



MARCH 2023 HIGHLIGHTS

As we head into the busiest part of the legislative session, I find myself reflecting on the legislative process. For some, the process appears to be slow, dysfunctional, and frustrating. But, for many of us, it is truly remarkable how well it works.

Most of the OPA's legislative work is before the Energy, Utilities and Technology Committee (EUT), chaired by Senator Mark Lawrence and Rep. Paige Ziegler. This group of 3 Senators and 10 Representatives bring an abundance of life experience and common sense to their part time legislative work but very little formal education or training regarding utility regulation or energy markets.

And, for this, we ask them to make critically important decisions on such issues as: how much and how best to subsidize renewable energy; how best to make utility rates affordable to low-income ratepayers; how best to address the out of control supply prices charged by Competitive Electricity Providers (CEPs) and Standard Offer Programs (SOPs); and how best to wean us off of fossil fuels to meet our climate goals. A group of 13 highly educated experts might take more than a year to figure out just ONE of these thorny issues. Yet, we expect the 13 EUT members to review over 200 bills proposing a wide range of solutions to these and other issues (perhaps, a few crazy solutions) and decide in a few hours of public testimony and committee work sessions with the Committee's one policy analyst which of these should become law, which need to be amended before becoming law, and which should be rejected.

Fortunately, there are lobbyists and advocates paid to try to help the Committee analyze the proposals. While those advocates often present a one-sided view of the problem (their client's or employer's), most Committee members can quickly identify when there is another side to the argument that is missing.

The Committee's work is helped by the existence of the Public Utilities Commission (PUC). In the early part of the 20th century, the US came up with one of the most important developments in the evolution of government – the creation of quasi-independent regulatory agencies. The federal government created agencies such as the Federal Energy Regulatory Commission (FERC), the Interstate Commerce Commission (ICC), the Securities and Exchange Commission (SEC), and the National Labor Relations Board (NLRB). And states like Maine created the PUC, the Workers Compensation Commission, the Department of Environmental Protection (DEP), and the Human Rights Commission. In each case, the government recognized that neither the legislative nor the judicial branch of government had the time, expertise, or capacity to resolve all the issues and disputes arising out of a specific regulatory policy. However, by creating an agency with full time administrators/commissioners and a trained professional staff dedicated to implementing the details of the specific regulatory policy and refereeing of disputes over the proper interpretation of the policy could be resolved cost effectively and in the public interest. So, the EUT Committee has one big advantage – it only needs to get the big picture policy right and it can leave the details to PUC rulemaking and adjudication.

Those of us at the OPA are grateful for the sacrifice and public service of the 13 legislators on the EUT Committee. They have a tough job. The OPA's overriding goal is to make their jobs a little easier by providing clear, accurate, and trusted analysis of how each bill affects ratepayers. But we cannot accomplish this alone. We need other state officials, utilities, and the various advocacy groups to join with us, drawing on their specific expertise, to also provide clear and accurate information to the Committee. If we all do our part, I am confident that when the legislators adjourn in June (we hope), they will leave behind a new set of laws that advance good regulatory policy and benefit energy and utility consumers.

William S. Harwood, Public Advocate

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Consumer Assistance

Should You Sign Up for Community Solar?

Would you give a stranger your electric bill info and even your banking information for the promise of 15% off your electric bill? We have consumers calling us every week who have done just that. Other callers are wondering if they should. There are so many new companies and new opportunities arising, that it's a complex and rapidly changing space – one that has pros and cons that are important to consider before signing your name and sharing private information.

My advice is to do your due diligence. Make sure you read every word of your contract (and get a copy of it), understand how the billing will work, and the timeline to get connected. It's important to buy the correct number of credits to fit your needs, and to understand exactly what you're signing up for. One key thing to consider: That 15% savings you often hear about is based on the Standard Offer. If you have another supplier, you may not see the savings you expect.

