

SENATE No. 1953

The Commonwealth of Massachusetts

PRESENTED BY:

Diana DiZoglio

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 creating a Department of Utilities Disaster Relief Fund.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Diana DiZoglio</i>	<i>First Essex</i>	
<i>Patrick M. O'Connor</i>	<i>Plymouth and Norfolk</i>	<i>1/29/2019</i>
<i>Rebecca L. Rausch</i>	<i>Norfolk, Bristol and Middlesex</i>	<i>1/30/2019</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>1/30/2019</i>
<i>Michael O. Moore</i>	<i>Second Worcester</i>	<i>2/1/2019</i>
<i>Julian Cyr</i>	<i>Cape and Islands</i>	<i>2/4/2019</i>

SENATE No. 1953

By Ms. DiZoglio, a petition (accompanied by bill, Senate, No. 1953) of Diana DiZoglio, Patrick M. O'Connor, Rebecca L. Rausch, James B. Eldridge and other members of the Senate for legislation to create a Department of Utilities Disaster Relief Fund. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act creating a Department of Utilities Disaster Relief Fund.

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 25 of the General Laws is hereby amended by inserting after
2 section 12P the following:

3 Section 12Q

4 Whereas, the deferred operation of this act would tend to defeat its purpose, which is to
5 establish a fund to mitigate the instance of ratepayer hikes after emergency events, therefore it is
6 hereby declared to be an emergency law, necessary for the immediate preservation of the public
7 convenience.

8 There shall be established and set up on the books of the commonwealth a separate fund
9 to be known as the Department of Utilities Disaster Relief Fund. There shall be credited to this
10 fund all amounts collected under G.L. C C 164 Sec 144 (h); G.L. c. 25 sec 18 par 1, and any
11 other assessments made by the department for this purpose. All amounts credited to this fund

12 shall be held in trust and shall be available for expenditure, without further appropriation, by the
13 department of public utilities to mitigate any rate hikes following a declared emergency,
14 accident, insolvency, bankruptcy or other event of a gas company that would otherwise result in
15 rate increases. The intent of this fund is to secure sufficient monies, notwithstanding any
16 insurance policies, to ensure that the enumerated events will not result in rate increases passed
17 along to ratepayers.

18 SECTION 2: Chapter 25 of the General Laws Section 18 is hereby amended by inserting
19 after paragraph 3 the following:

20 Section 18: For the purpose of providing the department with additional operating funds
21 for mitigating the effect of any emergency events on the rates paid to gas companies doing
22 business in the commonwealth, the commission may make a separate assessment proportionally
23 against each gas company under the jurisdictional control of the department, based upon the
24 intrastate operating revenues subject to the jurisdiction of the department of each of the
25 companies derived from sales within the commonwealth of gas service, as shown in the annual
26 report of each of the companies to the department. The amount of the assessment may be
27 increased by the commission annually by a rate not to exceed the most recent annual consumer
28 price index as calculated for the northeast region for all urban consumers. In addition, there shall
29 be an assessment to each gas company that incurs a penalty pursuant to the pay ratio surtax as
30 described in GL c. 25 Sec 18B. Any assessment shall be made at a rate that shall be determined
31 and certified annually by the commission as sufficient to produce an annual amount sufficient to
32 protect consumers from the potential of both losing service for significant periods of time and
33 additionally facing rate increases due to company losses including the possibility of insolvency
34 or bankruptcy protection which would undoubtedly pass the cost of service and repair for

35 damages to the consumer. Notwithstanding any general or special law to the contrary, no gas
36 company may seek recovery of any assessments made under this paragraph in any rate
37 proceeding before the department. Each company shall pay the amount assessed against it within
38 30 days after the date of the notice of assessment from the department. Such assessments shall be
39 collected by the department and credited to the Department of Public Utilities Disaster
40 Mitigation Trust Fund established in section 12Q.