

HOUSE No. 133

The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES
LEVERETT SALTONSTALL BUILDING, GOVERNMENT CENTER
100 CAMBRIDGE STREET, BOSTON 02202, NOVEMBER 1, 1973.

Honorable John F.X. Davoren, *Secretary of State*, State House
Boston, Massachusetts

DEAR MR. DAVOREN: — In compliance with section 33 of chapter 30 of the General Laws, as amended, I have the honor to submit herewith recommendations for legislation accompanied by drafts of bills for consideration of the General Court.

Very truly yours,

ROBERT L. MEADE,
Chairman.

RECOMMENDATIONS

1. AN ACT RELATIVE TO REBATES OR REFUNDS IN THE FORM OF CREDITS TO CUSTOMERS OF COMMON CARRIERS RENDERING UNSAFE, IMPROPER OR INADEQUATE SERVICE.

This legislation would amend section 16 of chapter 159 of the General Laws, as most recently amended by chapter 137 of the Acts of 1970 by adding a new sentence after the first sentence thereof. The new sentence would grant to the Department of Public Utilities specific statutory authority to require a rebate or refund to be credited to the bills of customers of common carriers, including telephone companies, determined by the Department to be rendering unsafe, improper or inadequate service to such customers. This credit would remain in effect until service has been restored to safe, proper and adequate levels.

The Arthur D. Little report on the quality of telephone service being rendered to subscribers of New England Telephone and Telegraph Company within the Commonwealth has provided the Department with the capability to formulate appropriate telephone service standards. On June 12, 1973, in D.P.U. 17490, the Department ordered New England Telephone and Telegraph Company to submit service related statistical data for Department review on a quarterly basis. This statistical information enables the Department to monitor continuously that Company's performance measured against those service standards. This legislation will enable the Department to impose effective sanctions against the Telephone Company for failure to comply with the appropriate service standards. It will further provide necessary and desirable incentives to the Telephone Company to attain those standards.

2. AN ACT EXCLUDING CERTAIN EXPENDITURES FROM THE CALCULATION OF EXPENSES OF A PUBLIC UTILITY FOR THE PURPOSE OF DETERMINING JUST AND REASONABLE RATES.

By this proposal, the Department is asking the General Court to enact into law a ruling made by the Commission of the Department, but subsequently overturned by the Supreme Judicial Court, that

“image advertising” by a utility be excluded from the utility’s cost of service for rate-making purposes. These expenditures really benefit the company’s shareholders and not its customers. They accordingly should not be included in the consumer’s rates. This proposal would also exclude from the cost of service certain charitable contributions that are not of direct benefit to the public.

3. AN ACT TO AMEND THE UTILITY ASSESSMENT LAW.

This proposed legislation would permit the Department to assess each electric, gas, telephone and telegraph company under its jurisdiction independently of any amount appropriated to the account of the Department. The Department is confronted with numerous substantial rate cases filed by utility companies. If each case is to be properly conducted, and if consumers are to be provided with adequate representation to protect their interests in rate proceedings, the Department must have additional funds at its disposal. Assessments made against utility companies provide a fair and convenient method of obtaining such funds.

4. AN ACT TO AMEND SECTION 10B OF CHAPTER 159B OF THE GENERAL LAWS.

This proposed amendment to Section 10B, of Chapter 159B will standardize the common carrier plate fees at \$10.00 and conform with the increase provided in Section 100, Chapter 684 of the Acts of 1972.

5. AN ACT TO AMEND SECTION 14A OF CHAPTER 159B OF THE GENERAL LAWS.

This proposed amendment to Section 14A, of Chapter 159B will establish 5 miles as the distance a vehicle may be detoured to a scale for weighing. This is the same distance provided in Section 19A of Chapter 90.

6. AN ACT TO AMEND SECTION 10 OF CHAPTER 159B OF THE GENERAL LAWS.

This proposed amendment provides for a processing fee of 50 cents per decal issued to carriers who are domiciled in reciprocal States. This fee has been assessed for at least three years. Prior to that fee was 35 cents per plate. There never has been any statutory

authority for either of these fees. The amendment would legalize the assessment.

7. AN ACT TO AMEND SECTION 10 OF CHAPTER 159B OF THE GENERAL LAWS.

This proposed amendment increases the total fee for non-reciprocal inter-state decals from \$5.00 to \$10.00 each. At present the common carrier plate fee is \$10.00 each.

Dual operators (who operate as both Interstate and Intrastate Carriers) under the provisions of existing Section 10, Chapter 159B, are obtaining decals for \$5.00 each instead of the common carrier plates at the \$10.00 fee.

This proposed amendment, if enacted, will provide the same fee for interstate decals as for common carrier plates, will discourage the above practice and will eliminate a considerable loss of revenue to the Department.