

D.P.U. 97-63

Petition of Boston Edison Company and Boston Edison Mergeco Electric Company, Inc. for approval by the Department of a merger in accordance with an agreement and plan of merger.

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INTERLOCUTORY ORDER ON THE SCOPE OF THE PROCEEDING
AND PETITIONS FOR LEAVE TO INTERVENE

I. INTRODUCTION

On May 28, 1997, Boston Edison Company ("BECo") and Boston Edison Mergeco Electric Company, Inc. ("Mergeco") (together "Companies") filed an Agreement and Plan of Merger with the Department of Public Utilities ("Department") for approval pursuant to G.L. c. 164, § 96. The Agreement and Plan of Merger is part of BECo's proposed corporate reorganization plan which would create a holding company to own directly the common stock of BECo. Pursuant to its corporate reorganization plan, BECo has formed BEC Energy, a Massachusetts business trust, and BEC Energy's wholly-owned subsidiary, Mergeco, a Massachusetts utility corporation.

In addition, the Companies request Department approvals of transactions to be made in connection with the proposed corporate restructuring. Specifically, the Companies request that the Department approve and authorize, pursuant to G.L. c. 164, § 14, the issuance and sale of 100 shares of common stock by Mergeco to BEC Energy. The Companies seek Department approval, pursuant to G.L. c. 164, §§ 17A and 94B, of a Tax Sharing Agreement between BECo and BEC Energy. Finally, the Companies request that the Department approve, pursuant to G.L. 164, §94B, the terms of the Management Services Agreement between BECo and BEC Energy.

The Attorney General of the Commonwealth ("Attorney General") filed a notice of intervention as of right pursuant to G.L. c. 12, § 11E. In addition, the Department received petitions for leave to intervene from Cablevision Systems Corporation ("Cablevision"), Division of Energy Resources ("DOER"), New England Cable Television Association ("NECTA"), and Utility Workers Union of America, AFL-CIO, Local 387 ("Union"). Berkshire Gas Company ("Berkshire Gas"), Cambridge Electric Light Company, Canal Electric Company and Commonwealth Electric Company ("COM/Electric") filed petitions for limited participant status. The Companies filed oppositions to the petitions for leave to intervene of NECTA and Cablevision. Both Cablevision and NECTA replied to the

Companies' opposition. The Companies do not oppose Berkshire Gas' or COM/Electric's motions for limited participant status.

On August 11, 1997, the Companies filed a motion to clarify the scope of the proceeding, arguing generally that issues of cross-subsidization and affiliate transactions raised by Cablevision and NECTA in their petitions to intervene are beyond the scope of the case ("Companies Motion"). On August 13, 1997, Cablevision filed an objection to the Motion ("Cablevision Response"). On August 14, 1997, the New England Cable Television Association ("NECTA") filed a response also opposing the Motion ("NECTA Response").

On August 14, 1997, the Department held a procedural conference during which the Companies and petitioners for intervention raised issues regarding the scope of the proceeding. The Hearing Officer requested that parties submit pre-hearing briefs on the issue of scope. The Hearing Officer deferred ruling on the petitions for leave to intervene pending a decision on the scope of the proceeding.

On August 20, 1997, the Department received filings addressing the issue of scope from the Companies, the Attorney General, Cablevision, DOER, NECTA, and the Union.

II. POSITIONS

A. Companies

The Companies anticipate that both the Attorney General and DOER intend to raise two major issues in this proceeding: (1) the pricing of assets transferred from BECo to its affiliates; and (2) potential royalty payments charged by BECo to its affiliates (Motion at 1). The Companies argue that these issues are more appropriately addressed in either future rate proceedings or Department proceedings other than this proceeding (id. at 1-2).

