

# LWV to sponsor "Meet the Press" evening on Question 4

by Andrea Leonard

At 8 p.m. on Thursday, October 14, both sides of Referendum Question 4 will be presented at a Meet The Press evening at West Parish Church on Route 149, in West Barnstable.

The evening (which I'm tempted to promise will be entertaining as well as educational) is being sponsored by the League of Women Voters of the Mid-Cape Area. The questions will be limited to the subject of whether the state should assume responsibility for electric power under a Mass. Power Authority.

Mr. Spillane of the New England Gas and Electric Association, and Mr. Wilcock of The Consumers for Lower Electric Rates, are expected to be present to answer press questions.

Representing Radio Station WOCB will be Melissa Cullity, and from WQRC, Francis I. Broadhurst. Two newspapers, Cape Cod Times and The Village Advertiser, will be represented by Milton Moore and Andrea Leonard, respectively.

John Alger will moderate the proceedings, calling on each pressperson in rotation to address a question to one or the other of the two guests.

After a two-minute response, the other side will have an opportunity for a one-minute rebuttal. A follow-up question may be asked, with a one-minute response but no rebuttal.

The first response will be decided by a coin-flip; additional questions will then be alternated.

Space is limited, so come early for a good seat; if you can't attend, plan to listen on your radio since both stations are planning live broadcasts and are sure to replay highlights as Election Day nears.

To get a clearer picture of what's at stake for you as the consumer in the question of public power, and how you may come out dollars ahead — or behind — depending on the outcome of the referendum, tune in or come and participate in the question and answer period to follow the Meet The Press session on October 14, 8 p.m., West Parish Church, West Barnstable.

# village view

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With Election Day only a few weeks away and with the ballot over-long with referendum issues, what are the pros and cons of question 7, the flat electric rate proposal?

As you know if you study the back of your electric bill, not everyone pays the same for a kilowatt hour (kwh) of electricity.

For the small residential consumer there are five different classes of service: Residential Annual, Seasonal (with two separate "seasonal" classes), Seasonal Optional (which is identical to Residential Annual), and Residential Space Heating.

To further complicate trying to figure out if your bill is correct, there are six steps in the rate, each providing additional power at a lower cost per kwh. In two classes, there is a monthly minimum charge.

Separate structures also are shown for annual and seasonal off-peak water heating; and all rates are subject to a power cost charge of \$.03156 per kwh, and a rate adjustment charge of 21.92%.

This rate structure provides the larger user of power a cheaper per kwh cost than the person who conserves electricity, and this is the basis for the argument that flat rates will encourage all consumers — in all classes — to conserve energy rather than waste it.

Now, the more you use, the less you pay per unit. If we vote for flat rates, the more you use, the more you'll pay; the price of each unit will be the same, for all.

Just to illustrate what a difference the rate structure makes, at present, examine your electric bill. You will find the first ten or less kwh used costs a year-round resident \$1.68, or 17¢ a kwh; the seasonal user, however, pays \$2.93 for his first ten or less, from June through September, or about 30¢ a kwh; his counterpart, the seasonal user plugging in from October through May, pays only \$1.93 for his first ten or less kwh, or about 20¢ a kwh.

The electric companies defend the present rate system, saying each user is charged according to what it costs to deliver power to him. Why it costs more to deliver electricity between June and September than it does between October and May, or more than to an annual residential user, no one has explained.

There is, in fact, available to the seasonal user an optional rate that is identical to that paid by the residential user, if it's to his advantage (presumably) to opt for it.

The final category in the residential rate structure is available to the household heated with electricity. The first 200 kwh costs \$8.54, or about 4¼¢ a kwh.

Spend a few minutes studying the back of your electric bill for further details of the inequities involved in the residential rate structure alone.

To define the system in words rather than through illustration, you'd outline that utilities now use a declining block rate system. Kilowatt hours are grouped in a series of "blocks" with the cost per kwh declining with each successive block consumed.