We're lucky to have community solar expert, Brian Marshall, as Senior Counsel here at the OPA. He has shared his expertise on the most common questions the OPA has received in a new [Community Solar Subscription FAQ, hosted on our website](#). Central Maine Power and Versant have worked with Brian and me to add their common issues and questions as well. I highly recommend checking it out as the first step in deciding if community solar is a good fit for you.

-Elizabeth Deprey, Consumer Advisor

Low-Income Help for Water Customers

The Maine Water Assistance Program is a limited-time program that is accepting applications until September 15, 2023. This program is funded by the federal CARES and American Rescue Plan Act and is available to assist Maine residents who may have fallen behind or had difficulty paying their drinking water and wastewater bills. The program provides direct payments to water and sewer utilities on behalf of customers.

This program is available to income-qualified Maine households who receive their water through public water or wastewater utilities and have an account in their name. It covers unpaid bill balances and property liens for non-payment. The program may also provide a credit of \$200, \$350 or \$500 to defray future water costs. Credit levels are determined by household income as well as annual water/wastewater expenditures, a household of four can earn up to \$59,348 annually and be eligible to participate in the program. See MaineHousing's website for additional income and document requirements. An application on the website is available for download or you can call Maine Housing at (888) 623-6762 or (207) 626-4600 for additional information or for an application.

We encourage anyone struggling with their water or sewer bills to take advantage of this program while it is available.

<https://www.mainehousing.org/news/news-detail/2022/09/30/mainehousing-launches-maine-water-assistance-program>

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Electricity Assistance is Available to More Mainers Than Ever

Mainers participating in DHHS programs with a household income less than 75% of the Federal Poverty Guidelines, may be eligible to receive financial assistance with their electric bill payments. While we're still in the winter heating season, the OPA urges people who may be eligible to contact their utility to take advantage of this support program. Individuals can also contact their local community action agency to find additional programs that may benefit their household:

<https://www.mainehousing.org/programs-services/energy/liap-agency-contacts>

What to do if you are behind on your utility bills

There are a few key steps that you can take to ensure continued service:

- 1) Contact your utility. Ask about a payment arrangement to pay down your back balance.
- 2) If you have a payment arrangement with your utility and you can't afford it, contact the Maine Public Utilities Commission's Consumer Assistance Division at (800)452-4699 to see if they can negotiate a more favorable rate for you.
- 3) Call your local Community Action Partnership (CAP). There are heating, electric, and pandemic assistance funds available to help with your utility bills.
- 4) Contact your town for general assistance fund support.
- 5) If you are eligible for heating assistance, call your electric utility and ask about enrolling in arrearage management. This program provides debt forgiveness as you pay your current electricity bill on-time.

[Having trouble paying a utility bill?](#)

The Public Utilities Commission has a webpage to connect you to bill assistance resources. This list covers all utilities and is a great page to review if you are having trouble making ends meet:

<https://www.maine.gov/mpuc/consumer-assistance/programs>

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Legislative Advocacy

The legislative session is underway, with the Energy, Utilities, and Technology Committee (EUT) holding public hearings, work sessions, and presentations. The OPA testifies in front of the committee on legislation affecting ratepayers and participates in related work sessions and language reviews. Testimony on bills the OPA takes a position on can be found on our website.

EUT Committee Unanimously Approves SRC Legislation

The EUT Committee unanimously passed an amended version of LD 177, “An Act to Amend the Authority of the Public Utilities Commission Regarding Special Rate Contracts.” The bill clarified the PUC’s authority to confidentially review Special Rate Contracts negotiated between Maine utilities and industrial ratepayers who cannot or will not pay the standard PUC approved rate.

OPA Supports Legislation Addressing Rate Case Notices

Senator Mark Lawrence of York County sponsored LD 414, “An Act to Clarify the Provision of Notice of Proposed Rate Increases to Public Utility Customers,” which improves the process by which ratepayers are informed that the utility serving them is proposing a rate increase. This notification is one of the most important communications between a utility and its customers. This legislation addresses three related issues that arose in recent rate cases; the promotional statements about the utility; how these notices are sent to the customer; and requiring a price cap for the amount of the increase.

