STATE OF MAINE
PUBLIC UTILITIES COMMISSION

June 30, 2003

ORDER ON
RECONSIDERATION

PUBLIC UTILITIES COMMISSION
Procedures for Conservation Program Planning

Docket No. 2002-162

MADISON DEPARTMENT OF ELECTRIC WORKS
Revision to Terms and Conditions to Establish
A New Assessment for the Conservation Program
Funding

Docket No. 2003-385

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

By this Order, we reconsider our *Order on Conservation Program Funding* of April 4, 2003 (*the April 4* Order), in this docket, and grant a stay of the *April 4 Order* as it relates to the conservation assessment for Madison Electric Works (MEW). Until our investigation in Docket No. 2003-348 is completed, we will exclude the kWhs sold to Madison Paper Industries (MPI) from the calculation of MEW's conservation assessment of 0.6 mils/kWh. Instead, MEW's assessment will be 0.6 mils/kWh for the kWhs sold to its customers other than MPI, and 0.5% of the revenue received from MPI (effective July 1, 2003).

II. BACKGROUND

In our *April 4 Order*, we decided to assess all transmission and distribution (T&D) utilities at the statutory maximum, 1.5 mils/kWh, for conservation programs. *See* 35-A M.R.S.A. § 3211-A(4)(B). For those T&D utilities that had been assessed at the statutory minimum, or 0.5% of total T&D revenue, we decided to phase-in the increased assessment. The statutory minimum rate produced per kWh rate that varied from about 0.02 to .73 mils/kWh. Accordingly, we decided to begin the phase-in, effective July 1, 2003, at 0.6 mils/kWh or the then-current assessment, whichever was larger.

In reaching our funding decision, we noted that some consumer-owned T&D utilities (COUs) asserted that the nature of their service territories warranted lesser conservation assessments. *See* 35-A M.R.S.A. § 3211-A(4)(A). Because this docket had not included a detailed, individualized examination of the COUs service territories, we decided to open an investigation and invite all COUs to demonstrate the facts that justify treating their service territories differently.[1] We stated that the initial assessment of 0.6 mils/kWh (or the current level for the COUs above 0.6 mils), would represent only

[1] The investigation has been opened and assigned Docket No. 2003-348.

a small increase to the statutory minimum (or the statutory minimum for those COUs already above 0.6 mils). Since the next step increase in the assessment, of 0.2 mills/kWh, would not be imposed for one year, there was adequate time for the Commission to conclude its investigation while the conservation assessments represented only a small increase over the statutory minimum.

On April 11, 2003, MPI filed a petition to suspend the April 4 Order from requiring a conservation assessment of 0.6 mils/kWh on MEW effective July 1, 2003.[2] MPI asked to suspend the increase until the Commission completes its investigation concerning the COUs (Docket No. 2003-348), and to leave MEW's assessment at the statutory minimum in the meantime. MPI justifies the suspension of the increased assessment for MEW because of the extremely large percentage increase that results from increasing MEW's rates by 0.6 mils/kWh. MPI asserts that, based upon adjusted test year numbers in MEW's recent rate case (Docket No. 2002-613), MEW's current assessment at the statutory minimum would be $6,239. At an assessment of 0.6 mils/kWh, MEW's assessment would be raised to $133,583, which MPI points out amounts to a 2141% increase. MPI argues that the Commission erred in the April 4 Order when it concluded that an assessment of 0.6 mils/kWh "represent[s] . . . a small increase to the statutory minimum" for MEW. *April 4 Order* at 6.

III. DECISION

We decide to grant MPI part of the relief it seeks. If imposed as a conservation assessment surcharge of 0.6 mils/kWh,[3] MPI would owe more than an additional $120,000, assuming MPI purchases a similar amount of kWh into the future. Such a T&D rate increase would be more than a 66% increase in MPI's total T&D bill.[4] For rate stability reasons alone, we would typically phase-in or otherwise reduce such a large percentage increase. Given that we have opened Docket No. 2003-348 in order to give MEW and MPI, among others, an opportunity to demonstrate "special circumstances" that justify different conservation assessments, we believe that the simplest and most equitable course of action is to exempt MPI from the effect of the conservation assessment surcharge pending the investigation and to adjust MEW's conservation assessment accordingly.

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[2] We treated MPI's petition as a petition to reconsider, governed by Chapter 110, section 1004.

[3] In our *April 4 Order*, we indicated that COUs could collect the increased conservation assessments as a simple surcharge to their existing rate schedules. MEW has elected to so in a filing made on May 29, 2003.

[4] With a rate increase effective early in 2003, MPI pays about 0.86 mils/kWh for T&D service.