The Companies contend that their petition to set up a holding company structure does not involve any asset transfers that would affect rates, and that the regulatory treatment of such asset transfers would continue whether or not BECo operated under a holding company structure (id. at 2). Moreover, the Companies argue that those assets alluded to by the

Attorney General in the Federal Energy Regulatory Commission ("FERC") proceeding have already been transferred, and that their only relevance is the impact of those transfers on future rates (id. at 2-3).¹ The Companies concede that the pricing of asset transfers from a regulated utility to its affiliates is an important issue for the Department in determining rates (id. at 3). The Companies maintain that, independent of BECo's corporate structure, the Department will need to determine the effect of past and future transfers of utility rate-base assets in future rate proceedings (id.). The Companies note that BECo's Electric Restructuring settlement establishes rates through the year 2000 (id. at 3).²

With respect the issue of royalty payments, the Companies argue that this raises broad policy issues unrelated to the holding company proposal, and that any introduction of the issue in this proceeding would result in the proceeding evolving into a generic forum, which would place the Companies at a disadvantage and be inefficient for the Department to conduct (id. at 4). In addition to burdening BECo with a requirement not demanded of other competitors or even other Massachusetts utilities, the Companies assert that they would be placed at a competitive disadvantage, and that the lack of a level playing field would only serve to hinder competitive markets (id. at 5). The Companies contend that because royalty payments would affect other Massachusetts utilities, as well as their current and future competitors, a generic proceeding involving broad participation from interested parties would be more appropriate than addressing royalty payments in this proceeding (id. at 4-5).

The Companies state that G.L. c. 164, § 96 limits the scope of the present proceeding to a determination as to whether the contemplated corporate restructuring is consistent with the

¹ The Attorney General had filed a motion to intervene and protest in FERC Docket No. EC97-39-000 alleging that BECo's joint venture with RCN will use BECo's 200 miles of existing fiber optic cable, plant facilities and rights of way, but that no provision has been made to ensure that RCN will pay the fair market value for the use of BECo's property.

² As part of D.P.U. 96-23, BECo filed its Electric Restructuring settlement with the Department on July 9, 1997.

public interest (Companies Memorandum in Further Support of Motion, hereinafter "Companies Memorandum" at 2). According to the Companies, the Department's standard of review requires the Department to balance "the costs and countervailing benefits attendant on any proposed [transaction]" (*id.*, citing Mergers and Acquisitions, D.P.U. 93-167-A at 7 (1994)).³ As argued by the Companies, because the proposed transaction is "not the paradigm of merger transactions" governed by Section 96, the appropriate scope of this proceeding is to consider the proposed changes to the corporate structure and the impact of such changes on the factors set out in D.P.U. 93-167-A (*id.* at 2-3). The Companies agree with the assertion that the scope of the proceeding should include an evaluation by the Department of the propriety of conditioning its approval on the Companies' complying with restrictions, if any, as may be necessary to ensure that the holding company structure is consistent with the public interest (*id.*). The Companies, however, contend that allowing intervenors to interpose broad policy issues in order to propound extensive discovery on tangential issues is inappropriate (*id.* at 17).

According to the Companies, issues beyond the scope of this proceeding include: the propriety of BECo's investment in its subsidiary Boston Edison Technology Group ("BETG"), the spectre of cross-subsidization through affiliate transactions,⁴ the imposition of general or presumptive royalties, the proper pole attachment rates, and the effect of the proposed reorganization on unemployment (*id.* at 5).

In response to the Union's petition to intervene, the Companies do not object and state that they are prepared to address how the holding company structure will not precipitate the

³ In D.P.U. 93-167-A, at 8, the Department established a list of factors that it would consider in evaluating a proposed transaction, including, but not limited to, (1) the impact on rates, (2) the impact on service quality, (3) any resulting savings; (4) the impact on competition, (5) the financial integrity of the post-merger entity, (6) the fairness of the distribution benefits of the merger between ratepayers and shareholders, (7) the societal cost of jobs eliminated due to the merger, (8) the impact on economic development, and (9) alternatives to the merger.