Electric Ratepayer Advisory Council

The OPA presented the Report to the EUT Committee on February 16. The Legislature now has the option to create legislation encompassing the recommendations of the Council.

The Council will be meeting several times throughout 2023. These meetings and the report can be found on our website at: <https://www.maine.gov/meopa/reports-and-testimony/council>

NonWires Alternatives

Nonwires Alternative Investigations

The OPA and the Nonwires Alternative (NWA) Coordinator completed their initial screening of Versant’s Annual Project list. Under the NWA Act, each utility is required to provide information on upcoming transmission and distribution projects. An NWA is a solution which meets the required reliability standards at a lower cost than that of the utility’s wire solution over the life of the project. The NWA Coordinator identified five Versant projects that passed the initial screening. The NWA Coordinator will now undertake a detailed analysis of these projects to find out if there are less expensive means of meeting reliability standards through NWA options.

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PUC Electric Proceedings

Central Maine Power (CMP) Rate Case, Docket 2022-00152

During a February 17, 2023, Special Deliberations, the Commissioners agreed with the OPA that CMP's ratepayer notice was misleading because it failed to include the full rate impact of the Company's proposed capital adjustment mechanisms. As requested by the OPA, the Commission ordered CMP to send a new ratepayer notice, at shareholder expense, and to include in the notice information regarding upcoming public witness hearings and how the public can participate.

The new notice will be mailed in mid-March and contain the revenue and bill impact of CMP's proposed capital adjustment mechanisms, which collectively could add up to \$2.57/month for a typical residential customer in addition to CMP's projected cumulative bill impact of \$9.80/month for its other proposed rate increases.

CMP has now filed its rebuttal testimony in the case and the OPA has issued written discovery. A technical conference on the Company's rebuttal case is scheduled March 15 and 16.

The OPA filed a Reply Brief on March 3 in support of its Motion to Dismiss CMP's multi-year rate plan. OPA expects the Commission to rule on the Motion within the next few weeks.

Versant Rate Case Continues, Docket No. 2022-00255

On February 15, Versant Power updated its rate case request with the filing of rebuttal testimony. In its filing, the utility made several minor adjustments, but the ultimate request remains at about \$33 million, a 31% increase in distribution rates. The utility previously estimated that this would equate to a monthly increase of about \$10.50 for a typical residential customer using 500 kWh. The proceeding is now in a discovery phase following which the OPA and other intervenors will have the opportunity to file responsive testimony. Evidentiary hearings are scheduled in late April and a decision is expected in June.

The PUC has now also scheduled public witness hearings in this proceeding. These hearings are an opportunity for the general public to comment on Versant's rate request. The following hearings have been scheduled:

- Tuesday, March 28, 2023, at 6:00 p.m.
Hilton Garden Inn, 250 Haskell Rd. Bangor
- Wednesday, March 29, 2023, at 2:00 p.m.
Northern Maine Community College-Edmond's Conference Center
33 Edgemont Drive, Presque Isle

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Remote participation is available for both sessions. Those who would like to attend virtually must register in advance by contacting the Commission at PUCPublicHearing@Maine.gov or 207-287-3831 and providing an email address prior to the hearing.

