

Five Harvard Teaching Hospitals Win Energy Dispute

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BOSTON - March 26, 2001 - Hale and Dorr litigators recently won a major case on behalf of five Harvard teaching hospitals: Beth Israel, Deaconess, Brigham and Women's, Children's, Dana Farber and Joslin.

The five hospitals entered into identical Letter Agreements with Medical Area Total Energy Plant ("MATEP") stating that if deregulation occurred and lower electricity rates became available through an alternate supplier, the hospitals would be entitled to the lower price. The agreements further stated that if the alternate supplier had delivered electricity to seven designated marker hospitals by April 1, 2000, the five hospitals would be entitled to the lower rate.

PECO Energy Company of Philadelphia began contracting to other hospitals in Massachusetts at a substantially lower rate. The hospitals continued paying MATEP the full rate but MATEP escrowed the difference between the Boston Edison and PECO rates. By April 1, 1999, PECO had begun delivering electricity to 6 out of the 7 marker hospitals and the five hospitals demanded that MATEP release the escrowed funds.

The ruling found in favor of the five hospitals. Hale and Dorr litigation attorneys and the five hospitals successfully demonstrated that PECO began delivering electricity to the majority of the designated marker hospitals by April 1, 1999 and that the five hospitals were entitled to recover the escrowed funds of over 8 million dollars in their entirety.

The Hale and Dorr litigation attorneys involved in this case included Jack Fabiano, Doug Nash, Greg Teran, and Andy Cohn.