

By Mr. Liederman of Malden, petition of David S. Liederman and H. James Shea, Jr., for regulating requirements for security deposits and termination of services by public utilities. Government Regulations.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Sixty-Nine.

AN ACT REGULATING REQUIREMENTS FOR SECURITY DEPOSITS AND  
TERMINATION OF SERVICES BY PUBLIC UTILITIES.

*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 164 of the General Laws is hereby  
2 amended by striking out section 58A and inserting in place  
3 thereof the following:—

4 *Section 58A.* A. No consumer shall be required to give an  
5 advance deposit to a public utility unless at the time of the  
6 consumer's application for service the consumer owes the  
7 utility an amount exceeding forty dollars, in which case the  
8 utility may require an advance deposit to secure the pay-  
9 ments for not more than three months nor more than forty  
10 dollars, whichever is less. This advance deposit may be in  
11 addition to a requirement that there be payment of part or  
12 all of the arrearage.

13 The amount of any advance deposit shall be based upon a  
14 schedule setting forth a mandatory single uniform rate for  
15 each class of service after approval by the department of  
16 public utilities. The schedule shall be filed and published by  
17 the department in accordance with section six of chapter  
18 thirty A of the General Laws.

19 B. No public utility shall discontinue or terminate service  
20 without giving at least fifteen days prior notice to the  
21 consumer by registered mail of the intention to terminate and

22 the reasons therefor, and of his right to appeal, as set forth in  
23 section C.

24 If a consumer appeals, the utility shall not discontinue or  
25 terminate service until any procedures under section C have  
26 been concluded.

27 If a utility terminates service in violation of this section, it  
28 shall be fined one thousand dollars; and, in addition, the  
29 utility shall be liable in tort to the aggrieved consumer for  
30 actual and punitive damages.

31 C. Within two weeks of receiving notice from a utility, any  
32 aggrieved person may initiate an appeal by giving notice  
33 thereof either to the public utility or the department of  
34 public utilities. Unless the parties otherwise agree, within two  
35 weeks of the request there shall be a hearing conducted by a  
36 referee designated by the commissioner of the department of  
37 public utilities. The department shall give both parties timely  
38 notice of the time and place of the hearing, as well as a  
39 detailed specification of the fact or facts upon which the  
40 utility relies as a basis for its action. Upon demand by an  
41 aggrieved person or his counsel, the utility shall make avail-  
42 able for inspection and reproduction all records relevant to  
43 the decision which is the subject of the hearing. The hearing  
44 shall be held at a place which is conveniently located with  
45 respect to the consumer. The referee in such a proceeding is  
46 empowered to subpoena witnesses, administer oaths, take  
47 testimony, and require the production of such books, papers,  
48 records, and documents as may be relevant. Such hearing  
49 shall be an adjudicatory proceeding in accordance with  
50 chapter thirty A of the General Laws. The hearing shall be  
51 recorded, and, upon a party's filing with the department of  
52 public utilities a statement signed under the penalties of  
53 perjury that he intends to seek review under section fourteen  
54 of chapter thirty A of the General Laws, the party shall  
55 receive without cost to him a transcript of the entire testi-  
56 mony.

57 Within seven days after the conclusion of the hearing, the  
58 referee shall forward in writing his decision and summary of  
59 the facts to the commissioner of the department of public  
60 utilities, who shall either approve the decision or issue a new

61 decision within five days. A copy of the decision and notice of  
62 the party's right to judicial review shall be sent to all parties  
63 by registered mail or by delivery in hand.

64 Notwithstanding any provisions of chapter thirty A, the  
65 chief justice of the superior court shall, in all counties,  
66 arrange hearings on petitions for judicial review of decision  
67 under this section so that they shall be heard more speedily  
68 than other matters coming before the court sitting without a  
69 jury. The decision of the court shall be rendered within ten  
70 days after the conclusion of the hearing, in accordance with  
71 subsection eight of section fourteen of chapter thirty A of the  
72 General Laws.

1 SECTION 2. Section 16 of chapter 158 of the General Laws  
2 as amended is hereby further amended by striking out the  
3 first sentence and inserting in its place the following:—If a  
4 corporation which has a franchise in a city or town and the  
5 use of the public streets of a city or town for the supply and  
6 distribution of gas, water, electric light or power, or for the  
7 maintenance or communication by wire or otherwise, holds  
8 money which is collected in advance from its customers to  
9 guarantee it against loss of charge or tolls, it shall pay  
10 annually upon said guarantee fund, for the entire period that  
11 the guarantee fund is retained, interest at the rate of six per  
12 cent per annum to the depositors thereof, which sum shall be  
13 paid directly to the depositors.