⁴ The Companies believe that this issue would be more appropriately addressed in BECo's next general base rate case (Companies Memorandum at 14).

elimination of jobs (id. at 11, citing D.P.U. 93-167-A). However, the Companies oppose inclusion of the issues of quality of service and quality of training within the scope of this proceeding (id. at 11-12).

B. Attorney General

Citing the consideration of impact on rates set forth by the Department in D.P.U. 93-167-A, the Attorney General contends that BECo's rates and quality of service might be affected by the merger and that BECo has the burden of proving by quantifiable measurement that the proposed merger is in the public interest (Attorney General Response at 2-3). The Attorney General contends that BECo's mere assertion that the specific asset transfers related to BECo's joint venture with RCN are unrelated to this proceeding is insufficient (id.). The Attorney General contends that the Department should address issues of cross-subsidization in order to ensure fair competition and economic development (id. at 4).

The Attorney General notes that the Companies' merger proposal includes for Department review and approval a Tax Sharing Agreement, and that under G.L. c. 164, § 94B, a utility must demonstrate that its proposal (1) provides a reasonable method of allocating liabilities and benefits between a utility company and its affiliate, and (2) protects ratepayers (id.). He further argues that the scope of this proceeding should focus on the effect, if any, of the allocation and assignment of assets of this proposed reorganization on BECo's Electric Restructuring Settlement (id.).

C. Cablevision

Cablevision contends that BECo is cross-subsidizing the entry of its subsidiary, BETG, into the telecommunications and video services market without the necessary regulatory review of the Department, and Cablevision is entitled to raise these issues before the Department (Cablevision Response at 1). Cablevision notes that under the standard set forth in D.P.U. 93-167-A, the Department must consider the effects of BECo's proposed merger on competition (id.). Cablevision alleges that BECo has transferred assets such as fiber optic lines and rights

of way, and proposes to invest \$150 million in BETG (id.). Cablevision contends that such cross-subsidization will undercut competition in the cable and telecommunications industries (id.) Cablevision states that absent close Department scrutiny of the proposed corporate restructuring, Cablevision will be subject to unfair competition from an entity which has paid nothing for its use of BECo's plant and facilities, corporate name and reputation, rights of way and marketing expertise (id. at 5).

Cablevision states that when the Department approved BECo's \$45 million investment in BETG, it did so based on the representation that BETG's activities would be focused on certain limited areas sharing a close nexus with the energy industry: (1) demand-side management; (2) the electric vehicle industry; and (3) electric generation (id. at 3, citing Boston Edison Company, D.P.U 93-37 (1993)). While BECo concedes that its joint venture is already in operation, and that the "necessary transfers of assets and rights of way have already occurred," Cablevision notes that the transfer of the fiber optic cables to the joint venture has not been approved by the Department (id., citing Companies Motion at 3).

Cablevision argues that two of the factors for consideration set forth in D.P.U. 93-167-A are particularly relevant to the scope of the proceeding: the effect on competition and the fairness of the distribution of benefits between stockholders and ratepayers (id. at 6). Cablevision suggests that in order to prevent cross-subsidization and unfair competition, the Department may need to impose conditions on BECo and its affiliates as part of any approval (id.) The conditions might include investment limits, restrictions on the permitted business activities, maintenance of adequate bond ratings, restrictions on self-dealing, and imputation of net positive benefits (id. at 7). Cablevision contends that the transfer of assets by BECo to BETG must be scrutinized to ensure a vibrant, competitive market not only in the restructured electric industry, but also in the telecommunications industry, which is also regulated by the Department (id. at 13).

In response to BECo's assertion that Cablevision's concerns could be adequately

addressed in BECo's next rate case, Cablevision states that BECo's next rate case is not expected until the year 2000, and by then, the damage to the competitive market may be irreparable (id. at 15).

