as the
10 case may be, in the territory, or any such part
11 thereof as the department may designate, in
12 which it is already authorized to supply gas or
13 electricity; but it shall not engage in said busi-
14 ness unless authorized by vote of two-thirds of
15 the stockholders entitled to vote, representing
16 not less than two thirds of such stock, at a meet-
17 ing duly called therefor.

1 SECTION 3. Said chapter one hundred and
2 sixty-four is hereby further amended by striking
3 out section twenty-four and inserting in place
4 thereof the following: —

5 *Section 24.* The department, when granting
6 such authority, shall prescribe the time, not
7 exceeding six months, within which said gas com-
8 pany shall acquire a plant for making the elec-

9 tricity, or within which said electric company
10 shall acquire a plant for making the gas, required
11 in the specified territory, and shall designate the
12 minimum capacity of the plant; and if the com-
13 pany fails to acquire said plant within the time
14 prescribed, said authority shall be void and no
15 such authority shall be again granted to it within
16 two years thereafter. The department may, for
17 cause shown, extend the time for acquiring said
18 plant for not more than three months after the
19 expiration of the time first prescribed.

1 SECTION 4. Said chapter one hundred and
2 sixty-four is hereby further amended by striking
3 out section twenty-seven and inserting in place
4 thereof the following: —

5 *Section 27.* Except as otherwise expressly pro-
6 vided in this chapter, such gas company or such
7 electric company shall, in exercising the powers
8 conferred by sections twenty-three and twenty-
9 four, have all the powers and privileges and be
10 subject to all the duties, restrictions and liabilities
11 of an electric company or a gas company, re-
12 spectively.

1 SECTION 5. Said chapter one hundred and
2 sixty-four is hereby further amended by striking
3 out section ninety-six and inserting in place
4 thereof the following: —

5 *Section 96.* A gas company may purchase any
6 or all of the property of or consolidate with
7 another gas company or with an electric com-
8 pany, and an electric company may purchase

9 any or all of the property of or consolidate with
10 another electric company or with a gas company,
11 and the company with which such gas or electric
12 company is so authorized to consolidate or from
13 which it is so authorized to purchase may sell
14 any or all of its property to or consolidate with
15 such gas or electric company, provided that the
16 mains or lines of the contracting companies are
17 in the same or contiguous municipalities. For
18 the purposes of this section a company lawfully
19 engaged in the business of manufacturing and
20 selling or distributing and selling both gas and
21 electricity shall be deemed both a gas company
22 and an electric company. But no such purchase
23 and sale or consolidation shall be valid or binding
24 until the terms thereof have been approved, at
25 meetings called therefor, by a vote of at least
26 two thirds in interest of the stockholders entitled
27 to vote of each of the contracting companies,
28 and until the department, after notice and a
29 public hearing, has determined that the facilities
30 for furnishing and distributing gas or electricity
31 will not thereby be diminished and that such
32 purchase and sale or consolidation and the terms
33 thereof are consistent with the public interest.
34 This section shall not authorize an electric com-
35 pany engaged in supplying electricity in bulk
36 to consolidate with, or to purchase the property
37 of, or to sell its own property to, another electric
38 company in whose territory the first named com-
39 pany is engaged in supplying electricity in bulk
40 to private customers. The authority to purchase

41 and to sell as aforesaid, as applied to the property
42 of a gas or an electric company, shall include
43 authority to lease, and the words "purchase",
44 "purchasing", "sale", "sell" and "selling" as
45 used in this section and in sections ninety-eight
46 and ninety-nine shall include their appropriate
47 equivalents as applied to leases.

1 SECTION 6. Said chapter one hundred and
2 sixty-four is hereby further amended by striking
3 out section one hundred and one and inserting in
4 place thereof the following: —

5 *Section 101.* All applications for the approval
6 by the department of purchases and sales or
7 consolidations under sections ninety-six and
8 ninety-seven shall be filed with the department
9 within four months after the passage by the con-
10 tracting companies of votes authorizing such
11 purchase and sale or consolidation.

1 SECTION 7. Sections twenty-six and one hun-
2 dred of said chapter one hundred and sixty-four
3 are hereby repealed.

