

SENATE No. 1600

The Commonwealth of Massachusetts

PRESENTED BY:

Brian A. Joyce

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to competition and municipalization.

PETITION OF:

NAME:

Brian A. Joyce

DISTRICT/ADDRESS:

Norfolk, Bristol and Plymouth

SENATE No. 1600

By Mr. Joyce, a petition (accompanied by bill, Senate, No. 1600) of Brian A. Joyce for legislation to regulate the establishment of municipal lighting plants. Telecommunications, Utilities and Energy.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 869 OF 2011-2012.]

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act relative to competition and municipalization.

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, as appearing in the 2010 Official Edition,
2 is hereby amended by striking out section 1B and inserting in place thereof the following
3 section:-

4 Section 1B. (a) Service territories for each distribution company shall be based on the
5 service territories actually served on January 1, 2013, following to the extent possible municipal
6 boundaries, until altered by effect of law or by the competitive bidding process described in
7 subsection (e). Until terminated by effect of law or otherwise, the distribution company shall
8 have the exclusive obligation to provide distribution service to all retail customers within its
9 service territory, and no other person shall provide distribution service within such service
10 territory without the written consent of such distribution company which shall be filed with the
11 department and the clerk of the municipality so affected.

12 (b) Any customer who has chosen retail access from a non-affiliated generation company
13 but who otherwise requires electric service due to said generation company's failure to provide
14 contracted service shall be eligible for service through the distribution company's default service
15 provided pursuant to the provisions of subsection (d).

16 (c) No electric company regulated by the department and no affiliate of such electric
17 company shall be allowed to use the distribution system of another electric company or make
18 sales, either directly or indirectly through third parties, to end-use customers in another electric
19 company's service territory unless the department has approved a restructuring plan for the
20 supplying electric company which provides for comparable direct access to end-use customers
21 within its own distribution service territory or the supplying electric company has entered into an
22 agreement for direct access to an end-use customer located on the border of its service territory,
23 in which event the department shall authorize service by an electric company to such end-use
24 customer. No electric company and no affiliate of such electric company shall be allowed to
25 prohibit sales of electricity or restrict such sales through non-comparable distribution charges to
26 end-use customers in its service territory by another electric company or its affiliate operating
27 under a restructuring plan approved by the department.

28 (d) Each distribution company shall provide its customers with default service and shall
29 offer a default service rate to its customers who have chosen retail electricity service from a non-
30 utility affiliated generation company or supplier but who require electric service because of a
31 failure of such company or the supplier to provide contracted service or who, for any reason,
32 have stopped receiving such service, and to all other customers. The distribution company shall
33 procure such service through competitive bidding; provided, however, that the default service
34 rate so procured shall not exceed the average monthly market price of electricity; and provided,
35 further, that all bids shall include payment options with rates that remain uniform for periods of
36 up to six months. Any department-approved provider of service, including an affiliate of a
37 distribution company, shall be eligible to participate in the competitive bidding process. The
38 department may authorize an alternate generation company or supplier to provide default service,
39 as described herein, if such alternate service is in the public interest. In implementing the
40 provisions of this section, the department shall ensure universal service for all ratepayers and
41 sufficient funding to meet the need therefor.

42 (e) Not less frequently than once every 15 years, the department shall administer a
43 competitive process under which distribution companies may competitively bid to provide
44 service in territories, or portions of territories, other than the territories served by the distribution
45 company on January 1, 2013, except for the territories served by municipal light plants.
46 Proposals by distribution companies to provide service in new territories, or new portions of
47 territories, shall maintain municipal boundaries. The department shall require bids to consist of
48 aggregate value proposals, including but not limited to consideration of the potential
49 improvements in reliability, emergency response and energy efficiency, and the cost-effective
50 improvement of distribution infrastructure. A successful proposal shall offer the greatest value to
51 customers in that service territory at the lowest cost. The department shall not be obligated to
52 accept any proposal under this subsection. The department shall ensure, at the conclusion of any
53 process initiated under this subsection, that a service provider as described in subsection (d) is
54 available for all retail customers in Massachusetts.

55 (f) The department is hereby authorized and directed to promulgate rules and regulations
56 necessary to carry out the provisions of this section, including the procedure for default service
57 procurement, governing a customer's ability to return to the standard service after choosing retail
58 access from a non-utility affiliated generation company and governing the competitive process
59 required in subsection (e).

60 SECTION 2. The department of public utilities shall administer the first competitive
61 process as provided in subsection (e) of section 1B of chapter 164 not later than June 30, 2016
62 for the calendar year starting on January 1, 2017.

63 SECTION 3. The department of public utilities shall promulgate the rules and regulations
64 described in subsection (f) of section 1B of chapter 164 of the General Laws at least one year
65 before the start of the first competitive process described in subsection (e) of section 1B of
66 chapter 164 of said General Laws.