

SENATE No. 515

By Mr. Doris, a petition (accompanied by bill, Senate, No. 515) of Francis D. Doris for legislation relative to charges for construction work in progress by utility companies. Government Regulations.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-one.

**AN ACT RELATIVE TO CHARGES FOR CONSTRUCTION WORK IN PROGRESS
BY UTILITY 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. The Department of Public Utilities shall for a
2 period of two years after the effective date of this act, dis-
3 approve any schedule filed by a gas or electric company pur-
4 suant to section 94 of Chapter 164 of the General Laws, if such
5 rate, fare, toll or charge includes costs relating to construction
6 work in progress, or for any costs of constructing, owning,
7 maintaining, operating or financing any property which has
8 never been fully operational and used for service.

1 SECTION 2. Notwithstanding sections 17 and 18 of Chapter
2 twenty-five of the General Laws, the Department of Public
3 Utilities is hereby authorized to make an assessment against
4 each electric company under the jurisdictional control of the
5 Department of Public Utilities, based upon the intrastate op-
6 erating revenues of each of said companies derived from sales
7 within the Commonwealth of electric service, as shown in the
8 most recent year's annual report of each of said companies to
9 the Department of Public Utilities. Said assessments shall be
10 made at a rate as shall be determined and certified annually
11 by the Department of Public Utilities as sufficient to produce
12 fifty thousand dollars in revenue to the Commission established
13 herein. Assessments under this section may not be credited to
14 the normal operating costs of any company. The funds pro-
15 duced by said assessments shall be used by said Commission,

16 in addition to other funds received or appropriated, to assist
17 in defraying the general operating expenses of the Commission
18 and may be used to compensate consultants retained by the
19 Commission for the purposes of the study authorized by this
20 act.

1 SECTION 3. A special commission to consist of six members
2 of the Senate and eleven members of the House of Representa-
3 tives who shall be the members of the Joint Committee on
4 Government Regulations and four non-voting members, one of
5 whom shall be the director of the Executive Office of Energy
6 Resources or his designee, and Chairman of the Department
7 of Public Utilities or his designee, and a designee of the Energy
8 Facilities Siting Council is hereby established for the purpose
9 of making an investigation and study relative to need for con-
10 struction of, and if shown necessary, the proposed method of
11 financing new energy generating facilities which shall include;
12 (1) a study and review of existing facilities and their potential
13 for rehabilitation, repowering and/or regeneration; (2) a study
14 and review of existing and potential energy sources for gen-
15 eration of electrical power which shall include but not neces-
16 sarily be limited to the use of coal, oil, natural gas, solar power
17 and nuclear fuel, and the relative safety of each; (3) a study
18 and review of proposed energy facilities construction in the
19 Commonwealth and necessity therefor; (4) a study and review
20 of traditional and alternative financing techniques including
21 but not limited to, so-called "construction work in progress
22 charges" and "allowance for funds used during construction"
23 for the purpose of defining the economic need of such ap-
24 proaches in relation to the present and future condition of
25 capital available in world money markets as well as other
26 areas and sources of capital available for the construction of
27 such energy generating facilities.

1 SECTION 4. Said Commission shall make findings and file a
2 report with the clerk of the senate not later than six months
3 from the effective date of this act on items (1) and (2) of
4 section 1 of this act. Said Commission shall make findings and
5 file a report with the clerk of the senate not later than two
6 years from the effective date of this act.