With respect to fairness of the distribution of benefits between stockholders and ratepayers, Cablevision notes that this was a concern of the Department in investigating BECo's prior request to restructure as a holding company in Boston Edison Company, D.P.U. 850 (1983) (id. at 8). According to Cablevision, given that the Department denied BECo's prior request because of concerns about improper or uncontrolled allocations of benefits between a regulated entity and an unregulated entity, the Department should not limit the scope of this proceeding to exclude such an inquiry (id. at 8-9).

In further support of its petition to intervene, Cablevision argues that it is not the average BECo ratepayer because it is suffering "peculiar damage" as a result of BECo's alleged unauthorized cross-subsidization of BETG (id. at 16, citing Robinson v. Department of Public Utilities, 416 Mass. 668 (1993)). According to Cablevision, if the proposed merger is allowed, BECo will spin off BETG to BEC Energy, thus rendering BETG no longer a subsidiary of BECo (id. at 17).⁵

D. Division of Energy Resources

DOER argues that the issues of royalties and pricing of asset transfers are directly relevant to the inquiry into whether the distribution of benefits between ratepayers and shareholders is in the public interest (DOER Response at 2). According to DOER, the merger will not be consistent with the public interest if assets are distributed between BECo and its affiliates in such a manner that the burden of paying for unproductive assets falls on captive ratepayers, while the benefit of lucrative earnings from productive assets accrues to the competitive affiliates (id. at 3-4). DOER contends that it is better and appropriate to establish

⁵ Under G. L. c. 164, § 85, BETG would remain an affiliate of BECo.

rules for the transfer of assets and imposition of royalties in this proceeding, noting our authority to establish rules of general application in company-specific cases (id. at 4-5, citing Massachusetts Electric Company v. Department of Public Utilities, 383 Mass. 675, 679 (1981)). DOER notes that there is basis for the argument that a specific royalty rate applicable to all utilities is optimal (id. at 5).

In addition to the above issues, DOER contends that the Department should establish methods for the valuation of tangible and non-tangible property transferred by BECo to its affiliate in light of the emerging competitive environment, and should examine the prudence of existing pricing and access policies imposed on affiliates for use of property or easements (id. at 6).

E. NECTA

While NECTA supports a clarification of the scope of this proceeding, it contends that it would be improper under G.L. c. 164, §§ 94C and 96, as well as Department precedent, to restrict the scope to that sought by the Companies (NECTA Response at 2). NECTA contends that the scope of this proceeding should be at least as broad as conducted in BECo's prior merger petition, Boston Edison Company, D.P.U. 850 (1983) (id. at 2).

NECTA argues that under G.L. c. 164, §94C, the Companies bear the burden of proof whenever any question of the reasonableness of transactions between a utility and its affiliates comes into question (id. at 3-4). Reasoning that both itself and other intervenors have called BECo's affiliate transactions into question, NECTA argues that the Companies cannot now seek approval of the Department of certain affiliate transactions under G.L. c. 164, § 94B while restricting the rights of other parties to call into question other of the Companies' affiliate transactions (id. at 4). Turning to G.L. c. 164, § 96, NECTA argues that the Department previously has examined affiliate transaction issues raised by intervenors, pointing specifically to Boston Edison Company, D.P.U. 850 (1983), in which the Department earlier rejected a proposed holding company structure for BECo (id. at 4-5)

NECTA asserts that BECo's arguments to limit the scope of the proceeding are without merit. NECTA points out that in D.P.U. 850, the Department found that BECo was subject to the statutory standards of G.L. c. 164, §§ 94C and 96 for purposes of that proceeding, and that many of BECo's arguments raise issues warranting further investigation, not grounds for limiting the scope of the proceeding (id. at 6). NECTA also argues the public interest warrants an investigation of BECo's affiliate transactions. In support of this argument, NECTA claims that BECo has engaged in numerous affiliate transactions with BETG which have not yet been shown to comply with the standards set forth in D.P.U. 93-37, including a commitment by BECo to provide up to \$150 million for the BETG joint telecommunication venture with Residential Communications Network ("RCN") (id. at 6-7).

