

HOUSE No. 3259

The Commonwealth of Massachusetts

PRESENTED BY:

Natalie M. Blais

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 to protect ratepayers.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Natalie M. Blais</i>	<i>1st Franklin</i>	<i>1/22/2021</i>
<i>Brian W. Murray</i>	<i>10th Worcester</i>	<i>2/24/2021</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>2/25/2021</i>
<i>Dylan A. Fernandes</i>	<i>Barnstable, Dukes and Nantucket</i>	<i>2/25/2021</i>
<i>Carlos González</i>	<i>10th Hampden</i>	<i>2/26/2021</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>4/12/2021</i>

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By Ms. Blais of Sunderland, a petition (accompanied by bill, House, No. 3259) of Natalie M. Blais and others relative to the determination of allowed return on equity for certain utility ratepayers. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act to protect ratepayers.

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 by inserting after
2 section 94I the following sections: -

3 Section 94J. (a) In any base rate proceeding conducted by the department under section
4 94 for electric companies or gas companies, the department may not approve an allowed return
5 on equity higher than the average allowed return on equity approved in neighboring states over
6 the preceding four years. Such requirement may be waived only upon a specific showing that the
7 constitutional rights of the electric or gas company would otherwise be violated.

8 (b) The determination of allowed return on equity under this section shall not include
9 compensation related to programs under section 21 of chapter 25 or any performance incentives
10 designed to promote the efficient, clean, and reliable operation of the electric or gas system.

11 Section 94K. In any base rate proceeding conducted by the department under section 94 for
12 electric companies or gas companies, the department may not approve a performance-based

13 ratemaking mechanism with a negative productivity factor, negative productivity offset, or
14 negative X factor, or any other mechanism that automatically results in annual revenue increases
15 at a rate higher than inflation.

16 SECTION 2: Section 94K of chapter 164 of the General Laws, as inserted by this act,
17 shall apply to any performance based ratemaking mechanism, including a performance based
18 ratemaking mechanism, approved prior to December 31, 2019. For any performance based
19 ratemaking mechanism approved prior to the effective date of this section, the department shall
20 exclude the negative productivity factor from any future filings for an annual performance based
21 ratemaking adjustment.