We decide not to delay the imposition of the increased conservation assessment on MEW as to its remaining customers. A surcharge of 0.6 mils/kWh represents a small percentage increase to MEW's other customers.[5] Residential and small commercial customers in MEW's service territory have been, and continue to be, eligible to participate in many of the interim conservation programs. It seems equitable then that MEW's other ratepayers be subject to the conservation assessment surcharge effective on July 1, 2003, just like the other T&D ratepayers, when such equity can be achieved without T&D rate shock. Indeed, CMP's ratepayers are already subject to the statutory maximum conservation assessment, and pay T&D rates considerably higher than MEW's other ratepayers.

Accordingly, we will allow the Madison Electric Works rate schedules for all customer classes other than Madison Paper Industries,[6] as filed on May 29, 2003 and docketed as No. 2003-385, to go into effect without suspension. We reject the new rate schedule filed for Madison Paper Industries,[7] and order the rate schedule for Madison Paper Industries currently in effect to remain in effect until otherwise lawfully changed.

Dated at Augusta, Maine, this 30th day of June, 2003.

BY ORDER OF THE COMMISSION

Dennis L. Keschi
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent
Diamond

This document has been designated for publication.

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[5] MEW's other rate classes pay about 3.4¢/kWh, or 34 mils/kWh, so a 0.6 mils/kWh increase is less than 2%.

[6] The rate schedules are identified as Rate Schedule R, Seventh Revised Sheet 1; Rate Schedule GC, Seventh Revised Sheets 1 & 2; Rate Schedule LP, Seventh Revised Sheets 1, 2, and 3; Rate Schedule SL, Sixth Revised Sheets 1 and 2; Rate Schedule DL, Sixth Revised Sheet 1 and Fifth Revised Sheet 2; and Rate Schedule CA, Original Sheet 1.

[7] Rate Schedule MP, Third Revised Sheet 1 and Second Revised Sheet 2.

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.

2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.

3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.

Residential

Availability

Distribution service under this rate is available to all residential consumers subject to the established Terms and Conditions of the Department. Delivery must be through one meter. Approval of the Department must be obtained prior to the installation of any motor having rated capacity of five horsepower or more.

Type of Service

Single-phase, 60 hertz, at available secondary voltages.

Monthly Rate

The monthly bill for service rendered shall be the sum of the Minimum Charge which includes 50 kWh of delivery service; the T&D rate per kilowatt hour for all additional kWh; the Conservation Assessment as described in Rate CA; and the Transmission Adjustment as described in Rate TA. The charges are as follows: N

Minimum charge	$4.76 per month
T&D rate	$0.03369 per kWh

Any customer whose annual consumption is ten (10) per cent or more of the utility's total system consumption in the preceding calendar year is subject to a charge equal to the currently effective T&D rate per kWh levied on seventy (70) per cent of the customer's highest monthly consumption in the preceding twelve months.

Terms of Payment

The above rates are net. Payment of the current monthly bill shall be within 25 days of the date of the bill. In the event that the bill is not paid within the 25-day period, the charges become subject to a 1.5% late payment charge per month.

Proposed Effective Date: July 1, 2003
Effective Date: JUL 1 2003
Docket No. DOCKET NO. 03 3 3 5

Superintendent

Town of Madison
Department of Electric Works

Rate Schedule GC
Seventh Revised Sheet 1

General Commercial Service

Availability

Distribution service under this rate is available, for loads up to 25 KW, on a continuous, year-round basis for commercial service, and public buildings such as hospitals, schools, churches, and community halls for all uses including lighting, heating, and power subject to the established Terms and Conditions of the Department.

Type of Service

Single-phase, and three-phase, 60 hertz, at available secondary voltages. Motors having a rated capacity in excess of five horsepower must be approved by the Department.

Monthly Rate

The monthly bill for service rendered shall be the sum of the Minimum Charge which includes 50 kWh of delivery service; the T&D rate per kilowatt hour for all additional kWh; the Conservation Assessment as described in Rate CA; and the Transmission Adjustment as described in Rate TA. The charges are as follows: N

Minimum charge	$4.76 per month
T&D rate	$0.03369 per kWh

Any customer whose annual consumption is ten (10) per cent or more of the utility's total system consumption in the preceding calendar year is subject to a charge equal to the currently effective T&D rate per kWh levied on seventy (70) per cent of the customer's highest monthly consumption in the preceding twelve months.

Facilities Charge

When service is provided to welders, x-ray machines or other equipment having similar electrical demand characteristics, an additional monthly charge of $2.50/kVa of transformer capacity necessary to provide such service will be made.