CMP Public Witness Hearing Schedule Adjusted

As previously reported, the PUC has scheduled public witness hearings in the CMP rate case as well. However, the PUC has now cancelled the proposed hearing that was to be held in Westbrook and scheduled a replacement hearing in Saco, Maine. These hearings are an opportunity for the public to comment on CMP's rate request. The public witness hearing schedule will now be as follows:

- Tuesday, April 4, 2023, at 6:00 p.m.
Ramada Inn, 490 Pleasant Street, Lewiston
- Thursday, April 6, 2023, at 4:00 p.m.
Maine Public Utilities Commission, Simpson Hearing Room,
26 Katherine Drive, Hallowell
- Tuesday, April 11, 2023, at 6:00 p.m.
Ramada Inn Conference Center,
352 North Street, Saco

Of these, only the April 6 hearing in Hallowell will include the opportunity for remote participation. Those who would like to attend the April 6, 2023, public witness hearing virtually, must register in advance by contacting the Commission at PUCPublicHearing@Maine.gov or 207-287-3831 and providing an email address no later than April 3, 2023, at 4:00 p.m.

Versant Stranded Cost Rate Request

Versant Power has proposed new stranded cost rates for the next three years (Docket No. 2022-00356). This increase reflects the growing impact of net energy billing (NEB), resulting from subsidies provided to community solar projects. Versant estimates that for the 2023-24 period, stranded cost revenue requirement will be \$22 million for its customers in the Bangor Hydro District and \$14 million for its customers in the Maine Public District. These amounts are projected to further increase to \$32 million and \$19 million respectively during the following two years. These rates are reconciled annually to reflect the actual costs incurred. These costs may decrease if fewer community solar projects go into service than projected or may increase if projects go into service earlier than projected.

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CMP Stranded Cost Rate Case

On February 10, 2023 CMP proposed increases in stranded cost rates for the next three years (Docket 2022-00341). CMP requested an effective date of March 1 for the first-year revenue requirement. The OPA filed comments arguing that, if the Commission is unable to approve a revenue requirement prior to March 1, due to the late timing of the Company's filing, then the Company's shareholders should absorb the higher stranded costs during the time the case is being processed.

CMP's filing includes the growing financial impact of net energy billing (NEB). CMP has forecasted approximately \$72 million in net NEB costs for the upcoming stranded cost year and this amount grows to \$148 million by year three. The bill impact of NEB is partially offset by forecasted revenues from other long-term contracts due to the current historically high supply prices.

Electricity Maine Investigation

On February 10, 2023, the Commission opened a formal investigation into whether Electricity Maine is complying with its obligations as a competitive energy provider (CEP) under Maine law and the PUC's rules (Docket No. 2023-00024). The PUC's Consumer Assistance and Safety Division (CASD) has received over 300 complaints from Electricity Maine customers related to sudden price spikes. The OPA has also received numerous calls from customers complaining that Electricity Maine suddenly increased its rates without providing any warning to its customers. Many of these customers signed up to receive service from Electricity Maine under fixed contracts at prices that were lower than the standard offer rate. However, when these contracts expired, Electricity Maine automatically renewed the contracts at "variable rates", resulting in up to 300% increases in prices for its customers. The investigation will examine whether, in renewing customer contracts at these higher prices, the Company provided the required renewal notices to customers. The investigation will also address whether Electricity Maine is complying with all statutory and regulatory requirements applicable to CEPs.

PUC Holds a Conference About New Quality Standards for CMP and Versant

On February 16, 2022, the PUC, CMP, Versant, and the OPA met to discuss the establishment of new standards that will better measure and motivate improved performance by CMP and Versant in the areas of service quality and customer service (Docket No. 2022-00279). In particular, the PUC is considering establishing reliability metric benchmarks, customer surveys, and utility report cards. Questions were asked about the timeframe over which reliability would be evaluated, possible penalties for missing minimum service targets, the manner (for example, online or through a follow-up phone call) in which the utilities can collection information about customers' experiences when they contact the utilities, and what information will be included on the annual report cards sent to customers.

