

**STATE OF MAINE  
PUBLIC ADVOCATE OFFICE**

**ANNUAL REPORT  
JULY 1, 2008 to JUNE 30, 2009**



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## **A. INTRODUCTION: SAVINGS FOR RATEPAYERS IN 2008-2009**

During the period of time covered by this annual report (7/1/08-6/30/09) the Public Advocate Office was deeply involved in advancing and protecting the interests of Maine's utility customers in a number of significant matters and cases. Among these were:

- Working to resolve major problems with FairPoint's Operating System Support (OSS) system, and to get that system to function properly for the benefit of its Maine customers.
- Consideration of the Maine Power Connection transmission proposal from Maine Public Service Co. and Central Maine Power (CMP) to bring wind energy out of Aroostook County.
- Evaluation of the Maine Power Reliability Project (MPRP) proposed by CMP to upgrade their bulk power system for improved reliability.
- Pursuing reforms in the Independent System Operator-New England (ISO-NE) system, including creation of a regional public advocate, and consideration by the ISO of the cost impacts of their decisions on consumers.
- Negotiating, in conjunction with the Maine Public Utilities Commission (PUC), to save Maine electric ratepayers \$4,125,000 by extending the schedule by which Maine Yankee will collect the cost to repay a loan from the Spent Fuel Disposal Trust Fund.
- Providing additional assistance to low income electric ratepayers by proposing and advocating for a 13% increase in Low Income Assistance Program funding for customers of 10 Maine electric utilities.

As a result of these and other efforts by the staff of the Public Advocate Office, the rates paid by Maine consumers were set by the Public Utilities Commission at annual levels that we estimate to be at least \$25 million lower than they would have been in the absence of our advocacy. These savings, when added to our previous efforts over the prior 26 years, reflect a total savings of \$506.4 million, as described in greater detail in Attachment A. This \$506.4 million total includes both litigated outcomes involving no other party as well as multi-party settlements which the Public Advocate Office negotiated with other intervenors. You will find the cumulative savings produced over the past 26 years on page 35 of Attachment B.

There are additional, but hard to quantify, savings which may be attributable to the work of the Office of Public Advocate over the past fiscal year. In the Natural Gas area it would include our advocacy to lower the cost to ratepayers of Northern Utilities' cast iron pipe replacement, which has yet to be quantified, and the two year "stay out" before proposing a rate increase which we negotiated with Unitil as part of the settlement agreement allowing them to acquire Northern Utilities. In the Telecom area, there are

savings due to the publication of the Ratewatcher Telecom Guide which are difficult to calculate because individual customers do not report to us on the savings they achieve.“

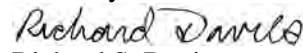
July 31, 2009

Dear Maine consumer of utility services,

The just-concluded fiscal year has been very challenging, both because of the difficult utility cases before the Maine PUC, and because of the impact of the economic recession on the Maine economy. We have wrestled with the problems which accompanied the move from Verizon to FairPoint as the telephone utility for most Maine people; worked to determine whether Maine should leave or stay in ISO-NE; and struggled with the issue of upgrading Central Maine Power’s bulk power transmission system, among other issues.

No matter how complex or difficult the issues, we will always strive to do our very best to represent the interests of Maine’s utility consumers. If we can assist you, your family or your business with a utility problem, do not hesitate to contact our Office – electronically, by mail, in-person at our Hallowell office, or by telephone at 287-2445.

Sincerely,

  
Richard S. Davies  
Public Advocate

## **B. ADVOCATING FOR UTILITY CONSUMERS IN MAINE SINCE 1982**

The Office of Public Advocate began operations 27 years ago, with a mission set by the Maine Legislature to represent the interests of the “using and consuming public” in proceedings at the Public Utilities Commission, the Maine Legislature, at federal agencies, and in state and federal courts. Since our creation in 1982, the Office has made its top priorities the lowering of utility bills for consumers and improving the quality of service from utilities. While these goals have not changed measurably over the years, where and how we work to achieve these goals have evolved and changed considerably, and the tasks we perform have changed in line with the changes we see occurring in the utility world.

	2002	2003	2004	2005	2006	2007	2008	2009
<b>A. Federal/regional advocacy % of staff direct time</b>	13%	17%	24%	9%	11%	7%	4%	7%
<b>B. Maine-based in-state advocacy % of staff direct time</b>	87%	83%	76%	91%	89%	93%	96%	93%

In the recently-completed fiscal year covered in this report our Office focused primarily on tasks, initiatives and proceedings taking place in Maine. The three most significant utility proceedings during the past year were the implementation of FairPoint Communications' takeover of Verizon's northern New England landline business and the resulting problems with their new "back office" operating system, the consideration of whether it is in Maine's interest to leave ISO-NE or remain, and the proposal from Central Maine Power to upgrade their bulk power transmission system. Our Office played a significant role in each of these important matters, though all three cases remain works-in-progress as of July 31, 2009.

Significant among the many other matters in which we were engaged were:

- The "Maine Power Connection" transmission proposal to bring wind energy from Northern Maine
- The purchase of Northern Utilities natural gas utility by Unitil, a small New Hampshire-based gas and electric utility
- A significant price reduction for basic telephone service in the new FairPoint service area
- A petition from Time Warner and Pine Tree Networks to lift the Rural Exemption from four rural telephone companies and require that they interconnect with the petitioners' systems
- Settlement of a Maine Yankee rate case before the Federal Energy Regulatory Commission (FERC)

These significant cases come on top of more than six dozen other active cases at the Maine PUC in which the Office is a party. This is not to suggest we haven't been active before federal agencies like the Federal Communications Commission (FCC) and the Federal Energy Regulatory Commission, or involved with regional, national and international matters where they affected Maine consumers' interests, though the percentage of our time devoted to involvement in regional and national matters has been lower this past year than in recent years. This is due more to the fact that a very large portion of our time has been devoted to many important Maine matters. Here are just two examples of our regional and national activities: Wayne Jortner was recently reappointed by Chairman Martin of the Telecommunications Commission to serve another term on the Universal Service Administrative Company, overseeing the collection and allocation of \$7 billion in federal surcharges supporting low-income, telemedicine, library Internet and related programs; and Richard Davies, the Public Advocate, has been named by Governor John E. Baldacci as Maine's Joint Representative in carrying out a Memorandum of Understanding with Premier Shawn Graham of New Brunswick on electricity interconnections.

## **C. ELECTRICITY CASES AT THE MAINE PUC**

**1. Maine Power Reliability Program (MPRP)** - On July 1, 2008, Central Maine Power Company filed for a Certificate of Public Convenience and Necessity from the Commission to build the MPRP, a major investment in its bulk power transmission system. At year's end, the case was still in process. If approved as requested, the MPRP would result in 350 miles of new power lines, three new substations, several expanded substations and many other additions to CMP's current system. It would be the largest utility investment in state history. The estimated cost is \$1.5 billion. If "socialized" throughout New England, CMP ratepayers would pay a little over 8% of the cost. Since the case was filed, ninety-five parties have intervened, including power generation owners, environmental organizations, municipalities and many people whose land is next to where new lines are proposed to be sited. There have been many "technical conferences," two public hearings and many reports and other filings at the Commission.

In January, we filed the testimony of the two expert witnesses hired to assist us with this case. Each opined that CMP's interpretation of mandatory planning standards was faulty, resulting in an exaggerated "need." Since then, the Commission Staff has required CMP to do extensive modeling using less stringent assumptions about standards. As of June 30, 2009, there was no litigation schedule, and some preliminary discussions about settlement, but no clear picture of what a negotiated outcome might look like.

**2. Downeast Reliability Project (DRP)** - In January, Bangor Hydro filed for a Certificate of Public Convenience and Necessity from the Commission to build the Downeast Reliability Project, a 36-mile long power line between the Ellsworth and Harrington areas aimed at reinforcing that part of its transmission system that feeds power to the Downeast portion of Bangor Hydro's system. Much of the current system is very old and is "radial" meaning that when there is a fault on part of the line, the whole line goes down because power cannot come from other sources. Bangor Hydro estimates that its proposed project would cost \$67.9 million, only 2.7% of which its customers would pay if it is "socialized" throughout New England. Compared to MPRP, there are very few intervenors in this case. There have been a few technical conferences. Using the expert advice of an engineer we hired to review Bangor's filing, we have agreed that there is a need for this line and filed testimony to that effect on July 17, 2009.

**3. Saco Bay Area Transmission Project** - This case came to a conclusion in the fall of 2008, following two years of protracted process involving both litigation and settlement efforts. After the collapse of settlement discussions in the summer, the case went to hearing at the end of October. We decided not to put in the testimony of our expert since it supported the construction of line through an area of Scarborough and Old Orchard that we had since determined would be more disruptive to local abutter's than CMP's proposed solution. Following briefs, reply briefs and an Examiner's Report, the Commission deliberated the case by approving CMP's request to build the line as originally proposed.

**4. Maine PUC Orders Maine Transmission Owners to Stay in ISO-NE for at least 2 more years.** - In June 2009, the Maine Public Utilities Commission issued its final order in the case that examined whether Maine's Transmission Owners (TOs), Central Maine Power and Bangor Hydro Electric Company, should exercise their right to terminate their membership in ISO New England. After two years of exhaustive investigations, the Commission concluded that the Maine TOs should maintain their membership for at least two more years, beginning in February of 2010.

After examining various proposed alternatives to continued membership in ISO-NE the Commission concluded that Maine's best option for Maine's ratepayers at this time is to remain in ISO-NE while continuing to work towards additional reform. Our office supported the Commission's conclusion. Reform efforts to date have included some incremental progress in the areas of ISO-NE governance and transmission cost containment.

In the area of the ISO-NE governance reform, ISO-NE agreed to adopt a mission statement that included cost considerations. ISO-NE adopted the phrase "cost-effectiveness" which was weaker than the "lowest reasonable cost" language proposed by the MPUC, the Vermont, Connecticut and New Hampshire Commissions, and the Maine OPA. Our office also proposed the concept of a regional consumer advocate. The ISO as well as other NE advocate offices were resistant to the proposal. Instead there was the creation of a consumer liaison group, the purpose of which is to establish a forum for the sharing of information between ISO-NE and consumers. The goal is to allow consumers and their representatives an opportunity to better understand the complex stakeholder system that is the framework for decision making at ISO-NE and through that process to gain a better understanding of consumer issues.

In an examination of the proposed alternatives to continued membership in ISO-NE, the Commission concluded that those alternatives were either not viable or did not result in significant cost savings. The Commission found that, though viable, the Maine Independent System Administrator (MISA) option did not provide tangible economic benefits for the foreseeable future. In addition the Commission noted that this option lacked a day-2 market, thus presenting a step backwards in terms of energy market development. The Commission highlighted that to meet Maine's energy vision of integrating new renewable power resources into the supply mix Maine needs sophisticated, competitive electricity markets. The Commission also referred to the growing federal action aimed at bringing vast quantities of Midwest wind to the east coast and stressed the importance of remaining within the New England ISO-NE in order to participate in a concerted and cohesive regional response by New England that will be required to thwart efforts at the national level to impose costs of Midwest wind and coal on New England ratepayers.

In its ruling, the Commission emphasized that their decision to have the Maine TOs remain in ISO-NE should not be interpreted as a decision that efforts at reform at ISO-NE have come to an end. The Commission expects the TOs to remain actively involved in pursuing the reforms set forth by the Commission in its earlier order in the case. Those

reforms include, governance, transmission cost allocation and transmission cost containment. The Commission directed its staff to facilitate the collaboration of the Maine stakeholders which will be necessary to actively pursue the continued reforms.

**5. CMP's Advanced Metering Infrastructure (AMI) Case** - Following upon an agreement at the end of the last fiscal year that resolved CMP's request for a new Alternative Rate Plan (ARP), the Commission set up a schedule for resolving the remaining issue in that case, CMP's AMI initiative. We strongly opposed AMI as proposed by CMP because of the enormous cost and the fact that it is an immature technology. In this Phase II, we agreed to continue to discuss with Commission Staff, the Company, and other parties the issues in the case. In September, the Company announced that it no longer sought to install AMI in its territory. However, the Commission Staff continued to push for the Company to pursue AMI. At the end of the fiscal year, the Company was preparing to file for Department of Energy grant money under the American Recovery and Reinvestment Act; the DOE has control of funds specifically aimed at "smart grid" initiatives. The Commission was preparing an order approving AMI conditioned upon CMP's receipt of sufficient grant money to tip the AMI cost/benefit test in ratepayers' favor. On the assumption that such grant money was available, we did not oppose the conditional order.

**6. Maine Power Connection** - In July of 2008 Maine Public Service Company and Central Maine Power Company filed a petition for a certificate of public convenience and necessity to build a 345kV electric transmission line from Limestone to a CMP interconnection near Detroit, Maine. The line would have enabled the development of the Aroostook Wind Energy (AWE) Project, a proposed 800MW wind energy project. The project known as the Maine Power Connection would have provided the first direct electrical connection between northern Maine and the southern New England power grid. This connection had raised serious concerns regarding the project's adverse impact on the rates of northern Maine ratepayers.

In February of 2009, the Commission granted a motion to dismiss the case filed by Eastern Maine Electric Cooperative, Houlton Water Company Van Buren Light and Power District and the Industrial Energy Consumer Group. The Commission based its decision upon information provided by the project sponsors indicating that the System Impact Studies being performed by ISO-NE had indicated some unanticipated "significant impact" on the system resulting from the project as proposed. AWE reported that given the cost estimates they would not proceed with the system impact studies. The case was dismissed without prejudice and may be brought before the Commission again. There has been some discussion since the dismissal of a project to be developed which would be smaller in scope. However, there has been no renewed filing.

**7. CMP: New Service Installation Metric** - Our office participated in a settlement of this case whereby a new service installation service quality metric was arrived at for use in CMP's approved ARP 2008 rate plan. The metric will serve to track CMP's "on time service" for providing distinct types of new service, such as line extensions.



**8. CMP Line Extension Case** - The Commission is continuing its investigation into the length of time it takes CMP to complete its line extensions and the cost of these extensions. The litigated case will be completed by October. The legislature also passed a resolve that directs the Public Utilities Commission to convene a stakeholder group to study the practices of investor-owned utilities with respect to new utility line extension construction and how these practices affect private line extension contractors. The resolve requires a report no later than February 15, 2010.

