



State of Maine
Office of the Public Advocate
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Janet T. Mills
GOVERNOR

Barry J. Hobbins
PUBLIC ADVOCATE

Chairman Lawrence, Chairman Berry and Members – both new and returning -
of the Energy, Utilities and Technology Committee:

My name is Barry Hobbins and I am the Public Advocate and have served as such since June of 2017. As some of you know and for those who do not I have a long history with this committee having served as both Senate and House Chair. As Public Advocate, I enjoyed working with the EUT during the second half of the last session and I am looking forward to working with you all in the 129th Legislature. It is my pleasure to speak briefly to you today regarding The Office of the Public Advocate and to answer any questions you may have.

The Office of the Public Advocate (“OPA”) was created in 1981 (Title 35-A M.R.S. Chapter 17) and is a part of the Executive Department of the State of Maine. The Public Advocate is appointed by the Governor and is subject to review by this committee and is further subject to confirmation by the Legislature. Currently the OPA has 9 employees consisting of the Public Advocate, Deputy Public Advocate, 3 Senior Counsel, a Research Assistant, a Consumer Advisor, a Business Services Manager and a Special Assistant to the Public Advocate which is set forth in the organizational chart that follows.

It is statutorily mandated that the OPA prepare and submit to the Governor and this joint standing committee an annual report which is done prior to August 1st of each year. This report reflects the year’s activities and summarizes cases the office has been and is currently involved in. I believe copies of the annual report have been previously provided to you. Should any of you have any questions about the last report or would like an additional copy please let me know.

The OPA website recently underwent a redesign allowing information to be more accessible for users. I urge you to visit www.maine.gov/meopa where you and your constituents will find information and links that we believe to be helpful and useful.

The overall and main duty of the OPA is independent representation of the interests of the using and consuming public (or ratepayers) in matters within the jurisdiction of the Maine Public Utility Commission (“PUC” or “Commission”). The

duties and responsibilities of the OPA are also to initiate, intervene and appear in proceedings that affect the customers of any utility or competitive service provider that does business in the State.

The Public Advocate, when taking a position in a proceeding exercises independent judgment. When representing the interest of consumers, priority is given to low-income consumers, residential consumers, small business consumers and others we feel are inadequately represented.

Our attorneys advocate for rates, services, as set forth in our authorizing statute, 35-A M.R.S. § 1702, and practices to benefit utility customers in regulatory and court proceedings. We routinely monitor all cases initiated before the Commission and intervene in any proceeding at the Maine Public Utilities Commission (“MPUC”) in which we feel is necessary.

The OPA also initiates proceedings at the PUC which include investigations into utility low income assistance programs, pole attachment reform and most recently the pending investigation into metering, billing and customer communication pertaining to Central Maine Power Company.

Our Office also intervenes in cases before the Federal Energy Regulatory Commission (FERC), the federal agency that oversees wholesale electricity markets, interstate electricity transmission and interstate gas transportation, and the Federal Communications Commission (FCC) which regulates interstate communications by radio, TV, wire, satellite and cable. We are also active as a consumer representative in the stakeholder process at ISO New England, the regional electric transmission grid operator. In addition, our Office testifies before the Legislature on matters affecting utility consumers, and provides information regarding utility services to the public at large.

The OPA is funded by surcharge on entities subject to PUC jurisdiction. Costs are allocated to each industry (electric/ferry/gas/telecommunications/water) based on time and expenditures from the previous year. The OPA budget for Fiscal Year 2019 totals \$2,312,503.00 a breakdown of which is included herein.

Each year the OPA calculates savings which are attributable to its intervention in proceedings at the MPUC. During Fiscal Year 2018, our advocacy saved ratepayers \$13,040,845.00 bringing our 37-year total to more than \$586,500,109.00.