F. Union

The Union objects to BECo's attempt to limit the scope of this proceeding (Union Response). The Union maintains that the scope of the proceeding is plenary, and includes issues such as the effect of the corporate restructuring on union contracts, jobs, quality of service, safety, and reliability of service (id.). The Union states that in Boston Edison Company, D.P.U. 97-17, at 7 (1997), the Department approved the Companies' initial investment necessary to prepare a comprehensive corporate restructuring proposal, noting that the proposed "change in corporate structure does require a thorough investigation of all issues, including the impact, if any, on ratepayers, all-requirements customers and prior commitments made by the Companies." (id. at 3).

III. ANALYSIS AND FINDINGS

A. Scope of the Proceeding

Under G.L. c. 164, § 96, the Department must find that a proposed merger is "consistent with the public interest." In reviewing a proposed merger, the Department considers the gains and losses of the proposed transaction and the special factors of an individual proposal to determine whether it is consistent with the public interest. Mergers and

Acquisitions, D.P.U. 93-167-A at 7-9 (1994). The Department stated that, in order to meet this consistency standard, the costs or disadvantages of a proposed merger must be accompanied by benefits that warrant their allowance. Id. at 18-19. The Department has also indicated that it would likely consider various factors in determining whether a proposed merger or acquisition is consistent with the public interest pursuant to G.L. c. 164, § 96, such as (1) impact on rates; (2) impact on the quality of service; (3) resulting net savings; (4) impact on competition; (5) the financial integrity of the post-merger entity; (6) fairness of the distribution of benefits resulting between shareholders and ratepayers; (7) societal costs, such as lost jobs; (8) impact on economic development; and (9) alternatives to the merger or acquisition. Id. at 8-10.

The Companies would have the Department view this proceeding almost as a merger on paper between BECo and Mergeco, a Massachusetts utility corporation which has no present business or properties of its own. By this reasoning, the proposed merger would be merely a mechanical transaction that leaves BECo unaltered from its pre-merger state. The Department declines to take such a limited view when the public interest is involved. The issues presented in this proceeding are not found in the mechanics by which the proposed merger would be accomplished, but in the effect the merger would have on the regulated surviving entity. The merger is being proposed to effect BECo's corporate restructuring plan. Therefore, the Department's review must encompass not only the proposed merger of BECo and Mergeco, but also the merits of the resulting corporate restructuring. See D.P.U. 850 at 4-5 (1983).

Issues raised by Cablevision and NECTA regarding BECo's corporate restructuring focus on transactions between BECo and its affiliates which may have occurred already, and which are expected to occur in the future. Clearly, and as BECo acknowledges, the Department must review BECo's tax sharing and management services agreements with its affiliate, BEC Energy, within the context of this proceeding pursuant to G.L. c. 164, § 94B, which requires Department approval of affiliate contracts in excess of one year. In addition,

the Department considers the issue of future affiliate transactions, which may occur after BECo's proposed corporate restructuring, to be within the scope of this proceeding because ratepayer interests may be affected by such transactions. As a starting point in the Department's investigation, the Department will examine the proposed merged entity and its effect, if any, on BECo's monopoly ratepayers. To the extent parties demonstrate that the merger would have an adverse impact upon BECo's monopoly ratepayers, the Department will consider appropriate safeguards to ensure that monopoly ratepayers do not subsidize unregulated activities.