**9. Approval of CMP's Issuance of Securities, First Mortgage Bonds** - CMP requested and it was approved for CMP to issue up to \$250 million in First Mortgage bonds and a "shelf registration" to provide authorization to issue up to \$1 billion for this class of securities with further approval. The issuance is secured by a first mortgage lien on all its plant property and equipment.

**10. CMP Annual ARP Adjustment Case** - Pursuant to the terms of the ARP 2008, CMP's rates are to be adjusted each July 1. Our Office participated in this case wherein CMP's request to increase its distribution delivery rates by 10.5% was reduced to 6.76%. The bulk of this reduction is related to an issue in the case that has been deferred for further litigation. CMP is seeking to recover \$11.8 million spent in response to an ice storm that occurred in December of 2008. We agreed with Commission Staff that CMP should not recover this entire amount because some of the damage from the storm would not have occurred if CMP had done adequate tree trimming in the months and years leading up to the storm. CMP disagrees. In the interim, we agreed to allow CMP to put into rates one third of this amount. In the event CMP wins the case and is allowed to recover the whole amount, it will simply put in one third of the amount next year, and the balance in the third year. If CMP loses, rates will be adjusted in accordance with the amount ordered by the Commission.

**11. Iberdrola "Affiliated Interest" Case** - The OPA together with the Commission and other parties is attempting to elicit information from Actividades de Construccion y Servicios ("ACS"), a Spanish construction company that is a shareholder of Iberdrola, which in turn is the ultimate parent company of Central Maine Power Company. ACS has acquired voting rights to more than 10% of the shares of Iberdrola and as such is required to report and acquire approval of the Maine PUC.

**12. Kennebunk Light & Power Rate Increase** - Kennebunk Light & Power sought a 19% increase in its delivery rates, brought about, ironically, by the success of its customers, particularly the school department, in cutting back on electricity usage. The increase was needed in order for the consumer-owned utility to meet expenses. We supported the increase, and it was approved by the Commission.

#### **D. TELECOMMUNICATIONS MATTERS**

**1. Rate Decrease for "New" FairPoint's Customers** - In August, FairPoint implemented a \$90 million rate reduction (\$4.60 per month for most residential customers and \$6.00 for most small business customers) that we negotiated at the time of

its acquisition of Verizon-Maine. The December bills included a retroactive credit for rate reductions that were to commence on August 1. This rate reduction is the result of seven years of work by OPA attorneys, who had to bring two appeals to the Maine Supreme Court in order to have a rate case that ultimately resulted in the negotiated settlement, which included substantial contribution by Verizon.

**2. FairPoint Cutover From Verizon Operational Support Systems** - After substantial delay, FairPoint's cutover from Verizon's systems began on January 31, 2009. It soon became apparent that these systems were not functioning as intended.

Shortly after cutover, Public Advocate Staff began to handle an unusual number of calls, and spent a considerable amount of time responding to calls from FairPoint customers who were having trouble with their requests for phone service or DSL service. As FairPoint itself admitted when it filed its "Stabilization Plan," the service-order problems and the service-provisioning problems stem from the fact that the computer software programs designed for FairPoint to use after cutover are not well designed. Those computer programs do not flow into each other and pass information along, as they should. In addition, if an address is entered that has more detail than originally given to Verizon, the work order is kicked out, and sometimes the address is not delivered to the FairPoint employee who is assigned to install the new service. FairPoint suggested that it would resolve these problems by the end of June, but failed to do so. We began to actively investigate the source of the problems and anticipate the negative customer service and financial ramifications from these systems. Public Advocate Staff attended a hearing that was held at the NH PUC to inquire about these issues.

**3. Liberty Report** - The Public Advocate actively monitored the reports of Liberty Consulting, a firm hired by the state commissions to monitor FairPoint's cutover process and assess the preparations by FairPoint for the January 31, 2009 cut-over from Verizon to FairPoint.

**4. FairPoint – Ongoing Problems in Service Provisioning Billing & System Design** - As problems began to worsen, two of the important competitive local exchange carriers (CLECs) submitted letters to the Commission in support of our letter and data requests noting that FairPoint's problems are problems created by poor system design and asking the Commission to manage more actively FairPoint's efforts to recover from its ongoing service and system development problems.

The PUC's hearing examiner issued an order sustaining FairPoint's argument that FairPoint not be required to respond to OPA recent data requests about the causes of FairPoint's ongoing service problems, and about FairPoint's current financial status. We were also concerned about reports that FairPoint is intentionally making certain network elements less available to competitive carriers than was the case with Verizon.

**5. FairPoint's Request to Exclude Service Quality Data** - FairPoint asked the Commission to exclude SQI data for the one-week period after the Verizon-to-FairPoint service "cut-over" that took place on January 30-31. FairPoint made that request

explaining that it had no access to its customer-service computer systems for a one-week period after cut-over, and therefore was unable to measure its performance under the metrics included in the Company's retail Service Quality Index.

**6. FairPoint's Financial Condition** - FairPoint asked to renege on a provision of the acquisition agreement requiring specific payments to reduce its debt burden. We were quite concerned about this development and closely monitored FairPoint's worsening financial results. FairPoint has a liquidity problem resulting from delayed billing and higher than anticipated costs. As a result, FairPoint asked permission to be relieved of its obligation to make the first debt reduction payment, as required under the terms of the stipulation negotiated in December 2007, later adopted by the Commission. To alleviate its liquidity problem, FairPoint suspended its dividend payments to shareholders – the very remedy that the stipulation provides in the event that certain financial benchmarks were not met. Given FairPoint's action in suspending the dividend, and its continued commitment to achieve the full debt reduction required by the end of 2009, we filed comments that supported their request on certain conditions. Our conditions included assurances and remedies with respect to a variety of other performance issues, as well as a hearing to be conducted by the Commission to scrutinize further FairPoint's financial and operational circumstances.

**7. Requests for Hearings** - The Public Advocate asked the Commission to hold hearings to require FairPoint to explain its customer service shortcomings and financial outlook. We attended a two-hour hearing at the Maine PUC in which (only) the PUC Commissioners and their Advisory Staff questioned FairPoint representatives and (its subcontractor) Capgemini representatives about the sources of the continuing problems that FairPoint is having with its service-provisioning systems. In its answers, FairPoint focused on the need to improve training and the number of customer service people. The PUC's questioning failed to identify what we thought were the more likely sources of the continuing problems -- i.e., (a) the failures in the 60 new service-provisioning software products that FairPoint and Capgemini created to replicate the 600 system-ordering programs formerly used by Verizon; (b) the customer-service personnel working for FairPoint are not well trained and do not yet know how to operate its new systems; and (c) FairPoint management has failed to respond to the problems in a systematic way. That is, FairPoint did not appear to recognize the extent of its problems. It appeared to be sitting in chaos and not working through its service orders. It failed to do simple tasks such as number-porting or installing loops.

After the first hearing by the Maine PUC, which did not allow for participation by parties, we made a filing asking for substantially more active scrutiny of FairPoint. We attached a series of data requests seeking information that was not elicited from FairPoint at the hearing. We continued to receive a high volume of consumer complaints about FairPoint. Some of these complaints were of an urgent nature involving many weeks of waiting for installation of phone service. Having sought discovery and the application of an appropriate degree of scrutiny during these difficult times for FairPoint and its customers, we remained handicapped by FairPoint's refusal to answer our written questions, following a hearing wherein the Commission did not allow parties to actively

participate. After a motion for protection from the Public Advocate's questions, FairPoint was granted that protection by the Commission.

**8. FairPoint -- Request to Waive Certain Data from PAP and C2C Reporting -** We filed comments in response to FairPoint's "Request to Waive Certain Data from PAP and C2C Reporting." These penalty provisions were ordered by the Commission in order to assure that FairPoint's wholesale customers would not be harmed by FairPoint's failure to deliver adequate wholesale service and order provisioning. We opposed the waiver for several specific performance metrics. We urged the Public Utilities Commission not to grant the general waiver that FairPoint was seeking because Fairpoint's grounds for seeking the waiver were based on the unacceptable premise that it could not provide the required data because the new systems that it had designed do not generate the required data. We were concerned that the request to waive penalties is another symptom of FairPoint's distressed financial condition.

**9. FairPoint -- New Hampshire PUC -- Technical Conference -** Public Advocate Staff traveled to New Hampshire and participated in the technical conference held at the NH PUC on the financial condition of FairPoint. The key concern was that FairPoint's loss of access lines to Time Warner, resulting reductions in revenues -- in combination with the tightness of the economy -- will make it difficult for FairPoint to meet the interest-coverage requirements under the terms of its bonds. At the end of the second quarter -- i.e., June 30, 2009 -- FairPoint's lender-banks could have considered FairPoint to be in default of its debt agreements but FairPoint successfully restructured some of its debt instruments at that time.

**10. Complaint Concerning FairPoint's Practices -** In addition to the many problems being caused by FairPoint's new operational systems, we have noticed that FairPoint has intentionally adopted certain policies that are not in the interests of its customers and also, not in its own interests. In addition, we have discovered that FairPoint has failed to fully comply with the stipulation's provisions relating to DSL pricing. As a result, we have sent a letter to FairPoint's counsel, advising him that we intend to make a formal filing with the Commission unless FairPoint agrees to resolve these issues immediately. The issues we named include, the DSL pricing issue, new restrictive policies governing the furnishing of network elements needed by wholesale customers, and failure to provide meaningful information on FairPoint's website. We further noted that FairPoint's television advertising fails to capitalize on some of the strengths that FairPoint has -- new lower prices and the most reliable type of telephone network.

**11. Lincolnton Telephone -- Proposed Sale to Shepard Hill, Inc. (Shirley Manning) -** In July, we participated in a meeting with representatives of Lincolnton Telephone and with the MPUC Staff, in which we reviewed the terms of the proposed sale of Lincolnton Telephone, and its subsidiary, Tidewater Telephone. The two organizations are being sold to Shirley Manning, the CEO of both organizations. At the meeting, the Staff and the Public Advocate outlined concerns about the transactions, and the Public Advocate suggested several conditions to be adopted if the sale is to occur.

Those conditions include a freeze on current local rates, and a promise by Lincolnville Telephone that it will not seek recovery in rates either for goodwill or for any acquisition adjustment. After two telephone calls on successive days, we came to an agreement with the Companies and submitted a stipulation to the Commission under which the “reorganization” will be approved on the conditions that (a) the costs of reorganization and its transactions will not be recovered in rates, (b) the value of the Companies will not be increased to match the purchase price, and (c) the Companies will not seek to increase their rates for two years. The purchase/sale transaction occurred in August.

**12. Pioneer Telephone Offers Discount to Prospective Maine Customers -** For many years the Telecom Ratewatcher Guide produced by the OPA has recommended to our readers that they consider Pioneer Telephone and Touchtone for their long distance telephone service providers (Pioneer in the area formerly served by Verizon, and Touchtone in areas served by independent telephone companies). Both companies provide lower per-minute long-distance rates than any of Maine’s local telephone companies or the large long-distance companies. Pioneer offered to give OPA \$20 for each Maine customer who switches their long distance service to Pioneer. We declined their offer because it could affect our independent judgment of Pioneer going forward, but we suggested that they offer a \$20 discount to any Maine customer who switched to Pioneer. They agreed, and the Maine AG assisted us in drafting a Memorandum of Understanding to implement this offer. Beginning last August, any Maine customer who calls or emails Pioneer to switch their service and says they are doing so on OPA’s recommendation will get a \$20 credit on their long distance bill.

**13. Otelco Purchase of CRC Companies -** Otelco Communications purchased the local telephone companies that serve the Shapleigh area and the New Gloucester/Gray areas. Otelco is already the parent of Mid-Maine Communications, which, like CRC, owns both incumbent telephone companies and competitive local exchange carriers. We negotiated a stipulation of settlement which allowed Otelco to acquire the parent of two of Maine’s local exchange carriers. Among the tentative benefits we negotiated were build-out of faster DSL (6Mbs), lower priced DSL (at 768 Kbs), and a telephone rate freeze for five years. The final agreement also addressed concerns about the high debt leverage of Otelco.

**14. Telephone Surcharge Investigation -** Partly in response to a request from the Committee on Utilities and Energy which recently approved a bill to limit surcharges to those required by state and federal law, we have been investigating the calculation of surcharges on telephone bills. Our initial findings are that there are significant variations between FairPoint’s and Verizon’s methods with respect to the way that various surcharges are calculated. Of even greater concern are the unregulated surcharges applied by wireless and cable providers. In the next legislative session, the Committee may consider expanding the new legislation governing surcharges to wireless and cable providers.

**15. Rural Telephone Companies vs. Time Warner/CRC -- Petition to Lift Rural Exemption -** We intervened and participated in this investigation which was started by

the Commission in order to consider CRC's and Time Warner's request that the Maine Commission lift the federally-based "rural exemption" that bars competition in rural telephone exchanges unless the Commission finds that the competition will not be economically burdensome. We sponsored the testimony of our expert, Dr. Loube, who supports the Time Warner proposal, but only on the condition that the Commission approves a series of recommendations designed to offset the economic burden associated with Time Warner's entry into the market. Dr. Loube also recommended that Time Warner install the technology needed to ensure that its telephone service will not be subject to electric outages.

**16. FCC Universal Service Fund (USF) – Re-Working High-Cost Fund Model -**

We worked with one of our consultants to explore ways to increase federal Universal Service Fund support for Maine. In order to “re-run” the high-cost model with better data, we are in the process of requesting geo-coded line-count data from the federal Universal Service Administrative Company (USAC). Our goal ultimately is to show that Maine's rural telephone companies – including, for the first time, FairPoint – is entitled to greater amounts of the high-cost-subsidy monies. If this effort is successful, we are hopeful that ultimately the rates paid by FairPoint customers in its urban and suburban areas can be reduced, thereby enabling FairPoint to compete with the telephone offerings of Time-Warner. We filed at the Federal Communications Commission our initial comments proposing an alternative mechanism to be used to calculate the amount of high-cost support to be provided to telephone companies in Maine. If adopted, our proposal would generate a substantially higher amount of federal universal-service subsidy for FairPoint, and for Maine's independent telephone companies. We also responded to the comments of AT&T and of Verizon, and we reminded the FCC of the changes that we are proposing -- changes that will increase the amount of USF monies that will be paid to Maine's telephone companies and, in particular, to FairPoint.

