

STATEMENT BY U.S. REP. PAUL TSONGAS

AUGUST 12, 1975

CONGRESSMAN TSONGAS COULD NOT ATTEND THESE HEARINGS TONIGHT, BUT DID PREPARE THE FOLLOWING TESTIMONY WHICH HE ASKED ME TO PRESENT.

THE PROBLEM OF SKYROCKETING UTILITY PRICES MUST BE FACED REALISTICALLY. THERE ARE CERTAIN STEPS THAT CAN BE TAKEN TO LOWER UTILITY RATES AND GUARD AGAINST UNNECESSARY INCREASES. HOWEVER, WE MUST NOT FALL INTO THE TRAP OF EXCLUSIVELY BLAMING THESE COMPANIES FOR HIGHER RATES.

THAT RESPONSIBILITY LIES WITH THE "BIG BUSINESS" POLICIES OF THE FORD ADMINISTRATION, WITH THE MAJOR OIL COMPANIES, WITH THE DEPARTMENT OF PUBLIC UTILITIES, THE LEGISLATURE, AND WITH A CONGRESS THAT HAS FAILED TO ESTABLISH A NATIONAL ENERGY POLICY.

NEXT MONTH, YOUR UTILITY BILLS, THE PRICE OF GASOLINE, AND YOUR COST OF LIVING ARE GOING TO INCREASE SUBSTANTIALLY. BECAUSE THE PRESIDENT EXERCISED ONE OF HIS 36 VETOES ON THE EXTENSION OF THE EMERGENCY ALLOCATION ACT, OIL PRICES WILL BE DECONTROLLED. FOR A FAMILY OF FOUR, THE COST WILL BE ABOUT \$500 ANNUALLY. 800,000 PEOPLE WILL LOSE THEIR JOBS. THE RATE OF INFLATION MAY IMMEDIATELY INCREASE BY 2½ PERCENT. CRUDE OIL PRICES WILL INCREASE BY AT LEAST 9 PERCENT... AND

OF COURSE... UTILITY PRICES WILL AGAIN INCREASE.

BECAUSE OF THE LIMITED ENERGY RESOURCES AVAILABLE, BECAUSE OF OIL DECONTROL AND OPEC PRICES... YOUR ENERGY BILL WILL CONTINUE TO GO UP. IT PROBABLY WILL NOT BE UNTIL THE YEAR 2000 BEFORE THIS COUNTRY HAS DEVISED NEW, AND PERHAPS, LESS EXPENSIVE ENERGY ALTERNATIVES.

THIS DOES NOT MEAN THAT WE HAVE TO ACCEPT OIL COMPANY PROPAGANDA OR THE PRESIDENT'S ANTI-CONSUMER POLICIES. THOSE WHO HAVE WORKED AGAINST EXCESSIVE UTILITY RATE INCREASES MUST ALSO SPEAK OUT AGAINST THE ABSOLUTELY UNNECESSARY FUEL COST INCREASES THAT ARE ABOUT TO TAKE PLACE. THESE ARE INCREASES THAT WE SIMPLY CANNOT AFFORD.

I WOULD ALSO LIKE TO LIKE TO MAKE THESE SUGGESTIONS TO THE D.P.U. ON THE SUBJECT OF UTILITY REGULATIONS:

-----I WOULD HOPE THAT A RATE STRUCTURE COULD BE ESTABLISHED THAT WOULD REDUCE THE PRICE FOR ENERGY CONSUMPTION DURING OFF-PEAK HOURS. INDIVIDUAL HOUSEHOLDS AND INDUSTRIES COULD BENEFIT FROM THIS CHANGE.

-----THE DEPARTMENT SHOULD CAREFULLY REVIEW REQUESTS FOR FUEL ADJUSTMENT INCREASES. IF THERE IS EVIDENCE THAT UTILITIES DID NOT PROPERLY ATTEMPT TO SECURE THE LOWEST PRICED FUEL AVAILABLE... THE REQUESTED INCREASE SHOULD BE DENIED. THIS WILL HELP PREVENT FUEL ADJUSTMENT CHARGES

THAT ARE HIGHER THAN THE ACTUAL BILL BY PROVIDING INCENTIVES FOR PURCHASING REASONABLY PRICED FUEL.

-----ALL UTILITY ADVERTISING THAT SERVES ONLY TO PROMOTE THE COMPANY'S IMAGE SHOULD BE BANNED. CONSUMERS SHOULD NOT BE PAYING FOR COMMERCIALS THAT TELL THEM WHAT A GREAT JOB THE UTILITIES ARE DOING.

THESE ARE MY SUGGESTIONS.

I WOULD ALSO REITERATE AN EARLIER REQUEST I MADE BY LETTER TO THE DEPARTMENT. I WOULD HOPE THAT YOU WILL EXAMINE THE QUESTION OF WHETHER THE MASSACHUSETTS ELECTRIC COMPANY SHOULD REDUCE RATES TO REFLECT INCREASED PROFITS ACCUMULATED DURING THE PRESENT STRIKE.

AGAIN, I THINK IT IS ESSENTIAL THAT WE LOOK AT OUR ENERGY SITUATION AS A WHOLE. WE HAVE THE CHOICE OF FACING UP TO OUR PROBLEMS NOW, OR BEING ENGULFED BY THEM IN THE NOT TO DISTANT FUTURE. I HOPE THOSE TESTIFYING HERE TONIGHT, AND THOSE RESPONSIBLE FOR ACTING ON THESE SUGGESTIONS WILL KEEP THIS IN MIND.

CONGRESSMAN TSONGAS WANTS YOU TO KNOW THAT HE WOULD HAVE LIKED TO HAVE BEEN HERE PERSONALLY TO ADDRESS THIS IMPORTANT SUBJECT... AND APPRECIATES THE OPPORTUNITY TO PRESENT HIS VIEWS THROUGH A SPOKESMAN.