Proposed Effective Date: July 1, 2003
Effective Date: JUL 1 2003
Docket No. DOCKET NO. 03-303

Superintendent

General Commercial Service (Cont'd)

Temporary Service

Temporary service such as service to construction jobs, fairs and carnivals shall be supplied in accordance with the foregoing rates except that the customer shall pay, in addition to the foregoing charges, the total cost of installing and removing service less the value of materials returned to stock. The Department will retain ownership of all equipment.

Terms of Payment

The above rates are net. Payment of the current monthly bill shall be made within 25 days of the date of the bill. In the event that the bill is not paid within the 25-day period, the charges become subject to a 1.5% late payment charge per month.

Proposed Effective Date: July 1, 2003
Effective Date: JUL [illegible]
Docket No. DOCKET NO. [illegible]

Superintendent

Town of Madison
Department of Electric Works

Rate Schedule LP
Seventh Revised Sheet 1

Large Power Service

Availability

Distribution service under this rate is available for loads of 25 KW or more, on a continuous year-round basis for commercial and industrial service, and public buildings such as hospitals, schools, churches, and community halls for all uses including lighting, heating and power subject to the established Terms and Conditions of the Department.

Type of Service

Single-phase, and three-phase, 60 hertz, at available secondary voltages. Motors having a rated capacity in excess of five horsepower must be approved by the Department.

Monthly Rate

The monthly bill for service rendered shall be the sum of the Minimum Charge which includes 50 kWh of delivery service; the T&D rate per kilowatt hour for all additional kWh; the Conservation Assessment as described in Rate CA; and the Transmission Adjustment as described in Rate TA. The charges are as follows: N

Minimum charge	$4.76 per month
T&D rate	$0.03369 per kWh

Any customer whose annual consumption is ten (10) per cent or more of the utility's total system consumption in the preceding calendar year is subject to a charge equal to the currently effective T&D rate per kWh levied on seventy (70) per cent of the customer's highest monthly consumption in the preceding twelve months.

Facilities Charge

When service is provided to welders, x-ray machines or other equipment having similar electrical demand characteristics, an additional monthly charge of $2.50/kVa of transformer capacity necessary to provide such service will be made.

Proposed Effective Date: July 1, 2003
Effective Date: JUL 01 2003
Docket No. DOCKET NO. 03 385

Superintendent

Large Power Service (Cont'd)

Temporary Service

Temporary service such as service to construction jobs, fairs and carnivals shall be supplied in accordance with the foregoing rates except that the customer shall pay, in addition to the foregoing charges, the total cost of installing and removing service less the value of materials returned to stock. The Department will retain ownership of all equipment.

Primary Metering Credit

At the option of the Department, the customer may be metered at primary voltage rather than secondary voltage, in which case the kilowatt hour consumption will be reduced by two percent (2%) when determining the monthly bill.

Terms of Payment

The above rates are net. Payment of the current monthly bill shall be made within 25 days of the date of the bill. In the event that the bill is not paid within the 25-day period, the charges become subject to a 1.5% late payment charge per month.

Proposed Effective Date: July 1, 2003
Effective Date: JUL 01 2003
Docket No. DOCKET NO. 03-035

Superintendent

Large Power Service (Cont'd)

DELETED

Proposed Effective Date: July 1, 2003
Effective Date: JUL 01 2003
Docket No. DOCKET NO. 03 385

Superintendent

Town of Madison
Department of Electric Works

Rate Schedule SL
Sixth Revised Sheet 1

Street Lighting Service

Availability

Distribution service and fixtures under this rate is available on a year-round basis to the Towns of Madison and Anson for dusk to dawn street lighting purposes. This rate is subject to the established Terms and Conditions of the Department.

Type of Service

Single-phase, 60 hertz, at available secondary voltages.

Rate

Normal service is considered service using the Department's standard luminaires, lamps and brackets not over four feet in length installed on existing wooden distribution system poles having an existing overhead secondary circuit available.

The monthly bill for service rendered shall be the sum of the Charge per Fixture which includes T&D service; the Customer Charge; the Conservation Assessment as described in Rate CA; and the Transmission Adjustment as described in Rate Schedule TA applied based upon the rated number of kilowatt hours per month. N

	CHARGE PER FIXTURE	Monthly kWh
100 Watt HP Sodium	$3.25	65
150 Watt HP Sodium	$4.60	92
200 Watt HP Sodium	$4.99	100
250 Watt HP Sodium	$5.34	107
400 Watt HP Sodium	$8.49	170
175 Watt Mercury	$3.49	74
250 Watt Mercury	$4.90	104
300 Watt Mercury	$6.22	132
400 Watt Mercury (enclosed)	$7.54	160
400 Watt Mercury (open)	$7.54	160
Anson Blinkers	$3.41	
Madison Blinkers	$7.55	

Proposed Effective Date: July 1, 2003
Effective Date: JUL 01 2003
Docket No. DOCKET NO. 03 - 085

Superintendent

Street Lighting Service (Cont'd)

Rate (cont'd)

Customer charge: $3.08 per month

Service to mercury lamps is limited to existing units only. No new mercury lamps will be provided by the Department.