**17. Universal Service Fund Board of Directors and FCC Meetings -** Wayne Jortner continued to travel to Washington for board meetings and meetings with senior staff of the Federal Communications Commission each quarter, in his role as board member and treasurer of USAC, the administrator of the federal Universal Service Fund. Maine entities receive over \$51 million from the Universal Service Fund. Two Maine consortiums will soon be receiving substantial additional benefits from the Universal Service Fund (about \$30 million to connect health care providers in Maine, NH and VT) to construct two separate telemedicine broadband networks as part of the rural health care pilot program administered by USAC.

**18. PUC Investigation of its Jurisdiction Over VOIP Providers -** The Public Utilities Commission opened an investigation to determine whether Time Warner Cable (which offers “Digital Phone” service) and Comcast (offering a similar service), or any other facilities-based VOIP provider, should be required, under the Maine statute, to file a request for authorization to provide telephone service. We filed comments supporting the intervention of Maine's telephone companies in this proceeding, after Comcast made three separate filings seeking to exclude Unitel, FairPoint and the Telephone Association of Maine from this case. The two cable companies are suggesting that their "digital"

telephone service is not subject to the jurisdiction of the Maine Commission because that service is carried in part by the internet, and they argue that, therefore, their digital phone service is "interstate" in nature. The applicable Maine statute states: "Cable television companies, to the extent they offer services like those of telephone utilities subject to regulation by the commission, shall be subject to the Commission's jurisdiction over rates, charges and practices,..." The cable companies have argued that PUC jurisdiction is pre-empted by FCC rulings. We filed our final arguments, demonstrating that Time Warner's Digital Phone and Comcast's similar service are telephone utilities under Maine law and that federal law does not preempt the Maine Commission's authority. If we prevail, Time Warner and Comcast will be placed on a level playing field with other telephone utilities. However, neither our Office nor the PUC will attempt to regulate the prices charged by Time Warner and Comcast. We have been awaiting a Commission decision in this matter for many months.

**19. Verizon Wireless Acquisition of RCC/Unicel and Relinquishment of ETC Status** - The Public Advocate and Staff met with representatives of Verizon Wireless which acquired RCC/Unicel, one of Maine's two wireless providers that receive federal support to expand wireless service in rural areas. Verizon Wireless also acquired Alltel, which did not operate in Maine. For reasons relating mostly to the Alltel acquisition, Verizon Wireless decided to relinquish their Eligible Telecommunications Carrier (ETC) designation and thereby forego all future federal support to expand wireless service in Maine and some other states. Unicel had been receiving several million dollars annually to enhance rural wireless coverage in Maine. In addition, by giving up their ETC status, Verizon Wireless eliminated all of the low-income Lifeline discount benefits formerly enjoyed by over 4000 needy customers of RCC/Unicel in Maine. Another effect of this acquisition was that Verizon required all Unicel customers to get new handsets to be compatible with their CDMA technology, as opposed to Unicel's GSM system. Finally, this acquisition reduced competitive options for Maine consumers from five independent wireless carriers to four. Because Verizon Wireless chose not to keep the ETC status, Verizon Wireless was persuaded to agree to extend those discounted lifeline rates for a period of nine months and to grandfather the existing Unicel rate plans.

**20. FCC Filing Seeking To Protect Maine's USF Funding For Wireless Carriers** - We discussed with the PUC the issue of recent federal rulings that will have the effect of reducing Maine's share of federal high-cost support for expansion and improvement of wireless service. Since Verizon Wireless purchased Unicel/RCC and then voluntarily relinquished 100% of its support (after the FCC required a 20% annual reduction), the fund administrator now takes the position that Maine's funding cap is now reduced by that amount. The consequence is that US Cellular, Maine's only remaining wireless ETC, will not be able to significantly expand its share of support or serve more customers unless the cap is expanded to reflect the money relinquished by Verizon/RCC. The PUC made a filing with the FCC seeking to address this, and we made a similar subsequent filing.

**21. Possible Delivery of Prepaid "Lifeline" Telephone Service Through Cellular Providers** - Partly in response to an inquiry from the executive director of Penquis

Community Action Program, we contacted Tracfone to solicit their application to apply to be an Eligible Telecommunications Carrier (ETC) in Maine. If the Commission approves that application, Tracfone would likely offer free handsets and 70 free minutes of calling per month to eligible low income customers.

**22. Advisory Council to The Maine Relay Service (MERS) -- Filing of Complaint Logs at FCC** - Acting on behalf of the Advisory Council to the Maine Relay Service, we filed at the Federal Communications Commission a series of “complaint logs” with respect to MERS calls for the period between June 1, 2007 and May 31, 2008. The logs consisted of the complaint records kept by Hamilton Relay (the relay service provider for Maine), the Maine PUC, and the Maine Center on Deafness (MCD), which provides “outreach” services for the Maine Relay Service. We arranged for the signature of a one-year extension of the contract under which Hamilton Telecommunications provides telecommunications relay service.

**23. Advisory Council to the Maine Relay Service -- Attendance at NASRA (TEDPA) Conference** - Bill Black attended the annual conference of the National Association of State Relay Administration (NASRA) which was held in Massachusetts. Bill Black is the Public Advocate member of the Advisory Council to the Maine Relay Service (MERS), which manages the operations of Maine's telecommunications relay service (TRS) for deaf and hard-of-hearing telephone customers. The conference discussed various relay-service issues, including recent orders issued by the FCC, the growth of (and increased costs caused by) video relay service (VRS), Internet TRS and ten-digit numbering, TRS and emergency services, jurisdictional separation of costs, and inmate fraud in speech.

**24. Advisory Council to the Maine Relay Service (MERS)** - We discussed the upcoming cutover to FairPoint telephone service, improvements to customer-focused websites, improvements to answer-speed service standards, and efforts to educate Maine businesses about the advantages that will come from responding to calls made through the Relay Service.

**25. Maine Telecommunications Relay Service** - We filed at the Secretary of State’s Office the annual report due for the Telecommunications Relay Services Advisory Council, including a paragraph that satisfies the new requirement of formulating a mission statement for the Advisory Council.

**26. Ratewatcher Telecom Guide** - Because an unexpectedly large portion of the OPA’s “All Other” budget has been put into two very large transmission cases at the PUC, the new edition of the guide was delayed until the fall of 2009 and was made available online only. The guide, which we try to publish every six months, is read by an estimated 40,000 households in Maine. In it we provide the most up-to-date information on all commercially-available telecommunications services and products available to Maine consumers, including prices for these services.



**27. OPA Staff Offered a “Telephone Clinic” at the Bangor Mall** - In September, the Public Advocate and four members of the staff spent a day at the Bangor Mall providing individuals with a review of their telecommunications bills and recommendations on how these customers could reduce their costs, obtain the quality services they want, or both. We were able to assist a number of individuals in identifying ways to save money by changing the array of telecommunications services they use. We also did interviews with Channels 2, 5 and 7 about our clinic and the work of our office.

**28. WCSH TV “207 ” and Maine Mall Event** - In October, Wayne Jortner appeared as a guest on the 207 show to promote our event at the Maine Mall the following day. Several OPA staffers set up tables at the mall and reviewed bills and answered questions from a steady stream of utility customers who were eager to learn how to save money.

**29. Two Telephone Clinics for Senior Citizens in Aroostook** - In November, the Public Advocate and two members of the staff traveled to Oakfield and Fort Kent on Nov. 6<sup>th</sup> to speak about saving money on their telecommunications bills to gatherings of senior citizens, organized by the Aroostook Area Agency on Aging. The OPA staff also offered individual counseling to attendees where they analyzed their communications bills and offered specific suggestions on how they could reduce their costs; get more appropriate services, or both. We spoke to approximately 120 persons at the two meetings.

**30. Other Phone Bill Clinics** - In December, we staffed an event sponsored by the Southern Maine Agency on Agency to help attendees learn how to save money on their telecommunications services.

## **E. NATURAL GAS MATTERS**

**1. Northern Utilities/Unitil -- Investigation of Possible Cast Iron Replacement in Portland Area** - The Public Advocate does favor a very active safety monitoring program, along with gradual cost effective replacement of cast iron mains. Our view is shared by the management of Unitil. Northern will be actively replacing a number of miles of pipe this summer and we expect to litigate the issues surrounding a program for further replacement later this fall. Wayne Jortner and Bill Black participated in negotiations that will likely result in a commitment by Unitil to replace several miles of cast iron mains in Portland this summer. In the fall, Unitil will file a plan to replace the remaining cast iron mains over a period of time. It is essential that Unitil determine accurate costs and agree to a plan that is very cost-effective because this could result in the largest per-customer rate impact of any utility project in Maine’s history. By some estimates, the cost could rise to \$58 million to be paid for by on 22,000 gas customers. This has the potential to double the rate base of Northern Utilities in Maine. Commission Staff have aggressively pushed for the replacement of all cast iron mains on an accelerated basis, though leaks from cast iron represent a minority of leak causes, and have no resulted in an injury since 1971.

**2. Northern Utilities Installation of Automatic Meters** - In July, NiSource (former owner of Northern) officials flew to Maine to provide us with the latest update on Northern's progress in its meter replacement program. This program was funded in part by our agreement to decrease service quality penalties against Northern. The automated meters are expected to alleviate the service quality problems that were caused by Northern's inability to access many of its meters. That lack of access required estimated billing for extended periods in some cases. As of this fall, the service quality benchmark for monthly accurate metering has been increased and the vast majority of Northern's meters are read electronically.

**3. Proposal to Reverse One Line of Portland Pipeline for Crude Oil Shipments From Montreal** - The Portland Pipe Line Corp. and Montreal Pipe Line Ltd. launched an "open season" to assess interest in reversing the existing 18-inch pipeline to ship Canadian "oil sand-derived" crude oil from Montreal to South Portland. The proposed reversal of this line could begin moving as much as 128,000 barrels per day of western Canadian heavy crude by the end of the 2<sup>nd</sup> quarter of 2010. About 2 years later, the pipeline would accept both light synthetic and heavy grades of western Canadian crude in a two-stream operation, upping their volume to 166,000 barrels per day. This could mean as much as 60.6 million barrels per year. The South Portland marine loading operation is being designed to handle a minimum cargo size of 300,000 barrels. Tankers could deliver the crude to Canadian and US East Coast and US Gulf Coast refineries. The open season is a brief period during which refiners commit to acquiring some or all of the crude reaching South Portland. Binding commitments are due by Sept. 30<sup>th</sup>. If enough commitments are filed, the pipeline companies will go forward to reverse the flow of the smaller of the two pipelines they jointly operate.

The oil industry press is speculating that this proposal has come forward for two reasons: likely better prices for their crude output at South Portland than from alternative pipelines, and delays in planned pipelines to be built from Alberta to Texas to carry tar sands crude to Gulf Coast refiners. What isn't clear is whether the Portland-Montreal pipeline reversal is a long-term development or a short-term development for use only until pipelines from Alberta to Texas make financial sense. The "open season" failed to attract sufficient interest and the project was dropped.

**5. Unitil/Northern – Safety Issues** - In October, we participated in proceedings relating to Northern's addressing of safety issues identified by the Commission, and the apportionment of that responsibility between Unitil and NiSource in the context of the acquisition. We sought to ensure that Unitil and its ratepayers not be left with liabilities from NiSource's failure to comply with safety guidelines. This issue was later settled within the acquisition docket.

**6. Unitil Purchase of Northern Utilities From NiSource** - In September, the Public Advocate and Unitil filed a stipulation under which the acquisition of Northern Utilities (NU) from NiSource would be approved subject to several conditions, including a two-year rate-case stay-out. Among the other benefits and protections that we achieved was a new low-income program to assist those who otherwise wouldn't be able to afford

natural gas this past winter. The Public Utilities Commission's "advisory" staff indicated that they would prefer that the stipulation also include a resolution of the Commission's recently-started investigation of whether and when to replace the sixty miles of NU's cast-iron piping buried in Portland and Westbrook. The PUC advisory staff suggested that Unitil agree to replace all cast-iron piping within seven years. However, that issue was later severed from the acquisition case and is pending in a separate docket. In October, the Commission issued a final order approving the acquisition and the stipulation of settlement negotiated by the Public Advocate. However, the Commission added certain conditions relating to allocation of the costs of certain safety-related improvements that both Companies have objected to after the Commission's previous oral deliberations. After the Commission's Order, we supported a motion for reconsideration by NiSource and Unitil asking the Commission to drop its condition allocating non-monetized safety compliance liability to NiSource. This provision of the Commission's Order was meant to protect ratepayers but was inconsistent with the allocation of liability negotiated by the companies. Unitil and NiSource later agreed on terms of covering the safety remediation costs, setting a generous ceiling for the costs estimated for the safety repairs and improvements. If the ceiling is reached, then, at some point in the future -- after the five-year rate freeze -- Unitil is permitted to propose that the excess costs be recovered from ratepayers.

**7. Northern Utilities, Winter Cost of Gas Proceeding** - In September, we participated in a pre-hearing and technical conference to consider the latest cost of gas adjustment filing Unitil and NiSource have agreed to take on the necessary payment, setting a generous ceiling for the costs estimated for the safety repairs and improvements. If the ceiling is reached, then, at some point in the future -- after the five-year rate freeze -- Unitil is permitted to propose that the excess costs be recovered from ratepayers by Northern. This filing resulted in an approximate 20% increase in the cost of gas for Northern's typical residential customer. Northern earns no profit on the cost of gas and its gas purchase costs are reconciled. The source of these cost increases lie in the national market for natural gas and are largely beyond the control of the Company. Low-income customers received some offsetting benefit as a result of a new low-income assistance program that will allow LIHEAP customers to receive a 30% discount on their total gas bill that was effective last winter.

**8. Meeting with Rep. Pingree, the City of Rockland and FMC BioPolymer** - In November, at the request of Rep. Hannah Pingree, the Public Advocate and Jennifer Puser from OEIS met with the Rockland city manager, the manager of the Rockland FMC plant, and Rep. Pingree to explore the possibility of bringing a natural gas line to Rockland as a way to enable FMC to shift its fuel source from No. 6 oil to gas - as a way to reduce its cost of operations and to reduce its carbon footprint. The Public Advocate advised that the way to get natural gas to Rockland must come from one of the three companies currently offering natural gas services to customers in Maine, most likely from Maine Natural Gas via an extension of their service in Brunswick, or possibly from the Bucksport spur. Jennifer Puser told the company that Office of Energy Independence and Security (OEIS) has an engineer who can help the company evaluate the potential to do a "combined heat and power" project at the plant and use the electricity it would

generate at the plant, or at the Rockland waste treatment plant (where FMC supplies over 50% of the waste stream). OEIS will take the lead in following up on this meeting.

