

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Cynthia Stone Creem

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 prohibiting the use of ratepayer funds for utility lobbying, promotions or perks.

PETITION OF:

NAME:

Cynthia Stone Creem

DISTRICT/ADDRESS:

Norfolk and Middlesex

SENATE No.

[Pin Slip]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act prohibiting the use of ratepayer funds for utility lobbying, promotions or perks.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 164 of the general laws is hereby amended by striking out section 33A and
2 inserting in place thereof the following section:-

3 Section 33A. (a) No gas or electric company regulated by the department under this
4 chapter may recover from any ratepayer of such company any direct or indirect expenditure by
5 such company for promotional or political advertising as defined in this section.

6 For the purposes of this section, the following words and phrases shall have the following
7 meanings:—

8 "Advertising", the commercial use by a utility of any media, including newspaper, printed
9 matter, radio, and television, in order to transmit a message to a substantial number of members
10 of the public or to such utility's consumers, including any costs associated with research,
11 analysis, preparation, planning, or any other related costs identified by the department as related
12 to public communication whose purpose is to promote the sale or consumption of natural gas,

13 electricity, or other thermal energy, unless such advertising is specifically approved or ordered
14 by the department.

15 "Political advertising", any advertising for the purpose of influencing public opinion with
16 respect to legislative, administrative, or electoral matters, or with respect to any controversial
17 issue of public importance.

18 "Promotional advertising", any advertising for the purpose of encouraging any person to
19 select or use the service or additional service of a utility regulated by the department, or the
20 selection or installation of any appliance or equipment designed to use such utility's service.

21 For the purposes of this section, the terms "political advertising" and "promotional
22 advertising" shall not include advertising which informs consumers of any utility on how they
23 can conserve energy, reduce peak demand for energy, or other services, or otherwise use the
24 services of any utility in a cost-efficient manner; is required by federal or state laws or
25 regulations; informs consumers regarding service interruptions, safety measures, or emergency
26 conditions; concerns employment opportunities with a utility; or relates to any explanation or
27 justification of existing or proposed rate schedules, or notification of hearings thereon which
28 informs consumers of and stimulates the use of products or services which are subject to direct
29 competition from products or services of entities not regulated by the department or any other
30 government agency. A communication shall be considered advertising, promotional advertising,
31 or political advertising if any portion of the communication is advertising, promotional
32 advertising, or political advertising as defined herein.

33 (b) No gas or electric company regulated by the department shall recover through rates
34 any direct or indirect cost associated with: (i) membership, dues, sponsorships, or contributions

35 to any entity incorporated under Section 501 of the Internal Revenue Code of 1986, as amended,
36 including business or trade associations; (ii) charitable giving expenses, including contributions
37 in cash or other quantifiable value to organizations qualified under section 501(c)(3) or 501(c)(4)
38 of the Internal Revenue Code of 1986, as amended; (iii) executive or legislative lobbying, as
39 those terms are defined in section 39 of chapter 3, or soliciting others to engage in executive or
40 legislative lobbying, including any costs for activities associated with lobbying such as policy
41 research, analysis, preparation, and planning undertaken in support of lobbying; (iv)
42 contributions to political candidates, campaign committees, issue committees, or independent
43 expenditure committees or other political expenses; (v) institutional or good will advertising,
44 which is primarily designed to improve the image of the company or the industry; (vi) litigation
45 to influence, modify, or repeal existing federal, state or local regulations, legislation or
46 ordinances; (vii) any costs, including marketing, administration, customer service, or other costs,
47 for products or services not regulated by the department; (viii) tax penalties or fines issued
48 against such company; (ix) travel, lodging, entertainment, gifts or food and beverage expenses
49 for such company's board of directors and officers or the board of directors and officers of the
50 parent of such company; (x) any owned, leased or chartered aircraft for such company's board of
51 directors and officers or the board of directors and officers of the parent of such company; or (xi)
52 investor relations.

53 (c) No gas or electric company regulated by the department shall recover through rates its
54 direct or indirect costs associated with its attendance in, participation in, preparation for, or
55 appeal of any contested proceeding conducted before the department. Such costs shall include,
56 but need not be limited to, attorneys' fees, fees to engage expert witnesses or consultants, the

57 portion of employee salaries associated with such attendance, participation, preparation or appeal
58 of a contested proceeding and related costs identified by the department.

59 (d) On or before March 1, and annually thereafter, each gas or electric company regulated
60 by the department shall report to the department a list of expenses from the previous calendar
61 year to ensure such company's compliance with this section. Such report shall include, but need
62 not be limited to: (i) a list of all outside services or vendors paid by such company; (ii) an
63 itemized list of all expenses associated with activities described in subsections (a), (b), (c) for
64 which recovery is prohibited by this section, including expenses made to third-party vendors,
65 affiliates of such company, subsidiaries or parent of such company, or such company's
66 employees in the form of compensation; (iii) for each itemized expense associated with activities
67 described in subsections (a), (b), (c), for which recovery is prohibited by this section, the billing
68 amount, date, identity of payee, and an explanation of the expense sufficient to describe its
69 purpose; (iv) the job title, portion of salary, and expenses of any employees of such company, or
70 any affiliates or parent of such company, for performed work associated with the activities
71 described in subsections (a), (b), (c), for which recovery is prohibited by this section; (v) in the
72 case of an expense associated with activities described in subsections (a), (b), (c) for which
73 recovery is prohibited by this section, made to a third-party vendor by a centralized service
74 company, parent of such company, or other corporate affiliate of such company, the identity of
75 that third-party vendor; and (vi) any other itemized information deemed relevant by the
76 department.

77 No gas or electric company regulated by the department shall recover through rates any
78 costs associated with the preparation of such report.

79 (e) The department and the office of ratepayer advocacy established pursuant to section
80 11E of chapter 12 shall monitor and investigate compliance and noncompliance with this section.
81 If the department determines that a gas or electric company regulated by the department
82 improperly recorded an expense for which recovery is prohibited by this section, the department
83 shall assess a non-recoverable penalty against such company in an amount that is not less than
84 the total amount of costs improperly recorded. In addition to assessing a non-recoverable penalty
85 against a company pursuant to this subsection, the department shall order such company to
86 refund the amount improperly recovered, plus interest, to customers. For each penalty assessed
87 and collected from any such company pursuant to this section, a portion of the penalty, as
88 determined by the department, may be distributed to ratepayers through a rebate, or distributed to
89 the department and the office of ratepayer advocacy for the purpose of increasing resources for
90 enforcing this section.