

By Mr. Ambler of Weymouth, petition of Robert B. Ambler 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-Eight.

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, disapprove  
3 any schedule filed by a gas or electric company pursuant to section  
4 94 of Chapter 164 of the General Laws, if such rate, fare, toll or  
5 charge includes costs relating to construction work in progress,  
6 or for any costs of constructing, owning, maintaining, operating  
7 or financing any property which has never been fully operational  
8 and used for service.

1 SECTION 2. Notwithstanding sections 17 and 18 of Chapter  
2 25 of the General Laws, the Department of Public Utilities is  
3 hereby authorized to make an assessment against each electric  
4 company under the jurisdictional control of the Department of  
5 Public Utilities, based upon the intrastate operating revenues of  
6 each of said companies derived from sales within the Common-  
7 wealth of electric service, as shown in the most recent year's annual  
8 report of each of said companies to the Department of Public  
9 Utilities. Said assessments shall be made at a rate as shall be  
10 determined and certified annually by the Department of Public  
11 Utilities as sufficient to produce fifty thousand dollars in revenue  
12 to the Commission established herein. Assessments under this  
13 section may not be credited to the normal operating costs of any  
14 company. The funds produced by said assessments shall be used

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

1 SECTION 3. A special commission to consist of six members  
2 of the Senate and eleven members of the House of Representatives  
3 who shall be the members of the Joint Committee on Government  
4 Regulations and four non-voting members, one of whom shall be  
5 the director of the Executive Office of Energy Resources or his  
6 designee, and a designee of the Energy Facilities Siting Council  
7 is hereby established for the purpose of making an investigation  
8 and study relative to need for construction of, and if shown  
9 necessary, the proposed method of financing new energy  
10 generating facilities which shall include: (1) a study and review  
11 of existing facilities and their potential for rehabilitation,  
12 repowering and/or regeneration; (2) a study and review of exist-  
13 ing and potential energy sources for generation of electrical  
14 power which shall include but not necessarily be limited to the  
15 use of coal, oil, natural gas, solar power and nuclear fuel, and  
16 the relative safety of each; (3) a study and review of proposed  
17 energy facilities construction in the Commonwealth and necessity  
18 therefor; (4) a study and review of traditional and alternative  
19 financing techniques including but not limited to, so-called  
20 "construction work in progress charges" and "allowance for funds  
21 used during construction" for the purpose of defining the  
22 economic need of such approaches in relation to the present and  
23 future condition of available in world money markets as well as  
24 other areas and sources of capital available for the construction  
25 of 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 from  
3 the effective date of this Act on items (1) and (2) of section 1 of  
4 this Act. Said Commission shall make findings and file a report  
5 with the clerk of the Senate not later than two years from the  
6 effective date of this Act.