**9. Commencement of Unitil (Northern Utilities) Low-Income Program** - In December, just in time for the heating season, low-income customers of Maine's largest gas distribution company began to receive a 30% discount on their total gas bill. This was the result of our negotiations with Unitil at the time of their request to acquire Northern from NiSource and it represents the first permanent low-income program for customers of Maine's only major gas utility. We believe that this new program was implemented smoothly and were heartened that low-income gas customers in the Portland and Lewiston areas will be able to more affordably heat their homes this winter. This benefit will be in addition to the LIHEAP benefits that these customers already receive.

**10. Northern Utilities Summer Cost of Gas** - In March, we intervened in the semi-annual cost of gas proceeding. This filing resulted in lower costs of gas for the summer season

**11. Maritimes Rate Case at FERC** - In April, we met with representatives of large industrial gas consumers who wish to preserve rate discounts achieved by Maine parties in the last Maritimes rate proceeding. These discounts represent a distance-sensitive rate design reflecting the benefit that Maine customers should receive as a result of the shorter distance of their facilities from the source of the gas in Nova Scotia. In the previous case, refunds of approximately \$3.2 million benefitted Maine's gas fired generators and other large gas customers. This result was made possible by the active intervention of Maine's Executive Branch, including the Public Advocate, as well as the PUC and the industrial gas customers. We agreed to retain a consultant for assistance in negotiating rate discounts for large natural gas customers and Maine's gas distribution utilities who take gas from the MNE pipeline. In July, we intervened in the Maritimes rate case at FERC and are litigating on behalf of Maine customers.

**12. Maritimes and Northeast Pipeline Seeks Authority to Export Gas From US to Canada** - In May, the Maritimes and Northeast Pipeline asked FERC for permission to use its existing border facilities, currently used to bring natural gas from Canada to the US, to be used to export gas from the US to Canada. The Pipeline reports that being granted export rights by FERC will help the company respond to recent shipper inquiries.

**13. Maine Natural Gas** - MNG, one of Maine's two small gas utilities filed for a rate increase and is proposing an increase in distribution rates of 36% over three years. We intervened and obtained expert assistance to analyze this rate filing. According to the filing, MNG, a relatively young start-up gas utility is still earning well below a reasonable rate of return. Accordingly, we may not oppose the proposed rate increase. MNG accepts those low returns in order to remain competitive with competing fuels.

## **F. NUCLEAR WASTE MATTERS**

**1. Agreement close on Maine Yankee rate case at FERC -** Maine Yankee (MY) has to file rate cases with the Federal Energy Regulatory Commission every five years. They are filing their latest rate case on August 1<sup>st</sup> with the primary issue being how they plan to repay a loan from the Spent Fuel Disposal Trust Fund that was taken in order to pay for the construction of the Interim Spent Fuel Storage Installation (ISFSI) several years ago. In the last rate case settlement, MY was allowed to repay the loan, beginning in 2008, and to collect the cost from ratepayers over a two to five year period. This time Maine Yankee proposed collecting the cost of repaying the loan over a two year period, but our office and the PUC staff raised an objection to such a short recovery period because it would result in a higher per-year impact on the customers of the Maine utilities with ownership shares in Maine Yankee. We and the PUC pressed MY to extend the collection period to five years and they have agreed to our proposal. In addition, we learned that there is a surplus in the Decommissioning Trust Fund of \$11 million. To lower the impact of the loan repayment on ratepayers, we and MY have agreed to transfer this \$11 million surplus to the Spent Fuel Disposal Trust to reduce the amount that must be collected from ratepayers to repay the loan. The combined effect of these agreements will reduce the amount MY will assess from Maine utilities by \$4,125,000 this year.

**2. Nuclear Utilities Win Appeal -** In the latest development of a longstanding contract dispute, the U.S. Federal Appeals Court reversed and remanded a trio of cases concerning damages owed to nuclear utilities as a result of the government's failure to build a nuclear-waste facility. The Appeals Court stated the damages awarded were not calculated properly by the Court of Federal Claims. As such it voided \$42.8 million in damages awarded to PG&E Corp.'s Pacific Gas & Electric utility, \$39.8 million to the Sacramento Municipal Utility District and \$142.8 million to three former New England nuclear-plant operators, including Maine Yankee.

The companies originally sought compensation for having to store spent nuclear fuel and high-level radioactive waste past the time the federal government agreed it would begin to do so in a permanent, secure facility.

After being awarded the damages, the firms appealed saying the Federal Claims court did not use the right measurement in calculating the awards. In the case of the Sacramento utility, the Appeals Court also noted an error in allowing the federal government in making deductions from the amount owed to the utility, which owns the Rancho Sero nuclear power plant. Expectations look towards the federal government appealing this decision as it has in losing the first round of claims against it.

**3. Maine Yankee Trust Fund Performance -** Dick Davies participated in a conference call on March 16th with Maine Yankee staff and the investment manager from LCG Investments for the annual review of the investment performance of the Maine Yankee trust fund. The portfolio of the trust fund is divided in half between S&P 500 stocks and a portfolio of investment grade bonds and Treasury bills, with an overall performance for the year of -18.3% on assets valued at \$90,846,836 as of 12/31/08. Not

surprisingly, the stock portion of the mix was down 37.0% for the year, while the bonds were up 5.2% and T bills were up 1.8%. Over the longer term (since 10/1/95) the total portfolio has been up 4.1%. Because trust funds will not be needed until around 2022, there is time for the portfolio to recover.

## **G. MISCELLANEOUS MATTERS**

**1. Customer Credit, Collections and Arrearage Issues** - The rapidly rising level of arrearages with the three major electric utilities, and the problems many customers are having with keeping current with their electric bills has prompted a great deal of concern on the part of both our office and the PUC. On July 25<sup>th</sup>, the PUC hosted a half-day discussion with representatives of six Maine electric utilities to learn what they are doing to reduce arrearages, and to help customers with very high unpaid balances to lower their usage while paying off their arrearages. There is great fear that the rising cost of electricity and the fuel used to produce it, and its impact on electricity customers' ability to pay for the power they use, could create a severe crisis this winter. Ideas were offered on ways to minimize the problem, but none have the potential to solve this growing problem.

**2. Briefing on the Economics of Bangor Hydro's Northeast Energy Link (NEL) Transmission Project** - On August 19<sup>th</sup>, Dick Davies and Eric Bryant participated in a briefing by London Economics International on the economics of NEL, a transmission project being jointly developed by Bangor Hydro and National Grid, that is projected to run from Maine to Boston, and would be supplemented by increasing the transfer capacity of the recently-completed Northeast Reliability Interconnect, a 345 kV transmission line which runs from New Brunswick to Orrington, Maine. The project developers describe the project as providing market access to renewable projects in Maine and tap additional resources in the Maritime Provinces. We asked a number of questions, including several on the benefits to Maine and its ratepayers if the project is built. The representative from London Economics argued there will be significant benefits for Maine, but said there will be similar benefits to other New England states which do not host the transmission line.

**3. OPA Budget** - The filing of applications for two very large transmission cases (totaling \$2 billion), and the unexpectedly high cost for securing expert consultants to assist us with these cases, have required us to move most of our budgeted All Other funds from the 3<sup>rd</sup> and 4<sup>th</sup> quarters of this fiscal year in order to cover our costs in these two cases, leaving us with virtually no resources for other cases in which our office needs to be involved. We expect to request an allocation, as part of the FY'09 Supplemental budget bill in January, to allow us the resources we need to carry out our duties. We will need no General Funds, but only Other Special Revenues which we receive via assessments on all regulated utilities in Maine. In this situation, because the need for additional resources stems from just electric transmission cases, we would like to limit our assessment just to those electric utilities which are proposing these two large transmission cases.

**4. PUC Approves Increased Funding for Low Income Assistance Program** - On August 25<sup>th</sup> the PUC commissioners, at the first deliberations session attended by Commissioner Jack Cashman, approved a 13% increase in the funding (a \$906,000 increase) for the Low Income Assistance Program (LIAP) and directed their staff to quickly prepare the order implementing their decision so it can take effect in time for the coming winter. LIAP is the umbrella program established by the PUC several years ago that includes programs run by ten Maine electric utilities (only very small island utilities are exempted). Each utility program is different and designed by that utility, but must meet minimum standards spelled out in the PUC rules. The additional funding will allow each utility to provide a larger benefit for their low-income customers who qualify for the LIHEAP program, increasing the average benefit from \$175 a year to \$200 a year in electricity bill relief. The relief can take the form of reduced rates, a lump sum bill credit or a monthly bill credit, depending on which utility service territory the customer lives in.

**5. Meeting with developer of a pumped storage generating facility in Wiscasset** - Dick Davies met on Oct. 8<sup>th</sup> with John Douglas of Riverbank Power to learn about a possible 1000 MW renewable energy generation project under consideration for the former Maine Yankee site in Wiscasset. The project would use “pumped storage,” a tested technology, to generate the electricity from ocean water drawn from the Back River and run through turbines located 2000 feet underground and then returned to the river. It would involve digging out a large cavern more 2000 feet underground, much like Hydro Quebec’s “La Grande” facility on James Bay, Quebec. The project takes advantage of the differential value of power during peak or shoulder periods of the day compared to lower valued power available at night. It runs the water through its turbines during peak and shoulder periods, and pumps the water back to the river using wind power during the night when this power costs much less than the power generated during peak and shoulder periods. The Wiscasset site, which has existing 345 KV transmission facilities and railroad connections, is one of 14 sites being evaluated by Riverbank Power. Mr. Douglas rates it as one of the three best sites among the 14 under consideration. He expects that five of these sites will be built.

**6. Meeting with Riverbank Energy and Transmission Developers Inc.** - On October 30<sup>th</sup> Dick Davies and Karin Tilberg convened a meeting of key state energy and economic development officials with the principals of both Riverbank Energy and Transmission Developers Inc., to get a clearer picture of the time lines for their energy projects (a pumped storage generation project in Wiscasset and an underwater high voltage direct current (HVDC) transmission line from Wiscasset to Boston) and to better determine how the state can assist them in getting their projects reviewed by state permitting agencies. Both are in the early stages of development, but hold the promise of helping fulfill the Governor’s goals of producing more renewable energy in Maine and lowering the cost of energy for Maine people and businesses. The pumped storage hydropower generating project would produce 1000 MW of electricity during peak and near-peak periods of each day and use wind energy, during off-peak times when the cost of the wind energy is lower, to pump back to the river the water used to generate the energy. We discussed ways these projects could also benefit Maine through sale of power via long-term contracts and other means.

**7. Meeting w/ Governor’s Staff About Public Safety Answering Points (PSAPs)**

- At the request of Pat Ende, the Public Advocate met with members of the Governor’s staff to help them better understand the current PUC proceeding concerning the four Public Safety Answering Points operated by the Department of Public Safety. The Commission is conducting a proceeding ordered by the Legislature to determine whether the rates charged by these four PSAPs are “just and reasonable.”

**8. Filing Comments at FCC concerning Intercarrier Compensation and Broadband Deployment**

– In Mid-November we worked with our consultant, Dr. Robert Loube, and the chair of the NASUCA telecommunications committee to draft and file comments in response to the Further Notice of Proposed Rulemaking (FNPRM) issued on November 5, 2008 by (now lame-duck) FCC Chairman Martin. Maine has a particular interest in proposing several of the proposals issued by Chairman Martin because, if adopted, they would (a) deprive FairPoint of the high-cost funds that will enable it to deploy broadband telecommunications to more than 90% of its customers, (b) deprive Union River Telephone of the high-cost funds that it is depending on in order to pay for its fiber-to-the-home technology, and (c) remove Maine PUC jurisdiction over the level of FairPoint’s local instate rates.

**9. ISO Responsiveness Working Group**

- On January 12<sup>th</sup>, Eric Bryant and Agnes Gormley attended the kickoff meeting of a new regional stakeholder initiative that will examine ISO responsiveness to consumer concerns. This effort results from a FERC order requiring all Regional Transmission Organizations (RTOs) in the nation to undertake this effort. The ISO must file a final report at the end of April. The issues that arose at this meeting were 1) the attention the ISO is required to pay to cost when it develops and approves the various plans, tariffs and market rules it administers and 2) providing for greater consumer presence on the ISO board. The next meeting is on January 30.

**10. Meeting With TransCanada Re Renewable Portfolio Standard (RPS)**

– On January 14<sup>th</sup> Dick Davies met with representatives of TransCanada, the energy company developing a wind project in Western Maine, about their intent to propose legislation establishing standards for delivery of energy under Maine’s Renewable Portfolio Standard. They believe that energy generators and suppliers wanting to sell renewable energy into the Maine RPS should be obligated to commit to regular delivery of that energy to Maine. Some renewable energy generators and suppliers play the market, selling their energy depending on where they can get the most money for it on any given day. They believe such a law will encourage more development of renewable energy in Maine.

**11. Conference Call with New England Utility Consumer Advocates**

- On January 19<sup>th</sup> the Public Advocate and members of his staff will join their counterparts and Attorneys General from the other New England states in a conference call to discuss several electricity issues including:



- FERC Order 719, which requires ISO-NE to file annual reports each April on its responsiveness to stakeholder concerns
- Price Responsive Demand Response and the need to redesign Demand Response (DR) programs in advance of the 2010 expiration of the existing DR programs
- Uncertainty of load forecasts due to increased participation of demand resources in the Forward Capacity Market, and
- A January 28<sup>th</sup> Consumer Demand Response Summit in Boston, and design of the Demand Response market in New England

**12. NASUCA** - Eric Bryant and Agnes Gormley participated in a NASUCA conference call with various states from California to Texas to the east in an effort to create a "Model RTO Governance" document to present to FERC.

**13. ISO-NE Long-Term Load Forecast** - On February 24<sup>th</sup> morning Dick Davies participated by telephone in an ISO-NE Planning Advisory Committee meeting at which ISO-NE's economic forecasting consultant presented its long term load forecast. Their report showed predicted long term summer and winter peak loads throughout New England will be lower for several years than had been predicted in the 2008 Regional System Plan.

**14. Meeting with National Semiconductor Re: Cost of Forward Capacity Market Charge** - The Public Advocate and PUC Commissioner Jack Cashman met with representatives of National Semiconductor's South Portland plant to hear about the negative impact of the "interim payment" the company has to pay during the run-up to the beginning of ISO-NE's Forward Capacity Market. The company's interim payment is costing it about \$1 million annually, an amount that exceeds their cost for transmission and distribution. They were advised that the Forward Capacity Auctions will bring down the FCM interim charge beginning next year by an unknown amount. Ideas were shared on other ways the company could lower its electricity costs. The Public Advocate will visit the South Portland plant later in March to see the many measures being taken to reduce energy use.

