

HOUSE No. 1310

By Mr. Sheridan of Maynard, petition of Wycliffe C. Marshall for legislation to prohibit management and similar contracts for compensation between gas and electric companies and affiliated companies. Power and Light.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Thirty-Five.

An Act prohibiting Management and Similar Contracts for Compensation between Gas or Electric Companies and Affiliated Companies.

1 *Whereas*, The deferred operation of this act would
2 tend to defeat its purpose, therefore it is hereby de-
3 clared to be an emergency law, necessary for the im-
4 mediate preservation of the public welfare.

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

1 Chapter one hundred and sixty-four of the General
2 Laws is hereby amended by inserting after section
3 ninety-four B the following new section:

4 *Section 94C.* No gas or electric company subject to
5 this chapter shall hereafter enter into a contract with
6 a company related to it as an affiliated company, by
7 virtue of which any compensation is to be paid by the
8 said gas or electric company in whole or in part for
9 services rendered directly or indirectly by such affili-

10 ated company. Any such compensation paid shall
11 not be allowed by the department of public utilities
12 as an operating expense or a capital expenditure of a
13 gas or electric company subject to this chapter.

14 For the purposes of this section, the words "affili-
15 ated company" shall include any corporation, society,
16 trust, association, partnership or individual (a) con-
17 trolling a company subject to this chapter, either
18 directly, by ownership of its voting stock, or indirectly,
19 by ownership of the voting stock of another corpora-
20 tion, society, trust, association, or partnership, so
21 controlling such company; or (b) so controlled by a
22 corporation, society, trust, association, partnership
23 or individual controlling as aforesaid, directly or in-
24 directly, a company subject to this chapter; or (c)
25 standing in such a relation to a company subject to
26 this chapter that there is an absence of equal bargain-
27 ing power between the corporation, society, trust,
28 association, partnership or individual and the com-
29 pany so subject, in respect to their dealings and
30 transactions.

31 Said services in such contracts shall include the
32 following: general management, legal, accounting,
33 purchasing, new business, commercial, operating,
34 dispatching, engineering, construction, advertising,
35 treasury, financial, patent rights, and similar services.