REDACTED VERSION
PURSUANT TO 35-A M.R.S.A. § 704(5)

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2000-401

June 20, 2000

Appeal of Consumer Assistance Division Decision #1999-6345 Regarding Central Maine Power Company

ORDER ON APPEAL

WELCH, Chairman; NUGENT, and DIAMOND, Commissioners

I. Summary

In this Order we uphold the March 22, 2000 decision of the Consumer Assistance Division (CAD) regarding **[customer's]** dispute with Central Maine Power (CMP) and we direct CMP to refund **[customer]** $87.04.

II. Background

[Customer] enrolled in the Electric Lifeline Program (ELP) on February 12, 1998. She qualified to receive a monthly credit of $26 for the period of February 1998 through January 1999. She received these credits until October 1998 when she moved to a new location. The ELP arrangement was then transferred to the new location and recalculated according to CMP's terms and conditions to a new monthly credit of $48. CMP applied this new $48 credit to **[customer's]** account for both November and December 1998. On December 21, 1998, **[customer]** closed her account with CMP.

Throughout the term of the ELP, **[customer]** paid more than she owed on her account and carried a credit balance for the entire period. When she terminated the account in December 1998, the account balance showed a credit of $199.68.

When **[customer]** closed her account, CMP removed the ELP credits for November and December (totaling $96), leaving a credit balance on her account of $103.68, which it then refunded to **[customer]**. **[Customer]** contacted CMP to protest the refunded amount and to seek an additional payment of $96. CMP defends the removal of the November and December ELP credits and now claims that it erroneously refunded **[customer]** the remaining $103.68. CMP maintains that **[customer]** should not have received any refund because the credit balance at the time her account was terminated was less than the total amount of ELP credit applied to her account during her period of enrollment in the program. CMP later supplied CAD with its form entitled "*When to refund $ for*

ELP customers" that contains the formula it uses to determine when an ELP customer is eligible for credit balance refunds.

On January 25, 1999, **[customer]** contacted CAD for assistance concerning her failed attempts to obtain payment from CMP for the full credit amount of her account. CAD issued its decision on March 22, 2000 directing CMP to refund an additional $96.00 to **[customer]**. CMP appealed this decision on March 27, 2000.

III. Discussion and Decision

CMP argues that when an ELP account is closed, it will refund to the customer only the portion of the credit balance that is attributable to customer payments. CMP will not refund any portion of the credit balance that is attributable to the ELP program. The formula CMP uses to calculate a customer refund takes the total amount of credit balance showing in the account (T) and subtracts the total amount of ELP credits applied to the account (E). Where T is less than E, the whole amount gets rolled back into the ELP program. Where T is greater than E, the customer is refunded only the amount in excess of E. In the case before us, T equals $199.68 and E equals $330, so CMP claims it owed the customer no refund. We find this method of accounting to be unreasonable and inconsistent with the terms of the ELP program.

Section 33 of CMP's Terms and Conditions describes the Residential Electricity Lifeline Program. Part V provides for participating customers to receive a flat monthly credit and makes the customer responsible for all charges "in excess of the flat monthly credit." Section 33 does not specifically address the issue of a customer credit refund. There is no provision dealing with the form or the formula referenced by CMP in its denial of **[customer's]** refund. There is no language that would give notice to ELP applicants of the potential loss of any credit balance remaining at the termination of their account. Given that the issue is not specially addressed for ELP participants, we expect CMP to treat ELP customers like any other customer.

[Customer's] share of monthly charges owed to CMP under the ELP program equals $564.28. **[Customer]** paid $755 on her account during the same period. Simple math shows the amount of her overpayment to equal $190.72, of which $103.68 has been refunded. The remaining refund owed to **[customer]** equals $87.65.[1]

While there is no explanation for the customer's motivation for consistent overpayment of her account, it is not a practice that should be penalized by forfeiture of the credit balance. We agree with CMP's contention that ELP credits

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[1] We are modifying CAD's refund of $96.00 to reflect the actual amount of customer credit.

should not be converted to cash, but we find the reverse situation equally unacceptable.

We direct CMP to revise its ELP accounting practices and take into consideration the amount of customer credit accrued after the application of the monthly ELP credit and the satisfaction of the customer's share of the bill. We also direct CMP to review all of its ELP accounts dating back to January 1, 1998 and to refund all customer credit balances that were calculated using the incorrect practices brought to light by this case. The Commission expects a full report and accounting in accordance with this Order within 30 days of its receipt. If CMP is unable to comply within 30 days, it may request an extension in writing from the Commission fully explaining its failure to meet the terms of this Order within the allowable time period.

The findings of CAD in this case were reasonable. Therefore, we uphold CAD's March 22, 2000 decision with the above-mentioned modifications and decline to investigate this matter further.

Dated at Augusta, Maine, this 20th day of June, 2000.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent
Diamond

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 30 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 Civil Procedure, Rule 73, et seq.

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.