**15. RTO Responsiveness** - On March 29<sup>th</sup>, Eric Bryant attended the seventh and last meeting hosted by ISO pursuant to a FERC Order (719) in which the governance of ISO was discussed. In spite of repeated efforts, the ISO refused to adopt language in its mission statement that would require it to conduct its business in such a way that led to the "lowest reasonable cost." Instead, it put forth language that it would do its business "cost effectively," which in our view gives it the same discretion it now has to err on the side of expensive and unnecessary reliability. It also rejected efforts to have a requirement for even a single Board member with a consumer background. It did agree to publicly post its Board agendas and minutes, but refused to have public Board meetings.

**16. Meeting With Legislators Concerned About How Maine Approves Transmission Projects** - Dick Davies was invited to meet with a bipartisan group of about 25 legislators to talk about the Maine Power Reliability Project, and to take questions. Emerging from the discussion at the meeting was a concern from many of the legislators that Maine approves transmission projects in a backward fashion. These legislators felt that the State ought to have a process for identifying our long-term electricity needs, where our electricity should come from, and what infrastructure is needed to bring the electricity from where it is generated to where it is used. Once this stakeholder process has answered these questions, the state would state what additional infrastructure is needed, and then use a competitive bidding process to hire companies to build or upgrade our electric grid to meet these needs. They expressed concern with the current system used by the PUC because it lets private utilities determine the state's need for electric transmission. They also expressed some interest in the Governor's "Northeast Energy Corridor" proposal because it has the State involved early-on in transmission corridor discussions, but felt it needs to include an earlier needs assessment component.

**17. Consumer Liaison** - On April 29<sup>th</sup> we, along with other New England consumer advocates and attorney generals participated in a telephone conference with ISO-NE staff in the first of what are to be monthly meetings to discuss regional issues of interest and importance to consumer advocates. We also discussed first steps in establishing the Consumer Liaison Group, an entity/process to engage ISO-NE staff in providing information and support to New England advocates and consumers. The goal is to use ISO-NE resources to help consumers and consumer representatives navigate the stakeholder process and understand key issues. The establishment of the Consumer Liaison was one of outcomes of the governance reform efforts we have pursued as part of our ISO-NE reform efforts.

**18. "First in the nation" community renewable energy legislation** - The Utilities and Energy Committee on May 20<sup>th</sup> unanimously approved legislation to provide incentives to small community-based renewable energy generation projects in Maine to encourage them to produce and sell their electricity through long term contracts or other tools intended to expand the production of renewable energy in Maine and stop sending our energy dollars out of the country for fossil fuels. If enacted, it will be the first such bill in the nation.

**19. Discussion of Joint Application for Smart Grid Stimulus Funding** - On June 17<sup>th</sup> the PUC commissioners, the Public Advocate and Maine's three investor-owned electric utilities met to hear a presentation from Prof. Mohamad Musavi, chairman of the Electrical and Computer Engineering Department at the University of Maine, on developing a Smart Grid in Maine, and to discuss the possibility of submitting collaborative applications for stimulus funds for a Smart Grid project. The utilities are now discussing among themselves how to proceed having been encouraged by the PUC commissioners to see if collaboration might be possible. The deadline for applications is the end of July.

**20. Utilities Committee Asks Public Advocate to Examine Billing and Charges by Unregulated Telephone Service Providers** - The Utilities and Energy Committee has written to the Public Advocate to request that the OPA examine whether the provisions in LD 127 concerning prohibiting unlawful telephone charges ought to be applied to other telephone service providers. The committee is concerned that the proliferation of new service providers may be having a negative effect on consumer protection. They have asked for a report with our findings and recommendations by mid-February, 2010.

**21. Web-Based Telephone and Electricity Guides Coming This Fall** - For more than 12 years we have been publishing a very popular Ratewatcher Telecom Guide, full of useful current information about the wide variety of telecommunications services available to Maine people, and sending it to more than 24,000 households. We also publish an Electricity Guide, with information to help electricity users to maximize the benefits and minimize their cost for their electrical service, and send it to more than 5,000 households. Recently our office, as with other state agencies, had to tighten our belt in the face of the current budgetary environment. While our two Guides are very popular, they are not a core function of our office and we stopped publishing both Guides in order to conserve our limited resources. We received a number of calls and emails from readers of the Guides asking us to find a way to continue providing them with this useful information, so we have been looking for affordable ways to continue providing this information. Because of energy efficiency measures we put in place in our office last winter, and by being very frugal with our resources, we've saved enough money to be able to put electronic versions of both Guides on the OPA website for people to read and download. It's not a perfect solution because we know that many of the people who formerly got the Guides in the mail can't access our website. Nevertheless, it is better to make this information available to the majority of our readers in an electronic fashion...at least until we can afford to print and mail copies to those without Internet access.

**22. Broadband Update** - On June 23<sup>rd</sup>, we participated in a presentation by FairPoint with respect to the construction of its next generation broadband network. In some respects, FairPoint is behind schedule but moving along at a reasonable pace. It is apparent that FairPoint's financial challenges have caused some delay in construction of the core network and deployment of new services. FairPoint hopes to have DSL available to 83% of its customers within two years. It is obligated to make it available to 90% of its customers within five years from closing. In addition, FairPoint is applying for approximately \$50 million in federal stimulus funds that would speed up and expand those targets.

## **H. WATER MATTERS**

**1. Addison Point Water District** - In the first half of 2008, the Addison Point Water District filed for a 41.3% revenue increase in its rates. Due to the poor condition of the Water District's finances, and the sorry state of its management, this case had a number of problems. In early August, our office participated in the first technical conference concerning. The principal problem for the District was the fact that for years

there had been only one person active in its management, and that person had not been able to keep records. Hence, the District's finances were in some disarray. At the time of its filing, the District had no records of its revenues or its expenses over the last five years. Furthermore, there were huge leaks in its water system. Out of every ten gallons pumped, only two gallons were sold to customers. The remaining 8 gallons were unaccounted for, and the Water District had not yet been able to find any leaks. At the technical conference, the Public Advocate offered to travel to Addison Point and participate in a public meeting that will be designed to encourage some of the 57 other ratepayers to get involved in management and governance of the Water District.

In late August, together with a couple of intervenors, the Public Advocate organized an evening meeting in Addison so as to inform ratepayers about the Water District's ongoing management problems -- in hopes of encouraging a few people to step up as new trustees. The meeting also addressed a problem involving the Water District's delinquency in payment of a U.S.D.A. loan and possible foreclosure by the U.S.D.A. on a \$221,000 grant. At the end of the meeting, the ratepayers attending made it clear that they tended to favor the proposed increase. However, they asked for another meeting -- to be held three weeks after the Water District has presented its financial data for the 2007 year.

In September we participated in the second technical conference and questioned Water District representatives about its financial records (revenues & expenses) for the year 2007, which had been produced only recently. The District provided explanations for each of its *pro-forma* adjustments

On Thursday, September 25, Bill Black drove down to Addison and met with customers and the Trustees of the Addison Point Water District. The discussion concerned the Water District's high percentage (80%) of unaccounted water, the Trustees' failure to hold annual meetings, the District's need to improve relations with lending agencies, its need to issue audit reports, the need for a new set of trustees, and whether to oppose the proposed 41.3% rate increase. The customers attending the meeting voted unanimously to accept the proposed rate increase. Happily, three of the customers attending that meeting agreed to serve as trustees of the Water District as soon as they could be properly elected. Also, the Public Advocate offered to help the Water District apply for grant funds from the Maine Community Foundation (MCF) in order to seek funds that would enable the APWD Board of Trustees to develop a new charter, new by-laws, a new billing system, and to undertake training in financial record-keeping and in management of water systems. On January 15, 2009, we submitted that grant proposal to the MCF. In mid-May 2009, we learned that The MCF had decided not to fund the grant proposal because the benefits to be gained from the proposal were too narrowly focused -- i.e., the benefits would go only to one small group, the customers of the Addison Point Water District

**2. Dixfield Water Department -- Proposed 29.91% Increase in Revenues -** On April 1, 2008, the Dixfield Water Department filed a proposal to increase its revenues by \$88,387, or 22.91%. On July 1 in Dixfield, the Public Advocate participated in a 90-

minute meeting with the Water Department and discussed key issues involving the Water Department's proposal to finance replacement of its infrastructure by treating those costs as annual expenses. Two members of the Town's Water Advisory Committee -- who were also intervenors -- raised questions about the Department's failure to finance its infrastructure improvements through debt. We also explained to the Department that it had failed to meet the terms of its most recent stipulation and that its data responses did not provide all of the information requested. Thereafter, the Water Department submitted an amended version of its rate filing, electing to increase its contingency allowance by \$12,000 and to request a \$60,000 depreciation allowance. At the technical conference, the Water Department confirmed that it had withdrawn its request to recover annually the \$75,000 cost of replacing transmission mains. A month later, at the conclusion of the second technical conference, negotiations began. The Water Department agreed to accept a revenue increase of \$78,392 (or approximately 28.5%). The Water Department also agreed to terms that acknowledged the importance of involving the Water Advisory Committee in the process of operating the Water Department, identifying the sources of unaccounted-for water and applying for low cost loans in order to finance main-replacement.

**3. Aqua Maine (Skowhegan Division) -- Proposed 16% Increase in Revenues -**

On April 2, 2008, Aqua Maine had filed a proposal to increase the revenues for its Skowhegan Division by \$182,694 (or 16.33%) in additional revenues. In mid-July we participated in a second technical conference that reviewed the Company's responses to data requests. Afterwards, negotiations took place that resulted in a settlement of the case. Under the terms of that settlement, the Skowhegan Division was permitted to increase its revenues by \$177,000 (or 15.82%), and it was agreed that the increase would be effective as of August 1, 2008.

**4. Aqua Maine (Camden & Rockland Division) -- Proposed Two-Step Increase in Revenues of \$290,484 or 6.75% and \$158,909 or 3.69% -**

On May 6, 2008, Aqua Maine had proposed a two-step rate increase for its Camden & Rockland Division. Step One proposed a \$290,484 increase or 6.75% of additional annual revenue to cover increased operating expenses and increased rate base associated with the Company's capital program. Step Two proposed a \$158,909 increase in annual revenue or 3.69% for costs associated with the replacement of the Company's water tank located in Thomaston. In mid-July the first technical conference was held. At that technical conference, the Company indicated that it would withdraw its request for the second-step increase and wait to schedule its next rate case in May, 2009. After the second technical conference, negotiations began. The parties agreed that the Company should be permitted to increase its rates by 6.62% (or \$5,484 less than requested).

**5. Kennebunk, Kennebunkport & Wells Water District -- Rate Design**

**Investigation** - During the course of the year, we participated in the rate design investigation that was convened to resolve ongoing disputes about the rates for year round residential customers and seasonal customers of the Kennebunk, Kennebunkport & Wells Water District. The intervenors included the representatives of several major condominiums and representatives of several golf courses, who were concerned about the

rates proposed for “irrigation customers.” Originally, the Water District proposed to increase the rates for its seasonal customers -- both residential & commercial -- by 30%. Also, KK&W Water District proposed to increase the rates for its irrigation customers as much as 300%, while the rates for annual commercial customers were to increase by 37%. At the first technical conference, the Water District indicated that it would be willing to discuss alternate rate designs. Working with our consultant, Ray Hammond, we developed an alternate, simpler rate design -- one which reduced the minimum allowance, proposed a flat-rate for water usage, provided a discount for below-average use and charged a premium for peak use. In response, KK&W representatives presented calculations indicating that the unfortunate affect of the proposed rate structure would be to increase the rates for annual residential customers by more than 30%. After hours of discussion, KK&W agreed to put together a third rate design proposal -- one that addressed the priorities that the parties had generally agreed to in negotiations. Thereafter, the Public Advocate offered a four-part alternative to KK&W’s current proposal -- suggesting, *inter alia*, a seasonal surcharge, automatic shut-off at-peak provisions for large irrigation customers, and allocation of costs via usage factors. There was no immediate response. Two weeks later, the Water District and the Quilland developers announced that they had come to an agreement with respect to rate design. The Public Advocate asked for several additional concessions, including: (a) removal of the abatement practice, (b) adopting seasonal rates in the next revenue proceeding and (c) instituting a voluntary program for shut-off of irrigation by golf courses and large condominiums during peak production times. Those proposals were adopted, and during the second week of January 2009, the parties signed a stipulation that resolved all issues in the KK&W rate design case.

**6. Madawaska Water District -- Proposed 41% Increase in Revenues -** The Madawaska Water District proposed to increase its revenues by 41% -- an increase driven, for the most part, by the construction of an expensive new water source. After two technical conferences, we initiated settlement discussions with the Water District, after informing the customer intervenors that the negotiations would be focusing only on revenue requirement issues. We offered to settle the case for \$17,500 less than the increase requested by the District. Thereafter, there were a series of lengthy telephone conversations with two key intervenors who argued (incorrectly) that the Water District was using the wrong accounting techniques in support of its rate increase. We participated in other conference calls to resolve outstanding discovery issues. Thereafter, the Water District revised its rate filing upwards. Because it appeared that the Commission Staff would permit the Water District to have its revised rate increase, we suggested to the intervenors that the wiser course would be to accept the Water District’s offer to settle the case for the original amount (\$278,000) of its rate increase. When we made that offer to the Water District it countered by seeking to settle the case for an amount \$5,000 greater than its original filing. Finally, a stipulation was signed that permitted the Water District to increase its rates only by the 41.7% increase originally proposed. We agreed to that original amount because the Water District showed that it had failed to include amounts for depreciation expense and contingency allowance, amounts that it is legally entitled to.

**7. New Portland Water District -- Proposed 26% Increase in Revenues -** The New Portland Water District sought a 26.25% increase in its revenues due to its hiring, for the first time, of a water system “operator,” as required by law. The lead intervenor in the case objected to the increase because he wanted the Water District to return to a system under which the water-operator duties were performed by local volunteers. The intervenor was also concerned that the current set of Water District trustees was not responsive to the concerns and interests expressed by other ratepayers. At the technical conference we suggested that the proposed increase might be reduced if the Water District used its existing cash surplus to pay down a portion of its debt. We also suggested that the costs of the system operator were overstated. At the second technical conference, the Water District offered to settle the case for a 16% increase, rather than the 25% increase originally sought. The Public Advocate and the intervenor accepted that offer.

