

NATIONAL ENERGY LEGISLATION  
(H.R. 8444)

- The present legislation is not in the best interests of Massachusetts consumers
- The package is long on tax penalties which hurt oil dependent regions and short in benefits
- The package relies too much on taxes and conservation efforts while doing little to increase fossil and nuclear energy supply
- The package contains many restrictive and unnecessary provisions

THE CRYING NEED FOR A NATIONAL ENERGY POLICY  
IS NOT JUSTIFICATION TO PASS LEGISLATION  
WITHOUT CAREFUL STUDY

- Action on the Utility Regulatory Policy Section (S-1469) should be postponed till 1978 with some sections deleted or amended

Utility Regulatory Policies

- 75% of Massachusetts voters rejected flat rates in November 1976
- Marginal cost pricing concepts should not be mandated when the consequences are unknown
- Time of use rates should not be mandated until more research data is available and their cost benefit established
  - Metering cost to Edison alone \$72 million
  - Edison preliminary study shows "zero" benefit
- State legislation protects consumers on automatic adjustment clauses and is unnecessary
- Provisions in wholesale rates and given added power to Federal Regulators will only increase rates by making it more difficult to raise capital
  - Regulatory delay would be increased by increasing the delay time to 10 months

Oil and Gas Users Tax

- Will hurt Massachusetts
- Cost utility customers \$1.50 per barrel (escalated) starting in 1983
- Cost Boston Edison customers an average of \$27 million a year
- Proposed tax credits are unrealistic as an incentive to replace oil burning equipment
- Possible exemption language is unclear

Coal Conversion

- Potential cost to convert Edison units \$400 million
- If converted, severe cut in reliability
- Believe Edison plants are exempt but conversions should be on a plant by plant cost benefit study

Crude Oil Equalization Taxes

- Domestic crude oil would be taxed to raise the price to foreign oil level
- Reduction in entitlements program will cost Edison customers an estimated \$25 million over the 1978-1981 period and \$11 million per year thereafter

Nuclear Remains the Best Solution for New England

- Saved consumers \$300 million in 1973
- Saved the burning of 43 million barrels of oil
- Edison Pilgrim 2 plant alone will save \$130 million annually over coal