The OPA and its staff actively participate and are active members of groups and associations such as Consumer Liaison Group (CLG), E4 Group (Transmission Planning and Cost Allocation), National Association of State Utility Consumer

Advocates (NASUCA), New England Power Pool (NEPOOL), Northern Maine Independent System Administrator (NMISA) and Telecommunications Relay Service Council. The office also participates in several stakeholder groups such as AARP, the Community Action Agencies, Efficiency Maine, Maine State Housing Authority, Maine Equal Justice Partners, the Governor's Energy Office and various environmental groups. In addition, and due to my prior telecommunications experience I was appointed by the Chair of the FCC to the North American Numbering Council ("NANC").

I would like to touch briefly on the utility areas that we focus upon.

The first area being gas. There are presently four gas utilities serving the gas customers in Maine: Northern Utilities, Summit Natural Gas, Maine Natural Gas and Bangor Natural Gas. There are two natural gas pipelines that come into Maine from Canada, Portland Natural Gas Transmission System in the west and the Maritimes and Northeast in the east. Even though there are only approximately 50,000 gas customers in Maine supply can be an issue. The gas wells off Nova Scotia have shut down so the only gas coming down the Maritimes and Northeast pipeline is whatever is released by the Canaport LNG facility in New Brunswick. This leaves Portland Natural Gas Transmission System as the sole source of gas for the needs of Maine. The Atlantic Bridge Project, which will allow Maritimes and Northeast to bring gas into Maine from the south, is being held up in regulatory proceedings in Massachusetts. It is the hope that once completed Maine will be able to take advantage of it. Gas use is expanding in Maine and the OPA supports such expansion if it is made affordable for new customers without the need for substantial subsidization from existing customers. In going forward, the OPA expects to be heavily involved in Commission proceedings regarding what the gas utilities charge for the gas they sell to their customers, issues relating to gas utilities' efforts to obtain access to gas such as capacity on interstate pipelines and utility plans for major expansions of their distribution systems.

Regarding water the biggest concerns that we see involve the aging nature of Maine's infrastructure and the growing need for much of it to be replaced which is estimated to run into hundreds of millions of dollars. Many of the smaller water utilities lack the review and other resources needed to address the infrastructure issue as well as other problems such as adequate staffing and training.

Many water utility cases are filed under 35-A M.R.S.A § 6104 which allows for a process with limited review, the OPA does work with many water utilities to find a reasonable balance between the need for additional revenue to replace aging pipes, provide a reasonable level of service and the need for rates to remain affordable. The OPA also supports efforts being made by several utilities to link their systems

together which would allow for a regional response to a drought or any other issues they may face.

The one water issue the OPA has struggled a bit with and one we believe you may be questioned on by your constituents is bulk sales such as Nestle buying water. Many town residents oppose these types of deals but from a dollar prospective they can help a utility to bump up its review and address infrastructure needs without a rate increase.

In the area of telecommunications and pole attachments since 2015 the OPA has actively promoted streamlining the process for third parties to gain access to utility poles for purposes of expanding broadband throughout the state. In January of 2018, the Commission promulgated an amendment to Chapter 880, which is the rule that governs attachments to joint-use utility poles, to make it easier and more affordable for broadband providers to gain access to utility poles to hang fiber. The Commission is currently considering amendments to the section of Chapter 880 that governs how third parties will be charged for their attachments to the poles. The OPA will continue to monitor and participate in these rulemaking proceedings.

Telephone providers who offer “provider of last resort” or POLR services, which are basic landline telephone service with no frills, in the state are still subject to regulation. The OPA intervenes in cases that involve POLR service. Currently there is a 10-person complaint brought by the citizens of Brooksville, who have experienced outages and delayed repairs on the telephone service provided by Consolidated Communications.