**8. Anson Water District -- Customer Petition -** In mid-December we received a telephone call from a second customer of the Anson Water District who asked for assistance in preparing petitions to request that the PUC investigate the proposed 33% increase in water rates. As requested, we mailed draft petitions and suggested that the second customer coordinate with the efforts of the customer who had contacted us three weeks earlier. Ultimately, the two customers decided not to submit petitions to the Public Utilities Commission.

**9. KK&W Water District System Development Charge -** In January, the Kennebunk, Kennebunkport & Wells (KK&W) Water District proposed a newly-calculated system development charge (SDC) that was designed to recover the costs caused by customer growth. In the course of several technical conferences, we questioned KK&W’s projections of population growth and its calculations based on including the cost of plant already in service. We suggested that the SDC calculation take into account only plant that remains to be built. Our position was that the calculation method proposed by the Water District had the unfortunate result of understating the system development charge, with the result that existing ratepayers would be forced to make up the short fall in system development costs. We offered to settle the case for an agreement by KK&W to increase its SDC by approximately \$200. (Our calculations showed that the SDC could properly be increased by as much as \$500.) Ultimately, the Quilland developers accepted our suggestion when we offered to implement a two-step system development charge. The first step set the charge at the level originally agreed to by the Water District and the Quilland developers. The second step, to be implemented in 2001, set the SCD at a higher level than originally filed by KK&W, as recommended by our consultant, Ray Hammond. A month later, that two-step system development charge was accepted by the Commission.

**10. Pine Springs Roads & Water Company (PSR&W) -- Rate Investigation -** In May 2009, we reviewed the Chapter 120 filing submitted by the Pine Springs Roads & Water Company (PSR&W), a privately-owned water utility that serves approximately 90 homes in a rural subdivision in northwest Shapleigh. That Chapter 120 filing had been ordered a year earlier in response to complaints by PRS&W customers about the

Company's high rates, harsh service, and poor water quality. Early on, we started a series of telephone conversations with customers in order to explain the PUC process and to provide some idea of what we might be able to accomplish. Because of the size of the utility, the challenge is to obtain data without causing the Water Company too much additional expense. At \$187 per quarter, PSR&W rates are the highest rates in the state for a year round water utility. Our review of the Company's filing found that it had used the wrong methods to calculate its cost of capital, its depreciation expense, its accumulated depreciation and its electric power expenses. The chief problem with the PSR&W rate filing is that it failed to "allocate out" the expenses that PSR&W incurs in order to maintain and service its roads. At the close of the year, the PUC held a lengthy technical conference that reviewed PSR&W's rate filing. Thereafter, no process occurred.



**ATTACHMENT A**

*Summary of Ratepayer Savings, 1982 to 2009*  
*Attributable to Public Advocate Interventions*

<b>1.</b>	<b>FY 09</b>	During FY 09 customers of 10 Maine electric utilities received an increase of 13% in Low Income Assistance Program funding	\$ 906,000
	*	Due to a shift in the schedule by which Maine Yankee will collect the cost to repay a loan from the Spent Fuel Disposal Trust Fund	\$ 4,125,000
	*	As part of CMP's alternative rate plan, CMP's rates are adjusted each July 1 based on a price index formula. On March 13, 2009 CMP submitted its annual filing. Our Office participated in the review of CMP's request to increase its distribution delivery rates by 10.5% effective July 1, 2009. As a result of a negotiated settlement the Company agreed to an overall 5.9% increase in their distribution delivery rates	\$ 1,900,000
	*	FairPoint/Verizon rate reduction a year	\$ 18,000,000
	*	New Unutil Low Income Program	\$ 111,717
	*	Various water utility cases where the OPA was the only non-utility party	\$ 21,178
 <b>2.</b>	 <b>FY 08</b>	 Between July 2007 and July 2008, the Office was able to secure several victories for ratepayers. We helped negotiate lower rate increases for Bangor Hydro than the one originally proposed by the utility, saving \$2.4 million	 \$ 2,400,000
	*	Central Maine Power rate case and the Central Maine Power-Energy East merger with Iberdrola, these two cases led to reductions secured by the office. In the Energy East/Iberdrola that CMP would not pursue its request to recover \$48 million of alleged merger savings associated with the CMP-Energy East merger that was approved in 2002. This savings was realized in the subsequent agreement that resolved the ARP/rate case. In this rate case, we were instrumental in securing a \$20.3 million reduction in rates compared to what CMP requested. The bulk of the reduction was made up of cost of capital numbers	\$ 68,300,000
	*	FairPoint acquisition of Verizon resulted in a rate reduction worth \$90 million over a five year period	\$ 90,000,000
	*	Ratewatcher Telecom Guide is estimated to save people \$5 million a year	\$ 5,552,023
	*	FairPoint/Verizon case, negotiated a reduced debt for FairPoint from the transaction through a payment at closing from Verizon to FairPoint of \$235,500,000	NA
	*	Various water utility cases where the OPA was the only non-utility party	\$ 286,038
 <b>3.</b>	 <b>FY 07</b>	 The PUC is required to review Verizon's AFOR every five years. At the time of the Commission's first review (in 2001), the Public Advocate asked the Commission to investigate Verizon's revenue	

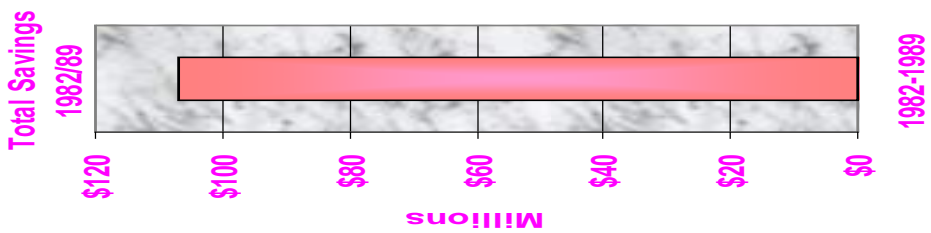
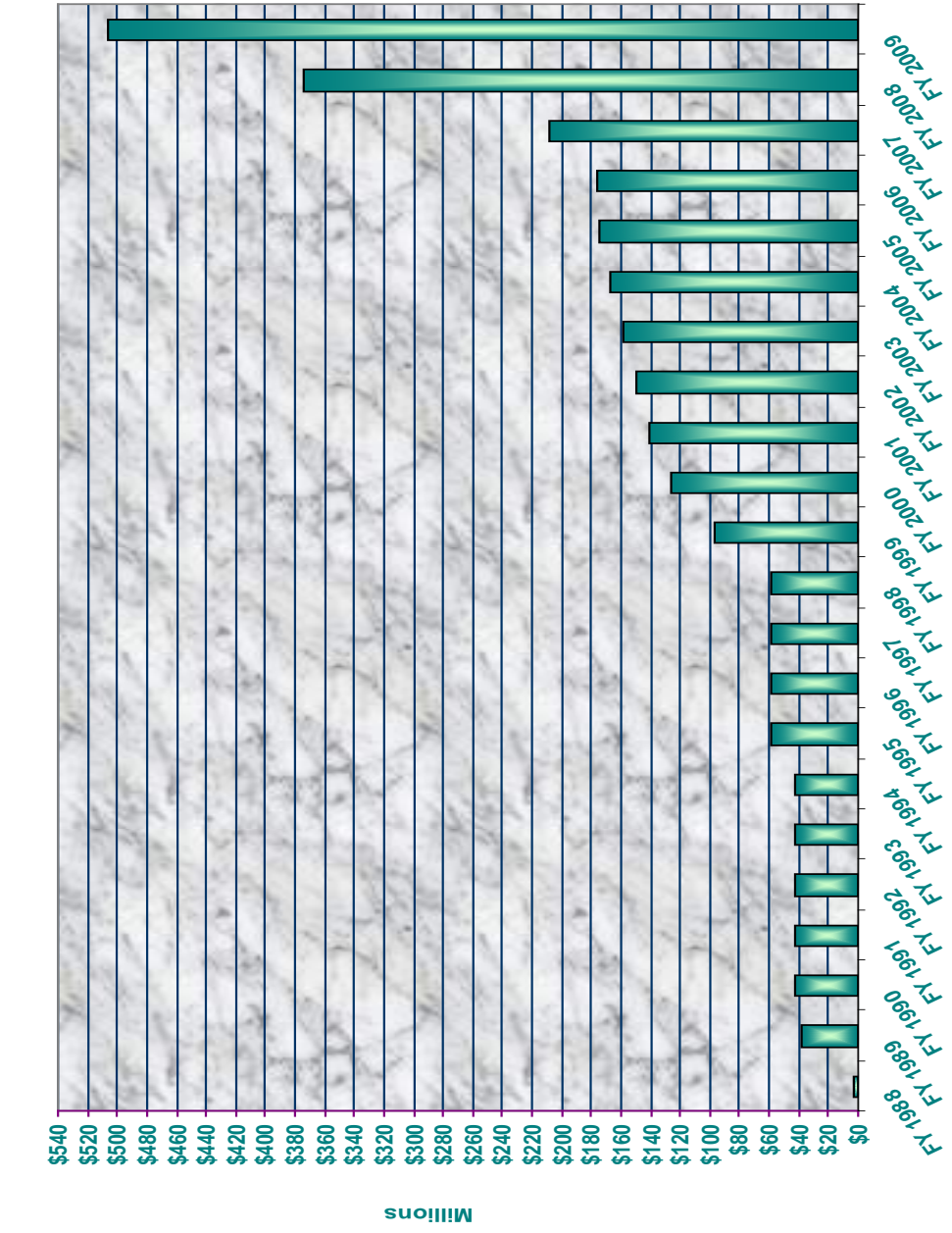
requirement because we had good reason to believe that Verizon was over-earning. The AFOR statute requires that the Commission set local rates under an AFOR that are at, or below, the level of local rates that would be in effect for Verizon under traditional rate-of-return regulation.) In 2001, the Commission rejected the Public Advocate's request for a revenue investigation and permitted Verizon to enter a second five-year AFOR. The Public Advocate appealed that ruling to the Law Court and, in early 2003, the Law Court remanded the case to the PUC directing the Commission to examine Verizon's revenues, as required by the AFOR statute. The finding by the Commission Staff that Verizon has over-earnings of over \$32.4 million. At year-end the Commission had not made a decision as to whether to accept all the recommendations in the Examiner's Report. In addition, the Commission was considering A Stipulation that postponed consideration of the Examiner's Report until the first quarter of calendar year 2008

		\$32,400,000*
*	Various water utility cases where the OPA was the only non-utility party	\$214,182
<b>4.</b>	<b>FY 06</b> Maine Public Service rate case, reduction in final outcome attributable to testimony of OPA witnesses on issues not pursued by any other intervenor	\$ 994,000
*	Bangor Hydro ARP Adjustment, a .46% reduction from BHE's original request where the OPA was the only non-utility litigant	\$ 254,740
*	Maine Yankee incentive case at FERC, 50% share of reduction in final payment attributable to success in multi-party negotiations	\$ 400,000
*	Various water utility cases where the OPA was the only non-utility party	\$ 174,201
<b>5.</b>	<b>FY 05</b> Maine Yankee incentive case at FERC, 50% share of reduction in final payment attributable to success in multi-party negotiations	\$ 400,000
*	Central Maine Power Stranded Cost Case, 25% of the reduction resulting from the agreed-to 3-year levelization of stranded costs due to a 4-party stipulation	\$ 5,552,023
*	Maritimes and Northeast FERC Case, a negotiated discount of \$750,000 annually for Maine users of natural gas in a fund to be administered by the Public Advocate	\$ 750,000
*	Bangor Hydro-Electric Stranded Cost Case, a \$158,259 reduction resulting from an agreement to adopt lowered cost of equity component of carrying charges when the Public Advocate was the only party to file testimony	\$ 158,259
<b>6.</b>	<b>FY 04</b> Central Maine Power ARP Adjustment, a one-year benefit of \$1.33 million in lower rates due to the PUC's adoption of our arguments opposing a retroactive inflation adjustment sought by CMP	\$ 1,330,000
*	Maine Public Service Stranded Costs, a \$6.5 million reduction in amounts deferred for recovery over 2004 to 2008 due to our consultant's testimony with no other parties active in this case	\$ 6,500,000
*	Maine Public Service Distribution Rates, 50% of the difference between MPS's overall increase request of \$1.7 million and the final result of \$940,000	\$ 380,000

7.	<b>FY 03</b> Central Maine Power ARP Adjustment, a 7.82% reduction in distribution rates resulted from a 2001 settlement to which the OPA was the only non-utility litigant and which justifies a 50% share of this reduction	\$ 9,361,552
	* Verizon Sales Taxation Adjustment, at our instigation, Maine eliminated in February 2003 sales tax on a federal portion of Verizon's bills generating \$342,000 savings annually	\$ 342,000
	* Assorted Water Rate Case Savings, the OPA realized savings in rates of \$83,000 in a series of water district rate cases in 2002-2003	\$ 83,000
8.	<b>FY 02</b> Stranded Cost Cases (MPS, BHE, CMP), Maine Yankee's in-state owners agreed to flow back to ratepayers the credit received from Maine Yankee's insurer when the plant ceased operations	\$ 4,654,000
	* Bangor Hydro Rate Case, BHE's rate increase request was Plan which we withdrawn by BHE in conjunction with a 6-year Alternative Rate negotiated for the 2002-2008 period	\$ 6,400,000
	* Telephone Rate Cases, lowered levels of local phone rates for Tidewater Telecom and Lincolnville Telephone as a result of negotiated settlements	\$ 557,000
9.	<b>FY 01</b> Maine Yankee Prudence Settlement (FERC/PUC), two in-state owners of Maine Yankee, CMP and BHE, agreed to acknowledge the increased value of Maine Yankee output in wholesale markets by agreeing to a reduction in recoverable stranded costs	\$ 14,200,000
10.	<b>FY 00</b> CMP T&D Rate Case, Phase II, stranded cost reduction from excess earnings in stipulated resolution accepted by PUC on 2/24/00 ??	\$ 20,000,000
	* Bangor Hydro T&D Rate Case, reduction in final PUC order on items where the only litigant challenging BHE's rate request was OPA	\$ 9,500,000
11.	<b>FY 99</b> CMP T&D Rate Case, Phase I, reduction in final PUC order on items where the only litigant challenging CMP's rate request was OPA	\$ 28,000,000
	* Maine Yankee Rate Case/Prudence Review (FERC), settlement of decommissioning case resulted in a \$19 million reduction of wholesale charges, 50% to be flowed-through to CMP, BHE, MPS. Also potential \$41 million reduction in stranded costs billed by MPS through 2008.	\$ 9,500,000
12.	<b>FY 97</b> Consumers Maine Water Rate Case, \$8,000 reduction in final rate increase awards for Bucksport and Hartland where no other party filed testimony	\$ 8,000
13.	<b>FY 95</b> NYNEX Rate Case, \$16.6 million reduction based on items proposed by no other party and adopted by PUC in final order	\$ 16,600,000
14.	<b>FY 91</b> Bangor Hydro Rate Case, \$800,000 in lowered rates based on items by no other party and adopted by PUC on final order	\$ 800,000
15.	<b>FY 90</b> CMP Rate Case, \$4 million reduction based on recommendations not duplicated by any other party which were adopted in the final order	\$ 4,000,000