Petitioners have raised issues regarding BECo's alleged violation of the Department's order in Boston Edison Company, D.P.U. 93-37 (1993) with respect to past affiliate transactions. Petitioners rely on such allegations to support their arguments that there is the potential for abuse in future affiliate transactions. The Department is aware of a potential for abuse in affiliate transactions, past or future, and has found it appropriate to examine in this proceeding the potential impact on BECo's monopoly ratepayers resulting from BECo's restructuring. The Department finds that, while BECo's previous actions concerning affiliates may serve as an indicator of future behavior, the purpose of this proceeding is to evaluate the impact of BECo's holding company structure on its ratepayers. Accordingly, the Department finds that the issue of prior affiliated transactions is beyond the scope of this proceeding. If the petitioners believe that BECo has violated the Department's directives in D.P.U. 93-37, they may file a petition requesting that the Department commence an investigation into the matter.

The Department notes that, with respect to transactions between distribution companies and their energy-related affiliates, the distribution companies are subject to the Department's Standards of Conduct, 220 C.M.R. §§ 12.00 et seq.. In light of the ongoing electric restructuring and its implications on affiliate transactions, the Department intends to open a rulemaking proceeding to amend the existing Standards of Conduct by expanding their

applicability to a distribution company's transactions with its non-energy-related affiliates.⁶

With respect to the subject of general or presumptive royalties and pole attachment rates, the issue of royalties represents broad policy issues that are more appropriately addressed in another forum. Similarly, the issue of pole attachment rates are governed by separate statute and regulations. G.L. c. 166, § 25A; 220 C.M.R. § 45.00 et seq.; see also Boston Edison Company, D.P.U. 97-82. Accordingly, the Department finds that the issues of royalties and pole attachment rates are beyond the scope of this proceeding.

Finally, with respect to the Union's concerns, the Department has found that the impact of a merger on employment and quality of service are some of the appropriate issues to be examined in a merger proceeding. Mergers and Acquisitions, D.P.U. 93-167-A at 8-10 (1994). Accordingly, the Department finds that the issues of whether the proposed merger will have an impact on jobs and service quality are within the scope of this proceeding.

B. Petitions to Intervene

1. Standard of Review

In conducting adjudicatory proceedings, the Department "may allow any person showing that he may be substantially and specifically affected by the proceeding to intervene as a party in the whole or any portion of the proceeding, and allow any other interested person to participate by presentation of argument orally or in writing, or for any other limited purpose," as the Department may order. G.L. c. 30A, § 10, cl. (4).

Pursuant to 220 C.M.R. § 1.03(1)(b), a petition for leave to intervene in a Department proceeding must describe the manner in which the petitioner is substantially and specifically affected by the proceeding. Among other things, the petition must state the nature of the evidence the petitioner will present if the petition is granted. 220 C.M.R. § 1.03(1)(b). No

⁶ The Department anticipates that the General Court will consider whether to require the Department to enact standards of conduct with respect to transactions with non-energy-related affiliates.

grant of such leave to intervene or participate shall be deemed to constitute an expression by the Department that the person allowed to participate is a party in interest, who may be aggrieved by any final decision, order or ruling, unless the grant explicitly so states. 220 C.M.R. § 1.03(1)(e).

Under G.L. c. 30A, § 10, the Department has broad though not unlimited discretion to grant or deny participation in its proceedings. See Boston Edison Company v. Department of Public Utilities, 375 Mass. 1, at 45-46, cert. denied, 439 U.S. 921 (1978); see also Newton v. Department of Public Utilities, 399 Mass. 535, at 543, n.1 (1959). In Save the Bay, Inc. v. Department of Public Utilities, 366 Mass. 667 (1975), the court expressed its concern that "the multiplicity of parties and the increased participation by persons whose rights are at best obscure will, in the absence of exact requirements as to standing, seriously erode the efficacy of the administrative process. Save the Bay, Inc. v. Department of Public Utilities, 366 Mass. 667, at 672.

