

HOUSE No. 3348

By Mr. Patrick of Falmouth, petition of Matthew C. Patrick that the Department of Telecommunications and Energy be required to establish the adjustable rate cap for utility companies doing business in the Commonwealth. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT RELATIVE TO THE ADJUSTABLE RATE CAP.

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 amended
2 by adding, after section 139, the following section:—

3 Section 140. Adjustable Rate Cap.

4 Section 140. (a) In this section, unless context otherwise requires,
5 the following words shall have the following meanings:—

6 “Adjustable Rate Cap” (ARC), requires that the Department of
7 Telecommunications and Energy conduct hearings to determine the
8 level of revenue necessary to cover a utility’s expenses and a reason-
9 able return on investment or profit level. The Department then sets
10 the rate to cover those expenses plus a reasonable profit. Positive or
11 negative differences in that profit level will be reconciled in con-
12 sumer rates in succeeding years.

1 SECTION 2. Within two months from the enactment of this act,
2 The Department shall initiate proceedings to determine the appro-
3 priate level of revenue for each distribution company in the Com-
4 monwealth and a process to reconcile profits or losses at the end of
5 the term. Rates for the succeeding term shall be adjusted to make up
6 for the difference from the established level of revenue approved by
7 the Department.