16.	<b>FY 89</b> New England Telephone Settlement, \$5 million reduction in intra-state where magnitude would have been less without our participation	\$ 500,000
*	CMP Rate Case, only party to file for motion to exclude CMP's late filed attrition testimony, motion granted 12/22/89	\$ 35,000,000
*	Isle au Haut, instrumental in bringing telephone service to island	NA
17.	<b>FY 88 and prior</b>	
*	Bangor Hydro Rate Case, provided sole rate of return testimony	\$ 2,000,000
*	Maine Yankee Rate Case, (FERC), successfully proposed equity return at 11.9% and flow-through of \$1.5 million settlement with Westinghouse	\$ 750,000
*	Portland Pipeline Cases, successfully intervened at FERC, PUC, DOE Natural Energy Board (Canada) for approval of new gas supplies	NA
*	Seabrook Cases, negotiated agreement for \$85 million write-off by CMP and for PUC and FERC approval of sale of Seabrook shares	NA
*	CMP Conservation Programs, worked closely with CMP, PUC and OER for design of new industrial and residential conservation programs	NA
*	Rate Cases: Maine Public Service, 1982 - litigated	\$ 2,000,000
	Eastern Maine Electric Coop. 1983 - litigated	\$ 200,000
	New England Telephone 1983 - litigated	\$ 10,000,000
	New England Telephone 1984 - stipulated	\$ 20,000,000
	Northern Utilities, 1981 - stipulated	\$ 100,000
	Northern Utilities, 1983 - stipulated	\$ 1,000,000
	Central Maine Power Co., 1982 - litigated	\$ 5,000,000
	Central Maine Power Co., 1984 - stipulated	\$ 10,000,000
	Central Maine Power Co., 1986 - stipulated	\$ 20,000,000
18.	Total FY 89-FY 06, excluding settlements	\$ 127,980,000
19.	Total FY 89-FY 09, Including Settlements	\$ 399,477,070
20.	Prior Savings, including settlements, FY 82-FY 88	\$ 107,050,000
21.	Total, excluding settlements, FY 82-FY 09	\$ 152,035,434
22.	Total, Including Settlements, FY 82-FY 09	\$ 506,527,070

Cummulative Savings in Rates 1988 to 2009



**Maine Speaking Engagements, Continuing Education  
& Developmental Training  
July 2008 through June 2009**

**A. William Black**

- September 3, 2008: Maine Telecommunications Users Group – Brewer, ME
- September 29, 2008: Bangor Mall Telephone Clinic – Bangor, ME
- September 27, 2008: Maine Telecommunications Users Group – South Portland, ME
- October 3, 2008: Maine Relay Services for the Deaf (Advisory Board) Augusta, ME
- October 15, 2008: Maine Mall Telephone Clinic, Portland, ME
- October 17, 2008: Continuing Legal Education, South Portland, ME
- December 3, 2008: Maine Telecommunications Users Group – South Portland, ME
- December 5, 2008: Maine Relay Services for the Deaf (Advisory Board) Mackworth Island, ME
- December 8, 2008: Continuing Legal Education, Orono, ME
- February 4, 2009: Maine Telecommunications Users Group – South Portland, ME
- March 4, 2009: Maine Telecommunications Users Group – South Portland, ME
- March 5, 2009: Continuing Legal Education, Portland, ME
- March 6, 2009: Maine Relay Services for the Deaf (Advisory Board) Mackworth Island, ME
- April 1, 2009: Maine Telecommunications Users Group – Augusta, ME
- May 28, 2009: Maine Telephone Users Group Annual Conference, Portland, ME
- June 5, 2009: Maine Relay Services for the Deaf (Advisory Board) Mackworth Island, ME

**B. Eric Bryant**

- July 23, 2008: Continuing Legal Education, Augusta, ME
- December 19, 2008: Continuing Legal Education, Portland, ME

**C. Mary Campbell**

- September 29, 2008: Bangor Mall Telephone Clinic – Bangor, ME
- October 15, 2008: Maine Mall Telephone Clinic, Portland, ME
- October 27, 2008: Telephone Clinic, Aroostook Area Aging, Caribou, ME
- November 6, 2008: Telephone Clinic, Aroostook Area Aging, Oakfield & Fort Kent, ME

- November 10, 2008: Telephone Clinic Franklin Memorial Hospital (SeniorPlus), Farmington, ME

**D. Richard Davies**

- July 17, 2008: MaineWatch (MPBN TV show) re: FairPoint update
- September 6, 2008: Community Television Network TV show on the Office of Public Advocate w/ Rep. Anne Haskell
- September 29, 2008: Bangor Mall Telephone Clinic – Bangor, ME
- October 15, 2008: Maine Mall Telephone Clinic, Portland, ME
- October 27, 2008: Telephone Clinic, Aroostook Area Aging, Caribou, ME
- November 6, 2008: Telephone Clinic, Aroostook Area Aging, Oakfield & Fort Kent, ME
- November 13, 2008: Spoke to group of Lewiston-area abutters of the MPRP project about their rights and how to be involved in the MPRP case
- January 15, 2009: MaineWatch TV show on PUC decision on whether Maine transmission utilities would stay in or get out of ISO-NE
- March 20, 2009: Spoke to senior officials and the operators of National Semiconductor’s energy systems about state energy and utilities law and how National could take advantage of those laws

**E. Wayne Jortner**

- September 3, 2008: Maine Telecommunications Users Group – Brewer, ME
- September 16, 2008: Radio Show, WMPG (USM), Portland, ME
- September 27, 2008: Maine Telecommunications Users Group – South Portland, ME
- September 29, 2008: Bangor Mall Telephone Clinic – Bangor, ME
- October 9, 2008: Telephone Clinic, speaker (SeniorPlus), Oxford, ME
- October 15, 2008: Maine Mall Telephone Clinic, Portland, ME
- October 23, 2008: Telephone Clinic, speaker (SeniorPlus), Fryeburg, ME
- November 5, 2008: Maine Telecommunications Users Group – Lewiston, ME
- November 6, 2008: Telephone Clinic, speaker (SeniorPlus), Rumford, ME
- November 14, 2008: Telephone Clinic Murray Hall (SeniorPlus), Livermore Falls, ME
- December 3, 2008: Maine Telecommunications Users Group – South Portland, ME
- December 30, 2008: Telephone Clinic Southern ME on Aging at Bonny Eagle High School
- February 4, 2009: Maine Telecommunications Users Group – South Portland, ME
- February 10, 2009: Presentation to Association of Retired Accountants, Augusta, ME
- March 4, 2009: Maine Telecommunications Users Group – South Portland, ME
- March 5, 2009: Continuing Legal Education, Portland, ME
- March 17, 2009: Channel 8 TV Interview, Auburn, ME

- April 1, 2009: Maine Telecommunications Users Group – Augusta, ME
- April 16, 2009: Presentation to Senior Citizens, Hallowell, ME
- May 28, 2009: Maine Telephone Users Group Annual Conference, Portland, ME

**F. Patty Moody-D'Angelo**

- September 29, 2008: Bangor Mall Telephone Clinic – Bangor, ME
- October 3, 2008: Maine Relay Services for the Deaf (Advisory Board) Augusta, ME
- October 15, 2008: Maine Mall Telephone Clinic, Portland, ME
- October 27, 2008: Telephone Clinic, Aroostook Area Aging, Caribou, ME
- November 6, 2008: Telephone Clinic, Aroostook Area Aging, Oakfield & Fort Kent, ME
- November 10, 2008: Telephone Clinic Franklin Memorial Hospital (SeniorPlus), Farmington, ME
- November 24, 2008: Telephone Clinic w/Southern ME on Aging (Sanford High School) Sanford, ME
- December 4, 2008: Telephone Clinic w/Southern ME on Aging, Scarborough, ME
- December 5, 2008: Maine Relay Services for the Deaf (Advisory Board) Mackworth Island, ME



*Regional and National Meetings and Conference  
July 2008 through June 2009*

1. Universal Service Administrative Company (Washington, DC) July 27-31, 2008;  
October 26-30, 2008; January 26-30, 2009; April 26-30, 2009  
Wayne Jortner
2. Michigan State IPU Regulatory Studies Program (Lansing, MI) August 3-8, 2008  
Agnes Gormley
3. National Association for State Relay Administration Conference (Lowell, MA)  
September 16-19, 2008  
Bill Black
4. Michigan State IPU Regulatory Studies Program (Lansing, MI) Oct. 8-13, 2008  
Bill Black
5. National Association of Water Companies (Newcastle, NH) Nov. 13-14, 2008  
Bill Black
6. National Association of State Utility Consumer Advocates (New Orleans)  
November 14-20, 2008  
Wayne Jortner
7. Independent System Operator-NE RTO Mtg. (Boston, MA) January 12, 2009  
Agnes Gormley, Eric Bryant
8. Independent System Operator-NE RTO Mtg. (Springfield, MA) January 30, 2009  
Agnes Gormley, Eric Bryant
9. Independent System Operator-NE RTO Mtg. (Marlborough, MA) Feb. 5, 2009  
Agnes Gormley, Eric Bryant
10. Independent System Operator-NE RTO Mtg. (Westborough, MA) Feb. 23, 2009  
Agnes Gormley, Eric Bryant
11. Independent System Operator-Training (Northampton, MA) March 22-23, 2009  
Agnes Gormley
12. Independent System Operator-NE RTO Mtg. (Boston, MA) March 23, 2009  
Eric Bryant
13. Independent System Operator-NE RTO Mtg. (Boston, MA) March 23, 2009  
Eric Bryant
14. Public Utilities New Hampshire – Hearing on FairPoint (Concord, NH) April 3,  
2009, June 9, 2009  
Wayne Jortner  
Bill Black
15. NEPOOL Mtg. (Washington, DC) April 26-30, 2009  
Wayne Jortner
16. National Association of State Utility Consumer Advocates (Boston, MA)  
June 28-30, 2009  
Bill Black  
Eric Bryant  
Wayne Jortner

**124th LEGISLATURE, 1<sup>st</sup> SESSION**

OPA position adopted: 20 71.5%  
 OPA position rejected: 8 28.5%  
 Bills OPA testified on: 28 100.0 %

**LD# Bill Title**

**0043 An Act to Promote Consumer Fairness in Alternative Energy**

Sponsor: Bryant (Windham)

Description: *net metering*

OPA position: *nf/na* Committee action:

**ONTP**

**0044 An Act to Require Transmission Lines to be Placed Underground near Certain Facilities**

Sponsor: Valentino

OPA position: *oppose* Committee action:

**OTPA**

**PL, Ch. 309**

**0055 An Act to Prohibit the Commercial Sale of Water by a Water District**

Sponsor: Martin

OPA position: *oppose* Committee action:

**ONTP**

**0073 An Act To Protect the Right To Use Solar Energy**

Sponsor: Hinck

Description: *drying laundry*

OPA position: *support* Committee action:

**OTPA**

**PL, Ch. 273**

**0120 An Act To Clarify the Criteria for Provision of Assistance to Low-income Customers of Natural Gas Companies (OPA)**

Sponsor: Hobbins

Description: *Allows PUC to use criteria other than federal/state fuel assistance to determine the eligibility of natural gas low income customers for assistance.*

OPA position: *support* Committee action:

**OTPA**

**PL, Ch. 35**

**0127 An Act to Prohibit Telephone Line-item Charges Not Representing Services Requested by the Customer or Required by Law**

Sponsor: Adams

OPA position: support      Committee action:

**OTPA**

**PL, Ch. 36**

**0146 An Act To Require Telephone Directories To Include Cellular Telephone Numbers for Businesses**

Sponsor: Richardson

*Description: at the request of the customer*

OPA position: nf/na      Committee action:

**ONTP**

**0147 An Act to Facilitate the Protection of Electric Utility Consumer Interests in Public Utility Commission Cases Involving the Construction, Rebuilding or Relocating of Transmission Lines (OPA)**

Sponsor: Hinck

*Description: filing fee for OPA in CPCN cases*

OPA position: support      Committee action:

**OTPA**

**PL, Ch. 26**

**0220 An Act To Increase the Availability of Solar and Wind Power**

Sponsor: Bartlett

*Description: increases upper limit of T&D charge for the programs from .005 to .01.*

OPA position: nf/na      Committee action:

**OTPA**

**PL, Ch. 88**

**0238 An Act Regarding Consumer-owned Water Utilities and Contracts for Water Extraction and for the Sale of Water**

Sponsor: Legg

*Description: public hearing and majority vote required before sale can occur.*

OPA position: nf/na      Committee action:

**OTPA**

**PL, Ch. 37**

**0276 An Act To Protect the Integrity of the State’s Carbon Dioxide Budget Trading Program and Auction Process and To Provide Allocations to the Energy and Carbon Savings Trust Fund**

Sponsor: Bartlett

*Description: Amends FOIA “public records” definition to facilitate participation in auction.*

OPA position: none

Committee action:

**OTPA**

**PL, Ch. 200**

**0314 Resolve, Directing the PUC to Study the Feasibility of the Merger of Certain Utilities**

Sponsor: Martin

*Description: MPS and NBP*

OPA position: nf/na

Committee action:

**ONTP**

**0334 An Act to Clarify the So-called Dig Safe Law**

Sponsor: Sykes

OPA position: nf/na

Committee action:

**ONTP**

**0335 Resolve, Regarding Legislative Review of Portions of Chapter 2: Administration of Trust, Budgeting, Project Selection Criteria and Procedures, Monitoring and Evaluation Requirements, a Major Substantive Rule of the Energy and Carbon Savings Trust**