2. Findings

Cablevision claims that, as a ratepayer and competitor of BECo, it may be substantially and specifically affected by BECo's corporate restructuring as the restructuring may result in BECo's cross-subsidizing the entry of its subsidiary, BETG, into the telecommunications and video services market without the necessary regulatory review of the Department. Cablevision argues that it is not the average BECo ratepayer because it is suffering "peculiar damage" as a result of BECo's alleged unauthorized cross-subsidization of RCN-BETG. NECTA supports its petition for intervention with similar arguments regarding the possible anticompetitive effect of BECo's corporate restructuring.

While the Department has determined that future affiliate transactions are within the scope of this proceeding, the Department's focus is limited to what impact, if any, those transactions will have on BECo's monopoly ratepayers. The Attorney General, who has intervened as of right in this proceeding, is charged with protecting ratepayer interests.

Although Cablevision claims to suffer a "peculiar damage" as a result of BECo's corporate restructuring, this claim arises out of Cablevision's status as a competitor, not as a ratepayer. Cablevision has not shown that, as a ratepayer, its interests are not adequately represented by the Attorney General. Further, NECTA has not claimed to be a BECo ratepayer. Therefore, the Department finds that neither Cablevision nor NECTA are substantially and specifically affected by this proceeding. Accordingly, the petitions of Cablevision and NECTA to intervene as full parties are hereby denied. Nevertheless, the Department will allow both Cablevision and NECTA to participate in this proceeding on a limited basis, to include the opportunity to receive copies of all filings, attend hearings and conferences, and file briefs.⁷

DOER states that it is the Commonwealth's agency with primary responsibility for energy policy development. DOER claims that its ability to develop and implement consistent policies will be substantially and specifically affected by this proceeding. In support of its claim that good cause exists for the Department to allow the late-filed petition, DOER states that it is engaged in multiple electric industry restructuring proceedings and inadvertently missed the intervention deadline by one day.

The Department finds that DOER has established that good cause exists for its late-filed petition. Further, the Department finds that DOER has established that it may be substantially and specifically affected by this proceeding and, therefore, its petition for full intervention is granted. The Department notes that although DOER argued that the scope of this proceeding should encompass the issue of royalties, DOER's intervention is limited to the scope of the proceeding as set forth in this Order.

The Union has claimed that the proposed merger has a substantial and specific impact on it and its members. As noted above, the Department has determined that the impact on jobs

⁷ Cablevision and NECTA may pursue their claims regarding BECo and its impact on competition in the cable industry in the standards of conduct proceeding or in a petition regarding an alleged violation of D.P.U. 93-37.

and service quality are within the scope of this proceeding. Therefore, the Union has established that it may be substantially and specifically affected by this proceeding. Accordingly, the petition for leave to intervene of the Union is hereby granted.

Finally, the Department further grants the petitions of Berkshire Gas Company, Cambridge Electric Light Company and Commonwealth Electric Company for limited participant status.

IV. ORDER

After due consideration, it is hereby

ORDERED: That the scope of this proceeding is as set forth herein; and it is

FURTHER ORDERED: That the petition for leave to intervene of Cablevision Systems Corporation is hereby DENIED; and it is

FURTHER ORDERED: That Cablevision Systems Corporation is hereby allowed limited participant status in this proceeding; and it is

FURTHER ORDERED: That the petition for leave to intervene of the New England Cable Television Association is hereby DENIED; and it is

FURTHER ORDERED: That New England Cable Television Association is hereby allowed limited participant status in this proceeding; and it is

FURTHER ORDERED: That the petition for leave to intervene of the Division of Energy Resources is hereby GRANTED; and it is

FURTHER ORDERED: That the petition for leave to intervene of the Utility Workers Union of America, AFL-CIO, Local 387 is hereby GRANTED; and it is

FURTHER ORDERED: That Berkshire Gas Company is hereby allowed limited participant status in this proceeding; and it is

FURTHER ORDERED: That Cambridge Electric Light Company, Canal Electric Company and Commonwealth Electric Company are hereby allowed limited participant status in this proceeding.

By Order of the Department,

John B. Howe, Chairman

Janet Gail Besser, Commissioner