Conditions and Term
of Service

All street lighting equipment including lamps, fixtures, photo-electric controls and necessary street lighting circuits, transformers, poles, guys and fittings will be furnished, installed, maintained and owned by the Department.

Normal lamp replacement will be made by the Department without additional charge, except that any damage to lamps and luminaires resulting from vandalism shall be charged to the customer at cost.

Service to street lights added subsequent to an initial installation will be provided in accordance with all the terms and conditions set forth in this rate.

Maintenance and lamp replacement will normally be performed only during regularly scheduled working hours of the Department. For its convenience and at its sole option, the Department may perform maintenance and lamp replacement at other times.

Terms of Payment

The above rates are net. Payment of the current monthly bill shall be made within 25 days of the date of the bill. In the event that the bill is not paid within the 25-day period, the charges become subject to a 1.5% late payment charge per month.

Proposed Effective Date: July 1, 2003
Effective Date: JUL 01 2003
Docket No. DOCKET NO. 03-035

Superintendent

Town of Madison
Department of Electric Works

Rate Schedule OL
Sixth Revised Sheet 1

Outdoor Lighting Service

Availability

Distribution service and fixtures under this rate is available on a year-round basis for dusk to dawn outdoor lighting, subject to the established Terms and Conditions of the Department.

Type of Service

Single-phase, 60 hertz, at available secondary voltages

Rate

Normal service is considered service with aerial feed not more than 150 feet in length using the Department's standard luminaires, lamps and brackets not more four feet in length installed on existing wooden distribution system poles. For service requiring facilities in excess of normal, an additional monthly charge for such excess will be made.

The monthly bill for service rendered shall be the sum of the Charge per fixture which includes T&D service; the Customer Charge; the Conservation Assessment as described in Rate CA; and the Transmission Adjustment as described in Rate Schedule TA applied based upon the rated number of kilowatt hours per month. N

	CHARGE PER FIXTURE	Monthly kWh
100 Watt HP Sodium	$3.14	65
150 Watt HP Sodium	$4.45	92
200 Watt HP Sodium	$4.83	100
250 Watt HP Sodium	$5.17	107
400 Watt HP Sodium	$8.21	170
175 Watt Mercury	$3.69	74
250 Watt Mercury	$5.18	104
400 Watt Mercury (enclosed)	$7.97	160

Customer charge: $3.08 per month

Proposed Effective Date: July 1, 2003
Effective Date: JUL 01 2003
Docket No. DOCKET NO. 03-083

Superintendent

Outdoor Lighting Service (Cont'd)

Rate (cont'd)

Service to mercury lamps is limited to existing installations except where expressly requested by the customer for a minimal quantity to continue the color in use.

The customer shall pay an additional charge for installation of poles required to serve lamps located on other than existing distribution system poles owned by the Department at the rate of $2.00 per month per pole.

Customers with existing lighting time clocks shall pay an additional charge of $2.20 per month. This provision is closed and no new time clocks will be provided by the Department.

Conditions and Term
of Service

All outdoor lighting equipment including lamps, fixtures, photo-electric controls and necessary street lighting circuits, poles, guys, and fittings will be furnished, installed, maintained and owned by the Department.

Normal lamp replacement will be made by the Department without additional charge, except that any damage to lamps and luminaires resulting from vandalism shall be charged to the customer at cost.

Maintenance and lamp replacement will normally be performed only during regularly scheduled working hours of the Department. For its convenience and at its sole option the Department may perform maintenance and lamp replacement at other times.

When a customer requests a change in existing outdoor lighting equipment that has not reached the end of its normal useful life, the customer will be required to pay for any relocation costs of the equipment.

Terms of Payment

The above rates are net. Payment of the current monthly bill shall be made within 25 days of the date of the bill. In the event that the bill is not paid within the 25-day period, the charges become subject to a 1.5% late payment charge per month.

Proposed Effective Date: July 1, 2003
Effective Date: JUL 01 2003
Docket No. DOCKET NO. 03-085

Superintendent

Town of Madison
Department of Electric Works

Rate Schedule CA
Original Sheet 1

Conservation Assessment

The Conservation Assessment is a surcharge applied to all energy sold by the Department to its customers to pay for the Department's costs of the Maine Public Utilities Commission's conservations assessment.

N

Conservation Assessment: $0.0006 per kWh

Proposed Effective Date: July 1, 2003
Effective Date: JUL 01 2003
Docket No. DOCKET NO. 03 323

Superintendent