Sponsor: Hinck

*Description: Major substantive rule*

OPA position: support

Committee action:

**OTPA**

**Resolve 19**

**0336 Resolve, Regarding Legislative Review of Portions of Chapter 313: Net Energy Billing Rule To Allow Shared Ownership, a Major Substantive Rule of the Public Utilities Commission**

Sponsor: Hinck

*Description: Major substantive rule*

OPA position: support

Committee action:

**OTPA**

**Resolve 20**

**0396 An Act Regarding Installation of Solar Energy Systems under the Solar and Wind Energy Rebate Program**

Sponsor: Nutting

*Description: Allows homeowner to install so long as electrical or plumbing inspector from municipality approves.*

OPA position: support      Committee action:

**ONTP**

**0407 Resolve, To Change the Uses For Funds For Conservation Programs**

Sponsor: Plowman

OPA position: oppose      Committee action:

**OTPA**

**Resolve 18**

**0543 An Act Concerning The Allocation Of Power Generated By GNE, LLC**

Sponsor: Clark

OPA position: support      Committee action:

**Carried Over**

**0596 An Act To Allow Electricity Customers Who Operate Generating Facilities To Be Paid In Cash For Excess Net Energy Produced**

Sponsor: Martin

OPA position: nf/na      Committee action:

**ONTP**

**0608 An Act To Protect Electricity Consumers In Northern Maine**

Sponsor: Sherman

OPA position: support      Committee action:

**OTPA**

**PL, Ch. 285**

**0615 An Act To Strengthen Landowner Rights in Certain Eminent Domain Situations**

Jud Sponsor: Marrache'

OPA position: nf/na      Committee action:

**ONTP**

**0651 Act Act To Amend The Wind Energy Rebate Program Eligibility Requirements**

Sponsor: Browne

OPA position: Qual. support      Committee action:

**ONTP**

**0764 An Act To Allow Municipalities To Offer Access To The Internet Through Digital Subscriber Lines**

Sponsor: Saviello

OPA position: nf/na

Committee action:

**ONTP**

**0766 An Act To Promote Telecommunications Availability For The Deaf And Hard Of Hearing**

Sponsor: Wagmer

OPA position: support

Committee action:

**OTPA**

**PL, Ch. 68**

**0789 An Act To Make Certain Changes To The Laws Regarding E-9-1-1 Surcharge Collection From Prepaid Wireless And Voice Over Internet Protocol Providers**

Sponsor: Flaherty

OPA position: support

Committee action:

**ONTP div rpt**

**0790 An Act To Waive Public Utilities Commission Approval Of Special Contracts When The Contracts Apply To Detariffed Rates Or Terms**

Sponsor: Hinck

OPA position: support

Committee action:

**OTPA**

**PL, Ch. 66**

**0792 An Act To Encourage Small Business Energy Efficiency**

Sponsor: Raye

OPA position: support

Committee action:

**OTPA**

**PL, Ch. 49**

**0844 An Act To Reduce Costs For Customers Of Northern Maine Consumer-owned Utilities**

Sponsor: Cleary

OPA position: support

Committee action:

**OTPA**

**PL, Ch. 108**

**0845 An Act To Expand Access To Efficiency Maine Rebate Programs**

Sponsor: Adams

OPA position: support      Committee action:

**OTPA**

**Resolve 131**

**0850 An Act To Ensure Local Broadband Coverage**

Sponsor: Pingree

OPA position: oppose      Committee action:

**OTPA**

**PL, Ch. 63**

**0908 An Act To Authorize Efficiency Maine To Conduct A Pilot Conservation Program**

Sponsor: Valentino

OPA position: nf/na      Committee action:

**OTPA**

**Resolve 75**

**0954 An Act To Clarify The Role Of The Public Advocate**

Sponsor: Thibodeau

OPA position: oppose      Committee action:

**OTPA**

**PL, Ch. 399**

**0968 An Act Regarding New Utility Line Extension Construction**

Sponsor: Fletcher

OPA position: nf/na      Committee action:

**OTPA**

**Resolve 69**

**1012 An Act To Establish The Maine Broadband Commission**

Sponsor: Dill

OPA position: none      Committee action:

**OTPA**

**Resolve 108**

**1030 An Act Establishing a Wind and Solar Energy Loan Guarantee Program**

Sponsor: Bryant

OPA position: nf/na

Committee action:

**ONTP**

**1044 An Act to Promote Cogeneration of Energy at Maine Sawmills**

Sponsor: Flectcher

OPA position: nf/na

Committee action:

**OTPA**

**Resolve 81**

**1052 An Act to Allow the Use of Net Metering for Energy Production by Consumers**

Sponsor: Siloir

OPA position: oppose

Committee action:

**ONTP**

**1061 An Act to Improve Maine's Renewable Portfolio Standard**

Sponsor: Bliss

OPA position: support

Committee action:

**OTPA**

**Resolve 51**

**1075 An Act to Promote Community-Based Energy**

Sponsor: MacDonald

OPA position: support

Committee action:

**OTPA**

**PL, Ch. 329**

**1114 An Act to Facilitate the Marketing of Power Produced by Small Generators**

Sponsor: Van Wie

OPA position: support

Committee action:

**OTPA**

**PL, Ch. 197**

**1152 An Act to Amend the Laws Governing Certain Reports and Reviews Related to Utilities and Energy and Certain Positions at the Public Utilities Commission**

Sponsor: Hinck



OPA position: support      Committee action:  
**OTP**

**PL, Ch. 122**

**I 155 An Act to Make Certain Changes to the Laws Governing Approval for Transmission Lines (PUC)**

Sponsor: Hobbins  
OPA position: support      Committee action:  
**OTP**

**PL, Ch. 123**

**I 222 An Act to Promote Geothermal Energy in the State**

Sponsor: Diamond  
OPA position: none      Committee action:

**Carried Over**

**I 348 An Act to Provide Grants to Public Educational and Municipal Entities for Feasibility Studies of Renewable Energy Projects**

Sponsor: Adams  
OPA position: support      Committee action:  
**OTPA**

**Resolve 65**

**I 349 An Act to Streamline Ratemaking for Consumer-owned Water Utilities**

Sponsor: Blanchard  
OPA position: support      Committee action:  
**OTPA**

**PL, Ch. 237**

**I 350 An Act to Establish the Maine Transmission Mitigation Trust Fund**

Sponsor: Martin  
OPA position: oppose      Committee action:

**Carried Over**

**I 430 An Act to Ensure Electric Capacity to Serve Maine Consumers**

Sponsor: Bowman  
OPA position: support      Committee action:

**Carried Over**

**I450 An Act to Establish the Renewable Energy Resources Program**

Sponsor: Adams

OPA position: nf/na

Committee action:

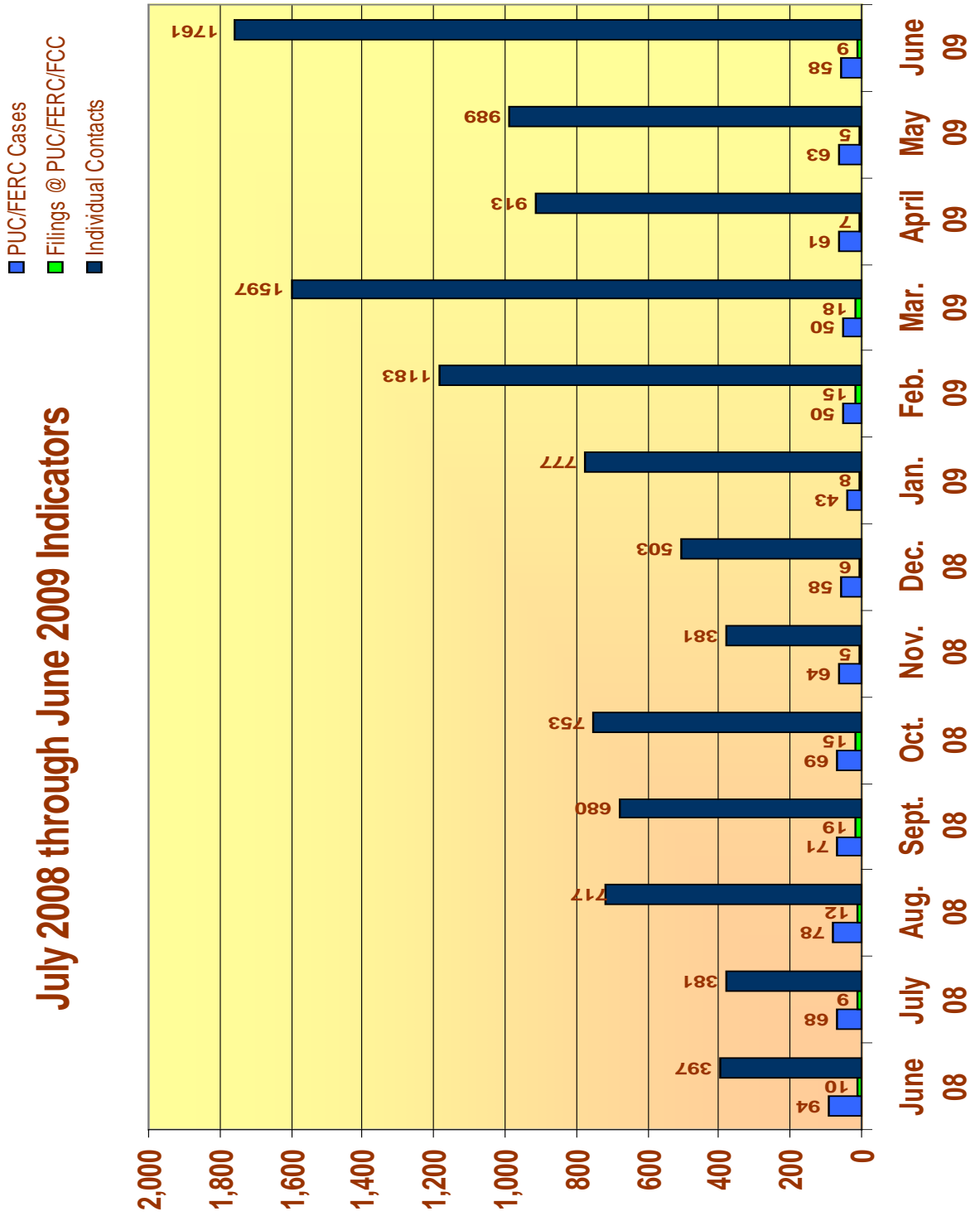
**ONTP**

**PUBLIC ADVOCATE STAFF TIME**  
**BY UTILITY CATEGORY AND PROJECT: FY 09**

<b>A. ELECTRICITY</b>			<b>100.00%</b>	<b>4691</b>	<b>51.21%</b>
<b>1. Federal</b>		<b>258.5</b>	<b>5.51%</b>		
ISO/NE	220				
FERC	32				
NASUCA	6.5				
<b>2. State</b>		<b>4377.5</b>	<b>93.32%</b>		
COALITION	3				
GOVERNOR'S INITIATIVE	30.5				
LEGISLATURE/HEARINGS	279.5				
POLICY	14				
PUC	2617.5				
COMPLAINTS	68.5				
TRANSMISSION	1364.5				
<b>3. Other</b>		<b>55</b>	<b>1.17%</b>		
NEWSLETTERS	16				
PUBLIC SPEAKING	21.5				
ADMIN.	17.5				
<b>B. FERRY</b>			<b>100.00%</b>	<b>20.5</b>	<b>0.22%</b>
<b>1. State</b>		<b>20.5</b>	<b>100.00%</b>		
PUC	20.5				
<b>C. TELEPHONE</b>			<b>100.00%</b>	<b>2749</b>	<b>30.01%</b>
<b>1. Federal</b>		<b>404</b>	<b>14.70%</b>		
FCC	332.5				
NASUCA	59.5				
CONGRESS	12				
<b>2. State</b>		<b>1796.5</b>	<b>65.35%</b>		
PUC	1234				
GOVERNOR'S INITIATIVE	2				
POLICY	35				
LEGISLATURE/HEARINGS	175				
COMPLAINTS	350.5				
<b>3. Other</b>		<b>548.5</b>	<b>19.95%</b>		
PUBLIC SPEAKING	106				
TELEPHONE GROUPS	96.5				
TRAINING	67				

NEWSLETTERS	249.5				
ADMIN.	29.5				
<b>D. WATER</b>			<b>100.00%</b>	<b>852</b>	<b>9.30%</b>
<b>1. State</b>		<b>842</b>	<b>98.83%</b>		
POLICY	2				
GOVERNOR'S INITIATIVE	2				
COMPLAINTS	51				
PUC	787				
<b>2. Other</b>		<b>10</b>	<b>1.17%</b>		
ADMIN.	4.5				
TRAINING	5				
PUBLIC SPEAKING	10				
<b>E. NATURAL GAS</b>			<b>100.00%</b>	<b>588.5</b>	<b>6.42%</b>
<b>1. Federal</b>		<b>8</b>	<b>1.36%</b>		
FERC	8				
<b>2. State</b>		<b>575.5</b>	<b>97.79%</b>		
POLICY	1				
GOVERNOR'S INITIATIVE	1				
POLICY	6				
PUC	567.5				
<b>3. Other</b>		<b>5</b>	<b>0.85%</b>		
ADMIN.	5				
PUBLIC SPEAKING	3				
<b>F. RAILROAD FREIGHT</b>			<b>100.00%</b>	<b>112.5</b>	<b>1.23%</b>
<b>1. State</b>		<b>112.5</b>	<b>100.00%</b>		
LEGISLATURE/HEARINGS	112.5				
<b>G. NUCLEAR OVERSIGHT</b>			<b>100.00%</b>	<b>95</b>	<b>1.04%</b>
<b>1. Federal</b>		<b>6</b>	<b>6.32%</b>		
NRC	4				
CONGRESS	2				
<b>2. State</b>		<b>19</b>	<b>20.00%</b>		
COALITION	3				
POLICY	16				
<b>3. Other</b>		<b>70</b>	<b>73.68%</b>		
ADMIN.	70				
<b>H. ENERGY INDEPENDENCE</b>			<b>100.00%</b>	<b>51.5</b>	<b>0.56%</b>
<b>1. State</b>		<b>51.5</b>	<b>100.00%</b>		
POLICY	14				
LEGISLATURE/HEARINGS	7				
GOVERNOR'S INITIATIVE	30.5				

ATTACHMENT G



### July 2008 - June 2009 Performance Indicators