Looking to the future and because much of telecommunications is either unregulated or regulated at the federal level, it can be frustrating for consumers to obtain relief when they are experiencing problems with their provider, such as a wireless or cable company. In addition much of today’s telecommunications industry is not regulated at the state level and the OPA works on behalf of consumers to assist efforts to expand access to voice and internet services, which are vital to Maine’s future. We often hear from consumers frustrated by the limited options, high prices and low speeds associated with their internet service. The OPA’s consumer advisor provides guidance and assistance to consumers. The OPA will continue to urge state and federal legislators to enact legislation and regulations that protect consumers’ financially and in other ways, such as privacy concerns.

With that in mind, the OPA is supportive of legislation that expands the funding for the ConnectME Authority and gives it the tools it needs to ensure the funding targets projects where they are most needed. The EUT Committee will be taking up L.D. 31, “An Act Regarding Rules Adopted by the ConnectME Authority.” This bill changes the designation of ConnectME’s rules from major substantive to

routine technical, which will give the Authority the ability to amend its program rules expeditiously. This sort of flexibility is critical in the rapidly changing world of broadband. We look forward to working with you on L.D.31.

Regarding electricity, the OPA intervenes in distribution rate cases filed by Central Maine Power Company (“CMP”) or Emera Maine (“Emera”). In these cases, it is the practice of the OPA to hire accounting and finance experts to work with us in analyzing the utility’s case and to prepare responsive testimony. The OPA commonly intervenes in transmission CPCN (Certificate of Public Convenience and Necessity) cases to examine the need for the line as well as the cost. We also advocate for non-wires alternatives or NWA’s in both distribution and transmission cases as a way for the utilities to provide reliable service at a lower cost. The OPA will be working with this Committee on upcoming legislation in the area of NWA’s.

There are times that we become involved in cases initiated by ratepayers via a 10-person complaint. There are currently three such cases filed against CMP that await review by the Commission all which concern CMP’s provision of reliable service in rural services areas (Dover-Foxcroft, Jackman and Caratunk).

We also participate in storm outage cases in which the costs of extraordinary storms are examined and reviewed. In these cases, the OPA assists with the review of the utility’s preparedness for and response to the storm and how it accounted for the its costs of restoration. I am sure you all remember of the October storm of 2017.

Currently the OPA is involved in three major cases all involving CMP. The first being CMP’s request for a CPCN for its proposed transmission line to wheel power from Quebec to Massachusetts. This matter is in the briefing stage. The OPA also entered its appearance in the DEP related application.

The second case is the Commission’s investigation into CMP’s distribution rates in which CMP is seeking a \$22 million increase.

The third case and probably the most recognizable to you is the Commissions’ audit of CMP’s metering, billing and customer service issues that arose last winter. The Commission formally opened an investigation which has bifurcated (divided into two parts) into two dockets.

Emera has also indicated to us that it will soon file its fourth rate case since 2013 and we will actively participate in that case once filed.

The world of transmission is changing as evidenced by the CMP’s NECEC case currently before the PUC. Transmission line CPCN’s may not always be driven

by reliability. The evolution in this area raises the questions of what is meant be “need” in the statute.

Again, I look forward working with you all this upcoming session. If you have any questions, please feel free to talk to me before or after any public hearing or work session or contact me at the office.

Respectfully submitted,

A handwritten signature in cursive script that reads "Barry J. Hobbins". The signature is fluid and written in black ink.

Barry J. Hobbins
Public Advocate

2019 Budget Information

	Original Budget	Filing Fee	Financial Orders	Total
Personal Services	\$1,215,135		+\$ 5,396	\$1,220,531
All Other	\$ 683,987	\$118,140	\$295,241 -\$ 5,396	\$1,091,972
Total	<u>\$1,899,122</u>			<u>\$2,312,503</u>

The Personal Services line represents an increase of \$5,396 that was reduced All Other through a financial order to hire a summer intern from the Maine Law School.

The All Other filing fee represents the transmission fee for the NECEC filing authorized by 35-A, §3132 10-A. A financial order in amount of \$295,241 requested unencumbered balance forward be allotted and moved into All Other.