In addition to residential rates, there are also separate rates structures which apply to "industrial" and "commercial" consumers.

Proponents of flat rates point out that residential and small business users are now paying 35% more, per kwh, than the largest businesses and industries.

Applying the same rate to all would save small users about 20%; it would also promote conservation and help eliminate energy waste.

Arguments like these generated the 70,000 signatures gathered to force the state legislature to vote on the initiative petition. As the May, 1976, deadline for the vote approached, Associated Industries of Massachusetts started its massive lobbying effort to defeat the bill.

According to consumer-group proponents of the bill, Beacon Hill politicians recognized the dangers. Facing November elections, after having voted against a measure so popular with constituents, could be costly. Nevertheless, our representatives succumbed to mounting pressures from the business community, rejecting the measure by a vote of 182 to

The necessary signatures to put the question on the November ballot were quickly collected, but not immediately filed. It was hoped the Legislature would compromise with consumer group Fair Share, but the option to exempt industry from flat rates to prevent a threatened exodus was turned down.

That, the legislative committee argued, would place the burden on commercial users.

The Chairman of the House Committee on Government Regulations denies these allegations. Fair Share, he says, was only one consumer group involved. The committee had 15 or 20 bills to put together into one satisfactory compromise on utility rate reform.

The resulting document, now awaiting action in the Senate, mandates a lifeline rate, peak-load pricing, and provides incentives for electrical use during periods of least demand.

A well-publicized Lifeline Petition was defeated by the Legislature a year ago.

Associated Industries of Massachusetts, the group representing businesses within the state, has retained as general counsel Walter Muther; he says it's not true that under the declining block structure industry gets a break at the expense of other consumers.

According to him, it's cheaper to deliver large blocks of power to a single location than to deliver small blocks to many locations.

He also asserts 88% of state industries employ less than 100 people and aren't in the "Big Business" category anyhow.

The legislature's Science Resource Network developed an "econometric model" which predicts flat rates would increase electric bills for industry up to 50% and transfer \$60 million to \$90 million from small to large users, resulting in a loss of from 12,000 to 40,000 jobs and over \$500 million in personal income in Massachusetts.

Boston Edison predicts that under flat-rate, electric bills would jump 34% for hospitals, 33% for universities, 22% for cultural institutions, and 25% for state government. These costs, he says, would be passed to consumers in higher medical bills, tuitions and taxes, all for a weekly savings of 85¢ to the average residential consumer.

He says nothing about the 100% increase in electric bills the average residential consumer has experienced in recent years. Nor does he anticipate any effort would be made to save instead of squander electricity, to cut back on electrical use.

It's important to consider the source of each prediction.

Consumer groups and other proponents of flat rates promise immediate relief to the small residential user of between 300 and 500 kwh per month, now paying between \$20 and \$30 a month for power.

Legislators, having failed to support the small residential user, upon whom they depend for individual votes, seek now to justify their action, and join industry's "scare tactic" warnings.

Industry predicts economic disaster, flight to other areas, and further erosion of the consumer's already badly gullied dollar if flat rates are mandated.

It's easy to be frightened by some of the predictions, but Fair Share researchers are more reassuring. "Under flat rates," they aver, "residential consumers will see their personal incomes rise \$75,000,000, and small businesses will gain \$130,000,000. Industry, on the other hand, will face increases in electric bills which are roughly equivalent to less than 1% of their operating costs. In almost all cases, they will simply absorb it."

Is the question entirely an economic one? If business, big or small, can realize a greater profit somewhere else, for whatever reason, it is going to move.

The profit motive will always, and must always, govern as long as private industry exists. There's nothing wrong with that.

There does seem, to me, to be something wrong with the present method of assuring business a profit; why should you or I pay more for a kwh of electricity than a commercial or industrial user?

When you and I are required to pay 35% more, per kwh, than the largest business and industries pay, we're making it possible for the stockholders of those industries to collect a higher dividend on their investments.

And that doesn't strike me as being fair, reasonable and equitable.