PUC Natural Gas Proceedings

PUC Approves Reduction in Summit Natural Gas Cost of Gas Rates, Docket No. 2022-00214

On February 28, 2023, the PUC issued an Order Approving Mid-Period Rate Adjustment, lowering the cost of gas adjustment (CGA) rate for Summit Natural Gas of Maine (SNG), effective March 1, 2023. The PUC approved a request by SNG to lower its CGA rate from \$2.291 per therm to \$0.678 per therm for the period from March 1, 2023, through September 30, 2023. This represents an approximately 70% decrease in CGA rates. New CGA rates will be established in an upcoming proceeding for Summit's next gas year, which will commence on October 1, 2023.

The CGA rates represents only one component of SNG's rates, namely the cost of gas supply resources necessary to serve customer needs and the transportation service to get that gas onto Summit's delivery system. Other components of SNG's rates are determined through period rate cases. Summit currently has a rate pending before the PUC in Docket No. 2022-00025. On January 27, 2023, the PUC rejected a formal Stipulation that would have resolved all issues in the pending rate case. A PUC decision should come late summer.

OPA Files Appeal of Special Rate Contract Order

On February 17, 2023, the OPA filed a Notice of Appeal regarding the PUC's January 27, 2023, Order Approving Special Rate Contract (SRC), under which the PUC approved the extension of an SRC between Bangor Natural Gas Company and Bucksport Generation LLC (Docket No. 2022-00333). In its Order, the Commission decided that the standard for approving SRCs between natural gas utilities and their customers is whether the revenues that the utility will receive under the contract will exceed the marginal or incremental cost of providing service to the customer.

The OPA is appealing the PUC's order on both substantive and procedural grounds. From a substantive perspective, the OPA believes that the rates set forth in the SRC approved by the PUC constitute unjust and unreasonable rates which are contrary to applicable law. The OPA also stated its belief that these same rates will result in both an undue and reasonable preference to one Bangor Gas customer (Bucksport Generation) and an undue and unreasonable disadvantage to the tariff rate customers of Bangor Gas. From a procedural perspective, the OPA notes that the PUC's Order is unlawful because no evidentiary record was established pursuant to which the PUC could make a finding that the rates to be charged under the SRC would be just and reasonable.

PUC Opens an Investigation of Gas Procurement Practices at Summit Natural Gas (SNG) and the Maine Natural Gas Corporation (MNG)

The PUC has retained Silverpoint Consulting, LLC to conduct audits of SNG and MNG (Docket No. 2023-00015). Silverpoint will perform a comprehensive, structured, and in-depth examination of natural gas distribution companies' gas supply resource procurement and management decisions and practices. Silverpoint will produce an audit report, which can then be reviewed and commented on by the utilities, the OPA, and other interested persons.

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PUC Water Proceedings

Maine Water Company (MWC) Depreciation Waiver

On February 22, 2023, the OPA filed a Petition for Reconsideration of the PUC's decision to grant a waiver to Maine Water Company – Millinocket Division of the required depreciation rates applicable to water utility capital assets (Docket No. 2022-00319). As a result of the depreciation waiver, which has been in place for the last 15 years, MWC's rate base is artificially inflated by millions of dollars, requiring ratepayers to pay a much higher return to the Company than they should be. While the original justification for the waiver was to temporarily reduce rates, customers no longer receive the benefit of lower rates from the waiver because the Company has been granted multiple water infrastructure surcharges that allow it to increase rates to fund capital spending between rate cases. In the Petition for Reconsideration, the OPA argues that the waiver is not allowed under the PUC's rules, is contrary to sound ratemaking principles, and is unsupported by any evidence.

Find Out More

To learn more about any of the cases mentioned in this issue, please visit the PUC's Case Management System (CMS). Make note of the docket number of the case of interest from this newsletter and enter it in the search feature on this page: <https://mpuc-cms.maine.gov/CQM.Public.WebUI/ExternalHome.aspx>

For more information about OPA, its FY 2022 Annual Report to the Governor and Legislature can be found here:

https://www.maine.gov/meopa/sites/maine.gov.meopa/files/inline-files/OPA_2021-2022%20Annual%20Report_0.pdf